



# Quarterly Activities Report

For the period ended 30 September 2015

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

**RANGE**

30 October 2015

## Highlights

- Average oil production of 575 bopd in Trinidad (previous quarter 602 bopd);
- The Company published updated reserves statement to 30 June 2015: 1P of 19.4mmbbls, 2P of 22mmbbls, 3P of 27.6mmbbls and 2C of 3.2mmbbls. Also prospective resources of 91.3mmbbls (estimates do not include St Mary’s and Guayaguayare licences);
- The Trinidad drilling programme commenced, with the first development well MD 42N drilled during the quarter. The well was successfully put on production;
- Four new drilling rigs are expected to be available for drilling during Q4 2015;
- Applications for necessary government and regulatory approvals for Beach Marcelle and Morne Diablo waterflooding were submitted and are expected to be received during Q4 2015;
- The exploration work programme on the St Mary’s block commenced, with the audit of existing field infrastructure, facilities and wells underway;
- Range continued to finalise the necessary documents to acquire the full remaining interest of Niko Resources Ltd in the Guayaguayare block. The Company also continued to prepare for spudding of Canari North, the first exploration well on the block;
- Equity funding package of US\$30 million with Sibor completed at a premium to the share price. As part of the investment, the Directors and management team of Range also invested personally;
- Range continued to finalise US\$50 million trade financing package with LandOcean and Sinasure. The facility is subject to final approvals by Sinasure, and payment of a security deposit of US\$7.5 million by Range;
- Mr. Yu Wang, the nominee of Sibor, was appointed as a Non-Executive Director to the Board;

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- The annual general meeting of shareholders of the Company will be held on Friday, 27 November 2015 in Sydney, Australia; and
- The Company established a share sale facility for holders of unmarketable parcels on ASX, aimed at reducing the administrative costs associated with maintaining a large number of very small holdings.

## Production overview

The Company's oil and gas production for the period in Trinidad was as follows:

- 52,882 bbls (average of 575 bopd) net to Range, which is a 4% decrease from 602 bopd in the previous quarter. The decrease was due to a combination of factors, principally lack of new drilling during the quarter, caused by long delays in availability of drilling rigs (as advised by the drilling contractor RRDSL), as announced on 24 September 2015.

## Operations

### *Trinidad*

#### **Development programme**

During the quarter, the Company commenced its development and exploration drilling programme.

The first well, MD 42N development well, located at the Morne Diablo field was drilled to a total depth of 2,610 ft., to test the prolific Upper Cruse channel sand complex at a depth of 1,650 ft. Electric log interpretation confirmed the presence of recoverable hydrocarbons with an estimated net pay of 48 ft., of which 38 ft. were perforated. The well was subsequently put on pumping production at a stabilised rate of 30 bopd.

#### **New drilling rig fleet**

Range Resources Drilling Services Limited ("RRDSL"), owned and operated by LandOcean, added four new drilling rigs to the existing drilling fleet in Trinidad. The first new drilling rig arrived in Trinidad in September 2015. Three directional development wells (MD 51-1, MD 51-2 and MD 51-3) will be drilled from the drilling pad, using the rig. The rig is on location at the Morne Diablo field. Construction of a three-cellular drilling pad was successfully completed, ahead of anticipated MD 51-1 well spudding.

The vessel carrying the three new additional drilling rigs (with drilling capabilities of 2,000 m, 1,500 m, and 1,000 m) also arrived at the port in Trinidad in October and is currently in queue to berth.

RRDSL has advised that all four rigs are expected to be available for drilling during Q4 2015, subject to a number of conditions, including various government and regulatory approvals and availability of suitable drilling staff to operate the rigs.

#### **Waterflood programme**

The Company submitted applications for necessary government and regulatory approvals for Beach Marcelle and Morne Diablo waterflooding. The approvals are expected to be received during Q4 2015.

Once approvals are in place, the Company looks forward to sharing further details on the waterflood programmes and the benefits of LandOcean's detailed work and studies completed on the projects as part of Purchase Order 1.

## Exploration programme

*Guayaguayare:* During the quarter, Range continued to finalise the necessary documents to acquire the full remaining interest of Niko Resources Ltd in the block. Following completion of the agreement, Range will hold an 80% interest in the Deep Production Sharing Contract ("PSC") and a 65% interest in the Shallow PSC. Application for the extension of the PSCs has also been submitted and Range hopes to receive this during Q4 2015. Range currently holds a 40% interest in the Deep PSC and a 32.5% interest in the Shallow PSC and is the Operator of the block.

The Company also continued to prepare for spudding of the Canari North well. This will be the first exploration well to be drilled by Range in Trinidad, and any success with the well is expected to de-risk the Moruga sub-basin and could result in material potential upside in the Guayaguayare block with multiple follow-on prospects and leads to be tested by further exploration drilling in 2016.

*St Mary's:* During the quarter, Range commenced the exploration work programme on the St Mary's block with the audit of existing field infrastructure, facilities and wells underway.

Range has prepared the relevant environmental permitting documentation for production operations of existing wells and facilities, Electro Magnetic Surveying (Stratagem) and drilling of both development and exploration wells. This documentation is expected to be submitted for approvals during Q4 2015. Range is planning to commence the tendering process for drilling rigs, equipment, and other oilfield services during Q4 2015.

As required under the Joint Operating Agreement, Range also prepared a work programme and budget for 2016 for both exploration and development components. Range has committed to drilling four exploration wells, shooting 160km of 2D seismic and 60km<sup>2</sup> of 3D seismic, along with various other technical studies before the end of 2018.

During the quarter, Range provided the Ministry of Energy and Energy Industries with the required performance bond of US\$8 million in support of the minimum work obligations on the licence.

## Updated reserves statement

Subsequent to the quarter end, the Company published its updated reserves statement to 30 June 2015, with reserves and resources as follows: 1P of 19.4mmbbls (2014: 18.9mmbbls), 2P of 22mmbbls (2014: 22mmbbls), 3P of 27.6mmbbls (2014: N/A) and 2C of 3.2mmbbls (2014: N/A). Also prospective resources of 91.3mmbbls (2014: N/A) (estimates do not include St Mary's and Guayaguayare licences).

## Non-core assets

*Guatemala:* During the quarter, the Company continued to explore potential disposal options for its 20% interest in the Guatemalan Project.

*Georgia:* During the quarter, the Company continued to pursue a disposal of its 45% shareholding in Strait Oil and Gas ("Strait"), which holds interests in Block VIa. The PSA across Block VIa remains in

good standing and the subject of sale negotiations with at least one interested party. Due diligence and negotiations are ongoing, with Range being advised by Strait of the desire to complete a transaction before the end of the year.

*Colombia:* During the quarter, the Operator continued its discussions with Agencia Nacional de Hidrocarburos with regards to the minimum work obligations on the three exploration blocks, PUT-5, VMM-7, and VSM-1, and the provision of guarantees.

## Financial

*Equity financing:* During the quarter, Range completed an equity funding package with Beijing Sibo Investment Management LP (“Sibo”) for US\$30 million. As per the terms of the subscription agreement, Range issued approximately 2,450 million new ordinary fully paid shares of the Company to Sibo at a subscription price of £0.008 per share. The Company also issued 194,585,862 unlisted warrants with an exercise price of £0.01 and 172,557,274 unlisted warrants with an exercise price of £0.02 to Sibo. All warrants have an expiry date of 3 September 2019. Range’s Directors and management also subscribed for ordinary shares in an amount of US\$0.3 million in cash. Range issued 25 million new Shares to Directors and management at a subscription price of £0.008 per Share.

*US\$50 million trade financing package:* LandOcean in conjunction with Sinasure are looking to provide Range with up to US\$50 million by way of a credit facility of two years to fund the development programme in Trinidad principally related to the waterflood programme. The facility is subject to final approvals by Sinasure, and payment of a security deposit of US\$7.5 million by Range. The Company expects to complete the facility during Q4 2015.

*Lind financing update:* During the quarter, Range filed an appeal against the Supreme Court’s decision, and the Western Australian Court of Appeal extended the deadline for repayment until the later of 31 August 2015 or 7 days from the determination of the appeal. In advance of the appeal, Range paid US\$5 million to Lind without prejudice to its contentions in the appeal. On 10 September 2015 the appeal was heard and as at the date of this report, no decision has been received from the Western Australian Court of Appeal.

*Receipts from product sales and related debtors (for the 3 months to 30 September 2015):* of US\$2.6 million, compared with US\$2.9 million in the previous quarter. The decrease was as a result of decreased oil production during the period.

*Capital expenditure (for the 3 months to 30 September 2015):* of US\$4.5 million, compared with US\$2.9 million in the previous quarter. The increase was primarily due to payment of US\$2.5 million to LandOcean for completed work in relation to Purchase Order 1 (“PO1”). As announced on 2 June 2014 the Company and LandOcean have entered into the first purchase order to draw down US\$5 million of services from LandOcean. The Company will pay the remaining amount of US\$2.5 million upon completion of all work by LandOcean under PO1.

*Cash at 30 September 2015:* of US\$24.9 million, compared with US\$10.7 million in the previous quarter predominantly due to receipt of Tranche 2 Sibo funding proceeds.

## Corporate

*Director appointment:* Subsequent to the quarter end, the Company announced the appointment of Mr. Yu Wang, the nominee of Sibo, as a Non-Executive Director to the Board.

*Unmarketable parcels:* Subsequent to the quarter end, the Company announced that it has established a share sale facility for holders of unmarketable parcels of the Company's shares on ASX.

*Notice of Annual General Meeting:* Subsequent to the quarter end, the Company published a notice of its annual general meeting of Shareholders, which will be held at Conference Centre, Level Four, 60 Carrington Street, Sydney NSW 2000, Australia on Friday, 27 November 2015 at 10.00am (AEDT).

*Expiry of options:* Subsequent to the quarter end, 15,708,801 unlisted options exercisable at £0.0615 on or before 19 October 2015 expired. None of these options were exercised prior to expiration.

## Petroleum tenements held at the end of the quarter (Appendix A)

Tenement Reference	Location	Working Interest	Operator
Morne Diablo	Trinidad	100%	Range
South Quarry	Trinidad	100%	Range
Beach Marcelle	Trinidad	100%	Range
Guayaguayare Shallow*	Trinidad	65%	Range
Guayaguayare Deep*	Trinidad	80%	Range
St Mary's	Trinidad	80%	Range
Block 1-2005, South Peten Basin	Guatemala	20%	Latin American Resources Ltd
Block VIa	Georgia	45%	Strait Oil & Gas
PUT-5, Putumayo Basin	Colombia	10%	Optima Oil Corp
VMM-7, Magdalena Valley	Colombia	10%	Optima Oil Corp
VSM-1, Magdalena Valley	Colombia	10%	Optima Oil Corp

*Notes:*

*\*During the previous quarter, Range signed an amendment agreement in respect of its interest in the Guayaguayare Block in Trinidad. Subject to final government approvals, Range will take over as Operator and will hold 80% interest in the Deep PSC and 65% interest in the Shallow PSC.*

*No other petroleum tenements or farm-in, farm-out interests were acquired during the quarter.*

## Disclaimer

This information in this report contains certain forward-looking statements that are subject to the usual risk factors and uncertainties associated with the oil and gas exploration and the Company's control where, for example, the Company decides on a change of plan or strategy. While Range believes the expectations reflected herein to be reasonable in light of the information available to them at this time, the actual outcome may be materially different owing to factors beyond the Company's control. The Company undertakes no obligation to revise any such forward-looking statements to reflect any changes in the Company's expectations or any change in circumstances, events or the Company's plans and strategy. Accordingly no reliance may be placed on the figures contained in such forward looking statements.

## CPR statement

In Accordance with AIM Rules, Guidance for Mining and Oil & Gas Companies, the information contained in this announcement has been reviewed and approved by Dr Douglas Field. Dr Field is a petroleum and reservoir engineer who is a suitably qualified person with over 30 years' experience in assessing hydrocarbon reserves, and holds a PhD in Organic Chemistry. Dr Field is a member of the SPE (Society of Petroleum Engineers) and the PESGB (Petroleum Exploration Society of Great Britain). The reserves information in this announcement has been prepared in accordance with the guidelines of the Society of Petroleum Engineers (SPE).

## Glossary - SPE Definitions

Proved Reserves are those quantities of petroleum, which by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations. Probable Reserves are those additional Reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves. 1P refers to Proved Reserves, 2P refers to Proved plus Probable Reserves, 3P refers to Proved, plus Probable, plus Possible Reserves.

Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterised by their economic status.

Prospective resources are defined as those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development. Prospective resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be sub-classified based on project maturity.

### Contact Details

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## Appendix 5B

Mining exploration entity and oil and gas exploration entity  
quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

RANGE RESOURCES LIMITED

ABN

88 002 522 009

Quarter ended ("current quarter")

30 September 2015

## Consolidated statement of cash flows

	Current quarter \$US'000	Year to date (12 months) \$US'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	2,609	2,609
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(41) (3,068) (1,482) (1,638)	(41) (3,068) (1,482) (1,638)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	648	648
1.7 Other	-	-
<b>Net Operating Cash Flows</b>	<b>(2,972)</b>	<b>(2,972)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - (37)	- - (37)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets*	- - -	- - -
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(37)</b>	<b>(37)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(3,009)</b>	<b>(3,009)</b>

+ See chapter 19 for defined terms.

## Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(3,009)	(3,009)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	22,316	23,316
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(5,000)	(5,000)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	<b>Net financing cash flows</b>	<b>17,316</b>	<b>17,316</b>
	<b>Net increase (decrease) in cash held</b>	<b>14,307</b>	<b>14,307</b>
1.20	Cash at beginning of quarter/year to date	10,692	10,692
1.21	Exchange rate adjustments to item 1.20	(130)	(130)
1.22	<b>Cash at end of quarter</b>	<b>24,869</b>	<b>24,869</b>

**Payments to directors of the entity, associates of the directors, 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	93
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payment of directors' 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

N/A

+ See chapter 19 for defined terms.



### 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	-	500
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$US'000
4.1 Exploration and evaluation	40
4.2 Development	3,100
4.3 Production	1,500
4.4 Administration	1,100
<b>Total</b>	<b>5,740</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	16,869	10,692
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)*	8,000	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>24,869</b>	<b>10,692</b>

\*US\$8 million is held as cash collateral to support the performance bond issued to MEEI in respect of St Mary's work programme.

+ See chapter 19 for defined terms.

## Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	Nil		
6.2	Interests in mining tenements and petroleum tenements acquired or increased	Guayaguayare Shallow Block, Trinidad*	32.5%	65%
		Guayaguayare Deep Block, Trinidad*	40%	80%

\* Subject to final government and regulatory approval

## 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	Preference + securities (description)	Nil		
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	+Ordinary securities	7,589,790,100	7,589,790,100	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	1,822,620,912	1,822,620,912	

+ See chapter 19 for defined terms.

## Mining exploration entity and oil and gas exploration entity quarterly report

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					
7.7	<b>Options</b> (description and conversion factor)	80,508,341 7,058,824 5,180,000 32,275,862 5,000,000 5,000,000 146,533,850 5,000,000 476,190 952,381 6,714,284 9,000,000 3,947,369 8,666,670 694,445 2,205,885 1,250,000 17,333,336 3,000,001 5,153,846 2,000,000 2,000,000 5,000,000 23,636,364 7,500,000 161,472,247 118,729,593 1,000,000 31,000,000 75,000,000 194,585,862 172,557,274 4,000,000 25,000,000 15,708,801			<i>Exercise price</i> \$0.05 £0.17 £0.075 £0.05075 A\$0.10 A\$0.06 £0.04 £0.037 £0.021 £0.021 £0.021 £0.020 £0.019 £0.018 £0.018 £0.017 £0.016 £0.015 £0.015 £0.013 \$0.0321 £0.012 £0.011 £0.011 £0.03 £0.01 £0.02 \$0.05 £0.01203 £0.01 £0.01 £0.02 £0.01 £0.01 £0.01	<i>Expiry date</i> 31 January 2016 30 April 2016 31 January 2017 30 November 2015 31 January 2016 10 February 2016 30 April 2016 11 July 2016 25 July 2016 29 July 2016 31 August 2016 31 August 2016 30 September 2016 30 September 2016 31 October 2016 31 October 2016 31 October 2016 30 November 2016 30 November 2016 11 December 2016 31 December 2016 31 December 2016 31 December 2016 31 January 2017 9 September 2017 14 July 2018 14 July 2018 31 January 2018 15 October 2017 30 March 2020 3 September 2019 3 September 2019 31 August 2018 30 March 2020 19 October 2015
7.8	Issued during quarter	194,585,862 172,557,274 4,000,000 25,000,000		£0.01 £0.02 £0.01 £0.01	3 September 2019 3 September 2019 31 August 2018 30 March 2020	

+ See chapter 19 for defined terms.

## Mining exploration entity and oil and gas exploration entity quarterly report

7.9	Exercised during quarter	Nil			
7.10	Expired during quarter	Nil			
7.11	<b>Debentures</b> (totals only)	Nil			
7.12	<b>Unsecured notes</b> (totals only)	Nil			

## 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 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Date: 30 October 2015



Yan Liu, Executive Director

## 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 and petroleum 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 or petroleum 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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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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+ See chapter 19 for defined terms.