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Manager of Company Announcements
ASX Limited
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PERTH WA 6000

By E-Lodgement

Puntland Update

Red Emperor Resources NL (ASX: RMP | AIM: RMP) is pleased to provide an update on the drilling program in Puntland, Somalia. The update has been provided by Joint Venture partner and operator, Horn Petroleum Corp. (TSXV: HRN).

The Shabeel well has reached a total depth of 3470 meters and has encountered metamorphic basement at a depth of 3430 meters. Drilling has been suspended for future testing.

It was previously announced that the well encountered 12 – 20m zone of significant hydrocarbon pay in the Upper Cretaceous Jesomma Formation and Red Emperor believes this zone will be flow tested at a future date when appropriate equipment is available in country.

In addition, the well has encountered additional potential net pay sands in the Jurassic Adigrat Formation shows at a depth of 3246 to 3430 meters, several of which exhibited oil and gas shows. Petrophysical analysis of the well log data indicates up to 3 meters of potential hydrocarbon pay in several thin sand units. They are not considered to warrant testing at this time, but do further confirm the existence of a working petroleum system.

The rig will now move to the Shabeel North location that is 3.5km north of the current location with spudding scheduled for the first week of June 2012. The primary objective of this well will be to evaluate the Upper Cretaceous Jesomma Sands that appear to be oil bearing at the Shabeel location. Subsequent to the drilling of this well, it is the intention of the Joint Venture to return to the Shabeel well and test the Jesomma sands once the necessary testing equipment has been mobilized into the country.

Subject to reviewing the well log data internally, it is Red Emperor's intention to exercise its option to participate in Shabeel North and therefore earn its 20% interest in the two blocks, Dharoor and Nugaal.

Keith Hill, President and CEO of Africa Oil, commented, "We are very encouraged by the results of the Shabeel well which appears to have confirmed oil bearing sands in two zones. This has very positive implications for the prospectivity of the basin. We look forward to the results of the Shabeel North well and to testing the Jesomma sands to confirm the potential of the block."

For and on behalf of the Board



Greg Bandy
Executive Director

BOARD & MANAGEMENT

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NON-EXECUTIVE DIRECTOR

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ASX CODE

RMP

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Background

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

- 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 completed the first well (Shabeel-1) in a two well program and is now moving the rig to the second well (Shabeel North). The two wells are targeting 300mmbbls and 375mmbbls of best estimate Prospective Resources (100% basis). All site construction and preparation work has been completed on the second well and is now in readiness to accept the rig and begin drilling.
- 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 conventional exploration wells having spudded in July 2011. The Company is now focussing on a revised development strategy that will focus on low-cost, shallow appraisal drilling of the contingent resources around the Tkibuli-Shaori (“Tkibuli”) coal deposit, which straddles the central sections of the Company’s two blocks.