



redemperor
R E S O U R C E S N L

**Red Emperor Resources NL
ABN 99 124 734 961**

Notice of General Meeting

TIME: 9:30am (WST)
DATE: 28 March 2012
PLACE: 35 Richardson Street, West Perth Western Australia

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9488 5220.

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Time and Place of Meeting and How To Vote

Venue

The General Meeting of Shareholders of Red Emperor Resources NL which this Notice of Meeting relates to will be held on **28 March 2012** at **9:30am** (WST) at:

35 Richardson Street, West Perth Western Australia 6005

Your Vote Is Important

The business of the General Meeting affects your shareholding and your vote is important.

Voting in Person

To vote in person, attend the General Meeting on the date and at the place set out above. The meeting will commence at **9.30am** (WST).

Voting by Proxy

To vote by proxy, please complete and sign the proxy form enclosed with this Notice of Meeting as soon as possible and either send the proxy form:

- (a) by post to Red Emperor Resources NL, PO Box 1440, West Perth Western Australia, 6872; or
- (b) by facsimile to Red Emperor Resources NL on facsimile number INT + 61 8 9324 2400,

so that it is received not later than **9:30am** (WST) on **26 March 2012**.

Proxy forms received later than this time will be invalid.

Red Emperor Resources NL
ABN 99 124 734 961

Notice of Meeting

Notice is given that the General Meeting of Shareholders of Red Emperor Resources NL will be held at the **35 Richardson Street, West Perth, Western Australia** at **9:30am (WST)** on **28 March 2012 (Meeting)**.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations* 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company as at 7:00pm (EST) on 26 March 2012.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the glossary or in the Explanatory Statement.

Agenda

The Explanatory Statement to this Notice of Meeting describes the matters to be considered at the General Meeting.

Ordinary Business

Resolution 1 – Ratification and Approval of Previous Issue and Allotment of Shares – Tranche 1

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 of the ASX Listing Rules and for all other purposes, this meeting approves and ratifies the issue and allotment of up to 16,200,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who participated in the issue and any of their associates. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 2 – Approval of Issue and Allotment of Shares – Tranche 2

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purposes of Listing Rule 7.1 of the ASX Listing Rules and for all other purposes, this meeting approves and ratifies the issue and allotment of up to 29,300,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directors on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 3 – Approval of Issue and Allotment of Options

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purposes of Listing Rule 7.1 of the ASX Listing Rules and for all other purposes, this meeting approve the issue and allotment of up to 6,872,000 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directors on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 4 – Approval of Issue and Allotment of Options

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purposes of Listing Rule 7.1 of the ASX Listing Rules and for all other purposes, the shareholders of the Company authorise and approve the grant of up to 3,690,403 Options to Old Park Lane Capital plc (or its nominee) upon the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directors on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 5 – Ratification and Approval of Previous Issue and Allotment of Options

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 of the ASX Listing Rules and for all other purposes, Shareholders approve and ratify the issue and allotment of 2,331,596 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who participated in the issue and any of their associates. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Dated this 27th day of February 2012

By order of the Board



Greg Bandy
Executive Director

Notes:

A shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a shareholder of the Company.

For the purposes of the Corporations Regulations, the Directors have set a snapshot date to determine the identity of those entitled to attend and vote at the Meeting. The snapshot date is 9:30am (WST) on 26 March 2012. Accordingly, transactions registered after this time will be disregarded in determining entitlements to attend and vote at the Meeting.

Enquiries:

Shareholders are invited to contact the Company Secretary, Ms Shannon Robinson on +61 8 9488 5220 if they have any queries in respect of the matters set out in these documents.

Explanatory Statement

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the General Meeting.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

Ordinary Business of the General Meeting

1. General Information

This Explanatory Statement has been prepared for the Shareholders in connection with the General Meeting of the Company to be held on 28 March 2012.

The purpose of this Explanatory Statement is to provide Shareholders with information that the Board believes to be material to Shareholders in deciding whether or not to approve the above resolutions detailed in the Notice.

This Explanatory Statement is an important document and should be read carefully in full by all Shareholders. If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice, please contact the Company, your stockbroker or other professional adviser.

2. Resolution 1 – Ratification and Approval of Previous Issue and Allotment of Shares – Tranche 1

Background

The Company is listed on both the ASX and AIM. The Company has announced that it intends to undertake a share placement to raise up to £6.93 million in the UK by way of a two tranche placement of up to a total of 38,500,000 Shares at an issue price of £0.18. In addition, the Company has reserved the right to accept in addition oversubscriptions of up to a further 7,000,000 Shares at an issue price of £0.18 to raise up to a further £ 1.26m (**Placement**).

The Company's JV partners are currently drilling its first exploration well in Puntland, Somalia ("Puntland Project"). This will be the first well in a two well drill program for the Puntland Project. In addition to the significant milestone the first well being drilled in Puntland in over 20 years, the Company has an option to participate in the drilling of a second well, expected to commence drilling immediately after the completion of the first well. The second well was spudded in January when 30 inch casing and a 50 meter pilot hole was drilled. The Company intends to seek approval to raise an appropriate level of funds for it to meet these exploration commitments, secure funding for corporate and business development activities as well as working capital.

The Company intends to issue tranche one of the Placement, being up to 16,200,000 Shares, on or before 2 March 2012 (being before the Meeting) (**Tranche One**). The Tranche One Shares will be issued pursuant to the Company's 15% capacity under the ASX Listing Rules on or about 2 March 2012 (being before the Meeting).

The subscribers pursuant to the Placement will not be related parties of the Company.

ASX Listing Rule 7.1 requires that a listed company obtain shareholder approval prior to the issue of shares, or securities convertible into shares, representing more than 15% of the issued capital of that company in any 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. This rule provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities

will be deemed to have been made with shareholder approval for the purposes of ASX Listing Rule 7.1.

By ratifying the issue of the Tranche One Shares, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without requirement to obtain prior Shareholder approval.

Specific information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 1:

- (a) it is anticipated that up to 16,200,000 Shares will be allotted and issued before the Meeting;
- (b) the issue price of the Shares will be £0.18 each;
- (c) the Shares will be fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing ordinary shares;
- (d) the Shares will be allotted and issued to professional and sophisticated investors and will not be related parties of the Company; and
- (e) the funds from the Placement will be used for expenditure commitments on existing projects, including commitments for the Puntland Project and Georgian Project exploration programs, corporate and business development activities and general working capital.

A voting exclusion statement is included in the Notice.

3. Resolution 2 – Approval of Issue and Allotment of Shares – Tranche 2

Background

The Company has announced that it intends to undertake the Placement, as summarised in section 2 above. Tranche two of the Placement, being up to 22,300,000 Shares, is to be issued subject to approval by Shareholders (**Tranche Two**). In addition, the Company has reserved the right to accept in addition oversubscriptions of up to a further 7,000,000 Shares at an issue price of £0.18 to raise up to a further £ 1.26m in Tranche 2. Resolution 2 seeks Shareholder approval for the allotment and issue of the Tranche Two Shares.

The subscribers pursuant to the Placement will not be related parties of the Company.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Specific information required by ASX Listing Rule 7.3

For the purposes of ASX Listing Rule 7.3, the following information is provided in relation to Resolution 2:

- (a) the maximum number of Shares to be issued and allotted under Resolution 2 is up 29,300,000 Shares;
- (b) the Shares will be issued no later than 3 months after the date of this Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;

- (c) the issue price of the Shares proposed to be issued and allotted will be £0.18 per Share;
- (f) the Shares will be fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing ordinary shares;
- (g) the Shares will be allotted and issued to professional and sophisticated investors and will not be related parties of the Company; and
- (h) the funds from the Placement will be used for expenditure commitments on existing projects, including commitments for the Puntland Project and Georgian Project exploration programs, corporate and business development activities and general working capital.

A voting exclusion statement is included in the Notice.

4. Resolution 3 – Approval of Issue and Allotment of Options

The Company has agreed, subject to Shareholder approval, to issue Options to supporting brokers for the provision of capital raising services and other consultants for corporate advisory services in relation to the Placement on the terms and conditions set out below (**Consultant Options**).

Resolution 3 seeks Shareholder approval for the allotment and issue of up to 6,872,000 Consultant Options pursuant to ASX Listing Rule 7.1.

A summary of ASX Listing Rules 7.1 and 7.4 is set out in section 2 above.

Specific information required by ASX Listing Rule 7.3

For the purposes of ASX Listing Rule 7.3, the following information is provided in relation to Resolution 3:

- (a) the maximum number of Consultant Options to be issued is up to 6,872,000 Options;
- (b) the Consultant Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the Consultant Options will be for nil cash consideration and no funds will be raised from their issue. The Consultant Options will be issued as part of consideration for arranging the Placement;
- (d) the Consultant Options are exercisable at £0.18 within 3 years of the date of issue on the terms and conditions set out in Annexure A; and
- (e) the Consultant Options will be issued to supporting brokers or their nominees for the provision of capital raising services and other consultants for corporate advisory services, who will not be related parties of the Company;

A voting exclusion statement is included in the Notice.

5. Resolution 4 – Approval of Issue and Allotment of Options

Background

The Company has agreed, subject to obtaining Shareholder approval, to allot and issue up to 3,690,403 Options to Old Park Lane Capital plc or its nominee (**OPL**) as sponsoring broker to the Company in respect of its listing on AIM (**AIM Broker Options**). Each AIM Broker Option will be

exercisable at £0.305 and exercisable within 30 months of issue. The terms and conditions of the AIM Broker Options are set out in Annexure B of this Explanatory Statement.

Resolution 4 seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of these AIM Broker Options.

A summary of ASX Listing Rules 7.1 and 7.4 is set out in section 2 above.

Specific information required by ASX Listing Rule 7.3

For the purposes of ASX Listing Rule 7.3, the following information is provided in relation to Resolution 4:

- (a) the maximum number of Options to be issued is 3,690,403 AIM Broker Options to Old Park Lane Capital plc or its nominee;
- (b) the AIM Broker Options are exercisable at £0.305 within 30 months of the date of issue on the terms and conditions set out in Annexure B of this Explanatory Statement;
- (c) the AIM Broker Options will be issued no later than 3 months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur in one tranche on the same date;
- (d) the AIM Broker Options will be issued for nil cash consideration as they are being issued pursuant to a mandate for the provision of broking services; and
- (e) no funds will be raised by the issue of the AIM Broker Options.

A voting exclusion statement is included in the Notice.

6. Resolution 5 – Ratification and Approval of Previous Issue and Allotment of Options

Background

In December 2011 the Company completed a placement raising approximately \$6.32 million (**December Placement**). The Company issued 2,331,596 Options to brokers assisting with the December Placement pursuant mandates for the provision of capital raising services (**Existing Options**).

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Existing Options.

A summary of ASX Listing Rules 7.1 and 7.4 is set out in section 2 above.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without requirement to obtain prior Shareholder approval.

Specific information required by ASX Listing Rule 7.5

For the purposes of ASX Listing Rule 7.5, the following information is provided in relation to Resolution 5:

- (a) 2,331,596 Options were allotted;
- (b) the Options were issued for nil consideration;

- (c) the Options are exercisable at \$0.17 or £0.11, as applicable, on or before 30 December 2014 on the terms and conditions set out in Annexure C;
- (d) the Options were issued and allotted to advisors assisting with the Placement pursuant mandates for the provision of capital raising services; and
- (e) no funds were received from the issue of the Options and any funds received on exercise of the Options will primarily be used for general working capital.

A voting exclusion statement is included in the Notice.

Responsibility for Information

The information concerning the Company contained in this Explanatory Statement, including information as to the views and recommendations of the Directors has been prepared by the Company and is the responsibility of the Company.

The Explanatory Statement does not take into account the individual investment objectives, financial situation and particular needs of individual Shareholders. If you are in doubt as to what you should do, you should consult your legal, financial or professional advisor prior to voting.

Glossary

In this Explanatory Statement, the following terms have the following unless the context otherwise requires:

AIM means the Alternative Investment Market of the London Stock Exchange.

AIM Broker Option has the meaning given in section 5 of this Explanatory Statement.

Annexure means an annexure to this Explanatory Statement.

ASIC means Australian Securities Investment Commission.

ASX means ASX Limited ABN 98 008 624 691.

ASX Listing Rules or Listing Rules means the listing rules of ASX.

Board means the board of Directors of the company.

Chairman means the Chairman of the Company.

Company means Red Emperor Resources NL ABN 99 124 734 961.

Constitution means the constitution of the Company.

Consultant Options has the meaning given in section 4 of the Explanatory Statement.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Existing Options has the meaning given in section 6 of the Explanatory Statement.

Option means an unlisted option in the capital of the Company.

Placement has the meaning given in section 2 of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

Tranche One has the meaning given in section 2 of the Explanatory Statement.

Tranche Two has the meaning given in section 3 of the Explanatory Statement.

Annexure A – Consultant Option Terms and Conditions

The full details of the terms and conditions of the Consultant Options are set out below.

- (a) The Consultant Options will expire at 5:00pm (WST) on the date being 3 years from the date of issue ("Expiry Date"). Any Consultant Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (b) The amount payable upon exercise of each Consultant Option will be £0.18, as applicable ("Exercise Price").

Each Consultant Option entitles the holder to subscribe for Shares on the following terms and conditions:

- (c) Each Consultant Option gives the holder the right to subscribe for one Share.
- (d) The Consultant Options held by each holder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) A holder may exercise their Consultant Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Consultant Options specifying the number of Consultant Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Consultant Options being exercised,("Exercise Notice").
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Consultant Options specified in the Exercise Notice.
- (h) All Shares allotted upon the exercise of Consultant Options will upon allotment rank pari passu in all respects with other Shares.
- (i) The Company will not apply for quotation of the Consultant Options on ASX. The Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (j) If at any time the issued capital of the Company is reconstructed, all rights of a holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (k) There are no participating rights or entitlements inherent in the Consultant Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Consultant Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give holders the opportunity to exercise their Consultant Options prior to the date for determining entitlements to participate in any such issue.
- (l) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Broker Options, the exercise price of the Broker Options may be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.

- (m) In the event the Company proceeds with a bonus issue of securities to Shareholders after the date of issues of the Broker Options, the number of securities over which a Broker Option is exercisable may be increased by the number of securities which the holder would have received if the Broker Option had been exercised before the record date for the bonus issue.

Annexure B – AIM Broker Option Terms and Conditions

The full details of the terms and conditions of the AIM Broker Options are set out below.

- (a) The AIM Broker Options will expire at 5:00pm (WST) on the date being 30 months from the date of issue ("Expiry Date"). Any AIM Broker Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (b) The amount payable upon exercise of each AIM Broker Option will be £0.305, as applicable ("Exercise Price").

Each AIM Broker Option entitles the holder to subscribe for Shares on the following terms and conditions:

- (c) Each AIM Broker Option gives the holder the right to subscribe for one Share.
- (d) The AIM Broker Options held by each holder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) A holder may exercise their AIM Broker Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of AIM Broker Options specifying the number of AIM Broker Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of AIM Broker Options being exercised,("Exercise Notice").
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of AIM Broker Options specified in the Exercise Notice.
- (h) All Shares allotted upon the exercise of Broker Options will upon allotment rank pari passu in all respects with other Shares.
- (i) The Company will not apply for quotation of the AIM Broker Options on ASX. The Company will apply for quotation of all Shares allotted pursuant to the exercise of AIM Broker Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (j) If at any time the issued capital of the Company is reconstructed, all rights of a holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (k) There are no participating rights or entitlements inherent in the AIM Broker Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the AIM Broker Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give holders the opportunity to exercise their AIM Broker Options prior to the date for determining entitlements to participate in any such issue.

- (l) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the AIM Broker Options, the exercise price of the AIM Broker Options may be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.
- (m) In the event the Company proceeds with a bonus issue of securities to Shareholders after the date of issues of the AIM Broker Options, the number of securities over which an AIM Broker Option is exercisable may be increased by the number of securities which the holder would have received if the AIM Broker Option had been exercised before the record date for the bonus issue.

Annexure C – Existing Option Terms and Conditions

The full details of the terms and conditions of the Existing Options are set out below.

- (a) The Existing Options will expire at 5:00pm (WST) on 30 December 2014 ("Expiry Date"). Any Existing Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (b) The amount payable upon exercise of each Existing Option will be \$0.17 or £0.11, as applicable ("Exercise Price").

Each Existing Option entitles the holder to subscribe for Shares on the following terms and conditions:

- (c) Each Existing Option gives the holder the right to subscribe for one Share.
- (d) The Existing Options held by each holder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) A holder may exercise their Existing Options by lodging with the Company, before the Expiry Date:
 - (iii) a written notice of exercise of Existing Options specifying the number of Existing Options being exercised; and
 - (iv) a cheque or electronic funds transfer for the Exercise Price for the number of Existing Options being exercised,("Exercise Notice").
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Existing Options specified in the Exercise Notice.
- (h) All Shares allotted upon the exercise of Existing Options will upon allotment rank pari passu in all respects with other Shares.
- (i) The Company will not apply for quotation of the Options on ASX. The Company will apply for quotation of all Shares allotted pursuant to the exercise of Existing Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (j) If at any time the issued capital of the Company is reconstructed, all rights of a holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (k) There are no participating rights or entitlements inherent in the Existing Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Existing Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give holders the opportunity to exercise their Existing Options prior to the date for determining entitlements to participate in any such issue.
- (l) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Existing Options, the exercise price of the Existing Options may be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.

- (m) In the event the Company proceeds with a bonus issue of securities to Shareholders after the date of issues of the Existing Options, the number of securities over which an Existing Option is exercisable may be increased by the number of securities which the holder would have received if the Existing Option had been exercised before the record date for the bonus issue.

Lodge your vote:



By Mail:

Red Emperor Resources NL
PO Box 1440 West Perth
Western Australia 6872 Australia

Alternatively you can fax your form to:
(within Australia) 08 9324 2400
(outside Australia) +61 8 9324 2400

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000



Proxy Form

For your vote to be effective it must be received by 9:30am (WST) Monday 26 March 2012

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form →



Update your securityholding, 24 hours a day, 7 days a week:

www.investorcentre.com

Review your securityholding

Update your securityholding

Your secure access information is:

SRN/HIN:



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Red Emperor Resources NL hereby appoint

the Chairman of the Meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of Red Emperor Resources NL to be held at 35 Richardson Street, West Perth, Western Australia on Wednesday 28 March 2012 at 9:30am (WST) and at any adjournment of that meeting.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Resolution 1. Ratification and Approval of Previous Issue and Allotment of Shares - Tranche 1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2. Approval of Issue and Allotment of Shares - Tranche 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3. Approval of Issue and Allotment of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4. Approval of Issue and Allotment of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5. Ratification and Approval of Previous Issue and Allotment of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date / /