

24 May 2011

Manager of Company Announcements
ASX Limited
Level 8 Exchange Plaza
2 The Esplanade
PERTH WA 6000

By E-Lodgement

Red Emperor Completes Georgian Deal

Red Emperor Resources NL (ASX: RMP) is pleased to advise that formal agreements have been executed in respect of the Company acquiring a 20% interest in two onshore oil and gas blocks in the Republic of Georgia (Georgian Project). Pursuant to the Subscription Agreement and the Shareholder Agreement between the Company, Strait Oil & Gas (UK) Limited ("Strait") and Range Resources Limited (ASX: RRS; AIM: RRL) the Company will be issued shares equal to 20% of the issued capital of Strait in consideration for providing funding of up to US\$5.6m for a 2 well drill program.

The Georgian Project consists of two onshore oil and gas blocks in the Republic of Georgia covering approximately 6,500km². The blocks have been independently assessed to contain 68 potential structures with an estimated 2.045 billion barrels of oil-in-place. Rig mobilisation has commenced with site preparation near completion and spudding confirmed for mid June 2011. The first well (Mukhiani 1) is targeting +115m bbls of mean oil-in-place and is the first of 3 – 4 exploration wells to be drilled in 2011 across Red Emperor's Georgian and Puntland blocks which combined are targeting in excess of 2b bbls.

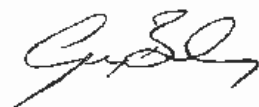
The Mukhiani Well is targeting the Vani 3 prospect which has the following potential STOIP:

Vani 3 Prospect – STOIP* (MMbbls)			
P90	P50	P10	Mean
41.7	92.7	178.2	115.2

*STOIP shown here assumes that the Vani 3 Prospect contains 3 stacked reservoirs based on current stratigraphic understanding. Any given well may encounter 1, 2, or 3 such potential reservoirs depending on the degree of relative uplift and/or erosion at any given Prospect location.

The recently completed geochemical helium survey undertaken by joint venture partner Range Resources confirmed the suitability of the first drill location with oil exploration and development prospectivity complementing the earlier seismic work completed on the target.

For and on behalf of the Board



Greg Bandy
Executive Director

Background

Red Emperor Resources NL (ASX: 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 in 2011. These two exploration areas cover nearly 40,000km² and have independently been assessed to potentially contain over 19.5 billion barrels of oil in-place. Red Emperor's joint venture partner and PSA operator Africa Oil Corp. (TSXV: AOI) has signed a letter of intent with a drilling subcontractor and expects the first well to be drilled in Dharoor in Q3, 2011.
- 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 (ASX: RRS; AIM: RRL) recently completed a 410km 2D seismic program with independent consultants RPS Energy identifying 68 potential structures containing an estimated 2.045 billion barrels of oil-in-place (on a mean 100% basis). Mobilisation has commenced with the first exploration well due to spud June 2011.
- In Western Australia, Red Emperor has a 25% free carried interest in the Jillawarra Project. The project consists of three mining tenements and covers part of the Mingah Range Greenstone Belt which is located between 50-75km WNW of Meekatharra, within the Meekatharra Mineral Field in the Murchison Province of Western Australia.