

26 May 2015

Range signs conditional MOU for up to US\$35 million funding

Range is pleased to announce the signing of a binding Memorandum of Understanding (the “MOU”) with Beijing Sibio Investment Management LP (“Sibo”), a newly-established investment fund, headquartered in Beijing, China.

The MOU envisages the Company and Sibio entering into a definitive subscription agreement, whereby Sibio will provide funding of a minimum of US\$20 million and up to US\$35 million in cash to subscribe for new Ordinary Fully Paid Shares of the Company (“Share” or “Shares”) at a price of £0.008 per Share (the “Subscription”), being the same subscription price as the previously proposed funding with Core Capital Management Co., Ltd (“Core Capital”). This subscription price represents a premium of approximately 48% to the last traded share price of the Company prior to the suspension of shares from trading on AIM on 11 December 2014.

To demonstrate their commitment to the Company, the Board and management from Range are also considering an investment (in individual capacities), by subscribing for Shares of the Company on the same terms as the Sibio MOU, subject to approval by Range shareholders. Further details on any investment by the Range Board and management will be provided to shareholders in due course.

Following the Company’s announcement on 14 May 2015, relating to termination of the previously proposed funding with Core Capital, the Board and management have been focused on executing a new financing to replace the Core Capital investment. The Board believes that the proposed financing presents an attractive replacement funding, at a premium to the last traded share price, which allows the Company to embark on its growth ambitions.

As announced previously, the drilling programme in Trinidad has already commenced, with the initial funding available from the extended 12 month credit facility with Range’s strategic partner LandOcean Energy Services Co. Ltd (“LandOcean”). Range is also commencing large exploration operations on the two highly prospective St Mary’s and Guayaguayare blocks in Trinidad. The new equity financing will help to ensure that the Company has access to adequate funding to ramp up these extensive operational activities, as well as provide working capital, and repay the outstanding debt facility with Lind Asset Management, LLC (“Lind”). In addition, Range is finalising the previously announced US\$50 million trade financing package with Sinasure and LandOcean, with further details to be announced in due course.

Range and Sibio plan to proceed with the transaction by entering into a definitive share subscription agreement, which is expected to be executed by 31 May 2015. Sibio has agreed to provide funding of a minimum of US\$20 million and up to US\$35 million upon signing of the subscription agreement, subject to Sibio obtaining requisite government approvals. Range has been advised by Sibio that applications for some of these approvals have already been made and Sibio will endeavour to expedite the process as quickly as possible.

Upon signing of the subscription agreement, Range will only issue an initial tranche of approximately 550 million Shares (Tranche 1). Shareholder and regulatory approvals will be required in respect of the remaining Shares to be issued (Tranche 2) and Range will use reasonable endeavours to hold a shareholder meeting prior to 30 November 2015 to seek approval for the issue of the remaining Shares.

The final investment amount will be agreed between Sibio and Range upon finalisation of the subscription agreement and will depend on the agreed use of proceeds and the necessary cash needs to satisfy the required guarantees and performance bonds that Range is required to provide to the Ministry of Energy and Energy Affairs on the new St Mary's and Guayaguayare blocks.

Further details of the subscription agreement will be announced upon its signature by both parties.

Proposed terms of funding:

Pursuant to the MOU, it is envisaged that under the subscription agreement:

- Sibio will provide the full proceeds of a minimum of US\$20 million and up to US\$35 million in cash upon signing of the subscription agreement at a subscription price of £0.008 per Share;
- The Shares will be issued in two Tranches:
 - Tranche 1 – Range will issue approximately 550 million Shares (representing a value of GB£4.4 million) upon signing of the subscription agreement;
 - Tranche 2 – Range will issue the remaining Shares to Sibio for the remaining amount of the investment at the subscription price of £0.008 per Share, subject to requisite shareholder and regulatory approvals being obtained by Range. Range will use reasonable endeavours to ensure this is completed by 30 November 2015. Shareholders will be provided with further details in the meeting documentation for a shareholder meeting to approve Tranche 2 of the transaction in due course;
- Funding is subject to Sibio obtaining requisite government approvals, and, in respect of Tranche 2 of the fundraising, is subject to Range's shareholder and regulatory approvals;
- Upon completion of the initial GB£4.4 million investment, it is expected that Sibio will hold approximately 9.7% of the enlarged share capital of the Company. The final number of Shares to be issued as part of the total investment will be determined upon signing of the subscription agreement. However, based on today's exchange rate, and assuming the maximum amount of the investment is provided and shareholder and regulatory approvals obtained, Sibio would hold approximately 36% of the enlarged share capital of the Company; and
- Once the full proceeds have been received, Sibio 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.

About Beijing Sibio Investment Management LP

Beijing Sibio Investment Management LP is a new investment vehicle headquartered in Beijing, China, which was set up for the purposes of investing into Range. The investors in Sibio are composed of a number of high net worth individual investors with strong interests in the global energy sector.

An update on share suspension will be provided in the coming days, following consultation with ASX and the Company's Nominated Adviser.

Further comment and information

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