RANGE RESOURCES LIMITED

ACN 002 522 009

NOTICE OF GENERAL MEETING

The General Meeting of the Company will be held at 9:30am AEDT on Tuesday, 7 February 2017 at RSM Corporate Australia Pty Ltd, Level 13, 60 Castlereagh Street, Sydney NSW 2000.

RSM Corporate Australia Pty Ltd has prepared an independent expert's report on the proposed Transaction and has concluded that the proposed Transaction is NOT FAIR BUT REASONABLE to the existing Shareholders. Refer to Section 3.14 for further information.

This Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on +44 (0) 20 7520 9486 or +61 (08) 6205 3012.

RANGE RESOURCES LIMITED

ACN 002 522 009

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Shareholders of Range Resources Limited (**Company**) will be held in Sydney, New South Wales (**Meeting**). The Meeting will be held 9:30am AEDT on Tuesday, 7 February 2017 at RSM Corporate Australia Pty Ltd, Level 13, 60 Castlereagh Street, Sydney NSW 2000.

DI Holders may attend the Meeting but will not be permitted to vote at the Meeting. For their votes to be counted DI Holders must submit their CREST Voting Instruction to the Company's agent by the required cut-off time set out in Section 2.2 below. Alternatively, DI Holders can vote using the enclosed Form of Instruction as per the instruction set out in Section 2.3 below.

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form, or Form of Instruction if you are a DI Holder, form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Sunday 5 February 2017 at 9:30am (AEDT).

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined where they are first used in the Explanatory Memorandum or in Schedule 1.

AGENDA

1. Resolution 1 – Approval for the issue of Securities to LandOcean

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purposes of Section 611 (Item 7) of the Corporations Act and for all other purposes, Shareholders approve the issue of Convertible Notes (and Shares on conversion of the Convertible Notes) under the terms of the Convertible Note Agreement, to LandOcean (or its Associates) on the terms and conditions set out in the Explanatory Statement accompanying this Notice."

Expert's Report: Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of the Shareholder approval required under Section 611 (Item 7) of the Corporations Act. The Independent Expert's Report comments on the fairness and reasonableness of the transactions the subject of this Resolution to the non-associated Shareholders in the Company.

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person (and any associate of such a person) who may participate in the issue of the Shares and Convertible Notes pursuant to the Convertible Note Agreement.

Dated 5 January 2017
BY ORDER OF THE BOARD

Nick Beattie
Company Secretary

RANGE RESOURCES LIMITED
ACN 002 522 009

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting. DI Holders are able to attend the Meeting, but may not vote at the Meeting.

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions set out in the Notice.

A Proxy Form, or Form of Instruction if you are a DI Holder, is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgment of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

(a) a member of the Company entitled to attend and vote at the General Meeting is entitled to appoint a proxy;

(b) a proxy need not be a member of the Company; and

(c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

2.2 United Kingdom (CREST Voting Instruction)

DI Holders in CREST may transmit voting instructions by utilising the CREST voting service in accordance with the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take appropriate action on their behalf.

In order for instructions made using the CREST voting service to be valid, the appropriate CREST message (a "CREST Voting Instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual (available via www.euroclear.com/CREST).

To be effective, the CREST Voting Instruction must be transmitted so as to be received by the Company's agent (3RA50) no later than 2 February 2017 at 4.00pm (GMT). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the CREST Voting Instruction by the CREST applications host) from which the Company's agent is able to retrieve the CREST Voting Instruction by enquiry to CREST in the manner prescribed by CREST. DI Holders in CREST and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the transmission of CREST Voting Instructions. It is the responsibility of the DI Holder concerned to take (or, if the DI Holder is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that the CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a CREST Voting Instruction is transmitted by means of the CREST voting service by any particular time.

In this connection, DI Holders and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

2.3 United Kingdom (Form of Instruction)

DI Holders are invited to attend the Meeting but are not entitled to vote at the Meeting. In order to have votes cast at the Meeting on their behalf, DI holders must complete, sign and return the Forms of Instruction forwarded to them along with the Notice to the Company's agent, Computershare UK, by 2 February 2017 at 4.00pm (GMT).

3. Resolution 1 – Approval for the issue of Securities to LandOcean

3.1 Background

As announced on ASX on 31 October 2016, Range has entered into a convertible note deed (the **Convertible Note Agreement**) with LandOcean Energy Services Co., Ltd. (**LandOcean**) which, subject to the terms and conditions summarised below, will result in the Company issuing convertible notes to LandOcean to raise US$20,000,000 (**Convertible Notes**) (**Transaction**).

The Company and LandOcean are parties to the Integrated Master Services Contract dated 29 May 2014 (**IMSC**) under which LandOcean provides various oilfield services to the Company. A subsidiary of the Company is also party to an agreement for the provision of oil and gas consultancy, petroleum, equipment rental, property management and labour and procurement services in Trinidad (the **Trinidad Agreement**). As at the date of entering into the Convertible Note Agreement the Company has incurred fees of approximately US$35,900,000 under the IMSC and the Trinidad Agreement (**Accrued Fees**).

Pursuant to a deed executed by the Company and LandOcean, LandOcean has agreed to waive its entitlement to US$20,000,000 of the Accrued Fees in exchange for the issue of the Convertible Notes (**IMSC Amending Deed**).

Details of the material terms and conditions of the Convertible Note Agreement are set out below.

3.2 About LandOcean

LandOcean is headquartered in Beijing, China and is growing both in the international and domestic Chinese markets by serving the oil and gas industry with a wide spectrum of services, from R&D of high-end technology, to product sales and technical services. LandOcean was honored as a "National Innovation Model Enterprise" by the Ministry of Science and Technology, Chinese Academy of Sciences, and Beijing Municipal Government. LandOcean is a listed high-tech company on the Growth Enterprise Market of the Shenzhen Stock Exchange (Stock code: 300157).

LandOcean's capabilities include a) R&D and commercialization of petroleum exploration and development software, oil and gas equipment, downhole equipment, as well as instrument technology; b) global sales of petroleum exploration and development software, oil and gas equipment, downhole equipment, as well as instrument technology; and c) providing technical services utilizing petroleum exploration and development software, oil and gas equipment, downhole equipment, as well as instrument technology.

3.3 Use of Funds

The proceeds from the Convertible Notes will be utilized solely to replace a portion of the outstanding payable balance due to LandOcean under the terms of the IMSC and the IMSC Amending Deed.

3.4 Convertible Note Agreement

The material terms of the Convertible Note Agreement are as follows:

(a) **Convertible Notes**

LandOcean (or its Associates) has subscribed for US$20 million of unlisted unsecured convertible notes with an 8% per annum coupon which have a face value of US$1.00 each (**Convertible Notes**).

The Convertible Notes are redeemable by LandOcean after 3 years of issue (**Maturity Date**) or earlier if a redemption event occurs (such as non-payment of annual interest payments). Subject to Shareholders approving Resolution 1, and subject to converting at least US$10,000,000 of Convertible Notes (**Minimum Conversion Amount**), LandOcean may elect to convert the Convertible Notes into Shares at a conversion price of £0.0088 per Share (**Conversion Price**) at any time prior to the Maturity Date.

Range also has the option of redeeming the Convertible Notes for cash at any time prior to the Maturity Date. Range must also pay yearly interest instalments, on each anniversary of the issue date of the Convertible Notes, in cash.

Further terms and conditions of the Convertible Notes are set out in Schedule 2.

(b) **Conditions**

At the date of this Notice, the remaining condition to be satisfied is the Company obtaining Shareholder approval to permit conversion of the Convertible Notes into Shares.

(c) **Nominee Directors**

Following issue of the Convertible Notes, for so long as:

(i) the aggregate Face Value of the Convertible Notes held by LandOcean combined with the aggregate market value of any Conversion Shares (which is to be based on the 30 day VWAP and converted into US$ at the Exchange Rate) is greater than US$10,000,000, LandOcean may appoint one nominee as a Director; and

(ii) the aggregate Face Value of the Convertible Notes held by LandOcean combined with the aggregate market value of any Conversion Shares (which is to be based on the 30 day VWAP and converted into US$ at the Exchange Rate) is equal to or greater than US$20,000,000, LandOcean may appoint an additional nominee as a Director.

If LandOcean ceases to satisfy the thresholds above, then it must procure that the relevant nominee Director resigns from the board of the Company.

At the date of this Notice, LandOcean has indicated that it will not seek to appoint nominee directors on completion of the Convertible Note issue, but may exercise this right in the future.

The election or re-election of these nominee directors (as relevant) will be subject to the provisions of the Company's Constitution and other applicable law (including approval of the Company's nominated advisor for the purpose of its AIM listing (**Nomad**).

3.5 Effect of the transaction on the Company

(a) **Capital Structure**

Below is a table showing the Company's current capital structure and the possible capital structure on completion of the Share Placement and upon conversion of the maximum possible Convertible Notes. This table assumes the Company does not issue any additional Shares and no Options expire, or are exercised, prior to the date that all of the Convertible Notes have converted.

	Shares	**Options**	**Convertible Notes**
Balance at the date of this Notice	7,595,830,782	830,161,340	Nil
Balance following issue of the Convertible Notes	7,595,830,782	830,161,340	20,000,000
Balance following conversion of the Convertible Notes	9,465,003,636 (1)(2)	830,161,340(3)	Nil

(1) This number assumes a Conversion Price of £0.0088 and an exchange rate of GBP1:US$1.216 (being the lowest exchange rate in the 180 days prior to 9 November 2016). For details of other scenarios possible as a result of an alternate Conversion Price and the effect this would have on the capital structure of the Company refer to Schedule 3.

The Company may issue a differing number of Shares, but has included this disclosure as a theoretical number of Shares LandOcean may be issued in such circumstances. For details of other scenarios possible as a result of an alternate Conversion Price in these circumstances refer to Schedule 3.

(2) Assumes all of the Convertible Notes are converted to Shares prior to the expiry date of the Convertible Notes.

(3) Includes all options with expiry dates from 3 January 2017 and later. See section 5.24 of IER for table of options on issue showing different classes of options.

(b) **Voting Power of LandOcean and its Associates**

Under the terms of the Convertible Note Agreement, the Company has agreed to issue the Convertible Notes to LandOcean.

Neither LandOcean, nor any of its Associates, currently hold any Shares in the Company.

If all of the Convertible Notes are converted into Shares (and assuming the Company does not issue any additional Shares and no Options expire, or are exercised, prior to the date that all of the Convertible Notes have converted), LandOcean and its Associates will hold up to the following number of Shares and Convertible Notes and exercise the following voting power in the Company.

Event causing the Share issue	**Number of Shares issued to LandOcean or its Associates**	**% of Share capital held by LandOcean or its Associates on issue of the Shares**
Prior to issue of the Convertible Notes	Nil	0%
On issue of the Convertible Notes	Nil	0%
On conversion of the Convertible Notes	9,465,003,636 (1)(2)	19.75%(1)(2)

(1) This number assumes a Conversion Price of £0.0088 and an exchange rate of GBP1:US$1.216 (being the lowest exchange rate in the 180 days prior to 9 November 2016). For details of other scenarios possible as a result of an alternate Conversion Price and the effect this would have on the capital structure of the Company refer to Schedule 3.

The Company may issue a differing number of Shares, but has included this disclosure as a theoretical number of Shares LandOcean may be issued in such circumstances. For details of other scenarios possible as a result of an alternate Conversion Price in these circumstances refer to Schedule 3.

(2) Assumes all of the Convertible Notes are converted to Shares prior to the expiry date of the Convertible Notes.

(c) **Increase or Decrease in Voting Power**

The voting power of LandOcean and its Associates in the Company may change as follows:

(i) Increase in voting power:

(A) Transaction of Shares by LandOcean or its Associates on and off market. LandOcean and its Associates could increase its Shareholding under Section 611, item 9 of the Corporations Act allowing it to acquire 3% every 6 months.

(B) Cancellation of Shares held by Shareholders other than LandOcean and its Associates.

(ii) Decrease in voting power:

(A) Disposal of Shares held by LandOcean or its Associates.

(B) Issue of Shares by the Company to Shareholders other than LandOcean and its Associates.

(C) Conversion of a proportion of Convertible Notes rather than all of the Convertible Notes.

(D) Exercise of Options by Option holders.

The Corporations Act and ASIC Regulatory Guide 74 set out a number of regulatory requirements which must be satisfied. These are summarised below.

3.6 Conversion variables

Shareholders should note that given the variables required to determine the Conversion Price pursuant to the Convertible Notes, it is not possible to provide an exact number of Shares to be issued, or the total increase in the relevant interest of LandOcean (or its Associates) on conversion of the Convertible Notes.

The conversion price pursuant to the Convertible Notes will be subject to the GBP to USD exchange rate at the time of conversion. The Company does not expect this will have a material effect on the number of Shares to be issued on conversion.

As stated above, for details of other scenarios possible as a result of an alternate Conversion Price refer to Schedule 3.

3.7 Relevant interest pursuant to this Resolution 1 may not be obtained

Shareholders should also note that, although the Company is obtaining Shareholder approval pursuant to Resolution 1 to enable the issue of Shares on conversion of all the Convertible Notes at the Conversion Price, the Convertible Notes may be redeemed in full or in part at the election of the Company or LandOcean (subject to the minimum conversion threshold). That is, they may not all be converted. The material terms and conditions of the Convertible Notes, including the terms that govern redemption, repayment and conversion, are set out in Schedule 2.

Redemption of the Convertible Notes (rather than conversion) would result in LandOcean or its Associates being repaid the relevant amount in cash rather than Shares. The effect of this would be that LandOcean or its Associates may acquire less Shares (and a smaller relevant interest) than the approval of Resolution 1 permits.

3.8 ASX Listing Rule 7.1

Listing Rule 7.1 prohibits a listed company from issuing in any 12 month period new securities equivalent in number to more than 15% of the total number of ordinary securities on issue at the beginning of the twelve month period (**15% Capacity**) without either the prior approval of shareholders, or the issue otherwise falls within one of the prescribed exceptions to Listing Rule 7.1.

ASX Listing Rule 7.2 (Exception 16) provides an exception to Listing Rule 7.1 whereby if Shareholder approval is obtained under Item 7 of Section 611 of the Corporations Act (that is, approval for the issue of the Convertible Notes), then separate shareholder approval under Listing Rule 7.1 is not required.

Accordingly, if Shareholders approve Resolution 1, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

3.9 Item 7 of Section 611 of the Corporations Act

(a) Section 606 of the Corporations Act prohibits a person acquiring a relevant interest in the issued voting shares of the Company if, because of the transaction, that person's or another person's voting power in the Company increases from:

  (i) 20% or below to more than 20%; or

  (ii) a starting point that is above 20% and below 90%.

(b) The voting power of a person in the Company is determined by reference to section 610 of the Corporations Act. A person's voting power in the Company is the total of the votes attaching to the Shares in the Company in which that person and that person's associates (within the meaning of the Corporations Act) have a relevant interest.

(c) Under section 608 of the Corporations Act, a person will have a relevant interest in Shares if:

  (i) the person is the registered holder of the Shares;

  (ii) the person has the power to exercise or control the exercise of votes or disposal of the Shares; or

  (iii) the person has over 20% of the voting power in a company that has a relevant interest in Shares, then the person has a relevant interest in said Shares.

(d) For the purpose of determining who is an associate you need to consider section 12 of the Corporations Act. Any reference in chapters 6 to 6C of the Corporations Act to an associate is as that term is defined in section 12. The definition of 'associate' in section 12 is exclusive. If a person is an associate under section 11, 13 or 15 of the Corporations Act then it does not apply to chapters 6 to 6C. A person is only an associate for the purpose of chapters 6 to 6C if he is an associate under section 12.

(e) A person (second person) will be an associate of the other person (first person) if:

  (i) the first person is a body corporate and the second person is:

(A) A body corporate the first person controls;

(B) A body corporate that controls the first person: or

(C) A body corporate that is controlled by an entity that controls the first person;

(ii) the second person has entered, or proposes to enter, into a relevant agreement with the first person for the purpose of controlling or influencing the composition of the board of a body corporate or the conduct of the affairs of a body corporate; or

(iii) the second person is a person with whom the first person is acting, or proposes to act, in concert in relation to the affairs of a body corporate.

(f) The Corporations Act defines 'control' and 'relevant agreement' very broadly as follows:

(i) Under section 50AA of the Corporations Act control means the capacity to determine the outcome of decisions about the financial and operating policies of the Company. In determining the capacity you need to take into account the practical influence a person can exert and any practice or pattern of behaviour affecting the financial or operating policies of the Company.

(ii) Under section 9 of the Corporations Act relevant agreement means an agreement, arrangement or understanding:

(A) whether formal or informal or partly formal and partly informal;

(B) whether written or oral or partly written and partly oral; and

(C) whether or not having legal or equitable force and whether or not based on legal or equitable rights.

(g) Associates are determined as a matter of fact. For example where a person controls or influences the Board or the conduct of the Company's business affairs, or acts in concert with a person in relation to the entity's business affairs.

(h) Section 611 of the Corporations Act has exceptions to the prohibition in section 606 of the Corporations Act (**Prohibition**). Item 7 of section 611 of the Corporations Act provides a mechanism by which Shareholders may approve an issue of Shares to a person which results in that person's or another person's voting power in the Company increasing from:

(i) 20% or below to more than 20%; or

(ii) a starting point that is above 20% and below 90%.

3.10 Reason Section 611 Approval is required

Resolution 1 seeks Shareholder approval, for the purpose of Item 7 of Section 611 of the Corporations Act, to allow the Company to issue the Convertible Notes to LandOcean and its Associates which, when converted into Shares, may result in the deemed voting power of LandOcean and its Associates in the Company increasing to more than 20%.

3.11 Specific Information required by Section 611 Item 7 of the Corporations Act and ASIC Regulatory Guide 74

The following information is required to be provided to Shareholders under the Corporations Act and ASIC Regulatory Guide 74 in respect of obtaining approval for Item 7 of Section 611 of the Corporations Act. Shareholders are also referred to the Independent Expert's Report prepared by RSM Corporate Australia Pty Ltd annexed to this Explanatory Statement.

(a) **The identity of LandOcean, its Associates and any person who will have a relevant interest in the Shares to be allotted to LandOcean or its Associates**

Details of LandOcean are set out in Section 3.2 above.

(b) **Full particulars (including the number and percentage) of the shares in the Company to which LandOcean and its Associates will be entitled immediately before and after the transaction**

LandOcean, nor any of its Associates, will not hold any Shares in the Company prior to issue of the Convertible Notes.

Refer to Section 3.5(b) for full particulars (including the number and percentage) of Shares in which LandOcean has, or will have, a relevant interest in immediately before and after the issue of the Convertible Notes, and after conversion of the Convertible Notes (assuming all of the Convertible Notes are converted into Shares).

(c) **The identity, associations (with the Company, LandOcean or any of their associates) and qualifications of any person who is intended to become a director if Shareholders agree to the Transaction**

Following issue of the Convertible Notes and subject to the thresholds set out in section 3.4(c), LandOcean may nominate up to two persons to be appointed as non-executive directors of the Company.

At the date of this Notice, LandOcean has advised the Company that it does not wish to appoint nominee directors, but may exercise this right in the future. The election or re-election of these nominee directors (as relevant) will be subject to the provisions of the Company's Constitution and other applicable law.

(d) **LandOcean's intentions regarding the future of the Company if Shareholders agree to the transaction and the allotment of Shares and Convertible Notes to LandOcean and/or its Associates**

LandOcean and/or its Associates may become a Shareholder in the Company following conversion of the Convertible Notes and:

(i) there is no intention to change the business of the Company;

(ii) there is no intention to inject further capital into the Company (other than as disclosed in this Notice);

(iii) there is no intention to change the future employment of the present employees of the Company;

(iv) there is no proposal whereby any property will be transferred between the Company and LandOcean or and its Associates; and

(v) there is no intention to otherwise redeploy any of the fixed assets of the Company.

These intentions are based on information concerning the Company, its business, and the business environment which is known to LandOcean at the date of this document.

These present intentions may change as new information becomes available, as circumstances change or in the light of all material information, facts and circumstances necessary to assess the operational, commercial, taxation and financial implications of those decisions at the relevant time.

(e) **Particulars of the terms of the proposed allotment of Shares and Convertible Notes and any contract or proposed contract between LandOcean and the Company or any of their Associates which is conditional upon, or directly or indirectly dependent on, Shareholders agreement to the allotment of Shares to LandOcean and its Associates pursuant to the Transaction**

The terms of the Convertible Note Agreement governing the issue of the Convertible Notes are set out in Section 3.4 and Schedule 2.

Other than the Convertible Note Agreement and the IMSC Amending Deed, there are no contracts or proposed contracts between LandOcean and the Company or any of their Associates which are conditional upon, or directly or indirectly dependent on, Shareholder agreement to the issue of the Shares and/or the Convertible Notes to LandOcean or its Associates pursuant to the Transaction.

(f) **When the allotment of Shares under the Convertible Note Agreement is to be made**

The Convertible Notes have been issued to LandOcean pursuant to the Convertible Note Agreement. The right of LandOcean to convert the Convertible Notes into Shares is subject to approval by Shareholders. The conversion into Shares could happen at any time following approval by Shareholders until the Maturity Date of the Convertible Notes.

(g) **An explanation of the reasons for the proposed allotment of Shares and Convertible Notes to LandOcean and its Associates**

The Convertible Notes are issued to LandOcean pursuant to the terms of the Convertible Note Agreement, and as consideration for LandOcean agreeing to waive its entitlement to $US20,000,000 of the Accrued Fees in accordance with the IMSC Amending Deed.

(h) **The interests of the Directors in Resolution 1**

None of the Directors have an interest in Resolution 1.

(i) **Identity of the Directors who approved or voted against the proposal to put Resolution 1 to Shareholders and the Explanatory Memorandum**

All of the Directors voted in favour of the proposal to put the issue of the Convertible Notes to the approval of Shareholders.

(j) **Any intention of LandOcean to change significantly the financial or dividend policies of the Company**

LandOcean does not intend to change significantly the financial or dividend policies of the Company at this time.

(k) **Recommendation or otherwise of each Director as to whether Shareholders should agree to the proposed allotment and the reasons for the recommendation or otherwise**

See Section 3.16 of this Explanatory Memorandum.

(l) **An analysis of whether the proposed allotment of Shares and Convertible Notes pursuant to the Transaction is fair and reasonable when considered in the context of the interests of the Shareholders other than LandOcean and its Associates.**

See Section 3.14 of this Explanatory Memorandum.

3.12 Advantages of the Transaction

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote in relation to the Transaction:

(a) it will significantly delay the timing of debt repayments;

(b) reduces the interest charge from 10%pa to 8%pa on the amount of the Convertible Notes (with potential maximum saving to the Company of US$1,200,000); and

(c) will allow the Company increased financial capacity that could be applied to future growth opportunities and towards the ongoing funding of the Company's Trinidad operations.

3.13 Disadvantages of the Transaction

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote in relation to the Transaction:

(a) should the Convertible Notes be converted, Shareholders will have their voting power reduced. Consequently, the ability of existing Shareholders to influence decisions, including the composition of the Board or the acquisition or disposal of assets will be reduced accordingly;

(b) should the Convertible Notes by converted as a minimum, LandOcean and its Associates will hold approximately 16.73% of Range. Therefore, as a minimum, LandOcean and its Associates will be able to have a significant influence over ordinary resolutions. In addition, LandOcean may have the ability to nominate up to two persons to be nominated as non-executive directors of the Company; and

(c) the minimum conversion price of the Convertible Notes is subject to exchange rate fluctuations and not known and therefore the level of potential dilution to Shareholders can only be approximated.

3.14 Independent Expert's Report

The Independent Expert's Report assesses whether the issue of the Convertible Notes and the issue of Shares on conversion of the Convertible Notes outlined in Resolution 1 is not fair but reasonable to the Shareholders who are not associated with LandOcean.

The Independent Expert's Report also contains an assessment of the advantages and disadvantages of the proposed issue of the Convertible Notes and the issue of Shares on conversion of the Convertible Notes the subject of Resolution 1. This assessment is designed to assist all Shareholders in reaching their voting decision.

The Independent Expert has provided the Independent Expert's Report and has provided an opinion that it believes the proposal as outlined in Resolution 1 IS **NOT FAIR BUT REASONABLE** to the Shareholders of the Company not associated with LandOcean. It is recommended that all Shareholders read the Independent Expert's Report in full.

The Independent Expert's Report is enclosed with this Notice of Meeting at Annexure 1.

3.15 Pro forma balance sheet

A pro forma balance sheet of the Company post the completion of the Transaction is set out in Schedule 4.

3.16 Interests and Recommendations of Directors

None of the current Board members have a material personal interest in the outcome of Resolution 1 other than their interests arising solely in their capacity as Shareholders of the Company. Each of the Directors who holds Shares in the Company (or whose associated entities hold Shares) and is entitled to vote will vote their Shares in favour of the Transaction.

All of the Directors are of the opinion that the Transaction is in the best interests of Shareholders and, accordingly, the Directors unanimously recommend that Shareholders vote in favour of Resolution.

The Director's recommendations are based on the reasons outlined in Section 3.12 above.

The Directors are not aware of any other information other than as set out in this Notice of Meeting that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 1.

Schedule 1 - Definitions

AEDT means Australian Eastern Daylight Time, being the time in Sydney, New South Wales.

ASIC means Australian Securities and Investments Commission.

Associate means has the meaning described in Section 3.9 and as otherwise defined in the Corporations Act.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

Board means the board of Directors.

Chairman means the person appointed to chair the Meeting.

Company or **Range** means Range Resources Limited ACN 002 522 009.

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

DI Holder means a DI holder.

DI means a depository interest representing a Share listed (or to be listed) on the AIM Market of the London Stock Exchange.

Director means a director of the Company.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

GMT means Greenwich Mean Time, being the time in London, United Kingdom.

Group means the Company and its subsidiaries.

Listing Rules means the listing rules of ASX.

Meeting has the meaning in the introductory paragraph of the Notice.

Notice means this notice of meeting.

Option means an option which entitles the holder to subscribe for one Share.

Proxy Form means the proxy form attached to the Notice.

Resolution means a resolution contained in this Notice.

Schedule means a schedule to this Notice.

Section means a section contained in this Explanatory Memorandum.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

VWAP means volume weighted average price.

In this Notice, words importing the singular include the plural and vice versa.

Schedule 2 – Terms and Conditions of the Convertible Notes

The terms and conditions of the Convertible Notes are as follows:

Term	Details
Subscription Amount	US$20,000,000
Face Value	US$1.00 per Convertible Note (to raise a total of US$20,000,000)
Maturity Date	3 years after issue
Interest Rate	8% per annum Default interest on any amount that is not paid when due will be at a rate of 10% per annum.
Interest	Interest will accrue daily and be payable annually in arrears.
Conversion Price	£0.0088. To calculate the Conversion Price in US Dollars, the exchange rate will be the mid-rate which appears on the Bloomberg Screen on that date.
Conversion by LandOcean	Subject to Shareholders approving Resolution 1, at any time after the issue date, subject to converting the Minimum Conversion Amount, LandOcean may convert some or all of the Convertible Notes into Shares at the Conversion Price.
Redemption by the Company	At any time after the issue date, the Company may elect to redeem all or some of the Convertible Notes by payment of the amount outstanding in cash
Redemption on Maturity Date	On the Maturity Date, the Company must redeem all of the outstanding Convertible Notes (being those which have not been previously redeemed or converted) by payment of the amount outstanding in cash
Redemption by LandOcean	The Convertible Notes are subject to the following redemption events: (i) non-payment of funds within 40 business days of the due date, (ii) the winding up or insolvency of the Company or the Company (or one of its subsidiaries) or (iii) ceasing or threatening to cease to carry on its business which is likely to adversely affect the Company as a whole. LandOcean may require the Company to redeem some or all of the Convertible Notes following the occurrence of any of these events.
No Voting Rights	The Convertible Notes do not carry any voting rights but LandOcean will have the same rights as a holder of Shares to receive notices of general meetings, reports, financial statements or any other communications issued by the Company.
Adjustment Event	If there is any reconstruction of the issued share capital of the Company before conversion of the Convertible Notes, the rights of LandOcean may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.
Security	Nil
Governing Law	Western Australia

Schedule 3 – Effect of Conversion Price variables

It is not possible to accurately predict the number of Shares that may be issued on conversion of the Convertible Notes as this will depend on the amounts of the Convertible Notes outstanding and the number of Conversion Shares will be calculated at the Conversion Price subsequently converted into GBP with reference to the USD:GBP Bloomberg exchange rate on the date a conversion notice is received by the Company.

However, examples of the effect of a change in the USD:GBP exchange rate and the effect on the Company's capital structure and the voting power of LandOcean and/or its Associates are set out below.

EFFECT ON CAPITAL STRUCTURE AND VOTING POWER

Shares	Conversion Price of £0.0088 Exchange Rate on 27 October 2016	Conversion Price of £0.0088 Exchange Rate on 23 June 2016	Conversion Price of £0.0088 20% discount to Exchange Rate on 27 October 2016
Exchange Rate (USD:GBP)	1.215	1.489	0.972
USD Conversion Price Equivalent	US$0.0107	US$0.0131	US$0.0086
Total Shares on issue at the date of this Notice	7,595,830,782	7,595,830,782	7,595,830,782
Balance following issue of the Convertible Notes (no conversions)	1,869,172,854	1,526,037,248	2,336,466,067
Total Shares on issue following conversion of the Convertible Notes pursuant to the Conversion Price	9,465,003,636	9,121,868,030	9,932,296,849
% of Share capital held by LandOcean or its Associates on conversion of the Convertible Notes	19.75%	16.73%	23.52%

Assumptions to above tables

(1) Assumes all of the Convertible Notes are converted to Shares on or before the Maturity Date.

(2) Assumes the Company does not issue any additional Shares and no Options expire, or are exercised, prior to the date that all of the Convertible Notes have converted.

Schedule 4 - Pro-forma Balance Sheet

Range Pro-forma financial position	As at 30-Sep-16 *Unaudited* US$	Proforma Adjustments US$	Proforma as at 30-Sep-16 *Pro-forma* US$
CURRENT ASSETS			
Cash and cash equivalents	12,334,283		12,334,283
Restricted cash	8,000,000		8,000,000
Trade and other receivables	8,139,989		8,139,989
Other current assets	2,943,462		2,943,462
	31,417,734	-	31,417,734
Asset classified as held for sale	1,250,000		1,250,000
TOTAL CURRENT ASSETS	**32,667,734**	**-**	**32,667,734**
NON-CURRENT ASSETS			
Deferred tax asset	4,609,726		4,609,726
Available for sale financial assets	45,238		45,238
Goodwill	28,985,014		28,985,014
Property, plant and equipment	2,258,511		2,258,511
Exploration & evaluation expenditure	646,237		646,237
Producing assets	94,784,947		94,784,947
TOTAL NON-CURRENT ASSETS	**131,329,673**	**-**	**131,329,673**
TOTAL ASSETS	**163,997,407**	**-**	**163,997,407**
CURRENT LIABILITIES			
Trade and other payables	15,925,707	(4,027,189)	11,898,518
Current tax liabilities	286,723		286,723
Option liability	835,714		835,714
Provision	743,996		743,996
TOTAL CURRENT LIABILITIES	**17,792,140**	**(4,027,189)**	**13,764,951**
NON-CURRENT LIABILITIES			
Trade and other payables	28,694,832	(15,972,811)	12,722,021
Borrowings	-	20,000,000	20,000,000
Deferred tax liabilities	48,484,783		48,484,783
Employee service benefit	400,463		400,463
TOTAL NON-CURRENT LIABILITIES	**77,580,078**	**4,027,189**	**81,607,267**
TOTAL LIABILITIES	**95,372,218**	**-**	**95,372,218**
NET ASSETS	**68,625,189**	**-**	**68,625,189**
EQUITY			
Contributed equity	383,882,192		383,882,192
Reserves	24,713,478		24,713,478
Accumulated losses	(339,970,481)		(339,970,481)
TOTAL EQUITY	**68,625,189**	**-**	**68,625,189**

The pro-forma Statement of Financial Position includes the following pro-forma adjustments

1. The inclusion in Borrowings of the US$20 million convertible bond
2. The removal of long-term and short-term trade and other payables

RANGE RESOURCES LIMITED

Financial Services Guide and Independent Expert's Report

November 2016

We have concluded that the Proposed Transaction is Not Fair but Reasonable

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM

FINANCIAL SERVICE GUIDE

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 (“RSM Corporate Australia Pty Ltd” or “we” or “us” or “ours” as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide (“FSG”). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
- the financial services that we will be providing you under our Australian Financial Services Licence, Licence No 255847;
- remuneration that we and/or our staff and any associates receive in connection with the financial services that we will be providing to you;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

Financial services we will provide

For the purposes of our report and this FSG, the financial service we will be providing to you is the provision of general financial product advice in relation to securities.

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

General Financial Product Advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

Benefits that we may receive

We charge various fees for providing different financial services. However, in respect of the financial service being provided to you by us, fees will be agreed, and paid by, the person who engages us to provide the report and such fees will be agreed on either a fixed fee or time cost basis. You will not pay to us any fees for our services; the Company will pay our fees. These fees are disclosed in the Report.

Except for the fees referred to above, neither RSM Corporate Australia Pty Ltd, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Remuneration or other benefits received by our employees

All our employees receive a salary.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Associations and relationships

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia, a large national firm of chartered accountants and business advisers. Our directors are partners of RSM Australia Partners.

From time to time, RSM Corporate Australia Pty Ltd, RSM Australia Partners, RSM Australia and / or RSM Australia related entities may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of its business.

Complaints Resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints should be directed to The Complaints Officer, RSM Corporate Australia Pty Ltd, P O Box R1253, Perth, WA, 6844.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service ("FOS"). FOS is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about FOS are available at the FOS website or by contacting them directly via the details set out below.

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001

Toll Free:	1300 78 08 08
Facsimile:	(03) 9613 6399
Email:	info@fos.org.au

Contact Details

You may contact us using the details set out at the top of our letterhead on page 1 of this report.

CONTENTS

1. Introduction 5
2. Summary and conclusion 7
3. Summary of transaction 9
4. Scope of the report 11
5. Profile of Range Resources Limited 12
6. Profile of LandOcean Energy Services Co., Ltd 19
7. Valuation approach 21
8. Valuation of Range Resources Limited Prior to the Proposed Transaction 24
9. Valuation of Range Following to the Proposed Transaction 37
10. Is the Proposed Transaction fair to Range Shareholders? 40
11. Is the Proposed Transaction Reasonable? 41

TABLE OF APPENDICES

A. Declarations and Disclaimers 44

B. Sources of information 45

C. Glossary of terms 46

D. WACC 48

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29 November 2016

Shareholders
Range Resources Limited
Ground Floor
BGC Centre
28 The Esplanade
Perth WA 6000

Dear Shareholders

INDEPENDENT EXPERT'S REPORT ("REPORT")

1. Introduction

1.1 This Independent Expert's Report (the "Report" or "IER") has been prepared to accompany the Notice of General Meeting and Explanatory Statement ("Notice") to be provided to shareholders for a General Meeting of Range Resources Limited ("Range" or "the Company") to be held on or around 23 December 2016, at which shareholder approval will be sought for (among other things) the issue of convertible notes to LandOcean Energy Services Co., Ltd ("LandOcean") to replace a portion of the existing loan facility with LandOcean ("Proposed Transaction").

1.2 Range will issue LandOcean with convertible notes with a face value of US$20 million ("Convertible Notes"). In exchange, LandOcean will waive its entitlement to accrued fees of US$20 million. The Convertible Notes will have the following terms:

- A face value of US$1 per Note;
- A conversion price of £0.0088 per share (this would result in approximately 93 shares issued on the conversion of each Note, assuming an exchange rate of 1USD:0.822GBP);
- An interest rate of 8% per annum; and
- A maturity date that is three years after issue.

1.3 The Proposed Transaction could result in LandOcean acquiring an interest in Range in excess of 20% of the total issue capital of Range. As such, the Directors of Range have requested that RSM Corporate Australia Pty Ltd ("RSM"), being independent and qualified for the purpose, express an opinion as to whether the Proposed Transaction is fair and reasonable to shareholders not associated with the Proposed Transaction ("Non-Associated Shareholders").

1.4 The request for approval of the Proposed Transaction is included as Resolution 1 in the Notice as follows:

That for the purposes of Section 611 (Item 7) of the Corporations Act and for all other purposes, Shareholders approve the issue of Convertible Notes (and Shares on conversion of the Convertible Notes) under the terms of the Convertible Note Agreement, to LandOcean (or its Associates) on the terms and conditions set out in the Explanatory Statement accompanying this Notice.

1.5 The ultimate decision whether to approve the Proposed Transaction should be based on each Shareholder's assessment of their circumstances, including their risk profile, liquidity preference, tax position and expectations as to value and future market conditions. If in doubt as to the action they should take with regard to the Proposed Transaction, or the matters dealt with in this Report, Shareholders should seek independent professional advice.

2. Summary and conclusion

Opinion

2.1 In our opinion, and for the reasons set out in Sections 10 and 11 of this Report, the Proposed Transaction is not fair but reasonable to the Non-Associated Shareholders of Range.

Approach

2.2 In assessing whether the Proposed Transaction is fair and reasonable to the non-associated shareholders, we have considered Australian Securities and Investment Commission ("ASIC") Regulatory Guide 111 – Content of Expert Reports ("RG 111"), which provides specific guidance as to how an expert is to appraise transactions.

2.3 Where an issue of shares by a company otherwise prohibited under section 606 of the Act is approved under item 7 of section 611, and the effect on the company shareholding is comparable to a takeover bid, such as the Proposed Transaction, RG 111 states that the transaction should be analysed as if it was a takeover bid.

2.4 Therefore we have considered whether or not the Proposed Transaction is "fair" to the Non-Associated Shareholders by assessing and comparing:

- The Fair Value of a share in Range on a control basis pre the Proposed Transaction; with
- The Fair Value of a share in Range on a non-control basis immediately post completion of the Proposed Transaction,

and, considered whether the Proposed Transaction is "reasonable" to the Non-Associated Shareholders by undertaking an analysis of the other factors relating to the Proposed Transaction which are likely to be relevant to the Non-Associated Shareholders in their decision of whether or not to approve the Proposed Transaction.

2.5 Further information of the approach we have employed in assessing whether the Proposed Transaction is "fair and reasonable" is set out at Section 4 of this Report.

Fairness

2.6 Our assessed values of a Range share prior to and immediately after the Proposed Transaction are summarised in the table below.

Table 1 Assessed values of an Range share pre and post the Proposed Transaction

Assessment of fairness	Ref:	Value per Share Low	High
Fair Value of an RRS share pre Proposed Transaction - Control basis	8	£0.008	£0.009
Fair Value of a Range share post the Proposed Transaction - Non control basis			
Assuming Notes are converted	9.3	£0.007	£0.007
Assuming Notes are not yet converted and recorded as a liability	9.7	£0.006	£0.007

Source: RSM analysis

2.7 In accordance with the guidance set out in ASIC RG 111, and in the absence of any other relevant information, for the purposes of s611 item 7 of the Corporations Act, we consider the Proposed Transaction to be not fair to the Non-Associated Shareholders of Range on the basis that the range of values of a Range share post the Proposed Transaction are less than the range of values of a Range share pre the Proposed Transaction.

Reasonableness

2.8 RG 111 establishes that an offer is reasonable if it is fair. It might also be reasonable if, despite not being fair, there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the offer closes. As such, we have also considered the following factors in relation to the reasonableness aspects of the Proposed Transaction:

- The future prospects of the Company if the Proposed Transaction does not proceed; and
- Any other commercial advantages and disadvantages to the Non-Associated Shareholders as a consequence of the Proposed Transaction proceeding.

2.9 If the Proposed Transaction does not proceed the board will continue to focus on developing its assets and paying down the LandOcean debt as and when it falls due. However, this will place greater restrictions on cash flows than if the Proposed Transaction is approved. We note that Range has not produced positive operating cash flows in any of the last five financial years and failure to approve the Proposed Transaction could result in a need to raise alternative funding.

2.10 The key advantages of the Proposed transaction are:

- The Company will delay the timing of debt repayments (and may not have to repay the value of the Notes on the assumption they are converted);
- The coupon rate of 8% attaching to the Notes is less than the current interest rate payable to LandOcean of 10% on the existing debt; and
- The conversion price of the Notes is higher than the share price.

2.11 The key disadvantages of the Proposed Transaction are:

- The Proposed Transaction is not fair;
- Existing shareholders could be diluted; and
- LandOcean could gain control of Range.

2.12 We are not aware of any alternative proposals which may provide a greater benefit to the Non-Associated Shareholders of Range at this time.

2.13 In our opinion, the position of the Non-Associated Shareholders of Range if the Proposed Transaction is approved is more advantageous than if the Proposed Transaction is not approved. Therefore, in the absence of any other relevant information and/or a superior offer, we consider that the Proposed Transaction is **reasonable** for the Non-Associated Shareholders of Range

3. Summary of the Proposed Transaction

Overview

3.1 Range intends to issue 20 million Notes with a face value of US$1 each to LandOcean. The Notes are being issued to replace the current $20 million debt facility owed to LandOcean. The Notes have the following key terms:

- A face value of US$1 per Note;
- A conversion price of £0.0088 per share (this would result in approximately 93 shares issued on the conversion of each Note, assuming an exchange rate of 1USD:0.822GBP);
- An interest rate of 8% per annum, payable annually;
- A maturity date that is three years after issue;
- While LandOcean is a noteholder, if the face value of the Notes plus any shares held by LandOcean as a result of the conversion of some or all of the Notes is greater than US$10 million, then one nominee director must be appointed to the Board of Range. If the value is greater than US$20 million, then two nominee directors must be appointed the Board of Range; and
- A default interest rate of 10% per annum.

Rationale for the Proposed Transaction

3.2 Payment of amounts owed to LandOcean commence in May 2017. Conversion of some of the existing amounts owed to LandOcean to Notes will delay the first payments to the end of three years after the issue of the Notes. This will allow funds that would otherwise have been used to repay debt to be used to develop Range's Trinidad assets.

Impact of Proposed Transaction on Range's Capital Structure

3.3 The table below sets out a summary of the capital structure of Range prior to and post the Proposed Transaction, before the proposed capital raising.

Table 2 Share structure of Range pre and post the Proposed Transaction

	Prior to Proposed Transaction		Post Proposed Transaction	
Shares on issue:				
Non-associated Range Shareholders	7,595,830,782	100%	7,595,830,782	100%
Total Shares on issue	**7,595,830,782**	**100%**	**7,595,830,782**	**100%**
Options				
Current options	826,815,187	100%	826,815,187	100%
Total options and performance shares on issue	**826,815,187**	**100%**	**826,815,187**	**100%**
Convertible Notes				
Convertible Notes[1]	-	0%	1,860,840,909	100%
Total Convertible Notes	**0**	**0%**	**1,860,840,909**	**100%**

Source: Company Estimates

1. This is the number of shares that could be issued on conversion of the Notes based on an exchange rate of USD:GBP 0.822.

3.4 If the Notes are converted, based on an exchange rate of 1USD:0.822GBP, LandOcean will hold an interest of 19.7% in the issued capital of Range (assuming no "out of the money" options are converted).

3.5 The Notes are denominated in US Dollars ("USD") but the conversion price is denominated in Great British Pounds ("GBP"). This means that the number of shares that could be issued if the Notes are converted will change depending on the USD:GBP exchange rate. The table above assumes that the Notes are converted at an exchange rate of USD:GBP 0.822. In order to reflect the sensitivity of the number of Range shares that could be issued in the future, we have included a table below reflecting the number of Range shares that would be issued based on various exchange rates.

Table 3 Sensitivity of Number of Shares to be Issued on Conversion

	USD:GBP Exchange Rate				
	0.70	0.75	0.80	0.85	0.90
Shares issued on conversion	1,590,909,091	1,704,545,455	1,818,181,818	1,931,818,182	2,045,454,545
LandOcean interest in Range	17.3%	18.3%	19.3%	20.3%	21.2%

Source: RSM estimates

3.6 The table above indicates that, if the value of the USD appreciates against the GBP, LandOcean's interest in Range increases upon conversion of the Notes.

4. Scope of the report

Corporations Act

4.1 Section 606 of the Act prohibits a person from acquiring a relevant interest in the issued voting shares of a public company if the acquisition results in that person's voting interest in the company increasing from a starting point that is below 20% to an interest that is above 20%. Depending on the exchange rate prevailing at the time of conversion of the Notes, LandOcean's interest in Range could go from nil to an amount greater than 20%.

4.2 Under Item 7 of Section 611 of the Act, the prohibition contained in Section 606 does not apply if the acquisition has been approved by the Non-Associated Shareholders of the company.

4.3 Accordingly, the Company is seeking approval from the Non-Associated Shareholders for Resolution 1 under Item 7 of Section 611 of the Act.

4.4 Section 611(7) of the Act states that shareholders must be given all information that is material to the decision on how to vote at the meeting. ASIC Regulatory Guide 111 – Content of Expert Reports ("RG 111") advises the requirement to commission an Independent Expert's Report in such circumstances and provides guidance on the content.

Basis of Evaluation

4.5 In determining whether the Proposed Transaction is "fair and reasonable" we have given regard to the views expressed by the ASIC in RG 111.

4.6 RG 111 provides ASIC's views on how an expert can help security holders make informed decisions about transactions. Specifically it gives guidance to experts on how to evaluate whether or not a proposed transaction is fair and reasonable.

4.7 RG 111 states that the expert's report should focus on:

- the issues facing the security holders for whom the report is being prepared; and
- the substance of the transaction rather than the legal mechanism used to achieve it.

4.8 Consistent with the guidelines in RG 111, in assessing whether the Proposed Transaction is fair and reasonable to the Non-Associated Shareholders, the analysis undertaken is as follows:

- Whether the value of a Range share prior to implementation of the Proposed Transaction (on a control basis) is less than the value of a Range share following implementation of the Proposed Transaction (on a non-control basis and assuming either the Notes are converted or they are no converted) - fairness; and
- A review of other significant factors which Non-Associated Shareholders might consider prior to approving the Proposed Transaction - reasonableness.

4.9 The other significant factors to be considered include:

- The future prospects of the Company if the Proposed Transaction does not proceed; and
- Any other commercial advantages and disadvantages to the Non-Associated Shareholders as a consequence of the Proposed Transaction proceeding.

4.10 Our assessment of the Proposed Transaction is based on economic, market and other conditions prevailing at the date of this report.

5. Profile of Range Resources Limited

Background

5.1 Range is a Perth based public company listed on the Australian Securities Exchange ("ASX") and the Alternative Investment Market ("AIM"). The Company's key focus is the exploration, development, and production of oil and gas in Trinidad. It also has direct and indirect interests in assets in Guatemala and Georgia.

5.2 Range was incorporated in 1982 and admitted to the official list of the ASX in January 1985.

5.3 A brief overview of the Company's recent history is provided in the table below.

Year	Milestone
2015	• 14 January, Range announced receipt of letter from Lind seeking repayment of the full outstanding amount under the US$15 million facility. • January, March, Range announced Board changes • 18 February, Range announced receipt of a statutory demand from Lind demanding repayment of US$7.2 million. • 24 March, Range completed the sale of Range Australia Resources (US) to Citation Resources. • 27 March, Range received shareholder approval for Core Capital funding • 1 May, Range completed the sale of Range Resources Drilling Services to LandOcean Petroleum • 14 May, Range announced the termination of proposed funding agreement with Core Capital • 21 May, Range announced the acquisition of a further interest in the Guayaguayare block from Niko Resources • 29 May, Range signed financing agreement for up to $35 million with Sibo • 5 June, Range reported the receipt of £5.2 million and completion of Tranche 1 of the Subscription Agreement • 30 June, Range announced withdrawal from the Nugaal and Dharoor blocks in Puntland, Somalia citing the withdrawal by the JV partner. • 2 July, Range application to the Supreme Court of Western Australia to set aside the statutory demand from Lind Asset Management was unsuccessful. • 4 September, Range receives the remaining funds from Sibo, adjusted to a total package of US$30 million • 23 October, an unmarketable parcel sale facility was established • 20 November, Range lost its bid to reverse a legal decision requiring payment to Lind. US$2.2 million was paid to Lind • 23 December, the unmarketable parcel sale facility completed with 3,120 shareholders being removed from the register
2016	• 27 January, Mr Yan Lui resigned as CEO. • 17 May, Range reached settlement with Lind and paid US$325,000. • 25 May, Mr David Chen stepped down from the role as Chairman and Mr Zhiwei Gu assumed the role of Non-Executive Chairman. • 31 May, a waterflood program at Beach Marcelle commenced. • 2 September, a demand notice was lodged with Range for US$53 million for payment of outstanding exploration costs

Directors

5.4 A profile of the current board of directors of Range is set out in the table below.

Table 4 Range Directors

Name	Title	Experience
Mr Yan Liu	Executive Director	Mr Liu, 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, a 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 Bachelor degree in Economics from Central University of Finance and Economics, China, and a Master degree in Commerce from the University of New South Wales, Australia.
Mr Zhiwei (Kerry) Gu	Non-Executive Chairman	Mr Gu, is a corporate lawyer, who has worked with numerous companies seeking listing approval on various stock markets including Chinese A share, NASDAQ, TSX and HKSE. He is currently a partner of Dacheng Law Offices, the largest law firm in China. During his time with China National Gold Group Corp., Mr Gu was in charge of mineral resource M&A activities. Mr Gu holds a LL.B. from the Jilin University in China; a LL.M. from the Northeast University in China; and a Master of Applied Finance from the Macquarie University in Australia. Mr Gu is a qualified lawyer and securities practitioner in China.
Ms Juan (Kiki) Wang	Non-Executive Director	Ms Wang is currently a president of Energy Prospecting Technology USA, Inc. and LandOcean Energy Canada Ltd. where she is responsible for overall management work for the subsidiary companies of LandOcean Energy Services Co. Ltd. in Houston and Calgary. Prior to the current position, she was an investment manager at Anterra Energy Inc. responsible for Chinese investor liaisons. Prior to joining Anterra, Ms Wang was manager of corporate mergers and acquisitions at LandOcean Energy Services Co. Ltd. Ms Wang has a commercial banking background, having previously worked for Deutsche Bank and Bank of East Asia.
Mr Yu Wang	Non-Executive Director	Mr. Wang has five years of corporate experience in finance and investments, focusing on energy and mineral sectors. He is currently a senior investment manager at Shanghai Anjin Investment Co., Ltd., responsible for project investments and management, both domestically and overseas. Previously, he worked as an investment manager at Weihai International Economic & Technical Cooperative Co., Ltd, specialising in project analysis and evaluation of energy and mineral projects. Prior to that, he was an investment analyst at Beijing Golden Valley Investment Management Co., Ltd. Mr. Wang holds an MSc in Economics from the University of Edinburgh, and a BSc in Financial Economics from the University of Dundee.
Mr Lubing Liu	Non-Executive Director	Mr Lubing Liu has over 20 years' global experience in petroleum exploration, development, production, joint venture operations and new ventures. He is currently an independent consultant to MEO Australia Limited (an ASX listed company). Prior to that, he held various subsurface leader roles, including Chief Reservoir Engineer with MEO Australia Limited, Vice President of Exploration and Petroleum Technology with Sinopec East Puffin Pty Ltd, and other international E&P and energy service companies including ConocoPhillips, CNOOC, Woodside, RPS and Senergy. Mr Liu has experience in waterflooding having worked at the Penglai oilfield in China, the Chinguetti oilfield in Mauritania and Block 95 in Peru. Mr Liu holds a BSc in Petroleum Engineering from the Southwest Petroleum University, China. He is a Member of the Society of Petroleum Engineers.
Dr Yi Zeng	Non-Executive Director	Dr Yi Zeng has over 30 years of experience in the oil and gas and mining industries. Dr Zeng has held various technical and research positions with global companies, including BHP Billiton and Santos Asia Pacific. Dr Yi Zeng holds a PhD in Geophysics from the Victoria University of Wellington, New Zealand; MSc in Applied Geophysics; and BSc in Geophysical Exploration from the Chengdu University of Technology, China.

Source: Company

Projects

5.5 The Company is engaged in the exploration of oil and gas projects in Trinidad, Guatemala, Colombia and Georgia. We have included a summary of the Company's assets below.

Trinidad

5.6 Range holds a 100% interest in three onshore production licenses. The asset has independently assessed (by Rockflow Resources) Proved (1P) reserves in place of 17.3 million barrels of oil (“mmbbl”) with 36.9 mmbbl of proved, probable and possible (3P) reserves. Range also holds 80% in the Deep Production Sharing Contract and 65% interest in the Shallow Production Sharing Contract in the Guayaguayare block, giving it exposure to prospective onshore and offshore acreage. In addition, Range holds 80% in the St Mary’s block contiguous to Range’s Morne Diablo and Guayaguayare licenses.

5.7 For the quarter ended 30 September 2016, production from the Trinidad asset averaged approximately 444 barrels of oil per day (“bopd”) net to Range.

5.8 The majority of recent activities in Trinidad have focussed on maintaining production, making incremental production increases through infill drilling and workovers, and implementing a waterflood program in the Beach Marcelle and Morne Diablo projects.

Guatemala

5.9 Range has a 20% interest in Latin American Resources (“LAR”). LAR holds an 80-100% interest in two oil and gas development and exploration blocks in Guatemala with Canadian NI 51-101 certified proved plus probable (2P) reserves of 2.3 MMBBL (100% basis).

Georgia

5.10 Range has a 45% interest in the unlisted company, Strait Oil and Gas Limited, which holds a 100% interest in onshore block VIa, covering approx. 3,300sq.km.

Financial Information

5.11 The financial information provided below has been extracted from the audited financial statements for the years ended 30 June 2014, 30 June 2015 and 30 June 2016. The auditor issued an unqualified opinion for the financial statements of Range at 30 June 2016.

Financial Performance

5.12 The financial performance of Range for the years ended 30 June 2014 (“FY14”), 30 June 2015 (“FY15”) and 30 June 2016 (“FY16”) is set out in the table below.

Table 5 Financial Performance of Range

Range Income statement	Ref:	Year ended 30-Jun-16 Audited US$	Year ended 30-Jun-15 Audited US$	Year ended 30-Jun-14 Audited US$
Revenue from continuing operations	5.13	7,062,226	13,152,954	21,185,745
Operating expenses		(7,266,830)	(6,440,734)	(9,549,610)
Royalties		(2,104,894)	(4,654,241)	(7,353,237)
Depreciation, depletion and amortisation		(5,490,676)	(4,917,053)	(7,909,945)
Cost of sales	**5.14**	**(14,862,400)**	**(16,012,028)**	**(24,812,792)**
Gross profit/(loss)		**(7,800,174)**	**(2,859,074)**	**(3,627,047)**
Other income		51,193	428,588	1,221,108
Finance costs	5.15	(934,321)	(4,347,575)	(21,797,779)
General and administration costs		(3,400,038)	(9,948,494)	(14,485,854)
Assets written-off	5.16	(1,000,761)	(692,929)	(24,267,968)
Exploration expenditure		(4,261,435)	(2,202,748)	(1,163,920)
Impairment of non-current assets	5.16	(20,564,829)	-	-
Share of net loss of investments in associates		-	(1,491,857)	(659,400)
Loss before income tax from continuing operations		**(37,910,365)**	**(21,114,089)**	**(64,780,860)**
Income tax expense		(1,084,520)	(1,467,806)	(906,620)
Loss after income tax from continuing operations		**(38,994,885)**	**(22,581,895)**	**(65,687,480)**
Profit/(loss) from discontinued operations, net of tax		(4,880,000)	(7,697,159)	(36,854,510)
Loss after income tax attributable to the equity holders of Range		**(43,874,885)**	**(30,279,054)**	**(102,541,990)**
Other comprehensive income/(loss)				
Items that may be reclassified to profit or loss				
Revaluation of available for sale financial assets		-	-	325,263
Exchange differences on translation of foreign operations		160,799	455,307	(411,110)
Other comprehensive income/(loss) for the year, net of tax		**160,799**	**455,307**	**(85,847)**
Total comprehensive loss attributable to the equity holders of Range		**(43,714,086)**	**(29,823,747)**	**(102,627,837)**

Source: Company

5.13 Revenue from continuing operations represents oil and gas production from Range’s Trinidad assets.

5.14 Cost of sales predominantly represent costs incurred in production of hydrocarbons, direct amortisation of production assets and royalties related to production. Operating expenses indicate that, in FY16, Range produced hydrocarbons at a loss before royalties and non-cash costs of sales.

5.15 Finance costs were significant in FY14 as a result of Fair Value movements in liabilities, corporate advisory fees and derivative losses on equity swap instruments.

5.16 Assets written off and impairment of non-current assets relate to adjustments made to the carrying values of exploration assets; predominantly goodwill.

Financial Position

5.17 The consolidated financial position of Range as at 30 June 2014, 30 June 2015 and 30 June 2016 is set out in the table below.

Table 6 Financial Position

Range Financial position	Ref:	As at 30-Jun-16 Audited $US	As at 30-Jun-15 Audited $US	As at 30-Jun-14 Audited $US
CURRENT ASSETS				
Cash and cash equivalents	5.18	13,001,252	10,530,104	2,977,410
Restricted deposits	5.18	8,000,000	-	-
Trade and other receivables		4,620,266	5,148,978	5,338,769
Other current assets		178,158	783,385	728,544
		25,799,676	**16,462,467**	**9,044,723**
Asset classified as held for sale	5.19	1,250,000	6,000,000	11,000,000
TOTAL CURRENT ASSETS		**27,049,676**	**22,462,467**	**20,044,723**
NON-CURRENT ASSETS				
Deferred tax asset		3,959,803	286,693	462,325
Available for sale financial assets		45,238	446,000	876,347
Goodwill	5.20	28,985,014	46,198,974	46,198,974
Property, plant and equipment		2,329,228	1,502,442	11,254,269
Exploration & evaluation expenditure		645,801	668,951	523,605
Producing assets		95,077,882	90,350,492	82,517,820
Investments in Associates		-	-	2,779,476
Other non-current assets		-	-	1,500,000
TOTAL NON-CURRENT ASSETS		**131,042,966**	**139,453,552**	**146,112,816**
TOTAL ASSETS		**158,092,642**	**161,916,019**	**166,157,539**
CURRENT LIABILITIES				
Trade and other payables	5.22	12,244,873	13,654,195	8,705,006
Current tax liabilities		286,723	296,894	310,335
Borrowings	5.21	-	7,518,077	-
Option liability		835,714	808,083	2,189,912
Provision		740,268	734,858	696,244
TOTAL CURRENT LIABILITIES		**14,107,578**	**23,012,107**	**11,901,497**
NON-CURRENT LIABILITIES				
Trade and other payables	5.22	23,764,005	-	-
Deferred tax liabilities	5.23	47,561,612	43,359,199	44,376,033
Employee service benefit		422,315	521,257	584,746
TOTAL NON-CURRENT LIABILITIES		**71,747,932**	**43,880,456**	**44,960,779**
TOTAL LIABILITIES		**85,855,510**	**66,892,563**	**56,862,276**
NET ASSETS		**72,237,132**	**95,023,456**	**109,295,263**
EQUITY				
Contributed equity		383,882,192	363,205,277	352,599,569
Reserves		24,227,125	29,748,880	27,862,006
Accumulated losses		(335,872,185)	(297,930,701)	(271,166,312)
TOTAL EQUITY		**72,237,132**	**95,023,456**	**109,295,263**

Source: Company

5.18 Range closed a US$30 million equity issue to Beijing Sibo Investment Management LP during FY16 which has resulted in an increase in Range's cash position. Restricted deposits relate to commitments to exploration in Trinidad.

5.19 Assets held for sale were written down to $1.2 million as at 30 June 2016.

5.20 A portion of goodwill relating to the acquisition of the Trinidad assets has been written off as at 30 June 2016. This is a reflection of the decline in oil prices from FY15 to FY16.

5.21 A loan from Lind Asset Management LLC was repaid during FY16.

5.22 Non-current trade payables relate to amounts owed to LandOcean. These amounts are treated as trade payables because they are operating costs incurred and invoiced by LandOcean but the payment terms are delayed which means the trade payable amounts are similar to a loan.

5.23 A deferred tax liability has been recognised, as a result of the acquisition of the Trinidad assets, in relation to the difference between the carrying amount of the deferred exploration and development costs for accounting purposes and the cost base of the asset for tax purposes in accordance with Australian Accounting Standards. Range does not have a tax payable in relation to the deferred tax liability and it is anticipated that the deferred taxation liability will be reduced in the future as the deferred exploration and development costs are amortised in future periods.

Capital Structure

5.24 As at the date of this Report the Company has approximately 7.6 billion shares on issue. The Company also has approximately 826.8 million options on issue as summarised in the table below.

Table 7 Options on Issue

Option on Issue	Exercise Price	Expiry Date
3,000,001	£0.015	30-Nov-16
5,153,846	US$0.01	30-Nov-16
2,000,000	US$0.03	11-Dec-16
2,000,000	£0.012	31-Dec-16
5,000,000	£0.011	31-Dec-16
23,636,364	£0.011	31-Jan-17
161,472,247	£0.010	14-Jul-18
118,729,593	£0.020	14-Jul-18
7,500,000	£0.030	09-Sep-17
1,000,000	US$0.05	31-Jan-18
31,000,000	£0.012	15-Oct-17
14,000,000	£0.010	31-Aug-18
194,585,862	£0.010	03-Sep-19
172,557,274	£0.020	03-Sep-19
80,000,000	£0.010	30-Mar-20
5,180,000	£0.075	31-Jan-17

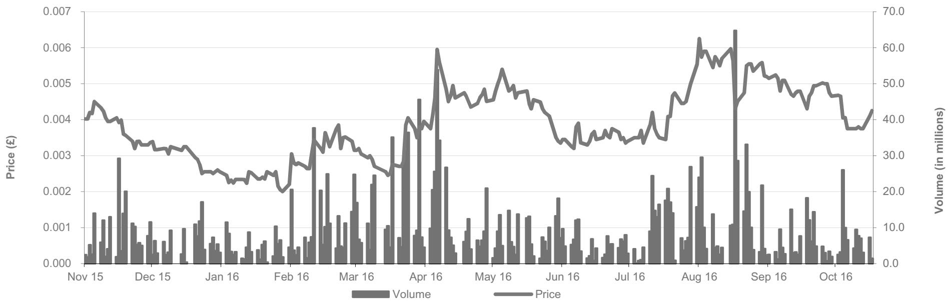
Source: Company

5.25 Approximately 41.6% of the Company's ordinary shares are held by the top two shareholders, being Sibo (32.2%) and Abraham Limited (9.4%)

Share Price and Performance

5.26 A summary of Range's recent share price and volume is set out in the figure below (AIM pricing).

Figure 1 Share Price Performance



Source: S&P Capital IQ

5.27 We make the following comments with regard to Range's recent share price performance:

- In the 12 months prior to the Proposed Transaction, Range's shares have traded between a low of £0.002 in March 2016 and a high of £0.007 in August 2016;

- We note spikes in volume on 21 April 2016 and 1 September 2016. There are no specific announcements that would justify an increase in volume in April, however, an announcement was released on 1 September outlining a demand notice received from the Agencia Nacional de Hidrocarburos ("ANH") for US$53 million due to unfulfilled work commitments on Colombian assets previously revoked by ANH. Range stated that it will defend against the action taken by ANH; and

- Further analysis on the recent volume and price at which Range shares have traded is set out at paragraph 8.41 to 8.47.

6. Profile of LandOcean Energy Services Co., Ltd

Background

6.1 LandOcean is a subsidiary of LandOcean Group Limited, a company listed on the Shenzhen Stock Exchange in China.

6.2 LandOcean is a service provider to the oil and gas industry. The company provides software and analysis in seismic data processing, reservoir interpretation, reservoir development and geological mapping. LandOcean is the contractor used by Range to model, drill and complete its exploration and developments programs in Trinidad.

6.3 LandOcean provides services to Range via a loan agreement where Range is provided with two year payment terms on invoices issued by LandOcean. The facility is capped at US$50 million. The first invoice is due for repayment in May 2017.

Financial Information

6.4 The following financial statements have been extracted from an S&P Capital IQ database which summarises and converts to USD the financial statements of LandOcean Group Limited.

Financial Performance

6.5 The financial performance of LandOcean Group Limited for the years ended 31 December 2014 ("CY14") and 31 December 2015 ("CY15"), and the six months ended 30 June 2016 ("HY16") is set out in the table below.

Table 8 Financial Performance

LandOcean Group Limited Income statement	6 mths ended 30-Jun-16 US$m	Year ended 31-Dec-15 US$m	Year ended 31-Dec-14 US$m
Revenue from continuing operations	82.3	128.9	116.5
Cost of goods sold	(55.4)	(65.2)	(59.6)
Gross profit/(loss)	**26.9**	**63.7**	**56.9**
Other income	2.0	0.4	0.1
Finance costs	(4.2)	(3.9)	(1.2)
General and administrative expenses	(17.5)	(27.6)	(25.8)
Other operating expenses	(2.8)	(10.0)	(5.0)
Other expenses	(1.0)	(0.3)	(0.9)
Impairment of non-current assets		-	
Share of net loss of investments in associates	-		-
Profit before income tax from continuing operations	**3.4**	**22.3**	**24.1**
Income tax expense	(1.5)	(2.2)	(4.1)
Profit after income tax from continuing operations	**1.9**	**20.1**	**20.0**

Financial Position

6.6 The consolidated financial position of LandOcean Group Limited as at 31 December 2014, 31 December 2015 and 30 June 2016 is set out in the table below.

Table 9 Financial Position

LandOcean Group Limited Financial position	Ref:	As at 30-Jun-16 US$m	As at 31-Dec-15 US$m	As at 31-Dec-14 US$m
CURRENT ASSETS				
Cash and cash equivalents	6.7	148.8	93.6	63.0
Trade and other receivables		237.5	171.7	131.0
Other current assets		50.6	26.0	17.0
TOTAL CURRENT ASSETS		**436.9**	**291.3**	**211.0**
NON-CURRENT ASSETS				
Goodwill	6.8	241.5	135.4	134.7
Property, plant and equipment		116.6	96.4	83.1
Other non-current assets		78.2	73.9	60.4
TOTAL NON-CURRENT ASSETS		**436.3**	**305.7**	**278.2**
TOTAL ASSETS		**873.2**	**597.0**	**489.2**
CURRENT LIABILITIES				
Trade and other payables		58.1	33.1	24.5
Current tax liabilities		4.7	5.1	4.0
Borrowings		88.5	95.5	54.6
Other current liabilities		70.9	18.1	17.0
TOTAL CURRENT LIABILITIES		**222.2**	**151.8**	**100.1**
NON-CURRENT LIABILITIES				
Borrowings		44.6	47.1	0.6
Other non-current liabilities		4.5	3.3	0.4
TOTAL NON-CURRENT LIABILITIES		**49.1**	**50.4**	**1.0**
TOTAL LIABILITIES		**271.3**	**202.2**	**101.1**
NET ASSETS		**601.9**	**394.8**	**388.1**
EQUITY				
Common stock and paid in capital	6.7	474.7	273.3	287.3
Retained earnings & other		82.1	81.7	70.4
Minority interest		45.1	39.9	30.4
TOTAL EQUITY		**601.9**	**394.9**	**388.1**

6.7 Cash has increased as at 30 June 2016. This appears to be driven by an equity issue during the six months ended 30 June 2016.

6.8 The increase in net assets as at 30 June 2016 is partly attributable to an increase in goodwill.

7. Valuation approach

Valuation methodologies

7.1 In assessing the Fair Value of an ordinary Range share prior to and immediately following the Proposed Transactions, we have considered a range of valuation methodologies. RG 111 proposes that it is generally appropriate for an expert to consider using the following methodologies:

- the discounted cash flow ("DCF") method and the estimated realisable value of any surplus assets;
- the application of earnings multiples to the estimated future maintainable earnings or cash flows added to the estimated realisable value of any surplus assets;
- the amount which would be available for distribution on an orderly realisation of assets;
- the quoted price for listed securities; and
- any recent genuine offers received.

7.2 We consider that the valuation methodologies proposed by RG 111 can be split into three valuation methodology categories, as follows.

Market based methods

7.3 Market based methods estimate the Fair Value by considering the market value of a company's securities or the market value of comparable companies. Market based methods include;

- The quoted price for listed securities; and
- Industry specific methods.

7.4 The recent quoted price for listed securities method provides evidence of the fair market value of a company's securities where they are publicly traded in an informed and liquid market.

7.5 Industry specific methods usually involve the use of industry rules of thumb to estimate the fair market value of a company and its securities. Generally rules of thumb provide less persuasive evidence of the fair market value of a company than other market based valuation methods because they may not account for company specific risks and factors.

Income based methods

7.6 Income based methods estimate value by calculating the present value of a company's estimated future stream of earnings or cash flows. Income based methods include:

- Capitalisation of maintainable earnings; and
- Discounted cash flow methods.

7.7 The capitalisation of earnings methodology is generally considered a short form DCF, where an estimation of the Future Maintainable Earnings ("FME") of the business, rather than a stream of cash flows is capitalised based on an appropriate capitalisation multiple. Multiples are derived from the analysis of transactions involving comparable companies and the trading multiples of comparable companies.

7.8 The DCF technique has a strong theoretical basis, valuing a business on the net present value of its future cash flows. It requires an analysis of future cash flows, the capital structure and costs of capital and an assessment of the residual value or the terminal value of the company's cash flows at the end of the forecast period. This method of valuation is appropriate when valuing companies where future cash flow projections can be made with a reasonable degree of confidence.

Asset based methods

7.9 Asset based methodologies estimate the Fair Value of a company's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- orderly realisation of assets method;
- liquidation of assets method; and
- net assets on a going concern basis.

7.10 The value achievable in an orderly realisation of assets is estimated by determining the net realisable value of the assets of a company which would be distributed to security holders after payment of all liabilities, including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner. This technique is particularly appropriate for businesses with relatively high asset values compared to earnings and cash flows.

7.11 The liquidation of assets method is similar to the orderly realisation of assets method except the liquidation method assumes that the assets are sold in a shorter time frame. A shorter time frame to dispose of assets typically results in a lower valuation attributable to assets that would otherwise be sold under an orderly realisation of assets process.

7.12 The net assets on a going concern method estimates the market values of the net assets of a company but unlike the orderly realisation of assets method it does not take into account realisation costs. Asset based methods are appropriate when companies are not profitable, a significant proportion of the company's assets are liquid, or for asset holding companies.

Selection of Valuation Methodologies

Valuation of a Range share pre the Proposed Transaction (control basis)

7.13 In assessing the value of a Range share prior to the Proposed Transaction, we have utilised the sum of parts methodology comprising:

- A DCF valuation of the Trinidad assets utilising the recently audited reserves as a preferred methodology;
- All other assets and liabilities at book value.

7.14 We have also utilised the quoted market price methodology as a secondary basis of valuation.

7.15 Each of the valuation methodologies applied prior to the Proposed Transaction include a premium for control.

Valuation of a Range share post the Proposed Transaction (non-control basis)

7.16 Should the Shareholders approve the Proposed Transaction they will relinquish control of Range. Accordingly, we have assessed the value of an ordinary Range share immediately post the Proposed Transaction on a non-control basis, through the application of an appropriate portfolio discount to the assessed Fair Value of a Range share on a control basis, after the impact of the Proposed Transaction.

7.17 The Fair Value of Range and a Range share on a non-controlling basis immediately post the Proposed Transaction, using the sum of parts methodology, has been assessed by taking the Fair Value of Range pre the Proposed Transaction and reflecting the impact of the Proposed Transaction in two separate scenarios:

- Scenario 1 – Reducing debt by the face value of the Notes, deducting a minority discount and assuming the conversion of the Notes; and
- Scenario 2 – Reflecting the impact of the debt, interest and embedded derivative arising from the Notes, deducting the existing debt that the Notes will replace, deducting a minority discount and assessing the Fair Value of a Range share immediately prior to conversion of the Notes.

8. Valuation of Range Resources Limited Prior to the Proposed Transaction

8.1 As stated at paragraph 7.13 we have assessed the value of a Range share prior to the Proposed Transaction on a sum of parts basis and have also considered the quoted price of its listed securities. In both valuations, we have included a premium for control.

Sum of Parts Valuation

8.2 We have assessed the value of a Range share on a control basis to be between £0.008 and £0.009 per share (undiluted), prior to the Proposed Transaction, based on the sum of parts valuation methodology, as summarised in the table below.

Table 10 Assessed Fair Value of an Range Share

	Ref.	Carrying value 30-Jun-16 US$000's	Low Low US$000's	High High US$000's
Fair Value of Trinidad assets	8.7	127,038	87,152	91,974
Value of assets held for sale		1,250	1,250	1,250
Deferred tax liabilities	8.5	(47,562)	-	-
Net value of other assets and liabilities	8.6	(8,489)	(10,860)	(10,860)
Net assets (sum of parts)		**72,282**	**77,542**	**82,364**
Number of Ranges shares on issue at the date of this report			7,595,831	7,595,831
USD:GBP exchange rate			0.822	0.822
Value per share (undiluted)			**£0.008**	**£0.009**

Source: RSM Analysis

8.3 Our assessment has been based on the financial statements as at 30 June 2016.

8.4 In order to calculate the current market value of Range's shares, we have made a number of adjustments to the carrying values of the Trinidad assets included in the Statement of Financial Position. These adjustments are set out below.

8.5 We have not included the deferred tax liability in our valuation of Range. This is because the deferred tax liability relates to a timing difference between the recognition of tax liabilities related to the carrying amount of deferred exploration and development costs and the cost base of the assets for tax purposes. As the project progresses, these costs are amortised. There is no impact on cash as a result of the deferred tax liability and the amount is not payable. Further, the impacts of future tax payments have been captured in our DCF valuation.

8.6 The value of other assets and liabilities has been adjusted by the movement in values included in Range's balance sheet at 30 September 2016. The net movement is US$2.4 million and was predominantly driven by an increase in borrowings.

Trinidad Assets

8.7 The carrying value of the Trinidad assets in the Statement of Financial Position has been classified under goodwill and producing assets. The combined value attributable to the Trinidad assets is US$127.0 million. The value included in the financial statements is a measure of the lower of cost or the net realisable value of the assets. On the basis that Range wrote off or impaired US$20.6 million in value attributable to the Trinidad asset, we assume that the value of the Trinidad assets on the balance sheet is a measure of the net realisable value.

8.8 We are of the opinion that the value included on the balance sheet of Range is a valid measure of the value of the Trinidad assets. However, we have replaced this carrying value with a DCF valuation.

8.9 The DCF methodology requires an estimate of the future cash flows over the forecast production period and an assessment of an appropriate discount rate. The DCF methodology is generally preferred to other methodologies as it recognises that:

- the ultimate value of an asset depends upon the cash flow that will be generated during its economic life;
- there is a benefit in receiving cash flow today rather than in the future; and
- the inducement to make an investment in an asset with a high level of risk is the expected higher return from the higher risk assets.

8.10 Utilising the reserves reported by Range and audited by Rockflow Resources Limited ("Rockflow") as at 30 June 2016, the Company has prepared 14 year projections for the Trinidad assets ("the Model").

8.11 We have reviewed the projections which have been prepared on a real basis (not a nominal basis) and where appropriate, made changes to key assumptions based on our review of current market factors.

8.12 Our review of projections has included:

- Confirmation that the model reflects the key inputs of the reserves report;
- Review of the integrity and accuracy of the calculations in the financial projections; and
- Consideration of the key assumptions in the Model and the performance of sensitivity analysis on the assumptions to highlight the impact of movements in the key assumptions on the value of the Trinidad assets.

8.13 The table below provides a summary of the DCF valuation of the Trinidad assets. We have assessed the Fair Value of the assets to be in the range of US$87.1 million and US$92.0 million.

Table 11 DCF Summary

Discounted Cash Flows US$000's	Ref	Total	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24 – FY30
Production (mbbl)	8.11	**22,155**	379	1,428	2,552	3,041	2,980	2,610	2,122	1,662
Oil price (US$/bbl)	8.17	**N/A**	40.33	53.79	63.55	62.97	63.88	64.2	65.39	65.21
Total oil revenue (US$'000)		**1,492,544**	**19,931**	**89,756**	**169,137**	**202,572**	**200,728**	**178,184**	**146,407**	**114,635**
Royalties		**616,156**	6,991	35,314	67,692	80,971	80,419	72,609	60,624	48,240
Waterflood opex		**221,748**	3,098	16,746	18,254	15,201	16,740	19,847	21,598	22,167
Other opex		**67,477**	4,101	4,727	5,399	5,691	5,654	5,433	5,142	4,867
General and administration costs	8.19	**5,499**	393	393	393	393	393	393	393	393
Production taxes		**302,964**	964	6,609	12,846	39,915	56,268	50,904	41,024	28,237
Other costs		**13,230**	796	921	1,062	1,122	1,118	1,074	1,015	956
Total operating expenditure (US$'000)		**1,227,075**	**16,343**	**64,710**	**105,645**	**143,292**	**160,592**	**150,260**	**129,796**	**104,860**
CAPEX	8.24	**112,655**	33,271	22,136	33,873	22,375	1,000	-	-	-
Net cash flows (US$'000)		**152,814**	**(29,683)**	**2,910**	**29,619**	**36,905**	**39,136**	**27,925**	**16,611**	**9,775**

NPV	
@ 9.0%	91,974
@ 9.5%	89,526
@ 10.0%	87,152

Source: RSM Analysis

Key assumptions

Production

8.14 Production is based on the 1P (proven) and 2P (probable) reserves calculated for the Trinidad assets. The recoverable reserves as at 30 June 2016 were audited by Rockflow. The rate of recovery of oil initially in place is approximately 20%. The waterflood program is expected to increase the rate of recovery from oil initial in place to approximately 30%.

Table 12 Reserves at 30 June 2016

	1P (mbbl)	2P (mbbl)
Beach Marcelle	13,232	6,203
Morne Diablo	3,599	570
South Quarry	514	334
Total Reserves	**17,345**	**7,107**

Source: Company

8.15 The reserves have been calculated inclusive of the use of a waterflood program. As such, there are three sources of production; current conventional production, new wells and the waterflood program. Production from each source is summarised in the table below:

Table 13 Annual Oil Production (mbbl)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Morne Diablo														
Existing prod	113	79	55	39	27	19	13	9	7	5	3	1	1	1
New drilling	71	88	195	318	349	243	162	108	72	48	32	21	14	9
Waterflood	27	174	234	234	234	217	175	135	106	84	71	65	62	59
Total	**211**	**342**	**485**	**591**	**610**	**480**	**351**	**252**	**185**	**136**	**106**	**87**	**77**	**69**
South Quarry														
Existing prod	6	4	3	2	2	1	1	1	0	0	0	0	0	0
New drilling	-	3	115	142	117	78	52	34	23	15	10	7	5	3
Total	**6**	**7**	**118**	**144**	**118**	**79**	**52**	**35**	**23**	**16**	**10**	**7**	**5**	**3**
Beach Marcelle														
Existing prod	6	4	3	2	2	1	1	1	0	0	0	0	0	0
New drilling	18	27	172	307	264	175	117	78	52	34	23	15	10	7
Waterflood	138	1,047	1,775	1,998	1,986	1,875	1,602	1,296	1,053	829	724	664	636	610
Total	**162**	**1,079**	**1,950**	**2,306**	**2,251**	**2,052**	**1,719**	**1,375**	**1,105**	**863**	**748**	**679**	**646**	**616**
Combined														
Existing prod	125	88	61	43	30	21	15	10	7	5	3	1	1	1
New drilling	88	119	482	766	729	496	331	220	147	98	65	43	29	19
Waterflood	166	1,222	2,009	2,232	2,220	2,093	1,777	1,431	1,159	913	796	729	698	668
Total	**379**	**1,428**	**2,552**	**3,041**	**2,980**	**2,610**	**2,122**	**1,662**	**1,313**	**1,015**	**864**	**773**	**728**	**689**

Source: Company

8.16 The field decline is approximately 3% per month. The field production curve is set out below:

Figure 2 Trinidad Monthly Production Curves

Source: Company

8.17 The production profile above shows that the drilling of new wells will continue into 2020, at which point natural field decline will no longer be offset by new wells. The waterflood program has commenced and is expected to increase significantly when access to water is increased. This is expected to occur in two stages, initially impacting production in 2017 and then again in 2019. Peak field production is expected to occur in 2018.

8.18 We have performed per well analysis of new wells drilled. Range proposes to drill 51 new production wells that will have an average initial daily production rate of 86 barrels of oil per day ("BOPD") and average estimated ultimate recoveries ("EURs") of 76,299 barrels of oil.

Table 14 Per Well Analysis - New Wells

	Total	2017	2018	2019	2020	2021
Number of new wells	**51**	5	6	21	17	2
Average initial flow rate of a new well (BOPD)	**86**	100	101	84	79	68
Average EUR (bbl)	**76,299**	88,886	89,282	74,062	69,107	60,156

Source: Company

8.19 The per well analysis indicates that the Trinidad asset is dependent upon a large number of wells being drilled and a successful waterflood program in order to boost production.

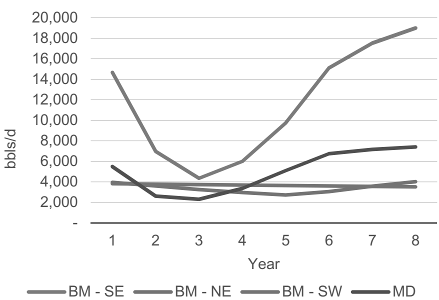
8.20 The waterflood program is being implemented over three blocks across the Beach Marcelle project and an area in the Morne Diablo project. We have summarised the production characteristics from each block below:

Figure 3 Waterflood Production Summary

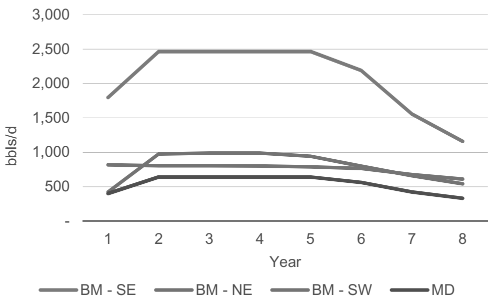
Summary of production

		Average daily water injection (bbl)	Average daily oil recovery (bbl)	Average daily water recovered (bbl)
Beach Marcelle	South East	11,665	2,071	7,385
	North East	3,402	790	1,479
	South West	3,670	759	1,941
Morne Diablo		5,027	535	3,773

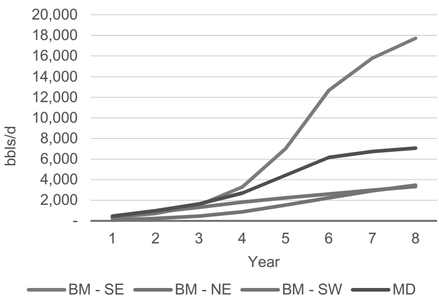
Average daily water injection



Average daily oil production



Average daily water production



Source: Company

8.21 The charts above indicate that the majority of production will come from the South East field of the Beach Marcelle project ("BM – SE"). The waterflood program relies on the injection of significant amounts of water in the first year of development before declining over the next two years. The waterflood program then requires increasing levels of water injection to maintain oil production until the end of the eight year life of the program.

8.22 Achievement of the estimated production is highly dependent on the sourcing and successful implementation of the waterflood process. Range is yet to secure sufficient water to undertake the full rate of water injection. It is currently negotiating with the Petroleum Company of Trinidad and Tobago Limited ("Petrotrin") for the supply of an additional 3,000 barrels of water per day.

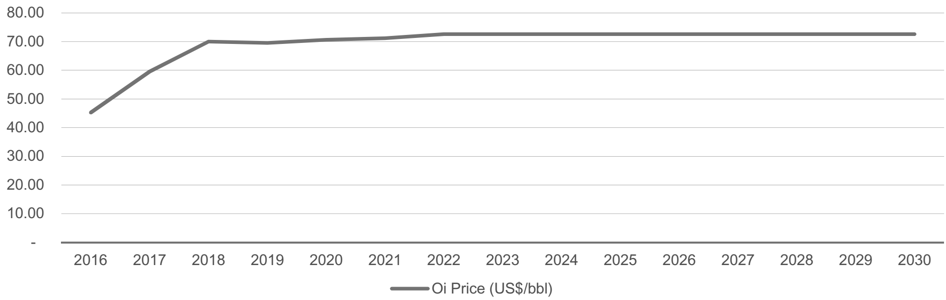
8.23 Despite plans to test the South Quarry project for conduciveness to waterflood, we have not included any production from a waterflood program from South Quarry in the valuation.

Oil price

8.24 We have considered the West Texas Intermediate ("WTI") crude oil pricing as the benchmark oil price for the asset. Historically, Range has received a 5% discount to the WTI price. As such, when considering future oil prices, we have deducted 5% from the forecast price. Also, a facilitation fee of US$2 per barrel is paid by Range to the Trinidad authorities. This facilitation fee has been deducted from the oil price received by Range.

8.25 We have reviewed forecast oil price data compiled by Capital IQ and compared this to the price data utilised by Range in the model. The data compiled by Capital IQ is taken from a number of economic and market analyst forecasts and averaged to present an estimated forecast price. There were no significant differences in the prices compiled by Capital IQ or adopted by Range. Our assumed forecast oil prices are set out in the chart below:

Figure 4 Forecast Oil Prices



Source: S&P Capital IQ

8.26 We have used a long term oil price of US$69 (which is based on a market price of US$72 adjusted for Range's historic discount to market) from 2022 onwards.

Expenditure, royalties and production taxes

8.27 The table below summarises the last three years' royalties, taxes and expenses and compares them to the forecast royalties, taxes and expenses to 30 June 2020.

Table 15 Comparison of Historic Costs to Forecast Costs

	FY15 US$	FY16 US$	FY17 US$	FY18 US$	FY19 US$	FY20 US$
Cost of production	3,125,464	4,944,478	5,112,025	19,386,124	21,565,391	18,804,101
Royalties	4,654,241	2,104,894	7,334,674	37,007,403	70,943,613	84,846,373
Staff costs	3,315,271	2,322,352	2,062,585	2,062,585	2,062,585	2,062,585
Taxes	450,000	-	958,191	6,669,955	12,502,583	18,634,758

Source: Company

8.28 Costs of production in relation to existing wells are based on actual costs and contracts costs.

8.29 Costs associated with the waterflood are based on estimates provided by LandOcean (the contractor engaged to develop the waterflood program). The costs of production vary as the waterflood program is implemented. The range of costs for the waterflood program is between US$6 per barrel and US$23 per barrel. Costs are higher as water is injected into the reservoir. Costs decline as a steady state of production is maintained. Costs then increase again as water injection increases in order to reduce production declines at the end of the eight year life of the waterflood program.

8.30 Royalties are calculated based on contractual obligations with the Trinidadian authorities as set out below:

Table 16 Royalty Rates

Type of royalty	Rate
Government royalty	12.50%
Base overriding royalty (sliding scale based on oil price)	12-27% (up to 40% for BM)
Enhanced overriding royalty (calculated on production above the base ORR measure and a sliding scale based on oil price)	6-17% (up to 34% for BM)

Source: Company

8.31 Staff costs are based on the historical costs incurred by Range.

Capital costs

8.32 Capital costs are based on historic well costs and depend on the complexity and depth of expected wells. Capital costs vary from between US$0.8 million for a simple shallow well (2,000 feet) to US$2.8 million for a more complex and deeper well (6,000 feet). In addition, there is approximately US$40.4 million in capital expenditure expected to be incurred as a result of the waterflood program.

Table 17 Capital Expenditure

	FY17 US$	FY18 US$	FY19 US$	FY20 US$	FY21 US$
Conventional drilling capex	7,425,000	7,600,000	33,872,500	22,375,000	1,000,000
Waterflood capex	25,846,184	14,536,283	-	-	-
Total capex	**33,271,184**	**22,136,283**	**33,872,500**	**22,375,000**	**1,000,000**

Source: Company

8.33 The projections assume that capital expenditure will be funded through project cash flows. There is expected to be a cash deficit which can be funded by the US$50 million financing facility secured to fund the waterflood program with LandOcean.

Calculation of an appropriate discount rate

8.34 The discount rate we have selected allows for both the time value of money and the risks attached to future cash flows. In addition, it is a real discount rate on the basis that the Model does not consider inflation. The applicable discount rate is the likely rate of return an acquirer of the Trinidad asset would require for the risks inherent in investing in the asset.

8.35 We have utilised the weighted average cost of capital ("WACC") as our discount rate. We have assessed the WACC to be in the range of 9% to 10% on a real, pre-tax, pre-debt basis (this is the equivalent of a 12% to 13% real, post-tax, pre debt basis, assuming growth rate of 2.5%). Details of our assessment of the preferred range for the WACC are included in Appendix D.

Sensitivity Analysis

8.36 We have performed four key sensitivities on our DCF for the Trinidad asset. We have selected our sensitivities based on the likelihood of changes in the key assumptions that underpin the Model. We consider the key sensitivities to be:

- Changes in the price of oil received by Range;
- Changes in the total recoverable oil (production);
- Changes in the amount of capital expenditure; and
- Changes in the operating costs.

8.37 The tables below summarise the impact of the changes in our key assumptions assuming a range of discount rates.

Table 18 Impact of sensitivities on value (US$m)

		Oil Price (US$/bbl)				
		-20%	-10%	0%	10%	20%
Discount Rate	9.00%	58.5	73.6	93.8	116.4	134.2
	9.50%	56.8	71.6	91.4	113.4	131.0
	10.00%	55.2	69.6	89.0	110.6	127.8

		Change in production				
		-20%	-10%	0%	10%	20%
Discount Rate	9.00%	62.8	78.3	93.8	109.3	124.6
	9.50%	60.9	76.2	91.4	106.6	121.5
	10.00%	59.1	74.1	89.0	103.9	118.6

		Change in CAPEX				
		-20%	-10%	0%	10%	20%
Discount Rate	9.00%	103.2	98.5	93.8	89.1	84.4
	9.50%	100.7	96.1	91.4	86.7	81.9
	10.00%	98.3	93.7	89.0	84.3	79.5

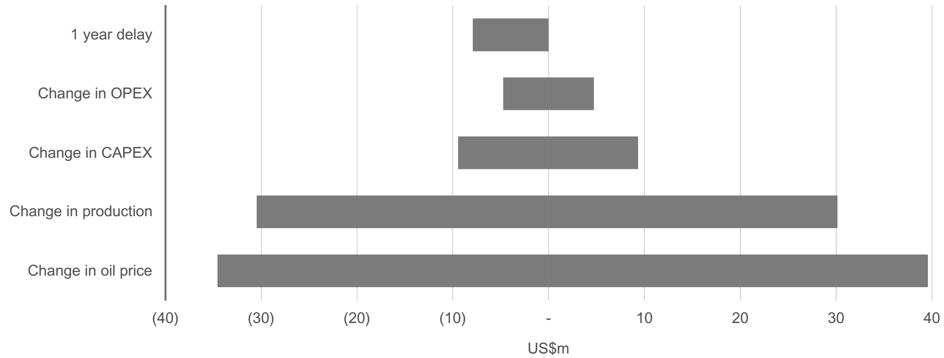
		Change in operating costs (excluding royalties and taxes)				
		-20%	-10%	0%	10%	20%
Discount Rate	9.00%	98.7	96.3	93.8	91.4	89.0
	9.50%	96.1	93.7	91.4	89.0	86.7
	10.00%	93.6	91.3	89.0	86.7	84.4

		Delay in project timing (years)				
		-	1	2	3	4
Discount Rate	9.00%	93.8	86.1	79.0	72.5	66.5
	9.50%	91.4	83.5	76.2	69.6	63.6
	10.00%	89.0	80.9	73.6	66.9	60.8

Source: RSM analysis

8.38 The previous tables are graphically summarised in the figure below (based on a 9.5% discount rate):

Figure 5 Graphical presentation of impact on NPV from change in assumptions



Source: RSM analysis

8.39 Our analysis indicates that the asset is most sensitive to movements in the oil price but will also experience material movements in value of production rates vary.

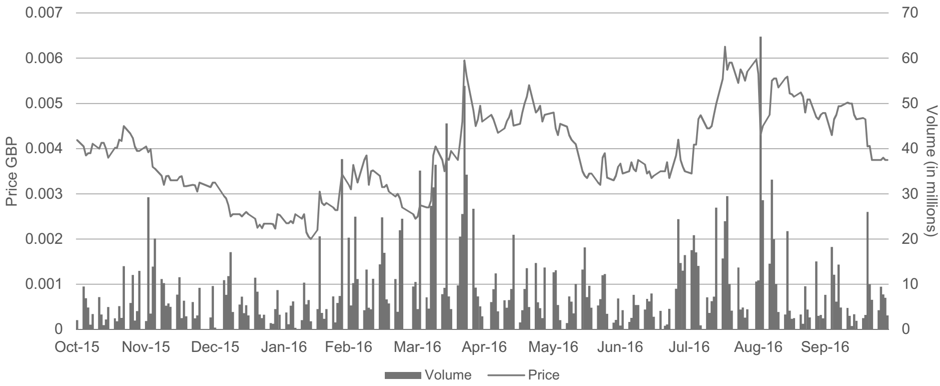
Quoted Price of Listed Securities (secondary method)

8.40 In order to provide a comparison and cross check to our sum of parts valuation of Range, we have considered the recent quoted market price for Range shares on AIM prior to the announcement of the Proposed Transaction.

Analysis of recent trading in Range Shares

8.41 The figure below sets out a summary of the closing share price and volume of Range Shares traded in the 12 months to 30 October 2016.

Figure 6 Range daily closing share price and traded volumes



Source: S&P Capital IQ/ ASX

8.42 During the 12 month period prior to the announcement of the Proposed Transaction, Range's share price has traded between a low of £0.002 and a high £0.007. Volumes have varied and there has been no obvious drivers for increases in volume. We note that Range regularly communicates to the market through shareholder "Q&A" announcements which detail responses to questions from shareholders. Volume peaked at 64.5 million shares on 1 September 2016.

8.43 To provide further analysis of the quoted market prices for Range's Shares, we have considered the VWAP over a number of trading day periods ending 30 October 2016. An analysis of the volume in trading in Range's Shares for the 1, 10, 30, 60, 90, 180 and 360 day trading periods is set out in the table below:

Table 19 Traded volumes of Range Shares to 30 October 2016

£	1 Day	10 Day	30 Day	60 Day	90 Day	180 Day	360 Day
VWAP	0.004	0.003	0.004	0.005	0.005	0.004	0.005
Total Volume (000's)	3,100.7	79,804.1	202,085.0	597,263.7	822,294.3	1,858,463.9	3,207,820.4
Total Volume as a % of Total Shares	0.04%	1.05%	2.66%	7.86%	10.83%	24.47%	42.23%
Low Price	0.004	0.004	0.004	0.004	0.003	0.002	0.002
High Price	0.004	0.005	0.006	0.007	0.007	0.007	0.012
Trading Days	1	10	30	59	89	177	352

Source: S&P Capital IQ/ ASX

Value of Range Share on a non-control minority basis

8.44 In our opinion, the weighted average share price of Range over the last 30 days is reflective of the underlying value of a Range Share. As such, we consider a range of values of between £0.003 and £0.004 (1 to 30 day VWAP) reflects the quoted market price valuation of a Range Share on a minority basis prior to the Proposed Transaction.

Value of Range Share on a control basis

8.45 Our valuation of a Range Share, on the basis of the recent quoted market price including a premium for control is between £0.004 and £0.005 as summarised in the table below.

Table 20 Assessed value of a Range Share – Quoted Price of Listed Securities

	Ref.	Low	High
Quoted market price of Range share	8.44	£0.003	£0.004
Add premium for control	8.46	25%	30%
Quoted market price controlling value (GBP)		**£0.004**	**£0.005**

Source: RSM Analysis

Key Assumptions

Control Premium

8.46 The value derived at paragraph 8.45 is indicative of the value of a marketable parcel of shares assuming the Shareholder does not have control of Range. RG 111.11 states that when considering the value of a company's Shares the expert should consider a premium for control. If the Proposed Transaction is successful, LandOcean could hold an interest of approximately 20% in the issued capital of Range. Therefore, as explained in Section 7, our assessment of the Fair Value of a Range Share must include a premium for control.

8.47 In selecting a control premium we have given consideration to the RSM 2013 Control Premium Study and recent updates. The study performed an analysis of control premiums paid over a 7-year period to 31 December 2012 in 345 successful takeovers and schemes of arrangements of companies listed on the ASX. Our study concluded that, on average, control premiums in takeovers and schemes of arrangements involving Australian companies in the resources sectors was in the range of 25% to 35%. In valuing an ordinary Range Share prior to the Proposed Transaction using the quoted price of listed securities methodology we have reflected a premium for control in the range of 25% to 30%.

Valuation summary and conclusion

8.48 A summary of our assessed values of an ordinary Range Share on a control basis pre the Proposed Transaction, derived under the two methodologies, is set out in the table below.

Table 21 Range Share valuation summary

	Ref.	Low	High
Sum of parts	8.4	£0.008	£0.009
Quoted market price of Range share	8.45	£0.004	£0.005
Preferred value		**£0.008**	**£0.009**

Source: RSM Analysis

8.49 In our opinion, Range consider that the sum of parts valuation methodology provides a better indicator of the Fair Value of a Range Share as we consider our analysis of the trading of Range's Shares prior to the announcement of the Proposed Transaction indicates that, although moderately liquid, the market for Range's Shares is not deep enough to provide an assessment of their Fair Value via the quoted market price methodology.

8.50 We note that there is a level of disparity between the quoted market price value and the sum of parts value. The quoted market price of Range shares may be impacted by factors not directly reflected in our sum of parts valuation. These factors could include (among other things) risks of legal action in association with the Colombian assets previously held by Range, the application of different assumptions with regard to the inputs of the model for the Trinidad assets or an assumption that Range may need to raise funds in the future to continue the development of its assets which could result in dilution of Shareholder interests.

8.51 With regard to model assumptions, we have included sensitivities of the model at paragraph 8.37. Our sensitivities indicate that the value of Range varies significantly depending on assumed production, oil price and project timing. Any delay in the project will have a significant impact on the value of a Range share. Production timing is highly reliant on securing water for the waterflood program. The market price may factor a delay in securing suitable volumes of water.

8.52 With regard to potential legal action or future fund raisings, these are risks we have considered but have not reflected in our valuation due to the uncertainty of quantifying the impact or likelihood of such events. However, this does not mean that the quoted market price would not reflect some arbitrary pricing for such risks.

8.53 Therefore, in our opinion, the Fair Value of a Range Share prior to the Proposed Transaction is between £0.008 and £0.009 on a controlling, undiluted basis.

9. Valuation of Range Following to the Proposed Transaction

9.1 In determining the Fair Value of Range and a Range share on a non-controlling basis immediately post the Proposed Transaction, using the sum of parts methodology, we have taken the Fair Value of Range pre the Proposed Transaction and reflected the impact of the Proposed Transaction in two separate scenarios:

- Scenario 1 – Reducing debt by US$20 million, deducting a minority discount and assuming conversion of the Notes; and
- Scenario 2 – reflecting the impact of the debt and embedded derivative arising from the Notes, deducting a minority discount and assessing the value of a Range share immediately prior to conversion of the Notes.

9.2 Based on our analysis, we have calculated a range of values for a Range share post the Proposed Transaction of approximately £0.007.

Table 22 Assessed value of Range post the Proposed Transaction

Value of a Range share post Proposed Transaction		Low value	High value
Assuming the Notes are converted	9.3	£0.007	£0.007
Assuming the Notes are not converted	9.7	£0.006	£0.007
Range of values		**£0.006**	**£0.007**

Source: RSM Analysis

Scenario 1 valuation

9.3 Our assessed value of Range following the Proposed Transaction under Scenario 1 is set out in the table below.

Table 23 Valuation of Range share post the Proposed Transaction

	Ref:	Low Value US$000's	High Value US$000's
Fair Value of Range pre the Proposed Transaction	8.2	77,542	82,364
Debt eliminated upon conversion of the Notes	9.4	20,000	20,000
Fair Value of Range post the Proposed Transaction on a control basis		**97,542**	**102,364**
Minority discount	9.6	23%	20%
Fair Value of Range post the Proposed Transaction on a minority basis		**75,107**	**81,892**
Existing number of shares on issue		7,595,831	7,595,831
Shares issued upon conversion of the Notes	9.5	1,869,019	1,869,019
Fair Value of a Range share on a minority basis, post the Proposed Transaction		**US$0.008**	**US$0.009**
USD:GBP exchange rate		0.822	0.822
AUD Fair Value of a Range share on a minority basis, post the Proposed Transaction		**£0.007**	**£0.007**

9.4 If the Proposed Transaction is approved, the terms of US$20 million of debt owed to LandOcean will be changed to reflect those of a convertible note. Under our Scenario 1 valuation, we assume that this debt is converted to equity. This means that US$20 million is reduced from debt on the balance sheet and the shares that are issued upon conversion of the Notes are included in the capital structure.

9.5 As noted in Paragraph 3.3, we have estimated that 1.9 billion shares will be issued upon conversion of the Notes assuming an exchange rate of 1USD:0.822GBP.

9.6 In selecting a minority discount we have given consideration to our control premium applied in Paragraph 8.47, where we established a range for a control premium of between 25% and 30%. The resulting corresponding minority discount range based on said control premiums is between 20% and 23%.

Scenario 2 valuation

9.7 Our assessed value of Range following the Proposed Transaction but prior to conversion of the Notes is set out in the table below

Table 24 Valuation of Range shares post Proposed Transaction

	Ref:	Low Value US$000's	High Value US$000's
Fair Value of Range pre the Proposed Transaction	8.2	77,542	82,364
Existing debt terms changed to Notes		20,000	20,000
Debt component arising from Convertible Notes	9.8	(17,250)	(15,795)
Fair Value of Range post the Proposed Transaction on a control basis		**80,292**	**86,569**
Minority discount	9.6	23%	20%
Value of Range post the Proposed Transaction on a minority basis		61,824	69,255
Adjustment for embedded call option included in the Notes	9.9	(2,750)	(4,205)
Adjusted value of Range post the Proposed Transaction		**59,074**	**65,051**
Number of Ranges shares on issue pre conversion of the Convertible Notes		7,595,831	7,595,831
Fair Value of a Range share on a minority basis, post the Proposed Transaction		**US$0.008**	**US$0.009**
USD:GBP exchange rate		0.822	0.822
GBP Fair Value of a Range share on a minority basis, post the Proposed Transaction		**£0.006**	**£0.007**

9.8 In order to assess the impact of the Notes on the value of a Range share assuming the Notes are not converted, we have considered the accounting impact of the Notes on the Statement of Financial Position. Accounting standards require that, when Notes convert to a variable number of shares, that the embedded option in the Notes is valued and the difference between the face value of the Notes and the embedded option is considered the value of the debt portion of the Notes.

9.9 In order to calculate the value of the embedded option included in the Notes, we used the Binomial option pricing model. The Binomial option pricing model resulted in a range of values of between US$2.7 million and US$4.2 million for the embedded option in the Notes, assuming 1.9 billion shares are issued on conversion of the Notes (based on a £0.0088 conversion price).

9.10 We have used the following assumptions when calculating the value of the embedded option:

- Grant date – we have assumed the grant date to be the date of this report.
- Spot price – we have assumed a spot price of our low and high prices as set out in Paragraph 8.45 (before adjusting for any control premium). This results in a spot price of between £0.003 and £0.004.

- Exercise price – the conversion price of the Notes is £0.0088.
- Vesting period – the Notes have a conversion period of three years.
- Expected future volatility – we have applied a volatility rate of 100% for our option valuation. This reflects the expected volatility of a small cap trading company exposed to oil and gas.
- Risk free rate – we have determined this based on the yields of Commonwealth bonds using a three year bond, being the period which most closely correspond to the life of the Notes. A three year US bond yielded 1.25% on 16 November 2016.
- Dividend Yield – We have assumed a 0% dividend yield for Range as it does not have a history of paying dividends and we do not expect any dividends to be paid over the vesting period.

9.11 We have calculated the debt component of the Notes as the difference between the embedded option value in the Notes and the face value of the Notes (converted to USD at a rate of 1USD:0.822GBP).

10. Is the Proposed Transaction fair to Range Shareholders?

10.1 Our assessed values of a Range share prior to and immediately after the Proposed Transaction, are summarised in the table below.

Table 25 Assessed values of an Range share pre and post the Proposed Transaction

Assessment of fairness	Ref:	Value per Share Low	Value per Share High
Fair Value of an RRS share pre Proposed Transaction - Control basis		£0.008	£0.009
Fair Value of a Range share post the Proposed Transaction - Non control basis			
Assuming Notes are converted		£0.007	£0.007
Assuming Notes are not yet converted and recorded as a liability		£0.006	£0.007

Source: RSM analysis

10.2 In accordance with the guidance set out in ASIC RG 111, and in the absence of any other relevant information, for the purposes of s611 item 7 of the Corporations Act, we consider the Proposed Transaction to be not fair to the Non-Associated Shareholders of Range on the basis that the range of values of a Range share post the Proposed Transaction is less than the range of values of a Range share pre the Proposed Transaction.

11. Is the Proposed Transaction Reasonable?

11.1 RG111 establishes that an offer is reasonable if it is fair. If an offer is not fair it may still be reasonable after considering the specific circumstances applicable to the offer. In our assessment of the reasonableness of the Proposed Transaction, we have given consideration to:

- The future prospects of Range if the Proposed Transaction does not proceed; and
- Other commercial advantages and disadvantages to the Non-Associated Shareholders as a consequence of the Proposed Transaction proceeding.

Future prospects of Range if the Proposed Transaction does not proceed

11.2 If the Proposed Transaction does not proceed then the Company will be required to commence repaying approximately US$35 million in debt from May 2017. Although it is likely that the Company will be able to meet these payments, it will have a detrimental impact on working capital and the capacity for Range to commit funds to exploration and development. This could result in reduced drilling and water flood activities which would result in a reduction in production potential. Given Range's historic cash burn, this could also result in a need to raise capital.

Advantages and disadvantages

11.3 In assessing whether the Non-Associated Shareholders are likely to be better off if the Proposed Transaction proceed, than if it does not, we have also considered various advantages and disadvantages that are likely to accrue to the Non-Associated Shareholders.

Other factors

11.4 When assessing fairness, we have considered the value of Range shares before the Proposed Transaction on a control basis and after the Proposed Transaction on a non-control basis. This is due to the potential for LandOcean to increase its interest over 20% in the issued capital of Range and gain a theoretical controlling interest, whereby Non-Associated Shareholders could expect to have received a premium for control. However, depending on exchange rates prevailing at the time of conversion of the Notes, LandOcean may not gain an interest in excess of 20% of the issued capital of Range and, in theory, Non-Associated Shareholders should not be entitled to receive a premium for control. Had our analysis been undertaken based on comparing non-controlling values both pre and post the Proposed Transaction, then our opinion on fairness would have been fair, rather than not fair.

Advantages of approving the Proposed Transaction

Advantage 1 – Rate of interest on a portion of existing debt will reduce

11.5 The current interest rate on the non-convertible debt owed to LandOcean is 10%. The Notes have a coupon rate of 8%. This means that Range will pay less interest on current debt of US$20 million where the terms will be changed.

Advantage 2 – The timing of debt repayments will be delayed

11.6 Currently, part repayments on the debt owed to LandOcean are due to commence in May 2017. The issue of the Notes will result in the delay of these repayments by three years (the expiry date of the Notes).

Advantage 3 – The conversion price of the Notes is higher than the current share price

11.7 The conversion price of the Notes is £0.0088. This means that LandOcean will effectively pay £0.0088 per share to convert the Notes into equity. This is a significant premium to the current listed share price of Range which we have assessed at between £0.003 and £0.004. If Range went to market to raise equity it is likely that it would have to do so at a price below the current share price.

Disadvantages of approving the Proposed Transaction

Disadvantage 1 – The Notes could result in dilution to shareholders

11.8 The change in terms of the debt means that Range will be required to issue new shares to LandOcean in the case that LandOcean requests to convert the Notes. This is would not occur if the existing debt structure was maintained. This will result in dilution to existing shareholders, where their combined interests could reduce from 100% to approximately 80% (depending on the exchange rate prevailing at the time).

Disadvantage 2 – Potential control passed to LandOcean

11.9 Depending on the USD:GBP exchange rate, LandOcean could obtain an interest in Range in excess of 20%. This could result in LandOcean gaining control of Range. In any case, LandOcean will obtain a sufficient interest in Range to be able to significantly influence general and special resolutions.

11.10 In addition to LandOcean's interest in the issued capital of Range, it may also have the right to nominate two directors to the Board of Range.

Alternative Proposal

11.11 We are not aware of any alternative proposal at the current time which might offer the Non-Associated Shareholders of Range a greater benefit than the Proposed Transaction.

Conclusion on Reasonableness

11.12 In our opinion, the position of the Non-Associated Shareholders if the Proposed Transaction is approved is more advantageous than the position if it is not approved. Therefore, in the absence of any other relevant information and/or a superior offer, we consider that the Proposed Transaction is reasonable for the Non-Associated Shareholders of Range.

11.13 An individual shareholder's decision in relation to the Proposed Transaction may be influenced by his or her individual circumstances. If in doubt, shareholders should consult an independent advisor.

Yours faithfully

RSM CORPORATE AUSTRALIA PTY LTD

A GILMOUR	**G YATES**
Andrew Gilmour	Glyn Yates
Director	Director

APPENDICES

A. DECLARATIONS AND DISCLAIMERS

Declarations and Disclosures

RSM Corporate Australia Pty Ltd holds Australian Financial Services Licence 255847 issued by ASIC pursuant to which they are licensed to prepare reports for the purpose of advising clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate reconstructions or share issues.

Qualifications

Our report has been prepared in accordance with professional standard APES 225 "Valuation Services" issued by the Accounting Professional & Ethical Standards Board.

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia Pty Ltd (RSM) a large national firm of chartered accountants and business advisors.

Mr. Andrew Gilmour and Mr Glyn Yates are directors of RSM Corporate Australia Pty Ltd. Both Mr Gilmour and Mr Yates are Chartered Accountants with extensive experience in the field of corporate valuations and the provision of independent expert's reports for transactions involving publicly listed and unlisted companies in Australia.

Reliance on this Report

This report has been prepared solely for the purpose of assisting Shareholders of the Company in considering the Security. We do not assume any responsibility or liability to any party as a result of reliance on this report for any other purpose.

Reliance on Information

Statements and opinions contained in this report are given in good faith. In the preparation of this report, we have relied upon information provided by the Directors and management of Range Resources Limited and we have no reason to believe that this information was inaccurate, misleading or incomplete. RSM Corporate Australia Pty Ltd does not imply, nor should it be construed that it has carried out any form of audit or verification on the information and records supplied to us.

The opinion of RSM Corporate Australia Pty Ltd is based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

In addition, we have considered publicly available information which we believe to be reliable. We have not, however, sought to independently verify any of the publicly available information which we have utilised for the purposes of this report.

We assume no responsibility or liability for any loss suffered by any party as a result of our reliance on information supplied to us.

Disclosure of Interest

At the date of this report, none of RSM Corporate Australia Pty Ltd, RSM, Andrew Gilmour, Glyn Yates, nor any other member, director, partner or employee of RSM Corporate Australia Pty Ltd and RSM has any interest in the outcome of the Proposed Transaction, except that RSM Corporate Australia Pty Ltd are expected to receive a fee of approximately $25,000 based on time occupied at normal professional rates for the preparation of this report. The fees are payable regardless of Range Resources Limited receives Shareholder approval for the Security, or otherwise.

Consents

RSM Corporate Australia Pty Ltd consents to the inclusion of this report in the form and context in which it is included with the Notice of Extraordinary General Meeting and Explanatory Memorandum to be issued to Shareholders. Other than this report, none of RSM Corporate Australia Pty Ltd or RSM Australia Pty Ltd or has been involved in the preparation of the Notice of Extraordinary General Meeting and Explanatory Memorandum. Accordingly, we take no responsibility for the content of the Notice of General Meeting and Explanatory Statement.

B. SOURCES OF INFORMATION

In preparing this report we have relied upon the following principal sources of information:

- Range financial statements for the two years ended 30 June 2016;
- Range unaudited financial information for the period ended 30 September 2016;
- LandOcean financial statements for the two years ended 31 December 2015 and the six months ended 30 June 2016;
- Forecast cash flows for the Trinidad asset for the period ending 31 December 2030;
- Convertible note deed between Range and LandOcean;
- Notice of General Meeting and Explanatory Statement for the meeting of Range shareholders;
- Estimated Reserves, Prospective Resources report prepared by Rockflow Resources;
- Information provided by Range management through meetings and correspondence;
- Capital IQ, IBIS World and other financial databases and subscription services; and
- Publicly available information including ASX announcements.

C. GLOSSARY OF TERMS

Term or Abbreviation	Definition
$	Australian Dollar
Act	Corporations Act 2001 (Cth)
APES	Accounting Professional & Ethical Standards Board
ASIC	Australian Securities & Investments Commission
ASX	Australian Securities Exchange
CAPM	Capital Asset Pricing Model
Company	Range Resources Limited
Control basis	As assessment of the Fair Value on an equity interest, which assumes the holder or holders have control of entity in which the equity is held
Conversion Price	£0.0088 per share
CY##	Calendar year ended 31 December
DCF	Discounted Cash Flow
Directors	Directors of Range Resources Limited
EIA	US Energy Information Administration
Equity	The owner's interest in property after deduction of all liabilities
Fair Value	the amount at which an asset could be exchanged between a knowledgeable and willing but not anxious seller and a knowledgeable and willing but not anxious buyer, both acting at arm's length
FATF	Financial Action Taskforce
FSG	Financial Services Guide
FY##	Financial year ended 30 June
IBIS	IBIS World, producer of industry reports
IER	This Independent Expert Report
LandOcean	LandOcean Energy Services Co., Ltd
mbbl	One thousand barrels
The Model	The forecast of cash flows for the Trinidad asset
Non control basis	As assessment of the Fair Value on an equity interest, which assumes the holder or holders do not have control of entity in which the equity is held
Notes	Convertible notes with a coupon rate of 10%, a three year redemption period and a conversion price of £0.0088 per share
Notice	The notice of meeting to vote on the Proposed Transaction
NRI	Net Revenue Interest
Range	Range Resources Limited
PDS	Product Disclosure Statement
Proposed Transaction	The issue of the Notes
Relevant Interest	If that person holds shares or has the power to control the right to vote or dispose of shares

Regulations	Corporations Act Regulations 2001 (Cth)
Report	This Independent Experts Report prepared by RSM dated November 2016
RG 111	ASIC Regulatory Guide 111 Contents of Expert's Reports
RSM	RSM Corporate Australia Pty Ltd
S&P Capital IQ	An entity of Standard and Poors which is a third party provider of company and other financial information
VWAP	Volume weighted average share price
WACC	Weighted Average Cost of Capital
WTI	West Texas Intermediate

D. WACC

When assessing an appropriate discount rate to use in a discounted cash flow valuation, due regard must be given to the rates of return available in the marketplace, the degree of risk attached to the business, shares or project and the required rate of return.

Businesses are normally funded by a mix of debt and equity. The Weighted Average Cost of Capital ("WACC") is a widely used and accepted basis to calculate the "representative" rate of returns required by debt and equity investors. We have applied the WACC methodology to determine an appropriate discount rate to be used in assessing the Fair Value of Range cashflows.

The Capital Asset Pricing Model ("CAPM") is the most frequently used model in determining the cost of equity of an investment or project and the required rate of return for debt funding is determined having regard to current borrowing costs and prevailing credit ratings. The cost of equity and cost of debt are weighted by the respective proportions of equity and debt funding to arrive at the WACC.

WACC

The generally accepted WACC formula is the post-tax WACC as shown below:

$$WACC = [Re * E/V] + [Rd (1 - t) * D/V]$$

Where:

Re	=	Expected equity investment return or cost of equity
Rd	=	Interest rate on debt (pre-tax)
t	=	Corporate tax rate
E	=	Market value of equity
D	=	Market value of debt
V	=	Market value of debt plus equity

CAPM

The CAPM is based on the theory that the prudent investor will price investments so that the expected return is equal to the risk free rate of return plus a premium for risk. CAPM assumes that there is a positive relationship between risk and return; that is, investors are risk averse and therefore demand higher returns for accepting higher levels of risk.

The CAPM calculates the cost of equity through the following formula:

$$Re = Rf + \beta[E(Rm) - Rf]$$

Where:

Re	=	Cost of equity capital or expected return on the investment.
Rf	=	Risk free rate of return.
E(Rm)	=	Expected return on the market.
E(Rm) - Rf	=	Market risk premium
β	=	Beta

We have considered each component of the CAPM below.

Risk free rate - Rf

We have assumed a risk free rate of 1.8% being the average yield on the United States Treasury Government Bond for the last 10 years, calculated from CapitalIQ Database. We have used the 10-year bond rate as this is typically used as a proxy for the long-term risk-free rate.

Market Risk Premium – E(Rm) - Rf

Market risk premium represents the level of return investors require over and above the risk free rate in order to compensate them for the non-diversifiable risks associated with an investment in a market portfolio. Strictly speaking, the market risk premium is equal to the expected return from holding shares over and above the return from holding risk-free government securities.

Various empirical studies undertaken show that historical market risk premiums vary across markets; the US market is generally in line with the overall range of other developed countries but is slightly higher than the world average.

Having regard to this information, we have assumed a market risk premium of 7.0% in our determination of the discount rate.

Beta - β

The beta coefficient measures the systematic risk of the company compared to the market as a whole. A beta of 1 indicates that the company's risk is comparable to that of the market.

The choice of a beta requires judgement and necessarily involves subjective assessment as observations of beta in comparable companies may be subject measurement issues and other variations. Accordingly, depending upon circumstance, a sector average, or a basket of comparable companies may present a more reliable beta, rather than relying on a single comparable company.

Beta can be expressed as an equity beta (which includes the effect of gearing on equity returns) or as an asset beta (where the impact of gearing is removed). The asset beta will be lower than the equity beta for any given investments, with the difference dependent upon the level of gearing in the capital structure.

The selection of an appropriate beta involves a degree of professional judgement, particularly where the performance drivers of the company being valued are not directly aligned with the most comparable listed companies.

The comparable company data included in the table below illustrates the observed beta coefficients for public listed companies we consider most comparable to Range.

In assessing companies comparable to Range, we have considered companies in oil and gas industry in North and South America, whose securities are listed on the New York Stock Exchange.

The ungeared equity beta's for the companies selected ranged from a low of 0.669 to a high of 1.525, with an average of 0.898 as set out in the table below. We have relied on the average ungeared beta of 0.898. We assume that the funding structure for an asset such as the Trinidad asset would result in a debt to equity of 54% (reflective of Range's current ratio). As such, we have relevered the beta at our assumed debt to equity ratio, resulting in a levered beta of 1.2.

Company	Levered beta	Total debt/ equity	Unlevered beta	Relevered beta
TransAtlantic Petroleum Ltd.	2.118	203.1%	0.840	
Serinus Energy Inc.	1.562	145.3%	0.748	
BNK Petroleum Inc.	2.295	67.4%	1.525	
Elk Petroleum Limited	0.859	37.7%	0.669	
Oryx Petroleum Corporation Limited	1.371	123.9%	0.710	
Average	**1.641**	**115.5%**	**0.898**	**1.243**
Median	**2.118**	**145.3%**	**0.840**	**1.125**

We provide descriptions of the comparable companies in the table below.

Ticker	Company Description
AMEX:TAT	TransAtlantic Petroleum, Ltd., an oil and natural gas company, engages in the acquisition, exploration, development, and production of oil and natural gas. As of December 31, 2015, the company had interests in 18 onshore and offshore exploration licenses and 25 onshore production leases covering an area of 880,000 net acres in Turkey; and an onshore exploration license and an onshore production concession covering a total of 567,106 acres in Bulgaria. TransAtlantic Petroleum, Ltd. was founded in 1985 and is based in Addison, Texas.
WSE:SEN	Serinus Energy Inc., together with its subsidiaries, engages in the exploration for and development of oil and gas properties. The company owns a 100% working interest in the Chouech Essaida, Ech Chouech, Sanrhar, and Zinna concessions, as well as a 45% working interest in the Sabria concession located in Tunisia. It also has a 60% working interest in the onshore Satu Mare concession covering an area of approximately 2,949 square kilometers located in north western Romania. The company is headquartered in Calgary, Canada. Serinus Energy Inc. is a subsidiary of Kulczyk Investments, S.A.
TSX:BKX	BNK Petroleum Inc. engages in the acquisition, exploration, and production of unconventional oil and gas resource plays in the United States, Canada, Poland, Spain, Germany, France, and the Netherlands. The company produces crude oil, natural gas, and natural gas liquids. It has working interests in 16,100 net acres of shale oil acreage in the Caney/Sycamore formations of the Tishomingo Field, Oklahoma. As of March 10, 2016, the company had proved plus probable gross reserves of 41.4 million barrels of oil equivalent in the Tishomingo Field. BNK Petroleum Inc. was incorporated in 2008 and is headquartered in Camarillo, California.
ASX:ELK	Elk Petroleum Limited operates as an oil and gas development and production company in the United States. It holds a 49% working interest in the Grieve Field project located in the Wind River Basin; and a 100% working interest in the Singleton oil field in located in Nebraska. The company is based in Sydney, Australia.
TSX:OXC	Oryx Petroleum Corporation Limited acquires, explores, develops, and produces oil from oil and gas assets in West Africa and the Middle East. It has two license areas in the Kurdistan Region and the Wasit governorate (province) of Iraq; and five license areas in West Africa in Nigeria, the AGC administrative area offshore Senegal and Guinea Bissau, and Congo (Brazzaville). The company also engages in mining bitumen. As of December 31, 2015, it had proved plus probable oil reserves of approximately 238 million barrels. Oryx Petroleum Corporation Limited was founded in 2010 and is based in Calgary, Canada.

Company specific risk premium and cost of equity assessment

We have not included a company specific risk factor in our calculation of the cost of equity as we consider the group of comparable companies to be a sufficient indication of the risks inherent in a company such as Range.

The latest relative country risk rating published by the Economist Intelligence Unit ("EIU") for Trinidad and Tobago is BBB. As such, we have considered sovereign risk to be low.

Cost of debt

We have assumed a cost of debt for the Trinidad asset of 10%. This has been assumed based on current interest rates paid by Range.

We have assumed that the best capital structure to employ for the Trinidad asset is the current debt to equity value of approximately 54%, as discussed in the beta section above.

WACC summary

We set out the detailed calculation of the WACC in the table below.

WACC	
Cost of Equity (CAPM) (K_e)	
Market Risk Premium, Mrp	7.0%
Beta, β	1.2
Adjusted market risk premium (AMrp = Mrp x β)	**8.7%**
Risk Free Rate, R_f	1.8%
Standard (Vanilla) Capm Cost Of Equity (Pre-Tax Nominal) (K_e = (AMrp + R_f + a) / (1 – t)) where t is corporate tax rate of 25%	**13.9%**
Proportion of K_e included in WACC (equity / debt + equity)	46%
K_e portion of WACC	**6.4%**
Cost of Debt (K_d)	
Cost of Debt, K_d	10.0%
Proportion of K_d included in WACC (debt / debt + equity)	54%
Kd portion of WACC	**45.4%**
Weighted Average Cost Of Capital (Pre-Tax Nominal)	**11.8%**
Inflation	2.5%
Weighted Average Cost of Capital (Pre-Tax Real) = (1 + pre-tax nominal) / (1 + inflation) - 1	**9.1%**

Based on the assumptions set out above, we have assessed the pre-tax, nominal WACC to be 11.8%. We note that the Trinidad asset cash flows have been prepared on a real basis so we have adjusted our WACC for inflation of 2.5% in order to arrive at a pre-tax real WACC.

This results in a pre-tax, real WACC of 9.1%. We have selected a range of 9.0% to 10.0% as our range of discount rates in order to reflect a value range and sensitivity on changes in discount rates.

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