



**Range Resources Limited**  
(‘Range’ or ‘the Company’)

**30 July 2014**

**ASX Code: RRS**  
**AIM Code: RRL**

#### **CONTACTS**

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## **FOURTH QUARTER REPORT FOR PERIOD ENDING 30 JUNE 2014**

The Board of Range provides the following update regarding its activities during the three months ended 30 June 2014 to be read in conjunction with the Appendix 5B (Quarterly Cash Flow Report), which follows this announcement.

Rory Scott Russell, CEO, commented:

*“This has been a transformational quarter for Range as we continue to focus on our core development assets in Trinidad. We have completed our management team changes and reported a material increase in our proved reserves in Trinidad, alongside encouraging operational results in the South Quarry field. Our achievements to date signify a new beginning for Range and the company is now poised for growth.”*

### **Production Overview**

Total gross oil production for the quarter in Trinidad was 48,173 bbls (average of 529 barrels of oil per day “bopd”).

### **Operations**

#### **Trinidad**

- Operations continued without any significant Health, Safety, Security and the Environment (HSSE) incidents.
- The Company's drilling campaign continued, with four of the fleet of six drilling rigs currently operational.
- Excellent results were encountered at the South Quarry QU 452 development well (as announced on 16 June 2014). QU 452 is the first development well to be drilled in the South Quarry licence since 2007. This successful outstep development well confirmed the extension of the shallow producing trend and is expected to result in additional development drilling targets and an increase to the Company's proved reserves.
- The Company reported an increase by over 9% in total 2P reserves from the previously reported 20.2 MMbbl to 22.1 MMbbl\*. This increase in reserves is a result of the Company's ongoing development drilling programme and consequent update to development schemes in Trinidad during the period.

*\*The independent reserves report was completed by Forrest A. Garb & Associates, Inc. effective January 1, 2014. Please refer to the Company's announcement on 16 June 2014 for full details.*

### **New Positive Fiscal Incentives in Trinidad**

Range announced that the Government of Trinidad and Tobago has approved and adopted the budget incentives for oil and gas companies introduced by the Minister of Finance and Economy of Trinidad and Tobago in the 2014 Budget Statement. These new budget incentives, which especially reward companies with accelerated development and exploration programmes, including Range, are expected to have a significant positive impact on the Company's cash flows and returns from its ongoing production growth. These changes will be effective retrospectively from January 1, 2014.

### **Georgia**

During the quarter, the Company's JV partner and Operator, Strait Oil & Gas UK (Strait), continued to advance discussions and negotiations with respect to potential transactions associated with the JV and its Production Sharing Contracts (PSCs) in Georgia. Strait advises Range that a positive outcome to these discussions is still likely to occur. In June, Strait signed a one year extension of the PSC for Block VIb with the State Agency for Regulation of Oil and Gas.

### **Guatemala**

The Company's equity interest in Citation Resources reduced to 6.67%. Following this change, Range has a direct and indirect interest of approximately 24% in the Guatemalan Project (previously 32%).

### **Colombia**

During the quarter, Range announced that it made a strategic decision for a partial withdrawal from Colombia and relinquished its investment obligations on PUT-7 block in the Putumayo Basin.

## **Corporate**

### **Integrated Master Services Agreement with LandOcean**

The Company signed an Integrated Master Services Agreement (IMSA) with LandOcean Energy Services Co Ltd ("LandOcean") (SHE: 300157). According to the agreement, LandOcean will act as the preferred services contractor (subject to all tendering and procurement rules) for Range for oilfield services including geoscience, engineering, procurement and construction. Services provided under the IMSA will be agreed in individual purchase orders as the need for services arises. The agreement provides Range with an extremely capable and technically sophisticated preferred services provider.

### **US\$12 Million Financing and Debt Repayment Completed**

During the quarter, Range completed a US\$12 Million financing with Abraham Ltd, a Hong Kong based private institutional investor. Under the terms of the Subscription Agreement, the investor subscribed US\$12 million in cash and was issued with approximately 712 million Ordinary Fully Paid Shares of the Company at a price of £0.01 per Share, representing a premium of approximately 49% to the mid-market share price at the close of business on AIM on 14 May 2014. The full terms of the financing are disclosed in the Company announcement on 15 May 2014.

Following completion of the financing, Range utilised the funds to repay the Company's convertible debt. As a result, the total outstanding Company debt reduced from \$US10.5 million (as reported on 30 April 2014) to nil at quarter end.

**Board, Management and Advisor Changes**

During the quarter, the Company announced the appointment of Nick Beattie as Chief Financial Officer. Nick has over twenty years of experience in finance working with a range of international banks and was previously a Managing Director in the BNP Paribas Upstream Oil and Gas team in London.

As part of a corporate restructuring initiative, Range also announced the resignation of Peter Landau and Anthony Eastman from the Board of Directors, and subsequent appointment of Ian MacIver and David Riekie as new Non-Executive Directors.

The Company appointed Cantor Fitzgerald Europe as its Nominated Adviser and Broker.

**Voluntary OTCQX delisting**

As part of corporate streamlining, Range has voluntarily delisted from the OTCQX effective as of the close of market on 20 June 2014.

Yours faithfully



**Rory Scott Russell**  
Chief Executive Officer

Range Resources Limited advises the following information required under ASX Listing Rule 5.4.3:

	Tenement Reference	Location	Working Interest at Beginning of Quarter	Acquired/ Disposed	Working Interest at End of Quarter
Oil & Gas beneficial percentage interests held directly or in farm-in or farm-out agreements	Morne Diablo	Trinidad	100%	N/A	100%
	South Quarry	Trinidad	100%	N/A	100%
	Beach Marcelle	Trinidad	100%	N/A	100%
	Guayaguayare	Trinidad	32.5% (shallow) / 40% (deep)	N/A	32.5% (shallow) / 40% (deep)
	St Mary's	Trinidad	100%	N/A	100%
	Block 1-2005, South Peten Basin	Guatemala	32%	8% indirect interest disposed	24%
	North Chapman Ranch	Texas, USA	20-25%	N/A	20-25%
	East Cotton Valley	Texas, USA	22%	N/A	22%
	Block VIa	Republic of Georgia	45%	N/A	45%
	Block VIb	Republic of Georgia	45%	N/A	45%
	Dharoor Block	Puntland	20%	N/A	20%
	Nugaal Block	Puntland	20%	N/A	20%

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

**RANGE RESOURCES LIMITED**

ABN

**88 002 522 009**

Quarter ended ("current quarter")

**30 June 2014**

### Consolidated statement of cash flows

		Current quarter	Year to date (12 months)
		\$US'000	\$US'000
<b>Cash flows related to operating activities</b>			
1.1	Receipts from product sales and related debtors	4,648	23,028
1.2	Payments for (a) exploration & evaluation	(1,420)	(4,992)
	(b) development	(2,727)	(11,885)
	(c) production	(2,302)	(11,011)
	(d) administration	(2,369)	(7,377)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	4	11
1.5	Interest and other costs of finance paid	(736)	(1,609)
1.6	Taxes paid/refunded	(167)	449
1.7	Other (provide details if material)	-	2,513
<b>Net Operating Cash Flows</b>		<b>(5,069)</b>	<b>(10,873)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(426)	(921)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	(700)
1.11	Loans repaid by other entities	-	-
1.12	Other – net cash acquired on acquisition of subsidiary	-	-
<b>Net investing cash flows</b>		<b>(426)</b>	<b>(1,621)</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(5,495)</b>	<b>(12,494)</b>

+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(5,495)	(12,494)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	6,653	10,210
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	14,109
1.17	Repayment of borrowings	(7,375)	(16,567)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)*	6,000	6,000
	<b>Net financing cash flows</b>	<b>5,278</b>	<b>13,752</b>
	<b>Net increase (decrease) in cash held</b>	<b>(217)</b>	<b>1,258</b>
1.20	Cash at beginning of quarter/year to date	6,680	5,205
1.21	Exchange rate adjustments to item 1.20	5	5
1.22	<b>Cash at end of quarter</b>	<b>6,468**</b>	<b>6,468**</b>

\* US\$6million is the 2<sup>nd</sup> tranche of the proceeds from equity placement to Abraham Limited announced on 29 May 2014. This US\$6million was only recognised as proceeds from issue of shares post-quarter end following the shareholder meeting on the 11 July 2014.

\*\* Cash at quarter end represents unrestricted cash on hand of US\$2.988million and restricted deposit of US\$3.48million related to cash held in support of performance bond issued for obligations in Colombia.

### Payments to directors of the entity and associates of the directors

### Payments to related entities of the entity and associates of the related entities

		Current quarter \$US'000
1.23	Aggregate amount of payments to the parties included in item 1.2	606
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

\$291 payment of directors fees  
\$315 payment of corporate management fees

### Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

N/A

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$US'000	Amount used \$US'000
3.1 Loan facilities *	20,000	0
3.2 Credit standby arrangements	-	-

\* Loan facilities represent the first tranche of the optional financing package provided by LandOcean Energy Services Co Ltd as part of the Integrated Master Services Agreement announced on 2 June 2014

### Estimated cash outflows for next quarter

	\$US'000
4.1 Exploration and evaluation	1,350
4.2 Development	750
4.3 Production	750
4.4 Administration	2,500
<b>Total</b>	<b>5,350</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$US'000	Previous quarter \$US'000
5.1 Cash on hand and at bank	2,988	3,200
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)*	3,480	3,480
<b>Total: cash at end of quarter (item 1.22)</b>	<b>6,468</b>	<b>6,680</b>

\* Represents restricted deposit of US\$3.48million related to cash held in support of performance bond issued for obligations in Colombia.

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased	Nil		

### Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference securities</b> (description)	Nil			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>*Ordinary securities</b>	4,521,201,868	4,521,201,868		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	912,427,925	912,427,925		
7.5 <b>*Convertible debt securities</b> (description)	Nil	Nil		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

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+ See chapter 19 for defined terms.



**Appendix 5B**  
**Mining exploration entity quarterly report**

7.7	<b>Options</b> <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
		855,166		£0.04	30 June 2015
		7,058,824		£0.17	30 April 2016
		5,180,000		£0.075	31 January 2017
		9,000,000		£0.125	31 March 2015
		15,708,801		£0.0615	19 October 2015
		32,275,862		£0.05075	30 November 2015
		80,508,341		A\$0.05	30 June 2015
		5,000,000		A\$0.10	31 January 2016
		5,000,000		A\$0.06	10 February 2016
		146,533,850		£0.04	30 April 2016
		5,000,000		£0.037	11 July 2016
		476,190		£0.021	25 July 2016
		952,381		£0.021	29 July 2016
		6,714,284		£0.021	31 August 2016
		9,000,000		£0.020	31 August 2016
		3,947,369		£0.019	30 September 2016
		8,666,670		£0.018	30 September 2016
		694,445		£0.018	31 October 2016
		2,205,885		£0.017	31 October 2016
		1,250,000		£0.016	31 October 2016
		17,333,336		£0.015	31 October 2016
		3,000,000		£0.015	30 November 2016
		1,428,571		£0.014	30 November 2016
		9,769,232		£0.013	30 November 2016
		4,083,334		£0.012	31 December 2016
		20,545,457		£0.011	31 December 2016
		2,000,000		\$0.321	11 December 2016
		21,136,365		£0.011	31 January 2017
		1,450,690		£0.010	28 February 2017
		7,500,000		£0.012	1 March 2017
		3,125,000		£0.008	31 March 2017
		2,166,667		£0.006	31 May 2017
7.8	Issued during quarter	-			

+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity quarterly report

7.9	Exercised during quarter	6,250,000		£0.006	31 March 2017
		14,583,335		£0.006	30 April 2017
		7,500,000		£0.005	30 April 2017
		35,500,000		£0.005	31 May 2017
		7,000,000		£0.006	31 May 2017
7.10	Expired during quarter	Nil			
7.11	<b>Debentures</b> (totals only)	Nil			
7.12	<b>Unsecured notes</b> (totals only)	Nil			
7.13	<b>Converting Performance Shares</b>	17,921,146 – Class B			

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Rory Scott Russell  
Chief Executive Officer  
30 July 2014

## 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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

+ See chapter 19 for defined terms.

- 5 Accounting Standards ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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