RANGE RESOURCES LIMITED
ACN 002 522 009

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held at RSM Corporate Australia Pty Ltd, Level 13, 60 Castlereagh Street, Sydney NSW 2000 on 30 November 2017 at 10:00 AEDT.

The Independent Expert has concluded that the transaction the subject of Resolution 4 of the Annual General Meeting is FAIR AND REASONABLE *to non-associated Shareholders.*

All Shareholders should refer to the Independent Expert's Report enclosed with this Notice of Annual General Meeting.

This Notice of Annual 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 +61 8 6205 3012 or +44 (0) 20 3865 8430.

RANGE RESOURCES LIMITED

ACN 002 522 009

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of shareholders of Range Resources Limited (**Company**) will be held at RSM Corporate Australia Pty Ltd, Level 13, 60 Castlereagh Street, Sydney, New South Wales, on 30 November 2017 at 10:00 AEDT (**Meeting**).

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 Direction if you are a DI Holder, form part of this Notice.

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 of the Explanatory Memorandum below. Alternatively, DI Holders can vote using the enclosed Form of Instruction as per the instruction set out in Section 2.3 of the Explanatory Memorandum below.

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 28 November 2017 at 4.00 pm (AEST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Section 10 of the Explanatory Memorandum, or where they are first used in the Notice or Explanatory Memorandum.

AGENDA

1. Annual Report

To receive and consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2017, which includes the Financial Report, the Directors' Report and the Auditor's Report.

2. Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purpose of section 250R(2) of the Corporations Act 2001 (Cth) and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2017."

Note: The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

Voting Prohibition: A vote on this Resolution must not be cast (in any capacity) by, or on behalf of:

(a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or

(b) a Closely Related Party of such member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

(a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or

(b) the voter is the Chair and the appointment of the Chair as proxy:

(i) does not specify the way the proxy is to vote on this Resolution; and

(ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. Resolution 2 – Re-election of Director – Mr Zhiwei Gu

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

"That Mr Zhiwei Gu, who retires in accordance with clause 13.2 of the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."

4. Resolution 3 – Re-election of Director – Mr Lubing Liu

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

"That Mr Lubing Liu, who retires in accordance with clause 13.2 of the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."

5. Resolution 4 – Approval to acquire Range Resources Drilling Services Limited

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

"That, for the purposes of ASX Listing Rule 10.1 and for all other purposes, approval is given for the acquisition by SOCA Petroleum Limited of 100% of the issued share capital of Range Resources Drilling Services Limited from LandOcean Petroleum Corp. Limited on the terms and conditions summarised in the Explanatory Memorandum."

Independent Expert's Report: Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of shareholder approval under ASX Listing Rule 10.1. The Independent Expert comments on the fairness and reasonableness of the transaction the subject of Resolution 4 to non-associated Shareholders.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a party to the transaction if the Resolution is passed, and any associates of those persons.

However, the Company need not disregard a vote if:

(a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or

(b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. Resolution 5 – Approval for cancellation of partly paid shares

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

"That, in accordance with section 258D of the Corporations Act 2001 (Cth) and for all other purposes, approval is given for the Company to cancel 4,925,000 partly paid shares in the capital of the Company that have been forfeited in accordance with their terms of issue."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person whose shares are to be cancelled or whose liability is to be released or waived, and any associates of those persons.

However, the Company need not disregard a vote if:

(a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or

(b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. Resolution 6 – Renewal of proportional takeover provisions

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

"That, for the purposes of clause 35.6 of the Company's constitution and section 648G of the Corporations Act 2001 (Cth), and for all other purposes, the Company renew the proportional takeover provisions contained in clause 35 of the Company's constitution with effect from the date of this Meeting for a period of three years."

Dated 26 October 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 to be held at RSM Corporate Australia Pty Ltd, Level 13, 60 Castlereagh Street, Sydney, New South Wales, on 30 November 2017 at 10:00 AEDT.

This Explanatory Memorandum should be read in conjunction with, and forms part of, the accompanying Notice and provides information to Shareholders in deciding whether or not to pass the Resolutions.

A Proxy Form, or Form of Direction, 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 the 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 (excluding DI Holders) 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 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.

An appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

(a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);

(b) if the proxy has two or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;

(c) if the proxy is the Chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and

(d) if the proxy is not the Chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Shareholders and their proxies should be aware that any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

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 24 November 2017 at 4pm (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 is 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 who do not use the CREST voting service must complete, sign and return the Forms of Instruction forwarded to them along with the Notice to the Company's agent, Computershare UK, at the office of the Depository, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY by 24 November 2017 at 4pm (GMT).

3. Annual Report

Shareholders will be offered the opportunity to discuss the Annual Report at the Meeting. Copies of the report can be found on the Company's website www.rangeresources.co.uk or by contacting the Company on +61 8 6205 3012 or +44 (0) 20 3865 8430.

There is no requirement for Shareholders to approve the Annual Report.

Shareholders will be offered the following opportunities:

(a) discuss the Annual Report for the financial year ended 30 June 2017;

(b) ask questions or make comment on the management of the Company;

(c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

(a) the preparation and the content of the Auditor's Report;

(b) the conduct of the audit;

(c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and

(d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

4. Resolution 1 – Adoption of Remuneration Report

4.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

4.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

4.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%.

Accordingly, the Spill Resolution is not relevant for this Meeting.

4.4 Recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 1.

5. Resolutions 2 and 3 – Re-election of Directors

5.1 General

Clause 13.2 of the Constitution requires that one third of the Directors must retire at each annual general meeting (rounded upwards to the nearest whole number). Clause 13.2 provides that a Director who retires under clause 13.2 is eligible for re-election.

Each of Mr Zhiwei Gu and Mr Lubing Liu will retire by rotation and, being eligible, accordingly seek re-election. Details regarding each of these Directors are set out below.

The Board has endorsed the nomination of Mr Zhiwei Gu and Mr Lubing Liu as candidates for re-election.

5.2 Re-election of Director – Mr Zhiwei Gu

Mr Gu is an experienced 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 Dentons, which is one of the largest global law firms. Mr Gu has participated in several Venture Capital and Private Equity investment cases by various funds, such as London Asia Fund, Warburg Pincus, Korea Development Bank, China Venture Investment Co, and China Cinda AMC. 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.

The Board (other than Mr Gu abstaining because of his interest in Resolution 2) recommends that Shareholders vote in favour of Resolution 2.

5.3 Re-election of Director – Mr Lubing Liu

Mr Lubing Liu has over 20 years' extensive global experience in petroleum exploration, development, production, joint venture operations and new ventures. He is currently an independent consultant to Melbana Energy Limited (an ASX listed company). Prior to that, he held various subsurface leader roles, including Chief Reservoir Engineer with Melbana Energy 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 an extensive waterflooding experience 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.

The Board (other than Mr Lubing Liu abstaining because of his interest in Resolution 3) recommends that Shareholders vote in favour of Resolution 3.

6. The Acquisition

6.1 Background

The Board announced on 13 March 2017 that the Company had signed the Heads of Agreement with LandOcean in relation to the acquisition of 100% of the issued share capital of RRDSL from LandOcean Petroleum for US$5.5 million in cash. The signing of the Acquisition Agreement was announced on 2 May 2017. RRSDL is an oilfield services business based in Trinidad with a fleet of 13 rigs.

The cash consideration of US$5.5 million is to be satisfied from the internal resources of the Company. Further details of the terms and conditions of the Acquisition are set out in Section 6.2 below.

The Acquisition requires the approval of Shareholders at the Meeting under ASX Listing Rule 10.1. The Company is required to engage an independent expert to advise Shareholders whether the Acquisition is fair and reasonable to the non-associated Shareholders.

The Acquisition is conditional on, amongst, other things, the passing of Resolution 4.

The Shares were suspended from trading on AIM on 13 March 2017 pending the publication of an AIM admission document on the Enlarged Group. On the same date, the Company also requested a voluntary suspension of trading in its Shares on ASX. As announced on 14 September 2017, the admission of the Shares on AIM was cancelled with effect from 14 September 2017 due to the period of suspension reaching six months. On 15 September 2017, the Shares were re-instated to trading on ASX.

6.2 Key terms of the Acquisition

Pursuant to the Acquisition Agreement, SOCA Petroleum, a wholly owned subsidiary of the Company, has conditionally agreed to acquire the entire issued and to be issued share capital of RRDSL from LandOcean Petroleum.

Completion of the Acquisition is conditional on:

(a) RRDSL entering into a loan agreement with LandOcean Petroleum in respect of the outstanding intercompany debt owed by RRDSL to LandOcean Petroleum of approximately US$20,000,000 on terms satisfactory to SOCA Petroleum (including interest of 6% per annum and RRDSL not being required to make any repayments until the third anniversary of completion under the Acquisition Agreement);

(b) the Shareholders passing an ordinary resolution to approve the Acquisition at the Meeting; and

(c) receipt of all necessary consents and approvals (including under the ASX Listing Rules).

If any of the conditions have not been satisfied before the longstop date of 29 December 2017, SOCA Petroleum may terminate the Acquisition Agreement by written notice to the LandOcean Petroleum.

The consideration is US$5,500,000 payable by no later than the third anniversary of completion of the Acquisition. Interest will accrue at 6% per annum from the date of completion on outstanding consideration. The outstanding interest will be paid to LandOcean Petroleum annually in arrears on the dates of the first, second and third anniversaries of completion. Since the date of signing the Acquisition Agreement, Range has advanced funding for the ongoing operations of RRDSL. As at 30 June 2017 the total amount due by RRDSL to Range is US$6,024,000 and Range intends to fully offset the consideration payable against this loan balance. Range will therefore have no additional liability to fund the consideration.

The Acquisition Agreement contains various undertakings in relation to the management of the RRDSL's businesses pending completion of the Acquisition, including obligations on LandOcean Petroleum to collaborate fully with SOCA Petroleum in relation to all material matters concerning the running of RRDSL and to procure that the business of RRDSL is conducted in the ordinary and usual course.

The Acquisition Agreement contains business and other warranties given by LandOcean Petroleum to SOCA Petroleum. SOCA Petroleum has also given certain customary purchaser warranties in favour of LandOcean Petroleum.

If completion of the Acquisition does not take place by the longstop date of 29 December 2017 (or another date agreed by the parties) the Acquisition Agreement will automatically terminate.

6.3 RRDSL overview

RRDSL was incorporated in Trinidad and Tobago on 1 May 2003 and provides oil-field operational services. RRDSL was previously owned by Range and sold to LandOcean Petroleum, in May 2015 to allow Range to focus on its upstream operations at a time of depressed oil prices. RRDSL has continued to provide oilfield operations services to Range in Trinidad since that time under the IMSA and related purchase orders.

During the last two years, LandOcean has injected significant capital of over US$25,000,000 into RRDSL, including for the purchase of four new drilling rigs, cementing equipment, and for implementing production rig upgrades. RRDSL has also recently purchased cementing facilities, to a total value of over US$2,000,000, which provides additional operational flexibility. A major streamlining of overhead structure has been completed over the last two years. RRDSL currently employs 189 staff (which includes 20 employees on secondment from Range Trinidad).

RRDSL has assets which are capable of supporting a wide variety of oilfield operations. The assets include:

(a) six onshore drilling rigs ranging in drilling capacities between 200 meters and 4,000 meters and capable of drilling both vertical and directional wells;

(b) seven workover and swabbing rigs which can be used for production and waterflood activities; and

(c) cementing equipment, tracked carriers, tanker trucks, storage tanks, a full workshop and pipe yard, and other related facilities and equipment.

The four newer drilling rigs were used to complete Range's five-well drilling campaign during 2016 (17,135 feet drilled) with drilling operations completed efficiently, safely and ahead of schedule. The average drilling time for development wells from spud to completion using the new equipment has shown a 15% improvement compared to older equipment previously used. RRDSL's production rigs are currently used in Range's waterflood and workover operations in Trinidad.

Description of the rigs

A summary of the rigs owned by RRDSL are given in the table below:

Category	Rig number	Model	Capacity (meters)	Period of most recent use	Current status
Drilling Rig	1	SR-60	200	February 2015	Being repaired
	8	IDECO 433	2000	March 2015	Being repaired
	16	QZ225/6-K	4000	July 2016	Need to modify power
	17	ZJ-20	2000	December 2016	Operational
	18	ZJ-15	1500	September 2017	Operational
	19	XJ100 – 10X8 F carrier	1000	November 2016	Operational
Workover Rig	2	Cooper 250	1000	Currently in use	Operational
	3	MST 800	500	Currently in use	Operational
	4	MST 1500	500	August 2016	Down for repairs
	6	DIR-308	1500	November 2016	Operational
	9	Mack Carrier	500	Currently in use	Operational
Swabbing Rigs	11	Ford VZ110378	1000	Currently in use	Operational
	12	Mack VG6M 112	1000	Currently in use	Operational

Staffing

RRDSL's leadership team consists of a General Manager, Deputy General Manager, Production Team Leader, a Drilling Manager, and a Human Resources / IT Team Leader. The General Manager and Deputy General Manager are on expatriate contracts. The Drilling Manager and Production Team Leader are on secondment from Range Trinidad. Their employment costs are covered by Range Trinidad and are recharged to RRDSL. RRDSL currently has 189 employees (which includes 20 employees on secondment from Range Trinidad), a decline from 207 employees at 30 June 2014 as a result of a cost reduction exercise. RRDSL recognised a trade union in February 2017.

Competitive Environment

RRDSL's drilling fleet is one of the most efficient and modern fleets available in the Trinidad market. The main competitor of RRDSL is Well Services Petroleum Company Ltd, a private company based in Trinidad which provides oilfield services to local operators.

Summary Financial Information

The following table sets out a summary of the financial performance of RRDSL for the 12 months ended 30 June 2016, 31 December 2016 and 30 June 2017.

RRDSL historical financial performance

US$ '000 [1]	12 months ended 30-Jun-17 Audited	12 months ended 31-Dec-16 Audited	12 months ended 30-Jun-16 Unaudited
Revenue			
Revenue from supply of services	19,983	28,107	19,224
Management fee	-	-	108
Interest income	1,941	1,196	714
Other income			
	21,924	**29,303**	**20,046**
Expenses			
Direct cost	(8,164)	(15,816)	(11,857)
Staff cost	(3,301)	(4,603)	(6,592)
Administration and other expenses	(4,187)	(4,072)	(644)
Depreciation	(1,291)	(1,121)	(549)
Impairment expense	(2,626)	(73)	-
Profit from operations	**2,355**	**3,618**	**404**
Finance Cost	(4,823)	(4,252)	(2,828)
(Loss) / profit before tax	**(2,468)**	**(634)**	**(2,424)**
Income tax expense	(114)	(654)	(1,424)
Total (loss) / profit after tax	**(2,582)**	**(1,288)**	**(3,848)**

1. The historical statements of financial performance of RRDSL have been translated from Trinidad and Tobago Dollars to US Dollars at average TTD: USD exchange rates of 6.664 (Jun-17), 6.632 (Dec-16) and 6.460 (Jun-16)

RRDSL reported a net loss in each of the three periods displayed above, reflecting a sustained climate of depressed oil prices over this time.

Further information in relation to RRDSL's financial position is set out in the Independent Expert's Report. Shareholders are encouraged to read the Independent Expert's Report in detail.

6.4 Rationale for the Acquisition

The Board believes the Acquisition will provide the Group with substantial operational flexibility and is expected to significantly decrease the operating costs associated with its upstream operations in Trinidad should the rigs be used for such operations. The Acquisition is also expected to allow the Company’s business in Trinidad to grow and prosper as a part of a unified group, and realise increased value for Shareholders.

Although the timing and sustainability of further recovery in the oil price is unknown, the Company believes the recent relative oil price recovery is having a more favourable impact on drilling activities in the E&P sector globally and consequently on oilfield service providers. Additionally, there is a limited number of drilling rigs available in Trinidad. The Board believes there is potential to capitalise on this and to increase substantially upon the existing levels of business with other upstream companies in Trinidad. RRDSL is in discussions with other operators in Trinidad and South America with a view to assisting them in monetising their oil and gas resources and believes the Enlarged Group will be in a position to secure further contract work for the drilling fleet based on interest seen to date. The Board therefore believes the Acquisition will provide the Enlarged Group with an additional revenue stream.

Strengths of the Enlarged Group

The Directors believe that the strengths of the Enlarged Group will be its:

(a) scope to exploit the potential growth opportunities in the Trinidad oil services market where there are a limited number of high quality drilling rigs, and to expand its oil services business internationally;

(b) scope to use RRDSL to lower the operating costs for its oil and gas exploration, development and production operations in Trinidad;

(c) scope for production growth through the implementation of the waterflood programme at Beach-Marcelle, South Quarry and Morne Diablo;

(d) balanced portfolio of exploration, development and production assets; and

(e) balance sheet flexibility, with US$17,254,360 of cash on the balance sheet as at 30 June 2017 and no requirement to repay amounts outstanding to LandOcean under the IMSA and various purchase orders until 30 April 2020.

Strategy of the Enlarged Group

The strategy of the Enlarged Group will be to:

(a) establish RRDSL as a profitable oilfield services company, providing onshore operations both to Range and to other counterparties both in Trinidad and internationally. Following the Acquisition, Range will aim to take further steps to reduce costs, improve drilling efficiency, secure contracts and diversify the customer base;

(b) optimise the Trinidad assets by continuing to focus on the waterflood projects and pursue low cost workover operations to achieve production and reserves growth;

(c) implement the minimum work programme commitment in Indonesia to increase reserves and production;

(d) build an asset base demonstrating significant production, reserves and cash-flows, whilst maintaining further growth potential through selective exploration;

(e) continue to evolve through strong technical strategic partnerships;

(f) pursue growth opportunities through the acquisition of new oil and gas assets; and

(g) maintain financial strength, flexibility and stringent cost control.

6.5 Risks relating to the Acquisition

Amounts owing to the LandOcean Group

Following completion of the Acquisition, the Enlarged Group will be significantly indebted to the LandOcean Group in respect of (i) payment of the cash consideration for the Acquisition (including accrued interest); (ii) amounts owing under the Convertible Note Agreement (including repayment of the Convertible Notes and any accrued coupon); (iii) amounts owing under the IMSA and related purchase orders (including accrued interest) and (iv) the existing indebtedness owed by RRDSL to the LandOcean Group pursuant to the loan agreement referred to in Section 6.2(a) above. The Enlarged Group's ability to make payments of principal and interest (or coupons) on, or to refinance, the indebtedness to the LandOcean Group will depend on its ability to access capital markets, future operating performance, and ability to generate cash-flows, which are subject, inter alia, to prevailing economic conditions, prevailing interest rate levels, and financial, competitive, business and other factors, many of which may be beyond its control.

Credit terms with LandOcean

Following completion of the Acquisition, the Enlarged Group may no longer benefit from the existing credit terms from LandOcean with respect to its drilling activities in Trinidad under the IMSA. However, the Group has negotiated new credit terms with LandOcean pursuant to the IMSA Letter Agreement in terms of which:

(a) the payment due date for all approved invoices (and any accrued interest) issued under the IMSA or certain related purchase orders and which are outstanding at the date of the IMSA Letter Agreement will be the third anniversary of the effective date of the IMSA Letter Agreement;

(b) the payment due date for all invoices (and any accrued interest) issued under the IMSA or certain related purchase orders after the effective date of the Letter Agreement will be the third anniversary of the date of approval of such invoice; and

(c) the interest rate for all outstanding approved invoices issued under each of the IMSA or certain related purchase orders shall be 6% per annum.

As at 24 October 2017 (being the last practicable date prior to the date of this Notice), the total amount outstanding by the Group to LandOcean's group under the IMSA and related purchase orders was approximately US$40 million. There is no assurance that the Group will benefit from the credit terms set out above in respect of any future purchase orders with LandOcean under the IMSA required in relation to drilling activities. The terms of any such future purchase orders could impact on the Enlarged Group's ability to progress its development programme (including the waterflood programme) and generate cash-flows.

Realising the benefits of the Acquisition

There is no assurance that the Enlarged Group will realise the potential benefits of the Acquisition including being able to generate revenues and cash-flows from new customers. The Enlarged Group’s oil services business is not expected to have any material agreements in place with customers at completion. If the Enlarged Group is unable to commence the operations of its oil services business successfully then this could have a significantly negative impact on its results of operations and/or its financial condition.

7. Resolution 4 – Approval to acquire Range Resources Drilling Services Limited

7.1 Background

The Company seeks approval from Shareholders under ASX Listing Rule 10.1 for the Acquisition.

Resolution 4 is sought to be passed as an ordinary resolution.

7.2 ASX Listing Rule 10.1 requirements

ASX Listing Rule 10 deals with transactions between an entity (or any of its subsidiaries) and persons in a position to influence the entity

ASX Listing Rule 10.1 provides that an entity (or any of its subsidiaries) must not acquire a substantial asset from, or dispose of a substantial asset to, any of the following persons without the approval of the entity’s security holders. These persons include:

(a) a related party;

(b) a subsidiary;

(c) a substantial holder, if the person and the person’s associates have a relevant interest, or had a relevant interest at any time in the 6 months before the transaction, in at least 10% of the total votes attached to the voting securities;

(d) an associate of a person referred to in (a) to (c) above; or

(e) a person whose relationship to the entity is such that, in ASX’s opinion, the transaction should be approved by security holders.

An asset is "substantial" if its value, or the value of the consideration for it is, or in ASX’s opinion is, 5% or more of the equity interests of the entity as set out in the latest set of accounts given to ASX under the ASX Listing Rules. The value of the consideration payable for the Acquisition was above this threshold at the time that the Acquisition was announced on 13 March 2017, based on the consolidated equity interests in the Company’s annual report for the year ended 30 June 2016, being the most recent accounts that had been given to ASX at that time. The value of the consideration remains above this threshold based on the consolidated equity interests in the Company’s 2017 Annual Report.

ASX has determined that the relationship between LandOcean and the Company is such that in ASX's opinion the Acquisition should be approved by shareholders. As set out in Section 6.5 above, LandOcean, in addition to being a significant creditor of the Company, holds the Convertible Notes, which have a total face value of $US20 million. The Convertible Notes are convertible into Shares at a conversion price of £0.0088. Depending on the USD:GBP exchange rate, the number of Shares that would be issued on conversion of the Convertible Notes could give LandOcean a relevant interest in greater than 20% of the Company's voting securities. The Company obtained shareholder approval for the issue of the Convertible Notes in accordance with the requirements of item 7 of section 611 of the Corporations Act at a general meeting of Shareholders held on 7 February 2017.

7.3 Interests and recommendations of Directors

None of the current Board members have a material personal interest in the outcome of Resolution 4 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 Resolution.

All of the Directors are of the opinion that the Acquisition is in the best interests of shareholders and, accordingly, the Board unanimously recommend that Shareholders vote in favour of Resolution 4.

The Director's recommendations are based on the reasons outlined in Section 6.4 above.

All material information required for Shareholders to consider Resolution 4 is outlined in Section 6 above, as well as in the Independent Expert's Report.

7.4 Independent Expert's Report

Under the ASX Listing Rules, the Company is required to engage an independent expert to advise shareholders whether the Acquisition is fair and reasonable to the non-associated Shareholders of the Company.

The Company has engaged RSM Corporate Australia Pty Ltd (**RSM**) to prepare the Independent Expert's Report which is included together with this Notice.

RSM has determined that the Acquisition is **FAIR AND REASONABLE** to the non-associated Shareholders.

All Shareholders are encouraged to read the Independent Expert's Report in detail and should you have any questions, speak to your professional adviser.

8. Resolution 5 – Approval for cancellation of partly paid shares

8.1 Background

During the financial year ended 30 June 2007, the Company issued 3,750,000 Partly Paid Shares to some of the Company's then directors on the terms approved by Shareholders at the Company's 2006 annual general meeting. Following the Company's 20–for–1 share and option consolidation in 2007, the Partly Paid Shares were issued to those directors at an issue price of A$0.60 each and deemed to have been paid up to A$0.30 each, leaving A$0.30 payable by the holder within 13 months of the date of issue. On 30 June 2007, the Company issued a further 1,175,000 Partly Paid Share to various consultants of the Company on the same terms.

It was not clear under the terms of issue of the Partly Paid Shares whether the Company had the ability to call for payment of the unpaid amounts in respect of the Partly Paid Share, or the precise liability of holders for such amounts. The then Board formed a view that a holder of a Partly Paid Share was able to elect, at the holder's sole and absolute discretion, to pay up the unpaid amounts in respect of the Partly Paid Share. The terms of issue provided that a failure by the holder to pay the unpaid amounts in respect of the Partly Paid Shares within 13 months of the date of issue rendered the Partly Paid Shares liable to forfeiture.

On 26 September 2008, the Board, after noting the uncertainty regarding the ability of the Company to enforce payment of the unpaid amounts on the Partly Paid Shares, resolved that Partly Paid Shares be forfeited and that payment would not be enforced with regards to the unpaid balance, being A$1,477,500.

8.2 Section 258D of the Corporations Act

Due to an administrative oversight, the Company has not previously taken the steps required under the Corporations Act to cancel the Partly Paid Shares.

Section 258D of the Corporations Act provides that a company, may by resolution passed at a general meeting, cancel shares that have been forfeited under the terms on which the shares are on issue.

The purpose of Resolution 5 is to obtain Shareholder approval for the cancellation of the Partly Paid Shares. Resolution 5 is sought to be passed as an ordinary resolution.

8.3 Impact on the Company's financial report

The Company recognised the cancellation of the Partly Paid Shares in the year ended 30 June 2015. The Company's financial report for that year reflected that contributed equity was reduced by US$1,362,344, being the A$ value of the unpaid balance of the Partly Paid Shares (A$1,477,500).

No further adjustment to the Company's financial report will be required as a result of the passing of Resolution 5.

8.4 ASX Listing Rule 7.26

The Company provides the following information with respect to the forfeited Partly Paid Shares in accordance with ASX Listing Rule 7.26:

Total issue price of the forfeited Party Paid Shares:	Nil. The Partly Paid Shares were issued for nil consideration (but deemed to have a paid-up amount of A$0.30 each (following the Company's 20–for–1 share and option consolidation in 2007).
Amount called but unpaid / amount called:	The aggregate balance payable on the Partly Paid Shares was A$1,477,500. The Board's view was that there was uncertainty regarding the liability of holders for the unpaid balance of the Partly Paid Shares. The Board resolved in 2008 not to enforce payment against the holders of the Partly Paid Shares and accordingly, no amount was called by the Company.
Outstanding liability of former holders:	A$1,477,500. However, given the uncertainty regarding the liability of holders for the unpaid balance of the Partly Paid Shares, the Board resolved in 2008 not to enforce payment against the holders of the Partly Paid Shares.

8.5 Recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 5.

9. Resolution 6 – Renewal of proportional takeover provisions

9.1 General

The Corporations Act permits a company's constitution to include a provision that enables it to refuse to register shares acquired under a proportional takeover bid, unless shareholders approve the bid. Clause 35 of the Constitution was approved by Shareholders in 2014, but that approval (and therefore the provision) ceases to have effect on 28 November 2017. The Directors consider it in the interests of Shareholders to continue to have a proportional takeover provision in the Constitution and, accordingly, Shareholders are requested to renew the proportional takeover provisions contained in Article 35 of the Constitution with effect from the date of this meeting for a further period of three years.

Resolution 6 is a special resolution. A special resolution is one of which notice must be given in accordance with section 249L(1)(c) of the Corporations Act (which requires the setting out of the intention to propose a special resolution, and a statement of the resolution) and which has to be passed by at least 75% of the votes cast by members entitled to vote on the resolution.

9.2 Proportional takeover bid

A proportional takeover bid is a takeover bid where the offer made to each Shareholder is only for a proportion of that Shareholder's Shares (i.e. less than 100 per cent).

9.3 Effect of a proportional takeover bid provision

If a proportional takeover bid is made, the Directors must ensure that a general meeting to approve the bid is held more than 14 days before the last day of the bid period, at which Shareholders will consider a resolution to approve the takeover bid. Each Shareholder will have one vote for each fully paid Share held, with the vote to be decided on a simple majority. The bidder and its associates are not allowed to vote.

If the resolution is not passed at that meeting, no transfer will be registered and the offer will be taken to have been withdrawn. If the resolution is not voted on, the bid will be taken to have been approved. If the bid is approved (or taken to have been approved), all valid transfers must be registered.

The proportional takeover approval provisions do not apply to full takeover bids and, if renewed, will only apply for three years after the date of the renewal.

9.4 Potential advantages and disadvantages

(a) The Directors consider that the proportional takeover approval provisions have no potential advantages for the Directors, but do have some for Shareholders including:

    (i) Shareholders will be given the right to decide by majority vote whether to accept a proportional takeover bid;

    (ii) the provisions may help Shareholders avoid being locked in as a minority and may prevent a bidder acquiring control of the Company without paying an adequate control premium (i.e. paying for all of their Shares);

    (iii) the provisions may increase Shareholders' bargaining power and may help ensure that any bid is adequately priced; and

    (iv) knowing the view of the majority of Shareholders may help each individual Shareholder to decide whether to accept or reject the proportional offer.

(b) The potential disadvantages of the proportional takeover provisions for Shareholders include:

    (i) they may discourage proportional takeover bids being made for Shares in the Company;

    (ii) Shareholders may lose an opportunity to sell some of their shares at a premium; and

    (iii) the likelihood of a proportional takeover succeeding may be reduced.

During the three years that the existing proportional takeover provisions have been in effect, there had been no takeover bids for the Company. The Directors are not aware of any potential bid that was discouraged by Article 35 of the Constitution.

The Directors consider that the potential advantages for shareholders of the proportional takeover provisions operating for the next three years outweigh the potential disadvantages.

9.5 Knowledge of takeover bids

As at the date of this Notice, no Director is aware of any proposal to acquire or to increase the extent of a substantial interest in the Company.

9.6 Recommendation

The Board unanimously recommends the renewal of the proportional takeover provisions.

10. Definitions

In this Notice and the Explanatory Memorandum:

A$ means Australian Dollars.

Acquisition means the proposed acquisition of RRDSL by SOCA Petroleum Limited, a wholly owned subsidiary of the Company.

Acquisition Agreement means the sale and purchase agreement dated 27 April 2017 between SOCA Petroleum and LandOcean Petroleum in relation to RRDSL.

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

AIM means the market of that name operated by the London Stock Exchange.

AIM Rules means the AIM Rules for Companies published by the London Stock Exchange, as amended from time to time.

Annual Report means the Directors' Report, the Financial Report and Auditor's Report in respect to the financial year ended 30 June 2017.

ASIC means the Australian Securities and Investments Commission.

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

ASX Listing Rules means the listing rules of ASX.

Auditor's Report means the auditor's report on the Financial Report.

Board or **Directors** means the directors of the Company.

Chair means the person appointed to chair the Meeting.

Closely Related Party has the meaning in section 9 of the Corporations Act.

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act* 2001 (Cth).

Convertible Note Agreement means the convertible note deed between the Company and LandOcean dated 28 October 2016 (as amended and restated by a deed of amendment and restatement dated 15 November 2016).

Convertible Notes means the US$20,000,000 unlisted unsecured convertible notes issued to LandOcean on 28 November 2016 under the terms of the Convertible Note Agreement having an 8% per annum coupon and a face value of US$1.00 each.

DI Holder means a Depository Interest holder.

Director means a director of the Company.

Directors' Report means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Enlarged Group means the Group following the completion of the Acquisition.

Explanatory Memorandum means the explanatory memorandum attached to this Notice.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act of the Company and its controlled entities.

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

Group means the Company and its subsidiaries.

Form of Direction means the form of direction sent to DI Holders enclosed with this Notice for use by the DI Holders in connection with the Meeting

IMSA means the Integrated Master Services Agreement dated 29 May 2014 between the Company and LandOcean, as amended by an amendment dated 9 December 2014 and a supplementary agreement dated 17 June 2016.

IMSA Letter Agreement means the letter agreement dated 27 April 2017 in relation to the IMSA among the Company, LandOcean, RRDSL, Range Resources Trinidad Limited, Chengdu Western UnionPetro Engineering Technology, PST Services Corp. and Range Resources GY Shallow Limited.

Independent Expert or **RSM** means RSM Corporate Australia Pty Ltd ABN 82 050 508 024.

Key Management Personnel means a person having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

LandOcean means LandOcean Energy Services Co. Ltd.

LandOcean Group means LandOcean and its subsidiaries.

LandOcean Petroleum means LandOcean Petroleum Corp. Ltd, a wholly owned subsidiary of LandOcean incorporated in Hong Kong.

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

Notice means this notice of annual general meeting.

Partly Paid Shares means the 4,925,000 partly paid Shares that have been forfeited and being the subject of Resolution 5.

Proxy Form means the proxy form attached to this Notice.

Range Trinidad means Range Resources Trinidad Limited, a wholly owned subsidiary of the Company, incorporated in Trinidad and Tobago.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

RRDSL means Range Resources Drilling Services Limited.

Shareholder means a shareholder of the Company.

Shares means ordinary shares in the capital of the Company.

SOCA Petroleum means SOCA Petroleum Limited, a wholly owned subsidiary of the Company incorporated in Barbados.

US$ means United States Dollars.

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

RANGE RESOURCES LIMITED

Financial Services Guide and Independent Expert's Report

26 October 2017

*We have concluded that the Proposed Transaction is **fair** and **reasonable***

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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 5 of this report.

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26 October 2017
The Directors
Range Resources Limited
C/O Edwards Mac Scovell
Level 7, 140 St Georges Terrace
Perth WA 6000

Dear Directors

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 November 2017, at which shareholder approval will be sought for (among other things) the acquisition of 100% of the issued capital of Range Resources Drilling Services Limited ("RRDSL") from LandOcean Energy Services Co. Ltd (or its controlled entities) ("LandOcean") by SOCA Petroleum Limited ("SOCA"), a wholly owned subsidiary of the Company ("Proposed Transaction").

1.2 Range will pay LandOcean US$5.5 million in cash consideration, payable no later than 30 April 2020 being three years from the date of entering into the Proposed Transaction ("Cash Consideration"). The Cash Consideration is payable no later than 30 April 2020 with interest accrued at 6% per annum and paid annually

1.3 The Directors of the Company 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 4 in the Notice., restated below.

Resolution 4

"That, for the purposes of ASX Listing Rule 10.1 and for all other purposes, approval is given for the acquisition by SOCA Petroleum Limited of 100% of the issued share capital of Range Resources Drilling Services Limited from LandOcean Petroleum Corp. Limited on the terms and conditions summarised in the Explanatory Memorandum."

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 11 and 12 of this Report, the Proposed Transaction is fair and reasonable to the Non-Associated Shareholders of Range.

Approach

2.2 ASX Listing Rule 10.1 states that an entity must ensure that neither it, nor any of its child entities, acquires a substantial asset from, or disposes of a substantial asset to a related party or substantial shareholder or any of its associates without the approval of holders of the entity's ordinary securities.

2.3 Where Shareholder approval is required, ASX Listing Rule 10.10.2 sets out the requirement for the inclusion of an independent expert's report opining on whether the transaction is fair and reasonable.

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

- The aggregate Fair Market Value of the consideration, comprising the Cash Consideration of US$5.5 million and the deficiency in net assets of RRDSL ("Consideration"); with
- The Fair Market Value of cost savings that Range will benefit from following the acquisition of RRDSL ("Cost Savings"),

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 value of the Consideration and the Cost Savings are summarised in the table and figure below.

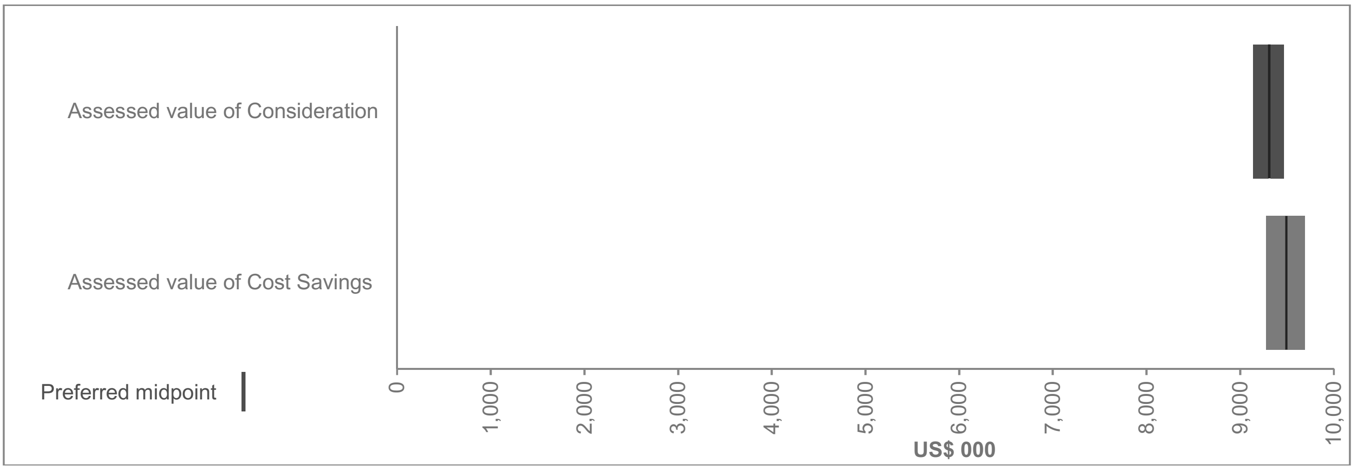
Table 1 Assessed values of the Consideration and Cost Savings

Assessment of fairness	Ref	Value Low US$ 000	Midpoint US$ 000	High US$ 000
Assessed value of Consideration	9.2	9,136	9,299	9,462
Assessed value of Cost Savings	10.2	9,274	9,484	9,694

Source: RSM analysis

2.7 These values are shown graphically below.

Figure 1 Fairness graph



Source: RSM analysis

2.8 We note that the assessed range of values of the Cost Savings is within the range of values of the Consideration. We note that the preferred mid-point value for the Cost Savings is above the range of values for the Consideration.

2.9 In accordance with the guidance set out in ASIC RG 111, and in the absence of any other relevant information, for the purposes of ASX Listing Rule 10.10.2, we consider the Proposed Transaction to be fair to the Non-Associated Shareholders of Range.

Reasonableness

2.10 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.

2.11 If the Proposed Transaction does not proceed, the Company will not receive the benefit of the Cost Savings, potential new income streams and operational flexibility made available by the proposed acquisition of RRDSL, leaving the Company even more reliant on significantly improved market conditions and access to capital markets, in order to remain solvent.

2.12 The key advantages of the Proposed Transaction are:

- The proposed Transaction is fair;
- Range will benefit from significant Cost Savings by eliminating the third-party margins currently charged on all work undertaken by RRDSL, resulting in improved profitability and greater cash-flow flexibility;
- A potential new revenue stream may arise by increasing RRDSL's existing level of drilling activities in the Trinidad and wider Caribbean/Latin America oil services market;
- Range will have greater control and operational flexibility over its Trinidad assets; and

- After withstanding several years of challenging market condition, the Proposed Transaction will place Range in a better position to capitalise possibly improved conditions should the recent recovery in global oil prices continue.

2.13 The key disadvantages of the Proposed Transaction are:

- The Company will be significantly indebted to LandOcean;
- The Company will no longer benefit from such wide ranging credit terms with LandOcean; and
- No assurance that the potential benefits from RRDSL generate additional cash flows from new customers will be realised.

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

2.15 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 Proposed Transaction

Overview

3.1 Under the Proposed Transaction, Range is proposing to acquire 100% of the issued capital of RRDSL from LandOcean for Cash Consideration of US$5.5 million. The Cash Consideration is payable no later than 30 April 2020 with interest accrued at 6% per annum and paid annually.

3.2 One of the key conditions of the Proposed Transaction is that Range will take on existing debt owed by RRDSL to LandOcean totalling approximately US$20 million, the terms of which will be amended to reflect the terms of the Proposed Transaction, namely interest of 6% per annum and no repayments until 30 April 2020 (“Existing Debt”).

3.3 Outstanding amounts owed by Range to LandOcean prior to the Proposed Transaction include:

- US$20 million convertible notes on issue to LandOcean (“Convertible Notes”); and
- Approximately US$40 million due under the Integrated Master Services Agreement (“IMSA”) for drilling and other oilfield services incurred since the IMSA was established in 2014. On 27 April 2017, Range and LandOcean entered an IMSA letter agreement (“IMSA Letter Agreement”) whereby LandOcean agreed to revise the terms for amounts due by Range under the IMSA to reflect the terms of the Proposed Transaction, namely no repayments until 30 April 2020 and interest accrued at 6% per annum (“IMSA Debt”).

3.4 At completion of the Proposed Transaction, the total amounts owed by Range to LandOcean will therefore equate to approximately US$85.5 million, being:

- US$5.5 million Cash Consideration;
- US$20 million Existing Debt;
- US$20 million Convertible Notes; and
- US$40 million IMSA Debt.

Key conditions of the Proposed Transaction

3.5 Completion of the Proposed Transaction is subject to and conditional upon a number of conditions precedent set out in the sale and purchase agreement, including:

- Range and LandOcean entering into a loan agreement to revise the terms of the Existing Debt to align with the terms of the Cash Consideration, namely interest payable at 6% per annum and repayment due before the third anniversary of completion of the Proposed Transaction;
- Range Shareholders approving the acquisition of RRDSL; and
- Receipt of all necessary consents and approvals (including without limitation, any required approvals under the ASX listing rules).

Rationale for the Proposed Transaction

3.6 The Board believes the acquisition will provide the Company with significant Cost Savings associated with Range’s upstream operations in Trinidad due to the third-party margins currently applied to work undertaken. In addition, bringing the drilling programme ‘in-house’ will grant Range with greater operational flexibility and control over its operating costs in Trinidad, which the Company believes have been hampered since the divestment of RRDSL in 2015.

3.7 The Board also believes that RRDSL can provide an additional income stream from work undertaken for third parties, the potential to capitalise on the limited number of drilling rigs available in Trinidad to increase substantially upon RRDSL's existing levels of business following the recent relative oil price recovery and global increase in drill activities in the oil and gas sector.

4. Scope of the Report

ASX Listing Rules

4.1 ASX Listing Rule 10.1 states that an entity must ensure that neither it, nor any of its child entities, acquires a substantial asset from, or disposes of a substantial asset to, a substantial shareholder, a related party or any of its associates without the approval of holders of the entity's ordinary securities.

4.2 If the Convertible Notes issued to LandOcean during FY17 are converted, based on USD: GBP exchange rate of 0.75, LandOcean will acquire an interest of 18.3% in the issued capital of Range (assuming no “out of the money” options are converted). Should the USD appreciate against the GBP to a rate of 0.825 USD: GBP or above and the Convertible Notes be converted, LandOcean’s interest in Range will increase to greater than 20%, providing it with control over Range. Therefore, for the purposes of the ASX Listing Rules, LandOcean is a related party of the Company. Shareholder approval was previously received for the issue of Convertible Notes pursuant to Section 611 (Item 7) of the Act at an Extraordinary General Meeting of Shareholders held on 7 February 2017.

4.3 An asset is considered substantial "if its value; or the value of the consideration for it is, or in the ASX's opinion is 5% or more of the equity interest of the entity as set out in the latest financial statements given to the ASX".

4.4 The equity interest of Range recorded in the Company’s audited financial statements for the year then ended, was US$20.0 million. The value of the Cash Consideration being issued to acquire RRDSL is US$5.5 million. As such, the value of the Cash Consideration will exceed 5% of the equity value of Range.

4.5 ASX Listing Rule 10.10 states that the notice for the shareholders' meeting required under ASX Listing Rule 10.1 must include a report on the transaction from an independent expert. The report must state whether, in the expert's opinion, the transaction is fair and reasonable to the Non-Associated Shareholders.

4.6 Accordingly, Range is to hold a meeting of its Shareholders where it will seek approval for the Proposed Transaction and the Company has engaged RSM, to prepare a report which sets out our opinion as to whether the Proposed Transaction is fair and reasonable to Non-Associated Shareholders.

Basis of evaluation

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

4.8 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.

4.9 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.

4.10 RG 111 states that, in relation to a related party transaction the expert's assessment of fair and reasonable should not be applied as a composite test - that is, there should be a separate assessment of whether the transaction is "fair" and "reasonable" as in a control transaction.

4.11 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 the Consideration is less than the Fair Market Value of Cost Savings following the Proposed Transaction - fairness; and

- A review of other significant factors which Non-Associated Shareholders might consider prior to approving the Proposed Transaction - reasonableness.

4.12 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.

4.13 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. The Company’s key focus is the exploration, development, and production of oil and gas in Trinidad. It also has recently announced an intention to acquire an interest in a project in Indonesia.

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

Directors

5.3 The directors of Range are summarised in the table below.

Table 2 Range Directors

Name	Title	Experience
Mr Yan Liu	Executive Director	Mr Liu, has 20 years of accounting and corporate advisory experience in China and Australia. Mr Liu was the Chief Financial Officer with 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 an experienced 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 Dentons, one of the largest law firms 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 was previously a president of Energy Prospecting Technology USA, Inc. and LandOcean Energy Canada Ltd. where she was responsible for overall management work for the subsidiary companies of LandOcean Energy Services Co. Ltd. in Houston and Calgary. Prior to that, she was an investment manager at Anterra Energy Inc. responsible for Chinese investor liaisons and a 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 Lubing Liu	Non-Executive Director	Mr Lubing Liu has over 20 years’ extensive global experience in petroleum exploration, development, production, joint venture operations and new ventures. He is currently an independent consultant to Melbana Energy Limited (an ASX listed company). Prior to that, he held various subsurface leader roles, including Chief Reservoir Engineer with Melbana Energy 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 an extensive waterflooding experience 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

5.4 The Company is primarily engaged in the exploration, development and production of oil and gas in Trinidad. In addition, the Company announced on 8 August 2017 a proposed acquisition of an interest in the Perlak field in Indonesia, which is yet to be completed at the date of this Report. On 16 August 2017, the Company also announced it had entered into a binding sale and purchase agreement to acquire interest in two offshore producing licences off the west coast of Trinidad, Brighton Marine and Point Ligoure-Guapo Bay-Brighton Marine. We have summarised these assets below.

Trinidad

5.5 Range holds a 100% interest in three onshore production licenses: Beach Marcelle, Morne Diablo and South Quarry. The asset has recently been independently assessed (by Rockflow Resources) to have net proved plus probable reserves (2P) of 16.5 million barrels of oil ("mmbbls") as at 30 April 2017. Range also holds 80% in the St Mary's onshore block.

5.6 In addition, Range holds an 80% interest in the Deep Production Sharing Contract and a 65% interest in the Shallow Production Sharing Contract over the Guayaguayare block. These production Sharing Contracts expired in 2015. Renewal is subject to final government approvals.

5.7 For the year ended 30 June 2017, the Company produced 190,546 barrels of oil at an average of approximately 522 barrels of oil per day ("bopd") net to Range, compared to an average of 531 bopd during FY16.

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 at the Beach Marcelle and Morne Diablo projects. During FY17, first production as a result of waterflooding commenced at the South-East Block of Beach Marcelle field at an average water injection rate of 1,000 barrels of water per day (“bwpd”) and at the Morne Diablo waterflood project at an average water injection rate of c. 250 bwpd.

5.9 On 16 August 2017, the Company announced it had entered into a binding sale and purchase agreement to acquire a significant interest in two offshore producing licences off the west coast of Trinidad, Brighton Marine and Point Ligoure-Guapo Bay-Brighton Marine. Both licenses currently have a combined production of approximately 200 bopd. Completion of the acquisition is conditional (amongst other things) upon a waiver of pre-emption rights by Petroleum Company of Trinidad and Tobago Limited (“Petrotrin”) and receipt of all necessary regulatory approvals from Petrotrin and the Ministry of Energy and Energy Industries of Trinidad and Tobago ("MEEI"). Range will be the operator of both blocks. The licenses reported combined net 2P reserves of 2.6 mmbbls at 31 December 2016. Backstop date for completion is 30 November 2017 (or such other date as mutually agreed by the parties).

Georgia

5.10 Range has a 45% interest in the unlisted company, Strait Oil and Gas Limited (“Strait”), which holds a 100% interest in onshore Block VIA.

5.11 During the year, the Government of Georgia represented by the LEPL State Agency of Oil and Gas of the Ministry of Energy of Georgia (the "Agency"), announced an open international tender on Block VIA in Georgia.

5.12 Range believes that any purported relicensing of Block VIA by the Agency would be a flagrant breach of the terms of the product sharing contract over Block VIA. Range is working with its legal advisers to seek an amicable resolution to this matter and is exploring relevant routes to preserve the value of its investment.

5.13 Range elected to write-off the value of the its investment in the Georgia assets as at 30 June 2017 (US$1.25 million) following the actions of the Georgian government, but intends to explore all legal routes to recover the value of its investment.

Indonesia

5.14 On 8 August 2017, the Company announced the signing of a sale and purchase agreement with PT Hengtai Weiye Oil and Gas (“Hengtai”) to acquire a 23% interest (to increase to 42% upon completion of the minimum work programme) in the Perlak field. Range estimates material remaining oil in place of up to 500 mmbbls (inclusive of all reserve categories). Completion of the transaction is conditional upon approval from the Indonesian Investment Coordinating Board (“BKPM”), and completion of statutory notification requirements.

5.15 Range has the right to appoint 1 Director and 2 Commissioners to the board of Hengtai, as well as a financial controller.

Financial Information

5.16 The financial information provided below has been extracted from the audited financial statements for the years ended 30 June 2015, 30 June 2016 and 30 June 2017. The auditor issued an unqualified opinion for the financial statements of Range at 30 June 2017.

Financial performance

5.17 The following table sets out a summary of the financial performance of Range for the years ended 30 June 2015, 30 June 2016 and 30 June 2017.

Table 3 Range historical financial performance

US$ '000	Ref	Year ended 30-Jun-17 Audited	Year ended 30-Jun-16 Audited	Year ended 30-Jun-15 Audited
Revenue from continuing operations	5.19	8,435	7,062	13,153
Operating expenses	5.20	(8,771)	(7,267)	(6,441)
Royalties		(2,494)	(2,105)	(4,654)
Depreciation, depletion and amortisation		(4,457)	(5,491)	(4,917)
Cost of sales		**(15,723)**	**(14,862)**	**(16,012)**
				(2)
Gross profit/(loss)		**(7,288)**	**(7,800)**	**(2,859)**
				(0)
Other income		174	51	429
Finance costs	5.21	(4,300)	(934)	(4,348)
General and administration costs		(3,927)	(3,400)	(9,948)
Assets write-off		-	(1,001)	(693)
Exploration expenditure		(1,153)	(4,261)	(2,203)
Impairment of non-current assets	5.22	(28,985)	(20,565)	-
Share of net loss of investments in associates		-	-	(1,492)
Loss before income tax expense from continuing operations		**(45,479)**	**(37,910)**	**(21,114)**
Income tax expense	5.23	(6,007)	(1,085)	(1,468)
Loss after income tax from continuing operations		**(51,486)**	**(38,995)**	**(22,582)**
Loss from discontinued operations, net of tax	5.24	(1,250)	(4,880)	(1,468)
Loss for the year attributable to equity holders of Range Resources Limited		**(52,736)**	**(43,875)**	**(24,050)**
Exchange differences on translation of foreign operations	5.25	2,144	161	(1,468)
Total comprehensive loss attributable to equity holders of Range Resources Limited	**5.18**	**(50,592)**	**(43,714)**	**(25,518)**

Source: Company Financials

5.18 The Company reported a net loss in each of the years ended 30 June 2015, 2016 and 2017.

5.19 Revenue from continuing operations represents oil and gas production from the Company’s Trinidad assets. Group production was broadly stable for the year and the increase in FY17 revenue was due to an increase in the average oil price realised.

5.20 Cost of sales reflect direct costs incurred in the production of hydrocarbons, depreciation of production assets and production royalties.

- In FY15, the Company reported a gross margin before depreciation and royalties of 149%.
- In FY16, a fall in global oil prices contributed to a 46% decline in revenue for the year, with Range producing hydrocarbons at a gross loss before royalties and depreciation of (3%).
- In FY17, the Company reported an increase in operating activity, with a 19% increase in revenue offset by a 21% increase in operating expenses before depreciation and royalties, due to an increase in costs of production costs. The Company attributed the increase to a substantial amount of non-recurring expenditure related to the planning and implementation of the waterflood project.

5.21 Finance costs increased to US$4.3 million in FY17 due to higher interest expenses, reflecting the doubling in borrowings since FY16, namely Convertible Notes and interest-bearing trade payable owed to LandOcean.

5.22 Impairment of non-current assets in FY17 represent non-cash impairments to goodwill associated with the Company’s Trinidad assets. Refer paragraph 5.30 for further details.

5.23 FY17 income tax expense were higher due to realisation of historic tax liabilities on the Trinidad operations.

5.24 During FY17, Range elected to fully write down the US$1.25 million asset held-for-sale which relates to 45% interest in Strait, being the company's Georgia assets, due to the uncertainty over its recoverability following the actions by the Georgia government discussed in paragraphs 5.11 to 5.13 above.

5.25 Foreign exchange gains in FY17 were mainly driven by the appreciation in the US dollar against the Trinidad and Tobago dollar.

Financial position

5.26 The table below sets out a summary of the financial position of Range as at 30 June 2015, 30 June 2016 and 30 June 2017.

Table 4 Range historical financial position

US$ '000	Ref	30-Jun-17 Audited	30-Jun-16 Audited	30-Jun-15 Audited
Assets				
Cash and cash equivalents	5.28	17,254	21,001	10,530
Trade and other receivables	5.29	5,741	4,620	5,149
Other current assets		2,586	178	783
Asset classified as held for sale		-	1,250	6,000
Total current assets		**25,581**	**27,050**	**22,462**
Trade and other receivables	5.29	6,866	-	-
Deferred tax asset		6,853	3,960	287
Available for sale financial assets		45	45	446
Goodwill	5.30	-	28,985	46,199
Property, plant and equipment		2,022	2,329	1,502
Exploration & evaluation expenditure		632	646	669
Producing assets		108,347	95,078	90,350
Total non-current assets		**124,766**	**131,043**	**139,454**
Total assets		**150,347**	**158,093**	**161,916**
Liabilities				
Trade and other payables	5.31	1,613	12,245	13,654
Current tax liabilities		283	287	297
Borrowings		-	-	7,518
Option liability		342	836	808
Provision		784	740	735
Total current liabilities		**3,023**	**14,108**	**23,012**
Trade and other payables	5.31	51,390	23,764	-
Borrowings	5.33	21,072	-	-
Deferred tax liabilities	5.34	54,500	47,562	43,359
Employee service benefit		340	422	521
Total non-current liabilities		**127,302**	**71,748**	**43,880**
Total liabilities		**130,325**	**85,856**	**66,893**
Net assets / (liabilities)	**5.27**	**20,023**	**72,237**	**95,023**
Equity				
Contributed equity		383,918	383,882	363,205
Reserves		26,339	24,227	29,749
Accumulated losses		(390,235)	(335,872)	(297,931)
Total equity		**20,023**	**72,237**	**95,023**

Source: Company Financials

5.27 At 30 June 2017 Range had net assets of US$20.0 million and a working capital balance of approximately US$5.3 million (calculated as current assets, excluding cash and cash equivalents, and less current liabilities, excluding current interest-bearing liabilities).

5.28 Range closed a US$30 million equity issue to Beijing Sibo Investment Management LP ("Sibo") during FY16 which resulted in an increase in Range's cash position. Refer paragraph 5.36 for discussion.

5.29 Trade and other receivables at 30 June 2017 comprise circa US$0.7 million trade receivables (generally settled within 30 days) and US$5.1 million tax receivables. US$6.9 million non-current trade and other receivables represent cash advances made to RRDSL. The increase in trade and other receivables since FY16 is driven by higher tax receivables and advances made to RRDSL.

5.30 The carrying value of goodwill pertaining to the Company's Trinidad assets derived on the acquisition of SOCA Petroleum were fully impaired during FY17 following the proposed acquisition of RRDSL, due to the revised overall work programme showing a lower peak production and lower overall cumulative production across the full field life for the assets, combined with additional operating costs for waterflood activities and costs associated with the purchase of RRDSL.

5.31 Trade payables at 30 June 2017 are summarised in the table below:

Table 5 Range Trade and other payables at 30 June 2017

Trade and other payables US$ '000	Ref	30-Jun-17 Audited
Current		
Trade payables		381
Sundry payables and accrued expenses		430
		811
Non -Current		
Interest bearing trade payables		40,851
Accrued expenses		10,539
		51,390

Source: Company financial statements

5.32 Interest-bearing trade payables represent amounts due to LandOcean, including the IMSA Debt (approximately US$40 million) and other related purchase orders for oilfield operations services provided to Range in Trinidad. Accrued expenses mainly comprise loan interest accruals.

5.33 Borrowings comprise the US$20 million Convertible Notes issued to LandOcean during FY17 to replace a portion of the outstanding payable balance due to LandOcean under the IMSA. Borrowings and other interest-bearing payables have increased since 30 June 2016 to fund the continued expenditure on the waterflood programme, development drilling and other study and research work undertaken in Trinidad.

5.34 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.

Funding

5.35 Prior to 2013 Range had been equity funded, however subsequently it has completed a series of debt and equity funding strategies to support the expansion of its hydrocarbon assets. The strategic relationship with LandOcean began in 2014 and has continued, despite a challenging macro-economic environment. A summary of Range's funding position since 1 July 2013 is set out below.

Table 6 Range's historical funding position at 30 June

US$ '000	Year end Contributed equity	Year end Debt position	Year end cash position
30-Jun-12 (1)	283,645	-	10,579
30-Jun-13	314,200	11,026	1,732
30-Jun-14	352,600	-	2,977
30-Jun-15	363,205	7,518	10,530
30-Jun-16	383,882	13,998 (2)	21,001
30-Jun-17	383,918	61,923 (2)	17,254

Source: S&P's Capital IQ and Company financial statements

1. the Company voluntarily changed its presentation currency from AUD to US from 1 July 2013. 30 June 2012 balances have been restated accordingly, sourced from the Company's 2013 financial statements.
2. Includes interest bearing payables due under the IMSA, approximating US$40 million at 30 June 2017 and US$14 million at 30 June 2016.

5.36 Key funding developments since 1 July 2013 are discussed below:

- FY13 – a combination of approximately US$42 million debt and equity raised through a number of debt facilities and equity placements with institutional and sophisticated investors. Around US$20.2m debt proceeds were received during the year, with approximately US$11 million remaining at 30 June 2013 following repayments and amounts converted to equity.

- FY14 – in addition to the various equity placements with institutional and sophisticated investors, during FY14 Range secured a US$12 million equity financing and debt repayment deal, allowing Range to refinance the short-term debt from numerous provides, with total debt reduced to nil at year end. Range and LandOcean entered into the IMSA, whereby LandOcean acts as the preferred oilfield services contractor to Range in Trinidad and provides extended credit terms of 12 months on all drilling related invoices. Post-year end the Company signed a US$15 million debt facility with Lind Asset Management LLC.

- FY15 – following a critical review of its financing arrangements, Range implemented a new funding programme, which included, among other things, US$30 million equity financing with Sibo and the strengthening of a strategic relationship with LandOcean; summarised as follows:

  - US$30 million equity funding package agreed with Sibo, completed subsequent to the year end. The equity financing made Sibo a new cornerstone investor with 32% interest in Range's Share capital and My Yu Wang appointed to the Board, as a representative director.

  - Following the sale of RRDSL to LandOcean during FY15, Range and LandOcean entered into amendments to the IMSA, whereby LandOcean act as the preferred oilfield services contractor to Range in Trinidad and provide extended credit terms of 12 months on all drilling related invoiced payable to RRDSL.

  - Range signed a loan agreement for up to US$15 million in medium-term financing with Lind Asset Management, LLC, (“Lind”). Range received advances totalling US$5.5 million (minus certain fees) pursuant to the agreement. On 16 February 2015, Range received a statutory demand from Lind demanding repayment of approximately US$7.2 million that Lind alleged was due and payable. Range settled all outstanding amounts due to Lind subsequent to year end, after reaching a settlement agreement.

  - Range disposed of RRDSL to LandOcean.

- FY16 – Range secured trade financing deal with LandOcean, whereby LandOcean provide Range with credit terms of 720 days for up to US$50 million to fund the development programme in Trinidad, including work related to the waterflood projects. The repayment of amounts owing to Lind resulted in a nil debt balance at 30 June 2016.

- FY17 – US$20 million Convertible Notes issued to LandOcean during FY17.

5.37 There are no payments due to LandOcean for any of the purchase orders until April 2020 so Range continues to have sufficient liquidity on hand to fund its obligations and Trinidad work programme from existing cash on hand and revenues from production.

Capital Structure

5.38 Range has 7,595,830,782 ordinary shares on issue. The top 20 shareholders of Range as at 20 September 2017 are set out below. The Company’s single largest Shareholder is Sibo (32.2%), who participated in a US$30 million equity raising with Range in FY16.

5.39 Computershare Clearing Pty Ltd (49.8%) represents a pool of UK Depositary Interest holders, which show up as a single Shareholder on the Australian register. The largest individual Shareholder within this pool of UK Depositary Interest holders is Barclays Direct Investing Nominees Limited (14.18%). Each of the remaining UK Depository Interest holders have a relevant voting interest of less than 10%.

Table 7 Range Top 20 shareholders

Rank	Name	Total Units	% Issued Share Capital
1	COMPUTERSHARE CLEARING PTY LTD	3,754,808,635	49.8%
2	BEIJING SIBO INVESTMENT MANAGEMENT LP	2,447,620,912	32.2%
3	ABRAHAM LIMITED	712,377,560	9.4%
4	J P MORGAN NOMINEES AUSTRALIA LIMITED	52,270,316	0.7%
5	CITICORP NOMINEES PTY LIMITED	52,266,945	0.5%
6	BNP PARIBAS NOMINEES PTY LTD	38,069,048	0.4%
7	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	28,737,705	0.4%
8	BNP PARIBAS NOMS PTY LTD	23,461,354	0.3%
9	MR DAVID SCANLEN	20,070,693	0.3%
10	MR DAVID CHEN	18,288,070	0.2%
11	MR PIETER HOEKSTRA + MRS RUTH HOEKSTRA	17,362,488	0.2%
12	PTN FUTURE PTY LTD	13,000,000	0.2%
13	ALL DOOR SERVICES PTY LTD	10,723,733	0.1%
14	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	6,990,575	0.1%
15	MR YAN LIU	6,333,333	0.1%
16	MRS VITA PELLY	5,236,000	0.1%
17	MR MOHAMED HERSI	5,028,416	0.1%
18	G & D FINN PTY LTD	5,000,870	0.1%
19	IMMOBILIARE` INVESTMENTS PTY LTD	5,000,000	0.1%
20	MRS LINGLING WEI	4,828,061	0.1%
	Total Top 20 shareholding	**7,227,474,714**	**95.2%**
	Others	368,356,068	4.8%
	Total Issued Capital	**7,595,830,782**	**100.0%**

Source: Company / Computershare

5.40 The company also has 20 million Convertible Notes on issue to LandOcean which carry the following terms:

- A face value of US$1 per Convertible Note;
- A conversion price of £0.0088 per share (this would result in approximately 85 shares issued on the conversion of each Convertible Note, assuming an exchange rate of 1USD:0.75GBP);
- An interest rate of 8% per annum, payable annually;
- A maturity date of 19 November 2019, being 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.

5.41 Range also has around 790 million unlisted options on issue as at 20 September 2017 as set out in the following table.

Table 8 Range unlisted options on issue

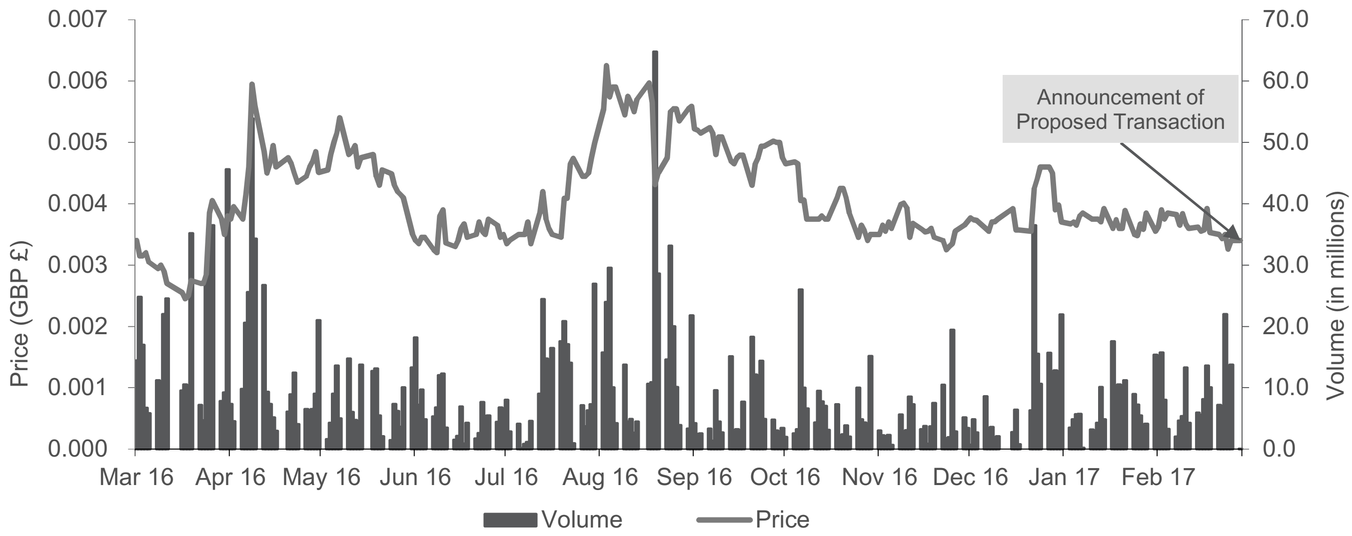
Unlisted Options on issue	Exercise Price	Expiry Date
31,000,000	£0.012	15-Oct-17
1,000,000	A$0.05	31-Jan-18
161,472,247	£0.010	14-Jul-18
118,729,593	£0.020	14-Jul-18
14,000,000	£0.010	31-Aug-18
194,585,862	£0.010	3-Sep-19
172,557,274	£0.020	3-Sep-19
100,500,000	£0.010	30-Mar-20

Source: Company ASX announcements

Share price performance

5.42 The figure below sets out a summary of Range's closing Share prices and traded volumes on AIM for the 12 months to the date the Proposed Transaction was announced on 13 March 2017. The Company's Shares were suspended from trading on both AIM and the ASX on this date. The Shares resumed trading on the ASX on 15 September 2017.

Figure 2 Range Share price performance



Source: S&P;s Capital IQ

5.43 In the 12 months prior to 13 March 2017, Range shares traded between a low of £0.002 and a high of £0.007.

5.44 We note that elevated trading volumes were observed on the following trading days:

- 21 April 2016 – no specific announcement was released in the days immediately before and after this date that might explain the increase in volume; and
- 1 September 2016 – an announcement was released 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. On 15 September 2016, Range announced that a comprehensive response had been submitted to ANH objecting to the demand notice and that Range would continue to defend its position.

5.45 Trading of the Company's Shares on AIM were cancelled effective 14 September 2017, following its Shares being suspended from trading for a period of six months in relation to the Proposed Transaction pursuant to AIM Rule 41. The Company is targeting a new admission onto AIM during Q4 2017 following completion of the Proposed Transaction.

6. Profile of Range Resources Drilling Services Limited

Background

6.1 RRDSL is an oilfield services company that was incorporated in the Republic of Trinidad and Tobago in 2003.

6.2 RRDSL principal activity is the supply of oilfield services and equipment to companies operating in the crude oil industry.

6.3 RRDSL has a fleet of 13 rigs, including 4 drilling rigs purchased in 2014, and provides full oilfield operations services to Range's Trinidad assets with over 160 staff. RRDSL's production rigs are currently used in Range's waterflood and workover operations in Trinidad.

6.4 RRDSL was previously owned by Range and sold to LandOcean Petroleum, a subsidiary of LandOcean, in 2015 for a total cash consideration of approximately US$4.4 million to allow Range to focus on upstream oilfield operations amid a period of lower oil prices.

6.5 During the past two years, LandOcean has contributed over US$25.0 million in capital toward RRDSL, including the purchase of four new drilling rigs. A major streamlining overhead structure has also been completed over this period, which resulted in a reduction in staff numbers by 24%.

6.6 Range plans to continue with its upstream operations and believes the acquisition of RRDSL will significantly lower its Trinidad cost base and provide operational flexibility.

RRDSL Rigs

6.7 RRDSL's fleet of assets include:

- Six onshore drilling rigs ranging in drilling capacities between 2,000 meters and 4,000 meters and capable of drilling both vertical and directional wells;
- Seven workover and swabbing rigs which can be used for production and waterflood activities; and
- Cementing equipment, tracked carriers, tanker trucks, storage tanks, a full workshop and pipe yard, and other related facilities and equipment.

6.8 Set out in the following table are a summary of the 13 rigs owned by RRDSL.

Table 9 RRDSL production rigs

Category	Rig number	Model	Capacity (meters)	Period of most recent use	Status
Drilling Rig	1	SR-60	200	Feb-15	Being repaired
	8	IDECO 433	2000	Mar-15	Being repaired
	16	QZ225/6-K	4000	Jul-16	Need to modify power
	17	ZJ-20	2000	Dec-16	Operational
	18	ZJ-15	1500	Aug-16	Operational
	19	XJ100 – 10X8 F carrier	1000	Nov-16	Operational
Workover Rig	2	Cooper 250	1000	Currently in use	Operational
	3	MST 800	500	Currently in use	Operational
	4	MST 1500	500	Aug-16	Down for repairs
	6	DIR-308	1500	Nov-16	Operational
	9	Mack Carrier	500	Currently in use	Operational
Swabbing Rigs	11	Ford VZ110378	1000	Currently in use	Operational
	12	Mack VG6M 112	1000	Currently in use	Operational

Source: Company

Integrated Master Services Agreement

6.9 On 29 May 2014, Range and LandOcean entered into an IMSA, pursuant to which LandOcean acts as the preferred services contractor for Range's oilfield services in Trinidad, including drilling and waterflood activities with services provided on credit terms.

6.10 Following completion of the acquisition of RRDSL, Range will no longer benefit from such wide ranging credit terms from LandOcean on its oilfield services activities in Trinidad. Range intends to fund ongoing expenditure on waterflood projects and other operations from existing cash resources, revenues generated from operations and other sources of financing as required.

6.11 On 27 April 2017, Range and LandOcean signed the IMSA Letter Agreement to revise the repayment terms on all amounts due by Range to LandOcean (excluding the Convertible Notes). The new credit terms with LandOcean pursuant to the IMSA Letter Agreement include:

- the payment due date for all approved invoices (and any accrued interest) issued under the IMSA or certain related purchase orders and which are outstanding at the date of the IMSA Letter Agreement will be the third anniversary of the effective date of the IMSA Letter Agreement;
- the payment due date for all invoices (and any accrued interest) issued under the IMSA or certain related purchase orders after the effective date of the IMSA Letter Agreement will be the third anniversary of the date of approval of such invoice; and
- the interest rate for all outstanding approved invoices issued under each of the IMSA and certain related purchase orders shall be 6% per annum.

6.12 The IMSA Debt due by Range to LandOcean at the date of this report is approximately US$40.0 million.

Financial information

6.13 The following financial statements have been extracted from the following financial statements of RRDSL:

- Unaudited financial statements for the 12 months ended 30 June 2016,

- Audited financial statements for the year ended 31 December 2016; and
- Audited financial statements for the 12 months ended 30 June 2017.

6.14 The independent auditor, BDO, included the following emphasis of matter regarding the audited financial statements of RRDSL for the year ended 30 June 2017:

"(a)s at 30 June 2017, rigs with a net book value of $2,204,902 and $6,371,759 were not used for 28 and 111 months respectively prior to the reporting date. As the Company depreciates the rigs based on usage, the said rigs have not been depreciated for the period noted. No recent valuation or assessment has been conducted by the Company to determine whether the rigs are impaired. Should a valuation or assessment, it is possible that adjustments may be required to the carrying value of the said rigs."

6.15 We note that the financial statements of RRDSL and thus the emphasis of matter are denominated in Trinidad and Tobago Dollars. The net book value of TT$2.2 million above represents rigs 1 and 4 while the TT$6.4 million relates to rig 7. A detailed breakdown of the carrying value of RRDSL's production rigs is set out at paragraph 6.27.

6.16 We have considered this emphasis of matter in our valuation assessment of RRDSL at Section 9.

Financial performance

6.17 The following table sets out a summary of the financial performance of RRDSL for the 12 months ended 30 June 2016, 31 December 2016 and 30 June 2017.

Table10 RRDSL historical financial performance

US$ '000 (1)	Ref	12 months ended 30-Jun-17 Audited	12 months ended 31-Dec-16 Audited	12 months ended 30-Jun-16 Unaudited
Revenue				
Revenue from supply of services	6.19	19,983	28,107	19,224
Management fee		-	-	108
Interest income		1,941	1,196	714
Other income				
		21,924	**29,303**	**20,046**
Expenses				
Direct cost	6.20	(8,164)	(15,816)	(11,857)
Staff cost		(3,301)	(4,603)	(6,592)
Administration and other expenses	6.21	(4,187)	(4,072)	(644)
Depreciation		(1,291)	(1,121)	(549)
Impairment expense		(2,626)	(73)	-
Profit from operations		**2,355**	**3,618**	**404**
Finance Cost	6.22	(4,823)	(4,252)	(2,828)
(Loss) / profit before tax		**(2,468)**	**(634)**	**(2,424)**
Income tax expense		(114)	(654)	(1,424)
Total (loss) / profit after tax	**6.18**	**(2,582)**	**(1,288)**	**(3,848)**

Source: Company Financials

1. The historical statements of financial performance of RRDSL have been translated from Trinidad and Tobago Dollars to US Dollars at average TTD: USD exchange rates of 6.664 (Jun-17), 6.632 (Dec-16) and 6.460 (Jun-16)

6.18 RRDSL reported a net loss in each of the three periods displayed above, reflecting a sustained climate of depressed oil prices over this time.

6.19 Revenue from supply of services represents receipts from Range. Revenue for the year ended 30 June 2017 was lower due to a substantial reduction in the volume of drilling undertaken by RRDSL at the instruction of Range, compared to the prior year.

6.20 Direct costs reduced in line with the general reduction in drilling activity noted above, whilst there was a significant balance of work in progress held at December 2016, followed by no new drilling in FY17 calendar year due to a cut back on other field operations.

6.21 The increase in administration and other expenses relates primarily to professional and legal fees, primarily regarding work relating to LandOcean.

6.22 Finance costs principally comprise net interest expense due on liabilities with related parties. The significant increase in finance costs from June 2016 to December 2016 is due to the timing of interest bearing loans due to related parties, with these loans reducing substantially in April 2017, meaning interest was accrued for the majority of the 12 months to 30 June 2017.

Financial position

6.23 Set out below is a summary of the financial position of RRDSL as at 31 December 2015, 31 December 2016 and 30 June 2017.

Table 11 RRDSL historical financial position

US$ '000 [1]	Ref	30-Jun-17 Audited	31-Dec-16 Audited	30-Jun-16 Unaudited
Assets				
Cash and cash equivalents		858	631	6,211
Trade and other receivables		1,293	1,006	411
Inventory		1,205	1,382	812
Taxation recoverable		23	24	35
Work in progress		1,217	1,432	5,499
Due from SOCA Limited		-	-	6
Due from Range Resources GY Shallow Limited		-	610	-
Due from related parties	6.25	10,164	10,196	0
Due from Range Resources Trinidad Limited	6.34	1,037	32,948	13,549
Total current assets		**15,796**	**48,230**	**26,523**
Plant and equipment	6.26	25,485	28,728	28,479
Deferred tax asset		2,311	1,422	340
Total non-current assets		**27,796**	**30,149**	**28,819**
Total assets		**43,592**	**78,379**	**55,342**
Liabilities				
Short term borrowings	6.34	27	25	9
Accounts payable and accruals	6.32	10,367	9,261	4,761
Due to related parties	6.33, 6.34	24,544	59,810	41,198
Due to Range Resources Trinidad Limited	6.34	6,024	1,581	1,816
Due to RR Upstream Services Ltd	6.34	757	-	-
Taxation payable		14	24	32
Total current liabilities		**41,733**	**70,701**	**47,816**
Employee service/fringe benefits		336	377	357
Long term borrowings	6.34	74	89	115
Deferred tax liability		4,689	3,756	2,300
Total non-current liabilities		**5,100**	**4,223**	**2,772**
Total liabilities		**46,833**	**74,924**	**50,588**
Net assets	**6.24**	**(3,241)**	**3,455**	**4,754**
Equity				
Share capital		1	1	1
Retained earnings [2]		(3,241)	3,454	4,753
Total equity		**(3,241)**	**3,455**	**4,754**

Source: Company Financials

1. The historical statements of financial position of RRDSL have been translated from Trinidad and Tobago Dollars to US Dollars at closing TTD: USD exchange rates of 6.760 (Jun-17), 6.715 (Dec-16) and 6.675 (Jun-16)
2. The movement in RRDSL's USD converted retained earnings above does not match the USD converted profit and loss at paragraph 6.17 due to results being included for the 12 months ended 30 June 2016, 31 December 2016 and 30 June 2017 for comparative purposes and foreign exchange differences.

6.24 RRDSL reported net liabilities of approximately US$3.2 million at 30 June 2017 and a net working capital balance of approximately US$3.6 million (calculated as current assets, excluding cash and cash equivalents, and less current liabilities, excluding current interest-bearing liabilities).

6.25 Related party receivables of approximately US$10 million at 30 June 2017 represent amounts due by LandOcean (or its controlled companies) to RRDSL, which were transferred from being due by Range (or its controlled companies) following the issue of the US$20 million Convertible Notes in 2016 under the IMSA. The receivable is repayable on demand and is non-interest bearing.

6.26 Plant equipment at 30 June 2017 includes approximately:

- US$22.9 million rigs;
- US$1.4 million production equipment;
- US$1.1 million motor vehicles; and
- US$0.02 million computer equipment.

6.27 The approximately US$1.4 million production equipment above comprises items such as storage tanks, pump jacks and cementing facilities.

6.28 A breakdown value of the US$22.9 million rigs at 30 June 2017 are summarised below:

Table 12 Carrying value of RRDSL production rigs at 30 June 2017

Number	At Cost TT$ 000	Written Down Value TT$ 000	At Cost US$ 000	Written Down Value US$ 000
1	3,613	1,793	534	265
2	6,922	2,295	1,024	339
3	954	203	141	30
4	1,706	411	252	61
6	9,001	7,462	1,331	1,104
7	6,372	6,372	943	943
8	34,974	16,656	2,793	2,464
9	1,182	615	175	91
11	647	401	96	59
12	403	331	60	49
16	47,288	46,110	6,973	6,821
17	27,440	27,320	4,106	4,041
18	24,009	23,463	3,615	3,471
19	22,606	21,532	3,380	3,185
Value at 30 June 2017	**188,076**	**154,963**	**25,423**	**22,923**

Source: Company

6.29 We note that whilst RRDSL reported 14 rigs with a carrying value at 30 June 2017, we have been advised by the Company that rig 7 has been fully impaired post-year end due to an extended period of inactivity. We have reflected this in our valuation assessment of RRDSL at Section 9.

6.30 We note that the carrying values of rigs 8, 16 ,17, 18 and 19 reflect the valuation estimates prepared by PMS as at 31 March 2017.

6.31 As stated in the auditor's emphasis of matter disclosed at paragraph 6.14, rigs 1,4 & 7 shown in table 12 were not in use during the period and, in accordance with the Company's depreciation policy, did not incur depreciation charge during FY17. We have considered the emphasis of matter in our valuation assessment of RRDSL at Section 9.

6.32 Accounts payable and accruals primarily comprise trade payables and loan interest accruals.

6.33 US$24.5 million due to related parties at 30 June 2017 represents amounts owed to LandOcean, including the approximately US$20 million Existing Debt which will be transferred from RRDSL to Range at completion of the Proposed Transaction.

6.34 The interest-bearing receivables and payables held by RRDSL at 30 June 2017 are set out below:

Table 13 RRDSL Interest bearing receivables and payables at 30 June 2017

US$ '000 (1)	Ref	30-Jun-17 Audited
Assets		
Current		
Related party receivables due from Range Resources Trinidad Limited		1,037
		1,037
Liabilities		
Current		
Short-term borrowings		27
		27
Non-Current		
Related party payables due to related parties		24,544
Accounts payable and accruals		47
Due to Range Resources Trinidad Limited	6.35	6,024
Due to RR Upstream Services Ltd		757
Long term borrowings		74
		31,500

Source: RRDSL financial statements

1. The historical statements of financial position of RRDSL have been translated from Trinidad and Tobago Dollars to US Dollars at closing TTD: USD exchange rates of 6.760 (Jun-17), 6.715 (Dec-16) and 6.675 (Jun-16)

6.35 Amounts due to Range Resources Trinidad Limited, a subsidiary of Range, represent cash advances made to RRDSL for working capital purposes, for an unspecified period. The balance is subject to interest charged at 6% per annum from 27 April 2017 (previously 10%).

7. Industry Overview

Global oil and & gas exploration & production

Overview

7.1 Operators in the Global Oil and Gas Exploration and Production industry seek valuable, natural resources from beneath the earth's surface. Due to the scale of the industry, market concentration is low on a global scale, though regional operators can heavily influence their operational regions. The largest companies are vertically integrated, multinational conglomerates, and when the initial drilling, extraction and transport stages are completed, these companies typically perform refining and manufacturing activities. These activities are excluded from this mature industry.

7.2 Movements in oil and natural gas prices relative to production volumes play key roles in determining the industry's performance. Key markets include the developing nations of Brazil, Russia, India and China, also known as the BRIC nations. The emerging industrial capacities of the BRIC nations have driven up the cost of raw energy commodities, as a wide range of manufacturing pursuits require oil and natural gas as key inputs or energy sources for factory equipment.

Performance

7.3 Over the five years to 2017, IBISWorld expects industry revenue to have declined at an annualized rate of 7.3% to US$2.4 trillion, largely reflecting the recent and profound declines in oil and gas prices, which brought down industry revenue. In 2017, however, revenue is expected to recover somewhat, growing 23.1% due to improvements in crude oil prices amid largely unchanged levels in production. Moreover, with production set to increase just 1.3% over 2017 according to the US's Energy Information Administration's most recent Short-Term Energy Outlook, global oil consumption is expected to increase 1.6% over 2017. While this difference may appear nominal, it reflects the trends observed through 2016 and is likely to continue.

Key external drivers

GDP of the BRIC nations

7.4 The rapid industrialization of Brazil, Russia, India and China (BRIC nations) has greatly increased global demand for oil and gas, which has also increased prices. On the other hand, any slowdown in these economies would cause oil and gas prices to tumble, negatively affecting this industry. GDP of the BRIC nations is expected to increase in 2017.

Industrial production index of OECD countries

7.5 The industrial production index measures industrial production of the 34 countries that make up the Organisation for Economic Co-operation and Development (OECD), including the United States, Germany, Japan and Australia. Typically, rising levels of industrial production bolsters demand for energy inputs, such as crude oil and natural gas. Therefore, an increase in the industrial production index drives revenue growth for industry operators. In 2017, the industrial production index of OECD countries is anticipated to increase.

World price of crude oil

7.6 The price of oil is determined by the forces of supply and demand and has a history of high volatility. The relatively constant demand for oil means that higher prices tend to increase revenue. The world price of crude oil is expected to grow strongly in 2017, presenting a potential opportunity for the industry.

World price of natural gas

7.7 High natural gas prices benefit related exploration and drilling companies. When prices are high, industry operators realize greater revenue from natural gas sales. Unfortunately for industry operators, natural gas is in a constant state of oversupply due to difficulty in reducing production. The world price of natural gas is expected to grow marginally in 2017; this marginal growth after years of decline will continue to pose a threat to the industry.

Outlook

7.8 The Global Oil and Gas Exploration and Production industry's performance is projected to be less volatile over the next five years, although there will be some variation in price as the supply-demand balance occasionally shifts. Over the five years to 2022, industry revenue is forecast to grow at an annualized rate of 5.7% to US$3.2 trillion. Although biofuels (primarily ethanol, but also biodiesel) will grow in importance during the five-year period, the output is still relatively low, meaning these alternative fuels will fail to displace oil production to any discernible extent. Ethanol is viewed primarily as a biofuel that offers environmental benefits and plays a small role in reducing dependence on imported crude oil, mainly in developed countries with limited oil resources.

7.9 Profit is forecast to increase over the next five years as prices continue to increase for both crude oil and natural gas products. With higher margins and the return of new enterprises, industry employment is projected to increase, growing an annualized 5.0% to 7.8 million people. The increase in employees will reflect both the rising production of oil and gas and the increased difficulty of extracting oil. Similarly, enterprise numbers are expected to increase at an annualized rate of 2.7% to 360,601 over the five years to 2022. The search for economies of scale, driven by the consolidation of companies, will constrain growth in enterprise numbers, though the proliferation of hydraulic fracturing and horizontal drilling capabilities will spur market entry.

Prices recover

7.10 The price of oil is forecast to increase over the next five years, largely because oil is continuously becoming more expensive to extract. Areas like the Middle East, which contain major world oil reserves, will continue to remain under constant tension. In addition, increased regulation remains a threat for offshore drilling in the United States following the oil spill in the Gulf of Mexico. IBISWorld forecasts a relatively gradual rise in the price of oil over the next five years as the world economy and, therefore, world demand for oil, recovers from the recession.

7.11 However, downward forces on the price of oil will continue. As oil becomes more expensive, the incentive to invest in research for alternatives will also rise. While cars are becoming increasingly fuel efficient, new models are expensive and only widely available in North America and Europe; the global focus on developing fuel-efficient vehicles will likely increase, with countries like China actively seeking to expand their electric vehicle fleet. In addition, substitutes for oil, such as natural gas and biofuels, are increasingly being used as companies try to diversify and decrease their reliance on oil. Lastly, global demand for oil is threatened by a slowdown in emerging economies. In particular, China's GDP growth is anticipated to moderate in the coming years, which can potentially hinder demand for, and the price of, crude oil. Nevertheless, the world price of crude oil is anticipated to grow at an annualized rate of 4.5% over the five years to 2022.

Increase in natural gas production

7.12 Compared with oil, the expansion of global natural gas production will be relatively strong in response to continued economic growth, ongoing interest in using gas as a replacement fuel for oil and coal (especially in stationary applications like power generation), further growth in supply infrastructure and a relatively subdued price climate. New technologies will enable natural-gas-fired electricity generation to be as affordable as, if not less costly than, coal-fired generation, which has been the lowest-cost fuel for electricity generation during the 20th century. The environmental advantages of natural gas are also expected to drive its popularity. In addition, the gas-fired generation has much lower capital costs, which gives it a financial advantage in the uncertain environment surrounding electricity deregulation. Large increases in the global supply of natural gas are expected to push prices down, although considerable year-to-year volatility will likely persist.

7.13 Further advances in hydraulic fracturing techniques will provide a means to expand output. Hydraulic fracturing, or fracking, is a process of pumping water, mixed with a small proportion of sand and chemicals, underground at high pressure to fracture the rock and release gas that would be otherwise inaccessible. For example, BP is pursuing unconventional gas in countries including Algeria, Oman and Indonesia, but some stakeholders have expressed concerns about the potential environmental impacts. Stricter regulations governing fracking and other unconventional gas extraction technologies are expected in the future. Although rising production and accelerating economic growth will drive global demand for natural gas and oil, the increased production from regional players will downgrade the need for standard imports. Instead, countries will likely begin to trade oil products over oil itself. Over the five years to 2022, IBISWorld forecasts that global trade of oil and gas will begin to increase at an annualized rate of 2.7% to total US$1.9 trillion.

8. Valuation approach

Basis of evaluation

8.1 The valuation of the Consideration and Cost Savings have been prepared on the basis of Fair Market Value being the value that should be agreed in a hypothetical transaction between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller, acting at arm's length.

Valuation methodologies

8.2 In assessing the Fair Market Value of the Consideration and the Cost Savings that will flow to Range following the Proposed Transaction, 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.

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

Market based methods

8.4 Market based methods estimate the Fair Market 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.

8.5 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.

8.6 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

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

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

8.8 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.

8.9 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 or projects where future cash flow projections can be made with a reasonable degree of confidence.

Asset based methods

8.10 Asset based methodologies estimate the Fair Market 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.

8.11 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.

8.12 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.

8.13 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

8.14 We have conducted our assessment of fairness by comparing the following:

- Value of the Consideration, comprising the Cash Consideration of US$5.5 million and the deficiency in net assets of RRDSL; with
- Value of Cost Savings that Range will benefit from following the acquisition of RRDSL.

Valuation of Consideration

8.15 We have calculated the Fair Market Value of the Cash Consideration to be paid in cash by Range to LandOcean by 30 April 2020, by discounting the future cash flow to its present value using an appropriate discount rate to reflect the time value of money.

8.16 We have included in our assessment the interest payable on the Cash Consideration, which is accrued at 6% per annum and paid annually.

8.17 In assessing the Fair Market Value of RRDSL, we have utilised the net assets on a going concern methodology.

8.18 In our opinion, this method is most appropriate for valuing RRDSL on the basis that RRDSL does not have a history of stable earnings and a high level of interest bearing debt to support an income based method and its securities are not publicly traded.

Valuation of Cost Savings

8.19 We have adopted the DCF methodology to calculate the Fair Value of Cost Savings that Range will realise following the acquisition of RRDSL.

8.20 The Company has prepared 15-year projections for the Trinidad assets, which adopted the reserves reported by Range and audited by Rockflow Resources Limited ("Rockflow") as at 30 June 2017 and which were utilized by BDO as part of its year end audit procedures for the Company’s 30 June 2017 financial statements (the “Model”).

8.21 We have utilized the Model to identify the third-party margins currently charged by RRDSL for work undertaken on Range’s upstream operations in Trinidad, to calculate the Cost Savings that will flow to Range, on a DCF basis, as a result of bringing the RRDSL drilling operations ‘in-house’ following the Proposed Transaction.

9. Valuation of Consideration

9.1 Set out in the table below, we have assessed the value of the Consideration, comprising the Cash Consideration and the deficiency in net assets of RRDSL to be between US$9.1 million and US$9.5 million.

Table 14 Valuation Summary

Valuation summary US$ 000	Ref	Value Low	 High
Assessed value of Cash Consideration	9.8	4,953	5,500
Assessed deficiency in net assets of RRDSL	9.9	4,183	4,510
Total value of Consideration		**9,136**	**9,462**

Source: RSM analysis

9.2 We have assessed the value of the Cash Consideration and the deficiency in net assets of RRDSL separately below.

Valuation of Cash Consideration

9.3 We have calculated the range of values of the Cash Consideration to be paid by Range to LandOcean on by assessing the value of the Cash Consideration if it is paid,

- Immediately; or
- On or before 30 April 2020, by discounting the future cash flow to its present value using an appropriate discount rate.

DCF valuation

9.4 Our discounted cash flow valuation of the Cash Consideration assuming it is paid on or before 30 April 2020, is US$4.95 million, based on an assessed discount rate of 10%.

Table 15 Value of Cash Consideration

Discounted Cash Flows (US$'000)	Year 1	Year 2	Year 3	Total
Cash Consideration	-	-	5,500	5,500
Interest @ 6% per annum, paid annually	330	330	330	990
Net cash flows	**330**	**330**	**5,830**	**6,490**

		NPV
	10%	4,953

Source: RSM analysis

Calculation of an appropriate discount rate

9.5 The discount rate we have selected allows for both the time value of money and the risks associated with the future cash flows. We consider the risks of the future cash flow to be low due to the contractual obligation for Range to pay the Cash Consideration and interest, and the amount being known.

9.6 We have assessed an appropriate discount rate to be 10%, based on the average cost of debt applicable to Range's existing debt facilities prior to the Proposed Transaction. In our view, this best reflects the risks associated with the cash flows and the time value benefit to Range of not being required to repay the Cash Consideration until on or before 30 April 2020.

9.7 We note our assessed discount rate for the Cash Consideration is broadly consistent with the weighted average cost of capital we have assessed for Range's Trinidad operating cash flows at paragraph 10.20; and reflects the greater certainty regarding the value and timing of the Cash Consideration.

Valuation Summary – Cash Consideration

9.8 We have assessed the value of the Cash Consideration to be between US$ 4.95 million and US$ 5.50 million.

Table 16 Summary of Cash Consideration

Valuation summary	Ref	Value	
US$ 000		Low	High
Assessed value of Cash Consideration		4,953	5,500

Source: RSM analysis

Deficiency in net assets of RRDSL

9.9 As discussed in paragraph 8.17 we have assessed the deficiency in net assets of RRDSL using the net assets on a going concern methodology.

Table 17 Assessed deficiency in net assets of RRDSL

US$000's	Ref	Net Assets 30-Jun-17 Audited	Low	High
Value of production rigs	**9.18**	22,923	21,655	21,981
Net value of other plant and equipment		2,561	2,561	2,561
Net value of other assets and liabilities		(28,726)	(28,726)	(28,726)
Net asset value / (deficit)	**6.23**	**(3,241)**	**(4,510)**	**(4,183)**
Assessed deficiency in net assets of RRDSL	**9.10**		**(4,510)**	**(4,183)**

Source: RSM Analysis

9.10 We consider RRDSL to have a deficiency in net assets of between US$4.5 million and $4.2 million. We have adjusted the audited net assets of RRDSL at 30 June 2017 based on our assessment of the Fair Market Value of Range's production rigs as outlined below.

Value of RRDSL production rigs

9.11 In assessing the Fair Market Value of RRDSL's production rigs, we have considered the values reported by RRDSL in its audited financial statements for the year ended 30 June 2017 and the emphasis of matter raised by BDO over the carrying value of the production assets.

9.12 As illustrated in paragraph 6.27, the carrying value of the production rigs at 30 June 2017 was approximately US$22.9m.

9.13 To support the audited figures at 30 June 2017, Range engaged PMS to assess the value the five producing rigs, 8, 16, 17 ,18 and 19, which collectively hold most of the value for RRDSL's production fleet. PMS conducted site visits to verify each rig and its associated components as per the asset register, whilst also examining for corrosion and deterioration. PMS assessed the combined value of the 5 core producing rigs to be approximately US$20.0 million, based on a USD: TTD exchange rate of 6.76. As indicated at paragraph 6.29, the values assessed by PMS were reflected in the carrying values reported by RRDSL in its financial statements in for the year ended 30 June 2017.

9.14 We note that Range did not seek a valuation or assessment to determine the Fair Market Value of the other non-core rigs.

9.15 As discussed in Section 6, RRDSL's auditor, BDO, included an emphasis of matter in the 30 June 2017 financial statements of RRDSL regarding rigs 1,4 and 7 for which no recent valuation had been obtained and whose carrying value had not changed since the prior year, despite not being in use for a period of between 24 and 111 months, due to the Company's policy to depreciate rigs based on usage.

9.16 The Company has indicated that rig 7 has been fully impaired due to inactivity post-year end.

9.17 Whilst rigs 1 and 4 have not been impaired post-year end, given they have not been in use for over two years and in light of the emphasis of matter raised by BDO, we consider that the Fair Market Value of rigs 1 and 4 may be $nil. Accordingly, we have reflected this in our assessed low value for rigs 1 and 4.

9.18 As such, we have assessed the high value of the production assets to be US$21.98 million based on the carrying value of all production rigs as at 30 June 2017, less the carrying value or rig 7 which has been fully impaired at year end. Our low value of US$21.66 million assumes the Fair Market Value for rigs 1 and 4 is also $nil.

Figure 3 Assessed valuation of production rigs

Valuation assessment (US$ 000)	Audited		
Rig number	30-Jun-17	Low Value	High value
1	265	$nil	265
2	339	339	339
3	30	30	30
4	61	$nil	61
6	1,104	1,104	1,104
7	943	$nil	$nil
8	2,464	2,464	2,464
9	91	91	91
11	59	59	59
12	49	49	49
16	6,821	6,821	6,821
17	4,041	4,041	4,041
18	3,471	3,471	3,471
19	3,185	3,185	3,185
Value at 30 June 2017	**22,923**	**21,655**	**21,981**

Source: Company financial statements

10. Valuation of Cost Savings

10.1 In determining the value of the Cost Savings that Range will realise following the acquisition of RRDSL, we have referred to the Model prepared by Range and utilized by BDO as part of its year end audit procedures for the Company's 30 June 2017 financial statements.

DCF Valuation

10.2 The table below provides a DCF valuation of the Cost Savings pertaining to the third-party margins historically charged by RRDSL to Range, which will be abolished when RRDSL's drilling programme will be brought 'in-house' following the Proposed Transaction. We have assessed the fair value of the Cost Savings to be in the range of approximately US$9.3 million and US$9.7 million.

Table 18 Valuation of Cost Savings

Discounted Cash Flows US$ 000		Year 1	Year 2	Year 3	Year 4	Year 5	Years 6-15	Total
Opex savings		252	533	688	938	1,122	7,806	11,338
Capex savings		-	1,760	8,114	4,470	1,965	-	16,309
Tax impact		(6)	(213)	(267)	(97)	(6,936)	(7,027)	(14,547)
Net cash flows		**246**	**2,079**	**8,535**	**5,310**	**(3,850)**	**779**	**13,099**
Discounted Cashflows (1)								
	11.0%	233	1,778	6,575	3,685	(2,407)	(171)	9,694
	12.0%	232	1,754	6,429	3,571	(2,312)	(196)	9,479
	13.0%	231	1,731	6,288	3,462	(2,221)	(217)	9,274

	NPV
11.0%	9,694
12.0%	9,479
13.0%	9,274

Source: RSM analysis
(1) We have applied mid-point discounting to reflect the timing of the cash flows

10.3 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.

10.4 We have reviewed the projections which have been prepared on a post-tax, nominal basis and where appropriate, made changes to key assumptions based on our review of current market factors.

10.5 Our review of the Model has been limited to the projections which relate to the RRDSL drilling programme, which RRDSL has historically charged a margin to Range, in order to quantify the direct benefit of the Cost Savings that Range will benefit from following the Proposed Transaction. These include the following projections:

- Operating expenditure ("Opex");

- Capital expenditure (“Capex”); and the
- Tax effect of the change in Opex and Capex.

10.6 We understand that the model structure, integrity and assumptions were reviewed by BDO as part of its year end audit procedures as stated in the Independent Audit Report disclosed in Ranges 30 June 2017 financial statements. We have performed a review of the Model mechanics and are comfortable that the Model is structurally sound.

Opex savings

10.7 Set out in the table below is our assessment of the Opex savings to be derived by Range as a result of the Proposed Transaction.

Table 19 Opex savings

Opex Savings US$ 000	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6-15	Total
Production & related activities:							
Equipment rental and transport	95	190	192	196	200	2,223	3,097
Repairs and maintenance	25	49	50	51	52	573	799
Tankering	41	110	261	503	678	2,869	4,461
Access road maintenance	3	6	6	6	7	74	103
Freight and duties	0	1	1	1	1	10	14
Motor vehicle rental and expenses	19	38	38	39	40	442	615
Fuel and oil	10	20	20	21	21	233	325
	193	415	568	816	997	6,424	9,413
Health safety & environmental:							
Property, Plant and Equipment	8	15	15	16	16	178	247
Permits, Licenses, Certification	23	45	46	47	47	528	735
Environmental	0	1	1	1	1	8	11
Sampling	27	54	55	56	57	634	884
Training	1	3	3	3	3	34	48
	59	118	119	122	124	1,382	1,925
Total Opex savings	**252**	**533**	**688**	**938**	**1,122**	**7,806**	**11,338**
Pre-Proposed Transaction Opex	**2,941**	**6,496**	**7,301**	**9,716**	**13,062**	**146,472**	**185,987**
Post-Proposed Transaction Opex	2,689	5,963	6,613	8,778	11,941	138,666	174,649
Opex savings from Proposed Transaction	(252)	(533)	(688)	(938)	(1,122)	(7,806)	(11,338)

Source: RSM analysis

10.8 The table above shows a total reduction of approximately US$11.3 million in Opex related to the RRDSL drilling programme following the Proposed Transaction, on an undiscounted basis.

10.9 We understand that RRDSL has historically charged a 35% margin on all production, production related activities and health, safety and environmental drilling works undertaken for Range’s Trinidad assets (“Opex Margin”).

10.10 We note that in the Model prepared by Range for its 30 June 2017 financial statements, Range elected to remove the Opex Margin from the forecast cash flows, based on its view that the Proposed Transaction will proceed. To calculate the potential Opex savings that will flow to Range following the acquisition of RRDSL, we have calculated the value of the Opex Margin that had been removed in the Model prepared by Range as part of the year end audit of its 30 June 2017 financial statements.

10.11 We note that only those categories impacted by the Opex Margin have been included above for illustrative purposes. For a detailed breakdown of Opex cash flows included in the Model, refer to the Model extract attached at Appendix E.

Capex Savings

10.12 Set out in the table below is our assessment of the Capex savings to be derived by Range as a result of the Proposed Transaction.

Table 20 Capex savings

Capex Savings US$ 000	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6-15	Total
Development Drilling	-	1,110	5,089	4,470	1,965	-	12,634
Waterflood	-	650	3,025	-	-	-	3,675
Total Capex savings	**-**	**1,760**	**8,114**	**4,470**	**1,965**	**-**	**16,309**
Pre-Proposed Transaction Capex	**2,000**	**8,798**	**40,572**	**22,348**	**9,826**	**-**	**83,543**
Post-Proposed Transaction Capex	2,000	7,038	32,458	17,878	7,860	-	67,234
Capex savings from Proposed Transaction	-	(1,760)	(8,114)	(4,470)	(1,965)	-	(16,309)

Source: RSM analysis

10.13 We have calculated a total Capex reduction of approximately US$16.3 million following the Proposed Transaction, on an undiscounted basis.

10.14 Range has indicated that a 20% margin was historically applied by RRDSL on all capital well development as well as the capital waterflood programme ("Capex Margin").

10.15 To calculate the potential Capex savings that will flow to Range following the acquisition of RRDSL, we have calculated the value of the Capex Margin that had been removed in the Model prepared by Range as support for the audit of its 30 June 2017 financial statements.

Tax impact of Cost Savings

10.16 Set out in the table below is our assessment of the tax impact of the forecast Cost Savings outlined above, should the Proposed Transaction proceed.

Table 21 Tax impact of Cost Savings

Tax impact of Cost Savings US$ 000	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6-15	Total
Supplemental Petroleum Tax	-	(176)	(183)	-	-	-	(359)
Unemployment levy	(6)	(37)	(84)	(97)	(87)	(407)	(719)
Petroleum Profits tax	-	-	-	-	(6,850)	(6,619)	(13,469)
Tax effect of Cost Savings	**(6)**	**(213)**	**(267)**	**(97)**	**(6,936)**	**(7,027)**	**(14,547)**
Pre-Proposed Transaction Tax	**(3)**	**(917)**	**(3,525)**	**(11,913)**	**(17,993)**	**(174,527)**	**(208,878)**
Post-Proposed Transaction Tax	(9)	(1,130)	(3,792)	(12,010)	(24,929)	(181,554)	(223,425)
Tax increase from Cost Savings	(6)	(213)	(267)	(97)	(6,936)	(7,027)	(14,547)

Source: RSM analysis

10.17 The table above shows that the forecast Cost Savings will result in an increase in tax outflows of approximately US$14.5 million, on an undiscounted basis over the 15-year forecast period.

10.18 As shown in the table above, the Company is not forecast to pay petroleum profit's tax ("PPT") until year 5 due to considerable tax losses held at 30 June 2017. The forecast Cost Savings result in an increase in the PPT cash outflow in year 5, from approximately US$1.0 million prior to the Proposed Transaction to approximately US$7.9 million following the Proposed Transaction.

Calculation of an appropriate discount rate

10.19 The discount rate we have selected allows for both the time value of money and the risks attached to future cash flows. 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.

10.20 We have assessed the appropriate WACC to be in the range of 11% to 13% on a nominal, post-tax, pre-debt basis, which reflects the basis on which Range cash flows have been prepared in the Model. Details of our assessment of the preferred range for the WACC are included in Appendix D.

11. Is the Proposed Transaction Fair to Range Shareholders?

11.1 In order to assess whether the Proposed Transaction is fair to Shareholders, we have compared the value of the Consideration to the value of the Cost Savings.

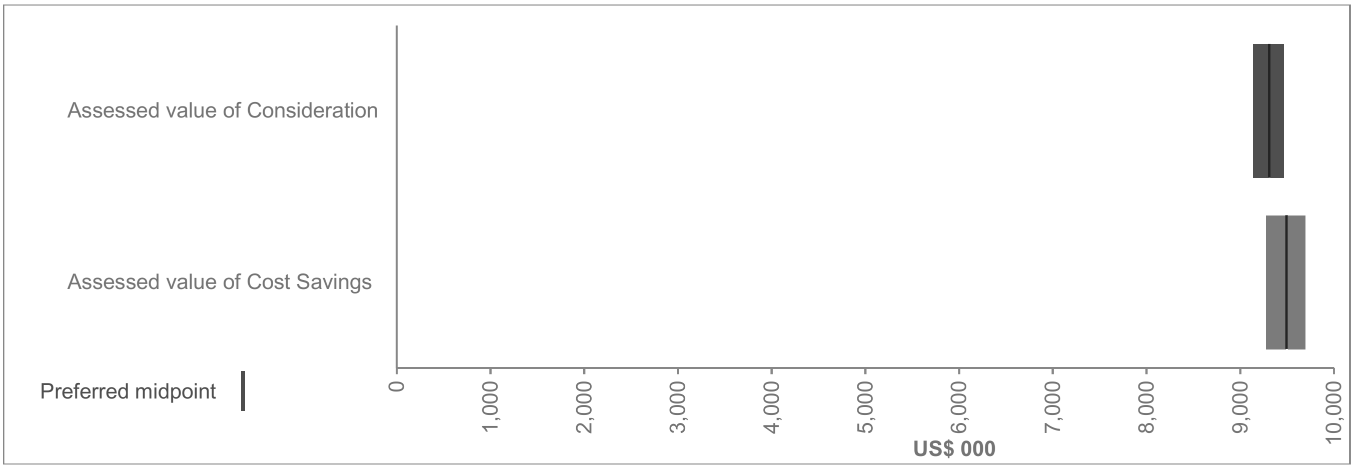
11.2 A comparison of our assessed value of the Consideration and the Cost Savings are set out below.

Table 22 Assessed values of the Consideration and Cost Savings

Assessment of fairness	Ref	Low US$ 000	Value Midpoint US$ 000	High US$ 000
Assessed value of Consideration	9.2	9,136	9,299	9,462
Assessed value of Cost Savings	10.2	9,274	9,484	9,694

Source: RSM analysis

Figure 4 Fairness graph



Source: RSM analysis

11.3 In accordance with the guidance set out in ASIC RG 111, and in the absence of any other relevant information, for the purposes of complying with s611 of the Act, we consider the Proposed Transaction to be **fair** to the Non-Associated Shareholders of Range as the assessed range of values of the Cost Savings are within the assessed range of values of the Consideration. We note that the preferred mid-point value for the Cost Savings is above the range of values for the Consideration.

12. Is the Proposed Transaction Reasonable to Range Shareholders?

12.1 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

12.2 If the Proposed Transaction does not proceed, the Company will not receive the benefit of the Cost Savings, potential new income streams and operational flexibility made available by the proposed acquisition of RRDSL. As such the ability for the Company to remain solvent will be even more reliant upon, inter alia;

- A significant improvement in the operating performance of the business;
- an increase in global oil prices providing improved market conditions;
- a material discovery of new oil reserves; and
- the Company's ability to access capital markets prior to its substantial borrowings falling due.

Advantages and disadvantages

12.3 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.

Advantages of approving the Proposed Transaction

The Proposed Transaction is Fair

12.4 Our assessed range of values of the Cost Savings are within the assessed range of values of the Consideration.

Cost Savings

12.5 Range will benefit from significant Cost Savings due to the third-party margins currently charged by RRDSL on all drilling services undertaken for Range's Trinidad assets, providing Range with greater profitability and cash flow flexibility.

Potential new revenue stream from drilling activities in Trinidad oil services market

12.6 Range may be able to capitalise on the limited number of rigs available in Trinidad by increasing the existing level of RRDSL's business with upstream companies in Trinidad. No new potential revenue streams have been included in the Model for our fairness assessment.

Greater control over Trinidad operations

12.7 By bringing the RRDSL drilling programme 'in-house', Range will have greater control over its Trinidad assets, providing it with greater operational flexibility to improve its operating performance.

Potential for further recovery in the oil price

12.8 While the timing and sustainability of further recovery in the oil price is unknown, after withstanding several years of challenging market conditions, should the Proposed Transaction proceed, Range will be better positioned to capitalise on improved market conditions and increase its existing levels of business with other upstream companies should the recent recovery in global oil prices continue, than if the Proposed Transaction did not proceed.

Disadvantages of approving the Proposed Transaction

The Company will be significantly indebted to LandOcean

12.9 Following completion of the Proposed Transaction, Range will owe LandOcean approximately US$85.5 million in respect of the Cash Consideration, Convertible Notes, Existing Debt and the IMSA Debt. This is an increase on the approximately US$65.5 million in debt currently owed by Range to LandOcean prior to the Proposed Transaction. The Company's ability to repay these amounts will depend on the future performance of the business together with its ability to access capital markets.

No future benefit from existing credit terms with LandOcean

12.10 Should the Proposed Transaction proceed, Range will no longer benefit from the wide ranging credit terms from LandOcean in respect of day to day drilling activities in Trinidad under the IMSA, with revised payment terms to be applied pursuant to the IMSA Letter Agreement, namely no repayments until 30 April 2020 and interest accrued at 6% per annum.

No assurance of potential benefits from RRDSL acquisition

12.11 There is no guarantee that Range will be able to realise the potential benefits of RRDSL, with there being no material agreements in place for new customers to support new revenue streams and additional cash flows anticipated by the Company.

Alternative proposal

12.12 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

12.13 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** to the Non-Associated Shareholders of Range.

12.14 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 Proposed Transaction. 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 A$27,500 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 Proposed Transaction, 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:

- Drafts and final copies of the Notice of Meeting;
- Audited financial statements for Range for the 12 months ended 30 June 2015, 30 June 2016 and 30 June 2017;
- Audited financial statements for RRDSL for the 12 months ended 30 June 2016, 31 December 2016 and 30 June 2017;
- ‘Audit model V1’ being the 15-year cash flow projections for the Trinidad operations prepared by Range in relation to its 30 June 2017 audited financial statements;
- Competent Person’s Report on Range’s Trinidad Assets prepared by Rockflow Resources Limited, draft report dated 29th September 2017;
- Various RRDSL drilling Invoices issued to both Range and third-parties;
- 2017 valuation estimates prepared by Project Management Solutions Company Limited for RRDSL Rigs 8, 16, 17, 18 and 19;
- ASX and AIM announcements of Range;
- IBISWorld Report “Global oil and gas exploration and production industry” January 2017;
- S&P Capital IQ database; and
- Discussions with Directors, Management and staff of Range.

C. GLOSSARY OF TERMS

Term or Abbreviation	Definition
$	US dollars
£	British Pound
2P	Proven plus probable reserves
Act	Corporations Act 2001 (Cth)
Agency	State Agency of Oil and Gas of the Ministry of Energy of Georgia
AIM	Alternative Investment Market
APES	Accounting Professional & Ethical Standards Board
ASIC	Australian Securities & Investments Commission
ASX	Australian Securities Exchange
ASX Listing Rules	The listing rules of ASX as amended from time to time
BDO	BDO Audit (WA) Pty Ltd
BKPM	The Investment Coordinating Board of the Republic of Indonesia
Block VIA	An approx. 3,300sq.km onshore block located in Georgia that is 100% owned by Strait Oil and Gas Limited, which Range holds a 45% interest in
bopd	Barrels of oil per day
bwpd	Barrels of water per day
Capex	Capital expenditure
Capex margin	A 20% mark-up applied by RRDSL on all capital development historically undertaken at Range's Trinidad operations
Cash Consideration	US$5.5 million payable by Range to LandOcean no later than 30 April 2020 being three years from the date of entering into the Proposed Transaction, at an interest rate of 6% per annum.
Company	Range Resources Limited
Consideration	The combined value of the Cash Consideration and the deficiency in net assets of RRDSL
Control basis	As assessment of the Fair Value on an equity interest, which assumes the holder or holders have control of the entity in which the equity is held
Convertible Notes	US$20 million Convertible Notes issued to LandOcean during FY17 to replace a portion of the outstanding payable balance due to LandOcean under the IMSA
Cost Savings	The cost savings that Range will benefit from following the acquisition of RRDSL
DCF	Discounted cash flow
Directors	Directors of the Company
Explanatory Statement	The explanatory statement accompanying the Notice
Existing Debt	Approximately US$20 million debt owed by RRDSL to LandOcean that Range will take on if the Proposed Transaction proceeds
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
FME	Future Maintainable Earnings
FOS	Financial Ombudsman Service
FSG	Financial Services Guide
FYXX	Financial year ended 30 June 20XX

Hengtai	PT Hengtai Weiye Oil and Gas
IER	This Independent Expert Report
IMSA	Integrated Master Services Agreement
IMSA Debt	Approximately US$40 million due by Range to LandOcean under the Integrated Master Services Agreement
IMSA Letter Agreement	A letter agreement entered into by Range and LandOcean on 27 April 2017 to revise the terms for amounts due by Range under the IMSA to reflect the terms of the Proposed Transaction, namely no repayments until 30 April 2020 and interest accrued at 6% per annum
LAR	Latin American Resources
LandOcean	LandOcean Energy Services Co. Ltd (or its controlled entities)
Lind	Lind Asset Management, LLC
Mmbbls	Million barrels of oil
Model	The forecast cash flow model prepared by Range for its Trinidad assets as part of the year end audit of Range's 30 June 2017 financial statements
Non-Associated Shareholders	Shareholders who are not a party, or associated to a party, to the Proposed Transaction
Notice	The notice of meeting to vote on, inter alia, the Proposed Transaction
Opex	Operating expenditure
Opex Margin	A 35% mark-up applied by RRDSL on operational drilling undertaken at Range's Trinidad operations
Option or Options	Unlisted options to acquire Shares with varying vesting conditions
NPV	Net present value
Petrotrin	Petroleum Company of Trinidad and Tobago Limited
PPT	Petroleum profits tax
Proposed Transaction	The acquisition of 100% of the issued capital of RRDSL by Range
Range	The Company or Range Resources Limited
Report	This Independent Expert's Report prepared by RSM dated 26 October 2017
Resolution	The resolutions set out in the Notice
RG 111	ASIC Regulatory Guide 111 Content of Expert Reports
RRDSL	Range Resources Drilling Services Limited
RSM	RSM Corporate Australia Pty Ltd
S&P Capital IQ	An entity of Standard and Poors which is a third-party provider of company and other financial information
Share or Range Share	Ordinary fully paid share in the capital of the Company
Shareholder	A holder of Share
Sibo	Beijing Sibo Investment Management LP
SOCA	SOCA Petroleum Limited
Strait	Strait Oil & Gas Limited
TT$	Trinidad and Tobago dollars
UK Depositary Interest Holders	Beneficiary unit holders in Range who are domiciled in the UK
VALMIN Code	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (2015)
VWAP	Volume weighted average share price
WACC	Weight average cost of capital

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 4.0% being the average yield on the United States Treasury Government Bond for the last 10 years, calculated from CapitalIQ Database. We have used the average 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 6.0% 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 0.772 to a high of 1.698, with an average of 0.989 as set out in the table below. We have relied on the average ungeared beta of 0.989. While we note that the average debt to equity structure of the comparable companies below is around 33.3%, for those companies with debt, the debt to equity level is much higher. As such, we assume that Range's current debt to equity ratio of 48.8% is an appropriate funding structure for an asset such as the Trinidad asset. We have relevered the beta at our assumed debt to equity ratio, resulting in a levered beta of 1.697.

Company	Levered beta	Total debt/ equity	Unlevered beta	Relevered beta
TransAtlantic Petroleum, Ltd.	1.850	64.5%	0.710	
Serinus Energy Inc.	1.357	61.4%	0.929	
BNK Petroleum Inc.	2.137	34.4%	1.698	
The Reserve Petroleum Company	0.722	0.0%	0.722	
Oryx Petroleum Corporation Limited	1.481	73.0%	0.957	
Selan Exploration Technology Limited	0.918	0.0%	0.918	
Corridor Resources Inc.	0.977	0.0%	0.977	
Average	**1.349**	**33.3%**	**0.987**	**1.697**
Median	**1.357**	**34.4%**	**0.929**	**1.595**

RSM

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, 2016, the company had interests in 11 onshore and offshore exploration licenses and 25 onshore production leases covering an area of 395,000 net acres in Turkey; and a production concession covering an area of approximately 165,000 net undeveloped 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 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 765,000 acres in northwest Romania. The company was formerly known as Kulczyk Oil Ventures Inc. and changed its name to Serinus Energy Inc. in June 2013. 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 develops and exploits its Tishomingo Shale oil property. The company was incorporated in 2008 and is headquartered in Camarillo, California.
OTCPK:RSRV	The Reserve Petroleum Company engages in oil and natural gas exploration and development, and minerals management primarily in Texas, Oklahoma, Kansas, Arkansas, and South Dakota. As of December 31, 2016, the company had working interests in 26.44 net gas wells; and 22.83 net oil wells located in 9,854 net producing acres. It owns non-producing mineral interests of 88,288 net acres located in the north and south central United States; and has interests in approximately 900 producing properties. The Reserve Petroleum Company was founded in 1931 and is based in Oklahoma City, Oklahoma.
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 interests in six license areas, including one license area located in the Kurdistan Region of Iraq; and five license areas located in West Africa in Nigeria, the AGC administrative area offshore Senegal and Guinea Bissau, and Congo. The company also engages in mining bitumen, as well as provides administrative/technical services. As of December 31, 2016, it had proved plus probable oil reserves of approximately 202 million barrels. Oryx Petroleum Corporation Limited was founded in 2010 and is based in Calgary, Canada.
BSE:530075	Selan Exploration Technology Limited explores for and produces crude oil and natural gas in India. It holds rights to develop oilfields situated in Bakrol, Indrora, and Lohar, and Ognaj, as well as gas field in Karjisan, Gujarat. Selan Exploration Technology Limited was founded in 1985 and is based in Gandhinagar, India.
TSX:CDH	Corridor Resources Inc., a junior resource company, explores for, develops, and produces petroleum and natural gas in eastern Canada. The company explores for petroleum and natural gas petroleum and natural gas onshore in New Brunswick and Québec; and offshore in the Gulf of St. Lawrence. Its principal properties include the McCully Field located to the northeast of Sussex, New Brunswick; the Frederick Brook Shale located in the Elgin sub-basin in southern New Brunswick; the Anticosti Island located in Québec; and the Old Harry prospect located in the Gulf of St. Lawrence. As at December 31, 2016, the company had an interest in 28.5 net producing and nonproducing natural gas and oil wells. Corridor Resources Inc. was founded in 1983 and is headquartered in Halifax, Canada.

Tax Rate

We have adopted 25% being the effective tax rate for the Company in Trinidad and Tobago.

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 6%. This has been assumed based on the interest rate that will be paid by Range post the Proposed Transaction, for which purposes the discount rate is being applied.

We have assumed that the best capital structure to employ for the Trinidad asset is the current debt to equity value of approximately 48.8%, as discussed in the beta section above.

WACC summary

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

Calculations		Unit
Market Risk Premium (Rm - Rf)	% p.a.	6.0%
Multiplied by: Levered Beta	#Num	1.697
Adjusted Market Risk Premium	% p.a.	10.2%
Add: Risk-Free Rate of Return (Rf)(1)	% p.a.	4.0%
Add: Specific Risk Premium	% p.a.	0.0%
Cost of Equity	**% p.a.**	**18.9%**
Multiplied by: E/(D+P+E)	%	51.2%
Cost of Equity Portion	% p.a.	9.7%
Cost of Debt (Rd)	% p.a.	6.0%
Tax Rate	% p.a.	25.0%
After-Tax Cost of Debt	**% p.a.**	**4.5%**
Multiplied by: D/(D+P+E)	%	48.8%
Cost of Debt Portion	% p.a.	2.2%
Calculated post-tax nominal WACC	**% p.a.**	**11.9%**

Based on the assumptions set out above, we have assessed the post-tax, nominal WACC to be 11.9%.

E. MODEL EXTRACT

OPEX

Opex cash flows

Set out below is an extract of the Opex cash flows forecast for the Trinidad assets and included in the Model prepared by Range as part of the year end audit of its 30 June 2017 financial statements. The Model was prepared by Range on the basis that the acquisition of RRDSL has been completed, the extract therefore reflects the potential future Opex levels of the Trinidad assets following the Proposed Transaction.

Opex cash flows Post-Proposed Transaction	YEAR 1 2017	YEAR 2 2018	YEAR 3 2019	YEAR 4 2020	YEAR 5 2021	Years 6-15 FY24-FY31
Financial Obligations / Studies						
MD Financial Obligations	150,000	300,000	303,000	309,060	315,241	3,505,844
SQ Financial Obligations	60,000	120,000	121,200	123,624	126,096	1,402,338
BM Financial Obligations	15,600	31,200	31,512	32,142	32,785	364,608
Electrical and transmission fees (MD,SQ & BM)	153,011	306,022	309,082	315,264	321,569	3,576,216
	378,611	757,222	764,794	780,090	795,692	8,849,005
Production and Production related activities						
Equipment rental and transport	176,677	353,354	356,888	364,026	371,306	4,129,350
Repairs and maintenance	45,562	91,125	92,036	93,877	95,754	1,064,898
Tankering	75,307	204,992	484,896	933,327	1,258,371	5,327,358
Access road maintenance	5,850	11,700	11,817	12,053	12,294	136,728
Freight and duties	780	1,560	1,576	1,607	1,639	18,230
Insurance	119,903	239,806	242,204	247,048	251,989	2,802,408
Motor vehicle rental and expenses	35,100	70,200	70,902	72,320	73,766	820,368
Fuel and oil	18,525	37,050	37,421	38,169	38,932	432,972
Waterflood opex	647,616	1,826,060	2,156,969	3,794,103	6,550,913	87,391,277
	1,125,320	2,835,847	3,454,707	5,556,530	8,654,966	102,123,589
HSE						
PPE	14,113	28,225	28,507	29,077	29,659	329,842
Permits, Licenses, Certification	41,950	83,900	84,739	86,434	88,162	980,468
Environmental	641	1,282	1,295	1,320	1,347	14,978
Sampling	50,413	100,825	101,834	103,870	105,948	1,178,259
Training	2,713	5,425	5,479	5,589	5,701	63,397
	109,828	219,657	221,854	226,291	230,816	2,566,943
Staff Cost						
Contract labour	496,598	993,195	1,003,127	1,023,189	1,043,653	11,606,623
Gross salaries and wages	416,134	832,267	840,590	857,401	874,549	9,725,995
Service pay	57,911	115,822	116,980	119,320	121,706	1,353,513
National insurance	19,659	39,318	39,711	40,505	41,316	459,476
	990,301	1,980,602	2,000,408	2,040,416	2,081,225	23,145,606
Total Direct Costs	**2,604,061**	**5,793,328**	**6,441,763**	**8,603,327**	**11,762,698**	**136,685,144**
General and Administrative						
Audit fees	48,500	97,000	97,970	99,929	101,928	1,133,556
Utilities	18,992	37,983	38,363	39,130	39,913	443,875
Office supplies	8,716	17,432	17,606	17,958	18,318	203,713
Subscriptions	450	900	909	927	946	10,518
Medical	1,632	3,263	3,296	3,362	3,429	38,132
Bank charges	6,446	12,892	13,021	13,281	13,547	150,658
Total G&A	84,735	169,470	171,165	174,588	178,080	1,980,451
Total Operating Costs	**2,688,796**	**5,962,798**	**6,612,928**	**8,777,915**	**11,940,778**	**138,665,596**

Opex Savings

Shown below is an extract of the Opex Savings that are reflected in the Model extract above, illustrating the net Opex benefit to the Company and the individual line items impacted by the Opex Margin.

Opex savings Post-Proposed Transaction	YEAR 1 2017	YEAR 2 2018	YEAR 3 2019	YEAR 4 2020	YEAR 5 2021	YEAR 6 2022	Years 6-15 FY24-FY31
Financial Obligations / Studies							
MD Financial Obligations	-	-	-	-	-	-	-
SQ Financial Obligations	-	-	-	-	-	-	-
BM Financial Obligations	-	-	-	-	-	-	-
Electrical and transmission fees (MD,SQ & BM)	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Production and Production related activities							
Equipment rental and transport	(95,134)	(190,268)	(192,170)	(196,014)	(199,934)	(203,933)	(2,223,496)
Repairs and maintenance	(24,534)	(49,067)	(49,558)	(50,549)	(51,560)	(52,591)	(573,407)
Tankering	(40,550)	(110,381)	(261,098)	(502,561)	(677,584)	(516,858)	(2,868,577)
Access road maintenance	(3,150)	(6,300)	(6,363)	(6,490)	(6,620)	(6,752)	(73,623)
Freight and duties	(420)	(840)	(848)	(865)	(883)	(900)	(9,816)
Insurance	-	-	-	-	-	-	-
Motor vehicle rental and expenses	(18,900)	(37,800)	(38,178)	(38,942)	(39,720)	(40,515)	(441,736)
Fuel and oil	(9,975)	(19,950)	(20,150)	(20,552)	(20,964)	(21,383)	(233,139)
Waterflood opex	-	-	-	-	-	-	-
	(192,662)	(414,605)	(568,365)	(815,973)	(997,265)	(842,933)	(6,423,794)
HSE							
PPE	(7,599)	(15,198)	(15,350)	(15,657)	(15,970)	(16,290)	(177,607)
Permits, Licenses, Certification	(22,588)	(45,177)	(45,629)	(46,541)	(47,472)	(48,422)	(527,944)
Environmental	(345)	(690)	(697)	(711)	(725)	(740)	(8,065)
Sampling	(27,145)	(54,291)	(54,833)	(55,930)	(57,049)	(58,190)	(634,447)
Training	(1,461)	(2,921)	(2,950)	(3,009)	(3,070)	(3,131)	(34,137)
	(59,138)	(118,277)	(119,460)	(121,849)	(124,286)	(126,771)	(1,382,200)
Staff Cost							
Contract labour	-	-	-	-	-	-	-
Gross salaries and wages	-	-	-	-	-	-	-
Service pay	-	-	-	-	-	-	-
National insurance	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Total Direct Costs	**(251,801)**	**(532,882)**	**(687,824)**	**(937,822)**	**(1,121,551)**	**(969,704)**	**(7,805,994)**
General and Administrative							
Audit fees	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Office supplies	-	-	-	-	-	-	-
Subscriptions	-	-	-	-	-	-	-
Medical	-	-	-	-	-	-	-
Bank charges	-	-	-	-	-	-	-
Total G&A	-	-	-	-	-	-	-
Total Operating Costs	**(251,801)**	**(532,882)**	**(687,824)**	**(937,822)**	**(1,121,551)**	**(969,704)**	**(7,805,994)**

Capex

Capex cash flows

Set out below is an extract of the Capex cash flows forecast for the Trinidad assets and included in the Model prepared by Range as part of the year end audit of its 30 June 2017 financial statements. The Model was prepared by Range on the basis that the acquisition of RRDSL has been completed, thus the extract below reflects the potential Capex levels for the Trinidad assets following the Proposed Transaction.

Capex cash flows Post-Proposed Transaction	YEAR 1 2017	YEAR 2 2018	YEAR 3 2019	YEAR 4 2020	YEAR 5 2021	Years 6-15 FY24-FY31
Capital Expenditure						
Development Drilling	(2,000,000)	(4,438,400)	(20,357,600)	(17,878,000)	(7,860,400)	-
Waterflood	-	(2,600,000)	(12,100,000)	-	-	-
TOTAL CAPEX	**(2,000,000)**	**(7,038,400)**	**(32,457,600)**	**(17,878,000)**	**(7,860,400)**	**-**

Capex Savings

Shown below is an extract of the Capex Savings incorporated in the table above, ie the net Capex movement (benefit) to the Company.

Capex savings Post-Proposed Transaction	YEAR 1 2017	YEAR 2 2018	YEAR 3 2019	YEAR 4 2020	YEAR 5 2021	Years 6-15 FY24-FY31
Capital Expenditure						
Development Drilling	-	1,109,600	5,089,400	4,469,500	1,965,100	-
Waterflood	-	650,000	3,025,000	-	-	-
TOTAL CAPEX	**-**	**1,759,600**	**8,114,400**	**4,469,500**	**1,965,100**	**-**

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Tax

Tax cash flows

Set out below is an extract of the tax cash flows for the Trinidad assets and included in the Model prepared by Range as part of the year end audit of its 30 June 2017 financial statements. The Model was prepared by Range on the basis that the acquisition of RRDSL has been completed, thus the extract below reflects the potential tax cash flows for the Trinidad assets following the Proposed Transaction.

Tax cash flows Post-Proposed Transaction	YEAR 1 2017	YEAR 2 2018	YEAR 3 2019	YEAR 4 2020	YEAR 5 2021	Years 6-15 FY24-FY31
Supplemental Petroleum Tax	-	978,472	3,267,953	10,473,175	14,584,811	75,085,545
Unemployment levy	9,337	151,521	524,357	1,536,631	2,502,646	10,114,900
PPT	-	-	-	-	7,841,892	96,353,726
Total tax impact	**9,337**	**1,129,993**	**3,792,310**	**12,009,806**	**24,929,350**	**181,554,172**

Increase in tax outflows

Shown below is an extract of the tax increase arising from the Cost Savings which are incorporated in the table above ie the net tax movement.

Increase in tax outflows Post-Proposed Transaction	YEAR 1 2017	YEAR 2 2018	YEAR 3 2019	YEAR 4 2020	YEAR 5 2021	YEAR 6 2022	Years 6-15 FY24-FY31
Supplemental Petroleum Tax	-	176,000	183,333	-	-	-	-
Unemployment levy	6,098	37,491	83,949	97,294	86,586	55,642	407,473
PPT	-	-	-	-	6,849,729	2,320,725	6,619,452
Total tax impact	**6,098**	**213,491**	**267,283**	**97,294**	**6,936,315**	**2,376,367**	**7,026,925**

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RANGE

Range Resources Limited
ABN 88 002 522 009

RRS

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

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Proxy Form

XX

Vote and view the annual report online

- Go to www.investorvote.com.au **or** scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 **PIN: 99999**

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 10:00am (AEDT) Day, XX November 2017

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate “Certificate of Appointment of Corporate Representative” prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

GO ONLINE TO VOTE,
or turn over to complete the form ➔

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with '**X**') should advise your broker of any changes.

I 9999999999 I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Range Resources Limited hereby appoint

☐ **the Chairman of the Meeting** **OR** ________________

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Range Resources Limited to be held at RSM Corporate Australia Pty Ltd, Level 13, 60 Castlereagh Street, Sydney, New South Wales on Day, dd November 2017 at 10:00am (AEDT) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	☐	☐	☐
Resolution 2	Re-election of Director – Mr Zhiwei Gu	☐	☐	☐
Resolution 3	Re-election of Director – Mr Lubing Liu	☐	☐	☐
Resolution 4	Approval to acquire Range Resources Drilling Services Limited	☐	☐	☐
Resolution 5	Approval for cancellation of partly paid shares	☐	☐	☐
Resolution 6	Renewal of proportional takeover provisions	☐	☐	☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name ________________ **Contact Daytime Telephone** ________________ **Date** ___ / ___ / ___

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