Range Resources Limited
('Range' or 'the Company')

13 December 2017

ADMISSION TO TRADING ON THE AIM MARKET

Range is pleased to announce admission to AIM Market of the London Stock Exchange, effective 13 December 2017. Attached is the full copy of the AIM Admission document.

Contact Details

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THIS DOCUMENT AND ANY ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document and/or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the FSMA if you are in the United Kingdom or, if not, you should immediately consult another appropriately authorised independent professional adviser.

If you sell or transfer or have sold or otherwise transferred all of your Ordinary Shares in the Company, please send this document immediately to the purchaser or transferee or to the stockbroker, bank manager or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee except that such documents should not be distributed, forwarded to or transmitted in or into the United States or any jurisdiction where to do so might constitute a violation of local securities laws or regulations, including, but not limited to, any Excluded Territories. If you have sold or transferred only part of your holding of Ordinary Shares you should immediately consult the stockbroker, bank manager or other agent through whom the sale or transfer was effected.

This document, which comprises an AIM admission document, has been drawn up in accordance with the AIM Rules and has been issued in connection with the proposed Admission. This document does not comprise a prospectus within the meaning of section 85 of the FSMA and does not constitute an offer of transferable securities to the public in the United Kingdom, within the meaning of section 102B of the FSMA, and has not been approved or examined by and will not be filed with the Financial Conduct Authority, London Stock Exchange or the UKLA. It has been drawn up in accordance with the AIM Rules and has been issued in connection with the proposed Admission.

To the extent that information has been sourced from a third party, such information has been accurately reproduced and, as far as the Directors are aware, no facts have been omitted which may render the reproduced information inaccurate or misleading. In connection with this document, no person is authorised to give any information or make any representation other than as set out in this document.

Application will be made for all of the Ordinary Shares to be admitted to trading on AIM. It is expected that admission to AIM will become effective, and that dealings in the Ordinary Shares will commence on 13 December 2017. Following Admission, the Ordinary Shares will remain admitted to listing and trading on the ASX.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the official list of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document.

The Directors, whose names are set out on page 5 of this document, and the Company accept responsibility for the information contained in this document and for compliance with the AIM Rules. To the best of the knowledge and belief of the Directors and the Company (each of whom has taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Range Resources Limited

(Incorporated and registered in Australia with Australian Business Number 88 002 522 009)

Admission to trading on AIM

NOMINATED ADVISER AND BROKER

CANTOR FITZGERALD EUROPE

Cantor Fitzgerald, which is authorised in the United Kingdom by the FCA, and is acting as nominated adviser and broker for the purposes of the AIM Rules exclusively for the Company and no one else in connection with the matters described herein and will not be responsible to any other person for providing the protections afforded to customers of Cantor Fitzgerald, or for advising any other person on the contents of this document or any matter referred to herein. The responsibilities of Cantor Fitzgerald, as nominated adviser, are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or any other person and accordingly no duty of care is accepted in relation to them. No representation or warranty, express or implied, is made by Cantor Fitzgerald as to, and no liability whatsoever is accepted by Cantor Fitzgerald in respect of, any of the contents of this document (without limiting the statutory rights of any person to whom this document is issued).

You should read the whole of this document and any documents incorporated by reference prior to making any investment decision. Your attention is drawn, in particular, to Part I ''Information relating to the Company'' and Part II ''Risk Factors'' for a more complete discussion of the factors that could affect the Company's future performance and the industry in which it will operate.

This document does not constitute an offer to issue or sell, or the solicitation of any offer to subscribe for or buy, any of the Ordinary Shares in any jurisdiction where it may be unlawful to make such offer or solicitation. The distribution of this document in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe such restrictions. Any such distribution could result in a violation of the laws of such jurisdictions. In particular, this document is not for distribution into the United States, Canada, Japan or the Republic of South Africa and is not for distribution directly or indirectly to any US Person (within the meaning of Regulation S of the US Securities Act). The Ordinary Shares have not been and will not be registered under the US Securities Act, or under the securities legislation of, or with any securities regulatory authority of, any state or other jurisdiction of the United States or under the applicable securities laws of any province or territory of Canada or under the securities laws of Japan or the Republic of South Africa.

Copies of this document will be available free of charge during normal business hours on any day (except Saturdays, Sundays and public holidays) from the registered office of the Company and at the offices of Cantor Fitzgerald at One Churchill Place, Canary Wharf, London, E14 5RB from the date of this document and for a period of at least one month from Admission.

Nothing in this document is intended, or is to be construed, as a profit forecast or to be interpreted to mean that earnings per Ordinary Share for the current or future financial years will necessarily match or exceed the historical published earnings per Ordinary Share.

Forward looking statements

Certain statements in this document are ''forward looking statements'' including without limitation, statements containing the words ''believes'', ''anticipates'', ''expects'', ''target'', ''estimate'', ''will'', ''may'', ''should'', ''would'', ''intend'' and similar expressions. These forward looking statements are not based on historical facts but rather on the Directors' expectations regarding the Company's future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), planned expansion and business prospects and opportunities. Such forward looking statements reflect the Directors' current beliefs and assumptions and are based on information currently available to the Directors. Forward looking statements involve significant known and unknown risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward looking statements, including risks associated with vulnerability to general economic market and business conditions, competition, environmental and other regulatory changes or actions by governmental authorities, the availability of capital, reliance on key personnel, uninsured and underinsured losses and other factors, many of which are beyond control of the Company. Although the forward looking statements contained in this document are based upon what the Directors believe to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward looking statements.

Market and financial information

The data, statistics and information and other statements in this document regarding the markets in which the Company operates, or its market position therein, is based on the Company's records or are taken or derived from statistical data and information derived from the sources described in this document.

In relation to these sources, such information has been accurately reproduced from the published information, and, so far as the Directors are aware and are able to ascertain from the information provided by the suppliers of these sources, no facts have been omitted which would render such information inaccurate or misleading.

Unless otherwise indicated, financial information in this document, including any extracts from the audited consolidated financial statements of the Company (and separately RRDSL) for the years ended 30 June 2015, 30 June 2016 and 30 June 2017, which are publically available on the Company's website www.rangeresources.co.uk, and the notes to those financial statements, have been prepared in accordance with IFRS. Various figures and percentages in tables in this document have been rounded and accordingly may not total.

Certain financial data has also been rounded. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data.

All times referred to in this document are, unless otherwise stated, references to London time.

United States securities law

The Ordinary Shares have not been and will not be registered under the US Securities Act or securities laws of any US state or other jurisdiction and will not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and such other applicable laws.

The Ordinary Shares are generally only being offered and sold outside the United States to persons who are not US Persons (within the meaning of Regulation S of the US Securities Act) in transactions complying with Regulation S of the US Securities Act, which provides an exemption from the requirement to register the offer and sale under the US Securities Act.

The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission or by any US state securities commission or authority, nor has any such US authority passed on the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence.

An investment in the Company carries risk. Prospective investors should read the whole of this document and should carefully consider whether an investment in Ordinary Shares is suitable for them in light of their circumstances and financial resources. Your attention is particularly drawn to Part II of this document which sets out certain risk factors relating to any investment in the Company. All statements regarding the Company's business, financial position and prospects should be viewed in the light of the risk factors set out in Part II of this document. The contents of the Company's Website, including any websites available from hyperlinks on the Company's Website, do not form part of this document.

Rounding

Certain figures included in this document have been subjected to rounding adjustments. Accordingly, figures for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

All times referred to in this document are, unless otherwise stated, references to London time.

THE LONDON STOCK EXCHANGE HAS NOT EXAMINED OR APPROVED THIS DOCUMENT. THIS DOCUMENT HAS NOT BEEN APPROVED BY AUTHORITIES IN THE UNITED KINGDOM, AUSTRALIA OR ANY OTHER JURISDICTION.

This document is dated 7 December 2017.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	7 December 2017
Admission effective and commencement of dealings in the Ordinary Shares on AIM	13 December 2017

Notes:
Each of the times and dates in the above timetable is subject to change at the absolute discretion of the Company. Any change will be notified to the Shareholders by an announcement on a Regulatory Information Service. References to all times are to London time.

ADMISSION STATISTICS

Number of Ordinary Shares in issue	7,595,830,782
Percentage of Ordinary Shares not in public hands at Admission	42%
AIM ticker	RRL
ISIN for the Ordinary Shares	AU000000RRS3
SEDOL for the Ordinary Shares	B28QX48

DIRECTORS, COMPANY SECRETARY, REGISTERED OFFICE AND ADVISERS

Directors	Zhiwei Gu *(Non-Executive Chairman)* Yan Liu *(Chief Executive Officer, Executive Director)* Lubing Liu *(Non-Executive Director)* Dr Yi Zeng *(Non-Executive Director)* Juan Wang *(Non-Executive Director)*
Company Secretaries (Joint)	Sara Kelly Nicholas Beattie
Registered office and principal place of business	c/o Edwards Mac Scovell Legal Level 7 140 St Georges Terrace Perth WA 6000 Australia
Nominated Adviser and Broker	Cantor Fitzgerald Europe One Churchill Place London E14 5RB United Kingdom
Solicitors to the Company	
As to UK law	Pinsent Masons LLP 30 Crown Place Earl Street London EC2A 4ES United Kingdom
As to Australian law	Edwards Mac Scovell Legal Level 7 140 St Georges Terrace Perth WA 6000 Australia
As to Trinidadian law	Hamel-Smith & Co. PO Box 219, Eleven Albion, Cor. Dere & Albion Streets, Port of Spain, Trinidad
As to Gibraltan law	ISOLAS Portland House, Glacis Road, GX11 1AA Gibraltar
As to Barbadian law	Chancery Chambers Chancery House High Street Bridgetown BB11128 Barbados, West Indies
As to Indonesian law	Hiswara Bunjamin & Tandjung 23rd Floor, Gedung BRI II Jalan Jend. Sudirman Kav.44-46 Jakarta 10210 Indonesia

Solicitors to Cantor Fitzgerald Europe	Michelmores LLP 12th Floor 6 New Street Square London EC4A 3BT United Kingdom
Reporting Accountant to the Company	BDO LLP 55 Baker Street London W1U 7EU United Kingdom
Auditor to the Company	BDO Audit (WA) Pty Ltd 38 Station Street Subiaco WA 6008 Australia
Competent Person (Trinidad and Tobago)	Rockflow Resources Ltd Bernay House Lower Street Haslemere Surrey GU27 2PE United Kingdom
Competent Person (Indonesia)	LEAP Energy Partners Sdn. Bhd Suite 14.08, Level 14 GTower 199 Jalan Tun Razak 50400 Kuala Lumpar Malaysia
Australian Registrar	Computershare Investor Services Pty Ltd Level 11 172 St Georges Terrace Perth WA 6000 Australia
UK Depositary	Computershare Investor Services plc PO Box 82 The Pavillions Bridgwater Road Bristol BS99 6ZZ United Kingdom

DEFINITIONS

The following words and expressions shall have the following meanings in this document unless the context otherwise requires:

"A$" or **"Australian Dollars"**	Australian dollars, the legal currency of Australia
"Admission"	the admission of the issued Ordinary Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules for Companies
"AIM"	the market of that name operated by the London Stock Exchange
"AIM Rules"	the AIM Rules for Companies and the AIM Rules for Nominated Advisers, as applicable
"AIM Rules for Companies"	the AIM Rules for Companies published by the London Stock Exchange, as amended from time to time
"AIM Rules for Nominated Advisers"	the AIM Rules for Nominated Advisers published by the London Stock Exchange, as amended from time to time
"Annual General Meeting"	the general meeting of the Company held at RSM Corporate Australia Pty Ltd, Level 13, 60 Castlereagh Street, Sydney, NSW 2000 at 10:00 a.m (AEDT) on 30 November 2017 for the purpose of considering the Resolutions
"ASIC"	Australian Securities and Investments Commission
"ASX"	the Australian securities exchange operated by the ASX Group
"ASX Official List"	the Official List of the ASX
"ASX Group"	ASX Limited (Australian Business Number 008 624 691) and its subsidiaries
"ASX Listing Rules"	the Listing rules of the ASX and any other rules of the ASX which are applicable while the Company is admitted to the ASX Official List
"ASX Settlement"	ASX Settlement Pty Ltd (Australian Business Number 008504532)
"ASX Settlement Operating Rules"	the operating rules of ASX Settlement
"ASX Settlement Transfer"	a transfer of quoted securities or quoted rights effected: (i) in accordance with the ASX Settlement Operating Rules; or (ii) substantially in accordance with the ASX Settlement Operating Rules and determined by ASX Settlement to be an effective transfer
"Audit and Risk Committee"	the audit and risk committee of the Board
"Australia"	the Commonwealth of Australia
"Australian Corporations Act"	the Corporations Act 2001 of the Commonwealth of Australia
"BIR"	the Board of Inland Revenue of Trinidad and Tobago
"Board"	the board of Directors
"C$"	Canadian dollars, the legal currency of Canada
"Cantor Fitzgerald"	Cantor Fitzgerald Europe, nominated adviser and broker to the Company
"certificated" or **"certificated form"**	is the description of a share or other security which is not in uncertificated form (that is not in CREST)
"the Company" or **"Range"**	Range Resources Limited, a company incorporated in Australia with Australian Business Number 88 002 522 009
"Company's Website"	www.rangeresources.co.uk
"Constitution"	the constitution of the Company

"Convertible Note Agreement"	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"	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 interest rate and a face value of US$1.00 each
"CREST"	the relevant system in respect of which Euroclear UK & Ireland is the operator (as defined in the Uncertificated Securities Regulations) in accordance with which securities may be held or transferred in uncertificated form
"Deep PSC"	the production sharing contract dated 7 July 2009 relating to the Guayaguayare Deep block
"Depositary Deed"	the deed made by the UK Depositary in favour of the DI Holders dated 14 September 2007
"Depositary Interests"	the depositary interests representing Ordinary Shares which will be electronically listed for trading on AIM on Admission and issued by the Company's UK Depositary which holds legal title to the underlying Ordinary Shares
"DI Holders"	holders of Depositary Interests
"Directors"	the directors of the Company whose names are set out on page 5 of this document
"EU" or **"European Union"**	has the meaning given to it in Article 299(1) of the Establishing the European Economic Community Treaty as amended by, among others, the Treaty on European Unity (the Maastricht Treaty), the Treaty of Amsterdam and the Treaty of Lisbon
"Euroclear UK & Ireland"	Euroclear UK & Ireland Limited, a company incorporated in England and Wales
"Excluded Territories"	any territory or jurisdiction where local laws or regulations may result in significant risk of civil, regulatory or criminal exposure if information concerning the Admission is sent or made available to Shareholders in that territory or jurisdiction
"Financial Conduct Authority" or **"FCA"**	the Financial Conduct Authority of the United Kingdom, the statutory regulator under FSMA responsible for the regulation of the United Kingdom financial services industry
"FSMA"	the Financial Services and Markets Act 2000 of the UK as amended from time to time
"Group"	the Company and its subsidiaries
"Heads of Agreement"	the heads of agreement entered into by SOCA Petroleum and LandOcean Petroleum on 11 March 2017 in relation to the Acquisition
"Hengtai"	PT Hengtai Weiye Oil and Gas, a company incorporated in Indonesia
"Hengtai Acquisition"	the acquisition of 60% of the issued share capital of Hengtai by Range HK which completed on 30 October 2017
"Hengtai Put Option"	the put option agreement dated 7 August 2017 between Jiang Jinrong and Range HK
"Hengtai SHA"	the shareholders' agreement dated 7 August 2017 between Jiang Jinrong, Ms Selvia, Mr Wang Yuguo, Range HK and Hengtai
"Hengtai SPA"	the share sale and purchase agreement dated 7 August 2017 between Range HK and Jiang Jinrong
"HMRC"	Her Majesty's Revenue & Customs

"IFRS"	International Financial Reporting Standards, as adopted for use in the European Union
"IMSA"	the integrated master services agreement dated 29 May 2014 between the Company and LandOcean, as amended by the IMSA Amendment Agreement and IMSA Supplementary Agreement
"IMSA Amendment Agreement"	an amendment agreement dated 9 December 2014 between the Company and LandOcean in relation to the IMSA
"IMSA Deed of Novation and Indemnity"	the deed of novation and indemnity dated 31 July 2017 among the Company, LandOcean, RRDSL, Range Trinidad, Chengdu Western UnionPetro Engineering Technology, PST Services Corp. and Range Shallow relating to the IMSA Supplementary Agreement and certain purchase orders under the IMSA
"IMSA First Letter Agreement"	the letter agreement dated 27 April 2017 in relation to the IMSA among the Company, LandOcean, RRDSL, Range Trinidad, Chengdu Western UnionPetro Engineering Technology, PST Services Corp. and Range Shallow as amended by a letter agreement among the Company, LandOcean, RRDSL, Range Trinidad, Chengdu Western UnionPetro Engineering Technology, PST Services Corp. and Range Shallow dated 19 July 2017
"IMSA Second Letter Agreements"	together the (i) letter agreement dated 21 and 23 August 2017 between the Company and LandOcean; and (ii) a letter agreement dated 24 August 2017 between the Company and LandOcean, in each case relating to the IMSA
"IMSA Third Letter Agreement"	a letter agreement dated 3 September 2017 between the Company and LandOcean in relation to the IMSA
"IMSA Supplementary Agreement"	a supplementary agreement dated 17 June 2016 between the Company and LandOcean in relation to the IMSA and certain related purchase orders
"IMSA Waiver Deed"	a letter agreement dated 28 October 2016 among the Company, LandOcean, RRDSL, Range Trinidad and Range Shallow under which an outstanding amount of US$20,000,000 due by the Group under, *inter alia*, the IMSA was waived in consideration for the issue of the Convertible Notes to LandOcean
"Indonesia"	the Republic of Indonesia
"Indonesian CPR"	the competent person's report and covering letter addressed to the Company and Cantor Fitzgerald produced in accordance with the AIM Rules by LEAP in respect of the Perlak field in Indonesia and published by the Company on 29 November 2017, a copy of which is contained in Part VI of this document
"Indonesian Rupiah" or "**IDR**"	Indonesian rupiah, the legal currency of Indonesia
"Issued Share Capital"	the issued share capital of the Company as at the date of this document and as at Admission, comprising the Ordinary Shares
"LandOcean"	LandOcean Energy Services Co. Ltd, a company incorporated in the People's Republic of China
"LandOcean Group"	LandOcean and its subsidiaries
"LandOcean Petroleum"	LandOcean Petroleum Corp. Limited, a wholly owned subsidiary of LandOcean, incorporated in Hong Kong
"LandOcean RRDSL Loan Agreement"	the loan agreement dated 30 November 2017 between RRDSL and LandOcean
"LEAP"	LEAP Energy Partners Sdn. Bhd, a company incorporated in Malaysia
"London Stock Exchange"	London Stock Exchange plc
"Lukar"	PT Lubuk Kawai Raya, a company incorporated in Indonesia

"Market Abuse Regulation"	the Market Abuse Regulation (EU) No 596/2014
"MEEI"	Ministry of Energy and Energy Industries in Trinidad and Tobago
"Notice of Annual General Meeting"	the notice convening the Annual General Meeting dated 26 October 2017
"Official List"	the Official List of the UK Listing Authority
"Options"	the existing options over Ordinary Shares granted to certain persons under individual agreements
"Ordinary Shares"	ordinary shares of no par value each in the capital of the Company
"Petroleum Act"	the Petroleum Act of the Laws of the Republic of Trinidad and Tobago, an act to consolidate certain enactments about petroleum, offshore installations and submarine pipelines
"Petroleum Regulations"	the regulations made under the Petroleum Act
"Petrotrin"	Petroleum Company of Trinidad and Tobago Limited, a state owned oil company in Trinidad and Tobago
"Range Deep"	Range Resources GY Deep Limited, a wholly owned subsidiary of the Company, incorporated in Trinidad and Tobago
"Range HK"	means Range Resources HK Limited, a wholly owned subsidiary of the Company, incorporated in Hong Kong
"Range Shallow"	Range Resources GY Shallow Limited, a wholly owned subsidiary of the Company, incorporated in Trinidad and Tobago
"Range Trinidad"	Range Resources Trinidad Limited, a wholly owned subsidiary of the Company, incorporated in Trinidad and Tobago
"Regulatory Information Service"	any channel recognized as a channel for the dissemination of information as defined in the glossary of terms in the AIM Rules
"Remuneration and Nomination Committee"	the remuneration and nomination committee of the Board
"Reserves Committee"	the reserves committee of the Board
"Resolutions"	the resolutions set out in the Notice of Annual General Meeting, including *inter alia*, in respect of approval of the RRDSL Acquisition
"Rockflow"	Rockflow Resources Limited, a company incorporated in England
"RRDSL"	Range Resources Drilling Services Limited, a company incorporated in Trinidad and Tobago
"RRDSL Acquisition"	the acquisition of RRDSL by SOCA Petroleum which completed on 30 November 2017
"RRDSL Acquisition Agreement"	the sale and purchase agreement dated 27 April 2017 between SOCA Petroleum and LandOcean Petroleum in relation to RRDSL
"RRDSL Chengdu Loan Agreement"	the loan agreement dated 30 November 2017 between Chengdu Western Union Petro Engineering Technology Co Ltd and RRDSL
"RRDSL EPT Loan Agreement"	the loan agreement dated 30 November 2017 between Energy Prospecting Technology USA Inc and RRDSL
"RRDSL GPN Loan Agreement"	the loan agreement dated 30 November 2017 between GPN Petroleum Technology (Beijing) Limited and RRDSL
"RRDSL LandOcean Petroleum Loan Agreement"	the loan agreement dated 30 November 2017 between LandOcean Petroleum and RRDSL

"RRDSL Loan Agreements"	together the RRDSL Chengdu Loan Agreement, RRDSL EPT Loan Agreement, RRDSL GPN Loan Agreement, LandOcean RRDSL Loan Agreement, RRDSL LandOcean Petroleum Loan Agreement and Sincep RRDSL Loan Agreement
"Sincep RRDSL Loan Agreement"	the loan agreement dated 30 November 2017 between RRDSL and Sincep Special Equipment Co Limited
"Shallow PSC"	the production sharing contract dated 7 July 2009 relating to the Guayaguayare Shallow block
"Shareholders"	holders of Ordinary Shares (including DI Holders)
"SOCA Petroleum"	SOCA Petroleum Ltd, a wholly owned subsidiary of the Company, incorporated in Barbados
"SOGL"	Strait Oil and Gas Limited, a company incorporated under the laws of Gibraltar
"SPC"	PT Aceh Timur Kawai Energi, a company incorporated in Indonesia
"State"	the Republic of Trinidad and Tobago
"Trinidad"	one of the islands making up Trinidad and Tobago
"Trinidad and Tobago"	the Republic of Trinidad and Tobago
"Trinidadian CPR"	competent persons report dated 10 November 2017 and covering letter addressed to the Company and Cantor Fitzgerald, a copy of which is contained in Part V of this document
"Trinidad Minister of Energy"	the Minister of Energy and Energy Industries of Trinidad and Tobago
"TT$" or **"Trinidad and Tobago Dollars"**	Trinidad and Tobago dollars, the legal currency of Trinidad and Tobago
"UK Companies Act"	the Companies Act 2006 of the UK, as amended from time to time
"UK Corporate Governance Code"	the UK Corporate Governance Code as published by the Financial Reporting Counsel, as the same may be varied or amended
"UK Depositary"	Computershare Investor Services plc, a company incorporated in England and Wales
"UK Listing Authority" or **"UKLA"**	the United Kingdom Listing Authority of the FCA, acting in its capacity as the competent authority for the purposes of Part VI of the FSMA
"uncertificated" or **"in uncertificated form"**	a share or shares recorded on the register of members of the Company as being held in uncertificated form in CREST, entitlement to which, by virtue of the Uncertificated Securities Regulations, may be transferred by means of CREST
"Uncertificated Securities Regulations"	the Uncertificated Securities Regulations 2001 (SI/2001/3755) of the United Kingdom
"United Kingdom" or **"UK"**	the United Kingdom of Great Britain and Northern Ireland
"United States" or **"US"**	the United States of America, its territories and possessions, any state in the United States, the District of Columbia and other areas subject to its jurisdiction
"US$" or **"US Dollars"**	United States dollars, the legal currency of the United States
"US Securities Act"	the United States Securities Act of 1933, as amended from time to time
"VAT"	value added tax
"£" or **"British Pound Sterling"**	British pound sterling, the legal currency of the United Kingdom

EXCHANGE RATES

All references to US$ are to US Dollars, TT$ to Trinidad and Tobago Dollars, A$ to Australian Dollars, C$ to Canadian Dollars and IDR is to Indonesian Rupiah. Unless otherwise stated, the rates of exchange of US$1.00 = TT$6.74, US$1.00 = A$1.32, US$1.00 = £0.74, US$1.00 = C$1.26 and US$1.00 = IDR13,546 have been used for the purpose of this document.

TECHNICAL ABBREVIATIONS AND CONVENTIONS

In this document, the crude oil and natural gas abbreviations set forth below have the following meanings:

"1C"	denotes a Low estimate scenario of Contingent Resources
"2C"	denotes a Mid or Best estimate scenario of Contingent Resources
"3C"	denotes a High estimate scenario of Contingent Resources
"1P"	Proved Reserves. Denotes a Low estimate scenario of Reserves
"2P"	Proved plus Probable Reserves. Denotes a Mid or Best estimate scenario of Reserves
"3P"	Proved plus Probable plus Possible Reserves. Denotes a High estimate scenario of Reserves
"2D seismic"	seismic data acquired in a single traverse or series of traverses. 2D seismic data provides single cross sections.
"3D seismic"	seismic data acquired as multiple, closely spaced traverses. 3D seismic data typically provides a more detailed and accurate image of the subsurface than 2D seismic
"appraisal"	the phase of petroleum operations immediately following a successful discovery. Appraisal is carried out to determine size, production rate and the most efficient development of a field
"appraisal well"	a well drilled as part of an appraisal of a field
"block"	term commonly used to describe areas over which there is a petroleum or production licence
"boe"	barrels of oil equivalent. Converting gas volumes to oil equivalent is customarily done on the basis of the nominal heating content or calorific value of the fuel. Before aggregating, the gas volumes must be converted to the same temperature and pressure. Common industry gas conversion factors usually range between 1 barrel of oil equivalent = 5,600 scf of gas to 6,000 scf of gas
"boepd"	barrels of oil equivalent per day
"bopd"	barrels of oil per day
"bopm"	barrels of oil per month
"Bscf"	billions of standard cubic feet
"bwpd"	barrels of water per day
"commercial discovery"	discovery of oil and gas which the Company determines to be commercially viable for appraisal and development
"Contingent Resources"	those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable due to one or more contingencies
"decommission" or **"decommissioning"**	the process or the procure by which the facilities and the infrastructure related to the production of hydrocarbon from an oil field are demobilsed and abandoned
"discovery"	an exploration well that has encountered oil and gas for the first time in a structure
"drilling campaign"	a period of time in which drilling activities are performed
"dry well"	a well which does not encounter hydrocarbons in economically producible quantities
"exploration"	the phase of operations which covers the search for oil or gas by carrying out detailed geological and geophysical surveys followed up where appropriate by exploratory drilling

"exploration well"	a well in an unproven area or prospect, may also be known as a "wildcat well"
"farmout"	a term used to describe when a company sells a portion of the acreage in a block to another company, usually in return for consideration and for the buying company taking on a portion of the selling company's work committments
"geophysical"	geophysical exploration is concerned with measuring the earth's physical properties to delineate structure, rock type and fluid content – these measurements include electrical, seismic, gravity and magnetics
"hydrocarbon"	a compound containing only the elements hydrogen and carbon. May exist as a solid, a liquid or a gas. The term describes any combination of oil, gas and/or condensate
"licence"	an exclusive right to explore for petroleum, usually granted by a national governing body
"licence area"	the area covered by a licence
"mmbbls"	million barrels
"MMstb"	million stock-tank barrels of oil
"natural gas"	gas, predominantly methane, occurring naturally, and often found in association with crude petroleum
"OIIP"	oil in place
"offshore"	the geographical area that lies seaward of the coastline
"onshore"	the geographical area that lies landward of the coastline
"operator"	the company that has legal authority to drill wells and undertake production of oil and gas. The operator is often part of a consortium and acts on behalf of this consortium
"petroleum"	a generic name for oil and gas, including crude oil, natural gas liquids, natural gas and their products
"Reserves"	those quantities of petroleum which are anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions, reference should be made to the full PRMS definitions for the complete definitions and guidelines
"Resources"	Contingent resources, unless otherwise specified
"scf"	standard cubic feet measured at 14.7 pounds per square inch and 60° F

PART I

INFORMATION RELATING TO THE COMPANY

1. INTRODUCTION

Range is an oil and gas company listed on the ASX. The Company, through its subsidiary companies, is active in Trinidad and Tobago where it has oil and gas exploration, development and production operations. The Company, through its subsidiary SOCA Petroleum, recently acquired an oil services business, RRDSL, which has its assets in Trinidad. The Company, through its subsidiary Range HK, also holds an indirect interest in the Perlak field in Indonesia, and believes that it holds further interests in non-core oil and gas projects in Georgia and Guatemala.

2. COMPANY STRUCTURE AND HISTORY

The Company is incorporated in Australia and its Australian Business Number is 88 002 522 009. The Company was formed and operates under the Australian Corporations Act. The Company is the holding company of the Group. Further details of the Group are set out in paragraph 3 of Part X of this document.

The Company was initially registered as Nubola Pty Ltd in New South Wales, Australia as an Australian proprietary company on 17 September 1982 and subsequently changed its name to Range Resources Ltd and its status to an Australian public limited company on 8 March 1984.

The Company has been listed on the ASX since 24 January 1985. The Company was listed on AIM in the period 23 October 2007 to 14 September 2017. On 2 May 2017, Range announced that it had signed the RRDSL Acquisition Agreement for the RRDSL Acquisition, an oilfield services business based in Trinidad. As completion of the acquisition would have constituted a reverse takeover of the Company under Rule 14 of the AIM Rules for Companies, the Ordinary Shares were suspended from trading on AIM on 13 March 2017 pending the publication of an admission document on the enlarged group. On the same date, the Company also requested a voluntary suspension of trading in its Ordinary Shares on the ASX. As the Company was not in a position to publish an admission document within the suspension period, on 14 September 2017, trading in the Company's Ordinary Shares on AIM was cancelled pursuant to Rule 41 of the AIM Rules for Companies. On 15 September 2017 the Company resumed trading in its Ordinary Shares on ASX.

The RRDSL Acquisition completed on 30 November 2017. Further details of the terms and conditions of the RRDSL Acquisition Agreement are set out in paragraph 10.1.4 of Part X of this document.

On 8 August 2017, Range HK announced that it had signed the Hengtai SPA in relation to the Hengtai Acquisition and on 30 October 2017 the Company announced that the Hengtai Acquisition completed on that day. The Group holds a 60% interest in the issued share capital of Hengtai and, through this holding, the Group indirectly holds a 23% interest (which will increase to 42% upon completion of the minimum work programme) in the Perlak field in Indonesia. Further details on the terms of the acquisition documents and key terms thereof are set out in paragraphs 10.1.10 to 10.1.12 of Part X below.

The Company is now seeking admission of its Ordinary Shares to trading on AIM.

3. OIL AND GAS INTERESTS

The oil and gas interests of the Group are set out in the table below:

Field[1]	Location	Working Interest	Lease / Licence Type	Operator
Morne Diablo	Trinidad	100%	Farmout Agreement	Range Trinidad
South Quarry	Trinidad	100%	Farmout Agreement	Range Trinidad
Beach Marcelle[2]	Trinidad	100%	Incremental Production Services Contract	Range Trinidad
St. Mary's	Trinidad	80%	Exploration and Production Licence	Range Trinidad
Perlak Field[3]	Indonesia	23%	Cooperation Operations Agreement	SPC

Notes:

1. *The Group also held an 80% interest in the Deep PSC and a 65% interest in the Shallow PSC. Each of the Deep PSC and Shallow PSC expired in 2015. Renewal is subject to final government approvals. Please refer to the section entitled ''Trinidad Exploration, Development and Production Operations'' in paragraph 4.2 below for further details.*

   The Company also believes that the Group holds a 45% interest in Block VIA in Georgia. Please refer to the section entitled ''Georgia'' in paragraph 6 below for further details. The Company also believes that the Group holds an interest in Block 1-2005 hydrocarbons exploration and exploitation contract in Guatemala. Please refer to the section entitled ''Guatemala'' in paragraph 6 below for further details.
2. *Range's interest in the Beach Marcelle field is operated under the terms of an incremental production service contract entitling Range to a defined portion of the future revenue stream of the Beach Marcelle field. No oil and gas reserves are owned by Range. Further details are set out in paragraph 1 of Part IX of this document.*
3. *Range's indirect interest in the Perlak field is held through its 60% shareholding in Hengtai, which holds a 78% interest in Lukar which in turn holds a 49% interests in SPC. Further details of the cooperation operations agreement relating to the Perlak field to which SPC is party are set out in paragraph 5 of Part IX of this document.*

4. TRINIDAD OPERATIONS

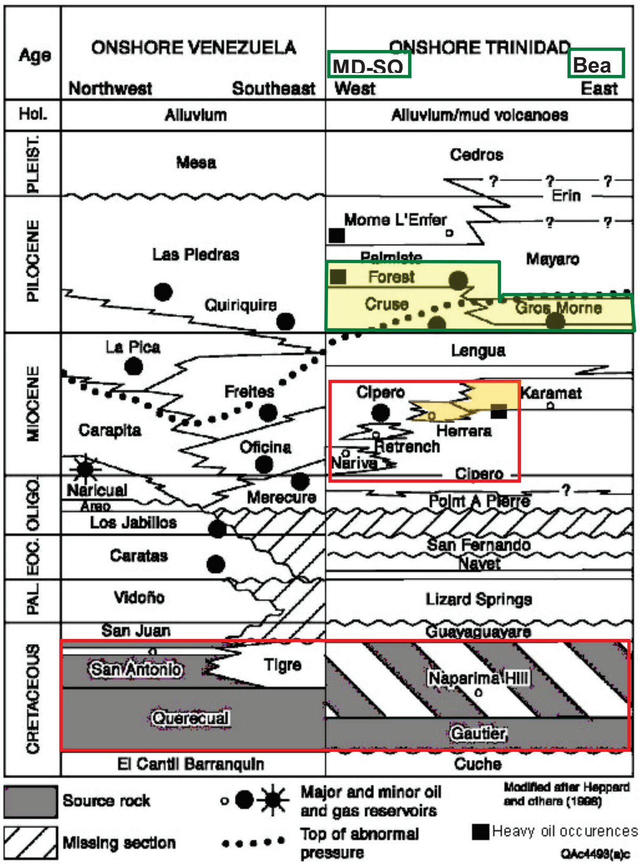
4.1 Geological Overview

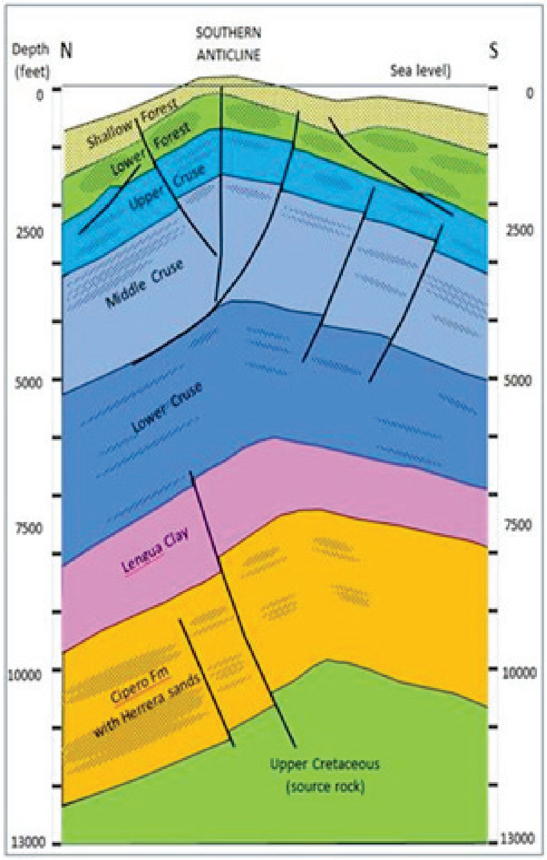
The Company's assets in Trinidad are all located in the Southern Basin geological province. Trinidad lies on the South American tectonic plate and falls within the Orinoco Fold Belt which is a prolific oil producer in adjacent Venezuela.

The Morne Diablo, South Quarry and Beach Marcelle licences are all within a complex thrust belt in the Southern Basin with a surface expression known as the Southern Range.

This Southern Range, which contains numerous oil seeps, stretches from west to east forming the south coast of the island. Fluvial-deltaic sediments, ranging to tidal and wave-dominated, characterize the shallower producing zones in the Morne Diablo and South Quarry fields. Due to growth faulting in the Beach Marcelle area, these sands are thicker and better developed there.

Regional Stratigraphy





Source: Company

The Pliocene-aged Cruse sands can be segmented into three members; the Lower, Middle and Upper Cruse. The Lower Cruse is productive in this area of the Southern Basin but is largely unexplored. Above the Lower Cruse, the Middle Cruse is widespread and is the main producer in this area. The Upper Cruse consists of developed sands that offer the possibility of more localized production.

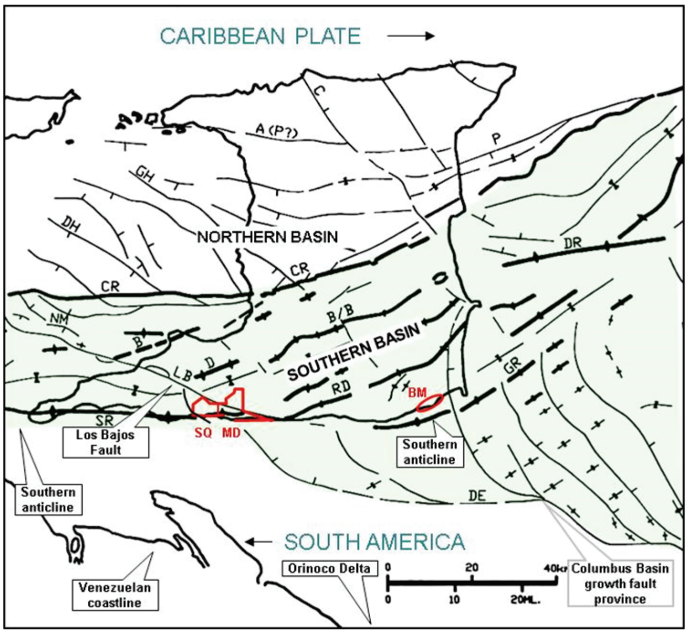
The Pliocene-aged Forest sands represent the shallowest area and are comprised of two main oil producing members. The Lower Forest ranges from 250 to 300 metres deep and the Shallow Forest ranges from 100 to 150 metres deep. These sands are ubiquitous and are the shallowest, most accessible targets. In the Beach Marcelle area, the Forest equivalent is called the Gros Morne formation.

Structural Interpretation

In Trinidad, thousands of feet of deltaic sediments and pre-deltaic sediments from the Orinoco River were deposited and subsequently folded and faulted into oil traps, as the Caribbean and South American plates collided obliquely and moved past each other in the Miocene and Pliocene.

Most of the fields are simple four-way dip structural rollover anticlines often associated with thrust and wrench faults. Within these significant structural closures multiple stacked oil bearing horizons have been created and in some areas, anticlines are overturned, thereby creating repeated reservoir intervals.

Figure: Trinidad – Depositional Setting



Source: Company

Sedimentation in southern Trinidad has been punctuated by repeated phases of crustal shortening, associated with the general strike slip motion of the Caribbean Plate to the east in relation to South America. This has occurred particularly in and after the middle Miocene when the Caribbean Plate impinged on the Trinidadian area of the South American continental margin. Compressive stress to the southeast led to major thin skinned thrusting throughout the Southern Basin with notable structures and hydrocarbon fields in the core areas where the Company has its licences.

4.2 Trinidad Exploration, Development and Production Operations

The Company, via its subsidiary Range Trinidad, holds 100% interests in three onshore production licences in Trinidad – Morne Diablo, South Quarry and Beach Marcelle. The Group's oil and gas production in Trinidad for the quarter ending 30 September 2017 was 53,120 barrels (an average of 577 bopd). All three fields have been producing for over 75 years and contain over 600 wells, of which around 180 are currently producing from zones ranging in depth from 400 feet to 4,000 feet. Beach Marcelle and Morne Diablo have ongoing waterflood projects. The Company also holds an 80% interest in the exploration and production licence relating to the St Mary's block in Trinidad.

The Company, via its subsidiary companies, also held an 80% interest in the Deep PSC and a 65% interest in Shallow PSC, both of which expired in July 2015. The Company has requested extensions to (or renewals of) the Deep PSC and Shallow PSC on revised terms. Following ongoing discussions with the MEEI, the Company believes that an extension/renewal will be granted if the first shallow commitment well in the Shallow PSC (being the Canari North well) has been drilled and completed. The Company has no immediate plans to drill the Canari North well.

Trinidad Licence Interests

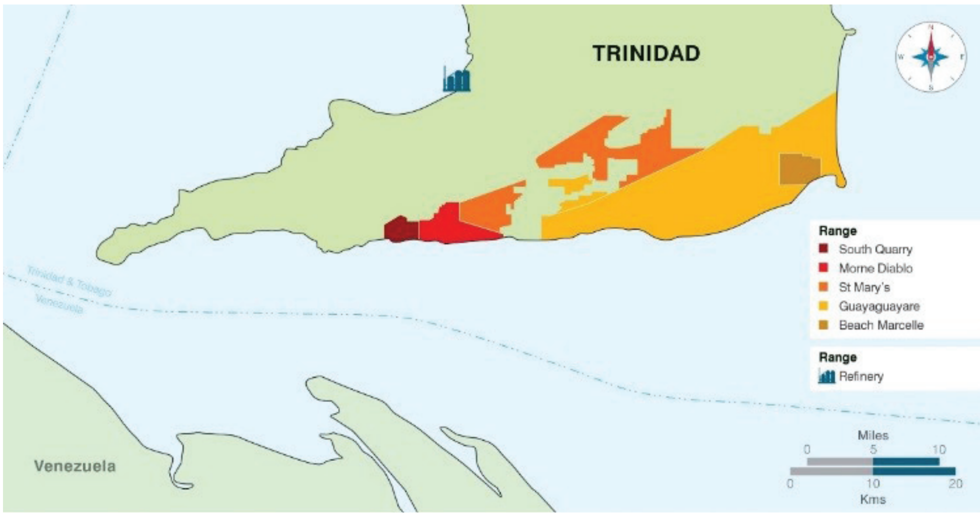
A summary of the Group's licence interests in oil and gas fields in Trinidad is given in the table below.

Asset	Operator	Group's Interest	Status	Licence Expiry	Licence Area	Comment
Beach Marcelle	Range Trinidad	100%	Development	31/01/2020	1,586.16 hectares	Renewal and extension will be sought during 2018/2019
Morne Diablo	Range Trinidad	100%	Development	31/12/2021	3,508.5 hectares	Further 5 year renewal possible
South Quarry	Range Trinidad	100%	Development	31/12/2021	1,444.9 hectares	Further 5 year renewal possible
St. Mary's	Range Trinidad	80%	Exploration	31/10/2020	15,281 hectares	Minimum work programme not fully met – amendments proposed

Source: Trinidadian CPR contained in Part V of this document

Further information on the key terms of the Group's licences (including a summary of the minimum work obligations) and farm-out agreements in Trinidad are set out in Part IX of this document.

Location Map of the Trinidad Licences



Source: Figure 1-1 of Trinidadian CPR

4.2.1 Waterflood Activity

The principal operational focus of the Group in Trinidad has recently been on implementing a secondary recovery waterflood programme at its Beach Marcelle and Morne Diablo fields. LandOcean Group has been providing Range Trinidad with various services on the waterflood programme under the IMSA and certain purchase orders since 2014. The Company believes that full implementation of the waterflood projects, which account for the majority of the reserves of the Group, are important to its production growth in Trinidad. The Company estimates that approximately 18% of the original OIIP on three waterflood projects (Beach Marcelle South East area, Morne Diablo and South Quarry) has been recovered by primary depletion. The waterflooding projects are expected by the Company to add another 11% to this primary depletion recovery.

Beach Marcelle Waterflood

During the three month period from 30 June 2017 to 30 September 2017, production from the waterflood programme at the South East area of the Beach Marcelle field continued at an average rate of 90 bopd, with a water injection rate of approximately 900 bwpd. In order to increase the water injection rate, the Company signed agreements with Petrotrin on 16 March 2017 to use produced water from their operations, which will increase the water injection rate by a further 700 bwpd. The Company has completed the construction of a pipeline to connect to Petrotrin's water supply and the first transfer of water occurred on 13 November 2017. Transfer of Petrotrin's water has been temporarily suspended, pending installation of a new pump.

Morne Diablo Waterflood

During the three month period from 30 June 2017 to 30 September 2017, production from the waterflood programme at the Morne Diablo field continued at an average rate of approximately 30 bopd with a water injection rate of 180 bwpd. The Company has completed injectivity tests on parts of the block and continues to analyse the results. Once this analysis has been completed, the Company intends to commence work to increase water supply, including construction of a new water pipeline, and gathering and transfer stations.

Other Waterflood Projects

The Company has been undertaking initial preparatory work (including injectivity testing) on other parts of its acreage, and is planning to expand its waterflood programme to other areas of the Beach Marcelle, South Quarry and Morne Diablo fields, with initial work expected to commence towards the end of 2018 and into 2019.

4.2.2 Development Drilling Activity

The Company has undertaken a limited development drilling programme during 2017 with the first of these wells having been drilled during September 2017 on the Morne Diablo field. The well (QUN 161) was drilled to a depth of 2,300 feet. Production testing on the well has been completed. Since perforation, the well has been flowing at an average rate of 21 bopd.

A second development well from 2017 drilling programme, GY 684 well located at the Beach Marcelle field was successfully drilled to a total depth of 4,300 feet during November. Wireline logging of the well has been subsequently completed, with results showing that three target zones were penetrated. The Company is in the process of submitting relevant government approvals to undertake perforation and production testing of the well.

The Company has a significant inventory of 117 identified development well locations which it expects to drill over the next five years.

4.2.3 Exploration Activity

The Company continues its discussions with MEEI with regards to seeking extension or, if appropriate, a renewal of each of the Deep PSC and Shallow PSC. The Company believes that an extension/renewal will be granted if the first shallow commitment well in the Shallow PSC (being the Canari North well) has been drilled and completed. The Company has no immediate plans to drill the Canari North well.

On the St. Mary's onshore block, the Company has completed integrated geology and well placement studies on part of the block, which borders the Morne Diablo field.

4.2.4 Reserves and Contingent Resources

A summary of the oil reserves and contingent resources, both gross and attributable to the Group's interests in its oil properties in Trinidad is given in the tables below:

SUMMARY OF DETERMINISTIC GROSS AND NET OIL RESERVES AS AT 30th June 2017[1]

Oil Reserves		Gross (MMstb)			Net Attributable Range (MMstb)		
Asset	**Operator**	**Low (1P)**	**Mid (2P)**	**High (3P)**	**Low (1P)**	**Mid (2P)**	**High (3P)**
Beach Marcelle	Range Resources Trinidad Limited	5.867	9.524	13.275	5.867	9.524	13.275
Morne Diablo	Range Resources Trinidad Limited	3.261	5.014	7.419	3.261	5.014	7.419
South Quarry	Range Resources Trinidad Limited	0.854	1.500	2.208	0.854	1.500	2.208
Total		**9.982**	**16.038**	**22.901**	**9.982**	**16.038**	**22.901**

Source: Trinidadian CPR contained in Part V of this document

SUMMARY OF DETERMINISTIC GROSS AND NET OIL CONTINGENT RESOURCES AS AT 30th June 2017

Contingent Oil Resources[2]		Gross (MMstb)			Net Attributable Range (MMstb)			Project Maturity[3]
Asset	**Operator**	**Low (1C)**	**Mid (2C)**	**High (3C)**	**Low (1C)**	**Mid (2C)**	**High (3C)**	
Beach Marcelle	Range Resources Trinidad Limited	3.121	5.716	8.130	3.121	5.716	8.130	Development pending[4]
Beach Marcelle	Range Resources Trinidad Limited	0.273	0.273	0.273	0.273	0.273	0.273	Development on hold[5]
Morne Diablo	Range Resources Trinidad Limited	1.099	1.710	6.509	1.099	1.710	6.509	Development on hold
South Quarry	Range Resources Trinidad Limited	0.065	0.319	0.528	0.065	0.319	0.528	Development on hold
Total (Pending)		**3.121**	**5.716**	**8.130**	**3.121**	**5.716**	**8.130**	
Total (On Hold)		**1.437**	**2.302**	**7.310**	**1.437**	**2.302**	**7.310**	

Source: Trinidadian CPR contained in Part V of this document

1 To year end 2031

2 Rockflow has not estimated any 'Chance of Development' or 'Risk Factor'; these depend largely on non-technical matters, such as reaching agreement with other parties; Rockflow does not have all the information that would be required to make a quantitive estimate and therefore considers it would be inappropriate to do so.

Moreover the volumes reported here are 'unrisked, in the sense that no adjustment has been made for the risk that the project may not go ahead in the form envisaged, or may not go ahead at all.

3 SPE – Petroleum Resources Management System, page 9 section 2.1.3.1. '*Thus Projects on Known Accumulations that are actively being studied, undergoing feasibility review and with planned near-term operations (e.g., drilling) are placed in Contingent Resources Development Pending while those that do not meet this test are placed into either Contingent Resources On Hold, Unclarified, or Not Viable*'

4 Development pending – currently within 5 year plan

5 Development on hold – currently outside of 5 year plan

A net present value of the Reserves of the Company is given in the Trinidadian CPR in Part V of this document. Further information on the reserves and resources of the Group in Trinidad is contained in the Trinidadian CPR which is included in Part V of this document. A summary of the Group's key licences and agreements is contained in Part IX of this document.

4.3 Oil Services Operations

On 13 March 2017, the Company announced that it had signed Heads of Agreement with LandOcean Petroleum in relation to the acquisition of 100% of the issued share capital of RRDSL for US$5,500,000 in cash. The signing of the RRDSL Acquisition Agreement was announced on 2 May 2017. RRSDL is an oilfield services business based in Trinidad with a fleet of 13 rigs. The RRDSL Acquisition completed on 30 November 2017. Further details of the terms and conditions of the RRDSL Acquisition Agreement are set out in paragraph 10.1.4 of Part X of this document.

RRDSL was incorporated in Trinidad and Tobago on 1 May 2003 and provides oilfield services. RRDSL, which was previously owned by Range, was 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 services to Range Trinidad since that time under the IMSA and related purchase orders. A summary of the IMSA and related purchase orders under which RRDSL has derived its revenues since the acquisition by LandOcean Petroleum is set out in paragraph 10.1.1 of Part X of this document. RRDSL operates from Range Trinidad's office premises for which RRDSL pays a monthly fee.

Since the date of acquisition, LandOcean Group 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. A major streamlining of the overhead structure of RRDSL has been completed over the last two years. RRDSL currently employs 194 staff (which includes 19 staff on secondment from Range Trinidad and 6 contractors).

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

- Six onshore drilling rigs ranging in drilling capacities between 200 meters and 4,000 meters;
- Seven workover and swabbing rigs; and

- 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 Trinidad's five-well drilling campaign during 2016 (16,678 feet drilled) with drilling operations completed efficiently and safely. RRDSL's production rigs are currently used in Range Trinidad's waterflood and workover operations and by other third parties in Trinidad.

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

Summary information on the RRDSL rigs

Category	Rig number	Model	Capacity (meters)	Period of most recent use	Current status
Drilling Rig	1	SR-60	200	February 2015	Down for repairs
	8	IDECO 433	2000	March 2015	Down for repairs
	16	QZ225/6-K	4000	July 2016	Repairs underway to power
	17	ZJ-20	2000	December 2016	Operational
	18	ZJ-15	1500	Currently in use	Operational
	19	XJ100 – 10X8 F carrier	1000	Currently in use (for workover operations)	Operational

Category	Rig number	Model	Period of most recent use	Current status
Workover Rig	2	Cooper 250	Currently in use	Operational
	3	MST 800	Currently in use	Operational
	4	MST 1500	August 2016	Down for repairs
	6	DIR-308	Currently in use	Operational
	9	Mack Carrier	Currently in use	Operational
Swabbing Rigs	11	Ford VZ110378	Currently in use	Operational
	12	Mack VG6M 112	Currently in use	Operational

Financial Information on RRDSL

Since the acquisition by LandOcean Petroleum, Range Trinidad has substantially been RRDSL's only customer. The revenues of RRDSL since the acquisition therefore essentially reflect its financial relationship with Range through the IMSA and related purchase orders. Historic financial information on RRDSL is contained in Section B of Part III of this document.

5. INDONESIAN OPERATIONS

5.1 Perlak Field

On 8 August 2017, Range HK announced that it had signed the Hengtai SPA in relation to the Hengtai Acquisition and on 30 October 2017, the Company announced that the Hengtai Acquisition completed on that day. The consideration payable for the Hengtai Acquisition was US$3,200,000. The Group holds a 60% interest in the issued share capital of Hengtai and, through this holding, the Group indirectly holds a 23% interest (which will increase to 42% upon completion of the minimum work programme) in the Perlak field in Indonesia.

Further details on the terms of the acquisition documents and key terms thereof are set out in paragraphs 10.1.10 to 10.1.12 of Part X below.

5.1.1 Overview

The Perlak field is located in the established hydrocarbon province of Aceh in the Northeast Sumatran basin and covers an area of around 10 km^2. It lies on-trend with many producing hydrocarbon fields, including the Arun field.

The Perlak field was produced primarily in the period up to the early 1940s from the crestal part of the structure. Over 300 wells have been drilled to date, with 249 of those put into production. The Perlak field produced approximately 47 mmbbls from 1899 to 1942 from very shallow depths of less than 1,000 meters (3,300 feet). The average recovery factor of the Perlak field to date is estimated at 17.5%.

The Perlak field was shut-in during World War II and there has been limited activity carried out since that time, mainly by smaller local operators. Thirteen wells had been drilled on the field since the 1970s. Two of the more recent wells were drilled and put into production in May 2011. The wells produced at initial rates of 140 bopd and 110 bopd. The wells have since been shut-in and there is no current production from the field.

The mature operating environment offers low cost development opportunities with potentially short lead times to production. In addition, the Company believes that substantial potential exists in the areas of the Perlak field that have not yet been developed.

The Perlak field benefits from 2D and 3D seismic which has been obtained by previous operators and will be evaluated as part of the upcoming work programme.

Location map of the Perlak field

Source: Figure 2-1 of the Indonesian CPR contained in Part VI of this document

5.1.2 Work Programme

The agreed minimum work programme covers a 3-year period from 27 September 2017 to 27 September 2020, and involves geological and geophysical studies, workovers of existing wells, and the drilling of one well. The Company has identified four low-cost workover opportunities of existing wells. The Company will be evaluating the potential to expand its workover programme beyond these four wells to expedite its work programme.

The overall objective of the work programme is to firm up a field development plan, in order to produce additional reserves across the Perlak field and fully exploit the potential resources.

Range's share of the cost of the minimum work programme is US$2,280,000. The Perlak field will be operated by a local company, SPC.

5.2 Contingent Resources

The Contingent Resources attributable to Range's indirect interest in the Perlak field are shown in the table below:

Current Net Remaining recoverable resources				Operator
	Low (1C)	Mid (2C)	High (3C)	
Associated Gas (Bscf)	1.7	10.9	41.1	SPC
Oil (MMstb)	0.9	3.1	18.4	SPC

Source: Indonesian CPR contained in Part VI of this document

Note: Range's indirect interest in the Perlak field is held through its 60% shareholding in Hengtai, which holds a 78% interest in Lukar which in turn holds a 49% interest in SPC. Further details of the cooperation operations agreement relating to the Perlak field to which SPC is party are set out in paragraph 5 of Part IX of this document.

Further information on the Perlak field is contained in the Indonesian CPR which is included in Part VI of this document.

6. NON CORE ASSETS

Georgia

Range believes that it holds an indirect interest in the production sharing contract dated 29 March 2007 over Block VIA (the "**Georgia PSC**") in Georgia through its 45% shareholding in SOGL. On 3 April 2017, 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. Range believes that the Georgia PSC remains valid and in good standing and that the purported relicensing of the block by the Agency would be a breach of the Georgia PSC. Further background is set out in paragraph 1.17 of Part II of this document below.

Guatemala

Range believes that it holds an indirect interest in the hydrocarbons exploration and exploitation contract relating to Block 1-2005 covering the Atzam and Tortugas fields in Guatemala, through its shareholding of between 10-20% in Latin American Resources Ltd ("**LAR**"). Despite the contractual arrangements in place, Range has not been able to validly confirm its equity ownership in LAR and does not hold any share certificates or other evidence of a shareholding in LAR. During 2017, Range has continued to engage with LAR with an intention to agree a mutually beneficial arrangement to restructure Range's interest in LAR and to accelerate production growth. Range has not yet been able to reach an agreement with LAR. Range will continue to seek an acceptable resolution to this investment.

7. FINANCIAL INFORMATION

Historical financial information on: (i) the Group (excluding RRDSL) is set out in Section A of Part III of this document; (ii) RRDSL is set out in Section B of Part III of this document; and (iii) the Group (excluding RRDSL) is set out in Section C of Part III of this document.

8. STRENGTHS OF THE GROUP

The Directors believe that the strengths of the Group are its:

- scope to exploit the potential growth opportunities in the Trinidad oil services market and to expand its oil services business internationally;
- scope to use RRDSL to lower the operating costs for its oil and gas exploration, development and production operations in Trinidad;
- scope for production growth through the implementation of the waterflood programme at Beach Marcelle and Morne Diablo;
- balanced portfolio of exploration, development and production assets; and
- 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 until 28 November 2019 (being the Maturity Date of the Convertible Notes).

9. STRATEGY OF THE GROUP

The strategy of the Group is to:

- establish RRDSL as a profitable oilfield services company, providing onshore operations both to Range and to other counterparties in Trinidad and internationally. Range will aim to take further steps to reduce costs, improve drilling efficiency, secure contracts and diversify the customer base of RRDSL;
- optimise the Trinidad assets by continuing to focus on the waterflood projects, development drilling and low cost workover operations to achieve production and reserves growth;
- implement the minimum work programme commitment in Indonesia to increase reserves and production;
- build an asset base demonstrating significant production, reserves and cashflows, whilst maintaining further growth potential through selective exploration;
- continue to evolve through strong technical strategic partnerships;

- pursue growth opportunities through the acquisition of new oil and gas assets; and
- maintain financial strength, flexibility and stringent cost control.

10. CURRENT TRADING AND PROSPECTS FOR THE GROUP

The Company announced its annual results for the twelve month period ending 30 June 2017 on 2 October 2017. These annual results are contained in Section A of Part III of this document.

The Company announced its quarterly activities report for the three month period ending 30 September 2017 as published on 31 October 2017 (of which Appendix 5B is contained in Section C of Part III of this document).

The Group completed the Hengtai Acquisition on 30 October 2017, and completed the RRDSL Acquisition on 30 November 2017.

The Group intends to fund ongoing expenditure on the waterflood projects and other operations from existing cash resources, revenues generated from operations and other sources of financing as required. The Group expects to generate revenues from both its oil and gas production operations and from the activities of its oil services business.

Following completion of the RRDSL Acquisition on 30 November 2017, the Group will no longer benefit from the existing credit terms from LandOcean Group with respect to its oilfield activities in Trinidad under the IMSA. The IMSA will remain in place and the Group has negotiated new credit terms with LandOcean pursuant to the IMSA First Letter Agreement in terms of which:

- the payment due date for all approved invoices (and any accrued interest) issued under the IMSA and certain related purchase orders which are outstanding at the date of the IMSA First Letter Agreement will be the third anniversary of the effective date of the IMSA First 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 First 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 is 6% per annum.

On 31 July 2017, the parties to the IMSA First Letter Agreement entered into the IMSA Deed of Novation and Indemnity. Under the IMSA Deed of Novation and Indemnity, the rights, benefits, obligations and liabilities of each entitiy within the Group under purchase orders no. 2-8 (inclusive) and the IMSA Supplementary Agreement were transferred to the Company and the rights, benefits, obligations and liabilities of each LandOcean Group entity under purchase orders no. 2-8 (inclusive) and the IMSA Supplementary Agreement were transferred to LandOcean. Accordingly, all amounts payable by members of the Group to members of the LandOcean Group under these arrangements are now payable directly by the Company to LandOcean.

Pursuant to the IMSA Third Letter Agreement, the Company and LandOcean agreed that (i) the Company is continuing to progress with the waterflood and other oilfield projects in Trinidad; (ii) SOCA Petroleum has agreed to acquire RRDSL from LandOcean Petroleum; (iii) the IMSA remains effective between Range and LandOcean and that a new purchase order could be established under which LandOcean would provide services (including services as a project manager) for the Company for its oilfield operations in Trinidad; and (iv) the payment terms for services provided under a new purchase order would be no less than 720 days for any invoices issued.

As at 6 December 2017 (being the last practicable date prior to the publication of this document), the total amount outstanding by the Company to LandOcean under the IMSA and related purchase orders was US$40,215,637.

Further details on the IMSA, the IMSA First Letter Agreement, IMSA Second Letter Agreements and IMSA Third Letter Agreement are set out in paragraph 10.1.2 of Part X of this document.

11. CONVERTIBLE NOTE AGREEMENT WITH LANDOCEAN

As announced on 31 October 2016, Range entered into the Convertible Note Agreement with LandOcean on 28 October 2016 for the issuance of a US$20,000,000 convertible note by Range. Under the Convertible Note Agreement, LandOcean subscribed for US$20,000,000 of unlisted unsecured Convertible Notes with an annual interest rate of 8% which have a face value of US$1.00 each. The Convertible Notes are redeemable by LandOcean after three years of issue (the "**Maturity Date**") or earlier if a redemption event occurs (such as non-payment of annual interest payments). Subject to converting at least US$10,000,000 of Convertible Notes (the "**Minimum Conversion Amount**"), LandOcean may elect to convert the Convertible Notes into Ordinary Shares at a conversion price of £0.0088 per Ordinary Share (the "**Conversion Price**") at any time prior to the Maturity Date. Range also has the option of redeeming the Convertible Notes for cash at any time prior to the Maturity Date. Range must also pay yearly interest instalments, on each anniversary of the issue date of the Convertible Notes, in cash. The first annual interest instalment was due on 28 November 2017 but at the request of LandOcean it has not yet been paid. Range anticipates that this instalment will be paid during December 2017.

The Convertible Notes were issued on 28 November 2016 conditional on shareholder approval, which was obtained on 7 February 2017. Pursuant to the IMSA Waiver Deed executed by, *inter alia*, the Company and LandOcean, LandOcean agreed to waive its entitlement to US$20,000,000 of the accrued fees in exchange for the issue of the Convertible Notes. The proceeds from the Convertible Notes were utilised solely to replace a portion of the outstanding payable balance due to LandOcean Group under the terms of the IMSA and the IMSA Waiver Deed.

Further information on the Convertible Note Agreement is set out in paragraph 10.1.3 of Part X of this document.

12. OVERVIEW OF TRINIDAD

The islands of Trinidad and Tobago are the southernmost islands in the Caribbean and are located between the Atlantic Ocean and the Caribbean Sea, northeast of Venezuela. The southern tip of the island lies 11 kilometers from the Venezuelan mainland, while the island of Tobago lies approximately 30 kilometers northeast of Trinidad.

Trinidad is the Caribbean's largest producer of oil and natural gas and has a long history of oil production with cumulative production over the last 100 years totaling over 3 billion barrels of oil. According to the June 2017 BP Statistical Energy Survey, Trinidad had proved oil reserves of 0.2 billion barrels, and proved gas reserves of 0.3 trillion cubic meters as at 31 December 2016 and produced an average of 96,000 barrels of crude oil per day in 2016. Gas production in 2016 was 34.5 billion cubic meters. The country has developed significant infrastructure in support of the energy industry and currently is the world's sixth largest liquid natural gas exporter and the largest liquid natural gas exporter to the United States. In addition to the state-owned Pointe-a-Pierre oil refinery, which has over 165,000 barrels per day of distillation capacity, the country has one of the largest natural gas processing facilities in the Western Hemisphere (with a processing capacity of almost two billion cubic feet per day and an output capacity of 70,000 barrels per day of natural gas liquids). In addition to Pointe-a-Pierre providing an export terminal for oil, Trinidad also has a methanol export facility at Point Lisas and a liquefied natural gas and natural gas liquids export facility at Point Fortin. The petroleum and petrochemical industries accounted for approximately 37% of Trinidad and Tobago's gross domestic product in 2015. Major energy companies such as BP, Repsol and Shell operate in the country, as do smaller companies such as Touchstone Exploration Inc, Columbus Energy Resources plc and Trinity Exploration and Production plc.

An overview of the oil and gas legal and regulatory framework in Trinidad and Tobago is included in Part VII of this document.

13. OVERVIEW OF INDONESIA

Indonesia is an archipelago comprising approximately 17,508 islands covering some 1.9 million km^2, located in Southeast Asia and Oceania. It comprises 34 provinces and shares land borders with Papua New Guinea, East Timor, and Malaysia. Other neighbouring countries include Australia, Singapore, Philippines, Palau, and the Indian territory of the Andaman and Nicobar Islands. The capital city is Jakarta, located on the western end of the island of Java.

Indonesia is a democratic republic with an elected legislature and president and is a founding member of Association of Southeast Asian Nations. The country is a polyglot nation with an estimated population of over 260 million people and is the world's fourth most populous country. It is the most populated country in Southeast Asia.

Indonesia is a member of the G-20 group of major economies and ranked as the world's 16th largest economy with an estimated Gross Domestic Product ("**GDP**") of US$930 billion in 2016. The country has seen a resurgence since the Asian financial crisis in 1997, averaging GDP growth of 5.4% per annum from 2011 to 2016. The country is now seen as an emerging and vibrant democracy, with a growing economy, and as a growing regional power.

Indonesia's oil and gas industry is a vital part of the economy making a material contribution to total state income tax revenues. At the end of 2016, Indonesia had proved oil reserves of 3.3 billion barrels, and proved gas reserves of 2.9 trillion cubic metres. In 2016, oil production was 881,000 bopd, and gas production was 69.7 billion cubic metres. Many of the largest oil and gas companies such as BP plc, Chevron Corporation, Exxon Mobil Corporation and Total S.A. operate in Indonesia.

An overview of the oil and gas legal and regulatory framework in Indonesia is included in Part VIII of this document.

14. INFORMATION ON THE DIRECTORS, AND SENIOR MANAGERS

Directors

Zhiwei Gu *(aged 35) – Non-Executive Chairman*

Zhiwei Gu is an experienced corporate lawyer, who has worked with numerous companies seeking listings on various international stock markets, including the Toronto Stock Exchange and the Hong Kong Stock Exchange. He is currently a partner of Dentons, 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 merger and acquisition 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.

Yan Liu *(aged 44) – Chief Executive Officer and Executive Director*

Yan Liu has over 20 years of accounting and corporate advisory experience in China and Australia. Until December 2014, Mr Liu was the chief financial officer of China Rerun Chemical Group Limited, a China-based lubricant oil company. Previously, Mr Liu was also a partner of Agile Partners, the financial advisory company based in China and the Financial Controller at Legalwise Seminars Pty in Australia. He also spent 8 years at Chinatex Corporation where he worked in project management positions. Mr Liu holds a Bachelor degree in Economics from the Central University of Finance and Economics, China, and a Masters degree in Commerce from the University of New South Wales, Australia.

Lubing Liu *(aged 45) – Non-Executive Director*

Lubing Liu has over 20 years of global experience in petroleum exploration, development, production, joint venture operations and new ventures. He is currently an independent consultant to Melbana Energy Limited (formerly MEO Australia 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 exploration and production and energy service companies including ConocoPhillips, CNOOC, Woodside, RPS and Senergy. Mr Liu has 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 *(aged 62) – 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 Zeng holds a PhD in Geophysics from the Victoria University of Wellington, New Zealand, an MSc in Applied Geophysics and a BSc in Geophysical Exploration from the Chengdu University of Technology, China.

Juan Wang *(aged 35) – Non-Executive Director*

Juan Wang was previously the 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 in Houston and Calgary. Previously, she was also an investment manager and director at Anterra Energy Inc. responsible for Chinese investor liaisons and a manager of corporate mergers and acquisitions at LandOcean. Ms Wang has a commercial banking background having previously worked for Deutsche Bank and Bank of East Asia.

Senior Managers

Nicholas Beattie *(aged 44) – Chief Financial Officer and Joint Company Secretary*

Nick Beattie has over 20 years of experience in finance working with a range of international banks. Most recently he was a Managing Director in the BNP Paribas Upstream Oil and Gas team in London where he was responsible for leading the bank relationships with UK-focused independent exploration and production companies. Nick has approximately ten years of experience specifically financing the exploration and production sector and whilst at BNP Paribas, he structured and led numerous reserve based loans, development financings and other debt facilities. Prior to working with BNP Paribas, Nick worked as a director within the oil and gas finance team at Fortis Bank covering Europe, Middle East and Africa and in a variety of roles with National Australia Bank Group. Nick is an Associate Member of the Association of Corporate Treasurers, a Member of the Chartered Institute for Securities and Investment and a Fellow of the Chartered Institute of Bankers in Scotland.

Sara Kelly *(aged 35) – Joint Company Secretary*

Sara Kelly is an experienced company secretary and corporate lawyer with over 13 years' experience. Sara has comprehensive knowledge of and experience in administering regulatory frameworks and processes in a listed company environment and practiced as a corporate lawyer specialising in acquisitions, takeovers and capital raisings and listing of companies on ASX and AIM. Sara has acted as the company secretary of a number of ASX-listed companies. Sara is a partner at Edwards Mac Scovell Legal, a boutique Western Australian legal practice based in Perth.

Dr Douglas Field *(aged 65) – Chief Petroleum Engineer*

Dr Douglas Field is a petroleum and reservoir engineer with over 30 years of international exploration and production experience. Since 2003, he has held a number of engineering and business development posts at Tullow Oil plc, and from 2003-2007 was Group Engineering Manager where he was responsible for Tullow's petroleum, reservoir, well services, production and facilities engineers, and from 2007-2012 Business Unit Manager for Tullow's activities in North and North West Africa. Prior to this, he worked in technical leadership positions for LASMO Grand Maghreb Ltd, Monument Oil and Gas plc, Centrica plc and BHP Petroleum Ltd. His experience includes running field and production operations in onshore Libya, Iran, Algeria, Angola and the North Sea. Dr Field holds a PhD in Organic Chemistry from the University of Leeds. He is a Member of the Society of Petroleum Engineers.

Lijun Xiu *(aged 53) – Vice President of Operations and Production*

Lijun Xiu has a long and distinguished geological career of over 30 years working for the Research Institute of Petroleum Exploration & Development (a division of China National Petroleum Corporation) where most recently he was a Deputy Chief Geologist for one of the largest oilfields in Songliao Basin in China. Mr Xiu has extensive experience in oilfield exploration and development planning, drilling design, research on geological conditions for oil and gas accumulations and target selection, evaluation of the oil reservoir properties, evaluation of well logging, and assessment of hydrocarbon reserves. Mr Xiu holds a Bachelor degree in Geological Prospecting from the Northeast Petroleum University in China. He also holds a number of professional titles including Reserves Evaluation Specialist from the Ministry of Land and Resources of the People's Republic of China. Mr Xiu has published more than 20 research papers in domestic and international academic journals. Mr Xiu is a Member of the Society of Petroleum Engineers.

15. EMPLOYEES

The Board considers that the capacity to recruit, retain, develop and integrate staff into the Group is fundamental to executing its strategy. As at the date of this document, excluding the Non-Executive Directors, the Group has 210 employees.

16. COMPETENT PERSON'S REPORTS

Your attention is drawn to the full text of the Trinidadian CPR which is set out in Part V of this document and the Indonesian CPR which is set out in Part VI of this document.

17. CORPORATE GOVERNANCE

The Board recognises the importance of sound corporate governance commensurate with the size and nature of the Company and the interests of its Shareholders. The Company has adopted a corporate governance framework which it considers to be suitable given the size, history and strategy of the Group and consistent with the Principles of Good Corporate Governance and Best Practice Recommendations (Corporate Governance Principles and Recommendations 3rd Edition) issued by the ASX Corporate Governance Council.

As an AIM-listed company, the Company will not be required to comply with the UK Corporate Governance Code and at this time, given the current nature and scope of the Company's operations, it does not comply with the UK Corporate Governance Code. However, the Board is committed to maintaining high standards of corporate governance.

The Board comprises five Directors, one of whom is an executive Director and four of whom are non-executive Directors. The Board schedules Board meetings approximately four times per year plus such other ad hoc meetings as are deemed necessary by the Board to deal with urgent business matters. All the necessary information is supplied to the Directors on a timely basis to enable them to discharge their duties effectively. At Board meetings, there is a formal schedule of matters reserved for consideration by the Board and other matters are delegated to Board committees. The Board is responsible for leading and controlling the Company and in particular for formulating, reviewing and approving the Company's strategy, budget, major items of capital expenditure, acquisitions and senior personnel appointments. The Board has established subcommittees of the Board, comprising an Audit and Risk Committee, a Remuneration and Nomination Committee and a Reserves Committee. The Chief Financial Officer attends all Board meetings in his capacity as joint company secretary.

The Company will comply with Rule 21 of the AIM Rules for Companies relating to dealings in the Ordinary Shares of the Company and has adopted a share dealing policy for the Directors and other persons discharging management responsibilities in compliance with Rule 21 of the AIM Rules for Companies and the Market Abuse Regulation. The share dealing policy requires the Directors to undertake certain steps to ensure compliance by such persons with the terms of the share dealing policy and the Market Abuse Regulation.

17.1 Audit and Risk Committee

The Audit and Risk Committee meets at least twice per financial year and is responsible for ensuring that the financial performance of the Group is properly monitored and reported on as well as meeting the auditors and reviewing any reports from the auditors regarding accounts and internal control systems. The members of the Audit and Risk Committee are Mr Yan Liu (who acts as chairman of the committee), Mr Zhiwei Gu, Dr Yi Zeng, Ms Juan Wang and Mr Nicholas Beattie.

17.2 Remuneration and Nomination Committee

The Remuneration and Nomination Committee meets at least once per year and has as its remit the determination and review of, amongst other matters, the remuneration of the executive Director and any share incentive plans adopted, or to be adopted, by the Company. The members of the Remuneration and Nomination Committee are Mr Zhiwei Gu (who acts as chairman of the committee) and Mr Lubing Liu.

17.3 Reserves Committee

The Reserves Committee meets at least once per year and has as its remit to support and advise the Board in reviewing the Company's procedures relating to the disclosure of information with respect to oil and gas activities and meeting with management and the qualified reserves evaluator or auditor to review the reserves data or report of the qualified reserves evaluator or auditor. The members of the Reserves Committee are Mr Lubing Liu (who acts as chairman of the committee), Dr Yi Zeng, Mr Yan Liu, Mr Lijun Xiu and Dr Douglas Field.

18. DIVIDEND POLICY

It is the current intention of the Directors to retain any earnings arising from the Group's activities to fund further investments by the Group in order to achieve further capital growth. Accordingly, the Directors do not intend to pay dividends in the near future. The declaration and payment by the Company of any future dividends and the amount will depend upon, among other things, the Company's financial condition, future prospects, investment priorities, profits legally available for distribution and other factors deemed by the Board to be relevant at that time.

19. TAKEOVER CODE

The Company is incorporated in Australia. Accordingly, transactions in the Ordinary Shares will not be subject to the provisions of the UK City Code on Takeovers and Mergers (the "**City Code**"). There are, however, provisions under Australian law and regulation applicable to the Company, particularly Chapter 6 of the Australian Corporations Act, that are, in part, similar or analogous to the provisions of the City Code. These are briefly described below and further details of Australian takeover laws that are applicable to the Company are set out in paragraph 17 of Part X of this document.

The Australian Corporations Act prohibits a person from acquiring a relevant interest in issued voting shares in a public company if, because of the transaction, either that person's or someone else's voting power in that public company increases (i) from 20% or below to more than 20%; or (ii) from a starting point that is above 20% and below 90%, unless the acquisition is made under one of the permitted exceptions.

Acquisitions of voting shares above the 20% limit are permitted under the Australian Corporations Act in a number of circumstances, including:

- acquisitions made under an off-market takeover bid, for either all or a fixed proportion of each shareholder's shares in the target company;
- acquisitions made under an unconditional on-market takeover bid for all of the shares in the target company;
- acquisitions made with the prior approval of the target company's shareholders in general meeting;
- "creeping" acquisitions of up to 3% of the target company's shares every six months;
- acquisitions made under a pro-rata rights issue;
- certain acquisitions by underwriters; and
- certain downstream acquisitions which are deemed to result from upstream takeovers.

20. TAXATION

Information regarding certain taxation considerations for corporate, individual and trustee shareholders in the United Kingdom and Australia with regard to Admission is set out in paragraph 16 of Part X of this document.

21. REQUIREMENT TO DISCLOSE INTERESTS IN ORDINARY SHARES

Statutory disclosure of holdings of significant shareholders (as defined in the AIM Rules for Companies) is different for Australian incorporated companies such as Range in that the Company's Constitution does not currently contain any provisions requiring a Shareholder to notify the Company without delay of (i) in the event that the Shareholder acquires a direct or indirect ownership interest in the Ordinary Shares of 3% or more of the issued and outstanding Ordinary Shares, or (ii) any changes to such Shareholder's holding which increase or decrease such holding through any single percentage. Such provisions are typically included in the constitutional documents of companies trading on AIM to enable compliance by the Company with the disclosure requirements of Rule 17 of the AIM Rules for Companies. Pursuant to the terms of the Admission Agreement, the Company has undertaken to Cantor Fitzgerald to use all reasonable endeavours to hold a general meeting of the Shareholders by 30 April 2018 at which a special resolution is put to Shareholders amending the Constitution so as to oblige Shareholders to notify the Company in the event it become a 'significant shareholder' (as defined in the AIM Rules for Companies) or if there is an alteration by 1 per cent or more in a significant shareholder's holding of Ordinary Shares.

22. ADMISSION, SETTLEMENT AND CREST

The Ordinary Shares are listed and traded on the ASX and will remain admitted to listing and trading on the ASX following Admission.

Application will be made to the London Stock Exchange for Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Ordinary Shares on AIM (through the Depositary Interests) will commence on 13 December 2017.

CREST is a computerised paperless share transfer and settlement system which allows shares and other securities, including depositary receipts, to be held in electronic rather than paper form. To enable investors in the Ordinary Shares to settle their transactions in CREST, the Company has appointed the UK Depositary to hold the Ordinary Shares on trust for the Shareholders and issue dematerialised Depositary Interests representing the underlying Ordinary Shares to the individual Shareholders' CREST accounts. The Depositary Interests are independent securities constituted under English law and are held on a register maintained by the UK Depositary. CREST is a voluntary system and holders of Ordinary Shares who wish to remain outside CREST may do so and will have their details recorded on the Company's share register in accordance with applicable laws.

The UK Depositary issues Depositary Interests in respect of the underlying Ordinary Shares pursuant to the terms of the Depositary Deed. Under the terms of the Depositary Deed, the UK Depositary holds as bare trustee all of the rights pertaining to the relevant underlying securities for the benefit of, and on behalf of, the relevant DI Holder. Any rights or entitlements to cash distributions, to information to make choices and elections, and to attend and vote at meetings shall be passed to the relevant DI Holder by the UK Depositary, to the extent possible. Under the Depositary Deed, a DI Holder can cancel or transfer its Depositary Interests by giving instructions to the UK Depositary.

Each Depositary Interest will be treated as one Ordinary Share for the purposes of, for example, determining eligibility for dividend payments. Any payments received by the UK Depositary, as holder of the underlying Ordinary Shares, will be passed on to each DI Holder noted on the register of Depositary Interests maintained by the UK Depositary as the beneficial owner of the relevant Ordinary Shares.

23. FURTHER INFORMATION

Your attention is drawn to the further information set out in Parts II to X of this document, including the risk factors set out in Part II. You are advised to read the whole of this document.

PART II

RISK FACTORS

In addition to all other information set out in this document, the following specific risk factors should be considered carefully by potential investors in evaluating whether or not to make an investment in the Company. Before making a final decision, investors who are in any doubt are advised to consult their stockbroker, bank manager, solicitor or accountant or other independent professional adviser authorised under the FSMA who specialises in advising on the acquisition of shares and other securities in the United Kingdom.

You should carefully consider the risks described below and ensure that you have read this document in its entirety before making a decision to invest in the Company.

Investing in Ordinary Shares involves a high degree of risk. Prospective investors should carefully consider all the information in this document, including the risk factors set out in this Part II, before investing in Ordinary Shares. A number of factors affect the operating results, financial condition and prospects of the Group. The risks and uncertainties described below are not exhaustive and represent those known to the Directors as at the date of this document which the Directors consider to be material. Additional risks and uncertainties not presently known to the Company and the Directors (or that the Company and the Directors currently consider to be immaterial) may also adversely affect the Group's business, operations and financial condition and prospects. In particular, the Company's performance may be affected by changes in market and/or economic conditions, political, judicial, and administrative factors and in legal, accounting, regulatory and tax requirements in the areas in which it operates and holds its major assets. There may be additional risks and uncertainties that the Directors do not currently consider to be material or of which they are currently unaware which may also have an adverse effect upon the Group.

If any events or circumstances giving rise to any of the following risks, together with possible additional risks and uncertainties of which the Company and the Directors are currently unaware or which the Company and the Directors consider not to be material in relation to the Group's business, actually occur, the Group's business, financial condition and prospects and results of future operations could be materially and adversely affected. In such circumstances, the value of the Ordinary Shares could decline due to any of these risks occurring and investors could lose part or all of their investment in the Company.

There can be no certainty that the Company will be able to implement successfully the strategy set out in this document. No representation, whether express or implied, is or can be made as to the future performance of the Group and there can be no assurance that the Company will achieve its objectives.

The risks listed below do not necessarily comprise all those faced by the Group and are not intended to be presented in any order of priority.

1. RISKS RELATING TO THE GROUP'S BUSINESS

1.1. Amounts owing to the LandOcean Group

Following completion of the RRDSL Acquisition on 30 November 2017, the Group is significantly indebted to the LandOcean Group in respect of (i) payment of the cash consideration for the RRDSL Acquisition (including accrued interest); (ii) amounts owing under the Convertible Note Agreement (including repayment of the Convertible Notes and any accrued interest); (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 RRDSL Loan Agreements. The Group's ability to make payments of principal and interest 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 cashflows, 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. No assurance can therefore be given that the Group will be able to meet its indebtedness obligations as and when they fall due.

In addition, as announced on 3 August 2017, the Company has received notification from LandOcean that LandOcean has entered into a short-term factoring arrangement with Huayuan Commercial Factoring Ltd and Sichuan XW Bank Co Ltd (the "**Factor**") in respect of the outstanding payable at that date of US$39,278,263 due by the Company to LandOcean under the IMSA and related purchase orders. Range has consented to the factoring arrangement and has provided a confirmation that if required, it will pay the invoices when due to the Factor, instead of LandOcean. Under the credit terms agreed in the IMSA First Letter Agreement and the IMSA Deed of Novation and Indemnity, this payable shall only be due on or after 30 April 2020. However, the factoring arrangement entered into by LandOcean with the Factor has a maturity date of 30 April 2018, which results in a mismatch between the maturity date by when LandOcean requires to repay the Factor and the due date for payment by Range of the amounts due pursuant to the IMSA First Letter Agreement and IMSA Deed of Novation and Indemnity. There has been no change to the contractual obligation of Range to repay the invoices before 30 April 2020 and Range has no express obligation to repay the Factor prior to that date. However, Range recognizes that there is a potential risk whereby, if LandOcean defaults on its repayment obligation to the Factor, the Factor may attempt to demand payment of the invoices by Range at the maturity date or otherwise before 30 April 2020. To provide Range with further comfort on this point, LandOcean has provided Range with a guarantee that the relevant payables shall only be due and payable on or after 30 April 2020 and has also agreed to indemnify Range against any claims, loss and other liabilities that may be suffered by Range in the event any person (including the Factor) makes any claim or demand upon Range to settle such payables before 30 April 2020.

1.2. Impact on the Group's drilling business of the RRDSL Acquisition

Following completion of the RRDSL Acquisition, the Group no longer benefits from the previous credit terms from LandOcean with respect to its oilfield activities in Trinidad under the IMSA. However, the Group has negotiated new credit terms with LandOcean pursuant to the IMSA First Letter Agreement in terms of which:

- the payment due date for all approved invoices (and any accrued interest) issued under the IMSA and certain related purchase orders which are outstanding at the date on which the IMSA First Letter Agreement will be the third anniversary of the effective date of the IMSA First 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 First 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 is 6% per annum.

On 31 July 2017, the parties to the IMSA First Letter Agreement entered into the IMSA Deed of Novation and Indemnity. Under the IMSA Deed of Novation and Indemnity, the rights, benefits, obligations and liabilities of each entitiy within the Group under purchase orders no. 2-8 (inclusive) and the IMSA Supplementary Agreement were transferred to the Company and the rights, benefits, obligations and liabilities of each LandOcean Group entity under purchase orders no. 2-8 (inclusive) and the IMSA Supplementary Agreement were transferred to LandOcean. Accordingly, all amounts payable by members of the Group to members of the LandOcean Group under these arrangements are now payable directly by the Company to LandOcean.

Pursuant to the IMSA Third Letter Agreement, the Company and LandOcean agreed that (i) the Company is continuing to progress with the waterflood and other oilfield projects in Trinidad; (ii) SOCA Petroleum has agreed to acquire RRDSL from LandOcean Petroleum; (iii) the IMSA remains effective between Range and LandOcean and that a new purchase order could be established under which LandOcean would provide services (including services as a project manager) for the Group for its oilfield operations in Trinidad; and (iv) the payment terms for services provided under a new purchase order would be no less than 720 days for any invoices issued.

As at 6 December 2017 (being the last practicable date prior to the publication of this document), the total amount outstanding by the Company to LandOcean under the IMSA and related purchase orders was US$40,215,637. LandOcean has provided Range with a guarantee that the relevant payables shall only be due and payable on or after 30 April 2020.

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 or other services which LandOcean Group may provide to the Group. The terms of any such future purchase orders could impact on the Group's ability to progress its development programme (including the waterflood programme) and generate cashflows.

1.3. Realizing the benefits of the RRDSL Acquisition

There is no assurance that the Group will realize the potential benefits of the RRDSL Acquisition including being able to generate revenues and cashflows from external customers. The Group's oil services business does not presently have any material agreements in place with external customers. If the Group is unable to commence the operations of its oil services business successfully, including generating revenues from external customers, then this could have a significantly negative impact on its results of operations and/or its financial condition.

1.4. The Company may experience difficulties in integrating RRDSL's business with the Company's existing business

The RRDSL Acquisition involves the integration of companies that have previously operated independently. The difficulties of combining the companies' operations include:

- the necessity of coordinating and consolidating organisations, systems and facilities;
- the task of integrating personnel of RRDSL, maintaining employee morale and retaining and incentivising key employees; and
- given that Range Trinidad has substantially been RRDSL's only customer, the historic financial information presented in respect of RRDSL may not provide an accurate picture of how the integration of RRDSL into the Group will impact the financial position of the Group going forward.

The process of integrating operations could cause an interruption of, or loss of momentum in, the activities of the Group's business. The diversion of management's attention and any delays or difficulties encountered in connection with the RRDSL Acquisition and the integration of companies could have an adverse effect on the business, results of operations, financial conditions or prospects of the Group.

1.5. The due diligence process carried out by the Company may not have uncovered all potential risks and liabilities in connection with the RRDSL Acquisition and the Hengtai Acquisition

The Company has carried out commercial, technical, legal and financial due diligence in respect of the Group's assets. The Company believes that it has carried out sufficient investigations to confirm that the Group has satisfactory title to its interests in its assets. However, due to the limitations of the due diligence exercises, there is no assurance that all potential risks and liabilities associated with the Group's assets have been uncovered or quantified.

In respect of Hengtai Acquisition and consequently its indirect interest in the Perlak field, the due diligence carried out by the Company identified a number of issues with missing corporate records in respect of the ownership of Hengtai and the underlying interests in SPC (an entity in which Hengtai's subsidiary, Lukar, holds a 49% interest in its share capital) and the Perlak field. Further, the due diligence carried out by the Company has identified that it appears that Hengtai has not yet obtained a "permanent business licence" from the Indonesia Investment Coordinating Board which (pursuant to the prevailing laws and regulations in Indonesia) is required to be obtained prior to Hengtai commencing "commercial operations". The Company understands that Hengtai does not currently actually undertake (or intend to undertake) in its own name any commercial operations as an oil and gas mining supporting services business. The Company has also not been able to identify the licences held by SPC. If either Hengtai or SPC require a permanent business licence and fail to obtain such a licence within the prescribed deadline, Hengtai or SPC (as applicable) could be deemed to be in breach of its licence and would be at risk at having its foreign investment approvals revoked.

The Company has sought to mitigate against any risks associated with missing historic information through pre-completion conditions and warranties and representations in the Hengtai SPA. However, it was not possible for the Company to ensure that all historic corporate records and documentation in respect of Hengtai, SPC and the Perlak field were obtained at the time the acquisition completed.

Furthermore, a number of documents which govern the relationships between the parties within the Perlak ownership chain have been in place for some time and the Company considers that amendments are necessary in order to simplify and improve the legal framework which governs the relationships. In particular, given Hengtai's interest in the Perlak field is held indirectly via its 78% interest in the share capital of Lukar which in turn holds 49% of the share capital of SPC, the Company would like to revise the existing contractual matrix which governs the relationship between those parties who have a direct and indirect interest in the Perlak field to provide additional control mechanisms. At present there is no guarantee that the Company will be able to secure such amendments.

1.6. The Group has not fulfilled all of its minimum work obligations in respect of all of its licences

The ability of the Group to develop and exploit oil and gas reserves depends on the Group's compliance with its obligations under its licences. The licences granted by the Trinidad Minister of Energy set out the term of the licence and the minimum work obligations and expenditure obligations that need to be complied with by the licensee during such term. The Trinidad Minister of Energy is entitled to revoke the licence and the licensee's right to carry out petroleum operations where there is a failure by the licensee to fulfil the minimum work obligations or to meet its expenditure obligations. The Group has not fulfilled all of its minimum work obligations in respect of all of its licences on an asset by asset basis. In particular, the Group is currently in breach of the work obligations in respect of St. Mary's onshore block in Trinidad which would entitle the Trinidad Minister of Energy to terminate the exploration and production licence relating to the St. Mary's block in Trinidad. However, the Group has not received any notification from the Trinidad Minister of Energy of any breach by any licensees within the Group of its licence obligations. The revocation by the Trinidad Minister of Energy of the Group's licences in these circumstances could have a material adverse effect on the Group's business, results of operations and financial condition. However, Range is currently in discussions with the MEEI in relation to agreeing amendments to its minimum work obligations in respect of the St. Mary's onshore block and, having taken legal advice from Trinidadian counsel, the Company understands that, where such engagement is ongoing with MEEI in connection with extant breaches of the minimum work obligations, termination of the licences by MEEI as a result of breach of the minimum work obligations is unlikely.

1.7. Exploration, development and production risks

Oil and natural gas operations involve many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. The long-term commercial success of the Group will depend, *inter alia*, on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. Without the continual addition of new reserves, any existing reserves the Group may have at any particular time and the production therefrom will decline over time as such existing reserves are exploited. A future increase in the Group's reserves will depend not only on its ability to explore and develop any properties it may have from time to time but also on its ability to select and acquire suitable producing properties or prospects. No assurance can be given that the Group will be able to continue to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, the Group may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic. There is no assurance that further commercial quantities of oil and natural gas will be discovered or acquired by the Group. In particular the secondary recovery waterflood programme at the Group's Beach Marcelle, South Quarry and Morne Diablo fields may not achieve the production levels that the Group's technical work to date forecasts and this may have an impact on the financial position of the Group in the event that the programme is not economically viable in the future.

Future oil and natural gas exploration may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions. While diligent well supervision and effective maintenance operations can contribute to maximizing production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow levels to varying degrees.

Oil and natural gas exploration, development and production operations are subject to all the risks and hazards typically associated with such operations including hazards such as fire, explosion, blowouts, cratering, sour gas releases and spills each of which could result in substantial damage to oil and natural gas wells, production facilities, other property and the environment or personal injury. Oil and natural gas production operations are also subject to all of the risks typically associated with such operations, including encountering unexpected formations or pressures, premature decline of reservoirs and the invasion of water into producing formations. Losses resulting from the occurrence of any of these risks could have a material adverse effect on future results of operations, the Group's liquidity and financial condition.

1.8. Properties with no attributed reserves

The development of properties with no attributed reserves, for example the Perlak field can be affected by a number of factors including, but not limited to, project economics, forecasted commodity price assumptions, cost estimates, lack of availability of a development plan and access to infrastructure. These and other factors could lead to the delay or the acceleration of projects related to these properties.

1.9. Interruptions in availability of exploration, production or supply infrastructure

The Group in the future may be reliant upon government and third party owned pipelines and processing facilities for the export of its oil and gas products to local and international markets.

1.10. Reliance on operators, joint venture shareholders, management and key personnel

Successfully exploring for, developing and commercializing oil and gas interests and generating cashflows from oil services activities depends on a number of factors not least of which is the technical skill of the personnel involved. The Group's success will be, in part, dependent on the performance of its key managers and consultants. Failure to retain the managers and consultants, or to attract or retain additional key personnel, with the necessary skills and experience could have a materially adverse impact upon the Company's growth and profitability. Range does not carry key person insurance. In addition, the Group may not be the operator of certain oil and gas properties in which it acquires an interest. By way of example, the Group has recently acquired an indirect non-operated interest in the Perlak field in Indonesia through the Hengtai Acquisition and is reliant on its partners putting in place a robust operational and management structure which is not currently in existence between the partners in order to develop this asset. Further the current management of the Group has no material experience of operating in Indonesia and as such is particularly reliant on others in country experience. As part of the Hengtai Acquisition, the Group will get access to the existing small team of personnel within Hengtai which has experience of operating oil and gas assets in Indonesia which will mitigate in part the existing lack of experience within the Group.

Additionally, the Group holds interests in certain of its oil and gas assets indirectly through intermediate companies which it does not control. This lack of control has historically on occasion led to disputes between the Group and its partners further details of which are contained in paragraph 1.17 below of this Part II of this document. This lack of control can also result in Range having limited oversight of the administrative and accounting functions of such intermediate companies. By way of example, Range has a 45% shareholding in SOGL and is reliant on the management of SOGL to prepare, finalise and file the annual accounts of SOGL. As part of its diligence exercise in connection with Admission, Range has identified that SOGL has not filed its accounts in Gibraltar since 2013 and is therefore not complying with its filing requirements.

To the extent the Group is not the operator of its oil and gas properties, it will be dependent on such operators for the timing of activities related to such properties and will be unable to control the activities of the operators.

1.11. Hedging

From time to time, the Group may enter into agreements to receive fixed prices on its oil and natural gas production to offset the risk of revenue losses if commodity prices decline; however, if commodity prices increase beyond the levels set in such agreements, the Group will not benefit from such increases and it may nevertheless be obligated to pay royalties on such higher prices, even though not received by it, after giving effect to such agreements.

1.12. Third-party credit risk and delays

The Group may be exposed to third-party credit risk through its contractual arrangements with its current or future marketers of its petroleum and natural gas production, the customers of its oil services business, suppliers and other parties. In the event such entities fail to meet their contractual obligations to the Group such failures could have a material adverse effect on the Group and its business, operations and prospects.

In addition to the usual delays in payments by purchasers of oil and natural gas, or from future customers of its oil services business, to the Group or to the operators, and the delays by operators in remitting payment to the Group, payments between these parties may be delayed due to restrictions imposed by lenders, accounting delays, delays in the sale of delivery of products, delays in the connection of wells to a gathering system, adjustment for prior periods, or recovery by the operator of expenses incurred in the operation of the properties. Any of these delays could reduce the amount of cashflow available for the business of the Group in a given period and expose the Group to additional third party credit risks.

1.13. Availability of equipment and qualified personnel and related costs

Oil and natural gas exploration, development and production activities, and oil services activities are dependent on the availability of drilling and related equipment and qualified personnel in the particular areas where such activities will be conducted. Notwithstanding the fact that the Company has its own drilling business, demand for such limited equipment and qualified personnel may still affect the availability of such equipment and qualified personnel to the Group and may delay the Group's exploration and development and its oil services activities. In addition, the costs of qualified personnel and equipment in the areas where the Group's assets are located may increase due to the availability of, and demands for, such qualified personnel and equipment in such areas.

1.14. Management of growth

The Group may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Group to manage growth effectively will require it to continue to implement and improve its operations and financial systems and to expand, train and manage its employee base. The inability of Group to deal with this growth could have a material adverse impact on its business, operations and prospects.

1.15. Potential conflicts of interest

Certain directors of the Group may become directors or officers of companies which are in competition to its interests. No assurances can be given that opportunities identified by such Board members will be provided to the Group.

1.16. Limitations of insurance

The Group's involvement in the exploration for and development of oil and gas properties may result in the Group becoming subject to liability for pollution, blowouts, property damage, personal injury or other hazards. Although the Group has obtained insurance in accordance with industry standards to address such risks, such insurance has limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks may not, in all circumstances be insurable or, in certain circumstances, the Group may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to the Group. The occurrence of a significant event that the Group is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on the Group's financial position, results of operations or prospects.

1.17. Litigation risks

In the normal course of the Group's operations, it may become involved in, named as a party to, or be the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions, relating to personal injuries, property damage, property taxes, the environment and contract disputes. The outcome of outstanding, pending or future proceedings cannot be predicted with certainty and may be determined adversely to the Group and as a result, could have a material adverse effect on the Group's assets, liabilities, business, financial condition and results of operations. Even if the Group prevails in any such legal proceedings, the proceedings could be costly and time-consuming and may divert the attention of management and key personnel from the Group's business operations, which could adversely affect its financial condition.

Colombian Exploration Licences

As previously announced on 19 January 2016 and 1 September 2016, Range received a notice from Agencia Nacional de Hidrocarburos ("**ANH**") of Colombia revoking the licences over three exploration blocks in Colombia (PUT-5, VMM-7 and VSM-1). The licences had been awarded to a consortium of Optima Oil Corporation ("**Optima**") and the Company in December 2012 (the "**Consortium**"). ANH alleged that its action was a result of the exploration work commitments not being fulfilled and presentation of invalid letters of credit to ANH by Optima to support the minimum work obligations. There are three joint operating agreements ("**JOAs**") in place amongst the Consortium partners and Petro Caribbean Resources Ltd in relation to each of the PUT-5, VMM-7 and VSM-1 exploration blocks. Under the terms of the JOAs it was agreed between the Consortium that it was the sole responsibility of Optima to complete the minimum work obligations and to provide all necessary funding including the provision of valid letters of credit in favour of ANH. Under the JOAs, Range has an indemnity to recover from Optima any payment incurred by Range for any contractual obligations under the licences which were not paid by Optima. As announced on 1 September 2016, Range received a demand notice from ANH addressed to the Consortium seeking payment of the full amount of the outstanding obligations due to ANH totalling up to approximately US$53,000,000. The deadline for making the payment, or otherwise responding to ANH with a defence against the action was 7 September 2016. In conjunction with its legal advisers in Colombia, Range reviewed the demand notice and, as announced on 15 September 2016, a comprehensive response was submitted to ANH by the Consortium on 7 September 2016. This response addressed the numerous areas in which the Consortium objected to the demand which was received from ANH. Range has no material assets located in Colombia. In addition to the ongoing work with legal advisers in Colombia, Range has sought advice from its Australian advisers regarding the ability of ANH to try and enforce a claim against Range in Australia (where Range is incorporated). The Company's legal advisers have confirmed that there is no provision in Australian law to enable either judgments of Colombian courts or administrative orders of ANH to be recognised in Australia. If ANH did seek to make any claim in Australia it would be required to commence court proceedings in the Australian courts and to prove its entitlement to such claim. Range would have the right to defend such claim. Range has not as at the date of this document received any claim from ANH in Australia. The Company continues to work with Optima and its legal advisers to defend its position to the maximum extent possible and is considering what further action can be taken to challenge the actions taken by ANH. At this time Range cannot provide any indication of the likely timeline for any resolution to this matter.

Georgia Licence

Range believes that it holds an interest in the Georgia PSC (as defined in paragraph 6 of Part I of this document) through its 45% shareholding in SOGL. On 3 April 2017, the Government of Georgia represented by the Agency (as defined in paragraph 6 of Part I of this document), announced an open international tender on Block VIA in Georgia (the "**Tender Announcement**"). Range has been involved in the project since 2009 and has invested substantial capital since that time with funds used to complete the minimum work programme stipulated by the Georgia PSC. The Agency has previously confirmed to SOGL that this minimum work programme has been satisfactorily completed. Range believes that the Georgia PSC over Block VIA remains valid and in good standing and that the purported relicensing of the block by the Agency pursuant to the Tender Announcement would be a breach of the Georgia PSC. Range and SOGL have contacted the Agency to seek an amicable resolution to this issue and has engaged legal advisers to explore relevant routes to preserve the value of its investment in Georgia. As at 30 June 2017, Range has fully written down the value of its investment in SOGL and has nil value attributed to its interests in the project on Range's balance sheet. There can be no guarantee that Range will be able to preserve the value of this investment or that it will be successful in its attempts to secure the Georgia PSC.

Geeta Maharaj

Range and Range Trinidad have received an invoice from Geeta Maharaj ("**Ms Maharaj**"), a Trinidad-based attorney seeking payment for legal services in the amount of TT$12,019,573. The invoice purports to relate to legal work undertaken during mid-2014 including the preparation of inter-company loan agreements. Range and Range Trinidad strongly refute the amount of this purported invoice and consider it to be vastly excessive and therefore not payable. A claim has been filed by Ms Maharaj seeking the sum of TT$12,019,573 plus interest and costs. Range and Range Trinidad filed a notice of application to strike out this claim on 14 July 2017. An initial hearing on this application was held on 29 September 2017 at which the parties were ordered to file and exchange written submissions by 20 October 2017 with replies, if any, to be filed by 30 October 2017. Both parties filed and exchange written submissions and responses by the requested dates and a further hearing was scheduled for 1 December 2017. This hearing was rescheduled by the court and the Company is awaiting notification of a rescheduled date, which is likely to be in early 2018.

Separately, Range and Range Trinidad have received further correspondence from Ms Maharaj on a related matter claiming damages of TT$6,000,000 on the basis of a conspiracy designed to damage Ms Maharaj's reputation. Again, Range and Range Trinidad firmly refute the allegation and in conjunction with its legal counsel in Trinidad have responded to this demand. A claim has been filed by Ms Maharaj seeking damages of TT$6,000,000 plus interest and costs. The Company, in conjunction with its legal counsel, has filed a defence in respect of this claim and a preliminary hearing was scheduled for 1 December 2017. This hearing was rescheduled by the court and the Company is awaiting notification of a rescheduled date, which is likely to be in early 2018.

While the Company, having taken legal advice, considers the probability of Ms Maharaj succeeding in either of her claims to be remote, there can be no guarantee that there will be a favourable outcome for the Group.

Trinidad and Tobago Tax Appeals

The Group is currently involved in a number of tax appeals in Trinidad and Tobago.

On 9 February 2017, Range Trinidad (as successor to Los Bajos Oil Limited) filed appeals in respect of the BIR's assessment that Los Bajos Oil Limited (a former subsidiary of Range which amalgamated with Range Trinidad) owed additional petroleum profit taxes in the sum of TT$1,218,720.34 and additional unemployment levy of TT$121,872.03 for the financial year 2008. Los Bajos Oil Limited duly filed a petroleum profits tax return for the financial year 2008 and subsequently sought to amend the return to claim a deduction of supplemental petroleum tax liabilities for the respective financial years 2008, 2009 and 2010. Following an audit examination, the BIR assessed Los Bajos Oil Limited to owe further petroleum profits tax and consequently adjusted its unemployment levy liability. The total amount of additional petroleum profit taxes in dispute is TT$1,218,720.34 additional unemployment levy liability in dispute is TT$121,872.03.

On 9 February 2017, Range Trinidad filed appeals in respect of the BIR's assessment that Range Trinidad owed additional petroleum profit taxes in the sum of TT$4,325,000.00 and additional unemployment levy of TT$432,500.00 for the financial year of income 2008. Range Trinidad duly filed a petroleum profits tax return for the financial year of income 2008 and subsequently sought to amend the return to claim a deduction of supplemental petroleum tax liabilities for the respective income financial years 2008, 2009 and 2010. Following an audit examination, BIR assessed Range Trinidad to further petroleum profits tax and consequently adjusted its unemployment levy liability. The total amount of additional petroleum profit taxes in dispute is TT$4,325,000.00 and additional unemployment levy liability in dispute is TT$432,500.00.

The above appeals are currently at the stage of discussions with the BIR but the Group is in discussions with BIR with a view to resolving the dispute amicably. The next scheduled date for review at the Tax Appeal Board in Trinidad is 27 February 2018 for Range Trinidad and also for historic claims relating to Los Bajos Oil Limited.

Range Trinidad is also in negotiation with BIR on a separate matter with respect to a waiver of interest on an historic tax liability. In the years prior to 2012 (and prior to its acquisition by the Group), Range Trinidad was late with payment of certain taxation liabilities to BIR. The taxes due were paid in full by Range Trinidad in 2013 (following its acquisition by the Group) however the late payment attracted interest of approximately TT$22,800,000. Range Trinidad engaged tax advisers to assist with this matter and based upon advice received and verbal responses from BIR, Range Trinidad anticipates that it will receive a waiver of 75% of the assessed interest amount. Range Trinidad and its advisers are currently in negotiations with the BIR to finalise this matter and the amount payable by Range Trinidad. The Group has recognised an accrual of TT$11 million in respect of this potential liability.

1.18. Reliance on joint venture partners

There is a risk that other parties with interests in the Group's assets in the future may elect not to participate in certain activities relating to those assets and which require that party's consent. In these circumstances, it may not be possible for such activities to be undertaken by the Group alone or in conjunction with other participants at the desired time or at all.

Other participants may default on their obligations to fund capital or other funding obligations in relation to the Group's assets. In such circumstances, the Group may be required under the terms of the relevant operating agreement to contribute all or part of any such funding shortfall itself.

In addition, the Group may choose to farm-in to non-operated assets in the future. Accordingly, whilst in these circumstances the relevant operating agreement would typically provide for a right of consultation or consent in relation to significant matters, the Group may have limited control over the day-to-day management or operations of those assets and would therefore be dependent upon the activities of the operator of those assets. Any mismanagement of an asset by the operator could result in delays or increased costs to non-operated exploration, development or production activities that the Group may be involved with in the future.

The terms of any relevant operating agreement generally impose standards and requirements in relation to the operator's activities. Whilst the Group would purposely only acquire interests in assets that are operated by parties that it believes to be reputable, competent and sufficiently funded, there can be no assurance that an operator would observe such standards or requirements.

1.19. Failure to realize anticipated benefits of acquisitions and disposals

The Group will make acquisitions and disposals of businesses and assets in the ordinary course of business. Achieving the benefits of acquisitions (including the RRDSL Acquisition and the Hengtai Acquisition) depends in part on successfully consolidating functions and integrating operations and procedures in a timely and efficient manner as well as the Group's ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses and operations with its existing operations. The integration of acquired businesses, including that of RRDSL, may require substantial management effort, time and resources and may divert management's focus from other strategic opportunities and operational matters. Management continually assesses the value and contribution of services provided and assets required to provide such services. In this regard, non-core assets are periodically disposed of so that the Group can focus its efforts and resources more efficiently. Depending on the state of the market for such non-core assets, certain non-core assets of the Group, if disposed of, might realize less than their carrying value on the financial statements of the Group.

In particular, there are certain rigs owned by RRDSL (which were included in the RRDSL Acquisition) that have been unutilised for long periods of time and whilst the Group has impaired the value of these assets, it is possible that if they were to remain unutilised, there may be a further write-down of the value of these rigs in the future.

1.20. Current and future financing

The Group's business will involve significant capital expenditure and it may, after twelve months from the date of Admission, need to obtain further external financing for its existing operations, be it equity or debt. Furthermore, as a result of a change in its operations, the Group may require further equity or debt financing during the twelve month period from the date of Admission. There is no assurance that such additional funding, if required, will be available on terms acceptable to the Group at the relevant time. Furthermore, any incremental debt financing may involve restrictive covenants, which may limit the Group's operating flexibility. If additional funds are raised through the issuance of equity or equity-linked instruments, the Group's Shareholders may experience a reduction in their percentage shareholdings. An inability to obtain sufficient funding for its operations, exploration or development plans, may adversely affect the Group's business, results of operations and cash flows.

1.21. The Group holds interests in an exploration licence or in licences which are in their initial terms

The Group holds, and may in the future hold, interests in exploration licences or in other licences which are in their initial terms. The early stages of an exploration period of a licence are commonly the most risky. These phases of the term of a licence may require high levels of relatively speculative capital expenditure without a commensurate degree of certainty of a return on that investment.

1.22. The Guayaguayare production sharing contracts have expired

The Company, via its subsidiary companies Range Shallow and Range Deep, held an 80% interest in the Deep PSC and a 65% interest in the Shallow PSC, both of which expired in July 2015. The Company has applied for an extension to (or renewal of) each of the Deep PSC and Shallow PSC on revised terms. Following ongoing discussions with the MEEI, the Company believes that the extension/renewal will be granted if the first shallow commitment well in the Shallow PSC (being the Canari North well) has been drilled and completed. The Company has no immediate plans to drill the Canari North well. The Group has continued to operate the Guayaguayare block with the knowledge and consent of the MEEI. There can however be no guarantee that the extensions or renewals will be granted.

1.23. Petrotrin currently purchases all of the Group's crude oil in Trinidad

Petrotrin currently purchases all of the Group's crude oil. Accordingly, and notwithstanding completion of the Hengtai Acquisition, the Group's revenue will continue to be heavily dependent on Petrotrin. The price Petrotrin will pay the Group for its crude oil is not fixed and maintenance of the current pricing is not guaranteed. Accordingly, there will be limited transparency as to the ultimate pricing the Group will receive for its oil. Any long term disruption to Petrotrin's refinery operations could impact the Group's ability to sell to Petrotrin and consequently would affect the results of operations of the Group.

1.24. The Group cannot accurately predict its future decommissioning liabilities

The Group, through its licence interests, has assumed certain obligations in respect of the decommissioning of its fields and related infrastructure and is expected to assume additional decommissioning liabilities in respect of its future operations. These liabilities are derived from legislative and regulatory requirements concerning the decommissioning of wells and production facilities and require the Group to make provision for and/or underwrite the liabilities relating to such decommissioning. Any significant increase in the actual or estimated decommissioning costs that the Group incurs may adversely affect its financial condition.

1.25. The Group is subject to the risk of labour disputes and adverse employee relations

The Group and the Group's partners, contractors or service providers may be limited in their flexibility in dealing with their staff due to the presence of trade unions among their staff. RRDSL recognised a trade union in February 2017. If there is a material disagreement between the Group or its partners, contractors or service providers and any of their staff who belong to trade unions, the Group's operations could suffer an interruption or shutdown that could have a material adverse effect on its business, results of operations or financial condition.

2. RISKS RELATING TO THE INDUSTRY OR COUNTRIES IN WHICH THE COMPANY OPERATES

2.1. Political, economic, legal, regulatory and social risk

The Group's operations will be exposed to the political, economic, legal, regulatory and social risks of countries in which it operates (or intends to operate), including Trinidad and Indonesia. These risks potentially include expropriation (including "creeping" expropriation) and nationalisation of property; instability in political, economic or financial systems; uncertainty arising from undeveloped legal and regulatory systems; bribery and corruption (particularly in Indonesia); civil strife or labour unrest; acts of war, armed conflict, terrorism; outbreaks of infectious diseases; prohibitions, limitations or price controls on hydrocarbon exports and limitations or the imposition or duties on imports or certain goods.

Some of the countries in which the Group may operate may have transportation, telecommunications and financial services infrastructures that may present logistical challenges not associated with doing business in more developed countries. Furthermore, the Group may have difficulty ascertaining its legal obligations and enforcing any rights it may have. Certain governments in other countries have in the past expropriated or nationalised the property of hydrocarbon production companies operating within their jurisdictions. Sovereign or regional governments could require the Group to grant to them larger shares of hydrocarbons or revenues than those previously agreed. Positive engagement with local communities, partners, advisers and other stakeholders in each of these countries will be important to ensure that the Group's interests are maintained. Additionally, implementation by the Group of effective internal procedures and processes will assist with mitigating certain of these potential risks.

Once the Group has established hydrocarbon exploration and/or production operations in a particular country, it may be expensive and logistically burdensome to discontinue such operations should economic, political, physical, or other conditions subsequently deteriorate. All of these factors could materially adversely affect the Group's business, results of operations, financial condition or prospects.

As an exploration and production company, some of Range's activities may be located in countries where corruption may exist (particularly Indonesia). The Group will seek to comply fully with applicable bribery legislation such as and has put in place internal control policies. However, there can be no assurance that such procedures and established internal controls will adequately protect them against fraudulent and/or corrupt activity and such activity could have an adverse effect on the Group's business, reputation, results of operations, financial condition and/or prospects.

As Range expands its operations into further territories (including Indonesia) it is considering updating its existing anti-bribery and corruption policies to ensure it has suitable policies and procedures in place to mitigate any risks identified in any new territories.

2.2. Governmental involvement in the oil and gas industry

The governments of Trinidad and Tobago and Indonesia have exercised and will continue to exercise significant influence over many aspects of their respective economies, including the oil and gas industry. Any government action concerning the economy, including the oil and gas industry (such as a change in oil or gas pricing policy or taxation rules or practice, or renegotiation or nullification of existing concession contracts, or the withholding of payments to international oil companies), could have a material adverse effect on the Group.

Further, there is no assurance that the governments of the countries in which the Group operates, or will operate, will not postpone or review projects or will not make any changes to laws, rules, regulations or policies, or delay the renewal of licences in each case, which could adversely affect the Group's financial position, results of operations or prospects.

2.3. Licencing and other regulatory requirements

The Group's activities in the countries in which it operates or intends to operate are subject to licences, regulations and approvals of governmental authorities including those relating to the exploration, development, operation, production, marketing, pricing, transportation and storage of oil and gas, the generation of electricity, taxation, environmental and health and safety matters.

The Group has limited control over whether or not necessary approvals or licences (or renewals thereof) are granted, the timing of obtaining (or renewing) such licences or approvals, the terms on which they are granted or the tax regime to which it or assets in which it has interests will be subject. As a result, the Group may have limited control over the nature and timing of development and exploration of oil and gas fields in which it has or seeks interests.

The Group may incur substantial costs in order to maintain compliance with existing laws and regulations and additional costs if these laws are revised or if new laws affecting the Group's operations are passed. Furthermore, there can be no assurance that the Group will be able to obtain all necessary licences and permits that may be required to carry out exploration, development and production operations on its properties.

Upon the expiry of licences, contractors are generally required, under the terms of relevant licences or local law, to dismantle and remove equipment, cap or seal wells and generally make good production sites. The Group's accounts make reasonable provision for decommissioning. There can be no assurance that such provision will be sufficient to meet the eventual decommissioning liabilities of the Group.

2.4. The Group's success depends on its ability to appraise, find, acquire, develop and produce oil and gas reserves that are economically recoverable

The Group's long-term commercial success depends on its ability to appraise, find, acquire, develop and commercially produce oil and gas reserves. Factors such as adverse weather conditions, natural disasters, equipment or services shortages, procurement delays or difficulties arising from the political, environmental and other conditions in the areas where the reserves are located or through which the Group's products are transported may increase costs and make it uneconomical to develop potential reserves. Moreover, the Group may become dependent on the competence and judgement of third-party operators in relation to the development of reserves where it is not itself the operator. There is no assurance that the Group will discover, acquire or develop further commercial quantities of oil and gas.

2.5. The Group's Reserves and Resources information represents estimates that may turn out to be incorrect or inaccurate

The process of estimating oil and gas Reserves and Resources and the cash flows that may be derived from them is very complex. The Reserves and Resources information relating to the Group set out in this document represent estimates only. In general, estimates of the quantity and value of economically recoverable oil and gas Reserves and the possible future net cash flows are based upon a number of variable factors and assumptions, such as historic production rates, ultimate Reserves recovery, interpretation of geological and geophysical data, timing and amount of capital expenditures, marketability of oil and gas, royalty rates, continuity of current fiscal policies and regulatory regimes, future oil and gas prices, operating costs, development and production costs and workover and remedial costs, all of which may vary from actual results. Estimates are also to some degree speculative, and classifications of Reserves are only attempts to define the degree of speculation involved. In addition, there are uncertainties inherent in estimating the quantity of Resources and in projecting future rates of production including factors beyond the Group's control. Estimating the amount of hydrocarbon Resources is a subjective process and, in addition, results of drilling, testing and production subsequent to the date of an estimate may result in material revisions to original estimates. For these reasons, estimates of the economically recoverable oil and gas Reserves attributable to a particular asset of the Group, the classification of such Reserves based on risk of recovery and estimates of expected future net revenues prepared by different engineers, or by the same engineers at different times, may vary. As a result, the estimates of the Group's Reserves may require substantial upward or downward revisions if subsequent drilling, testing and production reveal differences. Any downward adjustment could indicate lower future production and thus adversely affect the Group's financial condition, future prospects and market value. Furthermore, a decline in the Group's Reserves or an inability to increase the amount of the Group's Reserves may affect its ability to raise or access sufficient capital for its future operations.

Estimates of Proved, Probable and Possible Reserves that may be developed and produced in the future are often not based on actual production history but on volumetric calculations and analogies to similar types of Reserves. Estimates based on these methods are generally less reliable than those based on actual production history. Subsequent evaluation of the same Reserves based on production history and production practices may result in variations in the estimated Reserves and these variations could be material.

The Resources data contained in this document, and specifically in the Trinidadian CPR and in the Indonesian CPR are estimates only and should not be construed as representing exact quantities. The nature of Reserve quantification studies means that there can be no guarantee that estimates of quantities and quality of oil and gas disclosed will be available for extraction or for it to be commercially viable at the relevant time to extract such resources particularly where such assets are more mature being the case for the Perlak field.

No chance of development risk factor has been applied to the Contingent Resources volumes contained in this document.

2.6. Exploration projects do not necessarily result in a profit on the investment or the recovery of costs

Exploration activities are capital intensive and inherently uncertain in their outcome. The Group's future oil and gas exploration projects may involve unprofitable efforts, either from dry wells or from wells that are productive but do not produce sufficient net revenues to return a profit after development, operating and other costs. Completion of a well does not guarantee a profit on the investment or recovery of the costs associated with that well. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or adverse geological conditions. While diligent well supervision and effective maintenance operations can contribute to maximising production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and may adversely affect the Group's revenues and cashflows.

2.7. Exploration, development and production activities are dependent on the availability of equipment and services or supply infrastructure

The Group's oil and gas exploration and development activities are dependent on the availability of drilling and other equipment and onshore and offshore services and delivery infrastructure in Trinidad and Indonesia. Further, exploration and production activities relating to the Perlak field may present further operational challenges given the Perlak field's remote location which could require additional expenditure to deliver the work programme. Shortages or the high cost of drilling rigs, equipment, supplies, personnel or oilfield services could delay or adversely affect the Group's development, exploration and production operations, which could have a material adverse effect on its business, financial condition or results of operations. In addition, oil and natural gas exploration and development activities are dependent on the availability of delivery infrastructure, including, but not limited to, access to production facilities that have the capacity to process crude oil and natural gas in the particular areas where those activities will be conducted.

These facilities are not owned or operated by the Company. As such, the Group's oil and gas production levels may be adversely affected by events relating to such infrastructure, including obtaining governmental approvals or consents, repairs and maintenance, planned and unplanned shut-downs, civil conflict and terrorism, regulatory changes, competition from other suppliers and other operational matters which are unrelated to the performance of the Group's oil and gas fields and beyond its control.

Such interruptions or delays may have a material adverse effect on the Group's business, financial condition, prospects, results and/or future operations.

2.8. Geopolitical risks

The marketability and price of oil and natural gas that may be acquired or discovered by the Group is and will continue to be affected by political events throughout the world that cause disruptions in the supply of oil. Conflicts, or conversely peaceful developments, arising in the Middle East, Africa and other areas of the world have a significant impact on the price of oil and natural gas. Any particular event could result in a material decline in prices and therefore result in a reduction of the Group's net production revenue.

2.9. Global financial markets

Recent market events and conditions, including disruptions in the international credit markets and other financial systems, the American and European sovereign debt levels and global commodity supply and demand balances have caused significant volatility in commodity prices. These events and conditions have caused a decrease in confidence in the global credit and financial markets and have created a climate of greater volatility, less liquidity, widening of credit spreads, lack of price transparency, increased credit losses and tighter credit conditions. Notwithstanding various actions by governments, concerns about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions has in the past caused the broader credit markets to further deteriorate and stock markets to decline substantially. A prolonged period of adverse market conditions may impede the Group's ability to finance planned capital expenditures which would adversely affect its ability to maintain and grow its reserves and fully exploit its properties for the benefit of its Shareholders. While there have been signs of economic recovery, these factors have negatively impacted company valuations and are likely to continue to impact the performance of the global economy going forward. Petroleum prices are expected to remain volatile for the near future as a result of market uncertainties over the supply and demand of these commodities due to the current state of the world economies, actions taken by Organization of the Petroleum Exporting Companies and the ongoing global credit and liquidity concerns. This volatility may in the future affect the Group's ability to obtain equity or debt financing on acceptable terms.

2.10. Prices, markets and marketing

The Group will be exposed to the influence and effects of oil and gas prices. The marketability and price of oil and natural gas that may be acquired or discovered by the Group will continue to be affected by numerous factors beyond its control. The Group's ability to market its oil and natural gas may depend upon its ability to secure capacity on pipelines that deliver oil and natural gas to commercial markets. The Group may also be affected by deliverability uncertainties related to the proximity of its reserves to pipelines and processing and storage facilities and operational problems affecting such pipelines and facilities as well as extensive government regulation relating to price, taxes, royalties, land tenure, allowable production, the export of oil and natural gas and many other aspects of the oil and natural gas business.

The prices of oil and natural gas may be volatile and subject to fluctuation. Any material decline in prices could result in a reduction in the Group's net production revenue. The economics of producing from some wells may change as a result of lower prices which could result in reduced production of oil or gas and a reduction in the volumes of the Group's reserves. The Group might also elect not to produce from certain wells at lower prices. All of these factors could result in a material decrease in the Group's expected net production revenue and a reduction in its oil and gas acquisition, development and exploration activities. Prices for oil and gas are subject to large fluctuations in response to relatively minor changes in the supply of and demand for oil and gas, market uncertainty and a variety of additional factors beyond the control of the Group. These factors include economic conditions in the United States, Canada and Europe, the actions of Organization of the Petroleum Exporting Companies, governmental regulation, political stability in the Middle East, Africa and elsewhere, the foreign supply of oil and gas, risks of supply disruption, the price of foreign imports and the availability of alternative fuel sources. In the latter half of 2014 and throughout 2015 world oil prices declined significantly. Any substantial and extended decline in the price of oil and gas would have an adverse effect on the Group's carrying value of its reserves, borrowing capacity, revenues, profitability and cash flows from operations and may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Petroleum prices are expected to remain volatile for the near future as a result of market uncertainties over the supply and the demand of these commodities due to the current state of the world economies, the Organization of the Petroleum Exporting Companies actions and the ongoing credit and liquidity concerns. Volatile oil and gas prices make it difficult to estimate the value of producing properties for acquisition and often cause disruption in the market for oil and gas producing properties as buyers and sellers have difficulty agreeing on such value. Price volatility also makes it difficult to budget for and project the return on acquisitions and development and exploitation projects.

Fluctuations in oil and gas prices could also have a negative impact on the demand for oilfield and related services which could negatively affect the business and financial condition of the Group.

2.11. Variations in foreign exchange rates and interest rates

The reporting and functional currency of the Group is in US Dollars. Substantially all of the Group's operations are in Trinidad and Indonesia (and for the time being this may also be the case with the Group) while substantially all of its revenue is invoiced in US Dollars. Costs incurred by the Group may be incurred in foreign currencies including Australian Dollars, Trinidad and Tobago Dollars, British Pounds Sterling, US Dollars and Indonesian Rupiah. In addition, certain costs incurred by the Group are generally paid in Trinidad and Tobago Dollars, British Pounds Sterling and Indonesian Rupiah. As a result, the Group will be exposed to foreign currency exchange rate risk on some of its activities primarily on exchange fluctuations between the US Dollar, the Trinidad and Tobago Dollar, the Australian Dollar, the British Pound Sterling and Indonesian Rupiah. However, the majority of capital expenditures will be incurred in US Dollars, Trinidad and Tobago Dollars and Indonesian Rupiah while oil revenues will be received in US Dollars and Trinidad and Tobago Dollars. Future exchange rates between US Dollars, Trinidad and Tobago Dollars, Australian Dollars, British Pounds Sterling and Indonesian Rupiah could impact the future value of the Group Reserves as determined by independent evaluators.

To the extent that the Group engages in risk management activities related to foreign exchange rates, there is a credit risk associated with counterparties with which the Group may contract.

An increase in interest rates could result in a significant increase in the amount the Group pays to service debt which could negatively impact the Group's cashflows.

2.12. Competition

There is strong competition relating to all aspects of the oil and natural gas industry whether in the exploration, development and production sector or in the oil services sector. The Group will actively compete for capital, skilled personnel, access to rigs and other equipment, access to customers for its oil and gas production and its oil services business, access to processing facilities and pipeline and refining capacity and in all other aspects of its operations with a substantial number of other organizations many of which will have greater technical and financial resources (or access to such resources) than that of the Group. For example, some of the oil majors such as BP plc, Royal Dutch Shell plc and Repsol S.A operate in Trinidad and BP plc, Chevron Corporation, Exxon Mobil Corporation and Total S.A. operate in Indonesia.

2.13. Environmental concerns

The Group's operations that are conducted in Trinidad and Indonesia are subject to environmental regulations promulgated by the Trinidad government and Indonesia government (respectively). Should the Group initiate operations in other countries such operations will be subject to environmental legislation in such jurisdictions. Current environmental legislation in Trinidad and Indonesia provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil, condensate and natural gas operations. In addition, certain types of operations may require the submission and approval of environmental impact assessments and, particularly in Indonesia, an environmental licence. The Group's existing operations are subject to such environmental policies and legislation. Environmental legislation and policy is periodically amended. Such amendments may result in stricter standards and enforcement and in more stringent fines and penalties for non-compliance. Environmental assessments of existing and proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees.

The costs of compliance associated with changes in environmental regulations could require significant expenditures and breaches of such regulations may result in the imposition of material fines and penalties. In extreme cases, such regulations may result in the temporary or permanent suspension of production operations. There can be no assurance that these environmental costs or effects will not have a materially adverse effect on the Group's future financial condition or results of operations.

Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require the Group to incur costs to remedy such discharge. No assurance can be given that the application of environmental laws to the business and operations of the Group will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect the Group's financial condition, results of operations or prospects.

2.14. Alternatives to, and changing demand for, petroleum products

Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas and technological advances in fuel economy and energy generation devices could reduce the demand for crude oil and other liquid hydrocarbons and for the services of oil drilling companies such as RRDSL.

The Group cannot predict the impact of changing demand for both its oil and natural gas products and its oil drilling services and any major changes may have a material adverse effect on the Group's business, financial condition, results of operations and cashflows.

3. RISKS RELATING TO THE ORDINARY SHARES

3.1. It may be difficult to realize an investment on AIM

The Ordinary Shares of the Group will be admitted to trading on AIM. The AIM Rules are less demanding than those of the Official List and an investment in a security that is traded on AIM may carry a higher risk than an investment in securities listed on the Official List. The price of publicly traded securities can be highly volatile.

It may be more difficult for an investor to realize his or her investment in the Company than to realise an investment in a company whose shares or other securities are listed on the Official List or other similar stock exchange. Shares held on AIM are perceived to involve higher risks. AIM is a market designed for small and growing companies but its future success and liquidity as a market for Ordinary Shares cannot be guaranteed.

3.2. Market price of Ordinary Shares

The price at which Ordinary Shares are traded and the price at which investors may realise their investment are influenced by a large number of factors, some specific to the Group and its operations and some which may affect growth companies or quoted companies generally. Admission to AIM or the ASX does not imply that there will be a liquid market for Ordinary Shares. Consequently, the price of Ordinary Shares may be subject to fluctuation on small volumes, and Ordinary Shares may be difficult to sell at a particular price.

In addition, the market price of the Ordinary Shares may fluctuate significantly as a result of factors beyond the Group's control including the results of exploration, appraisal and development programmes and production operations; changes in securities analysts' recommendations or estimates of earnings or financial performance of the Group, its competitors or the industry, or the failure to meet expectations of securities analysts; fluctuations in the prices of oil, gas and other petroleum products, fluctuations in stock market prices and volumes; general market volatility; changes in laws, rules, regulations and taxes, applicable to the Group, its operations and the operations in which the Group has interests; loss of key personnel and involvement in litigation.

3.3. Investment returns

The Company has not paid dividends nor made a distribution on any of its securities. Further, the Group may never achieve a level of profitability that would permit payment of dividends or making other forms of distributions to security holders. In any event, given the stage of the Company's development, it will likely be a long period of time before the Group could be in a position to make dividends or distributions to its investors. The payment of any future dividends by the Group will be at the sole discretion of the Board. In this regard, the Group currently intends to retain earnings to finance the expansion of its business and does not anticipate paying dividends in the foreseeable future.

3.4. Access to further capital

The Directors are of the opinion (having made due and careful enquiry) that the working capital of the Group will be sufficient for its present requirements, that is, for at least the period of twelve months from the date of Admission.

The Group may require additional funds to respond to business challenges or to enhance existing operations. Accordingly, the Group may need to engage in equity or debt financings to secure additional funds. If the Group raises additional funds through further issues of equity or convertible debt securities, existing Shareholders could suffer significant dilution and any new equity securities could have rights, preferences and privileges superior to those of current Shareholders. Any debt financing secured by the Group in the future could involve restrictive covenants relating to its capital raising activities and other financial and operational matters which may make it more difficult for the Group to obtain additional capital and to pursue business opportunities including potential acquisitions. In addition, the Group may not be able to obtain additional financing on terms favourable to it if at all. If the Group is unable to obtain adequate financing or financing on terms satisfactory to it and when the Group requires it, the Group's ability to continue to support its business growth and to respond to business challenges could be significantly limited or could affect its financial viability.

3.5. Issuance of additional Ordinary Shares

An additional issue of Ordinary Shares by the Company, or the public perception that an issue may occur, could have an adverse effect on the market price of Ordinary Shares and could dilute the proportionate ownership interest, and hence the proportionate voting interest, of Shareholders. This will particularly be the case if, and to the extent that, such an issue of Ordinary Shares is not affected on a pre-emptive basis or Shareholders do not take up their rights to subscribe for further Ordinary Shares structured as a pre-emptive offer.

3.6. Taxation

The Group will be subject to, *inter alia*, tax in Trinidad and Tobago, Indonesia, Australia, Hong Kong, Barbados and the UK. The application of taxes to the Company may change over time due to changes in laws, regulations or interpretations by the tax authorities, tribunals and courts. Any changes in taxes may have a material adverse effect on the Group's financial condition and the results of its operations.

3.7. Forward looking information may prove inaccurate

Certain statements within this document constitute forward looking statements. Investors are cautioned not to place undue reliance on forward looking information. By its nature, forward looking information involves numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

Additional information on the risks, assumptions and uncertainties are found in this document under the heading ''Forward looking statements''.

PART III

HISTORICAL FINANCIAL INFORMATION

SECTION A: HISTORICAL FINANCIAL INFORMATION ON THE GROUP (EXCLUDING RRDSL)

Range Resources Ltd and Controlled Entities
Audited financial statements for the 12 months ended June 30, 2015

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each director of Range Resources Limited.

(a) Remuneration Policy

The remuneration policy of Range Resources Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Board of Range Resources Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Group, as well as create alignment of goals between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives of the Company is as follows:

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed and approved by the Board.

Non-executive directors, executive directors and senior executives receive a base salary (which is based on factors such as length of service and experience), which is calculated on a total cost basis and includes any FBT charges related to employee benefits including motor vehicles, as well as employer contributions to superannuation funds.

Executive directors can be employed by the Company on a consultancy basis, on Board approval, with remuneration and terms stipulated in individual consultancy agreements.

The Board exercises its discretion in determining remuneration performance of executives. Given the size and nature of the entity, the Board does not deem it to be realistic to measure performance against defined criteria. As such remuneration and performance have historically not been linked.

All remuneration paid to directors and executives is valued at the cost to the Company and expensed. Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Unlisted options are valued using the Black-Scholes methodology.

The Board policy is to remunerate non-executive directors at market rates for comparable companies taking into consideration time, commitment and level of responsibility. As approved by shareholders in 30 November 2011, the aggregate non-executive remuneration per annum is currently A$350,000 (US$291,472). The Remuneration and Nomination Committee determines payments to the non-executive directors and reviews their remuneration annually. Independent external advice is sought when required. Fees for non-executive directors are not linked to the performance of the Group. The directors are not required to hold any shares in the Company under the Constitution of the Company; however, to align Directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

Options may be issued to directors and executives as part of remuneration. Options issued to directors have historically not been based on performance criteria. However, the options issued to the current directors on 27 March 2015 principally vest upon satisfaction of set company performance criteria detailed in Note 32.

Under the Company's share trading policy, all employees and directors of the Company and its related companies are prohibited from trading in the Company's shares or other securities if they are in possession of inside information.

The Board believes that it has implemented suitable practices and procedures that are appropriate for an organisation of this size and maturity.

(i) Remuneration Committee

During the year ended 30 June 2014, the Group did not have a separately established nomination or remuneration committee. Considering the number of directors, the Board was of the view that these functions could be efficiently performed with full Board participation. In line with the enhanced corporate governance processes implemented, a Remuneration Committee was established in the year.

(ii) Company Performance, Shareholder Wealth and Directors and Executives Remuneration

No relationship exists between shareholder wealth, director and executive remuneration and Company performance.

(iii) Use of remuneration consultants

During the year ended 30 June 2015, the Group contracted the service of a remuneration consultant, The Curzon partnership, to provide market comparison for executive and non-executive remuneration. The fee for this service was GB£480.

(iv) Voting and comments made at the company's 2014 Annual General Meeting

Range Resources Limited received 77% of "yes" votes on its remuneration report for the 2014 financial year. During the year the company received feedback from certain shareholders that the level of Director remuneration was excessive for a company of Range's current scale and financial position. This was evidenced by the vote at the AGM regarding an increase in the Non-Executive Director fee pool where 83% of votes cast were against the resolution. In response to shareholder feedback the company has reviewed its remuneration practices and the remuneration for the current board has been set at a significantly lower level than in previous years.

(b) Key Management Personnel

NAME	POSITION HELD	APPOINTMENT/RESIGNATION DATE
Directors		
Mr David Yu Chen	Non-Executive Chairman	appointed 30 November 2014
Ms Juan Wang	Non-Executive Director	appointed 30 November 2014
Mr Yan Liu	Executive Director	appointed 11 December 2014
Mr Zhiwei Gu	Non-Executive Director	appointed 11 December 2014
Sir Samuel Jonah	Non-Executive Chairman	resigned 28 November 2014
Mr Rory Scott Russell	Executive Director	appointed 3 Feb 2014, not re-elected 28 November 2014
Mr Marcus Edwards-Jones	Non-Executive Director	not re-elected 28 November 2014
Dr Christian Bukovics	Non-Executive Director	appointed 3 Feb 2014, not re-elected 28 November 2014
Mr Graham Lyon	Non-Executive Director	appointed 3 Feb 2014, not re-elected 28 November 2014
Mr Ian Macliver	Non-Executive Director	resigned 13 Aug 2014
Mr Ian Olson	Non-Executive Director	appointed 18 Aug 2014, resigned 11 December 2014
Officers		
Mr Nick Beattie	CFO & Company Secretary	appointed 23 May 2014 (as CFO) and 30 March 2015 (as Company Secretary)
Ms Sara Kelly	Company Secretary	resigned 21 Jul 2014, re-appointed 7 January 2015
Ms Rebecca Sandford	Company Secretary	resigned 30 March 2015
Ms Amy Just	Company Secretary	appointed 21 Jul 2014, resigned 11 December 2014

REMUNERATION REPORT (AUDITED) (continued)

(c) Details of Remuneration

The remuneration for the Key Management Personnel of the Group during the year was as follows:

	Short-Term Employee Benefits			Post Employment Benefits	Share-based Payments	
2015	**Cash Salary and Fees**	**Cash Bonus**	**Termination Benefits**	**Super-annuation/ Pensions**	**Options**	**Total**
	US$	**US$**	**US$**	**US$**	**US$**	**US$**
Directors & officers						
Sir Sam Jonah	37,609	-	-	-	-	37,609
Mr Scott Russell	103,137	-	150,253	-	-	253,390
Mr Beattie	228,342	-	-	28,152	-	256,494
Mr Edwards-Jones	37,609	-	-	-	-	37,609
Mr Macliver	5,584	-	-	-	-	5,584
Mr Lyon (i)	50,093	-	-	-	-	50,093
Dr Bukovics	37,889	-	-	-	-	37,889
Mr Riekie (ii)	45,836	-	-	-	-	45,836
Mr Olson	21,265	-	-	-	-	21,265
Mr Chen	88,710	-	-	-	34,186	122,896
Mr Liu	86,418	-	-	-	34,186	120,604
Ms Wang	19,152	-	-	-	8,546	27,698
Mr Gu	16,694	-	-	-	8,546	25,240
	778,338	-	150,253	28,152	85,464	1,042,207

(i) Fees paid to Mr Lyon comprised US$37,299 received in his capacity as a non-executive director and US$12,794 received for additional consulting work.

(ii) Fees paid to Mr Rieke comprised US$31,416 received in his capacity as a non-executive director and US$14,420 received for additional consulting work.

	Short-Term Employee Benefits		Post Employment Benefits	Share-based Payments	
2014	**Cash Salary and Fees**	**Cash Bonus**	**Super-annuation**	**Options**	**Total**
	US$	**US$**	**US$**	**US$**	**US$**
Directors & officers					
Sir Sam Jonah	91,473	-	-	-	91,473
Mr Scott Russell (iii)	116,064	84,042	-	35,414	235,520
Mr Beattie (iii)	30,593	33,235	-	11,069	74,897
Mr Edwards-Jones	91,473	-	-	-	91,473
Mr Lyon	105,536	-	-	-	105,536
Dr Bukovics	43,024	-	-	1,816	44,840
Mr Macliver	-	-	-	-	-
Mr Riekie	-	-	-	-	-
Mr Landau (i)	329,268	-	-	-	329,268
Mr Eastman	223,151	-	-	-	223,151
Ms Flegg (ii)	-	-	-	-	-
	1,030,582	117,277	-	48,299	1,196,158

(i) Fees paid to Mr Landau comprised US$289,268 received in his capacity as an executive director and US$40,000 received in his capacity as a non-executive director

(ii) Ms Flegg was an employee of OKAP ventures Pty Ltd (a Related Party) and was paid a salary through Okap's consulting agreement with Range Resources Limited. This consulting agreement was terminated in the 2015 financial year.

(iii) Cash bonuses paid to Mr Scott Russell and Mr Beattie were in respect of sign on bonuses in accordance with their respective employment contracts and were not linked to Company or Group performance.

(d) Equity instrument disclosures relating to Key Management Personnel

(i) Share-based Payments

On 27 March 2015, the following options were issued to key management personnel:

Name	Number of options
Mr Yan Liu	30,000,000
Mr David Chen	30,000,000
Mr Zhiwei Gu	7,500,000
Ms Juan Wang	7,500,000

Al options expire on 30 March 2020 with an exercise price of £0.01 per share.

The vesting conditions of these options are as follows:

(a) 25% will become exercisable on the date that is one year from the issue date
(b) 25% will become exercisable upon the Company reaching production of 1,500 barrels of oil per day for a continuous 15 day period in Trinidad
(c) 25% will become exercisable upon the Company reaching production of 2,500 barrels of oil per day for a continuous 15 day period in Trinidad
(d) 25% will become exercisable upon the Company reaching production of 4,000 barrels of oil per day for a continuous 15 day period in Trinidad

The value per option at the grant date was 0.51 cents, determined using the Black Scholes option price model using the following key inputs:

Volatility: 100%	Grant date: 27 March 2015
Risk free rate: 1.92%	Exercise price: £0.01
USD/GBP exchange rate: 0.7752	Share price on grant date £0.054

In 2014, no options were issued to Directors or employees.

(ii) Shares provided on exercise of remuneration options

No options issued in prior years affects remuneration in the current or future financial years.

REMUNERATION REPORT (AUDITED) (continued)

(iii) Fully paid share holdings

The numbers of shares in the company held during the financial year or at time of resignation by Key Management Personnel of the Company, including their personally related parties, are set out below.

Shareholdings

2015	Balance at the start of the year	Granted as compensation	Other changes	Balance at the end of the year	Balance held indirectly
Sir Sam Jonah (i)/(ii)	21,597,833	-	-	21,597,833	-
Mr Scott Russell (i)	-	-	-	-	-
Mr Beattie	-	-	-	-	-
Mr Edwards-Jones (i)/(ii)	3,531,522	-	-	3,531,522	-
Mr Macliver	-	-	-		-
Dr Bukovics (i)/(ii)	280,000	-	-	280,000	-
Mr Lyon (i)	-	-	-	-	-
Mr Riekie (iii)	-	-	-	-	-
Mr Olson (iii)	-	-	-	-	-
Mr Chen(iv)	4,288,070	-	6,000,000	10,288,070	-
Mr Liu	-	-	-	-	-
Ms Wang	-	-	-	-	-
Mr Gu	-	-	-	-	-
Total	29,697,425	-	6,000,000	35,697,425	-

(i) Not re-elected 28 November 2014
(ii) Balance at date of non re-election
(iii) Resigned 11 December 2014
(iv) Balance at appointment date

(v) Partly paid shareholdings (Note 26c)

The numbers of shares in the company held during the financial year or at time of resignation by Key Management Personnel of the Company, including their personally related parties, are set out below.

Partly paid shareholdings

2015	Balance at the start of the year	Granted as compensation	Cancelled in year	Balance at the end of the year	Balance held indirectly
Mr Edwards-Jones	750,000	-	(750,000)	-	-
Total	750,000	-	(750,000)	-	-

REMUNERATION REPORT (AUDITED) (continued)

vi) Options held by key management personnel

The numbers of options in the company held during the financial year or at time of resignation by Key Management Personnel of the Company, including their personally related parties, are set out below:

Options

2015	Balance at the start of the year	Granted as compensation	Other Changes*	Balance at the end of the year
Mr Chen	-	30,000,000	42,742,654	72,742,654
Mr Liu	-	30,000,000	-	30,000,000
Ms Wang	-	7,500,000	-	7,500,000
Mr Gu	-	7,500,000	-	7,500,000
Total	**-**	**75,000,000**	**42,742,654**	**117,742,654**

*Issued prior to appointment as director.

(e) Loans to Key Management Personnel

There were no loans made to directors of Range Resources Limited and other Key Management Personnel of the Group, including their personally related parties during the 2014 or 2015 financial years.

(f) Transactions with Key Management Personnel

The following transactions occurred during the year with Key Management Personnel or their related parties:

	2015 US$	2014 US$
Consulting fees paid or payable to OKAP Ventures Pty Ltd., a company in which Mr Landau is a Director, for the provision of corporate advisory, capita raising, company secretarial, investor/public relations and associated services including provision of all financial and administrative staff and office space in west Perth and London (iii)	-	780,718

Balances at year end due to former key management personnel:		
Sir Sam Jonah (i)	191,440	219,661
Marcus Edwards-Jones (i)	33,566	33,419
Soncer Limited (i)	18,442	-
Anthony Eastman (iii)	169,280	221,063
OKAP Ventures Pty Ltd payable (iii)	64,579	79,585
Doull Holdings Pty Ltd payable (in respect of Peter Landau Director fees) (iii)	165,403	181,612

(i) These were related parties throughout the financial year until 28 November 2014.

(ii) David Riekie was a related party throughout the financial year until 11 December 2014.

(iii) Related party until 13 June 2014

(g) Employment Contracts of Directors and Other Key Management Personnel

On appointment, Executive Directors and Other Key Management Personnel enter into an employment contract with the Company (or another company within the Group). This contract sets out their duties, remuneration and other terms of employment. These contracts may be terminated by either the Company or the employee as detailed below.

All non-executive directors are eligible to receive consulting fees for services provided to the Company over and above the services expected from a non-executive director.

Sir Sam Jonah as Non-Executive Chairman *(resigned 28 November 2014)*
Contract term – 3 years from 1 July 2012
Base payment - AU$100,000 per annum
Superannuation – no superannuation entitlement
Notice period – 6 months
Termination benefits – payment for the balance of the term of the contract for termination without cause

Mr Rory Scott Russell as Chief Executive Officer and Executive Director *(not re-elected 28 November 2014, CEO position terminated 4 December 2014)*
Contract start date – 3 February 2014
Base payment - GB£150,000 per annum, reviewed annually
Pension – 10% of base
Bonus – eligible to receive bonuses are at the discretion of the Board
Notice period – first 12 months – 3 months, thereafter 6 months
Termination benefits – payment in lieu of notice at Company option for termination without cause

Mr Nick Beattie as Chief Financial Officer
Contract start date – 23 May 2014
Base payment - GB£135,000 per annum, reviewed annually
Pension – 10% of base
Bonus – eligible to receive bonuses at the discretion of the Board
Notice period – 3-6 months
Termination benefits – 6 months' salary

Mr Marcus Edwards-Jones as Non-Executive Director *(not re-elected 28 November 2014)*
Contract term – 3 years from 15 August 2012
Base payment - AU$100,000 per annum
Superannuation – no superannuation entitlement
Notice period – 6 months
Termination benefits – payment for the balance of the term of the contract for termination without cause

Mr Graham Lyon as Non-Executive Director *(not re-elected 28 November 2014)*
Contract term – 3 years from 1 February 2014
Base payment - GB£55,000 per annum
Notice period – 3 months
Termination benefits – payment for the balance of the term of the contract
Consulting services – Mr Lyon may provide additional consulting services over and above services rendered to the Company as a non-executive director from time to time as required at a rate of GB£2,000 per day.

Dr Christian Bukovics as Non-Executive Director *(not re-elected 28 November 2014)*
Contract term – 3 years from 3 February 2014
Base payment - GB£55,000 per annum
Notice period – 3 months
Termination benefits – payment for the balance of the term of the contract for termination without cause

REMUNERATION REPORT (AUDITED) (continued)

Mr David Riekie as Non-Executive Director *(resigned 11 December 2014)*
Contract start date – 27 June 2014
Base payment - AU$72,000 per annum
Superannuation – no superannuation entitlement
Termination benefits – none
Consulting services – Mr Riekie may provide additional consulting services over and above services rendered to the Company as a non-executive director from time to time as required at a rate of AU$1,400 per day.

Mr Ian Olson as Non-Executive Director *(resigned 11 December 2014)*
Appointment date –18 August 2014
Base payment - AU$72,000 per annum
Superannuation – no superannuation entitlement
Termination benefits – none

Mr Ian Macliver as Non-Executive Director *(resigned 13 August 2014)*
Contract start date –27 June 2014
Base payment - AU$72,000 per annum
Superannuation – no superannuation entitlement
Termination benefits – none

Mr David Chen as Non-Executive Chairman *(appointed 30 November 2014)*
Contract start date –11 December 2014
Total compensation including management services - US$155,000 per annum
Superannuation – no superannuation entitlement
Notice period – 3 months
Termination benefits – payment in lieu of notice at Company option for termination without cause

Mr Yan Liu as Chief Executive Officer and Executive Director *(appointed 11 December 2014)*
Contract start date –11 December 2014
Base payment - US$155,000 per annum
Superannuation – no superannuation entitlement
Notice period – 3 months
Termination benefits – payment in lieu of notice at Company option for termination without cause

Ms Juan (Kiki) Wang as Non-Executive Director *(appointed 30 November 2014)*
Contract start date –19 January 2015
Base payment - US$30,000 per annum
Superannuation – no superannuation entitlement
Termination benefits – none

Mr Zhiwei (Kerry) Gu as Non-Executive Director *(appointed 11 December 2014)*
Contract start date –19 January 2015
Base payment - US$30,000 per annum
Superannuation – no superannuation entitlement
Termination benefits – none

End of Audited Remuneration Report

MEETINGS OF DIRECTORS

During the financial year 11 meetings of the board of directors were held. Attendances by each director during the year were as follows:

	Board Meetings	
Director	**Attended**	**Attended**
David Chen (appointed 30 Nov 2014)	5	5
Juan Wang (appointed 30 Nov 2014)	4	4
Yan Liu (appointed 11 Dec 2014)	2	2
Zhiwei Gu (appointed 11 Dec 2014)	2	2
Samuel Jonah (resigned 28 Nov 2014)	4	4
Marcus Edwards-Jones (not re-elected 28 Nov 2014)	4	4
Rory Scott Russell (not re-elected 28 Nov 2014)	5	5
Graham Lyon (not re-elected 28 Nov 2014)	5	5
Christian Bukovics (not re-elected 28 Nov 2014)	5	5
Ian Macliver (resigned 13 Aug 2014)	1	1
David Riekie (resigned 11 Dec 2014)	8	8
Ian Olson (appointed 18 Aug 2014, resigned 11 Dec 2014)	6	6

INDEMNIFYING OFFICERS OR AUDITOR

In accordance with the constitution, except where prohibited by the *Corporations Act 2001*, every director, principal executive officer and secretary of the Company shall be indemnified out of the property of the Company against any liability incurred by him/her in his/her capacity as director, principal executive officer or secretary of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings whether civil or criminal.

During the financial year, the Company has paid premiums to insure the Directors and Officers against certain liabilities arising out of the conduct of acting as an officer of the Company. Under the terms and conditions of the insurance contract, the nature of liabilities insured against and the premium paid cannot be disclosed.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

OPTIONS

At the date of this report, the unissued ordinary shares of Range Resources Limited under option are as follows:

Date of Expiry	Exercise Price	Number Under Option	
31 January 2016	$0.05	80,508,341	listed
30 April 2016	£0.17	7,058,824	unlisted
31 January 2017	£0.075	5,180,000	unlisted
19 October 2015	£0.0615	15,708,801	unlisted
30 November 2015	£0.05075	32,275,862	unlisted
31 January 2016	A$0.10	5,000,000	unlisted
10 February 2016	A$0.06	5,000,000	unlisted
30 April 2016	£0.04	146,533,850	unlisted
11 July 2016	£0.037	5,000,000	unlisted
25 July 2016	£0.021	476,190	unlisted
29 July 2016	£0.021	952,381	unlisted
31 August 2016	£0.021	6,714,284	unlisted
31 August 2016	£0.020	9,000,000	unlisted
30 September 2016	£0.019	3,947,369	unlisted
30 September 2016	£0.018	8,666,670	unlisted
31 October 2016	£0.018	694,445	unlisted
31 October 2016	£0.017	2,205,885	unlisted
31 October 2016	£0.016	1,250,000	unlisted
31 October 2016	£0.015	17,333,336	unlisted
30 November 2016	£0.015	3,000,001	unlisted
30 November 2016	£0.013	5,153,846	unlisted
11 December 2016	$0.0321	2,000,000	unlisted
31 December 2016	£0.012	2,000,000	unlisted
31 December 2016	£0.011	5,000,000	unlisted
31 January 2017	£0.011	23,636,364	unlisted
9 September 2017	£0.03	7,500,000	unlisted
14 July 2018	£0.01	161,472,247	unlisted
14 July 2018	£0.02	118,729,593	unlisted
31 January 2018	$0.05	1,000,000	unlisted
15 October 2017	£0.01203	31,000,000	unlisted
30 March 2020	£0.01	75,000,000	unlisted
		788,998,289	

During the year ended 30 June 2015, 49,051,468 ordinary shares of Range Resources Limited were issued on the exercise of options (2014: 70,833,334). The holders of these options do not have any rights under the options to participate in any share issues of the company.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Range Resources Limited support and have adhered to the principles of Corporate Governance.

NON-AUDIT SERVICES

The total value of non-audit services provided by a related practice of BDO Audit (WA) Pty Ltd in respect to the Company's tax compliance is US$63,217 (2014: US$47,998).

The board of directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Board to ensure they do not impact the impartiality and objectivity of the auditor; and

- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants.*

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration, as required under Section 307C of the *Corporations Act 2001*, for the year ended 30 June 2015 has been received and can be found on the following page.

Signed in accordance with a resolution of the Board of Directors.

David Chen
Chairman
30 September 2015

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Australia

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF RANGE RESOURCES LIMITED

As lead auditor of Range Resources Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Range Resources Limited and the entities it controlled during the period.

J Prue

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 30 September 2015

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation, other than for the acts or omissions of financial services licensees.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Consolidated 2015 US$	Consolidated 2014 US$
Revenue from continuing operations	**3**	**13,152,954**	**21,185,745**
Operating expenses		(6,440,734)	(9,549,610)
Royalties		(4,654,241)	(7,353,237)
Depreciation, depletion and amortisation		(4,917,053)	(7,909,945)
Cost of sales	**4a**	(16,012,028)	(24,812,792)
Gross loss		**(2,859,074)**	**(3,627,047)**
Other income and expenses from continuing operations			
Other income	**3**	428,588	1,221,108
Finance costs	**4b**	(4,347,575)	(21,797,779)
General and administration expenses	**4b**	(9,948,494)	(14,485,854)
Assets written-off	**4c**	(692,929)	(24,267,968)
Exploration expenditure and land fees	**4d**	(2,202,748)	(1,163,920)
Loss on disposal of subsidiary	**4e**	(1,491,857)	-
Share of net loss of investments in associates	**19**	-	(659,400)
Loss before income tax expense from continuing operations		**(21,114,089)**	**(64,780,860)**
Income tax expense	**6**	(1,467,806)	(906,620)
Loss after income tax from continuing operations		**(22,581,895)**	**(65,687,480)**
Loss from discontinued operations, net of tax	**5a**	(7,697,159)	(36,854,510)
Loss for the year attributable to equity holders of Range Resources Limited		**(30,279,054)**	**(102,541,990)**
Other comprehensive income/(loss)			
Items that may be reclassified to profit or loss			
Revaluation of available for sale financial assets	**27d**	-	325,263
Exchange differences on translation of foreign operations	**27c**	455,307	(411,110)
Other comprehensive income/(loss) for the year, net of tax		**455,307**	**(85,847)**
Total comprehensive loss attributable to equity holders of Range Resources Limited		**(29,823,747)**	**(102,627,837)**

Loss per share from continuing operations attributable to the ordinary equity holders of the Company:

Basic loss per share (cents per share)	**8a**	(0.44)	(1.85)
Diluted loss per share (cents per share)	**8b**	n/a	n/a

Loss per share attributable to the ordinary equity holders of the Company:

Basic loss per share (cents per share)	**8a**	(0.59)	(2.89)
Diluted loss per share (cents per share)	**8b**	n/a	n/a

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Note	Consolidated 2015 US$	Consolidated 2014 US$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	**9**	10,530,104	2,977,410
Trade and other receivables	**10**	5,148,978	5,338,769
Other current assets	**11**	783,385	728,544
		16,462,467	9,044,723
Non-current assets classified as held for sale	**12**	6,000,000	11,000,000
TOTAL CURRENT ASSETS		**22,462,467**	**20,044,723**
NON-CURRENT ASSETS			
Deferred tax asset	**6**	286,693	462,325
Available for sale financial assets	**13**	446,000	876,347
Goodwill	**15**	46,198,974	46,198,974
Property, plant and equipment	**16**	1,502,442	11,254,269
Exploration & evaluation expenditure	**17**	668,951	523,605
Producing assets	**18**	90,350,492	82,517,820
Investments in associates	**19**	-	2,779,476
Other non-current assets	**20**	-	1,500,000
TOTAL NON-CURRENT ASSETS		**139,453,552**	**146,112,816**
TOTAL ASSETS		**161,916,019**	**166,157,539**
CURRENT LIABILITIES			
Trade and other payables	**21**	13,654,195	8,705,005
Current tax liabilities		296,894	310,335
Borrowings	**22a**	7,518,077	-
Option liability	**22b**	808,083	2,189,913
Provisions	**23**	734,858	696,244
TOTAL CURRENT LIABILITIES		23,012,107	11,901,497
NON-CURRENT LIABILITIES			
Deferred tax liabilities	**24**	43,359,199	44,376,033
Employee service benefits	**25a**	521,257	584,746
TOTAL NON-CURRENT LIABILITIES		43,880,456	44,960,779
TOTAL LIABILITIES		**66,892,563**	**56,862,276**
NET ASSETS		**95,023,456**	**109,295,263**
EQUITY			
Contributed equity	**26**	363,205,277	352,599,569
Reserves	**27**	29,748,880	27,862,006
Accumulated losses		(297,930,701)	(271,166,312)
TOTAL EQUITY		**95,023,456**	**109,295,263**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

Consolidated	Note	Contributed Equity US$	Accumulated Losses US$	Foreign Currency Translation Reserve US$	Available for Sale Investment Revaluation Reserve US$	Share-based Payment Reserve US$	Option Premium Reserve US$	Total Equity US$
Balance at 1 July 2013		314,199,634	(168,624,322)	3,415,742	(325,263)	14,085,042	9,815,752	172,566,585
Other comprehensive income/(loss)		-	-	(411,110)	325,263	-	-	(85,847)
Loss attributable to members of the company		-	(102,541,990)	-	-	-	-	(102,541,990)
Total comprehensive loss for the year		-	(102,541,990)	(411,110)	325,263	-	-	(102,627,837)
Transactions with owners in their capacity as owners:								
Issue of share capital	26	32,467,157	-	-	-	-	-	32,467,157
Unissued share capital	26	6,000,000	-	-	-	-	-	6,000,000
Exercise of options	26	652,778	-	-	-	-	814,761	1,467,539
Cost of share-based payments		-	-	-	-	141,819	-	141,819
Issue costs	26	(720,000)	-	-	-	-	-	(720,000)
Balance at 30 June 2014		352,599,569	(271,166,312)	3,004,632	-	14,226,861	10,630,513	109,295,263
		US$	**US$**	**US$**	**US$**	**US$**	**US$**	**US$**
Balance at 1 July 2014		352,599,569	(271,166,312)	3,004,632	-	14,226,861	10,630,513	109,295,263
Other comprehensive income/(loss)		-	-	455,307	-	-	-	455,307
Loss attributable to members of the company		-	(30,279,054)	-	-	-	-	(30,279,054)
Total comprehensive loss for the year		-	(30,279,054)	455,307	-	-	-	(29,823,747)
Transactions with owners in their capacity as owners:								
Issue of share capital	26	11,044,172	-	-	-	-	-	11,044,172
Exercise of options	26	923,880	-	-	-	-	1,426,850	2,350,730
Cancellation of partly paid shares	26	(1,362,344)	1,362,344	-	-	-	-	-
Expired options - Reclassified		-	2,152,321	-	-	(2,152,321)	-	-
Cost of share-based payments		-	-	-	-	2,157,038	-	2,157,038
Balance at 30 June 2015		363,205,277	(297,930,701)	3,459,939	-	14,231,578	12,057,363	95,023,456

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR YEAR ENDED
30 JUNE 2015

	Note	Consolidated 2015 US$	Consolidated 2014 US$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		13,313,284	21,786,510
Payments to suppliers and employees		(19,472,258)	(19,638,193)
Payments for exploration and evaluation expenditure		(392,219)	(1,163,920)
Income taxes paid		(208,536)	(2,236,840)
Interest received		3,390	10,293
Interest & other finance costs		(198,925)	(4,979,631)
Net cash outflow from operating activities	31	(6,955,264)	(6,221,781)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant & equipment		(1,576,298)	(857,934)
Proceeds from sale of available for sale financial assets		450,643	-
Payment for producing assets		(3,992,670)	(3,146,149)
Payment to investments in associates		-	(2,715,517)
Payments for exploration and evaluation assets		(145,346)	(683,887)
Proceeds from sale of assets held-for-sale		5,202,379	-
Receipts from loan repayments/(Loans to external parties)		500,000	(700,000)
Net cash inflow/(outflow) from investing activities		438,708	(8,103,487)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of equity		8,890,800	16,002,037
Payment of equity issue costs		-	(720,000)
Proceeds from borrowings		5,250,000	16,407,790
Repayment of borrowings		-	(16,119,380)
Net cash inflow from financing activities		14,140,800	15,570,447
Net increase in cash and cash equivalents		7,624,244	1,245,179
Net foreign exchange differences		(71,550)	-
Cash and cash equivalents at beginning of financial year		2,977,410	1,732,231
Cash and cash equivalents at end of financial year	9	10,530,104	2,977,410

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Note 1: Statement of Significant Accounting Policies

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. Range Resources Limited is a for-profit entity for the purpose of preparing the financial statements.

The financial statements cover the Group consisting of Range Resources Limited and its controlled entities. Separate financial statements of Range Resources Limited are no longer presented as a result of a change to the *Corporations Act 2001*. Financial information for Range Resources Limited as an individual entity is disclosed in Note 34. Range Resources Limited is a listed public company, incorporated and domiciled in Australia.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

Reporting Basis and Conventions

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Compliance with IFRS

The financial statements of Range Resources Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial statements were approved by the Board of Directors on 29 September 2015.

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "Functional Currency"). The consolidated financial statements are presented in United States Dollars (USD), which is Range Resources Limited's functional and presentation currency.

Going Concern

The Directors have prepared the financial statements on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred losses of US$30,279,054 for the year ending 30 June 2015. The Group also had net cash outflows from operating and investing activities for the year totalling US$6,516,556, and a net current liability position (excluding assets held for sale) of US$6,549,639.

As announced on 3 September 2015, post year end, the Group received Tranche 2 subscription proceeds of US$22.1 million in cash from Sibo financing. This was the final cash receipt following the issue of 1,822,620,912 new ordinary shares to Beijing Sibo Investment Management LP. In addition to this, on 11 December 2014 Range announced a proposed US$50m trade financing with Sinosure. These funding arrangements are more than sufficient to cover Range's cash requirements for the 12 months from date of sign-off.

The Company will seek to rationalise the portfolio of non-core assets and redeploy capital to maximise current production from its core assets in Trinidad and pursue growth opportunities that enhance cash generation and returns to shareholders.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

Adoption of new and revised accounting standards

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current annual reporting period. The group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 July 2014:

Note 1: Statement of Significant Accounting Policies (continued)

- AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets
- AASB 2013-4 Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting
- Interpretation 21 Accounting for Levies
- AASB 2014-1 Amendments to Australian Accounting Standards

The adoption of these standards did not have any significant impact on the current period or any prior period and is not likely to affect future periods.

The impact of standards and interpretations that have been published but are not mandatory for 30 June 2015 reporting periods and have not been early adopted are disclosed within note 39. There were no standards that were early adopted as of 30 June 2015.

Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by the Group.

(a) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Range Resources Limited ("Parent Entity" or "Company") as at 30 June 2015 and the results of all subsidiaries for the year then ended. Range Resources Limited and its subsidiaries together are referred to as the "Group".

Subsidiaries are all those entities (including special purpose entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its investment with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Where controlled entities have entered or left the Group during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased. A list of controlled entities is contained in Note 14 to the financial statements. All controlled entities have a June financial year-end.

All inter-company balances and transactions between entities in the Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the Company.

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20-50% of the voting rights. Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost.

(b) Income tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the reporting date within each jurisdiction.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. Deferred tax is credited in profit or loss except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Note 1: Statement of Significant Accounting Policies (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(c) Property, plant and equipment

Owned assets

Plant and equipment are measured on the historical cost basis less accumulated depreciation and impairment losses.

The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Oil and gas assets

These properties represents the accumulation of all exploration, evaluation and development expenditure, pre-production development costs and ongoing costs of continuing the develop reserves for production incurred by or on behalf of the entity in relation to areas of interests.

Where further development expenditure is incurred in respect of a property after the commencement of production, such expenditure is carried forward as part of the cost of that property only when expected future economic benefits are to be received, otherwise such expenditure is classified as part of the cost of production.

Depreciation

The depreciable amount of all fixed assets including capitalised lease assets is depreciated on a straight-line basis over their useful lives to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable asset are:

Class of Fixed Asset	Depreciation Rate
Plant & equipment	11.25% - 33%
Production equipment	10 - 20%
Motor vehicles, furniture & fixtures	25 - 33%
Leasehold improvements	10 - 12.50%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Note 1: Statement of Significant Accounting Policies (continued)

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in profit or loss. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to accumulated losses.

(d) Exploration and evaluation expenditure and the recognition of assets

Generally, exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

The carrying values of expenditures carried forward are reviewed for impairment at each reporting date when the facts, events or changes in circumstances indicate that the carrying value may be impaired.

Accumulated expenditures are written off to profit or loss to the extent to which they are considered to be impaired.

Range Resources Limited is applying AASB 6 *Exploration for and Evaluation of Mineral Resources* which is equivalent to IFRS 6. The carrying value of exploration and evaluation expenditure is historical cost less impairment.

It's the Group's policy to capitalise exploration expenditure for all areas of interest apart from those in Somalia and Colombia. Exploration costs incurred in respect of the Group's Somalian and Colombian interests are expensed as incurred.

(e) Producing assets

Upon the commencement of commercial production from each identifiable area of interest, the exploration and evaluation expenditure incurred up to that point is impairment tested and then reclassified to producing assets.

When production commences, the accumulated costs for the relevant area of interest are amortised on a units of production method based on the ratio of actual production to remaining proved reserves (P1) as estimated by independent petroleum engineers over the life of the area according to the rate of depletion of the economically recoverable reserves.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit and loss during the financial period in which they are incurred.

The carrying amount of producing assets is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount of an asset is the greater of its fair value less costs to sell and its value in use. In assessing value in use, an asset's estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash flows that are largely independent from other assets or groups of assets, the recoverable amount is determined for the cash generating unit to which the asset belongs. For producing assets, the estimated future cash flows for the value-in-use calculation are based on estimates, the most significant of which are 2P hydrocarbon reserves, future production profiles, commodity prices, operating costs and any future development costs necessary to produce the reserves. Under a fair value less costs to sell calculation, future cash flows are based on estimates of 2P hydrocarbon reserves. Estimates of future commodity prices are based on the Group's best estimate of future market prices with reference to external market analysts' forecasts, current spot prices and forward curves. Future commodity prices are reviewed at least annually.

Note 1: Statement of Significant Accounting Policies (continued)

An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in profit or loss. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to accumulated losses.

The Group records the present value of the estimated cost of legal and constructive obligations to restore operating locations in the period in which the obligation arises. The nature of restoration activities includes the removal of facilities, abandonment of wells and restoration of affected areas. A restoration provision is recognised and updated at different stages of the development and construction of a facility and then reviewed on an annual basis. When the liability is initially recorded, the estimated cost is capitalised by increasing the carrying amount of the related exploration and evaluation/development assets.

Over time, the liability is increased for the change in the present value based on a post-tax discount rate appropriate to the risk inherent in the liability. The unwinding of the discount is recorded as an accretion charge within finance costs. The carrying amount capitalised in oil and gas properties is depreciated over the useful life of the related asset.

Costs incurred that relate to an existing condition caused by past operation and do not have a future economic benefit are expensed.

(f) Financial instruments

The Group's financial instruments include cash and cash equivalents, trade and other receivables and available-for-sale financial assets.

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition, these instruments are measured as set out below.

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale investments. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include non-derivative financial assets designated in this category not included in any of the other categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to the available for sale investment revaluation reserve in equity. Investments are designated as available-for-sale if they do not have fixed maturities and fixed determinable payments and management intends to hold them for the medium to long term.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities held at cost less impairment, including recent arm's length transactions, reference to similar instruments and option pricing models.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in the available for sale investment revaluation reserve in equity. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Note 1: Statement of Significant Accounting Policies (continued)

Impairment of assets

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and included in profit or loss. Impairment losses recognised in the statement of profit or loss and other comprehensive income on equity instruments classified as available-for-sale are not reversed through profit or loss.

Recognition and de-recognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs. Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and reward of ownership.

When the securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in profit or loss as gains and losses for investment securities.

(g) Foreign currency transactions and balances

Functional and presentation currency

The functional currency of each entity within the Group is determined using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in United States dollars which is the Company's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity; otherwise the exchange difference is recognised in profit or loss.

(h) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects the current market assessments of the time value of money and the risk specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(i) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

Note 1: Statement of Significant Accounting Policies (continued)

(j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due, according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of impairment loss is recognised in profit or loss within other expenses. When a trade receivable, for which an impairment allowance had been recognised, becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(k) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties. Revenue is recognised when the amount of revenue can be reliably measured, and it is probable that future economic benefits will flow to the Group.

Revenue from the sale of oil and gas and related products is recognised when the Group has transferred to the buyer the significant risks and rewards of ownership and the amounts can be measured reliably. In the case of oil, this usually occurs at the time of lifting.

Interest revenue is recognised on a time proportion basis taking into account the interest rates applicable to the financial assets.

(l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the consolidated statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(m) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Note 1: Statement of Significant Accounting Policies (continued)

(n) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash follows at the current market interest rate that is available to the Group for similar financial instruments.

(o) Investments in associates

Investments in associates are accounted for using the equity method of accounting in the consolidated financial statements.

Under the equity method, the investment in the associate is carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group’s share of net assets of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group’s net investment in the associate.

The Group's share of the associate post-acquisition profits or losses is recognised in the statement of profit or loss and other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in the associate equals or exceeds its interest in the associate, including any unsecured long-term receivables and loans, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The reporting dates of the associate and the Group are identical and the associate’s accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

(p) Prepayments for investments

Prepayments for acquisitions of financial assets are recorded at the fair value of consideration to acquire the assets.

On satisfaction of all terms of the acquisition contract have been satisfied the prepayment is transferred and accounted for as an investment.

(q) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(r) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at reporting date.

(s) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 1: Statement of Significant Accounting Policies (continued)

(t) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares.

(u) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the managing director.

(v) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which they are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(w) Intangible assets (goodwill)

Goodwill is measured as described in note 1(v). Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segments (note 30).

(x) Share-based payments

The fair value of options granted is recognised as an expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

(y) Employee benefits

Wages and salaries and annual leave
Liabilities for wages and salaries, including non-monetary benefits are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave
The liability for long service leave is recognised in current and non-current liabilities, depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Note 1: Statement of Significant Accounting Policies (continued)

(z) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the company will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

(aa) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

(bb) Compound Financial Instruments

Compound financial instruments issued by the Group comprise convertible notes that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition.

Interest related to the financial liability is recognised in profit or loss. On conversion the financial liability is reclassified to equity and no gain or loss is recognised.

Convertible notes that can be converted to share capital at the option of the holder and where the number of shares is variable, contains an embedded derivative liability. The embedded derivative liability is calculated (at fair value) first and the residual value is assigned to the debt host contract. The embedded derivative is subsequently measured at fair values and movements are reflected in the profit and loss.

Certain convertible notes issued by the Group which include embedded derivatives (option to convert to variable number of shares in the Group are recognised as financial liabilities at fair value through profit or loss. On initial recognition, the fair value of the convertible note will equate to the proceeds received and subsequently the liability is measured at fair value at each reporting period until settlement. The fair value movements are recognised on the profit and loss as finance costs.

(cc) Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Note 1: Statement of Significant Accounting Policies (continued)

(dd) Non-current assets classified as held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell. For non-current assets to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of a non-current asset, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale are presented separately on the face of the consolidated statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

(ee) Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical are of operations.
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative consolidated statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

Note 2: Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. Areas involving a higher degree of judgement or complexity, or areas where estimations and assumptions are significant to the financial statements are disclosed here.

Exploration and evaluation expenditure

Exploration and evaluation expenditure for each area of interest is carried forward as an asset provided certain conditions listed in Note 1(d) are met. Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. These calculations and reviews require the use of assumptions and judgement. The related carrying amounts are disclosed in Note 17.

Producing asset expenditure

The classification of exploration and evaluation expenditure to producing assets is based on the time of first commercial production. Producing asset expenditure for each area of interest is carried forward as an asset provided certain conditions listed in Note 1(e) are met and depreciated on a unit of production basis on P1 reserves. P1 reserves have been determined by an independent expert.

Producing assets are assessed for impairment when facts and circumstances suggest that the carrying amount of a production asset may exceed its recoverable amount. These timings, calculations and reviews require the use of assumptions and judgement. The related carrying amounts are disclosed in Note 18.

Note 2: Critical accounting estimates and judgements (continued)

Investment in associate – LAR

In January 2013, Range acquired a stake in Citation Resources Limited (ASX: CTR) which held a 70% interest in Latin American Resources ("LAR"). Subsequently, Range acquired a direct 20% interest in LAR.

As at 30 June 2014, Range had a 6.33% interest in CTR and CTR had a 60% interest in LAR. Combined with the direct shareholding this gives Range an effective 24% interest in LAR, giving Range significance influence over the group. At 30 June 2014 the carrying value of the Group's 20% interest in LAR has been impaired down to US$2,779,476 which represents the Group's share of 20% of LAR net assets – refer Note 19. The impairment recognised in relation to LAR at 30 June 2014 was US$1,410,138, which is included in the consolidated statement of profit or loss and other comprehensive income within assets written-off.

During the year ended 30 June 2015, the asset was written down by a further US$600,118 to a value of US$2,179,358 and transferred to assets held for sale following the board's decision to actively market the asset. Once transferred to held for sale, a further write down of US$1,179,358 to US$1,000,000 was recognised

Provision for impairment of trade and other receivables

During the prior year, and given uncertainty over the counterparty's ability to repay, a provision for impairment of US$2,489,443 was recognised in relation to miscellaneous other receivables totalling US$3,179,394. A further provision of $17,937 was recognised in the current financial year.

Provision for impairment of other non-current receivable

In the year ended 30 June 2014, the Company recognised an impairment of US$7,354,469 with respect to the loan which had been advanced to International Petroleum Limited, reducing the carrying value of the loan to US$1,500,000 at 30 June 2014 as set out in note 20. US$500,000 of the balance was received in the year ended 30 June 2015, with the remaining balance exchanged into equity in IOP with a carrying value of $346,000.

Impairment of goodwill and producing assets

The Group tests annually whether goodwill or the producing assets has suffered any impairment in accordance with the accounting policies stated in notes 1(e) and 1(w). The recoverable amount of the cash-generating unit to which the assets belong is estimated based on the present value of future cash flows. The expected future cash flow estimation is always based on a number of factors, variables and assumptions, the most important of which are estimates of reserves, future production profiles, commodity prices and costs. In most cases, the present value of future cash flows is most sensitive to estimates of future oil price and discount rates. A change in the modelled assumptions in isolation could materially change the recoverable amount. Refer to note 15 for details of these key assumptions.

Deferred tax liability

Upon acquisition of SOCA Petroleum Ltd, in accordance with the requirement of AASB 112 *Income Taxes*, a deferred tax liability of US$46,979,878 was recognised in relation to the difference between the carrying amount for accounting purposes of deferred development assets and their actual cost base for tax purposes. The carrying value of this deferred tax liability has reduced to US$43,359,199 at 30 June 2015. In the event that the manner by which the carrying value of these assets is recovered differs from that which is assumed for the purpose of this estimation, the associated tax charges may be significantly less than this amount.

Impairment of assets held-for-sale

An impairment loss in respect of assets held-for-sale is generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on re-measurement are recognised in profit or loss. Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

During 2014, as part of the Company's strategy to rationalise non-core assets, the Company committed to a plan to dispose its shares in Strait Oil & Gas (UK) Limited ("Strait").

In the current financial year, Range decided to actively market its Guatemalan assets for sale.

At 30 June 2015 impairment losses of US$34,281,987 and US$1,779,476 have been recognised in respect of Strait and the Guatemalan asset, respectively.

Note 2: Critical accounting estimates and judgements (continued)

Share based payments transactions

The Group measures the cost of equity-settled share-based payment transactions with employees by reference to the fair value of the equity instruments at the grant date. The fair value is determined using a Black-Scholes model. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

Classification of operations to discontinued

The assets classified as discontinued operations represent separate major lines of business and geographical areas of operations.

Note 3: Revenue

	Consolidated 2015 US$	2014 US$
From continuing operations		
– revenue from sale of oil	13,152,954	21,185,745
Other income		
– interest income (i)	3,390	1,217,890
– other income	422,198	3,218
	425,588	1,221,108

(i) 2014 figure relates primarily to the loan facility and interest revenue as per final settlement agreement between Citation Resources Ltd and the Group.

Note 4: Expenses

		Consolidated 2015 US$	2014 US$
	Loss before income tax includes the following specific expenses:		
(a)	**Cost of sales**		
	– Costs of production	3,125,464	4,705,948
	– Royalties	4,654,241	7,353,237
	– Staff costs	3,315,271	4,843,662
	– Oil and gas properties depreciation, depletion and amortisation	1,781,212	1,687,468
	– Amortisation in relation to fair value uplift of oil properties on business combination	3,135,840	6,222,477
		16,012,028	24,812,792
(b)	**Expenses**		
	Finance costs		
	– Interest and premium paid on financial liabilities at fair value	2,550,028	11,199,869
	– Fair value movement of option liability	(127,883)	
	– Facility fees settled in shares	1,575,637	2,123,709
	– Loss on equity swap	-	3,494,570
	– Interest expense	349,793	2,902,249
	– Corporate advisory fee	-	2,077,382
	Total finance costs	4,347,575	21,797,779

Note 4: Expenses (continued)

General and administration expenses		
– Consultants	1,964,024	3,421,400
– Other expenses	1,205,399	1,597,262
– Share based payments	2,157,037	1,673,558
– Share based payments –employee and consultant shares	580,455	-
– Foreign exchange (gain)/loss	(134,789)	1,468,581
– Directors' and officers' fees and benefits	999,571	1,115,524
– Travel expenditure	585,994	1,113,233
– Legal fees	552,459	1,293,946
– Corporate management services	303,327	780,718
– Insurance	259,384	568,931
– Marketing and public relations	200,134	461,902
– Share registry expenses and listing costs	402,824	655,537
– Audit fees	271,754	225,040
– Depreciation	1,192	62,224
– Loss on disposal of available for sale asset	496,958	-
– Taxation advice	102,771	47,998
Total general and administration expenses	9,948,494	14,485,854

(c) Asset values written-down

Asset values written-down		
– Impairment of restricted deposits	-	3,480,000
– Impairment of current receivables	17,937	2,489,443
– Impairment of non-current receivables	20,992	6,549,517
– Impairment of investment in associate	-	1,410,138
– Impairment of Colombian exploration expenditure	-	9,613,918
– Impairment of investment in available for sale financial assets	654,000	724,952
Total assets written-down	692,929	24,267,968

(d) Exploration Expenditure

Puntland	314,982	1,163,920
Trinidad (i)	1,810,529	-
Colombia	77,237	-
Total exploration expenses	2,202,748	1,163,920

(e) Loss on disposal of subsidiary

Range Resources Drilling Limited	1,491,857	-
Total loss on disposal	1,491,857	-

Details of loss on sale of subsidiaries

Consideration received	4,870,000
Carrying amount of net assets sold	6,319,358
Loss on sale	**(1,449,358)**
Reclassification of FX reserve	(42,499)
Income tax expense on gain	-
Loss on sale	**(1,491,857)**

Note 5: Discontinued operations

(i) Amounts expensed in the year in Trinidad relate to land fees in relation to Guayaguayare and St Mary's for which the company policy is to expense.

In 2013, the Company indicated that it was in the process of disposing of the Company's North Chapman Ranch and East Texas Cotton Valley assets hence the transfer from producing assets to assets classified as held-for-sale in that accounting period. This sale was completed on 24 March 2015 through a disposal of Range Australia Resources (US) Limited.

During the 2014 financial year, the Company also committed to a plan to dispose its shares in the unlisted company Strait Oil & Gas (UK) Limited, representing 45% of the shares on issue of Strait to place greater focus on the Group's core producing assets in Trinidad. This has been written down by a further US$5,000,000 in the current financial period (2014: US$29,281,987) as Range continues to search for a buyer for the asset.

Impairment losses of US$6,779,476 (2014 - US$37,244,836) for write-downs of the disposal group to the lower of its carrying amount and its recoverable amount have been included in loss on discontinued operations (see note 5a). The impairment losses have been applied to reduce the carrying amount of the assets held-for-sale within the disposal group. There is no cumulative income or expenses included in other comprehensive income relating to the disposal group.

	2015 US$	2014 US$
(a) Results of discontinued operations		
Revenue	238,194	553,965
Cost of sales	(104,799)	(97,652)
Asset write off	(6,779,476)	(37,244,836)
Other expenses	(949,169)	(610,285)
Results from operating activities	**(7,595,250)**	**(37,398,808)**
Income tax (expense)/benefit	-	544,298
Results from operating activities, after tax	**(7,595,250)**	**(36,854,510)**
Loss on sale of subsidiary asset	(101,909)	-
Loss from discontinued operations	**(7,697,159)**	**(36,854,510)**

The loss from the discontinued operations of US$7,697,159 (2014: US$36,854,510) is attributable entirely to the owners of the Company.

	2015 US$	2014 US$
(b) Cash flows gained from/(used in) discontinued operations		
Net cash used in operating activities	(801,003)	(2,069,088)
Net cash flow for the year	**(801,003)**	**(2,069,088)**

(c) Details of sale of Range Australia Resources (US) Limited

Consideration received	
-Cash	389,172
-Debts forgiven	147,311
-Shares	155,885
Total disposal consideration	692,368
Less: Carrying amount of net assets sold	(794,277)
Loss on sale	**(101,909)**
Income tax expense on gain	-
Loss on sale	**(101,909)**

Note 6: Income Tax Expense

		Consolidated	
		2015 US$	2014 US$
(a)	**Income tax expense**		
	Current tax	624,618	1,753,045
	Deferred tax	843,188	(865,005)
	Adjustments for current tax of prior periods	-	(525,718)
		1,467,806	362,322
	Income tax expense/(benefit) is attributable to:		
	Profit/(loss) from continuing operations	1,467,806	906,618
	Profit/(loss) from discontinued operations	-	(544,296)
	Aggregate income tax expense	1,467,806	362,322
(b)	**The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows**:	(28,811,248)	(102,179,666)
	Prime facie tax payable on profit from ordinary activities before income tax at 30% (2014: 30%)		
	– Group	(8,643,374)	(30,653,900)
		(8,643,374)	(30,653,900)
	Add:		
	Tax effect of:		
	– Other taxes	477,852	2,065,308
	– Expenses not deductible for tax	7,752,706	29,066,976
	– Income not assessable for tax	(3,757,145)	(4,061,284)
	– Tax losses not brought to account	1,938,572	494,731
	– Benefit of tax losses not previously recognised	3,608,262	2,128,535
	– Deferred tax assets not brought to account	2,315,848	2,835,615
	– Differences in tax rates	(2,224,915)	(987,941)
	– Prior year adjustment	-	(525,718)
		1,467,806	362,322
	Unrecognised Deferred tax asset		
	– Capital losses	1,084,219	295,658
	– Revenue losses	10,033,815	8,797,175
	– Other	3,265,732	1,068,076
		14,383,766	10,160,909

Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1(b) occur.

Note 6: Income Tax Expense (continued)

		Consolidated 2015 US$	Consolidated 2014 US$
(c)	**Recognised deferred tax assets**		
	- temporary differences	286,693	462,325
		286,693	462,325
	Recognised deferred tax liabilities		
	- Accelerated depreciation	(11,039,440)	(9,365,463)
	- DTL arising on business combination	(32,319,759)	(35,010,570)
	Net deferred tax liabilities	(43,359,199)	(44,376,033)

Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1(b) occur.

Note 7: Auditors' Remuneration

	Consolidated 2015 US$	Consolidated 2014 US$
Remuneration of the auditor of the Parent Entity for:		
- auditing or reviewing the financial report by BDO Audit (WA) Pty Ltd	216,866	144,894
- non-audit services provided by a related entity of BDO Audit (WA) Pty Ltd in respect to Parent Entity's tax compliance.	72,570	47,998
Total remuneration for the Parent Entity	289,436	192,892
Remuneration of the auditors of the subsidiaries:		
- auditing or reviewing the financial report by BDO UK	3,933	-
- auditing or reviewing the financial report by BDO Barbados	13,030	15,697
- auditing or reviewing the financial report by BDO Trinidad	40,530	64,449
Total remuneration for the subsidiaries	57,493	80,146

Note 8: Earnings Per Share

		Consolidated 2015 US cents	Consolidated 2014 US cents
(a)	**Basic loss per share**		
	(Loss) per share from continuing operations attributable to the ordinary equity holders of the company	(0.44)	(1.85)
	(Loss) per share attributable to the ordinary equity holders of the company	(0.59)	(2.89)
(b)	**Diluted loss per share**		
	(Loss) per share from continuing operations attributable to the ordinary equity holders of the company	n/a	n/a
	(Loss) per share attributable to the ordinary equity holders of the company	n/a	n/a
(c)	**Reconciliation of loss used in calculating earnings per share**		
	Basic/ Diluted loss per share		
	Loss from continuing operations attributable to the ordinary equity holders of the company	(22,581,895)	(65,687,480)
	Loss attributable to the ordinary equity holders of the company	(30,279,054)	(102,541,990)

		2015 No.	2014 No.
(d)	**Weighted average number of shares used as the denominator**		
	Weighted average number of ordinary shares used as the denominator in calculating basic EPS	5,095,406,444	3,553,499,382

Effect of dilutive securities
Options on issue at reporting date could potentially dilute earnings per share in the future. The effect in the current year is to reduce the loss per share hence they are considered anti-dilutive. Accordingly the diluted loss per share has not been disclosed.

Note 9: Cash and Cash Equivalents

	Consolidated 2015 US$	Consolidated 2014 US$
Cash at bank and on hand	10,530,104	2,977,410

Risk exposure

Information about the Group's exposure to credit risk, foreign exchange risk and price risk is provided in Note 35.

Note 10: Trade and Other Receivables

	Consolidated	
	2015	**2014**
	US$	**US$**
Current		
Other receivables		
- trade receivables (i)	672,331	1,258,117
- accrued revenue (ii)	-	102,825
- goods and services tax	3,820,265	3,287,876
- other debtors (iii)	3,145,825	3,179,394
- less: provision for impairment	(2,489,443)	(2,489,443)
	5,148,978	5,338,769

Fair value approximates the carrying value of trade and other receivables at 30 June 2015 and 30 June 2014.

(i) Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date. Trade receivables are neither past due nor impaired.

(ii) Accrued revenues relate to the Petrotrin overriding royalty refundable in the Trinidad subsidiaries.

(iii) Other debtors are comprised primarily of advances to unrelated third parties. Given the uncertainty over the likelihood of repayment these advances have been included within the provision for impairment raised at 30 June 2015 and 30 June 2014.

Risk exposure

Information about the Group's exposure to credit risk, foreign exchange risk and price risk is provided in Note 35.

Note 11: Other Current Assets

	Consolidated	
	2015	**2014**
	US$	**US$**
Current		
Prepayments	352,724	728,544
Other assets	430,661	-
	783,385	728,544

Note 12: Assets Held-for-Sale

Assets classified as held for sale are as follows:

	Consolidated	
	2015	**2014**
	US$	**US$**
Strait Oil & Gas (UK) Limited – 45% equity interest	5,000,000	10,000,000
Range Australia Resources (US) Limited – 100% owned subsidiary	-	1,000,000
Latin American Resources – 20% equity interest	1,000,000	-
Total	6,000,000	11,000,000

Note 12: Assets Held-for-Sale (continued)

Movements in assets classified as held for sale are as follows:		
Opening net book amount	11,000,000	8,769,792
Transfer from investment in associate (note 19)	2,179,358	39,281,987
Additions	-	193,057
Sold in period	(1,000,000)	-
Impairment loss relating to discontinued operations	(6,179,358)	(37,244,836)
Closing net book amount	6,000,000	11,000,000

Impairment losses of US$6.8 million for write-downs of the disposal group to the lower of its carrying amount and its recoverable amount have been included in 'loss on discontinued operations' (see note 5). The impairment losses have been applied to reduce the carrying amount of the assets held-for-sale within the disposal group. There is no cumulative income or expenses included in other comprehensive income relating to the disposal group.

Note 13: Financial Assets Available-For-Sale

	Consolidated	
	2015	**2014**
	US$	**US$**
Listed investments, at fair value		
- Interest in other corporations	446,000	876,347
Total available-for-sale financial assets	446,000	876,347

Movement in Financial Assets Available-for-Sale		
Opening balance	876,347	822,751
Shares received on settlement of loan receivable	171,254	3,762,367
Acquisitions	-	1,207,598
Shares disposed of to settle liabilities	-	(3,720,555)
Foreign exchange variance	-	59,021
Shares sold in period	(947,601)	-
Fair value movement recognised in equity	-	(529,883)
Transferred from other current assets (note 20)	1,000,000	-
Impairment recognised in profit and loss	(654,000)	(724,952)
Closing balance	446,000	876,347

Available-for-sale financial assets comprise investments in the ordinary share capital of various entities. There are no fixed returns or fixed maturity date attached to these investments.

Risk exposure

Information about the Group's exposure to credit risk, foreign exchange risk and price risk is provided in Note 35.

Note 14: Controlled Entities

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with accounting policy described in Note 1(a).

Controlled Entities Consolidated	Country of Incorporation	Percentage Owned (%)	
		30 June 2015	30 June 2014
Subsidiaries of Range Resources Limited:			
Westblade Pty Ltd (i)	Australia	-	100
Donnybrook Gold Pty Ltd (i)	Australia	-	100
Range Australia Resources (US) Ltd (ii)	USA	-	100
Range Resources (Barbados) Limited	Barbados	100	100
SOCA Petroleum Limited	Barbados	100	100
Range Resources Drilling Services Limited	Trinidad	-	100
West Indies Exploration Company Limited	Trinidad	100	100
Range Resources Trinidad Limited	Trinidad	100	100
Los Bajos Oil Limited (iii)	Trinidad	-	100
Range Resources (Barbados) GY Limited	Barbados	100	100
Range Resources St. Mary's Limited	Trinidad	100	-
Range Resources GY Shallow Limited	Trinidad	100	100
Range Resources GY Deep Limited	Trinidad	100	100
Range Resources (Cayman) Limited	Cayman Islands	100	100
Range Resources Upstream Services Limited	United Kingdom	100	100

(i) Dissolved in year
(ii) Disposed of in year as part of Texas sale
(iii) Amalgamated in year with Range Resources Trinidad Limited.

Note 15: Goodwill

Goodwill is measured as described in note 1(v). Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

The Group reported goodwill of US$46,198,974, which was derived from the acquisition of SOCA Petroleum Limited through the parent's subsidiary Range Resources (Barbados) Ltd.

	Goodwill	
	2015 US$	2014 US$
At 1 July 2014		
Cost	46,198,974	46,198,974
Accumulated amortisation and impairment	-	-
Net book amount	46,198,974	46,198,974
Year ended 30 June 2015		
Opening net book amount	46,198,974	46,198,974
Additions-acquisition	-	-
Amortisation charge	-	-
Closing net book amount	46,198,974	46,198,974

(a) Impairment tests for goodwill

During the year ending 30 June 2015, the Group determined that there is no impairment of any of its cash-generating units or group of cash-generating units containing goodwill or intangible assets with indefinite useful lives.

Note 15: Goodwill (continued)

Goodwill has been allocated for impairment testing purposes to a single cash-generating unit (CGU), identified according to operating segments, being Trinidad.

Estimates of the recoverable amount is based on an an asset's fair value less costs to sell (level 3 fair value hierarchy) using a discounted cash flow method and is most sensitive to the following key assumptions:

- P1 and P2 Recoverable reserves
- Commodity price of between US$52 and US$82 per barrel dependent on the year.
- Operating costs at 7-14% of revenue, depending on oil price at that time.
- Post-tax discount rate of 10%

Economical recoverable reserves represent management's expectations at the time of completing the impairment testing and based on the reserves statements and exploration and evaluation work undertaken by appropriately qualified persons. A summary of the Company's Trinidad reserves and resources are published on the company's website.

The commodity price for oil was based on forecast oil price data compiled by Capital IQ, as used in the IER released on 31 July 2015. The data compiled by Capital IQ is taken from a number of economic and market analyst forecasts and averaged to present an estimated forecast price. Estimates are $52/bbl in 2015, $63/bbl in 2016, $70/bbl in 2017, $73/bbl in 2018, $78/bbl in 2019, $80/bbl in 2020 and $82/bbl from 2021.

Operating cost assumptions were based on management reports from June and July 2015.

(b) Sensitivity to change of assumptions

An individual movement of 20% against any one key assumption would cause the carrying value of the cash generating unit to materially exceed its recoverable amount. An adverse movement of 20% in reserves and resources, commodity prices, operating costs or discount rate would lead to an impairment of US$16.4m, US$32.3m, US$4.7m and US$4.7m respectively.

Note 16: Property, Plant & Equipment

Consolidated	Production Equipment and access roads	Gathering Station and Field Office	Leasehold Improvement	Motor Vehicle, Furniture, Fixtures & Fittings	Total
	US$	US$	US$	US$	US$
Year ended 30 June 2014					
Opening net book amount	10,897,690	159,025	433,409	810,294	12,300,418
Foreign currency movement	4,372	-	546	2,603	7,521
Additions	746,400	-	-	111,534	857,934
Disposals	-	-	-	(2,708)	(2,708)
Depreciation charge	(1,543,103)	(19,756)	(49,139)	(296,898)	(1,908,896)
Closing net book amount	10,105,359	139,269	384,816	624,825	11,254,269
At 30 June 2014					
Cost	20,969,042	424,876	1,061,478	2,032,909	24,488,305
Accumulated depreciation	(10,863,683)	(285,607)	(676,662)	(1,408,084)	(13,234,036)
Net book amount	10,105,359	139,269	384,816	624,825	11,254,269
Year ended 30 June 2015					
Opening net book amount	10,105,359	139,269	384,816	624,825	11,254,269
Foreign currency movement	143,202	(29,878)	(116,584)	2,167	(1,093)
Additions	1,413,411	23,543	24,181	115,163	1,576,298
Disposals	-			(3,100)	(3,100)
Disposal of subsidiary	(10,030,580)	-	-	(245,780)	(10,276,360)
Depreciation charge	(793,660)	(15,844)	(45,098)	(192,970)	(1,047,572)
Closing net book amount	837,732	117,090	247,315	300,305	1,502,442
At 30 June 2015					
Cost	5,206,843	529,326	556,333	1,235,929	7,528,431
Accumulated depreciation	(4,369,111)	(412,236)	(309,018)	(935,624)	(6,025,989)
Net book amount	837,732	117,090	247,315	300,305	1,502,442

Note 17: Exploration and Evaluation Expenditure

	Consolidated 2015 US$	2014 US$
Opening net book amount	523,605	9,453,636
Additions	145,346	683,887
Assets written off (note 4c)	-	(9,613,918)
Closing net book amount	668,951	523,605

At 30 June 2015, the US$668,951 (30 June 2014 – US$523,605) capitalised exploration and evaluation expenditure relates to the interests of the Group in the Guayaguayare and St Mary's Blocks in Trinidad.

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

The recoverability of the carrying amount of exploration assets is dependent on the successful development and commercial exploitation or sale of the respective mining permits.

Capitalised costs amounting to US$145,346 (2014: US$683,887) has been included in the statement of cash flows from investing activities.

Note 18: Producing Assets

	Consolidated 2015 US$	2014 US$
At 30 June		
Cost	122,141,667	110,748,605
Accumulated amortisation	(31,791,175)	(28,230,785)
Net book value	90,350,492	82,517,820
Opening net book amount	82,517,820	85,422,826
Foreign currency movement	395	11,633
Additions	11,392,667	3,146,149
Amortisation charge	(3,560,390)	(6,062,788)
Closing net book amount	90,350,492	82,517,820

Note 19: Investments in Associates

	Consolidated	
	2015 US$	2014 US$
Opening balance	2,779,476	37,295,453
Transfer from other non-current assets (note 20)	-	2,897,785
Transfer investment in unlisted company Strait Oil & Gas (UK) Limited to held for sale (note 12)	-	(39,281,987)
Consideration for equity interest	-	1,293,214
Further investments	-	2,644,549
Loss on impairment	(600,118)	(1,410,138)
Share of net loss using equity method	-	(659,400)
Transfer investment in Latin American Resources to held for sale (note 12)	(2,179,358)	-
Closing net book amount	-	2,779,476

During the prior year, the Company committed to a plan to dispose of its equity interest in the unlisted Company Strait Oil & Gas (UK) Limited. US$39,281,987 was therefore re-classified as asset held for sale (refer to note 12).

During the current year, the Company committed to a plan to dispose of its equity interest in Latin American Resources (LAR). US$2,179,358 was therefore re-classified as asset held for sale (refer to note 12).

(a) Interests in associates

The table below sets out material interests in associates at 30 June 2015. Unless otherwise stated, the proportionate ownership interest is the same as the proportion of voting rights held.

Name of entity	Place of business/ Country of incorporation	Ownership interest held by the group		Nature of relationship	Measurement method	Quoted fair value	
		2015 %	2014 %			2015 $	2014 $
Latin American Resources	Guatemala	20 (i)	20	Held for sale asset (2015) Associate (2014)	Equity method	N/A *	N/A *

*Private company – no share price available

(i) Classified as held for sale during the year at which point ceased to be accounted for as an associate. Range has not received audited financial statements from Latin American Resources during the year. Range has therefore written down the carrying value of the asset to US$1.0m.

Note 20: Other Non-Current Assets

	Consolidated 2015 US$	Consolidated 2014 US$
Non-current receivables (a)	-	1,500,000
Total non-current assets	-	1,500,000

	2015 US$	2014 US$
(a) Non-current receivables		
Opening balance	1,500,000	8,584,773
Transfer to other current receivable	-	(1,214,389)
Advances made during the year	-	700,000
Foreign currency movement	-	(20,867)
Payments received during the year	(500,000)	-
Impairment	-	(6,549,517)
Settled by way of available for sale investment	(1,000,000)	
Closing balance	-	1,500,000

During the year ended 30 June 2013, the Company announced its proposal to undertake a strategic merger with International Petroleum Limited (NSX: IOP) and during that year the Company provided a loan to IOP of US$8,029,110. The loan accrued interest at a rate of 8% per annum and was repayable by 30 April 2014. IOP was unable to meet the loan repayment when due. During the current financial year, the Company reached an agreement with IOP to extend the loan repayment date to 30 November 2014 to allow IOP time to complete the sale of its Russian assets and upon conclusion of the sale, IOP made a US$500,000 cash repayment, with the remaining outstanding monies converted to ordinary shares in IOP. Range also received 5 million options to acquire shares in IOP (exercisable at AU$0.06, expiry 24 months from the issue date). Following completion of the sale of IOP Russian assets and the debt conversion to equity, Range owns approximately 9% of the enlarged share capital of IOP. This balance has been transferred to available for sale financial assets in the period.

IOP remains suspended from trading on NSX and given the uncertainty over the valuation of the shares once trading resumes, the investment has been written down to US$346,000 being equivalent to the Company's 9% shareholding interest in IOP's net cash position at 30 June 2015.

Note 21: Trade and Other Payables

	Consolidated 2015 US$	Consolidated 2014 US$
Trade payables	4,991,035	4,233,904
Sundry payables and accrued expenses	8,663,160	4,471,101
	13,654,195	8,705,005

Risk exposure

Trade payables are non-interest bearing.
Information about the Group’s exposure to credit risk, foreign exchange risk and price risk is provided in Note 35.

Note 22: Borrowings at Fair Value

(a) Borrowings at Fair Value	Consolidated 2015 US$	2014 US$
Opening balance	-	11,026,440
Proceeds from borrowings	5,500,000	16,407,790
Fair value movement	-	13,323,578
Face value premium	2,250,000	-
Interest due on outstanding balance	330,577	-
Amount classified as equity	-	(2,123,709)
Cash repayment	-	(16,119,380)
Conversion to equity	-	(17,727,995)
Repayment via equity	(562,500)	-
Settled through transfer of assets	-	(2,470,353)
Settled through issue of options	-	(3,146,491)
Foreign currency movement	-	830,120
Closing net book amount	7,518,077	-

On 30 September 2014, Range announced that it had signed a loan agreement for up to US$15 million in medium-term financing with Lind Asset Management, LLC, (Lind). The terms of the financing were subsequently amended, as announced on 17 October 2014.

The Loan was signed for a maximum term of 24 months and was to be available in 2 tranches. The first tranche (Tranche 1) totalling US$10 million, of which US$5 million was funded at closing with the remainder to be drawn down on a monthly basis, with the second tranche (Tranche 2) totalling US$5 million. The total amount repayable under the facility was to be US$18.375 million (US$12.25 million for Tranche 1 and US$6.125 million for Tranche 2).

Each tranche was repayable over an 18-month period from the date of drawdown. Each repayment could be made on a monthly basis, at Range's option, either through cash or shares (Repayment Shares) (or a mixture of both). Following the first 6 monthly repayments, if the Company elected to repay in cash, the repayment amount carried a premium of 2.5% of that monthly repayment amount. Repayment shares were to be priced at the lower of 92.5% of the average of three daily volume weighted average prices (VWAP), to be chosen by Lind, during the 20 trading days prior to each issuance of shares and 130% of the average daily VWAP per share during the 11 trading days prior to 17 October 2014 (for Tranche 1) and the second closing date (for Tranche 2).

In addition, after a period of 6 months from the initial drawdown, Lind had the option to convert any amounts outstanding under the agreement into ordinary shares at a premium conversion price equal to 130% of the average of the VWAP during the 11 trading days prior to the amended agreement being signed (equal to either A$0.0243 or 1.203p per share).

As part of the financing package, Lind was also entitled to receive up to 46,500,000 options exercisable for up to 36 months after the date of issue. The options were to be issued in two tranches; 31,000,000 upon drawdown of Tranche 1 and 15,500,000 6 months after execution of the amended agreement in respect of Tranche 2. The exercise price for the options was to be equal to 130% of the average of the VWAP during the 11 trading days prior to the amended agreement being signed. This exercise price is £0.01203.

As security for the facility, Range issued to Lind 38,000,000 ordinary shares in the Company (Collateral Shares).

Range had the right to elect to repay the facility in full at any time and if that occurred Lind had the right upon repayment to convert the repayable amount at that time (or a certain portion of that amount) into equity at the premium conversion price equal to 130% of the average of the VWAP during the 20 trading days prior to the agreement being signed (equal to A$0.0335 or 1.8938p per share). Range received advances totalling US$5,500,000 (minus certain fees) pursuant to the agreement. Range made a repayment of US$562,500 (paid by way of the issue of shares to Lind) in November 2014.

Note 22: Borrowings at Fair Value (cont.)

The amended agreement contained a clause to the effect that a suspension of trading of the Company's shares on either the ASX or AIM market for more than 5 trading days in any rolling 12 month period commencing on the execution date would constitute an event of default (subject to certain exceptions). With the suspension which started on 10 December 2014, the Company fully utilised these days. On that basis, Lind demanded re-payment of the balance of the loan immediately and in full, together with a premium of US$2.25 million and interest.

On 16 February 2015 Range received a statutory demand from Lind demanding repayment of approximately US$7.2 million that Lind alleges is due and payable.

On 9 March 2015, Range filed an application to the Supreme Court of Western Australia to set aside the statutory demand.

On 2 July 2015, the company announced that its application to the Supreme Court of Western Australia to set aside the statutory demand from Lind Asset Management, LLC had been unsuccessful. The Supreme Court extended the time for payment of the demand.

On 27 July 2015, Range filed an appeal against the Supreme Court's decision, and the Western Australian Court of Appeal extended the deadline for repayment until the later of 31 August 2015 or 7 days from the determination of the appeal.

In advance of the appeal, Range paid $5.0m to Lind on 28 July 2015 without prejudice to its contentions in the appeal.

On 10 September 2015 the appeal was heard and as at the date of this report, no decision has been received from the Western Australian Court of Appeal.

During the prior year the Group entered into various financing arrangements, as follows:

- Equity swap arrangement with Yorkville Advisors – Range issued 72 million shares for £1.1million at a benchmark price of £0.017 to be settled in 6 equal monthly instalments. Nil outstanding at prior year end.
- £4.1 million (US$6.2 million) unsecured convertible note agreements with Hudson Bay, Cranshire, Empery and Hartz. The term of the loan was for 18 months at coupon rate of 10%, a discount to the face value of 10% and convertible at a 90% VWAP conversion price. The entire balance was settled through the issue of equity during the year. Under the terms of these agreements, the lender was granted options equal to 50% of the number of shares issued on each conversion date. These options have an exercise price equal to the conversion price and an expiry term of 3 years. Nil outstanding at prior year end.
- Platinum Partners provided 2 loans for £2.2 million and US$3.3 million respectively each for a 6 month term. In consideration for providing the loans the Company issued 13,636,364 options exercisable at £0.011 on or before 31 January 2017, 100million collateral shares in the Company and additionally provided security over 100million shares held by the Company in Citation Resources Limited (ASX: CTR). The loan was fully repaid during the year and as part of the repayment arrangements the Company agreed that the lender was not required to return the collateral shares or the CTR security, which therefore allowed a reduced cash payment of the outstanding amount of the loan. Nil outstanding at prior year end.
- US$600,000 3-month loan from a US based institutional investor which was convertible at the lenders option at 85% VWAP conversion price. Nil outstanding at prior year end.
- Unsecured loan of US$2.2 million from a syndicate of Australian investors which was convertible upon the mutual agreement of the Company and lenders at a 85% VWAP conversion price. In consideration for providing the loans the Company issued 23,779,254 options to the syndicate. Nil outstanding at prior year end.
- US$1 million, 12 month loan from a Cayman Islands based company which was convertible at the lenders option at the lower of 1.35p/share or 90% VWAP conversion price. In consideration for providing the loans the Company issued 7,500,000 options to the lender. Nil outstanding at prior year end.

In the year ended 30 June 2013, the Group issued US$10,400,000 in secured notes to Crede Capital Group. The outstanding borrowing was fully settled in October 2013 and the remaining obligation to issue 7,500,000 options was satisfied during the year and the security has been released.

Note 22: Borrowings at Fair Value (cont.)

Also in the year ended 30 June 2013, the Group entered in a US$15 million Loan Agreement backed by a Standby Equity Distribution Agreement ("SEDA") with YA Global Master SPV Ltd, an investment fund managed by Yorkville Advisors. US$6.9 million was drawn during the year ended 30 June 2014 with nil outstanding at prior year end.

(b) Option Liability

	Consolidated	
	2015 US$	**2014 US$**
Option liability at fair value through profit or loss	808,083	2,189,913
	808,083	2,189,913

During 2015, 49,051,468 options with a face value of US$1,426,883 were exercised prior to year-end and 31m options with a fair value of US$172,926 were issued.

During the prior year 240,694,827 options with a fair value of US$3,004,295 were issued as a result of conversion of notes under the above financing arrangements. 70,833,334 options with a face value of US$814,382 were exercised prior to year-end.

Note 23: Provision for Rehabilitation

The Group records the present value of the estimated cost of legal and constructive obligations to restore operating locations in the period in which the obligation arises. The nature of restoration activities includes removal of facilities, abandonment of wells and restoration of affected areas.

	Consolidated	
	2015 US$	**2014 US$**
Provision for rehabilitation	734,858	696,224

Movement in the provision for rehabilitation during the financial year are set out below:

Carrying amount at the start of the year	696,224	654,873
Additional provision recognised	38,634	41,351
Carrying amount at the end of the year	734,858	696,224

Note 24: Deferred Tax Liability

	Fair Value Uplift on Business Combination	Accelerated Depreciation	Total
	US$	US$	US$
Movements			
Year ended 30 June 2014			
Opening balance	38,081,168	6,914,465	44,995,633
Foreign currency movement	1,041	-	1,041
Charged/(credited)			
- to profit or loss	(3,071,637)	2,450,996	(620,641)
Closing net book amount	**35,010,572**	**9,365,461**	**44,376,033**
Year ended 30 June 2015			
Opening balance	35,010,572	9,365,461	44,376,033
Foreign currency movement	(1,041)	(32,147)	(33,188)
Disposal of subsidiary	(723,359)	(1,189,198)	(1,912,557)
Charged/(credited)			
- to profit or loss	(1,966,411)	(2,895,322)	928,911
Closing net book amount	32,319,761	11,039,438	43,359,199

As a result of business combination, at the date of acquisition a deferred tax liability has been recognised 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 the requirements of Australian Accounting Standard AASB 112 *Income Taxes*. The Group does not have a tax payable in relation to the deferred tax liability at 30 June 2015 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.

Note 25: Other Non-Current Liabilities

	Consolidated 2015 US$	2014 US$
Employee service benefits	521,257	584,746
	521,257	**584,746**

Risk exposure

Information about the Group's exposure to credit risk, foreign exchange risk and price risk is provided in Note 35.

Note 26: Contributed equity

	Consolidated 2015 US$	Consolidated 2014 US$
5,767,169,188 (2014: 4,521,201,870) fully paid ordinary shares	382,535,744	364,567,692
Nil (2014: 386,188,780 l) unissued fully paid ordinary shares	-	6,000,000
Nil partly paid shares (2014: 4,925,000)	-	1,362,344
Share issue costs	(19,330,467)	(19,330,467)
	363,205,277	352,599,569

	Consolidated 2015 No.	2015 US$	2014 No.	2014 US$
(a) Fully Paid Ordinary Shares				
At the beginning of reporting period	4,521,201,870	364,567,692	2,898,084,648	331,447,756
Shares issued during year	1,245,967,318	17,968,052	1,623,117,222	33,119,936
Total contributed equity	5,767,169,188	382,535,744	4,521,201,870	364,567,692

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting of the Company, in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(b) Unissued Fully Paid Ordinary Shares

	2015 No.	2014 No.
Opening balance (i)	386,188,780	30,000,000
Issued in year	(356,188,780)	
Shares to be issued subsequent to reporting date (ii)	-	356,188,780
Total contributed equity	30,000,000	386,188,780

(i) Under the terms of an agreement between shareholders in Strait, the Company was required to issue 30,000,000 shares to other investors in Strait upon the completion of the next well in the Georgia drilling programme or upon disposal of Range's shareholding in Strait.

(ii) During the prior year, the company entered into a US$12 million financing facility with a Hong Kong based private institutional investor, Abraham Ltd. Under the terms of the subscription agreement, Abraham was to subscribe for shares in the Company in two US$6 million tranches, with the first tranche issued during the year, whilst the second tranche was to be issued following shareholder approval. Shareholder approval for the issue of shares for the US$6 million second tranche was sought and obtained at the General Meeting of the Company on 11th July 2014.

Note 26: Contributed equity (continued)

(c) Partly Paid Ordinary Shares

	Consolidated 2015 No.	Consolidated 2014 No.
Total partly paid shares -AU$0.30	**-**	**4,925,000**
Total contributed equity	**-**	**4,925,000**

All partly paid shares were cancelled during the year.

(d) Movements in fully paid ordinary share capital

2015	Details	Number of shares	Issue Price US$	US$
1 July 2014	**Opening balance**	**4,521,201,870**		**364,567,692**
	Transfer from unissued	356,188,780	0.017	6,000,000
	Shares issued as loan repayment	58,440,891	0.010	562,500
	Shares issued upon option conversion	49,051,468	0.010-0.024	923,880
	Shares issued as Collateral Shares (i)	38,000,000	0.008	300,979
	Shares issued to employees	19,987,481	0.013-0.040	580,458
	Shares issued in lieu of corporate advisory/ capital raising and loan commencement fees	74,298,698	0.009-0.037	1,633,315
	Issued to Beijing Sibo Investment Management LP	650,000,000	0.012	7,966,920
30 June 2015	**Closing Balance**	**5,767,169,188**		**382,535,744**
1 July 2013	**Opening balance**	**2,898,084,648**		**331,447,756**
	Issue of shares through conversion of notes (refer note 22)	907,296,105	0.020	17,727,995
	Placement	53,125,000	0.037	1,963,500
	Issue of shares to YA Global through equity swap (refer note 22)	72,000,000	0.025	1,794,238
	Equity tranche under YA Global agreement	8,119,059	0.027	219,012
	YA advance	31,000,954	0.036	1,107,013
	Equity tranche under convertible notes	81,460,298	0.026	2,123,709
	Issue of shares to Abraham Ltd for US$12m financing as per subscription agreement	356,188,780	0.017	6,000,000
	Issue of shares through exercise of options	70,833,334	0.009	652,778
	Shares issued in lieu of corporate advisory fees (refer note 32)	43,093,692	0.036	1,531,691
30 June 2014	**Balance**	**4,521,201,870**		**364,567,692**

(e) Options

	Consolidated 2015 No.	Consolidated 2014 No.
At the beginning of reporting period	453,203,084	266,612,503
Options issued during year	394,701,840	257,423,915
Options expired	(9,855,166)	-
Options exercised during year	(49,051,469)	(70,833,334)
Total options	788,998,289	453,203,084

Note 26: Contributed equity (continued)

At the date of this report, the unissued ordinary shares of Range Resources Limited under option are as follows:

Date of Expiry	Exercise Price	Number Under Option	
31 January 2016	$0.05	80,508,341	listed
30 April 2016	£0.17	7,058,824	unlisted
31 January 2017	£0.075	5,180,000	unlisted
19 October 2015	£0.0615	15,708,801	unlisted
30 November 2015	£0.05075	32,275,862	unlisted
31 January 2016	A$0.10	5,000,000	unlisted
10 February 2016	A$0.06	5,000,000	unlisted
30 April 2016	£0.04	146,533,850	unlisted
11 July 2016	£0.037	5,000,000	unlisted
25 July 2016	£0.021	476,190	unlisted
29 July 2016	£0.021	952,381	unlisted
31 August 2016	£0.021	6,714,284	unlisted
31 August 2016	£0.020	9,000,000	unlisted
30 September 2016	£0.019	3,947,369	unlisted
30 September 2016	£0.018	8,666,670	unlisted
31 October 2016	£0.018	694,445	unlisted
31 October 2016	£0.017	2,205,885	unlisted
31 October 2016	£0.016	1,250,000	unlisted
31 October 2016	£0.015	17,333,336	unlisted
30 November 2016	£0.015	3,000,001	unlisted
30 November 2016	£0.013	5,153,846	unlisted
11 December 2016	$0.0321	2,000,000	unlisted
31 December 2016	£0.012	2,000,000	unlisted
31 December 2016	£0.011	5,000,000	unlisted
31 January 2017	£0.011	23,636,364	unlisted
9 September 2017	£0.03	7,500,000	unlisted
14 July 2018	£0.01	161,472,247	unlisted
14 July 2018	£0.02	118,729,593	unlisted
31 January 2018	$0.05	1,000,000	unlisted
15 October 2017	£0.01203	31,000,000	unlisted
30 March 2020	£0.01	75,000,000	unlisted
		788,998,289	

The holders of these options do not have any rights under the options to participate in any share issues of the company.

During the year ended 30 June 2015, 49,051,468 ordinary shares of Range Resources Limited were issued on the exercise of options (2014: 70,833,334).

Note 27: Reserves

		Consolidated 2015 US$	Consolidated 2014 US$
(a)	**Share-based payment reserve**		
	Balance 1 July	14,226,861	14,085,042
	Options issued to consultants and employees (refer note 32)	2,157,038	141,819
	Expired options reclassified to retained earnings	(2,152,321)	-
	Balance 30 June	**14,231,578**	**14,226,861**

The share based payment reserve records items recognised as expenses on the fair valuation of shares and options issued as remuneration to employees, directors and consultants.

		2015 US$	2014 US$
(b)	**Option premium reserve**		
	Balance 1 July	10,630,513	9,815,752
	Fair value movement of exercised options that were originally classified as a derivative liability	1,426,850	814,761
	Balance 30 June	**12,057,363**	**10,630,513**

The option premium reserve is used to recognise the grant date fair value of options.

		2015 US$	2014 US$
(c)	**Foreign currency translation reserve**		
	Balance 1 July	3,004,632	3,415,742
	Currency translation differences arising during the year	455,307	(411,110)
	Balance 30 June	**3,459,939**	**3,004,632**

The foreign currency translation reserve is used to record exchange differences arising from the translation balances of foreign subsidiaries.

		2015 US$	2014 US$
(d)	**Available for sale investment revaluation reserve**		
	Balance 1 July	-	(325,263)
	Reclassification to profit or loss	-	855,146
	Decrease in value of investments	-	(529,883)
	Balance 30 June	**-**	**-**
	Total Reserves	**29,748,880**	**27,862,006**

Note 28: Commitments

Expenditure commitments

	Consolidated 2015 US$	2014 US$
Not later than 1 year	211,000	137,500
	211,000	137,500

Note 29: Contingent Liabilities and Contingent Assets

Mark Patterson

Range has received a demand for arbitration of claims in the amount of approximately US$5.8 million from Mark Patterson who was engaged by Range as a consultant over a period from 2010 - 2014. Mr. Patterson is claiming he terminated a purported consultant contract, dated 29 August 2013, with good reason, as defined in the contract, due to a reduction in duties, and in that circumstance he claims to be entitled to full payment for the remainder of the term of the contract plus various other payments. Range has engaged legal advisers to assist with this claim and will strongly defend our position. The claim will be heard through an arbitration process in Texas. It is currently expected that the arbitration hearing will occur in late 2015. Given the process is still at an early stage, Range is unable to quantify any likely financial impact of a successful claim against the Company however, it will not have a material impact.

Crown Capital Partners

Range is involved as a defendant in a court action in Alberta, Canada related to an alleged breach in early 2013 of an exclusivity undertaking in a commitment letter from a potential financier dated 6 November 2012. The claim is for approximately C$500,000. Range strongly refutes the allegations and intends to vigorously defend our position. A Statement of Defence has been filed and Range is currently in the discovery phase of litigation. There is no date as yet for a court hearing and the Company is not in a position therefore to determine the likely financial impact of any successful claim. Range however, believes that any outcome against the Company will not have a material impact.

Lancdon LLC & Benedict Silverman

Los Bajos Oil Limited is a defendant in a court action in federal court in the state of Connecticut, USA which dates back to the period prior to Los Bajos being acquired by Range in 2011. The claim relates to an alleged breach of contract with respect to payments due by Los Bajos to Lancdon LLC under a settlement agreement dated May 2011. Range has an indemnity from the sellers of Los Bajos in respect of any successful claim against the Company.

The Directors are not aware of any further contingent liabilities or contingent assets as at 30 June 2015.

Note 30: Segment Reporting

Management have determined that the operating segments are broadly consistent with prior periods, with management allocating resources to segments on a geographical basis. During the financial period, the Group operated in six operational segments being Somalia, Georgia, Texas, Colombia, Guatemala and Trinidad. The operating segments of Somalia and Colombia have been aggregated as their operations are of a similar nature and not material to the Group.

(a) Segment information provided to the strategic steering committee

Year ended 30 June 2015	Continuing Operations			Discontinued operations				
	Trinidad	All Other Segments	Total	Discontinued Operations - Georgia	Discontinued Operations - Texas	Discontinued Operations - Guatemala	Total discontinued operations	Consolidated
	US$	US$	US$	US$	US$	US$	US$	US$
Segment revenue								
Revenue from continuing operations	13,152,954	-	**13,152,954**	-	-	-	**-**	**13,152,954**
Revenue from discontinued operations	-	-	-	-	238,194	-	**238,194**	**238,194**
Other income	-	428,588	**428,588**	-	-	-	**-**	**428,588**
Total revenue	13,152,954	428,588	**13,581,542**	-	238,194	-	**238,194**	**13,819,736**
Segment result								
Segment expenses	(23,162,985)	(11,532,647)	**(34,695,632)**	(5,474,255)	(681,621)	(1,779,476)	**(7,935,352)**	**(42,630,983)**
Profit/ (loss) before income tax	(10,010,031)	(11,104,059)	**(21,114,090)**	(5,474,255)	(443,427)	(1,779,476)	**(7,697,158)**	**(28,811,248)**
Income tax	(1,467,806)		**(1,467,806)**	-	-	-	**-**	**(1,467,806)**
Profit/ (loss) after income tax	(11,477,837)	(11,104,059)	**(22,581,896)**	(5,474,256)	(443,427)	(1,779,476)	**(7,697,159)**	**(30,279,054)**
Segment assets								
Segment assets	144,457,523	11,458,496	**155,916,019**	5,000,000	-	1,000,000	**6,000,000**	**161,916,019**
Total assets	144,457,523	11,458,496	**155,916,019**	5,000,000	-	1,000,000	**6,000,000**	**161,916,019**
Segment liabilities								
Segment liabilities	49,846,696	17,045,866	**66,892,562**	-	-	-	**-**	**66,892,562**
Total liabilities	49,846,696	17,045,866	**66,892,562**	-	-	-	**-**	**66,892,562**

Note 30: Segment Reporting (continued)

Year ended 30 June 2014	Continuing Operations			Discontinued operations			
	Trinidad	All Other Segments	Total	Discontinued Operations - Georgia	Discontinued Operations - Texas	Total discontinued operations	Consolidated
	US$	US$	US$	US$	US$	US$	US$
Segment revenue							
Revenue from continuing operations	21,185,745	-	**21,185,745**	-	-	**-**	**21,185,745**
Revenue from discontinued operations	-	-	-	-	553,965	**553,965**	**553,965**
Other income	3,218	1,221,108	**1,224,326**	-	-	**-**	**1,224,326**
Total revenue	21,188,963	1,221,108	**22,410,071**	-	553,965	**553,965**	**22,964,036**
Segment result							
Segment expenses	(27,817,491)	(59,373,442)	**(87,190,933)**	(29,281,987)	(8,670,784)	**(37,952,771)**	**(125,143,704)**
Profit/ (loss) before income tax	(6,628,528)	(58,152,334)	**(64,780,862)**	(29,281,987)	(8,116,819)	**(37,398,806)**	**(102,179,668)**
Income tax	(906,620)	-	**(906,620)**		544,298	**544,298**	**(362,322)**
Profit/ (loss) after income tax	(7,535,148)	(58,152,334)	**(65,687,482)**	(29,281,987)	(7,572,521)	**(36,854,508)**	**(102,541,990)**
Segment assets							
Segment assets	147,238,949	5,058,337	**152,297,286**	10,000,000	1,080,777	**11,080,777**	**166,157,539**
Total assets	147,238,949	5,058,337	**152,297,286**	10,000,000	1,080,777	**11,080,777**	**166,157,539**
Segment liabilities							
Segment liabilities	51,383,185	5,479,091	**56,862,276**	-	-	**-**	**56,862,276**
Total liabilities	51,383,185	5,479,091	**56,862,276**	-	-	**-**	**56,862,276**

Note 30: Segment Reporting (continued)

(b) Other segment information

	Consolidated 2015 US$	2014 US$
Segment other revenue – all other segments		
Other income	428,588	1,221,108
	428,588	1,221,108
Segment result – all other segments		
Directors fees	912,290	1,115,524
Consultancy fees	359,830	3,421,400
Marketing and Public relations	200,134	461,902
Share-based payments	2,737,493	1,673,558
Finance costs	4,347,575	21,797,779
Asset write offs	38,929	9,138,960
Administration and other expenses	2,544,177	4,014,652
Exploration expenses	392,219	15,577,838
Share of loss of associate	-	2,171,829
	11,532,647	59,373,442

Accounting Policies

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The chief operating decision maker is the managing director and through this role the Board of Directors.

Following the adoption of AASB 8, the identification of the Group's reporting segments remain consistent with prior periods, with management allocating resources to segments on a geographical basis.

Information regarding these segments is presented above. The accounting policies of the reportable segments are the same as those of the Group. Segment information is prepared in conformity with the accounting policies of the entity as disclosed in Note 1.

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of cash, receivables, plant and equipment, exploration expenditure capitalised and development assets net of accumulated depreciation and amortisation. While most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment disclosures do not include deferred income taxes.

Revenue from discontinued operations from Texas of US$238,194 (2014: US$553,965) is derived from several customers who each account for greater than 10% of this amount. Revenue from Trinidad of US$13,152,954 (2014: US$21,185,745) is derived from the subsidiary's sole customer, which is Petrotrin.

Intersegment Transfers

Segment revenues, expenses and results do not include any transfers between segments.

Note 31: Cash Flow Information

Reconciliation of cash flow from operations with loss after income tax

	Consolidated 2015 US$	Consolidated 2014 US$
Loss after income tax	(30,279,054)	(102,541,990)
Non-cash flows in profit		
Depreciation	4,766,581	7,972,169
Share based payment- consultants and employees	2,737,443	1,673,558
Finance costs (non-cash)	2,107,281	16,818,148
Interest on non-current receivable paid in shares	-	(1,207,598)
Impairment expense	654,000	21,778,525
Loss on sale of subsidiary	1,593,766	-
Loss on sale of PPE	3,100	-
Foreign exchange (gain)/loss	(124,789)	(840,637)
Impairments recognised on held for sale assets	6,779,476	37,244,836
Share of net loss of associate	-	659,400
Net loss on sale of available for sale financial assets	496,958	855,146
Other non-cash items*		
Decrease/(increase) in other operating assets	-	3,090,272
Decrease/(increase) in other current assets	375,820	-
Decrease/(increase) in trade and other receivables	(608,228)	8,958,238
Decrease/(increase) in deferred tax asset	175,634	(245,405)
Increase/(decrease) in trade and other payables	162,554	1,534,827
Increase/(decrease) in accrued interest	2,830,577	-
Increase/(decrease) in income tax payable	(13,442)	(1,495,695)
Increase/(decrease) in deferred tax liabilities	1,097,078	(619,600)
Increase/(decrease) in provisions	289,981	144,025
Net cash inflow/(outflow) from operations	444,738	(6,221,781)

*Net of effects of subsidiary disposal

Non-cash investing and financing activities

	Consolidated 2015 US$	Consolidated 2014 US$
Repayment of borrowings:		
Through issue of shares	562,500	17,727,598
Through the issue of options	-	3,146,491
Acquisition of available for sale financial assets	-	1,207,598
Non-cash consideration for investment in associate	-	1,293,214
Share issued as share based payments or finance costs	4,844,724	-

Note 32: Share-Based Payments

The following share-based payment arrangements occurred during the financial year ended at 30 June 2015.

Quantity	Security	US$ Value	Purpose
19,987,481	Fully paid ordinary shares	580,406	Shares issued to employees and consultants
42,742,654	Unlisted options	1,176,524	Options issued in lieu of consulting fee
75,000,000	Unlisted options	85,464	Options issued to Directors in period
7,500,000	Unlisted options	895,049	Options issued in lieu of consulting fees

Note 32: Share-Based Payments (continued)

The following inputs were used to calculate the value of the options issued to Directors in the period:

Volatility: 100%	Grant date: 27 March 2015
Risk free rate: 1.92%	Exercise price: £0.01
USD/GBP exchange rate: 0.7752	Share price on grant date £0.054

The following share-based payment arrangements occurred during the financial year ended at 30 June 2014.

Quantity	Security	US$ Value	Purpose
43,093,692	Fully paid ordinary shares	1,531,691	Issued in lieu of corporate advisory fees
16,729,087	Listed options	141,869	Issued in lieu of corporate advisory fee

Listed options issued as share based payments during the year ended 30 June 2014 were valued based upon the market price at grant date. There were no unlisted options issued in the 30 June 2014 year.

The fair value at grant date of unlisted options is independently determined using a Black Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Employee option plan
During the year the following options were issued to Directors and employees:

Name	Number of options
Mr Yan Liu	30,000,000
Mr David Chen	30,000,000
Mr Zhiwei Gu	7,500,000
Ms Juan Wang	7,500,000

The vesting conditions of these options are as follows:

(a) 25% will become exercisable on the date that is one year from the issue date
(b) 25% will become exercisable upon the Company reaching production of 1,500 barrels of oil per day for a continuous 15 day period in Trinidad
(c) 25% will become exercisable upon the Company reaching production of 2,500 barrels of oil per day for a continuous 15 day period in Trinidad
(d) 25% will become exercisable upon the Company reaching production of 4,000 barrels of oil per day for a continuous 15 day period in Trinidad

In addition to the above, vesting depends on continued employment.

In 2014, no options were issued to Directors or employees.

Expenses recognised in the profit & loss
During the year, share-based payments recognised in profit and loss amounts to US$2,157,037 (2014: US$1,673,558)

Note 32: Share-Based Payments (continued)

	2015 Number	Average exercise price US$	2014 Number	Average exercise price US$
As at 1 July	453,203,083	0.060	266,612,503	0.078
Granted during year	394,701,840	0.019	257,423,914	0.023
Exercised	(49,051,468)	0.017	(70,833,334)	0.009
Forfeited	(9,855,166)		-	
As at 30 June	**788,998,289**	**0.023**	**453,203,083**	**0.060**
Valued and exercisable at 30 June	713,998,289	0.047	453,203,083	0.060
Weighted average remaining contractual life options outstanding at end of period	673 days		700 days	

Note 33: Related Party Transactions

(a) Parent entity
The ultimate Parent Entity and ultimate Australian Parent Entity within the Group is Range Resources Limited.

(b) Subsidiaries
Interests in subsidiaries are set out in Note 14.

(c) Transactions with Key Management Personnel

The following transactions occurred during the year with Key Management Personnel or their related parties:

	2015 US$	2014 US$
Consulting fees paid or payable to Soncer Limited, a company owned by Mr Graham Lyon, for the provision of corporate advisory and capital raising services (i)	12,794	67,321
Consulting fees paid or payable to DNR Consulting, a company owned by Mr David Rieke, for the provision of corporate advisory and services (ii)	13,486	-

Balances at year end to related parties:		
Sir Sam Jonah (i)	191,440	219,661
Marcus Edwards-Jones (i)	33,566	33,419
Soncer Limited (i)	18,442	-
Anthony Eastman (iii)	169,280	221,063
OKAP Ventures Pty Ltd payable (iii)	64,579	79,585
Doull Holdings Pty Ltd payable (in respect of Peter Landau Director fees) (iii)	165,403	181,612

(i) These were related parties throughout the financial year until 28 November 2014.
(ii) David Rieke was a related party throughout the financial year until 11 December 2014.
(iii) Related party until 13 June 2014

Note 33: Related Party Transactions (continued)

(d) Key management personnel compensation

	Consolidated	
	2015	**2014**
	US$	**US$**
Short–term employee benefits	778,338	1,147,859
Post-employment benefits	28,152	48,299
Termination benefits	150,253	-
Share based payments	85,464	-
Total	1,042,207	1,196,158

(e) Transactions with associates

Details of transactions with associates are set out in Note 19.

Note 34: Parent Entity Information

The following details information related to the Parent Entity Range Resources Limited, at 30 June 2015. The information presented here has been prepared in accordance using consistent accounting policies as presented in Note 1.

	2015	**2014**
	US$	**US$**
Current assets	15,290,123	3,740,814
Non-current assets	97,208,375	119,618,504
Total assets	112,498,498	123,359,318
Current liabilities	15,333,201	5,361,769
Total liabilities	15,333,201	5,361,769
Contributed equity	363,205,245	352,599,569
Accumulated losses	(295,165,636)	(262,296,104)
Reserves	29,125,688	27,694,084
Total equity	97,165,297	117,997,549
Loss for the year from continuing operations	(29,028,556)	(57,548,321)
Loss for the year from discontinued operations	(7,355,641)	(37,556,087)
Total loss for the year	(36,384,197)	(95,104,408)
Other comprehensive loss for the year	-	325,263
Total comprehensive loss for the year	(36,384,197)	(94,779,145)

The contingent liabilities of the parent are the same as those of the Group as disclosed in Note 29.

The contractual commitments of the parent are the same as those of the Group as disclosed in Note 28.

Note 35: Financial Risk Management

The Group has exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed to reflect changes in market conditions and the Group's activities. The Group, through training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all consultants and agents understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Group if counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's investments, receivables and cash held at financial institutions.

Credit risk is managed on a group basis. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The credit quality of financial assets that are neither past due or impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

	Consolidated	
	2015	**2014**
Cash at bank and short-term bank deposits (S&P ratings)	**US$**	**US$**
AA-	9,868,592	1,603,785
A-	-	1,340,063
BBB+	661,512	-
BBB	-	33,562
	10,530,104	2,977,410

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	Consolidated	
	2015	**2014**
	US$	**US$**
Trade and other receivables (i)	5,148,978	5,338,769
Non-current receivable (i)	-	1,500,000
Cash and cash equivalents	10,530,104	2,977,410
	15,679,082	9,816,179

(i) Counterparties without an external credit rating

Note 35: Financial Risk Management (continued)

Loans and receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each debtor. No collateral was held in relation to these receivables.

Impairment losses

During the year, an impairment of US$17,937 on trade and other receivables were recognised. An impairment loss of US$654,000 was recognised in relation to the IOP asset in the year. During the prior year, given uncertainty over the counterparty's ability to receive repayment a provision for impairment of US$2,489,443 was recognised in relation to miscellaneous other receivables totalling US$3,179,394.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group uses activity-based costing to cost its activities, which assists in monitoring cash flow requirements and optimising its cash return on investments. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 6 months; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following are contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

Group 2015	**Carrying amount**	**Contractual cash flows**	**6 months or less**	**6 – 12 months**	**1-2 years**	**2-5 years**	**Over 5 years**
Financial liabilities at amortised cost							
Trade and other payables	11,998,340	11,998,340	11,998,340	-	-	-	-
Borrowings	7,518,077	7,518,077	7,518,077	-			
	19,516,417	19,516,417	19,516,417	-	-	-	-

Group 2014	**Carrying amount**	**Contractual cash flows**	**6 months or less**	**6 – 12 months**	**1-2 years**	**2-5 years**	**Over 5 years**
Financial liabilities at amortised cost							
Trade and other payables	8,705,005	6,515,093	6,515,093	-	-	-	-
Borrowings	-	-	-	-			
	8,705,005	6,515,093	6,515,093	-	-	-	-

Market risk

Market risk is the risk that changes in market prices, such as interest rates and equity prices will affect the Group's income or the value of its holdings of available for sale assets. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Note 35: Financial Risk Management (continued)

Equity price risk

The Group is exposed to equity securities price risk. This arises from investments held by the Group and classified on the statement of financial position as available for sale as well as from the option liability held as a current liability.

A 10% increase in Range's share price would result in an increase to the option liability of $76,707. A decrease would have had the equal but opposite effect.

The Group holds equity investments which are publicly traded and included on the NSX.

Range holds an equity investment in International Petroleum Ltd ("IOP"). Any adverse movement in the share price would be immaterial.

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar, AU dollar, TT Dollar and British pound.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The Group's treasury risk management policy is to closely monitor exchange rate fluctuations. To date, the Group has not sought to hedge its exposure to fluctuations in exchange rates, however this policy will be reviewed on an ongoing basis.

The Group's exposure to foreign currency risk at the reporting date was as follows: (expressed in USD)

	Consolidated		Consolidated	
	2015 AUD	2014 AUD	2015 GBP	2014 GBP
Amount receivable from other entities	-	1,647,657	-	-
Cash	272,621	343,923	242,304	83,284
Available for sale investments	-	784,397	-	-
Amount payable to other entities	(1,159,133)	(1,042,719)	(362,135)	-
	(886,512)	1,733,257	(119,831)	83,284

Sensitivity

Based upon the amounts above, had the Australian dollar strengthened by 10% against the US dollar with all other variables held constant, the Group post-tax loss for the year on current amounts receivable/payable would have been US$67,885 higher (2014: US$181,654 lower), mainly as a result of foreign exchange gains/losses on translation of AUD denominated payables as detailed in the table above. A 10% weakening of the Australian dollar against the above currencies at 30 June would have had the equal but opposite effect, on the basis that all other variables remain constant.

The Trinidad entities are minimally exposed to foreign exchange risk arising from various currencies, primarily with respect to the United States Dollar.

Note 35: Financial Risk Management (continued)

Interest rate risk

The group's main interest rate risk arises from non-current receivables and borrowings. Non-current receivables and borrowings issued at fixed rates expose the group to fair value interest rate if the loans are carried at fair value. During 2015 and 2014, the group loan receivables were denominated in Australian Dollars, British Pounds and US Dollars.

Profile

At the reporting date, the interest rate profile of the Group's financial instruments which exposes the group to cash flow interest rate risks are:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Maturing		Non-interest bearing		Total	
	2015 %	**2014 %**	**2015 US$**	**2014 US$**	**2015 US$**	**2014 US$**	**2015 US$**	**2014 US$**	**2015 US$**	**2014 US$**
Financial Assets:										
Cash and cash equivalents	0.10%	2.50%	10,530,104	2,977,410	-	-	-	-	10,530,104	2,977,410
Trade and other receivables	-	-	-	-	-	-	5,148,978	5,338,769	5,148,978	5,338,769
Available for sale financial assets	-	-	-	-	-	-	446,000	876,347	446,000	876,347
Non-current receivables	-	3.33%	-	-	-	1,500,000	-	-	-	1,500,000
Total Financial Assets	**0.10%**	**2.31%**	**10,530,104**	**2,977,410**	**-**	**1,500,000**	**5,594,978**	**6,215,116**	**16,125,082**	**10,692,526**
Financial Liabilities:										
Trade and other payables	-	-	-	-	-	-	11,998,340	8,705,005	11,998,340	8,705,005
Borrowings	35%	-	-	-	7,518,077	-	-	-	7,518,077	-
Total Financial Liabilities	**35%**	**-**	**-**	**-**	**7,518,077**	**-**	**11,998,340**	**8,705,005**	**19,516,417**	**8,705,005**

Note 35: Financial Risk Management (continued)

Sensitivity analysis for variable rate instruments

The sensitivity on interest rates for 2015 and 2014 assumes a change of 100 basis points in the interest rates at the reporting date and would have increased / (decreased) profit and loss by the amounts shown. Both analyses for each year assume that all other variables, in particular foreign currency rates, remain constant.

Group	Weighted Average Interest Rate %	2015 +100 bps US$	2015 -100 bps US$	Weighted Average Interest Rate %	2014 +100 bps US$	2014 -100 bps US$
Variable rate instruments						
Financial assets (cash and cash equivalents)	0.10%	-	-	2.50%	-	-
Financial assets (loan and receivables)	-	-	-	3.33%	-	-

Fair values versus carrying amounts

The fair value of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

Group	30 June 2015 US$		30 June 2014 US$	
	Carrying amount	Fair value	Carrying amount	Fair value
Available-for-sale financial assets	446,000	446,000	876,347	876,347
Trade and other receivables	5,148,978	5,148,978	5,338,769	5,338,769
Non-current receivable	-	-	1,500,000	1,500,000
Cash and cash equivalents	10,530,104	10,530,104	2,977,410	2,977,410
Trade and other payables	(11,998,340)	(11,998,340)	(8,705,005)	(8,705,005)
Borrowings	(7,518,077)	(7,518,077)	-	-
	(3,391,335)	**(3,391,335)**	**1,987,521**	**1,987,521**

The basis for determining fair value is disclosed in Note 1(n) and Note 1(o).

Other price risk

The Group is not exposed to any other price risks.

Capital management

The entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The entity's overall strategy remains unchanged from 2014.

The capital structure of the group consists of cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued capital, reserves and accumulated losses as disclosed in Notes 26 and 27 respectively. None of the entities within the group are subject to externally imposed capital requirements.

Note 35: Financial Risk Management (continued)

Gearing ratio

The Board reviews the capital structure on an annual basis. As a part of this review the Board considers the cost of capital and the risks associated with each class of capital

	Consolidated	
	2015	**2014**
	US$	**US$**
Financial assets		
Cash and cash equivalents	10,530,104	2,977,410
Financial liabilities		
Trade and other payables	(11,998,340)	(8,705,005)
Borrowings	(7,518,077)	-
Net assets / (debt)	**(8,986,313)**	**(5,727,595)**
Equity	96,507,888	109,295,263
Net debt to equity ratio	**9.31%**	**5.24%**

Categories of financial instruments

	Consolidated	
	2015	**2014**
	US$	**US$**
Financial assets		
Cash and cash equivalents	10,530,104	2,977,410
Trade and other receivables	5,148,978	5,338,769
Non-current receivable	-	1,500,000
Available-for-sale financial assets	446,000	876,347
	16,125,082	**10,692,526**
Financial liabilities		
Trade and other payables	11,998,340	8,705,005
Borrowings	7,518,077	-
Option liability	808,083	2,189,913
	20,324,500	**10,894,918**

The carrying amount reflected above represents the Group's maximum exposure to credit risk for such loans and receivables.

Note 36: Fair Value Measurement of Financial Instruments

(a) Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1),
(b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2), and
(c) Inputs for the asset or liability that are not based on observable market data (unobservable inputs (level 3).

The following table presents the Group's financial assets and financial liabilities measured and recognised at fair value at 30 June 2015 and 30 June 2014 on a recurring basis:

At 30 June 2015	Level 1 US$	Level 2 US$	Level 3 US$	Total
Assets				
Available for sale financial assets				
Equity securities	-	-	446,000	446,000
Total assets	**-**	**-**	**446,000**	**446,000**
Liabilities				
Option liability at fair value through profit or loss	-	808,083	-	808,083
Borrowings	-	7,518,077	-	7,518,077
Total liabilities	**-**	**8,326,160**	**-**	**8,326,160**

At 30 June 2014	Level 1 US$	Level 2 US$	Level 3 US$	Total
Assets				
Available for sale financial assets				
Equity securities	876,347	-	-	876,347
Total assets	**876,347**	**-**	**-**	**876,347**
Liabilities				
Option liability at fair value through profit or loss	-	2,189,913	-	2,189,913
Total liabilities	**-**	**2,189,913**	**-**	**2,189,913**

The fair value of financial instruments in active markets such as available for sale securities is based on quoted market bids at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the end of the reporting period. There were no transfers between the levels of the fair value hierarchy during the year ended 30 June 2015.

(b) Fair values of other financial instruments

The Group has no financial instruments which are not measured at fair value in the consolidated statement of financial position.

Due to their short term nature, the carrying amounts of the current receivables, current payables, current borrowings, and current other financial liabilities is assumed to approximate their fair value.

Note 37: Fair Value Measurement of Non-Financial Instruments

(a) Non-recurring fair value measurements

Assets classified as held for sale at 30 June 2015 were measured at fair value less costs to sell in accordance with the Group's accounting policy.

Fair value less costs to sell has been determined based upon offers received from independent third parties to acquire the assets. Due to the way the third party offers are structured, the fair values of assets held for sale has been assessed as a Level 3 measurement as per the fair value hierarchy set out above.

Significant estimates made in determining the fair value of held for sale assets are as follows:

Strait Oil & Gas (UK) Limited

The Group has made the decision to divest Strait in June 2014. as part of the revised strategy to focus on Trinidad and the Group is in the process of marketing its equity interest in Strait. The Group is optimistic that a buyer will be found for this asset. In the absence of a fully executed sale agreement at the report date the Group has chosen to write down the value of its interest in Strait to US$5million which is considered by the Company to be a fair market value for the level of cash consideration which may be received upon closing of a sale. This valuation is based upon expressions of interest received and negotiations which have taken place with potential purchasers.

Latin American Resources (LAR)

The Group has also made the decision to divest LAR in June 2015. The Group is optimistic that a buyer will be found for this asset. In the absence of a fully executed sale agreement at the report date the Group has chosen to write down the value of its interest in LAR to US$1million which is considered by the Company to be a fair market value for the level of cash consideration which may be received upon closing of a sale. This valuation is based upon expressions of interest received and negotiations which have taken place with potential purchasers.

(b) Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(d) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1),
(e) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2), and
(f) Inputs for the asset or liability that are not based on observable market data (unobservable inputs (level 3).

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the end of the reporting period. There were no transfers between the levels of the fair value hierarchy during the year ended 30 June 2015.

The following table presents the Group's non-financial instruments measured and recognised at fair value at 30 June 2015 on a non-recurring basis:

At 30 June 2015	**Level 1 US$**	**Level 2 US$**	**Level 3 US$**	**Total**
Assets				
Assets classified as held for sale				
Strait Oil & Gas (UK) Limited	-	-	5,000,000	5,000,000
Latin American Resources	-	-	2,179,358	2,179,358
Total assets	**-**	**-**	7,179,358	7,179,358

Note 38: Events after the Reporting Date

Loan Financing with Lind

Subsequent to the period end, the Company announced that its application to the Supreme Court of Western Australia to set aside the statutory demand from Lind Asset Management, LLC had been unsuccessful. The Supreme Court extended the time for payment of the demand. Subsequently, Range filed an appeal against the Supreme Court's decision, and the Western Australian Court of Appeal extended the deadline for repayment until the later of 31 August 2015 or 7 days from the determination of the appeal. In advance of the appeal, Range paid US$5 million to Lind without prejudice to its contentions in the appeal. On 10 September 2015 the appeal was heard and as at the date of this report, no decision has been received from the Western Australian Court of Appeal.

Completion of US$30m funding

Following the Company's announcement on 1 September 2015, Range received proceeds of US$22.1 million in cash from Beijing Sibo Investment Management LP ("Sibo"). As per the terms of the subscription agreement, Range issued 1,797,620,912 new ordinary fully paid shares of the Company to Sibo at a subscription price of £0.008 per Share, which represented a premium of approximately 45% to the share price of the Company on the close of AIM on 2 September 2015. The Company also issued 194,585,862 unlisted warrants with an exercise price of £0.01 and 172,557,274 unlisted warrants with an exercise price of £0.02 to Sibo. All warrants have an expiry date of 3 September 2019. Tranche 1 subscription proceeds of £5.2 million (approximately US$7.9 million) in cash had already been received by the Company, as announced on 5 June 2015. Following completion of Tranche 2, the total funding provided by Sibo is US$30 million. This gave Sibo a total holding of approximately 32% in the enlarged share capital of the Company.

St Mary's block

During the period, the Company successfully signed the Exploration & Production licence and negotiated the Joint Operating Agreement on the new St Mary's block. The work programme on the block has commenced with the audit of existing field infrastructure, facilities and wells currently underway. Range has committed to drilling four exploration wells, shooting 160km of 2D seismic and 60km2 of 3D seismic, along with various other technical studies before the end of 2018.

Subsequent to the period end, Range used US$8 million of the Sibo proceeds to provide the Ministry of Energy and Energy Affairs with the required performance bond in support of the minimum work obligations on the St Mary's licence. The Company is seeking alternative sources of finance to replace this bond, which would allow the cash collateral to be released and used for other purposes.

Note 39: New Accounting Standards and Interpretations

Australian Accounting Standards/Amendments Released But Not Yet Effective: 30 June 2015 Year End

Certain new accounting Standards and Interpretations have been published that are not mandatory for 30 June 2015 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new Standards and Interpretations is set out below. In all cases the Group intends to apply these standards from the application date as indicated in the table below.

Reference	Title	Standard application date	Group application date	Key Requirements	Impact
AASB 9	Financial Instruments	1 January 2018	1 July 2018	AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In December 2014, the AASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the financial instruments standard.	There will be no significant impact on the Group on the adoption of this standard.
AASB 15	Revenue from Contracts with Customers	1 January 2018	1 July 2018	The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer, so the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise any applicable transitional adjustments in retained earnings on the date of the initial application without restating the comparative period. Entities will only need to apply the new rules to contracts that are not completed as of the date of initial application.	Management is currently assessing the impact of the new rules. At this stage, the Group is not able to estimate the impact of the new rules on the Group's financial statements. The Group will make more detailed assessments of the impact over the next 12 months.

Note 39: New Accounting Standards and Interpretations (continued)

Reference	Title	Standard application date	Group application date	Key Requirements	Impact
AASB 2015-2	Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101	1 January 2016	1 July 2016	This standard makes amendments to AASB 101 Presentation of Financial Statements arising from the IASB's Disclosure Initiative Project. The amendments are designed to further encourage companies to apply professional judgment in determining what information to disclose in the financial statements. The amendments also clarify that companies should use professional judgment in determining where and in what order in formation is to be presented in the financial disclosures.	There will be no significant impact on the Group on the adoption of this standard. The Group is currently conducting an exercise of reviewing financial report disclosures.

There are no other standards that are not yet effective and that would be expected to have a material impact on Range in the current or future period and on foreseeable future transactions.

Note 40: Company Details

The registered office of the company is:

Ground Floor, BGC Centre
28 The Esplanade
Perth WA 6000
Australia
Telephone: +61 8 6205 3012
Facsimile: +61 8 6316 2211

The principal place of business is:

Ground Floor, BGC Centre
28 The Esplanade
Perth WA 6000
Australia
Telephone: +61 8 6205 3012
Facsimile: +61 8 6316 2211

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, accompanying notes, are in accordance with the Corporations Act 2001 and:

   (a) comply with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   (b) give a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the year ended on that date.

2. The company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

3. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

4. The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

David Chen
Chairman
30 September 2015

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Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Range Resources Limited

Report on the Financial Report

We have audited the accompanying financial report of Range Resources Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Stat*ements, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation, other than for the acts or omissions of financial services licensees.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Range Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Range Resources Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in the Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Range Resources Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO
J Prue

Jarrad Prue

Director

Perth, 30 September 2015

Range Resources Ltd and Controlled Entities
Audited financial statements for the 12 months ended June 30, 2016

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each director of Range Resources Limited.

Remuneration Policy

The remuneration policy of Range Resources Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Board of Range Resources Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Group, as well as create alignment of goals between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives of the Company is as follows:

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed and approved by the Board.

Non-executive directors, executive directors and senior executives receive a base salary (which is based on factors such as length of service and experience), which is calculated on a total cost basis and includes any FBT charges related to employee benefits including motor vehicles, as well as employer contributions to superannuation funds.

Executive and Non-Executive directors can be employed by the Company on a consultancy basis, on Board approval, with remuneration and terms stipulated in individual consultancy agreements.

The Board exercises its discretion in determining remuneration performance of executives. Given the size and nature of the entity, the Board does not deem it to be realistic to measure performance against defined criteria. As such remuneration and performance have historically not been linked.

All remuneration paid to directors and executives is valued at the cost to the Company and expensed. Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Unlisted options are valued using the Black-Scholes methodology.

The Board policy is to remunerate non-executive directors at market rates for comparable companies taking into consideration time, commitment and level of responsibility. As approved by shareholders in 30 November 2011, the aggregate non-executive remuneration per annum is currently A$350,000 (US$260,555). The Remuneration and Nomination Committee determines payments to the non-executive directors and reviews their remuneration annually. Independent external advice is sought when required. Fees for non-executive directors are not linked to the performance of the Group. The directors are not required to hold any shares in the Company under the Constitution of the Company; however, to align Directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

Options may be issued to directors and executives as part of remuneration. Options issued to directors have historically not been based on performance criteria. However, the options issued to the current directors on 27 March 2015 and the Key Management Personnel on 1 September 2015 principally vest upon satisfaction of set company performance criteria detailed in Note 31.

Under the Company's share trading policy, all employees and directors of the Company and its related companies are prohibited from trading in the Company's shares or other securities if they are in possession of inside information.

The Board believes that it has implemented suitable practices and procedures that are appropriate for an organisation of this size and maturity.

REMUNERATION REPORT (AUDITED) (continued)

Remuneration Committee

A Remuneration Committee was established during the year ended 30 June 2015. One meeting was held during the current year to undertake annual review of performance remuneration for senior executives and directors.

Company Performance, Shareholder Wealth and Directors and Executives Remuneration

No relationship exists between shareholder wealth, director and executive remuneration and Company performance.

Use of remuneration consultants

During the year ended 30 June 2015, the Group contracted the service of a remuneration consultant, The Curzon partnership, to provide market comparison for executive and non-executive remuneration. The fee for this service was GB£480 (US$755). No such services were contracted in the year ended 30 June 2016.

Voting and comments made at the company's 2015 Annual General Meeting

Range Resources Limited received 99% of "yes" votes on its remuneration report for the 2015 financial year. Range notes this was a significant improvement on the previous year and reflects the conservative remuneration practices of the company.

Key Management Personnel

Name	Position Held	Appointment / Resignation Date
Mr Zhiwei Gu	Non-Executive Chairman	*appointed 25 May 2016*
	Non-Executive Director	
Mr Yan Liu	Executive Director	*resigned 31 January 2016* *re-appointed 25 May 2016*
	Non-Executive Director	*appointed 31 January 2016* *resigned 25 May 2016*
Mr David Yu Chen	Non-Executive Director	*appointed 25 May 2016*
	Non-Executive Chairman	*resigned 25 May 2016*
Ms Juan Wang	Non-Executive Director	
Mr Yu Wang	Non-Executive Director	*appointed 30 September 2015*
Mr Lubing Liu	Non-Executive Director	*appointed 16 June 2016*
Dr Yi Zeng	Non-Executive Director	*appointed 16 June 2016*
Officers		
Mr Nick Beattie	CFO & Company Secretary	*appointed 23 May 2014 (as CFO) and 30 March 2015 (as Company Secretary)*
Ms Sara Kelly	Company Secretary	*resigned 21 Jul 2014, re-appointed 7 January 2015*

REMUNERATION REPORT (AUDITED) (continued)

Details of Remuneration

The remuneration for the Key Management Personnel of the Group during the year was as follows:

	Short-term benefits			Post-employment benefits	Share-based payments	
2016	**Cash salary and fees**	**One-off payment**	**Termination benefits**	**Super-annuation/ pensions**	**Options**	**Total**
	US$	**US$**	**US$**	**US$**	**US$**	**US$**
Directors & officers						
Mr Gu	53,065	-	-	-	38,317	91,382
Mr Y Liu	113,605	-	-	3,052	50,120	166,777
Mr Chen	141,437	-	-	-	67,058	208,495
Ms Wang	30,000	-	-	-	16,764	46,764
Mr Wang	-	-	-	-	-	-
Mr L Liu	10,375	-	-	-	-	10,375
Dr Zeng	1,042	-	-	-	-	1,042
Mr Beattie	211,943	15,700	-	21,194	62,165	311,002
	561,467	15,700	-	24,246	234,424	835,837

	Short-term benefits			Post-employment benefits	Share-based payments	
2015	**Cash salary and fees**	**Cash bonus**	**Termination benefits**	**Super-annuation/ pensions**	**Options**	**Total**
	US$	**US$**	**US$**	**US$**	**US$**	**US$**
Directors & officers						
Sir Sam Jonah	37,609	-	-	-	-	37,609
Mr Scott Russell	103,137	-	150,253	-	-	253,390
Mr Beattie	228,342	-	-	28,152	-	256,494
Mr Edwards-Jones	37,609	-	-	-	-	37,609
Mr Macliver	5,584	-	-	-	-	5,584
Mr Lyon (i)	50,093	-	-	-	-	50,093
Dr Bukovics	37,889	-	-	-	-	37,889
Mr Riekie (ii)	45,836	-	-	-	-	45,836
Mr Olson	21,265	-	-	-	-	21,265
Mr Chen	88,710	-	-	-	34,186	122,896
Mr Liu	86,418	-	-	-	34,186	120,604
Ms Wang	19,152	-	-	-	8,546	27,698
Mr Gu	16,694	-	-	-	8,546	25,240
	778,338	-	150,253	28,152	85,464	1,042,207

(i) Fees paid to Mr Lyon comprised US$37,299 received in his capacity as a non-executive director and US$12,794 received for additional consulting work.

(ii) Fees paid to Mr Rieke comprised US$31,416 received in his capacity as a non-executive director and US$14,420 received for additional consulting work.

REMUNERATION REPORT (AUDITED) (continued)

Equity instrument disclosures relating to Key Management Personnel

Year ended 30 June 2016

i. Share-based payments

The following options were issued to key management personnel:

Name	Number of options	Grant date
Mr Nick Beattie	25,000,000	1 September 2015
Mr Yan Liu	20,000,000	25 May 2016 (i)
Mr Kerry Gu	22,500,000	25 May 2016 (i)

(i) Options to be granted on gaining shareholder approval

The options expire on 30 March 2020 with an exercise price of £0.01 per share.

The vesting conditions of these options are as follows:

a) 25% became exercisable on 31 March 2016
b) 25% will become exercisable upon the Company reaching production of 1,500 barrels of oil per day for a continuous 15 day period in Trinidad
c) 25% will become exercisable upon the Company reaching production of 2,500 barrels of oil per day for a continuous 15 day period in Trinidad
d) 25% will become exercisable upon the Company reaching production of 4,000 barrels of oil per day for a continuous 15 day period in Trinidad

Mr Nick Beattie options:

The value per option at the grant date was 0.56 cents, determined using the Black Scholes option price model using the following key inputs:

Volatility: 100%
Risk free rate: 1.92%
USD/GBP exchange rate: 0.6509

Probability of meeting vesting conditions: 100%
Exercise price: £0.01
Share price on grant date £0.0057

Mr Kerry Gu and Mr Yan Liu options:

The value per option at the grant date was 0.30 cents, determined using the Black Scholes option price model using the following key inputs:

Volatility: 100%
Risk free rate: 1.92%
USD/GBP exchange rate: 0.7468

Probability of meeting vesting conditions: 100%
Exercise price: £0.01
Share price on grant date £0.0037

REMUNERATION REPORT (AUDITED) (continued)

Year ended 30 June 2015

On 27 March 2015, the following options were issued to key management personnel:

Name	Number of options
Mr Yan Liu	30,000,000
Mr David Chen	30,000,000
Mr Zhiwei Gu	7,500,000
Ms Juan Wang	7,500,000

All options expire on 30 March 2020 with an exercise price of £0.01 per share.

The vesting conditions of these options are as follows:

a) 25% will become exercisable on the date that is one year from the issue date
b) 25% will become exercisable upon the Company reaching production of 1,500 barrels of oil per day for a continuous 15 day period in Trinidad
c) 25% will become exercisable upon the Company reaching production of 2,500 barrels of oil per day for a continuous 15 day period in Trinidad
d) 25% will become exercisable upon the Company reaching production of 4,000 barrels of oil per day for a continuous 15 day period in Trinidad

The value per option at the grant date was 0.51 cents, determined using the Black Scholes option price model using the following key inputs:

Volatility: 100%
Risk free rate: 1.92%
USD/GBP exchange rate: 0.7752

Grant date: 27 March 2015
Exercise price: £0.01
Share price on grant date £0.054

ii. Shares provided on exercise of remuneration options

No options issued in prior years affects remuneration in the current or future financial years.

iii. Fully paid share holdings

The numbers of shares in the company held during the financial year or at time of resignation by Key Management Personnel of the Company, including their personally related parties, are set out below.

2016	Balance at the start of the year	Granted as compensation	Other changes	Balance at the end of the year	Balance held indirectly
Mr Gu	-	-	2,083,333	2,083,333	-
Mr Chen	10,288,070	-	8,000,000	18,288,070	-
Mr Y Liu	-	-	6,333,333	6,333,333	-
Ms Wang	-	-	2,083,333	2,083,333	-
Mr Wang	-	-	-	-	-
Mr L Liu	-	-	-	-	-
Dr Zeng	-	-	-	-	-
Mr Beattie	-	-	2,916,667	2,916,667	-
Total	**10,288,070**	**-**	**21,416,666**	**31,704,736**	**-**

iv. Options held by key management personnel

The numbers of options in the company held during the financial year or at time of resignation by Key Management Personnel of the Company, including their personally related parties, are set out below:

2016	Balance at the start of the year	Granted as compensation	Other changes	Balance at the end of the year	Vested and exercisable
Mr Gu (ii)	7,500,000	22,500,000	-	30,000,000	7,500,000
Mr Y Liu (i)(ii)	30,000,000	20,000,000	(20,000,000)	30,000,000	7,500,000
Mr Chen	72,742,654	-	-	72,742,654	50,242,654
Ms Wang	7,500,000	-	-	7,500,000	1,875,000
Mr Wang	-	-	-	-	-
Mr L Liu	-	-	-	-	-
Dr Zeng	-	-	-	-	-
Mr Beattie	-	25,000,000	-	25,000,000	6,250,000
Mr L Liu	-	-	-	-	-
Mr Zeng	-	-	-	-	-
Total	**117,742,654**	**67,500,000**	**(20,000,000)**	**165,242,654**	**73,367,654**

(i) During the year 20,000,000 options were cancelled following Yan Liu's change in position from executive to non-executive director. An amount of US$22,791 was reversed in the current year.

(ii) Options to be granted on gaining shareholder approval

Loans to Key Management Personnel

There were no loans made to directors of Range Resources Limited and other Key Management Personnel of the Group, including their personally related parties during the 2015 or 2016 financial years.

Transactions with Key Management Personnel

The following transactions occurred during the year with Key Management Personnel or their related parties:

Balances at year end due to Key and Former Key Management Personnel

	US$
David Chen and related entities	12,267
Lubing Liu and related entities	10,375
Dr Zeng	1,042
Kiki Wang and related entities	2,500
Kerry Gu and related entities	20,833
Sir Sam Jonah (i)	152,943
Soncer Limited (i)	1,519

(i) These were related parties throughout the prior financial year until 28 November 2014.

REMUNERATION REPORT (AUDITED) (continued)

Employment contracts of Directors and other Key Management Personnel

On appointment, Executive Directors and Other Key Management Personnel enter into an employment contract with the Company (or another company within the Group). This contract sets out their duties, remuneration and other terms of employment. These contracts may be terminated by either the Company or the employee as detailed below.

All non-executive directors are eligible to receive consulting fees for services provided to the Company over and above the services expected from a non-executive director.

Mr Zhiwei Gu as Non-Executive Chairman *(appointed as Non-Executive Chairman on 25 May 2016)*

Non-Executive Chairman contract

Contract start date –25 May 2016
Total compensation including executive services - US$250,000 per annum
Superannuation – no superannuation entitlement
Notice period – 3 months
Termination benefits – payment in lieu of notice at Company option for termination without cause

Non-executive Director contract

Contract start date –19 January 2015
Base payment - US$30,000 per annum
Superannuation – no superannuation entitlement
Termination benefits – none

Mr Yan Liu as Chief Executive Officer and Executive Director *(resigned as CEO and Executive Director on 31 January 2016, re-appointed as CEO and Executive Director on 25 May 2016)*

Contract start date –25 May 2016
Base payment - AU$215,000 per annum
Superannuation – 10% of base salary
Notice period – 3 months
Termination benefits – payment in lieu of notice at Company option for termination without cause

Non-Executive Director contract

Contract start date –31 January 2016
Base payment - US$30,000 per annum
Superannuation – no superannuation entitlement
Notice period – none
Termination benefits – none

Prior Executive Director contract

Contract start date –11 December 2014
Base payment - US$155,000 per annum
Superannuation – no superannuation entitlement
Notice period – 3 months
Termination benefits – payment in lieu of notice at Company option for termination without cause

REMUNERATION REPORT (AUDITED) (continued)

Mr David Chen as Non-Executive Director *(resigned as Non-Executive chairman on 25 May 2016)*

Non-Executive Director contract

Contract start date –25 May 2016
Base payment - US$30,000 per annum
Superannuation – no superannuation entitlement
Notice period – none
Termination benefits – none

Non- Executive Chairman contract

Contract start date –11 December 2014
Total compensation including executive services - US$155,000 per annum
Superannuation – no superannuation entitlement
Notice period – 3 months
Termination benefits – payment in lieu of notice at Company option for termination without cause

Ms Juan Wang as Non-Executive Director
Contract start date –19 January 2015
Base payment - US$30,000 per annum
Superannuation – no superannuation entitlement
Termination benefits – none

Mr Yu Wang as Non-Executive Director *(appointed 30 September 2015)*

No remuneration received

Mr Lubing Liu as Non-Executive Director *(appointed 16 June 2016)*
Contract start date –16 June 2016
Base payment - US$25,000 per annum
Superannuation – no superannuation entitlement
Termination benefits – none
Consulting services – Mr Liu may provide additional consulting services over and above services rendered to the Company as a Non-Executive Director from time to time as required at a rate of between US$600 and $1,200 per day.

Dr Yi Zeng as Non-Executive Director *(appointed 16 June 2016)*
Contract start date –16 June 2016
Base payment - US$25,000 per annum
Superannuation – no superannuation entitlement
Termination benefits – none

Mr Nick Beattie as Chief Financial Officer
Contract start date – 23 May 2014
Base payment - GB£135,000 per annum, reviewed annually
Pension – 10% of base
Bonus – Eligible to receive bonus at the discretion of the board
Notice period – 3-6 months
Termination benefits – 6 months' salary

End of Audited Remuneration Report

MEETINGS OF DIRECTORS

During the financial year 5 meetings of the board of directors were held. Attendances by each director during the year were as follows:

Director	Board meetings Eligible to attend	Attended
Zhiwei Gu	5	5
Yan Liu	5	5
David Chen	5	5
Juan Wang	5	4
Yu Wang (appointed 30 September 2015)	4	4
Lubing Liu (appointed 16 June 2016)	-	-
Yi Zeng (appointed 16 June 2016)	-	-

INDEMNIFYING OFFICERS OR AUDITOR

In accordance with the constitution, except where prohibited by the *Corporations Act 2001*, every director, principal executive officer and secretary of the Company shall be indemnified out of the property of the Company against any liability incurred by him/her in his/her capacity as director, principal executive officer or secretary of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings whether civil or criminal.

During the financial year, the Company has paid premiums to insure the Directors and Officers against certain liabilities arising out of the conduct of acting as an officer of the Company. Under the terms and conditions of the insurance contract, the nature of liabilities insured against and the premium paid cannot be disclosed.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

OPTIONS

As at 30 June 2016, the unissued ordinary shares of Range Resources Limited under option are as follows:

Date of expiry	Exercise price	Number under option
11 July 2016	£0.037	5,000,000
25 July 2016	£0.021	476,190
29 July 2016	£0.021	952,381
31 August 2016	£0.021	6,714,284
31 August 2016	£0.020	9,000,000
30 September 2016	£0.019	3,947,368
30 September 2016	£0.018	8,666,670
31 October 2016	£0.018	694,445
31 October 2016	£0.017	2,205,885
31 October 2016	£0.016	1,250,000
31 October 2016	£0.015	17,333,336
30 November 2016	£0.015	3,000,001
30 November 2016	£0.013	5,153,846
11 December 2016	A$0.0321	2,000,000
31 December 2016	£0.012	2,000,000
31 December 2016	£0.011	5,000,000
31 January 2017	£0.075	5,180,000
31 January 2017	£0.011	23,636,364
9 September 2017	£0.03	7,500,000
15 October 2017	£0.01203	31,000,000
31 January 2018	A$0.05	1,000,000
14 July 2018	£0.01	161,472,247
14 July 2018	£0.02	118,729,593
31 August 2018	£0.01	14,000,000
3 September 2019	£0.01	194,585,862
3 September 2019	£0.02	172,557,274
30 March 2020	£0.01	80,000,000
Total		**883,055,746**

During the year ended 30 June 2016 no ordinary shares of Range Resources Limited were issued on the exercise of options (2015: 49,051,468). The holders of these options do not have any rights under the options to participate in any share issues of the Company.

NON-AUDIT SERVICES

The total value of non-audit services provided by a related practice of BDO Audit (WA) Pty Ltd in respect to the Company's tax compliance is US$34,149 (2015: US$72,570).

The board of directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Board to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants.*

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration, as required under Section 307C of the *Corporations Act 2001*, for the year ended 30 June 2016 has been received and can be found on the following page.

Signed in accordance with a resolution of the Board of Directors.

Zhiwei Gu
Chairman
30 September 2016

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Australia

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF RANGE RESOURCES LIMITED

As lead auditor of Range Resources Limited for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Range Resources Limited and the entities it controlled during the period.

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 30 September 2016

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation, other than for the acts or omissions of financial services licensees.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	Note	Consolidated 2016 US$	Consolidated 2015 US$
Revenue from continuing operations	**3**	**7,062,226**	**13,152,954**
Operating expenses		(7,266,830)	(6,440,734)
Royalties		(2,104,894)	(4,654,241)
Depreciation, depletion and amortisation		(5,490,676)	(4,917,053)
Cost of sales	**4a**	(14,862,400)	(16,012,028)
Gross loss		**(7,800,174)**	**(2,859,074)**
Other income and expenses from continuing operations			
Other income	**3**	51,193	428,588
Finance costs	**4b**	(934,321)	(4,347,575)
General and administration expenses	**4b**	(3,400,038)	(9,948,494)
Assets written-off	**4c**	(1,000,761)	(692,929)
Exploration expenditure and land fees	**4d**	(4,261,435)	(2,202,748)
Impairment of non-current assets	**16,19**	(20,564,829)	-
Loss on disposal of subsidiary	**4e**	-	(1,491,857)
Loss before income tax expense from continuing operations		**(37,910,365)**	**(21,114,089)**
Income tax expense	**6**	(1,084,520)	(1,467,806)
Loss after income tax from continuing operations		**(38,994,885)**	**(22,581,895)**
Loss from discontinued operations, net of tax	**5a**	(4,880,000)	(7,697,159)
Loss for the year attributable to equity holders of Range Resources Limited		**(43,874,885)**	**(30,279,054)**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations	**26c**	160,799	455,307
Other comprehensive income for the year, net of tax		**160,799**	**455,307**
Total comprehensive loss attributable to equity holders of Range Resources Limited		**(43,714,086)**	**(29,823,747)**

Loss per share from continuing operations attributable to the ordinary equity holders of the Company:

	Note	2016	2015
Basic loss per share (cents per share)	**8a**	(0.54)	(0.44)
Diluted loss per share (cents per share)	**8b**	n/a	n/a

Loss per share attributable to the ordinary equity holders of the Company:

	Note	2016	2015
Basic loss per share (cents per share)	**8a**	(0.60)	(0.59)
Diluted loss per share (cents per share)	**8b**	n/a	n/a

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	Consolidated 2016 US$	Consolidated 2015 US$
Assets			
Current assets			
Cash and cash equivalents	**9**	13,001,252	10,530,104
Restricted deposits	**10**	8,000,000	-
Trade and other receivables	**11**	4,620,266	5,148,978
Other current assets	**12**	178,158	783,385
		25,799,676	16,462,467
Assets classified as held for sale	**13**	1,250,000	6,000,000
Total current assets		**27,049,676**	**22,462,467**
Non-current assets			
Deferred tax asset	**6**	3,959,803	286,693
Available for sale financial assets	**14**	45,238	446,000
Goodwill	**16**	28,985,014	46,198,974
Property, plant and equipment	**17**	2,329,228	1,502,442
Exploration & evaluation expenditure	**18**	645,801	668,951
Producing assets	**19**	95,077,882	90,350,492
Total non-current assets		**131,042,966**	**139,453,552**
Total assets		**158,092,642**	**161,916,019**
Current liabilities			
Trade and other payables	**20**	12,244,873	13,654,195
Current tax liabilities		286,723	296,894
Borrowings	**21a**	-	7,518,077
Option liability	**21b**	835,714	808,083
Provisions	**22**	740,268	734,858
Total current liabilities		**14,107,578**	**23,012,107**
Non-current liabilities			
Trade and other payables	**20**	23,764,005	-
Deferred tax liabilities	**23**	47,561,612	43,359,199
Employee service benefits	**24**	422,315	521,257
Total non-current liabilities		**71,747,932**	**43,880,456**
Total liabilities		**85,855,510**	**66,892,563**
Net assets		**72,237,132**	**95,023,456**
Equity			
Contributed equity	**25**	383,882,192	363,205,277
Reserves	**26**	24,227,125	29,748,880
Accumulated losses		(335,872,185)	(297,930,701)
Total equity		**72,237,132**	**95,023,456**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

Consolidated	Note	Contributed equity US$	Accumulated losses US$	Foreign currency translation reserve US$	Share-based payment reserve US$	Option premium reserve US$	Total equity US$
Balance at 1 July 2014		352,599,569	(271,166,312)	3,004,632	14,226,861	10,630,513	109,295,263
Other comprehensive income		-	-	455,307	-	-	455,307
Loss attributable to members of the company		-	(30,279,054)	-	-	-	(30,279,054)
Total comprehensive loss for the year		-	(30,279,054)	455,307	-	-	(29,823,747)
Transactions with owners in their capacity as owners:							
Issue of share capital	**25**	11,044,172	-	-	-	-	11,044,172
Exercise of options	**26**	923,880	-	-	-	1,426,850	2,350,730
Cancellation of partly paid shares	**26**	(1,362,344)	1,362,344	-	-	-	-
Expired options - Reclassified		-	2,152,321	-	(2,152,321)	-	-
Cost of share-based payments		-	-	-	2,157,038	-	2,157,038
Balance at 30 June 2015		363,205,277	(297,930,701)	3,459,939	14,231,578	12,057,363	95,023,456
		US$	**US$**	**US$**	**US$**	**US$**	**US$**
Balance at 1 July 2015		363,205,277	(297,930,701)	3,459,939	14,231,578	12,057,363	95,023,456
Other comprehensive income		-		160,799	-	-	160,799
Loss attributable to members of the company		-	(43,874,885)	-	-	-	(43,874,885)
Total comprehensive loss for the year		-	(43,874,885)	160,799	-	-	(43,714,086)
Transactions with owners in their capacity as owners:							
Issue of share capital	**25**	20,676,915	-	-	-	-	20,676,915
Expired options - Reclassified		-	5,933,401	-	(5,933,401)	-	-
Cost of share-based payments		-			250,847	-	250,847
Balance at 30 June 2016		383,882,192	(335,872,185)	3,620,738	8,549,024	12,057,363	72,237,132

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR YEAR ENDED
30 JUNE 2016

	Note	Consolidated 2016 US$	Consolidated 2015 US$
Cash flows from operating activities			
Receipts from customers		7,171,488	13,313,284
Payments to suppliers and employees		(10,790,650)	(19,472,258)
Payments for exploration and evaluation expenditure		-	(392,219)
Income taxes paid		(32,940)	(208,536)
Interest received		45,210	3,390
Interest & other finance costs		(449,143)	(198,925)
Payments relating to held for sale asset		(130,000)	-
Net cash outflow from operating activities	**30**	(4,186,035)	(6,955,264)
Cash flows from investing activities			
Payment for property, plant & equipment		(140,474)	(1,576,298)
Proceeds from sale of available for sale financial assets		-	450,643
Payment for producing assets		(260,888)	(3,992,670)
Payments for exploration and evaluation assets		-	(145,346)
Proceeds from disposal of property, plant and equipment		11,799	-
Proceeds from sale of assets held-for-sale		-	5,202,379
Transfer to restricted deposit		(8,000,000)	-
Receipts from loan repayments/(Loans to external parties)		-	500,000
Net cash (outflow)/inflow from investing activities		(8,389,563)	438,708
Cash flows from financing activities			
Proceeds from issue of equity (net of capital raising costs)		22,338,344	8,890,800
Proceeds from borrowings		-	5,250,000
Repayment of borrowings		(7,225,997)	-
Net cash inflow from financing activities		15,112,347	14,140,800
Net increase in cash and cash equivalents		2,536,749	7,624,244
Net foreign exchange differences		(65,601)	(71,550)
Cash and cash equivalents at beginning of financial year		10,530,104	2,977,410
Cash and cash equivalents at end of financial year	**9**	13,001,252	10,530,104

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Note 1: Significant accounting policies

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. Range Resources Limited is a for-profit entity for the purpose of preparing the financial statements.

The financial statements cover the Group consisting of Range Resources Limited and its controlled entities. Financial information for Range Resources Limited as an individual entity is disclosed in Note 33. Range Resources Limited is a listed public company, incorporated and domiciled in Australia.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

Basis of preparation

Reporting basis and conventions

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Compliance with IFRS

The financial statements of Range Resources Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial statements were approved by the Board of Directors on 29 September 2015.

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "Functional Currency"). The consolidated financial statements are presented in United States Dollars (USD), which is Range Resources Limited's functional and presentation currency.

Going concern

The Directors have prepared the financial statements on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred losses of US$43.9m for the year ending 30 June 2016 which includes significant non-cash items of U$32.0m. The Group also had net cash outflows from operating activities for the year totalling US$4.2m. Range considers that with anticipated production growth from its waterflood programme, this cash outflow will be eliminated in the 2017 financial year.

At the reporting date, Range had US$13.0m of unrestricted cash at bank. Range has net current liabilities (excluding cash, restricted deposits, option liability and provisions) of US$6.5m. This cash, net revenue from production, and extended credit terms of 720 days provided by LandOcean for all oil field work undertaken in Trinidad is more than sufficient to cover the Group's cash requirements for the 12 months from date of sign off including any net current liabilities due.

The Company will seek to rationalise the portfolio of non-core assets and redeploy capital to maximise current production from its assets in Trinidad and pursue growth opportunities that enhance cash generation and returns to shareholders.

Adoption of new and revised accounting standards

In the year ended 30 June 2016, the directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period.

As a result of this review, the directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Group accounting policies.

(a) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Range Resources Limited ("Parent Entity" or "Company") as at 30 June 2016 and the results of all subsidiaries for the year then ended. Range Resources Limited and its subsidiaries together are referred to as the "Group".

Subsidiaries are all those entities (including special purpose entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its investment with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Where controlled entities have entered or left the Group during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased. A list of controlled entities is contained in Note 15 to the financial statements. All controlled entities have a June financial year-end.

All inter-company balances and transactions between entities in the Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the Company.

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20-50% of the voting rights. Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost.

(b) Income tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the reporting date within each jurisdiction.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. Deferred tax is credited in profit or loss except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the

Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(c) Property, plant and equipment

Owned assets

Plant and equipment are measured on the historical cost basis less accumulated depreciation and impairment losses.

The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Oil and gas assets

These properties represents the accumulation of all exploration, evaluation and development expenditure, pre-production development costs and ongoing costs of continuing the develop reserves for production incurred by or on behalf of the entity in relation to areas of interests.

Where further development expenditure is incurred in respect of a property after the commencement of production, such expenditure is carried forward as part of the cost of that property only when expected future economic benefits are to be received, otherwise such expenditure is classified as part of the cost of production.

Depreciation

The depreciable amount of all fixed assets including capitalised lease assets is depreciated on a straight-line basis over their useful lives to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable asset are:

Class of Fixed Asset	Depreciation Rate
Plant & equipment	11.25% - 33%
Production equipment	10 - 20%
Motor vehicles, furniture & fixtures	25 - 33%
Leasehold improvements	10 - 12.50%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in profit or loss. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to accumulated losses.

(d) Exploration and evaluation expenditure and the recognition of assets

Generally, exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

The carrying values of expenditures carried forward are reviewed for impairment at each reporting date when the facts, events or changes in circumstances indicate that the carrying value may be impaired.

Accumulated expenditures are written off to profit or loss to the extent to which they are considered to be impaired.

Range Resources Limited is applying AASB 6 *Exploration for and Evaluation of Mineral Resources* which is equivalent to IFRS 6. The carrying value of exploration and evaluation expenditure is historical cost less impairment.

Ongoing exploration costs incurred in respect of the Group’s Trinidadian and Colombian interests are expensed as incurred. Initial acquisition costs to obtain the right to explore are capitalised.

(e) Producing assets

Upon the commencement of commercial production from each identifiable area of interest, the exploration and evaluation expenditure incurred up to that point is impairment tested and then reclassified to producing assets.

When production commences, the accumulated costs for the relevant area of interest are amortised on a units of production method based on the ratio of actual production to remaining proved reserves (P1) as estimated by independent petroleum engineers over the life of the area according to the rate of depletion of the economically recoverable reserves.

Subsequent costs are included in the asset’s carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

The carrying amount of producing assets is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount of an asset is the greater of its fair value less costs to sell and its value in use. In assessing value in use, an asset’s estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash flows that are largely independent from other assets or groups of assets, the recoverable amount is determined for the cash generating unit to which the asset belongs. For producing assets, the estimated future cash flows for the value-in-use calculation are based on estimates, the most significant of which are 2P hydrocarbon reserves, future production profiles, commodity prices, operating costs and any future development costs necessary to produce the reserves. Under a fair value less costs to sell calculation, future cash flows are based on estimates of 2P hydrocarbon reserves. Estimates of future commodity prices are based on the Group’s best estimate of future market prices with reference to external market analysts’ forecasts, current spot prices and forward curves. Future commodity prices are reviewed at least annually.

An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in profit or loss. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to accumulated losses.The Group records the present value of the estimated cost of legal and constructive obligations to restore operating locations in the period in which the obligation arises. The nature of restoration activities includes the removal of facilities, abandonment of wells and restoration of affected areas. A restoration provision is recognised and updated at different stages of the development and construction of a facility and then reviewed on an annual basis. When the liability is initially recorded, the estimated cost is capitalised by increasing the carrying amount of the related exploration and evaluation/development assets.

Over time, the liability is increased for the change in the present value based on a post-tax discount rate appropriate to the risk inherent in the liability. The unwinding of the discount is recorded as an accretion charge within finance costs. The carrying amount capitalised in oil and gas properties is depreciated over the useful life of the related asset. Costs incurred that relate to an existing condition caused by past operation and do not have a future economic benefit are expensed.

(f) Financial instruments

The Group's financial instruments include cash and cash equivalents, trade and other receivables and available-for-sale financial assets.

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition, these instruments are measured as set out below. The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale investments. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include non-derivative financial assets designated in this category not included in any of the other categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to the available for sale investment revaluation reserve in equity. Investments are designated as available-for-sale if they do not have fixed maturities and fixed determinable payments and management intends to hold them for the medium to long term.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities held at cost less impairment, including recent arm's length transactions, reference to similar instruments and option pricing models.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in the available for sale investment revaluation reserve in equity. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Impairment of assets

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and included in profit or loss. Impairment losses recognised in the statement of profit or loss and other comprehensive income on equity instruments classified as available-for-sale are not reversed through profit or loss.

Recognition and de-recognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs. Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and reward of ownership.

When the securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in profit or loss as gains and losses for investment securities.

(g) Foreign currency transactions and balances

Functional and presentation currency

The functional currency of each entity within the Group is determined using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in United States dollars which is the Company's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity; otherwise the exchange difference is recognised in profit or loss.

(h) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects the current market assessments of the time value of money and the risk specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(i) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due, according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of impairment loss is recognised in profit or loss within other expenses. When a trade receivable, for which an impairment allowance had been recognised, becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(k) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties. Revenue is recognised when the amount of revenue can be reliably measured, and it is probable that future economic benefits will flow to the Group.

Revenue from the sale of oil and gas and related products is recognised when the Group has transferred to the buyer the significant risks and rewards of ownership and the amounts can be measured reliably. In the case of oil, this usually occurs at the time of lifting.

Interest revenue is recognised on a time proportion basis taking into account the interest rates applicable to the financial assets.

(l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the consolidated statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(m) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(n) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash follows at the current market interest rate that is available to the Group for similar financial instruments.

(o) Investments in associates

Investments in associates are accounted for using the equity method of accounting in the consolidated financial statements.

Under the equity method, the investment in the associate is carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate.

The Group's share of the associate post-acquisition profits or losses is recognised in the statement of profit or loss and other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in the associate equals or exceeds its interest in the associate, including any unsecured long-term receivables and loans, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The reporting dates of the associate and the Group are identical and the associate's accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

(p) Prepayments for investments

Prepayments for acquisitions of financial assets are recorded at the fair value of consideration to acquire the assets.

On satisfaction of all terms of the acquisition contract have been satisfied the prepayment is transferred and accounted for as an investment.

(q) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition unless alternative terms are agreed. The Group's most material balance is with LandOcean which has credit payment terms of 720 days.

(r) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at reporting date.

(s) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(t) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares.

(u) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the managing director.

(v) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which they are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(w) Intangible assets (goodwill)

Goodwill is measured at cost less any impairment write downs. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segments (note 29).

(x) Share-based payments

The fair value of options granted is recognised as an expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

(y) Employee benefits

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long service benefit

The liability for long service benefit is recognised in current and non-current liabilities, depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

(z) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset’s useful life or over the shorter of the asset’s useful life and the lease term if there is no reasonable certainty that the company will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

(aa) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

(bb) Compound financial instruments

Compound financial instruments issued by the Group comprise convertible notes that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition.

Interest related to the financial liability is recognised in profit or loss. On conversion the financial liability is reclassified to equity and no gain or loss is recognised.

Convertible notes that can be converted to share capital at the option of the holder and where the number of shares is variable, contains an embedded derivative liability. The embedded derivative liability is calculated (at fair value) first and the residual value is assigned to the debt host contract. The embedded derivative is subsequently measured at fair values and movements are reflected in the profit and loss.

Certain convertible notes issued by the Group which include embedded derivatives (option to convert to variable number of shares in the Group are recognised as financial liabilities at fair value through profit or loss. On initial recognition, the fair value of the convertible note will equate to the proceeds received and subsequently the liability is measured at fair value at each reporting period until settlement. The fair value movements are recognised on the profit or loss as finance costs.

(cc) Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

(dd) Non-current assets classified as held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell. For non-current assets to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of a non-current asset, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale are presented separately on the face of the consolidated statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

(ee) Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical are of operations
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative consolidated statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

Note 2: Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. Areas involving a higher degree of judgement or complexity, or areas where estimations and assumptions are significant to the financial statements are disclosed here.

Producing asset expenditure

The classification of exploration and evaluation expenditure to producing assets is based on the time of first commercial production. Producing asset expenditure for each area of interest is carried forward as an asset provided certain conditions listed in Note 1(e) are met and depreciated on a unit of production basis on P1 reserves. P1 reserves have been determined by an independent expert.

Producing assets are assessed for impairment when facts and circumstances suggest that the carrying amount of a production asset may exceed its recoverable amount. These timings, calculations and reviews require the use of assumptions and judgement. The related carrying amounts are disclosed in Note 19.

Reserves and resources

Estimates of reserves requires judgement to assess the size and quality of reservoirs and their anticipated recoveries. Estimates of reserves are used to calculate depreciation, depletion and amortisation charges.

Impairment of goodwill and producing assets

The Group tests annually whether goodwill or the producing assets has suffered any impairment in accordance with the accounting policies stated in notes 1(e) and 1(w). The recoverable amount of the cash-generating unit to which the assets belong is estimated based on the present value of future cash flows. The expected future cash flow estimation is always based on a number of factors, variables and assumptions, the most important of which are estimates of reserves, future production profiles, commodity prices and costs. In most cases, the present value of future cash flows is most sensitive to estimates of future oil price and discount rates. A change in the modelled assumptions in isolation could materially change the recoverable amount. Refer to note 16 for details of these key assumptions.

Deferred tax liability

Upon acquisition of SOCA Petroleum Ltd, in accordance with the requirement of AASB 112 Income Taxes, a deferred tax liability of US$46,979,878 was recognised in relation to the difference between the carrying amount for accounting purposes of deferred development assets and their actual cost base for tax purposes. The carrying value of this deferred tax liability has increased to US$47,344,960 at 30 June 2016. In the event that the manner by which the carrying value of these assets is recovered differs from that which is assumed for the purpose of this estimation, the associated tax charges may be significantly less than this amount.

Assets held-for-sale

As part of the Company's strategy to rationalise non-core assets, the Company committed to a plan to dispose its shares in Strait Oil & Gas Limited ("Strait"). The company is in advanced discussions and negotiations surrounding the sale of this asset which is currently anticipated to complete in the 2017 financial year. Given current market conditions around exploration assets, the Company anticipates that part of any consideration will be deferred or contingent. The asset is therefore recognised at fair value being the expected recoverable value on sale in relation to non-contingent or deferred aspects of that sale. No value is assigned to the contingent or deferred aspect.

An impairment loss in respect of assets held-for-sale is generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

Share based payments transactions

The Group measures the cost of equity-settled share-based payment transactions with employees by reference to the fair value of the equity instruments at the grant date. The fair value is determined using a Black-Scholes model. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

Classification of operations to discontinued

The assets classified as discontinued operations represent separate major lines of business and geographical areas of operations.

Note 3: Revenue

	Consolidated 2016 US$	Consolidated 2015 US$
From continuing operations		
Revenue from sale of oil	7,062,226	13,152,954
Other income		
Interest income	45,210	3,390
Other income	5,983	425,198
	51,193	428,588

Note 4: Expenses

		Consolidated 2016 US$	Consolidated 2015 US$
	Loss before income tax includes the following specific expenses:		
(a)	**Cost of sales**		
	Costs of production	4,944,478	3,125,464
	Royalties	2,104,894	4,654,241
	Staff costs	2,322,352	3,315,271
	Oil and gas properties depreciation, depletion and amortisation	5,490,676	4,917,052
	Total cost of sales	14,862.400	16,012,028
(b)	**Finance costs**		
	Interest and premium paid on financial liabilities at fair value	370,983	2,550,028
	Fair value movement of option liability	(1,643,570)	(127,883)
	Facility fees settled in shares	-	1,575,637
	Foreign exchange loss	1,507,714	-
	Interest expense	667,839	349,793
	Other finance expenses	31,355	-
	Total finance costs	934,321	4,347,575
	General and administration expenses		
	Equity based payments	-	2,157,037
	Directors' and officers' fees and benefits	601,413	999,571
	Share based payments – employee, director and consultant options	250,849	580,455
	Other expenses	2,547,776	6,211,431
	Total general and administration expenses	3,400,038	9,948,494
(c)	**Asset values written-down**		
	Impairment of current receivables	600,000	17,937
	Impairment of non-current receivables	-	20,992
	Impairment of investment in available for sale financial assets	400,761	654,000
	Total assets written-down	1,000,761	692,929

During the current year the Group chose to fully write down a current receivable due to uncertainty over its recoverability. In addition to this, the Group also fully wrote down its investment in International Petroleum by US$346,000 due to the continued suspension of trading of its shares and inability to therefore calculate an appropriate carrying value. A further available for sale asset was also written down by US$54,761, being Range's estimate of its recoverable value at the balance sheet date.

(d) Exploration Expenditure

Puntland	1,812	314,982
Trinidad (i)	4,123,048	1,810,529
Colombia	136,575	77,237
Total exploration expenses	4,261,435	2,202,748

(i) Amounts expensed in the year in Trinidad relate to land fees in relation to Guayaguayare and St Mary's for which the company policy is to expense.

Note 4: Expenses (continued)

(e) Loss on disposal of subsidiary

Range Resources Drilling Limited	-	1,491,857
Total loss on disposal	-	1,491,857

Details of loss on sale of subsidiaries

Consideration received	-	4,870,000
Carrying amount of net assets sold	-	6,319,358
Loss on sale	**-**	**(1,449,358)**
Reclassification of FX reserve	-	(42,499)
Income tax expense on gain	-	-
Total loss on sale	**-**	**(1,491,857)**

Note 5: Discontinued operations

In 2013, the Company indicated that it was in the process of disposing of the Company's North Chapman Ranch and East Texas Cotton Valley assets hence the transfer from producing assets to assets classified as held-for-sale in that accounting period. As announced on 23 December 2014 a sale of Range's 100% equity interest in Range Australia (US) Ltd (holder of Texas assets) was agreed with Citation Resources Limited. It completed on 24 March 2015.

The Company is committed to a plan to dispose of its 45% interest in the unlisted company Strait Oil & Gas Limited (Strait).

	2016 US$	**2015 US$**
(a) Results of discontinued operations		
Revenue	-	238,194
Cost of sales	-	(104,799)
Asset write off	(4,750,000)	(6,779,476)
Other expenses	(130,000)	(949,169)
Results from operating activities	**(4,880,000)**	**(7,595,250)**
Income tax (expense)/benefit	-	-
Results from operating activities, after tax	**(4,880,000)**	**(7,595,250)**
Loss on sale of subsidiary asset	-	(101,909)
Loss from discontinued operations	**(4,880,000)**	**(7,697,159)**

The loss from the discontinued operations of US$4,880,000 (2015: US$7,697,159) is attributable entirely to the owners of the Company.

(b) Cash flows gained from/(used in) discontinued operations		
Net cash used in operating activities	(130,000)	(801,003)
Net cash flow for the year	**(130,000)**	**(801,003)**

Note 6: Income tax expense

	Consolidated 2016 US$	2015 US$
(a) Income tax expense		
Current tax	-	624,618
Deferred tax	1,070,852	843,188
Adjustments for current tax of prior periods	13,668	-
	1,084,520	1,467,806
Income tax expense/(benefit) is attributable to:		
Profit/(loss) from continuing operations	1,084,520	1,467,806
Profit/(loss) from discontinued operations	-	-
Aggregate income tax expense	1,084,520	1,467,806
(b) The prime facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:		
Loss from continuing operations before income tax	(37,910,365)	(21,114,089)
Loss from discontinuing operations before income tax	(4,880,000)	(7,697,159)
	(42,790,365)	(28,811,248)
Prime facie tax payable on profit from ordinary activities before income tax at 30% (2015: 30%)		
Group	(12,837,110)	(8,643,374)
	(12,837,110)	(8,643,374)
Add tax effect of:		
Other taxes	13,668	477,852
Expenses not deductible for tax	18,518,390	7,752,706
Income not assessable for tax	(6,010,578)	(3,757,145)
Tax losses not brought to account	10,650,658	1,938,572
Benefit of tax losses not previously recognised	-	3,608,262
Deferred tax assets not brought to account	(242,740)	2,315,848
Differences in tax rates	(9,007,770)	(2,224,915)
	1,084,520	1,467,806
Unrecognised Deferred tax asset		
Capital losses	985,528	1,084,219

Revenue losses	9,462,107	10,033,815
Other	4,942,534	3,265,732
	15,390,169	14,383,766

Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1(b) occur.

	Consolidated	
	2016 US$	2015 US$
(c) Recognised deferred tax assets		
Temporary differences	3,959,803	286,693
	3,959,803	286,693
Recognised deferred tax liabilities		
Accelerated depreciation	(17,515,407)	(11,039,440)
DTL arising on business combination	(30,046,205)	(32,319,759)
Net deferred tax liabilities	(47,561,612)	(43,359,199)

Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1(b) occur.

Note 7: Auditors' remuneration

	Consolidated	
	2016 US$	2015 US$
Remuneration of the auditor of the Parent Entity for:		
Auditing or reviewing the financial report by BDO Audit (WA) Pty Ltd	84,726	216,866
Non-audit services provided by a related entity of BDO Audit (WA) Pty Ltd in respect to Parent Entity's tax compliance.	34,149	72,570
Total remuneration for the Parent Entity	118,875	289,436
Remuneration of the auditors of the subsidiaries:		
Auditing or reviewing the financial report by BDO UK	3,707	3,933
Auditing or reviewing the financial report by BDO Barbados	17,743	13,030
Auditing or reviewing the financial report by BDO Trinidad	25,188	40,530
Total remuneration for the subsidiaries	46,638	57,493

Note 8: Earnings per share

		Consolidated 2016 US cents	Consolidated 2015 US cents
(a)	**Basic loss per share**		
	(Loss) per share from continuing operations attributable to the ordinary equity holders of the company	(0.54)	(0.44)
	(Loss) per share attributable to the ordinary equity holders of the company	(0.60)	(0.59)
(b)	**Diluted loss per share**		
	(Loss) per share from continuing operations attributable to the ordinary equity holders of the company	n/a	n/a
	(Loss) per share attributable to the ordinary equity holders of the company	n/a	n/a
(c)	**Reconciliation of loss used in calculating earnings per share**		
	Basic/ Diluted loss per share		
	Loss from continuing operations attributable to the ordinary equity holders of the company	(38,994,885)	(22,581,895)
	Loss attributable to the ordinary equity holders of the company	(43,874,885)	(30,279,054)

		2016 No.	2015 No.
(d)	**Weighted average number of shares used as the denominator**		
	Weighted average number of ordinary shares used as the denominator in calculating basic EPS	7,266,100,594	5,095,406,444

Effect of dilutive securities

Options on issue at reporting date could potentially dilute earnings per share in the future. The effect in the current year is to reduce the loss per share hence they are considered anti-dilutive. Accordingly the diluted loss per share has not been disclosed.

Note 9: Cash and cash equivalents

	Consolidated	
	2016	**2015**
	US$	**US$**
Cash at bank and on hand	13,001,252	10,530,104

Risk exposure

Information about the Group's exposure to credit risk, foreign exchange risk and price risk is provided in Note 34.

Note 10: Restricted cash

	Consolidated	
	2016	**2015**
	US$	**US$**
Cash held in secured account	8,000,000	-
Total	**8,000,000**	**-**

Restricted cash is held in a deposit account that is secured against a bank guarantee given in respect of the Group's work commitments on the St Mary's block in Trinidad. The funds are freely transferrable but alternative collateral acceptable to the bank, would need to be put in place to replace the cash security.

Note 11: Trade and Other Receivables

	Consolidated	
	2016	**2015**
	US$	**US$**
Current		
Trade receivables (i)	375,348	672,331
Taxes receivable	3,960,541	3,820,265
Other debtors (ii)	3,373,820	3,145,825
Less provision for impairment	(3,089,443)	(2,489,443)
	4,620,266	5,148,978

Fair value approximates the carrying value of trade and other receivables at 30 June 2016 and 30 June 2015.

(i) Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date. Trade receivables are neither past due nor impaired.

(ii) Other debtors are comprised primarily of advances to unrelated third parties. Given the uncertainty over the likelihood of repayment these advances have been included within the provision for impairment raised at 30 June 2016 and 30 June 2015.

Risk exposure

Information about the Group's exposure to credit risk, foreign exchange risk and price risk is provided in Note 34.

Note 12: Other current assets

	Consolidated	
	2016 US$	**2015 US$**
Current		
Prepayments	178,158	352,724
Other assets	-	430,661
	178,158	783,385

Note 13: Assets held-for-sale

Assets classified as held for sale are as follows:

	Consolidated	
	2016 US$	**2015 US$**
Strait Oil & Gas Limited – 45% equity interest	1,250,000	5,000,000
Latin American Resources – 20% equity interest	-	1,000,000
Total	1,250,000	6,000,000
Movements in assets classified as held for sale are as follows:		
Opening net book amount	6,000,000	11,000,000
Transfer from investment in associate	-	2,179,358
Sold in period	-	(1,000,000)
Impairment loss relating to discontinued operations	(4,750,000)	(6,179,358)
Closing net book amount	1,250,000	6,000,000

Impairment losses of US$4,750,000 for write-downs of the disposal group to the lower of its carrying amount and its recoverable amount have been included in 'loss on discontinued operations' (see note 5 and note 36). The impairment losses have been applied to reduce the carrying amount of the assets held-for-sale within the disposal group. There is no cumulative income or expenses included in other comprehensive income relating to the disposal group.

Note 14: Financial assets available-for-sale

	Consolidated	
	2016 US$	**2015 US$**
Interest in other corporations	45,238	446,000
Total available-for-sale financial assets	45,238	446,000

Movement in financial assets available-for-sale		
Opening balance	446,000	876,347
Shares received on settlement of loan receivable	-	171,254
Shares sold in period	-	(947,601)
Transferred from other current assets	-	1,000,000
Impairment recognised in profit and loss	(400,762)	(654,000)
Closing balance	45,238	446,000

Available-for-sale financial assets comprise investments in the ordinary share capital of various entities. There are no fixed returns or fixed maturity date attached to these investments.

Risk exposure

Information about the Group's exposure to credit risk, foreign exchange risk and price risk is provided in Note 34.

Note 15: Controlled Entities

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with accounting policy described in Note 1(a).

Controlled Entities Consolidated	Country of Incorporation	Percentage Owned (%)	
		30 June 2016	30 June 2015
Subsidiaries of Range Resources Limited:			
Range Resources (Barbados) Limited	Barbados	100	100
SOCA Petroleum Limited	Barbados	100	100
West Indies Exploration Company Limited	Trinidad	100	100
Range Resources Trinidad Limited	Trinidad	100	100
Range Resources (Barbados) GY Limited	Barbados	100	100
Range Resources St. Mary's Limited	Trinidad	-	100
Range Resources GY Shallow Limited	Trinidad	100	100
Range Resources GY Deep Limited	Trinidad	100	100
Range Resources (Cayman) Limited	Cayman Islands	-	100
Range Resources HK Limited	Hong Kong	100	-
Range Resources Upstream Services Limited	United Kingdom	100	100

Note 16: Goodwill

Goodwill is measured as described in note 1(v). Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

The Group reported goodwill of US$28,985,014, which was derived from the acquisition of SOCA Petroleum Limited through the parent's subsidiary Range Resources (Barbados) Ltd.

	Goodwill	
	2016 US$	2015 US$
At 1 July 2015		
Cost	46,198,974	46,198,974
Impairment write down	(17,213,960)	-
Net book amount	28,985,014	46,198,974
Year ended 30 June 2016		
Opening net book amount	46,198,974	46,198,974
Additions-acquisition	-	-
Impairment charge	(17,213,960)	-
Closing net book amount	28,985,014	46,198,974

(a) Impairment tests for goodwill

During the year ending 30 June 2016, the Group recorded an impairment of US$17,213,960 with respect to goodwill. The impairment principally arose due to the lower oil price environment.

Note 16: Goodwill (continued)

Goodwill has been allocated for impairment testing purposes to a single cash-generating unit (CGU), identified according to operating segments, being Trinidad.

Estimates of the recoverable amount is based on an asset's value in use using a discounted cash flow method and is most sensitive to the following key assumptions:

- Obtaining all required approvals and permissions to undertake waterflood development
- Obtaining lease extensions until 2030
- P1 and P2 Recoverable reserves
- Commodity price of between US$43 and US$81 per barrel dependent on the year.
- Operating costs at 12%-43% of revenue, depending on oil price and production at that time.
- Post-tax discount rate of 11.1%

Economical recoverable reserves represent management's expectations at the time of completing the impairment testing and based on the reserves statements and exploration and evaluation work undertaken by appropriately qualified persons. A summary of the Company's Trinidad reserves and resources are published on the company's website.

The commodity price for oil was based on mean WTI forecast oil price data from a variety of different analysts and other sources. Estimates are US$43/bbl in 2016, US$57/bbl in 2017, US$66/bbl in 2018, US$66/bbl in 2019, US$67/bbl in 2020 and then escalating at 2% per annum for the remainder of the project.

Operating cost assumptions were based on FY17 budgets, actual costs incurred in FY16 and estimates of additional operating costs for waterflood activities received from LandOcean.

(b) Sensitivity to change of assumptions

An individual movement of 20% against any one key assumption would cause the carrying value of the cash generating unit to materially exceed its recoverable amount. An adverse movement of 20% in reserves and resources, commodity prices, operating costs, discount rate or capex would lead to an additional impairment of US$6.6million, US$34.4million, US$17.1million, US$8.3million and $10.1million respectively.

Any impairment charge in excess of the goodwill value would be applied against producing assets.

Note 17: Property, plant & equipment

Consolidated	Production equipment and access roads US$	Gathering station and field office US$	Leasehold improvement US$	Motor vehicle, furniture, fixtures & fittings US$	Total US$
Year ended 30 June 2015					
Opening net book amount	10,105,359	139,269	384,816	624,825	11,254,269
Foreign currency movement	143,202	(29,878)	(116,584)	2,167	(1,093)
Additions	1,413,411	23,543	24,181	115,163	1,576,298
Disposals	-			(3,100)	(3,100)
Disposal of subsidiary	(10,030,580)	-	-	(245,780)	(10,276,360)
Depreciation charge	(793,660)	(15,844)	(45,098)	(192,970)	(1,047,572)
Closing net book amount	837,732	117,090	247,315	300,305	1,502,442
At 30 June 2015					
Cost	5,206,843	529,326	556,333	1,235,929	7,528,431
Accumulated depreciation	(4,369,111)	(412,236)	(309,018)	(935,624)	(6,025,989)
Net book amount	837,732	117,090	247,315	300,305	1,502,442
Year ended 30 June 2016					
Opening net book amount	837,732	117,090	247,315	300,305	1,502,442
Foreign currency movement	(35,321)	(4,687)	(8,370)	(9,521)	(57,899)
Additions	1,140,919	-	-	68,887	1,209,806
Disposals	-	-	-	(11,799)	(11,799)
Depreciation charge	(173,165)	(14,284)	(24,645)	(101,228)	(313,322)
Closing net book amount	1,770,165	98,119	214,300	246,644	2,329,228
At 30 June 2016					
Cost	6,111,168	505,510	534,020	1,135,223	8,285,921
Accumulated depreciation	(4,341,003)	(407,391)	(319,720)	(888,579)	(5,956,693)
Net book amount	1,770,165	98,119	214,300	246,644	2,329,228

Note 18: Exploration and evaluation expenditure

	Consolidated 2016 US$	Consolidated 2015 US$
Opening net book amount	668,951	523,605
Additions	-	145,346
Foreign exchange	(23,150)	-
Closing net book amount	645,801	668,951

At 30 June 2016, the US$645,801 (30 June 2015 – US$668,951) capitalised exploration and evaluation expenditure relates to the interests of the Group in the Guayaguayare and St Mary's Blocks in Trinidad.

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

The recoverability of the carrying amount of exploration assets is dependent on the successful development and commercial exploitation or sale of the respective mining permits.

No capitalised costs (2015: US$145,346) have been included in the statement of cash flows from investing activities.

Note 19: Producing assets

	Consolidated 2016 US$	Consolidated 2015 US$
Cost	134,697,008	122,141,667
Accumulated amortisation	(39,619,926)	(31,791,175)
Net book value	95,077,082	90,350,492
Opening net book amount	90,350,492	82,517,820
Foreign currency movement	(1,747,957)	395
Additions	15,007,723	11,392,667
Impairment charge	(3,350,869)	-
Amortisation charge	(5,181,507)	(3,560,390)
Closing net book amount	95,077,882	90,350,492

Note 20: Trade and other payables

(a) Current

	Consolidated 2016 US$	Consolidated 2015 US$
Trade payables	1,048,601	4,991,035
Interest bearing trade payables	1,556,463	-
Sundry payables and accrued expenses	9,639,809	8,663,160
	12,244,873	13,654,195

(a) Non- current

	Consolidated 2016 US$	Consolidated 2015 US$
Interest bearing trade payables	13,998,006	-
Accrued expenses	9,765,999	-
	23,764,005	-

Risk exposure

Trade payables are non-interest bearing with the exception of debt due to LandOcean classed under interest bearing trade payables.
Information about the Group's exposure to credit risk, foreign exchange risk and price risk is provided in Note 34.

Note 21: Borrowings at fair value

(a) Borrowings at fair value	Consolidated 2016 US$	Consolidated 2015 US$
Opening balance	7,518,077	-
Proceeds from borrowings	-	5,500,000
Face value premium	-	2,250,000
Interest due on outstanding balance	137,920	330,577
Cash repayment	(7,655,997)	-
Repayment via equity	-	(562,500)
Closing net book amount	-	7,518,077

All amounts due to Lind were repaid during the year.

Note 21: Borrowings at fair value (continued)

(b) Option liability

	Consolidated 2016 US$	2015 US$
Option liability at fair value through profit or loss	835,714	808,083
	835,714	808,083

During 2016, no options were exercised prior to year-end and 367,143,136 options with a fair value of US$1,661,430 were issued to Beijing Sibo Investment Management LP under the share placement (refer Note 25). These options are recognised as a financial liability given the exercise price is stated in GPB. Total fair value movement recognised in P&L was a gain of US$1,633,799 (2015: US$127,883).

During the prior year 49,051,468 options with a face value of US$1,426,883 were exercised prior to year-end and 31,000,000 options with a fair value of US$172,926 were issued.

Note 22: Provision for rehabilitation

The Group records the present value of the estimated cost of legal and constructive obligations to restore operating locations in the period in which the obligation arises. The nature of restoration activities includes removal of facilities, abandonment of wells and restoration of affected areas.

	Consolidated 2016 US$	2015 US$
Provision for rehabilitation	740,268	734,858

Movement in the provision for rehabilitation during the financial year are set out below:

Carrying amount at the start of the year	734,858	696,224
Additional provision recognised	5,410	38,634
Carrying amount at the end of the year	740,268	734,858

Note 23: Deferred tax liability

	Fair value uplift on business combination	Accelerated depreciation	Total
	US$	US$	US$
Movements			
Year ended 30 June 2015			
Opening balance	35,010,572	9,365,461	44,376,033
Foreign currency movement	(1,041)	(32,147)	(33,188)
Disposal of subsidiary	(723,359)	(1,189,198)	(1,912,557)
Charged/(credited)			
- to profit or loss	(1,966,411)	2,895,322	928,911
Closing net book amount	**32,319,761**	**11,039,438**	**43,359,199**
Year ended 30 June 2016			
Opening balance	32,319,761	11,039,438	43,359,199
Foreign currency movement	-	(669,950)	(669,950)
Charged/(credited)			
- to profit or loss	(2,273,556)	7,145,919	4,872,363
Closing net book amount	**30,046,205**	**17,515,407**	**47,561,612**

As a result of business combination, at the date of acquisition a deferred tax liability has been recognised 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 the requirements of Australian Accounting Standard AASB 112 *Income Taxes*. The Group does not have a tax payable in relation to the deferred tax liability at 30 June 2016 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.

Note 24: Other non-current liabilities

	Consolidated	
	2016	2015
	US$	US$
Employee service benefits	422,315	521,257
	422,315	**521,257**

Risk exposure

Information about the Group's exposure to credit risk, foreign exchange risk and price risk is provided in Note 34.

Note 25: Contributed equity

	Consolidated 2016 US$	Consolidated 2015 US$
7,589,790,100 (2015: 5,767,169,188) fully paid ordinary shares	404,874,079	382,535,744
Share issue costs	(20,991,887)	(19,330,467)
	383,882,192	363,205,277

(a) Fully paid ordinary shares

	Consolidated 2016 No.	2016 US$	2015 No.	2015 US$
At the beginning of reporting period	5,767,169,188	382,535,744	4,521,201,870	364,567,692
Shares issued during year	1,822,620,912	22,338,335	1,245,967,318	17,968,052
Total contributed equity	7,589,790,100	404,874,079	5,767,169,188	382,535,744

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting of the Company, in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(b) Unissued Fully Paid Ordinary Shares

	2016 No.	2015 No.
Opening balance (i)	30,000,000	386,188,780
Issued in year (ii)	-	(356,188,780)
Cancelled in year (i)	(30,000,000)	-
Total contributed equity	-	30,000,000

(i) Under the terms of an agreement between shareholders in Strait, the Company was required to issue 30,000,000 shares to other investors in Strait upon the completion of the next well in the Georgia drilling programme or upon disposal of Range's shareholding in Strait. The obligation to issue shares to Strait has expired.

(ii) During the 2013 financial year, the company entered into a US$12 million financing facility with a Hong Kong based private institutional investor, Abraham Ltd. Under the terms of the subscription agreement, Abraham was to subscribe for shares in the Company in two US$6 million tranches, with the first tranche issued during the year, whilst the second tranche was to be issued following shareholder approval. Shareholder approval for the issue of shares for the US$6 million second tranche was sought and obtained at the General Meeting of the Company on 11th July 2014.

Note 25: Contributed equity (continued)

c) Movements in fully paid ordinary share capital

	Details	Number of shares	Issue price US$	US$
1 July 2015	**Opening balance**	**5,767,169,188**		**382,535,744**
	(Tranche 2) Share placement to Beijing Sibo Investment Management LP (i)	1,797,620,912	0.012	22,033,080
	Share placement to directors and employees	25,000,000	0.012	305,255
30 June 2016	**Closing balance**	**7,589,790,100**		**404,874,079**
1 July 2014	**Opening balance**	**4,521,201,870**		**364,567,692**
	Transfer from unissued	356,188,780	0.017	6,000,000
	Shares issued as loan repayment	58,440,891	0.010	562,500
	Shares issued upon option conversion	49,051,468	0.010-0.024	923,880
	Shares issued as Collateral Shares	38,000,000	0.008	300,979
	Shares issued to employees	19,987,481	0.013-0.040	580,458
	Shares issued in lieu of corporate advisory/ capital raising and loan commencement fees	74,298,698	0.009-0.037	1,633,315
	Issued to Beijing Sibo Investment Management LP	650,000,000	0.012	7,966,920
30 June 2015	**Closing balance**	**5,767,169,188**		**382,535,744**

(i)Under the share placement, the following options were issued (refer Note 21):

	Date of Expiry	Exercise Price	Number Under Option
Tranche 1	3 Sept 2019	£0.01	194,585,862
Tranche 2	3 Sept 2019	£0.02	172,557,274

	Consolidated 2016 No.	Consolidated 2015 No.
(d) Options		
At the beginning of reporting period	788,998,289	453,203,084
Options issued during year (refer Notes 21 and 31)	406,143,136	394,701,840
Options expired	(312,085,678)	(9,855,166)
Options exercised during year	-	(49,051,469)
Total options	883,055,747	788,998,289

Note 25: Contributed equity (continued)

At 30 June 2016, the unissued ordinary shares of Range Resources Limited under option are as follows:

Date of Expiry	Exercise Price	Number Under Option
11 July 2016	£0.037	5,000,000
25 July 2016	£0.021	476,190
29 July 2016	£0.021	952,381
31 August 2016	£0.021	6,714,284
31 August 2016	£0.020	9,000,000
30 September 2016	£0.019	3,947,368
30 September 2016	£0.018	8,666,670
31 October 2016	£0.018	694,445
31 October 2016	£0.017	2,205,885
31 October 2016	£0.016	1,250,000
31 October 2016	£0.015	17,333,336
30 November 2016	£0.015	3,000,001
30 November 2016	£0.013	5,153,846
11 December 2016	A$0.0321	2,000,000
31 December 2016	£0.012	2,000,000
31 December 2016	£0.011	5,000,000
31 January 2017	£0.075	5,180,000
31 January 2017	£0.011	23,636,364
9 September 2017	£0.03	7,500,000
15 October 2017	£0.01203	31,000,000
31 January 2018	A$0.05	1,000,000
14 July 2018	£0.01	161,472,247
14 July 2018	£0.02	118,729,593
31 August 2018	£0.01	14,000,000
3 September 2019	£0.01	194,585,862
3 September 2019	£0.02	172,557,274
30 March 2020	£0.01	80,000,000
Total number under option		**883,055,746**

The holders of these options do not have any rights under the options to participate in any share issues of the company.

During the year ended 30 June 2016, no ordinary shares of Range Resources Limited were issued on the exercise of options (2015: 49,051,468).

Note 26: Reserves

		Consolidated	
		2016	**2015**
		US$	**US$**
(a)	**Share-based payment reserve**		
	Balance 1 July	14,231,578	14,226,861
	Share based payment expenses (refer note 31)	250,847	2,157,038
	Expired options reclassified to retained earnings	(5,933,401)	(2,152,321)
	Balance 30 June	**8,549,024**	**14,231,578**

The share based payment reserve records items recognised as expenses on the fair valuation of shares and options issued as remuneration to employees, directors and consultants.

(b)	**Option premium reserve**		
	Balance 1 July	12,057,363	10,630,513
	Fair value movement of exercised options that were originally classified as a derivative liability	-	1,426,850
	Balance 30 June	**12,057,363**	**12,057,363**

The option premium reserve is used to recognise the grant date fair value of options.

(c)	**Foreign currency translation reserve**		
	Balance 1 July	3,459,939	3,004,632
	Currency translation differences arising during the year	160,799	455,307
	Balance 30 June	**3,620,738**	**3,459,939**

The foreign currency translation reserve is used to record exchange differences arising from the translation balances of foreign subsidiaries.

	Balance 30 June	**24,227,125**	**29,748,880**

Note 27: Commitments

Expenditure and Capital commitments

	Consolidated 2016 US$	2015 US$
Not later than 1 year	30,614,669	211,000
	30,614,669	211,000

Expenditure commitments for 2016 include the remaining expenditure due under Purchase Order 2.

Note 28: Contingent Liabilities and Contingent Assets

Colombian exploration licences

In January 2016, Range received notification from Agencia Nacional de Hidrocarburos ("ANH") in Colombia advising that the E&P licences over three exploration blocks (PUT-5, VSM-1 and VMM-7) had been revoked. The licences had been awarded to a Consortium of Optima Oil Corporation ("Optima") and the Company in December 2012. ANH alleges that various obligations and commitments agreed within the exploration licences have not been complied with and also that invalid letters of credit had been presented to ANH by Optima to support the minimum work obligations. The effect of revocation of the licences by ANH is: (i) expiry of the contracts, (ii) Range would be unable to enter into any further agreement with Colombian State for a period of 5 years, (iii) final settlement and liquidation of the licences, and (iv) joint and several liability of the Consortium partners to ANH for all sums due to ANH and for potential damages claim of up to the aggregate financial value of the work commitments of the Consortium for the three licences which totalled approximately US$53million. The value of the allegedly invalid letters of credit provided was approximately US$11million.

On 1 September 2016, Range received a demand notice from ANH addressed to the Consortium seeking payment of the full amount of the outstanding obligations due to ANH totalling up to approximately US$53million. The deadline for making the payment, or otherwise responding to ANH with a defence against the action, was 7 September 2016. A comprehensive response was subsequently submitted to ANH by the consortium on this date. This response addressed the numerous areas in which Range and the consortium object to the demand which was received from ANH.

A Joint Operating Agreement ("JOA") is in place amongst the Consortium partners. Under the terms of the JOA it was agreed between the Consortium that it was the sole responsibility of Optima to complete the minimum work obligations and to provide all necessary funding, including the provision of valid letters of credit in favour of ANH. Under the JOA, Range has an indemnity to recover from Optima any payment incurred by Range for any contractual obligations under the licences which were not paid by Optima. Range has engaged legal advisers in Colombia.

Range has no material assets in Colombia.

In addition to the ongoing work with legal advisers in Colombia, Range has sought advice from its Australian advisers regarding the ability of ANH to try and enforce a claim against Range in Australia (where Range is incorporated). The Company's legal advisers confirm that there is no provision in Australian law to enable either judgments of Colombian courts, or administrative orders of ANH to be recognised in Australia. If ANH did seek to make any claim in Australia it would be required to commence court proceedings in the Australian courts and to prove its entitlement to such claim. Range would have the right to defend such claim. Range has not received any claim from ANH in Australia and would defend itself against any such claim if ever received.

The Company continues to work with Optima and legal advisers to defend its position to the maximum extent possible and is considering what further action can be taken to challenge the actions taken by ANH. At this time Range cannot provide any indication of the likely timeline for any resolution to this matter, nor any likely financial impact.

Note 28. Contingent liabilities and contingent assets (continued)

Geeta Maharaj

Range has received an invoice from Geeta Maharaj, a Trinidad based attorney seeking payment of approximately US$1.9million. The invoice purports to relate to legal work undertaken during mid-2014 in the preparation of inter-company loan agreements. Range strongly refutes the amount of this purported invoice and intends to vigorously defend its position. Range has engaged Trinidad legal counsel to assist in this matter. Range considers that that the amount of the purported invoice is vastly excessive and is not payable.

Guayaguayare licence

On 21 May 2015, Range announced that it had signed an amendment agreement in respect of its interest in the Guayaguayare Block in Trinidad. As a result of the amended agreement, Range acquired the full interest of Niko Resources Ltd. (Niko), which is 32.5% in the Shallow and 40% in the Deep Production Sharing Contracts (PSCs). Following completion of the agreement, Range holds 80% interest in the Deep PSC and 65% interest in the Shallow PSC.

The consideration payable for the increased interest is contingent upon commercial discovery and subsequent production, whereby Range will pay Niko upon certain production milestones being achieved from the two PSCs, with the maximum payable of US$19 million based on production in excess of 10 million barrels. Range is currently unable to assess the likelihood of these milestones being met, and consequently, no provision has been raised.

The Directors are not aware of any further contingent liabilities or contingent assets as at 30 June 2016

Note 29: Segment reporting

30 June 2016	**Trinidad US$**	**Unallocated US$**	**Total US$**
Segment revenue			
Revenue from continuing operations	7,062,226	-	**7,062,226**
Revenue from discontinued operations	-	-	
Other income	5,983	45,210	**51,193**
Total revenue	7,068,209	45,210	**7,113,419**
Segment result			
Segment expenses	(43,323,546)	(6,580,238)	**(49,903,784)**
Loss before income tax	(36,255,337)	(6,535,028)	**(42,790,365)**
Income tax	(1,084,520)	-	(1,084,520)
Loss after income tax	(37,339,857)	(6,535,028)	**(43,874,885)**
Segment assets			
Segment assets(i)	144,249,237	13,843,405	**158,092,642**
Total assets	144,249,237	13,843,405	**158,092,642**
Segment liabilities			
Segment liabilities	81,191,617	4,663,893	**85,855,510**
Total liabilities	81,191,617	4,663,893	**85,855,510**

30 June 2015	**Trinidad US$**	**Unallocated US$**	**Total US$**
Segment revenue			
Revenue from continuing operations	13,152,954	-	**13,152,954**
Revenue from discontinued operations	-	238,194	**238,194**
Other income	-	428,588	**428,588**
Total revenue	13,152,954	666,782	**13,819,736**
Segment result			
Segment expenses	(23,162,985)	(19,467,998)	**(42,630,983)**
Loss before income tax	(10,010,031)	(18,801,216)	**(28,811,247)**
Income tax	(1,467,806)	-	**(1,467,806)**
Loss after income tax	(11,477,837)	(18,801,216)	**(30,279,053)**
Segment assets			
Segment assets(i)	144,457,523	17,458,496	**161,916,019**
Total assets	144,457,523	17,458,496	**161,916,019**
Segment liabilities			
Segment liabilities	49,846,696	17,045,866	**66,892,562**
Total liabilities	49,846,696	17,045,866	**66,892,562**

(i) Unallocated assets

Segment assets

	30 June 2016 US$	**30 June 2015 US$**
Cash	12,189,822	9,868,592
Assets held for sale	1,250,000	6,000,000
Other	403,583	1,589,904
Total segment assets	13,843,405	17,458,496

Note 29: Segment reporting (continued)

(a) Other segment information

	Consolidated 2016 US$	Consolidated 2015 US$
Segment other revenue – all other segments		
Other income	45,210	428,588
	45,210	428,588
Segment result – all other segments		
Equity based payments	-	2,157,037
Directors' and officers' fees and benefits	500,229	999,571
Impairment of available for sale asset	400,762	496,958
Share based payments – employee and consultant shares	188,969	580,455
Discontinued operations	3,880,000	7,935,352
Other expenses	1,610,278	7,298,625
	6,580,238	19,467,998

Accounting policies

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The chief operating decision maker is the Chief Executive Officer and through this role the Board of Directors.

Following the adoption of AASB 8, the identification of the Group's reporting segments remain consistent with prior periods, with management allocating resources to segments on a geographical basis.

Information regarding these segments is presented above. The accounting policies of the reportable segments are the same as those of the Group. Segment information is prepared in conformity with the accounting policies of the entity as disclosed in Note 1.

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of cash, receivables, plant and equipment, exploration expenditure capitalised and development assets net of accumulated depreciation and amortisation. While most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment disclosures do not include deferred income taxes.

Revenue from discontinued operations from Texas of nil (2015: US$238,194) was derived from several customers who each account for greater than 10% of this amount. Revenue from Trinidad of US$7,062,226 (2015: US$13,152,954) is derived from the subsidiary's sole customer, which is Petroleum Company of Trinidad and Tobago Limited.

Intersegment transfers

Segment revenues, expenses and results do not include any transfers between segments.

Note 30: Cash flow information

Reconciliation of cash flow from operations with loss after income tax

	Consolidated 2016 US$	Consolidated 2015 US$
Loss after income tax	(43,874,885)	(30,279,054)
Non-cash flows in profit		
Depreciation	5,490,676	4,766,581
Share based payment- consultants and employees	250,847	2,737,443
Impairment of non-current assets	20,564,829	-
Finance costs (non-cash)	(1,633,799)	2,107,281
Impairment of available for sale assets	400,762	654,000
Loss on sale of subsidiary	-	1,593,766
Loss on sale of PPE	-	3,100
Foreign exchange (gain)/loss	1,768,479	(124,789)
Impairments recognised on held for sale assets	4,750,000	6,779,476
Share of net loss of associate	-	-
Net loss on sale of available for sale financial assets	-	496,958
Other non-cash items		-
Decrease in other current assets	605,227	375,820
Decrease/(increase) in trade and other receivables	528,712	(608,228)
(Increase)/decrease in deferred tax asset	(3,673,112)	175,634
(Decrease)/increase in trade and other payables	(1,409,322)	162,554
Increase in accrued interest	-	2,830,577
Decrease in income tax payable	(10,170)	(13,442)
Increase in deferred tax liabilities	4,202,416	1,097,078
(Decrease)/increase in provisions	(93,532)	289,981
Increase in non-current operating payables	7,946,837	-
Net cash (outflow)/inflow from operations	(4,186,035)	(6,955,264)

Non-cash investing and financing activities

	Consolidated 2016 US$	Consolidated 2015 US$
Repayment of borrowings:		
Through issue of shares	-	562,500
Share issued as share based payments or finance or capital raising costs	1,661,430	4,844,724

Note 31: Share-based payments

The following share-based payment arrangements occurred during the financial year ended at 30 June 2016.

Quantity	**Security**	**US$ Value**	**Purpose**
81,500,000(i)	Unlisted options	106,278	Options issued to employees

(i) Includes 42,500,000 options to be granted once shareholder approval obtained

The value of options have been expensed to the profit and loss on a proportionate basis for each financial year from grant to vesting date.

Note 31: Share-based payments (continued)

The following share-based payment arrangements occurred during the financial year ended at 30 June 2015.

Quantity	Security	US$ Value	Purpose
19,987,481	Fully paid ordinary shares	580,406	Shares issued to employees and consultants
42,742,654	Unlisted options	1,176,524	Options issued in lieu of consulting fee
75,000,000	Unlisted options	85,464	Options issued to Directors in period
7,500,000	Unlisted options	895,049	Options issued in lieu of consulting fees

The fair value at grant date of unlisted options is independently determined using a Black Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Employee option plan

Current year

The following options were issued to key management personnel, employees and consultants:

Name	Number of options	Grant date	Expiry Date
Key management personnel	25,000,000	1 September 2015	30 March 2020
Employees and consultants	14,000,000	1 September 2015	31 August 2018
Key management personnel (i)	42,500,000	25 May 2016	30 March 2020

(i) options to be granted once shareholder approval obtained

The options have an exercise price of £0.01 per share.

The vesting conditions of the options issued to key management personnel are as follows:

(a) 25% became exercisable on 31 March 2016
(b) 25% will become exercisable upon the Company reaching production of 1,500 barrels of oil per day for a continuous 15 day period in Trinidad
(c) 25% will become exercisable upon the Company reaching production of 2,500 barrels of oil per day for a continuous 15 day period in Trinidad
(d) 25% will become exercisable upon the Company reaching production of 4,000 barrels of oil per day for a continuous 15 day period in Trinidad

Note 31: share-based payments (continued)

The vesting conditions of the options issued to employees and consultants are as follows:

(a) 33% will become exercisable upon the Company reaching production of 1,500 barrels of oil per day for a continuous 15 day period in Trinidad
(b) 33% will become exercisable upon the Company reaching production of 2,500 barrels of oil per day for a continuous 15 day period in Trinidad
(c) 34% will become exercisable upon the Company reaching production of 4,000 barrels of oil per day for a continuous 15 day period in Trinidad

Options granted 1 September 2015

The value per option at the grant date was 0.56 cents for key management personnel options and 0.45 cents for employee options, determined using the Black Scholes option price model using the following key inputs:

Volatility: 100%	Probability of meeting vesting conditions: 100%
Risk free rate: 1.92%	Exercise price: £0.01
USD/GBP exchange rate: 0.6509	Share price on grant date £0.0057

Options granted 25 May 2016

The fair value of options to be granted have been estimated at 30 June 2016 at 0.30 cents using the Black Scholes options pricing model using the following key inputs:

Volatility: 100%	Probability of meeting vesting conditions: 100%
Risk free rate: 1.92%	Exercise price: £0.01
USD/GBP exchange rate: 0.7468	Share price on grant date £0.0037

Year ended 30 June 2015

During the previous year the following options were issued to Directors and employees:

Name	Number of options
Mr Yan Liu	30,000,000
Mr David Chen	30,000,000
Mr Zhiwei Gu	7,500,000
Ms Juan Wang	7,500,000

The vesting conditions of these options are as follows:

(a) 25% will become exercisable on the date that is one year from the issue date (27 March 2016)
(b) 25% will become exercisable upon the Company reaching production of 1,500 barrels of oil per day for a continuous 15 day period in Trinidad
(c) 25% will become exercisable upon the Company reaching production of 2,500 barrels of oil per day for a continuous 15 day period in Trinidad
(d) 25% will become exercisable upon the Company reaching production of 4,000 barrels of oil per day for a continuous 15 day period in Trinidad

During the year 20,000,000 options were cancelled following Yan Liu's change in position from executive to non-executive director. An amount of US$22,791 was reversed in the current year.

Note 31: share-based payments (continued)

Expenses recognised in the profit & loss
During the year, share-based payments recognised in profit and loss amounts to US$250,847 (2015: US$2,157,037)

	2016 Number	Average exercise price US$	2015 Number	Average exercise price US$
As at 1 July	788,998,289	0.047	453,203,083	0.060
Granted during year:				
Under employee option plan	39,000,000	0.013	75,000,000	0.016
Other options issued	367,143,136	0.019	319,701,840	0.019
Exercised	-	-	(49,051,468)	0.017
Forfeited	(312,085,678)	0.045	(9,855,166)	
As at 30 June	**883,055,747**	**0.019**	**788,998,289**	**0.023**
Vested and exercisable at 30 June	823,055,747	0.019	713,998,289	0.047
Weighted average remaining contractual life options outstanding at end of period	682 days		673 days	

Note 32: Related party transactions

(a) Parent entity
The ultimate Parent Entity and ultimate Australian Parent Entity within the Group is Range Resources Limited.

(b) Subsidiaries
Interests in subsidiaries are set out in Note 15.

(c) Transactions with Key Management Personnel

The following transactions occurred during the year with Key Management Personnel or their related parties:

	2016 US$	2015 US$
Consulting fees paid or payable to Soncer Limited, a company owned by Mr Graham Lyon, for the provision of corporate advisory and capital raising services (i)	-	12,794
Consulting fees paid or payable to DNR Consulting, a company owned by Mr David Rieke, for the provision of corporate advisory and services (ii)	-	13,486
Balances at year end to related parties:		
David Chen and related entities	12,267	-
Lubing Liu and related entities	10,375	-
Dr Yi Zeng	1,042	-
Kiki Wang and related entities	2,500	-
Kerry Gu and related entities	20,833	-
Sir Sam Jonah (i)	152,943	191,440
Marcus Edwards-Jones (i)	-	33,566
Soncer Limited (i)	1,519	18,442

(i) These were related parties throughout the prior financial year until 28 November 2014.

(ii) David Rieke was a related party throughout the prior financial year until 11 December 2014.

Note 32: Related party transactions (continued)

(d) Key Management Personnel compensation

	Consolidated	
	2016	**2015**
	US$	**US$**
Short–term benefits	561,467	778,338
One-off payment	15,700	-
Post-employment benefits	24,246	28,152
Termination benefits	-	150,253
Share based payments	234,424	85,464
Total	835,837	1,042,207

Note 33: Parent entity information

The following details information related to the Parent Entity Range Resources Limited, at 30 June 2016. The information presented here has been prepared in accordance using consistent accounting policies as presented in Note 1.

	2016	**2015**
	US$	**US$**
Current assets	17,142,499	15,290,123
Non-current assets	59,743,582	97,208,375
Total assets	76,886,081	112,498,498
Current liabilities	4,648,918	15,333,201
Total liabilities	4,648,918	15,333,201
Contributed equity	383,882,182	363,205,245
Accumulated losses	(335,088,153)	(295,165,636)
Reserves	23,443,134	29,125,688
Total equity	72,237,163	97,165,297
Loss for the year from continuing operations	(40,975,917)	(29,028,556)
Loss for the year from discontinued operations	(4,880,000)	(7,355,641)
Total loss for the year	(45,855,917)	(36,384,197)
Other comprehensive loss for the year	-	-
Total comprehensive loss for the year	(45,855,917)	(36,384,197)

The contingent liabilities of the parent are included within those of the Group as disclosed in Note 28.

The contractual commitments of the parent are included within those of the Group as disclosed in Note 27.

Note 34: Financial risk management

The Group has exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed to reflect changes in market conditions and the Group's activities. The Group, through training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all consultants and agents understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Group if counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's investments, receivables and cash held at financial institutions.

Credit risk is managed on a group basis. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The credit quality of financial assets that are neither past due or impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

	Consolidated	
Cash at bank, restricted deposits and short-term bank deposits (S&P ratings)	**2016 US$**	**2015 US$**
AAA	155,801	-
AA-	4,635,076	9,868,592
A+	719,460	-
BBB+	95,205	661,512
BBB-	7,382,980	-
Not rated	8,012,730	-
	21,001,252	10,530,104

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	Consolidated	
	2016 US$	**2015 US$**
Trade and other receivables [(i)]	4,620,266	5,148,978
Cash and cash equivalents	13,001,252	10,530,104
Restricted deposits	8,000,000	-
	25,621,518	15,679,082

(i) Counterparties without an external credit rating

Note 34: Financial risk management (continued)

Loans and receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each debtor. No collateral was held in relation to these receivables.

Impairment losses

Impairment loss US$600,000 was recognised in relation to other receivables respectively in the year. During the prior year, an impairment of US$17,937 on trade and other receivables were recognised.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group uses activity-based costing to cost its activities, which assists in monitoring cash flow requirements and optimising its cash return on investments. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 12 months; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following are contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

Group 2016	**Carrying amount**	**Contractual cash flows**	**6 months or less**	**6 – 12 months**	**1-2 years**	**2-5 years**
Financial liabilities at amortised cost						
Trade and other payables	36,008,878	38,540,925	8,906,905	3,493,614	15,397,807	10,742,599
	36,008,878	38,540,925	8,906,905	3,493,614	15,397,807	10,742,599

Group 2015	**Carrying amount**	**Contractual cash flows**	**6 months or less**	**6 – 12 months**	**1-2 years**	**2-5 years**	**Over 5 years**
Financial liabilities at amortised cost							
Trade and other payables	11,998,340	11,998,340	11,998,340	-	-	-	-
Borrowings	7,518,077	7,518,077	7,518,077	-	-	-	-
	19,516,417	19,516,417	19,516,417	-	-	-	-

Note 34: Financial risk management (continued)

Market risk

Market risk is the risk that changes in market prices, such as interest rates and equity prices will affect the Group's income or the value of its holdings of available for sale assets. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Equity price risk

The Group is exposed to equity securities price risk. This arises from investments held by the Group and classified on the statement of financial position as available for sale as well as from the option liability held as a current liability.

A 10% increase in Range's share price would result in an increase to the option liability of US$190,323. A decrease would have had the equal but opposite effect.

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar, AU dollar, TT Dollar and British pound.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The Group's treasury risk management policy is to closely monitor exchange rate fluctuations. To date, the Group has not sought to hedge its exposure to fluctuations in exchange rates, however this policy will be reviewed on an ongoing basis.

The Group's exposure to foreign currency risk at the reporting date was as follows:

	Consolidated		**Consolidated**	
	2016 AUD	**2015 AUD**	**2016 GBP**	**2015 GBP**
Cash	209,285	272,621	585,596	242,304
Amount payable to other entities	(119,549)	(1,159,133)	(44,725)	(362,135)
	89,736	(886,512)	540,871	(119,831)

Sensitivity

Based upon the amounts above, had the Australian dollar strengthened by 10% against the US dollar with all other variables held constant, the Group post-tax loss for the year on current amounts receivable/payable would have been US$35,798 higher (2015: US$67,885 higher), mainly as a result of foreign exchange gains/losses on translation of AUD denominated payables as detailed in the table above. A 10% weakening of the Australian dollar against the above currencies at 30 June would have had the equal but opposite effect, on the basis that all other variables remain constant.

The Trinidad entities are minimally exposed to foreign exchange risk arising from various currencies, primarily with respect to the United States Dollar.

Note 34: Financial risk management (continued)

Interest rate risk

The group's main interest rate risk arises from non-current receivables. Non-current receivables issued at fixed rates expose the group to fair value interest rate if the loans are carried at fair value. During 2016 and 2015, the group loan receivables were denominated in Australian Dollars, British Pounds and US Dollars.

Profile

At the reporting date, the interest rate profile of the Group's financial instruments which exposes the group to cash flow interest rate risks are:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Maturing		Non-interest bearing		Total	
	2016 %	2015 %	2016 US$	2015 US$	2016 US$	2015 US$	2016 US$	2015 US$	2016 US$	2015 US$
Financial Assets:										
Cash and cash equivalents	0.35%	0.10%	13,001,252	10,530,104	-	-	-	-	13,001,252	10,530,104
Restricted deposits	0.25%	-	8,000,000	-	-	-	-	-	8,000,000	-
Trade and other receivables	-	-	-	-	-	-	4,620,266	5,148,978	4,620,266	5,148,978
Available for sale financial assets	-	-	-	-	-	-	45,238	446,000	45,238	446,000
Non-current receivables	-	-	-	-	-	-	-	-	-	-
Total Financial Assets		**0.10%**	**21,001,252**	**10,530,104**	**-**	**-**	**4,665,504**	**5,594,978**	**25,666,756**	**16,125,082**
Financial Liabilities:										
Trade and other payables	10%	-		-	25,320,468		10,688,410	11,998,340	36,008,878	11,998,340
Borrowings	-	35%	-	-		7,518,077	-	-	-	7,518,077
Total Financial Liabilities		**35%**		**-**	**25,320,468**	**7,518,077**	**10,688,410**	**11,998,340**	**36,008,878**	**19,516,417**

Note 34: Financial risk management (continued)

Sensitivity analysis for variable rate instruments

The sensitivity on interest rates for 2016 and 2015 assumes a change of 100 basis points in the interest rates at the reporting date and would have increased / (decreased) profit and loss by the amounts shown. Both analyses for each year assume that all other variables, in particular foreign currency rates, remain constant.

Group	Weighted Average Interest Rate %	2016 +100 bps US$	2016 -100 bps US$	Weighted Average Interest Rate %	2015 +100 bps US$	2015 -100 bps US$
Variable rate instruments						
Financial assets (cash and cash equivalents)	0.31%	-	-	0.10%	-	-
Financial assets (loan and receivables)	-	-	-	-	-	-

Fair values versus carrying amounts

The fair value of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

Group	30 June 2016 US$		30 June 2015 US$	
	Carrying amount	Fair value	Carrying amount	Fair value
Available-for-sale financial assets	45,238	45,238	446,000	446,000
Trade and other receivables	4,620,266	4,620,266	5,148,978	5,148,978
Cash and cash equivalents	13,001,252	13,001,252	10,530,104	10,530,104
Restricted deposits	8,000,000	8,000,000	-	-
Trade and other payables	(36,008,878)	(36,008,878)	(11,998,340)	(11,998,340)
Borrowings	-	-	(7,518,077)	(7,518,077)
	(10,342,122)	**(10,342,122)**	**(3,391,335)**	**(3,391,335)**

The basis for determining fair value is disclosed in Note 1(n).

Other price risk

The Group is not exposed to any other price risks.

Capital management

The entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The entity's overall strategy remains unchanged from 2015.

The capital structure of the group consists of cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued capital, reserves and accumulated losses as disclosed in Notes 25 and 26 respectively. None of the entities within the group are subject to externally imposed capital requirements.

Note 34: Financial risk management (continued)

Gearing ratio

The Board reviews the capital structure on an annual basis. As a part of this review the Board considers the cost of capital and the risks associated with each class of capital

	Consolidated	
	2016 US$	2015 US$
Financial assets		
Cash and cash equivalents	13,001,252	10,530,104
Financial liabilities		
Trade and other payables	(36,008,878)	(11,998,340)
Borrowings	-	(7,518,077)
Net assets / (debt)	**(23,007,626)**	**(8,986,313)**
Equity	72,237,132	95,023,456
Net debt to equity ratio	**31.9%**	**9.5%**

Categories of financial instruments

	Consolidated	
	2016 US$	2015 US$
Financial assets		
Cash and cash equivalents	13,001,252	10,530,104
Trade and other receivables	4,620,266	5,148,978
Available-for-sale financial assets	45,238	446,000
	17,666,756	**16,125,082**
Financial liabilities		
Trade and other payables	36,008,878	11,998,340
Borrowings	-	7,518,077
Option liability	835,714	808,083
	36,844,592	**20,324,500**

The carrying amount reflected above represents the Group’s maximum exposure to credit risk for such loans and receivables.

Note 35: Fair value measurement of financial Instruments

(a) Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1),
(b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2), and
(c) Inputs for the asset or liability that are not based on observable market data (unobservable inputs (level 3).

The following table presents the Group's financial assets and financial liabilities measured and recognised at fair value at 30 June 2016 and 30 June 2015 on a recurring basis:

At 30 June 2016	**Level 1 US$**	**Level 2 US$**	**Level 3 US$**	**Total**
Assets				
Available for sale financial assets				
Equity securities	-	-	45,238	45,238
Total assets	**-**	**-**	**45,238**	**45,238**
Liabilities				
Option liability at fair value through profit or loss	-	835,714	-	835,714
Total liabilities	**-**	**835,714**	**-**	**835,714**

At 30 June 2015	**Level 1 US$**	**Level 2 US$**	**Level 3 US$**	**Total**
Assets				
Available for sale financial assets				
Equity securities	-	-	446,000	446,000
Total assets	**-**	**-**	**446,000**	**446,000**
Liabilities				
Option liability at fair value through profit or loss	-	808,083	-	808,083
Borrowings	-	7,518,077	-	7,518,077
Total liabilities	**-**	**8,326,160**	**-**	**8,326,160**

The fair value of financial instruments in active markets such as available for sale securities is based on quoted market bids at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the end of the reporting period. There were no transfers between the levels of the fair value hierarchy during the year ended 30 June 2016.

(b) Fair values of other financial instruments

The Group has no financial instruments which are not measured at fair value in the consolidated statement of financial position. Due to their short term nature, the carrying amounts of the current receivables, current payables, current borrowings, and current other financial liabilities is assumed to approximate their fair value.

Note 36: Fair value measurement of non-financial instruments

(a) Non-recurring fair value measurements

Assets classified as held for sale at 30 June 2016 were measured at fair value less costs to sell in accordance with the Group's accounting policy.

Fair value less costs to sell has been determined based upon offers received from independent third parties to acquire the assets. Due to the way the third party offers are structured, the fair values of assets held for sale has been assessed as a Level 3 measurement as per the fair value hierarchy set out above.

Significant estimates made in determining the fair value of held for sale assets are as follows:

Strait Oil & Gas Limited

The Group made the decision to divest its interest in Strait in June 2014 and the Group is in the process of marketing its equity interest in Strait. The Group is optimistic that a buyer will be found for this asset. In the absence of a fully executed sale agreement at the report date the Group has chosen to write down the value of its interest in Strait to US$1.25million which is considered by the Company to be a fair market value for the level of cash consideration which may be received upon closing of a sale. This valuation is based upon expressions of interest received and negotiations which have taken place with potential purchasers.

(b) Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(d) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1),
(e) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2), and
(f) Inputs for the asset or liability that are not based on observable market data (unobservable inputs (level 3).

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the end of the reporting period. There were no transfers between the levels of the fair value hierarchy during the year ended 30 June 2016.

The following table presents the Group's non-financial instruments measured and recognised at fair value at 30 June 2016 on a non-recurring basis:

At 30 June 2016	**Level 1 US$**	**Level 2 US$**	**Level 3 US$**	**Total**
Assets				
Assets classified as held for sale				
Strait Oil & Gas Limited	-	-	1,250,000	1,250,000
Total assets	**-**	**-**	1,250,000	1,250,000

At 30 June 2015	**Level 1 US$**	**Level 2 US$**	**Level 3 US$**	**Total**
Assets				
Assets classified as held for sale				
Strait Oil & Gas Limited	-	-	5,000,000	5,000,000
Latin American Resources			2,179,358	2,179,358
Total assets	**-**	**-**	7,179,358	7,179,358

Note 37: Events after the reporting date

On 1 September 2016, Range received a demand notice from ANH addressed to the Consortium of Optima Oil Corporation and Range Resources Limited seeking payment of the full amount of the outstanding obligations due to ANH in relation to Range's Colombian assets totalling up to approximately US$53million. For further details on this matter, please refer to Note 28.

Note 38: New accounting Standards and interpretations

Australian accounting Standards/amendments released but not yet effective: 30 June 2016 year end

Certain new accounting Standards and Interpretations have been published that are not mandatory for 30 June 2016 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new Standards and Interpretations is set out below. In all cases the Group intends to apply these standards from the application date as indicated in the table below.

Reference	Title	Standard application date	Group application date	Key Requirements	Impact
AASB 9	Financial Instruments	1 January 2018	1 July 2018	AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In December 2014, the AASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the financial instruments standard.	There will be no significant impact on the Group on the adoption of this standard.
AASB 15	Revenue from Contracts with Customers	1 January 2018	1 July 2018	The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer,	Management is currently assessing the impact of the new rules. At this stage, the Group is not able to estimate the impact of the new rules on the Group's financial statements. The Group will make

				so the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise any applicable transitional adjustments in retained earnings on the date of the initial application without restating the comparative period. Entities will only need to apply the new rules to contracts that are not completed as of the date of initial application.	more detailed assessments of the impact over the next 12 months.
AASB 2015-2	Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101	1 January 2016	1 July 2016	This standard makes amendments to AASB 101 Presentation of Financial Statements arising from the IASB's Disclosure Initiative Project. The amendments are designed to further encourage companies to apply professional judgment in determining what information to disclose in the financial statements. The amendments also clarify that companies should use professional judgment in determining where and in what order in formation is to be presented in the financial disclosures.	There will be no significant impact on the Group on the adoption of this standard. The Group is currently conducting an exercise of reviewing financial report disclosures.
AASB 16	Leases	1 January 2019	1 July 2019	The key features of AASB 16 are as follows: Lessee accounting • Lessees are required to recognise assets and liabilities for all leases with a term of	To the extent that the entity, as lessee, has significant operating leases

				more than 12 months, unless the underlying asset is of a low value. • A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities. • Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments, and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. • AASB 16 contains disclosure requirements for leases. Lessor accounting • AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. • AASB 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk.	outstanding at the date of initial application, 1 July 2019, right-of-use assets will be recognised for the amount of the unamortised portion of the useful life, and lease liabilities will be recognised at the present value of the outstanding lease payments. Thereafter, earnings before interest, depreciation, amortisation and tax (EBITDA) will increase because operating lease expenses currently included in EBITDA will be recognised instead as amortisation of the right-of-use asset, and interest expense on the lease liability. However, there will be an overall reduction in net profit before tax in the early years of a lease

					because the amortisation and interest charges will exceed the current straight-line expense incurred under AASB 117 Leases. This trend will reverse in the later years. There will be no change to the accounting treatment for short-term leases less than 12 months and leases of low value items, which will continue to be expensed on a straight-line basis.
AASB 2016-1	Amendments to Australian Accounting Standards - Recognition of Deferred Tax Assets for Unrealised Losses (AASB 112)	1 January 2017	1 July 2017	This standard amends AASB 112 Income Taxes to clarify the requirements on recognition of deferred tax assets for unrealised losses on debt instruments measured at fair value.	There will be no significant impact on the Group's results on the adoption of this standard.
AASB 2016-2	Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 107	1 January 2017	1 July 2017	This standard amends AASB 107 Statement of Cash Flows to require entities preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.	There will be no significant impact on the Group's results on the adoption of this standard.

There are no other standards that are not yet effective and that would be expected to have a material impact on Range in the current or future period and on foreseeable future transactions.

Note 39: Company details

The registered office of the company is:

Ground Floor, BGC Centre
28 The Esplanade
Perth WA 6000
Australia
Telephone: +61 8 6205 3012
Facsimile: +61 8 6316 2211

The principal place of business is:

Ground Floor, BGC Centre
28 The Esplanade
Perth WA 6000
Australia
Telephone: +61 8 6205 3012
Facsimile: +61 8 6316 2211

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, accompanying notes, are in accordance with the Corporations Act 2001 and:
   (a) comply with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
   (b) give a true and fair view of the Group's financial position as at 30 June 2016 and of its performance for the year ended on that date.
2. The company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
3. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
4. The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

Zhiwei Gu
Chairman
30 September 2016

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Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Range Resources Limited

Report on the Financial Report

We have audited the accompanying financial report of Range Resources Limited, which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Range Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation *other than for the acts or omissions of financial services licensees*

Opinion

In our opinion:

(a) the financial report of Range Resources Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 33 to 41 of the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Range Resources Limited for the year ended 30 June 2016 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO

Jarrad Prue

Director

Perth, 30 September 2016

Range Resources Ltd and Controlled Entities

Audited financial statements for the 12 months ended June 30, 2017

Remuneration Report (Audited)

This report details the nature and amount of remuneration for each director of Range Resources Limited.

Remuneration policy

The remuneration policy of Range has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Board of Range Resources Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Group, as well as create alignment of goals between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives of the Company is as follows:

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed and approved by the Board.

Non-executive directors, executive directors and senior executives receive a base salary (which is based on factors such as length of service and experience), which is calculated on a total cost basis and includes any FBT charges related to employee benefits including motor vehicles, as well as employer contributions to superannuation funds where applicable.

Executive and non-executive directors can be employed by the Company on a consultancy basis on Board approval, with remuneration and terms stipulated in individual consultancy agreements.

The Board exercises its discretion in determining remuneration performance of executives. Given the size and nature of the entity, the Board does not deem it to be realistic to measure performance against defined criteria. As such remuneration and performance have historically not been linked.

All remuneration paid to directors and executives is valued at the cost to the Company and expensed. Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Unlisted options are valued using the Black-Scholes methodology.

The Board policy is to remunerate non-executive directors at market rates for comparable companies taking into consideration time, commitment and level of responsibility. As approved by shareholders on 30 November 2011, the aggregate non-executive remuneration per annum is currently A$350,000 (US$260,555). The Remuneration and Nomination Committee determines payments to the non-executive directors and reviews their remuneration annually. Independent external advice is sought when required. Fees for non-executive directors are not linked to the performance of the Group. The directors are not required to hold any shares in the Company under the Constitution of the Company; however, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

Options may be issued to directors and executives as part of remuneration. Options issued to directors historically were not based on performance criteria. However, the options issued to the current directors on 27 March 2015 and the Key Management Personnel on 1 September 2015 and November 2016, principally vest upon satisfaction of set company performance criteria detailed in Note 31.

Under the Company's share trading policy, all employees and directors of the Company and its related companies are prohibited from trading in the Company's shares or other securities if they are in possession of inside information.

The Board believes that it has implemented suitable practices and procedures that are appropriate for an organisation of this size and maturity.

Remuneration committee

A Remuneration Committee was established during the year ended 30 June 2015. An annual review of remuneration is generally undertaken, however no review was undertaken during the reporting period. The Board is intending to take a comprehensive review during late 2017.

Company performance, shareholder wealth and directors and executives remuneration

No relationship exists between shareholder wealth, director and executive remuneration and Company performance.

Voting and comments made at the company's 2016 Annual General Meeting

Range Resources Limited received 99% of "yes" votes on its remuneration report for the 2016 financial year, which is in line with the previous year and the Board believes that this reflects the conservative remuneration practices of the company.

Key Management Personnel

Name	Position	Appointed/Resigned
Mr Zhiwei Gu	Non-Executive Chairman	appointed 25 May 2016
	Non-Executive Director	appointed 11 December 2014 resigned 25 May 2016
Mr Yan Liu	Executive Director, Chief Executive Officer	appointed 25 May 2016
Ms Juan Wang	Non-Executive Director	appointed 30 November 2014
Mr Yu Wang	Non-Executive Director	appointed 30 September 2015
Mr Lubing Liu	Non-Executive Director	appointed 16 June 2016
Dr Yi Zeng	Non-Executive Director	appointed 16 June 2016
Mr David Yu Chen	Non-Executive Chairman	appointed 30 November 2014 resigned 25 May 2016
	Non-Executive Director	appointed 25 May 2016 resigned 24 November 2016
Mr Nick Beattie	CFO & Company Secretary	appointed 23 May 2014 (as CFO) and 30 March 2015 (as Company Secretary)
Ms Sara Kelly	Company Secretary	appointed 7 January 2015
Mr Lijun Xiu	Vice President of Operations and Production	appointed 29 September 2016

Details of remuneration

The remuneration for the Key Management Personnel of the Group during the year was as follows:

2017	Short Term Benefits			Post-employment benefits	Share based payments	Total
	Cash salary & fees	One-off payment	Termination benefits	Super annuation / pensions	Options	
Currency	US$	US$	US$	US$	US$	US$
Director's & Officers						
Mr Gu (i)	250,000	-	-	-	21,515	271,515
Mr Y Liu	162,031	-	-	16,203	23,971	202,205
Mr Chen	12,918	-	38,750	-	(62,942)	(11,274)
Ms Wang (ii)	105,000	-	-	-	1,558	106,558
Mr L Liu (iii)	64,660	-	-	-	-	64,660
Dr Zeng	25,000	-	-	-	-	25,000
Mr Beattie	171,116	-	-	17,112	23,041	211,269
Mr Xiu (iv)	116,000	104,000	-	-	7,096	227,096
Total:	**906,725**	**104,000**	**38,750**	**33,315**	**14,239**	**1,097,029**

(i) Fees paid to Mr Gu comprised US$30,000 received in his capacity as a non-executive director, US$25,000 in his role as Chairman and US$195,000 for additional consulting work.

(ii)Fees paid to Ms Wang comprised US$30,000 received in her capacity as a non-executive director and US$75,000 received for additional consulting work.

(iii) Fees paid to Mr L Liu comprised US$25,000 received in his capacity as a non-executive director and US$39,660 received for additional consulting work.

(iv) Fees paid to Mr Xiu comprised US$60,000 received in his capacity as a Vice President of Operations and Production and US$56,000 plus a one-off payment of $104,000 received for additional consulting work.

2016	Short Term Benefits			Post-employment benefits	Share based payments	Total
	Cash salary & fees	One-off payment	Termination benefits	Super annuation / pensions	Options	
Currency	US$	US$	US$	US$	US$	US$
Director's & Officers						
Mr Gu	53,065	-	-	-	38,317	91,382
Mr Y Liu	113,605	-	-	3,052	50,120	166,777
Mr Chen	141,437	-	-	-	67,058	208,495
Ms Wang	30,000	-	-	-	16,764	46,764
Mr Wang	-	-	-	-	-	-
Mr L Liu	10,375	-	-	-	-	10,375
Dr Zeng	1,042	-	-	-	-	1,042
Mr Beattie	211,943	15,700	-	21,194	62,165	311,002
Total:	**561,467**	**15,700**	**-**	**24,246**	**234,424**	**835,837**

Equity instrument disclosures relating to Key Management Personnel

Share-based payments (year ended 30 June 2017)

The following options were issued to key management personnel:

Name	Number of options	Grant date
Mr Lijun Xiu	8,000,000	29 September 2016

The options expire on 30 March 2020 with an exercise price of £0.01 per share. The vesting conditions of these options are as follows:

25% became exercisable on 31 March 2017;
25% will become exercisable upon the Company reaching production of 1,500 barrels of oil per day for a continuous 15 day period in Trinidad;
25% will become exercisable upon the Company reaching production of 2,500 barrels of oil per day for a continuous 15 day period in Trinidad;
25% will become exercisable upon the Company reaching production of 4,000 barrels of oil per day for a continuous 15 day period in Trinidad.

The value per option at the grant date was 0.21 cents, determined using the Black Scholes option price model using the following key inputs:

Volatility: 100%

Risk free rate: 1.92%

USD/GBP exchange rate: 0.8028

Probability of meeting vesting conditions: 100%

Exercise price: £0.01

Share price on grant date: £0.00368

Share-based payments (year ended 30 June 2016)

The following options were issued to key management personnel:

Name	Number of options	Grant date
Mr Nick Beattie	25,000,000	1 September 2015
Mr Yan Liu	20,000,000	25 May 2016
Mr Kerry Gu	22,500,000	25 May 2016

Mr Liu's and Mr Gu's options were granted on 25 May 2016 however they were issued on 13 December 2016 once shareholder approval was obtained.

All options expire on 30 March 2020 with an exercise price of £0.01 per share. The vesting conditions of these options are as follows:

25% became exercisable on 31 March 2017;
25% will become exercisable upon the Company reaching production of 1,500 barrels of oil per day for a continuous 15 day period in Trinidad;
25% will become exercisable upon the Company reaching production of 2,500 barrels of oil per day for a continuous 15 day period in Trinidad;
25% will become exercisable upon the Company reaching production of 4,000 barrels of oil per day for a continuous 15 day period in Trinidad.

Mr Nick Beattie options:

The value per option at the grant date was 0.56 cents, determined using the Black Scholes option price model using the following key inputs:

Volatility: 100%

Risk free rate: 1.92%

USD/GBP exchange rate: 0.6509

Probability of meeting vesting conditions: 100%

Exercise price: £0.01

Share price on grant date: £0.0057

Mr Kerry Gu and Mr Yan Liu options:

The value per option at the grant date was 0.30 cents, determined using the Black Scholes option price model using the following key inputs:

Volatility: 100%

Risk free rate: 1.92%

USD/GBP exchange rate: 0.7468

Probability of meeting vesting conditions: 100%

Exercise price: £0.01

Share price on grant date: £0.0037

Share-based payments (year ended 30 June 2015)

On 27 March 2015, the following options were issued to key management personnel:

Name	Number of options
Mr Yan Liu	30,000,000
Mr David Chen	30,000,000
Mr Zhiwei Gu	7,500,000
Ms Juan Wang	7,500,000

All options expire on 30 March 2020 with an exercise price of £0.01 per share. The vesting conditions of these options are as follows:

- 25% became exercisable one year from the issue date;
- 25% will become exercisable upon the Company reaching production of 1,500 barrels of oil per day for a continuous 15 day period in Trinidad;
- 25% will become exercisable upon the Company reaching production of 2,500 barrels of oil per day for a continuous 15 day period in Trinidad;
- 25% will become exercisable upon the Company reaching production of 4,000 barrels of oil per day for a continuous 15 day period in Trinidad.

The value per option at the grant date was 0.51 cents, determined using the Black Scholes option price model using the following key inputs:

Volatility: 100%

Risk free rate: 1.92%

USD/GBP exchange rate: 0.7752

Grant date: 27 March 2015

Exercise price: £0.01

Share price on grant date £0.054

Fully paid share holdings

The numbers of shares in the Company held during the financial year or at time of resignation by Key Management Personnel of the Company, including their personally related parties, are set out below.

2017	Balance at the start of the year	Granted as Compensation	Other Changes	Balance at the end of the year	Balance held indirectly
Mr Gu	2,083,333	-	-	2,083,333	-
Mr Chen	18,288,070	-	-	18,288,070	-
Mr Y Liu	6,333,333	-	-	6,333,333	-
Ms Wang	2,083,333	-	-	2,083,333	-
Mr Wang	-	-	-	-	-
Mr L Liu	-	-	-	-	-
Dr Zeng	-	-	-	-	-
Mr Beattie	2,916,667	-	-	2,916,667	-
Ms Kelly	1	-	-	1	-
Total:	**31,704,737**	**-**	**-**	**31,704,737**	**-**

Options held by Key Management Personnel

The numbers of options in the company held during the financial year or at time of resignation by Key Management Personnel of the Company, including their personally related parties, are set out below:

2017	Balance at the start of the year	Granted as Compensation	Other Changes	Balance at the end of the year	Vested & Exercisable
Mr Gu	30,000,000	-	-	30,000,000	7,500,000
Mr Y Liu	30,000,000	-	-	30,000,000	7,500,000
Mr Chen (i)	72,742,654	-	(22,500,000)	50,242,654	42,742,654
Ms Wang	7,500,000	-	-	7,500,000	1,875,000
Mr Wang	-	-	-	-	-
Mr L Liu	-	-	-	-	-
Dr Zeng	-	-	-	-	-
Mr Beattie	25,000,000	-	-	25,000,000	6,250,000
Mr Xiu	-	8,000,000	-	8,000,000	-
Ms Kelly	-	-	-	-	-
Total:	**165,242,654**	**8,000,000**	**(22,500,000)**	**150,742,654**	**65,867,654**

(i) 22,500,000 Unlisted options (£0.01, 30 March 2020) which were issued on March 2015 to previous director Mr David Chen were cancelled on 13 December 2016 due to failure to satisfy the vesting conditions. The amount of US$62,492 was reversed in the current year.

Loans to Key Management Personnel

There were no loans made to directors of Range and other Key Management Personnel of the Group, including their personally related parties during the 2016 or 2017 financial years. Please refer to Note 32c for other transactions with Key Management Personnel.

Employment contracts of Directors and other Key Management Personnel

On appointment, Executive Directors and Other Key Management Personnel enter into an employment contract with the Company (or another company within the Group). This contract sets out their duties, remuneration and other terms of employment. These contracts may be terminated by either the Company or the employee as detailed below.

All non-executive directors are eligible to receive consulting fees for services provided to the Company over and above the services expected from a non-executive director.

Mr Zhiwei Gu as Non-Executive Chairman	
Non-Executive Chairman contract	Contract start date: 25 May 2016 Base Payment: US$55,000 per annum Superannuation: no superannuation entitlement Notice period: 3 months Termination benefits: payment in lieu of notice at Company option for termination without cause. Consulting services: From May 2016, Mr Gu provides additional executive and consulting services over and above services rendered to the Company at a rate of US$16,250 per month.

Mr Yan Liu as Chief Executive Officer	
Chief Executive Officer contract	Contract start date: 25 May 2016 Base payment: AU$215,000 per annum Superannuation: 10% of base salary Bonus: Eligible to receive bonus at the discretion of the board Notice period: 3 months Termination benefits: payment in lieu of notice at Company option for termination without cause

Mr David Chen as Non-Executive Director	
Non-Executive Director contract	Contract start date: 25 May 2016 Resignation date: 24 November 2016 Base payment: US$30,000 per annum Superannuation: no superannuation entitlement Notice period: None Termination benefits: None

Ms Juan Wang as Non-Executive Director	
Non-Executive Director contract	Contract start date: 19 January 2015 Base payment: US$30,000 per annum Superannuation: no superannuation entitlement Termination benefits: None Consulting services: From January 2017, Ms Wang provides additional consulting services over and above services rendered to the Company as a Non-Executive Director at a rate of US$12,500 per month.

Mr Yu Wang as Non-Executive Director	
Non-Executive Director contract	No remuneration received

Mr Lubing Liu as Non-Executive Director	
Non-Executive Director contract	Contract start date: 16 June 2016 Base payment: US$25,000 per annum Superannuation: no superannuation entitlement Termination benefits: None Consulting services: Mr Liu may provide additional consulting services over and above services rendered to the Company as a Non-Executive Director from time to time as required at a rate of between US$600 and $1,200 per day.

Dr Yi Zeng as Non-Executive Director	
Non-Executive Director contract	Contract start date: 16 June 2016 Base payment: US$25,000 per annum Superannuation: no superannuation entitlement Termination benefits: None

Mr Nick Beattie as Chief Financial Officer	
Chief Financial Officer contract	Contract start date: 23 May 2014 Base payment: GB£135,000 per annum, reviewed annually Pension: 10% of base Bonus: Eligible to receive bonus at the discretion of the board Notice period: 3-6 months Termination benefits: 6 months' salary

Mr Lijun Xiu as Vice President of Operations and Production	
Vice President of Operations and Production	Contract start date: 29 September 2016 Base payment: US$144,000 per annum, reviewed annually Notice period: 45 days Termination benefits: None

This is the end of the audited remuneration report.

Meetings of Directors

During the financial year, six meetings of the board of directors were held. Attendances by each director during the year were as follows:

Director	Board Meetings	
	Eligible to attend	Attended
Zhiwei Gu	6	6
Yan Liu	6	6
David Chen *(resigned 24 November 2016)*	2	2
Juan Wang	6	6
Yu Wang	6	6
Lubing Liu	6	5
Yi Zeng	6	4

Indemnifying officers or auditors

In accordance with the constitution, except where prohibited by the Corporations Act 2001, every director, principal executive officer and secretary of the Company shall be indemnified out of the property of the Company against any liability incurred by him/her in his/her capacity as director, principal executive officer or secretary of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings whether civil or criminal.

During the financial year, the Company has paid premiums to insure the Directors and Officers against certain liabilities arising out of the conduct of acting as an officer of the Company. Under the terms and conditions of the insurance contract, the nature of liabilities insured against and the premium paid cannot be disclosed.

Proceedings on behalf of the company

No person has applied for leave of Court to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year

Options

As at 30 June 2017, the unissued ordinary shares of Range under option are as follows:

Date of expiry	Exercise price	Number under option
9 September 2017	£0.03	7,500,000
15 October 2017	£0.01203	31,000,000
31 January 2018	A$0.05	1,000,000
14 July 2018	£0.01	161,472,247
14 July 2018	£0.02	118,729,593
31 August 2018	£0.01	14,000,000
3 September 2019	£0.01	194,585,862
3 September 2019	£0.02	172,557,274
30 March 2020	£0.01	80,000,000
	Total:	**780,844,976**

During the year ended 30 June 2017 no ordinary shares of Range were issued on the exercise of options (2016: nil).

The holders of these options do not have any rights under the options to participate in any share issues of the Company.

Non-audit services

The total value of non-audit services provided by a related practice of BDO Audit (WA) Pty Ltd in respect to the Company's tax compliance is US$17,828 (2016: US$34,149).

The board of directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the Board to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants

Auditor's Independence Declaration

The auditor's independence declaration, as required under Section 307C of the Corporations Act 2001, for the year ended 30 June 2017 has been received and can be found on the following page.

Signed in accordance with a resolution of the Board of Directors.

Zhiwei Gu

Chairman

29 September 2017

Auditor's Independence Declaration

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Australia

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF RANGE RESOURCES LIMITED

As lead auditor of Range Resources Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Range Resources Limited and the entities it controlled during the period.

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 29 September 2017

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation, other than for the acts or omissions of financial services licensees.

Consolidated Statement of Profit or Loss and other Comprehensive Income for the year ended 30 June 2017

	Note	Consolidated 2017 (US$)	Consolidated 2016 (US$)
Revenue from continuing operations	3	8,435,309	7,062,226
Operating expenses		(8,770,969)	(7,266,830)
Royalties		(2,494,497)	(2,104,894)
Depreciation, depletion and amortisation		(6,289,324)	(5,490,676)
Cost of sales	4a	(17,554,790)	(14,862,400)
Gross loss		(9,119,481)	(7,800,174)
Other income and expenses from continuing operations			
Other income	3	174,367	51,193
Finance costs	4b	(3,806,226)	(934,321)
General and administration expenses	4b	(5,223,721)	(3,400,038)
Assets written-off	4c	-	(1,000,761)
Exploration expenditure and land fees	4d	(1,152,854)	(4,261,435)
Impairment of non-current assets	16	(28,985,014)	(20,564,829)
Loss before income tax expense from continuing operations		(48,112,929)	(37,910,365)
Income tax expense	6	(4,999,950)	(1,084,520)
Loss after income tax from continuing operations		(53,112,879)	(38,994,885)
Loss from discontinued operations, net of tax	5a	(1,250,000)	(4,880,000)
Loss for the year attributable to equity holders of Range Resources Limited		(54,362,879)	(43,874,885)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations	26c	2,144,373	160,799
Other comprehensive income for the year, net of tax		2,144,373	160,799
Total comprehensive loss attributable to equity holders of Range Resources Limited		**(52,218,506)**	**(43,714,086)**
Loss per share from continuing operations attributable to the ordinary equity holders of the Company:			
Basic loss per share (cents per share)	8a	(0.68)	(0.54)
Diluted loss per share (cents per share)	8b	n/a	n/a
Loss per share attributable to the ordinary equity holders of the Company:			
Basic loss per share (cents per share)	8a	(0.70)	(0.60)
Diluted loss per share (cents per share)	8b	n/a	n/a

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position as at 30 June 2017

	Note	Consolidated	
		2017 (US$)	2016 (US$)
Assets			
Current Assets			
Cash and cash equivalents	9	17,254,360	13,001,252
Restricted deposits	10	-	8,000,000
Trade and other receivables	11	5,740,726	4,620,266
Other current assets	12	2,586,283	178,158
Assets classified as held for sale	13	-	1,250,000
Total current assets		25,581,369	27,049,676
Non-Current Assets			
Trade and other receivables	11	6,866,394	-
Deferred tax asset	6	6,853,135	3,959,803
Available for sale financial assets	14	45,238	45,238
Goodwill	16	-	28,985,014
Property, plant and equipment	17	2,021,682	2,329,228
Exploration & evaluation expenditure	18	632,176	645,801
Producing assets	19	108,347,455	95,077,882
Total non-current assets		124,766,080	131,042,966
Total assets		150,347,449	158,092,642
Current liabilities			
Trade and other payables	20	1,613,499	12,244,873
Current tax liabilities		283,220	286,723
Option liability	21b	341,618	835,714
Provisions	22	784,316	740,268
Total current liabilities		3,022,653	14,107,578
Non-current liabilities			
Trade and other payables	20	51,390,088	23,764,005
Borrowings	21	21,071,631	-
Deferred tax liabilities	23	54,500,144	47,561,612
Employee service benefits	24	340,289	422,315
Total non-current liabilities		127,302,152	71,747,932
Total liabilities		130,324,805	85,855,510
Net assets		20,022,644	72,237,132
Equity			
Contributed equity	25	383,918,397	383,882,192
Reserves	26	26,339,311	24,227,125
Accumulated losses		(390,235,064)	(335,872,185)
Total equity		20,022,644	72,237,132

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity for the year ended 30 June 2017

	Note	Contributed equity	Accumulated losses	Foreign currency translation reserve	Share-based payment reserve	Option premium reserve	Total equity
		(US$)	(US$)	(US$)	(US$)	(US$)	(US$)
Balance at 1 July 2015		363,205,277	(297,930,701)	3,459,939	14,231,578	12,057,363	95,023,456
Other comprehensive income		-	-	160,799	-	-	160,799
Loss attributable to members of the company		-	(43,874,885)	-	-	-	(43,874,885)
Total comprehensive loss for the year		-	(43,874,885)	160,799	-	-	(43,714,086)
Transactions with owners in their capacity as owners:							
Issue of share capital	25	20,676,915	-	-			20,676,915
Expired options - Reclassified		-	5,933,401	-	(5,933,401)		-
Cost of share-based payments		-	-	-	250,847		250,847
Balance at 30 June 2016		383,882,192	(335,872,185)	3,620,738	8,549,024	12,057,363	72,237,132
Balance at 1 July 2016		383,882,192	(335,872,185)	3,620,738	8,549,024	12,057,363	72,237,132
Other comprehensive income			-	2,144,373	-	-	2,144,373
Loss attributable to members of the company		-	(54,362,879)	-	-	-	(54,362,879)
Total comprehensive loss for the year		-	(54,362,879)	2,144,373	-	-	(52,218,506)
Transactions with owners in their capacity as owners:							
Issue of share capital	25	36,205	-	-	-	-	36,205
Cost of share-based payments		-	-	-	(32,187)	-	(32,187)
Balance at 30 June 2017		383,918,397	(390,235,064)	5,765,111	8,516,837	12,057,363	20,022,644

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows for the year ended 30 June 2017

	Note	Consolidated	
		2017 (US$)	2016 (US$)
Cash flows from operating activities			
Receipts from customers		8,531,655	7,171,488
Payments to suppliers and employees		(6,255,175)	(10,790,650)
Income taxes paid		(958,253)	(32,940)
Interest received		85,123	45,210
Interest & other finance costs	5b	-	(449,143)
Payments relating to held for sale asset		-	(130,000)
Net cash inflow/(outflow) from operating activities	30	1,403,350	(4,186,035)
Cash flows from investing activities			
Payment for property, plant & equipment		(4,363)	(140,474)
Payment for producing assets		-	(260,888)
Proceeds from disposal of property, plant and equipment		63,106	11,799
Transfer from/(to) restricted deposit		8,000,000	(8,000,000)
Payments for available for sale assets		(6,830)	-
Payments for loan to external parties		(5,153,759)	-
Net cash inflow/(outflow) from investing activities		2,898,154	(8,389,563)
Cash flows from financing activities			
Proceeds from issue of equity (net of capital raising costs)		-	22,338,344
Repayment of borrowings		-	(7,225,997)
Net cash inflow/(outflow) from financing activities		-	15,112,347
Net increase in cash and cash equivalents		4,301,504	2,536,749
Net foreign exchange differences		(48,396)	(65,601)
Cash and cash equivalents at beginning of financial year		13,001,252	10,530,104
Cash and cash equivalents at end of financial year	9	17,254,360	13,001,252

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to Consolidated Financial Statements

Note 1: Significant accounting policies

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. Range Resources Limited is a for-profit entity for the purpose of preparing the financial statements.

The financial statements cover the Group consisting of Range Resources Limited and its controlled entities. Financial information for Range Resources Limited as an individual entity is disclosed in Note 33. Range Resources Limited is a listed public company, incorporated and domiciled in Australia.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated. The financial report was authorised for issue by the Directors on 29 September 2017.

Basis of preparation

Reporting basis and conventions

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Compliance with IFRS

The financial statements of Range Resources Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial statements were approved by the Board of Directors on 29 September 2017.

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "Functional Currency"). The consolidated financial statements are presented in United States Dollars (USD), which is Range Resources Limited's functional and presentation currency.

Going concern

The Directors have prepared the financial statements on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred losses of US$54,362,879 for the year ending 30 June 2017 which includes significant non-cash items of US$35,274,338. The Group also had net cash inflows from operating activities for the year totalling US$1,403,350.

At the reporting date, Range had US$17,254,360 of unrestricted cash at bank. Range has net assets of US$20,022,644. The Company intends to complete three acquisitions during 2017 which will utilise a significant proportion to the existing cash on hand. However, the cash on hand and forecast net revenue from production (including the reduced drilling and oilfield service costs following the acquisition of RRDSL) are more than sufficient to cover the Group's cash requirements for the 12 months from date of sign off including the acquisition costs and any net current liabilities due. The matters disclosed in Note 28, specifically concerning the Colombian exploration licences, do not impact our going concern assessment as it is not expected that any amounts would be payable.

The Company will continue to focus its capital allocation on assets which maximise production and enhance cash generation and returns to shareholders.

Adoption of new and revised accounting standards

In the year ended 30 June 2017, the directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period.

As a result of this review, the directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Group accounting policies.

(a) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Range Resources Limited ("Parent Entity" or "Company") as at 30 June 2017 and the results of all subsidiaries for the year then ended. Range Resources Limited and its subsidiaries together are referred to as the "Group".

Subsidiaries are all those entities (including special purpose entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its investment with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Where controlled entities have entered or left the Group during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased. A list of controlled entities is contained in Note 15 to the financial statements. All controlled entities have a June financial year-end.

All inter-company balances and transactions between entities in the Group, including any unrealised profits or losses have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the Group.

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20-50% of the voting rights. Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost.

(b) Income tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the reporting date within each jurisdiction.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. Deferred tax is credited in profit or loss except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(c) Property, plant and equipment

Owned assets

Plant and equipment are measured on the historical cost basis less accumulated depreciation and impairment losses.

The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Oil and gas assets

These properties represents the accumulation of all exploration, evaluation and development expenditure, pre-production development costs and ongoing costs of continuing the develop reserves for production incurred by or on behalf of the entity in relation to areas of interests.

Where further development expenditure is incurred in respect of a property after the commencement of production, such expenditure is carried forward as part of the cost of that property only when expected future economic benefits are to be received, otherwise such expenditure is classified as part of the cost of production.

Depreciation

The depreciable amount of all fixed assets including capitalised lease assets is depreciated on a straight-line basis over their useful lives to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable asset are:

Class of fixed Asset	Depreciation Rate
Plant & equipment	11.25% - 33%
Production equipment	10 - 20%
Motor vehicles, furniture & fixtures	25 - 33%
Leasehold improvements	10 - 12.50%

The residual values of the assets and their useful lives are reviewed and adjusted if appropriate at each reporting date.

The carrying amount of plant and equipment is reviewed annually by the directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the employment of the assets and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The carrying amount of the asset is written down to its recoverable amount if its carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in profit or loss. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to accumulated losses.

(d) Exploration and evaluation expenditure and the recognition of assets

Generally, exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

The carrying values of expenditures carried forward are reviewed for impairment at each reporting date when the facts, events or changes in circumstances indicate that the carrying value may be impaired.

Accumulated expenditures are written off to profit or loss to the extent to which they are considered to be impaired.

Range Resources Limited applies AASB 6 Exploration and Evaluation of Mineral Resources which is equivalent to IFRS 6. The carrying value of exploration and evaluation expenditure is historical cost less impairment.

Ongoing exploration costs incurred in respect of the Group's Trinidadian interests are expensed as incurred. Initial acquisition costs to obtain the right to explore are capitalised.

(e) Producing assets

Upon the commencement of commercial production from each identifiable area of interest, the exploration and evaluation expenditure incurred up to that point is impairment tested and then reclassified to producing assets.

When production commences, the accumulated costs for the relevant area of interest are amortised on a "units of production" method which is based on the ratio of actual production to remaining proved reserves (P1) as estimated by independent petroleum engineers over the life of the area according to the rate of depletion of the economically recoverable reserves.

Subsequent costs are included in the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be reliably measured. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

The carrying amount of producing assets is reviewed annually by the directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount of an asset is the greater of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows of an asset are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash flows that are largely independent from other assets or groups of assets, the recoverable amount is determined for the cash generating unit to which the asset belongs. For producing assets, the estimated future cash flows for the value-in-use calculation are based on estimates, the most significant of which are 2P hydrocarbon reserves, future production profiles, commodity prices, operating costs and any future development costs necessary to produce the reserves. Under a fair value less costs to sell calculation, future cash flows are based on estimates of 2P hydrocarbon reserves. Estimates of future commodity prices are based on the Group's best estimate of future market prices with reference to external market analysts' forecasts, current spot prices and forward curves. Future commodity prices are reviewed at least annually.

The carrying amount of an asset is written down to its recoverable amount if its carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in profit or loss. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to accumulated losses.

The Group records the present value of the estimated cost of legal and constructive obligations to restore operating locations in the period in which the obligation arises. The nature of restoration activities includes the removal of facilities, abandonment of wells and restoration of affected areas. A restoration provision is recognised and updated at different stages of the development and construction of a facility and then reviewed on an annual basis. When the liability is initially recorded, the estimated cost is capitalised by increasing the carrying amount of the related exploration and evaluation/development assets.

Over time, the liability is increased for the change in the present value based on a post-tax discount rate appropriate to the risk inherent in the liability. The unwinding of the discount is recorded as an accretion charge within finance costs. The carrying amount capitalised in oil and gas properties is depreciated over the useful life of the related asset.

Costs incurred that relate to an existing condition caused by past operation and do not have a future economic benefit are expensed.

(f) Financial instruments

The Group's financial instruments include cash and cash equivalents, trade and other receivables and available-for-sale financial assets.

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition, these instruments are measured as set out below.

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale investments. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include non-derivative financial assets designated in this category not included in any of the other categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to the available for sale investment revaluation reserve in equity. Investments are designated as available-for-sale if they do not have fixed maturities and fixed determinable payments and management intends to hold them for the medium to long term.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities held at cost less impairment, including recent arm's length transactions, reference to similar instruments and option pricing models.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in the available for sale investment revaluation reserve in equity. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Impairment of assets

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss) is removed from equity and included in profit or loss. Impairment losses recognised in the statement of profit or loss and other comprehensive income on equity instruments classified as available-for-sale are not reversed through profit or loss.

Recognition and de-recognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs. Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and reward of ownership.

When the securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in profit or loss as gains and losses for investment securities.

(g) Foreign currency transactions and balances

Functional and presentation currency

The functional currency of each entity within the Group is determined using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in United States dollars which is the Company's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity; otherwise the exchange difference is recognised in profit or loss.

(h) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects the current market assessments of the time value of money and the risk specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(i) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due, according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of impairment loss is recognised in profit or loss within other expenses. When a trade receivable, for which an impairment allowance had been recognised, becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(k) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties. Revenue is recognised when the amount of revenue can be reliably measured, and it is probable that future economic benefits will flow to the Group.

Revenue from the sale of oil and gas and related products is recognised when the Group has transferred to the buyer the significant risks and rewards of ownership and the amounts can be measured reliably. In the case of oil, this usually occurs at the time of lifting.

Interest revenue is recognised on a time proportion basis taking into account the interest rates applicable to the financial assets.

(l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the consolidated statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(m) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(n) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash follows at the current market interest rate that is available to the Group for similar financial instruments.

(o) Investments in associates

Investments in associates are accounted for using the equity method of accounting in the consolidated financial statements.

Under the equity method, the investment in the associate is carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate.

The Group's share of the associate post-acquisition profits or losses is recognised in the statement of profit or loss and other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in the associate equals or exceeds its interest in the associate, including any unsecured long-term receivables and loans, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The reporting dates of the associate and the Group are identical and the associate's accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

(p) Prepayments for investments

Prepayments for acquisitions of financial assets are recorded at the fair value of consideration to acquire the assets.

On satisfaction of all terms of the acquisition contract have been satisfied the prepayment is transferred and accounted for as an investment.

(q) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition unless alternative terms are agreed. The Group's most material balance is with LandOcean which has specific payment terms of 3 years.

(r) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at reporting date.

(s) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(t) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares.

(u) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the managing director.

(v) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which they are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(w) Intangible assets (goodwill)

Goodwill is measured at cost less any impairment write downs. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segments (note 29).

(x) Share-based payments

The fair value of options granted is recognised as an expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

(y) Employee benefits

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long service benefit

The liability for long service benefit is recognised in current and non-current liabilities, depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

(z) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the company will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

(aa) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

(bb) Compound financial instruments

Compound financial instruments issued by the Group comprise convertible notes that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition.

Interest related to the financial liability is recognised in profit or loss. On conversion the financial liability is reclassified to equity and no gain or loss is recognised.

Convertible notes that can be converted to share capital at the option of the holder and where the number of shares is variable, contains an embedded derivative liability. The embedded derivative liability is calculated (at fair value) first and the residual value is assigned to the debt host contract. The embedded derivative is subsequently measured at fair values and movements are reflected in the profit or loss.

Certain convertible notes issued by the Group which include embedded derivatives (option to convert to variable number of shares in the Group are recognised as financial liabilities at fair value through profit or loss. On initial recognition, the fair value of the convertible note will equate to the proceeds received and subsequently the liability is measured at fair value at each reporting period until settlement. The fair value movements are recognised on the profit or loss as finance costs.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

(cc) Non-current assets classified as held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell. For non-current assets to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of a non-current asset, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale are presented separately on the face of the consolidated statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

(dd) Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

represents a separate major line of business or geographical area of operations

is part of a single co-ordinated plan to dispose of a separate major line of business or geographical are of operations

is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative consolidated statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

(dd) Inventories

Inventories include consumable supplies and maintenance spares and are valued at the lower of cost and net realisable value. Cost is determined on a weighted average basis and invludes direct costs and an appropriate portion of fixed and variable production overheads where applicable. Inventories deterined to be obsolete or damaged are written down to net realisable value, being the estimated selling price less selling costs.

Note 2: Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. Areas involving a higher degree of judgement or complexity, or areas where estimations and assumptions are significant to the financial statements are disclosed here.

Producing asset expenditure

The classification of exploration and evaluation expenditure to producing assets is based on the time of first commercial production. Producing asset expenditure for each area of interest is carried forward as an asset provided certain conditions listed in Note 1(e) are met and depreciated on a unit of production basis on P1 reserves. P1 reserves have been determined by an independent expert.

Producing assets are assessed for impairment when facts and circumstances suggest that the carrying amount of a production asset may exceed its recoverable amount. These timings, calculations and reviews require the use of assumptions and judgement. The related carrying amounts are disclosed in Note 19.

Reserves and resources

Estimates of reserves requires judgement to assess the size and quality of reservoirs and their anticipated recoveries. Estimates of reserves are used to calculate depreciation, depletion and amortisation charges.

Impairment of goodwill and producing assets

The Group tests whether goodwill or the producing assets has suffered any impairment in accordance with the accounting policies stated in notes 1(e) and 1(w). The recoverable amount of the cash-generating unit to which the assets belong is estimated based on the present value of future cash flows.

The expected future cash flow estimation is always based on a number of factors, variables and assumptions, the most important of which are estimates of reserves, future production profiles, commodity prices and costs. In most cases, the present value of future cash flows is most sensitive to estimates of future oil price and discount rates. A change in the modelled assumptions in isolation could materially change the recoverable amount. Refer to note 16 for details of these key assumptions.

Deferred tax liability

Upon acquisition of SOCA Petroleum Ltd, in accordance with the requirement of AASB 112 Income Taxes, a deferred tax liability of US$46,979,878 was recognised in relation to the difference between the carrying amount for accounting purposes of deferred development assets and their actual cost base for tax purposes.

The carrying value of this deferred tax liability has increased to US$55,507,677 at 30 June 2017. In the event that the manner by which the carrying value of these assets is recovered differs from that which is assumed for the purpose of this estimation, the associated tax charges may be significantly less than this amount.

Share based payments transactions

The Group measures the cost of equity-settled share-based payment transactions with employees by reference to the fair value of the equity instruments at the grant date. The fair value is determined using a Black-Scholes model. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and derivative liability.

Contingent liabilities

The Directors are of the opinion that no provision is required to be raised in respect to any of th matters disclosed in Note 28 as the likely outcome of any outflow is considered to be remote.

Note 3: Revenue

	Note	Consolidated	
		2017 (US$)	2016 (US$)
From continuing operations			
Revenue from sale of oil		8,435,309	7,062,226
Other income			
Interest income		78,021	45,210
Other income		96,346	5,983
Total other income		**174,367**	**51,193**

Note 4: Expenses

	Note	Consolidated	
		2017 (US$)	2016 (US$)
Loss before income tax includes the following specific expenses:			
a: Cost of sales			
Costs of production		6,613,133	4,944,478
Royalties		2,494,497	2,104,894
Staff costs		2,157,836	2,322,352
Oil and gas properties depreciation, depletion and amortisation		6,289,324	5,490,676
Total cost of sales		**17,554,790**	**14,862,400**
b: Finance costs			
Interest and premium paid on financial liabilities at fair value		-	370,893
Fair value movement of option liability		(494,096)	(1,643,570)
Fair value movement of derivative liability		(786,021)	-
Foreign exchange loss		1,362,426	1,507,714
Interest expense		2,119,996	667,839
Interest on convertible note		1,871,318	-
Other finance expenses		-	31,355
Other finance income		(267,397)	-
Total finance costs		**3,806,226**	**934,231**

	Note	Consolidated 2017 (US$)	2016 (US$)
General and administration expenses			
Directors' and officers' fees and benefits		1,097,029	601,413
Share based payments – employee, director and consultant options		(32,187)	250,849
Other expenses		4,158,879	2,547,776
Total general and administration expenses		**5,223,721**	**3,400,038**
c: Asset values written down			
Impairment of current receivables		-	600,000
Impairment of investment in available for sale financial assets		-	400,762
Total assets written down		**-**	**1,000,762**
d: Exploration expenditure			
Puntland		-	1,812
Trinidad (i)		822,383	4,123,048
Other		330,471	136,575
Total exploration expenditure		**1,152,854**	**4,261,435**

(i) Amounts expensed in the year in Trinidad relate to land fees in relation to Guayaguayare and St Mary's for which the company policy is to expense.

Note 5: Discontinued operations

During the current year the Group fully wrote down the asset held-for-sale which relates to 45% interest in the unlisted company Strait Oil & Gas Limited ("Strait") due to uncertainty over its recoverability.

	Note	Consolidated 2017 (US$)	2016 (US$)
a: Results of discontinued operations			
Revenue		-	-
Cost of sales		-	-
Asset write off		(1,250,000)	(4,750,000)
Other expenses		-	(130,000)
Results from operating activities		**(1,250,000)**	**(4,880,000)**
Income tax (expense)/benefit		-	-
Results from operating activities, after tax		**(1,250,000)**	**(4,880,000)**
Loss on sale of subsidiary asset		-	-
Loss from discontinued operations		**(1,250,000)**	**(4,880,000)**

The loss from the discontinued operations of US$1,250,000 (2016: US$4,880,000) is attributable entirely to the owners of the Company.

b: Cash flows gained from / (used in) discontinued operations			
Net cash used in operating activities		-	(130,000)
Net cash flow for the year		**-**	**(130,000)**

Note 6: Income tax expense

	Note	Consolidated 2017 (US$)	2016 (US$)
a: Income tax expense			
Current tax		-	-
Deferred tax		4,974,750	1,707,852
Adjustments for current tax of prior periods		25,200	13,668
		4,999,950	**1,084,520**
Income tax expense/(benefit) is attributable to:			
Profit/(loss) from continuing operations		4,999,950	1,084,520
Profit/(loss) from discontinued operations		-	-
Aggregate income tax expense		**4,999,950**	**1,084,520**
b: The prime facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:			
Loss from continuing operations before income tax		(48,112,929)	(37,910,365)
Loss from discontinuing operations before income tax		(1,250,000)	(4,880,000)
		(49,362,929)	**(42,790,365)**
Prime facie tax payable on profit from ordinary activities before income tax at 30% (2016: 30%) Group		(14,433,879)	(12,837,110)
		(14,433,879)	**(12,837,110)**
Add tax effect of:			
Other taxes		25,200	13,668
Expenses not deductible for tax		23,850,271	18,518,390
Income not assessable for tax		(8,092,768)	(6,010,578)
Tax losses not brought to account		11,471,474	10,650,658
Benefit of tax losses not previously recognised		-	-
Deferred tax assets not brought to account		4,179,397	(242,740)
Differences in tax rates		(11,999,745)	(9,007,770)
		4,999,950	**1,084,520**
Unrecognised deferred tax asset			
Capital losses		443,654	985,528
Revenue losses		10,470,664	9,462,107
Other		1,400,991	4,942,534
		12,315,309	**15,390,169**
Offset of deferred tax liabilites		**(3,147,098)**	**(2,332,565)**
Net Deferred Tax Assets not brought to account		**9,168,211**	**13,057,604**
c: Recognised deferred tax assets			
Temporary differences		6,853,135	3,959,803
		6,853,135	**3,959,803**
Recognised deferred tax liabilities			
Accelerated depreciation		(26,167,218)	(17,515,407)
DTL arising on business combination		(28,332,926)	(30,046,205)
Net deferred tax liabilities		**(54,500,144)**	**(47,561,612)**

Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1(b) occur.

Note 7: Auditor's remuneration

	Note	Consolidated 2017 (US$)	Consolidated 2016 (US$)
Remuneration of the auditor of the Parent Entity for:			
Auditing or reviewing the financial report by BDO Audit (WA) Pty Ltd		70,000	84,726
Non-audit services provided by a related entity of BDO Audit (WA) Pty Ltd in respect to Parent Entity's tax compliance		17,828	34,149
Total remuneration for the Parent Entity		**87,828**	**118,875**
Remuneration of the auditors of the subsidiaries			
Auditing or reviewing the financial report by BDO UK		5,327	3,707
Auditing or reviewing the financial report by BDO Barbados		10,331	17,743
Auditing or reviewing the financial report by BDO Trinidad		29,251	25,188
Total remuneration for the subsidiaries		**44,909**	**46,638**

Note 8: Earnings per share

	Note	Consolidated 2017 (US$)	Consolidated 2016 (US$)
a: Basic loss per share			
Loss) per share from continuing operations attributable to the ordinary equity holders of the company		(0.68)	(0.54)
(Loss) per share attributable to the ordinary equity holders of the company		(0.70)	(0.60)
b: Diluted loss per share			
(Loss) per share from continuing operations attributable to the ordinary equity holders of the company		n/a	n/a
Loss) per share attributable to the ordinary equity holders of the company		n/a	n/a
c: Reconciliation of loss used in calculating earnings per share			
Basic/ Diluted loss per share			
Loss from continuing operations attributable to the ordinary equity holders of the company		(53,112,879)	(38,994,885)
Loss attributable to the ordinary equity holders of the company		**(54,362,879)**	**(43,874,885)**
d: Weighted average number of shares used as the denominator			
Weighted average number of ordinary shares used as the denominator in calculating basic EPS		7,595,830,782	7,266,100,594

Effect of dilutive securities: Options on issue at reporting date could potentially dilute earnings per share in the future. The effect in the current year is to reduce the loss per share hence they are considered anti-dilutive. Accordingly the diluted loss per share has not been disclosed.

Note 9: Cash and cash equivalents

	Note	Consolidated	
		2017 (US$)	2016 (US$)
Cash at bank and on hand		17,254,360	13,001,252

Risk exposure

Information about the Group's exposure to credit risk, foreign exchange risk and price risk is provided in Note 34.

Note 10: Restricted cash

	Note	Consolidated	
		2017 (US$)	2016 (US$)
Cash held in secured account		-	8,000,000
Total		**-**	**8,000,000**

Restricted cash was held in a deposit account that was secured against a bank guarantee given in respect of the Group's work commitments on the St Mary's block in Trinidad. The guarantee ended in October 2016 and these funds were released.

Note 11: Trade and other receivables

	Note	Consolidated	
		2017 (US$)	2016 (US$)
Current			
Trade receivables (i)		658,338	375,348
Taxes receivable		5,082,388	3,960,541
Less provision for impairment		-	(3,089,443)
Total trade and other receivables		**5,740,726**	**4,620,266**

Fair value approximates the carrying value of trade and other receivables at 30 June 2017 and 30 June 2016.

(i) Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date. Trade receivables are neither past due nor impaired.

	Note	Consolidated	
		2017 (US$)	2016 (US$)
Non-current			
Other receivables (i)		6,886,394	-
Total trade and other receivables		**6,886,394**	**-**

(i) Other receivables are comprised primarily of cash advances to Range Resources Drilling Services Ltd.

Fair value approximates the carrying value of trade and other receivables at 30 June 2017 and 30 June 2016.

Risk exposure

Information about the Group's exposure to credit risk, foreign exchange risk and price risk is provided in Note 34.

Note 12: Other current assets

	Note	Consolidated	
		2017 (US$)	2016 (US$)
Current			
Prepayments		208,946	178,158
Inventory		2,353,143	-
Other assets		24,194	-
Total other current assets		**2,586,283**	**178,158**

Note 13: Assets held for sale

	Note	Consolidated	
		2017 (US$)	2016 (US$)
Assets classified as held for sale are as follows:			
Strait Oil & Gas Limited – 45% equity interest		-	1,250,000
Total		**-**	**1,250,000**

Movements in assets classified as held for sale are as follows:			
Opening net book amount		1,250,000	6,000,000
Transfer from investment in associate		-	-
Sold in period		-	-
Impairment loss relating to discontinued operations		(1,250,000)	(4,750,00)
Closing net book amount		**-**	**1,250,000**

Impairment losses of US$1,250,000 for write-downs of the disposal group to the lower of its carrying amount and its recoverable amount have been included in 'loss on discontinued operations' (see note 5 and note 36). The impairment losses have been applied to reduce the carrying amount of the assets held-for-sale within the disposal group. There is no cumulative income or expenses included in other comprehensive income relating to the disposal group.

Note 14: Financial assets available for sale

	Note	Consolidated 2017 (US$)	Consolidated 2016 (US$)
Interest in other corporations		45,238	45,238
Total available-for-sale financial assets		45,238	45,238
Movement in financial assets available-for-sale			
Opening balance		45,238	446,000
Impairment recognised in profit or loss		-	(400,762)
Closing Balance		**45,238**	**45,238**

Available-for-sale financial assets comprise investments in the ordinary share capital of various entities. There are no fixed returns or fixed maturity date attached to these investments.

Risk exposure

Information about the Group's exposure to credit risk, foreign exchange risk and price risk is provided in Note 34.

Note 15: Controlled Entities

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with accounting policy described in Note 1(a).

Controlled Entities Consolidated	Country of Incorporation	Percentage Owned (%) 30 June 2017	Percentage Owned (%) 30 June 2016
Subsidiaries of Range Resources Limited:			
Range Resources (Barbados) Limited	Barbados	100	100
SOCA Petroleum Limited	Barbados	100	100
West Indies Exploration Company Limited	Trinidad	100	100
Range Resources Trinidad Limited	Trinidad	100	100
Range Resources (Barbados) GY Limited	Barbados	100	100
Range Resources GY Shallow Limited	Trinidad	100	100
Range Resources GY Deep Limited	Trinidad	100	100
Range Resources HK Limited	Hong Kong	100	100
Range Resources Upstream Services Limited	United Kingdom	100	100

Note 16: Goodwill

Goodwill is measured as described in note 1(v). Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

As at 1 July 2016, the Group reported goodwill of US$28,985,014, which was derived from the acquisition of SOCA Petroleum Limited through the parent's subsidiary Range Resources (Barbados) Ltd.

	Note	Consolidated	
		2017 (US$)	2016 (US$)
At 1 July 2016			
Cost		28,985,014	46,198,974
Impairment write down		(28,985,014)	(17,213,960)
Net book amount		**-**	**28,985,014**
Year ended 30 June 2017			
Opening net book amount		28,985,014	46,198,974
Additions-acquisition		-	-
Impairment charge		(28,985,014)	(17,213,960)
Closing net book amount		**-**	**28,985,014**

(a) Impairment tests for goodwill

During the year ending 30 June 2017, the Group recorded an impairment of US$28,985,014 with respect to goodwill. The impairment principally arose due to a combination of reduced overall forecast production volumes, deferred timing for commencement of waterflood projects and lower commodity pricing assumptions.

Goodwill has been allocated for impairment testing purposes to a single cash-generating unit (CGU), identified according to operating segments, being Trinidad.

Estimates of the recoverable amount is based on an asset's fair value less costs to sell using a discounted cash flow method and is most sensitive to the following key assumptions:

Obtaining all required approvals and permissions to undertake waterflood development;

Obtaining lease extensions until 2031;

P1 and P2 Recoverable reserves;

Commodity price of between US$47 and US$84 per barrel dependent on the year;

Operating costs at 8%-39% of revenue, depending on oil price and production at that time;

Post-tax discount rate of 10.0%.

Economical recoverable reserves represent Management's expectations at the time of completing the impairment testing and based on the reserves statements and exploration and evaluation work undertaken by appropriately qualified persons. A summary of the Company's Trinidad reserves and resources are published on the Group's website.

The commodity price for oil was based on mean WTI forecast oil price data from a variety of different analysts and other sources. Estimates (calendar years) are US$47/bbl in 2017, US$52/bbl in 2018, US$54/bbl in 2019, US$58/bbl in 2020, US$61/bbl in 2021, US$66/bbl in 2022 and then escalating at 2% per annum for the remainder of the project.

Operating cost assumptions were based on FY18 budgets, actual costs incurred in FY17 and estimates of additional operating costs for waterflood activities received from Range Resources Drilling Services Limited.

An adverse 20% change to oil prices, production, operating costs and the discount rate would result in additional impairments of US$9.0million, US$17.6million, US$4.7million and US$8.0million respectively to the Trinidad CGU, which includes goodwill, property, plant and equipment, producing assets and deferred tax liabilities. Any impairment charge in excess of the goodwill value would be applied against producing assets.

Note 17: Property, Plant & Equipment

Consolidated	Production equipment and access roads	Gathering station and field office	Leasehold improvement	Motor vehicle, furniture, fixtures & fittings	Total
	US$	US$	US$	US$	US$
Year ended 30 June 2016					
Opening net book amount	837,732	117,090	247,315	300,305	1,502,442
Foreign currency movement	(35,321)	(4,687)	(8,370)	(9,521)	(57,899)
Additions	1,140,919	-	-	68,887	1,209,806
Disposals	-	-	-	(11,799)	(11,799)
Depreciation charge	(173,165)	(14,284)	(24,645)	(101,228)	(313,322)
Closing net book amount	**1,770,165**	**98,119**	**214,300**	**246,644**	**2,329,228**
At 30 June 2016					
Cost	6,111,168	505,510	534,020	1,135,223	8,285,921
Accumulated depreciation	(4,341,003)	(407,391)	(319,720)	(888,579)	(5,956,693)
Net book amount	**1,770,165**	**98,119**	**214,300**	**246,644**	**2,329,228**
Year ended 30 June 2017					
Opening net book amount	1,770,165	98,119	214,300	246,644	2,329,228
Foreign currency movement	(28,211)	(2,813)	(4,421)	(1,523)	(36,968)
Additions	-	-	-	4,363	4,363
Disposals	-	-	-	(3,916)	(3,916)
Depreciation charge	(134,384)	(7,861)	(25,022)	(103,758)	(271,025)
Closing net book amount	**1,607,570**	**87,445**	**184,857**	**141,810**	**2,021,682**
At 30 June 2017					
Cost	6,288,571	502,697	529,599	1,134,146	***8,455,013***
Accumulated depreciation	(4,681,001)	(415,252)	(344,742)	(992,336)	***(6,433,331)***
Net book amount	**1,607,570**	**87,445**	**184,857**	**141,810**	**2,021,682**

Note 18: Exploration and evaluation expenditure

	Note	Consolidated	
		2017 (US$)	2016 (US$)
Opening net book amount		645,801	668,951
Additions		-	-
Foreign exchange		(13,625)	(23,150)
Closing net book amount		**632,176**	**645,801**

At 30 June 2017, the US$632,176 (30 June 2016: US$645,801) capitalised exploration and evaluation expenditure relates to the interests of the Group in the Guayaguayare and St Mary's Blocks in Trinidad.

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

The recoverability of the carrying amount of exploration assets is dependent on the successful development and commercial exploitation or sale of the respective mining permits.

No capitalised costs (2016: US$0) have been included in the statement of cash flows from investing activities.

Note 19: Producing assets

	Note	Consolidated	
		2017 (US$)	2016 (US$)
Cost		150,555,891	134,697,008
Accumulated amortisation		(42,208,436)	(39,619,926)
Net book value		**108,347,455**	**95,077,082**
Opening net book amount		95,077,882	90,350,492
Foreign currency movement		(761,346)	(1,747,957)
Additions		20,049,219	15,007,723
Impairment charge		-	(3,350,869)
Amortisation charge		(6,018,300)	(5,181,507)
Closing net book amount		**108,347,455**	**95,077,882**

Refer to note 16 for the assessment of the recoverable amount of the producing assets .

Note 20: Trade and other payables

	Note	Consolidated 2017 (US$)	Consolidated 2016 (US$)
a: Current			
Trade payables		381,237	1,048,601
Interest bearing trade payables		-	1,556,463
Sundry payables and accrued expenses		1,232,262	9,639,809
		1,613,499	**12,244,873**
b: Non-Current			
Interest bearing trade payables		40,851,038	13,998,006
Accrued expenses		10,539,050	9,765,999
		51,390,088	**23,764,005**

Risk exposure

Trade payables are non-interest bearing with the exception of amounts due to LandOcean classed under interest bearing trade payables. These balances are not payable until April 2020. Interest charged was 10% up to 27 April 2017 and 6% afterwards.

Information about the Group's exposure to credit risk, foreign exchange risk and price risk is provided in Note 34.

Note 21: Borrowings at fair value

	Note	Consolidated 2017 (US$)	Consolidated 2016 (US$)
a: Borrowings at fair value			
Opening balance		-	7,518,077
Interest due on outstanding balance		-	137,920
Cash repayment		-	(7,655,997)
Closing net book amount		**-**	**-**

All borrowings related to loan to Lind Asset Management LLC and were repaid during the previous year.

	Note	Consolidated 2017 (US$)	Consolidated 2016 (US$)
b: Option liability			
Option liability at fair value through profit or loss		341,618	835,714
Closing net book amount		**341,618**	**835,714**

During 2017, no options were exercised. During 2016, 367,143,136 options with a fair value of US$1,661,430 were issued to Beijing Sibo Investment Management LP under the share placement (Note 25). These options were recognised as a financial liability given the exercise price is stated in GBP. No options were exercised during 2016.

Total fair value movement recognised in P&L was a gain of US$494,096 (2016: US$1,643,570).

	Note	Consolidated	
		2017 (US$)	2016 (US$)
c: Convertible note			
Opening balance		-	-
Convertible note liability element		16,507,750	-
Convertible note derivative element		2,692,563	-
Interest due on outstanding balance		1,871,318	-
Closing net book amount		**21,071,631**	**-**

During the year, Range signed an agreement with LandOcean Energy Services Co. Limited. for the issuance of a US$20,000,000 convertible note.

The terms of the convertible note are as follows:

Issuer	Range Resources Limited
Noteholder	LandOcean Energy Services Co. Limited
Amount	US20,000,000
Tenor	Three years
Repayment	Bullet at maturity date
Interest	8% per annum, payable annually in arrears (i)
Security	None
Conversion price	0.88p per share
Lender Conversion Right	At any time, in a minimum amount of US$10,000,000

(i) the next interest payment is due on 18 November 2017 and annually thereafter.

The proceeds from this convertible note were utilised solely to replace a portion of the outstanding payable balance due to LandOcean under the terms of the Integrated Master Services Agreement ("IMSA").

Note 22: Provision for rehabilitation

The Group records the present value of the estimated cost of legal and constructive obligations to restore operating locations in the period in which the obligation arises. The nature of restoration activities includes removal of facilities, abandonment of wells and restoration of affected areas.

	Note	Consolidated	
		2017 (US$)	2016 (US$)
Provision for rehabilitation		1,461,225	740,268
Movement in the provision for rehabilitation during the financial year are set out below:			
Carrying amount at the start of the year		740,268	734,858
Additional provision recognised		44,048	5,410
Carrying amount at the end of the year		**784,316**	**740,268**

Note 23: Deferred tax liability

	Fair value uplift on business combination	Accelerated depreciation	Total
	US$	US$	US$
Movements: Year ended 30 June 2016			
Opening balance	32,319,761	11,039,438	43,359,199
Foreign currency movement	-	(669,950)	(669,950)
Charged/(credited) - to profit or loss	(2,273,556)	7,145,919	4,872,363
Closing net book amount	**30,046,205**	**17,515,407**	**47,561,612**
Movements: Year ended 30 June 2017			
Opening balance	30,046,205	17,515,407	47,561,612
Foreign currency movement	-	(1,007,041)	(669,950)
Charged/(credited) - to profit or loss	(1,713,279)	9,658,852	4,872,363
Closing net book amount	**28,332,926**	**26,167,218**	**54,500,144**

As a result of business combination, at the date of acquisition a deferred tax liability has been recognised 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 the requirements of Australian Accounting Standard AASB 112 Income Taxes. The Group does not have a tax payable in relation to the deferred tax liability at 30 June 2017 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.

Note 24: Other non-current liabiltiies

	Note	Consolidated	
		2017 (US$)	2016 (US$)
Employee service benefits		340,289	422,315
		340,289	**422,315**

Risk exposure

Information about the Group's exposure to credit risk, foreign exchange risk and price risk is provided in Note 34.

Note 25: Contributed equity

	Note	Consolidated 2017 (US$)	Consolidated 2016 (US$)
7,595,830,782 (2016: 7,589,790,100) fully paid ordinary shares		404,910,293	404,874,079
Share issue costs		(20,991,896)	(20,991,887)
Total contributed equity		**383,918,397**	**383,882,192**

	Consolidated			
	2017 No.	2017 (US$)	2016 No.	2016 (US$)
a: Fully paid ordinary shares				
At the beginning of reporting period	7,589,790,100	404,874,079	5,767,169,188	382,535,744
Shares issued during year	6,040,682	36,205	1,822,620,912	22,338,335
Total contributed equity	**7,595,830,782**	**404,910,284**	**7,589,790,100**	**404,874,079**

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting of the Company, in person or by proxy, is entitled to one vote and upon a poll each share is entitled to one vote.

	2017 No.	2016 No.
b: Unissued fully paid ordinary shares		
Opening balance (i)	-	30,000,000
Cancelled in year (i)	-	(30,000,000)
Total contributed equity	**-**	**-**

(i) Under the terms of an agreement between shareholders in Strait, the Company was required to issue 30,000,000 shares to other investors in Strait upon the completion of the next well in the Georgia drilling programme or upon disposal of Range's shareholding in Strait. The obligation to issue shares to Strait has expired.

During the year ended 30 June 2007, 4,925,000 partly paid ordinary shares were allotted and issued to Directors and Consultants which have been forfeited. It is proposed that these partly paid shares are cancelled and a rsolution to that effect will be proposed at the next Annual General Meeting.

	Details	Number of shares	Issue price US$	US$
c: Movements in fully paid ordinary share capital				
1 July 2016	**Opening balance**	**7,589,790,100**		**404,874,079**
	Share placement to previous director	6,040,682	0.006	36,214
30 June 2017	**Closing balance**	**7,595,830,782**		**404,910,293**
1 July 2015	**Opening balance**	**5,767,169,188**		**382,535,744**
	(Tranche 2) Share placement to Beijing Sibo Investment Management LP	1,797,620,912	0.012	22,033,080
	Share placement to directors and employees	25,000,000	0.012	305,255
30 June 2016	**Closing balance**	**7,589,790,100**		**404,874,079**

	Consolidated	
	2017 No.	2016 No.
d: Options		
At the beginning of reporting period	883,055,747	788,998,289
Options issued during year (refer Notes 21 and 31)	8,000,000	406,143,136
Options expired	(102,210,770)	(312,085,678)
Options exercised during year	-	-
Total options	**788,844,977**	**883,055,747**

At 30 June 2017, the unissued ordinary shares under option are as follows:

Date of expiry	Exercise price	Number under option
9 September 2017	£0.03	7,500,000
15 October 2017	£0.01203	31,000,000
31 January 2018	A$0.05	1,000,000
14 July 2018	£0.01	161,472,247
14 July 2018	£0.02	118,729,593
31 August 2018	£0.01	14,000,000
3 September 2019	£0.01	194,585,862
3 September 2019	£0.02	172,557,274
30 March 2020	£0.01	80,000,000
Total number under option:		780,844,976

The holders of these options do not have any rights under the options to participate in any share issues of the company.

During the year ended 30 June 2017, no ordinary shares of Range were issued on the exercise of options (2016: nil).

Note 26: Reserves

	Note	Consolidated 2017 (US$)	Consolidated 2016 (US$)
a: Share-based payment reserve			
Balance 1 July 2016		8,549,023	14,231,578
Share based payment expenses (note 31)		(32,186)	250,847
Expired options reclassified to retained earnings		-	(5,933,401)
Balance 30 June 2017		**8,516,837**	**8,549,024**

The share based payment reserve records items recognised as expenses on the fair valuation of shares and options issued as remuneration to employees, directors and consultants.

	Note	Consolidated 2017 (US$)	Consolidated 2016 (US$)
b: Option premium reserve			
Balance 1 July 2016		12,057,363	12,057,363
Fair value movement of exercised options that were originally classified as a derivative liability		-	-
Balance 30 June 2017		**12,057,363**	**12,057,363**

The option premium reserve is used to recognise the grant date fair value of options.

	Note	Consolidated 2017 (US$)	Consolidated 2016 (US$)
c: Foreign currency translation reserve			
Balance 1 July 2016		3,620,738	3,459,939
Currency translation differences arising during the year		2,144,373	160,799
Balance 30 June 2017		**5,765,111**	**3,620,738**

The foreign currency translation reserve is used to record exchange differences arising from the translation balances of foreign subsidiaries.

Total reserves at 30 June 2017	**26,339,311**	**24,227,125**

Note 27: Commitments

	Note	Consolidated 2017 (US$)	2016 (US$)
Expenditure and Capital commitments			
Not later than 1 year		5,509,200	30,614,669
		5,509,200	**30,614,669**

Note 28: Contingent liabilities and contingent assets

Colombian exploration licences

In January 2016, Range received notification from Agencia Nacional de Hidrocarburos ("ANH") in Colombia advising that the E&P licences over three exploration blocks (PUT-5, VSM-1 and VMM-7) had been revoked. The licences had been awarded to a Consortium of Optima Oil Corporation ("Optima") and the Company in December 2012. ANH alleges that various obligations and commitments agreed within the exploration licences have not been complied with and also that invalid letters of credit had been presented to ANH by Optima to support the minimum work obligations. The effect of revocation of the licences by ANH is: (i) expiry of the contracts, (ii) Range would be unable to enter into any further agreement with Colombian State for a period of 5 years, (iii) final settlement and liquidation of the licences, and (iv) joint and several liability of the Consortium partners to ANH for all sums due to ANH and for potential damages claim of up to the aggregate financial value of the work commitments of the Consortium for the three licences which totalled approximately US$53 million. The value of the allegedly invalid letters of credit provided was approximately US$11 million.

On 1 September 2016, Range received a demand notice from ANH addressed to the Consortium seeking payment of the full amount of the outstanding obligations due to ANH totalling up to approximately US$53 million. The deadline for making the payment, or otherwise responding to ANH with a defence against the action, was 7 September 2016. A comprehensive response was subsequently submitted to ANH by the consortium on this date. This response addressed the numerous areas in which Range and the consortium object to the demand which was received from ANH.

A Joint Operating Agreement ("JOA") is in place amongst the Consortium partners. Under the terms of the JOA it was agreed between the Consortium that it was the sole responsibility of Optima to complete the minimum work obligations and to provide all necessary funding, including the provision of valid letters of credit in favour of ANH. Under the JOA, Range has an indemnity to recover from Optima any payment incurred by Range for any contractual obligations under the licences which were not paid by Optima. Range has engaged legal advisers in Colombia.

Range has no material assets in Colombia.

In addition to the ongoing work with legal advisers in Colombia, Range has sought advice from its Australian advisers regarding the ability of ANH to try and enforce a claim against Range in Australia (where Range is incorporated). The Company's legal advisers confirm that there is no provision in Australian law to enable either judgments of Colombian courts, or administrative orders of ANH to be recognised in Australia. If ANH did seek to make any claim in Australia it would be required to commence court proceedings in the Australian courts and to prove its entitlement to such claim. Range would have the right to defend such claim. Range has not received any claim from ANH in Australia and would defend itself against any such claim if ever received.

The Company continues to work with Optima and legal advisers to defend its position to the maximum extent possible and is considering what further action can be taken to challenge the actions taken by ANH. At this time Range cannot provide any indication of the likely timeline for any resolution to this matter, nor any likely financial impact.

Geeta Maharaj

Range received an invoice from Geeta Maharaj, a Trinidad based attorney seeking payment for legal services in the amount of approximately US$1.9 million. The invoice purports to relate to legal work undertaken during mid-2014 including the preparation of inter-company loan agreements. Range strongly refutes the amount of this purported invoice and considers it to be vastly excessive and therefore not payable. A claim has been filed by Ms Maharaj seeking the sum of TT$12,019,573 (approximately US$1.9 million) plus interest and costs. Range filed a notice of application to strike out this claim on 14 July 2017 and a hearing on this application is taking place on 29 September 2017. The outcome of this hearing is currently unknown.

Separately, Range has received further correspondence from Ms Maharaj on a related matter claiming damages of TT$6,000,000 (approximately US$890,000) on the basis of a conspiracy designed to damage Ms Maharaj's reputation. Again, Range firmly refutes the allegation and in conjunction with its legal counsel in Trinidad has responded to this demand. A claim has been filed by Ms Maharaj seeking damages of TT$6,000,000 (approximately US$890,000) plus interest and costs. The Company, in conjunction with its legal counsel, has filed a defence in respect of this claim.

While the Company, having taken legal advice, considers the probability of Ms Maharaj succeeding in either of her claims to be remote, there can be no guarantee that there will be a favourable outcome for the Company.

Guayaguayare licence

On 21 May 2015, Range announced that it had signed an amendment agreement in respect of its interest in the Guayaguayare Block in Trinidad. As a result of the amended agreement, Range acquired the full interest of Niko Resources Ltd. (Niko), which is 32.5% in the Shallow and 40% in the Deep Production Sharing Contracts (PSCs). Following completion of the agreement, Range holds 80% interest in the Deep PSC and 65% interest in the Shallow PSC. The consideration payable for the increased interest is contingent upon commercial discovery and subsequent production, whereby Range will pay Niko upon certain production milestones being achieved from the two PSCs, with the maximum payable of US$19 million based on production in excess of 10 million barrels. Range is currently unable to assess the likelihood of these milestones being met, and consequently, no provision has been raised.

Historic Trinidad Tax Interest and Penalty

In the years prior to 2012, Range Resources Trinidad Limited was late with payment of certain taxation liabilities to the Board of Inland Revenue in Trinidad. The taxation due was paid in full however the late payment attracted interest and penalties of TT$22,800,000 (US$3,370,000). The Company engaged tax advisers to assist with this matter and they are currently in negotiations with the Board of Inland Revenue. Based upon advice received, the

Company believes that approximately 50% of the interest and penalties will be waived. The Company has previously recognised an accrual of TT$6,800,000 (US$1,000,000) in respect of this potential liability and during the year has recognised an additional accrual of TT$4,200,000 (US$621,000).

The Directors are not aware of any further contingent liabilities or contingent assets as at 30 June 2017.

Note 29: Segment reporting

30 June 2017	Trinidad US$	Unallocated US$	Total US$
Segment revenue			
Revenue from continuing operations	8,435,309	-	8,435,309
Revenue from discontinued operations	-	-	
Other income	96,347	78,020	174,367
Total revenue	**8,531,656**	**78,020**	**8,609,676**
Segment result			
Segment income/(expenses)	(54,452,224)	(3,520,381)	(57,972,605)
Profits/(loss) before income tax	(45,920,568)	(3,442,361)	(49,362,929)
Income tax	(4,999,950)	-	(4,999,950)
Profit/(loss) after income tax	(50,920,518)	(3,442,361)	(54,362,879)
Segment assets			
Segment assets(i)	132,921,505	17,425,944	150,347,449
Total assets	132,921,505	17,425,944	150,347,449
Segment liabilities			
Segment liabilities	103,755,172	26,569,633	130,324,805
Total liabilities	**103,755,172**	**26,569,633**	**130,324,805**

30 June 2016	Trinidad US$	Unallocated US$	Total US$
Segment revenue			
Revenue from continuing operations	7,062,226	-	7,062,226
Revenue from discontinued operations	-	-	-
Other income	5,983	45,210	51,193
Total revenue	**7,068,209**	**45,210**	**7,113,419**
Segment result			
Segment expenses	(43,323,546)	(6,580,238)	(49,903,784)
Loss before income tax	(36,255,337)	(6,535,028)	(42,790,365)
Income tax	(1,084,520)	-	(1,084,520)
Loss after income tax	(37,339,857)	(6,535,028)	(43,874,885)
Segment assets			
Segment assets	144,249,237	13,843,405	158,092,642
Total assets	144,249,237	13,843,405	158,092,642
Segment liabilities			
Segment liabilities	81,191,617	4,663,893	85,855,510
Total liabilities	**81,191,617**	**4,663,893**	**85,855,510**

(i) Unallocated assets

	30 June 2017 US$	30 June 2016 US$
Segment assets		
Cash	17,254,360	12,189,822
Assets held for sale	-	1,250,000
Other	171,584	403,583
Total segment assets	**17,425,944**	**13,843,405**

	Note	Consolidated	
		2017 (US$)	2016 (US$)
a: Other segment information **Segment other revenue – all other segments**			
Other income		78,022	45,210
Total unallocated segment revenue		**78,022**	**45,210**

	Note	Consolidated	
		2017 (US$)	2016 (US$)
Segment result – all other segments			
Directors' and officers' fees and benefits		1,069,490	500,229
Impairment of available for sale asset		-	400,762
Share based payments – employee and consultant shares		(32,187)	188,969
Discontinued operations		1,250,000	4,880,000
Other expenses		2,302,568	1,610,278
Total unallocated segment expenses		**3,520,381**	**6,580,238**

Accounting policies

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The chief operating decision maker is the Chief Executive Officer and through this role the Board of Directors.

Following the adoption of AASB 8, the identification of the Group's reporting segments remain consistent with prior periods, with management allocating resources to segments on a geographical basis.

Information regarding these segments is presented above. The accounting policies of the reportable segments are the same as those of the Group. Segment information is prepared in conformity with the accounting policies of the entity as disclosed in Note 1.

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of cash, receivables, plant and equipment, exploration expenditure capitalised and development assets net of accumulated depreciation and amortisation. While most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment disclosures do not include deferred income taxes.

Revenue from Trinidad of US$8,435,309 (2016: US$7,062,226) is derived from the subsidiary's sole customer, which is Petroleum Company of Trinidad and Tobago Limited.

Intersegment transfers

Segment revenues, expenses and results do not include any transfers between segments.

Note 30: Cash flow information

	Note	Consolidated 2017 (US$)	Consolidated 2016 (US$)
Reconciliation of cash flow from operations with loss after income tax			
Loss after income tax		(54,362,879)	(43,874,885)
Non-cash flows in profit			
Depreciation, depletion and amortisation		6,289,324	5,490,676
Share based payment- consultants and employees		(32,187)	250,847
Impairment of non-current assets		28,985,014	20,564,829
Finance costs (non-cash)		3,723,917	(1,633,799)
Impairment of available for sale assets		-	400,762
Foreign exchange (gain)/loss		1,362,426	1,768,479
Impairments recognised on held for sale assets		1,250,000	4,750,000
Fair value movement of derivative		(494,096)	-
Other non-cash items			
Decrease in other current assets		(2,408,126)	605,227
Decrease/(increase) in trade and other receivables		(7,986,854)	528,712
(Increase)/decrease in deferred tax asset		(2,893,332)	(3,673,112)
(Decrease)/increase in trade and other payables		(11,433,731)	(1,409,322)
Decrease in income tax payable		(3,503)	(10,170)
Increase in deferred tax liabilities		7,946,065	4,202,416
(Decrease)/increase in provisions		44,048	(93,532)
Increase/(decrease) in borrowings		21,071,631	-
Increase in non-current operating payables		10,345,663	7,946,837
Net cash (outflow)/inflow from operations		**1,403,350**	**(4,186,035)**

	Note	Consolidated 2017 (US$)	Consolidated 2016 (US$)
Non-cash investing and financing activities			
Repayment of borrowings:			
Share issued as share based payments or finance or capital raising costs		-	1,661,430

Note 31: Share based payments

The following share-based payment arrangements occurred during the financial year ended at 30 June 2017:

Quantity	Security	US$ Value	Purpose
8,000,000(i)	Unlisted options	7,096	Options issued to key mangement personnel

(i) The value of options have been expensed to the profit or loss on a proportionate basis for each financial year from grant to vesting date.

The following share-based payment arrangements occurred during the financial year ended at 30 June 2016:

Quantity	Security	US$ Value	Purpose
81,500,000(i)	Unlisted options	106,278	Options issued to employees

(i) The value of options have been expensed to the profit or loss on a proportionate basis for each financial year from grant to vesting date.

Employee option plan

Year ended 30 June 2017

The following options were issued to key management personnel, employees and consultants:

Name	Number of options	Grant date	Expiry date
Key management personnel	8,000,000	29 September 2016	30 March 2020

The fair value at grant date of unlisted options is independently determined using a Black Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Year ended 30 June 2016

Quantity	Security	US$ Value	Purpose
81,500,000(i)	Unlisted options	106,278	Options issued to employees

(i) Includes 42,500,000 options granted when shareholder approval obtained on 25 May 2016.

The value of options have been expensed to the profit or loss on a proportionate basis for each financial year from grant to vesting date.

Quantity	Security	US$ Value	Purpose
19,987,481	Fully paid ordinary shares	580,406	Shares issued to employees and consultants
42,742,654	Unlisted options	1,176,524	Options issued in lieu of consulting fee
75,000,000	Unlisted options	85,464	Options issued to Directors in period
7,500,000	Unlisted options	895,049	Options issued in lieu of consulting fees

The fair value at grant date of unlisted options is independently determined using a Black Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The vesting conditions of the options issued to key management personnel are as follows:

a) 25% became exercisable on 31 March 2016;

b) 25% will become exercisable upon the Company reaching production of 1,500 barrels of oil per day for a continuous 15 day period in Trinidad;

c) 25% will become exercisable upon the Company reaching production of 2,500 barrels of oil per day for a continuous 15 day period in Trinidad;

d) 25% will become exercisable upon the Company reaching production of 4,000 barrels of oil per day for a continuous 15 day period in Trinidad.

The vesting conditions of the options issued to employees and consultants are as follows:

a) 33% will become exercisable upon the Company reaching production of 1,500 barrels of oil per day for a continuous 15 day period in Trinidad;

b) 33% will become exercisable upon the Company reaching production of 2,500 barrels of oil per day for a continuous 15 day period in Trinidad;

c) 34% will become exercisable upon the Company reaching production of 4,000 barrels of oil per day for a continuous 15 day period in Trinidad.

Options granted 1 September 2015

The value per option at the grant date was 0.56 cents for key management personnel options and 0.45 cents for employee options, determined using the Black Scholes option price model using the following key inputs:

Volatility: 100%	Probability of meeting vesting conditions: 100%
Risk free rate: 1.92%	Exercise price: £0.01
USD/GBP exchange rate: 0.6509	Share price on grant date £0.0057

Options granted 25 May 2016

The fair value of options to be granted have been estimated at 30 June 2016 at 0.30 cents using the Black Scholes options pricing model using the following key inputs:

Volatility: 100%

Probability of meeting vesting conditions: 100%

Risk free rate: 1.92%

Exercise price: £0.01

USD/GBP exchange rate: 0.7468

Share price on grant date £0.0037

Expenses recognised in the profit & loss

During the year, share-based payments recognised in profit or loss amounts to a reversal of US$32,187 (2016: US$250,847).

	Expenses recognised in the profit or loss			
	2017 No.	Average exercise price (US$)	2016 No.	Average exercise price (US$)
As at 1 July	883,055,747	0.019	788,998,289	0.047
Granted during year:				
Under employee option plan	-	-	39,000,000	0.013
Other options issued	8,000,000	0.021	367,143,136	0.019
Exercised	-	-	-	-
Forfeited	(102,210,770)	0.028	(312,085,678)	0.045
As at 30 June	**788,844,977**	**0.023**	**883,055,747**	**0.019**
Vested and exercisable at 30 June	728,845,000	0.023	823,055,747	0.019
Weighted average remaining contractual life options outstanding at end of period	518 days		682 days	

Note 32: Related party transactions

(a) Parent entity

The ultimate Parent Entity and ultimate Australian Parent Entity within the Group is Range Resources Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in Note 15.

(c) Transactions with Key Management Personnel

The following transactions occurred during the year with Key Management Personnel or their related parties:

	2017 US$	2016 US$
Consulting fees paid or payable to Kaiyuan Guosen Management Consulting Limited, a company owned by Mr Gu	195,000	-
Consulting fees paid or payable to Plentiful Wise Holdings Limited, a company owned by Ms Wang	75,000	-
Consulting fees paid or payable to Ten Faye Limited, a company owned by Mr L Liu	39,660	-
Balances at year end to related parties		
David Chen and related entities	-	12,267
Lijun Xiu and related entities	42,000	-
Lubing Liu and related entities	-	10,375
Dr Yi Zeng	-	1,042
Kiki Wang and related entities	-	2,500
Kerry Gu and related entities	-	20,833

	Note	Consolidated	
		2017 (US$)	2016 (US$)
d: Key Management Personnel compensation			
Short–term benefits		906,725	561,467
One-off payments		104,000	15,700
Post-employment benefits		33,315	24,246
Termination benefits		38,750	-
Share based payments		14,239	234,424
Total		**1,097,029**	**835,837**

Note 33: Parent entity information

The following details information related to the Parent Entity Range Resources Limited, at 30 June 2017. The information presented here has been prepared in accordance using consistent accounting policies as presented in Note 1.

	Note	2017 (US$)	2016 (US$)
Current assets		16,760,518	17,142,499
Non-current assets		29,029,801	59,743,582
Total assets		**45,790,319**	**76,886,081**
Current liabilities		2,852,384	4,648,918
Non-current liabilities		23,245,915	-
Total liabilities		26,098,299	4,648,918
Contributed equity		383,918,396	383,882,182
Accumulated losses		(387,637,292)	(335,088,153)
Reserves		23,410,916	23,443,134
Total equity		**19,692,020**	**72,237,163**
Profit for the year from continuing operations		(51,299,139)	(40,975,917)
Loss for the year from discontinued operations		(1,250,000)	(4,880,000)
Total comprehensive loss for the year		**(52,549,139)**	**(45,855,917)**

The contingent liabilities of the parent are included within those of the Group as disclosed in Note 28.

The contractual commitments of the parent are included within those of the Group as disclosed in Note 27.

Note 34: Financial risk management

The Group has exposure to the following risks from their use of financial instruments:

Credit risk

Liquidity risk

Market risk

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout these financial statements. The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed to reflect changes in market conditions and the Group's activities. The Group, through training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all consultants and agents understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Group if counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's investments, receivables and cash held at financial institutions.

Credit risk is managed on a group basis. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The credit quality of financial assets that are neither past due or impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

	Note	Consolidated	
		2017 (US$)	2016 (US$)
Cash at bank, restricted deposits and short-term bank deposits (S&P ratings)			
AAA -		15,971,560	155,801
AA-		571,294	4,635,076
A+		708,744	719,460
BBB+		-	95,205
BBB-		2,762	7,382,980
Not rated		-	8,012,730
		17,254,360	**21,001,252**

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	Note	Consolidated	
		2017 (US$)	2016 (US$)
Trade and other receivables (i)		12,607,120	4,620,266
Cash and cash equivalents		17,254,360	13,001,252
Restricted deposits		-	8,000,000
		29,861,480	**25,621,518**

(i) Counterparties without an external credit rating

Loans and receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each debtor. No collateral was held in relation to these receivables.

Impairment losses

No impairment loss was recognised in relation to other receivables respectively in the year. During the prior year, an impairment of US$600,000 on trade and other receivables were recognised.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group uses activity-based costing to cost its activities, which assists in monitoring cash flow requirements and optimising its cash return on investments. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 12 months; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Group 2017

	Carrying amount	Contractual cash flows	6 months or less	6 – 12 months	1-2 years	2-5 years
Financial liabilities at amortised cost						
Trade and other payables	53,003,587	54,491,940	936,590	10,539,051	-	43,466,299
Borrowings	21,071,631	24,800,000	-	1,600,000		21,600,000
	74,075,218	79,291,940	936,590	12,139,051	-	65,066,299

Group 2016

	Carrying amount	Contractual cash flows	6 months or less	6 – 12 months	1-2 years	2-5 years
Financial liabilities at amortised cost						
Trade and other payables	36,008,878	38,540,925	8,906,905	3,493,614	15,397,807	10,742,599
	36,008,878	38,540,925	8,906,905	3,493,614	15,397,807	10,742,599

Market risk

Market risk is the risk that changes in market prices, such as interest rates and equity prices will affect the Group's income or the value of its holdings of available for sale assets. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Equity price risk

The Group is exposed to equity securities price risk. This arises from investments held by the Group and classified on the statement of financial position as available for sale as well as from the option liability held as a current liability.

A 10% increase in Range's share price would result in an increase to the option liability of US$34,162. A decrease would have had the equal but opposite effect.

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar, AU dollar, TT Dollar and British pound.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The Group's treasury risk management policy is to closely monitor exchange rate fluctuations. To date, the Group has not sought to hedge its exposure to fluctuations in exchange rates, however this policy will be reviewed on an ongoing basis.

The Group's exposure to foreign currency risk at the reporting date was as follows:

	Consolidated			
	2017 AUD	2016 AUD	2017 GBP	2016 GBP
Cash	327,374	209,285	268,079	585,596
Amount payable to other entities	(104,555)	(119,549)	(361,758)	(44,725)
	222,819	**89,736**	**(93,679)**	**540,871**

Sensitivity

Based upon the amounts above, had the Australian dollar strengthened by 10% against the US dollar with all other variables held constant, the Group post-tax loss for the year on current amounts receivable/payable would have been US$32,164 higher (2016: US$35,798 higher), mainly as a result of foreign exchange gains/losses on translation of AUD denominated payables as detailed in the table above. A 10% weakening of the Australian dollar against the above currencies at 30 June would have had the equal but opposite effect, on the basis that all other variables remain constant.

The Trinidad entities are minimally exposed to foreign exchange risk arising from various currencies, primarily with respect to the United States Dollar.

Interest rate risk

The group's main interest rate risk arises from non-current receivables. Non-current receivables issued at fixed rates expose the group to fair value interest rate if the loans are carried at fair value. During 2017 and 2016, the group loan receivables were denominated in Australian Dollars, British Pounds and US Dollars.

Profile

At the reporting date, the interest rate profile of the Group's financial instruments which exposes the group to cash flow interest rate risks are:

RANGE

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Maturing		Non-interest bearing		Total	
	2017 %	2016 %	2017 US$	2016 US$	2017 US$	2016 US$	2017 US$	2016 US$	2017 US$	2016 US$
Financial Assets:										
Cash and cash equivalents	0.4%	0.35%	17,254,360	13,001,252	-	-	-	-	17,254,360	13,001,252
Restricted deposits	-	0.25%	-	8,000,000	-	-	-	-	-	8,000,000
Trade and other receivables	-	-	-	-	-	-	12,607,120	4,620,266	12,607,120	4,620,266
Available for sale financial assets	-	-	-	-	-	-	45,238	45,238	45,238	45,238
Non-current receivables	-	-	-	-	-	-	-	-		
Total Financial Assets			**17,254,360**	**21,001,252**	**-**	**-**	**12,652,358**	**4,665,504**	**29,906,718**	**25,666,756**
Financial Liabilities:										
Trade and other payables	9.3%	10%	-	-	40,851,038	25,320,468	12,152,549	10,668,410	53,003,587	36,008,878
Borrowing	8%	-	-	-	21,071,631	-	-	-	21,071,631	-
Total Financial Liabilities	**-**	**-**	**-**	-	**61,922,669**	**25,320,468**	**12,152,549**	**10,668,410**	**74,075,218**	**36,008,878**

Sensitivity analysis for variable rate instruments

The sensitivity on interest rates for 2017 and 2016 assumes a change of 100 basis points in the interest rates at the reporting date and would have increased / (decreased) profit or loss by the amounts shown. Both analyses for each year assume that all other variables, in particular foreign currency rates, remain constant.

Group	Weighted Average Interest Rate %	2017 +100 bps US$	2017 -100 bps US$	Weighted Average Interest Rate %	2016 +100 bps US$	2016 -100 bps US$
Variable rate instruments						
Financial assets (cash and cash equivalents)	0.4%	-	-	0.31%	-	-
Financial assets (loan and receivables)	-	-	-	-	-	-

Fair values versus carrying amounts

The fair value of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

Group	30 June 2017 US$		30 June 2016 US$	
	Carrying amount	Fair value	Carrying amount	Fair value
Available-for-sale financial assets	45,238	45,238	45,238	45,238
Trade and other receivables	12,607,120	12,607,120	4,620,266	4,620,266
Cash and cash equivalents	17,254,360	17,254,360	13,001,252	13,001,252
Restricted deposits	-	-	8,000,000	8,000,000
Trade and other payables	(53,003,587)	(53,003,587)	(36,008,878)	(36,008,878)
Borrowings	(21,071,631)	(21,071,631)	-	-
	(44,168,500)	**(41,168,500)**	**(10,342,122)**	**(10,342,122)**

The basis for determining fair value is disclosed in Note 1(n).

Other price risk

The Group is not exposed to any other price risks.

Capital management

The entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The entity's overall strategy remains unchanged from 2016.

The capital structure of the group consists of cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued capital, reserves and accumulated losses as disclosed in Notes 25 and 26 respectively. None of the entities within the group are subject to externally imposed capital requirements.

Gearing ratio

The Board reviews the capital structure on an annual basis. As a part of this review the Board considers the cost of capital and the risks associated with each class of capital.

	Note	Consolidated	
		2017 (US$)	2016 (US$)
Financial assets			
Cash and cash equivalents		17,254,360	13,001,252
Financial liabilities			
Trade and other payables		(53,003,587)	(36,008,878)
Borrowings		(21,071,631)	-
Net assets / (debt)		**(56,820,858)**	**(23,007,626)**
Equity		20,022,644	72,237,132
Net debt to equity ratio		**283.8%**	**31.9%**

Categories of financial instruments

	Note	Consolidated	
		2017 (US$)	2016 (US$)
Financial assets			
Cash and cash equivalents		17,254,360	13,001,252
Trade and other receivables		12,607,120	4,620,266
Available-for-sale financial assets		45,238	45,238
		29,906,718	**17,666,756**
Financial liabilities			
Trade and other payables		52,326,678	36,008,878
Borrowings		21,071,631	-
Option liability		341,618	835,714
		73,739,927	**36,844,592**

The carrying amount reflected above represents the Group's maximum exposure to credit risk for such loans and receivables.

Note 35: Fair value measurement of financial Instruments

(a) Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1),

(b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2), and

(c) Inputs for the asset or liability that are not based on observable market data (unobservable inputs (level 3).

The following table presents the Group's financial assets and financial liabilities measured and recognised at fair value at 30 June 2017 and 30 June 2016 on a recurring basis.

At 30 June 2017	Level 1 US$	Level 2 US$	Level 3 US$	Total
Assets				
Available for sale financial assets				
Equity securities	-	-	45,238	45,238
Total assets	**-**	**-**	**45,238**	**45,238**
Liabilities				
Option liability at fair value through profit or loss	-	341,618	-	341,618
Derivative liability at fair value through profit or loss	-	2,692,563	-	2,692,563
Total liabilities	**-**	**3,034,181**	**-**	**3,034,181**
At 30 June 2016	**Level 1 US$**	**Level 2 US$**	**Level 3 US$**	**Total**
Assets				
Available for sale financial assets				
Equity securities	-	-	45,238	45,238
Total assets	**-**	**-**	**45,238**	**45,238**
Liabilities				
Option liability at fair value through profit or loss	-	835,714	-	835,714
Total liabilities	**-**	**835,714**	**-**	**835,714**

The fair value of financial instruments in active markets such as available for sale securities is based on quoted market bids at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the end of the reporting period. There were no transfers between the levels of the fair value hierarchy during the year ended 30 June 2017.

(b) Fair values of other financial instruments

The Group has financial instruments which are measured at amortised cost in the consolidated statement of financial position.

Due to their short term nature, the carrying amounts of the current receivables, current payables, current borrowings, and current other financial liabilities is assumed to approximate their fair value.

Note 36: Fair value measurement of non-financial instruments

(a) Non-recurring fair value measurements

Assets classified as held for sale at 30 June 2017 were measured at fair value less costs to sell in accordance with the Group's accounting policy.

Fair value less costs to sell has been determined based upon offers received from independent third parties to acquire the assets. Due to the way the third party offers are structured, the fair values of assets held for sale has been assessed as a Level 3 measurement as per the fair value hierarchy set out above.

Significant estimates made in determining the fair value of held for sale assets are as follows:

Strait Oil & Gas Limited

During the year, the Group made the decision to fully impair the value of its interest in Strait.

(b) Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(d) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1),

(e) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2), and

(f) Inputs for the asset or liability that are not based on observable market data (unobservable inputs (level 3).

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the end of the reporting period. There were no transfers between the levels of the fair value hierarchy during the year ended 30 June 2017.

The are not any non-financial instruments in the Group measured and recognised at fair value at 30 June 2017 on a non-recurring basis following the aforementioned impairment.

At 30 June 2017	Level 1 US$	Level 2 US$	Level 3 US$	Total
Assets				
Assets classified as held for sale				
Strait Oil & Gas Limited	-	-	-	-
Total assets	**-**	**-**	**-**	**-**

At 30 June 2016	Level 1 US$	Level 2 US$	Level 3 US$	Total
Assets				
Assets classified as held for sale				
Strait Oil & Gas Limited	-	-	1,250,000	1,250,000
Total assets	**-**	**-**	**1,250,000**	**1,250,000**

Note 37: Events after the reporting date

Range Resources Drilling Services acquisition

The Company has signed a Sale and Purchase Agreement with LandOcean Energy Services Co., Ltd for the acquisition of 100% of Range Resources Drilling Services Limited, an established oilfield services business based in Trinidad with a large modern fleet of 12 rigs, including 4 drilling rigs purchased during 2014. As required in the Heads of Agreement, an independent valuation report has been received by Range which confirms a fair market value of RRDSL of US$5.5 million.

Acquisition of producing assets in Trinidad

The Company has entered into a binding Sale and Purchase Agreement to acquire certain producing assets from a wholly owned subsidiary of Trinity for a cash consideration of US$4.55 million. The acquisition was funded from the existing cash resources. Pursuant to the acquisition, the Company will acquire a significant interest in two offshore producing licences, Brighton Marine ("BM") and Point Ligoure-Guapo Bay-Brighton Marine ("PGB"). Both licences are located offshore West Coast of Trinidad, with a combined current production of approximately 200 bopd. The Company will be the operator of both blocks.

Acquisition of oil and gas interests in Indonesia

The Company has signed a Sale and Purchase Agreement with PT Hengtai Weiye Oil and Gas, to acquire a 23% interest (to increase to 42% upon completion of the minimum work programme) in the Perlak field. The acquisition consideration of US$3.2 million will be funded from the existing cash resources of the Company.

Trading of shares on AIM

The Company's shares on AIM were cancelled on 14 September 2017. The Company remains committed to maintain a listing in London and intends to seek readmission of its shares to AIM at the earliest reasonable opportunity.

Note 38: New accounting Standards and interpretations

Australian accounting Standards/amendments released but not yet effective: 30 June 2017 year end

Certain new accounting Standards and Interpretations have been published that are not mandatory for 30 June 2017 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new Standards and Interpretations is set out below. In all cases the Group intends to apply these standards from the application date as indicated in the tables below.

Reference:	**AASB 9**
Title:	Financial Instruments
Standard application date:	1 January 2018
Group application date:	1 July 2018
Key Requirements	
AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In December 2014, the AASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the financial instruments standard.	
Impact	
There will be no significant impact on the Group on the adoption of this standard.	

Reference:	**AASB 15**
Title:	Revenue from Contracts with Customers
Standard application date:	1 January 2018
Group application date:	1 July 2018
Key Requirements	
The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer, so the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise any applicable transitional adjustments in retained earnings on the date of the initial application without restating the comparative period. Entities will only need to apply the new rules to contracts that are not completed as of the date of initial application.	
Impact	
Management is currently assessing the impact of the new rules. At this stage, the Group is not able to estimate the impact of the new rules on the Group's financial statements. The Group will make more detailed assessments of the impact over the next 12 months.	

Reference:	**AASB 16**
Title:	Leases
Standard application date:	1 January 2019
Group application date:	1 July 2019

Key Requirements

The key features of AASB 16 are as follows:

Lessee accounting

- Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of a low value.
- A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities.
- Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments, and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease.
- AASB 16 contains disclosure requirements for leases.

Lessor accounting

- AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. AASB 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk.

Impact

To the extent that the entity, as lessee, has significant operating leases outstanding at the date of initial application, 1 July 2019, right-of-use assets will be recognised for the amount of the unamortised portion of the useful life, and lease liabilities will be recognised at the present value of the outstanding lease payments. Thereafter, earnings before interest, depreciation, amortisation and tax (EBITDA) will increase because operating lease expenses currently included in EBITDA will be recognised instead as amortisation of the right-of-use asset, and interest expense on the lease liability. However, there will be an overall reduction in net profit before tax in the early years of a lease because the amortisation and interest charges will exceed the current straight-line expense incurred under AASB 117 Leases. This trend will reverse in the later years.

There will be no change to the accounting treatment for short-term leases less than 12 months and leases of low value items, which will continue to be expensed on a straight-line basis.

Reference:	AASB 2016-1
Title:	Amendments to Australian Accounting Standards - Recognition of Deferred Tax Assets for Unrealised Losses (AASB 112)
Standard application date:	1 January 2017
Group application date:	1 July 2017

Key Requirements

This standard amends AASB 112 Income Taxes to clarify the requirements on recognition of deferred tax assets for unrealised losses on debt instruments measured at fair value.

Impact

There will be no significant impact on the Group's results on the adoption of this standard.

Reference:	AASB 2016-2
Title:	Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 107
Standard application date:	1 January 2017
Group application date:	1 July 2017

Key Requirements

This standard amends AASB 107 Statement of Cash Flows to require entities preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

Impact

There will be no significant impact on the Group's results on the adoption of this standard.

There are no other standards that are not yet effective and that would be expected to have a material impact on Range in the current or future period and on foreseeable future transactions.

Note 39: Company details

The registered office of the company is:

c/o Edwards Mac Scovell, Level 7, 140 St Georges Terrace, Perth WA 6000
Telephone: +61 8 6205 3012

The principal place of business is:

c/o Edwards Mac Scovell, Level 7, 140 St Georges Terrace, Perth WA 6000
Telephone: +61 8 6205 3012

Director's Declaration

The directors of the company declare that:

The financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, accompanying notes, are in accordance with the Corporations Act 2001 and:

a) comply with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

b) give a true and fair view of the Group's financial position as at 30 June 2017 and of its performance for the year ended on that date.

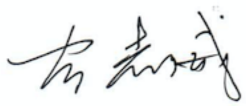
The company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

Zhiwei Gu
Chairman



29 September 2017

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INDEPENDENT AUDITOR'S REPORT

To the members of Range Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Range Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the Corporations Act 2001, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation, other than for the acts or omissions of financial services licensees.

Impairment assessment of Trinidad Cash Generating Unit (CGU)

Key audit matter	How the matter was addressed in our audit

At 30 June 2017 the carrying value of the non-current assets relating to the Trinidad CGU were $110.369 million (2016: $126.392 million) consisting of the producing asset of $108.347 million (2016: $95.078 million), property plant and equipment of $2.022 million (2016: $2.329 million) and goodwill of nil (2016: $28.985 million).
 	
Management's impairment assessment of these assets was based on the CGU's fair value less costs to sell using a discounted cash flow model and resulted in an impairment expense of $28.985 million in the year ended 30 June 2017.
 	
The impairment assessment is a key audit matter due to the significant judgements and estimates as disclosed in Note 16(a).
	Our procedures included but were not limited to the following:
	- Assessing the appropriateness of the Group's categorisation of its CGU;
	- Assessing the competency and objectivity of management's external expert who conducted an assessment of the reserves;
	- Obtaining an understanding of the discounted cash flow model and assumptions used, including:
	  - analysing management's oil price assumptions against external data;
	  - assessing the reasonableness of the expected future operating and production costs;
	  - checking the reasonableness of the discount rate applied; and
	  - checking the production forecasts to the reserve report provided by management's expert.
	
	We also assessed the adequacy of the related disclosures in Note 16(a) to the financial statements.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's director's report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 32 to 39 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Range Resources Limited, for the year ended 30 June 2017, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO

Jarrad Prue

Director

Perth, 29 September 2017

PART III

HISTORICAL FINANCIAL INFORMATION

SECTION B: HISTORICAL FINANCIAL INFORMATION ON RRDSL

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Private and Confidential

The Directors
Range Resources Limited
c/o Edwards Mac Scovell
Level 7, 140 St Georges Terrace
Perth WA6000
Australia

7 December 2017

Cantor Fitzgerald Europe
One Churchill Place
London, E14 5RB

Dear Sirs

Financial information on Range Resources Drilling Services Limited ("RRDSL")

Introduction

We report on the financial information set out in Section B of Part III. This financial information has been prepared for inclusion in the admission document dated 7 December 2017 of Range Resources Limited (the "Admission Document") on the basis of the accounting policies set out in note 1 to the financial information. This report is required by paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

As described in note 2 to the financial information, the directors of the Company are responsible for preparing the financial information on the basis of preparation set out in note 2 to the financial information.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies consenting to its inclusion in the Admission Document.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of RRDSL as at 30 June 2014, 30 June 2015, 31 December 2015 and 31 December 2016 and of its results, cash flows and changes in equity for the periods then ended in accordance with the basis of preparation set out in note 2 to the financial information.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies, we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

BDO LLP

Chartered Accountants

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Range Resources Drilling Services Limited

Statements of financial position

	Notes	For the year ended 31 December 2016 TT$	For the period ended 31 Dec 2015 TT$	For the year ended 30 June 2015 TT$	For the year ended 30 June 2014 TT$
Assets					
Non-current assets					
Plant and equipment	3	169,457,079	190,097,315	53,602,578	45,588,796
Deferred tax asset	4	9,545,483	2,269,066	524,988	345,466
		179,002,562	**192,366,381**	**54,127,566**	**45,934,262**
Current assets					
Cash and cash equivalents	5	4,240,442	41,458,431	70,712,	408,549
Trade and other receivables	6	6,757,243	2,742,423	742,111	136,715
Inventory	19	9,281,113	5,422,424	3,111,942	4,071,058
Taxation recoverable		158,023	230,712	230,712	224,784
Work in progress	7	9,613,085	36,706,186	4,545,688	-
Due from SOCA Limited		-	41,120	-	-
Due from Range Resources GY Shallow Limited		4,096,787	-	-	-
Due from related parties	16	68,466,631	676	21,522,658	6,136,425
Due from Range Resources Trinidad Limited		210,632,650	90,438,876	-	-
		313,245,974	**177,040,848**	**30,223,824**	**10,977,531**
Total Assets		**492,248,536**	**369,407,223**	**84,351,389**	**56,911,793**

Liabilities					
Non-Current liabilities					
Employee service/fringe benefit	10	2,534,278	2,380,269	2,099,952	1,004,752
Long term borrowings	8	597,499	768,480	-	-
Due to related parties	14	-	-	30,713,235	-
Deferred tax liability	4	19,264,543	15,352,608	9,006,904	7,551,405
		22,396,320	**18,501,357**	**41,820,091**	**8,933,209**
Current liabilities					
Short term borrowings	8	170,981	57,413	-	-
Accounts payables and accruals	11	62,189,590	31,782,592	10,138,273	11,629,925
Due to related parties	16	401,623,187	274,998,830	12,166,584	2,361,087
Due to Range Resources Trinidad Limited		-	12,122,984	-	-
Taxation payable		159,425	212,705	85,355	85,355
		464,143,183	**319,174,524**	**22,390,212**	**14,076,367**
Total liabilities		**486,539,503**	**337,675,881**	**64,210,303**	**23,009,636**
Equity					
Share capital	9	627	627	627	627
Retained earnings		5,708,406	31,730,721	20,140,459	33,901,530
		5,709,033	**31,731,348**	**20,141,086**	**33,902,157**
Total Equity and Liabilities		**492,248,536**	**369,407,229**	**84,351,389**	**56,911,793**

Statements of comprehensive income

	Notes	For the year ended 31 December 2016 TT$	For the period ended 31 Dec 2015 TT$	For the year ended 30 June 2015 TT$	For the year ended 30 June 2014 TT$
Revenue					
Revenue from supply of drilling services		186,405,424	74,514,154	61,942,196	49,371,425
Management Fees		10,822	638,694	230,710	-
Interest income	18	7,931,255	1,677,815	-	-
		194,347,501	**76,830,663**	**62,172,906**	**49,371,425**
Expenses					
Direct cost	12	104,894,836	17,809,909	31,805,384	35,227,950
Staff cost	13	30,524,227	26,479,841	34,415,294	22,452,268
Administration and other expenses	14	27,008,454	2,273,176	3,052,460	1,554,431
Depreciation	3	7,434,755	1,100,015	1,733,190	1,741,221
Impairment expense	3	23,930,548	-	-	-
Profit on transfer of inventory to related party		-	-	(142,169)	(192,955)
Loss on disposal of property, plant and equipment		-	-	10,154	11,752
		193,792,820	**47,662,941**	**70,874,313**	**60,794,667**
Profit from operations		554,681	29,167,722	-	-
Loss from operations		-	-	(8,701,407)	(11,423,242)
Finance cost	16	(28,200,074)	(6,741,791)	(330,408)	(3,728)
(Loss)/profit before taxation		(27,645,393)	22,425,931	(9,031,815)	(11,426,970)
Taxation credit/(charge)	15	1,623,078	(5,134,990)	(1,554,256)	(1,384,604)
Total comprehensive (loss)/profit for the year/period		**(26,022,315)**	**17,290,941**	**(10,586,071)**	**(12,811,574)**

The accompanying notes form an integral part of the financial information.

Statements of Changes in equity

	Share Capital TT$	Retained earnings TT$	Total equity TT$
Year ended 31 December 2016			
Balance at 1 January 2016	627	31,730,721	31,731,348
Total comprehensive loss for the year	-	(26,022,315)	(26,022,315)
Balance at 31 December 2016	**627**	**5,708,406)**	**5,709,033**
For the eight month period ended 31 December 2015			
Balance at 1 May 2015	627	14,439,780	14,440,407
Total comprehensive income for the period	-	17,290,941	17,290,941
Balance at 31 December 2015	**627**	**31,730,721**	**31,731,348**
Year ended 30 June 2015			
Balance at 1 July 2014	627	33,901,530	33,902,157
Total comprehensive loss for the year	-	(10,586,071)	(10,586,071)
Dividends	-	(3,175,000)	(3,175,000)
Balance at 30 June 2015	**627**	**20,140,459**	**20,141,086**
Year ended 30 June 2014			
Balance at 1 July 2013	627	46,713,104	46,713,731
Total comprehensive loss for the year	-	(12,811,574)	(12,811,574)
Balance at 30 June 2014	**627**	**33,901,530**	**33,902,157**

The accompanying notes form an integral part of the financial information.

Statements of cash flows

	Notes	For the year ended 31 December 2016 TT$	For the period ended 31 Dec 2015 TT$	For the year ended 30 June 2015 TT$	For the year ended 30 June 2014 TT$
Cash flow from operating activities					
(Loss)/profit before taxation		(27,645,393)	22,425,931	(9,031,815)	(11,426,970)
Adjustments for:					
Severance/service pay		637,525	459,685	599,616	500,009
Impairment expense		23,930,548			
Depreciation		7,434,755	1,100,015	1,733,190	1,741,221
Gain on transfer of inventory to related party		-	-	(142,169)	(192,955)
Loss on disposal of property, plant and equipment		-	-	10,154	11,752
Interest income accrued		(7,931,255)	(1,677,815)	-	-
Interest expense accrued		28,200,074	6,741,791	-	-
Cash flow provided by operating activities before working capital changes		**24,626,254**	**29,049,607**	**(6,831,024)**	**(9,366,943)**
Changes in operating assets and liabilities:					
(Increase)/Decrease in trade and other receivables		2,999,554	574,583	(605,356)	(84,320)
(Increase) / Decrease in inventory		(3,858,689)	(1,728,543)	1,101,285	840,282
Decrease / (Increase) in work in progress		27,093,101	(36,706,186)	(4,545,688)	-
Decrease / (Increase) in due from related parties		(68,465,955)	(676)	(15,386,233)	24,503,658
(Increase) in due from Range Resources					

Trinidad Limited	(130,809,207)	(90,438,876)	-	-
(Increase) in due from Range Resources GY Shallow Limited	(4,096,787)	-	-	-
Decrease in due from SOCA Limited	41,120	-	-	-
Increase in due to related parties	52,323,098	133,761,488	40,518,732	(1,388,734)
(Decrease)/increase in due to Range Resources Trinidad Limited	(1,507,551)	3,412,926	-	-
Increase / (Decrease) in accounts payable and other accruals	2,206,924	14,310,475	(1,491,652)	(4,682,195)
Net cash (used in) provided by Operations	**(99,448,138)**	**52,234,798**	**12,760,064**	**8,141,184**
Employee service benefit (paid) / repaid	(483,516)	(64,242)	118,472	(139,017)
Taxation (paid)	(1,721,995)	(130,005)	(284,476)	(3,323,875)
Interest (paid)	-	(45,797)	-	(3,728)
Interest received	916,881			
Net cash (used in) provided by operating activities	**(100,736,768)**	**51,994,754**	**12,594,060**	**4,674,564**
Investing activities				
Purchase of plant and equipment	(10,725,067)	(138,127,034)	(9,761,745)	(4,399,542)
Disposals of plant and equipment	-	-	4,348	3,044
Net cash (used in) investing activities	**(10,725,067)**	**(138,127,034)**	**(9,757,127)**	**(4,396,498)**
Financing activities				
Cash received from related party	74,301,259	129,897,342	-	-
Cash paid by related party	-	(3,150,000)	-	-
Loan principal				

received	-	961,200	-	-
Loan principal repaid	(57,413)	(135,307)	-	(121,516)
Dividends paid	-	-	(3,175,000)	-
Net cash provided (used in) by financing activities	**74,243,846**	**127,573,235**	**(3,175,000)**	**(121,516)**
(Decrease)/increase in cash and cash equivalent	(37,217,989)	41,440,955	(337,837)	156,550
Cash and cash equivalent at beginning of year/period	41,458,431	17,476	408,549	251,999
Cash and cash equivalent at end of year/period	**4,240,442**	**41,458,431**	**70,712**	**408,549**

The accompanying notes form an integral part of the financial information.

Notes to the financial information

1. Incorporation and business activities

Range Resources Drilling Services Limited (the "Company") was incorporated in the Republic of Trinidad and Tobago, under the company's Act 1995, on 1 May 2003. The Company completed a name change on 25 October 2012, at which time it also changed its registered office to 92 Mucurapo Street, San Fernando. On 20 June 2016, the company changed its registered address to #10km Penal, Quinam Road, Siparia. On 28 February 2015, 100% of the shareholding of the Company was purchased from Soca Petroleum Limited by Landocean Petroleum Corp. Ltd. (the "Parent"), a company incorporated in Hong Kong. The transfer of the shares was legally effected on 1 May 2015.

Its principal activity is the supply of labour and equipment to companies operating in the crude oil industry.

2. Significant accounting policies

The principal accounting policies applied in the preparation of the financial information are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS"). The financial information has been prepared under the historical cost convention.

Note that the accounting period ended 31 December 2015 is an 8 month reporting period starting 1 May 2015.

The preparation of financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial information are disclosed in Note 2.14.

(a) New and amended standards adopted by the Company

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2016 that was adopted and had a material impact on the Company.

(b) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2016 and not early adopted:

IFRS 9 Financial instruments – This new standard introduces new requirements for the classification, measurement and recognition of financial assets and financial liabilities and replaces parts of IAS 39. The standard is effective for annual periods beginning on after 1 January 2018 with early adoption permitted. IFRS 9 is required to be applied retrospectively. IFRS 9 uses business model and contractual cash flow characteristics to determine whether a financial asset is measured at amortized cost or fair value, replacing the four category classification in IAS 39. The determination is made at initial recognition. The approach is also based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. IFRS 9 uses an impairment model that is more ‘forward looking’ in that a credit event no longer has to occur before credit losses are recognised. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity’s own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Company is yet to assess IFRS 9’s full impact.

IFRS 15 Revenue from Contracts with Customers – An entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as it is currently the case under IAS 18 Revenue. The first time application of IFRS 15 has a wide and potentially very significant impact on the timing and the profile of revenue recognition across various industries. IFRS 15 also introduces extensive disclosure requirements about the recognition of revenue. The entity is currently evaluating the impacting of adopting this standard.. This standard is effective for annual reporting periods commencing on or after 1 January 2018

IFRS 16 supersedes IAS 17 Leases and its related interpretations. IFRS 16 eliminates to classification by a lessee as either operating or finance. Instead all leases are treated in a similar way to finance leases in accordance with IAS 17. Under IFRS 16, leases are recorded on the statement of financial position by recognising a liability for the present value of the obligation to make future lease payments with an asset (comprised of the amount of the lease liability plus certain other amounts) either being disclosed separately on the statement of financial position (within right of use assets) or together with property, plant and equipment. The most significant effect of the new requirements will be an increase in recognised lease assets and financial liabilities. However, entities have an option not to bring to account short term leases (those with a life of 12 months or less) and leases of low value. IFRS 16 clarifies that a lessee separates lease components and service components of a contract and applies the standard only to the leasing element. IFRS 16 applies to periods commencing on or after 1 January 2019. Management are currently undertaking an assessment of the effect of this standard and at this stage this assessment is ongoing.

Other standards, amendments and interpretations to existing standards in issue but not yet effective are not considered to be relevant to the Company and have not been disclosed.

(c) Standards and amendments to published standards early adopted by the Company

The Company did not early adopt any new, revised or amended standards.

2.2 Foreign currency translation

Functional and presentation currency

Items included in the financial information are measured using the currency of the primary economic environment in which the Company operates (‘the functional currency’). The financial information is presented in Trinidad and Tobago dollars, which is the functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

2.3 Financial assets

The Company classifies its financial assets as loans and receivables. Management determines the classification of its financial instruments at initial recognition. Financial assets are recognised on the date it becomes a party to the contract of the instrument. A regular way purchase of financial assets is recognised by using trade date accounting. Financial assets included at the statement of financial positon date are cash and cash equivalents, trade and other receivables, taxation recoverable and due from related parties.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or if it transfers the financial asset and the transfer qualifies for derecognition in accordance with IAS 39.

Cash and cash equivalents

Cash and cash equivalents comprise balances with original maturities of less than three months including cash in hand, deposits held at call with banks and other short term highly liquid investments.

Trade receivables and due from related parties

Trade receivables and due from related parties are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method, less impairment losses, if any. They are reviewed at each statement of financial positon date to determine whether there is objective evidence of impairment. If any such indication exists, an impairment loss is recognised in the statement of comprehensive income as the difference between the asset’s carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. If in a subsequent period the amount of an impairment loss recognised on carried amortised cost decrease and the decrease can be linked objectively to an event occurring after the write down, the write down is reversed through the statement of comprehensive income.

2.4 Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax

The tax currently payable is based on the taxable profits for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date. Any liability relating to unrecognised tax benefits is included in current tax payable in the statement of financial position.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences

Deferred tax assets are recognise for all deductible temporary differences, carry-forward of unused tax assets to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets can be utilised. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply to the year when the asset is realised or the liability settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial information.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the statement of financial positon date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.5 Plant and equipment ("PPE")

All PPE are stated at cost less accumulated depreciation.

The cost of PPE constructed within the Company included the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation is provided on the reducing balance method at rates estimated to write off the cost of each asset over its estimated useful life. The estimated useful lives of assets are reviewed periodically taking account of commercial and technological obsolescence as well as normal wear and tear, and depreciation rates are adjusted, if appropriate. Depreciation charges are recognised in the statement of comprehensive income on a periodic basis.

Current rates of depreciation are as follows:

- Production equipment – 20%
- Drill Rigs – based on the usage (production)
- Motor vehicles and Furnitures, fixtures and fittings ("FFF") – 25%
- Computers – 25%

Gains and losses on disposal of PPE determined by comparing sale proceeds with the carrying amount of the asset and are included in the statement of comprehensive income at completion of the sale transaction.

Repairs and maintenance of PPE are charged to the statement of comprehensive income during the financial period in which they are incurred. The cost of major renovation sis included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

Plant and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the statement of comprehensive income as the amount by which the carrying amount of the asset exceeds it recoverable amount, which is the higher of an asset's net selling price and value in use.

2.6 Inventory

Inventory is initially recorded at historical cost and subsequently valued at lower of cost and net realisable value. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses.

2.7 Share capital

Ordinary shares with discretionary dividends are classified as equity.

2.8 Financial liabilities

The Company classifies its financial liabilities as financial liabilities measured at amortised cost using the effective interest method. Management determines the classified of its financial liabilities at initial recognition. Financial liabilities are recognised on the date it becomes a party to the contract of the instrument. Financial liabilities are not recognised unless one of the parties has performed or the contract is a derivative contract not exempted from the scope of IAS 39. Financial labilities included at the statement of financial position date are accounts payables, accruals, borrowings, due to related parties, employee service benefit and taxation payable.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

2.9 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial positon where there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.10 Provisions

Provisions are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost.

2.11 Employee service benefit

The Company has a constructive obligation to employees, whereby post employment benefits are paid to the employees upon leaving the Company. The calculation of the benefit payable is based on two weeks for every completed year of service and the employee's salary at the date of retirement.

2.12 Revenue recognition

Revenue from the sales of goods is recognised when the Company has transferred the significant risks and rewards of ownership to the buyer and it is probable that the Company will receive the previously agreed upon payment. These criteria are considered to be met when the goods are delivered to the buyer. Where the buyer has a right of return, the Company defers recognition of revenue until the right to return has lapsed.

Provided the amount of revenue can be measured reliable and it is probable that the Company will receive any consideration, revenue for services is recognised in the period in which they are rendered.

2.13 Expense recognition

Expenses are accrued and recognised in the statement of comprehensive income when incurred and are payable monthly in arrears.

2.14 Critical accounting estimates and judgements

The Company's financial information and its financial results are influenced by accounting policies, assumptions, estimates and management judgements, which necessarily have to be made in the course of preparation of the financial information.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. All estimates and assumptions required in conformity with IFRS are best estimate undertaken in accordance with the applicable standard. Estimates and assumptions are evaluated on a continuous basis, and are based on past experience and other factors, including expectations with regard to future events.

Accounting policies and management's judgements for certain items are especially critical for the Company's results and financial situation due to their materiality.

Income taxes

Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred taxes

The Company recognises deferred tax assets on all temporary differences which will either be recovered against reversible deferred tax liabilities or through generation of future taxable profits. The deferred tax asset relates to interest which will become tax deductible when paid. The company is confident that the interest will be paid and that sufficient future taxable profits will be generated to offset this asset against.

Carrying value of drill rigs

The Company has carried out an impairment test on all drill rigs at each reporting period. As at 31 December 2016 the Company has noted that there are three rigs which have either not been used or have not been used for a period of 12 months or more. This relates to rigs 1,7 and 8. The Company has undertaken formal valuation of rig 8 and reduced the carrying value on the statement of financial positon down to the valuation provided by an independent expert. Rig 1 has been written down to an internal valuation based on the usage forecast for the future, Rig 7 has been written off as it is unlikely to generate future operating cash flows. The is an element of judgement included in any valuation of drilling rigs and the Company has mitigated this by using both external independent experts and qualified internal employees to make this assessment.

2.15 Lease

Where substantially all of the risks and rewards incidental to ownership of a leased asset have been transferred to the Company (a "finance lease"), the asset is treated as if it had been purchased outright. The amount initially recognised as an asset is the lower of the fair value of the leased asset and the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to the statement of comprehensive income over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

Where substantially all of the risks and rewards incidental to ownership are not transferred to the Company (an "operating lease"), the total rentals payable under the lease are charged to the statements of comprehensive income on a straight-line basis over the lease term. The aggregate benefit of lease incentives is recognised as a reduction of the rental expense over the lease term on a straight-line basis.

2.16 Borrowings

Borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method.

2.17 Dividend Paid

Dividends are recognised when they become legally payable. In terms of interim dividends to equity shareholders, this is when they are declared. Final dividends are recognised when approved by shareholders at the AGM.

2.18 Work in Progress

Work in progress is recorded at historical cost and reflects work undertaken but cannot be invoiced as performance criteria has not been met

3. Plant and equipment

	Production equipment TT$	Motor vehicles & FFF TT$	Computer equipment TT$	Total TT$
Cost				
At 1 January 2016	195,795,810	12,860,163	492,320	209,148,293
Additions	10,725,067	-	-	10,725,067
Impairment	(24,407,556)	-	-	(24,407,556)
At 31 December 2016	182,113,321	12,860,163	492,320	195,465,804
Depreciation				
At 1 January 2016	16,258,672	2,664,674	127,632	19,050,978
Charge for the year	5,349,509	1,937,218	148,028	7,434,755
Impairment	(477,008)	-	-	(477,008)
At 31 December 2016	21,131,173	4,601,892	275,660	26,008,725
Net book value 31 December 2016	160,982,148	8,258,271	216,660	169,457,079
Cost				
At 1 May 2015	67,486,577	3,457,681	77,001	71,021,259
Additions	128,309,233	9,402,482	415,319	138,127,034
At 31 December 2015	195,795,810	12,860,163	492,320	209,148,293
Depreciation				
At 1 May 2015	15,530,272	2,378,156	42,535	17,950,963
Charge for the year	728,400	286,518	85,097	1,100,015
At 31 December 2016	16,258,672	2,664,674	127,632	19,050,978
Net book value 31 December 2015	179,537,138	10,195,489	364,688	190,097,315

	Production equipment TT$	Motor vehicles & FFF TT$	Computer equipment TT$	Total TT$
Cost				
At 1 July 2014	58,602,182	3,487,681	58,921	62,148,784
Additions	9,477,872	-	283,603	9,761,475
Disposals	-	(30,000)	-	(30,000)
At 30 June 2015	68,080,054	3,457,681	342,524	71,880,259
Depreciation				
At 1 July 2014	14,426,277	2,108,601	25,110	16,559,988
Charge for the year	1,362,834	341,870	28,487	1,733,191
Depreciation on disposals	-	(15,498)	-	(15,498)
At 30 June 2015	15,789,111	2,434,973	53,597	18,277,681
Net book value 30 June 2015	52,290,943	1,022,708	288,927	53,602,578
Cost				
At 1 July 2013	54,252,440	3,520,181	22,621	57,795,242
Additions	4,349,742	13,500	36,300	4,399,542
Disposals	-	(46,000)	-	(46,000)
At 30 June 2014	58,602,182	3,487,681	58,921	62,148,784
Depreciation				
At 1 July 2013	13,158,840	1,682,463	8,668	14,849,971
Charge for the year	1,267,437	457,342	16,442	1,741,221
Depreciation on disposals	-	(31,204)	-	(31,204)
At 30 June 2014	14,426,277	2,108,601	25,110	16,559,988
Net book value 30 June 2014	44,175,905	1,379,080	33,811	45,588,796

Production equipment able includes rigs which are depreciated based on usage. There were some unused rigs during the year ended 31 December 2016 and as such were not depreciated. In respect of the financial information for the year ended 31 December 2016 a detailed review of the carrying value of rigs was carried out and a number of impairment write downs to the carrying value at that date. Please see note 2.14 for details.

The below table shows the details of all rigs and the month last used.

	Cost	Net book value 31 December 2016	Net book value 31 December 2015	Date of acquisition	Date last used
1	3,612,872	1,000,000	1,793,460	-	February 2015
2	6,922,122	2,405,496	2,733,583	-	December 2016
3	953,849	211,600	231,143	-	December 2016
4	1,705,971	411,442	431,341	-	December 2016
5	615,332	-	326,977	-	September 2014
6	9,000,752	7,462,214	7,881,233	-	November 2016
7	6,371,759	-	6,371,759	March 2007	-
8	34,548,742	16,468,732	32,751,932	-	March 2015
9	1,182,491	646,851	716,034	-	December 2016
10	343,805	-	155,152	-	September 2015
11	646,956	400,848	450,055	-	December 2016
12	402,647	340,654	360,745	-	December 2016
16	47,836,695	46,812,401	39,999,972	August 2015	July 2016
17	28,031,728	27,689,118	26,434,018	August 2015	December 2016
18	24,439,465	23,624,816	22,870,462	August 2015	November 2016
19	22,912,773	22,658,187	21,648,568	August 2015	December 2016

4. Deferred taxation

Deferred income taxes are calculated on all temporary differences under the liability method using a tax rate of 25%.

The deferred tax liability and the deferred tax credit to the statement of comprehensive income are attributable to the following items:

	1 January 2016 TT$	Charge/ (credit) to statement of comprehensive income TT$	31 December 2016 TT$
31 December 2016			
Accelerated depreciation	14,933,154	3,587,551	18,520,705
Interest income accrued	419,454	324,384	743,838
	15,352,608	3,911,935	19,264,543
Employee Service benefit	(595,067)	(38,502)	(633,569)
Interest expense accrued	(1,673,999)	(7,237,915)	(8,911,914)
	(2,269,066)	(7,276,417)	(9,545,483)
	13,083,542	**(3,364,482)**	**9,719,060**

	April 30, 2015 TT$	Charge/ (credit) to statement of comprehensive income TT$	31 December 2015 TT$
31 December 2015			
Accelerated depreciation	8,695,381	6,237,773	14,933,154
Interest income accrued	-	419,454	419,454
	8,695,381	6,657,227	15,352,608
Employee Service benefit	(499,632)	(95,435)	(595,067)
Interest expense accrued	-	(1,673,999)	(1,673,999)
	(499,632)	(1,769,434)	(2,269,066)
	8,195,749	**4,887,793**	**13,083,542**

	2014 TT$	Charge/ (credit) to statement of comprehensive income TT$	2015 TT$
Accelerated depreciation	7,551,405	1,455,499	9,006,904
Employee service benefit	(345,466)	(179,522)	(524,988)
	7,205,939	**1,275,977**	**8,481,916**

	2013 TT$	Charge/ (credit) to statement of comprehensive income TT$	2014 TT$
Accelerated depreciation	6,060,353	1,491,052	7,551,405
Employee service benefit	(255,218)	(90,248)	(345,466)
	5,805,135	**1,400,804**	**7,205,939**

5. Cash and cash equivalents

	For the year ended 31 December 2016 TT$	For the period ended 31 Dec 2015 TT$	For the year ended 30 June 2015 TT$	For the year ended 30 June 2014 TT$
Cash at bank	4,125,224	41,441,772	52,205	392,349
Cash in hand	115,218	16,659	18,507	16,200
	4,240,442	**41,458,431**	**70,712**	**408,549**

6. Trade and other receivables

	For the year ended 31 December 2016 TT$	For the period ended 31 Dec 2015 TT$	For the year ended 30 June 2015 TT$	For the year ended 30 June 2014 TT$
Interest receivable	2,975,353	1,677,815	-	-
Other receivables	-	667,474	-	-
Insurance prepaid	192,340	265,784	285,329	-
Advance to employees	70,992	78,350	89,506	105,735
VAT refundable	3,176,558	-	-	30,980
Security deposit	342,000	53,000	367,276	-
	6,757,243	**2,742,423**	**742,111**	**136,715**

7. Work in progress

Work in progress represents balance on capital and revenue generating projects commenced and not yet completed. All work in progress has been recovered in the subsequent reporting periods.

8. Borrowings

Hire purchase loan

These are payable to Ansa Merchant Bank Limited under a finance lease for vehicle purchases and are secured by chattel mortgages.

The total further value of minimum lease payments is due as follows at:

	For the year ended 31 December 2016 TT$	For the period ended 31 Dec 2015 TT$	For the year ended 30 June 2015 TT$	For the year ended 30 June 2014 TT$
Short term				
Not later than one year	170,981	57,513	-	-
Long term				
Later than one year and not later than five years	579,499	768,480	-	-

9. Share capital

	For the year ended 31 December 2016 TT$	For the period ended 31 Dec 2015 TT$	For the year ended 30 June 2015 TT$	For the year ended 30 June 2014 TT$
Authorised				
An unlimited number of ordinary shares of no par value	-	-	-	-
Issued and fully paid				
100 ordinary shares of no par value	627	627	627	627

10. Employee service/fringe benefit

A liability of $2,534,278 (2015: $2,380,269) has been recorded in the financial information at 31 December 2016 to provide for a retirement payment which is normally paid to employees upon leaving the Company. This liability is based on two week pay for each completed year of employment at the employees' current rate of pay.

At 31 December 2016 the Company had 183 employees. (2015: 303 employees)

11. Accounts payables and accruals

	For the year ended 31 December 2016 TT$	For the period ended 31 Dec 2015 TT$	For the year ended 30 June 2015 TT$	For the year ended 30 June 2014 TT$
Trade payables	25,434,314	22,645,386	8,273,153	9,650,834
Loan interest accrual	35,647,658	6,695,994	330,408	-
Salaries payable	-	-	680,020	597,646
Statutory payroll deductions payable	919,235	1,583,544	583,701	409,304
Audit and accounting fee accrual	-	-	90,000	115,000
VAT payable	-	839,168	-	818,281
Accrued expenses	188,383	18,500	180,991	38,860
	62,189,590	**31,782,592**	**10,138,273**	**11,629,925**

12. Direct cost

	For the year ended 31 December 2016 TT$	For the period ended 31 Dec 2015 TT$	For the year ended 30 June 2015 TT$	For the year ended 30 June 2014 TT$
Drilling cost	15,018,422	20,267,843	21,405,695	15,911,616
Waterflood projects	19,072,166	15,310,652	-	-
Repairs and maintenance	5,193,846	7,421,653	7,016,823	11,452,381
Motor vehicle rental and expenses	2,723,288	1,511,306	1,996,566	1,860,417
Safety supplies	771,988	1,292,986	1,586,346	1,142,995
Equipment rental and transport	1,074,713	1,161,886	1,660,862	1,237,547
Fuel and oil	1,256,598	971,389	1,399,591	1,383,564
Insurance	870,607	716,936	678,974	1,584,068
Inventory adjustment	101,115	343,611	483,670	-
Freight, duties, brokerage charges	206,727	53,895	122,545	546,649
Environmental cost	102,654	51,707	-	108,713
Project development costs	25,484,471	-	-	-
Work in progress expensed/(deferred)	31,764,151	(31,293,955)	(4,545,688)	-
	104,894,836	**17,809,909**	**31,805,384**	**35,227,950**

13. Staff cost

	For the year ended 31 December 2016 TT$	For the period ended 31 Dec 2015 TT$	For the year ended 30 June 2015 TT$	For the year ended 30 June 2014 TT$
Salaries and wages	27,463,920	24,269,453	30,988,832	19,320,630
National insurance	2,004,345	1,305,147	1,604,866	1,177,132
Staff training	339,176	411,556	221,893	239,616
Severance/service pay	637,525	391,455	599,616	500,009
Fringe benefits	59,249	68,230	268,332	1,207,981
Bonus	20,012	34,000	731,755	6,900
	30,524,227	**26,479,841**	**34,415,294**	**22,452,268**

14. Administration and other expenses

	For the year ended 31 December 2016 TT$	For the period ended 31 Dec 2015 TT$	For the year ended 30 June 2015 TT$	For the year ended 30 June 2014 TT$
Currency exchange differences	15,364,432	85,136	10,535	4,932
Legal and professional fees	8,480,662	679,386	1,478,436	502,458
Rental	656,189	103,896	587,859	457,280
Living expense	477,989	18,711	-	-
Office supplies	472,648	198,395	169,350	135,354
Marketing	438,750	-	-	-
Travel	356,080	157,039	448,122	209,722
Utilities	262,524	210,839	175,894	125,616
License/permits	135,739	80,040	40,999	11,225
Entertainment	60,587	110,404	-	-
Penalty	54,937	6,799	3,268	36
Computer expenses	21,944	39,500	8,400	-
Bank charges	34,627	30,010	34,510	24,522
Advertising	15,180	28,270	17,560	18,555
Subscriptions and donations	10,465	18,820	11,835	33,020
Medical expenses	4,961	5,029	61,149	28,120
Accommodation	-	311,714	-	-
Miscellaneous	160,740	189,188	4,543	3,591
	27,008,454	**2,273,176**	**3,052,460**	**1,554,431**

15. Taxation charge/(credit)

	For the year ended 31 December 2016 TT$	For the period ended 31 Dec 2015 TT$	For the year ended 30 June 2015 TT$	For the year ended 30 June 2014 TT$
Deferred tax	(3,364,482)	4,887,793	1,275,976	1,400,804
Business levy	1,016,842	150,306	206,766	-
Green fund levy	510,239	75,153	71,514	56,138
Corporation tax	-	-	-	(72,338)
Withholding tax	214,323	21,738	-	-
	(1,623,078)	**5,134,990**	**1,554,256**	**1,384,604**

The company's effective tax rate varies from the statutory rate of 25% as a result of the differences shown below:

	For the year ended 31 December 2016 TT$	For the period ended 31 Dec 2015 TT$	For the year ended 30 June 2015 TT$	For the year ended 30 June 2014 TT$
Profit/(loss) before taxation	**(4,196,974)**	**22,425,931**	**(9,031,815)**	**(11,426,970)**
Tax calculated at the rate of 25%	(1,049,243)	5,606,483	(2,257,954)	(2,856,743)
Expenses not deductible for tax purposes	11,842,209	6,965,717	2,008,722	1,968,250
Income not taxable and allowance	(13,516,145)	(6,881,886)	(2,041,725)	(1,712,897)
Tax losses carried forward not recognised	5,318,819	802,521	3,566,933	4,002,193
Business levy	1,016,842	150,306	206,766	-
Green fund levy	510,239	75,153	71,514	56,138
Withholding tax	214,323	21,738	-	-
Overprovision in current year	-	-	-	(72,338)
Taxation charge	**4,337,044**	**5,134,990**	**1,554,256**	**1,384,604**

16. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. A number of transactions are entered into with related parties in the normal course of business.

The significant related party income and expenses for the year are as follows:

	For the year ended 31 December 2016 TT$	For the period ended 31 Dec 2015 TT$	For the year ended 30 June 2015 TT$	For the year ended 30 June 2014 TT$
Revenue from supply of services		-	62,172,906	49,371,425
Interest expense	(28,200,074)	(6,695,994)	(587,859)	(457,280)
Effect on Statement of Comprehensive Income	**(28,200,074)**	**(6,695,994)**	**61,585,047**	**48,914,145**
Related party transactions by group structure:				
Transactions with parent				
Cash received	74,301,259	129,897,342	62,172,906	49,371,425
Cash repaid	-	3,150,000	-	-
Balances with affiliates				
Due from related party	**68,466,631	676	21,522,658	6,095,305
Due to related party	-	-	12,166,584	2,361,087
Balances with parents				
Due to related party	*401,623,188	*274,998,830	*30,713,235	-
Interest payable	35,647,658	6,695,994	-	-
Due from related party	-	-	-	41,120
Key Management Personnel Compensation				
Short Term	2,272,525	1,865,557	255,597	
Long Term	-	-	-	-
Post Employment	-	-	-	-

*The balance due to the parent company represents amounts advanced to the Company to satisfy working capital requirements. In the prior period these advances attracted 5% interest. The terms of this facility changed in the current period to attract interest at 9% and is repayable within one year from the effective date being 1 May 2015.

**On 31 October 2016 the Company assigned $66,499,999 owing to Range Resources Trinidad Limited to due from LandOcean Energy Services Co Limited, the ultimate parent of the group.

Note that at 30 June 2015 and 30 June 2014 Range Resources Trinidad Limited was considered a related party. Following the acquisition by LandOcean in 2015 it was no longer considered a related party.

17. Financial risk management

The company's activities expose it to a variety of financial risks. These risks include credit risk, liquidity risk and market risk which includes interest rate risk, foreign exchange risk and price risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

a. Risk management structure

Risk management is carried out by management under policies approved by the Board of Directors. Management identifies and evaluates financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

b. Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its payment obligations when they fall due under normal and stress circumstances. To limit this risk, management manages assets with liquidity I mind, and monitors future cash flows and liquidity on a daily basis.

The table below presents the cash flows payable by the Company under non-derivative financial liabilities by remaining contractual maturities at the statement of financial position date.

	One to three months TT$	Up to one year TT$	One year to five years TT$	Over five years TT$	Total
As at 31 December 2016					
Non-current liabilities					
Long term borrowings	-	-	597,499	-	597,499
	-	**-**	**597,499**	**-**	**597,499**
Current liabilities					
Short term borrowings	170,981	-	-	-	170,981
Accounts payable and accruals	62,189,590	-	-	-	62,189,590
Due to					

related party	-	401,623,187	-	-	401,623,187
Due to Range Resource Trinidad Limited	-	-	-	-	-
	62,360,571	**401,623,187**	**-**	**-**	**463,983,758**
	62,360,571	**401,623,187**	**3,131,777**	**-**	**467,115,535**

	One to three months TT$	Up to one year TT$	One year to five years TT$	Over five years TT$	Total
As at 31 December 2015					
Non-current liabilities					
Long term borrowings	-	-	768,480	-	768,480
	-	**-**	**768,480**	**-**	**768,480-**
Current liabilities					
Short term borrowings	(55,511)	112,924	-	-	57,413
Accounts payable and accruals	31,782,592	-	-	-	31,782,592
Due to related party	111,381	274,887,449	-	-	274,998,830
Due to Range Resource Trinidad Limited	12,133,984	-	-	-	12,122,984
	43,961,446	**275,000,373**	**-**	**-**	**318,961,819**
	43,961,446	**275,000,373**	**768,480**	**2,380,269**	**322,110,568**

	One to three months TT$	Up to one year TT$	One year to five years TT$	Over five years TT$	Total
As at 30 June 2015					
Non-current liabilities					
Due to					

related parties		-		-	
	-	**-**			
Current liabilities					
Accounts payable and accruals	10,138,273	-	-	-	10,138,273
Due to related parties	42,879,819	-	-	-	42,879,81
Taxation payable	85,355	-	-	-	85,355
	53,103,447	**-**	**-**	**-**	**53,103,447**
Total liabilities	**53,103,447**	**-**	**-**	**-**	**53,103,447**

	One to three months TT$	Up to one year TT$	One year to five years TT$	Over five years TT$	Total
As at 30 June 2014					
Non-current liabilities					
	-	**-**	**-**		
Current liabilities					
Accounts payable and accruals	11,629,925	-	-	-	11,629,925
Due to related parties	2,361,087	-	-	-	2,361,087
Taxation payable	85,355	-	-	-	85,355
	14,076,347	**-**	**-**	**-**	**14,076,347**
Total liabilities	**14,076,367**	**-**	**-**	**1,381,864**	**15,458,231**

c. Credit risk

Credit risk is the risk that a borrower or counter-party fails to meet contractual obligations, or to perform as agreed. Credit risk arises from cash at banks as well as credit exposures to customers, related parties, and other outstanding receivables. The Company manages its credit risk by banking with institutions with suitable credit rating and the majority of the remaining credit risk is centre with related parties whom the company has a strong working relationship.

The below represents a worst case scenario of credit risk exposure to the Company as at 31 December 2016.

	For the year ended 31 December 2016 TT$	For the period ended 31 Dec 2015 TT$	For the year ended 30 June 2015 TT$	For the year ended 30 June 2014 TT$
Maximum exposure to credit risk				
Cash and cash equivalents	4,240,442	41,458,431	70,712	408,549
Trade and other receivables	6,564,903	1,809,165	446,782	136,715
Due from related parties	68,466,631	676	21,522,658	6,136,425
Taxation recoverable	-	-	230,712	224,784
Due from SOCA Limited	-	41,120	-	-
Due from Range Resources GY Shallow Limited	4,096,787	-	-	-
Due from Range Resources Trinidad Limited	210,632,650	90,438,876	-	-
	294,001,413	**133,748,268**	**22,270,864**	**6,906,473**

Financial assets are summarised as follows:

	Neither past due nor impaired TT$	Past due but not impaired TT$	Impaired TT$	Total TT$
As at 31 December 2016				
Cash and cash equivalents	4,240,442	-	-	4,240,442
Trade and other receivables	6,564,903	-	-	6,564,903
Due from related parties	68,466,631	-	-	68,466,631
Due from Range Resources GY Shallow Limited	4,096,787	-	-	4,096,787
Due from Range Resources Trinidad Limited	210,632,650	-	-	210,632,650
	294,001,413	**-**	**-**	**294,001,413**

	Neither past due nor impaired TT$	Past due but not impaired TT$	Impaired TT$	Total TT$
As at 31 December 2015				
Cash and cash equivalents	41,458,431	-	-	41,458,431
Trade and other receivables	1,809,165	-	-	1,809,165
Due from related parties	676	-	-	676
Due from Range Resources GY Shallow Limited	41,120	-	-	41,120
Due from Range Resources Trinidad Limited	90,438,876	-	-	90,438,876
	133,748,268	**-**	**-**	**133,748,268**

	Neither past due nor impaired TT$	Past due but not impaired TT$	Impaired TT$	Total TT$
As at 30 June 2015				
Cash and cash equivalents	70,712	-	-	70,712
Trade and other receivables	446,782	-	-	446,782
Taxation recoverable	5,928	224,784	-	230,712
Due from related parties	21,522,658	-	-	21,522,658
	22,270,864	**224,784**	**-**	**22,270,864**

	Neither past due nor impaired TT$	Past due but not impaired TT$	Impaired TT$	Total TT$
As at 30 June 2014				
Cash and cash equivalents	408,549	-	-	408,549
Trade and other receivables	136,715	-	-	136,715
Taxation recoverable	17,165	207,619	-	224,784
Due from related parties	6,136,425	-	-	6,136,425
	6,906,473	**207,619**	**-**	**6,906,473**

d. Market risk

Interest rate risk

Interest sensitivity of financial assets and liabilities

The company is exposed to various risks associated with the effect of fluctuations in the prevailing levels of market rates on its statement of financial positon and cash flows. The table below summarises the Company's exposure to interest rate risks.

	Up to one year TT$	One to five years TT$	Over five years TT$	Non-interest bearing TT$	Total TT$
As at 31 December 2016					
Current assets					

Cash and cash equivalents	4,126,742	-	-	-	4,126,742
Trade and other receivables	3,176,558	-	-	3,388,345	6,564,903
Due from related parties	-	-	-	68,466,631	68,466,631
Due from Range Resources GY Shallow Limited	4,096,787	-	-	-	4,096,787
Due from Range Resources Trinidad Limited	210,632,650	-	-	-	210,632,650
Total financial assets	**222,032,747**	**-**	**-**	**71,854,976**	**293,887,713**
Non-current liabilities					
Employee service/fringe benefit	-	-	-	2,534,278	2,534,278
Long term borrowings	-	597,499	-	-	597,499
Current liabilities					
Short term borrowings	170,981	-	-	-	170,981
Due to related party	401,623,187	-	-	-	401,623,187
Accounts payable and accruals	35,647,658	-	-	26,541,932	62,189,590
Total financial liabilities	**437,441,826**	**597,499**	**-**	**29,076,210**	**467,115,535**
Interest sensitivity gap	**(215,409,089)**	**(597,499)**	**-**	**42,778,766**	**(173,227,822)**

	Up to one year TT$	One to five years TT$	Over five years TT$	Non-interest bearing TT$	Total TT$
As at 31 December 2015					
Current assets					
Cash and cash equivalents	41,441,772	-	-	-	41,441,772
Trade and other receivables	-	-	-	1,809,165	1,809,165
Due from related parties	-	-	-	676	676
Due from Range Resources GY Shallow Limited	-	-	-	41,120	41,120
Due from Range Resources Trinidad Limited	51,327,652	-	-	39,111,224	90,438,876
Total financial assets	**92,769,424**	**-**	**-**	**40,962,185**	**133,731,609**
Non-current liabilities					
Employee service/fringe benefit	-	-	-	2,380,269	2,380,269
Long term borrowings	-	768,480	-	-	768,480
Current liabilities					
Short term borrowings	57,413	-	-	-	57,413
Due to related party	274,998,830	-	-	-	274,998,830
Due to Range Resources Trinidad Limited	-	-	-	12,122,984	12,122,984
Accounts					

payable and accruals	1,751,007	-	-	30,031,585	31,782,592
Total financial liabilities	**276,807,250**	**768,480**	**-**	**44,534,838**	**322,110,568**
Interest sensitivity gap	**(184,037,826)**	**(768,480)**	**-**	**(3,572,653)**	**(188,378,959)**

	Up to one year TT$	One to five years TT$	Over five years TT$	Non-interest bearing TT$	Total TT$
As at 30 June 2015					
Current assets					
Cash and cash equivalents	52,205	-	-	-	52,205
Trade and other receivables	-	-	-	446,782	446,782
Taxation recoverable	-	-	-	230,712	230,712
Due from related parties	-	-	-	21,522,658	21,522,658
Total financial assets	**52,205**	**-**	**-**	**22,200,152**	**22,252,357**
Non-current liabilities					
Employee service/fringe benefit	-	-	-	2,099,952	2,099,952
Due to related parties	-	-	30,713,235	-	30,713,235
Current liabilities					
Accounts payable and accruals	578,701	-	-	9,559,572	10,128,273
Due to related parties	-	-	-	12,166,584	12,166,584

Taxation payable	85,355	-	-	-	85,355
Total financial liabilities	**664,056**	**-**	**30,713,235**	**23,826,108**	**55,203,399**
Interest sensitivity gap	**(611,851)**	**-**	**(30,713,235)**	**(1,626,256)**	**(32,951,042)**

	Up to one year TT$	One to five years TT$	Over five years TT$	Non-interest bearing TT$	Total TT$
As at 30 June 2014					
Current assets					
Cash and cash equivalents	392,349	-	-	-	392,349
Trade and other receivables	-	-	-	136,715	136,715
Taxation recoverable	-	-	-	224,784	224,784
Due from related parties	-	-	-	6,136,425	6,136,425
Total financial assets	**392,349**	**-**	**-**	**6,497,924**	**6,890,273**
Non-current liabilities					
Employee service/fringe benefit	-	-	-	1,381,864	1,381,864
Due to related parties	-	-	-	2,361,087	2,361,087
Current liabilities					
Accounts payable and accruals	1,227,585	-	-	10,402,340	11,629,925
Taxation payable	85,355	-	-	-	85,355

Total financial liabilities	**1,312,940**	**-**	**-**	**14,145,291**	**15,458,231**
Interest sensitivity gap	**(920,591)**	**-**	**-**	**(7,644,363)**	**(8,567,958)**

The table below summarises the Company's sensitivity analyses to determine the effect on net profit and other components of equity arising from a reasonable change in interest rates withal other variables held constant.

	Effect on net profit for the period ended 31 December 2016 TT$	**Effect on net profit for the period ended 31 December 2015 TT$**	**Effect on net profit as at 30 June 2015 TT$**	**Effect on net profit as at 30 June 2014 TT$**
Change in interest rate				
+ 1%	(1,732,278)	(1,848,063)	(313,301)	(9,206)
- 1%	1,732,278	1,848,063	313,301	9,206

Foreign exchange and price risk

At 31 December 2016 the Company is exposed to foreign exchange risk on its US$ bank account equivalent to TT$897,229 (2015: TT$6,430) and related party balances denominated in US$ net payable of TT$333,153,076 (2015: TT$274,998,830).

	Effect on net profit for the period ended 31 December 2016 TT$	**Effect on net profit for the period ended 31 December 2015 TT$**	**Effect on net profit as at 30 June 2015 TT$**	**Effect on net profit as at 30 June 2014 TT$**
Change in interest rate				
+ 1%	(3,322,558)	(2,749,988)	-	-
- 1%	3,322,558	2,749,988	-	-

The company has minimal exposure to price risk.

e. Capital management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Company may issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

18. Contractual agreement

Range Resources Trinidad Limited has a contractual agreement with the Company for the provision of drilling, maintenance and other services. At the year ended 31 December 2016 Range Resources Trinidad Limited accumulated a balance of $210,632,650 which remained unsettled at 31 December 2016 (2015: $90,185,161). The unsettled balance at 31 December 2015 and 2016 attracts interest at 10%. Interest earned and unsettled for the year ended 31 December 2016 $2,904,641 (2015: $1,677,815).

19. Subsequent events

Subsequent to 31 December 2016, the Company did not have any subsequent events requiring recognition or disclosure in the financial statements except for the following:

On 27 April 2017 a deed of assignment was issued to assign a sum of $237,492,666 due from Range Resources Trinidad Limited and Range Resources GY Shallow Limited to LandOcean Petroleum Corp Limited (the Parent entity). The principal attracts interest of 6% per annum and is payable on demand.

Agreement for sale of Range Resources Drilling Services Limited

Subsequent to the period end LandOcean Petroleum Corp. Limited entered into a binding sale and purchase agreement (dated 27 April 2017) with SOCA Petroleum Ltd for the sale of 100% of RRDSL. The amount of consideration for the proposed sale was US$5.5 million. In addition, RRDSL has a loan from LandOcean which totals approximately US$19.5 million which will be due to be paid in cash no later than three years from completion date, subject to 6% interest per annum. Receipt of the consideration owed is due by no later than the date falling three years after completion and is subject to 6% interest per annum. The sale completed on 30 November 2017.

20. Inventory

	For the year ended 31 December 2016 TT$	**For the period ended 31 Dec 2015 TT$**	**For the year ended 30 June 2015 TT$**	**For the year ended 30 June 2014 TT$**
Casing	3,301,565	3,610,176	2,306,919	3,000,256
Pumping units	2,978,974	126,000	-	-
Waterflooding inventory	1,480,546	-	-	-
Other raw materials	1,520,028	1,686,248	805,023	1,070,802
	9,281,113	**5,422,424**	**3,111,942**	**4,071,058**

21. Dividend Paid

The company paid the following dividends –

2015 – the Company paid a final dividend totalling $3,500,000 in respect of the final results.

22. Controlling Party

The Company's parent company was Landocean Petroleum Corp. Limited. This company is registered in the People's Republic of China. Landocean Energy Limited was deemed to be the ultimate controlling party.

Refer to note *19 Subsequent events* which discloses a change in parent company and therefore the ultimate controlling party, to Range Resources Limited, in the subsequent reporting period.

Statement of Financial Position
As at June 30, 2017
(Expressed in Trinidad and Tobago Dollars)

	Notes	June 2017	December 2016
Assets			
Non-current assets			
Property, plant and equipment	3	165,113,146	169,457,079
Deferred tax asset	4	15,623,610	9,545,483
		180,736,756	**179,002,562**
Current assets			
Cash and cash equivalents	5	5,797,449	4,240,442
Trade and other receivables	6	8,737,310	6,757,243
Inventory		8,143,244	9,281,113
Taxation recoverable		157,258	158,023
Work In Progress		8,225,917	9,613,085
Due from RRTL		7,009,239	221,248,083
Due from RRGYSL		—	4,096,787
Due from related parties	16	68,709,873	68,466,631
		106,780,290	323,861,407
Total Assets		**287,517,046**	**502,863,969**
Liabilities			
Non-Current liabilities			
Employee service/fringe benefit	8	2,271,288	2,534,278
Long term borrowings	9	502,280	597,499
Deferred tax liability	4	29,549,826	19,362,561
		32,323,394	**22,494,338**
Current liabilities			
Short term borrowings	10	183,798	170,981
Accounts payable and accruals	11	70,080,421	62,189,590
Due to related parties	16	165,919,649	401,623,187
Due to RRTL		40,719,914	10,615,433
Due to RR Upstream Services Ltd		5,117,028	—
Taxation payable		96,130	159,425
		282,116,940	**474,758,616**
Total Liabilities		**314,440,334**	**497,252,954**
Equity			
Share capital	7	627	627
Retained earnings		(26,923,915)	5,610,388
		(26,923,288)	**5,611,015**
Total Equity and Liabilities		**287,517,046**	**502,863,969**

The accompanying notes form an integral part of these financial statements.

Statement of Comprehensive Income
Financial Statements
(Expressed in Trinidad and Tobago Dollars)

	Notes	For the Six months ending 30th June, 2017	For the Six months ending 30th June, 2016
Revenue			
Revenue from supply of services		13,770,298	66,760,308
Interest Income		7,941,881	2,936,882
Other Income		—	249,980
		21,712,179	**69,947,170**
Other expenses			
Direct cost	12	(11,210,701)	(61,699,430)
Staff cost	13	(14,199,628)	(22,730,436)
Administration and other expenses	14	(3,827,484)	(2,933,510)
Depreciation		(3,940,977)	(2,775,282)
Impairment Expense		(735,829)	—
		(33,914,620)	**(90,138,658)**
Operating (Loss)		**(12,202,441)**	**(20,191,488)**
Other expenses			
Finance cost		**(15,798,404)**	**(11,856,626)**
(Loss) before taxation		**(28,000,845)**	**(32,048,114)**
Taxation charge	15	(4,533,459)	(4,397,107)
Total comprehensive (Loss) for the period		**(32,534,303)**	**(36,445,221)**

The accompanying notes form an integral part of these financial statements.

Statement of Changes in Equity
(Expressed in Trinidad and Tobago Dollars)
(Expressed in Trinidad and Tobago Dollars)

	Share Capital $	Retained Earnings $	Total Equity $
Balance at December 31, 2016	**627**	**5,610,388**	**5,611,015**
(Loss) for the period	—	(32,534,303)	(32,534,303)
Balance at June 30, 2017	**627**	**(26,923,915)**	**(26,923,288)**

The accompanying notes form an integral part of these financial statements.

Statement Of Cash Flows
(Expressed in Trinidad and Tobago Dollars)
(Expressed in Trinidad and Tobago Dollars)

	For the Six months ending 30th June, 2017	For the Six months ending 30th June, 2016
Cash Flow from Operating Activities		
(Loss) before taxation	(28,000,845)	(32,048,114)
Adjustments for:		
Severance / service pay	430,774	232,304
Interest Income accrued	(8,256,094)	(4,614,697)
Interest Expense accrued	15,798,404	11,856,626
Impairment Expense	735,829	—
Depreciation	3,940,977	2,775,282
Cash Flow (used in) provided by operating activities before working capital changes	**(15,350,954)**	**(21,798,599)**
Changes in operating assets and liabilities:		
Decrease/ (Increase) in trade and other receivables	6,276,027	(5,168,885)
Decrease/ (Increase) in amounts due from RRTL	214,238,844	(68,806,581)
Decrease in amounts due from RRGYSL	4,096,787	—
Decrease/ (Increase) in inventory	1,137,869	(23,052,533)
(Decrease)/ Increase in trade payables and other payables	(7,907,573)	9,639,160
Decrease in work in progress	1,387,168	36,486,537
Decrease in amounts due from SOCA	—	41,796
Increase/ (Decrease) in amounts due to RRTL	30,104,481	(12,073)
Increase in amounts due to RR Upstream Services	5,117,028	—
(Decrease)/ Increase in amounts due to related parties	(235,703,538)	51,195,409
(Increase) in amounts due from related parties	(243,242)	(463,386)
Net cash from operations	**3,152,897**	**(21,939,155)**
Taxation paid	(486,849)	(1,296,708)
Employee service benefit paid	(693,764)	(97,564)
Net Cash From Operating Activities	**1,972,284**	**(23,333,427)**
Investing Activities		
Purchase of property, plant and equipment	(332,875)	(8,837,290)
Net Cash Used In Investing Activities	**(332,875)**	**(8,837,290)**
Financing Activities		
Loan principal repaid	(82,402)	19,242
Net Cash used in Financing Activities	**(82,402)**	**19,242**
Increase In Cash and Cash Equivalent	1,557,007	(32,151,475)
Cash and Cash Equivalent at Beginning of the period	4,240,442	41,458,431
Cash and Cash Equivalent at End of the period	**5,797,449**	**9,306,956**

The accompanying notes form an integral part of these financial statements.

1 Incorporation and Business Activities

Range Resources Drilling Services Limited (the ''Company'') was incorporated in the Republic of Trinidad and Tobago, under the Company's Act 1995, on May 01, 2003. The Company completed a name change on October 25, 2012, at which time it also changed its registered office to 92 Mucurapo Street, San Fernando. On February 28, 2015, 100% of the shareholding of the Company was purchased from Soca Petroleum Limited by Landocean Petroleum Corp. Ltd., a company incorporated in Hong Kong. The transfer of the shares was legally effected on May 1, 2015.

Its principal activity is the supply of labour and equipment to its companies operating in the crude oil industry.

2 Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (''IFRS''). These financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.14.

(a) New and amended standards adopted by the Company

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after July 1, 2013 that was adopted and had a material impact on the Company.

(b) New standards, amendments and interpretations issued but not effective for the financial year beginning July 1, 2013 and not early adopted:

IFRS 9, 'Financial instruments' – This new standard introduces new requirements for the classification, measurement and recognition of financial assets and financial liabilities and replaces parts of IAS 39. The standard is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. IFRS 9 is required to be applied retrospectively. If the standard is adopted prior to January 1,2012, an entity will be exempt from the requirement to restate prior period comparative information and modified disclosures. IFRS 9 uses business model and contractual cash flow characteristics to determine whether a financial asset is measured at amortised cost or fair value, replacing the four category classification in IAS 39. The determination is made at initial recognition. The approach is also based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the statement of comprehensive income, unless this creates an accounting mismatch. The Company is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting period beginning on or after January 1, 2018.

Other standards, amendments and interpretations to existing standards in issue but not yet effective are not considered to be relevant to the Company and have not been disclosed.

(c) Standards and amendments to published standards early adopted by the Company
The Company did not early adopt any new, revised or amended standards.

2.2 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Trinidad and Tobago dollars, which is the functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

2.3 Financial assets

The Company classifies its financial assets as loans and receivables. Management determines the classification of its financial instruments at initial recognition. Financial assets are recognises on the date it becomes a party to the contract of the instrument. A regular way purchase of financial assets is recognised by using trade date accounting. Financial assets included at the statement of financial position date are cash and cash equivalents, trade and other receivables and amounts due from related parties.

Financial assets are derecognises when the contractual rights to the cash flows from the financial asset expire or if it transfers the financial asset and the transfer qualifies for derecognition in accordance with IAS 39.

Cash and cash equivalents

Cash and cash equivalents comprise balances with original maturities of less than three months including cash in hand, deposits held at call with banks and other short term highly liquid investments.

Trade receivables and amounts due from related parties

Trade receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method, less impairment losses, if any. They are reviewed at each statement of financial position date to determine whether there is objective evidence of impairment. If any such indication exists, an impairment loss is recognised in the statement of comprehensive income as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. If in a subsequent period the amount of an impairment loss recognised on carried amortised cost decreases and the decrease can be linked objectively to an event occurring after the write down, the write down is reversed through the statement of comprehensive income.

2.4 Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax

The tax currently payable is based on the taxable profits for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductable in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date. Any liability relating to unrecognized tax benefits is included in current tax payable in the statement of financial position.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets can be utilized. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply to the year when the asset is realized or the liability settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.5 Property, plant and equipment (''PPE'')

All PPE are stated at cost less accumulated depreciation.

The cost of PPE constructed within the Company included the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation is provided on the reducing balance method at rates estimated to write off the cost of each asset over its estimated useful life. The estimated useful lives of assets are reviewed periodically taking account of commercial and technological obsolescence as well as normal wear and tear, and depreciation rates are adjusted, if appropriate. Depreciation charges are recognised in the statement of comprehensive income on a periodic basis.

Current rates of depreciation are as follows:-

— Production equipment – 20%

— Motor vehicles & computers – 25%

— Furniture, fixtures & fittings ("FFF") – 25%

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in operating profit and are recognised in the statement of comprehensive income at completion of the sale transaction.

Repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the company. Major renovations are depreciated over the remaining useful life of the related asset.

Property, plant and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the statement of comprehensive income as the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's. Assets are net selling price and value in use.

2.6 Inventories

Inventories are intially recorded at historical cost and subsequently valued at lower of cost and net realisable value. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses.

2.7 Share capital

Ordinary shares with discretionary dividends are classified as equity.

2.8 Financial liabilities

The Company classifies its financial liabilities as financial liabilities measured at amortised cost using the effective interest method. Management determines the classification of its financial instruments at initial recognition. Financial liabilities are recognises on the date it becomes a party to the contract of the instrument. Financial liabilities are not recognised unless one of the parties has performed or the contract is a derivative contract not exempted from the scope of IAS 39. Financial liabilities included at the statement of financial position date are trade and other payables, accruals, borrowings, amounts due to related parties, employee service benefit and taxation payable.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

2.9 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position where there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.10 Provisions

Provisions are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost.

2.11 Employee Service Benefit

The company has a constructive obligation to employees, whereby post employment benefits are paid to the employees' upon leaving the company. The calculation of the benefit payable is linked to the years of service and the employee's salary at the date of retirement.

2.12 Revenue recognition

Revenue from the sales of goods is recognised when the Company has transferred the significant risks and rewards of ownership to the buyer and it is probable that the Company will receive the previously agreed upon payment. These criteria are considered to be met when the goods are delivered to the buyer. Where the buyer has a right of return, the Company defers recognition of revenue until the right to return has lapsed.

Provided the amount of revenue can be measured reliably and it is probable that the Company will receive any consideration, revenue for services is recognised in the period in which they are rendered.

2.13 Expense recognition

Expenses are accrued and recognised in the statement of comprehensive income when incurred and are payable monthly in arrears

2.14 Critical accounting estimates and judgements

The Company's financial statements and its financial results are influenced by accounting policies, assumptions, estimates and management judgements, which necessarily have to be made in the course of preparation of the financial statements.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. All estimates and assumptions required in conformity with IFRS are best estimate undertaken in accordance with the applicable standard. Estimates and assumptions are evaluated on a continuous basis, and are based on past experience and other factors, including expectations with regard to future events.

Accounting policies and management's judgements for certain items are especially critical for the Company's results and financial situation due to their materiality.

(a) Income taxes

Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

2.15 Lease

Where substantially all of the risks and rewards incidental to ownership of a leased asset have been transferred to the Company (a "finance lease"), the asset is treated as if it had been purchased outright. The amount initially recognised as an asset is the lower of the fair value of the leased asset and the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to the statement of comprehensive income over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

Where substantially all of the risks and rewards incidental to ownership are not transferred to the Company (an "operating lease"), the total rentals payable under the lease are charged to the statement of comprehensive income on a straight-line basis over the lease term. The aggregate benefit of lease incentives is recognised as a reduction of the rental expense over the lease term on a straight-line basis.

2.16 Borrowings

Borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method.

3 Property, Plant and Equipment

	Production Equipment $	Motor Vehicle & FFF $	Computer Equipment $	Total $
Cost				
At January 1, 2017	182,113,321	12,860,163	492,320	195,465,804
Additions	32,875	300,000	—	332,875
Impairment	(735,829)	—	—	(735,829)
At June 30, 2017	181,410,367	13,160,163	492,320	195,062,850
Depreciation				
At January 1, 2017	21,131,174	4,601,892	275,660	26,008,726
Charge for the period	2,676,194	1,192,252	72,532	3,940,978
Impairment	—	—	—	—
At June 30, 2017	23,807,368	5,794,144	348,192	29,949,704
Net Book Value June 30, 2017	157,602,999	7,366,019	144,128	165,113,146
Cost				
At January 1, 2016	195,795,810	12,860,163	492,320	209,148,293
Additions	10,725,067	—	—	10,725,067
Impairment	(24,407,556)	—	—	(24,407,556)
At December 31, 2016	182,113,321	12,860,163	492,320	195,465,804
Depreciation				
At January 1, 2016	16,258,672	2,664,674	127,632	19,050,978
Charge for the period	5,349,510	1,937,218	148,028	7,434,755
Impairment	(477,008)	—	—	(477,008)
At December 31, 2016	21,131,174	4,601,892	275,660	26,008,725
Net Book Value December 31, 2016	160,982,147	8,258,271	216,660	169,457,079

4 Deferred Tax

Deferred income taxes are calculated on all temporary differences under the liability method using a tax rate of 30% (25%).

The deferred tax liability and the deferred tax credit to the statement of comprehensive income are attributable to the following items:

	December 2016 $	**(Cr)/chg to Statement of Comprehensive Income**	**June 2017 $**
Accelerated depreciation	18,618,723	8,454,275	27,072,998
Interest income accrued	743,838	1,732,990	2,476,828
	19,362,561	10,187,265	29,549,826
Employee Service Benefit	(633,569)	(47,818)	(681,387)
Interest expense accrued	(8,911,914)	(6,030,309)	(14,942,223)
	(9,545,483)	(6,078,127)	(15,623,610)
	9,817,078	4,109,138	13,926,216

5 Cash and cash equivalents

	June 2017 $	**December 2016 $**
Cash in bank	5,738,287	4,126,742
Cash in hand	59,162	115,218
	5,797,449	4,241,960

6 Trade and other receivables

	June 2017	**December 2016**
Insurance prepaid	10,724	192,340
Interest Receivable	8,256,094	2,975,353
Advance to employees	15,153	70,992
Vat Refundable	204,351	3,176,558
Security deposit	180,000	342,000
Other	70,988	—
	8,737,310	6,757,243

7 Share Capital

Ordinary share capital

	June 2017	December 2016
Authorised		
An unlimited number of ordinary share of no par value	Nil	Nil
Issued and fully paid		
100 ordinary shares of no par value	627	627

8 Employee Service & Fringe Benefit

A liability of $2,271,288 (Dec 2016:$2,271,288) has been recorded in these financial statements at June 30, 2017 to provide for a retirement payment which is normally paid to employees upon leaving the Company. This liability is based on two weeks pay for each completed year of employment and the employees' current rate of pay.

At June 30, 2017 the Company had 138 employees (Dec 2016: 183)

9 Long Term Borrowings

	June 2017	December 2016
Hire purchase loans	502,280	597,499
	502,280	597,499

10 Short Term Borrowings

These are payable to Ansa Merchant Bank Limited under a finance lease for vehicle purchases and are secured by chattel mortgages. The total future value of minimum lease payments is due as follows:

Future lease payments are due as follows:	June 2017	December 2016
Not later than one year	183,798	170,981
Later than one year and not later than five years	—	—
	183,798	170,981

11 Accounts payables and accruals

	June 2017	December 2016
Trade payables	19,161,652	25,434,314
Payroll & Statutory payroll deductions accruals	794,745	919,235
Loan Interest Accrual	49,807,411	35,647,658
Accrued Expenses	316,613	188,383
	70,080,421	**62,189,590**

12 Direct cost

	For the Six months ending 30th June, 2017	For the Six months ending 30th June, 2016
Drilling cost	776,509	5,730,201
Waterflood projects	3,068,685	10,240,318
Roadway development	—	1,462,725
PO2 other	—	28,290,092
PO3 other	773,299	9,848,692
Repairs and maintenance	3,051,818	2,012,620
Motor vehicle rental and expenses	1,546,943	1,136,744
Accomodation expenses – Rigs personnel	275,905	682,811
Safety supplies	184,819	216,927
Equipment rental and transport	684,117	705,506
Fuel and oil	422,311	541,552
Insurances	365,394	648,870
Inventory Adjustment	1,012	(16,706)
Freight, duties, brokerage charges	29,585	140,802
Environmental	30,304	58,276
	11,210,701	61,699,430

13 Staff Costs

	For the Six months ending 30th June, 2017 $	For the Six months ending 30th June, 2016 $
Salaries and wages	13,047,536	21,341,269
National insurance	710,913	1,080,657
Bonus	—	20,012
Severance/service pay	430,774	232,304
Fringe benefits	(28,595)	42,068
Staff training	39,000	14,126
	14,199,628	22,730,436

14 Administrative and other expenses

	For the Six months ending 30th June, 2017 $	For the Six months ending 30th June, 2016 $
Legal, professional and audit fees	727,657	1,391,737
Rental	291,595	310,530
Travel	62,405	227,168
Office supplies	134,434	240,691
Utilities	105,718	100,012
Medical	—	720
License/permits	8,000	80,539
Bank charges	11,158	15,097
Advertising	2,700	15,180
Entertainment	7,728	46,586
Living Expenses	126,463	285,332
Computer expenses	64,078	20,914
Subscription and donations	36,326	—
Currency exchange differences	2,011,133	15,094
Miscellaneous	—	160,258
Penalties and Interest	238,089	23,652
	3,827,484	2,933,510

15 Taxation

	For the Six months ending 30th June, 2017 $	For the Six months ending 30th June, 2016 $
Deferred tax	4,109,139	4,078,979
Business levy	256,458	138,834
Green fund levy	130,531	71,235
Withholding tax	37,331	108,059
	4,533,459	4,397,107

16 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. A number of transactions are entered into with related parties in the normal course of business.

	June 2017	December 2016
Related party transactions by group structure:		
Due from GPN	743,396	721,154
Due from Sincep	309,622	309,622
Due from LandOcean Energy Limited	67,652,000	67,431,000
Due from EPT	4,855	4,855
Due to Energy Prospecting Technology USA, Inc	6,743,100	6,743,100
Due to UnionPetro	3,683,515	10,414,415
Due to GPN	3,663,326	3,158,206
Due to LandOcean Petroleum Corp. Limited	92,433,216	322,105,006
Due to LandOcean Energy Limited	59,396,492	59,202,460

17 Financial Risk Management

The Company's activities expose it to a variety of financial risks. These risks include credit risk, liquidity risk, interest rate risk, foreign exchange risk and price risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

a. Risk management structure

Risk management is carried out by management under policies approved by the Board of Directors. Management identifies and evaluates financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

b. Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its payment obligations when they fall due under normal and stress circumstances. To limit this risk, management manages assets with liquidity in mind, and monitors future cash flows and liquidity on a daily basis.

c. Credit risk

Credit risk is the risk that a borrower or counter-party fails to meet contractual obligations, or to perform as agreed. Credit risk arises from cash at banks as wells as credit exposures to customers, related parties, other outstanding receivables.

d. Market risk

Interest rate risk

Interest sensitivity of financial assets and liabilities

The Company is exposed to various risks associated with the effect of fluctuations in the prevailing levels of market rates on its statement of financial position and cash flows.

Foreign exchange risk

The Company is not exposed to foreign exchange risk.

e. Capital Management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Company may issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

PART III

HISTORICAL FINANCIAL INFORMATION

SECTION C: GROUP QUARTERLY CASHFLOW REPORT (APPENDIX 5B)

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Range Resources Limited

ABN	**Quarter ended ("current quarter")**
88 002 522 009	30 September 2017

Consolidated statement of cash flows	**Current quarter $US'000**	**Year to date (3 months) $US'000**
1. Cash flows from operating activities	2,331	2,331
1.1 Receipts from customers		
1.2 Payments for	—	—
(a) exploration & evaluation		
(b) development	(971)	(971)
(c) production	(139)	(139)
(d) staff costs	(593)	(593)
(e) administration and corporate costs	(238)	(238)
1.3 Dividends received (see note 3)	—	—
1.4 Interest received	57	57
1.5 Interest and other costs of finance paid	—	—
1.6 Income taxes paid/refunded	1,401	1,401
1.7 Research and development refunds	—	—
1.8 Other (provide details if material)	—	—
1.9 Net cash from / (used in) operating activities	**1,848**	**1,848**

	Current quarter $US'000	**Year to date (3 months) $US'000**
2. Cash flows from investing activities	—	—
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)	—	—
(c) investments	—	—
(d) other non-current assets	—	—
2.2 Proceeds from the disposal of:	—	—
(a) property, plant and equipment		
(b) tenements (see item 10)	—	—
(c) investments	—	—
(d) other non-current assets	—	—
2.3 Cash flows from loans to other entities*	(1,661)	(1,661)
2.4 Dividends received (see note 3)	—	—
2.5 Other (provide details if material)	—	—
2.6 Net cash from / (used in) investing activities	**(1,661)**	**(1,661)**

* Loans to other entities represent amounts advanced to RRDSL pending completion of the acquisition

	Current quarter $US'000	Year to date (3 months) $US'000
3. **Cash flows from financing activities**	—	—
3.1 Proceeds from issues of shares		
3.2 Proceeds from issue of convertible notes	—	—
3.3 Proceeds from exercise of share options	—	—
3.4 Transaction costs related to issues of shares, convertible notes or options	—	—
3.5 Proceeds from borrowings	—	—
3.6 Repayment of borrowings	—	—
3.7 Transaction costs related to loans and borrowings	—	—
3.8 Dividends paid	—	—
3.9 Other (provide details if material)	—	—
3.10 Net cash from / (used in) financing activities	**—**	**—**

	Current quarter $US'000	Year to date (3 months) $US'000
4. Net increase / (decrease) in cash and cash equivalents for the period	17,458	17,458
4.1 Cash and cash equivalents at beginning of period		
4.2 Net cash from / (used in) operating activities (item 1.9 above)	1,848	1,848
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(1,661)	(1,661)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	—	—
4.5 Effect of movement in exchange rates on cash held	17	17
4.6 Cash and cash equivalents at end of period	**17,662**	**17,662**

5. **Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $US'000	Previous quarter $US'000
5.1 Bank balances	13,112	17,458
5.2 Call deposits	—	—
5.3 Bank overdrafts	—	—
5.4 Other (provide details)*	4,550	—
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	**17,662**	**17,458**

*Represents amount held in an escrow account related to the proposed acquisition of the West Coast assets in Trinidad.

6. **Payments to directors of the entity and their associates**	**Current quarter $US'000**
6.1 Aggregate amount of payments to these parties included in item 1.2	191
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	—

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Directors' fees and Directors' consulting fees

7. **Payments to related entities of the entity and their associates**	**Current quarter $US'000**
7.1 Aggregate amount of payments to these parties included in item 1.2	—
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	—

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

8. **Financing facilities available** *Add notes as necessary for an understanding of the position*	**Total facility amount at quarter end $US'000**	**Amount drawn at quarter end $US'000**
8.1 Loan facilities	20,000	20,000
8.2 Credit standby arrangements	—	—
8.3 Other (please specify)	—	—

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

The details of the US$20,000,000 convertible loan facility are as follows:	
Issuer:	Range Resources Limited
Noteholder:	LandOcean Energy Services Co., Ltd
Amount:	US$20,000,000
Maturity Date:	28 November 2019
Repayment:	Bullet at maturity date
Interest:	8% per annum, payable annually in arrears
Security:	None
Conversion Price:	£0.0088 per share
Lender Conversion Right:	At any time, in a minimum amount of US$10,000,000

9. Estimated cash outflows for next quarter	$US'000
9.1 Exploration and evaluation	—
9.2 Development	960
9.3 Production	3,401
9.4 Staff costs	1,530
9.5 Administration and corporate costs	2,079
9.6 Other (provide details if material)*	—
9.7 Total estimated cash outflows	**7,970**

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Block VIa, Georgia*	—	45%	Nil
10.2 Interests in mining tenements and petroleum tenements acquired or increased	—	—	—	—

* The Company believes that it holds a 45% interest in Block VIa in Georgia via its shareholding in Strait. Range disputes the actions of the Georgian government in attempting to re-licence this block to third parties. 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.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Sign here: Date: 30 October 2017

Director

Print name: Yan Liu

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

PART IV

FINANCIAL INFORMATION

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE GROUP

The following unaudited *pro forma* statement of net assets of the Group (the "*pro forma* financial information") has been prepared to illustrate the effect on the consolidated net assets of the Group as if Admission had taken place on 30 June 2017 and (i) the RRDSL Acquisition; and (ii) the Hengtai Acquisition, had completed on 30 June 2017.

The *pro forma* financial information has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and does not, therefore, represent the Group's actual financial position or results.

The *pro forma* financial information is based on the audited consolidated net assets of the Group (excluding RRDSL and Hengtai) as at 30 June 2017 and the unaudited interim financial information on RRDSL as at 30 June 2017, and has been prepared in a manner consistent with the accounting policies adopted by the Company in preparing such information and on the basis set out in the notes set out below.

	The Group at 30 June 2017 US$000	RRDSL at 30 June 2017 US$000	Acquisition of RRDSL US$000	Acquisition of Hengtai US$000	Pro forma net assets of the Group US$000
Notes	*1*	*2*	*3*	*4*	
Non-Current Assets					
Property, plant and equipment	2,022	24,425	—	—	26,447
Producing assets	108,348	—	—	—	108,348
Intangible assets	—	—	9,483	3,200	12,683
Exploration and evaluation expenditure	632	—	—	—	632
Trade and other receivables	6,866	—	(6,781)	—	85
Deferred tax assets	6,853	2,311	—	—	9,164
Available-for-sale financial assets	45	—	—	—	45
	124,766	26,736	2,702	3,200	157,404
Current Assets					
Inventories and work in progress	—	2,421	—	—	2,421
Trade and other receivables	5,741	1,293	—	—	7,034
Due from Range	—	1,037	(1,037)	—	—
Due from LandOcean and related parties	—	10,164			10,164
Other current assets	2,586	23	—	—	2,609
Cash and cash equivalents	17,254	858	—	(3,200)	14,912
	25,581	15,796	(1,037)	(3,200)	37,140
Total Assets	150,347	42,532	1,665	—	194,544
Current Liabilities					
Borrowings	—	(27)	—	—	(27)
Trade and other payables	(1,614)	(10,367)	—	—	(11,981)
Due to Range	—	(6,781)	6,781		
Due to LandOcean and related parties	—	(24,544)	—	—	(24,544)
Current tax liabilities	(283)	(14)	—	—	(297)
Options liabilities	(342)	—	—	—	(342)
Provisions	(784)	—	—	—	(784)
	(3,023)	(41,733)	6,781	—	(37,976)
Non-current liabilities					
Borrowings	(21,072)	(74)	(5,500)	—	(26,646)
Trade and other payables	(51,390)	—	1,037	—	(50,353)
Employee service benefits	(340)	(336)	—	—	(676)
Deferred tax liabilities	(54,500)	(4,371)	—	—	(58,871)
	(127,302)	(4,782)	(4,463)	—	(136,547)
Total Liabilities	(130,325)	(46,515)	2,317	—	(174,522)
Net assets/(liabilities)	20,022	(3,983)	3,983	—	20,022

Notes:

1. The net assets of the Group (excluding RRDSL and Hengtai) as at 30 June 2017 have been extracted without material adjustment from the unaudited interim financial statements of the Group for the six months ended 30 June 2017 which are contained in Section A of Part III of this document.

   Adjustments:

2. The net assets of RRDSL have been extracted without material adjustment from the interim financial information on RRDSL as at 30 June 2017 included in Section B of Part III of this Document. The have been translated into US$ using the exchange rate as at 30 June 2017 of TT$6.76:US$1.
3. An adjustment has been made to reflect the estimated intangible assets arising on the RRDSL Acquisition. For the purposes of this *pro forma* information, no adjustment has been made to the separate assets and liabilities of RRDSL to reflect their fair value. The difference between the net assets of RRDSL as stated at their book value at 30 June 2017 and the estimated consideration has therefore been presented as a single value in ''Intangible assets''. The net assets of RRDSL will be subject to a fair value restatement as at the effective date of the RRDSL Acquisition including an estimate of the deferred tax arising on the increase in carrying value of the acquired assets and liabilities. Actual intangible assets included in the Group's next published financial statements may therefore be materially different from that included in the *pro forma* statement of net assets.

   The estimated intangible asset has been calculated as follows:

	US$000
Consideration payable (included in non-current liabilities)	5,500
Net liabilities assets of RRDSL at 30 June 2017	3,983
Estimated intangible assets arising on the transaction	9,483

   The *pro forma* net assets also eliminates inter-company balances between (i) the Group (excluding RRDSL) and (ii) RRDSL as at 30 June 2017.

4. Hengtai does not have any material tangible assets or liabilities and therefore the whole of the acquisition price for these assets has been treated as an intangible asset. The net assets of Hengtai will be subject to a fair value restatement as 30 October 2017 (being the date of completion of the Hengtai Acquisition) including an estimate of the deferred tax arising on the increase in carrying value of the acquired assets and liabilities. Actual intangible assets included in the Group's next published financial statements may therefore be materially different from that included in the *pro forma* statement of net assets.
5. The costs of the Admission to AIM are estimated at £750,000 (excluding VAT). These will be expensed and no adjustment has been made in arriving at the *pro forma* statement of net assets.
6. No account has been taken of the financial performance of the Group since 30 June 2017, nor of any other event save as disclosed above.

PART V

COMPETENT PERSON'S REPORT IN RELATION TO TRINIDAD AND TOBAGO

Range Resources Limited
c/o Edwards Mac Scovell
Level 7
140 St. Georges Terrace
Perth WA 6000
Australia

The Directors
Cantor Fitzgerald Europe
One Churchill Place
Canary Wharf
London
E14 5RB
United Kingdom

10th November 2017

Dear Sirs

Competent Person's Report on the Range Resources Ltd. Assets Trinidad.

In response to the letter of engagement received from Range Resources Ltd. (Range) on 5th April 2017, Rockflow Resources Ltd (Rockflow) has conducted an independent assessment of the potential Resources of Range's Assets onshore Trinidad and prepared this Competent Person's Report (CPR). The Effective Date of this assessment is 30th June. Range is currently seeking admission to the AIM market.

The work was undertaken by a team of Rockflow professional petroleum engineers and geoscientists based on data supplied by Range. Rockflow has relied on the completeness and accuracy of the data supplied by Range. The data comprised details of licence interests, seismic, well and production data, technical interpretations, reports and presentations. Rockflow has exercised due diligence and independent analysis where appropriate on all technical information supplied by Range. Rockflow confirms that it is not aware of any omission which may materially affect the conclusions of this CPR. Rockflow has not independently checked title interests with Government or licence authorities. No site visits were undertaken.

The Reserves and Resources reported in this document are in accordance with the definitions of the Petroleum Resources Management System (PRMS) approved in March 2007 by the Society of Petroleum Engineers (SPE), the World Petroleum Congress (WPC), the American Association of Petroleum Geologists (AAPG) and the Society of Petroleum Evaluation Engineers (SPEE).

Reserves have been assigned to the projects and three estimates of the recoverable oil made designated as of a given date (the Effective Date) as 1P (Proved), 2P (Proved plus Probable), and 3P (Proved plus Probable plus Possible) Reserves. Reserves have further been divided into three sub-classes; "Developed Producing", "Developed Non-Producing" and "Undeveloped". Contingent Resources are those quantities of petroleum estimated to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies. Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are further categorised in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterised by their economic status. The Low, Best and High estimates are designated as 1C, 2C and 3C respectively.

Volumes of oil are quoted in this report at stock tank conditions. Volumes of natural gas quoted herein are volumes of sales gas. Standard conditions are 60 degrees Fahrenheit and 14.73 psia.

TABLE A

ASSET SUMMARY TABLE

Asset	Operator	Range Interest	Status	Licence Expiry	Licence Area	Comment
Beach Marcelle	Range Resources Trinidad Limited	100%	Development	31/01/2020	1,586.16 hectares	Renewal and extension will be sought during 2018/2019
Morne Diablo	Range Resources Trinidad Limited	100%	Development	31/12/2021	3,508.5 hectares	Two further 5 year renewals possible.
South Quarry	Range Resources Trinidad Limited	100%	Development	31/12/2021	1,444.9 hectares	Two further 5 year renewals possible.
St Mary's	Range Resources Trinidad Limited	80%	Exploration	31/10/2020	15,281 hectares	Minimum work programme not fully met – amendments proposed

Economic analysis was performed on the combined reserves of the three fields (Beach Marcelle, Morne Diablo and South Quarry). The Low, Mid and High Case combined oil production profiles for these reserves were produced by a probabilistic sum of the production profiles for each segment of the field and are shown in Table B. The effective date for the evaluation is 30th June 2017. Rockflow understands that there have been no material changes since this date.

TABLE B

SUMMARY OF TOTAL PROBABILISTIC GROSS AND NET OIL RESERVES AS AT 30th June 2017

Oil Reserves	Gross (MMstb)			Net Attributable Range (MMstb)		
Asset	**Low (1P)**	**Mid (2P)**	**High (3P)**	**Low (1P)**	**Mid (2P)**	**High (3P)**
Trinidad Fields	13.8	16.4	18.9	13.8	16.4	18.9

TABLE C

OIL RESERVES VALUATION AT THE MID CASE ($50/bbl) REFERENCE PRICES

NPV_{10} US$ MM	Gross NPV_{10} US$ MM			Net Attributable Range NPV_{10} US$ MM		
Asset	**Low**	**Mid**	**High**	**Low**	**Mid**	**High**
Trinidad Fields	57.7	76.6	93.9	57.7	76.6	934.9

Note: Economic analysis is modelled to 2031 however the fields are still economically viable at $50/bbl at this date so additional value is possible.

Following this evaluation, as of 10th November 2017, Rockflow can report that the Range fields are assessed as containing Oil Reserves and Contingent Resources (Development pending) as shown in Tables D & E:

TABLE D

SUMMARY OF DETERMINISTIC GROSS AND NET OIL RESERVES AS AT 30th June 2017[1]

Oil Reserves		Gross (MMstb)			Net Attributable Range (MMstb)		
Asset	**Operator**	**Low (1P)**	**Mid (2P)**	**High (3P)**	**Low (1P)**	**Mid (2P)**	**High (3P)**
Beach Marcelle	Range Resources Trinidad Limited	5.867	9.524	13.275	5.867	9.524	13.275
Morne Diablo	Range Resources Trinidad Limited	3.261	5.014	7.419	3.261	5.014	7.419
South Quarry	Range Resources Trinidad Limited	0.854	1.500	2.208	0.854	1.500	2.208
Total		**9.982**	**16.038**	**22.901**	**9.982**	**16.038**	**22.901**

TABLE E

SUMMARY OF DETERMINISTIC GROSS AND NET OIL CONTINGENT RESOURCES AS AT 30th June 2017

Contingent Oil Resources[2]		Gross (MMstb)			Net Attributable Range (MMstb)			Project Maturity[3]
Asset	**Operator**	**Low (1C)**	**Mid (2C)**	**High (3C)**	**Low (1C)**	**Mid (2C)**	**High (3C)**	
Beach Marcelle	Range Resources Trinidad Limited	3.121	5.716	8.130	3.121	5.716	8.130	Development pending[4]
Beach Marcelle	Range Resources Trinidad Limited	0.273	0.273	0.273	0.273	0.273	0.273	Development on hold[5]
Morne Diablo	Range Resources Trinidad Limited	1.099	1.710	6.509	1.099	1.710	6.509	Development on hold
South Quarry	Range Resources Trinidad Limited	0.065	0.319	0.528	0.065	0.319	0.528	Development on hold
Total (Pending)		**3.121**	**5.716**	**8.130**	**3.121**	**5.716**	**8.130**	Development Pending
Total (On Hold)		**1.437**	**2.302**	**7.310**	**1.437**	**2.302**	**7.310**	Development on hold

No prospects have been defined in these assets and hence no prospective resources have been assigned.

---

[1] To year end 2031

[2] Rockflow has not estimated any 'Chance of Development' or 'Risk Factor'; these depend largely on non-technical matters, such as reaching agreement with other parties; Rockflow does not have all the information that would be required to make a quantitive estimate and therefore considers it would be inappropriate to do so.
Moreover the volumes reported here are 'unrisked, in the sense that no adjustment has been made for the risk that the project may not go ahead in the form envisaged, or may not go ahead at all.

[3] SPE PRMS p9 sec 2.1.3.1. 'Thus Projects on Known Accumulations that are actively being studied, undergoing feasibility review and with planned near-term operations (e.g., drilling) are placed in Contingent Resources Development Pending while those that do not meet this test are placed into either Contingent Resources On Hold, Unclarified, or Not Viable'

[4] Development pending - currently within 5 year plan

[5] Development on hold – currently outside of 5 year plan

Qualifications

Rockflow Resources Limited is an independent consultancy specialising in petroleum reservoir evaluation and economic analysis. Except for the provision of professional services on a fee basis, Rockflow Resources does not have a commercial arrangement with any other person or company involved in the interests that are the subject of this report. Rockflow staff and directors have no interest in any assets or share capital of Range or in the promotion of Range.

In accordance with the guidelines of the AIM Market of the London Stock Exchange, the technical information contained in this announcement has been reviewed and approved by Simon Moy, a member of the SPE, a Chartered Petroleum Engineer and Reserves auditor for Rockflow Resources; who has over 20 years industry experience including in the estimate, assessment and evaluation of oil and gas reserves and meets the criteria of a qualified person under the AIM guidance note for mining and oil and gas companies. Rockflow Resources has conducted valuations for many energy companies and financial institutions listing on the LSE, NYSE, TSX and ASX.

Basis of Opinion

The evaluation presented in this report reflects Rockflow's informed judgement based on accepted standards of professional investigation and Rockflow's understanding of petroleum legislation, taxation and the regulations that apply to the properties but is subject to generally recognised uncertainties associated with the interpretation of geological, geophysical and subsurface reservoir data.

Rockflow cannot attest to the property title, rights and obligations, licences, consents, permissions and financial interests for any part of the evaluated properties. Rockflow have not made any field examination of the properties. No consideration was given in this report to potential environmental liabilities that may exist nor were any costs included for potential liabilities to restore and clean up damages, if any, caused by past operating practices.

It should be understood that any evaluation of hydrocarbon volumes and associated NPVs, particularly one involving exploration and future petroleum developments, may be subject to significant variations over short periods of time as new information becomes available. Rockflow does not warrant that the opinions expressed here will be any form of guarantee of the outcome.

Rockflow has given and not withdrawn its written consent to the issue of the admission document, with its name included within it, and to the inclusion of this report and references to this report in the admission document. As at the date of this letter, Rockflow is not aware of any material change since the effective date of this report that should be included in the report. Rockflow accepts responsibility for the information contained in the report set out in this part of the admission document and those parts of the admission document which include references to this report and declares that to the best knowledge and belief of Rockflow, having taken all reasonable care to ensure that such is the case, the information contained herein is in accordance with the facts and does not omit anything likely to affect the import of such information.

Yours faithfully,

Simon Moy

Simon Moy

Principal Reservoir Engineer,

Rockflow Resources Ltd

Rockflow Resources Ltd, Bernay House, Lower Street, Haslemere, GU27 2PE UNITED KINGDOM
+44 (0)1428 776510
Company No. 7866408 VAT No. GB 12626 1044

COMPETENT PERSONS REPORT

FOR

ONSHORE TRINIDAD ASSETS

BEACH MARCELLE

MORNE DIABLO

SOUTH QUARRY

ST. MARY'S

For

Range Resources Ltd

Effective date 30th June 2017

November 2017

rockflow
RESOURCES

CONSULTANTS TO THE
PETROLEUM INDUSTRY

rockflow
RESOURCES

This report was prepared in accordance with standard geological and engineering methods generally accepted by the oil and gas industry. Estimates of hydrocarbon reserves and resources should be regarded only as estimates that may change as further production history and additional information become available. Not only are reserves and resource estimates based on the information currently available, these are also subject to uncertainties inherent in the application of judgemental factors in interpreting such information. Rockflow Resources Ltd. shall have no liability arising out of or related to the use of the report.

Status	Final
Date	10th November 2017
Issued by	Terry Pimble Project Manager Rockflow Resources
Audited by	Simon Moy Principal Reservoir Engineer Rockflow Resources
Reviewed by	Jonathan Pye Rockflow Resources
Approved by	Tom Gunningham Technical Director Rockflow Resources

CONSULTANTS TO THE
PETROLEUM INDUSTRY

Executive Summary and Conclusions

Range Resources contracted Rockflow Resources on the 5th April 2017 to produce a "Competent Persons Report" (CPR) stating the oil reserves and resources within their onshore Trinidadian assets. These are the oil fields Beach Marcelle, Morne Diablo and South Quarry, and the exploration licence St Mary's.

The fields have all been on production for more than 75 years and Range are currently trying to increase remaining oil reserves by implementing water-flood schemes. Range has employed LandOcean Energy Services (LandOcean) to plan and undertake these schemes. The LandOcean work formed the basis for much of an audit undertaken by Rockflow in 2016 which comprised the following:

- An audit of the interpretation of structure, petrophysical analysis and hydrocarbon contacts for the fields to produce an independent range of STOIIP for the main reservoirs and field segments.
- An audit of Range's current recoverable volumes with adjustments and updates where necessary. Note that an independent reassessment was not carried out.
- A review of the interpreted seismic and well data to assess the validity of the proposed prospects, their range of resources and probability of success.

The audit tested the input parameters to LandOcean's STOIIP calculations, confirmed that these were generally reasonable, and used them to derive STOIIP range estimates based on the observed uncertainties. However, the audit also concluded that LandOcean's geological models, which were built to assess STOIIP, do not provide a suitable basis for dynamic simulation.

This subsequent CPR built from the previous audit results, and the recommendations were implemented by the construction of two geocellular sector models, one in Beach Marcelle and the second in Morne Diablo, which were specifically designed for dynamic simulation.

These models were dynamically simulated to produce production profiles that were used to more accurately estimate a range of additional reserves attributable to the water-flood schemes that are currently being implemented. These sector models have been used as the basis to forecast the additional production and oil reserves attributable to all three fields. The ranges of oil reserves for the three fields are tabulated below:

Oil Reserves	Gross (MMstb)			Net Attributable Range (MMstb)		
Asset	**Low (1P)**	**Mid (2P)**	**High (3P)**	**Low (1P)**	**Mid (2P)**	**High (3P)**
Beach Marcelle	5.867	9.524	13.275	5.867	9.524	13.275
Morne Diablo	3.261	5.014	7.419	3.261	5.014	7.419
South Quarry	0.854	1.500	2.208	0.854	1.500	2.208
Total	9.982	16.038	22.901	9.982	16.038	22.901

Table 0-1 Summary of technically recoverable volumes (MMstb)[6]

In the case of Beach Marcelle, there are additional contingent volumes associated with the water-flood projects assuming new injectors are drilled.

There are further development projects for the three fields that are yet to receive approval and the oil produced through these projects has been classified as Contingent Resources; these projects include water injection in the Central and previously water-flooded segments of Beach Marcelle, as well as deeper reservoirs.

Volumes associated with drilling candidates identified by Forrest Garb[7] and reviewed by Rockflow, but not included in Range's current 5 year drilling programme are also considered Contingent Resources. These volumes are shown in Table 0-2.

[6] To year end 2031
[7] Forrest Garb Reserves Audit, Jan 2014

Contingent Oil Resources	Gross (MMstb)			Net Attributable Range (MMstb)			Project Maturity[8]
Asset	**Low (1C)**	**Mid (2C)**	**High (3C)**	**Low (1C)**	**Mid (2C)**	**High (3C)**	
Beach Marcelle	3.121	5.716	8.130	3.121	5.716	8.130	Development pending
Beach Marcelle	0.273	0.273	0.273	0.273	0.273	0.273	Development on hold
Morne Diablo	1.099	1.710	6.509	1.099	1.710	6.509	Development on hold
South Quarry	0.065	0.319	0.528	0.065	0.319	0.528	Development on hold
Total (Pending)	**3.121**	**5.716**	**8.130**	**3.121**	**5.716**	**8.130**	**Development Pending**
Total (On Hold)	**1.437**	**2.302**	**7.310**	**1.437**	**2.302**	**7.310**	**Development on hold**

Table 0-2 Summary of Contingent Resources for Oil (MMstb)

The Beach Marcelle field is held under an incremental petroleum service agreement (IPSC) with Petrotrin, while the South Quarry and Morne Diablo fields are held under farm-out agreements (FMO). In all three fields, Petrotrin is the original holder of the production licence, and continues to hold the production licences. Under both the IPSC and FMOs, Range is designated operator and undertakes all operations and investments necessary to produce hydrocarbons. The generic structure of the IPSC and FMOs are fiscally very similar, differing only in the specifics of over-riding royalty rates and the reference base production profiles. The fields operate under the Trinidad and Tobago onshore oil and gas fiscal regime. An economic analysis was undertaken using probabilistically combined profiles for the three fields. The total production to an end date of 2031 for these profiles is tabulated in Table 0-3.

Oil Reserves	Gross (MMstb)			Net Attributable Range (MMstb)		
Asset	**Low (1P)**	**Mid (2P)**	**High (3P)**	**Low (1P)**	**Mid (2P)**	**High (3P)**
Trinidad Fields	13.8	16.4	18.9	13.8	16.4	18.9

Table 0-3 Total probabilistically combined production for Beach Marcelle, Morne Diablo & South Quarry[9]

The economic analysis was run on a spread of oil prices from \$25/bbl to \$90/bbl and showed positive economic at all these prices (Table 0-4). The low case reserves / \$25 scenario is truncated in 2029 by its economic limit, but in all other scenarios economic production continues until the end of 2031.

US$ MM	Oil Price $/bbl	Low Case Hydrocarbon Volumes	Mid Case Hydrocarbon Volumes	High Case Hydrocarbon Volumes
Gross Project NPV_{10}	25	10.9	28.7	40.6
Range Net NPV_{10}	25	10.9	28.7	40.6
Gross Project NPV_{10}	50	57.7	76.6	93.9
Range Net NPV_{10}	50	57.7	76.6	93.9
Gross Project NPV_{10}	75	103.0	130.6	157.1
Range Net NPV_{10}	75	103.0	130.6	157.1
Gross Project NPV_{10}	90	131.1	164.4	194.3
Range Net NPV_{10}	90	131.1	164.4	194.3

Table 0-4 Summary of economic valuations

[8] SPE PRMS p9 sec 2.1.3.1. 'Thus Projects on Known Accumulations that are actively being studied, undergoing feasibility review and with planned near-term operations (e.g., drilling) are placed in Contingent Resources Development Pending while those that do not meet this test are placed into either Contingent Resources On Hold, Unclarified, or Not Viable'
[9] To year end 2031

The audit on St Mary's Block established that the exploration work had not progressed sufficiently to evaluate prospective resources.

Figures

Tables

1. Introduction

Range Resources (Range) contracted Rockflow Resources Limited (Rockflow) to produce a Competent Persons Report (CPR) for the Hydrocarbon Reserves and Resources within their Trinidadian assets on 5th April 2017. The report covers the following four assets (Figure 1-1):

- Beach Marcelle – an oil field discovered in 1902.
- Morne Diablo – an oil field discovered in 1938 which has produced 10.8 MMstb.
- South Quarry – an oil field discovered in 1938 which has produced 1.95 MMstb.
- St Mary's – an exploration licence awarded February 2014.

The CPR extends and updates the previous audit of reserves and resources for the Range Trinidad assets produced by Rockflow in September 2016. The study principally focuses on refining and valuing the estimate of additional reserves that could be recovered from the water-flood schemes that are currently being implemented. The CPR conforms to the SPE Reserves Auditing Standards (2007), and reserves and resources were classified in accordance with the SPE-PRMS 2007, and 2011 Guidelines.

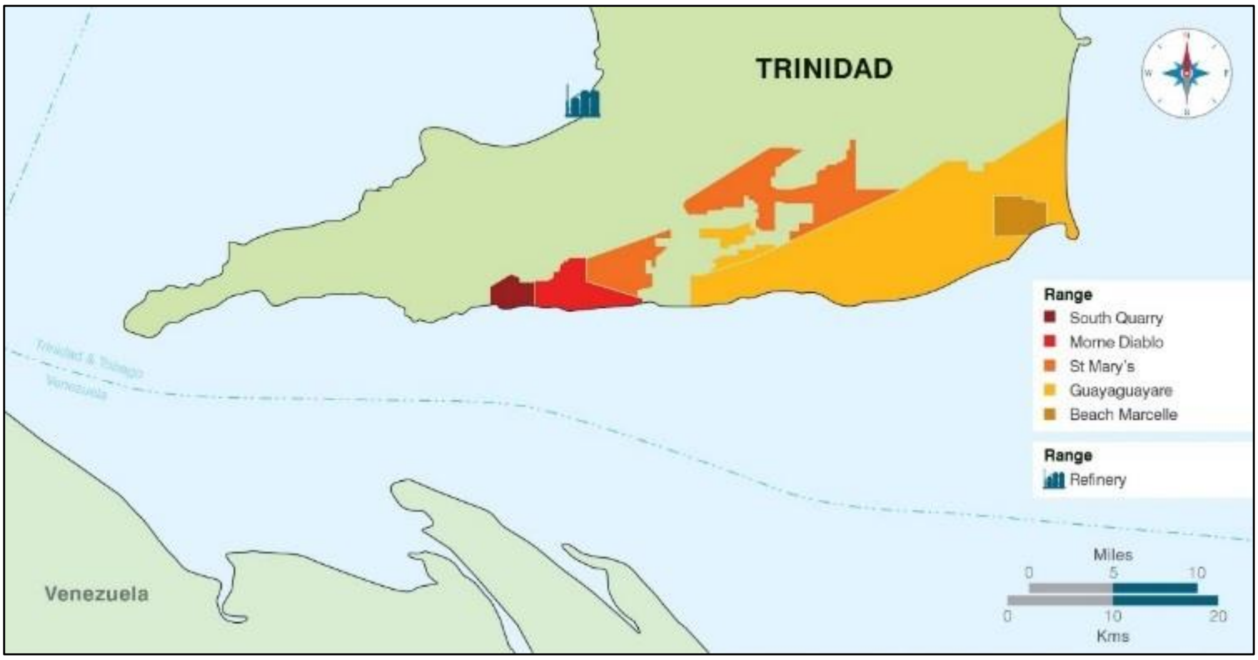

Figure 1-1: Location Map

Note: The Guayaguayare licence has expired and Range has requested an extension together with a revised work programme proposal.

1.1. Background

Range Resources operates three producing onshore assets in southern Trinidad (Figure 1-2):

- The Beach Marcelle Incremental Production Sharing Contract ("BM IPSC") comprises 3,964 acres and contains both the Beach and Marcelle Valley fields. The first well in the Beach Marcelle Field, GY1, was drilled in May 1902, and since then around 230 wells have been drilled on the licence.
- The Morne Diablo Farmout Block ("MDFO") comprises 9,300 acres and contains the Morne Diablo Field which was discovered in 1938, and over 340 wells have been drilled on the structure.
- The South Quarry Farmout Block ("SQFO") comprises 3,700 acres adjoining the western side of the Morne Diablo licence. The South Quarry Field was also discovered in 1938 and over 95 wells have been drilled on the structure.

Range is planning to implement water-flood schemes in each asset to improve recovery. LandOcean Energy Services (LandOcean) were engaged by Range to undertake a detailed study of the water-flood plans in order to assess the potential value of the proposed scheme. The study included an evaluation of the STOIIP and developed volumes for each asset, as well as the potential increment volumes that a water-flood scheme might recover.

Range Resources acquired 100% working interest in the three producing onshore assets in 2011. All three assets have been producing for over 75 years and contain over 600 wells, of which around 180 are currently producing from zones ranging in depth from 400 to 4000ft, average production in 2015 was 560 bopd. Deeper prospective zones are present down to 11,000ft. No information was provided for these prospective resources and hence they were not audited by Rockflow. Beach Marcelle and Morne Diablo have on-going water injection schemes and these are expected to be expanded field-wide. In addition, 117 drilling candidates are in Range's 5 year drilling programme; with 3 planned for 2017, 9 in 2018 and 37 in 2019, with a further 68 in 2020 and 2021.

The subsequently acquired St. Mary's licence primarily provides exploration potential.

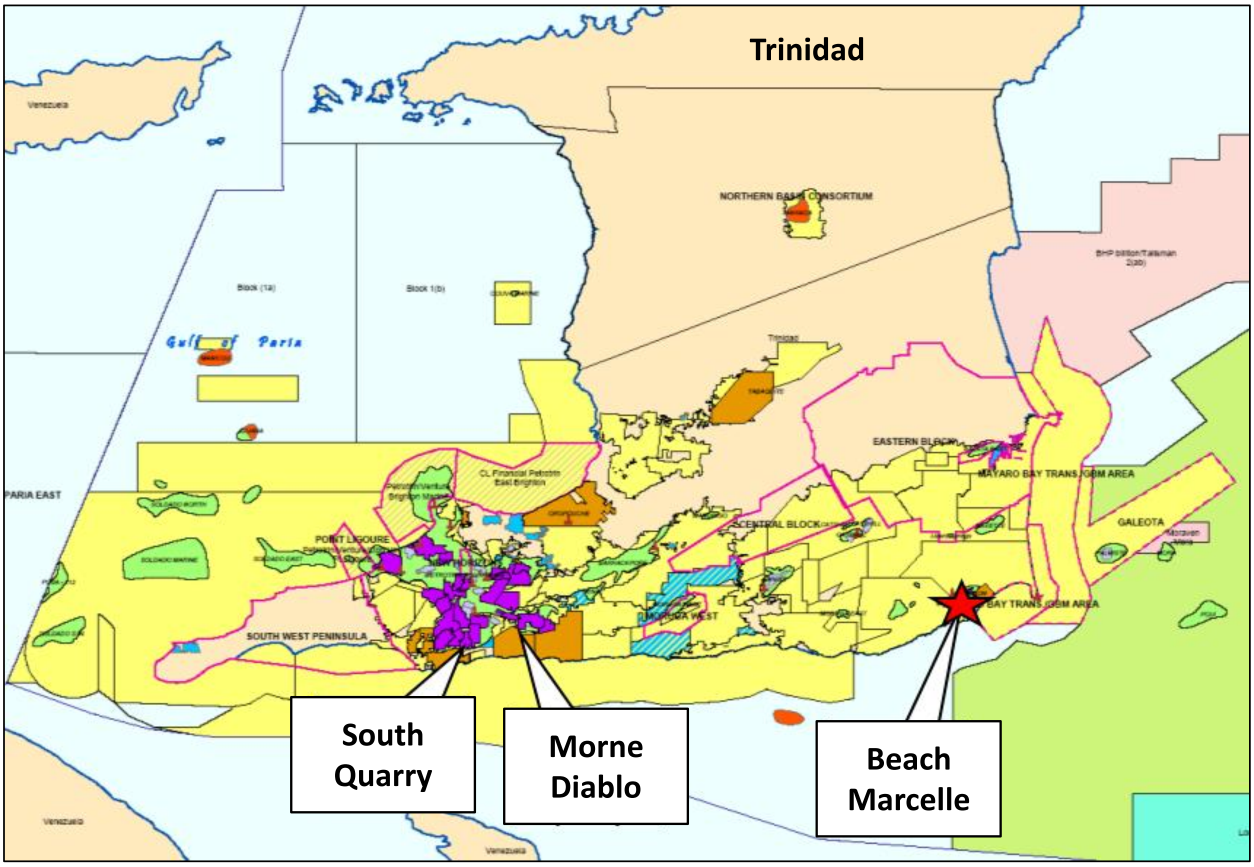

Figure 1-2 Range Resources' Trinidad Lease Map

1.2. Scope of Work

The scope of work has been prepared based on high level summary information supplied by Range for each of the four assets. The scope has been divided into the following sections:

- Review of the seismic data for the Morne Diablo and South Quarry Fields to assess the accuracy of the current reservoir maps to confirm GRV ranges.
- Review and refine as necessary the current correlation of the reservoirs within the Beach Marcelle, and Morne Diablo Petrel Models.
- Check the petrophysical analysis of wells within the current Petrel models and make adjustment to the interpreted log curves as required.
- Select and rebuild the most appropriate segments for water-flood analysis from the Beach Marcelle and the Morne Diablo Field Petrel models using the revised formation top correlation and interpreted log curves.

- Recalculate the STOIIP within these sectors.
- Review recent field work (new wells and recompletions) and update production files.
- Export the updated static sector models to Eclipse and dynamically simulate the current water flood scheme to assess the additional oil recovery. Note: data are unavailable for the Texaco water-flood scheme from the 1970's so no history matching can be undertaken.
- Create high, mid and low production profiles for these sectors.
- Use the sector model results to produce production profiles for the fields.
- Review Range's current development scheme and associated drilling and production costs.
- Review copies of Range's legal title and financial agreements for the fields.
- Update Range's working economic model with their latest costs and Rockflow's production profiles to assess value.
- Produce a report of the above (including the prospects described in the 2016 audit) in a CPR format.

1.3. Review of Data

Much of the data for the CPR was provided for the 2016 Rockflow audit. This was supplemented with updated production information, licence agreements and an economic model. A summary of the principal data used in the evaluation and related data issues is given below.

- **Kingdom seismic projects.** Seismic and well location data were provided within 3 Kingdom projects of which 2 (NIKO and EXPLORATION) used a UTM 20N projection with a WGS84 datum and 1 (F&&G test1) used a UTM 20N projection with a Naparima datum. The "EXPLORATION" project contained the most complete set of seismic and well data and was used to aid the Petrel modelling for Morne Diablo. However, it was noted that there was a discrepancy in well locations of 162.72m in X and 177.74m in Y between the Kingdom project and the corresponding Morne Diablo Petrel project.
- **Petrel Projects.** Six Petrel projects were provided for the analysis, 5 for Beach Marcelle and 1 for a small fault block in Morne Diablo. Issues related to the Petrel Projects are described in Section 2.
- **Well Logs.** Log data were provided for many wells in LAS and TIFF format in the Beach Marcelle, Morne Diablo and South Quarry areas.
- **Well Files.** Provided for most wells in the Beach Marcelle, Morne Diablo and South Quarry areas.
- **Core Data.** Spreadsheets containing summary of data.
- **Beach Marcelle OOIP Calculation**. A report with accompanying notes and spreadsheets detailing the OOIP calculations.
- **Eclipse Models:** Five models generated by LandOcean; four covering the SE, NE, SW and WF areas of Beach Marcelle and a fifth covering Morne Diablo. All the models simulated the water injection projects and incremental production. In addition, each model was accompanied by an explanatory PowerPoint presentation.
- **Production Data:** Excel spreadsheets for MD, BM and SQ fields containing monthly oil volumes per well from 1996 (SQ and MD) and 2001 (BM). Only cumulative oil and water volumes per well existed prior to these dates.
- **Field Development Plan 2015.** Covers Beach Marcelle, Morne Diablo and South Quarry.
- **Water Flood Information.** A report and accompanying presentations on water flooding plans for Beach Marcelle, Morne Diablo and South Quarry including the original Texaco paper describing the water flood of the Beach Marcelle WF area.
- **Assorted presentation material and study progress reports**. These included several LandOcean presentations covering the water flood plans for Beach Marcelle and Morne Diablo as well as information on the drilling programme for 2015/2016. The presentations also gave estimates of the recoveries based on the empirical equations by Professor Chen Yuan Qian.
- **Forrest Garb Reserves Audit 2014.** Spreadsheets of results from this audit for Beach Marcelle, Morne Diablo and South Quarry Fields. These tabulated the individual entries from each new well/completion as identified by Forrest Garb in 2014.
- **Forrest Garb estimates of incremental production** due to water injection in Beach Marcelle. These were made by using the Craig-Geffen-Morse method and tabulated in a series of spreadsheets.

The following data were unavailable:

- Core analysis data or reports
- PVT reports
- Final well reports

1.4. Review of Licence Agreements

Range acquired a 100% interest in the Beach Marcelle Morne Diablo and South Quarry Field in 2011 through the purchase of SOCA Petroleum and its subsidiary Los Bajos Oil. Subsequently on 2nd October 2014 the companies were amalgamated as Range Resources Trinidad Limited.

Beach Marcelle was original awarded by Petroleum Company of Trinidad and Tobago Limited (Petrotrin) to Los Bajos Oil Limited under the terms of an Incremental Production Service Contract (IPSC) effective 1st February 2010. Beach Marcelle is currently held by Range with redefined overriding royalty terms given in an agreement with Petrotrin ("Supplemental Agreement No. 3 to Eastern Fields Incremental Production Service Contract Beach-Marcelle Block"), which was executed 13th May 2016.

Morne Diablo was awarded by Petrotrin to Range (the operator) under the terms of a Farmout Agreement effective from the 1st March 2013. There have been Supplemental Agreements, the first in April 2015 defining the work programme up to 2016, and the second effective 16th March 2016 updating the overriding royalty terms.

South Quarry is held under a similar farmout agreement, originally awarded to Los Bajos Oil Limited effective from the 1st March 2013. There have subsequently been two Supplemental Agreements with Range, the first in April 2015 defining the work programme up to 2016, and the second effective 13th May 2016 updating the overriding royalty terms.

Minimum work obligations for the three fields are summarised in Table 1-1.

YEARS	MINIMUM WORK OBLIGATIONS		
	MORNE DIABLO	SOUTH QUARRY	BEACH MARCELLE
2017	Drill six (6) development wells	Drill three (3) development wells	Drill 1 development well to 800ft
	Complete Lower Forest water-flood study	Develop water-flood plan for QU 419 area	USD 500K expenditure on work in the block
2018	Drill eight (8) development wells	Drill five (5) development wells	
	Complete main field Middle Cruse water-flood study	Conduct stratagem survey in area to explore for shallow oil reservoirs (<1000')	
2019	Drill two (2) development wells	Drill two (2) development wells	
	Drill one (1) exploration well to the Lower Cruse horizon	Drill one (1) exploration well to the Lower Cruse horizon	
2020	Drill two (2) development wells	Drill two (2) development wells	Current IPSC expires Jan-31-2021
	Drill one (1) exploration well to the Lower Cruse horizon	Drill one (1) exploration well to the Lower Cruse horizon	
2021	Drill two (2) development wells	Drill three (3) development wells	
	Drill one (1) exploration well to the Lower Cruse horizon	Drill one (1) exploration well to the Lower Cruse horizon	

Table 1-1 Minimum Work Obligations for Morne Diablo, South Quarry and Beach Marcelle

St Mary's is held under an exploration licence awarded on the 31st October 2014. Subsequently, minor differences in the block boundaries between those in the bid documents and the areas awarded were noticed. These differences require resolution and Range state that they have delayed their exploration programme. The licence commitments include the following:

1. Geological studies on sedimentology, structure, geochemistry including hydrocarbon maturation/ migration and petrophysical analysis.
2. Acquire and process 160 line km of 2D seismic data commencing within 30 months of effective date.
3. Acquire and process 60km^2 of 3D seismic data commencing within 30 months of effective date.
4. Acquire high resolution gravity and magnetic data commencing within 18 months of effective date.
5. Drill 4 exploration wells
    a. One to 3000 ft commencing within 30 months of effective date.
    b. One to 7000 ft commencing within 42 months of effective date.
    c. One to 8000 ft commencing within 42 months of effective date.
    d. One to 14,000 ft commencing within 48 months of effective date.

Currently the seismic acquisition and the drilling of the first well have not been undertaken and therefore the work programme has not been fully met. Range has proposed a reduced work programme to the Ministry of Energy & Energy Affairs (MEEI) and has requested that the licence boundary issues require resolution.

2. Geological Field Evaluation

As discussed in section 1.1, Range plan to implement water-flood schemes in their Trinidad assets in order to improve recovery, and engaged LandOcean Energy Services (LandOcean) to undertake a detailed study of the water-flood plans. The LandOcean study included an evaluation of the STOIIP volumes for each asset, and generated a number of geocellular models that were used as input to the dynamic assessment of water-flood potential.

In 2016, Rockflow reviewed the LandOcean study as part of Range's QC process. The review included an audit of LandOcean's geocellular models and STOIIP volumes with a particular focus on the Beach Marcelle assets. The current study builds from the previous review, incorporating the findings and results to revise the assessment of resources associated with the proposed water-flood plans.

2.1. Summary findings of Rockflow's 2016 Review

Rockflow's 2016 audit of LandOcean's results focussed primarily on the Beach Marcelle asset as a consequence of data availability. The dataset provided by Range was sufficient for Rockflow to review the LandOcean models and volumes for Beach Marcelle, but were too limited to enable a meaningful review of Morne Diablo or South Quarry. Instead, the findings from the audit of the Beach Marcelle asset must be taken as indicative for the other areas.

Rockflow's 2016 review of the Beach Marcelle area identified a number of points:

- **General data**: An examination of the data revealed several issues regarding basic data management, including different coordinate reference systems, mixed depth systems, missing raw data despite the presence of interpreted well tops or derived logs, and excluded wells. While none of the points listed above are critical to the original study conclusions, collectively they raise a concern over quality control, particularly with reference to data integrity.
- **Log normalisation:** For the most part, available well data are limited to a spontaneous potential (SP) or gamma-ray (GR) log and a resistivity log. LandOcean normalised the SP or GR logs to generate a Vshale log using undocumented sands/shale limits that vary per zone for each well; the absence of such documentation means that the results cannot be verified. The resulting logs suggest rapid change in rock type that is unlikely given the marginal marine depositional environment. Other petrophysical properties (porosity, permeability and water saturation) have been directly or indirectly calculated from Vshale, and consequently, it is critical that the Vshale interpretation is robust.
- **Porosity and Permeability**: LandOcean provided summarised core data and cross-correlations, which they used to establish empirical relations between porosity and Vshale, and between porosity and permeability. Given the data availability, this seems to be the most realistic approach and was endorsed in principle. However, when Rockflow applied the function, the resulting porosity log differed from the log provided by LandOcean for some zones in a number of wells; the reason for this divergence is not documented and therefore not understood. The functions do not seem to have been systematically applied and the associated parameters have not been fully documented so that the results cannot be replicated.
- **Well Correlation**: LandOcean built a full-field well correlation based on sequence stratigraphy and the principal of identifying transgressive and progradational events. The underlying principle is supported, and the broad correlation seems reasonable. The trends and units that make up the main events can be recognised through the various fault blocks, and consequently the broad correlation framework appears to be robust. However, the detailed correlation appears inconsistent; well tops that are picked in sand in some wells have been picked within shale in nearby wells, and it seems unlikely that the tops consistently represent either transgressive or regressive events. This is particularly relevant for Beach Marcelle because LandOcean use the resulting zonation to isolate different oil accumulations.
- **Structural Interpretation**: The structural model for Beach Marcelle has been necessarily constructed from well data. However, when the structure was compared against well data it was evident that the structural surfaces are not tied to the corresponding well tops. Additionally, it was unclear how the fault compartments have been defined.

- **Oil-Water Contacts (OWC's)**: LandOcean describe the use of fluid identification cut-offs to identify hydrocarbon presence in wells. However, it appears that the resulting log was subsequently manually edited to yield the final fluid distribution log, so the results should be viewed as indicative rather than definitive. How these logs were then used to define OWC's is not documented, and many of the OWC's used in the subsequent STOIIP calculations are not recorded.
- **Geocellular Models**: LandOcean built geocellular models for the five main development areas within the Beach Marcelle asset. The models are necessarily built exclusively from well data as there are no relevant seismic data available, and consequently the models are justifiably simple. However, the property modelling process is not systematic, and the resulting property distributions are inconsistent with the well data. The result is a model that is effectively a tank of sand with properties that show very little variability, particularly with respect to flow properties and does not correspond with the log data which shows clear evidence of significant shales sub-dividing sands into dynamically separate flow units.

In summary, the geocellular models built by LandOcean were designed to evaluate STOIIP, and with appropriate adjustment of parameters, have been used to calculate probabilistic in-place volumes for each area in the Beach Marcelle asset (Table 2-1). However, models that are built to assess STOIIP are frequently unsuitable for use as the basis of a dynamic simulation, and the audit concluded that was the situation for the existing Beach Marcelle models.

Area	STOIIP (MMstb)		
	P90	P50	P10
Central	4.4	5.1	6.0
Northeast	42.0	46.7	52.1
Southeast	27.9	31.9	36.5
Southwest	27.1	30.6	34.7
Waterflood	23.9	26.6	29.5
Total	**131.2**	**141.4**	**152.3**

N.B. The TOTAL sums are probabilistically derived and may not match the summed P90/P50/P10 volumes

Table 2-1: STOIIP volumes for Beach Marcelle (2016 Rockflow audit)

2.2. Beach Marcelle NE Geocellular Model

As part of the CPR process, it is necessary to evaluate the volumes that are likely to be recovered from the proposed development scheme. This requires a dynamic assessment, preferably via reservoir simulation. However, as discussed in Section 2.1, the existing LandOcean reservoir models do not provide a suitable basis for dynamic simulation. Consequently, they could not be used for the current study, and new reservoir models were built.

Rockflow selected two areas to investigate further in order to assess the water-flood potential of Range's Trinidad assets. The first of these areas was taken from the previously studied Beach Marcelle area, building directly from the findings of the 2016 audit.

The NE area (Figure 2-1) of Beach Marcelle was selected because:

- it contains the largest STOIIP volume of the five areas investigated in 2016, representing approximately 33% of the total oil in Beach Marcelle (see Table 2-1);
- it contains hydrocarbons in more zones than the other areas;
- it has a more complete dataset than other areas (e.g. the SE area);
- it is a flank structure that is typical of most of the field except the C area;
- it has not been previously water-flooded, but is immediately adjacent to the existing water-flood project in the WF area.

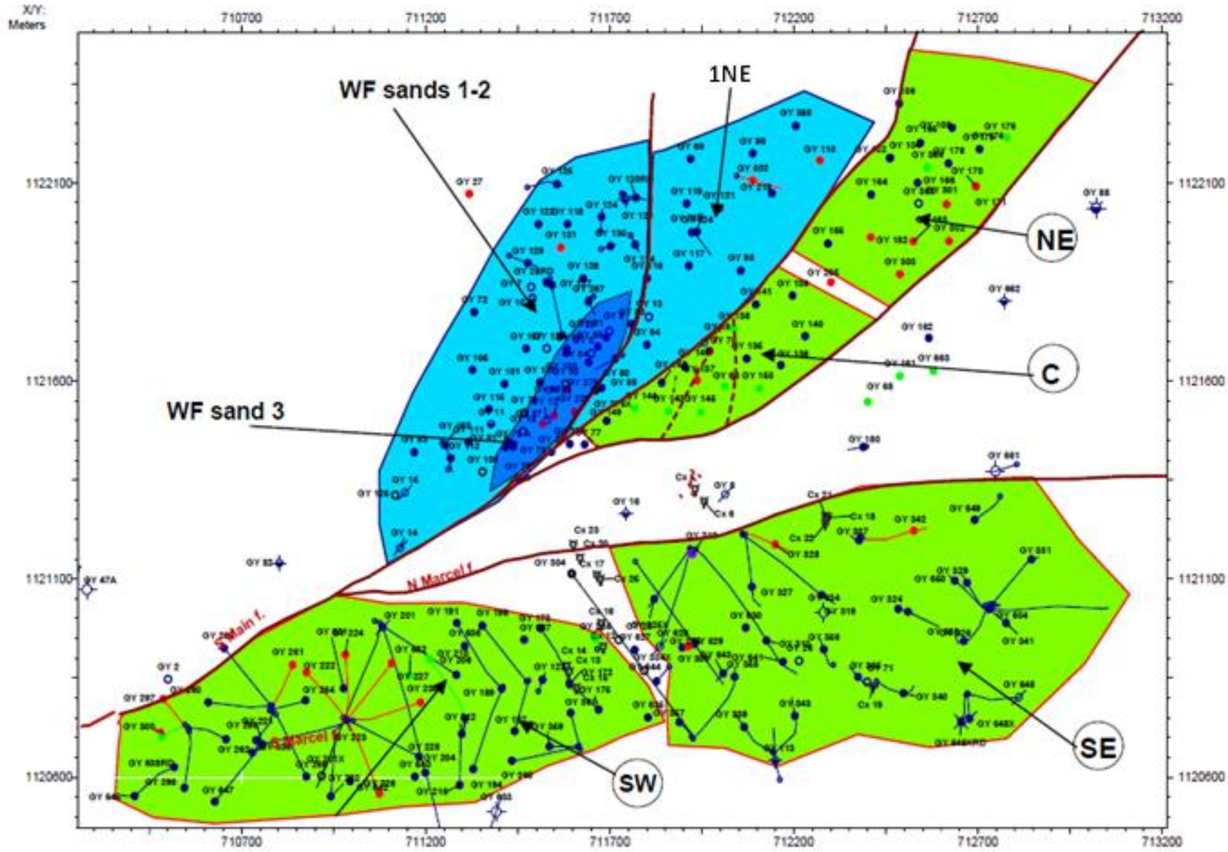

Figure 2-1: Beach Marcelle Field Map showing the location of the NE area

The Petrel project built by LandOcean was used as the starting point for the investigation, but all data were cross-checked against other sources of information, such as well reports and the Kingdom database. These provided:

- Well locations and elevations;
- Well trajectories;
- Raw log data:
    - a resistivity log for all NE wells except GY104 & GY363;
    - a gamma-ray or spontaneous potential log for all wells except GY104;
    - a neutron log for GY363 & GY364.

Where conflicts were found, the order of priority for reliability was:

1) Well reports and primary log files;
2) The Kingdom database;
3) The Petrel project.

The only exception was well location co-ordinates which are dependent on the projection system. Several different projection systems, and hence sets of well co-ordinates, were identified, but all agreed on the relative positions of the wells, so those originally used in the LandOcean Petrel project were used unchanged. Some additional log data were discovered, and these were also loaded into Petrel. Nearby wells from the adjacent C and WF areas were also loaded, to confirm that the defined limits of the NE area were consistent.

The NE geocellular model was then rebuilt from these data following the same basic workflow utilised by LandOcean, addressing the various points that were identified in the previous review (Section 2.1):

- A normalised Vshale was derived from the GR or SP logs;
- LandOcean's core-derived relationships (Figure 2-2 and Figure 2-3) were applied to obtain porosity and permeability logs;
- Well tops were re-picked to generate a revised well correlation;
- Reservoir intervals were identified, forming the basis of the net-to-gross property;
- The Archie equation was used to calculate saturation logs from the resistivity and updated porosity logs;

- The revised saturation logs indicate hydrocarbon-bearing intervals, which were used to define oil-water-contacts (OWC's) for each zone;
- The revised formation tops, OWC's and a map of faults identified at the surface were used to update the structural model;
- Vshale, porosity and net reservoir properties were upscaled and distributed through the model
- Permeability was calculated within the model, based on the LandOcean relationship (Figure 2-3);
- A saturation-height function, based on permeability and height above OWC, was generated to replicate the observed saturation logs. This was used to calculate saturation within the model;
- STOIIP volumes were calculated;
- The model was upscaled and exported to Eclipse for simulation.

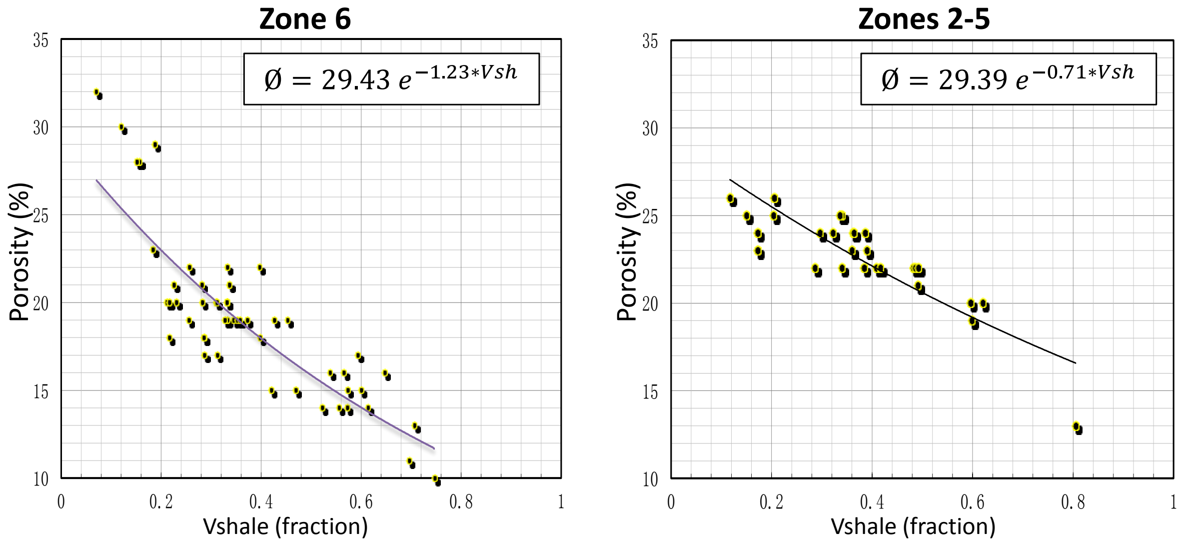

Figure 2-2: Porosity-Vshale core data and empirical relation (from LandOcean, 2015)

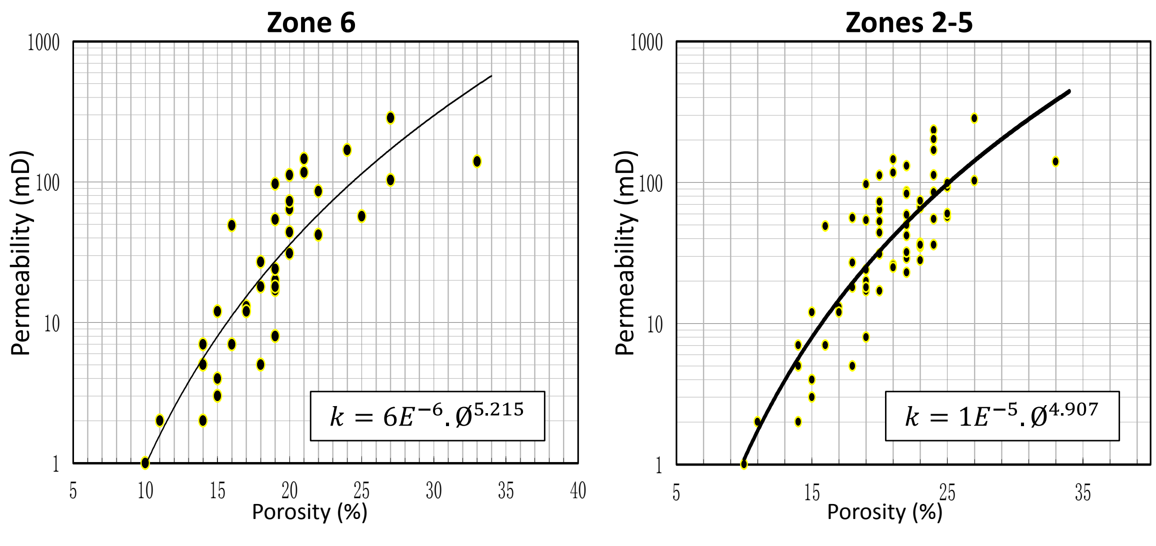

Figure 2-3: Porosity-Permeability core data and empirical relation (from LandOcean, 2015)

Although the re-normalised Vshale curves result in changes to the net-reservoir definition, as well as the reservoir porosity and permeability, the methodology remains in line with that used by LandOcean and the overall impact of the revision is not large. Fundamental adjustments were made to the well correlation, the structural model, and the saturation property; these are discussed further below to document the divergence from the previous model.

The Beach Marcelle field falls within the Trinidad Eastern Delta and is characterised by thick deposits of dominantly marginal marine, wave and tide influenced shallow water sands aggrading along the hanging walls of growth faults. Following the findings from the previous audit (see Section 2.1), the correlation scheme was overhauled, working from the same sequence stratigraphic principles that LandOcean proposed. The nomenclature was changed to reflect this revision, with a Main Sand Unit (broadly corresponding to LandOcean's zones 6 & 5), Sand Unit A (LandOcean's zones 4 & 3) and Sand Units B & C (LandOcean's zone 2) - Figure 2-4.

The resulting correlation displays greater consistency in sand and shale presence from well-to-well across the NE area, and provides a coherent structural configuration (Figure 2-4). This correlation then formed the basis of the reconstructed geocellular model.

Subsequently the structural model was updated using the new well-tops and recognising faults where there are significant jumps in zone depths between wells. A map showing the surface geology and fault orientation (Figure 2-5) indicates that surfaces faults in the NE area trend NE-SW to E-W. As the reservoir is only a few hundred feet below ground-level, the surface trends are likely to persist down to the zone of interest.

Consequently, the structural model was revised (Figure 2-6) to accommodate the surface fault trends, jumps in the well correlation and implied compartment boundaries where changes in the OWC are observed.

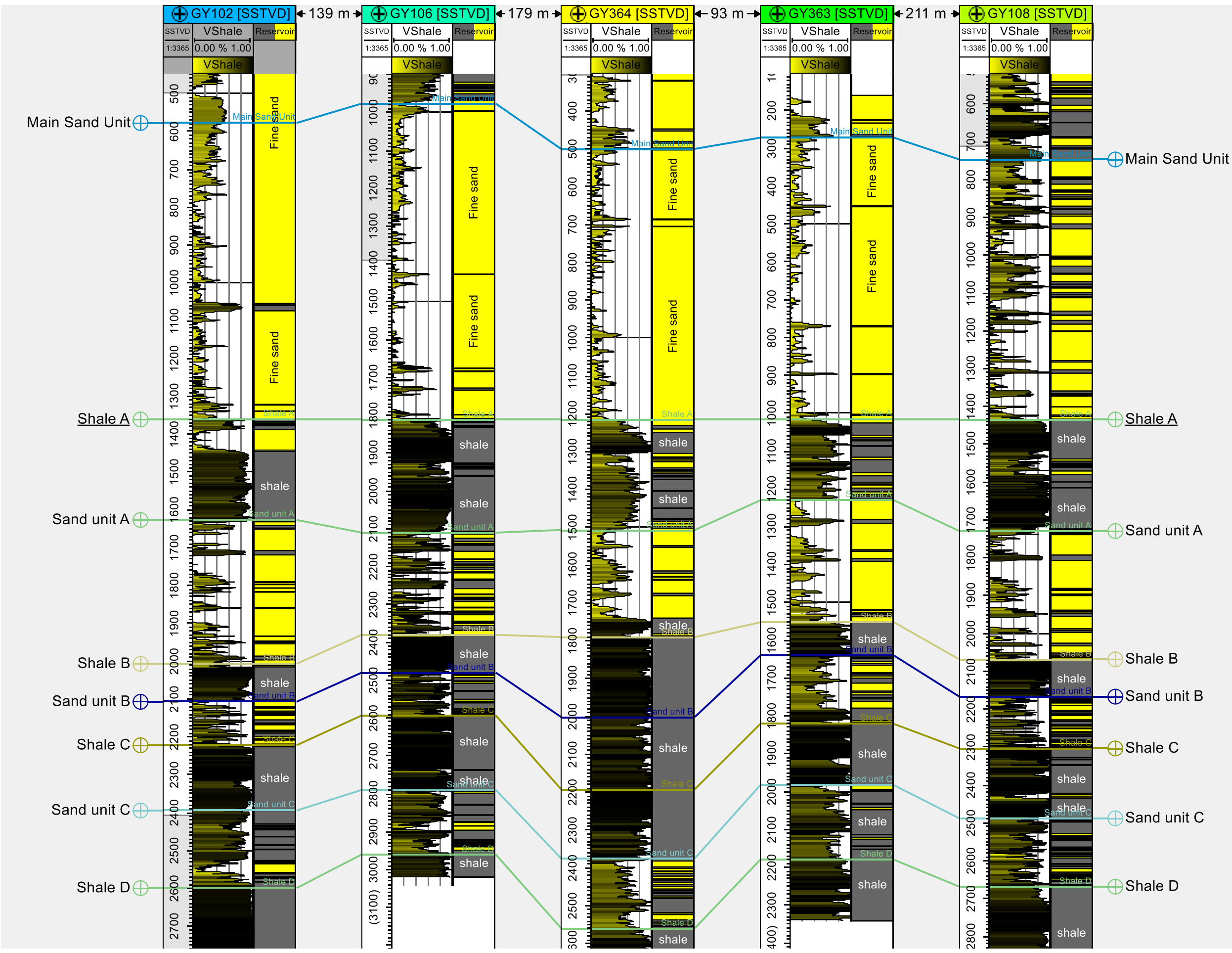

Figure 2-4: Example of the revised well correlation for Beach Marcelle NE

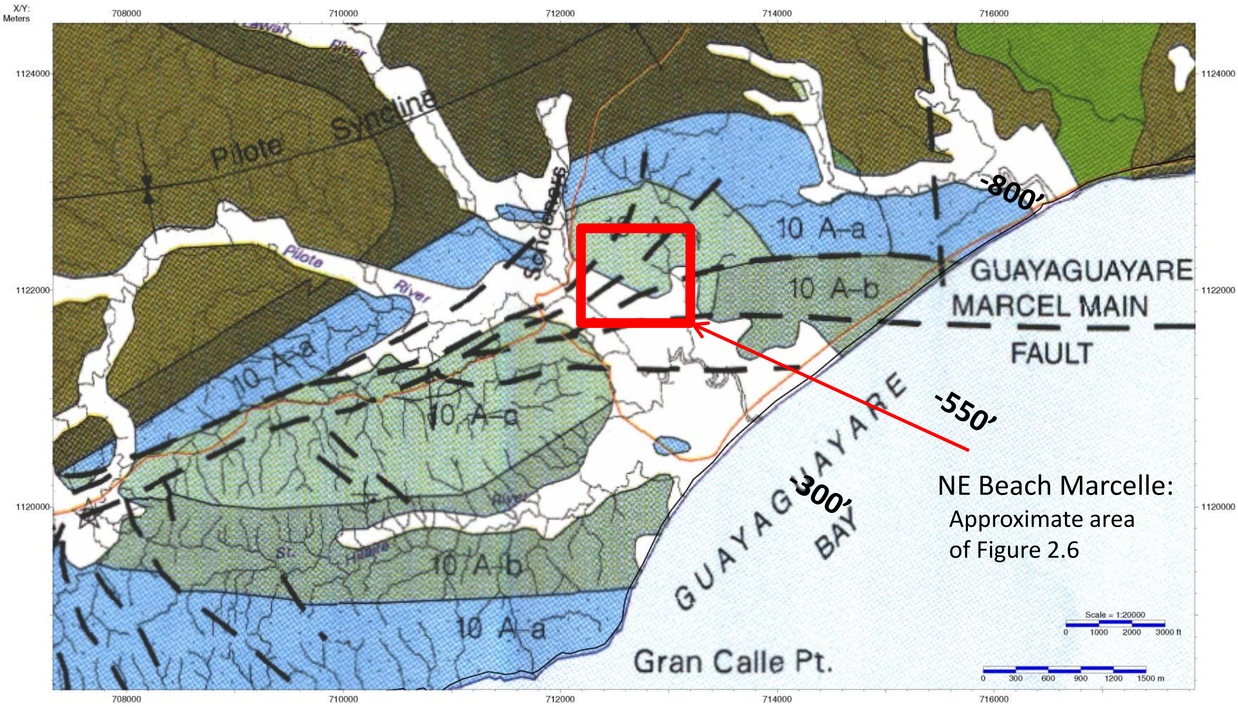

Figure 2-5: Mapped surface geology and faults for Beach Marcelle

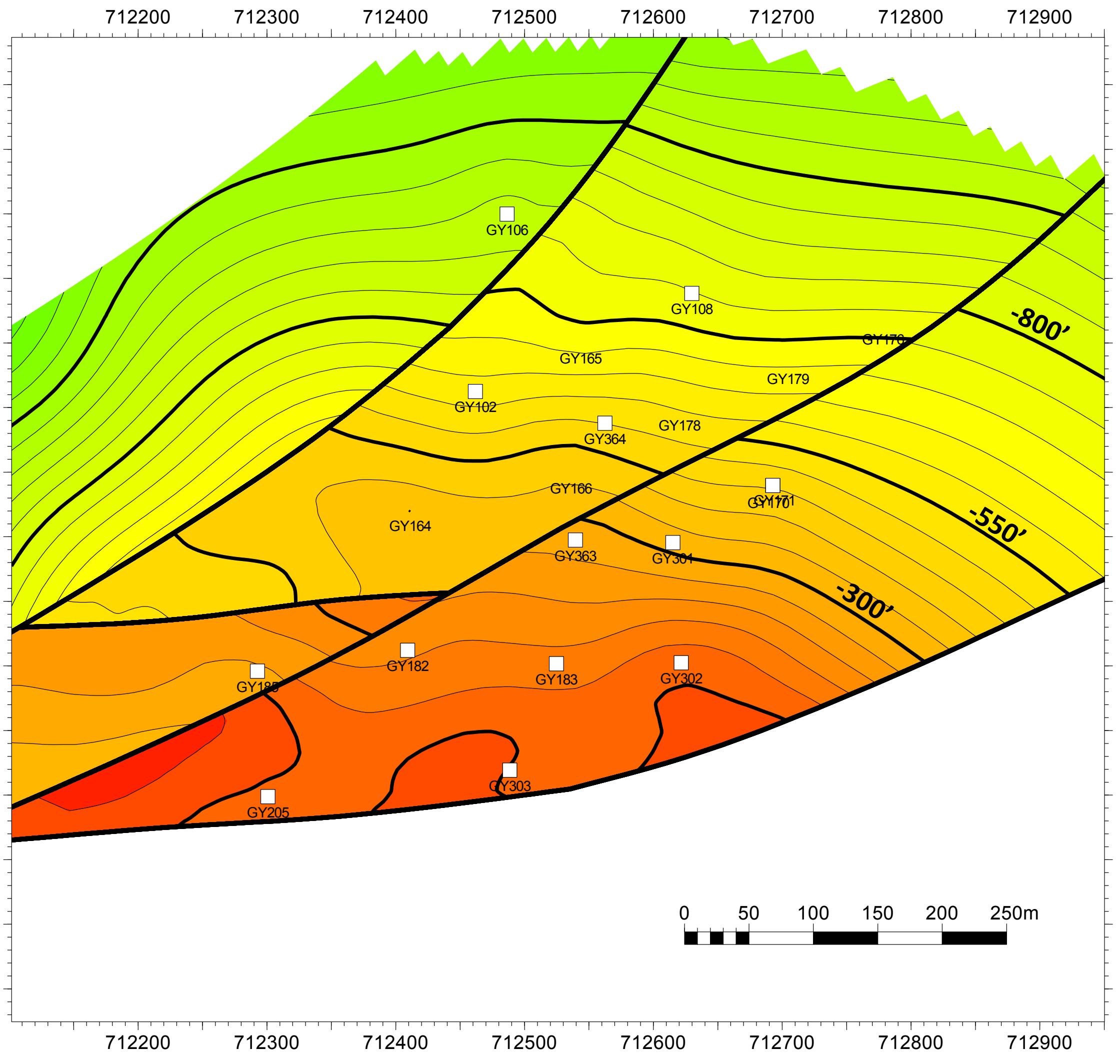

Figure 2-6: Revised NE area structural model

The transitional sedimentary environment, limited log suites and absence of any subsurface pressure measurements mean that hydrocarbon presence and fluid contacts can be somewhat ambiguous. Nevertheless, a reasonably consistent set of OWC's can be derived for the revised structural model and correlation without over-reliance on fault compartmentalisation. The three compartments illustrated in Figure 2-6 are sufficient to explain the observations for each of the main reservoir units. There are some indications of oil in some of the shale-rich units that do not fit with the defined OWC's. These have been interpreted as stratigraphically isolated pockets.

New saturation logs were calculated using the Archie equation applied to the updated porosity log and with *a* set to 0.65 (based on LandOcean's report), *m* and *n* both set to 2 (industry-standard parameters when no core exists), and R_w set to 0.15, based on a water salinity of 30-35,000ppm, and a reservoir temperature of 30-40^{o}C.

Fluid distribution is a function of permeability and height above the free-water level, and hence is best described by a saturation-height function. Ideally, such a function should be derived from core-data, and calibrated to log-saturations. However, the absence of any core data and the limited log suite means that a more pragmatic approach was adopted. Consequently, a Lambda function was generated to replicate, on average, the calculated saturation logs:

$$S_w = 0.62 - (0.18 * \text{Log}_{10}k) + (2/\text{HAFWL})$$

Where k is the rock permeability and HAFWL is the "Height above free-water level".

Finally, the resulting model was upscaled and exported to Eclipse for simulation.

2.3. Morne Diablo East Geocellular Model

The second area that Rockflow selected to investigate further was the Morne Diablo East area; this was the only area outside of Beach Marcelle that had an established Petrel project. As data were unavailable for the rest of the Morne Diablo asset, a comprehensive probabilistic STOIIP assessment was not possible. Instead, with the current investigation focussing on an assessment of the proposed waterflood scheme for the East Block, a single geological realisation was generated for dynamic simulation, and hence only a single STOIIP volume was calculated for that realisation.

The modelling effort built on the assessment of Beach Marcelle, and assumed that many of the same factors applied. Consequently, the workflow replicated that done for Beach Marcelle NE (Section 2.2), using some of the same relationships, including Porosity-Permeability (Figure 2-3).

Once again, the Petrel project built by LandOcean was used as the starting point for the investigation, but very little additional data were available to cross-check. Consequently, the data loaded into Petrel provided the primary source of information. These provided:

- Well locations and elevations;
- Well trajectories;
- Raw log data, which at best included a resistivity and a gamma-ray log.

As for Beach Marcelle, the well location co-ordinates were dependent on the projection system utilised, but once again the various data sources agreed on the relative positions of the wells, so those originally used in the LandOcean Petrel project were used unchanged.

The main difference with the Beach Marcelle area is the number of wells; there are over 100 wells in the Morne Diablo East area, with a typical well spacing of 20-30m (Figure 2-7). Also, the area is covered by seismic data, which provides an alternative input to the structural interpretation. However, the value of the seismic is limited by the shallow nature of the reservoir, which comes to within 100 feet of the surface in places.

The existing LandOcean geocellular model for Morne Diablo East was built to evaluate STOIIP, and as for the Beach Marcelle models (Section 2.1), was unsuitable for use as the basis of a dynamic simulation. Consequently, the model was rebuilt in a similar manner to the Beach Marcelle NE model:

- A normalised Vshale was derived from the GR logs;
- LandOcean's relationships were applied to obtain porosity and permeability logs;
- Well tops were re-picked to generate a revised well correlation;
- The seismic data were interpreted in conjunction with the well top depths to generate a consistent structural framework (Figure 2-7);

- A Vshale cut-off of 80% was applied to create a net-to-gross property and form the basis of the dynamic flow units;
- The Archie equation was used to calculate saturation logs from the resistivity and updated porosity logs;
- The revised saturation logs were used to identify oil-water-contacts (OWC's);
- The revised formation tops, OWC's and the seismic interpretation were used to update the structural model;
- Vshale, porosity and net reservoir properties were upscaled and distributed through the model;
- Permeability was calculated within the model, based on the LandOcean relationship (Figure 2-3);
- A saturation-height function, based on permeability and height above OWC, was generated to replicate the observed saturation logs. This was used to calculate saturation within the model;
- STOIIP volumes were calculated;
- The model was upscaled and exported to Eclipse for simulation.

As with the Beach Marcelle model, the impact of the re-normalised Vshale curves is not large despite the resultant changes to the net-reservoir definition, reservoir porosity and permeability. It should be noted however that LandOcean used a different, undocumented Porosity-Vshale relationship in this area (Porosity = 0.3448 - 0.364*Vshale), so to be consistent, and in the absence of any better information, Rockflow has used that relationship too. The Porosity-Permeability relationship is as for Zone 6 in Beach Marcelle (Figure 2-3).

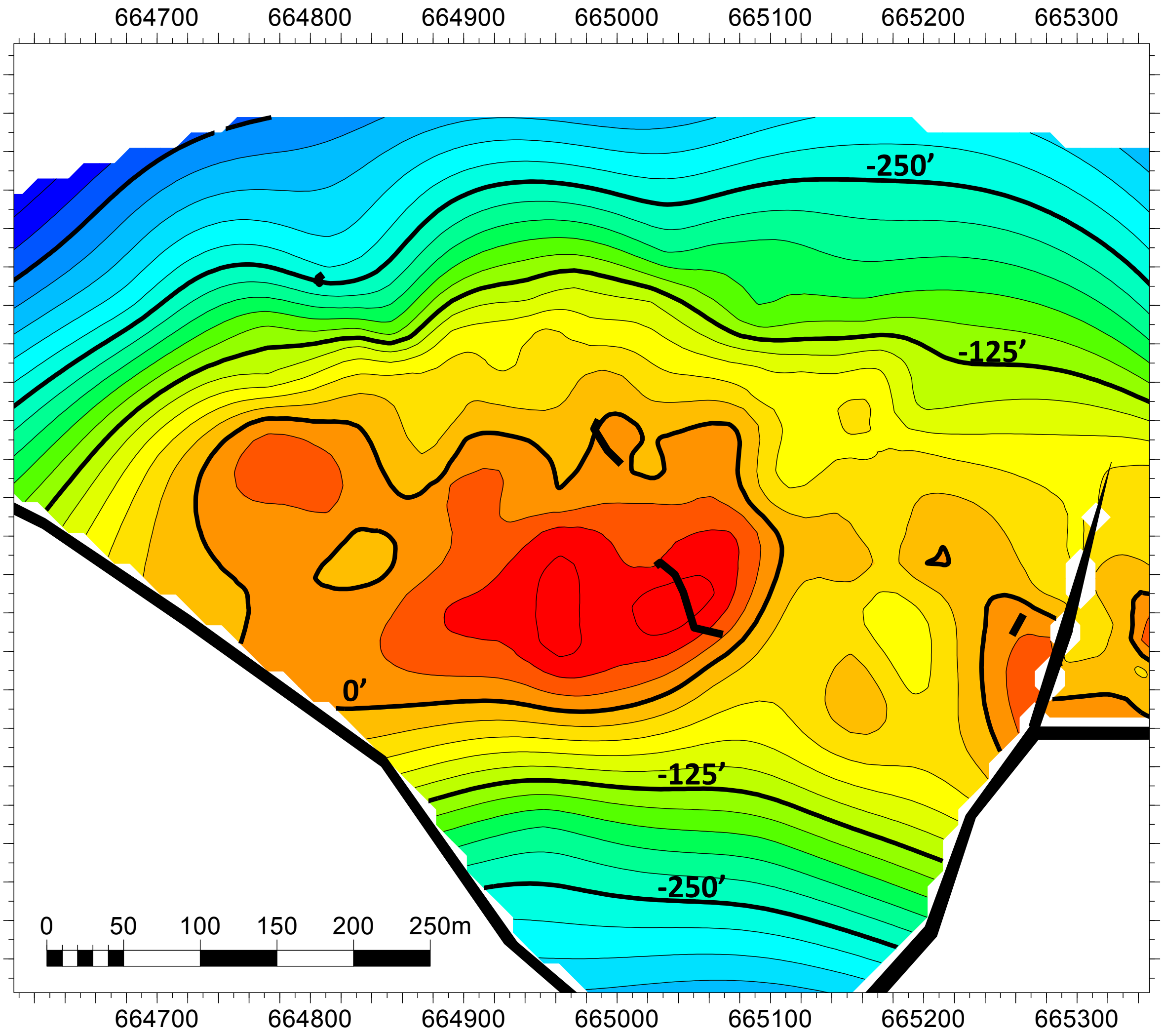

Figure 2-7: Seismic interpretation of the Shallow Forest in Morne Diablo East, with well locations

The Morne Diablo field is also part of the Trinidad delta deposits, but is somewhat more proximal than Beach Marcelle, with less marine influence, and more effects of channelized sedimentation. Consequently, greater variability can be expected, and is indeed observed, even between wells that are only 20-30m apart. However, if sequence stratigraphic principles are used, then a correlation can be built by picking out the flooding sequences, which should be typified by shales with the highest GR signature.

Consequently, the well tops were revised to isolate the main Shallow Forest reservoir sand unit, with the correlation fixed on the strongest flooding event within the shale that provides the top seal to the reservoir (see Figure 2-8). These tops were then loaded into the Kingdom project in order to investigate whether the seismic data could be used to refine the structural architecture indicated by the well top distribution.

A seismic interpretation of the Shallow Forest was undertaken and used to position the main faults within the field. Due to the shallow depth of this reservoir, it is poorly imaged on the seismic data and not suitable for structural mapping. The seismic horizon was therefore used to guide the reservoir correlation and the top Shallow Forest depth surface (Figure 2-7) was produced by gridding the formation top at the wells.

LandOcean had picked an oil-water contact of 240' TVDss, which is supported by the current study. Rockflow recalculated the saturation to be consistent with the change in the porosity log that resulted from the revised Vshale, but otherwise adopted the industry-standard parameters used by LandOcean (a= 1, m=2, n=2) except for a small adjustment to the R_w value (changed from 0.16 to 0.21).

As for Beach Marcelle, a Lambda function was generated to replicate, on average, the calculated saturation logs:

$$S_w = 0.95 - (0.295 * \mathrm{Log}_{10}k) + (2/\mathrm{HAFWL})$$

Where k is the rock permeability and HAFWL is the "Height above free-water level".

Finally, the resulting model, which contains 6.3 MMstb of oil, was upscaled and exported to Eclipse for simulation.

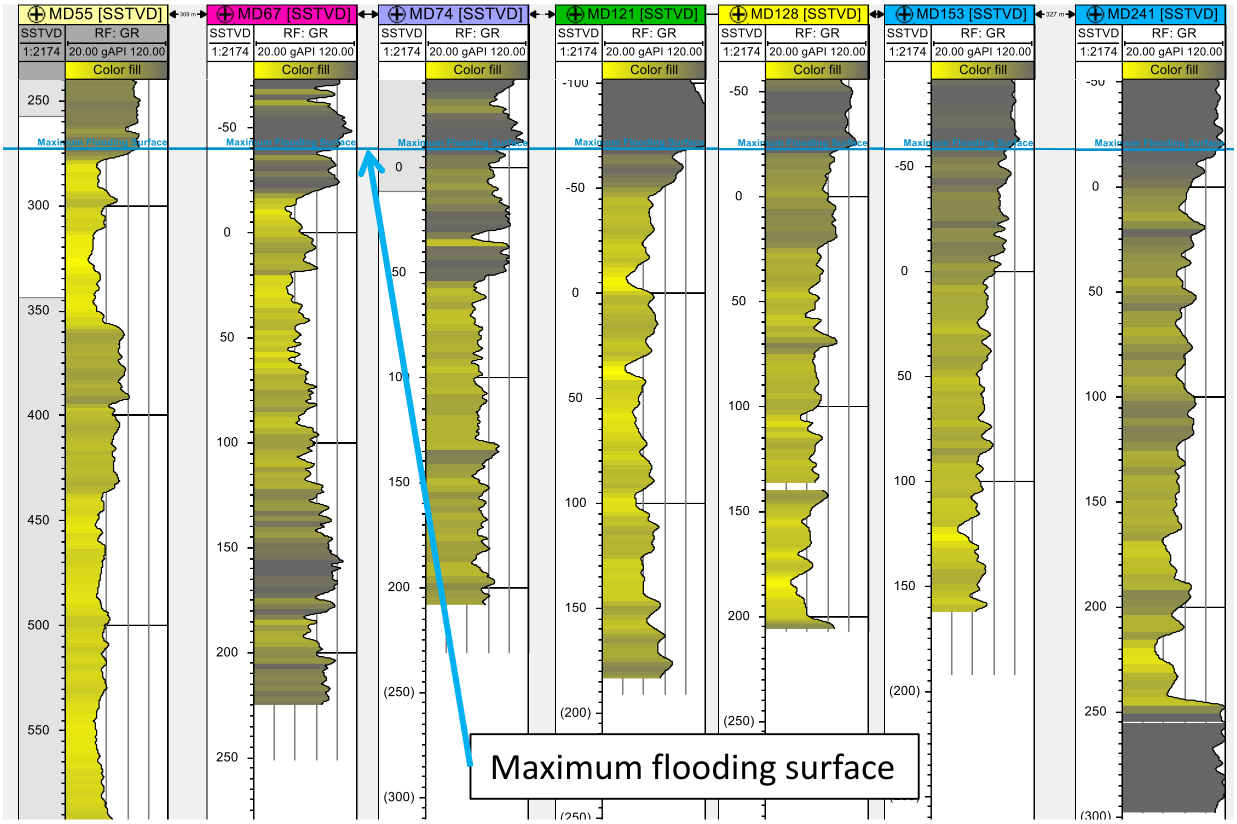

Figure 2-8: Example of the revised well correlation for Morne Diablo

2.4. South Quarry

A review of the South Quarry data was undertaken to confirm the structure and STOIIP volumes provided in the LandOcean Waterflood study[10]. There are several reservoirs that have produced in South Quarry. The primary reservoirs are sandstones within the Pliocene age, Middle Cruse Formation and known as the Q19. This comprises two sandstone units, upper and lower, separated by a claystone bed. Based on initial formation tops shown in the LandOcean study, the tops and bases of these reservoirs were picked on all the wells with wireline log data (Figure 2-9). Using a combination of these formation tops and the 3D seismic data, top and base reservoir surfaces were mapped at South Quarry. The map of the top of the upper reservoir (Figure 2-10) is similar to the map in the LandOcean report (Figure 2-11).

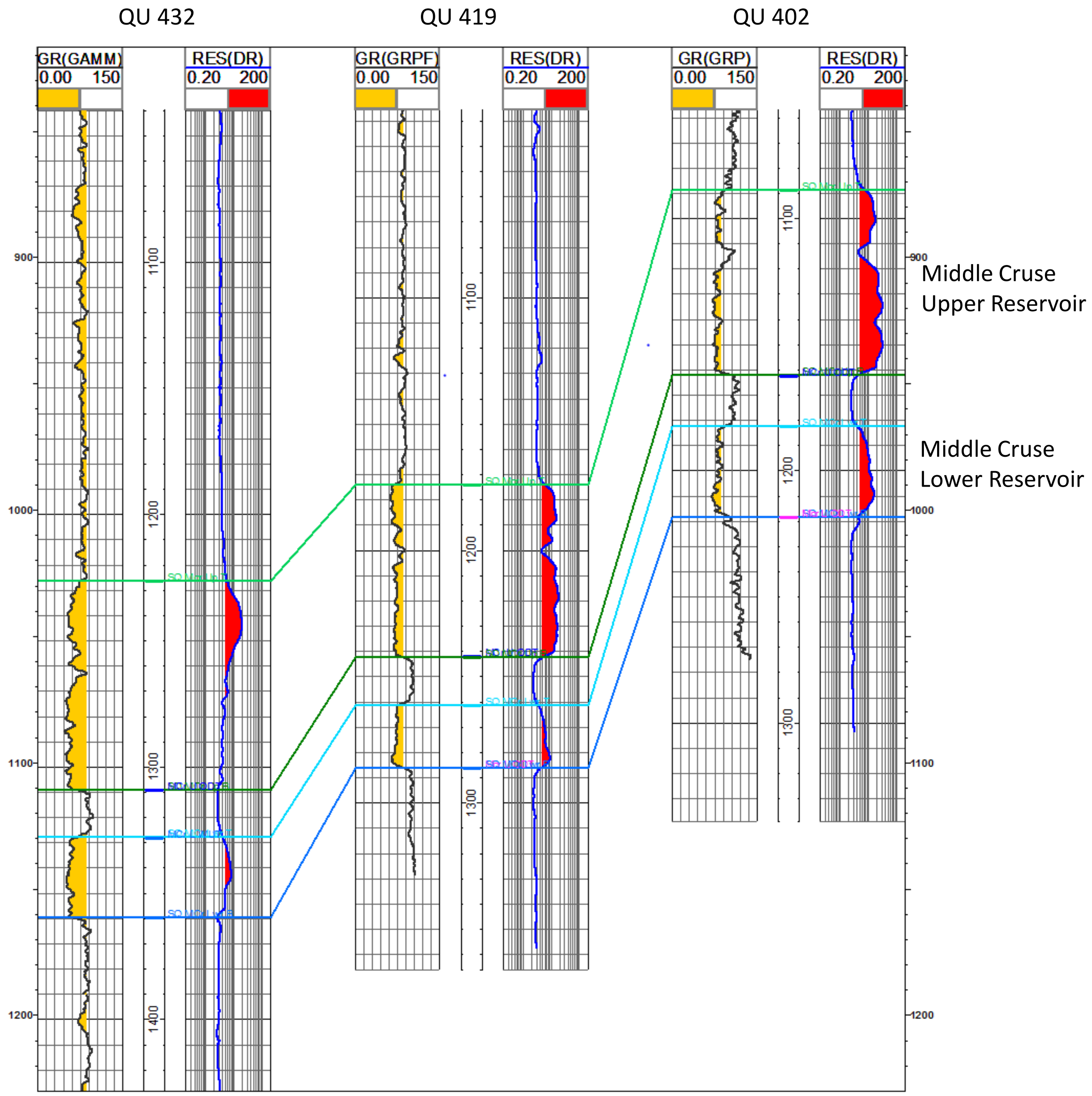

Figure 2-9: Middle Cruse reservoir correlation, South Quarry

[10] Extended Waterflooding Pilot Plans in BM, SQ and MD. LandOcean Energy Services Co., Ltd

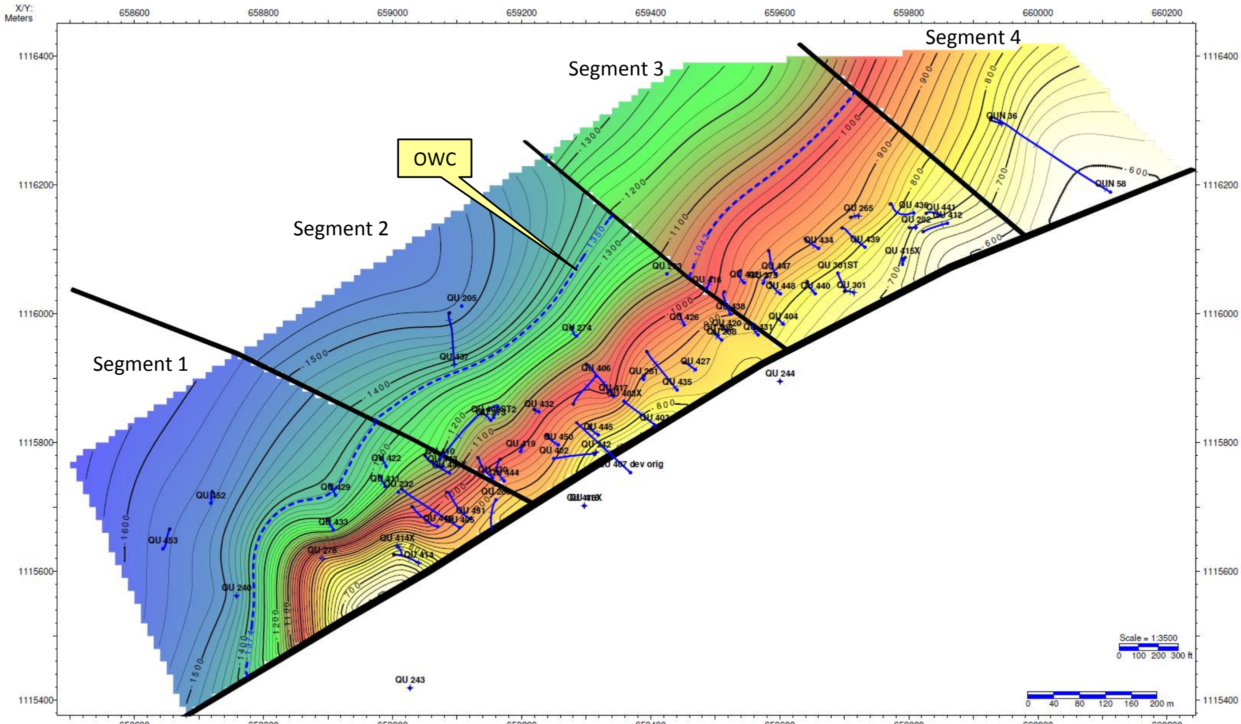

Figure 2-10: Top Middle Cruse Upper Reservoir Depth Map, South Quarry (Rockflow)

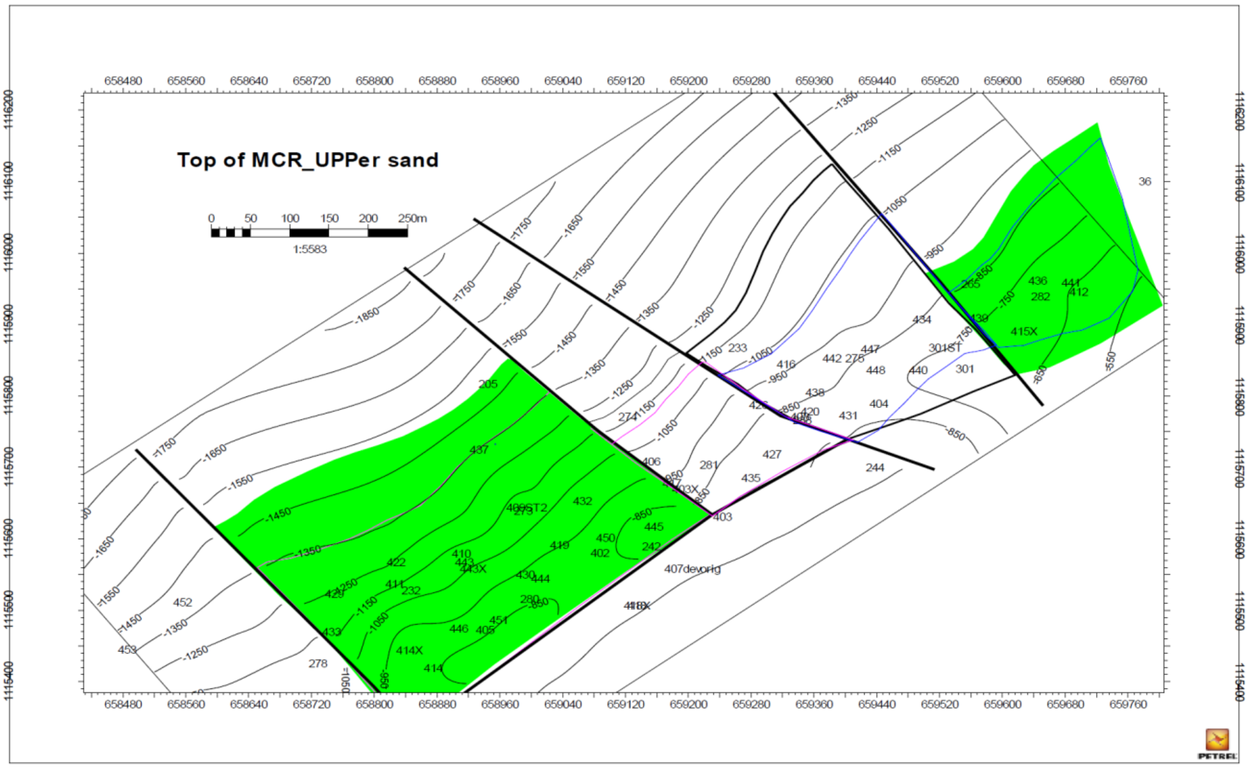

Figure 2-11: Top Middle Cruse Upper Reservoir Depth Map, South Quarry (LandOcean)

To estimate STOIIP within the Upper and Lower Middle Cruse reservoirs at South Quarry, wireline logs and well production data were examined in both reservoirs in each well to assess the depth and uncertainty of the oil-water contact (OWC). Based on these data, it is clear that the possible OWCs are different in each fault segment and reservoir. LandOcean consider that there are four isolated reservoir segments; however, this study assessed that the field can be explained with different OWCs in three fault segments.

Employing these contacts with the top and base reservoir surfaces, a range of gross rock volumes (GRV) were calculated - Table 2-2.

The wireline log definition of an oil reservoir proposed by LandOcean (Low GR or SP abnormality with a Resistivity >5 Ohmm) was assessed as reasonable and used to estimate the thickness of net pay. These were used to calculate net pay to gross ratios above the OWCs. As wireline porosity logs are unavailable for the South Quarry wells, the LandOcean reported average porosity of 31%, which appears to be based on core analysis, was used. This, together with an average water saturation of 30%, again from the LandOcean study, was used. The range of reservoir parameters defined is given in Table 2-3.

Combined with a Formation Volume Factor (FVF) assumption from 1.04 to 1.06, a probabilistic range of STOIIP was forecast using Crystal Ball. Table 2-4 displays the results of the probabilistic approach.

These STOIIP results were compared with the deterministic STOIIP estimate produced by LandOcean (Table 2-5). This showed the P50 (mid case) estimate from Rockflow was almost identical to that of LandOcean.

Reservoir	Segment	OWC feet TVDss			GRV MMm^3		
		Shallow	Mid	Deep	P90	P50	P10
Middle Cruse Upper	1	-1354	-1374	-1394	0.667	0.706	0.752
	2	-1224	-1350	-1475	1.626	2.181	3.000
	3	-1033	-1043	-1055	1.181	1.235	1.298
Middle Cruse Lower	1	-1288	-1319	-1402	0.342	0.369	0.460
	2	-1278		-1291	0.906	0.921	0.935
	3	-1050		-1110	0.877	0.984	1.097

Table 2-2: Middle Cruse reservoir OWCs and GRV, South Quarry

Reservoir	Segment	Pay Net/Gross Ratio				Porosity		Water Saturation	
		Min.	Mid.	Max.	St. Dev.	Mean	St. Dev.	Mean	St. Dev.
Upper	1	0.599	0.907	1	0.308	0.31	0.045	0.3	0.05
	2	0.513	0.821	1	0.308	0.31	0.045	0.3	0.05
	3	0.340	0.648	1	0.308	0.31	0.045	0.3	0.05
Lower	1	0.411	0.741	1	0.330	0.31	0.045	0.3	0.05
	2	0.313	0.643	1	0.330	0.31	0.045	0.3	0.05
	3	0.380	0.710	1	0.330	0.31	0.045	0.3	0.05

Table 2-3: Middle Cruse reservoir parameters, South Quarry

South Quarry STOIIP MMstb				
Reservoir	Segment	P90	P50	P10
Middle Cruse Upper	1	0.544	0.738	0.969
	2	1.368	2.136	3.311
	3	0.642	1.038	1.529
	All Total	3.056	3.973	5.226
Middle Cruse Lower	1	0.224	0.347	0.512
	2	0.453	0.759	1.133
	3	0.546	0.861	1.258
	All Total	1.530	2.009	2.549
Total Middle Cruse		4.963	6.018	7.362

Table 2-4: Middle Cruse STOIIP Forecast, South Quarry (Rockflow)

Formation	Block	Volume(m2*ft)	Volume(m3)	Ao（m2）	Por(%)	So(%)	Bo	OOIP(bbl)
Upper sand	II	4,087,410	1,246,162	119322	0.31	0.7	1.05	1,619,512
	III	1,323,350	403,460	34770	0.31	0.7	1.05	524,337
	IV	1,544,000	470,732	49756	0.31	0.7	1.05	611,763
	V	712,691	217,284	38862	0.31	0.7	1.05	282,382
	Subtotal							3,037,994
Lower sand	II	3,266,520	995,890	154332	0.31	0.7	1.05	1,294,260
	III	982,214	299,455	30102	0.31	0.7	1.05	389,173
	IV	2,564,830	781,960	81029	0.31	0.7	1.05	1,013,263
	V	730,796	222,804	56352	0.31	0.7	1.05	289,556
	Subtotal							2,989,224
Total								6,027,219

Table 2-5: Middle Cruse STOIIP Forecast, South Quarry (LandOcean)

3. Reserves

3.1. Basis of Technically Recoverable Volume Estimates

Range asked Rockflow to undertake an independent assessment of the potential reserves and resource volumes for Beach Marcelle, Morne Diablo and South Quarry.

3.1.1. Summary

Technically recoverable volumes were calculated for Beach Marcelle, Morne Diablo and South Quarry. The same methodology was employed for each field. Volumes associated with water injection projects were derived from the results from the Eclipse models for the Morne Diablo water flood expansion area and the Beach Marcelle North East (BM NE) area. Volumes not associated with water injection were estimated based on the performance of the existing well stock using Decline Curve Analysis and the expected performance of candidate wells included in Range's five-year drilling programme.

For each of the three fields, profiles for developed and undeveloped volumes were generated by aggregating profiles from individual wells. The undeveloped volumes were further subdivided into proven, probable and possible according to the PRMS classification[11]. The proven volume (1P) is the sum of the proved developed producing (PDP) and proved undeveloped (PUD). The sum of the probable undeveloped (PrUD) and the 1P volumes represents the proven plus probable (2P) volumes. The sum of the possible undeveloped (PsUD) and the 2P volumes represents the proven plus probable plus possible (3P) volumes.

Volumes and rates for each candidate well were derived from both the observed performance of current producers, as well as the historic volumes produced per well. Undeveloped reserves in all categories (PUD, PrUD and PsUD) were based on the original Forrest Garb list which had been reviewed by Rockflow in 2016. A subset of these were then identified by Range and included in their 5 year drilling programme. Volumes associated with these had economic constraints applied to determine whether they could be considered as reserves; volumes associated with candidate wells not included in the drilling programme were considered as contingent resources. All the above profiles and their associated volumes were not related to water injection.

Production due to water injection was determined from the results of the Eclipse simulation models for Morne Diablo and Beach Marcelle NE area (BM NE). Results from BM NE were applied to the areas of Beach Marcelle not explicitly simulated (SE, SW, C and WF) as well as to South Quarry where the geology and depth are similar.

1P, 2P and 3P deterministic profiles were generated for those fields and areas for which water flooding had been justified or approved for development. In Morne Diablo, the water injection surface facilities were being installed across the extension area (after the initial pilot area to the east); water flooding had commenced in the Beach Marcelle SE area and surface facilities were being extended and upgraded. Injection testing was proceeding in South Quarry, and the BM SW and BM NE areas and these also had sanction to proceed. In all cases no new injectors were assumed; a number of producers had been identified as conversion candidates.

Additional contingent volumes of the above water injection projects were also estimated (1C, 2C, 3C) using the same simulation models but under the assumption that a number of new injectors would be drilled.

Those areas yet to be injection tested and for which there was no sanction were included as contingent volumes. These areas were BM NE (Sands 2-5), Area C and WF (the original Texaco water flood area).

A combined statistical P10, P50 and P90 profile for all three fields was generated using Crystal Ball from the deterministic profiles for each field.

[11] PRMS Sec. 2.1.3.2, p10

3.1.2. Historic Production

Range supplied production data for the three fields. Production prior to Jan 1996 (Morne Diablo & South Quarry) and Dec 2000 (Beach Marcelle) were only available as cumulative volumes. Post these dates, monthly oil and water volumes, as well as hours on-line, were available up to the end of June 2017.

3.1.3. Proved Developed Producing Reserves (PDP)

Plots of oil rate vs. cumulative production were made of the existing producers in each field and forecasts projected to an assumed minimum limit of 15 stb/month, or 31st Dec 2031 cessation of production date (COP). Where the well was already producing below 15stb/month, no further production was assumed; in addition, for those wells newly back on production with only a short or unclear trend, an average decline rate was applied based on the performance of the other PDP wells. The individual profiles were then aggregated to produce a field PDP profile for each of the three fields.

Examples of production trends are shown in Figure 3-1.

Field	Producing wells as of Jan 2014	Producing wells as of June 2017	% Change Since 2014
Beach Marcelle	12	21	+75.0
Morne Diablo	129	94	-27.1
South Quarry	15	12	-8.0

Table 3-1 - Additional PDP wells since Forrest Garb audit in 2014

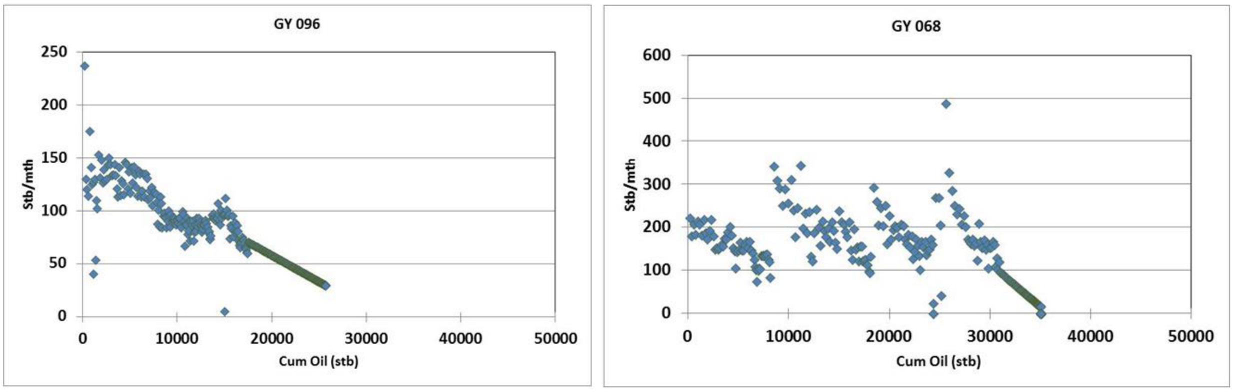

Figure 3-1 Example of decline trends for two Beach Marcelle wells

3.1.4. Background to undeveloped volumes

The Forrest Garb audit of 2014 listed proved undeveloped (PUD), probable undeveloped (PrUD) and possible undeveloped candidates (PsUD) for each of the three fields. Rockflow reviewed these as part of their 2016 audit and, where necessary, modified the associated volumes for each candidate or, where the location could not be identified, removed these from the set of candidates.

Range's five-year drilling programme consists of a sub-set of these Forrest Garb candidates, each with low, mid and high associated volumes and these were included in an economic assessment for consideration as reserves. Recoverable volumes associated with those candidates not included in Range's five-year drilling programme were placed in the Contingent Resources classification.

For each category, a profile was therefore built up from a number of individual 'type' well profiles scheduled according to the Range drilling programme. By adjustment of an assumed initial oil rate and decline, the average cumulative volume per well has been made to equal the Rockflow adjusted Forrest Garb average volume per candidate.

3.1.5. Proved Undeveloped Reserves (PUD)

The PUD profile for each field is the aggregate of the individual 'type' profiles for the PUD candidates which have been phased according to Range's five-year drilling schedule.

3.1.6. Probable Undeveloped Reserves (PrUD)

A similar process has been used to generate the PrUD profile for each field, again based on the Rockflow adjusted Forrest Garb PrUD candidate volumes. Wells that were identified by Forrest Garb as PrUD candidates and appear on Range's five-year drilling plan contribute to the PrUD volume.

In addition there is a PrUD volume that needs to be associated with the PUD wells as is it unrealistic to assume that the volumes associated with the drilling of a well will be entirely proven with no chance of additional volumes (albeit with a lower probability). A reasonable assumption of 50% of the PUD volume has been assumed as the incremental PrUD volume for the PUD candidate wells.

3.1.7. Possible Undeveloped Reserves (PsUD)

The process of generating PsUD profiles is similar to that for the PrUD. There are PsUD volumes associated with wells that were identified by Forrest Garb as PsUD candidates and appear on Range's five-year drilling plan. Additionally, there will be PsUD volumes associated with the Range PUD drilling candidates, and a reasonable assumption of 100% of the PUD volume has been assumed as the incremental PsUD volume.

3.1.8. Recoverable volumes due to water flood

In order to estimate the likely incremental volumes of oil recoverable from water injection in the three fields, it was decided to independently construct Petrel geo-models and prepare them for simulation using Eclipse.

The Beach Marcelle North East sector was chosen for this due to the quality of the well logs and the continuous and clean nature of sand 6 which would be the injection target. Although injection has started in the SE sector in May 2016, this is at an early stage, and currently being conducted only in one part of the SE area, through a limited number of injectors and at relatively low injection rates.

As a consequence, it was decided to simulate the Beach Marcelle NE and Morne Diablo extension areas, both models being run and history matched to the end of 2017. The Range water injection development assumptions were incorporated into the models and these were then run in forecast mode to Dec 2031. A description of the Eclipse models and results can be found Sections 3.5 and 3.6.

Based on the revised 2017 development, no new injectors are planned and the simulations have been run with this assumption. Incremental volumes due to water injection have been assessed as potential reserves, based on the pre-2017 development plans. The models were also run assuming a number of new injectors were drilled, and the additional incremental volumes have considered as contingent resources.

3.1.9. Probabilistic Volumes

The volumes described in sections 3.1.5, 3.1.6, 3.1.7 and 3.1.8, were generated as deterministic 1P, 2P and 3P profiles.

Crystal Ball was used to generate aggregated probabilistic profiles for all the fields; this included all developed and undeveloped production considered as reserves. Areas with no agreed plan for water injection, or volumes associated with candidates not in the current Range five-year drilling programme were considered Contingent Resources and not included in the probabilistic method. The results are shown in Table 3-2.

	PDP & PUD	PrUD	PsUD
	(Mstb)	*(Mstb)*	*(Mstb)*
1P	**13,753**		
2P	**16,388**		
3P	**18,850**		

	C1	C2	C3
	(Mstb)	*(Mstb)*	*(Mstb)*
1C	**6,648**		
2C	**9,628**		
3C	**13,676**		

Table 3-2 Total probabilistic recoverable volumes from Beach Marcelle, Morne Diablo and South Quarry

3.2. Beach Marcelle Technically Recoverable Volumes

3.2.1. Historic Production

Historic production and resulting primary recoveries are summarised in Table 3-3 for each area of Beach Marcelle; these are based on the STOIIP range estimates by Rockflow as part of the 2016 audit. Note that the high recoveries observed in the WF area are due to the original water flooding carried out by Texaco in the 1950's and 60's, this was the only area water flooded prior to Range's operatorship.

Field Segment (& sands)	Rockflow STOIIP [12] (MMstb)			Historic Production[13] (MMstb)	P50 Historical Recovery
	P90	P50	P10		(%)
NE (6)	26.4	29.7	33.5	3.08[14]	10.4
NE (2-5)	15.0	16.9	19.2	0.55	3.3
SE (2&3)	27.9	31.9	36.5	6.63	20.7
C	4.4	5.1	6.0	1.19	23.3
SW (6)	27.1	30.6	34.7	6.14	20.1
WF (1to2)[15]	19.4	21.8	24.4	7.48	34.3
All Areas	**120.2**	**136.0**	**154.3**	**25.07**	**-----**

Table 3-3 Summary Beach Marcelle historical recoveries

3.2.2. Forecasts

Estimates were made of the additional recoverable volumes (PDP, PUD, PrUD and PsUD) associated with the existing producing wells and the expected volumes associated with the candidate wells in Range's five-year drilling schedule. These are not associated with the water flood developments

3.2.3. Proved Developed Producing Reserves (PDP)

Based on the aggregate of the profiles from the 21 currently producing BM wells, the PDP has been estimated at 112.9 Mstb, resulting in average EUR/well of 13.9 Mstb and average Reserves/well of 5.4 Mstb.

[12] Rockflow Estimates (2016 audit)
[13] To end June 2017 inclusive
[14] Some wells completed in all sands and not possible to estimate exclusive sand 6 production.
[15] Sands 1 & 2 in original Texaco water flood area

3.2.4. Proved Undeveloped Reserves (PUD)

Range Resources have identified and scheduled 13 new drilling candidates in the five-year drilling programme; these are a subset of the candidates identified by Forrest Garb in 2014 and are shown in Table 3-4. Rockflow's 2016 audit identified that the volumes associated with these candidates were around 50% of the volumes assigned by Forrest Garb, based on the performance of the existing well stock. As a consequence, the average recovered volume per candidate is approximately 22 Mstb with an initial rate of 21 stb/d. The PUD profile has therefore been generated by the aggregation of a series of individual average single well type curves scheduled according to the Range five-year plan. This results in a PUD estimate of 284 Mstb.

Year	Candidate	Depth (ft)
2017	GY185 (Deepen)	4500
2019	GY302NE	1700
2019	GY164W	1900
2019	GY140NE	2300
2019	GY303S	2500
2020	GY117SE	1700
2020	GY161 (Deepen)	4500
2020	GY164SE	1200
2020	GY161NW	1200
2020	GY68NW	1200
2021	GY180SW (Shallow)	340
2021	GY162NW	3300
2021	GY180SW	340

Table 3-4 Beach Marcelle PUD candidates

3.2.5. Probable Undeveloped Reserves (PrUD)

Forrest Garb originally identified 2 PrUD candidates; however, as explained in the Rockflow 2016 audit, these were not considered valid and were removed. There are though, additional PrUD volumes associated with the 13 PUD candidates above; in cases where one is dealing with a statistical distribution there will be proven, probable and possible volumes associated with a particular opportunity. In the case of Beach Marcelle, the PrUD volumes associated with the 13 drilling candidates are considered to be 50% of the PUD volumes, resulting in incremental PrUD reserves of 142 Mstb.

3.2.6. Possible Undeveloped Reserves (PsUD)

Forrest Garb originally identified 4 PsUD candidates; however, as with the PrUD candidates, these were not considered valid and were removed. There are however, additional PsUD volumes associated with the 13 drilling candidates; in the case of Beach Marcelle, the PsUD volumes associated with the 13 candidates are estimated at 100% of the PUD volumes, resulting in incremental PsUD reserves of 284 Mstb.

3.2.7. Water Injection 1P, 2P and 3P volumes (NE, SE and SW area)

Rockflow built a detailed geo-model of the NE sector, which was then up-scaled and the resulting grid and petrophysical parameters exported to Eclipse for simulation (see section 2.2). The model was history matched to June 2017 and then run in forecast mode to Dec 2031. 1P, 2P and 3P cases were developed based on a range of reservoir parameters and production constraints. Section 3.5 gives a full description of the model and development assumptions.

The other areas of Beach Marcelle were not explicitly simulated. Instead, the resulting incremental recovery factors from the NE model were applied to the P90, P50 and P10 Rockflow STOIIP estimates for the other areas which are undergoing, or will undergo, water flood. In each case the incremental recoveries were adjusted according to the water flood efficiency factor to reflect the likely sweep efficiency relative to that of the simulated NE area. This was a simple scaling factor which had a value of 0.9 and 0.95 for the SE and SW areas, based on the relative degree of connectivity seen across the reservoirs.

	BM NE (Sand 6)			BM SE (Sands 2 & 3)			BM SW (Sand 6)		
	P1	**P2**	**P3**	**P1**	**P2**	**P3**	**P1**	**P2**	**P3**
Incr' Rec Vol (MMstb)	1.874	1.135	1.076	1.806	1.212	1.216	1.790	1.169	1.174

Table 3-5 Recovered volumes derived from NE simulation model (Reserves volumes)

3.2.8. Water Injection 1C, 2C and 3C volumes (NE, SE, SW areas)

The same NE model was run but with the original development assumption using a number of new injectors. Low, Mid and High cases were defined assuming 2, 4 and 6 new injectors respectively. Apart from the new injectors, these models were identical to those used to generate the 1P, 2P and 3P profiles. The incremental volumes then represented the C1, C2 and C3 volumes. As with the 1P, 2P and 3P profiles, the results of the NE simulation were applied to the other areas. Table 3-6 summarises the resulting volumes and recoveries; the volumes are included in the final Beach Marcelle technically recoverable volumes shown in Table 3-9.

	BM NE (Sand 6)			BM SE (Sands 2 & 3)			BM SW (Sand 6)		
	C1	**C2**	**C3**	**C1**	**C2**	**C3**	**C1**	**C2**	**C3**
Incr' Rec Vol (MMstb)	0.198	0.285	0.304	0.182	0.383	0.107	0.848	0.690	0.344

Table 3-6 Recovered volumes derived from NE simulation model (Contingent volumes)

3.2.9. Water Injection 1C, 2C and 3C volumes NE (sands 2-5), area C and WF (Texaco)

The same method was employed of applying the recovery factor from the NE (sand 6) model to the other areas. Table 3-7 summarises the resulting volumes and recoveries; the volumes are included in the final Beach Marcelle technically recoverable volumes shown in Table 3-9.

	BM NE (Sand 2-5)			BM C			BM WF (Texaco)		
	C1	**C2**	**C3**	**C1**	**C2**	**C3**	**C1**	**C2**	**C3**
Incr' Rec Vol (MMstb)	0.629	0.326	0.620	0.183	0.113	0.134	1.082	0.798	0.905

Table 3-7 Recovered volumes for NE (Sands 2 to 5), area C and Texaco WF area

3.2.10. Beach Marcelle Non Water Injection Contingent Volumes

Those volumes related to the reviewed Forrest Garb candidates that are currently not included in Range's five-year schedule have been classified as contingent (development on hold). These are currently not scheduled and thus they are given as a single volume with no associated profile.

	Beach Marcelle		
	C1	**C2**	**C3**
Associated Vol (MMstb)	0.273	0.0	0.0

Table 3-8 Contingent volumes associated with reviewed Forrest Garb candidates

Beach Marcelle							C1	C2	C3
		Historic Prod[16]	PDP (Mstb)	PUD (Mstb)	PrUD (Mstb)	PsUD (Mstb)	(Mstb)	(Mstb)	(Mstb)
Non Water Injection			113	284	142	284	273[17]	0	0
Water Injection	**NE (Sand 6)**	3077		1,874	1,135	1,076	198	285	304
	NE (Sands 2-5)	553					629	326	620
	SW (Sand 6)(Sector A)	6141		1,790	1,169	1,174	183	382	118
	SW (Sectors B,C,D&E)[18]						664	308	225
	SE (Sands 2&3)	6625		1,806	1,212	1,216	182	383	107
	WF (Sand 1&2)	7482					1,082	798	905
	C	1195					183	113	134
Total		**25073**	**113**	**5,754**	**3,658**	**3,750**	**3,394**	**2,595**	**2,414**
Totals	**Low (1P/1C)**		**5,867**				**3,394**		
	Med (2P/2C)		**9,524**				**5,989**		
	High (3P/3C)		**13,275**				**8,403**		

Table 3-9 Beach Marcelle deterministic recoverable volumes

Note: The full set of production profiles can be found in in the Appendix 1 Section 0.

[16] Production from 1938 to June 2017 inclusive. BM Production April 2016 to June 2017 inclusive 5.3 Mstb (all areas)
[17] Contingent Resources (273, 0, 0 Mstb) development on hold.
[18] Only Sector A will be water flooded, however the other sectors contain 14.06MMstb (LO) to which a recovery factor has been applied to give the contingent volumes in the table above

3.3. Morne Diablo Technically Recoverable Volumes

3.3.1. Historic Production

Historic production and resulting primary recoveries are summarised in Table 3-10 for each of the Morne Diablo areas; note that the area is divided between the original pilot water injection area and the adjacent expansion area which covers the majority of the field.

Field Areas	Rockflow STOIIP	Historic Production[19]	Historical Recovery
	(MMstb)	(MMstb)	(%)
Shallow Forest WF expansion area	6.27[20]	1.374	0.218
Shallow Forest WF pilot area	1.70	0.46	0.270

Table 3-10 Summary Morne Diablo historic recoveries

3.3.2. Forecasts

Estimates were made of the additional recoverable volumes (PDP, PUD, PrUD and PsUD) associated with the existing producing wells and the expected volumes associated with the candidates in Range's five-year drilling schedule. These are not associated with the water flood developments.

3.3.3. Proved Developed Producing Reserves (PDP)

Based on the aggregate of the profiles from the 101 currently producing MD wells, the PDP has been estimated at 278 Mstb, and average reserves per well of 2.75 Mstb. The average EUR/well is 25.9 Mstb

3.3.4. Proved Undeveloped Reserves (PUD)

Range Resources have identified and scheduled 46 new drilling candidates in the five-year drilling programme; these are a subset of the candidates identified by Forrest Garb in 2014 and are shown in Table 3-11 below. Rockflow's 2016 audit identified that the Forrest Garb volumes associated with these candidates are reasonable based on the performance of the existing well stock. The average recovered volume per candidate is approximately 33 Mstb with an initial rate of 43 stb/d. The PUD profile has been generated by the aggregation of a series of individual average single well type curves scheduled according to the Range five-year plan. This results in a PUD estimate of 1,817 Mstb.

3.3.5. Probable Undeveloped Reserves (PrUD)

Forrest Garb originally identified 111 Probable candidates. Following the Rockflow 2016 audit and the results of the 2016/16 Range drilling campaign, 16 candidates were removed and the associated volumes per candidates were reduced by 66%. Range has included 30 of the remaining candidates (listed in Table 3-12) in their five-year drilling programme. A PrUD profile has been generated by the aggregation individual average single well type

[19] To end June 2017 inclusive
[20] Rockflow Estimates (2016 audit)

curves according to that programme, resulting in a PrUD estimate of 264 Mstb. The volumes associated with the remaining 65 probable candidates have been placed in the contingent (C2) resources category.

There are however, probable volumes associated with the 46 candidates in Table 3-11. In cases where one is dealing with a statistical distribution there will be proven, probable and possible volumes associated with a particular opportunity. In the case of Morne Diablo, the probable volumes associated with the 46 drilling candidates are considered to be 50% of the proven volumes, i.e. 909 Mstb, resulting in a total probable volume of 1173 Mstb.

Candidate	Year	Depth (ft)	Candidate	Year	Depth (ft)
QUN 95 Area 95N	2017	950	Mainfield MD53 updip #01 (P1)	2020	1200
MD 56 Area #01 (P1)	2018	430	MD 230 Area #10 (P1)	2020	350
Mainfield MD237x	2018	1400	MD 230 Area #09 (P1)	2020	350
LBO MCR sEXPLR 3W	2018	3400	MD 230 Area #08 (P1)	2020	350
LCR-MC flup #04	2018	2100	MD 230 Area #03 (P1)	2020	350
Mainfield Panta 5	2019	2200	MD 230 Area #02 (P1)	2020	350
Mainfield Panta 4	2019	2200	Mainfield QUN 44E	2020	1900
Mainfield Panta 2	2019	2200	Mainfield QUN 41n	2020	2000
Mainfield MD9 deepen	2019	1400	Mainfield QUN 40R	2020	2200
Mainfield MD7R	2019	2200	Mainfield QUN6 deepen	2020	1600
Mainfield MD6R	2019	2000	LBO UBWI R Deepen	2020	4500
Mainfield MD30NE	2019	1600	LBO MD19S	2020	3900
Mainfield MD28NE	2019	1600	Mainfield MD61xx	2020	2100
Mainfield MD27 updip	2019	1000	QUN 15W #2	2020	1300
Mainfield MD17 updip	2019	2100	QUN 15W #1	2020	1300
Mainfield MD16 deepen	2019	1400	MD 218 Area MD43-218 A1	2021	1000
Mainfield MD12 deepen	2019	1400	QUN 56 flup #2	2021	1400
LBO MCR sEXPLR 2 SW	2019	4500	QUN 56 flup #1	2021	1400
LCR-MC flup #03	2019	2100	QUN 55 flup #2	2021	1400
LCR-MC flup #02	2019	2100	QUN 55 flup #1	2021	1400
LBO UBWI AREA #2	2020	1400	MD 28 Sand 3	2021	1400
LBO UBWI AREA #1	2020	1400	MD 28 Sand 2	2021	1400
LCR-MC flup #01	2020	5000	MD 28 Sand 1	2021	1400

Table 3-11 Morne Diablo PUD candidates

Candidate	Year	Depth (ft)	Candidate	Year	Depth (ft)
LBO UBWI MD19S	2017	3900	Mainfield QUN 49W (incr)	2020	600
Mainfield MD239N (incr)	2018	1100	Mainfield MD18S Updip	2020	2100
QUN16 Area 16x Flup #34 (incr)	2018	1300	LBO UBWI Area #1 (incr)	2021	1100
QUN16 Area 16x Flup #35	2018	2300	LBO UBWI Area #3	2021	1000
BarT1	2018	2100	LBO UBWI Area #4	2021	1000
LCR-MC flup #05	2018	2100	QUN 91 Area #01 (P2) (incr)	2021	400
LCR-MC flup #09	2018	2100	QUN 91 Area #02 (P2) (incr)	2021	400
LBO BUNKER	2019	2300	QUN 91 Area #03 (P2) (incr)	2021	400
Mainfield MD6 updip	2019	1900	QUN 91 Area #04 (P2) (incr)	2021	400
LCR-MC flup #06	2019	2100	QUN 91 Area #05 (P2) (incr)	2021	400
LCR-MC flup #08	2019	2100	QUN 91 Area #06 (P2) (incr)	2021	400
LCR-MC flup #10	2019	2100	QUN 91 Area #07 (P2) (incr)	2021	400
LCR-MC flup #11	2019	2100	QUN 91 Area #08 (P2) (incr)	2021	400
Mainfield MD18 Updip	2019	2100	QUN 91 Area #09 (P2) (incr)	2021	400
LCR-MC flup #07	2020	2100	QUN 91 Area #10 (P2) (incr)	2021	400

Table 3-12 Morne Diablo probable candidates

3.3.6. Possible Undeveloped Reserves (PsUD)

Forrest Garb originally identified 145 possible candidates. Following the Rockflow 2016 audit and the results of the 2016/16 Range drilling campaign, 16 candidates were removed. Range has included 18 of the remaining candidates (listed in Table 3-13) in their five-year drilling programme. A PsUD profile has been generated by the aggregation individual average single well type curves according to that programme, resulting in a PsUD estimate of 283 Mstb. The volumes associated with the remaining 111 candidates have been placed in the contingent (C3) resources category.

There are however, additional possible volumes associated with the 46 drilling candidates; in the case of Morne Diablo, these volumes associated with the 46 drilling candidates are estimated at 100% of the PUD volumes, i.e. 1817 Mstb, resulting in a total PsUD volume of 2100 Mstb.

Candidate	Year	Candidate	Year
LBO UBWI Area #3 (incr)	2018	QUN 91 Area #04 (P3) (incr2)	2021
LBO UBWI Area #4 (incr)	2018	QUN 91 Area #05 (P3) (incr2)	2021
LBO UBWI MD19S (incr)	2020	QUN 91 Area #06 (P3) (incr2)	2021
Mainfield MD53 updip #01 (P3)(incr2)	2020	QUN 91 Area #07 (P3) (incr2)	2021
MD 218 Area MD43-218 A1 (incr2)	2021	QUN 91 Area #08 (P3) (incr2)	2021
QUN 3 Area #1 (P3) (incr2)	2021	QUN 91 Area #09 (P3) (incr2)	2021
QUN 91 Area #01 (P3) (incr2)	2021	QUN 91 Area #10 (P3) (incr2)	2021
QUN 91 Area #02 (P3) (incr2)	2021	QUN 95 Area 95N (incr2)	2021
QUN 91 Area #03 (P3) (incr2)	2021	QUN 91 Area #04 (P3) (incr2)	2021

Table 3-13 Morne Diablo possible candidates

3.3.7. Water Injection 1P, 2P and 3P reserves (Shallow Forest Expansion and Pilot areas)

Rockflow built a detailed geo-model of the Shallow Forest sand over the main part of the field containing the water flood expansion area (see section 2.3).

This was then up-scaled and the resulting grid and petrophysical parameters exported to Eclipse for simulation. The model was history matched to June 2017 and then run in forecast mode to Dec 2031. 1P, 2P and 3P cases were developed based on a range of reservoir parameters and production constraints. Section 3.6 gives a full description of the model and development assumptions.

The area of the field covering the pilot water injection was not simulated as a separate entity; however, the resulting incremental recovery factors from the model covering the expansion area were applied to the P90, P50 and P10 Rockflow STOIIP estimates for both parts of the field. Table 3-14 summarises the resulting volumes and recoveries; the volumes are included in the final Morne Diablo technically recoverable volumes shown in Table 3-16.

	MD Expansion + Pilot Area		
	P1	P2	P3
Incr' Rec Vol (MMstb)	1.166	0.579	0.305

Table 3-14 Recovered volumes for Morne Diablo water flood

3.3.8. Morne Diablo Non Water Injection Contingent Volumes

Those volumes related to the reviewed Forrest Garb candidates that are currently not included in Range's five-year schedule have been classified as contingent (development on hold). These are currently not scheduled and thus they are given as volumes with no associated profiles.

	C1	C2	C3
Associated Vol (MMstb)	1.099	0.611	4.798

Table 3-15 Contingent volumes associated with reviewed Forrest Garb candidates

Morne Diablo										
		Hist Prod (Mstb)[21]	PDP (Mstb)	PUD (Mstb)	PrUD (Mstb)	PsUD (Mstb)		C1 (Mstb)	C2 (Mstb)	C3 (Mstb)
Non Water Injection	**MD**		278	1,817	1,173	2,100		1,099	611	4,798
Water Injection	**MD**			1,166	579	305				
Total		**371**	**278**	**2,983**	**1,753**	**2,405**		**1,099**	**611**	**4,798**
Totals	**Low (1P/1C)**		**3,261**					**1,099**[22]		
	Med (2P/2C)		**5,014**					**1,710**		
	High (3P/3C)		**7,419**					**6,509**		

Table 3-16 Morne Diablo deterministic recoverable volumes

Note: The full set of production profiles can be found in in the Appendix 1 Section 0.

[21] Production, to June 2017, of the wells in the development area
[22] Contingent Resources (1099, 1710, 6509 Mstb) development on hold.

3.4. South Quarry Technically Recoverable Volumes

3.4.1. Historic Production

Historic production and the resulting primary recovery are summarised in Table 3-17 for South Quarry. Although certain wells were completed and produced prior to 1996, there is very little production allocated prior to this date.

Field Segment (& sands)	Rockflow STOIIP [23] (MMstb)			Historic Production[24] (MMstb)	Historic Recovery (%)
	P90	P50	P10		
SQ (Upper and Lower Cruse)	4.96	6.02	7.36	1.15	19.1

Table 3-17 Summary South Quarry historical recoveries

3.4.2. Forecasts

Estimates were made of the additional recoverable volumes (PDP, PUD, PrUD and PsUD) associated with the existing producing wells and the expected volumes associated with the candidates in Range's five-year drilling schedule. These are not associated with the water flood developments

3.4.3. Proved Developed Producing Reserves (PDP)

There are currently 13 South Quarry producers, of which 10 are producing from the Q19, or Middle Cruse, formation. Historic production trends have been extrapolated out to 2031 or to a minimum threshold rate of 15b/month. The aggregate of these then gave a profile from which the PDP volumes were estimated at 87 Mstb, resulting in average EUR/well of 51 Mstb and average remaining volume/well of 6.7 Mstb. Examples of forecast projections are shown in Figure 3-2.

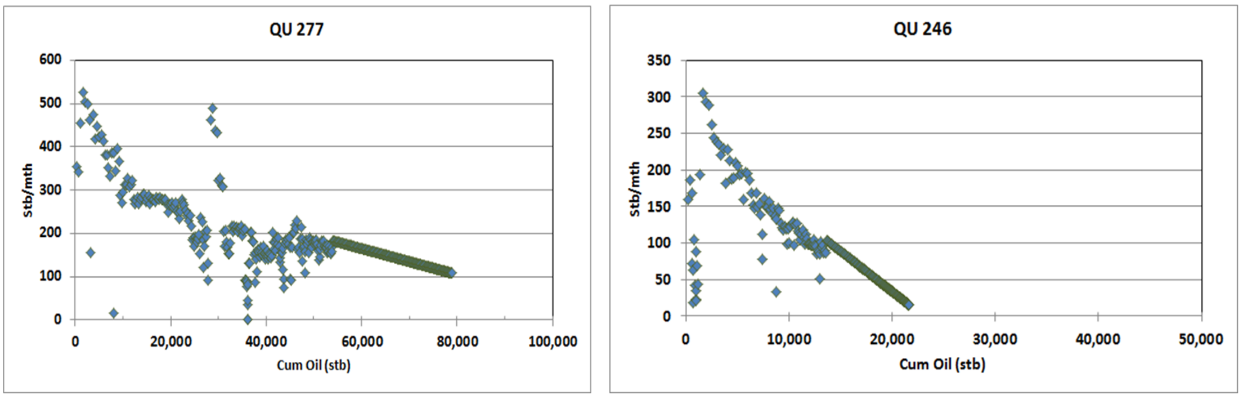

Figure 3-2 Projections of two South Quarry wells

3.4.4. Proved Undeveloped Reserves (PUD)

Range Resources have identified and scheduled 19 new drilling candidates in the five-year drilling programme; these are a subset of the 22 candidates identified by Forrest Garb in 2014 and are shown in Table 3-18 below. Rockflow's 2016 audit identified that the Forrest Garb volumes associated with these candidates are reasonable based on the performance of the existing well stock. The average recovered volume per candidate is approximately 21 Mstb with an initial rate of 27 stb/d The PUD profile has been generated by the aggregation of a

[23] Rockflow Estimates (2016 audit)
[24] To June 2017 inclusive (Production April 2016 to 2017 was 47,605 stb)

series of individual average single well type curves scheduled according to the Range five-year plan. This results in a PUD estimate of 395 Mstb.

Candidate	Year	Depth (ft)	Candidate	Year	Depth (ft)
QU 246 Area Fill #01 (P1)	2018	450	PS 1098 Area #01 (P1)	2020	800
QU 422 deepen	2019	1700	PS 1093 Area Rep #01 (P1)	2020	700
MK2 sand QU444-1	2019	800	QU 262 R	2020	1400
MK2 sand QU435-1	2019	800	QU 255 NE	2020	1400
MK2 sand QU420-1	2019	800	QU 246 SW	2020	1400
QU 246 Area Fill #02 (P1)	2019	440	QU 246 NE	2020	1400
QU 246 Area Fill #01 (P1)	2019	440	MK2 sand QU448-1	2021	800
QU 246 Area Fill #05 (P1)	2019	440	QU 246 Area Fill #04 (P1)	2021	450
QU 429W (Q19 #1)	2020	600	QU 246 Area Fill #03 (P1)	2021	450
QU 245 Area #01 (P1)	2020	800			

Table 3-18 South Quarry PUD candidates

3.4.5. Probable Undeveloped Reserves (PrUD)

Forrest Garb identified 26 PrUD candidates, but following the Rockflow 2016 audit and the results of the 2015/16 drilling campaign, 5 candidates were removed. Range has included 11 of these candidates (listed in Table 3-19) in their five-year drilling programme. A PrUD profile has been generated by the aggregation individual average single well type curves according to that programme, resulting in a PrUD estimate of 174 Mstb. The volumes associated with the remaining 10 candidate wells have been placed in the contingent (C2) resources category.

There are however, additional probable volumes associated with the 19 candidates in Table 3-18. In the case of South Quarry, the probable volumes associated with these candidates are considered to be 50% of the PUD, resulting in an additional 197 Mstb, giving total probable reserves of 371 Mstb.

Candidate	Year	Depth (ft)	Candidate	Year	Depth (ft)
QU 429 W (incr)	2020	600	MK2 sand QU 401x-1	2021	1200
QU 277 SW	2019	1400	MK2 sand QU 401x-1	2021	1200
MK2 sand QU 420-1 (incr)	2019	1200	MK2 sand QU 401x-1	2021	1200
MK2 sand QU 435-1 (incr)	2019	1200	MK2 sand QU 401x-1	2021	1200
MK2 sand QU 444-1 (incr)	2019	1200	MK2 sand QU 448-1 (incr)	2021	1200
QU 422 R	2020	900			

Table 3-19 South Quarry probable candidates

3.4.6. Possible Undeveloped Reserves (PsUD)

Forrest Garb originally identified 16 PsUD candidates. Following the Rockflow 2016 audit and the results of the 2015/16 drilling campaign, 4 candidates were removed. Range has included 5 of the remaining candidates in their five-year drilling programme which are listed in Table 3-20. A PsUD profile has been generated by the aggregation individual average single well type curves according to that programme, resulting in a PsUD estimate of 15 Mstb. The volumes associated with the remaining 7 have been placed in the contingent (C3) resources category.

There are however, additional possible volumes associated with the 19 PUD drilling candidates; in the case of South Quarry, the possible volumes associated with these are estimated at 100% of the PUD volumes, resulting in an additional 395 Mstb, giving a total possible reserve of 410 Mstb.

Candidate	Year	Depth	Candidate	Year	Depth
QU 246 Area Fill #01 (P3) (inc 2)	2018	450	QU 246 Area Fill #05 (P3) (inc 2)	2019	440
QU 246 Area Fill #03 (P3) (inc 2)	2018	450	PS 1093 Area Fill #02 (P3) (inc 2)	2020	700
QU 246 Area Fill #04 (P3) (inc 2)	2018	450			

Table 3-20 South Quarry possible candidates

3.4.7. Water Injection 1P, 2P and 3P volumes

South Quarry was not explicitly simulated, however, due to the similarity with Beach Marcelle, particularly in terms of depth and pressure; the results from the BM NE area model have been applied to the South Quarry STOIIP. Table 3-21 summarises the resulting volumes and recoveries; the volumes are included in the final South Quarry technically recoverable volumes shown in Table 3-23.

	South Quarry		
	P1	**P2**	**P3**
RF STOIIP	4.96	6.018	7.36
Incr' Rec Vol (MMstb)	0.372	0.275	0.298

Table 3-21 Recovered volumes for South Quarry water flood

3.4.8. South Quarry Non Water Injection Contingent Volumes

Those volumes related to the reviewed Forrest Garb candidates that are currently not included in Range's 5 year schedule have been classified as contingent (development on hold). These are currently not scheduled and thus they are given as single volumes with no associated profiles.

	South Quarry		
	C1	**C2**	**C3**
Associated Vol (MMstb)	0.065	0.255	0.209

Table 3-22 Contingent volumes associated with reviewed Forrest Garb candidates

South Quarry								C1	C2	C3
		Hist Prod 2017 (Mstb)[25]	PDP (Mstb)	PUD (Mstb)	PrUD (Mstb)	PsUD (Mstb)		(Mstb)	(Mstb)	(Mstb)
Non Water Injection	**SQ**		87	395	371	410		65	255	209
Water Injection	**SQ**			372	275	298				
Total		**48**	**87**	**767**	**646**	**708**		**65**	**255**	**209**
Totals	**Low (1P/1C)**		**854**					**65**[26]		
	Med (2P/2C)		**1,500**					**319**		
	High (3P/3C)		**2,208**					**528**		

Table 3-23 South Quarry deterministic recoverable volumes

Note: The full set of production profiles can be found in in the Appendix 1 Section 0.

[25] Production, from Jan 2014 to June 2017 inclusive, of the wells in the development area
[26] Contingent Resource volumes (65, 319, 528 Mstb) development on hold.

3.5. Beach Marcelle Eclipse Model

3.5.1. Overview

The Petrel geo-model of the North East area was constructed, up-scaled and exported for simulation (see section 2.2). The main model parameters are as shown in Table 3-24, while those specific to the main sand division are shown in Table 3-25.

The model included the main sand, (which corresponded to LandOcean's sands 6&5), and sands A, B & C (corresponding to LandOcean's sands 4-2). The main shale dividing these two elements was represented by a layer of inactive cells. The model was further divided up into southern, northern and western fault blocks, Figure 3-3.

The logs indicated a number of difference OWCs which are shown in Table 3-25. The differing contact depths indicated small pressure differentials and, as a consequence, fault pressure thresholds were defined to reflect this.

Field	
STOIIP (MMstb)	38.92
GIIP (bcf)	11.26
WIIP (MMbw)[27]	75.96
Grid size (i, j, k)	86 27 65
Cell dim (ft)	50
No of cells	150930
Active cells	102424

Table 3-24 Beach Marcelle NE area model parameters

Main Sand (LO sands 5,6)		Sands A,B,&C (LO sands 4-2)	
STOIIP	29.90	STOIIP	9.81
GOR (scf/stb) @50ft	10	GOR (scf/stb) @500ft	350
GOR (scf/stb) @600ft	350	GOR (scf/stb) @1150ft	350
Oil API	30	Oil API	30
Oil viscosity (cP)	~28 to 19	Oil viscosity (cP)	~19
Rock Compress @200ft (psi^{-1})	100E-6[28]		
Datum (ft)	575	Datum (ft)	1150
Pres @ datum (psia)	293	Pres @ datum (psia)	543
OWC (ft)	800 & 950[29]	OWC (ft)	1300 & 1650[30]
Average ϕ (Sand 6,5)	0.217	Average ϕ (Sand 2-4)	0.230
Average k (mD Sand 6,5)	122	Average k (mD Sand 2-4)	87

Table 3-25 Beach Marcelle NE area model parameters by sand

3.5.2. Data Uncertainty

The paucity of data in relation to PVT, relative permeabilities and production prior to 2000, increases the uncertainty in Beach Marcelle when generating forecasts.

[27] Within the simulation grid
[28] Compressibility assumed the same as Bacheaquero field in Venezuela (Dake, Fundamentals of Res Eng., p100)
[29] Main sand Sth FB @ 950ft, Nth FB and W FB @800ft
[30] Sand A,B&C Sth FB & Nth FB @ 1650ft, W FB @1300ft

3.5.2.1. Production

In common with other on-shore Trinidadian wells, sands were produced progressively from deeper to shallower intervals. This might entail cementing off and isolating the deeper intervals first, or production might be co-mingled across a wide depth range. Each change in producing interval was termed a 'stage'.

Historic production for the Beach Marcelle field was supplied, which included both the depth and dates during which intervals were open. Prior to 2000, production of oil, water and gas was available only as a single cumulative volume per stage. Post 2000, monthly production volumes of oil and water were available, along with the number of hours per month each well was open.

In order to attempt to history match the model, and considering the uncertainty over the relative permeability data, it was decided to honour the total liquid production per well and adjust the Rsi, such that total cumulative gas production by 2000 was similar to the measured volume. The objective was to place the model in a pressure state identical to that which was likely to have existed at the end of 2000. Control by liquid rate was continued from Jan 2001 to June 2017, as only around 10,000 stb and 29,000 barrels of water were produced from the north east area over this period.

Total cumulative production from all wells in the NE area is shown in Table 3-26.

	Oil Production		Liquid Production	
	1938 to Dec 2000 (MM stb)	Jan 2001 to June 2017 (MM stb)	1938 to Dec 2000 (MM stb)	Jan 2001 to June 2017 (MM stb)
All NE wells	3.628	0.010	4.751	0.080
Well completed in Main sand (LO sand 6,5)[31]	3.077	0.008	3.802	0.038

Table 3-26 NE Cumulative oil and liquid production to 2017

3.5.2.2. PVT and Equilibration Data

Estimating the initial pressure and GOR was a challenge.

Historic production prior to 2000 gave total cumulative gas volume per well, however the post-2000 data do not contain any gas data to estimate producing GOR.

The well files from the north east area indicate a range of GOR recorded during the initial well tests; these range from 140 to 300scf/b[32], with high GORs in some of the deeper intervals. Although oil samples were taken from a number of wells, the oil sample reports only contain measurements that could be taken at standard conditions, such as viscosity and the API, while there was no information on initial GORs (R_{si}).

Despite the limited nature of the log data, there appeared to be no initial gas caps; at least up to the depth of the shallowest logged interval in GY302, at 176 ft TVDss and that therefore it was likely that the reservoir was undersaturated.

In addition, the extreme shallowness of the structure (the shallowest point is at -20 ft TVDss), meant that applying a simple hydrostatic gradient from sea level resulted in an unrealistic formation pressures at the crest. As with the oil properties, there were no formation pressure data available, however it was clear that the initial formation pressure would have to be relative to a higher water table than sea level.

Considering these two factors, it was therefore necessary to define the PVT and equilibration data such that:

- There were no initial gas caps.
- Initial producing GORs were comparable with the few recorded well test GORs.
- Total gas production to 2000 was comparable to actual volumes.

[31] Included some production from well completed in all sands (LO sands 6-2)
[32] For example from well file GY183 p21, GY303 p7

To achieve these conditions:

- An initial GOR gradient in the main sand was defined such that R_{si} increased from 10 to 350 scf/b between 50 to 600ft TVDss. (R_{si} in the sand A,B &C was kept at a constant 350 scf/b)
- A further 200 psi was added to increase the initial pressure and thus prevent an excess of gas being produced too early. Historic cumulative gas production from 1938 to 2000 was 1.53 bcf, while the model produced 1.25 bcf over the same period.

3.5.3. Relative Permeability data

No relative permeability data were available; so it was decided to use the values LandOcean used in their earlier modelling. The same mobile oil range [(1-Swi – Sor) = 0.35] and same rel perm curves, were employed for the mid case; while slightly wider and slightly narrower ranges were used in the forecast high and low cases respectively.

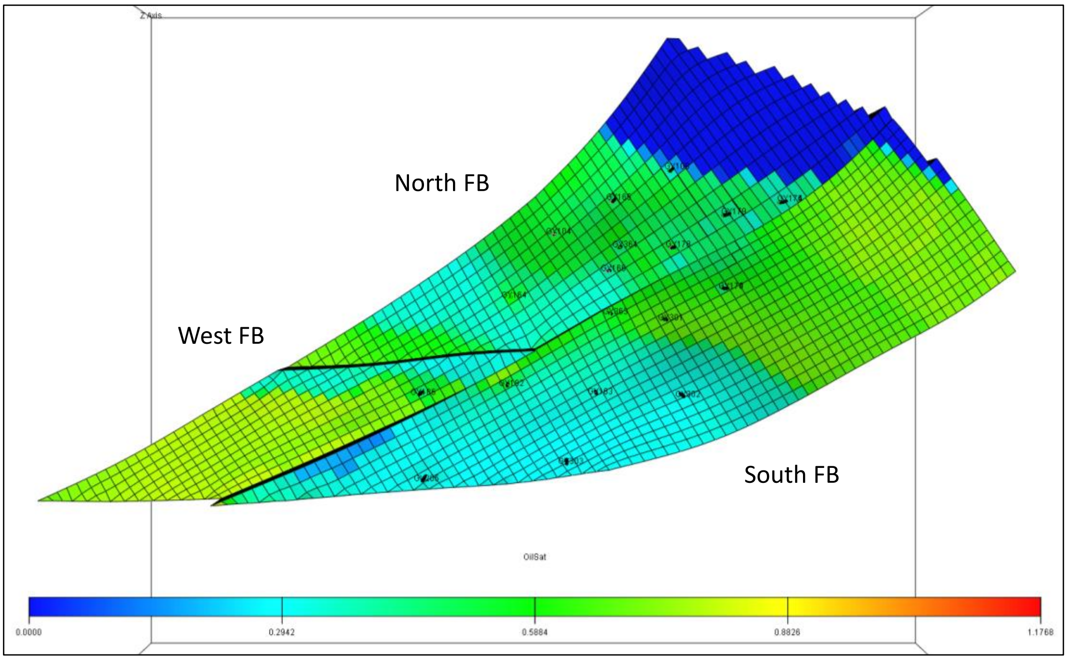

Figure 3-3 Beach Marcelle NE area model

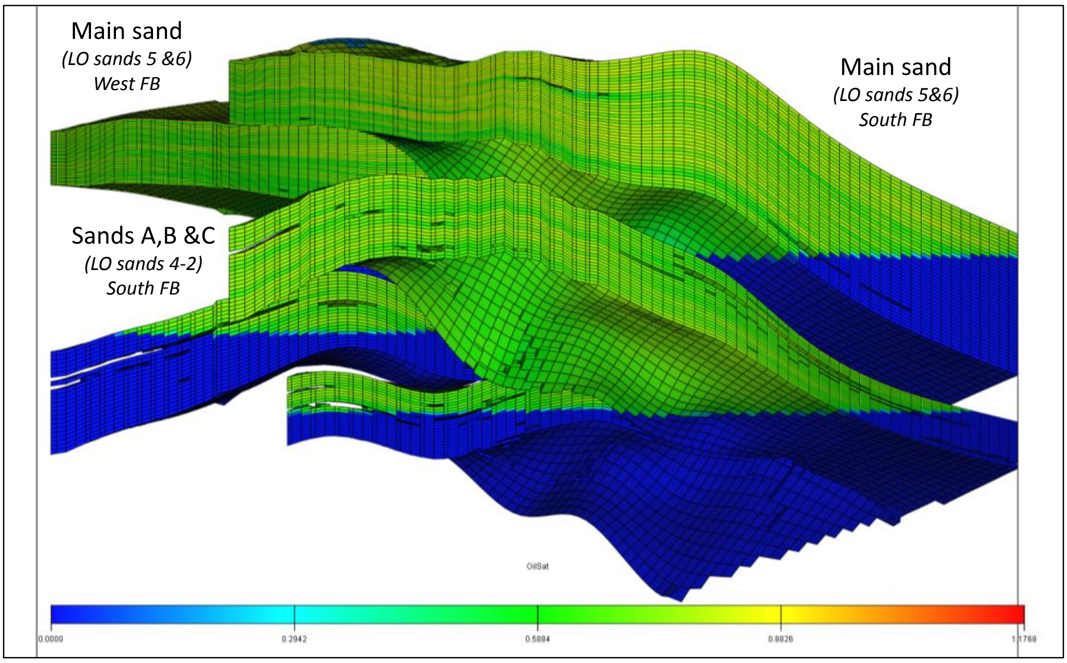

Figure 3-4 Beach Marcelle, looking north

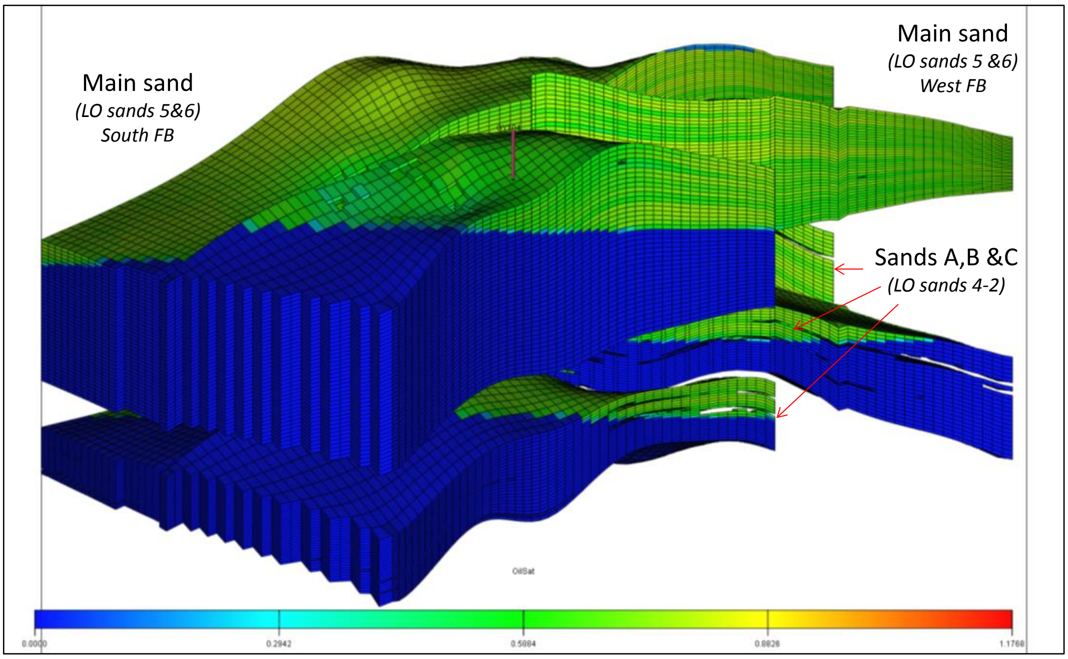

Figure 3-5 Beach Marcelle, looking south

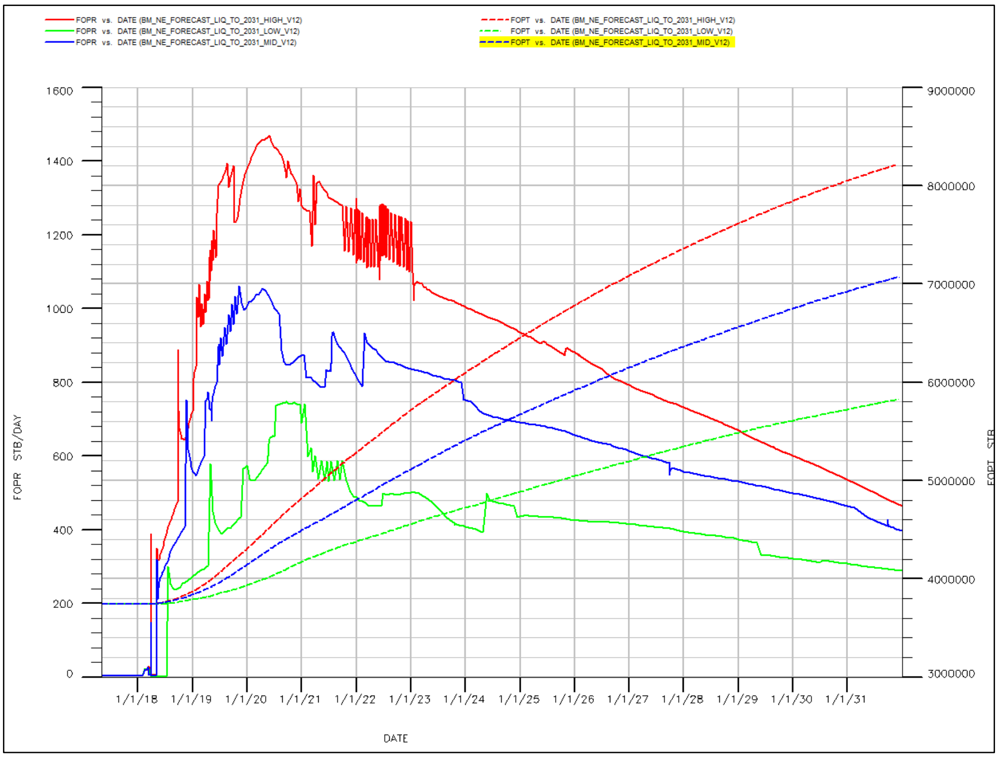

Figure 3-6 Beach Marcelle forecast production profiles for Low, Mid and High Cases

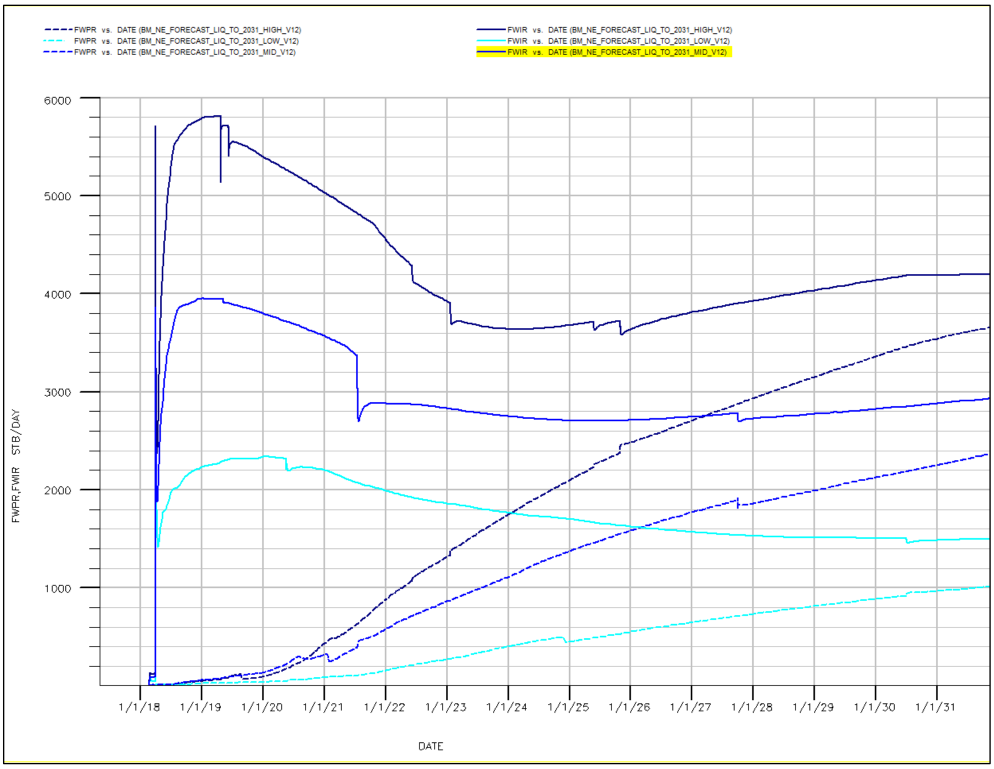

Figure 3-7 Water production and injection profiles for Low, Mid and High cases

3.5.4. Forecasts

Low, Mid and High scenarios were defined to represent 1P, 2P and 3P cases according to Table 3-27.

Item	1P	2P	3P
New Injectors	No	No	No
WO (Prod) + WO (Inj)	15 + 7	15 + 7	15 + 7
Max Injection Water availability	3000	6000	9000
Inj Rate Constraint (bw/d/well)	700	1000	1000
Inj BHP Constraint (psi)	Hydrostatic Head to top perf +70psi	Hydrostatic Head to top perf +70psi	(Hydrostatic Head to top perf +70psi) +25%
Rel Perm	Narrower mob oil range and poorer oil mobility	Mob Oil range as LandOcean (0.35)	Wider mob oil range and better oil mobility

Table 3-27 Beach Marcelle forecast scenarios

The models were run to 2031 and the resulting oil and water profiles are shown in Figure 3-6 and Figure 3-7. As can be observed, the oil rate profiles fluctuate as wells are tested and, if able to flow, are bought back into production. As a result of this, the cumulative oil profiles were then used to generate the 'smoothed' oil rate profiles described in section 3.2.7.

3.6. Morne Diablo Eclipse Model

The Petrel geo-model of the extension area of the Shallow Forest Morne Diablo water flood area was constructed, up-scaled and exported for simulation (see section 2.3). The model covers the same area as that shown in Figure 2-7. The main model parameters are as shown in Table 3-28.

The model covers the Shallow Forest formation up to the dividing faults to the west and east. Wells beyond the eastern fault were part of the pilot water flood area and were not within the model.

The water injection expansion area is part of an east-west ridge dipping down into an aquifer to the north and south. The logs indicated a single OWC on both sides.

Morne Diablo - Shallow Forest			
STOIIP (MMstb)	6.29	WIIP (MMbw)[33]	29.06
GIIP (bcf)	0.03		
Oil API	35.5	Datum (ft)	200
Oil viscosity (cP)	50	Pres @ datum (psia)	173
OWC (ft)	240	Rock Compress @200ft (psi⁻	100E-6[34]
GOR (scf/stb)	4	Average ϕ	0.227
GOR (scf/stb)	6	Average k (mD)	691
No of cells	537600	Grid size (i, j, k)	96 140 40
Active cells	261914	Approximate cell dimension	23 x 23 x 9

Table 3-28 Morne Diablo model parameters

[33] Within the simulation grid
[34] Compressibility assumed the same as Bacheaquero field in Venezuela (Dake, Fundamentals of Res Eng., p100)

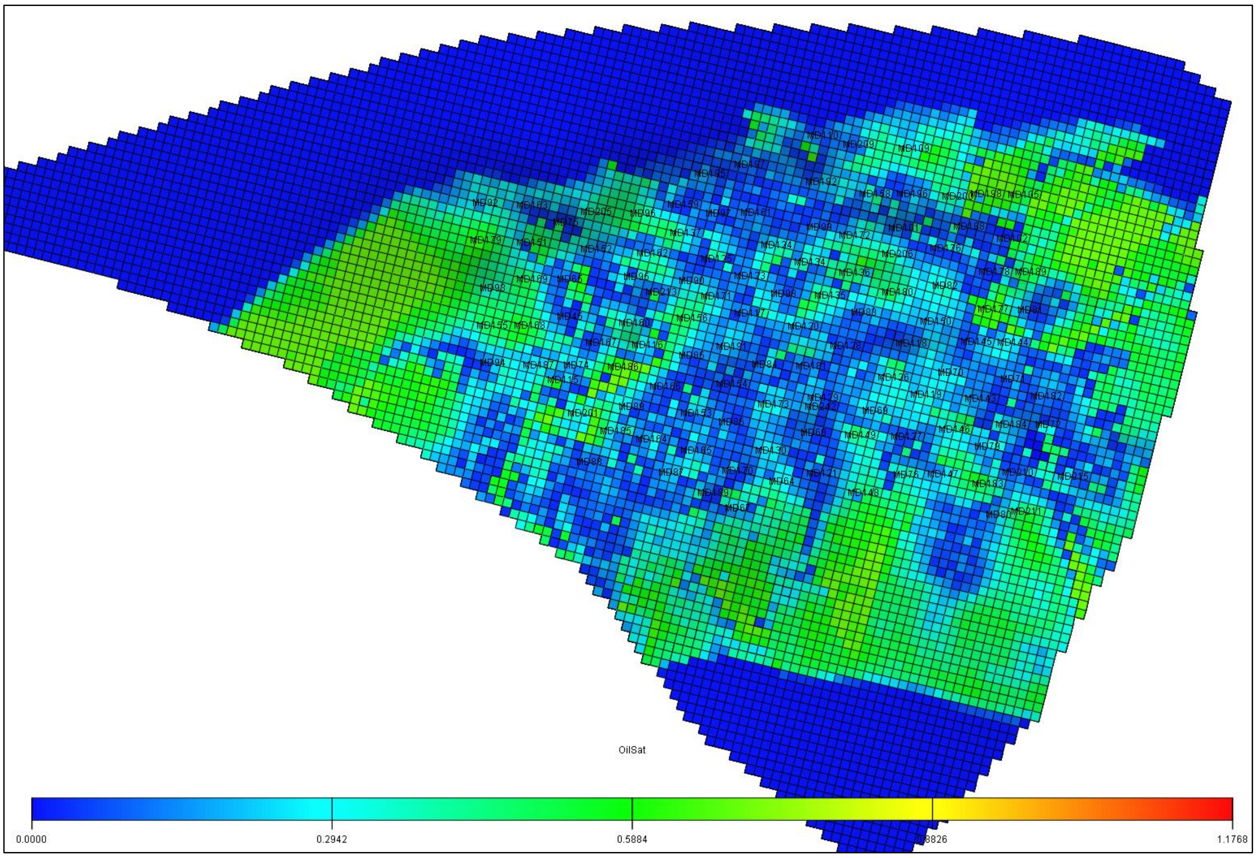

Figure 3-8 Morne Diablo model - Showing Initial Oil Saturation (Soi)

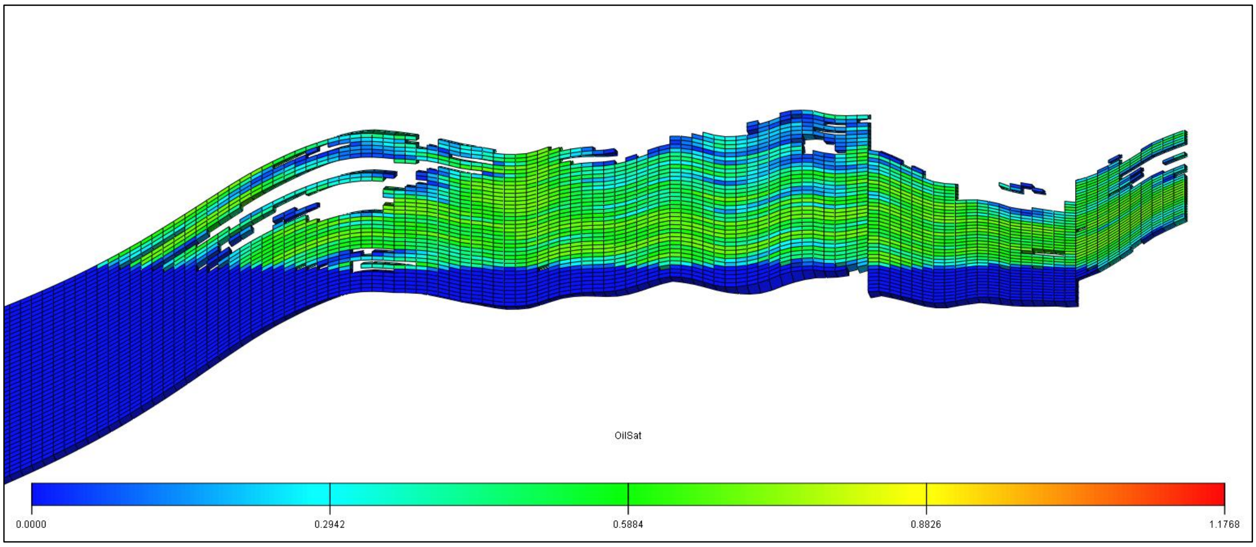

Figure 3-9 West to east X-section through central Morne Diablo model - Showing Initial Oil Saturation (Soi)

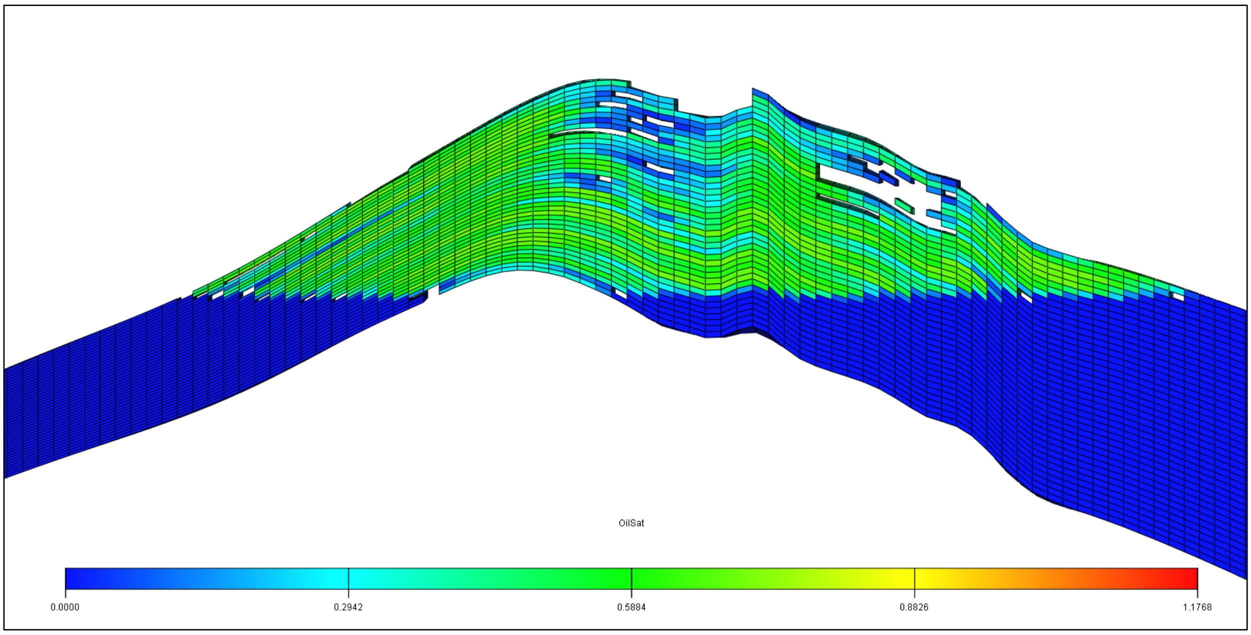

Figure 3-10 South to North X-section through central Morne Diablo model - Showing Initial Oil Saturation (Soi)

3.6.1. Data Uncertainty

As with Beach Marcelle, there is a deficiency in PVT and relative permeability data which increases the uncertainty in any Morne Diablo forecasts.

3.6.1.1. Production

There are over 100 wells covering the Morne Diablo water flood expansion area. Unlike Beach Marcelle however, production from the Shallow Forest formation in this area only began in 1996 and therefore a complete record of monthly oil and water volumes exists. Although gas is present, it is at such a low level that it has never been metered and, as consequently the model has been defined with an arbitrary, low GOR of between 4 to 6 scf/b.

In order to attempt to history match the model and considering the large number of wells, it was decided to honour the total liquid production per well and adjust the rel perm curves to try and match the field oil and water production.

Total cumulative production from all wells in MD is shown in Table 3-26.

Oil Production	Liquid Production
1996 to June 2017 (MMstb)	**1996 to June 2017 (MMstb)**
1.368	2.164

Table 3-29 MD Expansion model, cumulative oil and liquid production to 2017

3.6.1.2. PVT and Equilibration

As with Beach Marcelle, there were no rel perm data, and, apart from oil API and viscosity, PVT information had to be estimated.

It was observed that there was very little dissolved gas, while the logs indicated no initial gas cap, strongly suggesting that the reservoir was under saturated. The structure is extremely shallow with the crest at around -92 ft TVDss. Well MD 69, which was drilled nearby, has a top perf at -56 ft TVDss, while the ground level at this location is -98 ft TVDss.

A challenge was to ensure that pressures within the model were sufficiently high to allow the crestal wells to produce at historic rates. As with Beach Marcelle, there were no measurements of initial pressure and in order to get the model history matched it was necessary to:

- Add 200ft of hydrostatic head to the datum pressure (+86 psi)
- Add an aquifer of 400 MMbw to the aquifer cells on the northern side of the model[35].
- Increase the compressibility to 100E-6 psi^{-1} to reflect the extreme shallowness of the reservoir[36].

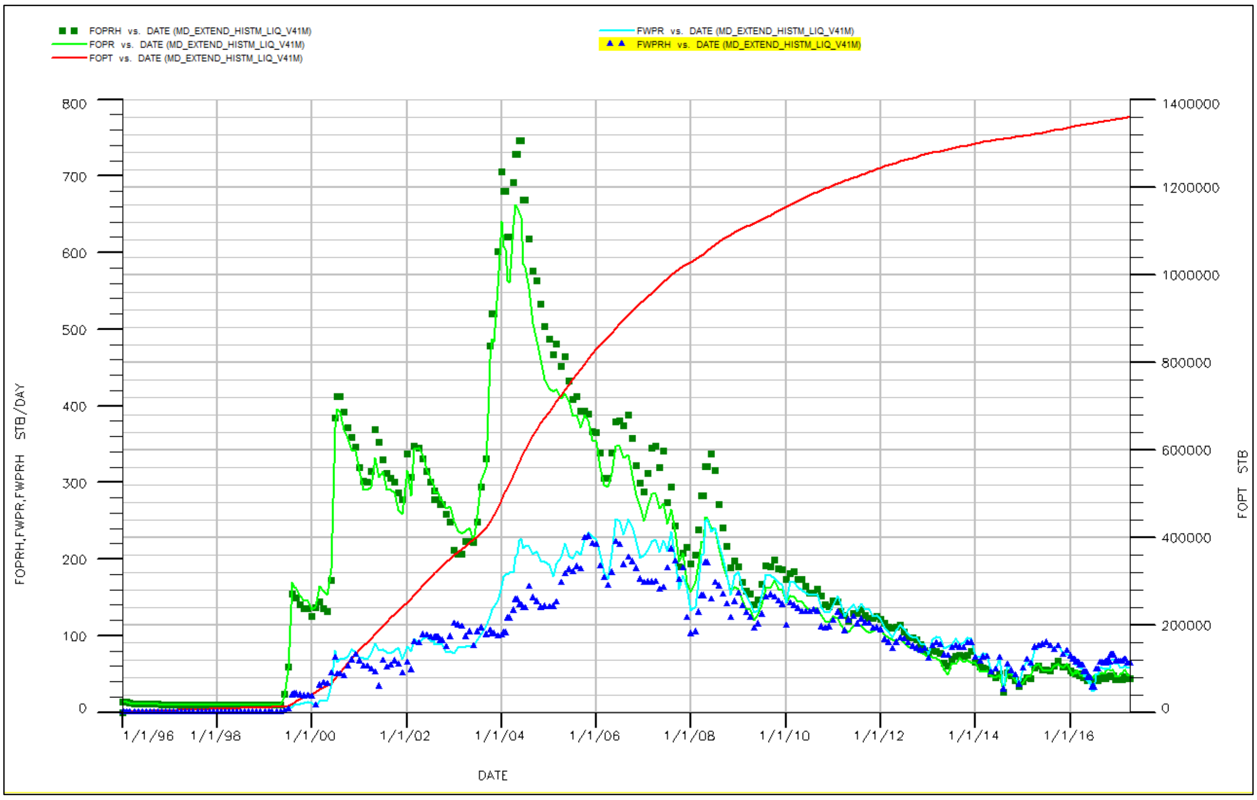

Figure 3-11 Morne Diablo historic and modelled oil and water rates

3.6.1. Forecasts

Low, Mid and High scenarios were defined to represent 1P, 2P and 3P cases according to Table 3-30. The workovers and water infrastructure are complete, however the poor quality of the cement in some of the wells has resulted in injected water appearing at surface and maximum injection rates of 30b/d have been applied to prevent this. Overall this would represent a maximum field injection rate of 1000bw/d.

The models were run to 2031 and the resulting oil and water profiles are shown in Figure 3-12 and Figure 3-13.

[35] This represents an aquifer volume 11x greater than the volume of the oil and water within the grid; it represents an area which extends some 6500ft from the crestal location. Although this is outside the seismic coverage, the extent of the Shallow Forest formation is likely to be sufficient.

[36] Burial of reservoir was likely to have been no more than 1000ft prior to subsequent uplift to its current depth.

Item	**1P**	**2P**	**3P**
New Injectors	No	No	No
WOs	Completed	Completed	Completed
Max Injection Water availability	1000	5000	5000
Inj Rate Constraint (bw/d/well)	30b/d for all inj	Some rate constraints	None
Inj BHP Constraint (psi)	Hydrostatic Head to top perf +70psi	Hydrostatic Head to top perf +70psi	Hydrostatic Head to top perf +70psi

Table 3-30 Beach Marcelle forecast scenarios

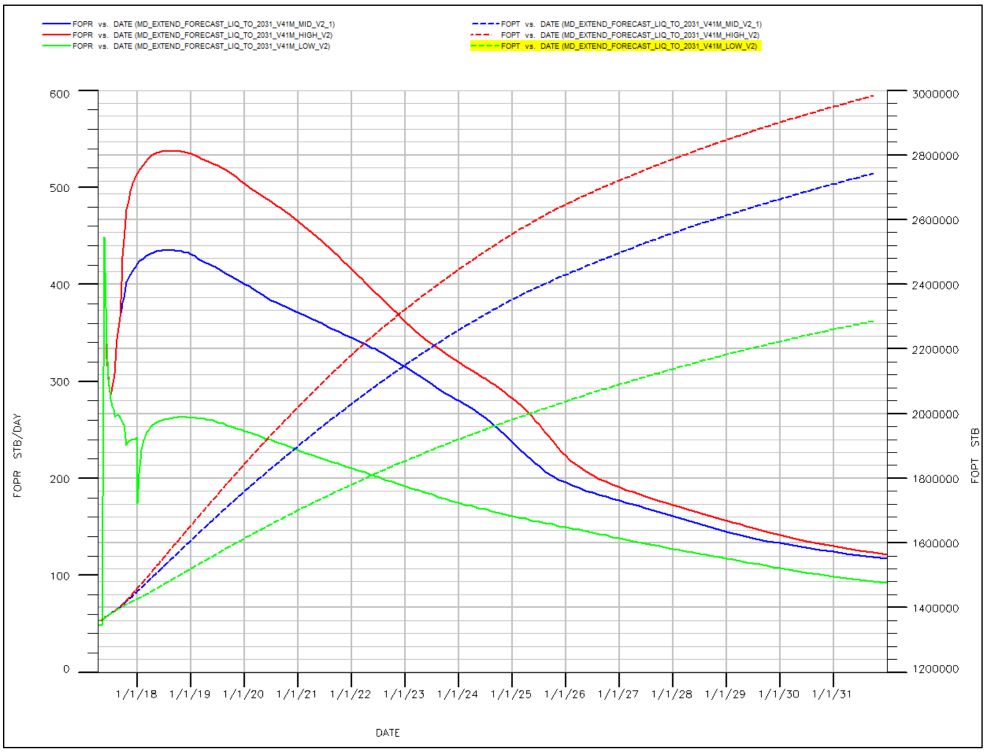

Figure 3-12 Morne Diablo forecast production profiles for Low, Mid and High Cases

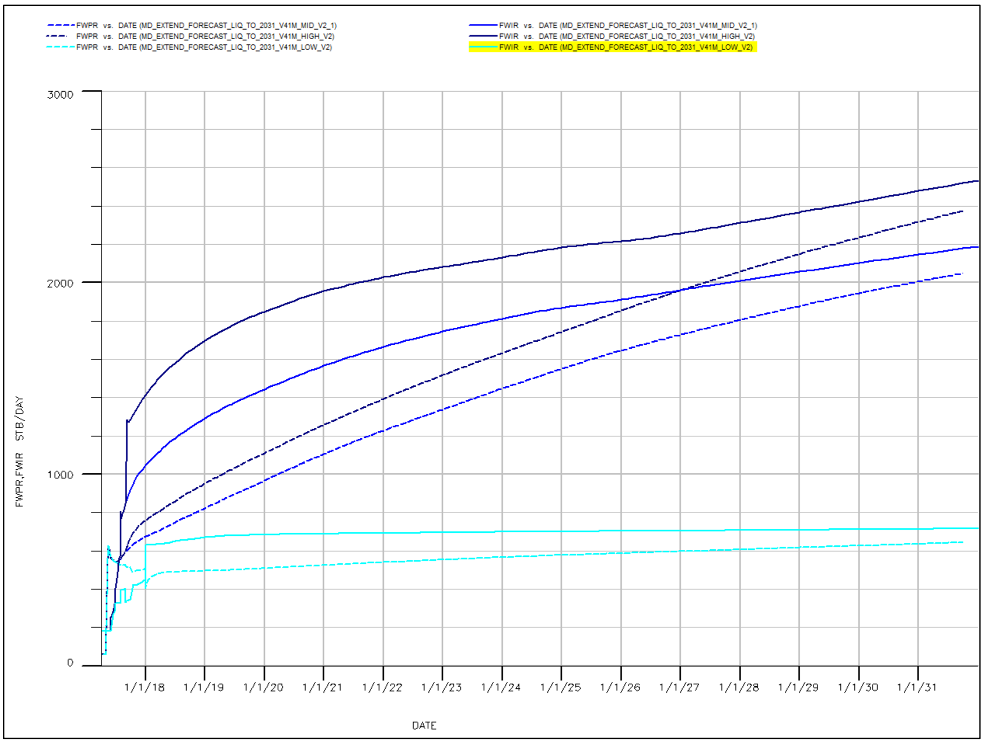

Figure 3-13 Water production and injection profiles for Low, Mid and High cases

4. Development Plans

Range is currently implementing an infill drilling campaign on the Morne Diablo Fields, Beach Marcelle and South Quarry Fields. Over the next five years they plan to drill 117 new wells at a total cost of over US$50 million (Table 4-1). As Range have been actively drilling and working over wells on the fields their cost estimates are considered reasonable, however, a detailed AFE for the drilling campaign has not been provided.

Prior to 2017, Range were undertaking water-flood schemes on the Southeast Sector of Beach Marcelle and on the Shallow Forest reservoir in Morne Diablo. These schemes involved converting seven Southeast Beach Marcelle wells from producers to water injector and converting other production wells to water sources.

Year	2017 (Q3-Q4)	2018	2019	2020	2021	2017-2021
Beach Marcelle						
Total wells	1	0	4	5	3	**13**
Total depth ft	4,500	0	8,400	9,800	3,990	**26,690**
Total cost US$	1,620,000	0	2,688,000	3,316,000	1,381,200	**9,005,200**
Morne Diablo						
Total wells	2	8	22	21	21	**74**
Total depth ft	4,850	13,530	44,700	36,350	17,900	**117,330**
Total cost US$	1,670,000	4,312,400	14,484,000	11,538,000	5,404,000	**37,408,400**
South Quarry						
Total wells	0	1	11	10	8	**30**
Total depth ft	0	450	10,420	20,200	16,168	**47,238**
Total cost US$	0	126,000	3,185,600	3,024,000	1,075,200	**7,410,800**

Table 4-1 Trinidad Drilling Summary

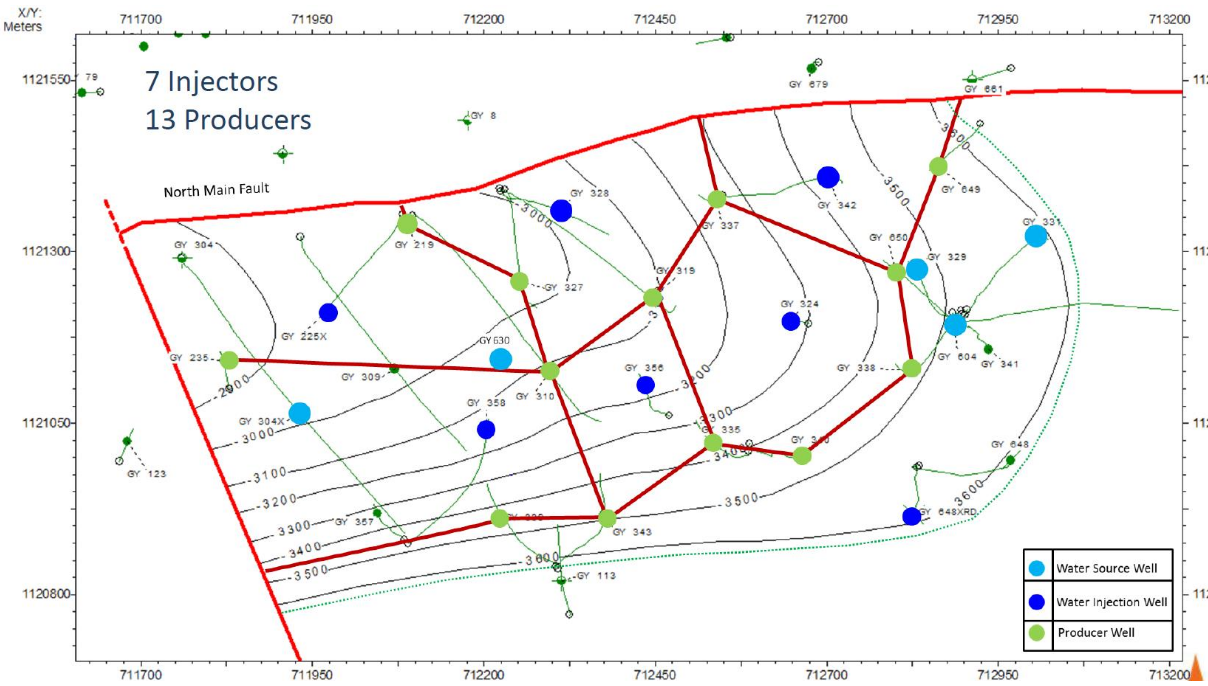

Figure 4-1 Current Beach Marcelle Southeast Sector Water Injection Scheme

At Beach Marcelle Southeast five water injection stations have been constructed, of which two have been commissioned. Equipment includes 10 pumps, 15 water tanks and 5 sets of filter equipment. Seven wells have been prepared for water injection, of which three have commenced injecting. At present, the water supply is being increased by commissioning a 1.2km pipeline to a Petrotrin source. It is planned to commence building water-flood facilities on other segments of Beach Marcelle as follows:

- Beach Marcelle Southwest: Commencement of construction expected June 2019
- Beach Marcelle Northeast: Commencement of construction expected October 2019

Prior to September 2016, 14 producer wells at Morne Diablo were converted to water injectors. However, due to fewer water source wells being perforated than expected and problems injecting water due to poor casing cement seal, less water is being injected than planned. Currently, further development of the water-flood schemes on Morne Diablo are on hold.

At South Quarry, Range is currently undertaking an injectivity test on a well, QUN444, to assess the viability of implementing a water-flood in this field. The company expects to commence building a water-flood scheme in 2018 with an estimated cost of 2.6 million USD. A summary of the CAPEX for the three fields is given in Table 4-2.

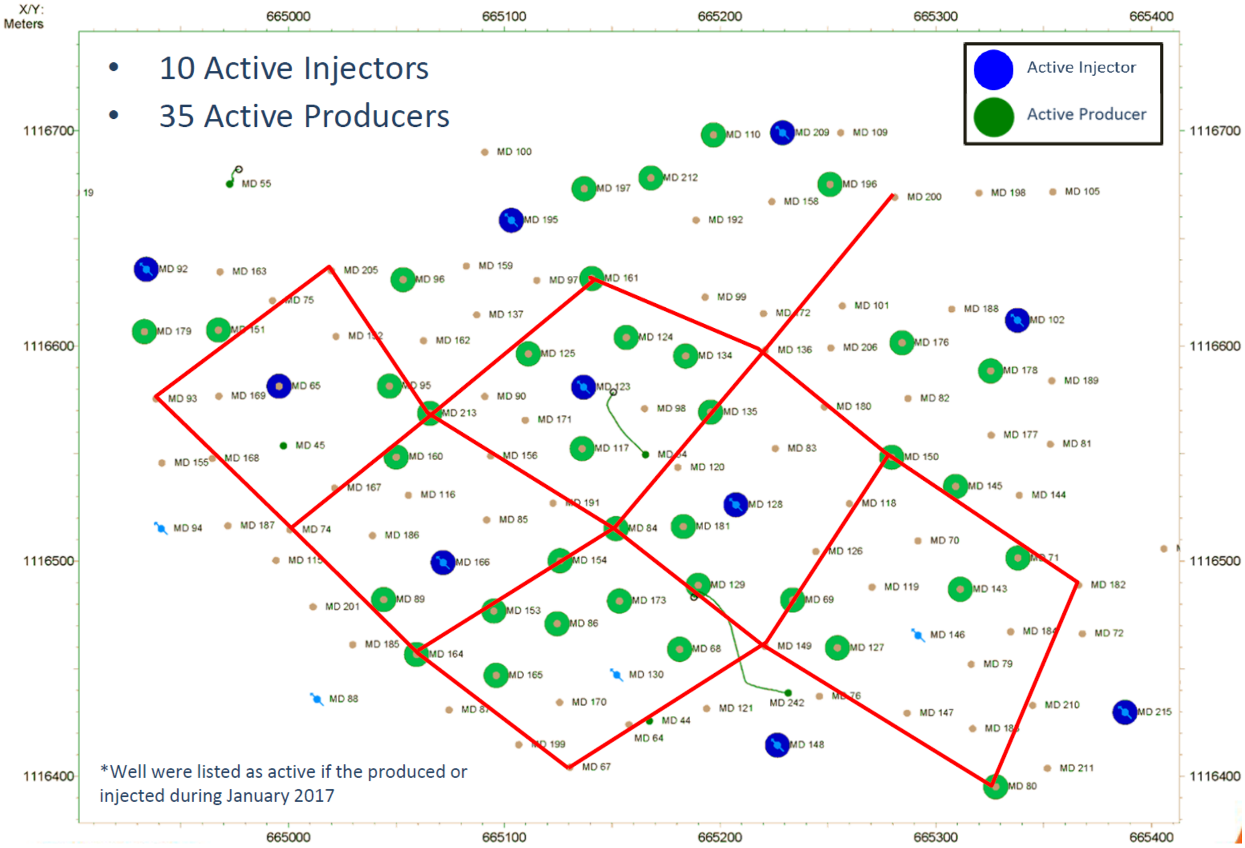

Figure 4-2 Current Morne Diablo Shallow Forest Water Injection Scheme

Year	Beach Marcelle NE	Beach Marcelle SW	South Quarry	Total
	Cost $'000s	**Cost $'000s**	**Cost $'000s**	**Cost $'000s**
2017	0	0	0	**0**
2018	0	0	2,600	**2,600**
2019	5,499	6,600	0	**12,099**
Total	**5,499**	**6,600**	**2,600**	**14,699**

Table 4-2 CAPEX for Morne Diablo, South Quarry and Beach Marcelle[37]

Note: *1. Beach Marcelle Southeast water-flood scheme virtually complete with material and equipment in stock to complete project.*

2. Morne Diablo water-flood scheme complete and no future CAPEX costs expected.

[37] The waterflood capex estimates incorporate the costs associated for 3 main components: (1) Workovers (including integrity survey, swabbing tests and well workover), (2) Surface facilities (including well stations, pipeline, civil works and power grid works) and (3) Production (including surface pumping units, wellheads and tubing & downhole pumps)

5. Economics

5.1. Commercial Agreements

The Range onshore Trinidad assets are held under service agreements with Petrotrin, the original holders of the production licences. Petrotrin continue to hold the production licences, but under the service agreements Range is designated operator and undertakes all operations and investments necessary to produce hydrocarbons. The specific service agreements for each field are noted in Section 1.4 above.

The three service agreements differ in detail, but for the purposes of fiscal modelling and economic analysis they have the same form. The main features are as follows:

- Range is responsible for all government royalties, taxes, imposts etc. under the Trinidad and Tobago onshore fiscal regime.
- Range pays a notional Over-Riding Royalty (NORR) to Petrotrin from gross revenue. The value of the NORR is calculated with reference to a base profile of monthly oil production, as well as two NORR rate lookup-up tables specified in the agreement, one for production up to level of the base profile, the other for production in excess of the base profile. The two look-up rate tables govern the NORR rate applicable to each tranche, at different oil monthly average oil prices.
- Range pays Petrotrin a Facilitation Fee of $2.68/ barrel (in 2017), escalating at 5% per annum thereafter.
- All oil production is to be sold to Petrotrin at the 'Petrotrin Land Price'. To account for this, Range have analysed the realised price under for the last few years, and use a formula that applies a discount to the WTI blend marker price used in the economic model. The discount used is currently 5.5%.
- Range pays various amounts in respect of licence fees, surface rental, abandonment escrow account, training obligations etc. In the economic model, these amounts are grouped together as an operating expense line-item ('Financial Obligations') for each field. The values are hard-coded and are from the 2017 budget and financial plan supplied by Range.
- The Beach Marcelle IPSC expires on January 31st 2020, and those of South Quarry and Morne Diablo on December 31st 2021. However, it is usual practice in the onshore Trinidad and Tobago fiscal regime to apply for a licence extension one or two years before expiry. Extensions are almost always granted, assuming the operator has met the work commitments and continues to operate safely and efficiently. Range has always received extensions when applied for in the past. Accordingly, Rockflow believes it is reasonable to assume this would be the case in the future, and reserves and economic valuation have been calculated on this basis.

5.2. Fiscal Terms

The Beach Marcelle, South Quarry and Morne Diablo fields operate under the Trinidad and Tobago onshore oil and gas fiscal regime. The terms are as follows:

- Government royalty of 12.5% on oil production.
- Supplemental Petroleum Tax (SPT): levied at a rate of 18% on gross oil revenues, less the value of SPT capital allowances in the period. The SPT rate is zero below $50/bbl oil price, and higher rates apply above $90/bbl.
- Green Fund Levy (GFL): 3% of gross revenue.
- Petroleum Production Levy (PPL): levied at the lesser of 4% income from crude oil for producers of more than 3,500 barrels of oil per day (bopd), or a proportionate share of local petroleum subsidy. This term is not modelled in the Range economic model. However, since the test for production greater than 3500 bbl/day is performed at field level, not company level, PPL will only be payable during a very restricted period in the second half of 2021. In these circumstances, Rockflow deems it acceptable to proceed with this minor model inaccuracy.
- Petroleum Profits Tax (PPT): A hydrocarbon production tax levied at 50% of taxable income for onshore fields. The usual expenses and capital allowances are deductible. PPT capital allowances are calculated on a 50%-30%-20% three-year schedule. Exploration capital expenditure and all operating expenses are 100% allowable in the year of expenditure. Losses can be rolled forward indefinitely.

- Unemployment Levy (UL): levied at 5% on the taxable income calculated for PPT. However, losses cannot be rolled forward. UL is not deductible itself for the PPT calculation.

5.3. Macro-Economic Assumptions

Economic analyses of the approved development programs were run at the following oil marker prices (WTI), expressed in 2017 real terms.

	Low	Base	High	V. High	Range
Oil Price (RT)	\$25/bbl	\$50/bbl	\$75/bbl	\$90/bbl	Escalating[1]

Table 5-1 Reference oil prices used for economic analysis

Note: The Range price profile consists of hard-coded oil price 2017 – 2022, as follows: \$50, \$55, \$57.50, \$61, \$65, \$70, with 2% annual inflation applied thereafter.

The Range profile analyses were undertaken for information only, to enable Range to compare results with their internal evaluations. Rockflow does not express a view as to the applicability of this price profile.

Other economic modelling assumptions are as follows:

- Cost inflation of 2% per annum
- Price inflation of 2% per annum.
- TTD / USD exchange rate = 6.7
- Discount Rate = 10%
- Discounting method used is annual end-period.
- Cash flows are discounted to the beginning of 2017, although only point-forward cash flows from July 2017 are included in the analysis.

5.4. Approval Status and Classification of Resources

In the view of Rockflow, the production from Beach Marcelle, South Quarry and Morne Diablo fields arising from their existing production, together with the approved drilling and water-flood development projects described in Section 4 above, warrants classification as reserves under the SPE-PRMS guidelines.

All other potential production is considered contingent resources, due to the lack of current project approvals, or to the immature state of the technical assessments of in-place and recoverable hydrocarbons.

Economic analyses have been undertaken on the reserve volumes, and the reserves quoted have been subject to economic cut off where appropriate. No economic analyses have been undertaken on the contingent resources and no economic cut off has been applied – the volumes reported are considered technically recoverable, but not necessarily economically producible.

5.4.1. Treatment of NORR Volumes

The South Quarry and Morne Diablo farm out agreements specify that Range can book reserves in respect of all produced hydrocarbons, less the volumes in respect of the Notional Over-Riding Royalty paid to Petrotrin. The Beach Marcelle IPSC does not detail reserves booking arrangements, but the form of the contract is essentially the same as South Quarry and Morne Diablo.

However, Range's previous practice has been to report gross reserve volumes, including the volumes in respect of the NORR. The argument is that the situation is comparable to a government royalty, where royalty volumes are included if the royalty is paid in cash, but excluded if paid in kind. The Range over-riding royalties are paid in cash.

A further qualifying feature is that the NORR paid to Petrotrin carries with it no cost obligations on Petrotrin, and that Range is undertaking 100% of the investment risk.

After reviewing the SPE-PRMS guidelines, these arguments appear reasonable to Rockflow, and accordingly the reserves values quoted below are on a 100% basis. This issue has no impact on the NPV calculations as the net cash flows are always net of the NORR cash payment.

5.5. Valuation

Economic valuation of the reserves was performed using a modified version of the Excel model supplied by Range. The model has been checked for accuracy, and for compliance with the relevant commercial and fiscal terms outlined above. No major errors were found, and minor errors have been rectified in discussion with Range staff.

The model uses monthly periodicity for inputs and fiscal calculations, and runs for the period July 2017 to December 2031. Monthly cash flows are aggregated into yearly totals, and discounting is performed with yearly periodicity, using the end-year discounting method.

There is no automatic economic limit calculation: truncation of uneconomic inputs is dependent on inspection of the cash flow results, and subsequent manual truncation. In the results given below, only the 1P / $25 per barrel scenario is truncated before the model end date, which is why the reserve figures at different price assumptions are identical.

It is possible that the sanctioned projects might give rise to additional reserve production arising occur after December 2031, but this has not been valued.

5.5.1. Probabilistic Economics

The model supplied by Range is designed to handle deterministic scenario economics. Production input fields were available for new drilling production and for water-flood production, for each of the three fields. The model then aggregates production into field totals, and then into the total production for the sum of the three fields.

Different calculations are performed at each level. Per-barrel OPEX calculations are performed specifically for the water-flood component of each field. The NORR calculations for each field are performed at field level. Finally, the fiscal calculations are performed at the level of the total Range production.

As noted in section 3 above, Rockflow derived 1P, 2P and 3P probabilistic estimates for each of the new drilling and water-flood components within each field. Given that the fields are produced through a single facility, the volumes have been combined probabilistically, and the economics has been performed on the project as a whole.

To achieve a representative probabilistic estimate for the sum of all production, Rockflow has applied a simple Monte Carlo simulation to the component production tranches, and then derived profiles representative of the 1P, 2P and 3P outcomes for the total of the three fields. The Excel economic model was then modified to allow input of the top-level profiles, and subsequently to back-calculate the field level, and the new drilling and water-flood components in each field. The basis of the back-allocation was the relative percentages of production in the sum of all the 2P outcomes from the individual deterministic profiles.

Rockflow believes this approach is be the best way of valuing the sum of the three fields on a probabilistic basis.

The resultant top-level 1P, 2P and 3P profiles conform to the expected outcome, in that the 1P -3P range is narrower than the sum of the deterministic outcomes, due to the ‘portfolio effect’.

The results of the valuation at different price points are shown in Table 5-2, Table 5-3, Table 5-4, Table 5-5 and Table 5-6.

	Low Case	Mid Case	High Case
Oil Price (Mid)		**$50/bbl**	
Gross Reserve Oil MMstb	**13.8**	**16.4**	**18.9**
Range Net Reserves Oil MMstb	**13.8**	**16.4**	**18.9**
COP Date	**Dec 2031**	**Dec 2031**	**Dec 2031**
Gross Project NPV_{10} US$ MM	**57.7**	**76.6**	**93.9**
Range Net NPV_{10} US$ MM	**57.7**	**76.6**	**93.9**

Table 5-2 Economic analysis results at $50/bbl

	Low Case	Mid Case	High Case
Oil Price (Mid)	**\$75/bbl**		
Gross Reserve Oil MMstb	**13.8**	**16.4**	**18.9**
Range Net Reserves Oil MMstb	**13.8**	**16.4**	**18.9**
COP Date	**Dec 2031**	**Dec 2031**	**Dec 2031**
Gross Project NPV_{10} US\$ MM	**103.0**	**130.6**	**157.1**
Range Net NPV_{10} US\$ MM	**103.0**	**130.6**	**157.1**

Table 5-3 Economic analysis results at \$75/bbl

	Low Case	Mid Case	High Case
Oil Price (Mid)	**\$90/bbl**		
Gross Reserve Oil MMstb	**13.8**	**16.4**	**18.9**
Range Net Reserves Oil MMstb	**13.8**	**16.4**	**18.9**
COP Date	**Dec 2031**	**Dec 2031**	**Dec 2031**
Gross Project NPV_{10} US\$ MM	**131.1**	**164.4**	**194.3**
Range Net NPV_{10} US\$ MM	**131.1**	**164.4**	**194.3**

Table 5-4 Economic analysis results at \$90/bbl

	Low Case	Mid Case	High Case
Oil Price (Mid)	**\$25/bbl**		
Gross Reserve Oil MMstb	**12.7**	**16.4**	**18.9**
Range Net Reserves Oil MMstb	**12.7**	**16.4**	**18.9**
COP Date	**Dec 2029**	**Dec 2031**	**Dec 2031**
Gross Project NPV_{10} US\$ MM	**10.9**	**28.7**	**40.6**
Range Net NPV_{10} US\$ MM	**10.9**	**28.7**	**40.6**

Table 5-5 Economic analysis results at \$25/bbl

	Low Case	Mid Case	High Case
Oil Price (Mid)	**Range Custom Price Profile ****		
Gross Reserve Oil MMstb	**13.8**	**16.4**	**18.9**
Range Net Reserves Oil MMstb	**13.8**	**16.4**	**18.9**
COP Date	**Dec 2031**	**Dec 2031**	**Dec 2031**
Gross Project NPV_{10} US\$ MM	**74.4**	**96.9**	**116.7**
Range Net NPV_{10} US\$ MM	**74.4**	**96.9**	**116.7**

Table 5-6 Economic analysis results Range custom price profile

** Range Custom Price profile consists of hard-coded oil price 2017 – 2022, as follows: $50, $55, $57.50, $61, $65, $70, with 2% inflation applied thereafter.

6. St Mary's Prospect Audit

A review was undertaken of fifteen prospects that were proposed by Range within the St Mary's exploration licence. A Kingdom seismic project for the licence was provided as the basis for the evaluation. It contained 15 polygons that were annotated as prospects (Figure 6-1). However, a review of the data to support these prospects concluded that at present insufficient work had been completed to enable any to be classified as prospects. However; it is likely that prospects are present within the licence with traps likely to be formed either in sub-thrust blocks against faults or by pinch-out of reservoirs in up-dip locations but the location and size of these prospects are still to be delineated.

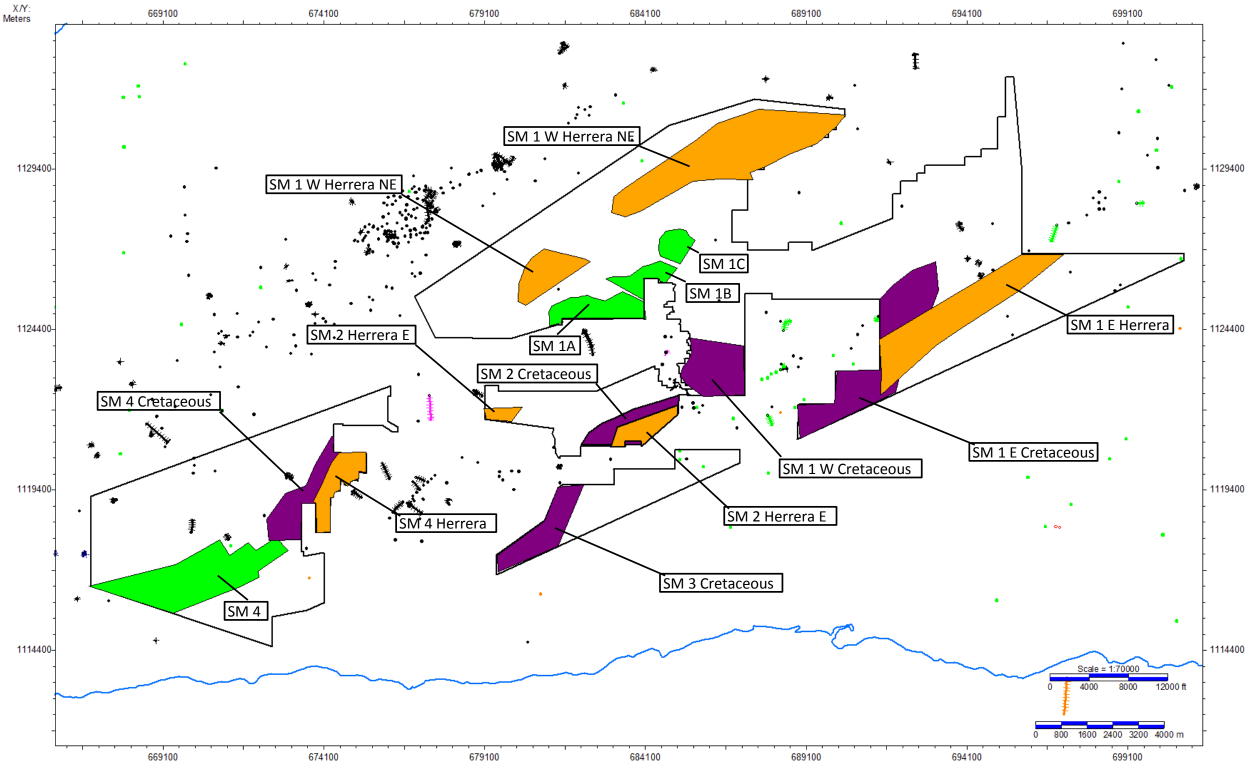

Figure 6-1 Proposed St Mary's Licence Prospects

Appendix 1. Cumulative Oil Reserve Production Profiles

Beach Marcelle Cumulative Oil Production MMstb

Date	All Areas			Southeast Segment			Northeast Segment			Southwest Segment		
	Non-Water Injection			Water Injection			Water Injection			Water Injection		
	1P	2P	3P	1P	2P	3P	1P	2P	3P	1P	2P	3P
31-Dec-17	0.022	0.024	0.028	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
01-Jul-18	0.036	0.040	0.046	0.000	0.001	0.001	0.000	0.000	0.000	0.000	0.000	0.000
31-Dec-18	0.049	0.053	0.062	0.004	0.010	0.014	0.000	0.000	0.000	0.000	0.000	0.000
01-Jul-19	0.067	0.077	0.096	0.015	0.033	0.049	0.000	0.000	0.000	0.000	0.000	0.000
31-Dec-19	0.091	0.109	0.144	0.054	0.120	0.175	0.000	0.000	0.000	0.001	0.009	0.015
01-Jul-20	0.121	0.150	0.209	0.128	0.265	0.387	0.001	0.010	0.016	0.037	0.084	0.121
31-Dec-20	0.156	0.200	0.288	0.248	0.452	0.675	0.040	0.088	0.122	0.098	0.208	0.309
01-Jul-21	0.191	0.250	0.368	0.386	0.679	1.025	0.106	0.217	0.313	0.175	0.381	0.547
31-Dec-21	0.226	0.300	0.449	0.549	0.959	1.443	0.189	0.399	0.555	0.275	0.561	0.806
01-Jul-22	0.255	0.342	0.515	0.621	1.103	1.649	0.296	0.587	0.817	0.400	0.717	1.055
31-Dec-22	0.279	0.376	0.570	0.699	1.245	1.853	0.431	0.750	1.070	0.498	0.861	1.281
01-Jul-23	0.299	0.404	0.615	0.774	1.380	2.033	0.538	0.901	1.299	0.591	1.014	1.503
31-Dec-23	0.316	0.428	0.652	0.841	1.513	2.210	0.637	1.062	1.524	0.668	1.167	1.718
01-Jul-24	0.329	0.447	0.683	0.911	1.632	2.381	0.721	1.221	1.742	0.752	1.316	1.930
31-Dec-24	0.341	0.463	0.708	0.985	1.748	2.549	0.811	1.378	1.957	0.832	1.459	2.118
01-Jul-25	0.350	0.476	0.728	1.056	1.859	2.707	0.898	1.528	2.147	0.904	1.599	2.303
31-Dec-25	0.358	0.487	0.746	1.126	1.970	2.859	0.975	1.674	2.335	0.980	1.725	2.481
01-Jul-26	0.365	0.497	0.760	1.192	2.072	3.004	1.057	1.806	2.516	1.059	1.848	2.656
31-Dec-26	0.371	0.504	0.772	1.259	2.173	3.144	1.143	1.934	2.693	1.135	1.966	2.820
01-Jul-27	0.375	0.511	0.782	1.324	2.270	3.277	1.225	2.058	2.860	1.210	2.083	2.980
31-Dec-27	0.379	0.516	0.790	1.388	2.366	3.406	1.306	2.181	3.021	1.282	2.190	3.130
01-Jul-28	0.383	0.521	0.797	1.449	2.458	3.530	1.384	2.293	3.174	1.354	2.298	3.277
31-Dec-28	0.386	0.525	0.803	1.509	2.548	3.649	1.461	2.405	3.322	1.423	2.400	3.415
01-Jul-29	0.388	0.528	0.807	1.564	2.634	3.760	1.536	2.513	3.462	1.492	2.502	3.550
31-Dec-29	0.390	0.531	0.811	1.615	2.718	3.867	1.610	2.619	3.599	1.558	2.599	3.678
01-Jul-30	0.392	0.533	0.815	1.665	2.799	3.967	1.682	2.720	3.729	1.623	2.694	3.802
31-Dec-30	0.394	0.535	0.818	1.713	2.877	4.062	1.751	2.820	3.855	1.681	2.785	3.918
01-Jul-31	0.395	0.537	0.820	1.760	2.950	4.151	1.814	2.915	3.972	1.737	2.874	4.029
31-Dec-31	0.396	0.538	0.822	1.806	3.018	4.234	1.874	3.009	4.085	1.790	2.959	4.133

Morne Diablo Cumulative Oil Production MMstb

Date	Non-Water Injection			Water Injection		
	1P	2P	3P	1P	2P	3P
31-Dec-17	0.073	0.079	0.087	0.050	0.062	0.072
01-Jul-18	0.124	0.140	0.164	0.107	0.164	0.192
31-Dec-18	0.174	0.199	0.250	0.169	0.271	0.318
01-Jul-19	0.272	0.354	0.484	0.230	0.375	0.440
31-Dec-19	0.410	0.581	0.835	0.290	0.478	0.562
01-Jul-20	0.597	0.882	1.313	0.347	0.576	0.677
31-Dec-20	0.823	1.241	1.895	0.402	0.672	0.790
01-Jul-21	1.036	1.599	2.490	0.454	0.762	0.895
31-Dec-21	1.240	1.954	3.094	0.505	0.849	0.997
01-Jul-22	1.404	2.224	3.560	0.553	0.929	1.091
31-Dec-22	1.537	2.435	3.929	0.599	1.005	1.181
01-Jul-23	1.645	2.601	4.219	0.643	1.075	1.262
31-Dec-23	1.732	2.734	4.451	0.685	1.141	1.340
01-Jul-24	1.803	2.840	4.636	0.725	1.203	1.413
31-Dec-24	1.860	2.925	4.785	0.763	1.262	1.482
01-Jul-25	1.906	2.993	4.903	0.800	1.316	1.545
31-Dec-25	1.943	3.049	4.999	0.836	1.364	1.602
01-Jul-26	1.974	3.093	5.076	0.869	1.406	1.651
31-Dec-26	1.998	3.130	5.138	0.902	1.446	1.698
01-Jul-27	2.019	3.159	5.188	0.934	1.482	1.741
31-Dec-27	2.035	3.183	5.228	0.964	1.518	1.783
01-Jul-28	2.048	3.202	5.261	0.993	1.551	1.822
31-Dec-28	2.060	3.218	5.287	1.022	1.583	1.859
01-Jul-29	2.069	3.231	5.309	1.048	1.613	1.895
31-Dec-29	2.076	3.242	5.326	1.074	1.642	1.929
01-Jul-30	2.082	3.250	5.340	1.098	1.669	1.961
31-Dec-30	2.087	3.258	5.352	1.122	1.696	1.992
01-Jul-31	2.091	3.263	5.361	1.144	1.721	2.021
31-Dec-31	2.095	3.268	5.369	1.166	1.745	2.050

South Quarry Cumulative Oil Production MMstb

Date	Non-Water Injection			Water Injection		
	1P	2P	3P	1P	2P	3P
31-Dec-17	0.014	0.014	0.014	0.000	0.000	0.000
01-Jul-18	0.024	0.026	0.030	0.000	0.000	0.000
31-Dec-18	0.036	0.039	0.051	0.000	0.000	0.000
01-Jul-19	0.055	0.074	0.101	0.000	0.002	0.003
31-Dec-19	0.080	0.125	0.174	0.007	0.018	0.027
01-Jul-20	0.119	0.198	0.284	0.020	0.044	0.069
31-Dec-20	0.170	0.287	0.422	0.035	0.081	0.122
01-Jul-21	0.223	0.389	0.574	0.055	0.119	0.180
31-Dec-21	0.280	0.500	0.739	0.081	0.152	0.235
01-Jul-22	0.323	0.583	0.862	0.101	0.183	0.286
31-Dec-22	0.357	0.646	0.957	0.119	0.216	0.335
01-Jul-23	0.383	0.693	1.028	0.135	0.248	0.383
31-Dec-23	0.403	0.729	1.082	0.152	0.280	0.431
01-Jul-24	0.419	0.757	1.123	0.168	0.310	0.472
31-Dec-24	0.432	0.778	1.155	0.182	0.340	0.514
01-Jul-25	0.441	0.794	1.179	0.198	0.367	0.553
31-Dec-25	0.449	0.807	1.198	0.214	0.393	0.592
01-Jul-26	0.455	0.816	1.212	0.229	0.418	0.629
31-Dec-26	0.460	0.824	1.224	0.244	0.443	0.665
01-Jul-27	0.464	0.830	1.232	0.259	0.465	0.698
31-Dec-27	0.468	0.835	1.239	0.273	0.488	0.731
01-Jul-28	0.471	0.839	1.245	0.287	0.510	0.762
31-Dec-28	0.473	0.842	1.249	0.301	0.532	0.792
01-Jul-29	0.475	0.845	1.253	0.314	0.552	0.820
31-Dec-29	0.477	0.847	1.256	0.328	0.572	0.848
01-Jul-30	0.478	0.849	1.258	0.339	0.592	0.874
31-Dec-30	0.480	0.850	1.260	0.350	0.611	0.899
01-Jul-31	0.481	0.852	1.262	0.361	0.629	0.922
31-Dec-31	0.482	0.853	1.263	0.372	0.647	0.944

Beach Marcelle Main Areas Cumulative Oil Production MMstb (Contingent Volumes)[38]

Date	Southeast Segment			Northeast Segment			Southwest Segment		
	Water Injection			Water Injection (Sand 6)			Water Injection (Sector A)		
	1C	2C	3C	1C	2C	3C	1C	2C	3C
31-Dec-17	0.000	0.001	0.001	0.000	0.000	0.000	0.000	0.000	0.000
01-Jul-18	0.000	0.013	0.030	0.000	0.000	0.000	0.000	0.000	0.000
31-Dec-18	0.000	0.089	0.175	0.000	0.000	0.000	0.000	0.000	0.000
01-Jul-19	0.001	0.224	0.399	0.000	0.000	0.000	0.000	0.000	0.000
31-Dec-19	0.003	0.347	0.603	0.000	0.000	0.000	0.000	0.008	-0.015
01-Jul-20	0.011	0.438	0.759	0.000	0.008	0.012	0.001	0.029	-0.094
31-Dec-20	0.015	0.477	0.799	0.001	0.027	0.067	0.005	0.074	-0.122
01-Jul-21	0.020	0.455	0.719	0.006	0.069	0.159	0.013	0.134	-0.081
31-Dec-21	0.038	0.366	0.561	0.014	0.124	0.274	0.028	0.198	0.014
01-Jul-22	0.057	0.397	0.588	0.031	0.184	0.401	0.029	0.276	0.149
31-Dec-22	0.076	0.419	0.598	0.032	0.259	0.509	0.032	0.341	0.280
01-Jul-23	0.096	0.438	0.622	0.036	0.320	0.588	0.045	0.388	0.362
31-Dec-23	0.116	0.453	0.643	0.050	0.364	0.653	0.065	0.413	0.435
01-Jul-24	0.129	0.473	0.656	0.073	0.385	0.692	0.087	0.431	0.476
31-Dec-24	0.134	0.489	0.665	0.096	0.398	0.714	0.108	0.442	0.523
01-Jul-25	0.140	0.501	0.671	0.119	0.405	0.741	0.129	0.451	0.553
31-Dec-25	0.147	0.511	0.672	0.143	0.410	0.768	0.140	0.465	0.587
01-Jul-26	0.153	0.518	0.670	0.155	0.421	0.791	0.144	0.479	0.613
31-Dec-26	0.158	0.525	0.669	0.159	0.431	0.802	0.151	0.490	0.635
01-Jul-27	0.160	0.530	0.668	0.167	0.438	0.808	0.158	0.499	0.647
31-Dec-27	0.160	0.534	0.667	0.174	0.444	0.811	0.164	0.512	0.659
01-Jul-28	0.160	0.538	0.665	0.181	0.454	0.811	0.169	0.522	0.663
31-Dec-28	0.159	0.541	0.662	0.187	0.461	0.808	0.171	0.530	0.669
01-Jul-29	0.161	0.544	0.660	0.190	0.466	0.805	0.170	0.537	0.669
31-Dec-29	0.166	0.546	0.659	0.189	0.470	0.801	0.170	0.544	0.672
01-Jul-30	0.170	0.548	0.660	0.189	0.474	0.797	0.170	0.550	0.673
31-Dec-30	0.174	0.551	0.662	0.188	0.477	0.793	0.173	0.556	0.677
01-Jul-31	0.178	0.557	0.666	0.192	0.480	0.789	0.178	0.561	0.678
31-Dec-31	0.182	0.565	0.672	0.198	0.483	0.787	0.183	0.565	0.684

[38] As BM contingent profiles represent the difference between the same models run with and without new injectors, a few cumulative volumes are negative during the first phase of injection

Beach Marcelle Other Areas Cumulative Oil Production MMstb (Contingent Volumes)

Date	NE #2			Area C			Area WF (Texaco)			Total (All BM areas)		
	Water Injection (Sands 2-5)			Water Injection			Water Injection			SE, NE, SW, NE#2, C, WF		
	1C	2C	3C	1C	2C	3C	1C	2C	3C	1C	2C	3C
31-Dec-17	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
01-Jul-18	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.016	0.024
31-Dec-18	0.000	0.000	0.000	0.000	0.000	0.001	0.000	0.000	0.000	0.000	0.097	0.163
01-Jul-19	0.000	0.000	0.005	0.000	0.001	0.012	0.000	0.000	0.000	0.001	0.236	0.406
31-Dec-19	0.000	0.003	0.043	0.009	0.008	0.029	0.000	0.000	0.009	0.014	0.387	0.662
01-Jul-20	0.034	0.027	0.108	0.017	0.020	0.052	0.001	0.006	0.079	0.065	0.544	0.905
31-Dec-20	0.060	0.067	0.197	0.027	0.037	0.077	0.023	0.055	0.196	0.133	0.749	1.210
01-Jul-21	0.094	0.123	0.290	0.039	0.054	0.099	0.061	0.136	0.358	0.237	0.977	1.558
31-Dec-21	0.137	0.181	0.371	0.048	0.070	0.118	0.109	0.249	0.528	0.377	1.192	1.891
01-Jul-22	0.170	0.231	0.446	0.057	0.084	0.140	0.171	0.367	0.674	0.519	1.536	2.428
31-Dec-22	0.202	0.278	0.525	0.064	0.099	0.161	0.249	0.469	0.810	0.660	1.856	2.920
01-Jul-23	0.228	0.328	0.604	0.073	0.113	0.181	0.310	0.563	0.955	0.792	2.135	3.348
31-Dec-23	0.257	0.377	0.682	0.080	0.128	0.201	0.368	0.663	1.098	0.940	2.377	3.749
01-Jul-24	0.284	0.425	0.756	0.087	0.142	0.220	0.416	0.763	1.239	1.077	2.591	4.081
31-Dec-24	0.309	0.471	0.828	0.095	0.155	0.237	0.468	0.861	1.373	1.209	2.786	4.382
01-Jul-25	0.335	0.516	0.893	0.102	0.168	0.254	0.518	0.954	1.505	1.343	2.964	4.657
31-Dec-25	0.362	0.557	0.957	0.110	0.180	0.270	0.563	1.046	1.624	1.463	3.136	4.916
01-Jul-26	0.388	0.597	1.018	0.117	0.191	0.287	0.610	1.128	1.739	1.565	3.306	5.154
31-Dec-26	0.413	0.635	1.078	0.124	0.202	0.301	0.659	1.208	1.850	1.663	3.467	5.370
01-Jul-27	0.438	0.673	1.134	0.131	0.213	0.316	0.707	1.285	1.960	1.758	3.617	5.563
31-Dec-27	0.463	0.707	1.190	0.137	0.223	0.330	0.754	1.362	2.061	1.849	3.764	5.744
01-Jul-28	0.486	0.742	1.243	0.144	0.233	0.344	0.798	1.432	2.162	1.935	3.905	5.909
31-Dec-28	0.510	0.775	1.295	0.150	0.243	0.358	0.843	1.502	2.259	2.018	4.039	6.070
01-Jul-29	0.532	0.808	1.345	0.157	0.252	0.371	0.886	1.570	2.354	2.095	4.167	6.220
31-Dec-29	0.554	0.839	1.395	0.162	0.262	0.383	0.929	1.636	2.445	2.169	4.290	6.368
01-Jul-30	0.574	0.870	1.442	0.168	0.271	0.395	0.970	1.699	2.535	2.240	4.407	6.511
31-Dec-30	0.593	0.899	1.488	0.173	0.279	0.407	1.011	1.761	2.621	2.312	4.521	6.654
01-Jul-31	0.611	0.928	1.532	0.178	0.287	0.419	1.047	1.821	2.705	2.384	4.632	6.791
31-Dec-31	0.629	0.955	1.575	0.183	0.296	0.429	1.082	1.879	2.785	2.456	4.743	6.931

Combined Probabilistic Cumulative Oil Production for BM, MD and SQ MMstb

Date	WI & Non-WI		
	1P	2P	3P
31-Dec-17	0.173	0.187	0.201
01-Jul-18	0.324	0.374	0.415
31-Dec-18	0.483	0.577	0.650
01-Jul-19	0.809	0.958	1.108
31-Dec-19	1.252	1.516	1.775
01-Jul-20	1.906	2.324	2.745
31-Dec-20	2.784	3.391	4.033
01-Jul-21	3.814	4.566	5.439
31-Dec-21	4.843	5.889	7.000
01-Jul-22	5.660	6.954	8.192
31-Dec-22	6.477	7.921	9.315
01-Jul-23	7.093	8.742	10.350
31-Dec-23	7.788	9.449	11.158
01-Jul-24	8.300	10.207	11.913
31-Dec-24	8.995	10.806	12.517
01-Jul-25	9.407	11.314	13.217
31-Dec-25	9.800	11.783	13.898
01-Jul-26	10.285	12.271	14.382
31-Dec-26	10.660	12.688	14.933
01-Jul-27	10.952	13.191	15.258
31-Dec-27	11.354	13.645	15.745
01-Jul-28	11.692	14.047	16.233
31-Dec-28	12.071	14.408	16.754
01-Jul-29	12.342	14.805	17.066
31-Dec-29	12.738	15.129	17.482
01-Jul-30	13.123	15.408	18.005
31-Dec-30	13.322	15.782	18.282
01-Jul-31	13.428	16.059	18.650
31-Dec-31	13.753	16.388	18.850

Appendix 2. Glossary of Terms Used

$	US Dollars
%	percent
°C	Degrees Celsius
°F	Degrees Fahrenheit
1P	Proved Reserves
2D	Two Dimensional
2P	Proved plus Probable Reserves
3D	Three Dimensional
3P	Proved plus Probable plus Possible Reserves
API	American Petroleum Institute
AVO	Amplitude Variation with Offset
bbl	Barrels
Bcf	Billion standard cubic feet
BHA	Bottom Hole Assembly
BHP	Bottom Hole Pressure
BM	Beach Marcelle
boe	barrels of oil equivalent
bopd	barrels oil per day
bpd	barrels per day
BRT	Below rotary table
bwpd	barrels of water per day
CALI	Caliper
CAPEX	Capital Expenditure
CO2	Carbon Dioxide
COP	Cessation of production
cP	centipoise
CPI	Computer Processed Interpretation (of logs)
CT	Corporation Tax
DCA	Decline Curve Analysis
DST	Drill Stem Test
DT	Sonic log
E & A	Exploration & Appraisal
EOR	Enhanced Oil Recovery
EUR	Estimated Ultimate Recovery
FDP	Field Development Plan
FEED	Front End Engineering Design
ft	feet
FTHP	Flowing Tubing Head Pressure
FWL	Free Water Level
GFL	Green Fund Levy
G & G	Geological and Geophysical
GDT	Gas Down To
GIIP	Gas Initially In Place
GOC	Gas Oil Contact
GOR	Gas to Oil Ratio
GR	Gamma Ray log
GRV	Gross Rock Volume
GUT	Gas Up To
GWC	Gas Water Contact
H2S	Hydrogen Sulphide
HC	Hydrocarbon
HCWC	Hydrocarbon Water Contact
IPSC	Incremental Production Service Contract
IRR	Internal Rate of Return
JV	Joint Venture
K	Permeability
Kingdom	Seismic workstation software
km	Kilometre
km^2	Square kilometres
m	metre
Mbbl	Thousand barrels
Mboe	Thousand barrels of oil equivalent
Mbopd	Thousand barrels of oil per day
MD	Morne Diablo
mD	milli Darcies
MDT	Modular Dynamics Tester
MEEI	Ministry of Energy & Energy Affairs
MM	million

MMbbl	million barrels of oil	PRMS	Petroleum Resource Management System
MMboe	million barrels of oil equivalent	PrUD	Probable Undeveloped
MMscf	million standard cubic feet	PSC	Production Sharing Contract
MMscfpd	million standard cubic feet per day	psi	pounds per square inch
MMstb	million stock-tank barrels of oil	psia	pounds per square inch absolute
MOD	Money Of the Day	psig	pounds per square inch gauge
Mscf	Thousand standard cubic feet	PsUD	Possible Undeveloped
Mscfpd	Thousand standard cubic feet per day	PUD	Proven Undeveloped
Mstb	Thousand stock tank barrels	PV	Present Value
MW	MegaWatt	rb	Reservoir Barrels
N/G	Net to Gross	RF	Recovery Factor
N2	Nitrogen	RFT	Repeat Formation Tester
NORR	Notional Over-Riding Royalty	RIH	Run in Hole
NPV	Net Present Value	RROR	Real Rate of Return
OBC	Ocean Bottom Cable	Rsi	Initial Gas Oil Ratio (scf/stb)
ODT	Oil Down To	Rw	Water resistivity
ODT	Oil Down To	SCAL	Special Core Analysis
OML	Oil Mining Licence	SG	Specific Gravity
OPEX	operating expenditure	SP	Spontaneous Potential log
OPL	Oil Prospecting Lease	SPE	Society of Petroleum Engineers
OUT	Oil Up To	SPT	Supplemental Petroleum Tax
OWC	Oil Water Contact	SQ	South Quarry
P & A	Plugged and Abandoned	sq km	square kilometres
p.a.	per annum	ss	subsea
P10	10% probability of being exceeded	stb/d	Stock tank barrels per day
P50	50% probability of being exceeded	TVDss	True vertical depth subsea
P90	90% probability of being exceeded	UL	Unemployment Levy
PDP	Proven Developed Producing	STOIIP	Stock tank barrels initially in place
Petrotrin	Petroleum Company of Trinidad & Tobago Ltd.		
Phi	Porosity		
Phie	Effective porosity		
Phit	Total porosity		
POOH	Pulled Out of Hole		
POS	Probability Of Success		
PPL	Petroleum Production Levy		
ppm wt	Parts per million by weight		
PPT	Petroleum Profits Tax		

PART VI

COMPETENT PERSON'S REPORT IN RELATION TO INDONESIA

PERLAK OIL FIELD INDEPENDENT REPORT

Reference LEAP/INTER/08/2017/074

COMPETENT PERSON REPORT

Performed for Range Resources Limited on the PERLAK OIL FIELD

LEAP ENERGY

2017

Our Ref : Reference LEAP/INTER/08/2017/074

Date : **November 27, 2017**

The Directors
Range Resources Limited
Level 7, 140 St Georges Terrace
Perth, WA6000
Australia

The Directors
Cantor Fitzgerald Europe ("Cantor Fitzgerald")
One Churchill Place
Canary Wharf
London, E14 5RB

SUBJECT: PERLAK FIELD COMPETENT PERSON'S REPORT

Gentlemen,

In response to the Letter of Engagement ("LoE"), dated 05 September 2017, with Range Resources Ltd ("Range Resources") and Cantor Fitzgerald, LEAP ENERGY Sdn Bhd ("LEAP ENERGY") has completed an independent evaluation of in-place and recoverable hydrocarbons in the Perlak field in which Range Resources currently has a 23% indirect interest. This report is issued by LEAP ENERGY under the appointment by Range Resources and Cantor Fitzgerald and is produced as part of the services detailed therein and subject to the terms and conditions of the Letter of Engagement ("Agreement").

This report is addressed to both Range Resources and Cantor Fitzgerald (collectively referred to as "The Companies") as defined in the Agreement. The report is only capable of being relied on by the Companies and any third parties under and pursuant to (and subject to the terms of) the Agreement. The report has been compiled in accordance with the guidelines on the scope and content of a Competent Person's Report ("CPR") as set out in the AIM Note for Mining and Oil & Gas Companies.

This report is based on data and information available up to 1st August 2017. The effective date for the evaluation is 1st August 2017. LEAP ENERGY understands that there have been no material changes since this date. The Services have been performed by a LEAP ENERGY team of professional petroleum engineers, geoscientists and economists and is based on the data supplied through Range Resources.

All Reserves and Resources definitions and estimates contained in this report are based on the 2007 SPE/AAPG/WPC/SPEE Petroleum Resource Management System ("PRMS"). Our approach has been to review the Range Resources' technical interpretation of their base case geoscience and engineering data for the field for reasonableness and to review the ranges of uncertainty to generate a 1C, 2C and 3C estimate of the in-place and recoverable resources. Table 1 and Table 2 provide a summary of the gross and net recoverable resources evaluated by LEAP ENERGY for the Perlak field.

Resources are classified as "Contingent, Status Unclarified' given their technical and commercial maturity. No economic analysis nor testing was performed, and therefore the resources are solely technical estimated. No risk factor representing a 'chance of development' has been applied to the estimated resources.

Table 1. Gross Resources Estimates, as of effective date 1 August 2017

Estimated Ultimate Recovery				
	Low (1C)	Mid (2C)	High (3C)	
Associated Gas (Bscf)	71.9	111.9	242.9	
Oil (MMstb)	53.6	63.1	129.9	
Cumulative Produced to Date				
Associated Gas (Bscf)	64.4	64.4	64.4	
Oil (MMstb)	49.8	49.8	49.8	
Gross Remaining recoverable resources (Contingent Resource – Status Unclarified) **For Operator: Range Resources**				Operator
Associated Gas (Bscf)	7.5	47.5	178.5	P.T Aceh Timur Kawai Energi
Oil (MMstb)	3.8	13.3	80.1	

Under the current arrangements, the following Net Equity Splits to Range Resources Ltd have been applied:

- 'Current Net Resources': 23% (indirect) stake
- 'Future Net Resources': raised to 42% (indirect) stake, once the minimum work programme is completed at the end of the 3 year period.

Table 2. Net Resources Estimates, as of effective date 1 August 2017

Current Net Remaining recoverable resources (Contingent Resources – Status Unclarified) for Range Resources				Operator
	Low (1C)	Mid (2C)	High (3C)	
Associated Gas (Bscf)	1.7	10.9	41.1	P.T Aceh Timur Kawai Energi
Oil (MMstb)	0.9	3.1	18.4	
Future Net Remaining recoverable resources (Contingent Resources – Status Unclarified) for Range Resources				
Associated Gas (Bscf)	3.2	20.0	75.0	P.T Aceh Timur Kawai Energi
Oil (MMstb)	1.6	5.6	33.6	

No prospective resources are attributed to the Perlak field.

VALUATION

As per the Agreement, no economic analysis was performed for the asset, and therefore no valuation is presented. As stated above, contingent resources are solely based on technical estimates.

QUALIFICATIONS

LEAP ENERGY is an independent consultancy specialising in petroleum reservoir assessment and asset evaluation. LEAP ENERGY is independent of Range Resources and is remunerated by way of a fee that is neither linked to the value of Range Resources nor to that of the Perlak field. Neither LEAP ENERGY nor any of its directors, staff or sub-consultants who contributed to the report has any interest in the Company, its subsidiaries, or any of its assets or securities (including the common shares).

Mr Laurent Alessio, Managing Director supervised the evaluation and Mr Chris Connell, Director and Head of Advisory Services for LEAP ENERGY, has reviewed the results of the evaluation and approved the report. Mr Connell has over 30 years' experience in upstream oil and gas and is a long standing member of the Society of Petroleum Engineers. Chris Connell has over 20 years of experience in estimating, assessment and evaluation of oil and gas reserves and resources. Other LEAP ENERGY employees involved in this work hold at least a Master's degree in geology, geophysics, petroleum engineering or a related subject or have at least five years of relevant experience in the practice of geology, geophysics or petroleum engineering. This CPR was not the product of a sole practitioner.

BASIS OF OPINION

The results presented herein reflect our informed judgement based on accepted standards of professional investigation, but is subject to generally recognized uncertainties associated with the interpretation of petrophysical, geological, geophysical and engineering data. The services have been conducted within our understanding of petroleum legislation, taxation and other regulations that currently apply to these interests. However, LEAP ENERGY is not in a position to attest to the property title, financial interest relationships or encumbrances related to the properties. No site visit was performed to the asset location. Given the absence of a development plan made available, LEAP ENERGY is also unable to make an assessment of equipment required for the Perlak field exploitation.

Our estimates of resources and value are based on the data set available to LEAP ENERGY, and provided by The Companies. We have accepted, without independent verification, the accuracy and completeness of these data.

The report represents LEAP ENERGY's professional judgement and should not be considered a guarantee or prediction of results. It should be understood that any evaluation, particularly one involving exploration and future petroleum developments, may be subject to significant variations over short periods of time as new information becomes available. LEAP ENERGY cannot and does not guarantee the accuracy or correctness of any interpretation made by it of any of the data, documentation and information provided by the Companies or others in accordance with the Agreement. LEAP ENERGY does not warrant or guarantee, through the Services, this report or otherwise, any geological or commercial outcome.

In preparing the Report LEAP ENERGY has used reasonable skill and reasonable care to be expected of a consultant carrying out services of the type set out in the Letter of Engagement. LEAP ENERGY is responsible for this report and declares that it has taken all reasonable care to ensure that the information contained in the CPR is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

CONSENT FOR USE AND DISTRIBUTION

LEAP ENERGY hereby consents to the publication and use of: (i) the CPR; and (ii) its name, by the Companies, in both electronic and paper form, including the Companies' website, in the form and context in which it appears. As at the date of this letter, LEAP ENERGY has not withdrawn this consent.

This report relates specifically and solely to the subject assets and is conditional upon various assumptions that are described herein. The report, of which this letter forms part, must therefore be read in its entirety. This report may only be used in accordance with purpose stated in the Agreement, except with permission from LEAP ENERGY. The report must not be reproduced or redistributed, in whole or in part, to any other person than the addressees or published, in whole or in part, for any other purpose without the express written consent of LEAP ENERGY. The reproduction or publication of any excerpts is not permitted without the express written permission of LEAP ENERGY

Yours Faithfully,

Arnout Everts
Managing Partner
Certified European Geologist (Title No. 1435, awarded by the European Federation of Geologists)

COMPETENT PERSON REPORT

Prepared for:

Range Resources Limited and Cantor Fitzgerald

27 November 2017– FINAL RELEASE VERSION

This report relates specifically and solely to the subject asset and is conditional upon various assumptions that are described herein. This report must, therefore, be read in its entirety. Our estimates of potential reserves, resources, unrisked and risked values are based on data provided by the Companies. We have accepted, without independent verification, the accuracy and completeness of these data. All interpretations and conclusions presented herein are opinions based on inferences from geological, geophysical, engineering or other data. The report represents LEAP ENERGY's professional judgement and should not be considered a guarantee of results. Our liability is limited solely to The Companies as covered in the Letter of Engagement between The Companies and LEAP ENERGY.

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1 EXECUTIVE SUMMARY AND CONCLUSION

LEAP ENERGY was engaged by Range Resources to conduct an independent evaluation of the hydrocarbon in place and recoverable resources in the Perlak Field located onshore Sumatra, Indonesia. This evaluation leveraged the work conducted by Range Resources and its technical partner LandOcean, retaining the assumptions whenever it was deemed technically and commercially reasonable, and modifying parameters whenever necessary.

1.1 ASSET DESCRIPTION

The Perlak field is located in the village of Bukit Pala, within the District Rantau Peureulak, East Aceh District, Aceh Province. This field is located approximately 252 km to the Northwest of the city of Medan (Figure 1) and covers an area around 10 km2, adjacent to Block A PSC (PT Medco Energi and Production Indonesia or PT MEPI). The Perlak field was discovered in 1899 by BPM oil company (Dutch Company) and started production in 1900. During the period of 1899~1942, BPM drilled as many as 305 wells, of which 245 wells were production wells with total cumulative production of 47,534,116 bbl, whilst 73 wells were reported as dry holes. For these 'dry holes' it is unclear whether the inability to produce was the result of absence of producible reservoir (sand or moveable hydrocarbons), or mechanical problems.

In late 1942, BPM had to cease production due to the invasion by the Japanese army during World War II. At that time, the field production was 770 bopd, from 27 wells.

No effective production activities occurred between 1942 and 1971, after which Asamera became the operator of the Perlak field. Over the period 1971 to 1983, Asamera drilled 8 wells (wells APP-1 to APP-8 inclusive), but with marginal production success: whilst logging suggested good oil potential in most zones, oil would not flow naturally. From 1996-1997, Permindo Company attempted to restore production through wells drilled by Asamera and also drilled two wells (well PP-1 & PP-2).

In 1999, the Perlak field was shutin temporarily by Pertamina due to political and security issues. In April 2007, Pacific Oil & Gas Perlak Ltd (POG) Ltd took over as operator and signed an operation contract (KSO) with Pertamina EP. POG commenced activities in Perlak, performing workovers in 2008 but these were unsuccessful. In 2011, Pacific Oil & Gas (Perlak) Ltd. drilled 3 wells: POG-D and POG-E were production wells, whilst POG-C was classified as a dry hole. Production from POG-D and POG-E commenced in May 2011. In April 2013 Pacific Oil & Gas (Perlak) Ltd. returned the Perlak field to Pertamina EP.

In 2017, a co-operation agreement was signed between Pertamina EP and PT Aceh Timur Kawai Energy, a Joint Venture in which Range Resources is the major shareholder (through its equity interest in PT Hengtai Weiye Oil and Gas).

An overview of the asset and Range Resouces' interest is provide in Table 3.

Table 3 Asset summary table

Asset	Operator	Interest (%)	Status	Licence expiry date	Licence area	Comments
Perlak	PT Aceh Timur Kawai Energi	23%	Appraisal/ Development	27 September 2032	10.43 km^2	Work underway in the first year of three-year firm commitment period

1.2 WORK CONDUCTED IN SUPPORT OF THE CPR

The requested objective of this CPR is to provide an independent view of the oil and gas resources within the Perlak field.

Owing to its long history, the available subsurface data in the Perlak field does not allow for a traditional resource in place and recoverable estimation, using current modern analytical and/or numerical techniques. The dataset provided had the following features:

- None of the wells drilled prior to 1942 (BPM operatorship), have electric logs. Strip log (lithology logs) were mentioned on several occasions, however the data set was not made available during this study.
- Well tops on the BPM wells were provided in the Petrel deck transferred to LEAP ENERGY, however the basis for picking tops was not clear and the depth of the well tops are not consistent with well tops in the recent 15 wells (with electric logs).
- Data set transferred in the Petrel deck was not well organized, with several versions of seismic interpretation, well tops and structure maps present but without an audit trail. The latest / official version of wells, well tops and depth maps were finally transferred at the report writing stage of this CPR study.

We have verified Range Resources' interpretation of the seismic and petrophysics, and found these interpretations to be reasonable. We have followed a production-based approach to assess the range of the initial fluid contacts. Subsequently, we have used those interpretations to independently compute estimates of the ranges in Stock Tank Oil Initially In Place (STOIIP), recoverable resources and remaining recoverable resources, Gross and Net to Range Resources.

1.3 SUMMARY OF RESOURCES

The estimated ultimate recovery, cumulative to date and remaining recoverable resources are presented in the following table. Note that estimates of Ultimate Recovery are purely technical and do not include any economic cutoffs.

Table 1-4: Gross Resource Estimates, as of effective date 1 August 2017

Estimated Ultimate Recovery				
	Low (1C)	Mid (2C)	High (3C)	
Associated Gas (Bscf)	71.9	111.9	242.9	
Oil (MMstb)	53.6	63.1	129.9	
Cumulative Produced to Date				
Associated Gas (Bscf)	64.4	64.4	64.4	
Oil (MMstb)	49.8	49.8	49.8	
Gross Remaining recoverable resources (Contingent Resource – Status Unclarified) For Operator: Range Resources				Operator
Associated Gas (Bscf)	7.5	47.5	178.5	P.T Aceh Timur Kawai Energi
Oil (MMstb)	3.8	13.3	80.1	

In line with the 2011 PRMS guidelines (see section 3 of this report), we indicate the commercial risk level associated with the Perlak contingent resources by assigning to the resource maturity sub-class of 'Status unclarified'. This classification provides a qualitative indication of the commercial status of the remaining resources in Perlak and the risk factors associated with the monetization of those resources. Generally speaking, risk factors applicable to a discovered resource like Perlak include meeting economic and commercial thresholds, securing investor funding, obtaining regulatory approvals and specifically for the gas resources, securing a sales and purchase agreement. Monetization of the oil resources will require clarity on the re-development concept, which may require additional data gathering and the implementation of production pilots, as well as an economic evaluation of the project. Monetization of the gas resources carries a higher risk than the oil resources, given the additional commercial and market requirements it carries. Based on the information at hand, we are not in a position to quantify any of these commercial risk factors, and therefore no 'chance of development' risk factor has been applied in the estimated resources.

Under the current arrangements, the following Net Equity Splits to Range Resources Ltd have been applied:

- 'Current Net Resources': 23% (indirect) stake
- 'Future Net Resources': raised to 42% (indirect) stake, once the minimum work programme is completed at the end of the 3 year period.

Table 1-5: Net Resource Estimates, as of effective date 1 August 2017

Current Net Remaining recoverable resources (Contingent Resources – Status Unclarified) for Range Resources				Operator
	Low (1C)	Mid (2C)	High (3C)	
Associated Gas (Bscf)	1.7	10.9	41.1	P.T Aceh Timur Kawai Energi
Oil (MMstb)	0.9	3.1	18.4	
Future Net Remaining recoverable resources (Contingent Resources – Status Unclarified) for Range Resources				
Associated Gas (Bscf)	3.2	20.0	75.0	P.T Aceh Timur Kawai Energi
Oil (MMstb)	1.6	5.6	33.6	

No prospective resources are attributed to the Perlak field.

Note that the possibility of gas commercialization within the context of this KSO was not considered. In addition the duration of the KSO agreement is not considered in the determination of the Oil and Gas remaining recoverable resources. As per the Letter Of Engagement, an independent assessment of the technically recoverable resources was conducted without the constraints of the license terms and developmental economics.

1.4 Development Concept

Range Resources Ltd and their technical partners are currently in the process of formulating the further development concept of Perlak Field. LEAP ENERGY has not formed any view on the development options and has not provided commentary in this document.

No site visit was conducted as part of this report, and given the absence of a development plan made available, LEAP ENERGY is unable to make an assessment of equipment required for the Perlak field exploitation.

1.5 Economic and Valuation Assessment

As per the Letter of Engagement, LEAP ENERGY has not undertaken an economic assessment or valuation of this asset. In addition, no verification of the validity of the license terms, nor JV agreement was conducted. No physical verification with respect to assets was conducted, and LEAP ENERGY cannot guarantee the validity of the commercial agreements.

The technical resources presented herein do not constitute a basis for company or asset valuation.

2 INTRODUCTION

2.1 ASSET OVERVIEW

The Perlak field is located in the village of Bukit Pala, District Rantau Peureulak, East Aceh District, Aceh Province. This field is located approximately 252 km to the Northwest of the city of Medan (Figure 1) and covers an area around 10 km2, adjacent to Block A PSC (PT Medco Energi and Production Indonesia or PT MEPI), as shown in Figure 2-1 below.

Figure 2-1. Location Map of Perlak Field.

2.2 EXPLORATION AND APPRAISAL HISTORY

The Perlak field was discovered in 1899 by BPM oil company (Dutch Company) and started production in 1900. During the period of 1899 to 1942, BPM drilled approximately 305 wells, of which 245 wells were production wells with a total cumulative production 47,534,116 bbl and 73 wells were dry holes. In late 1942, BPM left the Perlak field due to destruction associated with the invasion by the Japanese army during World War II. This led to the absence of optimal production activities from 1942to 1971.

During the period 1971 to 1983, Asamera company became the operator of the field, drilling 8 wells (wells APP-1 to APP-8 inclusive), but these wells performed poorly. Almost all zones had good oil shows but the oil would not flow naturally.

From 1996 to 1997, Permindo Company drilled two new wells (well PP-1 & PP-2). In 1999 the Perlak field was shut in temporarily by Pertamina due to political and security issues.

In April 2007, Pacific Oil & Gas Perlak Ltd (POG) Ltd took over as operator and signed an operation contract (KSO) with Pertamina EP. POG commenced activities in Perlak, performing workovers in 2008 but these were unsuccessful. In 2011, Pacific Oil & Gas (Perlak) Ltd. drilled 3 wells: POG-D and POG-E were production wells, whilst POG-C was classified as a dry hole. Production from POG-D and POG-E commenced in May 2011. In April 2013, Pacific Oil & Gas (Perlak) Ltd. returned the Perlak field to Pertamina EP.

2.3 LICENSE TERMS AND COMMITMENTS

The Perlak Field was awarded to the contractor (PT Aceh Timur Kawai Energy JV) by PT. Pertamina EP in 2017 through KSO (Cooperation Operation Agreement).

Currently, the Participating Interest holders of the Perlak KSO are as follows:

- PT Lukar, 49% ; consists (in proportion) of:
  - PT Hengtai Weiye Oil and Gas , 78%
  - Original PT Lukar shareholder,22%
- PT ATEM, 51%

PT Atem's participation will be reduced to 10% once the minimum work programme is completed with PT Lukar's participation increasing in proportion.

The firm commitment for the first 3 years is to spend USD 550,000 in the first year for GG&R studies, well surveying, and workovers; USD 1,000,000 in second year for GG&R studies and 3 well workovers; and USD 2,250,000 in the third year for GG&R studies and the drilling of a new shallow well.

2.4 FISCAL TERMS

The KSO terms are presented in Figure 2-2.

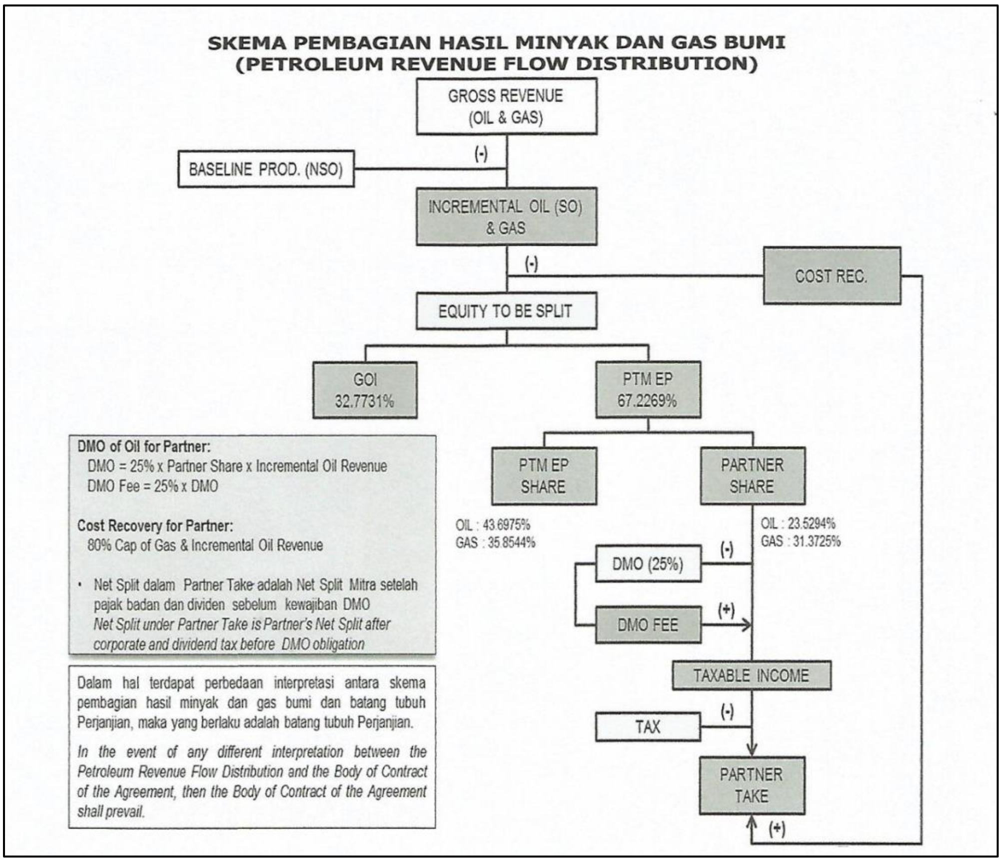


Figure 2-2. Fiscal terms and revenue split

2.5 EXPLORATION AND DEVELOPMENT STRATEGY

It is understood that the Operator is currently in the process of formulating a further development concept for the Perlak Field.

3 RESOURCE CLASSIFICATION

3.1 LIMITATIONS & DISCLAIMERS

The evaluation presented in this Competent Persons Report ("CPR") has been conducted within our understanding of the regional petroleum legislation, taxation and other regulations that currently apply to these interests. LEAP ENERGY is not in a position to attest to the property title, financial interest relationships or encumbrances related to the property. Our estimates of potential resources and risks are based on the data set available to LEAP ENERGY as provided by Range Resources. We have accepted, without independent verification, the accuracy and completeness of these data.

3.2 PRMS RESERVES & RESOURCES DEFINITIONS

Volumes and risk factors are presented in accordance with the 2007 SPE/WPC/AAPG/SPEE Petroleum Resource Management System ("PRMS") and the 2011 SPE/WPC/AAPG/SPEE Guidelines for the Application of PRMS. We provide in this section a summary of the relevant definitions and references that are in consideration for the resource classification definition.

3.2.1 Resource classification

The SPE 2007 PRMS document provides the following risk and uncertainty based assessment.

Vertical axis: resource type classification

The Risk is represented on the vertical axis, and is the basis for the classification in Discovered Reserves, Discovered Contingent Resources and Undiscovered Resources.

The main difference between Contingent Resources and Reserves is whether commercial viability has been established with sufficient definition and is combined with an intent to develop the resources. For resources to be classified as reserves, a project to develop them must be sufficiently defined, its viability established technically and commercially, and there must be an intent and commitment to go ahead within a reasonable timeframe.

Undiscovered identified resources are classified as Prospective (see the next section for the definition of Discovery status).

Note that further sub-classifications are made within these three main groups, to capture project economic, technical and technological maturity.

Horizontal axis: uncertainty based classification

Within each of these three main groups (Reserves, Contingent and Prospective Resources), the level of uncertainty is captured by the respective 1P/2P/3P, 1C/2C/3C and Low/Mid/High estimates. The PRMS classification recommends a mapping to be made between the probabilistic assessment P90/P50/P10 and the 1/2/3 and Low/Mid/High categories.

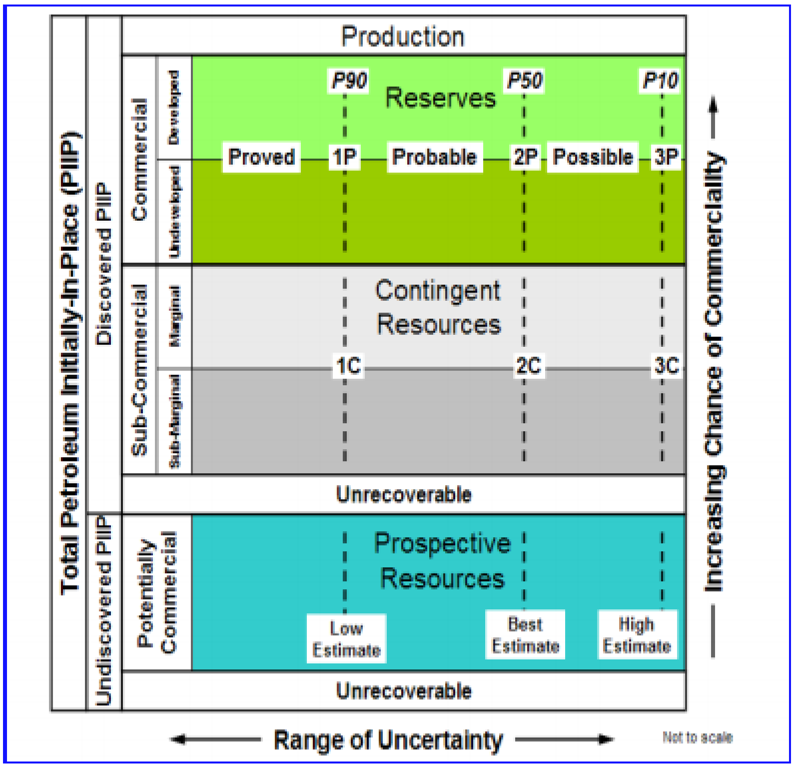


Figure 3-1: PRMS 2007 Resource Classification diagram

3.2.2 Discovery Status justification

According to the PRMS 2007 document, the following defines the requirement for volumes to be 'discovered'":

A discovery is one petroleum accumulation, or several petroleum accumulations collectively, for which one or several exploratory wells have established through testing, sampling, and/or logging the existence of a significant quantity of potentially moveable hydrocarbons. In this context, "significant" implies that there is evidence of a sufficient quantity of petroleum to justify estimating the in-place volume demonstrated by the well(s) and for evaluating the potential for economic recovery. Estimated recoverable quantities within such a discovered (known) accumulation(s) shall initially be classified as Contingent Resources pending definition of projects with sufficient chance of commercial development to reclassify all, or a portion, as Reserves. Where in-place hydrocarbons are identified but are not considered currently recoverable, such quantities may be classified as Discovered Unrecoverable, if considered appropriate for resource management purposes; a portion of these quantities may become recoverable resources in the future as commercial circumstances change or technological developments occur.

3.2.3 Project Maturity Subclasses

As detailed in PRMS 2007 and the PRMS application guidelines of 2011, development projects (and their associated recoverable quantities) may be sub-classified according to project maturity levels and the associated actions (business decisions) required to move a project toward commercial production.

For Reserves, the project maturity sub-classes include the following:

1. Reserves (On Production)
2. Reserves (Approved for Development)
3. Reserves (Justified for Development)

Whilst the "On Production" subclass is self-evident, the difference between "Approved for Development" and "Justified for Development" is more subtle. Projects "Approved for Development" have all required approvals and contracts in place. For a project to classify as "Justified for Development", there must be a firm agreement by all parties and stakeholders that the project is commercially viable and to be executed (i.e., there is a firm "intent") whilst some of the specific contracts and approvals are still being secured. Therefore, projects normally would not be expected to be classified as "Justified for Development" for very long. In PRMS, the recommended benchmark is that development would be expected to be initiated within 5 years of assignment to this subclass.

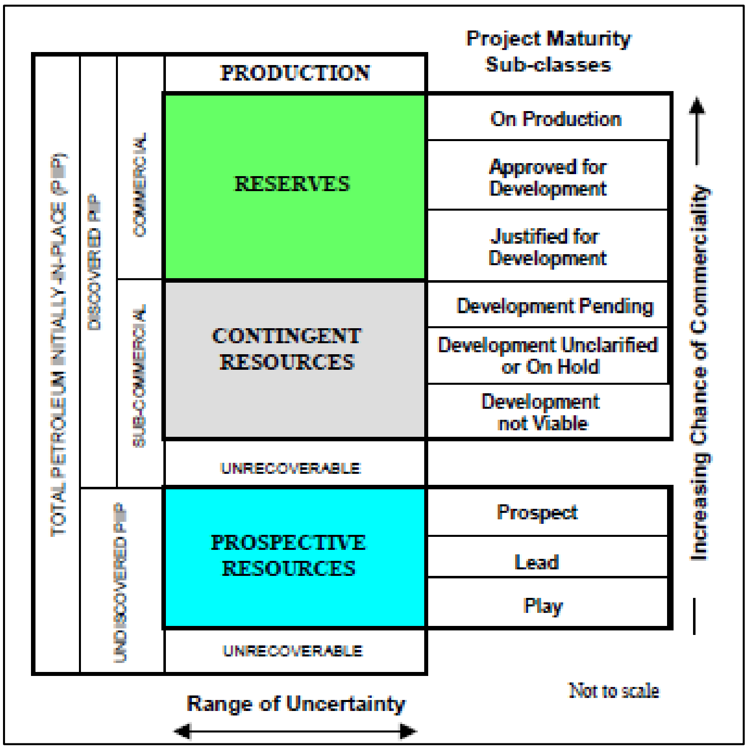


Figure 3-2: subclasses based on project maturity

Discovered sub-commercial projects are classified as Contingent Resources. For contingent resources, the subclasses include the following:

1. Contingent Resources (Development Pending);
2. Contingent Resources (Development Unclarified or on Hold);
3. Contingent Resources (Development not Viable).

The PRMS defines a project as Sub-Commercial if the degree of commitment is such that the accumulation is not expected to be developed and placed on production within a reasonable time frame. While 5 years is recommended as a benchmark, a longer time frame could be applied where, for example, development of economic projects are deferred at the option of the producer for, among other things, market-related reasons, or to meet contractual or strategic objectives.

PRMS divides projects currently classified as Contingent Resources into two groups, based on assumptions regarding future conditions and their impact on ultimate economic viability. These two groups are Marginal Contingent Resources and Sub-Marginal Contingent Resources. Marginal Contingent Resources are known (discovered) accumulations for which a development project has been evaluated as economic or reasonably expected to become economic but commitment is withheld because of one or more contingencies. Sub-Marginal Contingent Resources on the other hand, are known (discovered) accumulations for which a development project has been evaluated to not meet economic criteria, even considering reasonably expected improvements in conditions.

3.3 RISK ASSESSMENT

Both Contingent Resources and Prospective Resources are subject to risk. Prospective Resources are undiscovered and the probability of success is referred to in PRMS as the Chance of Discovery (CoD). Contingent Resources are by definition discovered but are subject to a Chance of Development (also CoD). Assigning a CoD is not required formally as part of external reporting, as stated in the 2011 Guidelines for the application of PRMS:" If Contingent Resources are reported externally, the commercial risk can be communicated to users (e.g., investors) by various means, including: (1) describing the specific contingencies associated with individual projects; (2) reporting a quantitative chance of commerciality for each project; and/or (3) assigning each project to one of the Project Maturity subclasses"(p16).

To avoid confusion with acronyms LEAP ENERGY has used the term Geological Probability of Success (GPoS) in this document synonymously with Chance of Discovery.

3.3.1 Contingent Resources

Some industry practitioners recommend that a probability of success factor should be estimated for Contingent Resources. This is defined as the chance or probability that the volumes will be commercially extracted, i.e. converted to Reserves, and is analogous to the Chance of Development defined in the PRMS. A Contingent Resource includes both proven hydrocarbon accumulations, for which there is currently no development plan or sales contract, and proven hydrocarbon accumulations that are too small or where the reservoirs are of insufficient quality to allow commercial development at current prices. As a result, the estimation of the chance that the volumes will be commercially extracted addresses both commercial and technical issues.

Unlike Prospective Resources, where there is an accepted industry approach to risk assessment, (i.e. the Chance of Discovery is represented by the likelihood of source rock, charge, reservoir, trap and seal interacting to produce a present-day hydrocarbon accumulation), there is no accepted industry approach to estimating Chance of Development for Contingent Resources.

In this report, the Contingent Resources will be reported on an 'unrisked' basis.

3.3.2 Prospective Resources

Unlike risk assessment for Contingent Resources, when dealing with undrilled prospects there is a more accepted industry approach to risk assessment for Prospective Resources. It is standard practice to assign a Probability of Success (PoS) which represents the likelihood of source rock, charge, reservoir, trap and seal combining to result in a present-day hydrocarbon accumulation. LEAP ENERGY assesses risk by considering both a play risk and a prospect risk. The chance of success for the play and prospect are multiplied together to give a Probability of Success (PoS). We consider three factors when assessing play risk: source, reservoir, seal and we consider four factors when assessing prospect risk: trap, seal, reservoir and charge. The result is the chance or Probability of discovering hydrocarbon volumes within the range defined. It is not an estimation of commercial chance of success.

3.4 RESOURCES AGGREGATION

In case of multiple hydrocarbon pools being under consideration, it is common for operators to develop a resource summary for the aggregated portfolio of discovered and undiscovered reserves and resources, into different categories (1P, 2P, 3P, 1C, 2C, 3C). Given the corresponding confidence factor associated with these resources (1P and 1C = 90%, 2P and 2C = 50%, 3P and 3C = 10%), it is only statistically correct to probabilistically aggregate those, and not arithmetically add the reserves and resources within their corresponding categories. Probabilistic addition can be adequately performed with a sampling method such as Monte Carlo simulation, or other similar methodologies.

PRMS however recommends that for reporting purposes, assessment results should not incorporate statistical aggregation beyond the field, property or project level. It also recognizes that the arithmetic sum of 1P Reserves or 1C Resources will be pessimistic and not representative of the true aggregated P90 Reserves or Resources. Similarly the arithmetic sum of 3P Reserves or 3C Resources will be optimistic and not representative of the true aggregated P10 Reserves or Resources.

3.5 CLASSIFICATION OF PERLAK FIELD RESOURCES

Based on the technical and other information available to us, we recommend that the resources in the Perlak field are classified as "Contingent Resources", with project maturity status "Development Unclarified'. In line with PRMS standards (Figure 3-2), this classification provides a qualitative indication of the commercial status and risk factors associated with the monetization of Perlak field resources. Generally speaking, risk factors applicable to a discovered resource like Perlak include meeting economic and commercial thresholds, securing investor funding, obtaining regulatory approvals and specifically for the gas resources, securing a sales and purchase agreement. Monetization of the oil resources will require clarity on the re-development concept, which may require additional data gathering and the implementation of production pilots, as well as an economic evaluation of the project. Monetization of the gas resources carries a higher risk than the oil resources, given the additional commercial and market requirements it carries. Based on the information at hand, we are not in a position to quantify any of these commercial risk factors. No economic analysis or testing was performed, and therefore the resources reported herein solely provide a technical estimate without any economic consideration or cutoff.

The subsequent sections of this report will discuss our assessment of reasonableness of Range Resources' technical interpretation of geoscience and engineering data for the field, review the ranges of uncertainty and generate a 1C, 2C and 3C estimate of the in-place and recoverable resources.

4 AVAILABLE DATASET

4.1 INTRODUCTION

The Perlak field data quality and availability is considered poor, given that most of its exploitation and production history is pre-World War II. Most of the wells were drilled before electrical logs were available, and it appears that a lot of data was lost during the Japanese invasion and after the long activity hiatus until 1971. In addition, several operator changes occurred up to the current Operator.

The Operator provided the following information related to studies conducted:

- Petrel project named “1.pet” containing, seismic data set, well trajectories, well logs, several versions of well tops, several versions of structural framework and several versions of depth maps. No audit trail or explanation was provided to verify the latest / official interpretation
- Production data sheet from approximately 305 wells with cumulative production data only from the years 1899 to 1942.
- Several technical study reports and power point presentations
- Emailed Petrel project, named “Perlak,pet” from LandOcean Energy Services Co Ltd, containing well trajectories, logs, well tops, raw depth map, and final depth map.

4.2 SEISMIC DATASET

The seismic data set as received is outlined in Table 4-1. No details on the vintage, acquisition and processing history of this data were made available.

Table 4-1: seismic data availability

SEISMIC DATA (TWT)	
Type of Dataset	Description
3D seismic	18 km2 survey
2D seismic data	9 lines

The coverage of the Perlak 2D and 3D seismic surveys is shown in Figure 4-1.

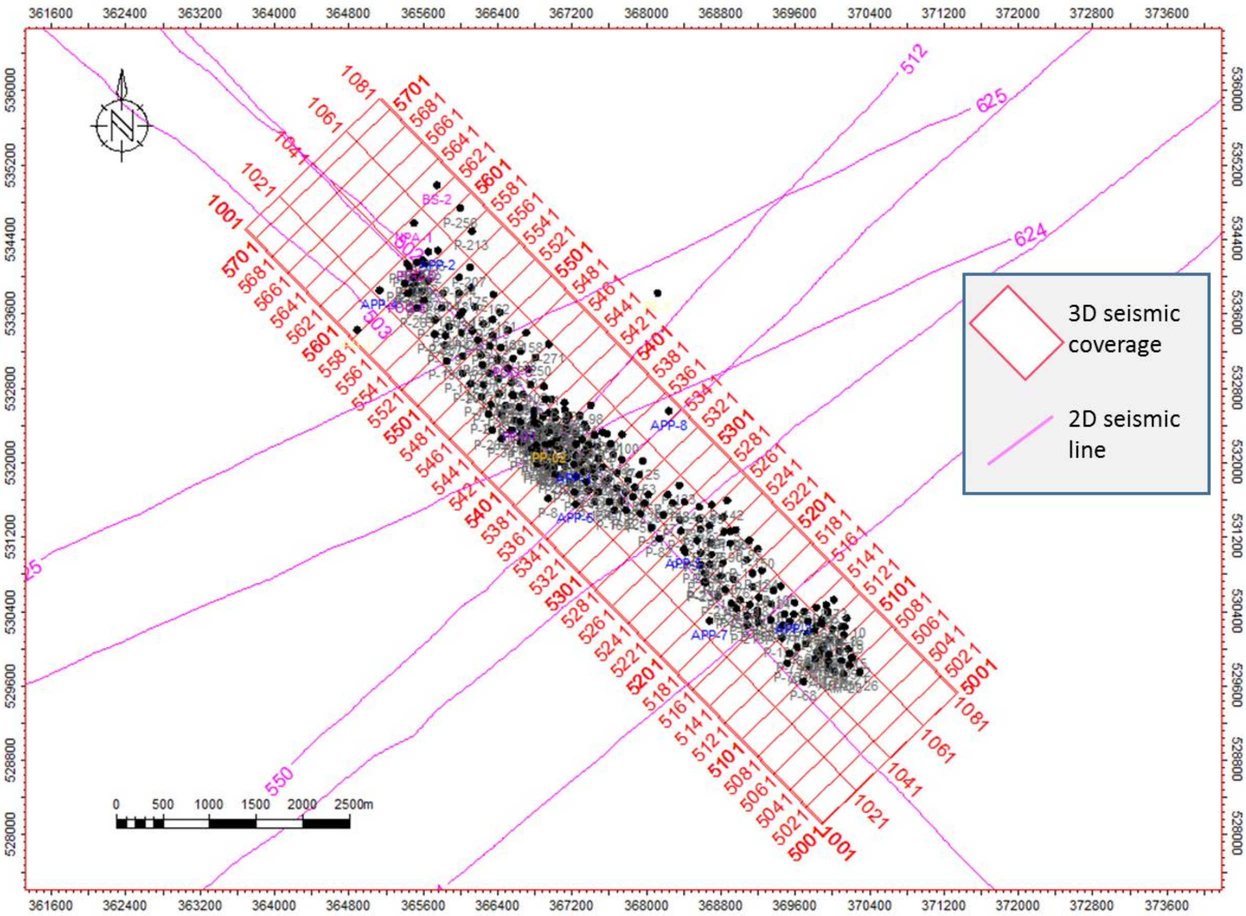


Figure 4-1: Coverage of Perlak seismic survey

4.3 WELL DATASET

4.3.1 Well Log

Well-log availability for the appraisal wells drilled to date within the block as reported by Range Resources, is outlined in Table 4-2.

Table 4-2: well-log data availability

WELL	GR	Cali	SP	Density	Neutron	Rt	Rm	Rxo	Other Resistivity	SONIC	DIP	PEF	CBL	GASLOG	SWC	CORE
APP1	X	X	X	X	X	X			16 Inch Normal							
APP2						X					X			YES	NO	YES
APP3			X			X			16 Inch Normal		X					
APP4			X			X		X	16 Inch Normal							YES
APP5			X			X		X	16 Inch Normal							
APP6			X			X			16 Inch Normal							
APP7			X			X			16 Inch Normal							
APP8			X			X			16 Inch Normal					YES	YES	NO
POG-C	X	X	X	X	X	X	X	X		X				YES	YES	NO
POG-D	X	X	X	X	X	X	X	X		X		X	X	YES	NO	NO
POG-E	X	X		X	X	X	X	X	RESISTIVITY-SONIC	X				YES	YES	NO
PP-01	X					X										

4.3.2 Core dataset

There is not, to LEAP ENERGY's knowledge, any full core data available, and therefore routine and special core analysis likely has not been performed.

Sidewall core data appears to have been acquired in APP-01 and APP-08. Available to LEAP ENERGY was a report with seven (7) routine core analysis from the APP-08 well, with lithology description, porosity and permeability. These indicate overall high porosities (26%-32%) and good to excellent permeabilities (85mD – 10,000 mD).

4.4 AVAILABLE TECHNICAL STUDIES

The key technical study documents and reports pertaining to the Perlak field which were made available by Range Resources for this CPR include:

- Resource Assessment LandOcean Energy Services Co Ltd for Range Resources, 2017
- Geology and Geophysics Study by PSE – UGM for Pacific Oil Gas , 2009
- Technical Review / Audit on the Full Field Review by ETTI for Pacific Oil Gas , 2009

5 SUBSURFACE EVALUATION

5.1 REGIONAL GEOLOGY AND SETTING

Regionally, the Perlak field is in the North Sumatra basin system which is bounded by the Bukit Barisan Mountain in the Southwest, Bows Asahan in the Southeast, the Andaman Sea in the Northwest and Malay Peninsula in the Northeast.

This field is influenced by the wrench fault with North-South trending and is part of the anticline structure. Perlak is at the highest position due to the process of such inversions.

North Sumatra Basin is tectonically located in the back arc basin as a result of subduction of the Indian Ocean. Important events in the formation of the back arc basin are grabens with a trending of north-south caused by tensional stress from Paleogene time to Oligocene and Miocene epoch. After the normal conditions in the early Miocene, reverse faults occurred followed by a series of horizontal faults. The formation of Bukit Barisan in the mid-Miocene occurred as a result of compression.

Significant erosion accompanied by removal of the mountain range brought sediments into the basin behind the arc until the formation of reverse fault at the time Plio-Pleistocene and large-scale removal of sandstones, which form the Syncline and anticline at this point (Figure 5-2).

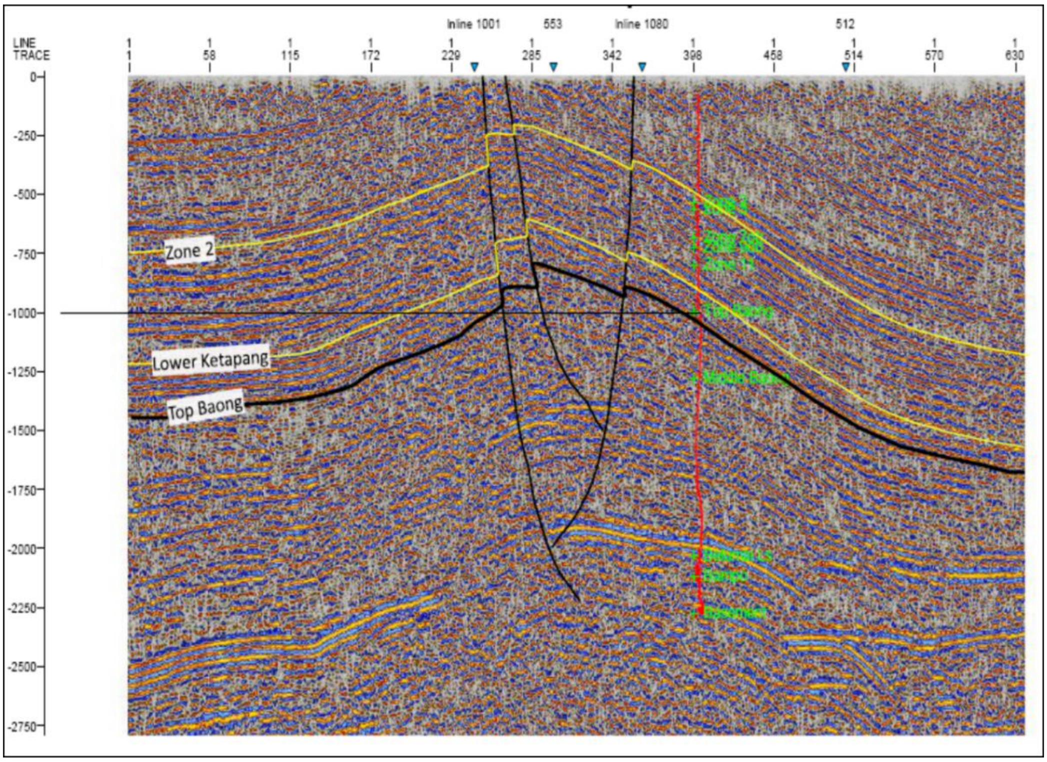


Figure 5-1. Seismic Line NE - SW direction through well EP-1, with horizons of top Zone2, Top Lower Keutapang, and top Baong

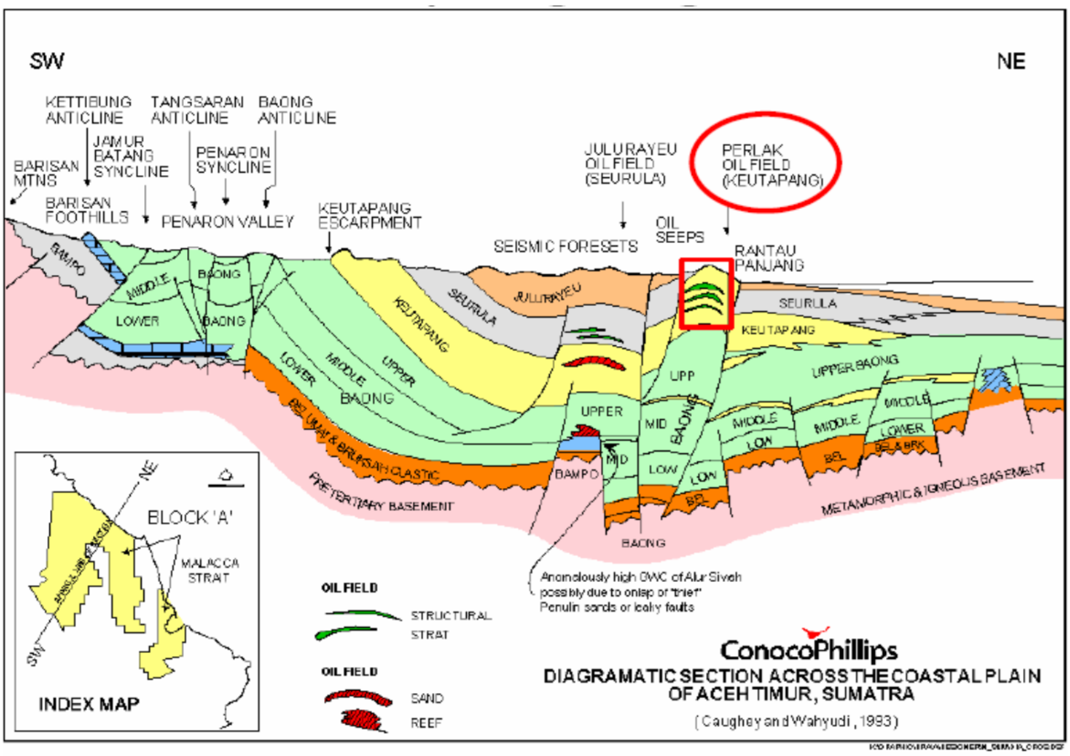


Figure 5-2. Geological section across lands from East Aceh-Sumatra, with structure Wrenching Pop-Up

5.1.1 Stratigraphy

The Perlak field consists of Upper Keutapang Formation, Lower Keutapang Formation and Baong Formation. Baong Formation is dominated by marine shale which formed in the age of Middle Miocene. Lower Keutapang Formation is formed upon Baong which is sandstones and claystones. Overlying Lower Keutapang is Upper Keutapang Formation which is also sandstone and claystone. Both Lower and Upper Keutapang were formed in the Late Miocene. The Upper Keutapang formation is divided into zones C1, 1, 2, 3, 4, 5, 6, 7, 9, 10, 11 and 12. This formation consists of sandstone layers with a color of gray to gray brown with a little clay and limestone. The grain size of sandstones varies from very smooth to the size of pebbles (pebble) conglomerate. Generally these sandstones contain glauconites and/or contain fossils of gastropods, pelecypoda and foraminifera. Coal fragments are often found in some rock outcrops. This formation is interpreted as the prograde delta system to the southeast (Figure 5-3).

Note: there is no top associated with layer 8 in the provided well top interpretation; consequently the net sand and hydrocarbon volumes contained in this layer are included in layer 7.

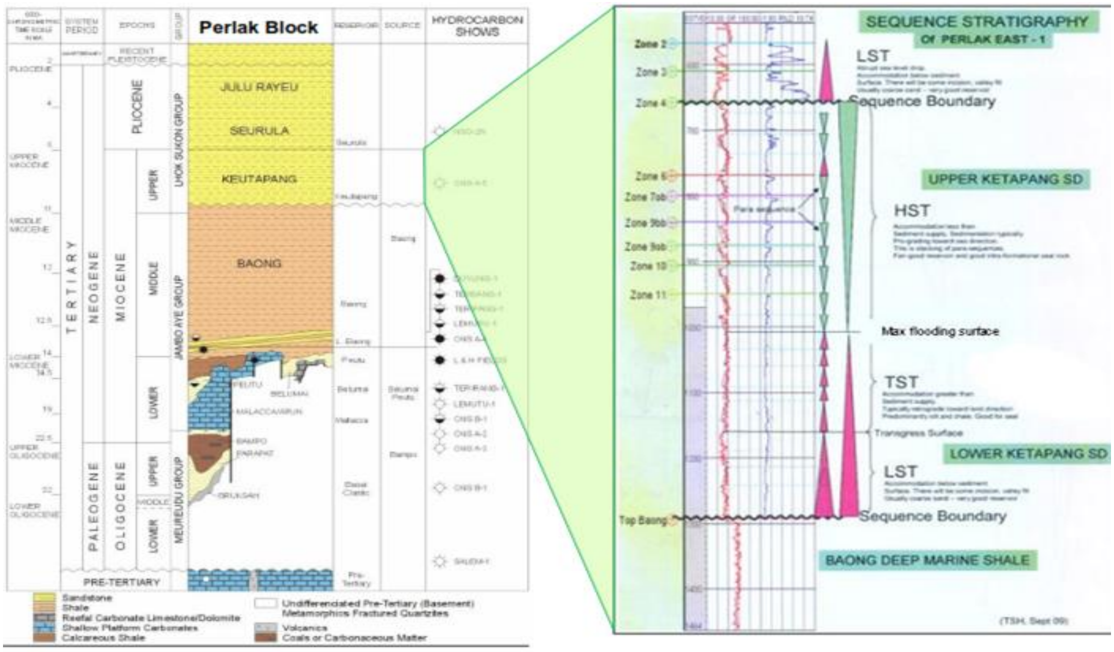


Figure 5-3. Litho-stratigraphy section of Perlak Field

The Lower Keutapang Formation consists of the top and bottom Lower Keutapang. Lithology-wise, this formation is similar to Upper Keutapang. Depositional environment of the Lower Keutapang is shallow sea to delta system consisting of sandstones and clays.

In the Perlak field, the thickness of sandstone in Lower Keutapang is thinner than Upper Keutapang as the Lower Keutapang sandstones were deposited in the transgressive facies phase with moderate to poor quality silty sand.

5.2 GEOPHYSICAL INTERPRETATION

5.2.1 Seismic data quality and seismic-to-well ties

From the 2009 Geology and Geophysical study report by PSE-UGM it is understood that only the Perlak East-1 well has checkshot data. The well is located outside the Perlak 3D seismic volume. Perlak East-1 was tied to the nearest 2D seismic line, which is line 625 (Figure 5-4). No correlation factor between well synthetic seismic and the 2D seismic was mentioned. Well tie quality is however visually very poor, most likely due to seismic quality and dipping reflectors. There was no mention about modifying the Time-Depth table of the checkshots, therefore we assumed that the Perlak East-1 checkshot was used as it is without further adjustment. It is recognized that acquiring VSPs (and/or checkshots) in future infill wells would improve the well ties and eventually the reliability of the structural interpretation.

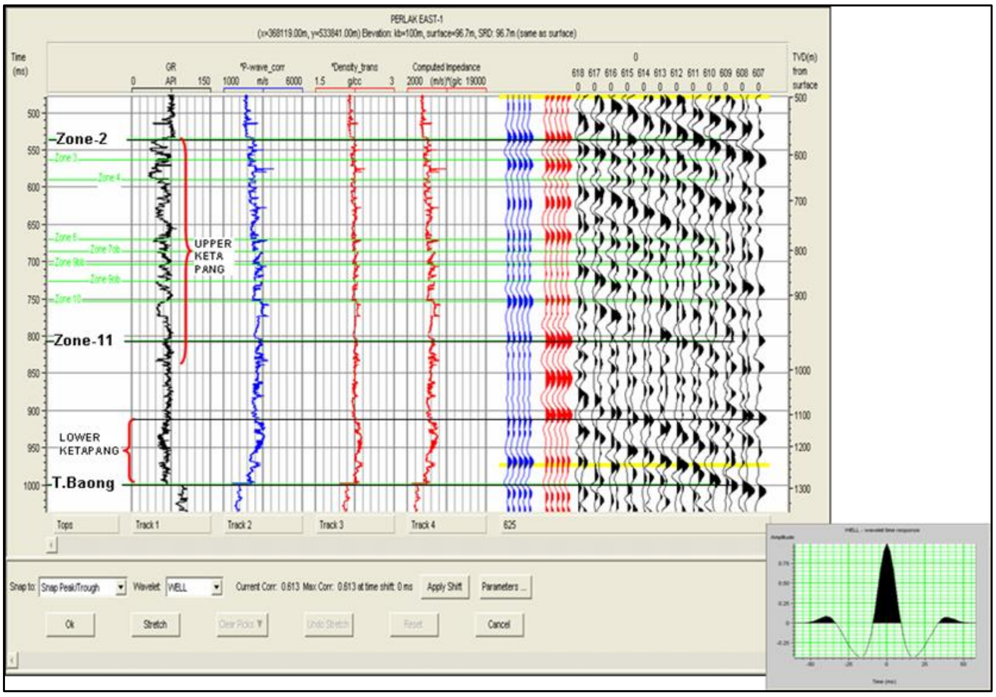


Figure 5-4. Seismic to well tie for Perlak East -1

Top layer of interests, namely : Top layer 2, layer 3, layer 6, layer 7, layer 9, layer 10, layer 11, layer 12, Top Lower Keutapang, Top Intra Lower Keutapang and Top Baong ware interpreted on 2D line 625. They were then extrapolated into Perlak 3D seismic volume as seeds or starting points for 3D seismic interpretation

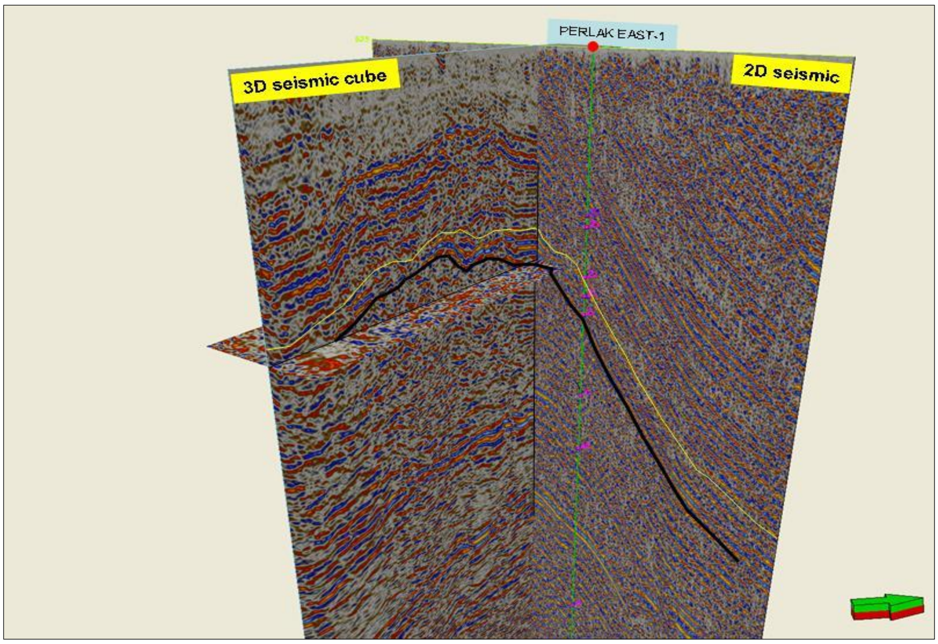


Figure 5-5. 2D line 625 interpretation used as seed/starting point for 3D seismic interpretation

5.2.2 Structural interpretation

It is our understanding that the result of the 2009 PSE-UGM works was carried forward to the 2015-2017 LandOcean Resource assessment study as the basis for structural mapping. A total of 11 seismic horizons have been picked on the Perlak 3D seismic data, namely: Top layer 2, layer 3, layer 6, layer 7, layer 9, layer 10, layer 11, layer 12, Top Lower Keutapang, Top Intra Lower Keutapang and Top Baong. Based on provided reports, Range Resource's interpretations may not be unreasonable. However, significant interpretation ambiguity exists in the crestal areas with poor data and in these areas the structure could be significantly different and/or more complex than what has been mapped by Range Resources. Figure 5-6 and Figure 5-7 show examples of horizon and fault interpretations on 3D seismic volume.

Eleven (11) faults were interpreted. Two main faults trending NW-SE appear to form wrenching fault system with several associated faults intersecting the main faults at an angle. These faults were subsequently used as a basis for reservoir lateral compartmentalization. An example of time maps with fault polygon overlay can be seen in Figure 5-8.

Seismic volume suffers from quality degradation in the crestal area. The reason for crestal deterioration of the seismic image is not entirely clear; it could relate to acquisition issues or subsurface conditions such as more intense faulting. In any case, seismic data coherency is notably poorer in these areas which increases the ambiguity of horizons and faults interpretation.

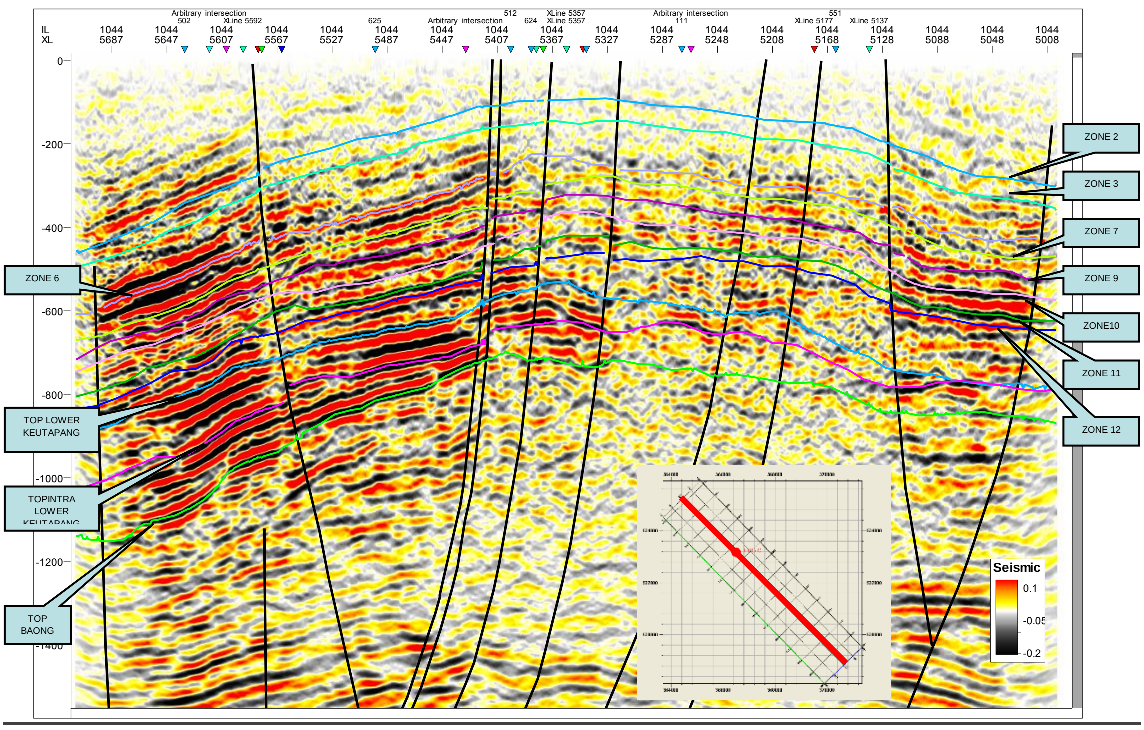


Figure 5-6. Structural interpretation on 3D seismic inline 1044

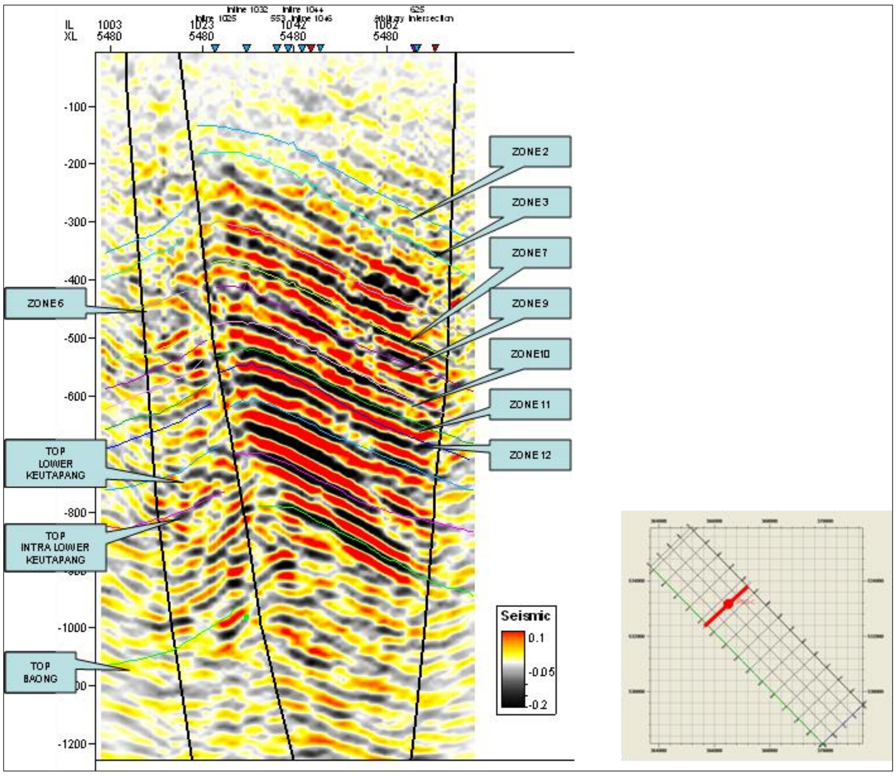


Figure 5-7. Structural interpretation on 3D seismic xline 5480

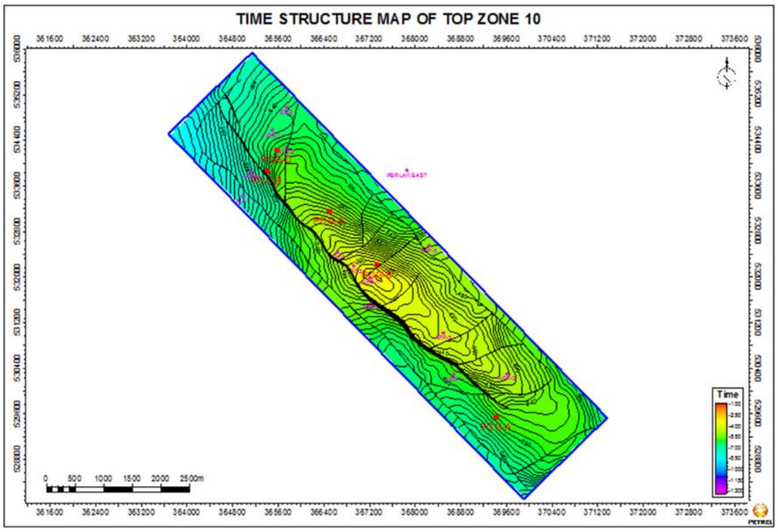


Figure 5-8. Top Layer 10 time structure map with fault polygon overlay

5.2.3 Attribute analysis

From the 2009 PSE-UGM reports, it is understood that seismic attribute analysis and AVO analysis was performed on the Perlak 3D data. However there is no mention of well rock physics analysis and or well validation in the report. Moreover, the visual seismic quality in the hydrocarbon area is discouraging. It is understood therefore that this work has not reached a sufficient maturity to be used meaningfully in reservoir and/or fluid distribution assessment.

5.2.4 Depth conversion

The depth conversion process adopts the velocity model derived from RMS stacking velocity. Velocity point data was kriged to produce a 3D velocity volume. This 3D velocity volume was subsequently used as average velocity input in "make velocity model" process. Well tops were used to anchor the velocity model to the well, effectively using them as pseudo-velocity control points. The 3D velocity volume is visualized in Figure 5-9. This methodology applied in Perlak is one of the common depth conversion techniques around in the current industry. We have no reason to assume the depth conversion results are unreasonable and as we believe the GRV uncertainty on Perlak field will be driven by uncertainty in the initial and present-day fluid contact position and the mapping of compartment boundaries rather than the time-to-depth conversion, we have taken the operator's depth maps without modification.

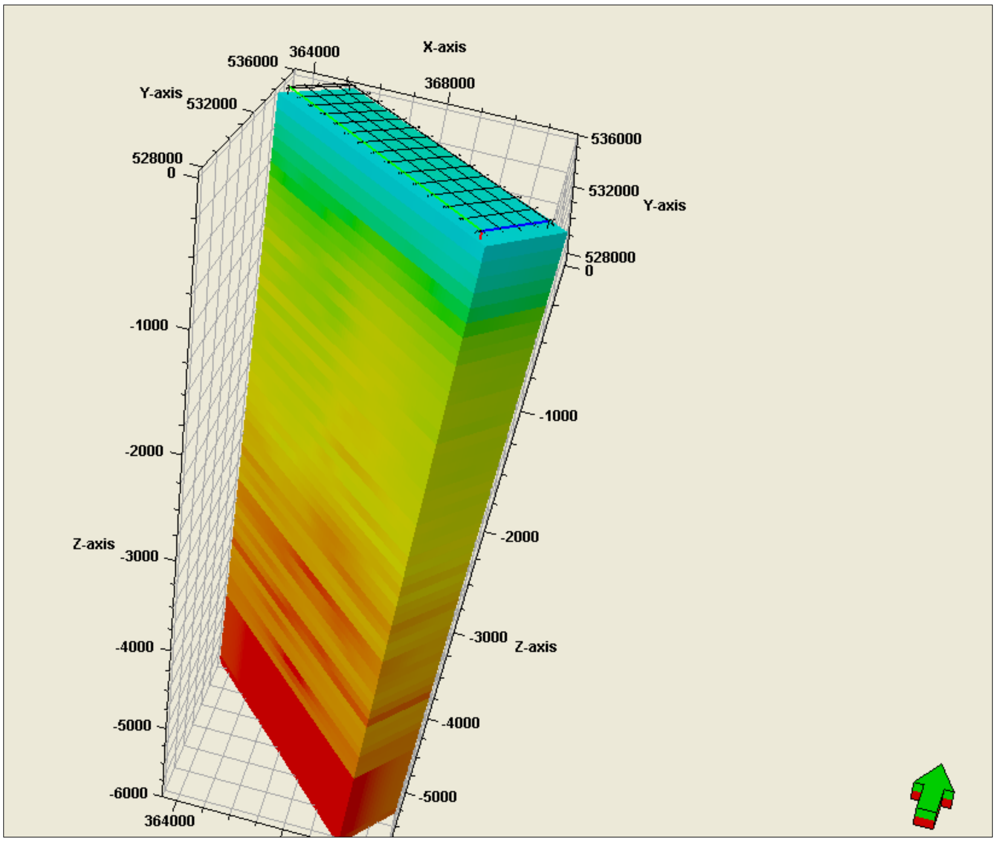


Figure 5-9. Velocity cube derived from RMS stacking velocity

5.3 Petrophysical Interpretation

5.3.1 Log evaluation

LandOcean provided a table of petrophysical averages per reservoir (Table 5-2), but no specific petrophysical report stating the evaluation methodology was made available. In order to verify independently the sums and averages, we evaluated 4 wells (POG-C. POC-D, POG-E and APP-1) using a quick-look deterministic approach, as follows:

- The Shale Volume (Vsh) has been calculated using Gamma Ray (GR) log. Sand baseline and Shale baseline was set per well based on sand and shale GR value on the respective well. Porosity (PHIT) has been calculated using simple density equation.
- Matrix density (Rhomatrix) was set to 2.65 and Fluid density (rhofl) was set to 1 g/cc).

- Water saturation was calculated using Archie's equation. Water resistivity (Rw) was set =0.1 (equivalent to 30K ppm Salinity). Based on the available information, salinity possibly ranges between 20k-40K ppm. Archie parameter of m and n was to default m=1 and n=1).
- A Vshale (Vsh) cut-off of 0.55 was applied for net sand thickness estimation.
- Fluid fill indication was based on logs responses and cuttings descriptions.

The petrophysical log result is displayed on Figure 5-10 while the petrophysical interpretation summary is presented in Table 5-1.

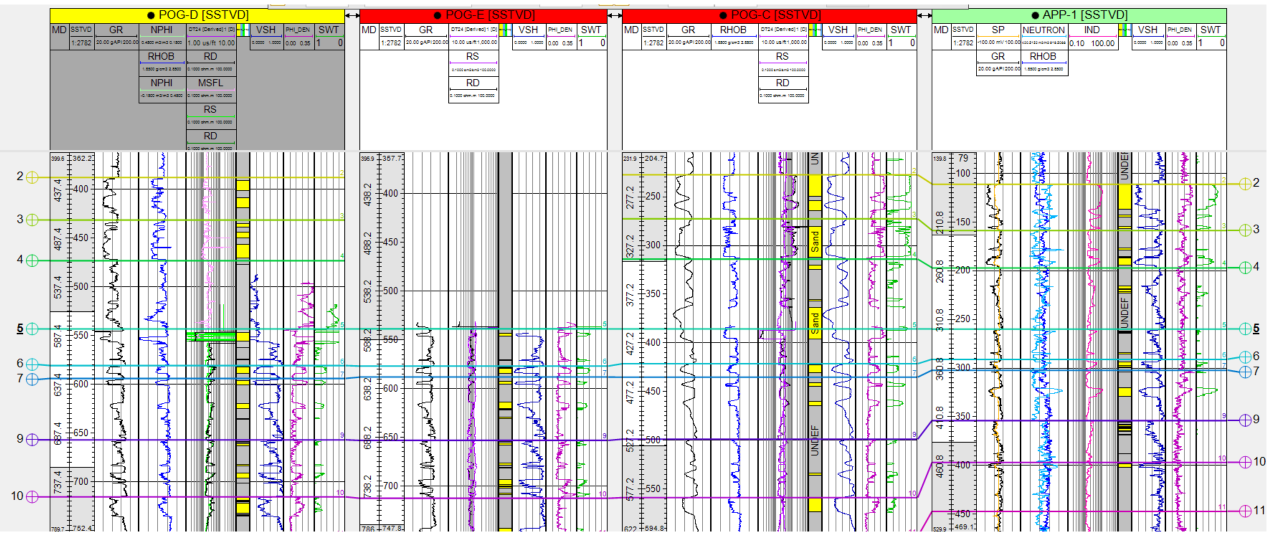


Figure 5-10. Petophysical log displayed on well panel

Table 5-1. Petrophysical summary table

WELL	BLOCK	RESERVOIR	GROSS	NET SAND	NTG	POR	SO	FLUID Indicator	REMARKS
APP-1	E	1	104.890	12.000	0.114	0.269	0.304	UNDEFINED	Resistivity Low
APP-1	E	2	43.750	28.710	0.656	0.256	0.56	OIL	High Resistivity
APP-1	E	3	41.930	12.450	0.297	0.223	0.375	OIL	High Resistivity
APP-1	E	4	55.640	8.820	0.159	0.182	0.113	OIL	Resistivity low, possible oil, high neutron count
APP-1	D2	5	31.350	3.270	0.104	0.167	0.055	OIL	Resistivity low, possible oil, high neutron count
APP-1	E	6	39.200	8.170	0.208	0.199	0.135	OIL	Resistivity low, possible oil, high neutron count
APP-1	E	7	63.240	18.260	0.289	0.194	0.267	OIL	High Resistivity, high neutron count
APP-1	D2	9	31.900	4.350	0.136	0.164	0	UNDEFINED	Resistivity Low
APP-1	D2	10	25.130	0.000	0.000	n/a	0	NON-RES	
APP-1	D2	11	84.270	0.030	0.000	0.182	0	NON-RES	
APP-1	D2	12	113.700	2.970	0.026	0.164	0	NON-RES	
POG-C	C	1	193.280	71.817	0.372	0.302	0.452	OIL	Resistivity low, Possible flushed oil, oil show from cuttings
POG-C	C	2	48.510	34.290	0.707	0.294	0.696	OIL	High Resistvity, oil show from cuttings
POG-C	C	3	38.550	32.614	0.846	0.279	0.652	OIL	High Resistvity, no oil show from cuttings
POG-C	C	4	52.200	14.292	0.274	0.212	0.369	OIL	Small Sand with high resistivity, Possible Oil, no oil show from cuttings
POG-C	C	5	47.900	30.666	0.640	0.277	0.199	OIL	Missing Logs (392-414 m), Possible Oil, oil show from cuttings
POG-C	C	6	44.000	12.649	0.287	0.243	0.366	OIL	Small Sand, Possible Oil, oil show from cuttings
POG-C	C	7	38.660	5.944	0.154	0.244	0.443	OIL	Small Sand, Possible Oil, oil show from cuttings
POG-C	C	9	32.350	2.743	0.085	0.179	0.221	OIL	Small Sand, Possible Oil, oil show from cuttings
POG-C	C	10	29.960	3.810	0.127	0.211	0.285	OIL	Small Sand, Possible Oil, oil show from cuttings
POG-C	C	11	218.560	29.363	0.134	0.243	0.1	OIL	Resistivity low, Possible flushed oil, oil show from cuttings
POG-D	A	1	189.410	0.000	0.000	n/a	n/a	OIL	Missing raw logs, Possible flushed oil oil show from cuttings
POG-D	A	2	43.780	0.000	0.000	n/a	n/a	UNDEFINED	Missing raw logs, no oil show from cuttings
POG-D	A	3	37.480	0.000	0.000	n/a	n/a	UNDEFINED	Missing raw logs, no oil show from cuttings
POG-D	A	4	80.560	63.277	0.785	0.27	0.618	OIL	Washout zone, Possible flushed oil, oil show from cuttings
POG-D	A	5	31.430	7.742	0.246	0.326	0.058	OIL	Resistivity low, Possible flushed oil, oil show from cuttings
POG-D	A	6	35.970	11.735	0.326	0.238	0.313	OIL	Resistivity low, Possible flushed oil, oil show from cuttings
POG-D	A	7	38.990	6.858	0.176	0.213	0.23	OIL	Resistivity low, Possible flushed oil, oil show from cuttings
POG-D	A	9	24.180	4.420	0.183	0.151	0.061	UNDEFINED	Missing raw logs, no oil show from cuttings
POG-D	A	10	33.850	7.163	0.212	0.185	0.159	OIL	Possible oil, Oil show from cuttings
POG-D	A	11	40.250	17.069	0.424	0.182	0.089	OIL	Resistivity low, Possible flushed oil, oil show from cuttings
POG-D	A	12	62.300	3.505	0.056	0.158	0.042	OIL	Resistivity low, Possible flushed oil, oil show from cuttings
POG-E	A	1						UNDEFINED	Missing raw logs
POG-E	A	2						UNDEFINED	Missing raw logs
POG-E	A	3						UNDEFINED	Missing raw logs
POG-E	A	4						OIL	Missing raw logs, possible oil, oil show from cuttings
POG-E	A	5	34.730	4.555	0.131	0.249	0.338	OIL	Resistivity low, no oil show
POG-E	A	6	34.030	9.417	0.277	0.256	0.286	OIL	Resistivity low, Possible flushed oil, oil show from cuttings
POG-E	A	7	36.310	9.449	0.260	0.22	0.194	OIL	Resistivity low, Possible flushed oil, oil show from cuttings
POG-E	A	9	26.020	5.944	0.228	0.199	0.109	OIL	Resistivity low, Possible flushed oil, oil show from cuttings
POG-E	A	10	17.750	3.810	0.215	0.211	0.121	OIL	Resistivity low, Possible flushed oil, oil show from cuttings
POG-E	A	11	53.770	11.244	0.209	0.235	0.201	OIL	Resistivity low, Possible flushed oil, oil show from cuttings
POG-E	A	12	18.200	9.177	0.504	0.225	0.156	OIL	Resistivity low, Possible flushed oil, oil show from cuttings

5.3.2 Fluid contacts interpretation

There is no clear mention of fluid contact information in any reports / data set that we received. Due to limited data availability, fluid contact determination relied heavily on production data, a few wells with well logs, and structure maps. Structure maps received from LandOcean were subsequently used as input in structural framework building anchored to well tops (15 wells with log data). Fault blocks formed by the major and minor faults were treated as lateral compartments due to production data indicating that there is a high likelihood of at least some of the faults sealing. The 3C contact definition utilizes the oil leg length statistics (estimated by generating the distribution of vertical column from crest to deepest known oil across the field). The P10 value (Figure 5-11) from the oil column statistics was used to estimate the 3C contacts.

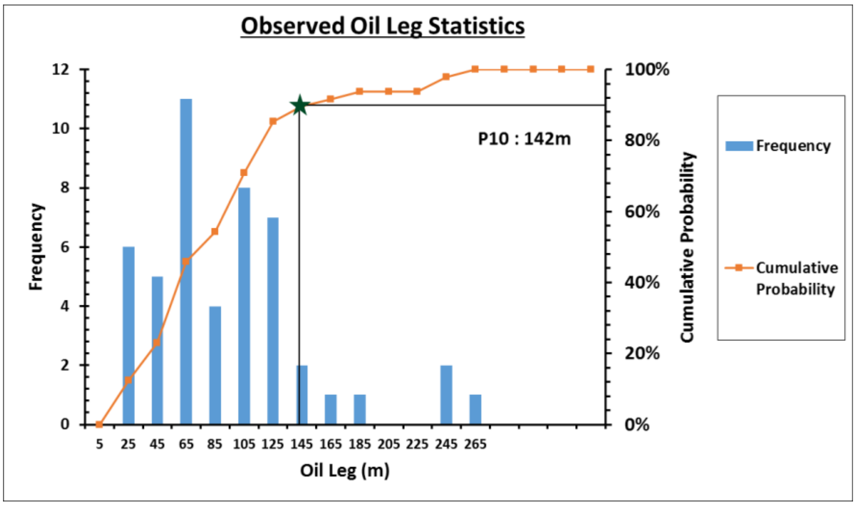


Figure 5-11. Known oil leg statistic from all compartments

The determination of each block Oil Water Contact (OWC) within the resource assessment was conducted as follows (Figure 5-12):

- 1C contact: 1C contact was set to the lowest point between lowest known producing well and lowest oil identified from logs. If no oil was identified from the well, 1C contact was set to crest (no 1C is carried)
- 2C contact: 2C contact was set to the shallowest non-producing well below 1C contact, otherwise 2C contact was set to half way between 1C and 3C.
- 3C contact: set to the P10 of oil leg distribution if it is lower than 2C, otherwise set to spill/last closing contour.

Contacts table per compartment per reservoir are listed in APPENDIX C.

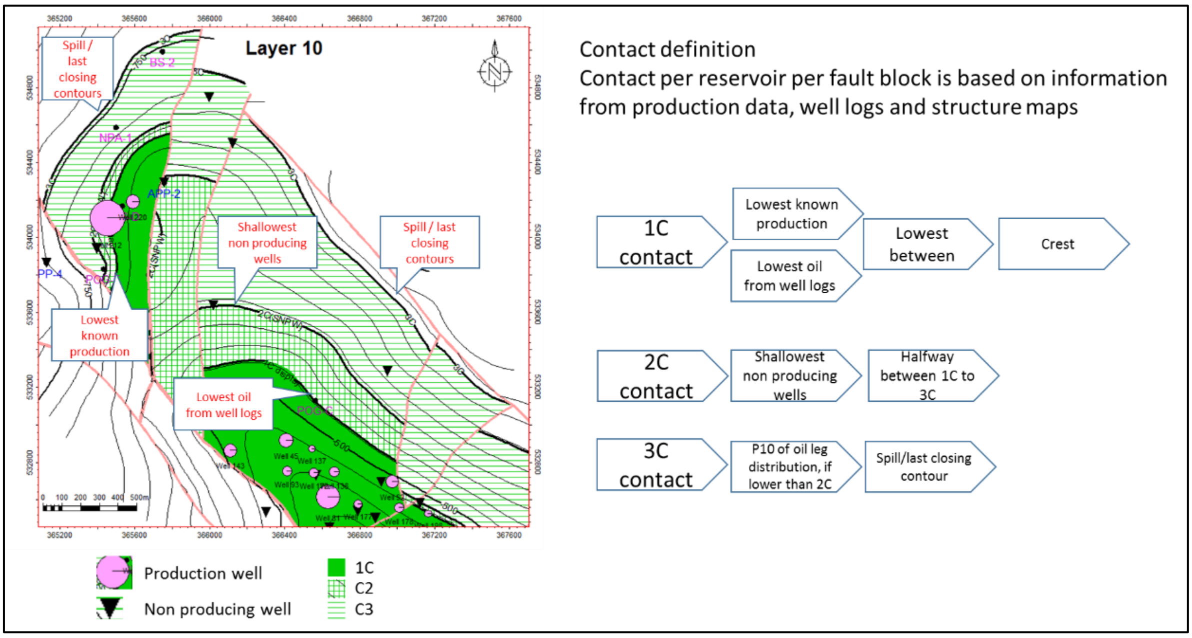


Figure 5-12. Illustration of contact definition workflow

5.4 Structure Framework

5.4.1 Conceptual Stratigraphy

The interpreted sedimentary environment and reservoir architecture for the Perlak reservoir is based on the integration of log-character interpretation, side wall core evidence and supported by regional information.

The Perlak field consists of the Upper Keutapang, Lower Keutapang and Baong formations. The Upper Keutapang is divided into zones C1, 1, 2, 3, 4, 5, 6, 7, 9, 10, 11 and 12. Zone C1 is a thin zone with an average thickness of 3.33m; zone 1 consists of one thick sand layer and a couple of thin sand layers, with a total thickness of 40.4m. Zone C1 and 1 were eroded at the top of the structure. Layer thickness of Zone 2 and Zone 3 is relatively high, and is stable across the field, with an average thickness of 25.98m and 35.21m respectively. Zone 2 and 3 are the mark layers of this area. Zones 4 to 6 can be divided into many sets of sand bodies, with average thickness of Zone 4 being 18m, and Zone 5 and Zone 6 being 5-8m each. The average thickness of Zone 7 to 10 is 10 to 15m each. There are few wells drilled through Zone 11 and Zone 12. Generally speaking, the sand layers in this area are well correlated, with porosity ranging between 20% and 30% (Figure 5-13).

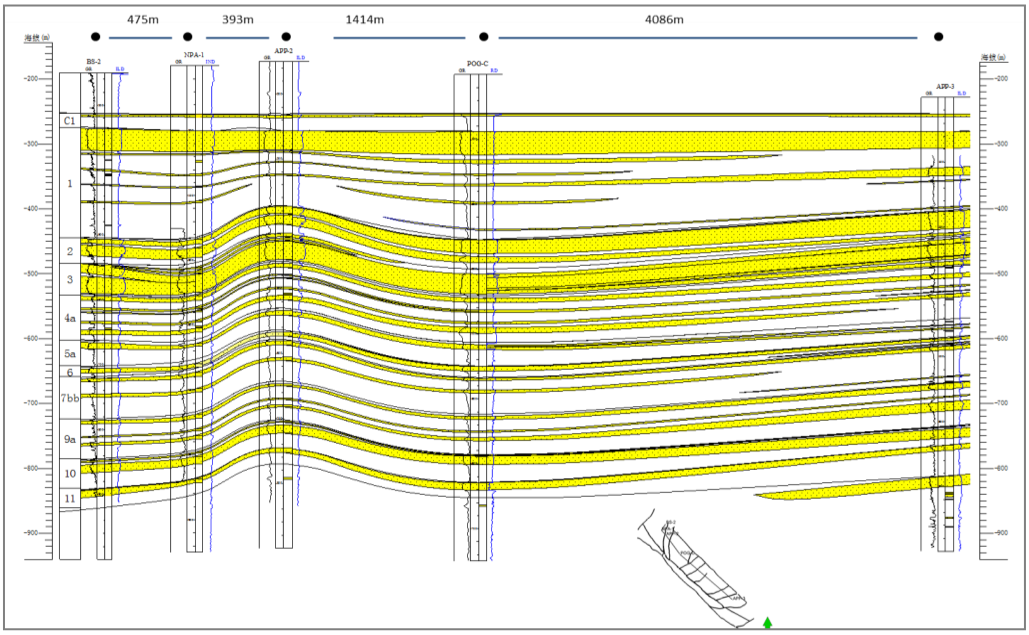


Figure 5-13. NW~SE well correlation section of Perlak

5.4.2 Structural Model

In order to conduct an independent mapping exercise and establishing contacts, the structural framework was built based on structure maps received from LandOcean anchored to the well tops (15 wells). The 3D Structural framework was generated within Petrel consisting of cells with a 50m x 50m nominal spacing. LandOcean's fault interpretations were taken without modification and incorporated into the structure model to facilitate definition of possible compartments in the field (referred as 'Blocks'). The structure map with a compartment color coding example is shown in Figure 5-14, while Figure 5-15 shows a fluid distribution map example in Layer 10. The complete sets of fluid distribution maps can be found in APPENDIX D – RESOURCE CATEGORY MAPS BY LAYER.

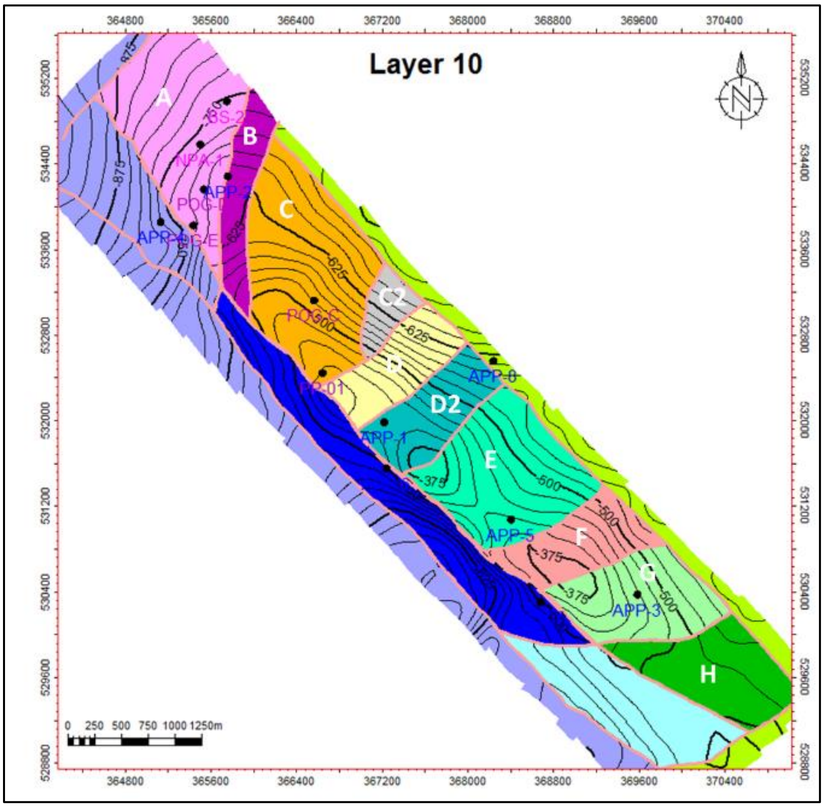


Figure 5-14. Compartmentalization built in structural framework model

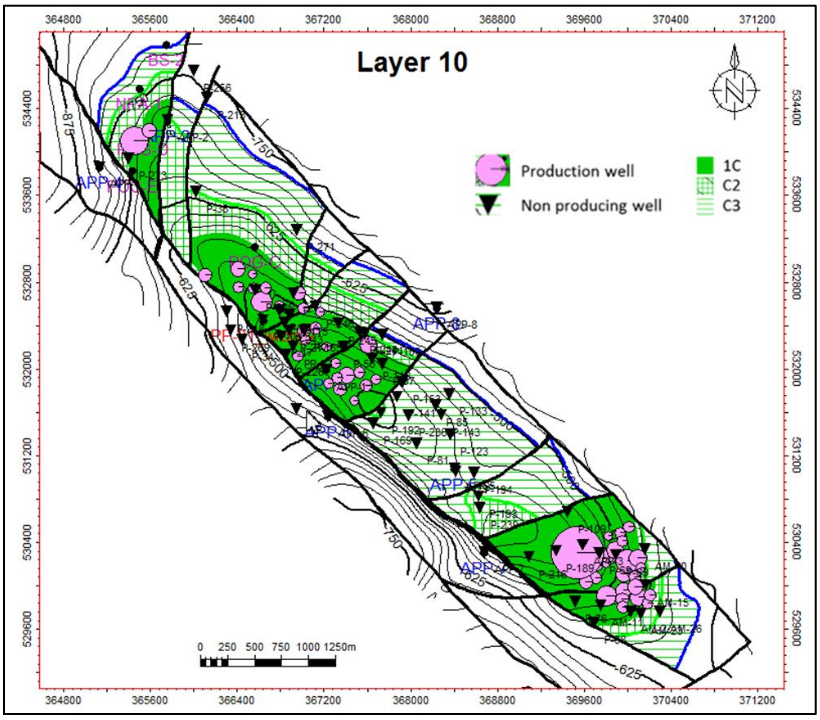


Figure 5-15. Resource classification map for Layer 10

It is fair to recognize there is some degree of uncertainty with respect to the definition of these compartments, and whether these compartments are independent (sealing faults) from each other remains largely interpretive.

5.4.3 Reservoir Properties (Net Thickness, NTG, Porosity, Oil Saturation, Bo and Shape Factor)

Table 5-2 shows the assumptions of Net Thickness, NTG, Porosity, Oil Saturation, Bo parameters used in the 2017 LandOcean study. In order to verify independently these reservoir summations used in the volumetric assessment, and bearing in mind that LEAP ENERGY only verified 4 specific wells out of the entire dataset, a comparison of the average Net Pore Volume (NPV) was conducted and is summarized in Table 5-3

Table 5-2. Net Thickness, NTG, Porosity, Oil Saturation, Bo and Shape Factor Parameter table

Layer	Net Pay (m)			Porosity	Oil Saturation	Bo	Shape Factor
	Min	Max	Mean				
1	35.45	40.87	37.57	0.2	0.7	1.3	0.8
2	20.27	31.22	25.78	0.27	0.7	1.3	0.8
3	30.93	41.25	35.21	0.26	0.7	1.3	0.8
4	11.13	17.43	13.56	0.23	0.7	1.3	0.8
5	1.97	9.5	5.2	0.22	0.7	1.3	0.8
6	5.66	7.4	6.34	0.26	0.7	1.3	0.8
7	5.07	11.52	7.2	0.22	0.7	1.3	0.8
9	4.8	9.65	6.93	0.22	0.7	1.3	0.8
10	3.4	13.39	7.86	0.26	0.7	1.3	0.8
11	0.93	2.99	1.96	0.26	0.7	1.3	0.8

Table 5-3. Net Pore Volume (NPV) comparison between LandOcean and Leap petrophysical analysis

Layer	NPV LandOcean (m)	NPV LEAP ENERGY (m)
1	10.1	19.1
2	7.0	8.7
3	9.2	5.5
4	3.1	1.8
5	1.1	1.8
6	1.6	1.5
7	1.6	2.3
9	1.5	1.6
10	2.0	2.0
11	0.5	1.8

The analysis suggests that – at least for the few wells in review – some upside may be present in the petrophysical assessment, supporting a higher 3C volume (see next sections). However, for the purpose of the volumetric assessment, the sums and averages determined by LandOcean over the entire dataset were retained as the basis for this independent assessment.

5.4.4 In-Place Volumetrics

LEAP ENERGY used LandOcean structure mapping and reservoir properties combined with our structural framework and our assessment of the OWC range to verify the STOIIP in Perlak. Assessment of the OWC range is described in section 5.3.2. Table 5-4 shows comparison between LandOcean's and our volumetric STOIIP assessment. Our assessment yields total 1C In Place Resources of 167 MMSTB, 2C In Place Resources of 285 MMSTB and 3C In Place Resources of 712 MMSTB. Interestingly, our 1C yields similar STOIIP to LandOcean PDNP, our 2C is similar to LandOcean 1P, and our 3C is similar to LandOcean 2P. It is in our opinion that LandOcean classifying such a large area (and STOIIP) as 2P (Probable) is too optimistic considering the well test / production test results from recent wells.

In addition, classifying these volumes as contingent resources is in line with the PRMS guidelines. The complete table breakdown of STOIIP per reservoir can be found in Table 5-4.

Table 5-4. Perlak Field STOIIP Summary per reservoir

Reservoir	STOIIP LandOcean Report (MMSTB)			STOIIP LEAP ENERGY (MMSTB)		
	PDNP	1P	2P	1C	2C	3C
C + 1	11.6	14.8	113.6	20.8	37.8	156.6
2	17.7	33.0	195.4	27.5	52.0	147.0
3	29.7	61.9	246.4	35.7	69.0	185.0
4	18.1	36.4	82.2	16.6	27.8	62.2
5	7.3	10.8	29.9	5.4	9.6	22.4
6	15.9	29.1	44.4	11.1	19.2	31.5
7	27.6	36.7	43.7	19.0	24.1	30.7
9	22.6	35.7	41.1	16.9	22.2	29.6
10	17.4	28.0	56.3	13.7	21.5	39.5
11			12.3	0.0	1.5	7.8
Total	**168.0**	**286.3**	**865.1**	**166.8**	**284.6**	**712.2**

5.5 Reservoir Engineering Data

The paragraphs below describe the reservoir engineering data available on Perlak field.

5.5.1 Pressure and Temperature

A summary of the available pressure and temperature data on Perlak, is given in Table 5-5 below.

Table 5-5: Pressure and Temperature Data Availability

Wells	Year	Data Available
APP-1, APP-2	1970-1983	Pressure
PP-1, PP-2	1996-1997	Pressure & Temperature
POG-C, POG-D, POG-E	2011	Pressure & Temperature

Figure 5-16 shows the pressure vs depth plot for Perlak field, which is obtained from wells PP-01, PP-02, APP-01 and APP-02. These pressures were taken in the period 1971 – 1997, showing depletion in some reservoirs with pressure values lower than the (initially expected) hydrostatic line.

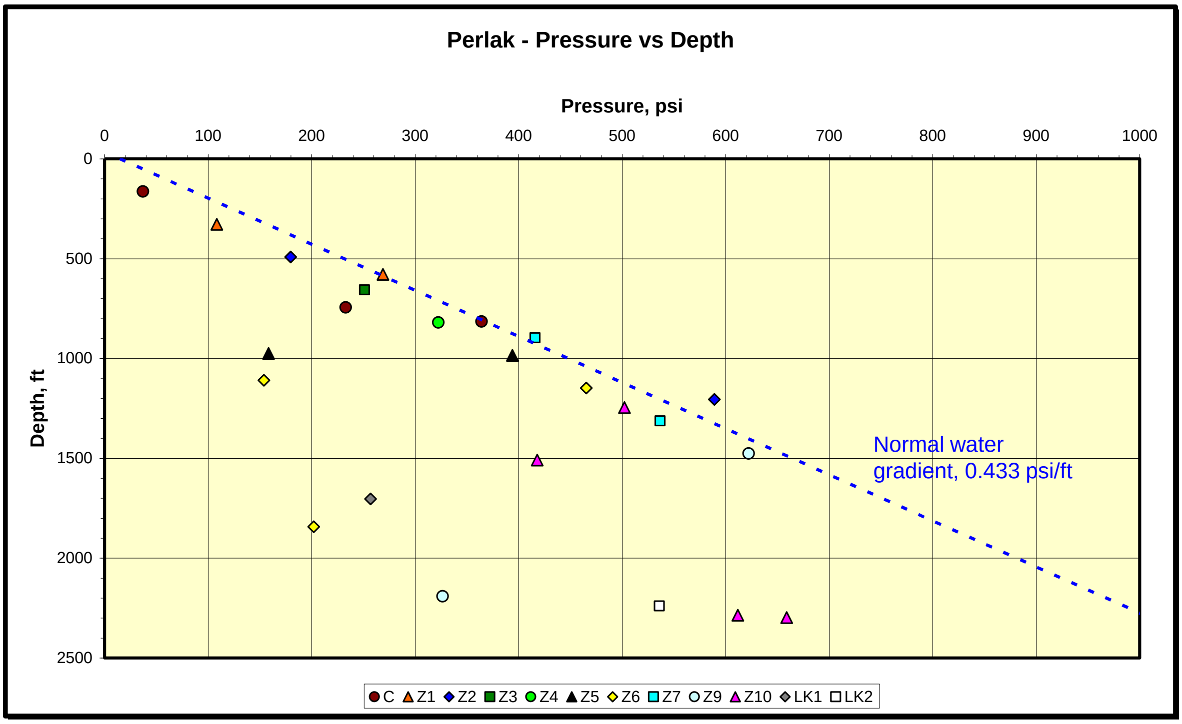


Figure 5-16: Perlak Pressure Plot (1971 – 1997)

In 2011, 3 wells were drilled, namely POG-C, POG-D, POG-E, by Pacific Oil & Gas (Perlak) Ltd, with new pressure data obtained via RCI test. From Figure 5-17, it is apparent that POG-D and POG-E, which are located in Block A, have higher pressures. We were not able to verify the validity of these pressures. This dataset suggests also that some of the zones are partially depleted, whilst others are close to original pressures.

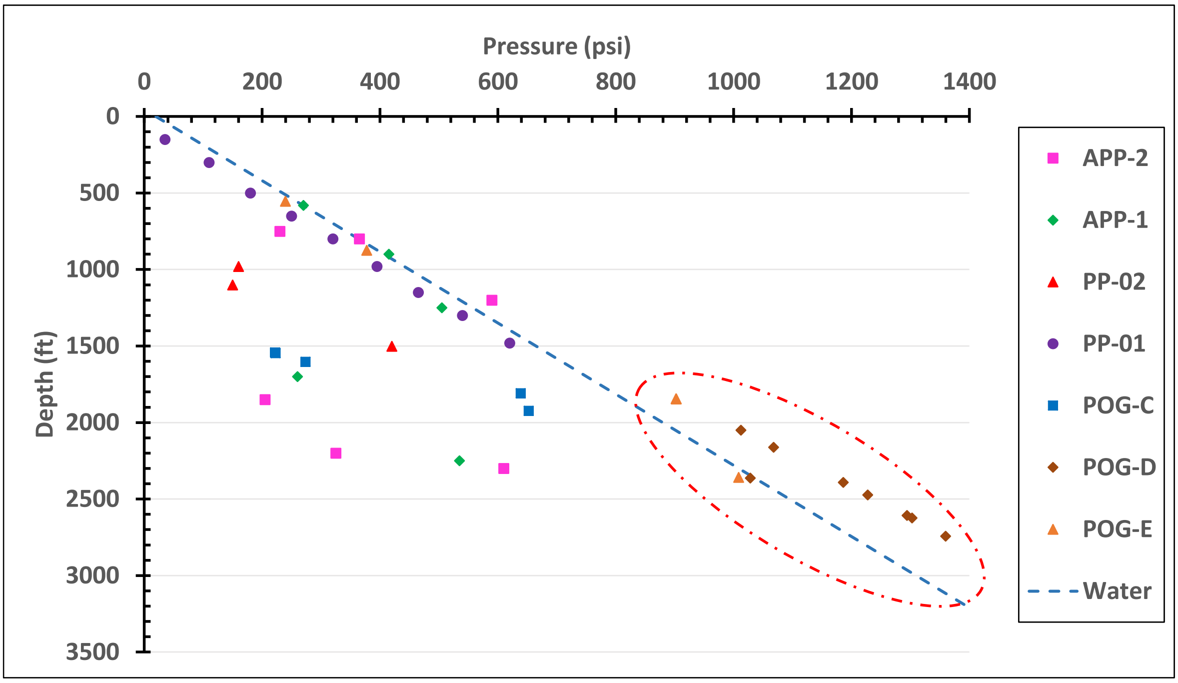


Figure 5-17: Perlak Pressure Plot (1971 – 2011)

5.5.2 PVT Properties and Fluid Dataset

No PVT data was available for Perlak, thus analog data from Rantau was used on all studies previously. None of the recent wells appear to have been the subject of fluid sampling and analysis, according to the operator's records.

Four samples from Rantau were available as shown in Table 5-6, with samples taken in 1969. The average bubble point pressure is approximately 1100 psi, with an Rs of 511 Scf/STB.

Table 5-6: Rantau's sample PVT summary

Well	R-127	R-154	R-125	R-103
Sampling Date	1969	1969	1969	1969
Tr (F)	162	176	156	160
Pr (psi)	1118	1254	853	1007
Pb	1020	1509	774	1085
Bo (Pb)	1.52	1.33	1.40	1.41
Rs (Pb)	522	535	424	563
E (1/Bg)	18.25	12.90	42.20	53.30
Zg	0.97	0.86	0.70	0.89
Sg (Tr)	0.75	0.73	0.78	0.74
Gas Viscosity	0.01	0.01	0.01	0.01

It is recognized that this analogue is not entirely consistent with the reported field production dataset: the Perlak field GOR was reported to be around 800-900 scf/bbl at the start of the production (see next section), and the Bo used by Range Resources & LandOcean for all layers of Boi=1.3 may be on the low side given the field-wide average Rs of 800-900 scf/bbl.

It is also to be expected that the fluid properties should vary between the zones of the field. For instance, PVT modelling suggests that the shallow zones are likely to present a lower initial solution gas ratio. The PVT dataset is recognized as particularly poor for this field, despite its long production history.

5.5.3 Rock-Fluid Properties (RCAL, SCAL, Compressibility)

No rock-fluid properties data appear to be available for the Perlak field.

5.6 Dynamic Reservoir Behavior and Modeling

In this section we describe the anticipated dynamic production behavior of the reservoirs i.e., reservoir drive, production behavior and estimated recovery efficiency. Descriptions and estimates are based on analytical models depending on field maturity, available data and models.

Range Resources did not provide dynamic simulation models for Perlak and therefore LEAP cannot utilize such models or comment on their robustness.

5.6.1 Production History

This field was discovered in 1899 by BPM Oil Company, while production started in 1900. During the period from 1899 to1942, BPM drilled approximately 305 wells, of which 245 wells were production wells with a total cumulative production of 49.79 MMstb and 73 wells were dry holes. Production was halted in 1942 due to the Japanese invasion in World War II. A total of 8 wells were drilled from 1971-1983 by Asamera, but were not produced due to insufficient natural energy to lift fluids.

An additional two wells were drilled by Permindo during 1996-1997, and it is believed that production lasted for 2 years until Pertamina shutin the field in 1999 due to political and security issues. Production during this period remains unknown, as no production data was provided. In 2007, 3 wells were drilled by Pacific Oil & Gas (Perlak) Ltd., but only 2 produced, namely POG-D and POG-E. No layer-allocated production data was provided, hence these are not included in the layer-based production analysis; however the volumes associated with these wells is negligible compared to the field recovery to date. In the creaming curve analysis, an estimate of their future production potential was made on a statistical basis.

5.6.2 Production Analysis

The available production data was loaded in POSEIDON™ Analytics, to provide an overview of the reservoir performance across wells, blocks and zones (also called 'Layers'). It should be noted that the coarseness of the dataset did not allow for a comprehensive Advanced Analytics assessment, and mostly focused the analysis of perforation count distribution, cumulative and initial rate statistics, and creaming curve.

5.6.2.1 Flow Unit Performance (zones and blocks)

Figure 5-18 and Table 5-7 show Perlak production summary by block. Block C and D have contributed more than 45% of the field production, where layer 3, 6, 7, 9, 10 from Block C and layer 2, 3 from Block D are the main producing reservoirs.

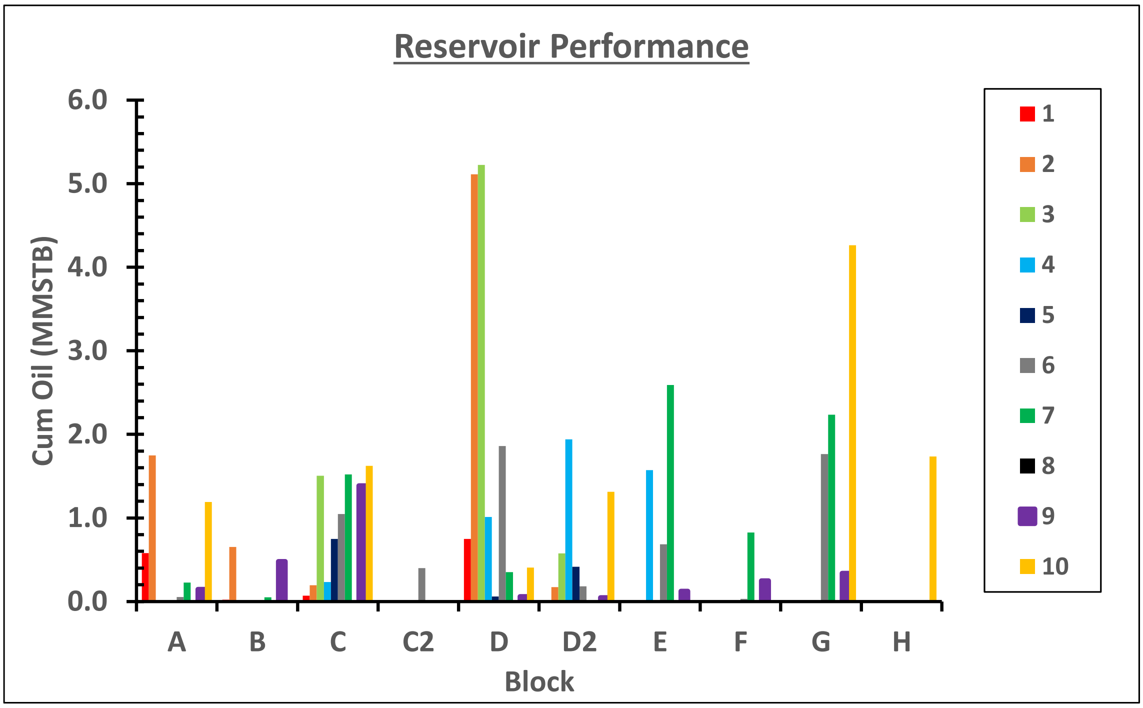


Figure 5-18: Perlak Field Production Summary (Blocks and Layers)

Table 5-7: Perlak Field Cum Oil Production per Block-Layer

Cum Oil (MMSTB)		Block										
		A	B	C	C2	D	D2	E	F	G	H	Total
Reservoir	1	0.58	0.02	0.07	0.00	0.75	0.01	0.00	0.00	0.00	0.00	1.43
	2	1.75	0.65	0.19	0.00	5.11	0.17	0.00	0.00	0.00	0.00	7.88
	3	0.00	0.00	1.50	0.00	5.22	0.58	0.00	0.00	0.00	0.00	7.30
	4	0.00	0.00	0.23	0.00	1.01	1.94	1.57	0.00	0.00	0.00	4.75
	5	0.00	0.00	0.75	0.00	0.06	0.42	0.00	0.00	0.00	0.00	1.22
	6	0.05	0.00	1.05	0.40	1.86	0.18	0.68	0.03	1.76	0.00	6.02
	7	0.23	0.05	1.52	0.00	0.35	0.00	2.59	0.82	2.24	0.01	7.81
	8	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	9	0.15	0.48	1.39	0.00	0.06	0.05	0.12	0.25	0.34	0.00	2.83
	10	1.19	0.00	1.62	0.00	0.41	1.31	0.00	0.00	4.26	1.74	10.53
	Total	3.94	1.20	8.33	0.40	14.83	4.66	4.97	1.10	8.60	1.75	

5.6.2.2 Perforation Count

Figure 5-19 and Table 5-8 show the number of well completions per zone and block. Both producing and 'dry' (no recorded production) wells are analyzed. We are using here the term 'perforation' loosely, to designate a completed zone interval within the well, from which production is recorded.

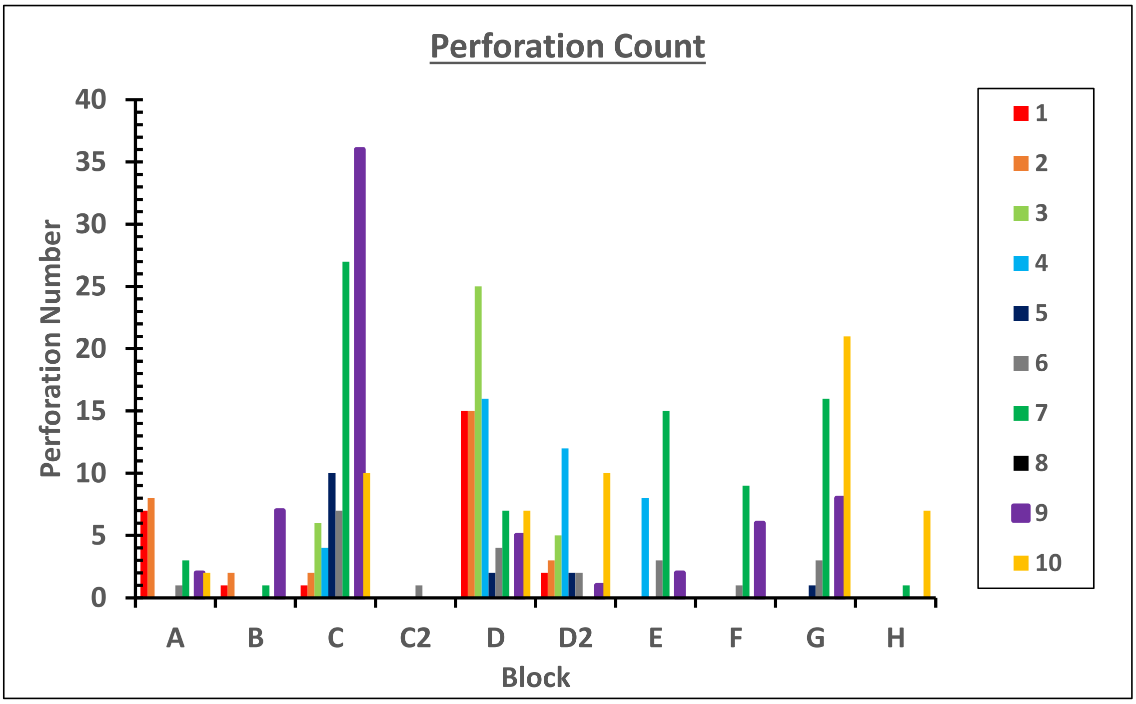


Figure 5-19: Perlak Perforation Count (bars = producing, line = Dry (Np=0) wells)

The values are recorded in the table below – Blocks C and D have historically been the focus of the development.

Table 5-8: Perlak Perforation Count (Producing wells only)

Perforation Count		Block										
		A	B	C	C2	D	D2	E	F	G	H	Total
Reservoir	1	7	1	1	0	15	2	0	0	0	0	26
	2	8	2	2	0	15	3	0	0	0	0	30
	3	0	0	6	0	25	5	0	0	0	0	36
	4	0	0	4	0	16	12	8	0	0	0	40
	5	0	0	10	0	2	2	0	0	1	0	15
	6	1	0	7	1	4	2	3	1	3	0	22
	7	3	1	27	0	7	0	15	9	16	1	79
	8	0	0	0	0	0	0	0	0	0	0	0
	9	2	7	36	0	5	1	2	6	8	0	67
	10	2	0	10	0	7	10	0	0	21	7	57
	Total	23	11	103	1	96	37	28	16	49	8	

Table 5-9: Perlak Dry Perforation Count (zero production well)

Dry well Count		Block									
		A	B	C	C2	D	D2	E	F	G	H
Reservoir	1	2	3	8	0	10	6	13	4	6	7
	2	2	3	8	0	10	6	13	4	6	7
	3	2	3	8	0	10	6	13	4	6	7
	4	2	3	8	0	10	6	13	4	6	7
	5	2	3	8	0	10	6	13	4	6	7
	6	2	3	8	0	10	6	13	4	6	7
	7	2	3	8	0	10	6	13	4	6	7
	9	2	3	8	0	10	6	13	4	6	7
	10	2	3	8	0	10	6	13	4	6	7
	Total	2	3	8	0	10	6	13	4	6	7

* It is assumed that all zones are penetrated by the 'Dry' (Np=0) wells

5.6.2.3 Production Statistics

With the available data set, only the cumulative oil and initial rates could be analyzed. The figures below show the distribution curves generated per zone for cumulative oil. It should be noted that some of this analysis may be affected by zonal allocation uncertainty, but quantifying these effects is not possible as we were not able to retrieve the historical records of zone opening/closing events.

Figure 5-20 shows that more than 60% of the cumulative oil production from perforations was less than 70,000 bbl, while Figure 5-21 shows that Block C, D and G contributed significantly to production.

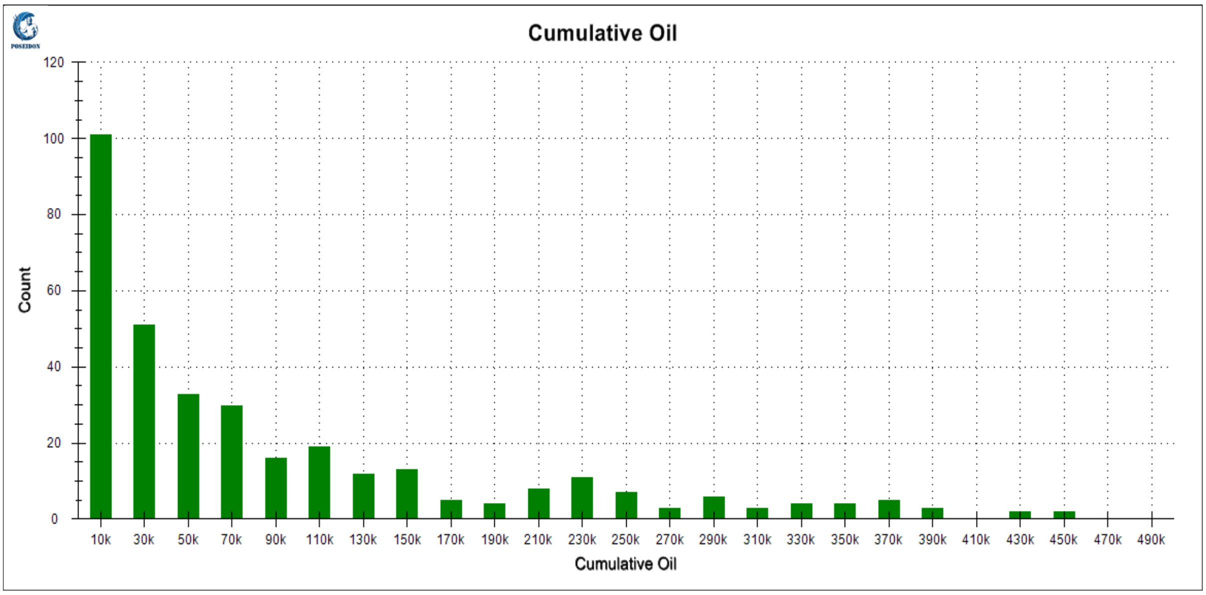


Figure 5-20: Perlak's Cumulative Oil Distribution (Histogram by well perforation, stb)

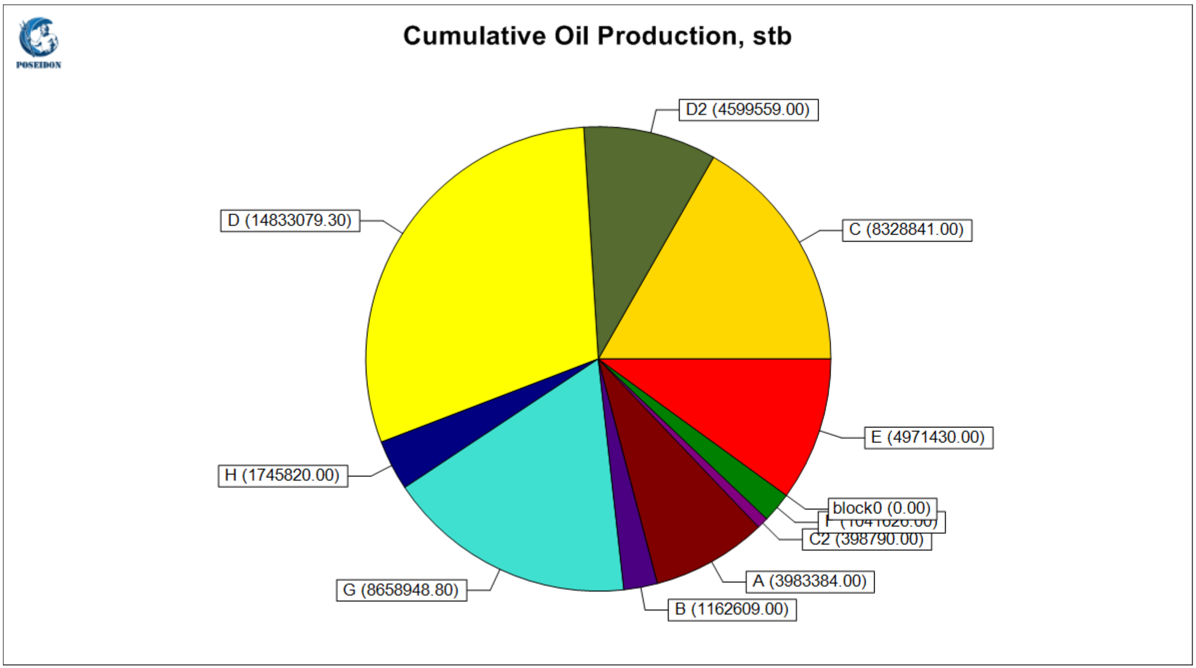


Figure 5-21: Perlak's Cumulative Oil Distribution (Pie Chart)

5.6.2.4 Creaming Curves

With the available data set, only the cumulative oil and initial rates could be analyzed. With data being allocated to Well-Layer, it was therefore possible to create a perforation (Block-Layer) creaming curve. Each point on the graphs represents a single perforation (Block-Layer allocated contribution).

Field-wise analysis

A full-field creaming curve is presented in Figure 5-22 and Figure 5-23. Plotted is the creaming curves versus start date of production, as well as versus perforation count. From the graph, it can be seen that the Perlak field still has significant potential, provided more perforations/wells are added.

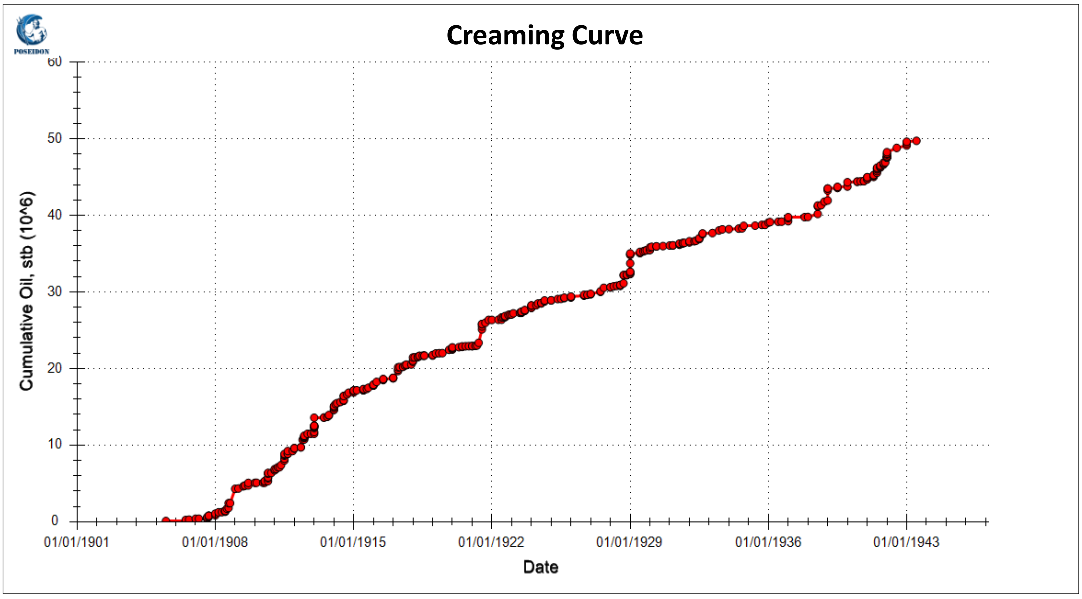


Figure 5-22: Production Creaming Curve (Field) versus Start of Production

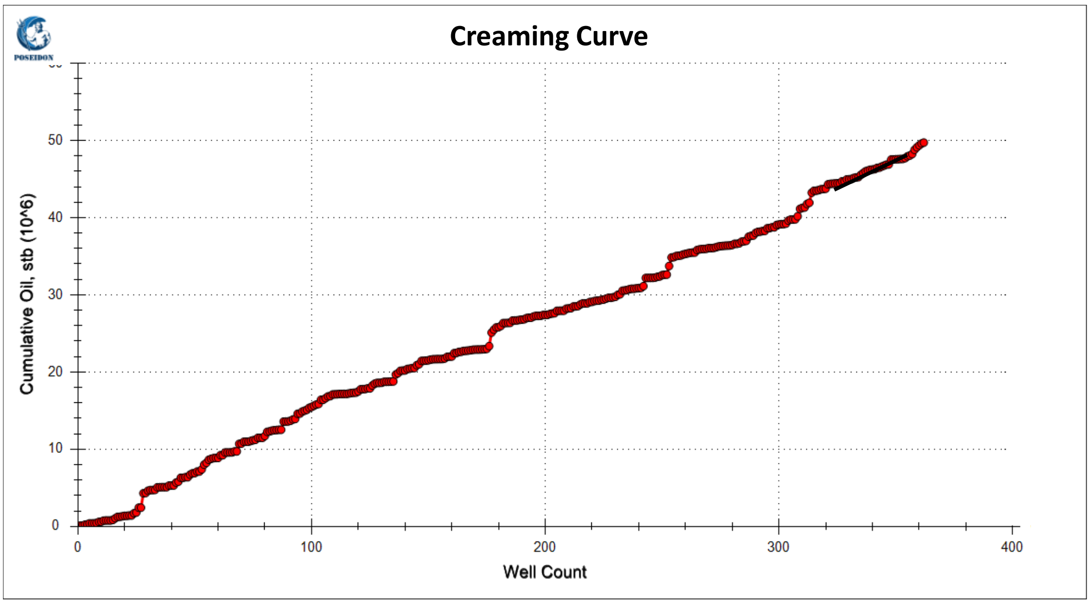


Figure 5-23: Production Creaming Curve (Field) versus Well Count

Zone-wise analysis

Zone-wise, all zones show a stepped profile, where periods of apparent plateauing (signaling traditionally diminishing returns from incremental drilling) are then followed by drilling of wells with improved production. This usually corresponds to a new area or block of the field being drilled and/or completed (*). The general trending up suggests that remaining potential may be available in most layers. This observation is especially obvious when creaming curves are plotted vs. perforation count rather than date (start of production).

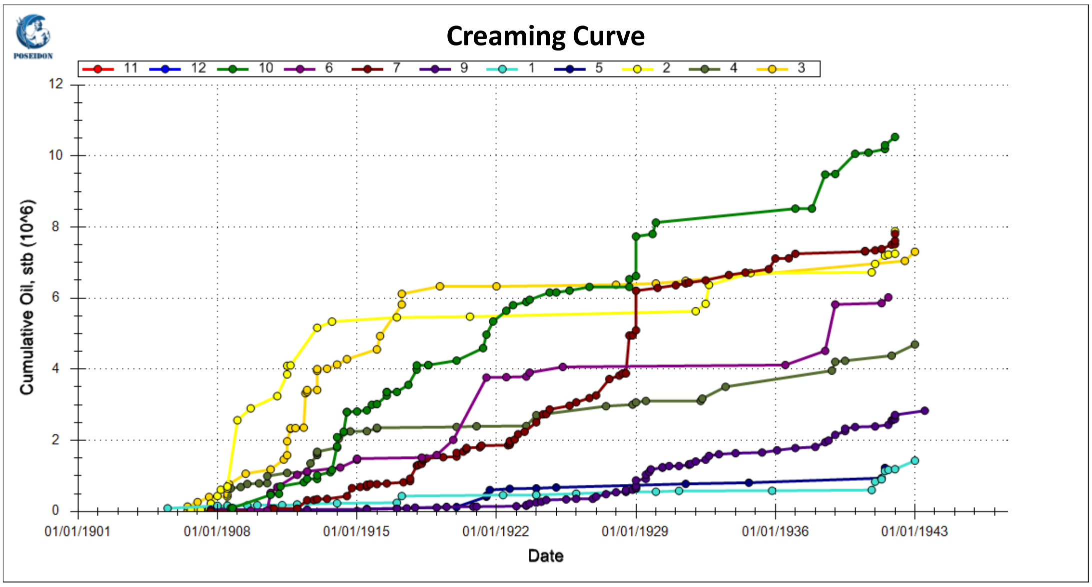


Figure 5-24: Production Creaming Curve (per Zone) versus Start of Production

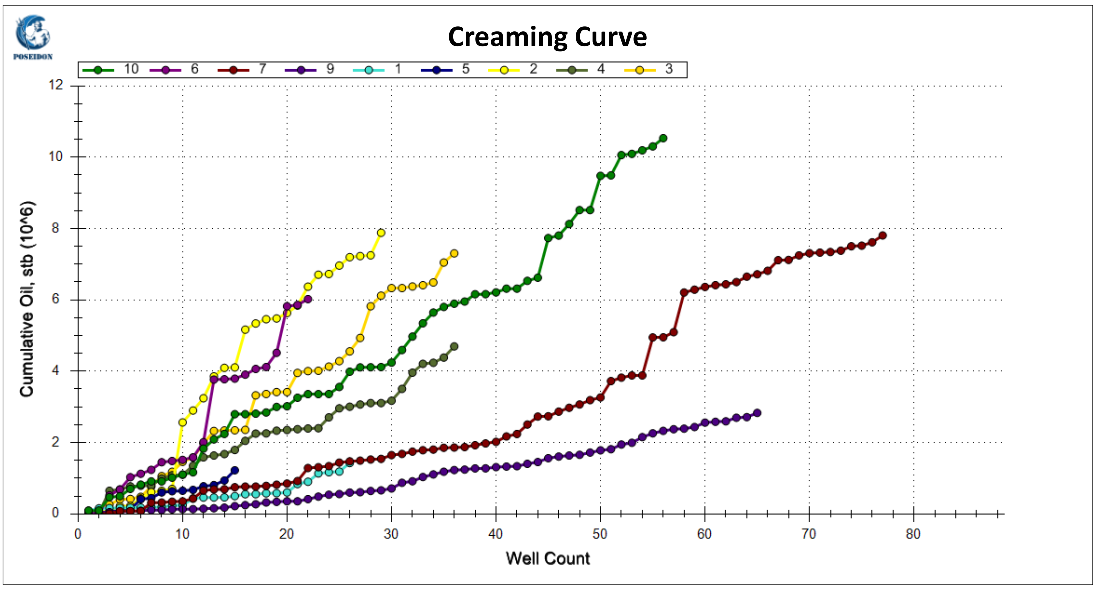


Figure 5-25: Production Creaming Curve (per Zone) versus Well Count

Block-wise analysis

Block-wise, all blocks show a stepped profile, where periods of apparent plateauing (signaling traditionally diminishing returns from incremental drilling) are then followed by drilling of wells with improved production. This usually corresponds to a by-passed area or new zone being drilled and/or completed within the same block (*). The general trending up suggests that remaining potential may be available in most layers. This observation is especially obvious when creaming curves are plotted vs. perforation count rather than date (start of production).

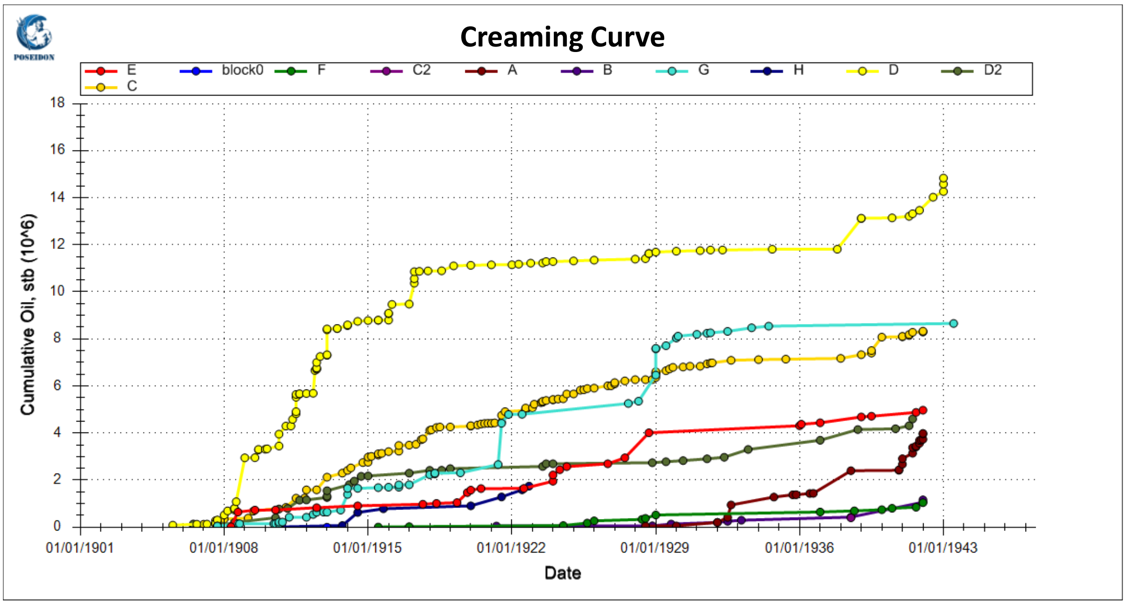


Figure 5-26: Production Creaming Curve (per Block) versus Start of Production

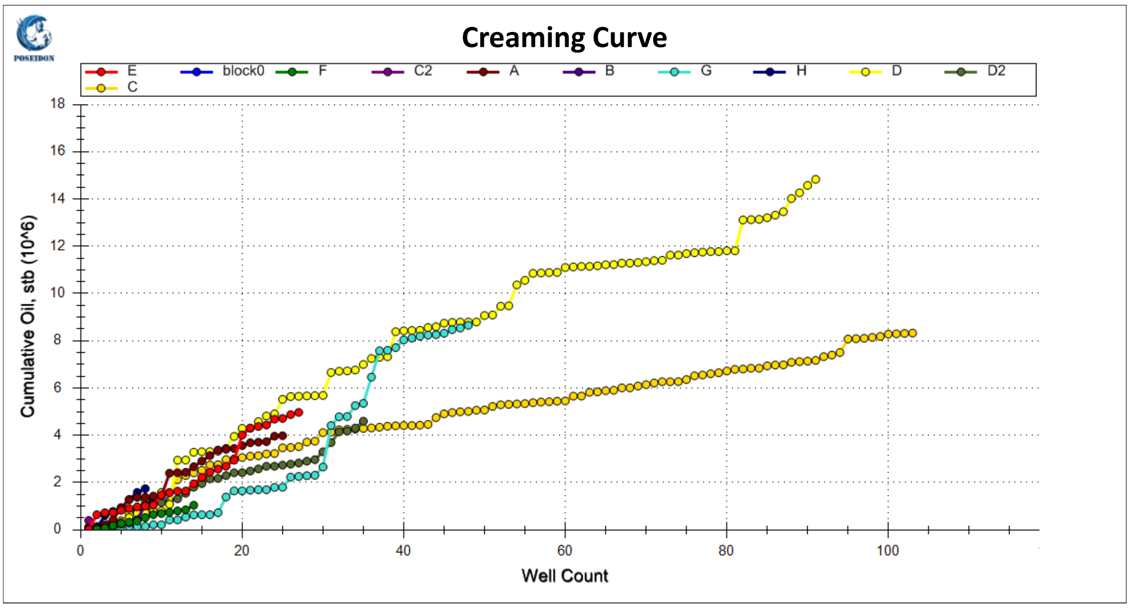


Figure 5-27: Production Creaming Curve (per Zone) versus Well Count

It is important to note that the field was interrupted prematurely in 1942; whilst still producing. The overall remaining potential from this production can be estimated using a decline curve analysis as shown in section 8; but could not unfortunately be allocated back to each producing perforation. Because it is likely that the 1942 production was coming at least partly and perhaps mostly from the recently drilled wells, the later slope of the herein presented creaming curves is pessimistic (too flat). This further reinforces the observation that incremental potential exists in the field.

5.6.3 Recovery Factor (RF) Analysis

It is good practice to assess the flow unit's fractional flow behaviour, expressed in terms of recovery factor versus cumulative water (or liquid) produced; this allows an understanding of the sweep efficiency for each flow unit under a displacement drive mechanism. This work typically complements the creaming curve analysis towards assessing the remaining potential of producing flow units. Unfortunately the dataset doesn't allow for this type of analysis, and therefore it was only possible to assess recovery factors to date within each block-layer (assumed in the first place to represent different flow-units).

The next table shows the calculated 'to date' recovery factors based on the 1C, 2C and 3C estimated STOIIP.

Table 10 : RF to date analysis (Left: per block, Right: per Layer)

Block	CUM OIL	1C RF	2C RF	3C RF	# Count (prod)
A	3.94	32.6%	15.1%	8.1%	23
B	1.20	12.5%	3.5%	2.9%	11
C	8.33	14.7%	10.6%	5.9%	103
C2	0.40	1062.8%	24.2%	3.1%	1
D	14.83	45.9%	40.1%	25.8%	96
D2	4.66	20.6%	12.9%	7.7%	37
E	4.97	29.3%	17.9%	3.4%	28
F	1.10	31.2%	6.0%	1.8%	16
G	8.60	73.2%	44.0%	10.9%	49
H	1.75	167.6%	31.6%	2.9%	8
FIELD	49.79	29.9%	17.5%	7.0%	

Layer	CUM OIL	1C RF	2C RF	3C RF	# Count (prod)
1	1.43	6.9%	3.8%	0.9%	26
2	7.88	28.7%	15.2%	5.4%	30
3	7.30	20.5%	10.6%	3.9%	36
4	4.75	28.6%	17.1%	7.6%	40
5	1.22	22.5%	12.7%	5.5%	15
6	6.02	54.0%	31.4%	19.1%	22
7	7.81	41.2%	32.4%	25.4%	79
9	2.83	16.7%	12.8%	9.6%	67
10	10.53	76.8%	49.0%	26.7%	57
11	0.00	0.0%	0.0%	0.0%	0
FIELD	49.79	29.9%	17.5%	7.0%	

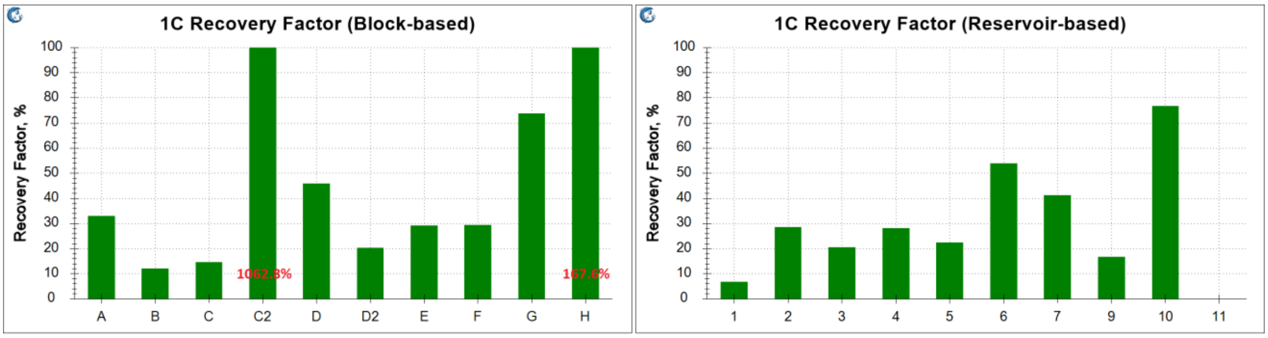


Figure 5-28: Recovery Factor for 1C STOIIP (left: per Block, Right: per Layer)

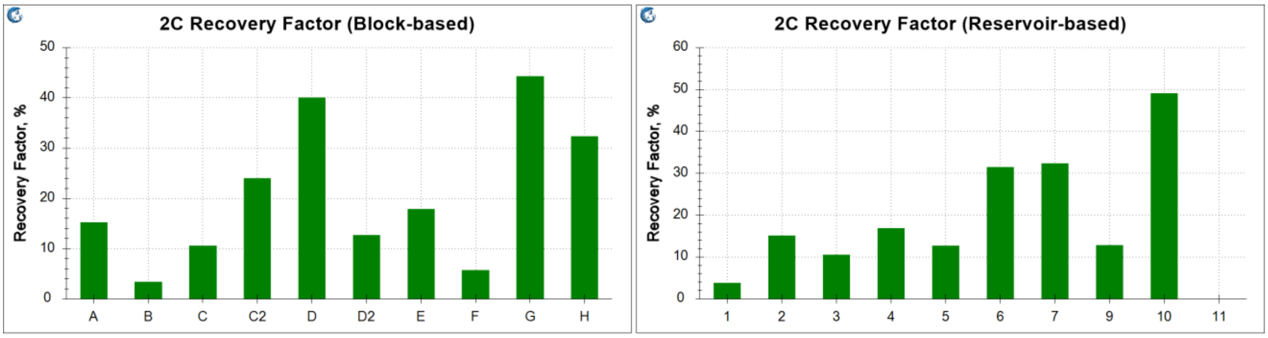


Figure 5-29: Recovery Factor for 2C STOIIP (left: per Block, Right: per Layer)

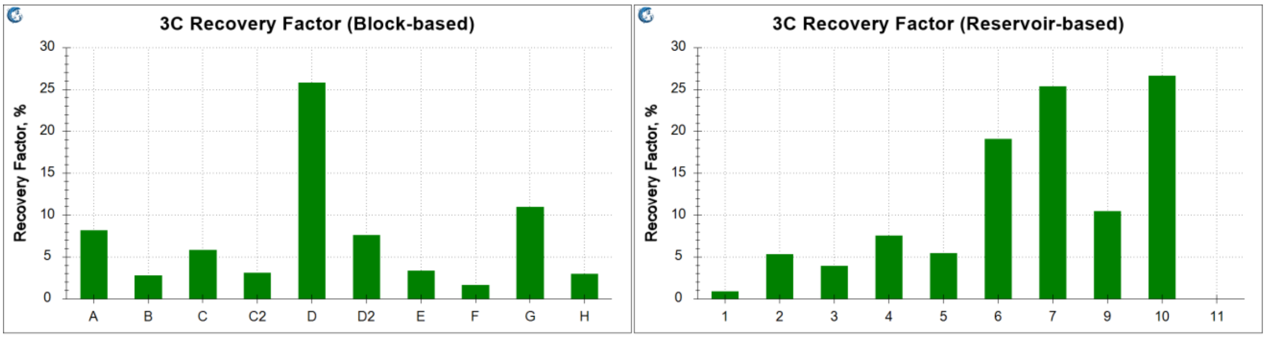


Figure 5-30: Recovery Factor for 3C STOIIP (left: per Block, Right: per Layer)

The analysis points to a number of apparent inconsistencies. First, some of the zones show anomalously high RFs, especially under the 1C STOIIP volume consideration, for instance: Zones 10, 6 and to some extent Zone 7 have RFs between 41% and 77%. However, other producing zones have very low RFs such as Zone 1, Zone 11 (no reported production). The same can be seen for the Block RF analysis: blocks C2 (very small STOIIP), D, G and H have anomalously high RFs with the 1C STOIIP (and to a lesser extent for the 2C); other blocks have much more modest RFs.

Whilst it would be tempting to conclude from those anomalously high RF flow-unit (block-zone) that the STOIIP assessment may be an under-estimation, given the very low recovery factor in some of the other developed block-zones and the reasonable field-wise RF, it was decided not to make any changes to the 'mechanistic' approach to 1C, 2C, 3C area and STOIIP determination, and explain the anomalous RFs (very low or very high) by the following hypothesis:

- **Incorrect zonal allocation**: the production history suggests that commingling occurred throughout the main field exploitation period of 1900 to 1942; given the paucity of the records there is no way of verifying the quality of the zonal allocation.
- **Well allocation**: besides zonal allocation, the well to well allocation may also be subject to inaccuracies. Given the absence of well testing data, there is no means to verify this information; this means that block cumulative recoveries (and therefore RF) may also impacted by this uncertainty
- **Compartment definition and cross-flow**: finally, the quality of the seismic and, crucially, the very limited nature of the log and pressure dataset, means that the understanding of compartments is unlikely to be fully correct. Ambiguity in the seismic mapping across the crestal area (where seismic data is poor) combined with absence of electrical logs in the vintage producer wells, means that mapping of wells to compartments (blocks and layers) carries uncertainty and could be erroneous in places. Moreover, compartment-defining fault throws are generally small (10-20m) and there may be sand-to-sand superposition allowing cross-flow of fluids.

NB: When analyzing the Field RF to date per Resource Category, it is apparent that the 1C STOIIP is likely to be an under-estimation of the total field STOIIP; this is actually consistent with the definition of a 1C volume category (90% certainty that the actual volume is greater than the 1C).

5.6.4 Reservoir Drive Assessment

In order to perform a reservoir drive diagnostic, continuous production data is critical by well and zones, combined with adequate pressure data. Unfortunately, only the field-wide historical production profile appears to be available with very limited pressure records, and it is also limited to oil rate and gas-oil-ratio data; no well by well production nor block or zone-wise production versus time data was available. As a consequence the reservoir drive assessment has been performed at a field level.

Figure 5-31 and Figure 5-32 depict Perlak field reservoir performance from 1900 – 1942. The provided production graphs suggest that after 16 years of production, the GOR for the field spiked and reached approximately 6000 scf/bbl, before declining. This is the typical behavior of a reservoir under solution gas drive (as shown on Figure 5-33).

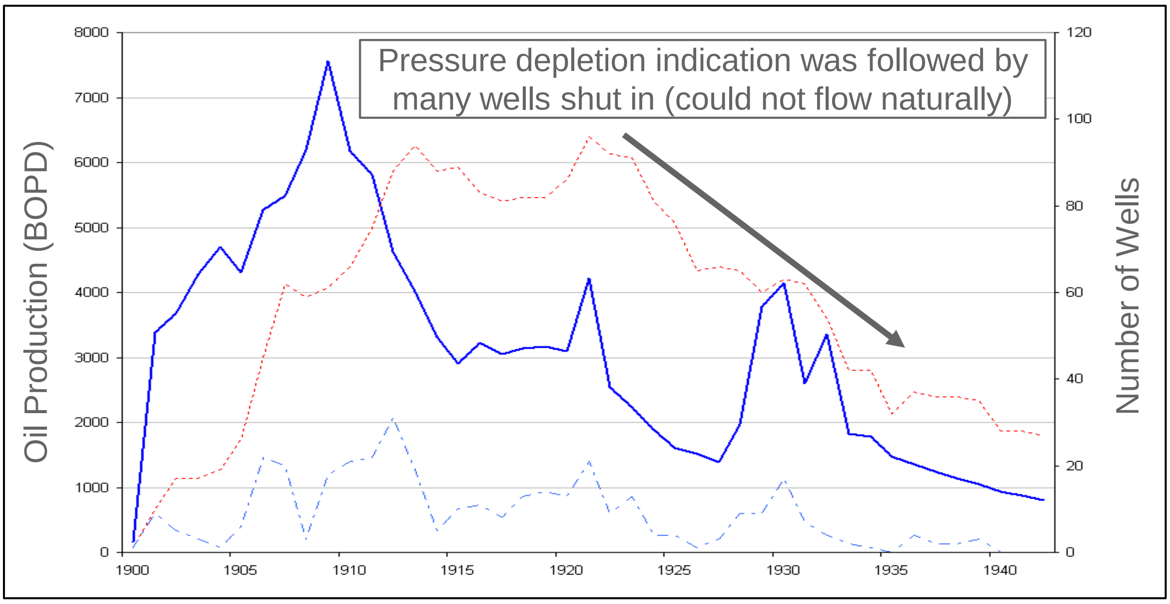


Figure 5-31: Perlak Historical Oil Rate (blue), Well Count (dashed red), New wells (dashed blue) versus time (Source: Operator)

The apparent decline in number of wells producing, as well as the field oil profile suggests reservoir depletion was occurring, and the supply of natural energy was limited.

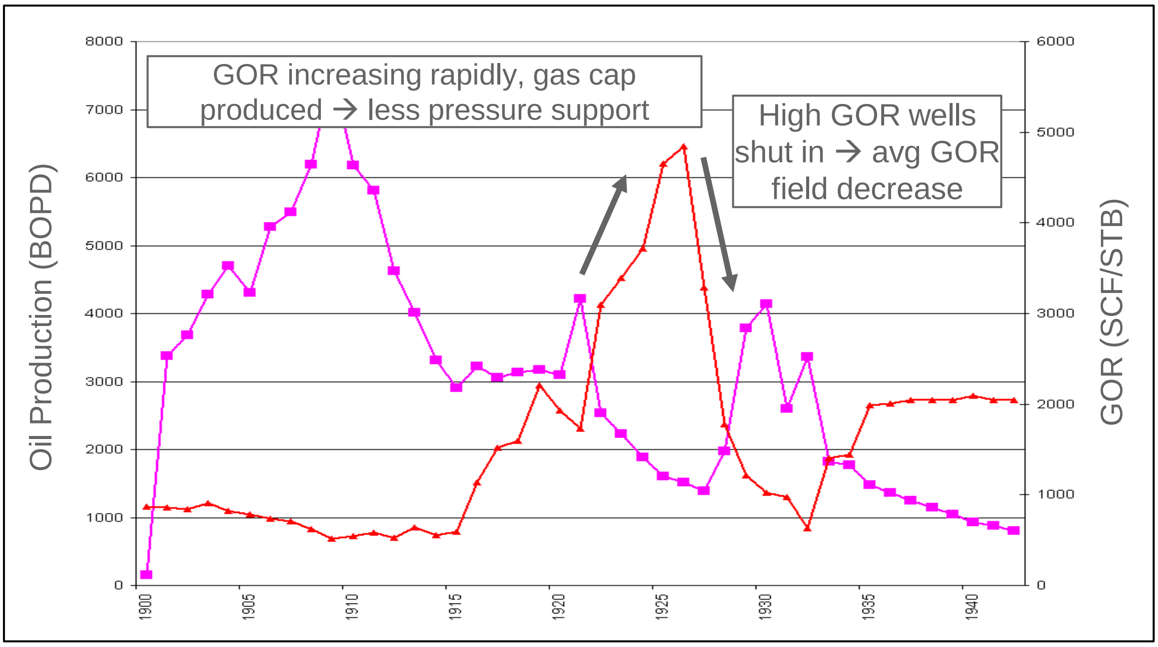


Figure 5-32: Perlak Historical Oil Rate and GOR versus time

The GOR increase occurring from 1915, with a peak around 1925, followed by a steady GOR decline between 1925 and 1930, is consistent with a diagnostic of gas solution drive being the main reservoir mechanism (Illustration below).

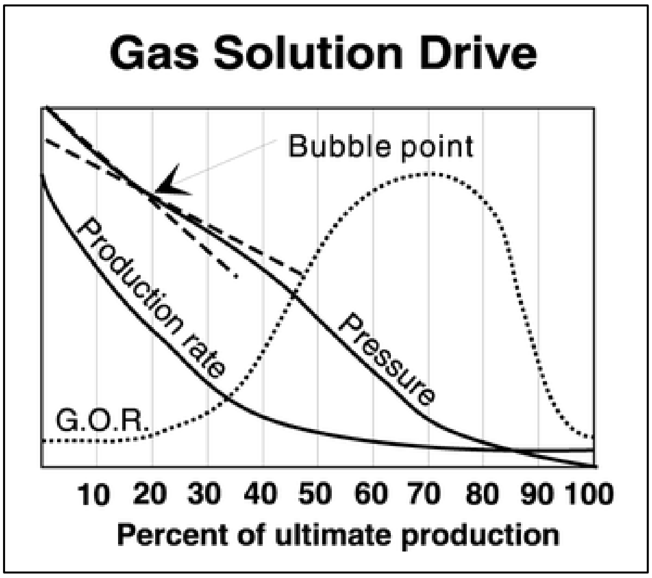


Figure 5-33: Typical gas solution drive production performance (Source: Odeh, A.S., 1986)

Whilst no continuous historical water cut records are available, the Operator provided some discrete records suggesting that either no aquifer influx was present, or that at best a moderate water influx might have been at play in some of the zones, providing some additional energy, such as Zone 7 (in 1932: 174 bopd, 13 bwpd, WCT = 7 %).

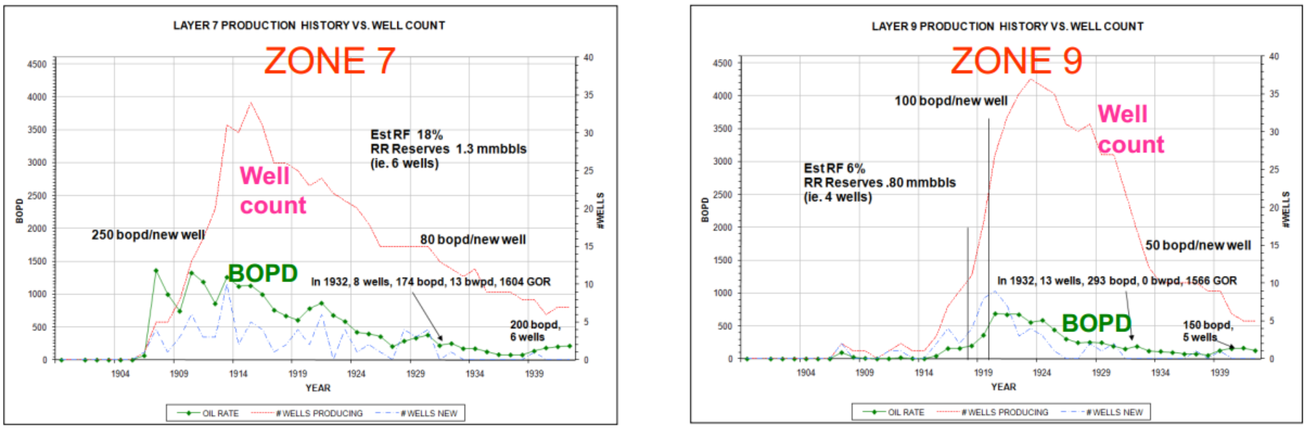


Figure 5-34: Zones 7 (left) and 9 (right) production performance. (Source: Range Resources Ltd / LandOcean)

The recent field (wells POG-D and POG-E) short-term production performance suggests also that some of the zones may have moderate aquifer support (or at least presence of producible water). Figure 5-35 shows that a gradual WCT development occurs in well E (producing from zone 9), therefore suggesting that some water encroachment is occurring in Block A. This observation is confirmed with the well POG-D which, after an ESP installation needed because of insufficient lifting capacity, appears to contribute rapidly to the combined WCT development.

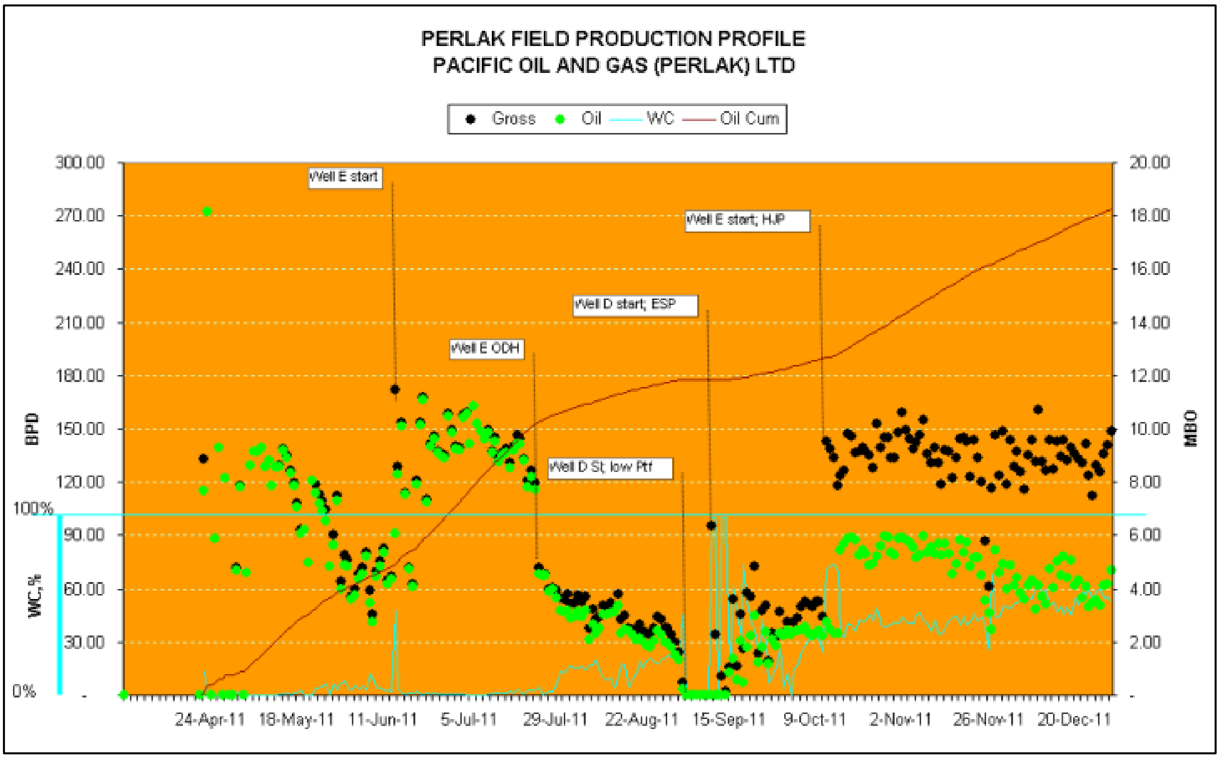


Figure 5-35: POG-D & POG-E Production Plot

The pressure data acquired in wells PP-01, PP-02, APP-01 and APP-02 in years 1971 – 1997, presented in the previous section suggests however that generally the reservoir pressures are partially to considerably depleted. This therefore confirms that if some supplemental energy from an aquifer expansion exists in some of the zones, it is likely to be minor to moderate. It is also possible that these wells are close to the current OWC and under active pumping, the small water leg available is producing – whilst not able to contribute significantly to the energy balance – this is common for aquifer volumes of a similar order of magnitude to the oil volume (aquifer to oil PV ratio in the 1-2 range).

6 DEVELOPMENT CONCEPT

There is currently no stated Plan of Development (POD) from the Operator, as the field is currently been studied to assess the optimum way forward to monetize the remaining resources.

7 RECOVERABLE RESOURCES

7.1 APPROACH FOR THE DETERMINATION OF GROSS RECOVERABLE RESOURCES

In this section we describe how the 1C, 2C and 3C ultimate recovery estimation was performed. Given the lack of granularity of the data set, neither the Operator, nor LEAP ENERGY were able to perform history-matching studies with either material balance or reservoir simulation; this is because of the scarcity of the pressure data across the field and over time, the absence of production information versus time (only cumulative available), and the likely issues with zonal and possibly well to well allocation. Decline curve analysis and Material Balance were however used to estimate technically recoverable volumes for the field, as described below:

1C: Decline curve was used in predicting the recoverable volumes, as it is considered the most conservative method. Field production is assumed to resume from where it halted in 1942, and with a certain decline based on our understanding of the reservoir mechanism. On top of that, the estimated recoverable volumes from 2 new drills, POG-D & POG-E, is contributing to the 1C estimate.

2C and 3C: Material balance was used to estimate the technically recoverable volumes on a layer basis, assuming a range of reservoir properties, initial pressures and achievable abandonment pressures. The 2C and 3C estimates differ in the aquifer strength, initial in place volumes and achievable sweep efficiency (connected STOIIP to wells).

To quantify the remaining recoverable resource, the field historical cumulative production volume will be subtracted from the Estimated Ultimate Recoveries (EUR).

The cumulative hydrocarbon quantities produced to date are established on the following basis:

- Cumulative oil: computed from the sum of the provided individual well cumulative oil (49.8 MMstb). This was cross-checked to be similar to the digitised field oil production rate shown on Figure 5-32, which comes up to 48.2 MMstb. The individual well cumulative was taken as more reliable and formed the basis for the cumulative produced.
- Cumulative gas: since no individual well data was available, the field oil production and reported GOR was used as the basis for the computation of the cumulative gas to date. It is recognised that some uncertainty exists with this quantity.

7.2 1C: DECLINE CURVE BASED APPROACH

The field production was interrupted in 1942, with a last recorded rate of 803 bopd and 27 wells on production. Whilst it is clear that the production practices at that time were less advanced than may be currently achievable, it is natural to estimate (albeit conservatively) recoverable resources from a decline curve based approach.

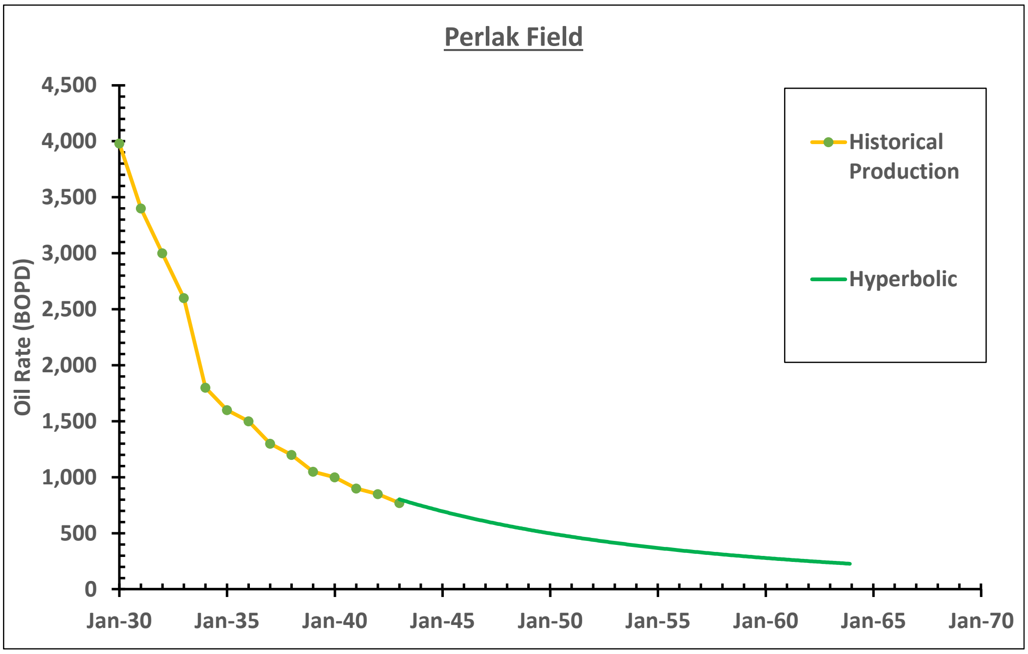


Figure 7-1: Perlak DCA

A hyperbolic decline was deemed suitable for Perlak field, with a decline exponent of 0.3 as suggested by M.J. Fetkovich (SPE-28628-PA, 1996) for oil reservoirs under solution gas drive. This results in additional recoverable volumes of 3.4 MMstb, assuming no new wells are added.

In 2011, 2 wells, namely POG-D and POG-E, was brought into production for approximately 8 months until December 2011. To date (as provided), these wells had produced 12000 bbl and 6000 bbl respectively, and it is estimated that these two wells would each produce an average of 0.20 MMstb. This number is derived using historical cumulative production (49.79 MMstb) divided by total known number of producers in Perlak during 1900-1942 (246 wells).

This brings the Perlak 1C gross remaining recoverable volume to 3.8 MMstb. On the other hand, we have used the last known GOR of 2000 SCF/STB to estimate the gas production from remaining recoverable, which results in a 7.5 BCF of gross gas recoverable. The 1C estimate is shown as a correction to the creaming curve on the figure below:

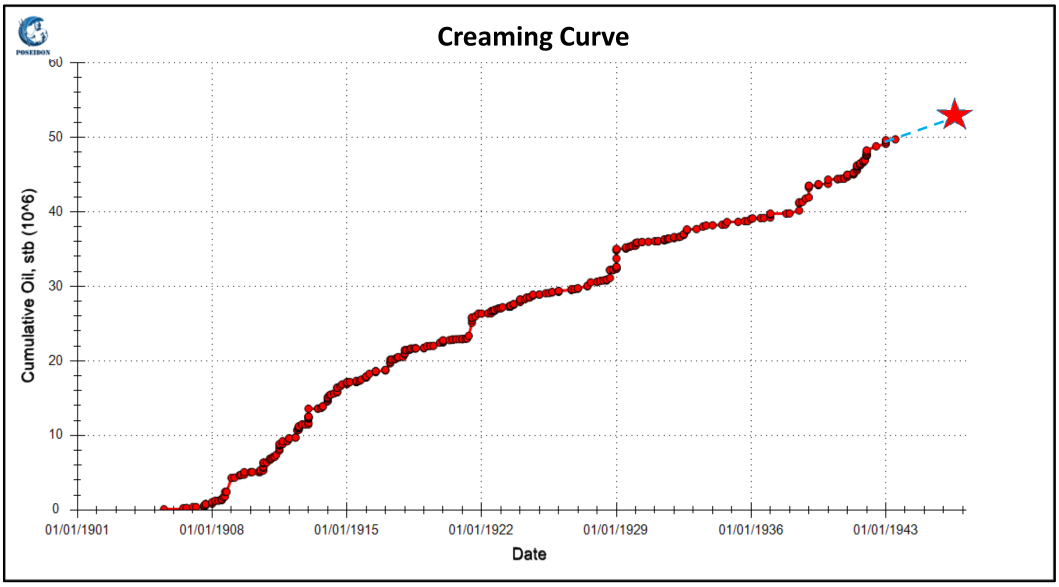


Figure 7-2: Perlak's Full Field Creaming Curve with the 1C (DCA based) additional recovery

7.3 2C: Material Balance Estimation

The dataset does not allow for history-matching the field / zonal performance. However it is possible to use a material balance approach to estimate the range of reasonable recoverable volumes given our understanding of the reservoir drive mechanism.

Below is the summary table of input properties used in material balance modelling for this study:

Table 7-1: Reservoir properties and STOIIP per layer as assumed in the material balance model for Perlak

Reservoir	STOIIP MMstb	Aquifer Size	Net Pay	Porosity	So	Estimated Initial Reservoir Pressure
			m	Frac	Frac	psig
1	37.8	2x	37.57	0.20	0.70	318
2	52.0	2x	25.78	0.27	0.70	531
3	69.0	2x	35.21	0.26	0.70	588
4	27.8	2x	13.56	0.23	0.70	659
5	9.6	2x	5.20	0.22	0.70	773
6	19.2	2x	6.34	0.26	0.70	801
7	24.1	2x	7.20	0.22	0.70	844
9	22.2	2x	6.93	0.22	0.70	943
10	21.5	2x	7.86	0.26	0.70	1014
11	1.5	2x	1.96	0.26	0.70	1085
TOTAL	**284.7**					

An abandonment gradient (0.1 psi/ft) is applied in the model to represent a realistic abandonment condition. It is recognized that lift methodology optimization may affect this value but given the range of uncertainties present in the volumetric in place assessment, this assumption is deemed reasonable for the purpose of this report.

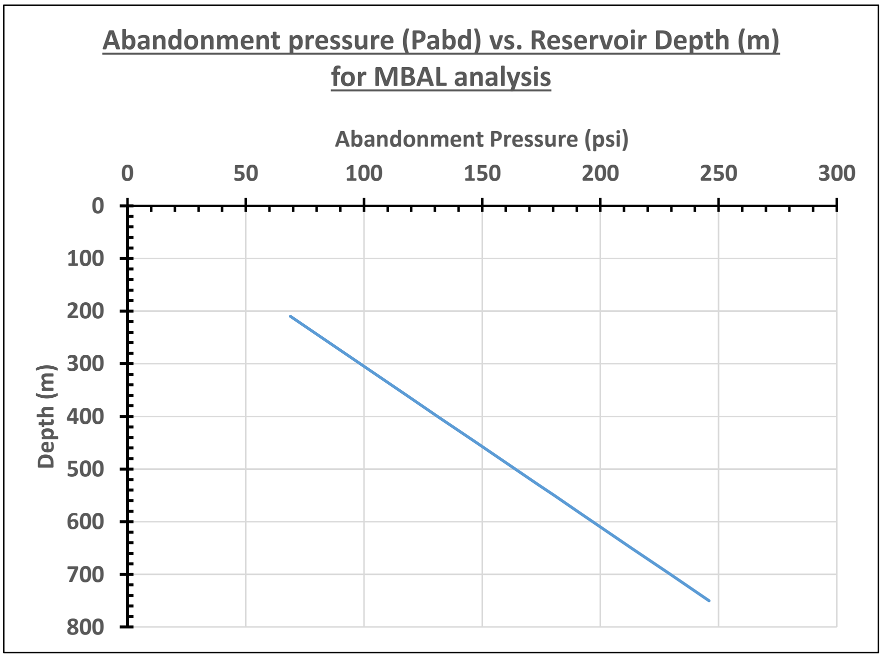


Figure 7-3: Abandonment pressure vs Reservoir Depth

Our assessment shows that the 2C technical ultimate recovery is 63.1 MMstb in total, including to-date cumulative production, leaving a gross recoverable volume of 13.3 MMstb. The cumulative gas was also obtained from material balance after a scaling to the initial Rs.

7.4 3C: Material Balance Estimation

In this scenario, the STOIIP volume is larger than previous 2C estimation, but the aquifer size was reduced to 0.5 times of the OOIP due to the structural constraints in Perlak. As the 3C STOIIP is essentially filling most of the structure, there can't be any significant aquifer at play, hence the reduced aquifer size. In addition, the fact that the field historical production's GOR displays the typical bell-shaped curve between 1920 and 1930, symptomatic of solution gas drive with depleting pressures, suggests that some of the wells are producing from limited sized pools. In the context of an extended 3C area, this suggests stratigraphic discontinuity, or baffling, may be at play as well as structure.

Also, the fact that a number of wells were classified as "Dry" suggests that at the very least some lateral heterogeneity must exist within the extended 3C contact areas, with poorer reservoir properties, or low-contrast pay etc. These point to the necessity to apply a form of discount factor to the accessible and producible STOIIP, and therefore the recovery factor. The sweep efficiency discount factor is a percentage value, derived from the number of dry wells divided by the number of known perforation intervals in the particular reservoir.

Below is the summary table of input properties used in material balance modelling for this study:

Table 7-2: Reservoir properties and STOIIP per layer as assumed in the material balance model for Perlak

Reservoir	STOIIP MMstb	Aquifer Size	Net Pay	Porosity	So	Estimated Initial Reservoir Pressure	Sweep Efficiency Discount
			m	Frac	Frac	psig	
1	156.6	0.5x	37.57	0.20	0.70	318	23%
2	147.0	0.5x	25.78	0.27	0.70	531	20%
3	185.0	0.5x	35.21	0.26	0.70	588	16%
4	62.2	0.5x	13.56	0.23	0.70	659	15%
5	22.4	0.5x	5.20	0.22	0.70	773	39%
6	31.5	0.5x	6.34	0.26	0.70	801	27%
7	30.7	0.5x	7.20	0.22	0.70	844	7%
9	29.6	0.5x	6.93	0.22	0.70	943	9%
10	39.5	0.5x	7.86	0.26	0.70	1014	10%
11	7.8	0.5x	1.96	0.26	0.70	1085	23%
TOTAL	**712.2**						

The material balance prediction gives a 3C recovery is 129.9 MMstb in total, including to-date cumulative production, leaving a gross recoverable volume of 80.1 MMstb.

7.5 SUMMARY OF RESOURCES

7.5.1 Gross Resources Estimates

Table 7-3 shows the summary of EUR, cumulative production and remaining recoverable for the Perlak field. Note that the cumulative gas produced was estimated on the basis of the provided field-wise GOR. It is recognised that the uncertainty associated with gas produced and remaining recoverable is considerable given the dataset quality.

Table 7-3: Gross Recoverable Resource Summary, as of August 1st 2017

Estimated Ultimate Recovery				
	Low (1C)	Mid (2C)	High (3C)	
Associated Gas (Bscf)	71.9	111.9	242.9	
Oil (MMstb)	53.6	63.1	129.9	
Cumulative Produced to Date				
Associated Gas (Bscf)	64.4	64.4	64.4	
Oil (MMstb)	49.8	49.8	49.8	
Gross Remaining recoverable resources (Contingent Resource – Status Unclarified) For Operator: Range Resources				Operator
Associated Gas (Bscf)	7.5	47.5	178.5	P.T Aceh Timur Kawai Energi
Oil (MMstb)	3.8	13.3	80.1	

7.5.2 Net Resources Estimates

Under the current arrangements, the following Net Equity Splits to Range Resources Ltd have been applied:

- 'Current Net Resources': 23% (indirect) stake
- 'Future Net Resources': raised to 42% (indirect) stake, once the minimum work programme is completed at the end of the 3 year period.

Table 7-4: Net Resources Estimates, as of August 1st 2017

Current Net Remaining recoverable resources (Contingent Resources – Status Unclarified) for Range Resources				Operator
	Low (1C)	Mid (2C)	High (3C)	
Associated Gas (Bscf)	1.7	10.9	41.1	P.T Aceh Timur Kawai Energi
Oil (MMstb)	0.9	3.1	18.4	
Future Net Remaining recoverable resources (Contingent Resources – Status Unclarified) for Range Resources				
Associated Gas (Bscf)	3.2	20.0	75.0	P.T Aceh Timur Kawai Energi
Oil (MMstb)	1.6	5.6	33.6	

7.5.3 Discussion: analogues and possible upside to Perlak recovery factor

LandOcean pointed out that within the pressures encountered in POG-D at some levels suggest that pressures are near initial state (above hydrostatic in some cases), whilst recorded cumulative production for zones such as Layers 2 and 10 are fairly significant. These pressures may indicate that stronger aquifer support may exist for this block, a and therefore some further upside to the recoverable volumes could be realized at least in this part of the field, assuming that the pressures recorded are reliable. Further studies, such as understanding the structural setting towards the North of the field could shed further insights with respect to this possibility.

However, as described earlier in this report, production allocation cannot be verified and surely therefore carries a significant uncertainty. It is also possible that a considerable amount of crossflow has occurred between the identified blocks through sand-to-sand juxtaposition. The combined 2C RF for the Blocks A&B is only 8%.

Regional analogue field production may provide further credence to a recovery factor upside, as some regional analogues are said to have expected RF in the range of 40%. Understanding RF and the reservoir depletion mechanism is an important challenge for the Perlak field, with some upside potential in existence from primary recovery. To recognize such upside in RF requires first to reduce the very wide uncertainty in initial oil in place (STOIIP).

Likewise, the application of secondary (and tertiary) recovery may provide further incremental potential to the field, and be reflected in the resource assessment, once a minimum sufficient technical and commercial maturity is achieved.

8 ECONOMICS & VALUATION

Economics and valuation are not part of the scope of this report.

9 APPENDIX A: GLOSSARY OF TERMS AND ABBREVIATIONS

1C	denotes a Low estimate scenario of Contingent Resources
2C	denotes a Mid or Best estimate scenario of Contingent Resources
3C	denotes a High estimate scenario of Contingent Resources
2D seismic	seismic data acquired in a single traverse or series of traverses. 2D seismic data provides single cross sections
3D seismic	seismic data acquired as multiple, closely spared traverses. 3D seismic data typically provides a more detailed and accurate image of the subsurface than 2D seismic
Abex	Decommissioning costs
Aggregation	the process of summing reservoir (or project) level estimates of resource quantities to higher levels or combinations such as field, country or company totals. Arithmetic summation may yield different results from probabilistic aggregations of distributions
API	American Petroleum Institute
appraisal	the phase of petroleum operations immediately following a successful discovery. Appraisal is carried out to determine size, production rate and the most efficient development of a field
appraisal well	a well drilled as part of an appraisal of a field
asl	above sea level
B	billion
bbl(s)	barrels
bbls/d	barrels per day
Bcm	billion cubic metres
block	term commonly used to describe areas over which there is a petroleum or production licence
Bg	gas formation volume factor
Bgi	gas formation volume factor (initial)
Bo	oil formation volume factor
Boi	oil formation volume factor (initial)
Bw	water volume factor
boe	barrels of oil equivalent. Converting gas volumes to oil equivalent is customarily done on the basis of the nominal heating content or calorific value of the fuel. Before aggregating, the gas volumes must be converted to the same temperature and pressure. Common industry gas conversion factors usually range between 1 barrel of oil equivalent = 5,600 scf of gas to 6,000 scf of gas
bopd	barrels of oil per day
BS&W	basic sediment and water

BTU	British Thermal Unit
Bscf	billions of standard cubic feet
bwpd	barrels of water per day
charge or migration	the movement of hydrocarbons from source rocks into reservoir rocks. Migration can be local or can occur along distances of hundreds of kilometres in large sedimentary basins, and is critical to a viable petroleum system
closure	the height from the apex of a reservoir structure to the lowest contour that contains the reservoir structure (spill). Measurements of both the areal closure and the distance from the apex to the lowest closing contour are typically used for the calculations of the estimates hydrocarbon content of a trap
CO2	Carbon dioxide
commercial discovery	discovery of oil and gas which the Company determines to be commercially viable for appraisal and development
condensate	liquid hydrocarbons which are sometimes produced with natural gas and liquids derived from natural gas
CGR	Condensate Gas Ratio
Contingent Resources	those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable due to one or more contingencies
Conventional	Conventional resources are defined as hydrocarbons above a mapped structural closure.
cP	centipoise
Cretaceous	the final period of the Mesozoic era ranging from approximately 65 to 144 million years ago
CROCK	rock compressibility
CT	Corporation Tax
Cw	water compressibility
DBA	decibels
Decommission or decommissioning	the process or the procedure by which the facilities and the infrastructure related to the production of hydrocarbon from an oil field are demobilised and abandoned
deepwater	any area of water over 250m in depth
dip	the angle at which a rock stratum or structure is inclined from the horizontal
discovery	an exploration well which has encountered oil and gas for the first time in a structure
drilling campaign	a period of time in which drilling activities are performed
dry well	a well which does not encounter hydrocarbons in economically producible quantities
DST	drill stem test
Decommissioning charge	cost of charge associated with decommission procedures
E&P	exploration and production

Ea	areal sweep efficiency
ELT	Economic Limit Test
EMV	Expected Monetary Value
Eocene	the epoch after the Palaeocene and before the Oligocene in the Tertiary period from approximately 55.8 million to 33.9 million years ago
ESD	emergency shut down
EUR	Estimated Ultimate Recovery (Technically Recoverable pre-ELT)
Evert	vertical sweep efficiency
exploration	the phase of operations which covers the search for oil or gas by carrying out detailed geological and geophysical surveys followed up where appropriate by exploratory drilling
exploration drilling	drilling carried out to determine whether oil and gas are present in a particular area or structure
exploration well	a well in an unproven area or prospect, may also be known as a "wildcat well"
facies	sedimentological description of rock
farmout	a term used to describe when a company sells a portion of the acreage in a block to another company, usually in return for consideration and for the buying company taking on a portion of the selling company's work commitments
FBHP	flowing bottom hole pressure
field	a geographical area under which either a single oil or gas reservoir or multiple oil or gas reservoirs lie, all grouped on or related to the same individual geological structure feature and/or stratigraphic condition
formation	a body of rock identified by lithic characteristics and stratigraphic position which is mappable at the earth's surface or traceable in the subsurface
FPSO	Floating production storage and offloading
FTHP	flowing tubing head pressure
ft	feet
ftSS	depth in feet below sea level
GDT	Gas Down To
geophysical	geophysical exploration is concerned with measuring the earth's physical properties to delineate structure, rock type and fluid content — these measurements include electrical, seismic, gravity and magnetics
GIP	Gas in Place
GIIP	Gas Initially in Place
GOR	gas/oil ratio
GPoS	Geological Possibility of Success
GRV	gross rock volume
GSA	Gas Sales Agreement

GWC	Gas Water Contact
H2S	Hydrogen sulphide
HIC	hydrogen induced cracking
hydrocarbon	a compound containing only the elements hydrogen and carbon. May exist as a solid, a liquid or a gas. The term describes any combination of oil, gas and/or condensate
infrastructure	oil and gas processing, transportation and off-take facilities
IRR	internal rate of return
KB	Kelly Bushing
ka	absolute permeability
kh	horizontal permeability
km	kilometres
km2	square kilometres
kPa	kilopascals
kr	relative permeability
krg	relative permeability of gas
krgcl	relative permeability of gas @ connate liquid saturation
krog	relative permeability of oil-gas
kroso	relative permeability at residual oil saturation
kroswt	relative permeability to oil @ connate water saturation
kv	vertical permeability
licence	an exclusive right to explore for petroleum, usually granted by a national governing body
licence area	the area covered by a licence
m	metre
M	thousand
Miocene	the epoch after the Oligocene and before the Pliocene in the Tertiary period approximately from 23 million to 5.3 million years ago
MM	million
MMstb	million barrels
MMboe	million barrels of oil equivalent
MMstb	million stock tank barrels
M$	thousand US dollars
MM$	million US dollars
MD	measured depth

mD	permeability in millidarcies
m3	cubic metres
m3/d	cubic metres per day
MMscf/d	millions of standard cubic feet per day
m/s	metres per second
msec	milliseconds
mV	millivolts
Mt	thousands of tonnes
MMt	millions of tonnes
MOD	Money of the Day
MPa	mega pascals
MPD	Managed pressure drilling
natural gas	gas, predominantly methane, occurring naturally, and often found in association with crude petroleum
N2	Nitrogen
NTG	net to gross ratio
NGL	Natural Gas Liquids
offshore	that geographical area that lies seaward of the coastline
oil	a mature of liquid hydrocarbons of different molecular weight
oil field	the mapped distribution of a proven oil-bearing reservoir or reservoirs
Oligocene	the epoch after the Eocene and before the Miocene in the Tertiary period approximately from 34 million to 23 million years ago
onshore	that geographic area that lies landward of the coastline
operator	the company that has legal authority to drill wells and undertake production of oil and gas. The operator is often part of a consortium and acts on behaif of this consortium
OWC	oil water contact
P90	denotes a scenario which has at least a 90% probability of occurring
P50	denotes a scenario which has at least a 50% probability of occurring
P10	denotes a scenario which has at least a 10% probability of occurring
participating interests	the proportion of exploration and production costs each party will bear and the proportion of production each party will receive, as set out in an operating agreement
P_b	bubble point pressure
P_c	capillary pressure

petroleum	A generic name for oil and gas, including crude oil, natural gas liquids, natural gas and their products
petroleum system	Geologic components and processes necessary to generate and store hydrocarbons, including a mature source rock, migration pathway, reservoir rock, trap and seal
phase	a distinct state of matter in a system, e.q. liquid phase or gas phase
phi	porosity fraction
p_i	initial reservoir pressure
PI	productivity index
Play	a conceptual model for a style of hydrocarbon accumulation
PLEM	Pipeline end manifold
Pliocene	the epoch after the Miocene up to the end of the Tertiary period approximately from 5.3 million to 1.8 million years ago
POD	Plan Of Development
ppm	parts per million
Probable Reserves	reserves which, based on the available evidence and taking into account technical and economic factors, have at least a 50 per cent. chance of being produced
PLT	Production Logging Tool
POR	porosity
PHIT	Total porosity (including clay-bound water)
PHIE	Effective porosity
prospect	an identified trap that may contain hydrocarbons. A potential hydrocarbon accumulation may be described as a lead or prospect depending on the degree of certainty in that accumulation. A prospect is generally mature enough to be considered for drilling
Prospective Resources	those quantities of petroleum which are estimated, on a given date, to be potentially recoverable from undiscovered accumulations
prospectivity	the likelihood of an area to contain potential hydrocarbon accumulations, i.e. prospects
Proved Reserves	reserves which, based on the available evidence and taking into account technical and economic factors, have at least a 90 per cent chance of being produced
psi	pounds per square inch
psia	pounds per square inch absolute
psiq	pounds per square inch gauge
P_{wt}	flowing bottom hole pressure
PVT	pressure volume temperature
rb	barrel(s) of oil at reservoir conditions
rcf	reservoir cubic feet

Reserves	those quantities of petroleum which are anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions, reference should be made to the full PRMS definitions for the complete definitions and guidelines
reservoir	an underground porous and permeable formation where oil and gas has accumulated
Resources	Contingent and Prospective Resources, unless otherwise specified
RFES	Ring Fence Expenditure Supplement
RFT	repeat formation tester
RKB	relative to Kelly bushing
rm3	reservoir cubic metres
SCADA	supervisory control and data acquisition
SCAL	Special Core Analysis
scf	standard cubic feet measured at 14.7 pounds per square inch and 60° F
scf/d	standard cubic feet per day
scf/stb	standard cubic feet per stock tank barrel
seal	a relatively impermeable rock, commonly shale, anhydrite or salt, that forms a barrier or cap above and around reservoir rock such that fluids cannot migrate beyond the reservoir. A seal is a critical component of a complete petroleum system
seismic survey	a method by which an image of the earth's subsurface is created through the generation of shockwaves and analysis of their reflection from rock strata
SGS	Sequential Gaussion Simulation
SIS	Sequential Indicator Simulation
sm3	standard cubic metres
S_o	oil saturation
S_{or}	residual oil saturation
Sorw	residual oil saturation (waterflood)
S_{wc}	connlate water saturation
S_{oi}	irreducible oil saturation
Sw	Waters saturation
Sw_{irr}	Irreducible water saturation
source	characteristic of organic-rich rocks to contain the precursors to oil and gas, such that the type and quality of expelled hydrocarbon can be assessed
source potential	characteristic of a rock formation to constitute a source of oil and gas
source rock	a rock rich in organic matter which, if given the right conditions, will generate oil or gas. Typical source rocks, usually shales or limestones, contain at least 0.5 per cent total organic carbon (TOC), although a rich source rock might have as much as 10 per cent organic matter. Access to a working source rock is necessary for a complete petroleum system

sq km	square kilometre
SSCC	sulphur stress corrosion cracking
stb	stock tank barrels measured at 14.7 pounds per square inch and 60° F
stb/d	stock tank barrels per day
STOIIP	stock tank oil initially in place
Sw	water saturation
$	United States Dollars
t	tonnes
Tertiary	the Tertiary Period is a geological period from approximately 65 million to 1.8 million years ago
THP	tubing head pressure
trap	A configuration of rocks suitable for containing hydrocarbons and sealed by a relatively impermeable formation through which hydrocarbons will not migrate. Traps are described as structural traps (in deformed strata such as folds and faults) or stratigraphic traps (in areas where rock types change, such as unconformities, pinch outs and reefs). A trap is an essential component of a petroleum system
Tscf	trillion standard cubic feet
TVDSS	true vertical depth (sub-sea)
TVT	true vertical thickness
TWT	two-way time
Unconventional	Unconventional intervals are those below structural closure in which hydrocarbons have been demonstrated to be present or considered to be present
US$	United States Dollar
V_{sh}	shale volume
W/m/K	watts/metre/ ° K
WAP	weighted average gas price
WC	water cut
WGIIP	Wet Gas Initially in Place
WOSPS PLEM	West of Shetland Pipeline System: Pipeline End Mandold
WUT	Water Up To
µ	viscosity
μ_{gb}	viscosity of gas
μ_{ob}	viscosity of oil
μ_w	viscosity at water

10 APPENDIX B: SPE/WPC/AAPG/SPEE RESERVE/RESOURCE DEFINITIONS

(Extracts from Petroleum Resources Management System 200762, Source: Society of Petroleum Engineers. See website for a glossary of terms)

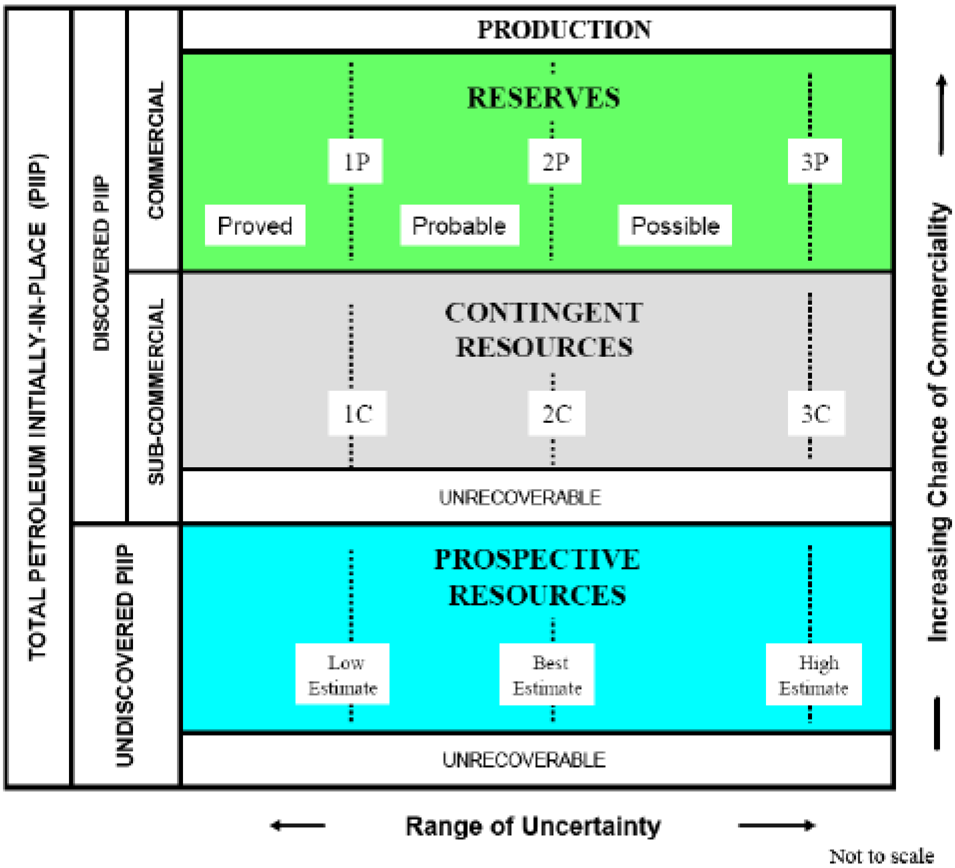
The estimation of petroleum resource quantities involves the interpretation of volumes and values that have an inherent degree of uncertainty. These quantities are associated with development projects at various stages of design and implementation. Use of a consistent classification system enhances comparisons between projects, groups of projects, and total company portfolios according to forecast production profiles and recoveries. Such a system must consider both technical and commercial factors that impact the project's economic feasibility, its productive life, and its related cash flows

Petroleum Resources Classification Framework

Petroleum is defined as a naturally occurring mixture consisting of hydrocarbons in the gaseous, liquid, or solid phase. Petroleum may also contain non-hydrocarbons, common examples of which are carbon dioxide, nitrogen, hydrogen sulfide and sulfur. In rare cases, non-hydrocarbon content could be greater than 50%.

The term "resources" as used herein is intended to encompass all quantities of petroleum naturally occurring on or within the Earth's crust, discovered and undiscovered (recoverable and unrecoverable), plus those quantities already produced. Further, it includes all types of petroleum whether currently considered "conventional" or "unconventional."

Figure D.1 is a graphical representation of the SPE/WPC/AAPG/SPEE resources classification system. The system defines the major recoverable resources classes: Production, Reserves, Contingent Resources, and Prospective Resources, as well as Unrecoverable petroleum.



The "Range of Uncertainty" reflects a range of estimated quantities potentially recoverable from an accumulation by a project, while the vertical axis represents the "Chance of Commerciality", that is, the chance that the project that will be developed and reach commercial producing status. The following definitions apply to the major subdivisions within the resources classification:

TOTAL PETROLEUM INITIALLY-IN-PLACE is that quantity of petroleum that is estimated to exist originally in naturally occurring accumulations. It includes that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production plus those estimated quantities in accumulations yet to be discovered (equivalent to "total resources").

DISCOVERED PETROLEUM INITIALLY-IN-PLACE is that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production.

PRODUCTION is the cumulative quantity of petroleum that has been recovered at a given date. While all recoverable resources are estimated and production is measured in terms of the sales product specifications, raw production (sales plus non-sales) quantities are also measured and required to support engineering analyses based on reservoir voidage. Multiple development projects may be applied to each known accumulation, and each project will recover an estimated portion of the initially-in-place quantities. The projects shall be subdivided into Commercial and Sub-Commercial, with the estimated recoverable quantities being classified as Reserves and Contingent Resources respectively, as defined below.

RESERVES are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must further satisfy four criteria: they must be discovered, recoverable, commercial, and remaining (as of the evaluation date) based on the development project(s) applied. Reserves are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by development and production status.

CONTINGENT RESOURCES are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies. Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are further categorized in accordance with the level of certainty associated with the estimates and may be subclassified based on project maturity and/or characterized by their economic status. *See section Project Maturity Sub-classes*.

UNDISCOVERED PETROLEUM INITIALLY-IN-PLACE is that quantity of petroleum estimated, as of a given date, to be contained within accumulations yet to be discovered.

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

UNRECOVERABLE is that portion of Discovered or Undiscovered Petroleum Initially-in-Place quantities which is estimated, as of a given date, not to be recoverable by future development projects. A portion of these quantities may become recoverable in the future as commercial circumstances change or technological developments occur; the remaining portion may never be recovered due to physical/chemical constraints represented by subsurface interaction of fluids and reservoir rocks

Estimated Ultimate Recovery (EUR) is not a resources category, but a term that may be applied to any accumulation or group of accumulations (discovered or undiscovered) to define those quantities of petroleum estimated, as of a given date, to be potentially recoverable under defined technical and commercial conditions plus those quantities already produced (total of recoverable resources). In specialized areas, such as basin potential studies, alternative terminology has been used; the total resources may be referred to as Total Resource Base or Hydrocarbon Endowment. Total recoverable or EUR may be termed Basin Potential. The sum of Reserves, Contingent Resources, and Prospective Resources may be referred to as “remaining recoverable resources.” When such terms are used, it is important that each classification component of the summation also be provided. Moreover, these quantities should not be aggregated without due consideration of the varying degrees of technical and commercial risk involved with their classification.

Range of Uncertainty

The range of uncertainty of the recoverable and/or potentially recoverable volumes may be represented by either deterministic scenarios or by a probability distribution. When the range of uncertainty is represented by a probability distribution, a low, best, and high estimate shall be provided such that:

- There should be at least a 90% probability (P90) that the quantities actually recovered will equal or exceed the low estimate.
- There should be at least a 50% probability (P50) that the quantities actually recovered will equal or exceed the best estimate.
- There should be at least a 10% probability (P10) that the quantities actually recovered will equal or exceed the high estimate.

When using the deterministic scenario method, typically there should also be low, best, and high estimates, where such estimates are based on qualitative assessments of relative uncertainty using consistent interpretation guidelines. Under the deterministic incremental (risk-based) approach, quantities at each level of uncertainty are estimated discretely and separately.

Reserves Categories

The following summarizes the definitions for each Reserves category in terms of both the deterministic incremental approach and scenario approach and also provides the probability criteria if probabilistic methods are applied.

- Proved Reserves are those quantities of petroleum, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations. If deterministic methods are used, the term reasonable certainty is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate.

- Probable Reserves are those additional Reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves. It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated Proved plus Probable Reserves (2P). In this context, when probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the 2P estimate.

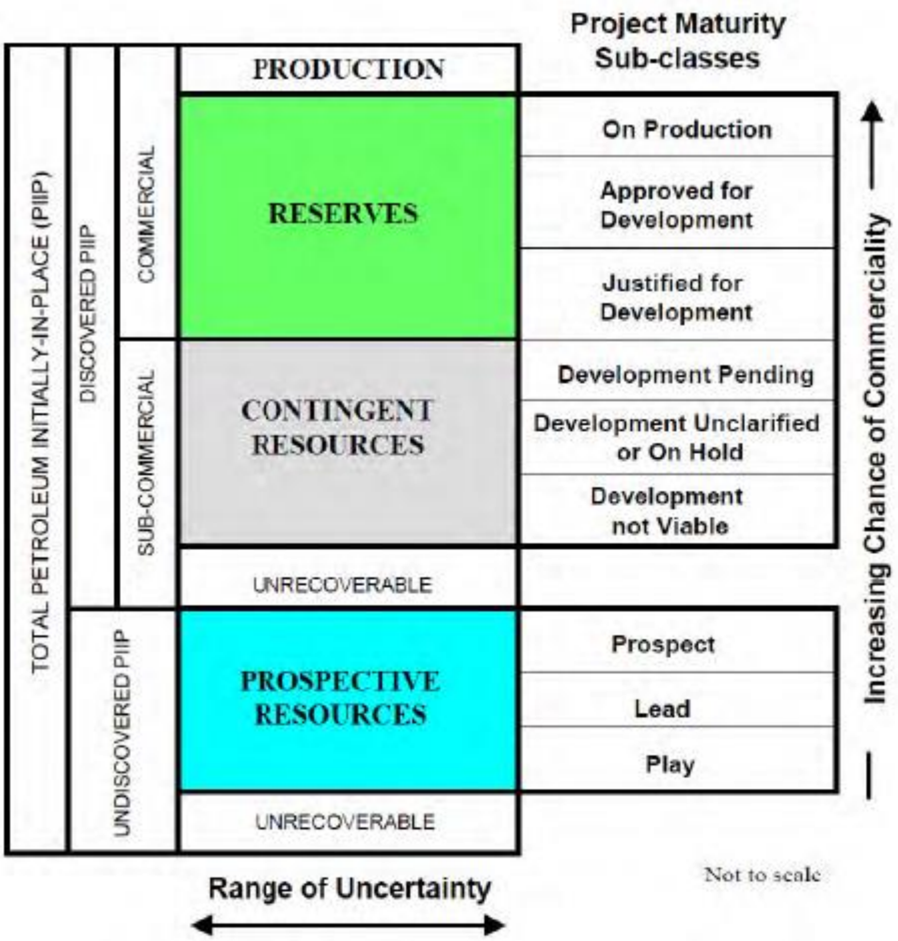
- Possible Reserves are those additional reserves which analysis of geoscience and engineering data suggest are less likely to be recoverable than Probable Reserves. The total quantities ultimately recovered from the project have a low probability to exceed the sum of Proved plus Probable plus Possible (3P) Reserves, which is equivalent to the high estimate scenario. In this context, when probabilistic methods are used, there should be at least a 10% probability that the actual quantities recovered will equal or exceed the 3P estimate.

Use of consistent terminology (Figure B.1) promotes clarity in communication of evaluation results. For Reserves, the general cumulative terms low/best/high estimates are denoted as 1P/2P/3P, respectively. The associated incremental quantities are termed Proved, Probable and Possible. Reserves are a subset of, and must be viewed within context of, the complete resources classification system. While the categorization criteria are proposed specifically for Reserves, in most cases, they can be equally applied to Contingent and Prospective Resources conditional upon their satisfying the criteria for discovery and/or development.

For Contingent Resources, the general cumulative terms low/best/high estimates are denoted as 1C/2C/3C respectively. For Prospective Resources, the general cumulative terms low/best/high estimates still apply. No specific terms are defined for incremental quantities within Contingent and Prospective Resources.

Project Maturity Sub-classes

As illustrated in Figure B.2, development projects (and their associated recoverable quantities) may be sub-classified according to project maturity levels and the associated actions (business decisions) required to move a project toward commercial production.



Development Pending: A discovered accumulation where project activities are ongoing to justify commercial development in the foreseeable future.

The project is seen to have reasonable potential for eventual commercial development, to the extent that further data acquisition (eg drilling, seismic data) and/or evaluations are currently ongoing with a view to confirming that the project is commercially viable and providing the basis for selection of an appropriate development plan. The critical contingencies have been identified and are reasonably expected to be resolved within a reasonable time frame. Note that disappointing appraisal/evaluation results could lead to are-classification of the project to “On Hold” or “Nor Viable” status.

The project "decision gate" is the decision to undertake further data acquisition and/or studies designed to move the project to a level of technical and commercial maturity at which a decision can be made to proceed with development and production.

Development Unclarified or On Hold: A discovered accumulation where project activities are on hold and/or where justification as a commercial development may be subject to significant delay.

The project is seen to have potential for eventual commercial development, but further appraisal/evaluation activities are on hold pending the removal of significant contingencies external to the project, or substantial further appraisal/evaluation activities are required to clarify the potential for eventual commercial development. Development may be subject to a significant time delay. Note that a change in circumstances, such that there is no longer a reasonable expectation that a critical contingency can be removed in the foreseeable future, for example, could lead to a re-classification of the project to "Not Viable" status.

The project "decision gate" is the decision to either proceed with additional evaluation designed to clarify the potential for eventual commercial development or to temporarily suspend or delay further activities pending resolution of external contingencies.

11 APPENDIX C – DETAILED CONTACT TABLES

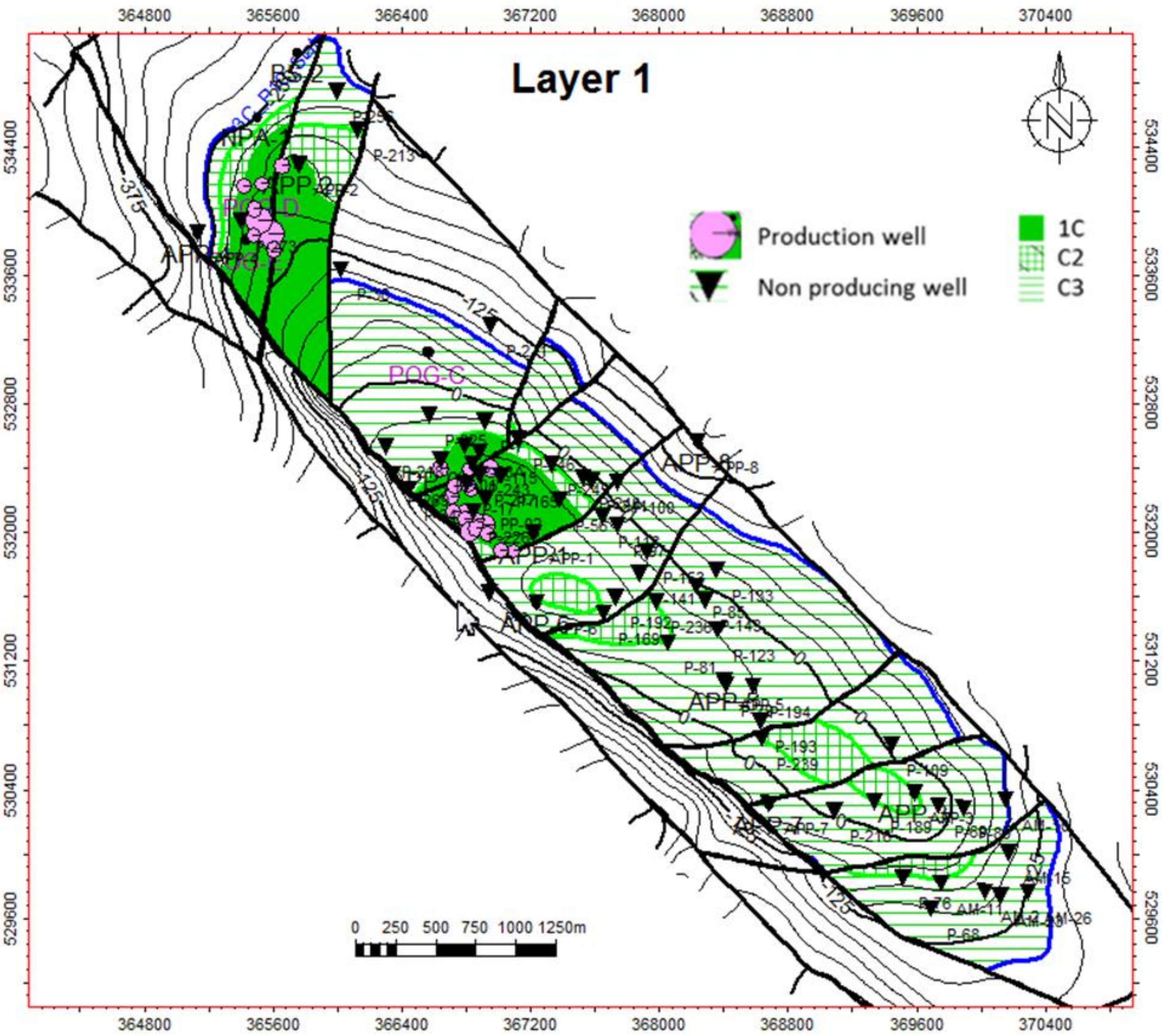
Detailed contact table for 1C/2C/3C, units are in meter TVDSS

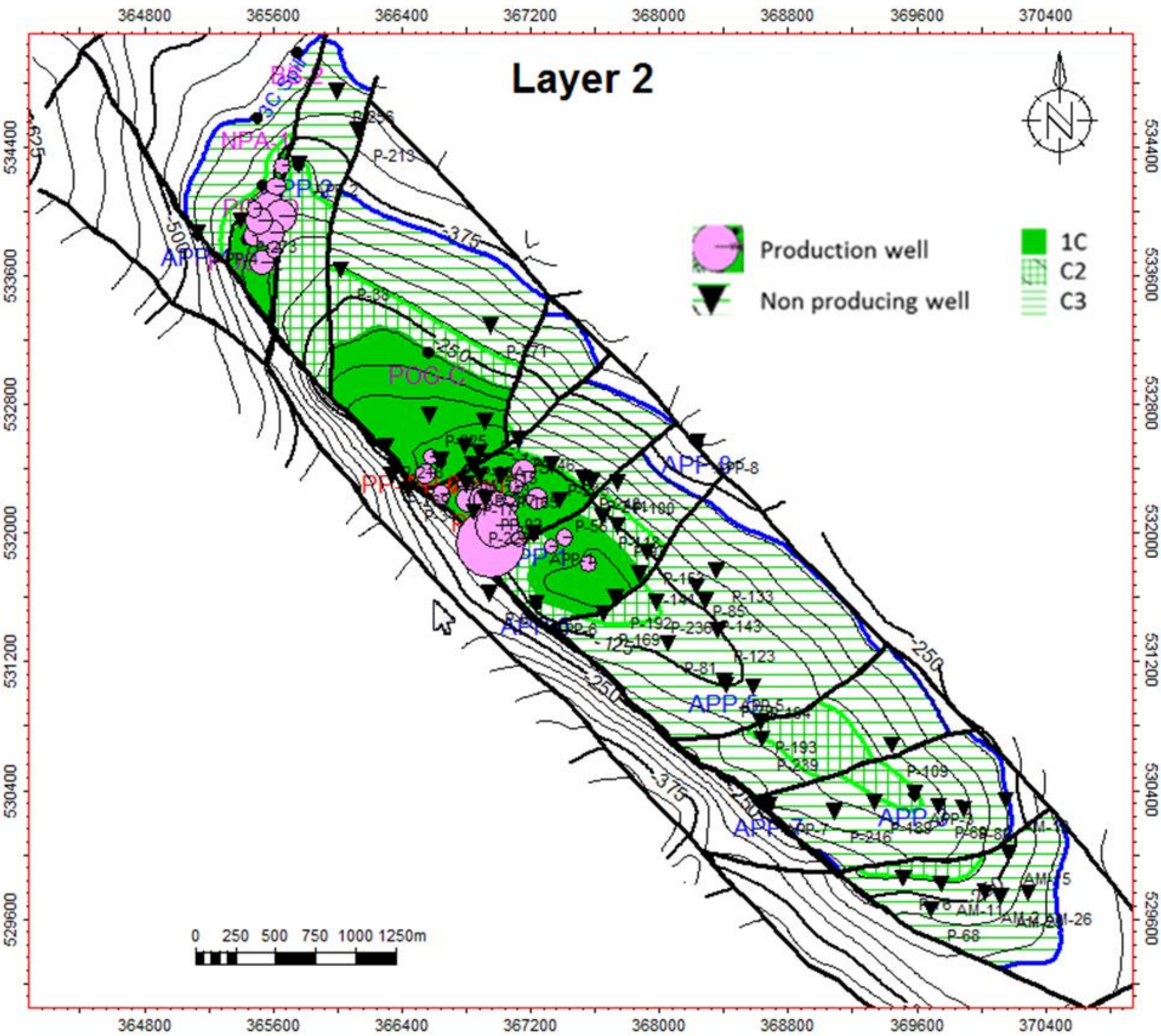
1C Contact	A	B	C	C2	D	D2	E	F	G	H
1	-216	-172	38		46					
2	-371		-227		-126	-109				
3			-274		-209	-187				
4	-472		-314		-223	-256	-215			
5			-529		-280	-255				
6	-580		-421	-389	-334	-280	-326		-330	
7	-594	-526	-557		-421		-404	-355	-375	
9	-655	-572	-628		-438	-360	-410	-390	-442	
10	-715		-557		-491	-452			-542	-580
11										

2C Contact	A	B	C	C2	D	D2	E	F	G	H
1	-236	-211	36	8	28	56	37	14	20	-60
2	-387	-347	-271	-165	-129	-142	-111	-145	-138	-221
3	-425	-390	-331	-208	-206	-231	-161	-183	-173	-270
4	-489	-433	-360	-273	-235	-275	-228	-214	-215	-307
5	-572	-512	-547	-346	-305	-260	-251	-243	-263	-355
6	-614	-545	-481	-476	-354	-316	-360	-282	-358	-390
7	-634	-558	-586	-491	-492	-303	-415	-382	-391	-406
9	-694	-620	-648	-566	-540	-373	-444	-415	-461	-480
10	-758	-680	-636	-636	-587	-483	-363	-412	-553	-593
11	-757	-718	-512	-663	-476	-446	-404	-461	-441	-599

3C Contact	A	B	C	C2	D	D2	E	F	G	H
1	-253	-245	-89	-132	-80	-81	-84	-70	-74	-142
2	-440	-351	-364	-299	-243	-228	-230	-225	-231	-306
3	-471	-410	-425	-346	-297	-295	-285	-275	-282	-354
4	-518	-455	-471	-403	-333	-337	-323	-317	-322	-400
5	-600	-533	-560	-497	-405	-385	-370	-357	-360	-436
6	-640	-568	-596	-516	-439	-403	-405	-389	-394	-474
7	-651	-589	-612	-524	-562	-418	-419	-404	-409	-494
9	-719	-645	-671	-602	-629	-463	-463	-454	-479	-564
10	-782	-720	-730	-655	-668	-508	-504	-504	-601	-612
11	-820	-770	-652	-729	-600	-545	-545	-535	-556	-664

12 APPENDIX D – RESOURCE CATEGORY MAPS BY LAYER

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Production well
Non producing well
1C
C2
C3
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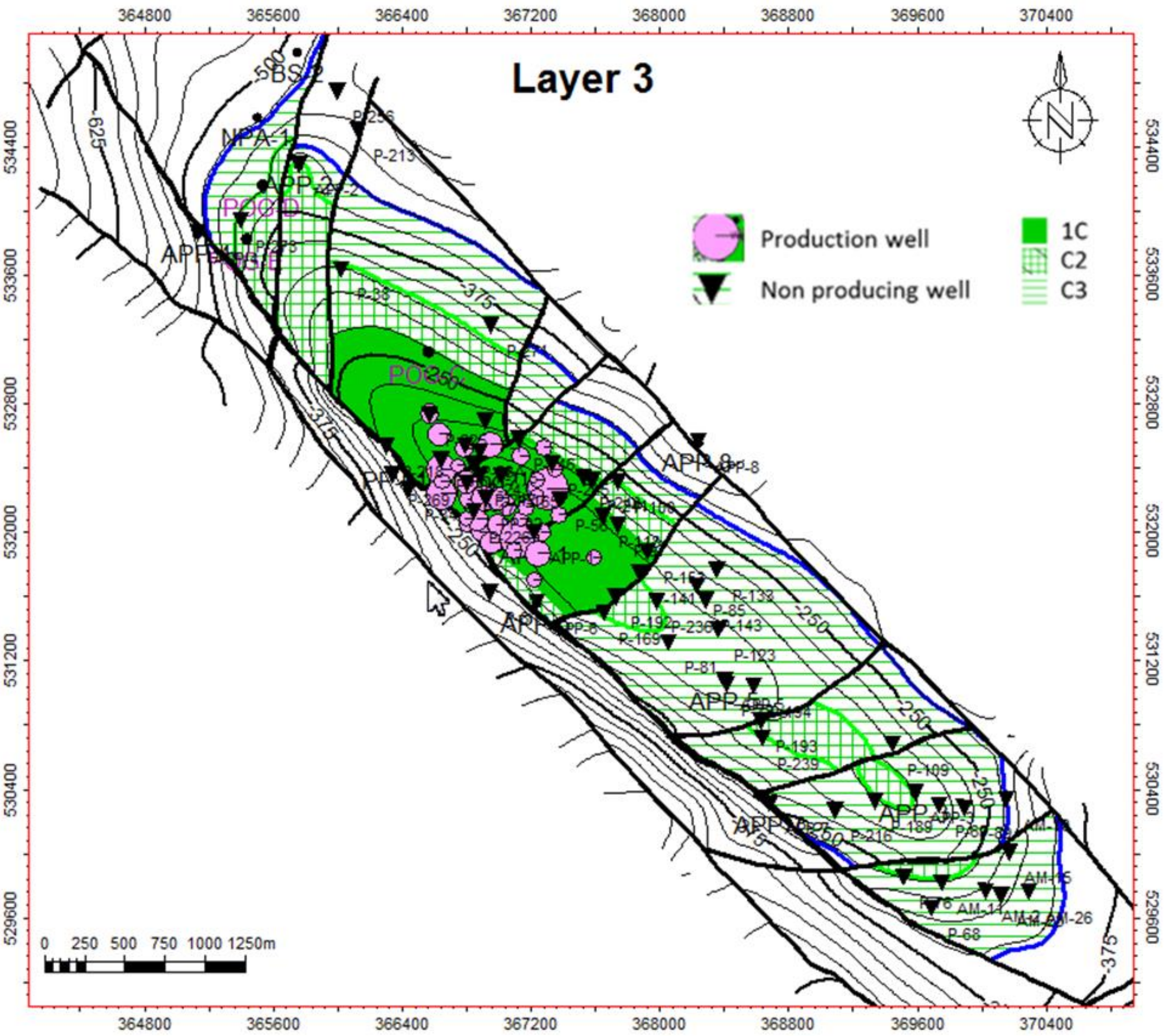
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Non producing well
1C
C2
C3
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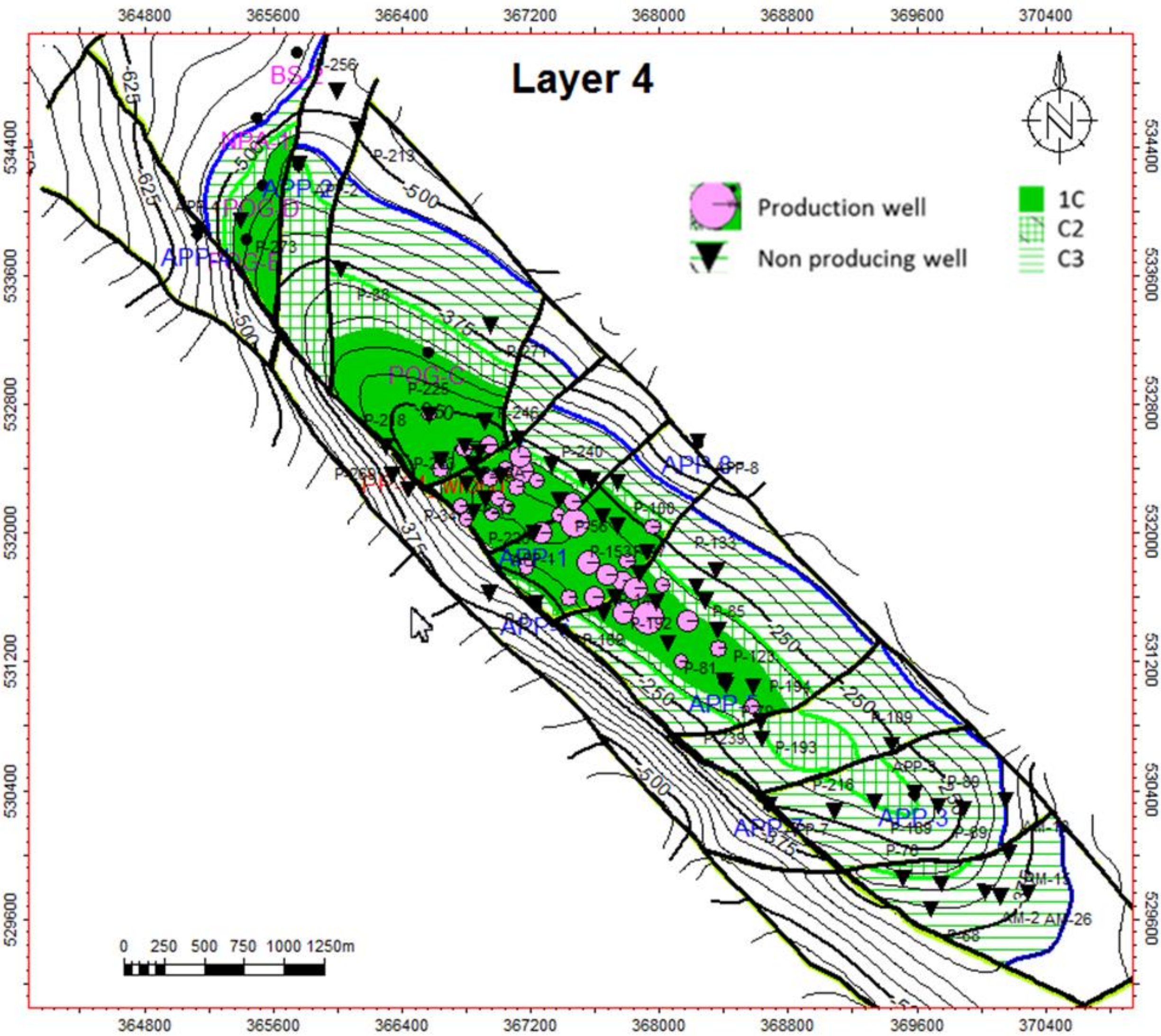
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Production well
Non producing well
1C
C2
C3
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364800
365600
366400
367200
368000
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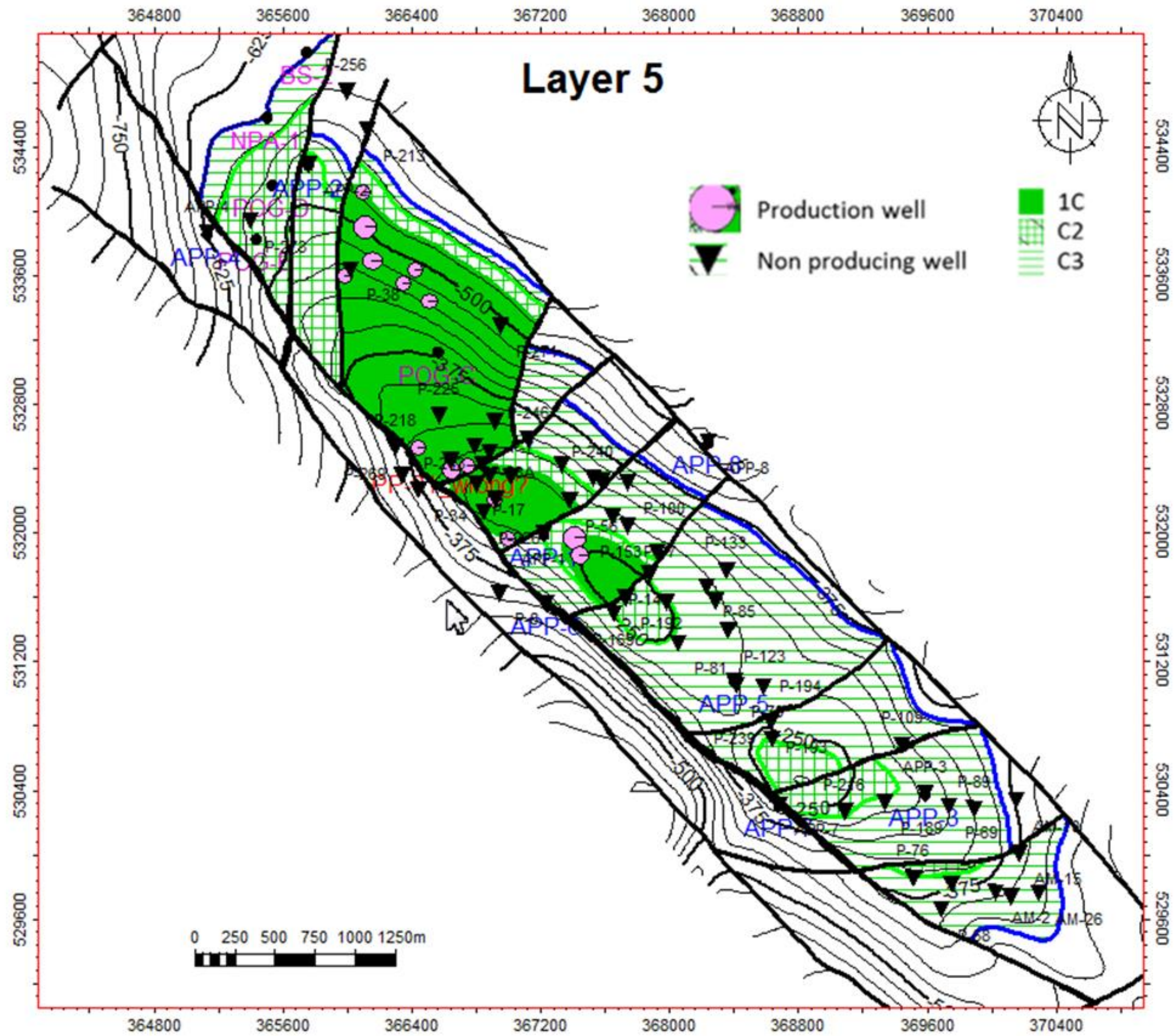
532000
531200
530400
529600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Production well
Non producing well
1C
C2
C3
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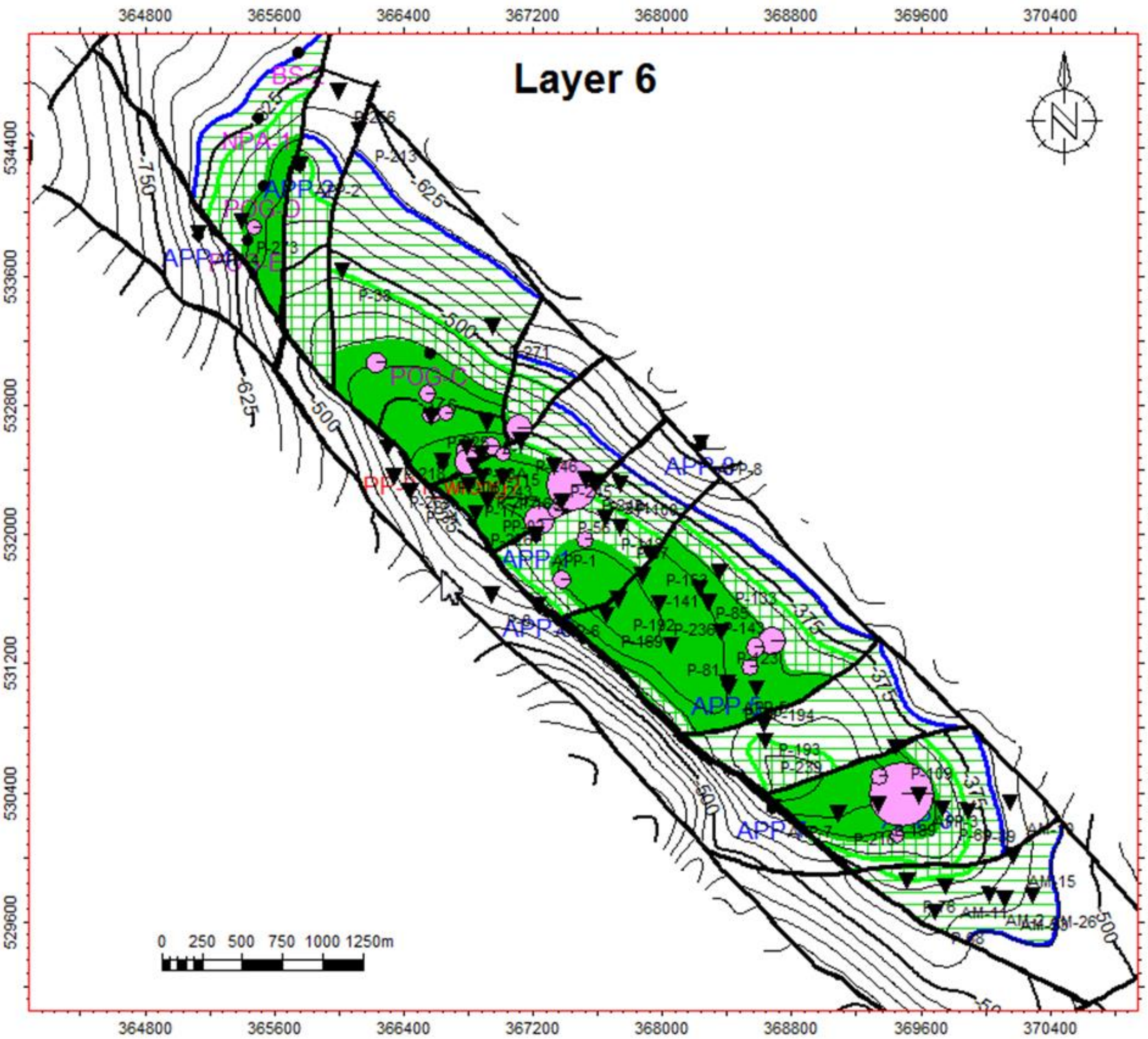
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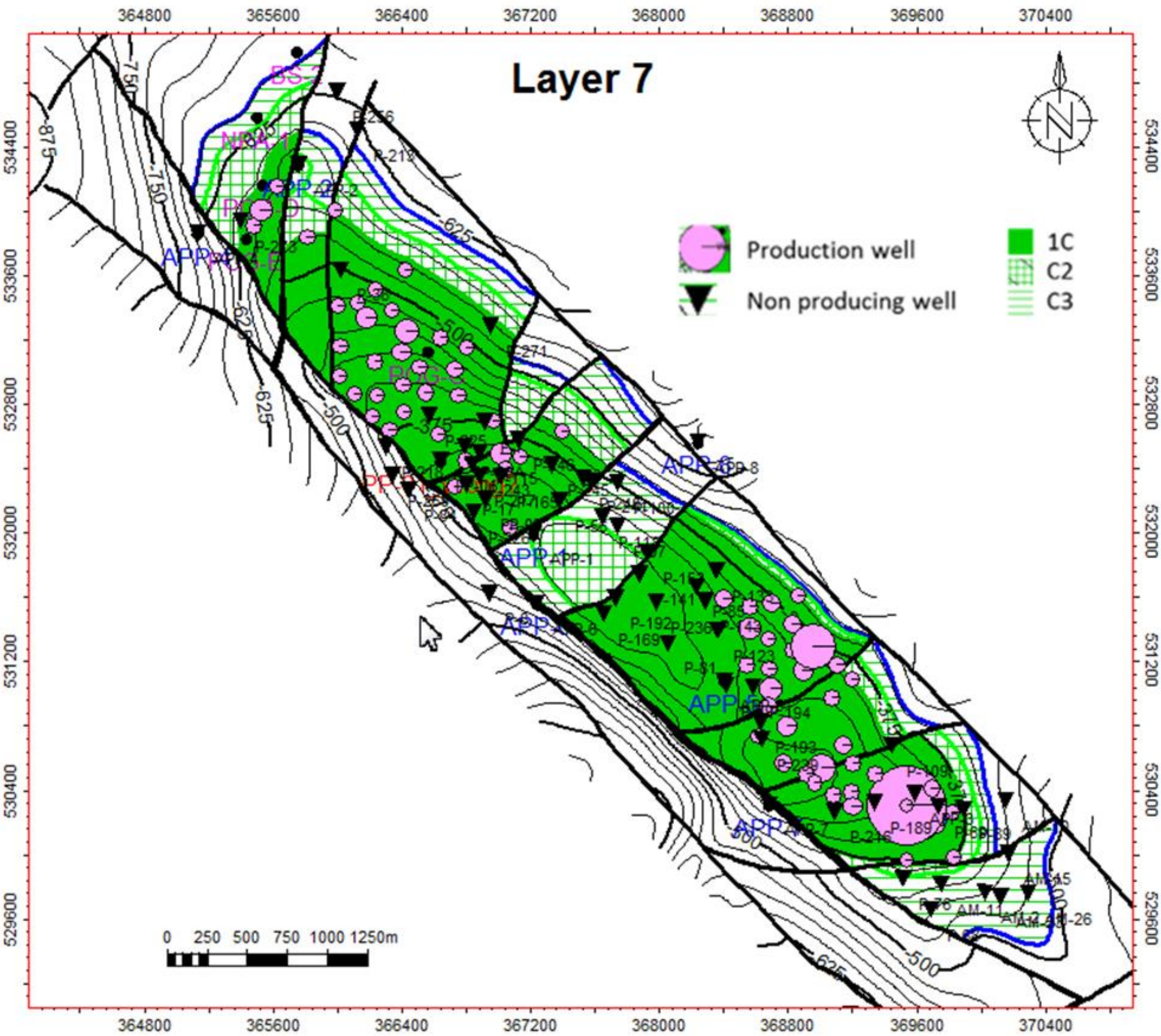
0 250 500 750 1000 1250m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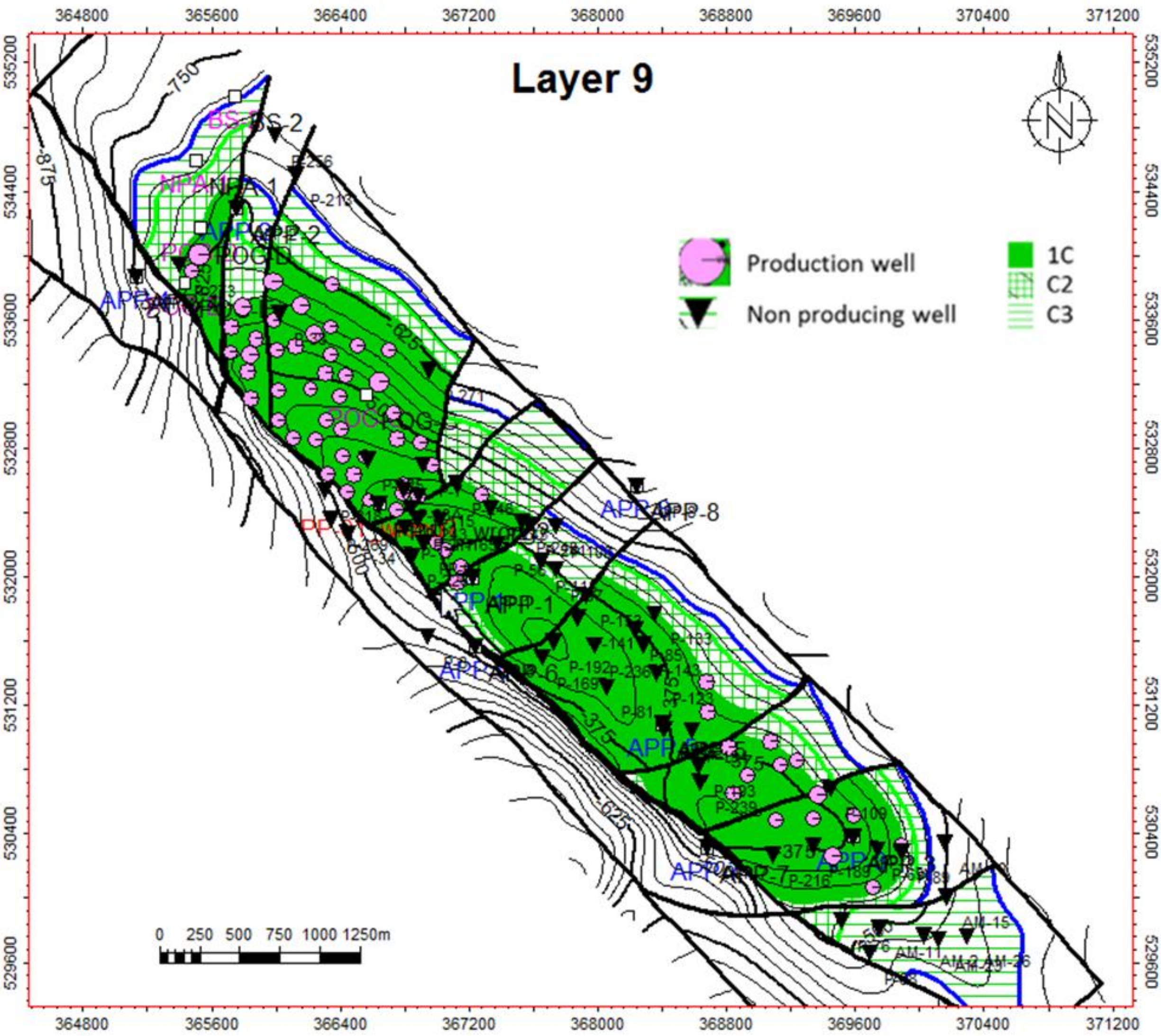
Production well
Non producing well
1C
C2
C3
364800
365600
366400
367200
368000
368800
369600
370400
534400
533600
532800
532000
531200
530400
529600
0 250 500 750 1000 1250m
APP-1
APP-6
P-189
P-212
P-236


Layer 9
Production well
Non producing well
1C
C2
C3
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364800
365600
366400
367200
368000
368800
369600
370400
371200
535200
534400
533600
532800
532000
531200
530400
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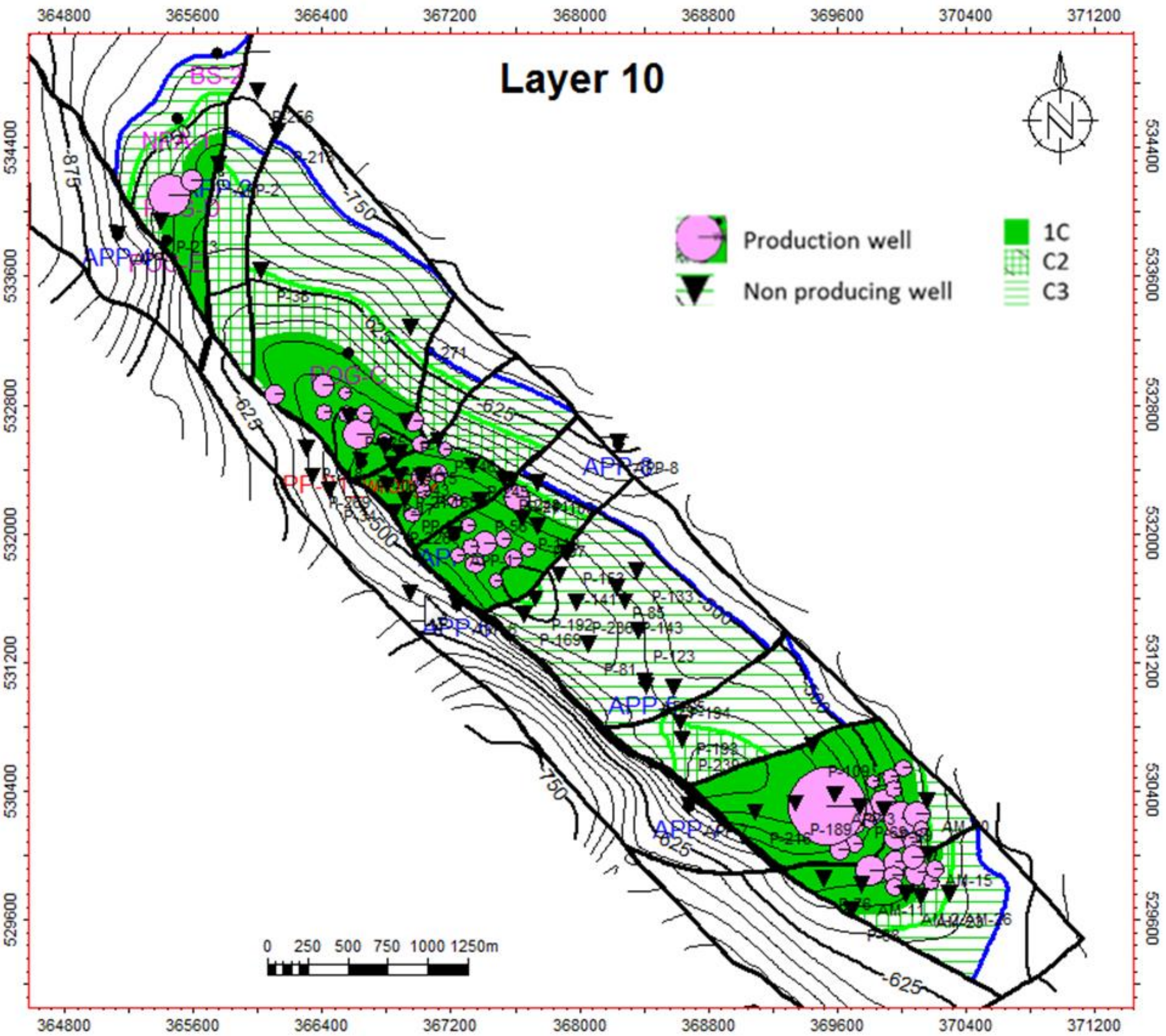
APP-8
APP-1
APP-6
APP-7
BS-2
NPA-1
APP-2
-750
-875
-625
-375

0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Production well
Non producing well
1C
C2
C3
0 250 500 750 1000 1250m
364800
365600
366400
367200
368000
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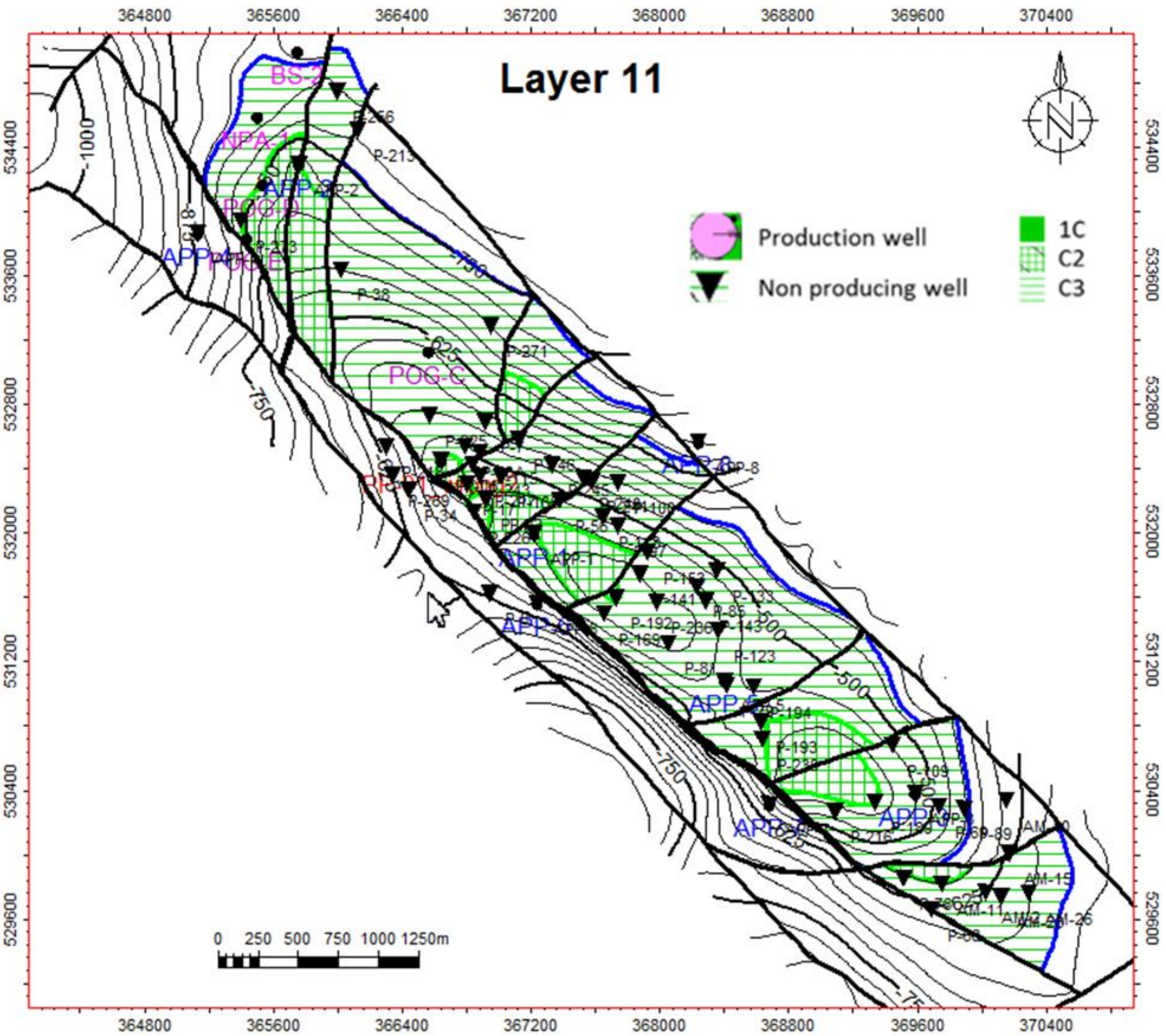
532000
531200
530400
529600


Layer 11
Production well
Non producing well
1C
C2
C3
0 250 500 750 1000 1250m
364800
365600
366400
367200
368000
368800
369600
370400
534400
533600
532800
532000
531200
530400
529600
BS-2
NPA-1
POG-C
APP-1
APP-6
APP-5
P-213
P-38
P-271
P-123
P-193
P-194
AM-15
AM-26

13 APPENDIX E - DETAILED BLOCK-LAYER VOLUMES AND RF TO DATE

				1C Case				2C Case				3C Case			
						166.76	30%			284.62	17%			712.24	7%
Layer	Block	Number of Perforation	Cum Oil	OWC_1C	Area	STOIIP	RF from 1C STOIP	OWC_2C	Area	STOIIP	RF from 2C STOIP	OWC_3C	Area	STOIIP	RF from 3C STOIP
			MMbbls	m tvdss	m2	MMbbls	%	m tvdss	m2	MMbbls	%	m tvdss	m2	MMbbls	%
1	A	7	0.58	216	222,443	4.53	13%	236	337,468	6.87	8%	253	490,655	9.99	6%
1	B	1	0.02	172	398,719	8.12	0%	211	544,607	11.09	0%	245	700,862	14.27	0%
1	C	1	0.07	-38	66,314	1.35	5%	-36	81,566	1.66	4%	89	1,053,036	21.44	0%
1	C2							-8	366	0.01		132	141,820	2.89	
1	D	15	0.75	-46	332,676	6.77	11%	-28	412,958	8.41	9%	80	652,014	13.27	6%
1	D2	2	0.01					-56	81,639	1.66	1%	81	709,566	14.44	0%
1	E							-37	119,469	2.43		84	1,728,134	35.18	
1	F							-14	152,562	3.11		70	677,815	13.80	
1	G							-20	72,752	1.48		74	787,761	16.04	
1	H							60	53,131	1.08		142	751,482	15.30	
2	A	8	1.75	371	144,893	2.73	64%	387	212,666	4.01	44%	440	562,689	10.61	16%
2	B	2	0.65					347	333,685	6.29	10%	351	354,507	6.68	10%
2	C	2	0.19	227	697,518	13.15	1%	271	973,780	18.36	1%	364	1,620,070	30.55	1%
2	C2							165	2,426	0.05		299	147,173	2.78	
2	D	15	5.11	126	339,670	6.41	80%	129	357,355	6.74	76%	243	630,127	11.88	43%
2	D2	3	0.17	109	274,736	5.18	3%	142	494,165	9.32	2%	228	667,331	12.58	1%
2	E							111	61,421	1.16		230	1,626,176	30.66	
2	F							145	198,416	3.74		225	663,504	12.51	
2	G							138	71,833	1.35		231	830,598	15.66	
2	H							221	51,333	0.97		306	693,870	13.08	
3	A							425	171,972	4.27		471	428,558	10.63	
3	B							390	323,779	8.03		410	386,514	9.59	
3	C	6	1.50	274	674,448	16.73	9%	331	1,014,704	25.17	6%	425	1,648,564	40.89	4%
3	C2							208	499	0.01		346	128,241	3.18	
3	D	25	5.22	209	395,628	9.81	53%	206	388,767	9.64	54%	297	587,245	14.56	36%
3	D2	5	0.58	187	369,372	9.16	6%	231	530,625	13.16	4%	295	627,333	15.56	4%
3	E							161	89,100	2.21		285	1,567,122	38.87	
3	F							183	165,948	4.12		275	651,194	16.15	
3	G							173	56,852	1.41		282	815,769	20.23	
3	H							270	41,788	1.04		354	616,898	15.30	
4	A			472	183,809	1.55		489	259,897	2.20		518	429,859	3.63	
4	B							433	311,280	2.63		455	374,256	3.16	
4	C	4	0.23	314	646,760	5.46	4%	360	915,567	7.74	3%	471	1,619,345	13.68	2%
4	C2							273	4,796	0.04		403	137,922	1.17	
4	D	16	1.01	223	296,474	2.50	40%	235	335,729	2.84	36%	333	532,748	4.50	22%
4	D2	12	1.94	256	446,178	3.77	51%	275	510,585	4.31	45%	337	614,840	5.19	37%
4	E	8	1.57	215	395,167	3.34	47%	228	656,526	5.55	28%	323	1,503,864	12.71	12%
4	F							214	149,163	1.26		317	660,497	5.58	
4	G							215	104,558	0.88		322	851,630	7.20	
4	H							307	37,307	0.32		400	637,602	5.39	

				1C Case				2C Case				3C Case			
						166.76	30%			284.62	17%			712.24	7%
Layer	Block	Number of Perforation	Cum Oil	OWC_1C	Area	STOIIP	RF from 1C STOIP	OWC_2C	Area	STOIIP	RF from 2C STOIP	OWC_3C	Area	STOIIP	RF from 3C STOIP
			MMbbls	m tvdss	m2	MMbbls	%	m tvdss	m2	MMbbls	%	m tvdss	m2	MMbbls	%
5	A							572	346,360	1.07		600	582,208	1.80	
5	B							512	306,992	0.95		533	364,255	1.13	
5	C	10	0.75	529	1,392,775	4.32	17%	547	1,535,876	4.76	16%	560	1,638,111	5.08	15%
5	C2							346				497	148,141	0.46	
5	D	2	0.06	280	229,061	0.71	8%	305	320,105	0.99	6%	405	508,976	1.58	4%
5	D2	2	0.42	255	131,971	0.41	102%	260	208,039	0.64	65%	385	614,074	1.90	22%
5	E							251	110,602	0.34		370	1,443,962	4.48	
5	F							243	100,126	0.31		357	613,866	1.90	
5	G	1	0.00					263	144,680	0.45	0%	360	818,632	2.54	0%
5	H							355	31,901	0.10		436	485,849	1.51	
6	A	1	0.05	580	173,881	0.78	7%	614	373,596	1.67	3%	640	614,085	2.74	2%
6	B							545	287,002	1.28		568	348,396	1.56	
6	C	7	1.05	421	585,022	2.61	40%	481	888,294	3.97	26%	596	1,605,528	7.17	15%
6	C2	1	0.40	389	8,403	0.04	1063%	476	72,875	0.33	123%	516	117,167	0.52	76%
6	D	4	1.86	334	292,496	1.31	143%	354	335,194	1.50	124%	439	475,341	2.12	88%
6	D2	2	0.18	280	153,274	0.68	27%	316	414,212	1.85	10%	403	585,357	2.61	7%
6	E	3	0.68	326	896,824	4.00	17%	360	1,172,025	5.23	13%	405	1,413,935	6.31	11%
6	F	1	0.03					282	104,028	0.46	7%	389	609,854	2.72	1%
6	G	3	1.76	330	386,138	1.72	102%	358	612,662	2.74	64%	394	820,623	3.66	48%
6	H							390	30,221	0.13		474	472,708	2.11	
7	A	3	0.23	594	179,895	0.77	29%	634	418,932	1.80	13%	651	573,712	2.46	9%
7	B	1	0.05	526	194,667	0.84	6%	558	273,389	1.17	4%	589	354,664	1.52	3%
7	C	27	1.52	557	1,198,190	5.14	30%	586	1,399,345	6.00	25%	612	1,608,658	6.90	22%
7	C2							491	71,392	0.31		524	102,376	0.44	
7	D	7	0.35	421	417,552	1.79	20%	492	532,134	2.28	15%	562	661,286	2.84	12%
7	D2							303	251,229	1.08		418	574,616	2.47	
7	E	15	2.59	404	1,327,119	5.69	45%	415	1,383,339	5.94	44%	419	1,407,082	6.04	43%
7	F	9	0.82	355	464,853	1.99	41%	382	532,064	2.28	36%	404	595,096	2.55	32%
7	G	16	2.24	375	634,992	2.72	82%	391	731,671	3.14	71%	409	818,858	3.51	64%
7	H	1	0.01					406	28,008	0.12	7%	494	463,717	1.99	0%

Layer	Block	Number of Perforation	Cum Oil	OWC_1C	Area	STOIIP	RF from 1C STOIP	OWC_2C	Area	STOIIP	RF from 2C STOIP	OWC_3C	Area	STOIIP	RF from 3C STOIP
				1C Case				2C Case				3C Case			
						166.76	30%			284.62	17%			712.24	7%
			MMbbls	m tvdss	m2	MMbbls	%	m tvdss	m2	MMbbls	%	m tvdss	m2	MMbbls	%
9	A	2	0.15	655	162,954	**0.67**	22%	694	402,016	**1.66**	9%	719	603,610	**2.49**	6%
9	B	7	0.48	572	156,518	**0.65**	74%	620	245,289	**1.01**	47%	645	316,398	**1.31**	37%
9	C	36	1.39	628	1,240,245	**5.12**	27%	648	1,404,219	**5.80**	24%	671	1,591,268	**6.57**	21%
9	C2							566	80,499	**0.33**		602	123,172	**0.51**	
9	D	5	0.06	438	334,192	**1.38**	4%	540	495,486	**2.05**	3%	629	667,911	**2.76**	2%
9	D2	1	0.05	360	262,404	**1.08**	4%	373	326,176	**1.35**	4%	463	509,806	**2.11**	2%
9	E	2	0.12	410	955,080	**3.94**	3%	444	1,183,595	**4.89**	3%	463	1,298,583	**5.36**	2%
9	F	6	0.25	390	373,428	**1.54**	16%	415	477,609	**1.97**	13%	454	599,087	**2.47**	10%
9	G	8	0.34	442	614,963	**2.54**	13%	461	725,951	**3.00**	11%	479	815,013	**3.37**	10%
9	H							480	30,277	**0.13**		564	633,132	**2.62**	
10	A	2	1.19	715	190,058	**1.05**	113%	758	407,181	**2.25**	53%	782	637,648	**3.53**	34%
10	B							680	238,531	**1.32**		720	291,049	**1.61**	
10	C	10	1.62	557	523,230	**2.90**	56%	636	891,100	**4.93**	33%	730	1,591,476	**8.81**	18%
10	C2							636	87,152	**0.48**		655	116,240	**0.64**	
10	D	7	0.41	491	301,269	**1.67**	24%	587	440,546	**2.44**	17%	668	612,704	**3.39**	12%
10	D2	10	1.31	452	416,761	**2.31**	57%	483	476,273	**2.64**	50%	508	517,245	**2.86**	46%
10	E							363	7,214	**0.04**		504	1,222,830	**6.77**	
10	F							412	146,296	**0.81**		504	592,349	**3.28**	
10	G	21	4.26	542	859,069	**4.76**	90%	553	896,553	**4.96**	86%	601	982,285	**5.44**	78%
10	H	7	1.74	580	188,102	**1.04**	167%	593	288,466	**1.60**	109%	612	567,834	**3.14**	55%
11	A							757	184,316	**0.25**		820	560,856	**0.77**	
11	B							718	221,001	**0.31**		770	293,874	**0.41**	
11	C							512	11,348	**0.02**		652	754,155	**1.04**	
11	C2							663	69,315	**0.10**		729	179,324	**0.25**	
11	D							476	89,800	**0.12**		600	364,396	**0.50**	
11	D2							446	162,749	**0.22**		545	469,231	**0.65**	
11	E							404	9,489	**0.01**		545	1,228,368	**1.70**	
11	F							461	172,759	**0.24**		535	588,200	**0.81**	
11	G							441	111,334	**0.15**		556	712,719	**0.98**	
11	H							599	30,097	**0.04**		664	485,014	**0.67**	

PART VII

SUMMARY OF THE GENERAL LEGAL FRAMEWORK IN TRINIDAD AND TOBAGO

The Petroleum Act is the mechanism by which rights to explore for and produce petroleum are granted in Trinidad and Tobago and provides in effect, *inter alia*, that:

- no person shall engage in petroleum operations on land or in a submarine area unless he first obtains a licence as provided for in the Petroleum Act. However, as an alternative to the issue of an exploration and production (public petroleum rights) licence, a production sharing contract may be entered into between the State and a producer;
- the rights to petroleum in its natural condition in strata existing in State lands and submarine areas (**"Public Petroleum Rights"**) are vested in the State;
- subject to various provisions of the Petroleum Act, the Trinidad Minister of Energy is charged with the general administration of the Petroleum Act and in the exercise of his powers and the performance of his duties he shall conform with any general or special directions given to him by the cabinet. Any decision made or action taken by the Trinidad Minister of Energy in the exercise of his powers and the performance of his duties in accordance with the Petroleum Act shall be deemed to be made or taken by the State and shall be binding thereon;
- applications for licences are made to the Trinidad Minister of Energy with responsibility for petroleum and he may grant licences in accordance with the Petroleum Act and upon such terms and conditions as he considers appropriate; and
- an exploration and production (public petroleum rights) licence does not confer any title to petroleum in strata, but provides an exclusive right to explore for and produce petroleum within the licensed area and to dispose of such petroleum. Title to the petroleum is vested in licensees upon production.

Pursuant to the Petroleum Act, applications for licences are made to the Trinidad Minister of Energy who may grant licences in accordance with the Petroleum Act and upon such terms and conditions as he considers appropriate. An applicant is however required to establish a place of business in Trinidad and Tobago before being granted a licence.

The prior approval of the Trinidad Minister of Energy is required before the licensee conducts any geophysical and drilling activities and erects any fixed installations. The Trinidad Minister of Energy's prior consent is also required before the licensee abandons wells.

Unless the relevant licence otherwise provides, an assignment or transfer to another person of the rights acquired and the obligations undertaken by a licensee shall not be valid without the prior consent in writing of the Trinidad Minister of Energy and any assignment or transfer made without such prior consent shall be null and void and may result in forfeiture of the licence. The Trinidad Minister of Energy may in his discretion approve or refuse the application for assignment or transfer. The assignment or transfer of a licence shall not in any way absolve the assignor or transferor from the obligations undertaken by it under the licence except to the extent to which such obligations are in fact performed by the assignee or transferee.

The licence granted by the Trinidad Minister of Energy sets out the term of the licence and the minimum work obligations and expenditure obligations that need to be complied with by the licensee during such term. The Trinidad Minister of Energy is entitled to revoke the licence and the licensee's right to carry out petroleum operations where there is a failure by the licensee to fulfil the minimum work obligations or to meet its expenditure obligations.

At the date of this document, there are no restrictions imposed on the export of oil from Trinidad and Tobago unless otherwise provided for in a licence granted by the State. Where natural gas is concerned, the domestic market obligations are addressed in the licences granted by the State.

A licensee's operations under a licence are subject to the provisions of Chap. 35:05 of the Trinidad and Tobago Environmental Management Act, pursuant to which a certificate of environmental clearance is required prior to embarking upon activities arising out of petroleum exploration and production. The application for a certificate of environmental clearance may require the preparation of an environmental impact assessment and may also require public consultations with possibly affected parties. A certificate of environmental clearance is valid for a period of three years from its effective date and where it has expired a new application will have to be made.

Licensees are required under the Petroleum Act to provide the Trinidad Minister of Energy with a performance guarantee in the form of a bond or bankers guarantee or such other form acceptable to the Trinidad Minister of Energy as security for the performance of its minimum work obligations and minimum expenditure obligations. The Petroleum Act provides for a reduction of the amount of the performance guarantee at the end of each 12 month period by the actual exploration expenditure during the period.

In addition to other payments specifically provided for in the licence and the Petroleum Act (such as the application fee, signature bonus, licence fee, security deposit, environmental bonus, technical equipment bonus, surface area payment and production bonus) a royalty at the rate of 12.5% for each barrel of crude oil and natural gas produced is paid by the licensee to the Trinidad Minister of Energy. Further, licensees are also required to pay a petroleum impost in respect of all petroleum won and saved, at such rates as the Trinidad Minister of Energy may determine and publish in the official gazette. Companies conducting petroleum operations in Trinidad and Tobago are liable to pay a petroleum profits tax at the rate of 50% of taxable profits. In addition to petroleum profits tax, a company conducting petroleum operations will also be subject to (i) a supplemental petroleum tax which is payable depending on the weighted average annual crude oil price and whether an exploration and production licence was granted pre- or post-1 January 1988; (ii) an unemployment levy at the rate of 5% of the taxable profits of a company; (iii) a green fund levy at the rate of 0.1% of gross sales and receipts; and (iv) a petroleum production levy which is imposed on a producer conducting production business. The maximum charge imposed is 4% of gross income from the production of crude oil.

PART VIII

SUMMARY OF THE GENERAL LEGAL FRAMEWORK IN INDONESIA

Indonesia's oil and gas resources, and the development rights to them, are national assets controlled by the Government of Indonesia. In November 2001, Indonesian Law No.22 of 2001 on Oil and Gas (''**Oil and Gas Law**'') was enacted replacing Law No. Prp. 44 of 1960 (regarding oil and gas mining) and Law No. 8 of 1971 (regarding PT Pertamina (Persero), the State-owned oil and gas company). However, certain articles within the Oil and Gas Law were annulled as a result of the Constitutional Court of Indonesia's decision on November 13, 2012 which dissolved the Upstream Oil and Gas Business Activities Agency ((*Badan Pelaksana Kegiatan Usaha Hulu Minyak dan Gas Bumi* or ''**BPMIGAS**'') as the implementing body in the upstream oil and gas sector. Based on Presidential Regulation No. 95 of 2012 concerning the assignment of and the implementation of duties and functions of upstream oil and gas business activities, all duties, roles and functions of BPMIGAS were assigned to the Special Task-Force for Upstream Oil and Gas Business Activities (*Satuan Kerja Khusus Pelaksana Kegiatan Usaha Hulu Minyak dan Gas Bumi* or ''**SKK Migas**'') on January 10, 2013, until such time as the issuance of a new oil and gas law in Indonesia as regulated under Presidential Regulation No. 9 of 2013 on the Management of Upstream Oil and Gas Activities. Since that date, no new oil and gas law has been issued in Indonesia and, as a result, SKK Migas remains the body responsible for the implementation of duties and functions of upstream oil and gas activities.

The Oil and Gas Law is the umbrella legislation for oil and gas business activities setting forth general principles that are, and will be, further developed in a series of Government regulations, Presidential decrees and Ministry of Energy and Mineral Resources (''**MEMR**'') regulations and decrees, some of which have been promulgated by various Indonesian Government institutions and agencies, such as Government Regulation No. 35 of 2004, as lastly amended by Government Regulation No. 55 of 2009 on Oil and Gas Upstream Business Activities (the ''**Upstream Regulation**'').

The Oil and Gas Law categorizes oil and gas activities into upstream and downstream activities. Upstream activities consist of exploration and exploitation of oil and gas resources, while downstream activities consist of processing, transporting, storage and trading activities. A company which carries out upstream business activities may not carry out downstream activities and vice versa unless the downstream activities conducted by the company are considered to be the continuation of exploration and/or exploitation activities of the company, and therefore, the downstream activities are not developed with the intention of benefiting and/or profiting from these activities alone. Upstream activities are carried out based on cooperation contracts entered into by a contractor and SKK Migas, for and on behalf of the Government, while downstream activities are carried out based on various licenses.

Upstream oil and gas activities are performed based on a cooperation contract entered into by a contractor and SKK Migas, for and on behalf of the Government (a ''**Cooperation Contract**''). The Cooperation Contract concept was introduced to govern the working relationship and sharing of production between the Indonesian Government and private sector contractors in the Indonesian oil and gas industry. This Cooperation Contract is similar to the production sharing arrangements applicable prior to the implementation of the Oil and Gas Law. The Oil and Gas Law states that production sharing arrangements in existence prior to the implementation of the Oil and Gas Law will remain in effect until they are terminated on their own terms. Currently, the form of Cooperation Contract, which is available to be entered into with the Indonesian Government, is the production sharing contract (the ''**PSC**''). However, the Oil and Gas Law also allows the Indonesian Government to award Cooperation Contracts that are not in the form of PSCs to contractors. The PSC or other forms of Cooperation Contracts are awarded by the MEMR by competitive tender, either through a regular tender or a direct offer, which is regulated in detail by MEMR Regulation No. 35 of 2008 regarding the Determination and Offering Procedures of Oil and Gas Working Areas (''**MEMR Regulation 35/2008**'').

Obtaining Cooperation Contracts

The determination of an upstream oil and gas working area is specifically regulated under MEMR Regulation 35/2008. Preparation of a working area for offering by way of tender is conducted by the Directorate General of Oil and Gas (''**DGOG**'') through technical and economic evaluation and data processing. After this process, the DGOG will then propose to the MEMR the working area to be determined for offering through the tender process. In determining the working area, the MEMR will consult with the relevant Governor who has authority over the area where the working area is located. The tender for a working area is conducted over: (i) the area that has never been determined as a working area; (ii) part of a relinquished working area as regulated under the PSC; (iii) expired working areas; (iv) part of working areas that have never been developed and/or are being or have been produced that are relinquished as proposed by the PSC Contractor; and/or (v) part of working areas that have never been developed and/or produced that are relinquished as proposed by MEMR. The offering of a working area will be conducted by the DGOG, and will be announced through printed, electronic and other forms of media and other promotion of such working area. In relation to the offering, the DGOG will prepare and issue a bid document for every working area containing at least the: (i) bidding procedures; (ii) geological and oil and gas potential information; (iii) forecast of oil and gas reserve and production; and (iv) concept of the PSC (together all the relevant bid documents).

For a party who proposes a direct offer for a certain area, that party must first conduct a joint study. Once a joint study is completed and the MEMR approves the result, the area will be tendered out. However, the party who first proposed the joint study has the right to match the best bid from the tender participants. The preparation of the working area for a direct offer process is conducted by the DGOG based on a proposal from a business entity permanent establishment. The proposal can only be made for a part of the area that (i) has not been determined as a working area, known as an open area; and (ii) has not been evaluated to be reserved for a tender round by the DGOG. In general, the steps for obtaining a PSC through a direct offer are fairly similar to those for obtaining a PSC through an open tender. The key difference is that, in a direct offer, if the direct offer applicant's offer is lower than those of other applicants interested in the working area, the direct offer applicant executing the joint study will be given the right to change the bid to match the highest bid. If the direct offer applicant executing the joint study agrees to change its bid to match the relevant highest bid, it will be announced as the winner.

*Domestic Market Obligation ("**DMO**")*

All PSCs in Indonesia are subject to DMO, under which the contractor is required to supply the domestic market at a reduced price in relation to 25% of the contractor's share of total crude oil production under the relevant PSC. This reduced price varies among each PSC but is in each case calculated at the point of export. Under the prior regulatory framework, the DMO did not apply to natural gas production. However, under the Oil and Gas Law, DMO now also applies to natural gas production.

On 27 January 2010, the Indonesian Government implemented MEMR Regulation No. 6 of 2016 regarding Provisions and Procedures for the Allocation and Utilisation as well as Pricing of Gas, as partly revoked by MEMR Regulation No.32 of 2017 ("**MEMR Regulation 6/2016**") setting out the Indonesian Government's policy in relation to the price, allocation and utilization of natural gas supplied under DMO for domestic consumption and establishes an allocation priority towards certain industries, taking into account regional requirements. Such industries include, among others, the gas based industry, the fertilizer industry and the power industry.

Transfer of Rights under a Cooperation Contract

The MEMR has a right to request that a contractor who wishes to sell its participating interest under a production sharing arrangement grant a right of first offer to national enterprises such as regional government-owned companies, central government-owned companies, cooperatives, small scale businesses and Indonesian companies wholly-owned by Indonesians. Under the Upstream Regulation, such an offer must be made on an "arms-length" basis. These modifications are applicable only to the cooperation contracts entered into after the issuance of the Oil and Gas Law.

Consistent with the terms of most Cooperation Contracts, MEMR Regulation No. 48 of 2017 regarding the Supervision of Business Activities in the Sector of Energy and Mineral Resources ("**MEMR Regulation 48/2017**") expressly requires contractors to obtain MEMR approval (the application for which will be considered by MEMR in consultation with SKK Migas) for the transfer of any participating interest in a PSC. MEMR Regulation 48/2017 includes detailed provisions in relation to the requirements and procedures for obtaining such approval.

MEMR Regulation 48/2017 also states that any "direct" change of control of a contractor under a Cooperation Contract must obtain the prior approval of MEMR (the application for which will be considered by MEMR in consultation with SKK Migas). A "direct" change of control is defined as the direct transfer of majority shares in a contractor under a Cooperation Contract (i.e. at one shareholder level above the contractor) pursuant to which the controlling shareholding with valid voting rights in the contractor transfers it shares to a third party. In addition, MEMR Regulation 48/2017 requires any ''indirect'' change of control of a contractor under a Cooperation Contract to be reported to MEMR (through the Head of SKK Migas). MEMR Regulation 48/2017 is silent on the timeframes applicable for such report to be submitted (and it is unclear whether such report should be made prior to or after the relevant ''indirect'' change of control). Under MEMR Regulation 48/2017, an ''indirect'' change of control is where the control of a contractor under a Cooperation Contract is transferred to a third party other than through the direct transfer of shares in the contractor.

Possible Termination of Cooperation Contract

The production sharing arrangements and Cooperation Contracts contain requirements regarding quality of service, capital expenditures, legal status of the contractors and assets, restrictions on the transfer and encumbrance of assets and other restrictions. Any failure to comply with the terms of these production sharing arrangements or cooperation contracts could result in, under certain circumstances, the termination of the relevant production sharing arrangement or Cooperation Contract.

Data Disclosure Requirement

MEMR Regulation No. 27/ of 2006 regarding Management and Utilisation of Data from Oil and Gas General Survey, Exploration and Exploitation, as partly revoked by MEMR Regulation No. 29 of 2017 (''**MEMR Regulation 27/2006**'') classifies data as (i) general data, (ii) basic data, (iii) processed data and (iv) interpretive data. Basic data, processed data and interpretive data are classified as confidential data under MEMR Regulation 27/2006 and may not be disclosed to third parties. Despite the absence of express provisions in MEMR Regulation 27/2006 on the type of data which requires approval from MEMR for disclosure purposes, in practice MEMR approval is required for the disclosure of basic data, processed data and interpretive data which are classified as technical data as a result of exploration and exploitation activities.

PART IX

SUMMARY OF KEY PETROLEUM LICENCES AND AGREEMENTS

1 Beach Marcelle Block, Trinidad and Tobago

1.1. Eastern Fields Incremental Production Services Contract

Range Trinidad is party to an incremental production services contract with Petrotrin in respect of the Beach Marcelle block as amended from time to time, (the "**Beach Marcelle IPSC**"), which forms part of the lands comprising the Mayaro-Guayaguayare Horizons (the "**Beach Marcelle Block**") for which Petrotrin holds an exploration and production licence. The Beach Marcelle IPSC has an effective date of 1 February 2010 (the "**Beach Marcelle IPSC Effective Date**") and was entered into between Petrotrin (as client) and Los Bajos Oil Limited (as contractor), the latter entity having, since the Beach Marcelle IPSC Effective Date, merged with Range Trinidad such that the interest of the contractor under the Beach Marcelle IPSC now rests with Range Trinidad. The Beach Marcelle IPSC has been amended pursuant to supplemental agreements between Range Trinidad and Petrotrin dated (i) 16 January 2015 ("**First IPSC Supplemental Agreement**"); (ii) 2 February 2016 ("**Second IPSC Supplemental Agreement**"); (iii) 13 May 2016 ("**Third IPSC Supplemental Agreement**"); (iv) 16 June 2017 ("**Fourth IPSC Supplemental Agreement**"); and (v) 17 January 2017 ("**Fifth IPSC Supplemental Agreement**").

The Beach Marcelle IPSC sets out the terms on which certain works relating to the production, transportation and delivery of petroleum are carried out by Range Trinidad for Petrotrin in the Beach Marcelle Block, subject to the consent of the Trinidad Minister of Energy to the grant by Petrotrin of a sub-licence to Range Trinidad to conduct such petroleum operations.

The Beach Marcelle IPSC terminates a farmout agreement and lease operatorship agreement pursuant to which Los Bajos Oil Limited had previously carried out petroleum operations in the Beach Marcelle Block.

Term

The Beach Marcelle IPSC commenced on the Beach Marcelle IPSC Effective Date and continues for a term of 10 years unless terminated. The Beach Marcelle IPSC would automatically terminate in the event that Range Trinidad had not completed the minimum work obligations and the work units necessary to satisfy the additional expenditure obligation under the Beach Marcelle IPSC by the end of the eighth year.

Work

The particulars of the work undertaken and to be undertaken by Range Trinidad under the Beach Marcelle IPSC include, amongst other things:

- minimum work obligations including: (i) within 12 months of the Beach Marcelle IPSC Effective Date, conducting a comprehensive geo-technical review of the field and identifying drilling proposals and wells for workover activity; and (ii) within 24 months of the Beach Marcelle IPSC Effective Date, drilling and, where applicable, testing and completing one new well to a minimum depth of 3,000 feet subsea;
- construction and maintenance of infrastructure and facilities, including access roads to the sites where the wells are located and the necessary surface infrastructure for facilitating production;
- conducting such interventions and stimulations in existing wells as required to enhance production from such wells; and
- specific requirements with regard to well location, flowlines and production station maintenance.

In addition to the minimum work obligations, Range Trinidad is required to satisfy an additional expenditure obligation for each year of the term of the Beach Marcelle IPSC. This requires Range Trinidad to expend on the work a minimum prescribed sum in each year and the total cumulative amount of which for the first eight years of the Beach Marcelle IPSC is US$7,570,000. Range Trinidad may satisfy this obligation by completing a number of prescribed work units in each year that are equivalent in Trinidad and Tobago Dollar value to the additional expenditure obligation amounts as set out in the Beach Marcelle IPSC.

In the event that Range Trinidad fails to perform the work in a good and workmanlike manner and in accordance with applicable law (as warranted under the Beach Marcelle IPSC), Range Trinidad must, on notice from Petrotrin of such failure, re-perform the non-conforming work at its sole cost and expense. If Range Trinidad fails to complete such re-performance to the reasonable satisfaction of Petrotrin within the required timescales, Petrotrin may complete or correct the work and Range Trinidad will be responsible for all reasonable costs incurred by Petrotrin in so doing.

Range Trinidad is required to provide Petrotrin with a work programme at least seven days before undertaking the work notifying Petrotrin of the work it intends to carry out on each well. Range Trinidad is required to perform the work as rapidly as existing conditions permit. Within 14 days of the completion of the work, Range Trinidad must submit to Petrotrin a written report on the operations undertaken.

On or before the second month of each year of the Beach Marcelle IPSC term, Range Trinidad must also provide Petrotrin with a report on the status of operations performed in the previous year together with a plan for the operations to be performed in the coming year which shall include the proposed annual work programme and budget.

Range Trinidad shall be fully responsible for any activities performed by its agents, subcontractors or assignees and persons either directly or indirectly employed by them to the same extent as if it had performed such activities.

Services

Petrotrin provides Range Trinidad with certain services from time to time during the term of the Beach Marcelle IPSC. These services include: (i) labour charges with respect to fiscalisation; (ii) lab testing of shipment samples; (iii) laboratory testing of oil samples as required by the Trinidad Ministry of Energy; (iv) processing of well and well test information and preparation of production reports; (v) technical review and processing of well programmes and follow up with the Trinidad Ministry of Energy; and (vi) field audits.

A facilitation fee is payable by Range Trinidad to Petrotrin in respect of such services (see "Financial Obligations" below).

Range Trinidad is required to save, indemnify, defend and hold harmless Petrotrin and its group against any claim arising from the provision of such service, save where the claim has been caused solely by willful misconduct or negligence on the part of Petrotrin's group.

Compliance with Head Licence

Range Trinidad covenants with Petrotrin to observe the covenants on the part of the licensee under the head licence in respect of the Mayaro-Guayaguayare Horizons (the "**Head Licence**"), insofar as they relate to the Beach Marcelle block. This excludes those covenants which involve making payments to the head licensor or those specifically assumed by Petrotrin under the Beach Marcelle IPSC.

Range Trinidad must not omit or allow anything which might cause Petrotrin to be in breach of the Head Licence and shall indemnify Petrotrin against any claims arising from any such breach resulting therefrom.

Financial Obligations

Range Trinidad is entitled to receive a service fee from Petrotrin in respect of the work carried out under the Beach Marcelle IPSC. The service fee is determined in accordance with a formula set out in the Beach Marcelle IPSC and which takes into account the market value of the petroleum delivered by Range Trinidad to Petrotrin during a month of delivery less various deductions.

Range Trinidad is also required to make various payments to Petrotrin. These payments are made by way of deductions from the above service fee and include the following:

(a) A notional overriding royalty calculated according to a sliding scale based on the market value of bopm produced by Range Trinidad pursuant to its rights under the Beach Marcelle IPSC. For production of less than 7,500 bopm, the notional overriding royalty will range from 19% where the market value of a barrel of oil is US$20-30, to 37% where the market value is between US$120.01-140. Where production is greater than 7,500 bopm, the notional overriding royalty ranges from 14% where the market value of a barrel of oil is US$20-30, to

32% where the market value is between US$120.01-140. In the event that the market value of a barrel of oil falls below US$20 or above US$140, the applicable notional overriding royalty is to be negotiated by the parties.

(b) A facilitation fee in respect of the services provided by Petrotrin as described above, being the sum of US$2/bopd subject to an escalation rate of 5% per year.

(c) A licence fee which comprises a number of financial obligations relevant to the Head Licence and which are calculated by Petrotrin based on the percentage that Range Trinidad's monthly production pursuant to its rights under the Beach Marcelle IPSC bears to the total monthly production from all producing wells within the licensed area under the Head Licence. These include prescribed percentages of sums payable under the Head Licence in respect of the following items: minimum payments; annual surface rental payments; escrow account contributions; training; research and development; scholarships; and production bonuses.

(d) Contributions to an abandonment fund as calculated in accordance with the Beach Marcelle IPSC, being monthly payments of US$1 per barrel of oil equivalent produced from the wells in the Beach Marcelle Block.

(e) Such other amounts as may be contemplated under the Beach Marcelle IPSC.

In respect of the Petrotrin lands (being (i) all private oil mining leases and (ii) all freehold petroleum rights, in each case held by Petrotrin and covering any portion of the Beach Marcelle block) in which the wells are located, Range Trinidad must pay all rents and royalties that are payable thereunder at the same rates as contained in the Head Licence and the provisions summarised at item (c) above shall apply *mutatis mutandis* so far as applicable. In particular, the Beach Marcelle IPSC stipulates that Range Trinidad must pay royalty in respect of all freehold petroleum rights held by Petrotrin within the Beach Marcelle block in which the wells are located at the rate of 12.5% as of the Beach Marcelle IPSC Effective Date, as varied from time to time under the Head Licence.

Range Trinidad is also liable for (amongst other rates and taxes) the payment of any royalties, supplemental petroleum taxes, petroleum profits tax, oil impost, petroleum levy, unemployment levy, national recovery impost and any other taxes, rents or fees due on or arising out of the petroleum produced by Range Trinidad under the Beach Marcelle IPSC.

Range Trinidad bears the sole cost for the furnishing and maintaining of labour, equipment, appliances, materials, supplies, consumables and services which are necessary or proper in performance of the work under the Beach Marcelle IPSC. Range Trinidad is also responsible, at its cost, for obtaining all permits, licenses, consents, approvals, surface or other rights that may be required for or in connection with the performance of the work.

As security for the performance of its obligations under the Beach Marcelle IPSC, Range Trinidad must provide a performance bond in favour of Petrotrin from a third party financial institution approved by Petrotrin in the sum of US$136,500. In the event that Range Trinidad does not comply with its obligations under the Beach Marcelle IPSC, Petrotrin may immediately draw down under the performance bond such amount as, in Petrotrin's opinion, approximately represents the loss or damage it has suffered. Furness Anchorage General Insurance ("**Furness**") has agreed to provide the performance bond on the condition that the Company provides Furness with a parent company guarantee. By letter dated 15 May 2017, the Company provided Furness with a parent company guarantee for the maximum amount of US$136,500.00. Furness issued the performance bond on 13 July 2017 in the amount of TT$873,600 and it is effective until 19 July 2018.

Further Obligations

Range Trinidad must comply with the Trinidad Ministry of Energy's local content policy framework which includes submission of reports on local content to the Trinidad Minister of Energy on a calendar quarterly basis and keeping records for inspection and audit for a minimum of six years.

Environmental Liability

Range Trinidad undertakes to indemnify and keep indemnified Petrotrin and its affiliates (and their respective agents, employees, directors and/or officers) against, amongst other things, losses incurred as a result of any demand, claim, suit or proceeding brought against any such party in respect of:

(a) environmental liabilities attributable to Range Trinidad and its affiliates relating to the Beach Marcelle Block in existence prior to or at the Beach Marcelle IPSC Effective Date that relate to Range Trinidad's activities under the previous farmout agreement and lease operatorship agreement in respect of the Beach Marcelle Block; and

(b) any environmental liabilities which arise after the Beach Marcelle IPSC Effective Date and relate to work or other activities conducted by Range Trinidad or its sub-contractors on the Beach Marcelle Block.

Decommissioning

Subject to the application of other relevant provisions of the Beach Marcelle IPSC, Range Trinidad must, at its sole cost, within 90 days of the expiration or earlier termination of the Beach Marcelle IPSC: (i) decommission and remove all of its property used in the conduct of its work from the Beach Marcelle Block; and (ii) perform all necessary site restoration.

Further, upon the expiry or earlier termination of the Beach Marcelle IPSC, Petrotrin shall calculate Range Trinidad's liability for: (i) remediation of pollution arising from Range Trinidad's operations; (ii) eventual abandonment of existing wells; and (iii) decommissioning and removal of existing infrastructure and facilities within the Beach Marcelle Block (not being those constructed and installed by Range Trinidad). If, based on Petrotrin's calculation, the funds in the abandonment fund as provided for under the Beach Marcelle IPSC are insufficient to meet Range Trinidad's liability, any shortfall must be funded by Range Trinidad and may be deducted from any amount owed to Range Trinidad by Petrotrin. If the funds in the abandonment fund are more than sufficient to fund Range Trinidad's liability any surplus will be paid over by Petrotrin to Range Trinidad.

Indemnity

Range Trinidad shall save, indemnify and hold Petrotrin's group harmless from and against any claim in respect of:

(a) any loss or damage to property of any member of Range Trinidad's group or Petrotrin's group;

(b) any personal injury to and/or death or illness of any member of Range Trinidad's group or Petrotrin's group;

(c) any pollution or contamination;

(d) the obligations of Range Trinidad to pay and discharge its tax liability in Trinidad and Tobago; and

(e) personal injury to and/or death or illness of or any loss or damage to property brought or threatened by any third party against Petrotrin's group,

save where the claim is caused by the willful misconduct or negligence of Petrotrin's group.

Assignment and Change in Control

Range Trinidad may assign all or part of its rights and obligations under the Beach Marcelle IPSC to an affiliate provided that Range Trinidad has satisfied Petrotrin prior to such assignment that the affiliate will have access to Range Trinidad's technical expertise and will have clear financial capability to meet Range Trinidad's obligations under the Beach Marcelle IPSC. Range Trinidad must not assign its rights and obligation under the Beach Marcelle IPSC to any other person without Petrotrin's prior written consent (not to be unreasonably withheld, conditioned or delayed).

Should a direct or indirect change in control of Range Trinidad occur, Range Trinidad must promptly give Petrotrin written notice of such change. Petrotrin may, at its sole discretion, terminate the Beach Marcelle IPSC at any time after such change in control by giving Range Trinidad 45 days' prior written notice of such termination.

Termination

Range Trinidad will be in default of the Beach Marcelle IPSC in the event that (amongst other prescribed default events) it fails to make prompt payment for services or materials related to its operations or where it breaches any provision of the Beach Marcelle IPSC or applicable law. Within seven days of receiving notice from Petrotrin that it is in default, Range Trinidad must take reasonable measures to begin to rectify the default. If Range Trinidad is unable to rectify the default, does not begin to rectify the default within the required time period or fails to rectify the default as promptly as reasonably possible thereafter, Petrotrin may terminate the Beach Marcelle IPSC on written notice to Range Trinidad.

Petrotrin may also terminate the Beach Marcelle IPSC on 30 days' written notice if any member of Range Trinidad's group engages in willful misconduct, fraudulent activity or illegal conduct in relation to petroleum produced and/or delivered under the Beach Marcelle IPSC, Petrotrin's property or any of Range Trinidad's operations under the Beach Marcelle IPSC.

Either party may terminate the Beach Marcelle IPSC without cause by giving 180 days' written notice to the other party. In addition, where Petrotrin has suspended operations in accordance with the Beach Marcelle IPSC for more than 90 days and Range Trinidad is not in default, either party may terminate the Beach Marcelle IPSC by giving 90 days' written notice.

The Beach Marcelle IPSC will automatically cease upon the termination or revocation of the Head Licence.

Pursuant to a letter of intent dated 10 and 16 March 2010, the parties agreed to enter into negotiations in good faith with regard to a potential amendment of the termination clause of the Beach Marcelle IPSC, with reference having been made in the letter of intent to the provision which permits a party to terminate without cause on six months' notice (as described above). However, in the event that the parties failed to execute a mutually acceptable supplemental agreement to the Beach Marcelle IPSC by 30 June 2010 (or any mutually agreed extension date), the parties were to be released from all understandings and assurances under this letter of intent. No such supplemental agreement has, as yet, been entered into.

2. South Quarry Block, Trinidad and Tobago

2.1. South Quarry Farmout Agreement

Petrotrin is entitled to search and bore for, and get petroleum lying in the area commonly known as the South Quarry Block (excluding any horizons beyond the depth limitations and any portions of the South Quarry Block which are subject to private petroleum rights) (the "**SQ Contract Area**") pursuant to, amongst other documents, the exploration and production licence among (1) the President of the Republic of Trinidad; (2) the MEEI; and (3) Petrotrin dated 10 October 2006 in respect of the Cruse Horizons (Area A) (the "**SQ Head Licence**"). By a farmout agreement dated 3 June 2002 (effective 10 January 2002) ("**Former SQ FOA**"), Petrotrin granted Range Trinidad the exclusive right to search for, drill and get petroleum in the SQ Contract Area and to dispose of such petroleum for a period of five years. Following expiry of the Former SQ FOA, Range Trinidad entered into a new farmout agreement with Petrotrin in respect of the South Quarry Block, dated 16 April 2013 (the "**SQ FOA**") as amended pursuant to: (i) a supplemental agreement between Range Trinidad and Petrotrin dated 22 April 2015 ("**SQ First Supplemental Agreement**"); (ii) a supplemental agreement between Range Trinidad and Petrotrin dated 13 May 2016 ("**SQ Second Supplemental Agreement**"); and (iii) a supplemental agreement between Range Trinidad and Petrotrin dated 17 January 2017 ("**SQ Third Supplement Agreement**"). The effective date under the SQ FOA is 10 January 2007 (the "**SQ Effective Date**").

Term

The initial term of the SQ FOA is the period which commenced on the SQ Effective Date and expires on 31 December 2021 (the "**SQ Initial Term**"). The SQ Initial Term may be renewed for a further term of five years on written notice served by Range Trinidad on Petrotrin during the period between 12 and 6 months prior to expiry of the SQ Initial Term. The extension is conditional on Range Trinidad: (a) having complied with its obligations under the SQ FOA; (b) providing Petrotrin with a status update on its progress and expenditure in the preceding five years; and (c) Petrotrin and Range Trinidad agreeing the terms of any extension (including a work programme and budget for the extended period). If Range Trinidad and Petrotrin have not agreed the terms of the extension by the date falling 6 months prior to the expiry of the SQ Initial Term, neither party will have any further obligation under the SQ FOA save as set out in the SQ FOA.

Step-in Rights

If Petrotrin considers that Range Trinidad may not (save for the occurrence of a force majeure event) complete the minimum work obligations corresponding to a particular year of the term of the SQ FOA within that year or may cause Petrotrin to be in breach of its obligations under the SQ Head Licence then: (a) Petrotrin may step in to perform the outstanding work obligations and charge the costs of performing those obligations to Range Trinidad; and (b) as a result, Range

Trinidad's exclusive right to conduct petroleum operations in the SQ Contract Area will be suspended pending completion of the minimum work obligations outstanding in the relevant year of term of the SQ FOA.

Exploration rights

In consideration of the rents, royalties, overriding royalties, covenants and provisions contained in the SQ FOA, Petrotrin has granted to Range Trinidad Petrotrin's exclusive licence, right and interest to explore for, drill for, work and win petroleum within the SQ Contract Area although Range Trinidad has no right of ownership of any petroleum in strata or any other rights.

The grant of this exclusive sub-licence by Petrotrin was subject to the consent of the Minister.

Minimum Work Obligations

The minimum work obligations of Range Trinidad were amended pursuant to the SQ First Supplemental Agreement and divided amongst the initial period (being the period from the SQ Effective Date to 31 December 2011) and second period (being 1-5 years following expiry of the initial period).

The minimum work obligations during the initial period involved:

- Year 1 and 2: drilling three (3) wells to the Middle Cruse sands (approximately 1,600 feet deep);
- Year 3: drilling three (3) wells to the Middle Cruse sands (approximately 1,600 feet deep) and one (1) exploration well to the Herrera sands (approximately 10,500 feet deep) (carried over to the second period) and initiate a waterflood feasibility study in the Middle Cruse Sands; and
- Years 4 & 5: drilling two (2) wells to the Middle Cruse sands (approximately 1,600 feet deep).

The minimum work obligations during the second period involved:

- Year 1: drilling two (2) development wells each to a minimum depth of 1,000 feet;
- Year 2: drilling five (5) wells ranging in depth from 1,000-9,000 feet (subject to depth limitations contained in the SQ Head Licence);
- Year 3: drilling two (2) wells ranging in depth from 1,000-6,500 feet;
- Year 4: drilling six (6) development wells ranging in depth from 1,000-9,000 feet; and
- Year 5: drilling four (4) development wells ranging in depth from 1,000-3,000 feet; drilling one (1) development well to a minimum depth of 2,000 feet; drilling one (1) exploratory well to the Herrera sands (approximately 10,500 feet deep (carried over from the initial period); drilling one (1) exploratory well to a minimum depth of 9,000 feet and drilling one (1) exploratory well to a minimum depth of 6,000 feet.

The minimum work obligations for the third period (being years 6-10 of the SQ Initial Term following expiry of the second period) involve:

- Year 6: drilling three (3) development wells and develop a Waterflood plan for the QU419 Area;
- Year 7: drilling five (5) development wells and conduct Stratagem Survey in area to explore for shallow oil reservoirs (less than 1,000 feet);
- Year 8: drilling two (2) development wells and drilling one (1) exploration well to Lower Cruse Horizon;
- Year 9: drilling two (2) development wells and drilling one (1) exploration well to Lower Cruse Horizon; and
- Year 10: drilling three (3) development wells and drilling one (1) exploration well to Lower Cruse Horizon.

Funding Obligations

Range Trinidad is obliged to make various payments under the SQ FOA, including the following:

- all royalties, taxes and levies including land and building taxes, petroleum profits tax, supplemental petroleum taxes, oil impost, petroleum levy, unemployment levy, national recovery impost and any other taxes, rents or fees due on or arising out of the operations in the SQ Contract Area;

- overriding royalties at a rate of 7-27% interest (depending on the US$ price per barrel of oil) for the first 2,449 barrels of crude oil produced pursuant to the SQ FOA for any calendar month during the first year of the second period of the term (as adjusted during each subsequent year of the term based on a 2% annual decline rate) and an overriding royalty of 4-17% (depending on the US$ price per barrel of oil) for any crude oil produced over that amount. Range Trinidad is also required to pay an overriding royalty (at a rate to be agreed between Range Trinidad and Petrotrin) on all natural gas won and saved from the SQ contract area. The parties used a different basis for calculating the overriding royalty during the initial period from the SQ Effective Date to 31 December 2011;
- from 1 January 2012, a shipping charge of TT$3.20 per barrel of crude oil delivered to the delivery point and transported to Petrotrin's refinery in Pointe-a-Pierre. For the initial period, Range Trinidad was to pay the shipping charges at the rates contained in the SQ Former FOA; and
- where Range Trinidad chooses to use other infrastructure of Petrotrin including electrical installations and equipment, other pipelines, petroleum gathering, storage, sales facilities, Petrotrin and Range Trinidad will meet to determine the transmission, collection and storage fees for the use of the facilities by Range Trinidad.

As security for the performance of its obligations under the SQ FOA, Range must provide a performance bond in favour of Petrotrin from a third party financial institution approved by Petrotrin in the sum of TT$500,000. Furness (as defined at paragraph 1.1 of Part IX of this document) has agreed to provide the performance bond on the condition that the Company provides Furness with a parent company guarantee. By letter dated 9 September 2013, the Company provided Furness with a parent company guarantee for the maximum amount of US$500,000. Furness issued the performance bond on 1 September 2017 and it is effective until 9 September 2018.

Assignment

Range Trinidad must obtain Petrotrin's written consent to the assignment, sub-contracting or transfer of the SQ FOA. Petrotrin may assign, sub-contract, hold in trust for another or transfer its interest in the SQ FOA to an affiliate of Petrotrin or any State entity without the consent of Range Trinidad.

Termination

The SQ FOA may be terminated by Petrotrin on 30 days' written notice served on Range Trinidad if Range Trinidad engages in willful misconduct, fraudulent activity or illegal conduct in relation to the petroleum produced or sold under the SQ FOA, Petrotrin's property or any of Range Trinidad's operations under the SQ FOA.

The SQ FOA may also be terminated: (a) automatically on termination or revocation of the SQ Head Licence (or any substitute); (b) by mutual agreement of the parties; (c) failing renewal of the term of the SQ FOA, on expiry of the SQ Initial Period; (d) on 30 days' written notice by either party in the event the SQ FOA is suspended due to force majeure event for a period of more than 3 months; (e) on written notice by Petrotrin: (i) for non-compliance with the minimum work obligations which Range Trinidad cannot remedy or does not begin to remedy within 14 days, or remedies within 90 days of receipt by Range Trinidad of a written notice of non-compliance from Petrotrin; (ii) in the event Range Trinidad is in default under the SQ FOA which Range Trinidad cannot remedy or does not begin to remedy within 14 days or does not remedy promptly following receipt by Range Trinidad of a written notice of default from Petrotrin; and (f) on 45 days' written notice from Petrotrin if Range fails to obtain the consent of Petrotrin prior to any change of control of Range Trinidad.

3. Morne Diablo Block, Trinidad and Tobago

3.1 Morne Diablo Farmout Agreement

Petrotrin is entitled to search and bore for, and get petroleum lying in the area commonly known as the Morne Diablo Block (excluding any horizons beyond the depth limitations and any portions of the Morne Diablo Block which are subject to private petroleum rights) (the "**MD Contract Area**") pursuant to, amongst other documents, the two exploration and production licences among (1) the President of the Republic of Trinidad; (2) the MEEI; and (3) Petrotrin dated 10 October 2006 in respect of the Cruse Horizons (Area A) and Herrera Horizon (Areas C) (the "**MD Head Licence**"). By a farmout agreement dated 2 May 2001 (effective 20 December 2000) ("**Former MD FOA**"), Petrotrin granted Range Trinidad the exclusive right to search for, drill and get petroleum in the MD Contract Area and to dispose of such petroleum for a period of five years. Following expiry of the Former MD FOA, Range Trinidad entered into a new farmout agreement with Petrotrin in respect of the Morne Diablo Block, dated 16 April 2013 (the "**MD FOA**") as amended pursuant to: (i) a supplemental agreement between Range Trinidad and Petrotrin dated 22 April 2015 ("**MD First Supplemental Agreement**"); (ii) a supplemental agreement between Range Trinidad and Petrotrin dated 13 May 2016 ("**MD Second Supplemental Agreement**"); and (iii) a supplemental agreement between Range Trinidad and Petrotrin dated 17 January 2017 ("**MD Third Supplemental Agreement**"). The effective date under the MD FOA is 20 December 2005 (the "**MD Effective Date**").

Term

The initial term of the MD FOA is the period which commenced on the MD Effective Date and expires on 31 December 2021 (the "**MD Initial Term**"). The MD Initial Term may be renewed for a further term of five years on written notice served by Range Trinidad on Petrotrin during the period between 12 and 6 months prior to expiry of the MD Initial Term. The extension is conditional on Range Trinidad: (a) having complied with its obligations under the MD FOA; (b) providing Petrotrin with a status update on its progress and expenditure in the preceding five years; and (c) Petrotrin and Range Trinidad agreeing the terms of any extension (including a work programme and budget for the extended period). If Range Trinidad and Petrotrin have not agreed the terms of the extension by the date falling 6 months prior to the expiry of the MD Initial Term, neither party will have any further obligation under the MD FOA save as set out in the MD FOA.

Step-in Rights

If Petrotrin considers that Range Trinidad may not (save for the occurrence of a force majeure event) complete the minimum work obligations corresponding to a particular year of the term of the MD FOA within that year or may cause Petrotrin to be in breach of its obligations under the MD Head Licence then: (a) Petrotrin may step in to perform the outstanding work obligations and charge the costs of performing those obligations to Range Trinidad; and (b) as a result, Range Trinidad 's exclusive right to conduct Petroleum operations in the MD Contract Area will be suspended pending completion of the minimum work obligations outstanding in the relevant year of term of the MD FOA.

Exploration Rights

In consideration of the rents, royalties, overriding royalties, covenants and provisions contained in the MD FOA, Petrotrin has granted to Range Trinidad Petrotrin's exclusive licence, right and interest to explore for, drill for, work and win petroleum within the MD Contract Area although Range Trinidad has no right of ownership of any petroleum in strata or any other rights.

The grant of this exclusive sub-licence by Petrotrin was subject to the consent of the Minister.

Minimum Work Obligations

The minimum work obligations of Range Trinidad were amended pursuant to the MD First Supplemental Agreement and divided amongst the initial period (being the period from the MD Effective Date to 31 December 2011) and second period (being 1-5 years following expiry of the initial period).

The minimum work obligations during the initial period involved:

- Year 1: drilling thirteen (13) development wells;
- Year 2: drilling seven (7) development wells including one (1) water injection well;
- Year 3: drilling thirty (30) development wells including eight (8) water injection wells; and
- Years 4-6: drilling twenty two (22) development wells ranging in depths from 1,000-6,500 feet.

The minimum work obligations during the second period involved:

- Year 1: drilling five (5) wells ranging in depths from 900-6,500 feet and drilling seventeen (17) development wells ranging in depths from 900-6,500 feet (which are carried over from initial period);
- Year 2: drilling nine (9) wells ranging in depths from 900-9,000 feet;
- Year 3: drilling ten (10) wells ranging in depths from 900-6,500 feet;
- Year 4: drilling twelve (12) wells ranging in depths from 900-6,500 feet;

- Year 5: drilling ten (10) wells ranging in depths from 900-6,500 feet; drilling one (1) development well to a minimum depth of 3,000 feet; drilling two (2) development wells to a minimum depth of 6,500 feet; drilling two (2) exploratory wells to minimum depth of 6,500 feet and; drilling one (1) exploratory well to a minimum depth of 9,000 feet.

The minimum work obligations for the third period (being years 6-10 of the MD Initial Term following expiry of the second period) involve:

- Year 6: drilling six (6) development wells and completing Lower Forest waterflood study;
- Year 7: drilling eight (8) development wells and completing Main Field Middle Cruse Waterflood study;
- Year 8: drilling two (2) development wells and drilling one (1) exploration well to Lower Cruse Horizon;
- Year 9: drilling two (2) development wells and drilling one (1) exploration well to Lower Cruse Horizon; and
- Year 10: drilling two (2) development wells and drilling one (1) exploration well to Lower Cruse Horizon.

Funding Obligations

Range Trinidad is obliged to make various payments under the MD FOA including the following:

- all royalties, taxes and levies including land and building taxes, petroleum profits tax, supplemental petroleum taxes, oil impost, petroleum levy, unemployment levy, national recovery impost and any other taxes, rents or fees due on or arising out of the operations in the MD Contract Area;
- overriding royalties at a rate of 7-27% interest (depending on the US$ price per barrel of oil) for the first 11,215 barrels of crude oil produced pursuant to the MD FOA for any calendar month (as adjusted during each subsequent year of the term based on a 2% annual decline rate) and an overriding royalty of 4-17% (depending on the US$ price per barrel of oil) for any crude oil produced over that amount. Range Trinidad is also required to pay an overriding royalty (at a rate to be agreed between Range Trinidad and Petrotrin) on all natural gas won and saved. The parties used a different basis for calculating the overriding royalty during the initial period from MD Effective Date to 31 December 2011;
- from 1 January 2012, a shipping charge of TT$3.20 per barrel of crude oil delivered to the delivery point and transported to Petrotrin's refinery in Pointe-a-Pierre. For the initial period, Range Trinidad was to pay the shipping charges at the rates contained in the MD Former FOA; and
- where Range Trinidad chooses to use other infrastructure of Petrotrin including electrical installations and equipment, other pipelines, Petroleum gathering, storage, sales, etc facilities, Petrotrin and Range Trinidad will meet and determine the transmission, collection and storage fees for the use of the facilities by Range Trinidad.

As security for the performance of its obligations under the MD FOA, Range must provide a performance bond in favour of Petrotrin from a third party financial institution approved by Petrotrin in the sum of TT$500,000. Furness (as defined at paragraph 1.1 of Part IX of this document) has agreed to provide the performance bond on the condition that the Company provides Furness with a parent company guarantee. By letter dated 9 September 2013, the Company provided Furness with a parent company guarantee for the maximum amount of US$500,000. Furness issued the performance bond on 1 September 2017 and is effective until 9 September 2018.

Assignment

Range Trinidad must obtain Petrotrin's written consent to the assignment, sub-contracting or transfer of the MD FOA. Petrotrin may assign, sub-contract, hold in trust for another or transfer its interest in the MD FOA to an affiliate of Petrotrin or any State entity without the consent of Range Trinidad.

Termination

The MD FOA may be terminated by Petrotrin on 30 days' written notice served on Range Trinidad if Range Trinidad engages in willful misconduct, fraudulent activity or illegal conduct in relation to the petroleum produced or sold under the MD FOA, Petrotrin's property or any of Range Trinidad's operations under the MD FOA.

The MD FOA may also be terminated: (a) automatically on termination or revocation of the MD Head Licence (or any substitute); (b) by mutual agreement of the parties; (c) failing renewal of the term of the MD FOA, on expiry of the MD Initial Period; (d) on 30 days' written notice by either party in the event the MD FOA is suspended due to force majeure event for a period of more than 3 months; (e) on written notice by Petrotrin: (i) for non-compliance with the minimum work obligations which Range Trinidad cannot remedy or does not begin to remedy within 14 days, or remedies within 90 days, of receipt by Range Trinidad of a written notice of non-compliance from Petrotrin; (ii) in the event Range Trinidad is in default under the MD FOA which Range Trinidad cannot remedy or does not begin to remedy within 14 days or does not remedy promptly following receipt by Range Trinidad of a written notice of default from Petrotrin; and (f) on 45 days' written notice from Petrotrin if Range fails to obtain the consent of Petrotrin prior to any change of control of Range Trinidad.

4 St. Mary's Block, Trinidad and Tobago

4.1. Exploration and Production (Public Petroleum Rights) Licence relating to the St. Mary's onshore block

Range Trinidad was awarded an 80% participating interest in the exploration and production (public petroleum rights) licence in respect of the St. Mary's onshore block the ("**St. Mary's Licence**") and Petrotrin was awarded a 20% participating interest. The St. Mary's Licence is granted under the Petroleum Act and the Petroleum Regulations.

Scope

The licensee under the St. Mary's Licence (being Petrotrin and Range Trinidad) has exclusive rights in the licensed area to search for, drill, get, win and dispose of petroleum, although the licensee has no right of ownership of any petroleum in strata or any other rights within the licensed area. The licensee has the right to export and sell (whether in Trinidad and Tobago or abroad) all petroleum won and saved from the licensed area, subject to a governmental right of pre-emption under the Petroleum Act and royalty in kind and distraint rights under the Petroleum Regulations.

The licensed area comprises the area commonly known as the St. Mary's onshore block which is sub-divided into three blocks labelled SM1-SM3.

Term

The St. Mary's Licence was granted to Range Trinidad and Petrotrin with an effective date of 31 October 2014 (the "**St. Mary's Effective Date**"). The initial term of the St. Mary's Licence is six years from the St. Mary's Effective Date and it therefore expires on 30 October 2020 unless it is determined at an earlier date. However, in the event that the licensee makes a commercial discovery of petroleum, and provided that the licensee gives notice to the Trinidad Minister of Energy of its desire to renew the St. Mary's Licence at least 180 days before the expiry of the initial six-year term, the St. Mary's Licence may be extended (insofar as it applies to the area(s) relevant to the commercial discovery) for a maximum of 25 years from the St. Mary's Effective Date.

Following this initial extension, and provided that the licensee gives notice to the Trinidad Minister of Energy of its desire to renew the St. Mary's Licence at least two years before the expiry of the 25-year period described above, the St. Mary's Licence may be further extended for a period of five years. Thereafter, the Trinidad Minister of Energy may grant further five-year extensions to the St. Mary's Licence from the end of each renewal period.

The initial six-year term of the St. Mary's Licence may also be extended where there has been a commercial discovery in the licensed area which a licensee/lessee has developed and produced prior to the St. Mary's Effective Date, and from which petroleum production continues after the St. Mary's Effective Date. In such circumstances, upon submission to and approval by the Trinidad Minister of Energy of the relevant field coordinates, the licensee will be granted approval to continue its production for a period of 25 years from the St. Mary's Effective Date.

Minimum Work Obligations

The minimum work programme to be carried out by the licensee pursuant to the St. Mary's Licence is divided into three categories: geological, geophysical and drilling.

The obligations of the licensee in terms of the minimum work programme include the following:

1. **Geological**
   a) evaluating, integrating and mapping all data related to the licensed area within 12 months from the St. Mary's Effective Date; and
   b) conducting geological studies related to the licensed area within 36 months from the St. Mary's Effective Date.

2. **Geophysical**
   a) acquiring and processing 160 line kilometers of 2D seismic within the licensed area with shooting to commence within 30 months from the St. Mary's Effective Date;
   b) acquiring and processing 60 square kilometers of 3D seismic within the licensed area with shooting to commence within 30 months from the St. Mary's Effective Date;
   c) evaluating, integrating and mapping all seismic data related to the licensed area; and
   d) acquiring high resolution gravity and magnetic data over the licensed area within 18 months from the St. Mary's Effective Date**.**

3. **Drilling**

Drilling of four (4) exploratory wells: (i) one (1) to a minimum depth of 3,000 feet within 30 months; (ii) one (1) to a minimum depth of 7,000 feet within 42 months; (iii) one (1) to a minimum depth of 8,000 feet within 42 months; and (iv) one (1) to a minimum depth of 14,000 feet within 48 months, in each case from the St. Mary's Effective Date.

To date, the Group has completed the works detailed at (1)(a) and 2(d) above and additional works not specified as minimum work obligations in the St. Mary's Licence (including an integrated geology and well placement study). All other minimum obligations listed in the St. Mary's Licence are yet to be performed.

Discoveries

In the event of a discovery of petroleum being made, the licensee must immediately submit a written notification of such discovery to the Trinidad Minister of Energy. The licensee must inform the Trinidad Minister of Energy 30 days after such written notification whether the discovery has commercial potential. Within 18 months from the discovery date, the licensee is required to declare to the Trinidad Minister of Energy whether the discovery is a commercial discovery and, in the event that it is, the licensee must upon such declaration present a development plan to the Trinidad Minister of Energy for approval.

Should the licensee fail to declare a discovery of petroleum within the specified timeframes such discovery will, at the end of the sixth year of the St. Mary's Licence, form part of the area to be surrendered by the licensee (see "**Surrender**" below).

Funding Obligations

The licensee is obliged to make various payments under the St. Mary's Licence, including:

(a) production bonuses bound on a sliding scale of petroleum production in boepd, from US$250,000 for 5,000 boepd to US$750,000 for 15,000 boepd, and a further US$100,000 for every 5,000 boepd exceeding 15,000 barrels of oil equivalent;

(b) a technical equipment bonus of US$25,000 payable as directed by the Trinidad Minister of Energy (either in cash or in technical equipment to a total delivered cost of US$25,000);

(c) royalties at a rate of 12.5% on the net crude oil and natural gas won and saved from the licensed area;

(d) minimum quarterly payments in respect of the licensed area ranging from US$4.00 per hectare during the first year of the St. Mary's Licence to US$5.25 per hectare during the sixth year and increasing annually thereafter at a rate of 6% for the unexpired term of the St. Mary's Licence;

(e) annual training contributions (for the financing of training of nationals in appropriate fields of study associated with the energy sector) of US$20,000 for the first year of the St. Mary's Licence, and increasing by 4% per annum for the unexpired term of the St. Mary's Licence;

(f) funding scholarships in the sum of US$20,000 in the first year of the St. Mary's Licence, and increasing by 4% per annum for the unexpired term of the St. Mary's Licence; and

(g) annual surface rental payments in respect of the licensed area ranging from US$5.00 per hectare in the first year of the St. Mary's Licence to US$6.25 in the sixth year and increasing annually thereafter at a rate of 6% per annum for the unexpired term of the St. Mary's Licence.

The licensee is also under an obligation to provide the Trinidad Minister of Energy with a performance guarantee for US$33,950,000 (based on expenditure for the minimum work programme) in a form acceptable to the Trinidad Minister of Energy. The amount of the performance guarantee is reduced at the end of each 12 month period by the actual exploration expenditure incurred pursuant to the St. Mary's Licence during that period. The Trinidad Minister of Energy has not requested a performance guarantee in respect of the current year.

Further, the licensee is required to make all other payments including import duties, income tax, excise duties, charges and fees for services rendered and fees of general application as may be appropriate to the St. Mary's Licence and in accordance with any applicable law.

The licensee must also establish an escrow account in the name of the Trinidad Minister of Energy to be used as a contingency fund for remediation of pollution arising from the petroleum operations carried out under the St. Mary's Licence and eventual abandonment of wells in the licensed area, as well as decommissioning of facilities used for petroleum operations conducted under the St. Mary's Licence. The licensee must pay US$0.25 per barrel of oil equivalent produced into the escrow account otherwise the Trinidad Minister of Energy may revoke the St. Mary's Licence.

In the event that the licensee fails to effect environmental clean-up in light of an accident, properly abandon wells or decommission facilities to the satisfaction of the Trinidad Minister of Energy, the Trinidad Minister of Energy may access the escrow account at his sole discretion. In such case, the licensee must pay into the account the sum used for such purposes within 60 days. However, all existing funds in the escrow account will be returned to the licensee if it fulfills all of its obligations in respect of environmental remediation, abandonment of wells and decommissioning of facilities to the satisfaction of the Trinidad Minister of Energy.

Further Obligations

The licensee has the right to use natural gas in its petroleum operations. However, the licensee must return associated natural gas to the subsurface structure if it is not required for use in petroleum operations or for sale. In all other cases, the licensee must submit reasons to the Trinidad Minister of Energy (together with supporting engineering and economic justification) as to why such associated natural gas cannot be economically used or sold or returned to the subsurface structure. Nevertheless, such associated natural gas may be flared where permission has been granted to do so, or at any time where it is necessary for the conducting of well and production tests or during an emergency.

The Trinidad Minister of Energy may at any time request that the licensee deliver, without compensation, any quantity of natural gas produced in association with crude oil and not required by the licensee for its operations or for sale, which may be needed in the public interest.

The licensee also has duties to (amongst other things): (i) provide the Trinidad Minister of Energy with certain data, reports, samples, information, interpretation of such data and all other information or work product pertaining to the licensed area, as well as regular and complete information concerning all petroleum operations; (ii) allow such persons as duly authorised by the Trinidad Minister of Energy to inspect the plant, operations, records and accounts of the licensee; and (iii) cooperate and consult with other parties conducting petroleum operations within the same geographical area.

The licensee must also comply with the government's local content policy which includes submission of quarterly reports on local content to the Trinidad Minister of Energy and keeping records evidencing satisfaction of local content obligations for a minimum of six years for the purposes of inspection and audit. "Local content" for these purposes means the local component of goods, services and human resources employed in the conduct of petroleum operations under the St. Mary's Licence.

Assignment

The licensee is prohibited from sub-licensing, assigning or transferring in whole or in part any of the rights acquired or obligations under the St. Mary's Licence, without the prior written consent of the Trinidad Minister of Energy. Any sub-licensing, assignment or transfer made without such consent will be null and void and may result in forfeiture of the St. Mary's Licence.

Environmental Matters

At the beginning of each year of the St. Mary's Licence, the licensee is required to submit to the Trinidad Minister of Energy the programme of environmental remediation that it intends to undertake within the licensed area. Once the programme is approved by the Trinidad Minister of Energy, the licensee must execute such programme.

The Trinidad Minister of Energy has agreed to indemnify Range Trinidad from all environmental liabilities which accrue or relate to any period before the St. Mary's Effective Date. However, the licensee is liable for all environmental liabilities which accrue or relate to any period after such date.

Surrender

At the end of the sixth year of the St. Mary's Licence, the licensee is required to surrender all acreage in the licensed area which does not form part of an area that has been determined to be a commercial discovery, provided that: (i) no individual block surrendered will be less than 30% of the licensed area unless the Trinidad Minister of Energy specifically consents; (ii) the licensee may surrender the St. Mary's Licence in respect of the whole or any part of the licensed area at any time on 90 days' written notice to the Trinidad Minister of Energy; (iii) surrender will not affect any obligations or liabilities of the licensee under the St. Mary's Licence or the Petroleum Act that have not been performed or discharged prior to the date of surrender; (iv) the St. Mary's Licence remains in full force and effect in respect of any area within the licensed area in which a commercial discovery is made prior to the expiry of the initial term (or any extension thereof); (v) during the term of the St. Mary's Licence, the licensee is not required to surrender any area which has been determined to be a commercial discovery in the licensed area; and (vi) areas for surrender will be identified, defined and demarcated on the surface of the licensed area.

Distraint by the Trinidad Minister of Energy

If the licensee fails to pay the royalty or any part thereof within 30 days of it becoming due, the Trinidad Minister of Energy may enter the licensed area and distrain on all or any stock of petroleum and all things found in or upon the licensed area, and sell the same if after 14 days of the distraint the sums remain unpaid. The Trinidad Minister of Energy shall be indemnified by the licensee for all actions, claims, liabilities and other obligations arising directly or indirectly from such action.

Termination

The St. Mary's Licence, together with all of the licensee's rights, licences, privileges and powers and all grants and leases of state lands held for the purpose of carrying out petroleum operations, may be revoked by the Trinidad Minister of Energy upon the occurrence of any of the following events: (i) failure of the licensee to fulfil the minimum work obligations or failure to meet its financial obligations under the St. Mary's Licence; (ii) failure of the licensee to execute its work obligations within the prescribed time limits; (iii) breach of other terms and conditions of the St. Mary's Licence in a material particular, the Trinidad Minister of Energy being sole judge of materiality; (iv) failure of the licensee to: (a) make the minimum payments specified in the St. Mary's Licence in accordance with the Petroleum Regulations; (b) make payment of rent, royalty, petroleum impost, petroleum production levy or taxes (other than taxes derived from petroleum operations under the St. Mary's Licence), within three months of their being due; or (c) maintain the escrow account at the level required by the St. Mary's Licence; (v) failure of the licensee to pay any sum that may have been awarded against it in arbitration proceedings (as provided for under the St. Mary's Licence) within three months of the date fixed in the award; (vi) bankruptcy or liquidation of the licensee; or (vii) proof of willful misrepresentation by the licensee in any material particular in the process of applying for the St. Mary's Licence.

All of the above termination events, with the exception of limb (vi) (bankruptcy or liquidation of the licensee), are subject to the Trinidad Minister of Energy having provided the licensee with written notice of non-compliance reasonably in advance of such revocation.

Furthermore, where any of the above termination events has occurred (except in the case of limbs (vi) and (vii)) and if, in the opinion of the Trinidad Minister of Energy, the breach or non-observance is capable of remedy, the Trinidad Minister of Energy shall notify the licensee, specifying the particular material breach and requiring the licensee to remedy the breach or non-observance and pay compensation. The licensee must then remedy the breach or non-observance and pay the compensation within such reasonable time as the Trinidad Minister of Energy may stipulate, failing which the St. Mary's Licence may be revoked.

In the event of serious and repeated violations of the St. Mary's Licence, or of any law or directions of the Trinidad Minister of Energy, the President of Trinidad and Tobago may order operations to be temporarily discontinued.

4.2. St. Mary's Joint Operating Agreement

Range Trinidad is party to a joint operating agreement with Petrotrin (the "**St. Mary's JOA**") with an effective date of 31 October 2014 (the "**St. Mary's JOA Effective Date**") which sets out the respective rights and obligations of Petrotrin and Range Trinidad with regard to operations and activities under the St. Mary's Licence.

Funding Obligations

The St. Mary's JOA provides for certain carried obligations, being the work and financial obligations the cost of which Petrotrin shall be carried for by the other parties. In particular, Range Trinidad shall carry Petrotrin for 100% of the following costs:

(a) all minimum work obligations under the St. Mary's Licence during the exploration period (being the initial six-year term of the St. Mary's Licence and any extensions thereof) and all work and expenditures ancillary to such work obligations;

(b) all financial obligations under the St. Mary's Licence during the exploration period, after which all such obligations will be apportioned between the parties in accordance with their participating interest (i.e. 80% in respect of Range Trinidad and 20% in respect of Petrotrin);

(c) the cost of any Petrotrin secondee engaged by Range Trinidad pursuant to the St. Mary's JOA during the exploration period, after which such cost will be apportioned between the parties in accordance with their participating interest (as described above);

(d) costs associated with the provision, production or compilation of information or data requested by or furnished by the operator to Petrotrin, to the extent that it relates to any carried obligations; and

(e) the cost of a transaction audit to be undertaken by the operator in accordance with the St. Mary's JOA to identify the existing infrastructure, facilities and wells located within the contract area which shall become joint property under the St. Mary's JOA.

Except as provided, the obligations of the parties under the St. Mary's Licence and all liabilities and expenses incurred by the operator in connection with the joint operations will be charged to the joint account under the St. Mary's JOA, and all credits to the joint account will be shared by the parties in proportion to their respective participating interests.

The operator is also required to establish an escrow account in the name of the parties to the St. Mary's JOA for use as a contingency fund for decommissioning. The St. Mary's JOA stipulates that it is the intention of the parties that such escrow account shall be separate and apart from any escrow account or abandonment fund required under the St. Mary's Licence (see further above) or the Petroleum Act.

Within three months of the date of the St. Mary's JOA, the parties must pay into the escrow account, in proportion to their participating interests, the sum of US$0.25 per barrel of oil equivalent produced from the contract area.

After final decommissioning has been carried out to the satisfaction of the Trinidad Minister of Energy, if there remains any surplus of funds in the escrow account such funds will be apportioned between the parties according to their respective participating interests. In the event that the funds in the escrow account are insufficient to fund the required decommissioning, such shortfall must be funded by the parties in proportion to their respective participating interests.

Further, during the exploration period and for so long thereafter as Range Trinidad has any relevant right or interest in any particular Petrotrin lands (being those lands subject to private petroleum rights located in the contract area in which Petrotrin holds a 100% interest), Range Trinidad must pay to Petrotrin:

(a) on the freehold petroleum rights or any other interest held by Petrotrin (excluding private oil mining leases) covering any portion of the contract area:

    (i) 80% of the lease rent of TT$100.00 per acre or part thereof per year, subject to revision in accordance with the St. Mary's JOA; and

    (ii) Range Trinidad's 80% participating interest share of a royalty of 12.5% of gross production attributable to the petroleum won and saved from the freehold petroleum rights (or other interest) held by Petrotrin; and

(b) on the private oil mining leases held by Petrotrin covering any portion of the contract area:

    (i) 80% of private oil mining lease rents due and payable by Petrotrin in respect of the exploration, development and production rights of the Petrotrin lands in the contract area; and

    (ii) Range Trinidad's 80% participating interest share of the royalty payable by Petrotrin in respect of the petroleum won and saved from the petroleum rights held under the private oil mining leases.

Range Trinidad must make such payments to Petrotrin as specified in (a) and (b) above semi-annually in arrears, calculated from the anniversaries of the St. Mary's JOA Effective Date.

Operator and Operating Committee

The St. Mary's JOA provides for the appointment of an operator, who has exclusive charge of and shall conduct all joint operations. Range Trinidad is designated as the operator. The operator can request that it be allowed to engage at least one employee from Petrotrin as a secondee, to occupy a reasonably senior role, in connection with the joint operations or the minimum work obligations.

Range Trinidad, as operator, is required to provide non-operators (currently Petrotrin) in a timely manner with various information, data and reports relating to the joint operations to the extent to be charged to the joint account. This includes, amongst other things: copies of all surveys and (where reasonable) all logs in digitally recorded format; daily drilling reports; well bore samples (drill cuttings) and any rock samples obtained; field and well performance reports; and a quarterly report detailing and comparing approved budgeted amounts to actual amounts with an explanation for significant variations. The operator is also required to procure and maintain for the joint account all insurance in the types and amounts required by the St. Mary's Licence or applicable laws governing the activities under the St. Mary's Licence.

The St. Mary's JOA also provides for the establishment of an operating committee to provide for the overall supervision and direction of joint operations. Each party holding a participating interest is entitled to appoint one representative and one alternate to serve on the operating committee. Each such representative has a vote equal to the participating interest of the party whom they represent. The operating committee is required to meet at least once every six months.

Except as provided, all decisions and approvals of the operating committee require the affirmative vote of two or more parties that are not affiliates holding collectively at least 85% of the participating interests. The participating interests of the parties as of the St. Mary's Effective Date (as set out in the St. Mary's JOA) reflect the participating interests under the St. Mary's Licence, i.e. 20% held by Petrotrin and 80% held by Range Trinidad.

Petrotrin, whose paying interest for the purposes of the St. Mary's JOA in respect of the carried obligations is zero (see "Funding Obligations" above) has no right to vote on any matter before the operating committee in respect of the relevant carried obligations, except for such matters as relate to health, safety and the environment or which require the unanimous consent of all parties. However, Range Trinidad must consult with and inform Petrotrin of the details and composition of all work programmes and budgets. Further, once a party is liable to pay or pays its participating interest share of costs, it will be entitled to vote on such matter and where that matter comprises elements relating to both the carried obligations and other operations and activities, Petrotrin will have the right to vote on such other operations and activities.

All decisions listed below require the unanimous vote of the operating committee:

(a) determination that a discovery is a commercial discovery;

(b) development plans;

(c) relinquishment of all or part of the contract area and determination of size and shape consistent with the St. Mary's Licence;

(d) voluntary surrender of all or part of the contract area or any exploitation area (being the part of the contract area established for the development of a commercial discovery in the St. Mary's Licence or delineated as such in a development plan) and determination of size and shape consistent with the St. Mary's Licence;

(e) unitization under the St. Mary's Licence (and/or the laws governing the activities under the St. Mary's Licence) with an adjoining contract area;

(f) arrangements regarding the use of spare capacity and joint property (other than in connection with any joint operations or exclusive operations approved in accordance with the St. Mary's JOA);

(g) plugging, decommissioning and abandonment of wells and facilities;

(h) entering into or extending or renewing the term of any exploration period or exploitation period or any phase of the St. Mary's Licence. However, the St. Mary's JOA separately provides that any party can enter into or extend the term of any exploration or exploitation period or any phase of the St. Mary's Licence or to extend the term of the St. Mary's Licence, regardless of the level of support in the operating committee. If any party takes such action, any party not wishing to extend shall have a right to withdraw; and

(g) construction and/or installation of processing, treatment, compression, gathering, storage, handling, transportation, and other facilities within the scope of the St. Mary's JOA.

Resignation and Removal of Operator

Subject to certain provisions in the St. Mary's JOA regarding the procedure for appointment of a successor operator, as well as any necessary approval by the Trinidad Minister of Energy, the operator may resign as operator at any time by notifying the other parties at least 120 days prior to the effective date of such resignation.

The St. Mary's JOA also provides for circumstances in which the operator may be removed by the non-operators. These include, for example: (i) where the operator becomes insolvent or is liquidated, in which case the operator will be removed upon receipt of notice from any non-operator; and (ii) where the operator has committed a material breach of the St. Mary's JOA which is not cured within 30 days' notice from the non-operators, in which case the operator may be removed by a unanimous decision of the non-operators.

The resignation or removal of an operator and its replacement by the successor operator will not become effective until any approvals required to be given by the Trinidad Minister of Energy have been obtained.

Annual Exploration Work Programme and Budget

On or before 1 October each year, the operator is required to deliver to the parties a proposed work programme and budget detailing the joint operations to be performed for the following calendar year. This must include at least that part of the minimum work obligations required to be carried out during the calendar year in question under the St. Mary's Licence. Within 30 days of such delivery, the operating committee must meet to consider and endeavor to approve a work programme and budget which, once approved, must then be submitted to the Trinidad Minister of Energy for approval.

Further specific work programmes and budgets must also be delivered by the operator where a discovery has been made, such work programmes and budgets to detail the joint operations to be performed in respect of an appraisal of a discovery of crude oil and/or an assessment or appraisal of a discovery of natural gas (as the case may be) and thereafter in respect of any development of a discovery.

Health, Safety and Environment

The operator is required to provide the operating committee on an annual basis with a letter of assurance which provides adequate evidence that the health, safety and environment plan required to be established and implemented by the operator pursuant to the St. Mary's JOA is in place, and that any major health and safety or environmental issues have been brought to the attention of the operating committee and are being properly managed.

Where the operator has failed to execute any works under the St. Mary's JOA or the St. Mary's Licence, and such failures present the non-operators with a real risk of incurring liabilities (including, amongst other things, the adoption of safety, health and welfare measures), any one or more of the non-operators may cause the works to be carried out and charge the parties according to their respective participating interests the reasonable and justified costs and expenses incurred. Before doing so, however, the non-operator(s) must give the operator at least 14 days' notice to allow it to execute the work, though this does not apply in the case of emergency in which case the operator must execute the works forthwith otherwise the non-operator(s) may cause the works to be executed immediately.

Contract Awards

The process to be followed by the operator with regard to contract awards varies according to the size of the contract, as follows:

- **Procedure A** (US$0-US$250,000): The operator must award the contract to the best qualified contractor as determined by cost and ability to perform the contract. The approval of the operating committee is not required (except where the contractor is an affiliate of the operator) and there is no obligation to tender.
- **Procedure B** (US$250,001-US$500,000): The operator must, amongst other things, provide the parties with a list of the entities whom the operator proposes to invite to tender and, where a party provides reasonable grounds for doing so within 14 days of receipt of such list, add or remove any entity as requested by that party. Thereafter the operator must inform the parties of the entities to whom the contract has been awarded and circulate a competitive bid analysis stating the reasons for the choice made. Where the contract value is greater than US$250,000 and the proposed contractor is an affiliate of the operator, the prior written approval of the operating committee must be obtained.
- **Procedure C** (>US$500,000): In addition to carrying out the tender process as outlined in Procedure B above, before making a decision the operator must circulate to the parties a competitive bid analysis together with its recommendation and the proposed technical, commercial and contractual terms to be agreed. The approval of the operating committee to the recommended bid must then be obtained.

Joint and Exclusive Operations

All operations under the St. Mary's Licence and the St. Mary's JOA must be conducted either as joint operations or as exclusive operations. Joint operations incorporate those operations and activities carried out by the operator the costs of which are chargeable to all parties. Exploration operations relate to those operations and activities carried out pursuant to the St. Mary's JOA and the costs of which are chargeable to the account of less than all the parties.

The St. Mary's JOA sets out a prescribed list of the only operations which may be proposed and conducted as exclusive operations. These include, amongst other things, the drilling and/or testing of exploration wells and appraisal wells and the development of a commercial discovery. Operations which are required to fulfil the minimum work obligations must be proposed and conducted as joint operations, however, and not as exclusive operations.

Except as provided, a party proposing to conduct an exclusive operation must give notice of the proposed operation to all other parties. The other parties then have a right to participate, provided that they notify the proposing party and the operator of their wish to do so within the required timescales. If all parties properly exercise their right to participate, the proposed operation will be conducted as a joint operation.

Right of First Offer

If and when it is determined that petroleum is or will be capable of being produced from an exploitation area, Range Trinidad must first offer Petrotrin, by written notice, the opportunity to purchase Range Trinidad's entitlement in respect of the petroleum from such exploitation area. Within seven days of receipt of Range Trinidad's notice, Petrotrin must advise Range Trinidad as to whether or not it wishes to commence negotiations with respect to the terms of the purchase and sale of Range Trinidad's entitlement.

Where no agreement has been reached between Petrotrin and Range Trinidad on such terms and conditions within sixty days of Petrotrin's receipt of Range Trinidad's written notice (or any mutually agreed extension), Range Trinidad may negotiate and conclude sales of its entitlement to any one or more third parties on terms no less favourable than those offered to Petrotrin.

Transfers of Rights and Changes in Control

The written consent of the other parties to the St. Mary's JOA (together with, amongst other things, any necessary approval by the government of Trinidad and Tobago in respect of the transfer) is required for a transferee to have rights under the St. Mary's Licence or the St. Mary's JOA.

In respect of proposed transfers, the St. Mary's JOA contains a right of pre-emption pursuant to which each other party shall have the right to acquire the participating interest which is subject to the proposed transfer from the transferor (save in the case of a transfer to an affiliate or the granting of an encumbrance) on terms no less favourable than those agreed with the transferee.

Further, no transfer can be made by any party which results in the transferor or the transferee holding a participating interest of less than 10% or any interest other than a participating interest in the St. Mary's Licence and the St. Mary's JOA except in the case of a party transferring all of its partnership interest.

A party which is subject to a change in control must obtain any necessary approval from the government of Trinidad and Tobago with respect to the change in control and must furnish any replacement security required by the government or the St. Mary's Licence on or before the applicable deadlines. For the purposes of the St. Mary's JOA, a change in control occurs where there is:

(a) a direct or indirect change in the ownership of 50% or more of the voting rights in either Petrotrin or Range Trinidad, whether through merger, sale of shares or other equity interests, or otherwise, though a single transaction or series of related transactions, from one or more transferors to one or more transferees; and

(b) the market value of the relevant party's participating interest represents more than 25% of the aggregate market value of the assets of such party and its affiliates that are subject to the change in control.

However, the following circumstances will not constitute a change in control for the purposes of the St. Mary's JOA:

(a) a transaction whereby control of Petrotrin passes to a state-owned entity controlled by the government of Trinidad and Tobago; and

(b) where any person obtains control of a party or its affiliate solely as a consequence of one or more sales of freely trading shares on an established stock exchange (provided that those shares were not held by a group of persons acting jointly or in concert or an affiliate thereof).

Any change in control of a party, other than one which results in ongoing control by an affiliate, shall trigger rights of pre-emption pursuant to which each other party will have the right to acquire the acquired party's participating interest in the St. Mary's JOA on terms no less favourable than those agreed with the acquiror (with regard to the participating interest).

Further, where a direct or indirect change in control of the operator occurs (other than a transfer of control to an affiliate of the operator) the operator must promptly notify the other parties and, within 30 days of such notification, the operating committee must vote on whether or not a successor operator should be named.

Unless the parties agree otherwise, no transfer can be made and each party must use its best endeavours to ensure that it does not become subject to a change in control until the satisfactory completion of the minimum work obligations. However, this does not restrict Petrotrin from either: (i) transferring any interest to a state-owned entity controlled by the government of Trinidad and Tobago; or (ii) being subject to a change in control where control of Petrotrin passes to a state-owned entity controlled by the government of Trinidad and Tobago, in each case prior to satisfactory completion of the minimum work obligations.

Conversion Option

Petrotrin has the option to convert its participating interest in the contract area into an overriding royalty. Within 120 days of Petrotrin giving written notice to the other parties of the exercise of such option, the parties must attempt in good faith to negotiate the amount of the overriding royalty failing which Petrotrin shall either retain its participating interest or seek a resolution through a mutually agreeable third party. If the parties fail to agree on the appointment of the third party within 30 days of either party's nomination, the other party may request that an expert be appointed in accordance with the terms of the St. Mary's JOA.

At its option, Petrotrin shall accept its overriding royalty either in kind (in the form of petroleum at a defined measurement point) or in cash.

Termination and Withdrawal

The St. Mary's JOA stipulates that in the event that any party thereto fails to: (i) pay when due its share of joint account expenses; or (ii) obtain and maintain any security required of such party under the St. Mary's Licence, that party will be deemed to be in default.

A defaulting party may be required to withdraw completely from the St. Mary's JOA and the St. Mary's Licence for failure to remedy the default within 40 business days of receiving a default notice. If this withdrawal option is exercised, the defaulting party will be deemed to have transferred its participating interest to the non-defaulting parties.

At any time following satisfactory completion of the minimum work obligations (but not before) any party who is not in default may voluntarily withdraw from the St. Mary's JOA and the St. Mary's Licence by giving notice to all other parties stating its decision to withdraw. A withdrawing party shall assign its participating interest free of cost to each of the non-withdrawing parties in the proportion which each of their participating interests (prior to the withdrawal) bears to the total participating interests of all the non-withdrawing parties (prior to the withdrawal) unless the non-withdrawing parties agree otherwise.

A party who withdraws from the St. Mary's JOA and the St. Mary's Licence must provide security satisfactory to the other parties to satisfy any obligations or liabilities for which the withdrawing party remains liable under the St. Mary's JOA but which become due after its withdrawal. This specifically includes security to cover the costs of an abandonment, if applicable.

5 Perlak Field, Indonesia

5.1. Cooperation Operations Contract relating to the Perlak field

Pursuant to an agreement with BPMIGAS dated 17 September 2005, PT Pertamina EP (''**Pertamina**'') has exclusive rights to conduct petroleum operations in the Perlak field (the ''**Head Perlak Agreement**''). Pursuant to the Head Perlak Agreement, Pertamina may establish a cooperation agreement with another party. SPC is party to a cooperation operations contract with Pertamina for production on the Perlak operating area dated 31 March 2017 (the ''**Perlak KSO Contract**'') and effective from 27 September 2017 (the ''**KSO Effective Date**''). SPC is responsible to Pertamina for the execution of the operations in accordance with the provisions of the Perlak KSO Contract and is to provide all financial, technical skills and expertise for such operations pursuant to the Perlak KSO Contract.

Term

Subject to early termination as provided in the Perlak KSO Contract, the Perlak KSO Contract is valid until the earlier of: (i) the date falling 15 years from the KSO Effective Date; and (ii) the termination of the Head Perlak Agreement. The Perlak KSO Contract does not contain any provisions in relation to any potential extension of the term of the Perlak KSO Contract. The only event which may cause the extension of the Perlak KSO Contract is in the event of a force majeure event.

Operating Costs

SPC carries the risks to all expenditures and obligations incurred in carrying out the operations in accordance with the relevant accounting procedures (the ''**Operating Costs**'') required in conducting the operations which are to be recorded and treated in accordance with the provisions of the Perlak KSO Contract. The SPC has certain economic rights in relation to its operations in accordance with the terms and conditions of the Perlak KSO Contract. Operating Costs include (but are not limited to) costs incurred from the application and acquirement of required documents, licenses or certificates from authorized institutions for the purpose of carrying out operations; insurance obligations on well control, properties (including but not limited to surface facilities) and third party liabilities; costs incurred as a result of taking emergency action insofar as such costs are recoverable by Pertamina under the Head Perlak Agreement; abandonment and site restoration obligations; and any costs and expenses for education and training of Indonesian employees.

SPC's rights and obligations

The rights of SPC are, among others, to receive the operating area as set out in the Perlak KSO Contract (the "**Perlak Operating Area**"), assets and data of the Operating Area (as is) and to use and have access to all geological, geophysical, drilling, well, production data and other information on the Perlak Operating Area, including drilling wells location maps from Pertamina.

The SPC has typical obligations expected of an operator including (but not limited to) to furnish necessary funds and purchase or lease all of the necessary assets to perform the work program; provide technical support; be responsible for the preparation and execution of the work program; obtain written approvals for any change of the organization structure or the establishment of any new organization structure; implement Pertamina's health, safety and environment standards; provide an estimate of anticipated abandonment/site restoration funds; include an abandonment and site restoration program (together with the funding procedure) in the plan of development for any commercial discovery; submit data to Pertamina; comply with the localisation requirements and domestic market obligations; maintain insurance on wells; and pay a cash deposit in the amount of US$25,000 to Pertamina to be used to support the acceleration of the work of the SPC.

In addition, the SPC must ensure the continuity of any consortium agreement, joint venture agreement, guarantee agreement or other agreement during the Firm Commitment period (as defined below), if such arrangements formed part of the proposal of the SPC to Pertamina. In event that the SPC has the obligation to maintain such arrangements during the Firm Commitment period but fails to do so, the SPC must pay an unrecoverable fine to Pertamina in amount of 15% of the remaining amount of the Firm Commitment.

Work Program and Budget

SPC must submit to Pertamina for its written approval: (i) the first year work program and budget within 1 month from the KSO Effective Date; and (ii) the manpower utilisation plan including its company regulation at the latest 6 months since the KSO Effective Date, which will be the basis for the calculation of Operating Costs reimbursement. The written approval for the first year work program and budget included the date from which the work program is effective (the "**Work Commencement Date**").

The failure to submit the first year work program and budget within 12 months from the KSO Effective Day may entitle Pertamina to terminate the Perlak KSO Contract and withdraw the firm commitment bank guarantee.

The projected work activities for the first three years as of the Work Commencement Date constitutes the "**Firm Commitment**". The total Firm Commitment for the first three years amounts to US$ 3,800,000.

At least 7 months prior to the beginning of each year/before the end of May each year, SPC must submit a work program and budget of Operating Costs for Pertamina's evaluation and approval.

If during the first and/or second year of the Firm Commitment:

(1) SPC performs less work than required – (with Pertamina's prior written approval) it may carry forward such unperformed work program and add to the following year's work program and budget by submitting a request at the latest 3 months before the end of the relevant Firm Commitment year; and

(2) SPC performs more work than required – (with Pertamina's prior written approval) it may subtract the excess work from work which is to be performed during the following years.

After completion of the Firm Commitment, SPC must submit (at least 7 months prior to the commencement of a calendar year or at the latest before the end of May) for Pertamina's approval the work program and budget for the following year including the approved work program carried forward from the previous year. SPC is entitled to apply an extension to the Firm Commitment period in certain prescribed circumstances including (with Pertamina's prior written approval) if a portion or all of Firm Commitment is not feasible technically and operationally. Further, for each year of the extension of the Firm Commitment period (unless it is not due to the fault of the SPC), SPC must pay Pertamina 2% of the Firm Commitment's remaining value and extend the bank guarantee at the latest 1 month before the end of the relevant Firm Commitment period. Failure to complete the Firm Commitment including the substitute program after the extension period will entitle Pertamina to terminate the Perlak KSO Contract.

All assets given to SPC by Pertamina or otherwise purchased by SPC pursuant to the work program and which have entered the Indonesia territory belong to the Government of Indonesia and/or PT Pertamina (Persero) (as managed by Pertamina).

Division of Crude Oil & Natural Gas

Crude Oil

During the term of the Perlak KSO Contract, SPC is entitled to a portion of the crude oil derived from the operations in accordance with the Perlak KSO Contract. Under the Perlak KSO Contract, it is agreed that there is no baseline production. As a result, the water fall of total crude oil produced is as follows:

a) crude oil allocated for operations;

b) crude oil allocated for recovery of Operating Costs;

c) 32.7731% of SKK Migas's share under the Head Perlak Agreement;

d) SPC's entitlement to receive 23.52948% before corporate and dividend tax over Pertamina's share based on the Head Perlak Agreement (which is taken from 67.2269% of Pertamina's share under the Head Perlak Agreement) – title shall pass after the point of export/sale/lifting;

e) domestic market obligation (''**DMO**''), as discussed further below.

SPC is entitled to receive and accept and free to export the crude oil from the recovery of the Operating Costs and SPC's entitlement.

Natural Gas

Any new commercially viable reservoir of natural gas discovered as of the KSO Effective Date must be offered domestically (see the provisions on DMO discussed further below). The waterfall of the total sales proceeds of natural gas produced and sold from the Perlak Operating Area is as follows:

a) Natural Gas allocated for recovery of Operating Costs;

b) 32.7731% of SKK Migas's share under the Head Perlak Agreement;

c) SPC's entitlement to receive 31.3725% before corporate and dividend tax of Pertamina's shares (which is taken from 67.2269% of Pertamina's share under the Head Perlak Agreement); and

d) DMO*,* as discussed further below.

Cost Oil

Operating Costs in any calendar year are recoverable in certain limited circumstances and subject to certain caps. Any Operating Costs which exceed the value of crude oil allocated for the Operating Costs in such calendar year will be recovered in succeeding years.

Cost Gas

Operating Costs associated with the natural gas operations (processing, utilisation and sale of natural gas) are recoverable for maximum of 80% of the natural gas produced and sold in any calendar year. Any Operating Costs which exceed the value of natural gas allocated for the Operating Costs in such calendar year will be recovered in succeeding years. If, in any calendar year, the Operating Costs exceed the value of such natural gas allocated for the operating costs in such calendar year, then the unrecovered excess shall be recovered in succeeding years.

Adjustments

The percentages of the Perlak KSO Contract referred to above may be adjusted in the event that any portion of SPC is affected by a tax treaty/new Indonesian tax law to ensure that the net split for the SPC is maintained,: (i) crude oil – 15% net; and (ii) natural gas – 20% net, after corporate and dividend taxes.

Domestic Market Obligation

For any production, the SPC has agreed to sell and deliver to Pertamina a portion of the petroleum to which SPC is entitled.

1. Crude Oil

The sale quantity for the domestic portion of crude oil is determined: (i) by multiplying the total quantity of oil produced from the Perlak Operating Area multiplied by the total quantity of domestic crude oil to be supplied divided by the entire Indonesian production of crude oil of all petroleum companies; and (ii) the price shall be 25% of the weighted average price of all crude oil produced and sold from the Perlak Operating Area during any calendar year. SPC may be relieved of such supply obligation in any year if the Operating Costs exceed the production and sales of crude oil.

2. Natural Gas

For any new reservoir of natural gas discovered as of the KSO Effective Date (and which can be produced commercially), Pertamina will first give domestic buyers the opportunity to purchase the natural gas. Pertamina will notify SPC of the domestic market demand (if any) and then Pertamina and SPC can enter into negotiations with the relevant domestic buyer. If Pertamina does not notify SPC of the existence of a domestic buyer or negotiations with the specified buyer fail, SPC may market the domestic portion of the natural gas in the international market (with the prior written approval of Pertamina). The sale quantity for the domestic portion of natural gas is determined: (i) by computing 25% of the quantity of natural gas produced and sold from the Perlak Operating Area; and (ii) the price shall be agreed between the buyer, SPC and Pertamina. However, SPC is to recognise the government policy at any time, to satisfy domestic consumption to its maximum.

SPC is not obliged to transport any crude oil or any natural gas for the purpose of fulfilling the DMO beyond the point of export/sale/lifting but, upon request, shall assist in arranging transportation – such assistance shall be without cost or risk to SPC.

Security

SPC is only permitted to create, incur or allow any encumbrance in relation to its net entitlement after the point of export/sale/lifting.

Change of Control or Transfer

SPC is not entitled to sell, transfer, assign or dispose its rights and obligations under Perlak KSO Contract to a third party (a "**transfer**") and/or cause a change of control during the term of the Perlak KSO Contract except where the SPC has (i) completed all Firm Commitments; (ii) obtained a prior written approval of Pertamina; and (iii) if the transfer or change of control is conducted to its affiliate and/or between the shareholders of SPC, SPC must inform such transfer or change of control in writing to Pertamina at the latest 30 days before the transfer or change of control becomes effective. If the transfer is in the form of a share transfer, then SPC must also satisfy the above requirements. If post-transfer, SPC becomes more than one entity, one of them shall be appointed as an operator by obtaining prior written approval from Pertamina.

Under the Perlak KSO Contract, "control" is defined as ownership by a company or entity of more than 50% of shares with voting rights and a "Change of Control" means changes of control either directly or indirectly of the partner (either through merger, shares sale, or otherwise) through one or more related transactions.

If there is a transfer or change of control to a third party without the prior written consent of Pertamina, Pertamina will be entitled to terminate the Perlak KSO Contract and Pertamina has the right to perform due diligence at its own cost to prove the occurrence of such transfer or change of control.

Guarantee and Cash Advance

A bank guarantee of US$ 1,500,000, effective for 3 years after the KSO Effective Date plus 30 calendar days (for the claim submission and withdrawal period) was provided by SPC (the "**Firm Commitment Bank Guarantee**") and the costs incurred to procure such bank guarantee constitute non-recoverable costs and will be extended until the completion of the Firm Commitments (if the same is completed in more than 3 years with adjusted amount of 2.5% of the remaining Firm Commitment obligation). The Firm Commitment Bank Guarantee was provided to Pertamina on 27 September 2017. The Firm Commitment Bank Guarantee may be withdrawn by SPC after completion of the Firm Commitment with the prior written approval of Pertamina. If the Firm Commitment Bank Guarantee is invalid, SPC is required to deposit a cash amount equal to the amount of the invalid Firm Commitment Bank Guarantee within 30 calendar days after the declaration of the invalidity of the Firm Commitment Bank Guarantee from the issuing Bank. Failure to submit the Firm Commitment Bank Guarantee (or the substitute cash deposit) within the prescribed time frame will entitle Pertamina to terminate the Perlak KSO Contract.

Further, SPC is required to deposit a cash advance in 4 stages (each stage in amount of 25% of the Firm Commitment in the relevant year) into an account on behalf of SPC to guarantee the funding availability of SPC for the performance of the Firm Commitment obligations. With respect to the first Firm Commitment year, the schedule to deposit such cash advance is 30 days, 90 days, 180 days and 270 days after the KSO Effective Date respectively. Failure to deposit the cash advance when due will entitle Pertamina to terminate the Perlak KSO Contract.

Indemnity

SPC must keep Pertamina fully indemnified at all times against all actions, legal proceedings, costs, charges (including reasonable attorney fees) which arise due to or in relation to the implementation or failure of SPC to perform its commitments or obligations under the Perlak KSO Contract.

Termination

Pertamina has the right to terminate the Perlak KSO Contract if: (i) Pertamina issues a performance deficiency notice (due to SPC's failure to perform as a reasonable and prudent partner and failure to fulfil any obligations under the Perlak KSO Contract) and the SPC fails to remedy the failure within 90 days; (ii) within 60 calendar days following the signing date of the Perlak KSO Contract, SPC fails to submit the Firm Commitment Bank Guarantee or the SPC submits an invalid Firm Commitment Bank Guarantee or SPC fails to submit cash as a substitute of the Firm Commitment Bank Guarantee; (iii) the SPC fails to deposit any cash advance when required; (iv) at the end of the first or second Firm Commitment year, SPC has not conducted any operations as part of the approved work program of its Firm Commitment for the relevant Firm Commitment year (except in circumstances where it is not due to the fault of SPC); (v) at the end of second Firm Commitment year SPC has only completed the outstanding first Firm Commitment year or at the end of the third Firm Commitment year SPC does not complete the entire Firm Commitment (with no approved substitute program) and no extension application is satisfied (except in circumstances where it is not due to the fault of SPC); (vi) there is no natural gas buyer candidate at the end of 24 months after the commercial gas discovery within the third Firm Commitment year or its extension and there is no economic Crude Oil production; (vii) SPC fails to complete all Firm Commitments including its substitute programs (if any) within the extension of Firm Commitment period; (viii) SPC assigns the Perlak KSO Contract to another party during the Firm Commitment implementation period or encumbers the Perlak KSO Contract to another party for any purpose during the term of the Perlak KSO Contract; (ix) there is a transfer or change of control of the SPC without written approval from Pertamina; (x) there are problems or disputes between SPC and a third party which involves Pertamina and its staff in its settlement process which may cause harm to Pertamina as evidenced by a summons from any competent government institution; (xi) Pertamina issues a performance deficiency notice (due to SPC's breaches of the provisions of prevailing laws based on court judgement and/or provisions the set out in the Perlak KSO Contract or in relation to the implementation of the Perlak KSO Contract which is final and binding) and the SPC fails to remedy the failure within 60 days; (xii) SPC is declared insolvent legally or bankrupt involuntarily or under the supervision of the curator to manage the SPC's assets; (xiii) at the end of the third Firm Commitment year the SPC fails to solve resistance from any local communities which causes the Firm Commitment to be unable to be conducted; and (xiv) SPC loses proceedings for a class action lawsuit in relation to the resistance of local communities to the performance of the Firm Commitment.

SPC has the right to terminate if: (i) before or at the end of the third Firm Commitment year or its extension (if any), since the commencement of work program and budget of the first Firm Commitment year, SPC has not completed the work program and after consultation with Pertamina, elects to surrender its rights and be relieved of further obligations under the Perlak KSO Contract; and (ii) at any time after the third Firm Commitment year where the SPC considers that the situation shall not guarantee the continuity of the operations, with prior notification to Pertamina and after consultation with Pertamina and based on Pertamina's prior written approval, SPC elects to surrender its rights and obligations under the Perlak KSO Contract to Pertamina.

The Perlak KSO Contract will also terminate automatically at the expiry of its term.

PART X

ADDITIONAL INFORMATION

1. Responsibility

1.1 The Company (whose registered office appears on page 5 of this document) and the Directors (whose names also appear on page 5 of this document) accept responsibility individually and collectively for the information contained in this document, including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Directors, each of whom has taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

1.2 Rockflow (whose registered office appears on page 6 of this document), accepts responsibility for the information contained in the Trinidadian CPR in Part V of this document. Insofar as the Trinidadian CPR is based on data provided by the Company, Rockflow has relied on the accuracy and completeness thereof and confirms to the best of the knowledge of Rockflow (who has taken all reasonable care to ensure that such is the case) that the information contained therein is in accordance with the facts and contains no omission likely to affect its import.

1.3 LEAP (whose registered office appears on page 6 of this document), accepts responsibility for the information contained in the Indonesian CPR in Part VI of this document. Insofar as the Indonesian CPR is based on data provided by the Company, LEAP has relied on the accuracy and completeness thereof and confirms to the best of the knowledge of LEAP (who has taken all reasonable care to ensure that such is the case) that the information contained therein is in accordance with the facts and contains no omission likely to affect its import.

2. The Company

2.1 The Company was initially registered as Nubola Pty Ltd in New South Wales, Australia as an Australian proprietary company on 17 September 1982 and subsequently changed its name to Range Resources Ltd and its status to an Australian public limited company on 8 March 1984. The Company's Australian Business Number is 88 002 522 009.

2.2 The Issued Share Capital of the Company is 7,595,830,782 Ordinary Shares, which are all fully paid. The Ordinary Shares do not have a par value. The currency of the Company's share capital is Australian Dollars.

2.3 The principal legislation under which the Company was formed and now operates is the Australian Corporations Act.

2.4 The registered office and head office of the Company is c/o Edwards Mac Scovell Legal, Level 7, 140 St Georges Terrace, Perth WA 6000, Australia. The telephone number of the Company at its registered office is +618 6205 3012.

2.5 The ISIN number of the Shares is AU000000RRS3.

2.6 The Company's accounting reference date is 30 June.

2.7 The Company's website which discloses the information required by Rule 26 of the AIM Rules for Companies is www.rangeresources.co.uk.

3. The Group

3.1 The Company is the holding company of the Group.

3.2 As at the date of this document, the Company has the following significant subsidiary undertakings:

Name	Country of Incorporation	Immediate Shareholder within the Group	Principal Activity	Percentage ultimately owned and proportion of voting power held by the Company
Range Resources (Barbados) Limited	Barbados	Range Resources Limited	Holding company of SOCA Petroleum Limited	100%
SOCA Petroleum Limited	Barbados	Range Resources (Barbados) Limited	Holding company of West Indies Exploration Company Limited	100%
Range Resources (Barbados) GY Limited	Barbados	Range Resources Limited	Holding company of Range Resources GY Shallow Limited and Range Resources GY Deep Limited	100%
West Indies Exploration Company Limited	Trinidad and Tobago	SOCA Petroleum Limited	Holding company of Range Resources Trinidad Limited	100%
Range Resources Trinidad Limited	Trinidad and Tobago	West Indies Exploration Company Limited	Holds licences in Trinidad	100%
Range Resources GY Shallow Limited	Trinidad and Tobago	Range Resources (Barbados) GY Limited	Previously held an interest in the Guayaguayare Shallow block in Trinidad	100%
Range Resources GY Deep Limited	Trinidad and Tobago	Range Resources (Barbados) GY Limited	Previously held an interest in the Guayaguayare Deep block in Trinidad	100%
Range Resources HK Limited	Hong Kong	Range Resources Limited	Holding company	100%
Range Resources Upstream Services Limited	England and Wales	Range Resources Limited	UK service company	100%
Strait Oil & Gas Limited	Gibraltar	Range Resources Limited	Company believes it holds an interest production sharing contract over block VIA in Georgia	45%
Range Resources Drilling Services Limited	Trinidad & Tobago	SOCA Petroleum Limited	Oilfield and drilling services	100%
Range Resources West Coast Limited	Trinidad & Tobago	West Indies Exploration Company Limited	Dormant	100%
PT Hengtai Weiye Oil and Gas	Indonesia	Range Resources HK Limited	Holds investment in entity which ultimately holds licence interest in Indonesia	60%

3.3 Save as set out above, there are no undertakings in which the Company has a proportion of capital likely to have a significant effect on the assessment of the Group's assets and liabilities, financial position or profits and losses.

3.4 The Group's principal activities are oil and gas exploration, development and production in Trinidad and Indonesia.

4. Share Capital, Options and Convertible Notes

4.1 The Issued Share Capital of the Company is 7,595,830,782 Ordinary Shares, which are all fully paid. The Ordinary Shares do not have a par value.

4.2 The legislation under which the Ordinary Shares have been created is the Australian Corporations Act and regulations thereunder.

4.3 To enable investors in the Ordinary Shares to settle their transactions in CREST, the Company has appointed the UK Depositary to hold the Ordinary Shares on trust for the Shareholders and issue dematerialised Depositary Interests representing the underlying Ordinary Shares to the individual Shareholders' CREST accounts. The Depositary Interests are independent securities constituted under English law and are held on a register maintained by the UK Depositary. CREST is a voluntary system and holders of Ordinary Shares who wish to remain outside CREST may do so and will have their details recorded on the Company's share register in accordance with applicable laws.

4.4 The Company does not have any authorised share capital. This concept was abolished by the Australian Company Law Review Act 1998. There is generally no limit in the Australian Corporations Act or the Constitution on the power of the Directors to issue shares. In particular, the concept under English law that existing Shareholders have a statutory right to be offered newly issued shares in a company for cash only before such shares can be offered to new investors does not apply to Australian public companies unless it is specifically included in their constitution, which is not the case in respect of the Company. However, subject to certain exceptions (including those in respect of *pro rata* issues and issues under employee schemes):

4.4.1 Rule 7.1 of the ASX Listing Rules prohibits a company which is listed on the ASX from issuing or agreeing to issue shares or options representing more than 15% of its issued capital in any 12 month period without shareholder approval. Certain ASX-listed companies are able to issue an additional 10% of its issued capital on a non-pro-rata basis without shareholder approval in any 12 month period. Such shareholder approval requires an ordinary resolution passed by a simple majority;

4.4.2 Chapter 6 of the Australian Corporations Act forbids the acquisition of a "relevant interest" in voting shares in a company (whether by transfer or issue) if, as a result, the "voting power" of the acquirer (or any other person) would increase:

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

(ii) at all from a starting point which is above 20% but less than 90%; and

4.4.3 the Australian Corporations Act contains provisions governing the disclosure obligations of a company making an offer or issue of securities. The general rule is that an offer of securities must be accompanied by disclosure to potential investors in a prescribed document (either a prospectus, a short form prospectus, a profile statement or an offer information statement) unless the type of offer falls within an exemption. Types of offer which do not require disclosure include offers to sophisticated investors and professional investors, offers to people associated with the company, certain offers to existing holders of securities and issues for no consideration.

4.5 No shareholder of the Company has different voting rights from any other shareholder of the Company in respect of Ordinary Shares held by them.

4.6 There have been the following changes to the share capital of the Company during the period covered by the historical financial information set out in Part III and up to the date of this document:

4.6.1 on or about 21 July 2014, the Company issued and allotted:

4.6.1.1. 356,188,780 fully paid Ordinary Shares each at a subscription price of £0.01 per Ordinary Share;

4.6.1.2. 49,298,700 fully paid Ordinary Shares in respect of fees due to lenders upon final settlement of debt agreements; and

4.6.1.3. 7,500,000 fully paid Ordinary Shares in respect of consulting fees;

4.6.2 on or about 9 September 2014, the Company issued and allotted:

4.6.2.1. 7,500,000 fully paid Ordinary Shares in respect of technical advisory fees; and

4.6.2.2. 18,424,135 fully paid Ordinary Shares on the exercise of Options;

4.6.3 on 17 October 2014, the Company issued and allotted:

4.6.3.1. 38,000,000 fully paid Ordinary Shares issued for collateral shares pursuant to a financing agreement;

4.6.3.2. 1,190,476 fully paid Ordinary Shares each at a subscription price of £0.0105 per Ordinary Share;

4.6.3.3. 3,797,005 fully paid Ordinary Shares each at a subscription price of £0.014525 per Ordinary Share;

4.6.4 on or about 18 November 2014, the Company issued and allotted 58,440,891 fully paid Ordinary Shares each at a subscription price of A$0.011 per Ordinary Share;

4.6.5 on or about 5 December 2014, the Company issued and allotted 25,000,000 fully paid Ordinary Shares each at a subscription price of A$0.012 per Ordinary Share;

4.6.6 on or about 5 June 2015, the Company issued and allotted 650,000,000 fully paid Ordinary Shares each at a subscription price of £0.008 per Ordinary Share;

4.6.7 on 3 September 2015, the Company issued and allotted 1,822,620,912 fully paid Ordinary Shares each at a subscription price of £0.008 per Ordinary Share;

4.6.8 on 9 September 2016, the Company issued and allotted 6,040,682 fully paid Ordinary Shares each which were issued in lieu of fees under a contract; and

4.6.9 on 30 November 2017, a resolution to cancel 4,925,000 partly paid Ordinary Shares was passed by the requisite majority of Shareholders at the Annual General Meeting and the partly paid Ordinary Shares were cancelled with effect from the passing of such resolution. The Company's financial statements already reflect that the partly paid Ordinary Shares have been cancelled.

4.7 The issued ordinary share capital of the Company as at the date of this document and as it is expected to be immediately following Admission is as follows:

	Date of this document Number of Ordinary Shares	**Immediately following Admission Number of Ordinary Shares**
Fully paid Ordinary Shares in issue	7,595,830,782	7,595,830,782

4.8 The Ordinary Shares will, on Admission, rank *pari passu* in all respects and will rank in full for all dividends and other distributions declared, made or paid on the ordinary share capital of the Company after Admission.

4.9 As at the date of this document, Options are outstanding over a total of 762,844,976 Ordinary Shares with the exercise prices and expiry dates set out below. The number of Ordinary Shares subject to such outstanding options will remain the same immediately following the Admission (except to the extent that any options set out below expire).

Number of Options	Exercise Price	Expiry Date
1,000,000	A$0.05	31 January 2018
161,472,247	£0.01	14 July 2018
118,729,593	£0.02	14 July 2018
14,000,000	£0.01	31 August 2018
194,585,862	£0.01	3 September 2019
172,557,274	£0.02	3 September 2019
100,500,000	£0.01	30 March 2020

4.10 In addition, US$20,000,000 of Convertible Notes are in issue. As announced on 31 October 2016, Range entered into the Convertible Note Agreement with LandOcean on 28 October 2016 for the issuance of Convertible Notes of US$20,000,000 by Range. Under the Convertible Note Agreement, LandOcean subscribed for US$20,000,000 of unlisted unsecured Convertible Notes with an annual interest rate of 8% which have a face value of US$1.00 each. The Convertible Notes are redeemable by LandOcean after three years of issue (the "**Maturity Date**") or earlier if a redemption event occurs (such as non-payment of annual interest payments). Subject to converting at least US$10,000,000 of Convertible Notes (the "**Minimum Conversion Amount**"), LandOcean may elect to convert the Convertible Notes into Ordinary Shares at a conversion price of £0.0088 per Ordinary Share (the "**Conversion Price**") at any time prior to the Maturity Date. Range also has the option of redeeming the Convertible Notes for cash at any time prior to the Maturity Date. Range must also pay yearly interest installments, on each anniversary of the issue date of the Convertible Notes, in cash. The Convertible Notes were issued on 28 November 2016 conditional on shareholder approval, which was obtained on 7 February 2017.

4.11 Save for the Options and the Convertible Notes, the Company has no securities in issue not representing share capital.

4.12 Save as disclosed in this Part X of this document:

4.12.1 there has been no change in the amount of the issued shares or loan capital of the Company in the three years preceding the date of this document;

4.12.2 no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any share or loan capital of the Company in the three years preceding the date of this document;

4.12.3 no share or loan capital of the Company is under option or is agreed, conditionally or unconditionally, to be put under option;

4.12.4 there are no shares of the Company held by or on behalf of itself or by any member of the Group;

4.12.5 no person has any preferential subscription rights for any share capital in the Company and the Company has given no undertakings to any third party to increase the capital of the Company; and

4.12.6 the Company has no convertible debt securities, exchangeable securities or securities with warrants in issue.

5. Constitution

The Constitution includes provisions to the following effect:

Voting rights

Subject to any rights or restrictions as to voting attached to any class or classes of shares, each shareholder who is present in person or by proxy, attorney, or corporate representative at any meeting of the shareholders and entitled to vote will have one vote on a show of hands, and one vote for each fully paid share held on a poll. On a poll, in respect of partly paid shares, each shareholder will have such number of votes being equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable in respect of those shares (excluding amounts credited).

Annual General Meeting and General Meetings

Any Director may, whenever he or she thinks fit, convene a general meeting of Shareholders. A general meeting will also be convened on requisition of shareholders as is provided for by the Australian Corporations Act.

A notice of a general meeting will be given in accordance with the requirements of the Australian Corporations Act and the ASX Listing Rules, and will specify the place, day and time of the meeting, the general nature of the business to be transacted at the meeting and the requirements relating to proxies as required by the Australian Corporations Act. An annual general meeting will be held in accordance with the requirements of the Australian Corporations Act. Under the Australian Corporations Act and the Constitution, extraordinary general meetings are treated and regulated as general meetings.

Two shareholders present in person, by proxy, attorney or representative and entitled to vote will be a quorum.

Dividends

Subject to the Australian Corporations Act, the ASX Listing Rules and the rights of any preference shareholders, the Directors may from time to time declare a dividend and such dividends will be paid to shareholders entitled to the dividend. The Directors may from time to time pay to the shareholders any interim dividends that they may determine. Subject to the rights of any preference shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the dividend as declared will be payable on all shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such shares. No dividend will carry interest as against the Company.

Subject to the Australian Corporations Act and the ASX Listing Rules, the Directors may:

- direct payment of the dividend to be made wholly or in part by the distribution of specific assets or documents; or
- direct that a dividend be payable to particular shareholders wholly or partly out of any particular fund or reserve or out of profits derived from any particular source and to the remaining shareholders wholly or partly or of any other particular fund or reserve or out of profits derived from any other particular source.

Distribution of assets on a liquidation

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as the liquidator considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the shareholders as the liquidator thinks fit, but so that no shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

Transfer of shares

Subject to the Constitution, shareholders may transfer any share held by them by:

- an ASX Settlement Transfer or any other method of transferring shares in accordance with the ASX Listing Rules and recognised under the Australian Corporations Act; or
- an instrument in writing in any usual or common form or in any other form that the Directors approve.

The Company must not prevent, delay or interfere with the registration of an ASX Settlement Transfer or any other transfer of shares. However, the Directors may refuse to register any transfer of shares (other than an ASX Settlement Transfer) where:

- the ASX Listing Rules permit the Company to do so; or
- the ASX Listing Rules require the Company to do so.

The Company is authorised under the Constitution to sell, as agent of behalf of shareholders who hold less than a marketable parcel of shares (defined in the ASX Listing Rules as a parcel of securities of not less than A$500) (''**Minority Members**''), the shareholdings of Minority Members at the price per share based on the average sale prices of the shares on ASX for the 10 trading days prior to the date of any offer received by the Company, and to account to the Minority Shareholders for the proceeds of sale.

There are no rights of pre-emption that apply to the transfer of shares.

Purchase of own Shares / reduction of share capital

The Company may reduce its share capital: (i) through a buyback of shares in accordance with the Australian Corporations Act; and (ii) by way of a reduction of capital in accordance with the Australian Corporations Act, including by cancelling shares that have not been taken or agreed to be taken by any person or have been forfeited. The Company may issue preference shares that are liable to be redeemed whether at the option of the Company or otherwise.

Issue of shares

Subject to the Australian Corporations Act and the ASX Listing Rules, the Directors may issue such number of shares either as ordinary shares or shares of a named class or classes (being either an existing class or a new class) at the issue price that the Directors determine and with such preferred, deferred, or other special rights or such restrictions, whether with regard to dividend, voting, return of capital or otherwise, as the Directors in their absolute discretion determine.

Variation of rights

Subject to the Australian Corporations Act, if at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class may be varied with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class. These conditions are no more significant that required under the Australian Corporations Act.

Proportional takeover provisions

The constitution of the Company contains a proportional takeover provision which provides that if a person makes a proportional takeover offer for less than all of the share capital of the Company, relevant shareholders are entitled to vote to determine whether the proportional takeover offer may proceed.

The provision provides that if a proportional takeover offer for less than all of the share capital of the Company is received, the Directors must ensure that an approving shareholder resolution is voted on no more than 14 days before the bid period ends.

If the resolution seeking the approval of shareholders for the specific proportional takeover offer is rejected by simple majority within the time permitted under the Australian Corporations Act, the registration of any transfer of shares resulting from that proportional takeover bid will be prohibited. If no approval resolution is voted on more than 14 days before the offer period ends, the approval resolution will be deemed to have been approved.

Number of Directors

The Company must at all times have at least three Directors. The number of Directors must not exceed nine.

Directors' shareholding qualification

A Director is not required to hold any shares in the Company.

Rotation of Directors

No Director other than a managing Director will be entitled to hold office for more than three years without rotation. At every annual general meeting of the Company, one-third (or if that is not a whole number, the whole number nearest to a third) of the Directors (other than a managing Director) for the time being will retire from office. The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire will (unless they otherwise agree among themselves) be determined by drawing lots. A retiring Director is eligible for re-election.

Appointment of Directors

The Directors may at any time appoint a person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors but so that the total number of Directors does not at any time exceed the maximum number specified by this Constitution. Any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election but is not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Removal of Directors

The Company may by resolution remove any Director before the expiration of his or her period of office, and may by resolution appoint another person in his place.

Vacation of office

The office of Director becomes automatically become vacant if the Director:

- becomes bankrupt or makes any arrangement or composition with his or her creditors generally;
- becomes prohibited from being a Director by reason of any order made under the Australian Corporations Act;
- becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental health;
- resigns his or her office by notice in writing to the Company;
- is removed from office in accordance with the Constitution; or
- is absent for more than six months, without permission of the Directors, from meetings of the Directors held during that period.

Proceedings of Directors

The quorum necessary for the transaction of business at any meeting of Directors is two Directors who are present in person or by instantaneous communication device.

Remuneration of Directors

The remuneration of executive Directors may not be a commission on or a percentage of profits or operating revenue.

Non-executive Directors will be paid by the Company by way of remuneration for their services such sum as does not exceed in aggregate the amount determined by the shareholders in general meeting. Such amount must not consist of a commission on or percentage of profits or operating revenue. Unless otherwise determined by the Directors, fees payable to non-executive Directors will be allocated among them in equal shares.

The Directors will be entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors. If any of the Directors being willing are called upon to perform extra services or make any special exertions on behalf of the Company or the business of the Company, the Company may remunerate such Director in accordance with such services or exertions.

Retirement benefits for Directors

The Directors may at any time, subject to the ASX Listing Rules, adopt any scheme or plan which they consider to be in the interests of the Company and which is designed to provide retiring or superannuation benefits for both present and future non-executive Directors, and they may from time to time vary this scheme or plan.

Directors' interests

A Director may hold any other office or place of profit in or in relation to the Company (except that of the auditor) in conjunction with their office of director and on such terms as to remuneration or otherwise as the Directors approve.

Restrictions on voting of Directors

Where a Director has a material personal interest in a matter that relates to the affairs of the Company, the Director must give the other Directors notice of the nature and extent of the interest and the relation of the interest to the affairs of the Company in accordance with the Australian

Corporations Act. Unless otherwise permitted under the Australian Corporations Act, the Director must not be present while the matter is being considered at a meeting of Directors or vote on the matter.

Directors' powers

Subject to the Australian Corporations Act, the ASX Listing Rules and the Constitution, the business of the Company will be managed by the Directors, who may exercise all such powers of the Company as are not required to be exercised by the Company at a general meeting. Any sale or disposal of the Company's main undertaking will only be made subject to compliance with the ASX Listing Rules.

Indemnity

To the extent permitted by law, every Director will be indemnified out of the property of the Company against any liability to another person (other than the Company or a related body corporate) incurred by the Director in his or her capacity as a director.

To the extent permitted by law, the Company or a related body corporate of the Company may pay, or agree to pay, a premium under a contract insuring a Director in relation to the period during which that Director held that office, including in respect of a liability for costs and expenses incurred by a person in defending civil or criminal proceedings whether or not the Director has successfully defended himself or herself in such proceedings.

Notices

Notice may be given by the Company to any shareholder by serving it on the person personally, by sending it by post, or by sending it to the fax number or electronic address (if any) nominated by the shareholder.

6. Disclosure of Interests

6.1 *Directors', Senior Management and other interests*

6.1.1 As at the date of this document and immediately following Admission, the interests of the Directors (including persons connected with the Directors within the meaning of section 252 of the UK Companies Act) and any senior manager who is relevant to establishing that the Company has the appropriate expertise and experience for the management of the Company's business in the Issued Share Capital of the Company excluding any Options in respect of such capital (details of which are set out at paragraph 6.1.2 of this Part X of this document) are as follows:

	At the date of this document and immediately following Admission	
Director/Senior Manager	**Number of Ordinary Shares**	**Percentage of Issued Share Capital**
Mr Zhiwei Gu *(Director)*	2,083,333	0.03%
Mr Yan Liu *(Director)*	6,333,333	0.08%
Ms Juan Wang *(Director)*	2,083,333	0.03%
Mr Lubing Liu *(Director)*	n/a	n/a
Dr Yi Zeng *(Director)*	n/a	n/a
Mr Nicholas Beattie *(Senior Manager)*	2,916,667	0.04%

6.1.2 As at the date of this document and immediately following Admission, the following Options have been granted to the Directors and any senior manager who is relevant to establishing that the Company has the appropriate expertise and experience for the management of the Company's business:

	At the date of this document and immediately following Admission		
Director/Senior Manager	**Number of Options**	**Exercise Price**	**Expiry Date**
Mr Zhiwei Gu *(Director)*	30,000,000	£0.01	30 March 2020
Mr Yan Liu *(Director)*	30,000,000	£0.01	30 March 2020
Ms Juan Wang	7,500,000	£0.01	30 March 2020
Mr Lubing Liu *(Director)*	n/a	n/a	n/a
Dr Yi Zeng *(Director)*	n/a	n/a	n/a
Mr Nicholas Beattie *(Senior Manager)*	25,000,000	£0.01	30 March 2020

6.1.3 In addition, a further 8,000,000 Options have been granted to other members of the Group's senior management team. Further details on the Options are set out in paragraph 4.9 of this Part X of this document. The vesting conditions of the Options granted to members of the senior management team are as follows:

(a) 25% became exercisable one year from the date of issue;

(b) 25% will become exercisable upon the Company reaching production of 1,500 bopd for a continuous 15 day period in Trinidad;

(c) 25% will become exercisable upon the Company reaching production of 2,500 bopd for a continuous 15 day period in Trinidad; and

(d) 25% will become exercisable upon the Company reaching production of 4,000 bopd for a continuous 15 day period in Trinidad.

6.1.4 14,000,000 Options have been issued to existing and former employees pursuant to their service agreements or as part of other incentive arrangements. The vesting conditions of the Options granted to employees are as follows:

(a) 33% will become exercisable upon the Company reaching production of 1,500 bopd for a continuous 15 day period in Trinidad;

(b) 33% will become exercisable upon the Company reaching production of 2,500 bopd for a continuous 15 day period in Trinidad; and

(c) 34% will become exercisable upon the Company reaching production of 4,000 bopd for a continuous 15 day period in Trinidad.

6.1.5 43,742,654 Options have been issued to former consultants pursuant to their consultancy contracts. These Options have no vesting conditions.

6.1.6 Save as disclosed in this paragraph 6 none of the Directors nor any member of their families, nor any person connected with them within the meaning of section 252 of the UK Companies Act, has any interest in the Issued Share Capital of the Company or the issued share capital of its subsidiaries.

6.1.7 Save as disclosed in this paragraph 6 as at the date of this document, no Director has any option over or warrant to subscribe for any Ordinary Shares in the Company.

6.1.8 Save as disclosed in this document, there are no agreements, arrangements or understandings (including compensation agreements) between any of the Directors, recent directors, shareholders or recent shareholders of the Company connected with or dependent upon Admission.

6.1.9 No Director or any member of their family holds or has held any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of Ordinary Shares.

6.2 ***Significant Shareholders***

6.2.1 The Company is aware of the following persons who, at 6 December 2017 (being the latest practicable date before publication of this document) and following Admission, have interests in voting rights over 3% or more of the Issued Share Capital of the Company:

	At the date of this document		Immediately following Admission	
Shareholder	**Number of Ordinary Shares**	**Percentage of Issued Share Capital**	**Number of Ordinary Shares**	**Percentage of Issued Share Capital***
Beijing Sibo Investment Management LP	2,447,620,912	32.2%	2,447,620,912	32.2%
Abraham Limited	712,377,560	9.4%	712,377,560	9.4%
Barclayshare Direct Investing Nominees Limited	531,819,405	7.0%	531,819,405	7.0%
TD Direct Investing Nominees (Europe) Limited	353,162,808	4.6%	353,162,808	4.6%
Investor Nominees Limited	292,606,749	3.9%	292,606,749	3.9%
Investor Nominees Limited	268,984,070	3.5%	268,984,070	3.5%
HSDL Nominees Limited	252,354,230	3.3%	252,354,230	3.3%

6.2.2 Save as disclosed above, the Directors are not aware of any person or persons who, directly or indirectly, have an interest in the Company which represents 3% or more of its Issued Share Capital or voting rights who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.

6.3 Neither the Directors nor any of the significant shareholders set out above have different voting rights to other holders of the share capital of the Company.

7. Additional information on the Directors

7.1 The Directors currently hold (other than the Company and/or any Group Company) the following directorships and are partners in the following partnerships and have held the following directorships and have been partners in the following partnerships within the five years prior to the publication of this Document:

Name	Current Directorships/Partnerships	Former Directorships/Partnerships
Yan Liu	Deason Holdings Co Pty Ltd	Agile Partners (Partner)
Zhiwei Gu	Dentons (Dacheng) Law Offices (Partner)	Rongshui Zhongchu Huaxin Mining Industry Ltd Beijing Guojin Huaxin Investment Management Co Ltd China Guide Copper Mine Corporation
Dr Yi Zeng	None	Kiwi Oriental Rainbow International Limited
Lubing Liu	Shanghai Ausquality International Trading Co., Ltd Auseducation Pty Ltd Ausquality Fruits and Vegetables Pty Ltd Ausquality International Pty Ltd Ausquality Leather Pty Ltd Ausquality Seafood Pty Ltd Ausquality Dairy Pty Ltd Ausqaulity Livestock Pty Ltd Ausquality Pty Ltd Ten-Faye Australia Pty Ltd	None

Name	Current Directorships/Partnerships	Former Directorships/Partnerships
Juan Wang	None	Anterra Energy Inc. LandOcean Energy Canada Ltd LandOcean Resources Investment Co. LandOcean Investment Co.

7.2 On 3 June 2016, Juan Wang resigned as a director of Anterra Energy Inc ("**Anterra**"), an oil and gas company incorporated in Alberta, Canada. On 5 May 2016, Anterra initiated court proceedings in Calgary, Alberta for relief under the Companies' Creditors Arrangement Act to, amongst other things, stay all proceedings and remedies that might be taken in respect of Anterra on the basis that it was unable to meet its debt obligations as they became due. At the time of such application, Anterra's liabilities were in excess of C$21 million (including bank debt in excess of C$9.7 million and C$4 million secured convertible debenture due on 14 March 2018). On 6 May 2016, pursuant to an Order of the Court of Queen's Bench of Alberta, Calgary Judicial Centre (the "**Court**") PricewaterhouseCoopers Inc. ("**PWC**") was appointed as Monitor of Anterra and the Court granted Anterra the stay of proceedings. On 7 June 2017, following various extensions of the stay of proceedings, the Court issued an order appointing PWC as receiver and manager over all of the assets of Anterra. The purpose of the appointment was to effect a sale of the assets of Anterra. On 1 August 2017, Anterra was assigned into bankruptcy and PWC was named as trustee of the estate. No public criticism was made of Juan Wang in connection with these proceedings.

7.3 Save as set out in this document, no Director has:

7.3.1 any unspent convictions in relation to indictable offences (including fraudulent offences);

7.3.2 ever had any bankruptcy order made against him or entered into any individual voluntary arrangements with his creditors;

7.3.3 ever been a director of a company which has been placed in receivership, creditors' voluntary liquidation, compulsory liquidation or administration, or been subject to a voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors, whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;

7.3.4 ever been a partner in any partnership which has been placed in compulsory liquidation or administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;

7.3.5 owned, or been a partner in a partnership which owned, any asset which, while he owned that asset, or while he was a partner or within 12 months after his ceasing to be a partner in the partnership which owned that asset, entered into receivership;

7.3.6 received any official public criticism and/or sanction by any statutory or regulatory authority (including recognised professional bodies); or

7.3.7 been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of a company.

8. Directors' Service Agreements and Terms of Appointment

8.1 The following table lists each Director together with his title, age, date of appointment and date of expiration of current term of office:

Name	Title	Age	Date of appointment	Expiration of current term of office
Zhiwei Gu	Non-Executive Chairman	35	24 May 2016	n/a
	Non-Executive Director		11 December 2014	
Yan Liu	Chief Executive Officer	44	24 May 2016	n/a
	Executive Director		11 December 2014	
Lubing Liu	Non-Executive Director	45	16 June 2016	n/a
Dr Yi Zeng	Non-Executive Director	62	16 June 2016	n/a
Juan Wang	Non-Executive Director	35	30 November 2014	n/a

8.2 Summary details of the service agreements and letters of appointment entered into between the Company and the executive Directors are set out below:

8.2.1 *Yan Liu*

Range entered into an employment agreement with Yan Liu dated 24 May 2016 (the "**YL Service Contract**") as amended pursuant to a side letter between Yan Liu and Range dated 15 June 2016, under which Yan Liu was appointed Chief Executive Officer of the Company. Under the YL Service Contract, Yan Liu will be paid a salary of A$215,000 per annum and this salary is subject to periodic review. Yan Liu is also entitled to participate in any bonus or incentive scheme arrangement which is introduced by the Group. Under the YL Service Contract, Yan Liu also received 20,000,000 unlisted Options with the following vesting conditions: (a) 5,000,000 Options were exercisable immediately; (b) 5,000,000 Options become exercisable on the Company reaching production of 1,500 bopd for a continuous 15 day period in Trinidad; (c) 5,000,000 Options become exercisable on the Company reaching production of 2,500 bopd for a continuous 15 day period in Trinidad; and (d) 5,000,000 Options become exercisable on the Company reaching production of 4,000 bopd for a continuous 15 day period in Trinidad. These Options are in addition to the 10,000,000 Options issued to Yan Liu pursuant to a previous employment contract. Details of the Options currently held by Yan Liu are set out in paragraph 6.1.2 of this Part X above. In addition, the Company agrees to pay an amount equal to 10% of Yan Liu's salary each month into a superannuation fund and provides Yan Liu with private medical insurance, private dental cover and death in service cover. Yan Liu is entitled to be reimbursed for all expenses reasonably incurred by him in the proper performance of his duties. The YL Service Contract can be terminated by either party on three months' written notice.

8.3 Summary details of the letters of appointments entered into between the Company and the non-executive Directors are set out below:

8.3.1 *Zhiwei Gu*

Range is party to an agreement for the provision of non-executive director services with Kaiyuan Guosen Management Consulting Ltd ("**KGMC**") dated 26 May 2016 (the "**ZG Service Contract**") as amended pursuant to a side letter between KGMC and Range dated 30 September 2016. Pursuant to the ZG Service Agreement KGMC agrees to provide the services of Zhiwei Gu as non-executive chairman of the Board. The ZG Service Contract also governs the provision of independent consulting services by Mr Gu to Range on a case by case based, as agreed with Mr Gu. The services of Mr Gu as non-executive chairman are provided under the terms of a letter of appointment dated 24 May 2016 and effective from: (i) in relation to the services of Mr Gu as non-executive director, 11 December 2014; and (ii) in relation to the services of Mr Gu as chairman, 24 May 2016 (the "**ZG Appointment Letter**"). The ZG Appointment Letter supersedes the previous appointment letter between Mr Gu and Range dated 19 February 2015. The ZG Appointment Letter provides that the appointment of Zhiwei Gu as non-executive director will continue subject to (i) successful re-election by shareholders of the Company as required by the Company's constitution at the next general meeting; and (ii) retirement by rotation under the Company's constitution and re-appointment would be subject to the approval of the shareholders of the Company at least once every 3 years. The ZG Appointment Letter provides for a fee of US$30,000 per annum (inclusive of superannuation) for services performed by Zhiwei Gu as non-executive director and a fee of US$25,000 per annum (inclusive of superannuation) for services performed by Zhiwei Gu as chairman, in each case plus reimbursement of reasonable expenses. The ZG Service Contract also provides for a fee of US$195,000 per annum payable to Mr Gu for the performance of consulting services. The ZG Service Contact allows Range to terminate the ZG Service Contract for a number of reasons including if Mr Gu commits any material breach of the ZG Service Agreement, Mr Gu is convicted of a material criminal offence, is declared bankrupt, ceases to hold the position as chairman of the Board, his directorship of the Company is otherwise lawfully terminated, KGMC makes a resolution for its winding up or enters into arrangements with its creditors, or Mr Gu or KGMC commits any fraud or dishonesty that brings or is likely to bring the Company into disrepute. If Range terminates the ZG Service Contract in such circumstances, it is required to either give Mr Gu no less than 3 months' notice or to pay 3 months' salary and consulting fee in lieu.

8.3.2 *Lubing Liu*

Range is party to an agreement for the provision of non-executive director services with Ten-Faye Australia Pty Ltd ("**Ten-Faye**") dated 28 July 2016 (the "**LL Service Contract**") pursuant to which Ten-Faye agrees to provide the services of Lubing Liu as non-executive director of Range. The services of Lubing Liu as non-executive director of the Company are provided under the terms of a letter of appointment dated 17 June 2016 and effective from 16 June 2016 ("**LL Appointment Letter**"). The LL Appointment Letter provides that the appointment of Lubing Liu as non-executive director will continue subject to (i) successful re-election by shareholders of the Company as required by the Company's constitution at the next general meeting; and (ii) retirement by rotation under the Company's constitution and re-appointment would be subject to the approval of the shareholders of the Company at least once every 3 years. The LL Service Contract provides that the appointment may be terminated without cause by either Ten-Faye or the Company giving 30 days' written notice to the other party. The LL Appointment Letter provides for a fee of US$25,000 per annum plus reimbursement of reasonable expenses.

8.3.3 *Dr Yi Zeng*

The services of Dr Yi Zeng as non-executive director of the Company are provided under the terms of a letter of appointment dated 17 June 2016 and effective from 16 June 2016. The appointment letter provides that the appointment of Dr Yi Zeng as non-executive director will continue subject to: (i) successful re-election by shareholders of the Company as required by the Company's constitution at the next general meeting; and (ii) retirement by rotation under the Company's constitution and re-appointment would be subject to the approval of the shareholders of the Company at least once every 3 years. The letter of appointment provides for a fee of US$25,000 per annum plus reimbursement of reasonable expenses.

8.3.4 *Juan Wang*

Range is party to an agreement for the provision of non-executive director services with Plentiful Wise Holdings Limited ("**Plentiful**") dated 29 February 2016 (the "**JW Service Contract**") pursuant to which Plentiful agrees to provide the services of Juan Wang as non-executive director of Range. The services of Juan Wang as non-executive director of the Company are provided under the terms of a letter of appointment dated 19 January 2015 and effective from 30 November 2014 ("**JW Appointment Letter**"). The JW Appointment Letter provides that the appointment of Juan Wang as non-executive director will continue subject to: (i) successful re-election by shareholders of the Company as required by the Company's constitution at the next general meeting; and (ii) retirement by rotation under the Company's constitution and re-appointment would be subject to the approval of the shareholders of the Company at least once every 3 years. The JW Service Contract provides that the appointment may be terminated without cause by either Plentiful or the Company giving 30 days' written notice to the other party. The JW Service Contract provides for a fee of US$30,000 per annum plus reimbursement of reasonable expenses.

8.4 Save as set out above there are no contracts providing for benefits upon termination of employment of any Director.

9. Employees

9.1 The Group currently employs 210 employees (excludes the Non-Executive Directors).

9.2 The number of employees (on average for each financial year and at the end of the period covered by the historical financial information in Part III and at the date of this Document) and a breakdown of persons employed by main category of activity and geographic location are as follows:

UK

Main category of activity	FY 15 (average)	FY 16 (average)	FY 17 (average)	At the date of this document (actual)
Admin	1	0	0	0
Managerial	6	4	4	4
Operations	0	0	0	0

AUSTRALIA

Main category of activity	FY 15 (average)	FY 16 (average)	FY 17 (average)	At the date of this document (actual)
Admin	0	0	0	0
Managerial	2	2	2	2
Operations	0	0	0	0

RANGE TRINIDAD

Main category of activity	FY 15 (average)	FY 16 (average)	FY 17 (average)	At the date of this document (actual)
Admin	23	18	14	3
Managerial	7	7	5	5
Operations	19	10	6	2

RRDSL

Main category of activity	FY 15 (average)	FY 16 (average)	FY 17 (average)	At the date of this document (actual)
Admin	15	NA	NA	16
Managerial	2	NA	NA	4
Operations	181	NA	NA	174

TOTAL

Main category of activity	FY 15 (average)	FY 16 (average)	FY 17 (average)	At the date of this document (actual)
Admin	39	18	14	19
Managerial	17	13	11	15
Operations	200	10	6	176
TOTAL	**256**	**41**	**31**	**210**

10. Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by members of the Group: (a) in the two years immediately preceding the date of this document and are, or may be, material; or (b) contain provisions under which any member of the Group has an obligation or entitlement which is material to the Group as at the date of this document:

10.1.1 *Integrated Management Services Agreement*

On 29 May 2014, the Company entered into the IMSA with LandOcean. The IMSA has subsequently been amended by the IMSA Amendment Agreement and the IMSA Supplementary Agreement. The IMSA, as amended, sets out a framework under which LandOcean and its affiliates provide oilfield services in Trinidad to the Group with the scope and in the nature of engineering, procurement and construction. LandOcean and its affiliates provide services under purchase orders issued pursuant to the IMSA.

The IMSA has an initial term of 8 years from the effective date of 29 May 2014 and will automatically terminate (if not extended) upon the expiry of such period. At any time prior to the date falling 18 months before such expiry, either party may propose an extension in writing. Any extension will be subject to the parties agreeing to the terms and conditions of such extension and executing a written agreement to the extension no later than 18 months before the automatic expiry.

The quantum and method of calculation of payments for services provided by LandOcean are set out in individual purchase orders issued pursuant to the IMSA. Unless otherwise set out in a purchase order, LandOcean will invoice each month all amounts that became due or for all services actually performed in the preceding month. Payments shall be made by cheque or bank transfer 30 days from receipt of invoice and interest on late payment will be chargeable at 10% per annum. Notwithstanding the foregoing, individual payment terms apply in respect of the purchase orders entered into under the IMSA and updated credit terms have been agreed in respect of certain purchase orders under the IMSA First Letter Agreement and the IMSA Deed of Novation and Indemnity (please refer to paragraph 10.1.2 below).

In the event that LandOcean performs and completes services in respect of a concession and if there is any incremental production of hydrocarbons for the period following the completion of such services and during the term of the IMSA above a level agreed by the Company and LandOcean in the relevant purchase order, LandOcean shall be entitled to a netback in respect of the relevant concession. The netback shall be calculated in US Dollars in respect of a concession as follows:

(A) in respect of a concession to which a production sharing agreement applies: Netback = 10% of (Cost Oil plus Profit Oil less Non-Recoverable Costs); or

(B) in respect of a concession to which a production sharing agreement does not apply: Netback = 12.8% of (Petroleum Revenue less Capex less Petroleum Taxes).

Where:

"**Capex**" means all costs, expenses, charges, commissions, taxes, duties, financing and other fees, overheads and similar amounts paid, incurred, amortised and/or accrued by the Group in the nature of capital expenditure in respect of and in order to achieve, maintain, extend or otherwise realise production of petroleum from the relevant Concession;

"**Concession**" means a joint venture agreement, production sharing contract, concession or any other relevant petroleum license or similar agreement in respect of oil and gas fields to which the relevant services relate;

"**Cost Oil**" means, subject always to a Concession, a portion of the Net Oil which is actually allocated to and received by (whether in cash or in kind) the Company under and in accordance with a Concession as reimbursement of costs incurred by the Company in accordance with the relevant Concession;

"**Net Oil**" means, subject always to a Concession and applicable law, the volume of hydrocarbons (measured in barrels) actually produced, saved and not used for petroleum operations, as calculated in accordance with the relevant Concession as allocable to the Company under that Concession;

"**Non-Recoverable Costs**" means, subject always to a Concession, costs and expenses that are incurred in relation to petroleum operations but are not entitled to be recovered by the Company, as calculated by the Company;

"**Opex**" means all costs, expenses, charges, commissions, taxes, duties, financing and other fees, overheads and similar amounts paid, incurred, amortised and/or accrued by the Group in the nature of operating and maintenance expenditure in respect of and in order to operate and maintain the Concession for production of petroleum;

"**Petroleum Revenue**" means all revenue received by the Company for the safe of petroleum in respect of a Concession;

"**Petroleum Taxes**" means all taxes, duties, fees and royalties on the exploration, development or production, sale, marketing of petroleum or in relation to the development and operation of the relevant oilfield and/or Concession; and

"**Profit Oil**" means, subject always to a Concession, a portion of the Net Oil that is actually allocated to and received by (whether in cash or in kind) the Company under and in accordance with a Concession as the Company's profit thereunder (but not including Cost Oil).

Netbacks will only be payable for one purchase order in respect of a concession and not other purchase orders where there is more than one purchase order for the relevant concession. Netbacks will be calculated by an international accountant specialising in petroleum accounting and consulting mutually agreed by the parties.

The Company has the right to suspend or terminate all or part of the services of any purchase order for any reason at any time for its convenience by providing LandOcean with 7 days' written notice and LandOcean shall be paid for its net costs of the services provided up to the date of such termination.

If LandOcean does not perform the services in accordance with the relevant purchase order and the IMSA, the Company shall have the right to suspend or terminate all or part of the services for the relevant purchase order and LandOcean shall take such corrective action as required to remedy the fault and bear all costs and expenses associated with such corrective action.

Either party shall have the right to terminate or suspend all or any part of the services of a purchase order if a force majeure event continues for more than 30 days and occurs in respect of the other party or if in its reasonable opinion force majeure conditions are anticipated to last more than 60 days and the Company shall pay LandOcean for its net costs of the services provided up to the date of such termination or suspension.

If either party breaches any of its material obligations under the IMSA or commits serious or repeated breaches of the IMSA or either party suffers an insolvency event, the other party will have the right to terminate the IMSA. The parties may also mutually agree to terminate the IMSA. In the event of termination, the Company shall immediately pay to LandOcean sums due in accordance with the IMSA (including all payments due for services up to the date of termination and any netbacks due and payable at the time of termination).

As at the date of this document, eight purchase orders have been issued pursuant to the IMSA. As at the date of this document, all services to be provided under these purchase orders have been provided and there is no outstanding work under any of the purchase orders. All sums invoiced for under purchase order no. 1 dated 29 May 2014 have been paid by the Company. All sums invoiced under purchase orders no. 2-8 (inclusive) are subject to the terms of the IMSA First Letter Agreement set out below. As at 6 December 2017 (being the last practicable date prior to the publication of this document), the total amount outstanding by the Company to LandOcean under the IMSA (including the IMSA Supplementary Agreement) and Purchase Orders No. 2-8 (inclusive) was US$40,215,637.

10.1.2 *IMSA Letter Agreements and IMSA Deed of Novation and Indemnity*

On 27 April 2017, the parties to the IMSA and purchase orders no. 2-8 (being the Company, Range Trinidad, Range Shallow, LandOcean, RRDSL, PST Services Corp and Chengdu Western UnionPetro Engineering Technology) entered into the IMSA First Letter Agreement.

The parties to the IMSA First Letter Agreement agree that notwithstanding any term of the IMSA or purchase orders no. 2-8 (inclusive):

- the payment due date for all approved invoices (and any accrued interest) issued under the IMSA and purchase orders no. 2-8 (inclusive) and which are outstanding at the date on which the IMSA First Letter Agreement becomes effective will be the third anniversary of the effective date of the IMSA First 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 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 or certain related purchase orders is 6% per annum.

On 31 July 2017, the parties to the IMSA First Letter Agreement entered into the IMSA Deed of Novation and Indemnity. Under the IMSA Deed of Novation and Indemnity, the rights, benefits, obligations and liabilities of each entity within the Group under purchase orders no. 2-8 (inclusive) and the IMSA Supplementary Agreement are transferred to the Company and the rights, benefits, obligations and liabilities of each LandOcean Group entity under purchase orders no. 2-8 (inclusive) and the IMSA Supplementary Agreement are transferred to LandOcean. Accordingly, all amounts payable by members of the Group to members of the LandOcean Group under these arrangements are now payable directly by the Company to LandOcean. Under the IMSA Deed of Novation and Indemnity, LandOcean unconditionally and irrevocably guarantees to the Company that the payables under purchase orders no. 2-8 (inclusive) and the IMSA Supplementary Agreement shall only be due and payable on or after 30 April 2020.

As announced on 3 August 2017, the Company has received notification from LandOcean that LandOcean has entered into a short-term factoring arrangement with Huayuan Commercial Factoring Ltd and Sichuan XW Bank Co Ltd (the "**Factor**") in respect of the outstanding payable at that date of US$39,278,263 due by the Company to LandOcean under the IMSA and related purchase orders. The factoring arrangement entered into by LandOcean with the Factor has a maturity date of 30 April 2018, which results in a mismatch between the maturity date by when LandOcean requires to repay the Factor and the due date for payment by Range of the amounts due (being on or after 30 April 2020). Accordingly, under the IMSA Deed of Novation and Indemnity, LandOcean has also agreed to indemnify the Company against any claims, loss and other liabilities that may be suffered by the Company in the event any person (including the Factor) makes any claim or demand upon the Company to settle such payables before 30 April 2020.

As at 6 December 2017 (being the last practicable date prior to the publication of this document), the total amount outstanding by the Company to LandOcean under the IMSA (including the IMSA Supplementary Agreement) and purchase orders no. 2-8 (inclusive) was US$40,215,637.

Pursuant to the IMSA Second Letter Agreements, the Company and LandOcean agreed that no additional services are to be performed under purchase order 2 and that only invoices under purchase order 2 that are agreed as between the Company and LandOcean are payable and will remain payable in accordance with the agreement between the parties.

Pursuant to the IMSA Third Letter Agreement, the Company and LandOcean agreed that (i) the Company is continuing to progress with the waterflood and other oilfield projects in Trinidad; (ii) SOCA Petroleum has agreed to acquire RRDSL from LandOcean Petroleum; (iii) the IMSA remains effective between Range and LandOcean and that a new purchase order could be established under which LandOcean would provide services (including services as a project manager) for the Company for its oilfield operations in Trinidad; and (iv) the payment terms for services provided under a new purchase order would be no less than 720 days for any invoices issued.

10.1.3 *Convertible Note Agreement*

On 28 October 2016, the Company entered into the Convertible Note Agreement with LandOcean (which was amended and restated by a deed of amendment and restatement dated 15 November 2016).

As at the date of the Convertible Note Agreement, the Group (excluding RRDSL) had incurred fees of approximately US$40,215,637 under purchase orders pursuant to the IMSA and an agreement dated 15 April 2015 between Range Trinidad and RRDSL for oil and gas consultancy, petroleum equipment rental, property management, provision of labour and rental and procurement services and other services (the "**Accrued Fees**"). Pursuant to the terms of the Convertible Note Agreement (as amended and restated by a deed of amendment and restatement dated 15 November 2016) and the IMSA Waiver Deed, LandOcean agreed to waive its entitlement to US$20,000,000 of the Accrued Fees in exchange for the issue of the Convertible Notes.

Under the Convertible Note Agreement, US$20,000,000 of unlisted unsecured Convertible Notes with an annual interest rate of 8% which have a face value of US$1.00 each were issued to LandOcean. The Convertible Notes are redeemable by LandOcean after 3 years of issue (the "**Maturity Date**") or earlier if a redemption event occurs (such as non-payment of annual interest payments). Subject to converting at least US$10,000,000 of Convertible Notes (the "**Minimum Conversion Amount**"), at any time after the issue date LandOcean may elect to convert the Convertible Notes into Ordinary Shares at a conversion price of £0.0088 per Ordinary Share (the "**Conversion Price**") at any time prior to the Maturity Date. To calculate the Conversion Price in US Dollars, the exchange rate will be the mid-rate which appears on the Bloomberg Screen (being the USDGBP:CUR webpage accessed via www.bloombery.com/quote/USDGBP:CUR) on that date. The Company also has the option of redeeming the Convertible Notes for cash at any time prior to the Maturity Date. The Company must also pay yearly interest installments in cash on each anniversary of the issue date of the Convertible Notes. On the Maturity Date, the Company must redeem all of the outstanding Convertible Notes (being those which have not been previously redeemed or converted) by payment of the amount outstanding in cash. Default interest on any amount that is not paid when due will be at a rate of 2% per annum.

The Convertible Notes are subject to the following redemption events: (i) non-payment of funds within 40 business days of the due date; (ii) the winding up or insolvency of the Company or the Company (or one of its subsidiaries); or (iii) ceasing or threatening to cease to carry on its business which is likely to adversely affect the Company as a whole. LandOcean may require the Company to redeem some or all of the Convertible Notes following the occurrence of any of these events.

For so long as the aggregate face value of the Convertible Notes held by LandOcean combined with the aggregate market value of any Ordinary Shares issued on conversion of any Convertible Notes (which is to be based on the 30 day volume weighted average price and converted into US Dollars at the Exchange Rate (as defined therein)) is greater than US$10,000,000, LandOcean may appoint one nominee as a Director of the Company. If the aggregate face value of the Convertible Notes held by LandOcean combined with the aggregate market value of any Ordinary Shares issued on conversion of any Convertible Notes (which is to be based on the 30 day volume weighted average price and converted into US Dollars at the Exchange Rate (as defined therein)) is equal to or greater than US$20,000,000, LandOcean may appoint an additional nominee as a Director. If LandOcean ceases to satisfy these thresholds, then it must procure that the relevant nominee Director resigns from the board of the Company. As at the date of this document, LandOcean has not sought to appoint nominee Directors, but it may exercise this right in the future. The appointment or re-election of these nominee Directors (as relevant) will be subject to the provisions of the Constitution and other applicable law (including approval of the Company's nominated advisor).

The Convertible Notes do not carry any voting rights but LandOcean will have the same rights as a holder of Ordinary Shares to receive notices of general meetings, reports, financial statements or any other communications issued by the Company.

If there is any reconstruction of the issued share capital of the Company before conversion of the Convertible Notes, the rights of LandOcean may be varied to comply with the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction.

The Convertible Notes were issued on 28 November 2016 conditional on shareholder approval, which was obtained on 7 February 2017. Pursuant to the IMSA Waiver Deed executed by, *inter alia*, the Company and LandOcean, LandOcean agreed to waive its entitlement to US$20,000,000 of the Accrued Fees in exchange for the issue of the Convertible Notes. The proceeds from the Convertible Notes were utilised solely to replace a portion of the outstanding payable balance due to LandOcean under the terms of the IMSA and the IMSA Waiver Deed.

10.1.4 *RRDSL Acquisition Agreement*

Pursuant to the RRDSL Acquisition Agreement, SOCA Petroleum, a wholly owned subsidiary of the Company, acquired the entire issued share capital of RRDSL on 30 November 2017.

Completion of the RRDSL Acquisition was 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 US$19,500,000 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 RRDSL Acquisition Agreement). On 30 November 2017, RRDSL and LandOcean Petroleum entered into the RRDSL LandOcean Petroleum Loan Agreement in satisfaction of this condition. As at 30 November 2017, the total outstanding amount owed by RRDSL to LandOcean Petroleum pursuant to the RRDSL LandOcean Petroleum Loan Agreement was US$19,702,429. A summary of the key terms of the RRDSL LandOcean Petroleum Loan Agreement is contained in paragraph 10.1.4 of Part X of this document.

(b) the Shareholders of the Company passing an ordinary resolution to approve the RRDSL Acquisition at the Annual General Meeting;

(c) Admission taking place; and

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

The conditions at (a), (b) and (d) above were satisfied, and the condition at (c) was waived by SOCA Petroleum and LandOcean Petroleum, prior to completion of the RRDSL Acquisition Agreement.

The consideration payable by SOCA Petroleum to LandOcean Petroleum pursuant to the RRDSL Acquisition Agreement is US$5,500,000 payable by no later than the third anniversary of completion of the RRDSL Acquisition. Interest is accruing 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.

The RRDSL Acquisition Agreement contains various undertakings in relation to the management of RRDSL's businesses pending completion of the RRDSL 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 RRDSL 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.

The RRDSL Acquisition required Shareholder approval under Rule 10.1 of the ASX Listing Rules. The Shareholders approved the RRDSL Acquisition at the Annual General Meeting.

10.1.5 *Nominated Adviser and Broker Agreement with Cantor Fitzgerald*

On 7 December 2017, the Company entered into a nominated adviser and broker agreement with Cantor Fitzgerald pursuant to which the Company appointed Cantor Fitzgerald to act as nominated adviser and broker to the Company for the purposes of the AIM Rules for Companies. The Company has agreed to pay Cantor Fitzgerald an annual retainer fee of £55,000 per annum (excluding VAT) for its services as nominated adviser and joint broker. The agreement contains undertakings from the Company to Cantor Fitzgerald regarding, *inter alia*, compliance with the AIM Rules for Companies.

10.1.6 *Admission Agreement*

On 7 December 2017, the Company entered into an admission agreement with the Directors and Cantor Fitzgerald pursuant to which Cantor Fitzgerald agreed to continue to act as the Company's nominated adviser, broker and financial adviser for the purposes of Admission (the "**Admission Agreement**"). The obligations of Cantor Fitzgerald (in respect of Admission) are subject to certain conditions including, *inter alia*, the publication of this document and Admission having occurred by no later than 8.00 a.m. on 13 December 2017 (or such later time agreed between the Company and Cantor Fitzgerald, but in any event not later than the "**Long Stop Date**" being 29 December 2017 or such later date as Cantor Fitzgerald may decide and, in any event, no later than 12 January 2018). The Company and each of the Directors undertake pursuant to the Admission Agreement to use their respective reasonable endeavours to procure that such conditions are fulfilled.

The Admission Agreement contains certain customary warranties and undertakings given by the Company and by each the Directors severally.

The Company also undertakes to Cantor Fitzgerald to use all reasonable endeavours to hold (and each of the Directors undertake to exercise each of his/her voting powers as a director of the Company to procure that the Company holds) a general meeting of the Shareholders by 30 April 2018 at which a special resolution is put to Shareholders amending the Constitution of the Company so as to oblige Shareholders to notify the Company in the event it becomes a 'significant shareholder' (as defined in the AIM Rules for Companies) or if there is an alteration by 1 per cent or more in a significant shareholder's holding of Ordinary Shares.

The Company has also given certain indemnities to Cantor Fitzgerald in respect of certain customary matters. In addition, Cantor Fitzgerald may give written notice to the Company to terminate the Admission Agreement prior to Admission in the event that, *inter alia*, the Company or the Directors breach their warranties or other obligations, or any statement in this document is or has become untrue, incorrect, inaccurate or misleading in any material respect.

The Company has agreed to pay Cantor Fitzgerald a fee of £175,000 (excluding VAT) in consideration of its services in connection with the admission agreement. This corporate finance fee is payable in accordance within the engagement letter dated 3 October 2017 between the Company and Cantor Fitzgerald. If the Admission Agreement is terminated or does not become unconditional by the Long Stop Date, then the Company has agreed to pay Cantor Fitzgerald an abort fee. These fees are not payable in addition to the corporate finance fee and abort fee under the engagement letter dated 3 October 2017 between the Company and Cantor Fitzgerald. The Company has also agreed to pay certain costs, fees (including legal fees) and expenses of, or incidental to, the admission agreement.

10.1.7 *Lind Settlement Agreement*

Lind Asset Management LLC ("**Lind**") agreed to provide Range with loan financing of up to US$15,000,000 pursuant to a funding agreement and varied funding agreement dated 30 September 2014 and 15 October 2014 respectively (the "**Funding Agreements**"). Range was to repay the monies loaned and also agreed to issue 38,000,000 Ordinary Shares (the "**Collateral Shares**") to Lind. On or about 16 February 2015, Lind issued a statutory demand demanding payment of US$7,225,997.30. Various applications to the courts were made in respect of this demand. On 20 November 2015, the Western Australian Supreme Court, Court of Appeal dismissed an appeal by Range seeking to reverse an earlier decision of the Supreme Court (of first instance) which refused to set aside the statutory demand. Accordingly, on 20 November 2015, the Company paid the balance of the amount of the statutory demand then outstanding (approximately US$2,200,000). Subsequently, Lind commenced proceedings against the Company in December 2015 claiming further interest, legal costs and other loss and damage. Range filed a defence and counter claim.

On 13 May 2016, the Company and Lind entered into a settlement agreement (the "**Lind Settlement Agreement**") to fully and finally settle each and every dispute and each and every claim between them. The Lind Settlement Agreement provides that neither party makes any admission as to liability in entering the Lind Settlement Agreement.

Under the Lind Settlement Agreement, the Company was to pay the settlement sum of US$325,000 by the due date (being 5 business days following exchange of the executed Lind Settlement Agreement). The Company also acknowledged and released any security held over the Collateral Shares and agreed that Lind is free to deal with the Collateral Shares as the legal and beneficial owner of them.

Each party agreed to forever waive, release and discharge all claims that each of them has, may have or may have had against the other party and agreed to terminate the Funding Agreements with no right to claim (including loss or damage) by any party.

10.1.8 *Abraham Limited Subscription Agreement*

On 14 May 2014, Range entered into a subscription agreement with Abraham Limited ("**Abraham**") (the "**Abraham Subscription Agreement**"). Under the terms of the Abraham Subscription Agreement, Abraham agreed to subscribe US$12,000,000 in cash in two tranches, subject to certain conditions precedent. At completion of the first tranche subscription in May 2014, Range issued 356,188,780 Ordinary Shares to Abraham. A further 356,188,780 Ordinary Shares were issued to Abraham at completion of the second tranche subscription in July 2014.

Range also agreed to issue unlisted Options to Abraham. In accordance with the terms of the Abraham Subscription Agreement, Range issued 118,729,593 unlisted Options with an exercise price of £0.01 and 118,729,593 unlisted options with an exercise price of £0.02 to Abraham. All of these Options have an expiry date of 14 July 2018. There is no vesting condition in respect of the Options but the Options must be exercised in tranches of not less than 10,000,000 Options, or if less, any balancing amount in respect of the last tranche of any Options.

In addition, under the Abraham Subscription Agreement, Abraham may nominate two persons to be appointed as directors of the Company, provided that if at any time the number of Ordinary Shares held by Abraham is less than 8% of the total number of shares in issue then Abraham is required to procure that any director or directors nominated by it promptly resign from the Board.

10.1.9 *Sibo Subscription Agreement*

On 29 May 2015, Range entered into a subscription agreement with Beijing Sibo Investment Management LP ("**Sibo**") ("**Sibo Subscription Agreement**"). Sibo agreed to provide funding of a minimum of US$20,000,000 and up to US$35,000,000 in cash to subscribe for new Ordinary Shares at a price of £0.008 per Ordinary Share in two tranches, subject to certain conditions precedent. At completion of the first tranche subscription in June 2015, Range issued 650,000,000 new Ordinary Shares to Sibo at a subscription price of £0.008 per Ordinary Share. At completion of the second tranche subscription in September 2015, Range issued a total of 1,797,620,912 Ordinary Shares to Sibo at a subscription price of £0.008 per Ordinary Share.

Range also agreed to issue unlisted Options to Sibo. In accordance with the terms of the Sibo Subscription Agreement, Range issued 194,585,862 unlisted Options with an exercise price of £0.01 and 172,557,274 unlisted Options with an exercise price of £0.02 to Sibo. All of these Options have an expiry date of 3 September 2019. There is no vesting condition in respect of the Options but the Options must be exercised in tranches of not less than 10,000,000 Options, or if less, any balancing amount in respect of the last tranche of any Options.

In addition, under the Sibo Subscription Agreement, Sibo may nominate three persons to be appointed as directors of the Company provided Sibo holds a minimum of 10% of the total outstanding shares of the Company. If Sibo holds Ordinary Shares which amount to less than 10% of the total outstanding shares of the Company, it may nominate one person to be appointed a director of the Company.

10.1.10 *Hengtai SPA*

Pursuant to the Hengtai SPA, Range HK acquired 60% of the issued share capital of Hengtai from Jiang Jinrong on 30 October 2017.

Completion of the Hengtai SPA was conditional on:

- approval of the sale by the shareholders of Hengtai;
- approval of the sale by the Indonesian Investment Coordinating Body;
- the publication by Hengtai of a public announcement of the proposed share transfer in an Indonesian national daily newspaper and to Hengtai's employees at least 30 days prior to completion;
- execution of a personal guarantee from Jiang Jinrong to Range HK ("**Personal Guarantee**") under which Jiang Jinrong personally guarantees the repayment of the Initial Payment (as defined below) to Range HK as well as Jiang Jinrong's obligations under the Hengtai Put Option;
- execution of the Hengtai SHA; and
- any other conditions identified by Range HK and notified to Jiang Jinrong within 20 business days from the date of Hengtai SPA.

The consideration for the purchase consists of the following payments:

- US$640,000 on the later of the date of the Hengtai SPA and the Personal Guarantee (the "**Initial Payment**"); and
- US$960,000 on the date of completion;
- US$960,000 on the establishment or acquisition by Range HK of a company (with Range HK holding at least 60% of the issued share capital) which holds the requisite licences, consents, permits and authorities to provide oil and gas services to SPC in relation to the Perlak operating area; and
- US$640,000 upon Lukar holding 90% of the issued share capital of SPC.

The Hengtai SPA contains various undertakings in relation to the management of Jiang Jinrong and Lukar pending completion including a prohibition of various matters without Range HK's consent including entering into new contracts and acquiring or disposing of any material asset. Either party may have the right to terminate the Hengtai SPA if the other party commits a material breach of its terms prior to completion.

The Hengtai SPA contains business and other warranties given by Jiang Jinrong to Range HK. These include representations and warranties confirming that:

- Hengtai is validly incorporated, organized and subsisting and that it is duly registered and authorised to do business in Indonesia;
- the shares being sold pursuant to the Hengtai SPA have been properly and validly acquired by or allotted and issued to Jiang Jinrong; and
- Jiang Jinrong is the sole registered holder of each share being sold pursuant to the Hengtai SPA and is entitled to sell and transfer to Range HK the full legal ownership of those shares.

Jiang Jinrong agreed to indemnify Range HK in respect of breach of any warranties, tax liabilities in respect of the period before completion, and any loss incurred by Hengtai or Lukar. Range HK has also given certain customary purchaser warranties in favour of Jiang Jinrong.

The Hengtai SPA also contains obligations on Jiang Jinrong to provide missing historic corporate information in respect of Hengtai, SPC and the Perlak field at completion.

10.1.11 *Hengtai SHA*

On 30 October 2017, Jiang Jinrong, Ms Selvia, Mr Wang Yuguo, Range HK and Hengtai entered into the Hengtai SHA pursuant to which the parties agreed the arrangements for the management of Hengtai.

Board of directors and board of commissioners

The business and affairs of Hengtai will be managed by the board of directors ("**BOD**") under the supervision of the board of commissioners ("**BOC**") in a manner consistent with the articles of association ("**AOA**") and the Hengtai SHA. In the event of any inconsistency between the Hengtai SHA and AOA, the provisions of the Hengtai SHA will prevail.

The BOD will consist of three directors, which must always include one president director. Jiang Jinrong, Ms Selvia, Mr Wang Yuguo (collectively, the "**Founding Shareholders**") are collectively entitled to nominate the president director and one other director. Range HK will be entitled to nominate one director. The quorum for meeting of the BOD will be at least one director nominated by the Founding Shareholders and one director nominated by Range HK.

The BOC will consist of three Commissioners, which must always include one President Commissioner. The Founding Shareholders shall be collectively entitled to nominate one Commissioner. Range HK shall be entitled to nominate the President Commissioner and one other Commissioner. The quorum for BOC meeting shall be at least two commissioners.

Each director or (as the case may be) commissioner shall have one vote. The BOD shall decide on matters on which they are entitled to decide by a unanimous vote of all directors attending such meeting. The BOC shall decide on matters on which they are entitled to decide by a simple majority vote of all Commissioners attending such meeting.

Shareholder meetings

Unless the relevant provisions of the Hengtai SHA or applicable law states otherwise, a quorum at a shareholders' meeting shall consist of shareholders or their legal proxies representing more than 50% of the total number of shares issued by Hengtai with legal voting rights. A quorum must be present at the beginning of and throughout each meeting.

All decisions of the annual and extraordinary general meetings of shareholders shall be taken on the basis of mutual consensus, failing which (and except to the extent a greater voting percentage is required pursuant to applicable law) decisions shall be taken by a simple majority of votes legally cast.

Transfer of shares

A shareholder must not transfer any shares now owned or subsequently acquired by it to any person, unless such transfer is in accordance with the terms of the Hengtai SHA.

If a shareholder intends to transfer any shares to its affiliates (a "**Permitted Transfer**"), it must give written notice to the other shareholders.

Other than pursuant to a Permitted Transfer, if at any time a shareholder is proposing to transfer any of its shares, the other shareholders have a right of first refusal. If no shareholder exercises its right of first refusal, the transferor may negotiate with a third party provided that it is a *bona fide* third party buyer on an arm's length basis and the sale price and terms are no more favourable than those offered to the other shareholders. The other shareholders also have a right to match any offer made by that third party buyer.

Funding

If the BOD determines that Hengtai requires additional funding, the funding shall be obtained from sources in the following order of priority: (i) cash available to Hengtai; (ii) entering into financing arrangements with shareholders and/or third party finance providers; and (iii) equity.

The shareholders have agreed that they shall provide a shareholder loan in proportion to their shareholding for the purpose of financing:

- as soon as reasonably practicable after completion of the Hengtai SPA: (i) the bank guarantee arrangements (up to US$1,500,000) and (ii) the first phase deposit (up to US$140,000) in order to fulfil the existing commitment of SPC under the operations and cooperation agreement dated 31 March 2017 (''**KSO Agreement**''); and

- a total minimum work commitment of US$3,800,000 under the KSO Agreement.

Warranties and undertakings

Each shareholder has given certain customary warranties in favour of the other shareholders.

Hengtai undertakes to exercise its votes in relation to its shares in Lukar to ensure that:

- one director and commissioner of Lukar is appointed from a candidate nominated by Range HK;

- it uses best efforts so that one director and commissioner of SPC is appointed from a candidate nominated by Range HK; and

- it uses best efforts so that SPC will employ a finance clerk and vice president from a candidate nominated by Range HK.

Termination

If the Hengtai SPA is terminated then the Hengtai SHA will automatically terminate.

The Hengtai SPA can be terminated by written notice to a shareholder if it commits a material breach of its obligations (and does not remedy the breach within 30 days), suffers an insolvency event or purports to transfer its shares in breach of the Hengtai SPA. A non-defaulting Party can require a defaulting party to sell to that non-defaulting party all of the defaulting party's shares at 80% of the fair market value.

10.1.12 *Hengtai Put Option*

Pursuant to the Hengtai Put Option, Jian Jinrong has agreed to grant a put option to require Jiang Jinrong to purchase all of the shares owned by Range HK in Hengtai (the ''**Hengtai Shares**'') from time to time. The Hengtai Put Option has been effective from completion of the Hengtai SPA.

Range HK may exercise the put option at any time upon the occurrence of any of the following events:

- all of the B series shares in SPC held by PT Aceh Timur Energi dan Mineral are not transferred to Lukar for no consideration within three months from the expiry of the minimum work obligation period under the operation cooperation agreement dated 31 March 2017 between SPC and PT Pertamina EP in relation to the Perlak operating field area (the ''**Minimum Work Obligation Period**'');

- during the Minimum Work Obligation Period, a minimum of 800 bopd is not produced from the Perlak field for a continuous 90 day period;

- during the Minimum Work Obligation Period, an independent, qualified and certified third party does not report proven reserves of at least 10,000,000 barrels of oil in the Perlak field.

Upon exercise of the put option, Jiang Jinrong shall purchase the Hengtai Shares for an agreed sum of:

- US$3,200,000;

- any additional amounts contributed by Range HK to Hengtai, including amounts contributed for the purposes of funding the minimum work obligations of the SPC; and

- interest at a rate of 15% per annum on these amounts from completion of the Hengtai SPA until notice of the put option is given.

If the Hengtai SPA is terminated then the Hengtai Put Option will automatically terminate.

10.1.13 *LandOcean RRDSL Loan Agreement*

On 30 November 2017, RRDSL and LandOcean entered into the LandOcean RRDSL Loan Agreement. Pursuant to the LandOcean RRDSL Loan Agreement, LandOcean and RRDSL agreed that the LandOcean RRDSL Loan Agreement would supersede the terms of the previous loans made by (i) LandOcean to RRDSL; and (ii) RRDSL to LandOcean pursuant to which the net outstanding amount of US$315,805 is payable by LandOcean to RRDSL.

The key terms of the LandOcean RRDSL Loan Agreement are as follows:

- the aggregate amount of the loan advanced by RRDSL to LandOcean is US$315,805 (the "**LandOcean RRDSL Loan Amount**");
- the LandOcean RRDSL Loan Amount was used for LandOcean's daily business operations;
- LandOcean is to repay the LandOcean RRDSL Loan Amount (plus any interest accrued but unpaid) by no later than 3 years from the date of the LandOcean RRDSL Loan Agreement. If LandOcean is unable to repay the LandOcean RRDSL Loan Amount when due, LandOcean and RRDSL may agree to an extended repayment term in writing;
- the annual interest rate on the LandOcean RRDSL Loan Amount is 6% which will accrue daily and be payable on the final repayment date of the LandOcean RRDSL Loan Amount;
- neither RRDSL or LandOcean may assign, novate or transfer its rights or obligations under the LandOcean RRDSL Loan Agreement; and
- the LandOcean RRDSL Loan Agreement is governed by the laws of the Hong Kong Special Administrative Regime of the People's Republic of China.

10.1.14 *RRDSL LandOcean Petroleum Loan Agreement*

On 30 November 2017, RRDSL and LandOcean Petroleum entered into the RRDSL LandOcean Petroleum Loan Agreement. Pursuant to the RRDSL LandOcean Petroleum Loan Agreement, LandOcean Petroleum and RRDSL agreed that the RRDSL LandOcean Petroleum Loan Agreement would supersede the terms of the previous loan made by LandOcean Petroleum to RRDSL pursuant to which the outstanding balance due to LandOcean Petroleum by RRDSL is US$19,702,429.

The key terms of the RRDSL LandOcean Petroleum Loan Agreement are as follows:

- the aggregate amount of the loan advanced by LandOcean Petroleum to RRDSL is US$19,702,429 (the "**RRDSL LandOcean Petroleum Loan Amount**");
- the RRDSL LandOcean Petroleum Loan Amount was used for RRDSL's daily production and business operations;
- RRDSL is to repay the RRDSL LandOcean Petroleum Loan Amount (plus any interest accrued but unpaid) by no later than 3 years from the date of the RRDSL LandOcean Petroleum Loan Agreement. If RRDSL is unable to repay the RRDSL LandOcean Petroleum Loan Amount when due, RRDSL and LandOcean Petroleum may agree to an extended repayment term in writing;
- the annual interest rate on the RRDSL LandOcean Petroleum Loan Amount is 6% which will accrue daily and be payable on the final repayment date of the RRDSL LandOcean Petroleum Loan Amount;
- neither RRDSL or LandOcean Petroleum may assign, novate or transfer its rights or obligations under the RRDSL LandOcean Petroleum Loan Agreement; and
- the RRDSL LandOcean Petroleum Loan Agreement is governed by the laws of the Hong Kong Special Administrative Regime of the People's Republic of China.

10.1.15 *RRDSL EPT Loan Agreement*

On 30 November 2017, RRDSL and Energy Prospecting Technology USA Inc ("**EPT**") entered into the RRDSL EPT Loan Agreement. Pursuant to the RRDSL EPT Loan Agreement, EPT and RRDSL agreed that the RRDSL EPT Loan Agreement would supersede the terms of the previous loan made by EPT to RRDSL pursuant to which the amount of US$1,161,472 is payable by RRDSL to EPT.

The key terms of the RRDSL EPT Loan Agreement are as follows:

- the aggregate amount of the loan advanced by EPT to RRDSL is US$1,161,472 (the "**RRDSL EPT Loan Amount**");
- the RRDSL EPT Loan Amount was used for RRDSL's daily production and business operations;
- RRDSL is to repay the RRDSL EPT Loan Amount (plus any interest accrued but unpaid) by no later than 3 years from the date of the RRDSL EPT Loan Agreement. If RRDSL is unable to repay the RRDSL EPT Loan Amount when due, RRDSL and EPT may agree to an extended repayment term in writing;
- the annual interest rate on the RRDSL EPT Loan Amount is 6% which will accrue daily and be payable on the final repayment date of the RRDSL EPT Loan Amount;
- neither RRDSL or EPT may assign, novate or transfer its rights or obligations under the RRDSL EPT Loan Agreement; and
- the RRDSL EPT Loan Agreement is governed by the laws of the Hong Kong Special Administrative Regime of the People's Republic of China.

10.1.16 *RRDSL Chengdu Loan Agreement*

On 30 November 2017, RRDSL and Chengdu Western Union Petro Engineering Technology Co Ltd ("**Chengdu**") entered into the RRDSL Chengdu Loan Agreement.

The key terms of the RRDSL Chengdu Loan Agreement are as follows:

- the aggregate amount of the loan advanced by Chengdu to RRDSL is US$544,455 (the "**RRDSL Chengdu Loan Amount**");
- the RRDSL Chengdu Loan Amount was used for RRDSL's daily production and business operations;
- RRDSL is to repay the RRDSL Chengdu Loan Agreement and the RRDSL Chengdu Loan Amount (plus any interest accrued but unpaid) by no later than 3 years from the date of the RRDSL Chengdu Loan Agreement. If RRDSL is unable to repay the RRDSL Chengdu Loan Amount when due, RRDSL and Chengdu may agree to an extended repayment term in writing;
- the annual interest rate on the RRDSL Chengdu Loan Amount is 6% which will accrue daily and be payable on the final repayment date of the RRDSL Chengdu Loan Amount;
- neither RRDSL or Chengdu may assign, novate or transfer its rights or obligations under the RRDSL Chengdu Loan Agreement; and
- the RRDSL Chengdu Loan Agreement is governed by the laws of the Hong Kong Special Administrative Regime of the People's Republic of China.

10.1.17 *RRDSL GPN Loan Agreement*

On 30 November 2017, RRDSL and GPN Petroleum Technology (Beijing) Limited ("**GPN**") entered into the RRDSL GPN Loan Agreement. As at the date of the RRDSL GPN Loan Agreement, GPN and RRDSL agreed that previous loans had been made by (i) GPN to RRDSL; and (ii) RRDSL to GPN pursuant to which the net outstanding balance due to GPN by RRDSL is US$433,249. The parties agreed that, with effect from 30 November 2017, the RRDSL GPN Loan Agreement would set out the terms and conditions of this outstanding amount.

The key terms of the RRDSL GPN Loan Agreement are as follows:

- the aggregate amount of the loan advanced by GPN to RRDSL is US$433,249 (the "**RRDSL GPN Loan Amount**");
- the RRDSL GPN Loan Amount was used for RRDSL's daily production and business operations;
- RRDSL is to repay the RRDSL GPN Loan Amount (plus any interest accrued but unpaid) by no later than 3 years from the date of the RRDSL GPN Loan Agreement. If RRDSL is unable to repay the RRDSL GPN Loan Amount when due, RRDSL and GPN may agree to an extended repayment term in writing;

- the annual interest rate on the RRDSL GPN Loan Amount is 6% which will accrue daily and be payable on the final repayment date of the RRDSL GPN Loan Amount;
- neither RRDSL or GPN may assign, novate or transfer its rights or obligations under the RRDSL GPN Loan Agreement; and
- the RRDSL GPN Loan Agreement is governed by the laws of the Hong Kong Special Administrative Regime of the People's Republic of China.

10.1.18 *Sincep RRDSL Loan Agreement*

On 30 November 2017, Sincep Special Equipment Co Limited ("**Sincep**") and RRDSL entered into the Sincep RRDSL Loan Agreement.

The key terms of the Sincep RRDSL Loan Agreement are as follows:

- the aggregate amount of the loan advanced by RRDSL to Sincep is US$44,167 (the "**Sincep RRDSL Loan Amount**");
- the Sincep RRDSL Loan Amount was used for Sincep's daily production and business operations;
- Sincep is to repay the Sincep RRDSL Loan Amount (plus any interest accrued but unpaid) by no later than 3 years from the date of the Sincep RRDSL Loan Agreement. If Sincep is unable to repay the Sincep RRDSL Loan Amount when due, Sincep and RRDSL may agree to an extended repayment term in writing;
- the annual interest rate on the Sincep RRDSL Loan Amount is 6% which will accrue daily and be payable on the final repayment date of the Sincep RRDSL Loan Amount;
- neither RRDSL or Sincep may assign, novate or transfer its rights or obligations under the Sincep RRDSL Loan Agreement; and
- the Sincep RRDSL Loan Agreement is governed by the laws of the Hong Kong Special Administrative Regime of the People's Republic of China.

11. Directors' Dealings

The Directors intend to comply with the AIM Rules for Companies relating to directors' dealings as applicable to AIM-listed companies and will also take all reasonable steps to ensure compliance by the Company's applicable employees (as defined in the AIM Rules for Companies).

12. Related Party Transactions

12.1 Save as set out below and as noted in the historical financial information for the Group in Part III of this document, the Company has not entered into any related party transactions of the type set out in the standards adopted according to the Regulation (EC) No. 1606/2002 during the period covered by the historical financial information set out in Part III and up to the date of this document.

12.2 Range is party to an agreement for the provision of non-executive director services with Guojin Huaxin Investment Management Co Ltd ("**GHIM**") dated 22 February 2016 (pursuant to which GHIM agrees to provide the services of Zhiwei Gu as non-executive director of Range. Fees of US$30,000 per annum and reimbursement of expenses are payable as set out in Mr Gu's letter of appointment. Furthermore the agreement also provides for a fee of US$195,000 per annum payable to Mr Gu for the performance of consulting services.

12.3 Range is party to an agreement for the provision of non-executive director services with Ten-Faye Australia Pty Ltd ("**Ten-Faye**") dated 28 July 2016 pursuant to which Ten-Faye agrees to provide the services of Lubing Liu as non-executive director of Range. Fees of US$25,000 per annum and reimbursement of expenses are payable as set out in Mr Liu's letter of appointment. Range and Ten-Faye are also parties to a consulting agreement dated 20 June 2016 pursuant to which Ten-Faye agrees to provide the services of Lubing Liu to provide technical consultancy services to Range. The consulting agreements provides that Lubing Liu (as consultant) will be paid a day rate of US$1,200 (based on 7.5 hours) inclusive of Australian Goods and Services Tax.

12.4 Range is party an agreement for the provision of non-executive director services with Plentiful Wise Holdings Limited ("**Plentiful**") dated 29 February 2016) pursuant to which Plentiful agrees to provide the services of Juan Wang as non-executive director of Range. Fees of US$30,000 per annum and reimbursement of expenses are payable. Range and Plentiful are also parties to a consulting agreement dated 10 February 2017 pursuant to which Plentiful agrees to provide the services of Juan Wang to provide business development consultancy services to Range for at least 100 hours per month. The consulting agreements provides that Juan Wang (as consultant) will be paid US$12,500 per month inclusive of Australian Goods and Services Tax.

12.5 Range is party to the Convertible Note Agreement with LandOcean. Further details on the Convertible Note Agreement are set out in paragraph 10.1.3 of this Part X. Upon exercise of the Convertible Note Agreement by LandOcean it is expected that LandOcean will thereafter hold in excess of 5% of the issued share capital of the Company and will therefore become a related party for the purposes of the AIM Rules.

13. Intellectual Property

There are no patents or other intellectual property rights, licences or particular industrial, commercial or financial contracts or new manufacturing processes which are of fundamental importance to the Group's business or profitability.

14. Litigation

Other than as set out below, the Group is not, nor has at any time in the 12 months immediately preceding the date of this document been, engaged in any governmental, legal or arbitration proceedings and the Directors are not aware of any governmental, legal or arbitration proceedings pending or threatened by or against the Group, nor of any such proceedings having been pending or threatened at any time in the 12 months preceding the date of this document in each case which may have, or have had in the 12 months preceding the date of this document, a significant effect on the Group's financial position or profitability.

Colombian Exploration Licences

As previously announced on 19 January 2016 and 1 September 2016, Range received a notice from ANH (as defined in paragraph 1.17 of Part II of this document) revoking the licences over three exploration blocks in Colombia (PUT-5, VMM-7 and VSM-1). The licences had been awarded to the Consortium (as defined in paragraph 1.17 of Part II of this document) in December 2012. ANH alleged that its action was a result of the exploration work commitments not being fulfilled and presentation of invalid letters of credit to ANH by Optima (as defined in paragraph 1.17 of Part II of this document) to support the minimum work obligations. The JOA (as defined in paragraph 1.17 of Part II of this document) is in place amongst the Consortium partners. Under the terms of the JOA it was agreed between the Consortium that it was the sole responsibility of Optima to complete the minimum work obligations and to provide all necessary funding, including the provision of valid letters of credit in favour of ANH. Under the JOA, Range has an indemnity to recover from Optima any payment incurred by Range for any contractual obligations under the licences which were not paid by Optima. As announced on 1 September 2016, Range received a demand notice from ANH addressed to the Consortium seeking payment of the full amount of the outstanding obligations due to ANH totalling up to approximately US$53,000,000. The deadline for making the payment, or otherwise responding to ANH with a defence against the action was 7 September 2016. In conjunction with its legal advisers in Colombia, Range reviewed the demand notice and, as announced on 15 September 2016, a comprehensive response was submitted to ANH by the Consortium on 7 September 2016. This response addressed the numerous areas in which Range and the Consortium object to the demand which was received from ANH. Range has no material assets located in Colombia. In addition to the ongoing work with legal advisers in Colombia, Range has sought advice from its Australian advisers regarding the ability of ANH to try and enforce a claim against Range in Australia (where Range is incorporated). The Company's legal advisers have confirmed that there is no provision in Australian law to enable either judgments of Colombian courts, or administrative orders of ANH to be recognised in Australia. If ANH did seek to make any claim in Australia it would be required to commence court proceedings in the Australian courts and to prove its entitlement to such claim. Range would have the right to defend such claim. Range has not as at the date of this document received any claim from ANH in Australia. The Company continues to work with Optima and legal advisers to defend its position to the maximum extent possible and is considering what further action can be taken to challenge the actions taken by ANH. At this time Range cannot provide any indication of the likely timeline for any resolution to this matter.

Georgia Licence

Range believes that it holds an interest in the Georgia PSC (as defined in paragraph 6 of Part I of this document) through its 45% shareholding in SOGL. On 3 April 2017, the Government of Georgia represented by the Agency (as defined in paragraph 6 of Part I of this document), announced the Tender Announcement (as defined in paragraph 1.17 of Part II of this document). Range has been involved in the project since 2009 and has invested substantial capital since that time with funds used to complete the minimum work programme stipulated by the Georgia PSC. The Agency has previously confirmed to SOGL that this minimum work programme has been satisfactorily completed. Range believes that the Georgia PSC over Block VIA remains valid and in good standing and that the purported relicensing of the block by the Agency pursuant to the Tender Announcement would be a breach of the Georgia PSC. Range and SOGL have contacted the Agency to seek an amicable resolution to this issue and has engaged legal advisers to explore relevant route to preserve the value of its investment in Georgia. As at 30 June 2017, Range has a carried value of US$Nil attributed to its interest in the project on Range's balance sheet.

Geeta Maharaj

Range has received an invoice from Geeta Maharaj ("**Ms Maharaj**"), a Trinidad based attorney seeking payment for legal services in the amount of TT$12,019,573. The invoice purports to relate to legal work undertaken during mid-2014 including the preparation of inter-company loan agreements. Range strongly refutes the amount of this purported invoice and considers it to be vastly excessive and therefore not payable. A claim has been filed by Ms Maharaj seeking the sum of TT$12,019,573 plus interest and costs. Range filed a notice of application to strike out this claim on 14 July 2017. An initial hearing on this application was scheduled for 29 September 2017 at which the parties were ordered to file and exchange written submissions by 20th October with replies, if any, to be filed by 30 October 2017. Both parties filed and exchange written submissions and responses by the requested dates and a further hearing was scheduled for 1 December 2017. This hearing was rescheduled by the court and Range is awaiting notification of a rescheduled date, which is likely to be in early 2018.

Separately, Range has received further correspondence from Ms Maharaj on a related matter claiming damages of TT$6,000,000 on the basis of a conspiracy designed to damage Ms Maharaj's reputation. Again, Range firmly refutes the allegation and in conjunction with its legal counsel in Trinidad has responded to this demand. A claim has been filed by Mrs Maharaj seeking damages of TT$6,000,000 plus interest and costs. The Company, in conjunction with its legal counsel, has filed a defence in respect of this claim and a preliminary hearing was scheduled for 1 December 2017. This hearing was rescheduled by the court and Range is awaiting notification of a revised date, which is likely to be in early 2018.

The Company, having taken legal advice, considers the probability of Ms Maharaj succeeding in either of her claims to be remote.

Trinidad and Tobago Tax Appeals

The Group is currently involved in a number of tax appeals in Trinidad and Tobago.

On 9 February 2017, Range Trinidad (as successor to Los Bajos Oil Limited) filed appeals in respect of the BIR's assessment that Los Bajos Oil Limited (a former subsidiary of Range which amalgamated with Range Trinidad) owed additional petroleum profit taxes in the sum of TT$1,218,720.34 and additional unemployment levy of TT$121,872.03 for the financial year 2008. Los Bajos Oil Limited duly filed a petroleum profits tax return for the financial year 2008 and subsequently sought to amend the return to claim a deduction of supplemental petroleum tax liabilities for the respective financial years 2008, 2009 and 2010. Following an audit examination, the BIR assessed Los Bajos Oil Limited to one further petroleum profits tax and consequently adjusted its unemployment levy liability. The total amount of additional petroleum profit taxes in dispute is TT$1,218,720.34 and additional unemployment levy liability in dispute is TT$121,872.03.

On 9 February 2017, Range Trinidad filed appeals in respect of the BIR's assessment that Range Trinidad owed additional petroleum profit taxes in the sum of TT$4,325,000.00 and additional unemployment levy of TT$432,500.00 for the financial year of income 2008. Range Trinidad duly filed a petroleum profits tax return for the financial year of income 2008 and subsequently sought to amend the return to claim a deduction of supplemental petroleum tax liabilities for the respective income financial years 2008, 2009 and 2010. Following an audit examination, BIR assessed Range Trinidad to further petroleum profits tax and consequently adjusted its unemployment levy liability. The total amount of additional petroleum profit taxes in dispute is TT$4,325,000.00 and additional unemployment levy liability in dispute is TT$432,500.00.

The above appeals are currently at the stage of discussions with the BIR but the Group is in discussions with BIR with a view to resolving the dispute amicably. The next scheduled date for review at the Tax Appeal Board in Trinidad is 27 February 2018 for Range Trinidad and also for historic claims relating to Los Bajos Oil Limited.

Range Trinidad is also in negotiation with BIR on a separate matter with respect to a waiver of interest on an historic tax liability. In the years prior to 2012 (and prior to its acquisition by the Group), Range Trinidad was late with payment of certain taxation liabilities to BIR. The taxes due were paid in full by Range Trinidad in 2013 (following its acquisition by the Group) however the late payment attracted interest of approximately TT$22,900,000. Range Trinidad engaged tax advisers to assist with this matter and based upon advice received and verbal responses from BIR, Range Trinidad anticipates that it will receive a waiver of 75% of the assessed interest amount. Range Trinidad and its advisers are currently in negotiations with the BIR to finalise this matter and the amount payable by Range Trinidad.

15. Working capital

In the opinion of the Directors, having made due and careful enquiry, the working capital available to the Group will be sufficient for its present requirements, that is for at least 12 months from the date of Admission.

16. Taxation

16.1 United Kingdom Taxation

General

The following paragraphs are intended as a general guide only and summarise advice received by the Directors about the UK tax position of Shareholders who are resident in the UK holding shares as investments and not as securities to be realised in the course of a trade. The implications for Shareholders who acquire any shares or rights over shares in connection with an employment contract have not been considered. The paragraphs below are based on current UK legislation and HMRC practice in force at the date of this document. It should be noted that although a number of UK tax treatments referred to below refer to unquoted shares, shares on AIM are generally treated as unquoted for these purposes.

Any person who is in any doubt about their tax position or who is subject to taxation in a jurisdiction other than the UK should consult their own professional adviser.

The information in these paragraphs is intended as a general summary of the UK tax position and should not be construed as constituting advice.

16.1.1 The Company

The Company and its subsidiary companies intend to conduct their affairs so that they are managed and controlled in their jurisdiction of incorporation and, accordingly, for United Kingdom corporation tax purposes, should not be regarded by HMRC as resident within the United Kingdom. Similarly, it is not intended that the Company or any of its subsidiary companies will carry on a trade through a permanent establishment located in the United Kingdom. On that basis and on the assumption that it has no United Kingdom source income, the Company and its subsidiary companies will have no liability in respect of United Kingdom corporation tax on its income or capital gains.

No withholding tax will be deducted from dividends paid by the Company.

16.1.2 Investors

Shareholders who are resident in the United Kingdom may be liable to United Kingdom income tax or corporation tax in respect of dividend income received from the Company and to United Kingdom capital gains tax or corporation tax on chargeable gains in respect of capital gains realised on a disposal of Ordinary Shares.

In principle, UK resident but non-domiciled individual investors who retain the remittance basis of taxation should not be liable to UK income or capital gains tax upon dividend income or capital gains from the Company as HMRC should accept that the Ordinary Shares are Australian assets, unless the income or gains are remitted to the UK. It is essential that any such investors obtain specific taxation advice to confirm their own taxation position.

(a) Taxation of dividends

No UK tax is withheld from dividend payments by the Company. The Company assumes no obligation to withhold UK tax at source from dividend payments.

A distribution by the Company with respect to the Ordinary Shares, in the form of a dividend, may give rise to income taxable in the United Kingdom; this may give rise to income tax in the case of UK resident individuals or corporation tax in the case of UK resident companies. In the case of a dividend, shareholders will be taxed on the amount of dividends actually received. The first £5,000 (proposed to fall to £2,000 from 2018/19) of dividend income received by an individual in any tax year will be entirely exempt from UK income tax. The rates of tax payable over and above this will be 7.5% for basic rate taxpayers, 32.5% for higher rate taxpayers and 38.1% for additional rate taxpayers (individuals with taxable income in excess of £150,000).

United Kingdom resident companies will, in principle, be subject to corporation tax (current normal rate 19%) on any dividends paid by the Company. The application of Part 9A of the Corporation Tax Act 2009, can exempt dividends from corporation tax under certain circumstances.

(b) Taxation of capital gains

Any gain realised by a United Kingdom resident holder of Ordinary Shares on a sale or other disposal (including from liquidation or dissolution of the Company) of their Ordinary Shares may, depending on their circumstances and subject as mentioned below, be subject to United Kingdom capital gains tax (in the case of individuals) or corporation tax on chargeable gains (in the case of companies).

The base cost of the Ordinary Shares will usually be determined by the price paid for the shares. However, if the shares have been acquired through a share for share reorganisation, and certain conditions are satisfied, the new shares are treated as acquired at the same time, and for the same cost, as the old shares.

For UK resident individuals capital gains tax at the rate of 10% for basic rate taxpayers or 20% for higher or additional rate taxpayers applies to any chargeable gains realised. Individuals may benefit from certain reliefs and allowances (including a personal annual exemption of £11,300 for the current 2017/18 tax year) depending on their circumstances.

For UK resident companies the chargeable gain will be subject to UK corporation tax (current main rate 19%). In certain circumstances a UK resident company that holds 10% or more of the Ordinary Shares may benefit from a capital gains tax exemption under the Substantial Shareholding Exemptions legislation.

It is anticipated that Shareholders will realise their shareholdings in the Company by means of a sale on AIM and it is not intended that there will be any other arrangements whereby a Shareholder can realise all or part of their investment by reference to the net asset value of the underlying assets. Accordingly, the Company should not be an Offshore Fund as defined in Section 355 Taxation (International and Other Provisions) Act 2010 and any such gain should be subject to tax under the normal capital gains principles set out above.

(c) Stamp Duty and Stamp Duty Reserve Tax ("**SDRT**")

No United Kingdom stamp duty or SDRT will arise on the issue of Ordinary Shares. Generally, no United Kingdom stamp duty or SDRT is payable on a transfer of, or agreement to transfer, Depositary Interests within CREST or Ordinary Shares executed outside of the United Kingdom provided certain conditions are satisfied.

(d) Transfer of Assets Abroad

Individual investors ordinarily resident in the UK for tax purposes should note that Chapter II of Part 13 of the Income Tax Act 2007 may render them liable to income tax, in respect of undistributed income or profits of the Company. These provisions are aimed at preventing the avoidance of income tax by individuals through a transaction resulting in the transfer of assets or income to persons (including companies) resident, or domiciled abroad where the transferor has, or is deemed to have, power to enjoy the income of the transferee. However, these provisions will not apply if either: (i) it would not be reasonable to draw the conclusion, from all the circumstances of the case, that the purpose of avoiding liability to United Kingdom taxation was not the purpose or one of the purposes of his investment in the Company; or transferee or (ii) the investment was a genuine commercial transaction and it would not be reasonable to draw the conclusion, from all the circumstances of the case, that the transaction was more than incidentally designed for the purpose of avoiding United Kingdom taxation.

(e) Controlled Foreign Companies Legislation

The attention of companies resident in the United Kingdom is drawn to the fact that the "controlled foreign companies" provisions currently contained in part 9A of the Taxation (International and other Provisions) Act 2010 could be material to any company so resident that has an interest in the Company such that 25% or more of the Company's profits for an accounting period could be apportioned to them, if at the same time the Company is controlled by companies or other persons who are resident in the United Kingdom for taxation purposes. The effect of such provisions could under certain circumstances be to render such companies liable to United Kingdom corporation tax in respect of their share of the relevant profits of the Company. Companies to which these provisions may be relevant should take their own specific advice on this issue.

(f) Section 13 Taxation of Chargeable Gains Act 1992 *("**TCGA**")*

The attention of investors resident or ordinarily resident in the United Kingdom is drawn to the provisions of Section 13 TCGA under which, in certain circumstances, a portion of capital gains made by the Company can be attributed to an investor who holds, alone or together with associated persons, more than 25% of the Ordinary Shares. Under certain circumstances, the Shareholder could suffer capital gains tax or corporation tax liabilities on this basis. It should be noted that the definition of 'associated persons' for these purposes is widely drawn.

16.2 Australian Taxation

Australian taxation implications for Australian and UK Residents Investing in the Company

This paragraph 16.2 contains a summary of the potential Australian taxation implications of the future disposals of Ordinary Shares by, and payment of future dividends to, Shareholders.

The tax implications for Shareholders will vary depending on a Shareholder's particular circumstances.

The following information is provided as a general guide only and should not be viewed as tax advice in relation to the specific circumstances of Shareholders. The information provided does not represent a complete analysis of all potential tax implications associated with the disposal of Ordinary Shares or the payment of dividends. Shareholders should consult their own tax advisers as to the potential tax consequences in respect of their own particular circumstances, including advice regarding tax return reporting requirements, applicable tax laws and the effect of any proposed changes in tax laws.

The general description provided in this section is only relevant to the Australian taxation position of Shareholders who hold Ordinary Shares on capital account and who continue to be Shareholders at the time the relevant transactions are undertaken. It does not apply to Shareholders who hold their Ordinary Shares on revenue account or as trading stock or who acquired their shares under an employee share scheme. Such shareholders should seek their own advice on the Australian taxation law consequences of a disposal of Ordinary Shares. Shareholders who are not residents of Australia for tax purposes should also seek their own advice in relation to the taxation consequences arising from the relevant transactions under the laws of their country of residence.

16.2.1 Income tax consequences of Admission to the AIM market

The admission of tradable securities of the Company to AIM, of itself, will not have any tax consequences. In particular, the act of admission itself will not alter the residency of the Company for tax purposes. Shareholders will continue to hold shares in a company which is resident in Australia for tax purposes and there will not be any tax event for Shareholders as a result of admission.

16.2.2 Income tax consequences of future share disposals

a) Australian resident shareholders

(i) Australian resident shareholders that hold Ordinary Shares on capital account will derive a capital gain on disposal of Shares where the capital proceeds for the disposal (broadly, the consideration for disposal) exceed the cost base of the Ordinary Shares. The cost base generally is equal to the consideration paid to acquire the Ordinary Shares plus incidental costs (e.g. brokerage);

(ii) An Australian resident shareholder will make a capital loss on the disposal of Ordinary Shares where the capital proceeds received on disposal are less than the reduced cost base of the Ordinary Shares.

(iii) The assessable income of an Australian resident taxpayer includes a net capital gain for an income year. The net capital gain is calculated by adding all capital gains of the taxpayer for the income year to all capital losses for that year. A net capital loss cannot be deducted from a taxpayer's assessable income for the year, but can generally be carried forward to reduce a net capital gain in future income years.

(iv) Any capital gain from the disposal of Ordinary Shares may qualify as a discount capital gain for certain Shareholders. For example, an individual, a trustee of a trust, a complying superannuation fund, and, in certain circumstances, life insurance companies will be eligible for a capital gains tax discount if they have held Ordinary Shares for at least 12 months before disposing of them. Where the capital gains tax discount applies, the amount of the capital gain may be discounted by 50% for individuals or trusts, and 33.3% for complying superannuation funds and life insurance companies in respect of certain investments.

b) Non-resident shareholders

(i) Non-Australian resident Shareholders who hold Ordinary Shares on capital account will not be subject to Australian capital gains tax on the disposal of Ordinary Shares unless:

1. the non-resident, together with associates, has a holding of at least 10% of all the issued Ordinary Shares of the Company (non portfolio interest); and

2. at the time of disposal, more than 50% of the market value of the assets of the Company is represented (directly or indirectly) by real property interests in Australia or certain mining rights in Australia.

(ii) Non-Australian resident Shareholders are not entitled to discount capital gains in respect of the disposal of Ordinary Shares that were acquired by the Shareholder after 8 May 2012.

(iii) Relevant double taxation agreements may affect the Australian capital gains tax rules for non-resident Shareholders on the disposal of Ordinary Shares.

(iv) Non-resident Shareholders who have a non-portfolio interest together with their associates in the circumstances described above should seek specific Australian tax advice. Non-resident Shareholders that have previously been Australian residents should also seek specific Australian tax advice.

16.2.3 Income tax consequences of payment of dividends

a) Australian resident Shareholders

(i) Dividends must be included in the assessable income of Australian resident Shareholders in the income year that the dividend is paid. The Shareholders that receive the dividends may be entitled to a tax credit (a 'franking credit') where the company has paid income tax on profits from which the dividend is paid. Dividends may be partly or fully franked. A partly franked dividend is treated as comprised of a fully franked component and an unfranked component.

(ii) The amount that must be included in assessable income of the Shareholder is the amount of the dividend paid plus any franking credit that accompanies the dividend. The tax offset available to the Shareholder is generally equal to the franking credit amount attached to the dividend.

(iii) In order for individual shareholders to be entitled to claim the tax offset in relation to franked dividends, the recipient of the dividend must be a 'qualified person'. To be a qualified person, the two tests that need to be satisfied are the 'holding period rule' (generally referred to as the '45 day rule') and the 'related payments rule'.

Broadly, if individual shareholders have held shares at risk for at least 45 days (excluding the dates of acquisition and disposal), they are able to claim the tax offset for the amount of any franking credits attaching to the dividend.

(iv) Australian resident shareholders who do not provide their Australian Business Number or tax file number may have an amount withheld (up to 47%) from unfranked dividends paid by the Company. No amount should be withheld from the franked part of a dividend.

(v) There are rules in the tax law whereby part or all of certain payments to Shareholders may be deemed by the Commissioner of Taxation to be dividends in certain circumstances, despite the fact that the payment is not a dividend declared by directors or paid out of profits or a profit reserve.

b) Non-resident Shareholders

(i) Subject to the operation of a double taxation agreement, unfranked dividends paid by the Company to non-resident Shareholders will generally be subject to withholding tax at the rate of 30%. A lower rate of withholding tax within a range of 0% to 15% will generally apply where the Shareholder is a resident of country with which Australia has a double taxation agreement.

(ii) Franked dividends paid to non-resident Shareholders will generally not be subject to withholding tax.

(iii) Non-Australian resident Shareholders may be assessable for tax on any dividends in their country of residence. They should consider the impact of dividends under their domestic tax regime.

16.2.4 Stamp duty and goods and services tax ("**GST**")

No Australian stamp duty or GST should apply to a transfer of listed shares or to the payment of dividends.

17. Summary of relevant Australian takeover laws and regulations

As the Company is incorporated in Australia, the UK City Code on Takeovers and Mergers (the "**City Code**") does not apply to the Company. Accordingly, the Company will not be subject to takeover regulations in the UK. Investors should be aware that the protections afforded to shareholders by the City Code which are designed to regulate the way in which takeovers are conducted in the UK will not be available. It is therefore possible that an offeror may gain control of the Company in circumstances where the non-selling shareholders do not receive, or are not given the opportunity to receive, the benefit of any control premium paid to the selling shareholder(s).

Details of the Australian takeover regime applicable to the Company are set out below.

Takeover provisions

The takeover provisions of the Australian Corporations Act apply to dealings in Ordinary Shares and other securities of the Company. Subject to certain exceptions, the Australian Corporations Act prohibits the acquisition of a relevant interest in the voting shares of an Australia company that is either listed on a prescribed stock exchange (including ASX) or has more than 50 shareholders if, as a result of the acquisition, the voting power of the acquirer (or any other person):

- increases from 20% or below to more than 20%; or

- increases from a starting point which is above 20% but less than 90%.

A person's voting power for these purposes is equal to the aggregate relevant interest of the person and their associates in the voting shares of the relevant company.

A person has a relevant interest in a share if they have the power to control disposal of that share or to control the exercise of the right to vote in respect of that share. A person also has a relevant interest in any share held by a body corporate or managed investment scheme they control or in which they have voting power above 20%. These concepts are broad and, for example, a person can have a relevant interest and voting power in a share as a result of an agreement to purchase the share (even a conditional agreement) or a call option to acquire the share.

There are several exceptions which allow acquisitions which would otherwise be prohibited from taking place. These exceptions include acquisitions (provided certain requirements are met):

- under a formal takeover offer in which all shareholders can participate;
- approved by a majority of shareholders who are not parties to the transaction, such approval given at a general meeting of the company;
- in 3% increments every six months (provided that the acquirer has had voting power of at least 19% in the company at all times during the six months prior to the acquisition);
- *pro rata* offers of new shares in which all shareholders can participate; or
- by an underwriter or sub-underwriter to offers of securities in the company in certain circumstances.

If a person wishes to acquire more than 20% of a company, or increase a holding which is already beyond 20%, the person must do so under one of the exceptions

Compulsory acquisition

The Australian Corporations Act provides that a person who has made a takeover bid which results in, at the end of the offer period, that person (and its associates) having a relevant interest in at least 90% of the issued shares and having acquired 75% (by number) of the shares that that person offered to acquire under the bid, may compulsorily acquire any remaining shares it does not hold at the same price offered under the bid within one month after the end of the offer period. In addition, and even if a takeover bid has not been made, a person who otherwise lawfully acquires a relevant interest in at least 90% of the issued shares is able to acquire the remaining shares for fair value (as determined by an independent expert).

Sell out

The Australian Corporations Act permits a minority shareholder to require an offeror to acquire its shares if the offeror has a relevant interest in at least 90% (by number) of the issued shares that the person offered to acquire under a takeover bid.

Scheme of arrangement

In addition to takeover bids, the other main method of acquiring all of the voting shares of an Australian listed company is a scheme of arrangement. A scheme of arrangement is a statutory procedure under the Australian Corporations Act that allows a company to reorganise its capital structure to give effect to a proposal, such as transferring all of the voting shares in a company to a bidder.

Unlike a takeover bid, a scheme of arrangement is a legal process involving the target company and its shareholders consenting to a proposal that will bind all shareholders. For a scheme of arrangement to bind all shareholders, the following majority approvals must be obtained from shareholders:

- head count test – a simple majority in number (more than 50%) of the shareholders who vote; and
- voted shares test – at least 75% of the total number of votes cast.

The scheme of arrangement must also be approved by an Australian court, having regard to whether the majority approvals of shareholders have been obtained.

The advantage of a scheme of arrangement compared to a takeover bid is that a change of control of the company can be effected by achieving the above majority approvals, which does not require the unanimous agreement of all shareholders.

Unlike a takeover bid, the bidder has a limited role in a scheme of arrangement as the process is controlled by the target company whose co-operation is required to put forward the bidder's proposal before a meeting of the target company's shareholders. The co-operation of the target company means that it would be difficult for a bidder to effect a change of control by a hostile scheme of arrangement. For these reasons, the bidder's role in a scheme of arrangement is generally confined to:

- making the proposal to acquire all the shares in the target company by scheme of arrangement;
- negotiating and entering into a scheme implementation agreement setting out the obligations of the target and bidder to co-operate to give effect to the implementation of the scheme of arrangement; and
- providing input into the target company's explanatory statement to shareholders which explains why the target company is proposing the scheme of arrangement.

Once the terms of the scheme implementation are agreed, the target will then draft a notice of meeting to shareholders, commonly referred to as a scheme booklet, explaining the terms of the proposed scheme of arrangement and containing all information shareholders require when deciding whether to approve the scheme of arrangement. The scheme booklet is then lodged with the Australian corporate regulator, ASIC, for review.

Following ASIC's review of the scheme booklet, the target company will apply to an Australian court for an order to convene a meeting of its shareholders to consider and vote on the proposed scheme of arrangement. After the approval of an Australian court is received, the scheme booklet is despatched to the target company's shareholders and a shareholders meeting convened to consider the proposed scheme of arrangement.

If the target company's shareholders approve the scheme of arrangement at the meeting, the target company will then notify ASIC and apply for a second hearing before an Australian court seeking approval of the scheme of arrangement. The Australian court then has the discretion to either approve or decline the scheme of arrangement, but will not substitute its assessment of the merits of the scheme of arrangement for that of the majority shareholders who voted in favour of it. Shareholders of the target company may appear at the second hearing and petition the Australian court to not approve the proposed scheme of arrangement if they believe it prejudices their interests or that the scheme has failed to meet legal requirements. ASIC may also appear at the second hearing if it objects to the proposed scheme.

Once the scheme of arrangement is approved by an Australian court, it becomes legally binding on all shareholders of the target company, including those who voted against the scheme or omitted to vote, as soon as the court's order is lodged with ASIC. Following lodgement of the court order with ASIC, the scheme will be implemented according to its terms.

18. General

18.1 Total costs and expenses payable by the Company in connection with the Admission (including professional fees, commissions, the costs of printing and the fees payable to the registrars) are estimated to amount to approximately £750,000 (excluding VAT).

18.2 BDO LLP, which is a member firm of the Institute of Chartered Accountants in England and Wales, has given and has not withdrawn its written consent to the inclusion of its reports in Part 1 of Section B of Part III of this document in the form and context in which it is included and accepts responsibility for its reports under Schedule Two of the AIM Rules.

18.3 Cantor Fitzgerald Europe has given and not withdrawn its written consent to the inclusion in this document of the references to its name in the form and context in which they are included.

18.4 Rockflow has given and has not withdrawn its written consent to the inclusion in this document of the Trinidadian CPR set out in Part V of this document, and the references thereto and to its name, in the form and context in which they appear and has authorised the contents of those parts of this document. This report was prepared at the request of the Company. Rockflow has no interest in the share capital of the Group.

18.5 LEAP has given and has not withdrawn its written consent to the inclusion in this document of the Indonesian CPR set out in Part VI of this document, and the references thereto and to its name, in the form and context in which they appear and has authorised the contents of those parts of this document. This report was prepared at the request of the Company. LEAP has no interest in the share capital of the Group.

18.6 Save as disclosed in this document, the Directors are not aware of any patents or intellectual property rights, licences or industrial, commercial or financial contracts or new technological processes which may be of material importance to the Company's business or profitability.

18.7 Save as disclosed in this document, there has been no significant change in the financial or trading position of the Group since 30 June 2017, being the date to which the latest published financial information was prepared.

18.8 The Ordinary Shares are in registered form and may be held in certificated or uncertificated form (as Depositary Interests). No temporary documents of title will be issued.

18.9 Save as set out below or as otherwise set out in this document, no person (other than a professional adviser referred to in this document or trade supplier) has:

18.9.1 received, directly or indirectly, from the Company within the 12 months preceding the Company's application for Admission; or

18.9.2 entered into contractual arrangement (not otherwise disclosed in this Document) to receive, directly or indirectly, from the Company on or after Admission any of the following:

(a) fees totaling £10,000 or more;

(b) securities in the Company with a value of £10,000 or more calculated by reference to the expected opening price; or

(c) any other benefit with a value of £10,000 or more at the date of Admission.

18.9.3 *East Energy (Group) Limited Consultancy Agreement*

The Company has entered into a consultancy agreement with East Energy (Group) Limited dated 10 November 2016 under which East Energy (Group) Limited was engaged to procure the services of Mr Lijun Xiu to provide technical consultancy services to the Company and any affiliate (excluding Range Trinidad). Compensation of US$7,000 per month was payable under the agreement, plus reimbursement for expenses. In addition, a one-off payment of US$104,000 was made by the Company. The agreement expired on 30 April 2017 and has not as at the date of this document been extended, although it is anticipated that the agreement may be extended or renewed on similar terms.

18.9.4 *Energy Prospecting Technology USA Inc Consultancy Agreement*

The Company has entered into a consultancy agreement with Energy Prospecting Technology USA Inc dated 9 December 2016 under which Energy Prospecting Technology USA Inc was engaged to provide technical consultancy services to the Company. A fee of US$5,833.33 per month was payable by the Company plus reasonable costs and expenses. The agreement expired on 31 October 2017 and will not be extended.

18.9.5 *LandOcean Hong Kong Investment Holding Group Limited Consultancy Agreement*

Range HK has entered into a consultancy agreement with LandOcean Hong Kong Investment Holding Group Limited ("**LandOcean Hong Kong**") dated 6 October 2017 (the "**Indonesian Consultancy Agreement**") under which LandOcean Hong Kong Investment Holding Group Limited is engaged from 1 November 2017 to provide management consultancy services to Range HK in relation to Range HK's asset and operations in Indonesia. Pursuant to the Indonesian Consultancy Agreement, LandOcean Hong Kong has agreed to procure that Mr Frank Feng will perform the consultancy services to Range HK. A fee of US$25,000 per quarter is payable under the agreement, plus reimbursement for costs and expenses. The Indonesian Consultancy Agreement will expire on 6 October 2018 (unless terminated earlier in accordance with its terms) but the parties may agree to extend the agreement on a year-by-year basis.

18.9.6 *HK Mina Engineering Services Consulting Co. Limited Consultancy Agreement*

Range HK has entered into a consultancy agreement with HK Mina Engineering Services Consulting Co. Limited (''**Mina**'') dated 28 November 2017 (the ''**Mina Consultancy Agreement**'') under which Mina is engaged from 1 November 2017 to provide management consultancy services to Range HK in relation to Range HK's asset and operations in Indonesia. Pursuant to the Mina Consultancy Agreement, Mina has agreed to procure that Mr Zhilin Li will perform the consultancy services to Range HK. A monthly fee of US$4,500 is payable under the agreement, plus reimbursement for costs and expenses. The Mina Consultancy Agreement will expire on 28 November 2018 (unless terminated earlier in accordance with its terms) but the parties may agree to extend the agreement on a year-by-year basis.

18.10 Save for the (i) RRDSL Acquisition; (ii) the Hengtai Acquisition (iii) as otherwise disclosed in this document, since the period of the financial information set out in Parts III and IV of this document, the Group has made no principal investments and there are no principal investments in progress; and (iii) the Group has not made firm commitments concerning future investments which are or may be significant.

18.11 The financial information for the relevant accounting period set out in the reports in Part III of this document does not constitute statutory accounts of the Company within the meaning of section 434 of the UK Companies Act.

18.12 No financial information contained in this document is intended by the Company to represent or constitute a forecast of profits by the Company or to constitute publication of accounts by it.

18.13 Save as disclosed in this document, the Company is not aware of any arrangements which may at a subsequent date result in a change of control of the Company.

18.14 Save as disclosed in this document, there are no provisions in the Constitution which would have the effect of delaying, deferring or preventing a change of control of the Company.

18.15 No public takeover bids have been made by third parties in respect of the Company's issued share capital since its incorporation up to the date of this Document.

18.16 Insofar as the Directors are aware, the percentage of Ordinary Shares not in public hands (as that expression is defined in the AIM Rules for Companies) on Admission is expected to be approximately 42%.

18.17 Save as disclosed in this document, there are not, either in respect of the Company or its subsidiaries, any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for at least the current financial year. There have no significant recent trends in production, sales and inventory and costs and selling prices since 30 June 2017, being the date of the Group's latest consolidated assets.

18.18 Save as disclosed in this document, there are no mandatory takeover bids and/or squeeze out and sell-out rules in relation to the Ordinary Shares.

18.19 Save for the information set out in Part III of this document, no other audited information is included in this document.

18.20 Save as disclosed in this document, the Directors are not aware of any exceptional factors which have influenced the Group's recent activities.

18.21 Save as disclosed in this document, the Directors are not aware of any environmental issues that may affect the Company's utilisation of its tangible fixed assets.

18.22 Save as disclosed in this document, the Company has not, nor has any person has its behalf, made any payments aggregating more than £10,000 to any government or regulatory authority or similar body with regard to the acquisition of, or maintenance of its assets.

18.23 The Directors are not aware of any other information that they should reasonably consider as necessary for the investors to form a full understanding of: (i) the assets and liabilities, financial position, profits and losses, and prospects of the Company and the securities for which Admission is being sought; (ii) the rights attached to those securities; and (iii) any other matter contained herein.

19. Third Party Information

Where information has been sourced from a third party, the information has been accurately reproduced and, as far as the Company and the Directors are aware and are able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Reference materials include various historical and recent publications.

20. Documents Available for Inspection

20.1 Copies of the following documents will be available for inspection from the offices of Pinsent Masons at 30 Crown Place, Earl Street, London, EC2A 4ES during normal business hours on any weekday (Saturdays and public holidays excepted) from the date of this document until at least one month after the date of Admission:

- 20.1.1 the Constitution;
- 20.1.2 the Trinidadian CPR;
- 20.1.3 the Indonesian CPR;
- 20.1.4 a copy of this document; and
- 20.1.5 the historical financial information of the Group set out in Section A, Section B and Section C of Part III of this document.

20.2 A copy of this document is also available on the Company's Website.

Dated: 7 December 2017