

28 July 2016

## QUARTERLY REPORTS FOR THE PERIOD ENDING 30 JUNE 2016

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>£0.011</b>

The Board of Red Emperor Resources NL (“**Red Emperor**” or the “**Company**”) provides the following commentary and Appendix 5B for the period ending 30 June 2016.

### Philippines (SC 55)

The Company announced during the quarter that the Joint Venture (JV) had formally received approval from the Philippines Department of Energy for a two-year moratorium, until 23 December 2017, on required work activity under Service Contract 55. During the moratorium period, the consortium will conduct specialised geophysical studies in the area surrounding the Hawkeye Prospect, which encountered gas shows when it was drilled last year. Although the Hawkeye well did not encounter gas in commercial quantities, it proved the presence of an active petroleum system in the contract area that hosts the “Cinco Prospect” as well as several other leads.

As announced previously, Otto Energy Limited (ASX: OEL) has advised the JV of its intention to exit the Block SC 55 as part of its strategy to focus on its North American assets. Red Emperor intends to have its full, proportionate interest be assigned and as a result its working interest will increase from 15% to 37.5%.

### Georgia

During the quarter Red Emperor, a 20% shareholder of Strait Oil and Gas Limited (Strait), was advised that the Georgian Government had confirmed the validity of the Production Sharing Contract (PSC) across Block VIa and the ability for Strait to access existing gas pipeline infrastructure, free of taxes. This important confirmation paves the way for ongoing sales negotiations with a potential purchaser of the PSC to continue. Red Emperor is not involved in these negotiations and can provide no certainty as to the likelihood of a successful outcome. Due diligence by both parties remains ongoing.

### Corporate

Red Emperor reviewed a number of new opportunities with both its Australian and UK advisers respectively during the quarter. Whilst none of the projects reviewed resulted in a transaction, the Board remains committed to finding suitable new asset(s) to compliment the Company’s current portfolio while oil & gas prices remain subdued.

For and on behalf of the Board



**Greg Bandy**  
Managing Director

#### 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

Level 1  
35 Richardson Street  
West Perth WA 6005

#### POSTAL ADDRESS

PO Box 1440  
West Perth WA 6872

#### CONTACT DETAILS

Tel: +61 8 9212 0102

#### WEBSITE

[redemperorresources.com](http://redemperorresources.com)

#### SHARE REGISTRY

Computershare  
Level 2  
45 St Georges Terrace  
Perth WA 6000  
Tel: 1300 555 159

#### NOMINATED ADVISER

Grant Thornton UK LLP  
30 Finsbury Square  
London EC2P 2YU  
Tel: +44 (0) 207 383 5100

#### UK BROKER

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

#### AUSTRALIAN BROKER

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

ASX CODE | AIM CODE  
RMP

## 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 2016

### Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (12 months) \$A'000
<b>Cash flows related to operating activities</b>			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(20)	(5,120)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(234)	(1,114)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	52	239
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other: Refund of Hawkeye-1 well costs	-	426
<b>Net Operating Cash Flows</b>		<b>(202)</b>	<b>(5,569)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) investment in associate	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
<b>Net investing cash flows</b>		<b>-</b>	<b>-</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(202)</b>	<b>(5,569)</b>

+ 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)	(202)	(5,569)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	5,600
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	-	(388)
	<b>Net financing cash flows</b>	-	5,212
	<b>Net increase (decrease) in cash held</b>	(202)	(357)
1.20	Cash at beginning of quarter/year to date	11,870	12,494
1.21	Exchange rate adjustments to item 1.20	47	(421)
1.22	<b>Cash at end of quarter</b>	11,716	11,716

### 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	68
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      \$68k	

### 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	n/a
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	-
4.2 Development	-
4.3 Production	-
4.4 Administration	200
<b>Total</b>	<b>200</b>

### **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	11,716	11,870
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>11,716</b>	<b>11,870</b>

### **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	-	-	-	-
6.2 Interests in mining tenements tenements acquired or increased	-	-	-	-

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+ 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	<b>Preference securities</b> (description)				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	<b>+Ordinary securities</b>	425,292,776	425,292,776		Fully Paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	<b>+Convertible debt securities</b> (description)				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> - Unlisted options	4,500,000 4,320,000	-	<u>Exercise Price</u> \$0.055 \$0.08	<u>Expiry Date</u> 31 December 2017 2 July 2018
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter - Unlisted options				
7.11	<b>Debentures</b> (totals only)				
7.12	<b>Unsecured notes</b> (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 2016

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

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#### 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%	-	20%
Service Contract 55	Philippines	15%	-	15%

**Holder:** Oil & Gas Beneficial percentage interests held in farm-in or farm-out agreement.

**Mining tenements acquired and disposed during the June 2016 quarter:** Nil

**Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the June 2016 quarter:** Nil