



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

23 December 2014

ASX Code: RRS
AIM Code: RRL

Sale of non-core Texas assets

Range is pleased to announce the signing of a Sale & Purchase Agreement for the disposal of 100% of Range Australia Resources (US) Limited which holds the Company's interests in the East Clarksville and North Chapman Ranch projects in Texas (the “Texas assets”) to Citation Resources Limited (“Citation”). Citation is an ASX-listed oil and gas company, which together with Range holds interests in oil production and exploration assets in Guatemala.

The total value of the consideration for the transaction is approximately AU\$1.7 million (approximately US\$1.4 million), comprised of a AU\$500,000 cash payment to Range, a carry on the Guatemalan assets to the value of AU\$830,000, a forgiveness on monies owed by Range to Citation to the value of AU\$189,000 and 200 million new ordinary shares in Citation Resources (representing a market value of AU\$200,000 on valuation as at the last traded price on 22 December 2014).

The deal also releases Range from its imminent spending commitments in Texas, which are estimated at US\$0.9 million based on the Operator's Authorisation of Expenditure (AFE).

The strategic focus remains firmly on Range's unique asset position in Trinidad, and rationalising non-core assets. The Company has been actively marketing its assets in Texas for some time and as a result of an asset impairment review completed during the year, the carrying value of the Texas assets was written down to US\$1 million. The agreement reached maximises the sale value, and releases Range from imminent spending commitments in both Texas and Guatemala amounting to more than US\$1.5 million.

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Retaining an equity holding in Citation will allow the Company to benefit from any upside generated by new development drilling in the Texas assets while removing any further spending commitments in the project.

Terms of the sale agreement:

- Citation will pay Range AU\$500,000 cash at completion;
- Citation will, on behalf of Range, pay Range's remaining finance carried obligations in relation to the Guatemala Assets which are approximately AU\$830,000;
- Citation will waive the current amount owing from Range of AU\$189,263, which Range owed as part of the previous expenditure in Guatemala;
- Citation will issue to Range 200 million ordinary Citation shares. Range will receive 100 million Citation shares at completion, and a further 100 million Citation shares within eight weeks of completion. Range shall not be permitted to sell any of the first tranche of Citation Shares issued pursuant to the Sale Agreement until 7 February 2015;
- Following the transaction, Range will hold approximately 13% equity in Citation, which in turn provides a 28% direct and indirect interest in the Guatemalan project;

- Range has the right to appoint one Director to the Board of Citation, provided that Range holds a minimum of 100 million Citation shares; and
- Completion under the sale agreement is due to occur within three business days after the signing. The Company will release a separate announcement upon completion.

Texas assets background**North Chapman Ranch, Nueces County**

The Company holds a 25% interest in the Smith-1 well and a 20% interest in subsequent wells in the North Chapman Ranch Project. Following the commercial discovery on the Smith-1 well in December 2009, a multi-well programme was initiated that has seen four appraisal / development wells drilled across the license area.

During FY 2014, the Operator, Rock Springs Energy LLC, drilled and completed the Albrecht-2 well, which did not flow at a commercial rate after completion. The Operator is currently planning to drill a new development well Russell-Bevly-2 in early 2015.

East Clarksville, Red River County

The Company holds a 21.75% interest in the East Clarksville Project. The Operator, Crest Resources continues to evaluate development options for the shallow oil reservoir in the East Clarksville field. Following the marginal success of the Ross 3H horizontal well, additional work is required to determine the scope of water encroachment from the nearby field.

The carrying value of Range's Texas interests is approximately US\$1 million (as reported in the annual financial accounts for the year ending 30 June 2014).