



31 October 2013

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

By E-Lodgement

Quarterly Report for the Period Ending 30 September 2013

Issued Capital: **266M** *

ASX Code: **RMP**

Closing price: **A\$0.05***

AIM Code: **RMP**

Closing Price: **£0.031***

* as at 30 September 2013

The Board of Red Emperor Resources NL (**Red Emperor** or the **Company**) is pleased to provide the following commentary and Appendix 5B for the period ending 30 September 2013.

Georgia Project

Red Emperor has a 20% working interest in onshore oil and gas exploration blocks VIa and VIb, covering approx. 6,500km², in the Republic of Georgia. Earlier in the year, the Joint Venture undertook a strategic review of operations and subsequently completed a 200km 2D seismic program carried out by the Geophysical Institute of Israel ("GII"), with the seismic data incorporated into a Geological Model following processing and interpretation.

Results of the Geological Model, which also includes data from the Soviet period along with the seismic interpretation performed by RPS Energy in 2009, is helping the Joint Venture identify potential drilling locations in Block VIb that were highlighted as prospective from the initial survey in 2009. It is also allowing the Joint Venture to update the reserve and resource potential across the two license areas.

During the quarter joint venture partner, Range Resources Limited (Range) and Operator, Strait Oil & Gas UK (Strait), engaged Senior Geologist, Dr. M. Arif Yukler to perform a full review of both the conventional and unconventional (Coal Bed Methane "CBM") hydrocarbon potential on blocks VIa and VIb. Dr Yukler's review incorporated the 610 km of 2D seismic acquired across the two licences in 2009 and 2012/13, along with all of the older Soviet data that existed across the blocks including seismic, well logs and geochemical information.

Following this extensive review the targeted hydrocarbon in-place and reserve calculations for blocks VIa and VIb were completed with the results announced during the quarter by JV Partner, Range Resources, as follows:

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 | AIM CODE

RMP



Conventional Undiscovered Oil / Gas in Place	Conventional Oil (mmbbls) (best estimate)	Conventional Gas (Tcf) (best estimate)
Total Oil / Gas in Place	403	18.4
Red Emperor Attributable (20%)	80	3.68

* Low to high ranges of the in-place undiscovered oil and gas volumes have not yet been estimated. The JV is currently undertaking further modelling work to provide such ranges.

Red Emperor was advised that based on the pseudo 3D quantitative basin modelling of the blocks, conventional oil and gas generation was computed from the two primary potential source rocks, Toarcian and Upper Bajocian. The potential amount of undiscovered oil in place in the potential reservoir targets generated from the Toarcian and the Upper Bajocian source rocks have been estimated as 403 mmbbls (best estimate – 100% basis). The estimated conventional undiscovered gas in place in the potential reservoir targets generated from the Toarcian and the Upper Bajocian source rocks is 18.4 Tcf (best estimate – 100% basis). Based on current estimated reservoir parameters, targeted recovery factors for the undiscovered oil and gas estimates are currently 20-30%, however these estimates are subject to significant uncertainty.

Coal Bed Methane Joint Venture

Work was also undertaken by Range and Strait during the quarter to review the coal bed methane (“CBM”) potential that existed across the licences, over and above the previously reported Tkibuli prospect, with the total CBM resource calculated using the isopach maps for the Upper Bathonian “coaly” section.

Red Emperor’s JV partners advised that the “coaly” section covered 368 km² and 83 km² in blocks VIa and VIb respectively. A continuously thick and high quality coal area of 36 km² was delineated by more than 300 wells in Block VIa. All wells encountered gas in the Upper Bathonian coaly section, according to Range and Strait. The CBM reserves in this area are computed as being at the Proved, Probable & Possible (3P) category. The blocks are estimated to contain 3P gas reserves of 508 Bcf (100% basis) and a total of CBM gas in place of 3.16 Tcf (100% basis).

CBM Reserve Estimates	Proved (1P) Reserve (Bcf)	Proved & Probable (2P) Reserve (Bcf)	Proved & Probable & Possible (3P) Reserve (Bcf)	Estimated Total Gas-in-Place (Tcf)
Total Gas In Place	0	0	508	3.16
Red Emperor Attributable (20%)	0	0	102	0.63

Red Emperor’s JV partners have presented the CBM potential to the Georgian State Agency and the Georgian Oil and Gas Corporation with both parties agreeing on the significant potential that exists across the license areas. The news of the highly prospective hydrocarbon play has been conveyed to the Energy Minister and the Prime Minister, who see this potential as an opportunity to improve the energy outlook for the country.



Proposed Work Program

Red Emperor's JV partners are currently evaluating the selection of a suitable drill location. Given the high quality of the seismic coverage undertaken on the CBM, the Joint Venture is focussing on a location with a high probability of success. A number of potential locations with good coal well coverage have already been identified with analysis showing that the average CBM content is more than 15 m³ /t of coal.

GIG Joint Venture and Farm-Out Discussions

The results are pivotal in cementing the CBM joint venture with Georgian Industrial Group (GIG) as development plans are finalised. Further, the Joint Venture continues advanced discussions with a number of other parties with respect to potential farm-out opportunities across both the conventional and unconventional prospects identified on the Company's licenses.

Puntland Project

Throughout the year, Red Emperor's JV partner and operator of its Puntland Project, Horn Petroleum Corp (TSXV: HRN), has been focused on making preparations for a seismic acquisition campaign in the Dharoor PSA, which will include a regional seismic reconnaissance grid in the previously unexplored eastern portion of the basin as well as prospect specific seismic to delineate a drilling candidate in the western portion of the basin, where an active petroleum system was confirmed by the recent drilling at the Shabeel-1 and Shabeel North-1 locations. The focus of the Dharoor seismic program will be to delineate new structural prospects for the upcoming drilling campaign.

As previously reported, based on the encouragement provided by these two Shabeel wells, the JV entered into the next exploration period in both the Nugaal and Dharoor Valley Production Sharing Contracts ("PSCs") which carry a commitment to drill one well on each block within an additional 3 year term.

The current operational plan is to contract a seismic crew to acquire additional data in the Dharoor Valley block and to hold discussions with the Puntland Government to gain access regarding drill ready prospects in the Nugaal Valley block.

For and on behalf of the Board

Greg Bandy
Executive Director



Background

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

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 36,000km². Horn Petroleum, the operator and 60% interest holder, has completed a two well program with the JV having now entered the next phase of the two Production Sharing Contracts across both blocks.

In the Republic of Georgia, Red Emperor has a 20% working interest in onshore blocks VIa and VIb, covering approximately 6,500km². After the drilling of the first conventional well in July 2011 (Mukhiani-1) the JV began evaluating the large unconventional CBM potential of the area, as it is seen to be relatively low risk and has the potential to contribute cash flow to fund further exploration if successful. A strategic review has also been commissioned to identify potential drilling locations in Block VIb that were highlighted as prospective from the initial survey in 2009 as well as allowing the Joint Venture to update the reserve and resource potential across the two license areas.

Competent Person

Subject to the Caveat above regarding the ARI report: All of the technical information, including information in relation to reserves and resources that is contained in this document has been reviewed internally by the Company's technical consultant, Mr Alexander Parks. Mr Parks is a Petroleum Engineer who is a suitably qualified person with over 15 years' experience in assessing hydrocarbon reserves and has reviewed the release and consents to the inclusion of the technical information.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

RED EMPEROR RESOURCES NL

ABN

99 124 734 961

Quarter ended ("current quarter")

30 SEPTEMBER 2013

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$'000	Year to date \$'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(472)	(472)
(b) development	-	-
(c) production	-	-
(d) administration	(291)	(291)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	116	116
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net Operating Cash Flows	(647)	(647)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) investments	-	-
1.9 Proceeds from:		
(a) prospects	-	-
(b) equity investments	-	-
(c) investments asset acquisition escrow acc	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Proceeds from underwriting	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(647)	(647)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(647)	(647)
	Cash flows related to financing activities		
1.14	Proceeds from placement		
1.15	Proceeds from option exercise	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Costs associated with issue of shares	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(647)	(647)
1.20	Cash at beginning of quarter/year to date	11,977	11,977
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	11,330	11,330

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.2	Aggregate amount of payments to the parties included in item 1.2	43
1.2	Aggregate amount of loans to the parties included in item 1.10	Nil

1.2 Explanation necessary for an understanding of the transactions

Payments of Directors Fees and Remuneration	43
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Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Appendix 5B

Mining exploration entity quarterly report

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	-
3.2 Credit standby arrangements	Nil	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	200
4.2 Development	-
4.3 Production	-
4.4 Administration	200
Total	400

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	11,330	11,977
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other – Term Deposit	-	-
Total: cash at end of quarter (item 1.22)	11,330	11,977

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Nil	None	
6.2	Interests in mining tenements acquired or increased	Nil	None	

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

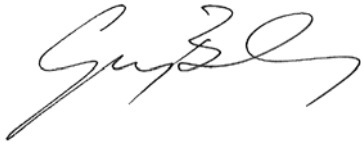
Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>	Nil			
7.2 Changes during quarter	Nil			
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	266,234,221	266,234,221	-	-
7.4 Changes during quarter				
(a) Increases through issues	Nil			
(b) Decreases through returns of capital, buy-backs	Nil			
7.5 *Convertible debt securities <i>(description)</i>	Nil			
7.6 Changes during quarter				
(a) Increases through issues	Nil			
(b) Decreases through securities matured, converted	Nil			
7.7 Options <i>(description and conversion factor)</i>	594,324 5,920,000 5,166,565 1,170,000	- - - -	\$0.17 & £0.11 \$0.265 & £0.18 £0.305 £0.32	
7.8 Issued during quarter	Nil	-		
7.9 Exercised during quarter	Nil	-		
7.10 Expired during quarter	Nil	-		
7.11 Debentures <i>(totals only)</i>	Nil	Nil		
7.12 Unsecured notes <i>(totals only)</i>	Nil	Nil		

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



GREG BANDY
Executive Director
31 October 2013

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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