redemperor RESOURCES NL

28 JULY 2011

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

By E-Lodgement

GEORGIAN DRILLING UPDATE

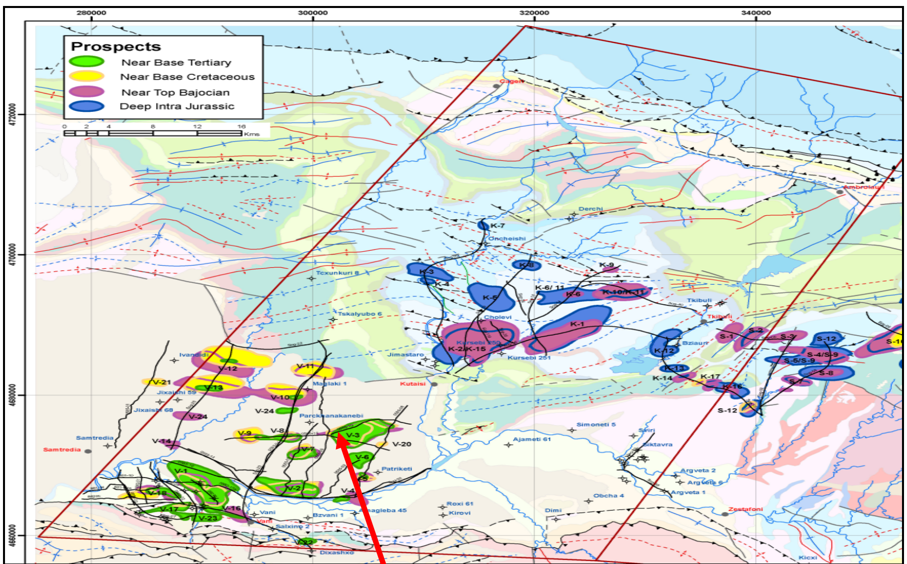
Red Emperor Resources NL (ASX: RMP | AIM: RMP), together with its joint venture partners, Strait Oil and Gas ("Strait") and Range Resources Limited ("Range Resources") (ASX: RRS | AIM: RRL) is pleased to announce that following the successful spudding of the Mukhiani 1 well earlier this month, the well is currently at 510m.

As was expected in the early stages of drilling progress was relatively slow, however the Company is pleased to report that the last few days has seen drilling progress as planned with the lithology encountered being in line with expectations (derived from seismic interpretations and analysis). It is anticipated that drilling will continue to circa 700m after which casing will be set and logging performed.

The Mukhiani 1 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



Mukhiani 1 Target Block VIa

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ASX CODE
RMP

AIM CODE
RMP

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.

The Company will continue to provide updates on a 7-10 day basis as to the progress of the drilling of the Mukhiani 1 well.

For and on behalf of the Board

Greg Bandy
Executive Director

Background

Red Emperor Resources NL (ASX/AIM: 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. These two exploration areas cover nearly 40,000km^2 and have independently been assessed to potentially contain a combined 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. 6,500km^2. Joint Venture partner Range Resources Limited (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, a copper and gold project in Western Australia. This interest is free carried through until bankable feasibility study,