



28 July 2015

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

Via E-Lodgement

QUARTERLY REPORTS FOR THE PERIOD ENDING 30 JUNE 2015

Issued Capital: 425M	ASX Code: RMP	Closing price: A\$0.098
	AIM Code: RMP	Closing Price: £0.047

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 June 2015.

Philippines (SC55)

Red Emperor announced on 24 July 2015 that the Company had received formal notification from the Philippines Department of Energy that approval for the assignment of its 15 per cent. working interest in Block SC55 had been granted. This was the final condition precedent to be met with respect to Red Emperor's farmin agreement with Otto Energy Ltd (ASX: OEL) ("Otto"). With all conditions satisfied, the Company confirmed that the agreement had been completed.

During the quarter the Company also announced that its Joint Venture partner and Operator of Block SC55, Otto, had executed a binding contract with Maersk Drilling to secure the Maersk Venturer ultra-deepwater drill ship to drill the Hawkeye-1 exploration well. Maersk Drilling was issued with a formal notice in respect of the mobilisation to the Hawkeye-1 location in early July 2015. Mobilisation will commence on or around 31 July 2015 and is expected to take approximately 1 to 2 days, with drilling operations to commence upon arrival of the rig on location. The well is expected to take around 23 days to drill.

The total expected cost remains within guidance of US\$30 to \$35 million. This cost is a dry-hole well-cost estimate. If the well encounters hydrocarbons then a more detailed evaluation, including well logging, will be undertaken. Red Emperor's well-cost exposure is capped at US\$5.625 million.

SC55 is located in the southwest Palawan Basin and covers an area of 9,880km². 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. The Hawkeye prospect was identified on 2D seismic in 2007 and further defined with a 600km² 3D seismic acquisition in late 2009. Hawkeye contains a 'Best Estimate' STOIPP of ~480 MMbbls of oil and a 'Best Estimate' Gross Prospective Resource of 112 MMbbls (RMP net 14.3 MMbbls).

BOARD & MANAGEMENT

Mr Greg Bandy
MANAGING DIRECTOR

Mr Nathan Rayner
NON-EXECUTIVE DIRECTOR

Mr Jason Bontempo
NON-EXECUTIVE DIRECTOR

Mr Aaron Bertolatti
COMPANY SECRETARY

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ASX CODE | AIM CODE
RMP



Puntland

During the quarter Red Emperor's Joint Venture ("JV") partner and operator, Africa Energy Corp. (previously Horn Petroleum Corp.) (together "Africa Energy" or the "Operator"), gave notice to the Puntland State of Somalia advising of its intention to withdraw from the January 2007 Production Sharing Agreements ("PSAs") which cover the Nugaal and Dharoor Blocks.

In its notice to the Puntland Petroleum and Minerals Agency, Africa Energy cited the uncertainty of the current political climate in Somalia, especially in respect of the disagreement between the Federal Government of Somalia and the regional government of Puntland, over the legitimacy of the PSAs and potential territorial claims on the Nugaal Block as the principal reasons for its decisions.

Whilst Red Emperor is disappointed with this outcome, the Company acknowledges the political uncertainties that have existed within the country, the state and the region over the past 3 years, preventing the Joint Venture from conducting the activities required under the terms of the PSAs. Red Emperor supports the Operator in its decision to withdraw from the PSAs.

Georgia

During the quarter, the Georgian Ministry of Energy formally notified Strait Oil & Gas Limited ("Strait") that the Production Sharing Contract (PSC) over Block VIb had been terminated. The Ministry cited the non-performance of obligations, specifically the requirement to drill a well in accordance with the stipulated procedure. Red Emperor notes that this obligation has been acknowledged by its JV partner, Range Resources Limited (ASX: RRS, AIM: RRL, "Range"), both internally within JV correspondence as well as publicly.

Red Emperor believes it fulfilled its obligations with respect to Block VIb, specifically cash contributions towards the second well of a two well program, as per its Shareholder and Subscription Agreements (the "Agreements"). The Company continues to reserve any and all legal rights under the Agreements.

This outcome does not, in any way, affect the validity of Block VIa, which remains the subject of interest from various third party participants seeking to either acquire or farm in to the block. Negotiations have yet to progress to a level that warrants disclosure, however the Company looks forward to updating the market in due course.

Corporate

During the quarter the Company announced an oversubscribed placing through its London broker, Brandon Hill Capital, and its Australian broker, 708 Capital, of 72,000,000 new ordinary shares at 4 pence (A\$0.08) per share to raise £2.88 million (A\$5.76 million) before expenses. Proceeds from the raise and existing cash resources will principally be used to fund the upcoming drilling and potential appraisal activities in the Philippines.

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, 01/05/2013

Name of entity

RED EMPEROR RESOURCES NL

ABN

99 124 734 961

Quarter ended ("current quarter")

30 June 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 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	(20) - - (206)	(366) - - (1,022)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	78	338
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	(148)	(1,050)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) investment in associate	- - -	- (182) (59)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- 798 -
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	557
1.13 Total operating and investing cash flows (carried forward)	(148)	(493)

+ 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)	(148)	(493)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	680	2,803
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 - fundraising costs	-	(137)
	Net financing cash flows	680	2,666
	Net increase (decrease) in cash held	532	2,173
1.20	Cash at beginning of quarter/year to date	11,962	10,321
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	12,494	12,494

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	63
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	\$63k

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

- 10,000,000 shares were issued as consideration for the introduction, facilitation and corporate advisory services related to the SC55 transaction.
- 10,000,000 shares were issued as consideration as consideration for stockbroking and advisory services and pursuant to the Corporate Services Mandate dated 27 February 2015.

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	6,500
4.2 Development	-
4.3 Production	-
4.4 Administration	200
Total	6,700

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	12,494	11,962
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	12,494	11,962

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	353,292,776	353,292,776		Fully Paid
7.4 Changes during quarter (a) Increases through issues - Corporate advisors and consultants (b) Decreases through returns of capital, buy-backs	20,500,000	20,500,000		
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	4,500,000	-	<u>Exercise Price</u> \$0.055	<u>Expiry Date</u> 31 December 2015
7.8 Issued during quarter - Unlisted options	4,500,000	-	<u>Exercise Price</u> \$0.055	<u>Expiry Date</u> 31 December 2015
7.9 Exercised during quarter				
7.10 Expired during quarter - Unlisted options	112,966 1,170,000	- -	<u>Exercise Price</u> £0.18 £0.32	<u>Expiry Date</u> 3 April 2015 16 May 2015
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: 28 July 2015

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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+ See chapter 19 for defined terms.

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%	(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.

Mining tenements acquired and disposed during the June 2015 quarter: Nil

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the June 2015 quarter: The Production Sharing Contract (PSC) over Block VIb was terminated during the quarter.

+ See chapter 19 for defined terms.