

28 May 2009  
ASX Release

## **Red Emperor Resources to raise AUD\$6M for Russian potash project Paterson Securities Lead Manager to raising**

Australian resources company Red Emperor Resources NL (ASX: **RMP**) (“Red Emperor” or “the Company”) is looking to raise up to A\$6 million via a private placement (“Placement”), with the Company mandating national securities firm Paterson Securities Pty Ltd (Patersons) to lead the Placement.

Funds raised by the placement will be used primarily for the acquisition of a controlling interest in a Russian potash project, details of which were announced to ASX on 20 May 2009. A review conducted by leading international consulting firm Coffey International concluded that the project contained a substantial potash resource, calculated under the Russian system of reserve/resource classification (C1+C2+P1).

Due to commercial sensitivities, the vendor has requested that the Company not release any further information to the public with regards to the project and the resource prior to the completion of the acquisition.

Patersons have agreed to act as Lead Manager to the placement and to arrange subscribers for standby securities on a best endeavours basis. The Company also expects other licensed securities advisors to contribute to the placement under Patersons lead management. Patersons’ remuneration includes, inter alia, the issue of up to 2 million options exercisable at A\$0.25 each on or before 31 July 2011. These options will not be listed on ASX.

### **Terms of Standby Loan**

The Company is looking to raise up to A\$6 million by way of redeemable converting loans (**Standby Loans**). As soon as practical after the Company becomes entitled to acquire an interest in the potash project, the Standby Loans will convert into a fully paid ordinary share at a price of A\$0.25 per share (subject to the Company’s shareholders approving the issue of ordinary shares at a general meeting, expected to be held within the next two months). If the Company is not successful in acquiring an interest in the Project, it will redeem all Standby Loans and repay the amounts paid to subscribe for them.

The new shares to be issued upon conversion will be issued pursuant to the “excluded offer” provisions (Section 708) of the Corporations Act. Settlement of the placement is expected to be on or about 10 June 2009 (or such later date as the directors determine). Conversion of the Standby Loans into ordinary shares upon the acquisition of the Project will occur as soon as practicable after the acquisition.

ENDS

For further information please visit the Company’s website [www.red-emperor.com](http://www.red-emperor.com)

Investor Enquiries:  
Kent Hunter  
Managing Director  
Red Emperor Resources  
P:08 9388 8041

Media Inquiries:  
David Tasker/ Jasmine Green  
  
Professional Public Relations  
P: 08 9388 0944/ 0433 112 936  
E: david.tasker@ppr.com.au