

15 January 2019

Red Emperor Resources NL PUBLICATION OF CLEANSING PROSPECTUS

Red Emperor Resources NL (ASX/AIM: RMP) ("RMP", "Red Emperor" or the "Company"), announces that it has today lodged with the Australian Securities and Investments Commission a prospectus pursuant to section 708A(11) of the Corporations Act 2001 (Cth) (the "Corporations Act"). The purpose of the offer of up to 10,000 new ordinary shares at an issue price of A\$0.05, which is set out in the prospectus (the "Offer"), is not to raise additional capital, but rather to facilitate secondary trading of any shares that may be issued by the Company before the closing date of such Offer.

To ensure that new ordinary shares issued by the Company are freely tradeable (i.e. are not subject to secondary trading restrictions under the Corporations Act) the Company is obliged to either issue a cleansing notice under section 708A(5) of the Corporations Act (Cleansing Notice), or issue a prospectus under section 708A(11) of the Corporations Act.

The Company is unable to issue a Cleansing Notice as its shares were suspended from trading on the ASX for more than five (5) trading days over the course of the last 12 months. Accordingly, the primary purpose of the prospectus is to facilitate secondary trading of any shares that may be issued by the Company before the closing date of the abovementioned Offer set out in the prospectus, including the 100,000,000 new ordinary shares being issued pursuant to the placing announced on 8 January 2019.

For further information, please visit www.redemperorresources.com or contact:

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

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MANAGING DIRECTOR
Mr Jason Bontempo
NON-EXECUTIVE DIRECTOR
Mr Aaron Bertolatti
DIRECTOR & COMPANY
SECRETARY
Mr Gracjan Lambert
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ASX CODE | AIM CODE

RMP

RED EMPEROR RESOURCES NL
ACN 124 734 961

Prospectus

Offer

For the offer of 10,000 Shares at an issue price of \$0.05 each to remove trading restrictions on Shares issued on or before the Closing Date (**Offer**).

Important

This Prospectus is a transaction specific prospectus issued in accordance with section 713 of the Corporations Act. This is an important document that should be read in its entirety. Please read the instructions in this Prospectus and the Application Form regarding applying under the Offer. Investors who do not understand this document should consult their stockbroker, lawyer, accountant or other professional adviser before deciding to apply for Shares under the Offer. The Shares offered under this Prospectus should be considered highly speculative.

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Important information

General

This Prospectus is issued by Red Emperor Resources NL ACN 124 734 961 (**Company**).

The Prospectus is dated 15 January 2019 and a copy of this Prospectus was lodged with ASIC on that date. Neither ASIC nor ASX take responsibility for the contents of this Prospectus or the merits of the investment to which the Prospectus relates.

This Prospectus is a transaction specific prospectus for offers of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act.

No securities will be issued pursuant to this Prospectus later than 13 months after the date of this Prospectus.

Persons wishing to apply for Shares pursuant to the Offer must do so using the Application Form attached to or accompanying this Prospectus. Before applying for Shares, investors should carefully read this Prospectus so that they can make an informed assessment of the rights and liabilities attaching to the Shares, the assets and liabilities of the Company, its financial position and performance, profits and losses, and prospects.

Any investment in the Company should be considered highly speculative. Investors who do not understand this document should consult their stockbroker, lawyer, accountant or other professional adviser before deciding to apply for Shares under the Offer.

No person is authorised to give any information or to make any representation in relation to the Offer which is not contained in this Prospectus. Any such information or representations may not be relied upon as having been authorised by the Directors.

Prospectus availability

ASIC has confirmed that the Corporations Act allows distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

A copy of this Prospectus can be downloaded from the Company's website at www.redemperorresources.com/. There is no facility for online applications. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the

complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company on +61 8 9212 0102.

Risk factors

Before deciding to invest in the Company, investors should read the entire Prospectus and in particular, in considering the prospects of the Company, investors should consider the risk factors that could affect the financial performance and assets of the Company. Investors should carefully consider these factors in light of personal circumstances (including financial and taxation issues). The Shares offered by this Prospectus should be considered highly speculative. Refer to Section 4, which details certain risk factors considered to be relevant for the purposes of the Offer.

Publicly available information

Information about the Company is publicly available and can be obtained from ASIC and ASX (including ASX's website at www.asx.com.au). The contents of any website or ASIC or ASX filing by the Company are not incorporated into this Prospectus and do not constitute part of the Offer. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest in Shares or the Company.

Financial amounts

All references in this Prospectus to "\$", "A\$", "AUD", "dollars" or "cents" are references to Australian currency unless otherwise stated and all references to '£' are to pounds sterling and 'p' are to pence sterling, the currency of Great Britain unless otherwise stated.

Any discrepancies between the totals and sums of components in tables contained in this Prospectus are due to rounding.

Definitions and time

A number of terms and abbreviations used in this Prospectus have defined meanings which are set out in Section 7.

All references to time relate to the time in Perth, Western Australia unless otherwise stated or implied.

Governing law

This Prospectus and the contracts that arise from the acceptance of the applications under this Prospectus are governed by the law applicable in Western Australia and each applicant submits to the exclusive jurisdiction of the courts of Western Australia

Corporate directory

Directors and Officers

Greg Bandy
Managing Director

Jason Bontempo
Non-Executive Director

Aaron Bertolatti
Director and Company Secretary

Gracjan Lambert
Chief Executive Officer

Registered Office

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Phone: +61 8 9212 0102

ASX Code

RMP

AIM Code

RMP

Website

www.redemperresources.com

Share Registry (Australia) *

Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace,
Perth, WA 6000

Share Registry (United Kingdom) *

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
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Auditor*

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

Legal Adviser

Edwards Mac Scovell
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Perth WA 6000

** This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.*

1. Timetable

The timetable for the Offer is as follows:

Event	Date
Lodgment of this Prospectus with ASIC and ASX	15 January 2019
Opening Date	15 January 2019
Closing Date	16 January 2019

Note: The above timetable is indicative only. The Company reserves the right, subject to the Corporations Act, the Listing Rules and other applicable laws, to vary the dates, including by extending the Closing Date or accepting late applications, either generally or in particular cases, without notice.

2. Details of the Offer

2.1 Offer

Under the Offer, the Company is offering 10,000 Shares at an issue price of \$0.05 each. The Offer is open to persons by invitation from the Company only.

The Offer has no minimum subscription.

Details specific to the Offer are set out in this Section 2.1.

(a) Shares

The Shares offered under the Offer are of the same class and will rank equally in all respects with existing Shares on issue. A summary of the rights and liabilities attaching to the Shares is set out in Section 5.3.

(b) Purpose

The purpose of the Offer is not to raise funds. Instead, its purpose is to remove trading restrictions on Shares issued to Eligible Investors under the Placement.

Generally, section 707(3) of the Corporations Act requires that a prospectus is issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to offer those securities for sale within 12 months of their issue.

Relevantly, section 708A(11)(b) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- the relevant securities are in a class of securities of the company that are already quoted on the ASX;
- a prospectus is lodged with ASIC either:
 - on or after the day on which the relevant securities were issued; or

- before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- the prospectus is for an offer of securities issued by the company that are in the same class of securities as the relevant securities.

The issues of Shares under the Placement have not been, and are not being, undertaken by the Company for the purpose of the relevant recipients selling or transferring those Shares. However, the Company considers that those recipients should be entitled, if they wish, to on-sell their Shares prior to the expiry of 12 months after being issued, subject to any escrow arrangements.

(c) **Offer period**

The Offer will open on the Opening Date and close on the Closing Date.

(d) **Applications**

An application under the Offer may only be made by a person on invitation from the Company using the Application Form accompanying this Prospectus. The Application Form must be completed in accordance with the instructions set out on the back of the form.

Application Forms with accompanying cheque must be delivered or mailed to the address set out on the Application Form, with sufficient time to be received by or on behalf of the Company by no later than 5.00 p.m. (WST) on the Closing Date.

(e) **ASX quotation**

The Company will apply to ASX within 7 days after the date of this Prospectus for quotation of the Shares offered under this Prospectus.

The Company will apply to the London Stock Exchange plc following the Closing Date of this Prospectus for the admission to trading on AIM of any Shares subscribed for pursuant to the Offer under this Prospectus.

If approval for quotation of the Shares is not granted within 3 months after the date of this Prospectus, the Company will not issue any Shares and will repay all Application Monies without interest as soon as practicable.

(f) **Application Monies**

All Application Monies for Shares to be issued pursuant to the Offer will be held in trust on behalf of applicants until the Shares are issued or, if the Shares are not issued, until the Application Monies are returned to applicants. All interest earned on Application Monies (including those which do not result in the issue of Shares) will be retained by the Company.

2.2 Foreign investor restrictions

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or to extend such an invitation. No action has been taken to register this Prospectus or otherwise to permit an offering of securities in any jurisdiction outside Australia. It is the responsibility of non-Australian resident investors to obtain all necessary approvals and comply with all relevant laws and regulations for the issue to them of securities offered pursuant to this Prospectus. Return of the Application Form will constitute a representation and warranty that there has been no breach of such laws and regulations.

2.3 Representations

The return of the Application Form or otherwise applying for securities under an Offer will be taken by the Company to constitute a representation by the applicant that it:

- has received a printed or electronic copy of this Prospectus accompanying the form and has read it in full;
- agrees to be bound by the terms of this Prospectus and the Constitution;
- has obtained all necessary approvals and complied with all relevant laws and regulations for the purposes of Section 2.2 (to the extent that they are applicable) and confirms its eligibility in respect of an offer of securities under the Offer;
- declares that all details and statements in the Application Form are complete and accurate;
- declares that it is over 18 years of age and has full legal capacity and power to perform all of its rights and obligations under the Application Form;
- acknowledges that once the Application Form is returned or payment is made its acceptance may not be withdrawn;
- agrees to being issued the number of new securities that it applies for (or such other number issued in accordance with this Prospectus);
- authorises the Company to register it as the holder(s) of the Shares issued to it under the Offer;
- acknowledges that the information contained in this Prospectus is not investment advice or a recommendation that the Shares are suitable for it, given its investment objectives, financial situation or particular needs; and
- authorises the Company and its officers or agents to do anything on its behalf necessary for the new securities to be issued to it, including correcting any errors in its Application Form or other form provided by it and acting on instructions received by the Share Registry using the contact details in the Application Form.

2.4 Capital raising fees

No capital raising fees will be paid in relation to applications under the Offer.

2.5 Issues of Shares

The issue of Shares under this Prospectus will occur on or about the Closing Date. The Directors will determine the recipients of all the Shares. The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for.

2.6 CHESS and issuer sponsorship

The Company operates an electronic CHESS sub-register and an electronic issuer sponsored sub-register. These two sub-registers will make up the Company's register of shares.

The Company will not issue certificates to security holders. Rather, holding statements (similar to bank statements) will be dispatched to security holders as soon as practicable after allotment. Holding statements will be sent either by CHESS (for security holders who elect to hold Shares on the CHESS

sub-register) or by the Company's Share Registry (for security holders who elect to hold their Shares on the issuer sponsored sub-register). The statements will set out the number of Shares allotted under this Prospectus and the Holder Identification Number (for security holders who elect to hold Shares on the CHESS sub register) or Shareholder Reference Number (for security holders who elect to hold their shares on the issuer sponsored sub-register). Updated holding statements will also be sent to each security holder following the month in which the balance of their security holding changes, and also as required by the Listing Rules and the Corporations Act.

2.7 Privacy disclosure

Persons who apply for securities pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess applications for securities, to provide facilities and services to Shareholders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If the information requested is not supplied, applications for securities will not be processed. In accordance with privacy laws, information collected in relation to specific Shareholders can be obtained by that Shareholder through contacting the Company or the Share Registry.

2.8 Taxation

It is the responsibility of all investors to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offer, by consulting their own professional tax advisers. Neither the Company nor the Directors accept any liability or responsibility in respect of the taxation consequences of the matters referred to in this Prospectus.

3. Effect of the Offer

3.1 Capital structure

The effect of the Offer on the capital structure of the Company are set out below.

Security	Number
Shares¹	
Shares on issue as at the date of this Prospectus ²	525,292,776
Shares offered under the Offer ³	10,000
Total Shares on issue on completion of the Offer⁴	525,302,776
Options	
Unlisted Options exercisable at \$0.04 on or before 31 December 2020	26,000,000
Unlisted Options exercisable at \$0.05 on or before 15 January 2022 ⁵	6,000,000
Total Options on issue on completion of the Offer	32,000,000

Notes:

1. The rights and liabilities attached to the Shares are summarised in Section 5.3.
2. This includes the issue of 100,000,000 Shares at 2.8 pence (~AU\$0.05) each to raise £2,800,000 (~AU\$5,000,000) (before costs) to augment the Company's general working capital and provide contingency for its Alaska North Slope Project as announced to ASX on 8 January 2019 and issued on the date of this Prospectus (**Placement**).
3. These Shares are being offered for the purpose set out in Section 2.1(b).
4. This assumes the Offer is fully subscribed and no Options are exercised.
5. To be issued to the Company's brokers and corporate adviser in connection with the Placement, on or about the date of this Prospectus.

3.2 Control

The Offer will not have a material impact on control of the Company.

3.3 Cash reserves

After paying expenses of the Offer of approximately \$10,000 (exclusive of GST), there will be no net proceeds from the Offer. The expenses of the Offer (exceeding \$500) will be met from the Company's existing cash reserves. The effect of the Offer on the Company's financial position will be a net decrease in cash held of approximately \$9,500 (exclusive of GST).

4. Risk factors

Activities in the Company and its controlled entities, as in any business, are subject to risks, which may impact on the Company's future performance. The Company and its controlled entities have implemented appropriate strategies, actions, systems and safeguards against known risks, however, some are outside its control.

The Directors consider that the matters summarised in this Section 4, which is not exhaustive, represent some of the major risk factors which Shareholders need to be aware of in evaluating the Company's business and risks associated with an investment in the Company. Shareholders should carefully consider the following factors in addition to the other information presented in this Prospectus.

4.1 Specific risks**(a) Exploration and development risk**

Oil and gas exploration involves significant risks including the risk that drilling will not result in commercially feasible oil or natural gas. Various factors outside of the control of the Company will impact on the decision for well locations, and new wells drilled may not be productive, or may not recover all or any portion of the Company's investment in such wells. Decisions to acquire, explore, develop or otherwise exploit prospects or properties will depend, in part, on the evaluation of engineering studies, production data and geological and geophysical analyses, the results of which are typically inconclusive or subject to varying interpretations. The costs of drilling and operating wells are typically uncertain prior to commencement of drilling.

The Company's Alaska North Slope Project is at an early stage of development, and future success will depend on the Director's ability to successfully manage the Company's Projects and take advantage of further opportunities. There can be no guarantee that the Company will be able to, or that it will be commercially advantageous to, develop the Alaska North

Slope Project. The Alaska North Slope Project currently does not produce a positive cash flow, and it will not generate any material income until commercial production has commenced, if at all. The Alaska North Slope Project has no operating history upon which to base estimates of future cash operating costs, and therefore actual cash operating costs and economic returns may differ materially from those estimated.

The Company's South East Asia – Philippines Project is currently in a moratorium phase with limited expenditure commitments. The moratorium phase applies until 26 April 2019, at which point increased expenditure will be required absent any extension to the moratorium period. This extension has been applied for, however there can be no guarantee that the extension will be granted.

There is no certainty that exploration within the Project areas will result in the discovery of an economic oil or gas deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited, particularly given the remote location and the lack of infrastructure in the region with respect to the South East Asia – Philippines Project.

The value of the Company's Shares will likely be affected by the results obtained by other companies conducting exploration activities in close proximity to its projects. If the results obtained by other companies are positive then this will likely increase the value of the Company's Shares. Conversely, if the results obtained by other companies are negative then this will likely decrease the value of the Company's Shares.

(b) **Infrastructure Access**

The Company's future performance may be impacted by its ability to access infrastructure and product transportation routes required for the production, processing and commercialisation of any future product(s) from the Company's Projects. The Company's ability to access infrastructure economically (or at all) is largely dependent on factors which are outside of the control of the Company. Further, there can be no guarantees that the Company will have continued access to the infrastructure needed for the Company's activities or that such infrastructure will not be subject to unexpected issues. If the Company is unable to gain and maintain this access in a timely or economic manner, the future performance of the Company is likely to be adversely impacted.

(c) **Permits and Approvals**

The Company's exploration activities are dependent upon the grant, or as the case may be, the maintenance of appropriate licences, concessions, leases, permits and regulatory consents. As at the date of this Prospectus, the undertaking of the initial test well on the Company's Alaska North Slope Project is subject to receipt of the remaining required permits and approvals from the Alaska Oil and Gas Conservation Commission. There can be no guarantee that these remaining permits and approvals will be granted.

The grant or maintenance of licences and obtaining renewals often depends on the Company being successful in obtaining the required regulatory approvals for its proposed activities. There can be no assurances that the Company will be successful in obtaining renewals of existing leases in the future. The leases, licences or permits might also contain conditions relating to operations including, but not limited to, environmental management issues, occupational health and safety, operating procedures and plant and equipment design specifications. Such conditions or regulations might be subject to change from time

to time, which change may impact the cost base and hence profitability of a particular project.

The permits the subject of the South East Asia – Philippines Project will require the lessees to incur minimum expenditure commitments. The Company may be prevented from achieving these annual requirements for unforeseen reasons outside the control of the Company or due to lack of funding. If this were to occur, the permits may be cancelled or terminated prior to their expiry date, which may have a material adverse effect on the Company's overall financial performance.

The leases the subject of the Alaska North Slope Project will require the lessees to pay an annual lease rental fee for their maintenance. The leases also require the drilling of a well by May 2019, for which the Company and its joint venture partners are in the process of preparing, with spud expected in February 2019. Should the Company fail to comply with the lease conditions, the leases may be cancelled or terminated before the Company is able to fully exploit them, which may have a material adverse effect on the Company's overall financial performance.

(d) **Drilling Risks**

Oil and gas drilling activities are subject to numerous risks, many of which are beyond the Company's control. The Company's drilling operations may be delayed or cancelled due to a number of factors including weather conditions, mechanical difficulties, shortage or delays in the availability or delivery of rigs and/or other equipment and compliance with governmental requirements. The Company may encounter a number of hazards which are incidental to the exploration and development of oil and gas properties such as unusual or unexpected formations, pressures or other factors. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs, or a discovery which is sufficiently productive to justify commercial development or cover operating costs.

(e) **Oil and gas price volatility**

It is anticipated that any future revenues of the Company, other than sales of assets, will be derived from the sale of oil and/or natural gas. The demand for, and price of, oil and natural gas is highly dependent on a variety of factors, including international supply and demand, the level of consumer product demand, weather conditions, the price and availability of alternative fuels, actions taken by governments and international cartels, and global economic and political developments.

International oil and gas prices have fluctuated widely in recent years and may continue to fluctuate significantly in the future. Fluctuations in oil and gas prices and, in particular, a material decline in the price of oil or gas may have a material adverse effect on the Company's business, financial condition and results of operations.

(f) **Additional requirements for capital**

Exploration, drilling and other project expenditure estimates are based on certain assumptions with respect to the method and timing of these activities. By their nature, these estimates and assumptions are subject to significant uncertainties and accordingly, the actual costs may materially differ from these estimates. Based on the Company's current cash reserves, estimates and work programme assumptions, the Company currently expects that it will be in a position to fund each of the Projects. Additional funding may be required to

effectively implement the Company's business and operational plans in the future or to take advantage of opportunities for acquisition, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur.

The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of exploration, development or production on the Company's properties or even loss of a property interest. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

(g) **Joint ventures**

The Company is party to a joint venture with Palawan55 Exploration & Production Corporation and Pryce Gases, Inc with respect to the South East Asia – Philippines Project, and a joint venture style arrangement with subsidiaries of 88 Energy Limited and Otto Energy Limited with respect to the Alaska North Slope Project. There is a risk of financial failure or default by a participant in any joint venture to which the Company is a party. Further, the decision to proceed with further exploration or other project decisions may require participation of other parties whose interests and objectives may not be the same as the interests of the Company.

(h) **Exchange rate fluctuation risk**

The Company's Projects are located in the Philippines and Alaska. As a result, the majority of the Company's cash flows, expenses, capital expenditure and commitments will be denominated in the Philippines Peso and United States Dollars. Any future revenue derived by the Company through the sale of commodities will expose the potential income of the Company to commodity price and exchange rate risks through the translation or repatriation of foreign currencies to Australian Dollars.

(i) **Reliance on key personnel and contractors**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

Further, the Company relies on contractors. Any delay in contractors completing work or encountering operational difficulties may lead to a loss of revenue and increased costs. The loss of one or more contracts with key contractors may lead to an increase in the Company's operational costs. The Company is unable to predict the risk of financial, managerial, operational or other failures by any of its contractors, any of which could have a material adverse effect on the operations and financial performance of the Company.

(j) **Reserve Estimates**

Reservoir engineering is a subjective process that only provides an educated estimate of the volume of underground reserves. Oil and gas estimates are not precise and are based on knowledge, experience, interpretation and industry practice. Petroleum engineering is a subjective process of estimating accumulations of oil and/or natural gas that cannot be measured in an exact manner and which involves the use of assumptions which may

ultimately not prove to be accurate. Different variables can impact whether these reserves are economically recoverable, including changes with respect to governmental regulations, commodity prices, and taxes. Resource estimates may change significantly when new information becomes available. The Company's actual revenues, expenses, and production will likely vary from such estimates and such differences could be substantial.

There is a risk that the Company's Prospective Resources will not convert to reserves, and also that any future actual production with respect to reserves may vary from such estimates. Such variances could be material to the Company and its future profitability.

The estimated quantities of petroleum that may potentially be recovered by the application of future development projects 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.

(k) **Limited trading history since reinstatement**

The Company was suspended from trading on 7 November 2017 as ASX determined that it did not have sufficient operations to warrant the continued quotation of its securities. The Company was reinstated to trading on 30 July 2018 following announcement of the acquisition of an interest in the Alaska North Slope Project. The Company therefore has limited trading history with respect to trading on the basis of the Alaska North Slope Project. No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or development of its Projects. Until the Company is able to realise value from its Projects, it is likely to incur ongoing operating losses.

(l) **Insurance**

Exploration, development and production operations on oil and gas properties involve a number of risks and hazards which are beyond the control of the Company including unexpected or unusual geological conditions, environmental hazards, technical and equipment failures, extended interruptions due to inclement or hazardous weather or other physical conditions, unavailability of drilling equipment, unexpected shortages of key personnel, labour, consumables or parts and equipment, fire, explosions and other incidents.

It is the Company's intention that the operations with respect to the Projects will be insured in accordance with all contractual obligations. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

(m) **Competition Risk**

The industry in which the Company is involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors (which may include major oil and gas companies that may have greater financial and other resources than the Company), which activities or actions may positively or negatively affect the operating and financial performance of the Company's projects and business.

(n) **Actual demand**

There are a number of alternative energy sources to energy sources from oil and gas products. These include renewable energy (ie wind, solar or hydroelectric), nuclear energy, geothermal and biomass. If the costs and commercial prices of such alternative energy sources fall or there is a significant shift in consumer sentiment towards such sources, this may have a significant effect upon the demand for the Company's future products, and the Company's overall financial performance and ability to operate in the oil and gas industry.

(o) **Potential Acquisitions**

As part of its business strategy, the Company may make acquisitions of, or significant investments in, companies or assets. Any such transactions will be accompanied by risks commonly encountered in making such acquisitions.

There are a number of uncertainties with the acquisition of interests in properties including, the amount of recoverable reserves, development and operating costs and potential environmental and other liabilities. Even with careful due diligence, it may be impossible to ascertain certain environmental or structural problems such as pipeline corrosion or hazardous spills. This risk could have a negative effect on future operations and the Company's financial position.

4.2 General risks

(a) **Environment and regulatory**

The Company's Projects are subject to State and Federal laws and regulation regarding environmental hazards. These laws and regulations set various standards regulating certain aspects of health and environmental quality and provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to remediate current and former facilities and locations where operations are or were conducted. Significant liability could be imposed on the Company for damages, clean-up costs, or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of properties acquired by the Company or its subsidiaries, or non-compliance with environmental laws or regulations.

Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment, including production activities. There is no assurance that such approvals will be obtained. The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

(b) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;

- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

Applicants should be aware that there are risks associated with any securities investment. Securities listed on a stock market, and in particular securities of exploration companies experience extreme price and volume fluctuations (both rising and falling) that have often been unrelated to the operating performance of such companies and may result from unpredictable influences on the market for equities in general. These factors may materially affect the market for Shares. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Economic, governmental and regulatory risks**

The future viability of the Company is, in part, dependent on factors affecting performance of all industries and not just the resources industries including, but not limited to, the following:

- general economic conditions in Australia and worldwide;
- changes in government policies, taxation and other laws in jurisdictions in which the Company operates;
- the strength of the equity and share markets in Australia and throughout the world, and in, particular, investor sentiment towards the resources sector;
- movement in, or outlook on, interest rates and inflation rates in jurisdictions in which the Company operates; and
- natural disasters, social upheaval or war in jurisdictions in which the Company operates.

(d) **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

(e) **Policies and legislation**

The introduction of new legislation or amendments to existing legislation by the Australian government, or the governments of the Philippines or Alaska and the decisions of courts and tribunals, can impact adversely on the assets, operations and, ultimately, the financial performance of the Company.

Any adverse developments in political and regulatory conditions could materially affect the Company's prospects. Political changes, such as changes in both monetary and fiscal policies, expropriation, methods and rates of taxation and currency exchange controls may impact the performance of the Company as a whole.

(f) **Force majeure**

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(g) **Litigation risks**

The Company is exposed to possible litigation risks including tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

(h) **Investment Risk**

An investment in any Shares to be issued pursuant to this Prospectus should be considered speculative. They carry no guarantee as to payment of dividends, return of capital or the market value of the Shares. The prices at which an investor may be able to trade the Shares may be above or below the price paid for the Shares. Prospective investors must make their own assessment of the likely risks and determine whether an investment in the Company is appropriate to their own circumstances.

4.3 Other risks

The above list of risk factors ought not to be taken as an exhaustive list of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the securities offered under this Prospectus. Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Investors should consider that an investment in the Company is highly speculative and should consult their professional adviser before deciding whether to apply for Shares pursuant to this Prospectus.

5. Additional information

5.1 Continuous disclosure

As the Company is admitted to the official list of ASX, the Company is a "disclosing entity" for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

Price sensitive information is publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants is also

managed through disclosure to ASX. In addition, the Company posts information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

Investors are encouraged to check and monitor any further announcements made by the Company to ASX prior to securities being issued under the Offer. To do so, please refer to the Company's ASX announcements platform via www.asx.com.au.

By virtue of section 713 of the Corporations Act, the Company is entitled to issue a "transaction-specific" prospectus in respect of the Offer.

In general terms, a "transaction-specific prospectus" is only required to contain information in relation to the effect of the issue of securities on the Company and the rights and liabilities attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position and performance, profits and losses or prospects of the issuing company.

As a disclosing entity under the Corporations Act, the Company states that:

- it is subject to regular reporting and disclosure obligations;
- copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC; and
- it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - the annual financial report of the Company for the financial year ended 30 June 2018;
 - any half-year financial report of the Company lodged with ASIC after the lodgement of the annual financial report referred to above and before the lodgement of this Prospectus with ASIC; and
 - all continuous disclosure notices given by the Company after the lodgement of the annual financial report referred to above and before the lodgement of this Prospectus with ASIC (see below).

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules that investors or their professional advisers:

- would reasonably require for the purpose of making an informed assessment of:
 - the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - the rights and liabilities attaching to the securities the subject of this Prospectus; and
- would reasonably expect to find in this Prospectus.

This Prospectus contains information specific to the Offer. If investors require further information in relation to the Company, they are recommended to take advantage of the opportunity to inspect or obtain copies of the documents referred to above.

The following announcements have been lodged with ASX in respect of the Company since the Company lodged its annual financial report for the financial year ended 30 June 2018 on 17 September 2018.

Date	Title
15/01/2019	Completion of Placing and Appendix 3B
08/01/2019	Placing to Raise A\$5.0m
08/01/2019	Trading Halt
07/01/2019	Alaska Update – Ice Road Construction Commenced
07/01/2019	88E: Operations Update – Winx-1 Well
17/12/2018	Operations Update – Key Permits Granted
17/12/2018	OEL: Alaska Operations Update – Winx-1 Well
17/12/2018	Alaska Update – Key Permits Granted
10/12/2018	Change of Adviser
26/11/2018	Change of Director’s Interest Notice x 3
23/11/2018	Appendix 3B – unlisted options
22/11/2018	Results of 2018 Annual General Meeting
14/11/2018	Alaska North Slope Presentation – November 2018
26/10/2018	Quarterly Activities Report & Appendix 5B
16/10/2018	Notice of Annual General Meeting

5.2 Market price of Shares

The highest and lowest closing prices of Shares on the ASX and AIM during the 3 months preceding the date of this Prospectus, and the closing price on the trading day before the date of this Prospectus, are set out below.

ASX

	Price	Date
Highest	\$0.063	11 January 2019
Lowest	\$0.043	20 December 2018
Last	\$0.059	14 January 2019

AIM

	Price	Date
Highest	3.60p	10 January 2019
Lowest	2.40p	23 October 2018
Last	3.58p	14 January 2019

5.3 Rights and liabilities attaching to Shares

The rights attaching to Shares are described in the Constitution and, to the extent applicable, are regulated by the Corporations Act, the Listing Rules and general law.

The following is a broad summary of the rights, privileges and restrictions attaching to all Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders.

All Shares issued pursuant to this Prospectus will from the time they are issued, rank *pari passu* with all the Company's existing Shares.

(a) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares (at present there are none), at meetings of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of Partly Paid Shares, shall have such number of votes as bears the same proportion which the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited).

(b) Rights on winding up

Subject to the rights of holders of shares with special rights in a winding up (at present there are none), on a winding up of the Company, all assets that may be legally distributed among members will be distributed in proportion to the number of Shares held by them irrespective of the amount paid-up or credited as paid up on Shares.

Sections 254B(2) and (4) of the Corporations Act prescribe certain terms of issue and entitlements with respect to shares in a "no liability" company. Section 254B(2) provides that a share in a no liability company is issued subject to a term that if the company is wound up and a surplus remains, it must be distributed among the parties entitled to it in proportion to the number of shares held by them irrespective of the amounts paid up on those shares.

However, a member who is in arrears in payment of a call on a share, but whose share has not been forfeited, is entitled to participate in the distribution of that surplus if the full amount outstanding in respect of the call is first paid.

Section 254B(4) provides that shareholders that were vendors or promoters of a no liability company are not entitled to any preference upon a winding up of that company at any time, notwithstanding anything contained in the company's constitution or the terms on which the shares were issued.

(c) **Liabilities**

The Shares offered under this Prospectus are fully paid ordinary shares. There is no liability on a holder of those Shares to contribute any further amount to the Company in respect of those Shares.

(d) **Transfer of Shares**

Subject to the Constitution of the Company, the Corporations Act, and any other laws and ASX Settlement Operating Rules and ASX Listing Rules, Shares are freely transferable.

(e) **Future increases in capital**

The allotment and issue of any Shares is under the control of the Directors. Subject to restrictions on the allotment of Shares to Directors or their associates, the ASX Listing Rules, the Constitution of the Company and the Corporations Act, the Directors may allot or otherwise dispose of Shares on such terms and conditions as they see fit.

(f) **Variation of rights**

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of the issue of the shares of that class), whether or not the Company is being wound up may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(g) **Dividend rights**

Subject to the rights of holders of shares issued with special, preferential or qualified rights (at present there are none), the profits of the Company which the Directors determine to distribute by way of dividend are payable according to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid.

5.4 Director interests

Other than as set out below or elsewhere in this Prospectus, no existing or proposed Director holds at the date of this Prospectus, or has held in the 2 years prior to the date of this Prospectus, an interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or in connection with the Offer; or

- the Offer,

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to an existing or proposed Director to induce them to become, or qualify as, a Director or for services in connection with the formation or promotion of the Company or the Offer.

(h) **Remuneration**

The remuneration (including superannuation) to be paid to the Directors for the current financial year and paid to Directors for the 2 financial years prior to the date of this Prospectus, is set out below.

Director	Position	Financial year ended 30 June 2017	Financial year ended 30 June 2018	Proposed Financial year ended 30 June 2019
Mr Greg Bandy	Managing Director	\$197,100 ¹	\$197,100 ¹	\$197,100 ¹
Mr Jason Bontempo	Non-Executive Director	\$32,850 ²	\$32,850 ²	\$32,850 ²
Mr Aaron Bertolatti ³	Director and Company Secretary	\$-	\$43,500	\$60,000
Mr Nathan Rayner ⁴	Non-Executive Director	\$36,000 ⁵	\$24,000 ⁵	N/A

Notes:

1. Fees paid to Mr Bandy comprise \$180,000 in base salary and \$17,100 in superannuation.
2. Fees paid to Mr Bontempo comprise \$30,000 in director fees and \$2,850 in superannuation.
3. Mr Bertolatti was appointed on 4 June 2018. Fees paid to Mr Bertolatti comprise consulting fees only.
4. Mr Rayner was appointed on 23 October 2014 and resigned on 4 June 2018.
5. Fees paid to Mr Rayner comprise director fees only.

(i) **Securities**

The securities which the Directors and their associates have or are proposed to have relevant interests in at the date of this Prospectus are set out below.

Director	Shares	Options ⁶
Mr Greg Bandy	1,000,000 ¹	6,000,000 ²

Mr Jason Bontempo	-	2,000,000 ³
Mr Aaron Bertolatti	375,000 ⁴	2,000,000 ⁵

Notes:

1. Held by Raffles Wealth Pty Ltd <The G J Bandy Super Fund A/C> of which Mr Bandy is a beneficiary.
2. Held directly by Mr Bandy.
3. Held by Mrs Tiziana Battista <Morrison A/C>, Mr Bontempo's spouse.
4. Held directly by Mr Bertolatti.
5. Held by Mr Bertolatti <Bertolatti Family Trust>.
6. Options are exercisable at AU\$0.04 each and will expire on 31 December 2020.

5.5 Expert and adviser interests

Other than as set out below or elsewhere in this Prospectus, no expert, promoter, underwriter or other person named in this Prospectus who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus holds, at the date of this Prospectus, or has held in the 2 years prior to the date of this Prospectus, an interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or in connection with the Offer; or
- the Offer,

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to any such persons for services in connection with the formation or promotion of the Company or the Offer.

Edwards Mac Scovell has acted as the legal adviser to the Company in relation to the Offer. The estimated fees payable to Edwards Mac Scovell for these services are \$5,000 (exclusive of GST). During the 24 months preceding lodgment of this Prospectus with the ASIC, Edwards Mac Scovell has been paid fees totaling \$58,475 (excluding GST) by the Company for legal services provided to the Company.

5.6 Consents

Each of the parties referred to below:

- does not make the Offer;
- has not authorised or caused the issue of this Prospectus;
- does not make, or purport to make, any statement that is included in this Prospectus, or a statement on which a statement made in this Prospectus is based, other than as specified below; and

- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with the consent of that party as specified below.

Edwards Mac Scovell has given, and has not before lodgement of this Prospectus withdrawn, its written consent to be named in this Prospectus as the legal adviser to the Company in relation to the Offer in the form and context in which it is named.

There are a number of persons referred to elsewhere in this Prospectus who have not made statements included in this Prospectus and there are no statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in this Prospectus and did not authorise or cause the issue of this Prospectus.

5.7 Offer expenses

The estimated expenses of the Offer (exclusive of GST) are set out below.

Item	Amount
ASIC fees	\$3,206
Legal fees	\$5,000
Miscellaneous costs	\$1,794
Total	\$10,000

5.8 Substantial Shareholders

As at the date of this Prospectus, those persons who hold 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Pershing Nominees Limited <Perny>	37,363,760	7.1
Interactive Investor Services Nominees Limited <SMKTISAS>	34,067,432	6.5
Barclays Direct Investing Nominees Limited <Client1>	27,217,646	5.2

5.9 Litigation

As at the date of this Prospectus, the Company is not involved in any material legal proceedings and the Directors are not aware of any material legal proceedings pending or threatened against the Company.

6. Directors' authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and the issue of this Prospectus, and has not withdrawn that consent.

Signed for and on behalf of the Company.

Greg Bandy
Managing Director
Red Emperor Resources NL

7. Definitions

\$ means the official currency of the Commonwealth of Australia.

£ means the official currency of the United Kingdom

AIM means the market of that name operated by the London Stock Exchange.

Application Form means an application form either attached to or accompanying this Prospectus.

Application Monies means the monies received from persons applying for Shares under the Offer.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.

ASX Settlement means ASX Settlement Pty Limited ACN 008 504 532.

Board means the board of Directors.

Business Day means a day on which banks are open for business in Perth, Western Australia excluding a Saturday, Sunday or public holiday.

CHES means the Clearing House Electronic Subregister System operated by ASX Settlement.

Closing Date means the date that the Offer closes being 5.00 p.m. (WST) on 16 January 2019 or such other time and date as the Company determines.

Company means Red Emperor Resources NL ACN 124 734 961.

Constitution means the constitution of the Company from time to time.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Eligible Investor means a person who has been issued Shares under the Placement.

Listing Rules means the official listing rules of the ASX.

Offer means the offer of Shares as detailed in Section 2.1.

Opening Date means the first date for receipt of applications under the Offer being 15 January 2019 or such other time and date as the Company determines.

Option means an option to acquire a Share.

Placement means the Company's placement of 100,000,000 Shares at an issue price of 2.8 pence (~AU\$0.05) each to raise £2,800,000 (~AU\$5,000,000) (before costs), as announced by the Company to ASX on 8 January 2019 and issued on the date of this Prospectus.

Projects means the Company's Alaska North Slope Project and the South East Asia – Philippines Project.

Prospective Resources has the meaning given it in the ASX Listing rules.

Prospectus means this prospectus dated 15 January 2019

Section means a section of this Prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means the registered holder of one or more Shares.

Share Registry means the share registry of the Company as specified in the corporate directory of this Prospectus.

WST means Western Standard Time, being the time in Perth, Western Australia.