

18 February 2019

## ALASKA OPERATIONS UPDATE: DRILLING COMMENCED

The Board of Red Emperor Resources NL (ASX/AIM: RMP) ("RMP", "Red Emperor" or the "Company"), is pleased to provide an operational update with respect to the drilling of the Winx-1 exploration well ("Winx-1"), located on the Western Blocks, North Slope of Alaska.

### Highlights

- **Spud of Winx-1 commenced 15<sup>th</sup> February 15:15 (AK time) – on schedule**

Red Emperor is pleased to announce that 88 Energy Limited (ASX/AIM: 88E), in its capacity as consortium operator, has advised that the Nordic Rig#3 commenced drilling of Winx-1 at 15:15 on the 15<sup>th</sup> February (AK time) – on schedule. The well was drilled to 600ft prior to pulling out of hole to pick up the smart bottom hole assembly, with logging while drilling tools attached. At 11:45 17<sup>th</sup> February (AK time), Nordic Rig#3 was drilling ahead at 880'. The forward plan is to deepen the hole to ~2,500' before setting surface casing. Regular updates will be made throughout the drilling operations.



Figure 1 | Nordic Rig #3 on location, drilling ahead

#### BOARD & MANAGEMENT

Mr Greg Bandy  
MANAGING DIRECTOR  
Mr Jason Bontempo  
NON-EXECUTIVE DIRECTOR  
Mr Aaron Bertolatti  
DIRECTOR & COMPANY  
SECRETARY  
Mr Gracjan Lambert  
CHIEF EXECUTIVE OFFICER

#### 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

[redemperorresources.com](http://redemperorresources.com)

#### SHARE REGISTRY

Computershare  
Level 11, 172 St Georges Tce  
Perth WA 6000  
Tel: 1300 850 505

#### NOMINATED ADVISER

Strand Hanson Limited  
26 Mount Row,  
Mayfair, London W1K 3SQ, UK  
Tel: +44 (0) 20 7409 3494

#### UK BROKER

Brandon Hill Capital  
1 Tudor Street  
London EC4Y 0AH  
Tel: +44 (0) 203 463 5010

#### AUSTRALIAN BROKER

708 Capital Pty Ltd  
Level 9, 25 Blich Street  
Sydney NSW 2000  
Tel: +61 2 9112 2500

#### ASX CODE | AIM CODE

RMP

As previously announced, drilling and testing of Winx-1, in a success case scenario, is scheduled to take approximately 50 days. For further details please refer to the announcement of 31 January 2019 made by 88 Energy Limited.

The Winx prospect is a 3D seismic defined conventional oil prospect in the successful Nanushuk play fairway with a gross mean unrisked prospective resource of 400 million barrels ("MMbbls") (126MMbbls net to Red Emperor) and is adjacent to the Horseshoe 1/1A discovery well drilled by the Armstrong/Repsol JV in 2017. Refer to the Company's announcement of 25 June 2018 for further details.

Cautionary Statement: The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

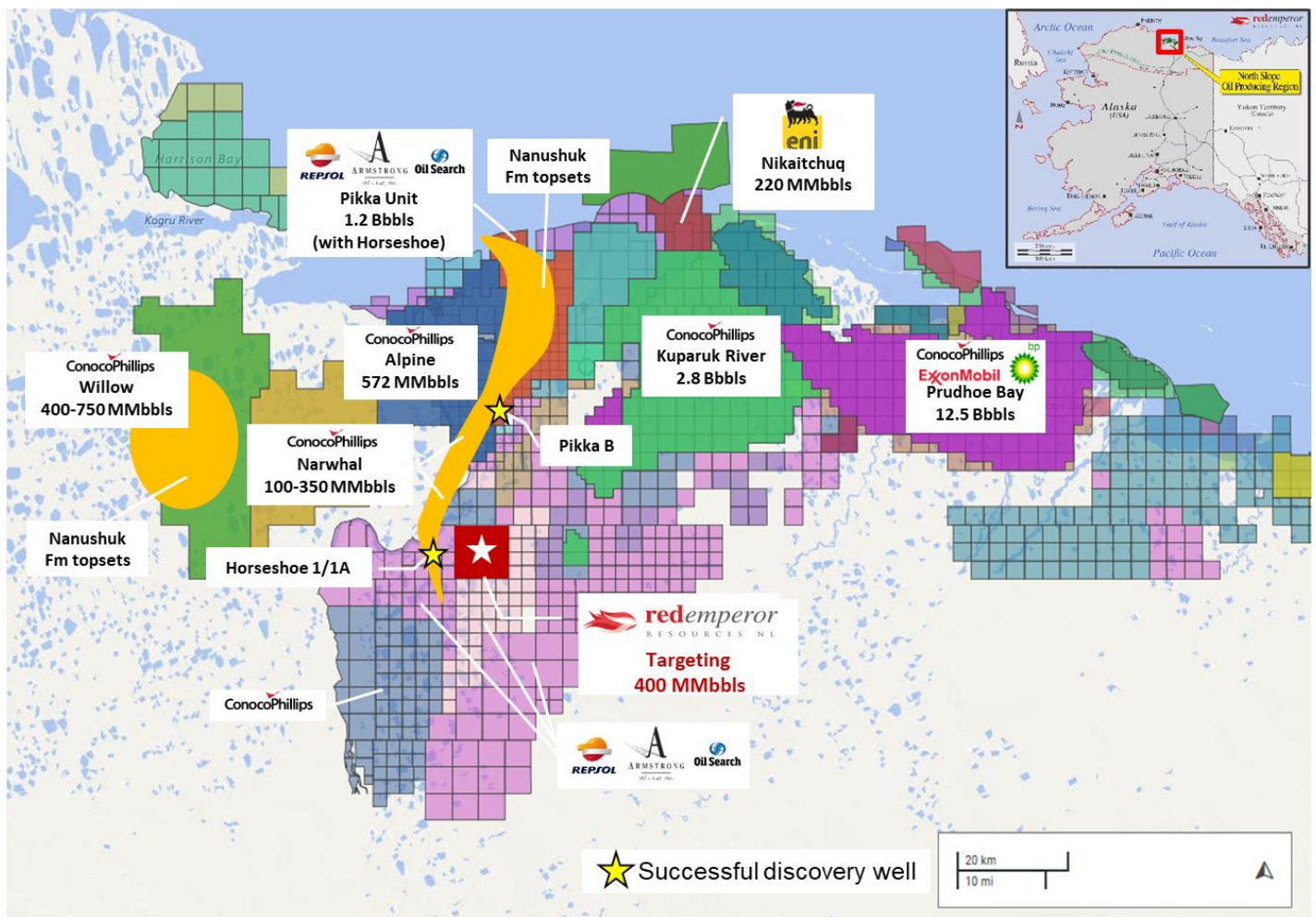
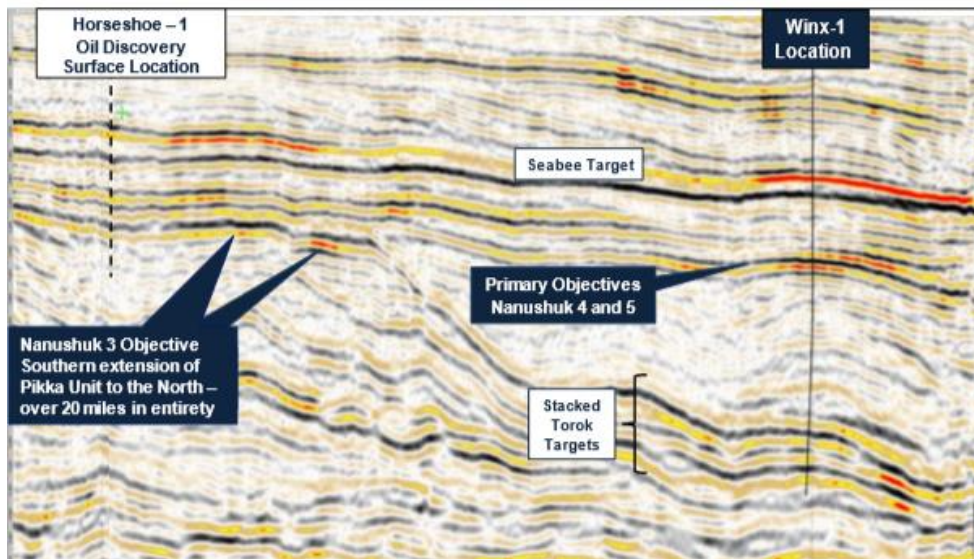


Figure 2 | Winx-1 exploration well, Western Blocks, Pikka B well, Alaska North Slope and Nanushuk Fairway

The primary objective of Winx-1 is the Nanushuk Topset play, targeting the Nanushuk 4 and 5 sands. As can be seen in Figure 3, the Winx prospect has been identified using the Nanuq South 3D which covers the third party 2017 Horseshoe discovery plus a large swathe of the "Western Blocks". Similar amplitude response is observed at the Winx prospect to that seen at the successful Horseshoe well location, which is situated approximately 4 miles (6 kilometres) to the west.





**Figure 3 | Winx-1 targeting multiple stacked prospects with strong amplitude support**

For further information, please visit [www.redemperorresources.com](http://www.redemperorresources.com) or contact:

**Red Emperor Resources NL**

+61 8 9212 0102

Greg Bandy

**Strand Hanson Limited** (Nominated Adviser)

+44 (0) 20 7409 3494

James Harris

**Brandon Hill Capital** (UK Broker)

+44 (0) 203 463 5010

**708 Capital Pty Ltd** (Australian Broker)

+61 (0) 2 9112 2500

*This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014.*

## About Red Emperor Resources NL

Red Emperor Resources NL is an Australian natural resource exploration company listed on both the Australian Securities Exchange (ASX: RMP) and the AIM Market (AIM: RMP). Red Emperor has oil and gas interests on the Alaska North Slope and in South East Asia.

### Alaska

Red Emperor has entered into Definitive Agreements with its consortium partners 88 Energy Limited and Otto Energy Limited that will see the Company participate in the drilling of a highly prospective Nanushuk oil trend exploration well on the Alaska North Slope in early 2019. The drill target is immediately adjacent to and a direct analogue of the third party Horseshoe-1/1A oil well drilled in 2017. Horseshoe is part of the billion-barrel plus Nanushuk oil play-fairway, one of the largest conventional oil fields discovered in the US in more than 30 years.

Technical work on the Western Blocks has identified a gross best estimate prospective resource volume of 400 MMbbls (126 MMbbls net to RMP), and a geological chance of success of 25%-35%. The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

### Philippines

Red Emperor also holds an equity interest of 37.5% of Block SC55, which is located in the southwest Palawan Basin. SC55 covers an area of 9,880km<sup>2</sup> and was awarded to Otto Energy Investments Ltd (formerly NorAsian Energy Ltd) in 2005. It is a deep-water block in the middle of a proven regional oil and gas fairway that extends from the productive offshore Borneo region in the southwest to the offshore Philippine production assets northwest of Palawan.

Red Emperor participated in a USD25m exploration well (Hawkeye-1) within the block in 2015 and contributed in excess of AUD5m towards drilling costs. Over USD50m has been spent exploring SC55 to date and a number of drill-ready targets remain, including the "Cinco" gas prospect which has a best estimate prospective resource of 1.6 trillion cubic feet ("tcf") recoverable gas.

### Prospective Resources Reporting Notes

The Company announced the prospective resources estimate for the Western Blocks in its announcement titled "Red Emperor to acquire interest in large oil prospect in prolific Alaska North Slope" made on 25 June 2018. The Company confirms that it is not aware of any new information or data that materially affects the information included in that announcement, and that all material assumptions and technical parameters underpinning the estimates in that announcement continue to apply and have not materially changed.

(i) The prospective resources information in this announcement is effective as at 30 April 2018. (ii) The prospective resources information in this announcement has been estimated and is classified in accordance with SPE PRMS (Society of Petroleum Engineers Petroleum Resources Management System). (iii) The prospective resources information in this announcement is reported according to the Company's economic interest in each of the resources and net of royalties. (iv) The prospective resources information in this announcement has been estimated and prepared using the deterministic method. (v) The prospective resources information in this announcement has been estimated using a 6:1 BOE conversion ratio for gas to oil; 6:1 conversion ratio is based on an energy equivalency conversion method and does not represent value equivalency. (vi) The prospective resources information in this announcement has been estimated on the basis that products are sold on the spot market with delivery at the sales point on the production facilities. (vii) Prospective resources are reported on a best estimate basis. (viii) For prospective resources, the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. (ix) In respect to the prospective resources referred to in this announcement, Red Emperor's working interest in the four leases (ADL#s 391718, 391719, 319720 and 391721), totalling 22,711 acres all of which are located on the North Slope, Alaska, USA will be 31.5% upon completion of the transaction. (x) The prospective resources have been estimated on the following basis: the best estimate prospective recoverable resource calculation was based on a consideration of offset well information and seismic expression; a combination of volumetric assessment and field analogues have been used to estimate the prospective resources; exploration drilling will be required to assess these resources. (xi) The chance of discovery is considered moderate as the prospective resources are near developed and undeveloped reserves and in a proven oil and gas producing province. There is a risk that exploration will not result in sufficient volumes of oil and/or gas for a commercial development. (xii) Prospective resources are un-risked and have not been adjusted for an associated chance of discovery and a chance of development.