

22 June 2012

Manager of Company Announcements
ASX Limited
Level 8 Exchange Plaza
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PERTH WA 6000

By E-Lodgement

Puntland Drilling Update

Red Emperor Resources NL (ASX: RMP | AIM: RMP) is pleased to announce that the Shabeel North well currently being drilled in Puntland by Joint Venture partner and operator, Horn Petroleum Corp. (TSXV: HRN), is at a current depth of 984m targeting a total depth of 2,400m. Drilling operations have progressed smoothly since spudding and remain on track to reach target depth on time and on budget.

The Shabeel North well is targeting Upper Cretaceous Jesomma sands, which had good oil and gas shows in the Shabeel-1 well 3.5 kilometers to the south. Petrophysical analysis of downhole electrical logs in the Shabeel-1 well indicated a potential pay zone in the Jesomma of up to 12 to 20 meters with an average porosity of 18 to 20%. Upon completion and testing of the Shabeel North well, the rig will move back to Shabeel-1 to flow test the identified Jesomma sands.

Corporate

The Company advises that it has entered into an underwriting agreement with Max Capital Pty Ltd ("Max") with respect to its unlisted options exercisable at 30c, expiring on the 30th June 2012. A total of 7,750,000 options will be fully underwritten by Max, raising the Company \$2.32m, further enhancing its strong cash position. Max will be paid a 6% underwriting fee. The underwriting agreement also contains termination rights for the underwriter which are usual for an agreement of this nature including termination on certain market index movements or material adverse events.

For and on behalf of the Board



Greg Bandy
Executive Director

BOARD & MANAGEMENT

Mr Greg Bandy
EXECUTIVE DIRECTOR

Mr Jason Bontempo
NON-EXECUTIVE DIRECTOR

Mr Stephen Brockhurst
NON-EXECUTIVE DIRECTOR

Ms Rebecca Sandford
Ms Shannon Robinson
JOINT COMPANY SECRETARY

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ASX CODE

RMP

AIM CODE

RMP



Background

Red Emperor Resources NL (ASX: RMP | AIM: RMP) is a natural resources exploration company with interests in the autonomous state of Puntland, Somalia and the Republic of Georgia.

- In Puntland, Red Emperor holds a 20% working interest in the Dharoor and Nugaal Valley Production Sharing Agreements (“PSA’s”) along with Horn Petroleum Corp. (TSXV: HRN) and Range Resources Limited (ASX: RRS | AIM: RRL). These two exploration areas cover over 36,000km². Horn, the operator and 60% interest holder, has completed drilling the first well (Shabeel-1) in a two well program and has now spudded the second well (Shabeel North). Target Depth for Shabeel North is 2,400m with the primary target being Upper Cretaceous Jesomma sands, which had good oil and gas shows and 12 – 20m of potential net pay in the Shabeel-1 well 3.5 kilometers to the south. Shabeel-1 will be flow tested following completion of Shabeel North.
- In the Republic of Georgia, Red Emperor has a 20% working interest in onshore blocks VIa and VIb, covering approx. 6,500km². Joint Venture partner Range Resources Limited (ASX: RRS | AIM: RRL) previously funded a 410km 2D seismic program with independent consultants RPS Energy identifying 68 potential structures containing an estimated 2.045 billion barrels of undiscovered oil-in-place (on a mean 100% basis) with the first (Mukhiani-1) of two conventional exploration wells having spudded in July 2011. The Joint Venture is now focussing on a revised development strategy that will target low-cost, shallow appraisal drilling of the contingent resources around the Tkibuli-Shaori (“Tkibuli”) coal deposit, which straddles the central sections of the two blocks.