

23 February 2012

Manager of Company Announcements
ASX Limited
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By E-Lodgement

Puntland Update

Red Emperor Resources NL (ASX | AIM : RMP) along with its Joint Venture partner Range Resources Limited (ASX: RRS | AIM: RRL) and operator, Horn Petroleum (TSXV: HRN) is pleased to provide the following update with respect to its Puntland operations.

The Shabeel-1 exploration well spudded on January 17, 2012 and is currently at a depth of 1,230 meters of a total planned maximum depth of 3,800 meters. Casing has been set in the well to a depth of 1,139 meters and drilling of the 12 ¼ inch section continues as planned. Drilling of the Shabeel-1 well is expected to be completed during the first quarter of 2012 and testing equipment is currently being mobilised to the site. Assuming successful drilling results, it is anticipated that testing results will be available early in the second quarter of 2012. Upon completion of drilling the Shabeel-1 well, the rig will move to the Shabeel North-1 well, where 30 inch conductor pipe is in place and a 50-meter pilot hole was drilled. Red Emperor has an option over participating in the second well.

These two wells represent the first oil exploration wells to be drilled in the country in over 20 years and will satisfy the first exploration period drilling commitments as required under the Production Sharing Contracts for both the Dharoor and Nugaal Blocks. In order to provide for sufficient time to evaluate drilling results, the Puntland Government has granted an extension of the first exploration period expiry date to October 17, 2012.

The Puntland Government and Dharoor Valley communities are fully supportive of the drilling project and have assured the operator that they will do all necessary to allow the project to move forward safely and expeditiously.

Georgia Update

The Company advises that due to the severe weather conditions that have been experienced across Europe and Eastern Europe, the joint venture has taken the decision to delay mobilisation of the drilling rig and ancillary equipment to the Namakhvani well to allow for more robust site construction.

The poor weather experienced since site preparations first began has impeded adequate ground and road preparations to permit the safe movement of heavy equipment to the site. The joint venture has therefore decided to delay mobilisation until conditions at the site are satisfactory. Whilst mobilisation has been delayed, site preparation has continued, albeit, constrained in part by the weather conditions. It is anticipated that spudding will now take place in early / mid April 2012.

BOARD & MANAGEMENT

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NON-EXECUTIVE DIRECTOR

Mr Stephen Brockhurst
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The Company also advises that preparations have begun on the 2D seismic program on Block V1b with the engagement of the Geological Institute of Israel ("GII"), who performed the initial 410 km 2D seismic program in 2009. A 265 km 2D seismic program will be undertaken on Block VIb that will endeavour to provide northern closure on the initial structures previously identified, as well as looking at identifying possible unconventional (shale) targets. The program will also include a seismic cross section over the recently drilled Mukhiani Well to assist with the potential side track option as identified through the earlier Vertical Seismic Profiling.

Recently appointed NTD Energy will be taking an active role in supervising the seismic program all the way from acquisition to processing and interpretation.

For and on behalf of the Board

Greg Bandy
Executive Director

Background

Red Emperor Resources NL (ASX | AIM: RMP) is a natural resources exploration company with interests in the frontier state of Puntland, Somalia, the Republic of Georgia and Western Australia.

- In Puntland, Red Emperor holds a 20% working interest in two licences encompassing the highly prospective Dharoor and Nugaal valleys. These two exploration areas cover over 36,000km². The operator and 60% interest holder, Horn Petroleum Corp. (TSXV: HRN) has spud the first well in a two well programme in early 2012 targeting 300mmbbls and 375mmbbls of best estimate Prospective Resources (100% basis). Site construction has commenced on the second well with the setting of the 30 inch surface casing and drilling of a 50 meter pilot hole in readiness for spudding following completion of the first well.
- In the Republic of Georgia, Red Emperor has a 20% working interest in onshore blocks VIa and VIb, covering approx. 6,500km². Joint Venture partner Range Resources Limited (ASX: RRS | AIM: RRL) previously funded a 410km 2D seismic program with independent consultants RPS Energy identifying 68 potential structures containing an estimated 2.045 billion barrels of undiscovered oil-in-place (on a mean 100% basis) with the first (Mukhiani-1) of two exploration wells having spudded in July 2011. Re-interpreted seismic supported by the Mukhiani-1 vertical seismic profiling has identified new fault and stratigraphic trapping potential with the possibility of a side track well to be drilled post additional seismic in 2H 2012.