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## MARCH 2018 QUARTERLY REPORTS

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Issued Capital: <b>425M</b>	ASX Code: <b>RMP</b>	Closing price: <b>A\$0.02</b>
	AIM Code: <b>RMP</b>	Closing Price: <b>£0.009</b>

The Board of Red Emperor Resources NL (“**Red Emperor**” or the “**Company**”) provides the following commentary and Appendix 5B for the March 2018 Quarter.

### California

During the quarter, after extensive work to establish a full and legal chain of title to a number of leases believed to be prospective for oil & gas in the Sacramento Gas Basin of California, Red Emperor continued to negotiate with relevant landowners in an attempt to secure binding lease agreements across two prospect areas. This was done via a local “landman” in California and in conjunction with the proposed Joint Venture partner, Oil Ventures Limited (Oil Ventures). Landowners were presented with formal lease agreements and were given ample time to consider terms, which were believed to be reasonable and consistent with the typical terms for Californian oil and gas leases; payment of an annual rental based on net mineral acreage and payment of a royalty on any hydrocarbon production. The leases contemplated had a 5-year term. To date however, Oil Ventures has been unsuccessful in both agreeing terms and securing any executed lease agreements with the relevant landowners. As a result, Red Emperor is now considering its options with respect to the two prospect areas.

While the specific location of the leases still remains confidential, the Company again advises that in return for funding 100% of the lease acquisition costs, as well as the acquisition and reprocessing of relevant seismic data, Red Emperor was to earn a 60% interest in the newly established Joint Venture and any subsequent leases acquired. The total budget, inclusive of Landman fees, for the proposed acquisition was USD640,000, after which RMP would be responsible for its 60% equity interest.

### Philippines (SC 55)

Subsequent to the quarter end, the Company finally received official confirmation from the Philippine Department of Energy (DoE) ratifying the request for the transfer of participating interests in Service Contract no. 55 (SC55) from Otto Energy Limited (ASX: OEL) (Otto Energy) to its partners, Century Red Pte. Ltd (a 100% owned subsidiary of Red Emperor), Palawan55 Exploration & Production Corporation (Palawan55) and Pryce Gases, Inc.

Red Emperor’s equity interest in SC55 is now 37.5% (previously 15%) after the DoE found the partners to be *“Financially qualified to assume the proposed interests. Legally qualified to assume the participating interest from Otto Energy considering that they are existing petroleum companies operating either as operator and/or consortium members in petroleum service contracts; And technically qualified, as exemplified by the joint cooperation and completion of previous exploration activities, such as the drilled Hawkeye-1 well.”*

As a result, the participating interests in SC55 are as follows:

#### 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

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#### CONTACT DETAILS

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30 Finsbury Square  
London EC2P 2YU  
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#### UK BROKER

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

#### AUSTRALIAN BROKER

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Level 9, 25 Bligh Street  
Sydney NSW 2000  
Tel: +61 2 9112 2500

#### ASX CODE | AIM CODE

RMP



<b>Company</b>	<b>Participating Interests</b>
Palawan55 (Operator)	37.50%
Century Red Pte. Ltd (Red Emperor)	37.50%
Pryce Gases, Inc.	25.00%
<b>Total</b>	<b>100%</b>

It is also understood that Palawan55 will be the "**Operator**" of SC 55 as endorsed by the other remaining partners.

Likewise, the timeline for the moratorium period and Sub-Phase (SP) 5 has now been revised to reflect the transfer of interest. It is understood that the minimum work program and budget for the moratorium period and SP 5 are unaffected by the transfer of interest, as shown below:

<b>Sub-Phase (SP)</b>	<b>Work Program and Budget (WP&amp;B)</b>
<b>Moratorium Period</b> (Date of approval of transfer until 13 months thereafter)	Conduct a Qualitative Interpretation (QI) study of the greater Hawkeye area, lithology and petrophysical modeling and a contingent program of AVO studies = US\$ 478,750
<b>SP 5</b> (date of end of moratorium period until 12 months thereafter)	Drill one (1) Ultra-deepwater well = US\$ <b>3,000,000.00</b>

As nominated "Operator" Palawan55 has suggested that the partners hold an Operating Committee Meeting to formalise their appointment as successor Operator, establish an Operating Committee and agree on related amendments to the JOA.

With respect to the committed work program, Palawan55 are currently conducting an inventory of the technical data that had been turned over by Otto Energy. They have also advised that they are engaging with consulting groups with respect to the programmed specialised geophysical studies in order to refine the budget.

Red Emperor participated in a USD \$25m exploration well (Hawkeye-1) within the block in 2015 and contributed in excess of AUD \$5m towards drilling costs. Over USD \$50m 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 1.6tcf recoverable gas. Given the Hawkeye well discovered gas and a working petroleum system relatively close to Cinco, Red Emperor believes that SC55 remains a key asset for the Company to maintain exposure to.

### **Proposed Management Changes**

During the quarter the Company underwent a strategic review of its board and management and as a result proposes to make significant changes over the coming months to the structure of the business. Specifically, a Chief Executive Officer with over 20 years' industry experience has been identified to oversee the day-to-day management of the assets and portfolio of the Company with a specific mandate of identifying and introducing new opportunities. While an appointment is potentially weeks away, the Company is mindful of informing shareholders of its strategic plans and intentions at this stage. There is also expected to be Board changes made in the coming weeks.

For and on behalf of the Board

**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, 01/05/13, 01/09/16

### Name of entity

RED EMPEROR RESOURCES NL

### ABN

99 124 734 961

### Quarter ended ("current quarter")

31 March 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(124)	(137)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(145)	(632)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	33	102
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	10
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(236)</b>	<b>(657)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	10,478	10,921
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(236)	(657)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	66	44
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>10,308</b>	<b>10,478</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	10,308	10,478
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>10,308</b>	<b>10,478</b>

<b>6. Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to these parties included in item 1.2	29
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Payment of Directors Fees and Remuneration - \$29k

<b>7. Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

N/A

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

N/A

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	150,000
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	100,000
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>150,000</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	N/A			
10.2 Interests in mining tenements and petroleum tenements acquired or increased	N/A			

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:

(Company secretary)

Date: 23 April 2018

Print name: Aaron Bertolatti

### 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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.