



11 April 2017

QUARTERLY REPORTS FOR THE PERIOD ENDING 31 MARCH 2017

Issued Capital: 425M	ASX Code: RMP AIM Code: RMP	Closing price: A\$0.023 Closing Price: £0.013
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The Board of Red Emperor Resources NL (“**Red Emperor**” or the “**Company**”) provides the following commentary and Appendix 5B for the period ending 31 March 2017.

Philippines (SC 55)

Red Emperor remains committed to its interest in Block SC 55 in the Philippines and as announced previously, is seeking government approval to have its equity interest increased (from 15% to 37.5%) so a work program consisting of geological and interpretive studies can be undertaken. Red Emperor participated in a USD \$25m exploration well (Hawkeye) within the block in 2015 and contributed in excess of AUD \$5m towards drilling costs. Over USD \$50m has been spent exploring the block to date and a number of drill-ready targets remain, including the “Cinco” gas prospect which has a best estimate prospective resource of 1.6tcf recoverable gas. Given the Hawkeye well discovered gas and a working petroleum system relatively close to Cinco, Red Emperor believes that Block SC 55 remains a key asset for the Company to maintain exposure to.

Unfortunately, the delay by the Philippines Department of Energy to ratify the redistribution of equity (following the withdrawal of a JV partner) has been outside the control of Red Emperor, although the Company is pushing the controlling JV partners for a swift resolution, so the intended geological interpretive work program can begin. It has simply not been possible for the Company (or the JV) to spend further money on exploration and evaluation in respect of SC-55 while this remains unresolved, despite the Board being of the view that significant value can still be extracted.

Georgia

The Company continues to be frustrated by the protracted and obscure sale process being conducted by the directors of Strait Oil & Gas Ltd, of which Red Emperor remains a 20% shareholder. As stated previously, Red Emperor is not involved in the negotiations and has no transparency as to whether a sale of Block VIa is likely or not. The carrying value of this asset was written down to nil some time ago and the Company does not consider its shareholding to be of a core nature to its ongoing business activities or strategy.

Corporate

While Red Emperor retains its commitment to its existing assets, it recognises that the exploration expenditure on them has been curtailed since the end of 2015. The Company has accordingly been actively reviewing appropriate new opportunities. The Board continues to receive numerous proposals on a weekly basis for corporate transaction opportunities within the oil and gas sector. All of these opportunities are assessed and some have been worked and evaluated to an extremely high level, by not only the board, which includes technical director Mr. Nathan Rayner, but also by external consultants engaged by Red Emperor. The Company has taken a disciplined approach to assessing these potential opportunities, and has been mindful of the need to preserve shareholders’ funds and to pursue only prospects that it reasonably expected could deliver value to shareholders.

BOARD & MANAGEMENT

Mr Greg Bandy
MANAGING DIRECTOR

Mr Nathan Rayner
NON-EXECUTIVE DIRECTOR

Mr Jason Bontempo
NON-EXECUTIVE DIRECTOR

Mr Aaron Bertolatti
COMPANY SECRETARY

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ASX CODE | AIM CODE
RMP



As recently as late March, the Company was in final negotiations in relation to the acquisition of a farm-in interest for an exploration project located in Tanzania. While the terms sheet was at final stage and all material terms of the acquisition agreed, a subsequent and substantial renegotiation by the vendor resulted in Red Emperor terminating all further negotiations. Prior to this and over the past four (4) months, the Company has presented transaction terms to three (3) separate parties in the oil & gas sector contemplating an acquisition, a farm-in and a joint investment strategy respectively. While none of these proposed transactions have completed, Red Emperor continues to seek opportunities it believes can complement its existing assets.

It should also be noted that worldwide exploration and development activity within the oil & gas sector are at very low levels and are expected to remain that way for the foreseeable future. This does not prohibit Red Emperor from seeking opportunities in the marketplace; in fact, the Company remains enthusiastic about how it might deploy some or all of its cash resources in the current environment. However, it does highlight the need for the Company to continue to be fiscally prudent with its existing assets.

Red Emperor and its Board would like to thank shareholders for their continued support and patience and look forward to providing them with regular updates with respect to the Company's corporate activity over the coming quarter.

For and on behalf of the Board

Greg Bandy
Managing Director

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

RED EMPEROR RESOURCES NL

ABN

99 124 734 961

Quarter ended ("current quarter")

31 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(237)	(674)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	38	123
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(199)	(551)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	11,403	11,715
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(199)	(551)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(158)	(118)
4.6	Cash and cash equivalents at end of period	11,046	11,046

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	11,046	11,403
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	11,046	11,403

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
66
-

Payment of Directors Fees and Remuneration - \$66k

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

N/A

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

N/A

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	-
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	150,000
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	150,000

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	N/A			
10.2 Interests in mining tenements and petroleum tenements acquired or increased	N/A			

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:

(Company secretary)

Date: 11 April 2017

Print name: Aaron Bertolatti

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.