



31 October 2014

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

Via E-Lodgement

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 30 SEPTEMBER 2014

Issued Capital: 266M	ASX Code: RMP	Closing price: A\$0.047
	AIM Code: RMP	Closing Price: £0.024

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 2014.

Puntland

During the reporting period, the Federal Government hardened its position with regards to the requirement of contracts to flow through the Federal Ministry of Energy, as evidenced by the statement of the Federal Minister at the Somalia Oil & Gas Conference in late October. That said, a three-day visit by the Federal Prime Minister to Garowe was a welcome and positive indication of the potential for the State government to work with Mogadishu and a joint statement was released to that effect. As a result, the overall situation remains unclear and whilst the JV is determined to continue exploration activity, it must seek to clarify outstanding matters of control before doing so.

Georgia

During the quarter, the shareholders of Strait Oil and Gas ("Strait") continued to pursue discussions and negotiations with respect to a potential disposal of its interests in the Production Sharing Contracts (PSCs) in Georgia. Subsequent to the quarter end, Strait made the decision to terminate negotiations with one interested party, however the JV remains committed to pursuing a transaction at some level and continues discussions with market participants.

At the same time, Red Emperor is currently conducting a detailed review of the geological merits of the proposed obligation well in Block VIb, which is required to be drilled before March 2015. Whilst Red Emperor is to be free carried for this well, options to potentially fund the well in return for a larger equity share of Strait are being discussed.

Corporate

Red Emperor continues to review new opportunities as it has done throughout the year in accordance with its outlined strategic philosophy. With a restructured Board and strong cash position, the Company believes it is extremely well placed to take advantage of a slightly depressed global oil & gas market.

BOARD & MANAGEMENT

Mr Greg Bandy
MANAGING DIRECTOR

Mr Nathan Rayner
NON-EXECUTIVE DIRECTOR

Mr Jason Bontempo
NON-EXECUTIVE DIRECTOR

Mr Aaron Bertolatti
COMPANY SECRETARY

REGISTERED OFFICE

Level 1
35 Richardson Street
West Perth WA 6005

POSTAL ADDRESS

PO Box 1440
West Perth WA 6872

CONTACT DETAILS

Tel: +61 8 9212 0102

WEBSITE

www.redemperorresources.com

SHARE REGISTRY

Computershare
Level 2
45 St Georges Terrace
Perth WA 6000
Tel: 1300 555 159

NOMINATED ADVISER

Grant Thornton UK LLP
30 Finsbury Square
London EC2P 2YU
Tel: +44 (0) 207 383 5100

UK BROKER

Fox Davies Capital Limited
1 Tudor Street
London EC4Y 0AH
Tel: +44 (0) 203 463 5010

ASX CODE | AIM CODE

RMP



For and on behalf of the Board

A handwritten signature in black ink, appearing to read 'Greg Bandy'.

Greg Bandy
Managing Director

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

RED EMPEROR RESOURCES NL

ABN

99 124 734 961

Quarter ended ("current quarter")

30 September 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(101) - - (263)	(101) - - (263)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	85	85
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(279)	(279)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) investment in associate	- (182) (59)	- (182) (59)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(241)	(241)
1.13 Total operating and investing cash flows (carried forward)	(520)	(520)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(520)	(520)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(520)	(520)
1.20	Cash at beginning of quarter/year to date	10,321	10,321
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	9,801	9,801

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

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	43
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil
1.25	Explanation necessary for an understanding of the transactions	
	Payment of Directors fees and Remuneration \$43k	

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

n/a

- 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

n/a

+ See chapter 19 for defined terms.

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	-	-
3.2 Credit standby arrangements	-	-

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	9,801	10,321
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	9,801	10,321

Changes in interests in mining tenements and petroleum tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6 Interests in mining tenements held	See Appendix 1 below			
6.1 Interests in mining tenements tenements relinquished, reduced or lapsed	n/a			
6.2 Interests in mining tenements tenements acquired or increased	n/a			

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas 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 (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	266,234,221	266,234,221		Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options - Unlisted options	1,394,324 5,492,000 112,966 3,690,403 1,170,000	- - - - -	<u>Exercise Price</u> A\$0.17 £0.265 £0.265 £0.265 £0.265	<u>Expiry Date</u> 30 December 2014 28 March 2015 3 April 2015 30 December 2014 16 May 2015
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

+ 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 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: 

Date: 31 October 2014

Print name: GREG BANDY
Managing Director

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 and petroleum 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 or petroleum 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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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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Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

Appendix 1 – Interests in mining tenements held

Tenement Reference	Location	Working Interest at Beginning of Quarter	Acquired/ Disposed	Working Interest at End of Quarter
Block VIa	Republic of Georgia	20%	N/A	20%
Block VIb	Republic of Georgia	20%	N/A	20%
Dharoor Block	Puntland	20%	N/A	20%
Nugaal Block	Puntland	20%	N/A	20%

Holder: Oil & Gas Beneficial percentage interests held in farm-in or farm- out agreement.