

4 March 2019

## ALASKA OPERATIONS UPDATE: ADDITIONAL INTERIM DRILLING RESULTS

The Board of Red Emperor Resources NL (ASX/AIM: RMP) ("RMP", "Red Emperor" or the "Company"), is pleased to provide an operational update with respect to the drilling of the Winx-1 exploration well ("Winx-1"), located on the Western Blocks, North Slope of Alaska.

### Highlights

- **Primary Nanushuk targets (topsets) intersected between 4,667ft and 4,901ft**
  - Elevated mud gas (C1-C5) associated with oil shows and increase in LWD ("Logging While Drilling") resistivity recorded within this interval
  - Initial interpretation encouraging based on comparison to data from nearby successful third party Nanushuk well
- **Previously reported Upper Nanushuk Formation interval (4,460ft to 4,530ft) remains the subject of further ongoing analysis**
- **The Torok Topset Sequence 4 (secondary target) was intersected at 6,052ft with elevated mud gas readings (C1-C5), oil shows and an increase in LWD resistivity being recorded**
- **On reaching final Total Depth a comprehensive wireline logging program will be implemented in order to further evaluate all the Nanushuk / Torok zones of interest and determine whether to proceed with production testing**

Winx-1 intersected the primary Nanushuk topset targets between 4,667ft and 4,901ft. Elevated mud gas readings, oil shows and an increase in LWD resistivity were observed in multiple topset features within this primary target interval of the well.

Data obtained by the Joint Venture consortium from a nearby successful third party Nanushuk well has proven comparable to that observed in Winx-1 over the same topset features, thereby providing early encouragement. These initial observations and interpretations, whilst encouraging, should be treated with some caution as additional data and analysis are required for further assessment and validation.

The previously announced interim drilling results of 1 March 2019 were related to an interval in the Nanushuk Formation above the primary target zone. This interval (4,460ft to 4,530ft) remains the subject of further ongoing analysis to determine prospectivity.

The well successfully intersected the top of the Torok Formation at 4,913ft. The Topset Sequence 4 sandstones (secondary target) were encountered at approximately 6,052ft. Elevated mud log gas readings (C1-C5) associated with oil shows and an elevated LWD resistivity response were recorded during the drilling of this sequence.

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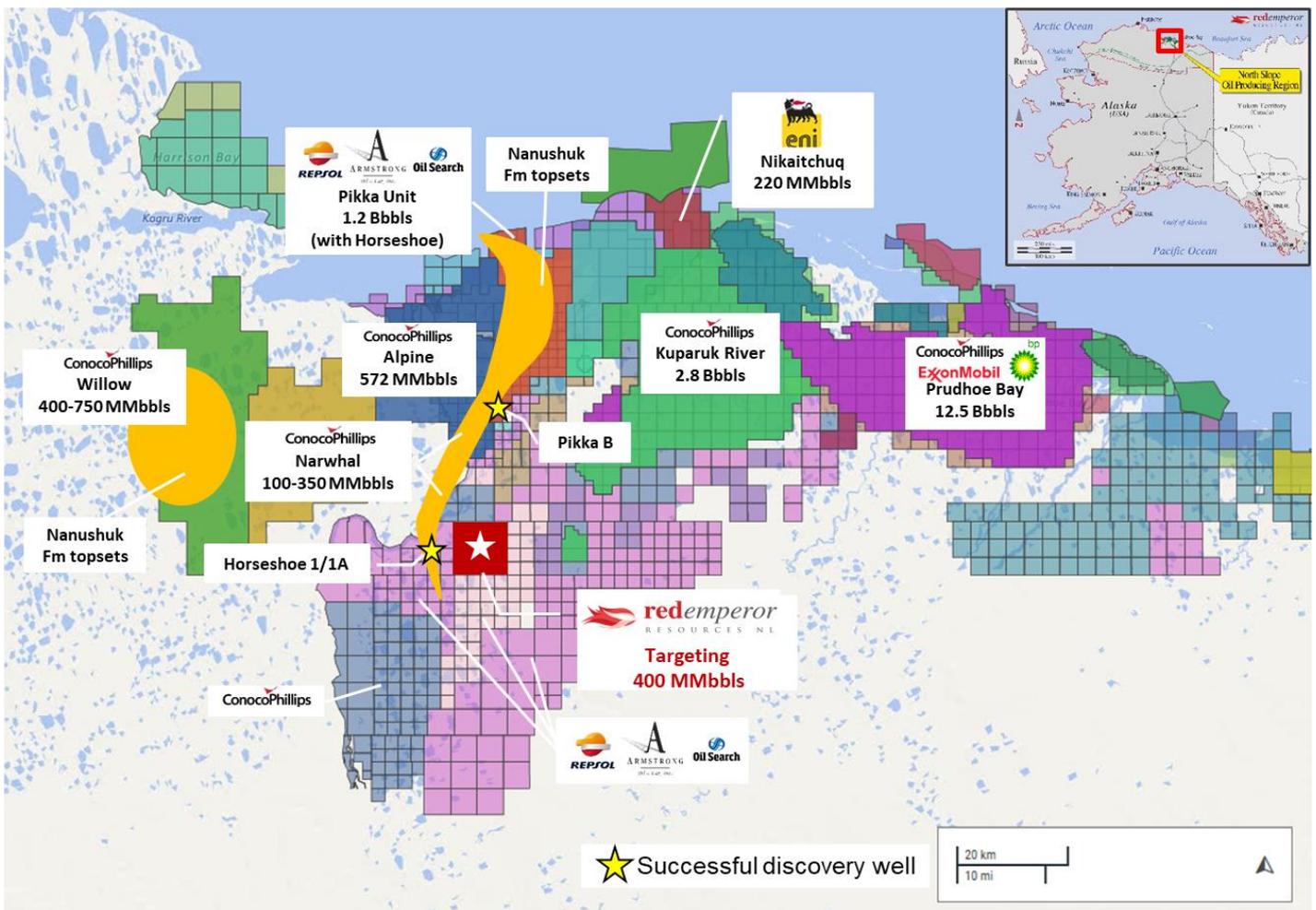
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On reaching final Total Depth, the forward plan is to run a comprehensive wireline logging program over the zones of interest. Subject to the results of this program the Joint Venture consortium will then decide whether to proceed to stimulate and test the most prospective of the Nanushuk primary targets.

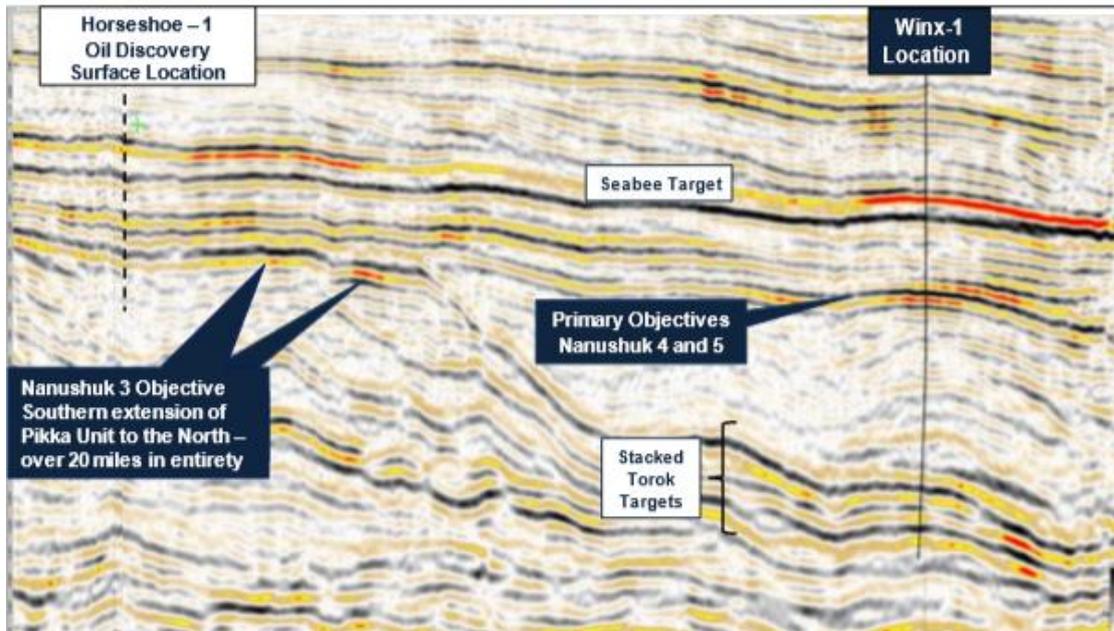
The Winx prospect is a 3D seismic defined conventional oil prospect in the successful Nanushuk play fairway with a gross mean unrisked prospective resource of 400 million barrels (“MMbbls”) (126MMbbls net to Red Emperor) and is adjacent to the Horseshoe 1/1A discovery well drilled by the Armstrong/Repsol JV in 2017. Refer to the Company’s announcement of 25 June 2018 for further details.

Cautionary Statement: The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.



**Figure 1 | Winx-1 exploration well, Western Blocks, Pikka B well, Alaska North Slope and Nanushuk Fairway**

The primary objective of Winx-1 is the Nanushuk Topset play, targeting the Nanushuk 4 and 5 sands. As can be seen in Figure 2, the Winx prospect has been identified using the Nanuq South 3D which covers the third party 2017 Horseshoe discovery plus a large swathe of the “Western Blocks”. Similar amplitude response is observed at the Winx prospect to that seen at the successful Horseshoe well location, which is situated approximately 4 miles (6 kilometres) to the west.



**Figure 2 | Winx-1 targeting multiple stacked prospects with strong amplitude support**

**Competent Person’s Statement**

The technical information in this announcement was compiled by technical employees of 88 Energy Limited, the consortium operator, and subsequently reviewed by Mr Gracjan Lambert BSc (First Class Honours) (Geophysics), PhD (Exploration Geophysics), who has consented to the inclusion of such information in this announcement in the form and context in which it appears. Mr Gracjan Lambert is an employee and Chief Executive Officer of RMP and member of the Society of Exploration Geophysicists (SEG) and the Association of International Petroleum Negotiators (AIPN) and therefore a qualified person under the AIM Guidance Note for Mining and Oil & Gas Companies.

For further information, please visit [www.redemperorresources.com](http://www.redemperorresources.com) or contact:

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*This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014.*

## About Red Emperor Resources NL

Red Emperor Resources NL is an Australian natural resource exploration company listed on both the Australian Securities Exchange (ASX: RMP) and the AIM Market (AIM: RMP). Red Emperor has oil and gas interests on the Alaska North Slope and in South East Asia.

### Alaska

Red Emperor has entered into Definitive Agreements with its consortium partners 88 Energy Limited and Otto Energy Limited that will see the Company participate in the drilling of a highly prospective Nanushuk oil trend exploration well on the Alaska North Slope in early 2019. The drill target is immediately adjacent to and a direct analogue of the third party Horseshoe-1/1A oil well drilled in 2017. Horseshoe is part of the billion-barrel plus Nanushuk oil play-fairway, one of the largest conventional oil fields discovered in the US in more than 30 years.

Technical work on the Western Blocks has identified a gross best estimate prospective resource volume of 400 MMbbls (126 MMbbls net to RMP), and a geological chance of success of 25%-35%. The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

### Philippines

Red Emperor also holds an equity interest of 37.5% of Block SC55, which is located in the southwest Palawan Basin. SC55 covers an area of 9,880km<sup>2</sup> and was awarded to Otto Energy Investments Ltd (formerly NorAsian Energy Ltd) in 2005. It is a deep-water block in the middle of a proven regional oil and gas fairway that extends from the productive offshore Borneo region in the southwest to the offshore Philippine production assets northwest of Palawan.

Red Emperor participated in a USD25m exploration well (Hawkeye-1) within the block in 2015 and contributed in excess of AUD5m towards drilling costs. Over USD50m has been spent exploring SC55 to date and a number of drill-ready targets remain, including the "Cinco" gas prospect which has a best estimate prospective resource of 1.6 trillion cubic feet ("tcf") recoverable gas.

### Prospective Resources Reporting Notes

The Company announced the prospective resources estimate for the Western Blocks in its announcement titled "Red Emperor to acquire interest in large oil prospect in prolific Alaska North Slope" made on 25 June 2018. The Company confirms that it is not aware of any new information or data that materially affects the information included in that announcement, and that all material assumptions and technical parameters underpinning the estimates in that announcement continue to apply and have not materially changed.

(i) The prospective resources information in this announcement is effective as at 30 April 2018. (ii) The prospective resources information in this announcement has been estimated and is classified in accordance with SPE PRMS (Society of Petroleum Engineers Petroleum Resources Management System). (iii) The prospective resources information in this announcement is reported according to the Company's economic interest in each of the resources and net of royalties. (iv) The prospective resources information in this announcement has been estimated and prepared using the deterministic method. (v) The prospective resources information in this announcement has been estimated using a 6:1 BOE conversion ratio for gas to oil; 6:1 conversion ratio is based on an energy equivalency conversion method and does not represent value equivalency. (vi) The prospective resources information in this announcement has been estimated on the basis that products are sold on the spot market with delivery at the sales point on the production facilities. (vii) Prospective resources are reported on a best estimate basis. (viii) For prospective resources, the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. (ix) In respect to the prospective resources referred to in this announcement, Red Emperor's working interest in the four leases (ADL#s 391718, 391719, 319720 and 391721), totalling 22,711 acres all of which are located on the North Slope, Alaska, USA will be 31.5% upon completion of the transaction. (x) The prospective resources have been estimated on the following basis: the best estimate prospective recoverable resource calculation was based on a consideration of offset well information and seismic expression; a combination of volumetric assessment and field analogues have been used to estimate the prospective resources; exploration drilling will be required to assess these resources. (xi) The chance of discovery is considered moderate as the prospective resources are near developed and undeveloped reserves and in a proven oil and gas producing province. There is a risk that exploration will not result in sufficient volumes of oil and/or gas for a commercial development. (xii) Prospective resources are un-risked and have not been adjusted for an associated chance of discovery and a chance of development.