

25 January 2010

Manager of Company Announcements  
ASX Limited  
Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2001

*By E-Lodgement*

## **Red Emperor to Raise \$11m to Fund Drilling Programs**

**Red Emperor Resources NL (ASX: RMP) is pleased to announce that it will raise \$11m to fund its exploration drilling programs in both Georgia and Puntland, with the first of three wells to be spudded this Quarter and the significant Puntland well to be spudded within six (6) months. The capital raising includes a \$10m placement to institutional and sophisticated investors from both Australia and overseas, as well as a \$1m offer to shareholders of Range Resources Limited (ASX: RRS ; AIM: RRL).**

### **Highlights:**

- **Strong demand for the placement from institutional and sophisticated investors in Australia and overseas**
- **The Placement was heavily oversubscribed**
- **The proceeds of the placement will fully fund RMP through all of its well commitments for the next 6 months**
- **Range Resources shareholders to be offered the ability to participate in the placement on the same terms**
- **Success of the capital raising demonstrates the strength of support for RMP's exploration programs and the value proposition it offers shareholders**

The \$11m capital raising comes on the back of two key milestones for the Company:

- **Signing of a Heads of Agreement with Range Resources Limited (ASX: RRS, AIM: RRL) and Strait Oil & Gas (UK) to earn a 20% interest in two prospective blocks in Georgia. These blocks have been independently assessed to potentially contain over 2 billion barrels of oil.**
- **Formal ratification and extension by the Puntland Government of the production sharing agreements (PSA's) paving the way for the first exploration well to be drilled in Puntland in nearly 20 years. The two blocks in Puntland have been independently assessed to potentially contain up to 18 billion barrels of oil.**

Red Emperor has committed to three (3) exploration wells in the next six months which this capital raising, coupled with RMP's current cash, provides the required funding for. Independently assessed by Gafney Cline Group and RPS Group, these three wells are targeting a combined total of 1.3 billion barrels in place (RMP's share is a potential 260 million barrels of oil).

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## **The Placement**

The Company has agreed to place 50 million shares at \$0.20 to institutional and sophisticated clients of Max Capital Pty Ltd. The placement will raise \$10 million before costs and has already received the prior approval of RMP shareholders at the Company's last AGM in November, 2010.

In addition, Red Emperor will also offer up to 5 million shares at \$0.20 to Range Resources shareholders to raise up to \$1 million. Subject to demand from Range Resources shareholders, the Company may extend the offer to Range shareholders beyond \$1 million, but in any case no more than \$2 million. The offer to Range Resources shareholders will be made under a prospectus which the Company plans to lodge during the next week. Those Range Resources shareholders interested in participating in the Placement should contact Minc Securities on (02) 8116 9616.

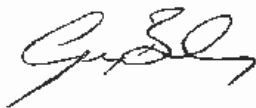
Commenting on the placement Executive Director Greg Bandy said, "We are delighted with the support we received for the capital raising. This will leave us fully funded to participate in three exploration wells this year where our 20% share is a potential 260 million barrels. We think that with the technical and operational experience of our partners in both projects, we are well placed to take advantage of some incredible opportunities. We are a highly leveraged play into company making exploration blocks and are now fully funded."

## **Resignation and Appointment of Director**

Red Emperor is pleased to announce that Mr Jason Bontempo will be joining the board as a non executive director. Mr Bontempo is currently an executive director of International Goldfields Limited (ASX: IGS) and a non-executive director of Glory Resources Limited (ASX: GLY), and has considerable corporate experience in both Australia and the UK, where RMP plans to dual list later this Quarter. Red Emperor welcomes Mr Bontempo to the board and looks forward to the valuable contributions he will undoubtedly bring.

The Company also accepts the resignation of Mr Kent Hunter as a non-executive director. Mr Hunter has been a director since the Company's listing in 2007 and has been an invaluable part of the board during that time. The Company would like to wish Mr Hunter well in his future endeavours.

For and on behalf of the Board



**Greg Bandy**  
**Executive Director**

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