

7 March 2012

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

*By E-Lodgement*

### **Drilling Update, Puntland**

Red Emperor Resources NL (ASX: RMP | AIM: RMP) is pleased to announce that the Shabeel-1 well continues drilling ahead on the Dharoor Block in Puntland, Somalia and is currently at a depth of 2002 meters. The upper 1600 meters of section drilled to date includes a thick section of Tertiary limestones and shales that appear to be a regional seal as no oil or gas shows were encountered above this depth. The well is currently drilling a 400 meter section composed of interbedded sandstones and shales believed to be Upper Cretaceous in age. Most of the sandstone intervals in this section have exhibited oil and gas shows confirming the existence of a working petroleum system. Determination of the quality of the reservoir and prospectivity of any potential oil bearing intervals cannot be determined until downhole electric logs and formation tests are concluded.

The well has a planned total depth of 3800 meters and has yet to penetrate the main reservoir targets in the Lower Cretaceous and Jurassic. It is expected that the next electrical logging run will be coincident with the running of the 9 5/8" casing at approximately 2400 – 2700 meters. Operations continue to run smoothly with no reported security or operational incidents.

David Grellman, President and CEO of JV partner and well operator, Horn Petroleum, commented; *"While we are encouraged by the hydrocarbon shows in the well, there is still a great deal of information which must be collected before we are able to properly evaluate the results to date. We look forward to reaching the main objectives and appreciate the continued support of the Puntland Government and the local residents."*

The Shabeel well is targeting a large faulted anticlinal prospect and is located on a Jurassic aged rift system which is part of the same system that has proven to be highly productive in the Masila and Shabwa Basins in Yemen that contain an estimated 6 billion barrels of oil\*. It is a large faulted anticlinal prospect with internal most likely estimates of potential oil volume of over 300 million barrels of recoverable oil. Source rocks are expected to be rich Jurassic Kimmeridgian shales in the deep portion of the rift immediately down dip from the Shabeel prospect. Reservoirs are expected to be sandstones and carbonates of the Cretaceous and Jurassic systems analogous to Yemen.

Red Emperor Managing Director commented; *"We are delighted with how the drilling has progressed so far, from both a geological and operational point of view. We wish to thank the Puntland Government for their continued support and look forward to updating the market further in due course."*

For and on behalf of the Board



**Greg Bandy**  
Executive Director

\* Sourced from country and industry websites.

#### **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 frontier state of Puntland, Somalia, the Republic of Georgia and Western Australia.

- In Puntland, Red Emperor holds a 20% working interest in two licences encompassing the highly prospective Dharoor and Nugaal valleys. These two exploration areas cover over 36,000km<sup>2</sup>. The operator and 60% interest holder, Horn Petroleum Corp. (TSXV: HRN) spud the first well in a two well programme in early 2012, each targeting 300mmbbls and 375mmbbls respectively of best estimate Prospective Resources (100% basis). Site construction has commenced on the second well with the setting of the 30 inch surface casing and drilling of a 50 meter pilot hole in readiness for spudding following completion of the first well.
- In the Republic of Georgia, Red Emperor has a 20% working interest in onshore blocks VIa and VIb, covering approx. 6,500km<sup>2</sup>. 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 exploration wells having spudded in July 2011. Re-interpreted seismic supported by the Mukhiani-1 vertical seismic profiling has identified new fault and stratigraphic trapping potential with the possibility of a side track well to be drilled post additional seismic in 2H 2012.