

26 March 2019

ALASKA OPERATIONS UPDATE

The Board of Red Emperor Resources NL (ASX/AIM: RMP) ("RMP", "Red Emperor" or the "Company"), provides the following update with respect to the recent drilling of the Winx-1 exploration well ("Winx-1") within the Western Blocks, North Slope of Alaska. completed

Highlights

- All work associated with the drilling of Winx-1 has been completed, with the rig and crew having fully demobilised and left the site
- Along with the joint venture partners, RMP is proceeding with its plan to further evaluate the Nanushuk potential of the Western Blocks by using the valuable data obtained while drilling Winx-1, as well as potentially reprocessing the existing 3D seismic data
- RMP remains well placed financially with a current cash balance of approximately AUD \$4.6 million, excluding its share of the performance bond refund
- The process for the refund of the performance bond (RMP share USD \$1.05 million) is underway

88 Energy (ASX/AIM: 88E), in its capacity as consortium operator, has advised Red Emperor that Winx-1 has been successfully plugged and abandoned with the rig and crew having fully demobilised and no longer on site. We would like to thank 88E for drilling the well on time and without incident in a very challenging environment. Indications are that the well has come in on or slightly under budget.

RMP would like to reiterate its forward plan to further evaluate and integrate the valuable data acquired at Winx-1, as well as potentially reprocess the Nanuq 3D seismic (2004), in order to evaluate the remaining Nanushuk prospectivity on the Western Leases. There are several working theories that will be assessed over the coming months, including whether there is potential for better developed sands updip and in closer proximity to the successful Horseshoe-1/1A and Stony Hill-1 wells (Figure 1).

RMP is financially well placed to proceed with its evaluation plans for the Western Blocks and continue its ongoing evaluation of other opportunities, with a current cash balance of approximately AUD \$4.6 million (excluding the refund associated with the performance bond). The process for the refund of the performance bond (RMP share USD\$1.05 million) has begun, now that all obligations associated with it have been met.

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ASX CODE | AIM CODE

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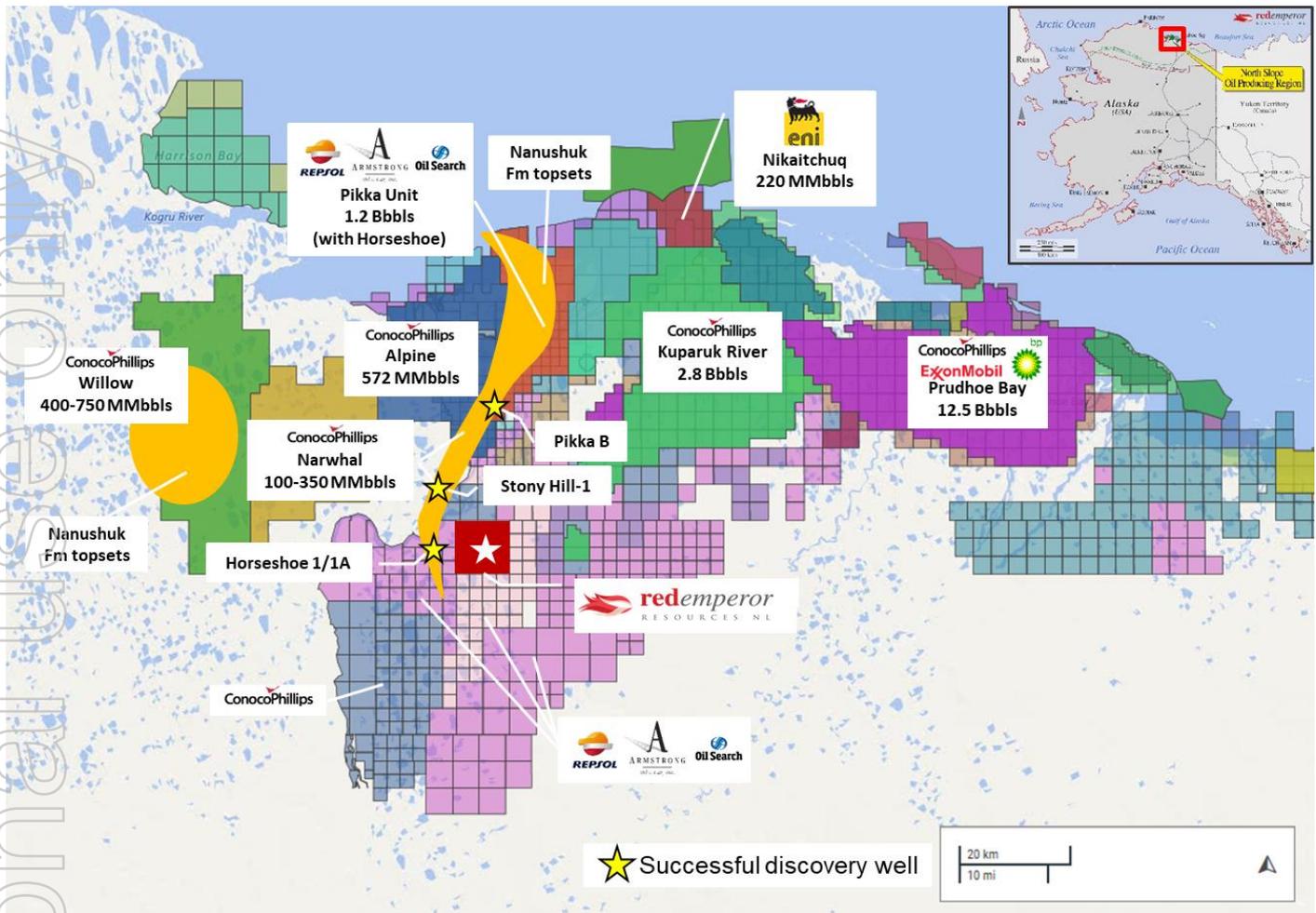


Figure 1 | Western Blocks, Alaska North Slope and Nanushuk Fairway

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.

Prospective Resources Reporting Notes

The Company announced the prospective resources estimate for the Western Blocks in its announcement titled “Red Emperor to acquire interest in large oil prospect in prolific Alaska North Slope” made on 25 June 2018. The Company confirms that it is not aware of any new information or data that materially affects the information included in that announcement, and that all material assumptions and technical parameters underpinning the estimates in that announcement continue to apply and have not materially changed.

(i) The prospective resources information in this announcement is effective as at 30 April 2018. (ii) The prospective resources information in this announcement has been estimated and is classified in accordance with SPE PRMS (Society of Petroleum Engineers Petroleum Resources Management System). (iii) The prospective resources information in this announcement is reported according to the Company’s economic interest in each of the resources and net of royalties. (iv) The prospective resources information in this announcement has been estimated and prepared using the deterministic method. (v) The prospective resources information in this announcement has been estimated using a 6:1 BOE conversion ratio for gas to oil; 6:1 conversion ratio is based on an energy equivalency conversion method and does not represent value equivalency. (vi) The prospective resources information in this announcement has been estimated on the basis that products are sold on the spot market with delivery at the sales point on the production facilities. (vii) Prospective resources are reported on a best estimate basis. (viii) For prospective resources, the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) 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. (ix) In respect to the prospective resources referred to in this announcement, Red Emperor’s working interest in the four leases (ADL#s 391718, 391719, 319720 and 391721), totalling 22,711 acres all of which are located on the North Slope, Alaska, USA will be 31.5% upon completion of the transaction. (x) The prospective resources have been estimated on the following basis: the best estimate prospective recoverable resource calculation was based on a consideration of offset well information and seismic expression; a combination of volumetric assessment and field analogues have been used to estimate the prospective resources; exploration drilling will be required to assess these resources. (xi) The chance of discovery is considered moderate as the prospective resources are near developed and undeveloped reserves and in a proven oil and gas producing province. There is a risk that exploration will not result in sufficient volumes of oil and/or gas for a commercial development. (xii) Prospective resources are un-risked and have not been adjusted for an associated chance of discovery and a chance of development.