



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

11 December 2014

Company Update

ASX Code: RRS
AIM Code: RRL

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- Secured US\$60 million equity based financing from Core Capital to strengthen Range’s balance sheet;
- US\$50 million credit facility secured for Trinidad waterflood, exploration and development programmes;
- Appointment of Chief Executive Officer and Non-Executive Chairman; and
- Range will fully exploit and develop the potential of the Trinidad assets with the US\$110 million total financing package.

Execution of formal financing agreement for US\$60 million

Range announces the execution of formal agreements for a US\$60 million funding package with Core Capital Management Co., Ltd (the “Investor”), a Chinese institutional investor. The new funding package replaces that contemplated under the Memorandum of Understanding announced on 3 November 2014.

Under the terms of the new funding package, funding remains subject to completion of due diligence within a period of 40 days from signing; all necessary regulatory and government approvals being obtained; and the shareholders of Range approving the transaction for the purposes of section 611 Item 7 of the *Corporations Act 2001* (Cth) and ASX Listing Rule 7.1.

On satisfaction of these conditions, the Investor (or a nominee advised to the Company prior to the meeting documentation being despatched) will subscribe for:

1. US\$40 million of ordinary fully paid shares in the capital of the Company (“Shares”) at a subscription price of £0.008 per Share, a 25% premium to the mid-market share price on the close of AIM on 10 December 2014 (“Subscription”); and
2. US\$20 million of unlisted unsecured convertible notes with a 12% per annum coupon which will have a face value of £1.00 each (“Convertible Notes”) and are redeemable by the Investor after 3 years or earlier if a redemption event occurs (such as non-payment of monthly interest payments or breach of a covenant). The Convertible Notes are not convertible for a period of 6 months from completion and after that time are convertible into Shares at the Investor’s election at a conversion price of the lower of £0.009 or a 15% discount to the 20 day volume weighted average price of Shares prior to the conversion date (“Conversion Price”). Range also has the option of redeeming the Convertible Notes for cash or Shares (at the Conversion Price) after 18 months. Range may also pay monthly interest instalments by cash or the issue of Shares at the Conversion Price.

On completion of the transaction, which must occur prior to 30 April 2015, the Investor may nominate two persons to be appointed as non-executive directors of the Company. These nominee directors will be eligible for re-election at the next Annual General Meeting of the Company.

On completion of the Subscription, the Investor will hold approximately 38.4% of the enlarged share capital of the Company. On a conversion of all of the Convertible Notes (at the £0.009 price), the Investor would hold approximately 47.4% of the enlarged share capital of the Company.

The proceeds from the funding package will be used to repay existing debt, and accelerate the Company's oil production targets through drilling, secondary recovery and strategic acquisition of current producing projects in Trinidad.

Shareholders will be provided with detailed information about the transaction in the meeting documentation for the extraordinary general meeting to approve the transaction expected to be prior to 30 April 2015.

About Core Capital Management Co., Ltd:

Core Capital Management Co., Ltd is a Chinese private equity firm that makes investments and provides other financial services through a variety of investment strategies. Core Capital's headquarters office is located in Beijing China.

Technical services purchase order with LandOcean

In addition, further to the announcement on 2 June 2014 in relation to the Integrated Master Services Agreement ("IMSA") between the Company and LandOcean Energy Services Co Ltd ("**LandOcean**"), the Company has on 9 December 2014 entered into the second purchase order under the IMSA for US\$50 million of services from LandOcean over the next two years.

Under this second purchase order, LandOcean shall provide technical services to implement waterflooding plans for the Company's blocks in Trinidad. The waterflooding operations follow on from the first purchase order for geological and engineering study services (including waterflooding) also performed by LandOcean for the Company under the IMSA. Services provided under the purchase order will include extending the waterflooding field work, drilling engineering design, surface facility engineering design, geological design management, and extensional exploration across the blocks.

US\$50 million trade financing package

LandOcean shall arrange and make available a financing facility with China based Sinasure for the Company to pay for the full US\$50 million of LandOcean's technical services. The financing is subject to interest at 10% per annum and repayments are due 720 days after each drawdown on the financing to pay for LandOcean's services. The Company will pay a security deposit of US\$7.5 million to LandOcean once Core Capital financing is completed. The security deposit shall be refunded to the Company upon expiry or termination of the second purchase order and the Company's satisfaction of its obligations to pay all accrued interest on the financing facility at such time.

About Sinosure:

Sinosure (China Export & Credit Insurance Corporation) is a Chinese state-funded insurance company. Sinosure provides Chinese diplomatic, international trade, industrial, fiscal and financial policies, to promote Chinese exports of goods, technologies and services, especially high-tech and high value-added capital goods like electromechanical products, and national enterprises' overseas investment, by means of export credit insurance.

Director and Management changes

The Board of Range announces the resignation of two directors Mr. David Riekie and Mr. Ian Olson, effective immediately.

As the Company's Board now only comprises two individuals, and not a minimum of three as is required to be validly constituted under Australian law (of which two are required to be Australian resident directors), the Company's shares have been suspended from trading on AIM and the ASX. The Company is considering suitable candidates at present to replace the two directors who have resigned.

The Company will advise on the appointment of new non-executive directors in due course.

Mr. William Duncan and Ms. Amy Just have also tendered their resignations as Chief Operating Officer and Joint Company Secretary, respectively with immediate effect. Both individuals are not members of the Board.

The Board would like to thank Mr. David Riekie, Mr. Ian Olson, Ms. Amy Just and Mr. William Duncan for their contribution to the Company.

The Company is pleased to announce the appointment of Mr. Yan Liu as Chief Executive Officer effective immediately. This is a non-Board appointment.

Mr. Liu, an Australian national, has over 17 years of accounting and corporate advisory experience in China and Australia. Mr. Liu was the Chief Financial Officer with AIM listed China Rerun Chemical Group Limited, a China-based lubricant oil company and a partner of Agile Partners, the financial advisory company based in China. Previously, Mr. Liu was the Financial Controller at Legalwise Seminars Pty in Australia and he spent 8 years at Chinatex Corporation where he worked in project management positions. Mr. Liu holds a Bachelors degree in Economics from Central University of Finance and Economics, China, and a Masters degree in Commerce from the University of New South Wales, Australia.

The Board also advises Mr. David Chen has been appointed the Non-Executive Chairman effective immediately.

In addition, the Company is pleased to welcome the appointment of Professor Tong Xiaoguang as the special advisor to the Board.

Prof. Tong Xiaoguang has worked in numerous positions within China National Petroleum Corporation since 1964. His main expertise is in the area of petroleum basin geology and exploration. With his innovation in understanding the rules of hydrocarbon accumulation, he has made a great contribution to the discovery of many oil and gas fields. Prof. Tong, as the chief pioneer of overseas petroleum E&P activities for China, was appointed as Vice President and Chief Geologist in 1993, Senior Advisor in 2002 of China National Oil and Gas Exploration and Development. He has performed extensive studies on petroleum geology, hydrocarbon potential, investment environment, evaluation methods and technology of new venture oil projects for many countries around the world. Prof. Tong holds numerous China National Science and Technology Innovation Awards. He also won several provincial and ministerial level awards.

In 1986, he was awarded the title of "China National Young Expert with Distinguished Contribution". In 2005, he was elected member of Chinese Academy of Engineering.

Lind Financing Update

Pursuant to the Company's US\$15 million loan facility provided by Lind Asset Management, LLC ("Lind"), the Company has made an undertaking to Lind that, to the best of its ability and subject to AIM and ASX listing rules, the Company's Shares will not be suspended from trading on either the ASX or AIM market for more than 5 days, commencing from the execution date of the loan facility agreement. In the event the Company's shares are suspended in excess of 5 days Lind may have a right to call the loan in accordance with the default clauses of the loan facility agreement. With the recent AIM suspension, the Company has utilised 2 of the 5 allowed days. The Company's expectation is that it will exceed this 5 day period and the Company will enter into discussions with Lind to endeavor to seek a satisfactory outcome. At present, approximately US\$5.5 million under the Lind facility has been drawn down; the initial facility has a face value of US\$7.25 million. Further updates on the Company's financial position will be given in due course.

The shares in the Company have been suspended on ASX and AIM until further notice.

The Board believes once these significant financing arrangements are finalised, Range will be poised to fully realise the potential of its world class Trinidad assets.