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

By E-Lodgement

FIRST GEORGIAN WELL SPUDS

Red Emperor Resources NL (ASX: RMP | AIM: RMP) is pleased to advise that the first of two exploration wells to be drilled in Georgia this year has spudded with drilling now under way.

Red Emperor's joint venture partner Range Resources Limited (ASX: RRS | AIM: RRL) along with operator, Strait Oil and Gas ("Strait") have advised that the Mukhiani 1 well in Georgia spudded yesterday. Mukhiani 1 is expected to take approximately 55 days to drill and is targeting a prospect with a mean estimate of undiscovered oil in place of 115 million barrels (with 23m bbls attributable to Red Emperor's 20% interest).

Red Emperor's Director Greg Bandy commented, "This is a significant milestone for Red Emperor as it is our maiden well and the first of 3 – 4 high impact exploration wells expected to be drilled on the Company's projects this year. After being admitted to AIM last month we are delighted to be able to provide the market with significant news flow so soon after listing."

The drilling operations will run 24 hours with a team of between 40-50 personnel and is expected to take approximately 45-55 days with a target depth of circa 3,500m.

The Mukhiani Well is targeting the Vani 3 prospect which has the following estimated undiscovered stock tank oil-in-place ("STOIIP"):

Vani 3 Prospect - STOIIP (MMbbls)

	P90	P50	P10	Mean
Gross (100%)	41.7	92.7	178.2	115.2
Net attributable to RMP (20%)	8.3	18.5	35.6	23.0

The geochemical helium survey undertaken by JV 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.

BOARD & MANAGEMENT

Mr Greg Bandy
 EXECUTIVE DIRECTOR

Mr Jason Bontempo
 NON-EXECUTIVE DIRECTOR

Mr Stephen Brockhurst
 NON-EXECUTIVE DIRECTOR

Ms Shannon Robinson
 COMPANY SECRETARY

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AIM CODE
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Drilling Rig on the Mukhiani Well site

Following the successful completion of the Mukhiani 1 well, the rig will then move on to spud the second exploration well as part of the two well highly prospective drilling program in Georgia.

The Company will provide updates on a regular basis as to the progress of the drilling of the Mukhiani well.

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 19.9 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. Partner Range Resources Ltd (ASX: RRS; AIM: RRL) last year funded 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). Two wells are to be drilled this year as part of the proposed drill program.
- The Company also has a 25% interest in the Jillewarra Project free carried until bankable feasibility study, which is a copper and gold project in Western Australia.