



Range Resources Limited ('Range' or 'the Company')  
31 January 2018

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### QUARTERLY ACTIVITIES REPORT

Range, an international oil and gas company with assets in Trinidad and Indonesia, and an oilfield services business in Trinidad, provides its quarterly activities report for the period ended 31 December 2017.

During the quarter Range undertook significant investment in the growth of its asset portfolio with completion of acquisitions in Indonesia and Trinidad. This was achieved whilst also seeing a 9% growth in oil production compared to the previous quarter.

### PRODUCTION AND FINANCIAL SUMMARY

Key Performance Metrics		December Quarter Q2 FY18	September Quarter Q1 FY18	Change %
Total oil production (net to Range)	<i>bbl</i>	58,034	53,304	9%
Daily average oil production (net to Range)	<i>bopd</i>	631	579	9%
Receipt from sales and debtors	<i>US\$m</i>	2.7	2.3	17%
Capital expenditure	<i>US\$m</i>	1.0	1.1	(9%)
Closing cash & liquid assets*	<i>US\$m</i>	10.9	17.7	(38%)

\* This includes the cash on hand plus amount of immediately refundable advance deposit paid in respect of RRDSL acquisition

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## CORPORATE

### ***Admission to trading on Alternative Investment Market (“AIM”)***

During the quarter, the Company's ordinary shares were admitted to trading on AIM effective 13 December 2017, under the ticker "RRL". The Company published an admission document which can be viewed on Range's website [www.rangeresources.co.uk](http://www.rangeresources.co.uk).

### ***Completion of acquisition of oil and gas interests in Indonesia***

During the quarter, Range completed the acquisition of interests in an established oil block in Indonesia. As per terms of the acquisition, the Company has acquired an indirect 23% interest (to increase to 42% upon completion of the minimum work programme) in the Perlak field located in a mature hydrocarbon province of Northeast Sumatra. Please refer to Operations section below for further details on the project.

### ***Completion of acquisition of Range Resources Drilling Services Limited (“RRDSL”)***

Following shareholder approval at the General Meeting of the Company held on 30 November 2017, the acquisition of RRDSL completed during the quarter. RRDSL is an established oilfield services provider with successful track record of operations for almost 15 years. RRDSL's assets are capable of supporting a wide variety of oilfield operations and benefit from one of the most modern rig fleets across the Caribbean.

RRDSL has been providing all of Range's oilfield services in Trinidad, including drilling, waterflood and workovers since 2003. The acquisition is expected to reduce the operating costs associated with Range's upstream operations in Trinidad and provide substantial operational flexibility.

Range's objective is to increase upon the existing levels of business with other operators to provide additional revenue stream. The longer-term goal of the Company is to establish RRDSL as a profitable oilfield services company, providing operations to a wide range of counterparties in the Caribbean and Latin America. Further information on RRDSL and its services can be found on the website: [www.rangedrilling.com](http://www.rangedrilling.com).

During the quarter, Range advanced a partial payment of US\$2.8 million to LandOcean Petroleum Corp. Ltd as part of the consideration for the RRDSL acquisition. The payment is on a refundable basis and the funds will be immediately repayable to Range upon the Company's request. This early, refundable payment will benefit Range as it will no longer have to pay the 6% interest rate per annum accruing on the amount of consideration.

### ***Termination of proposed acquisition of the West Coast assets***

During the quarter, Range announced that the proposed acquisition of the West Coast assets in Trinidad from Trinity Exploration and Production plc had been terminated. The US\$4.55 million deposit which was paid by Range upon execution of the sale and purchase agreement was returned to Range during the quarter.

## OPERATIONS – TRINIDAD

### *Development drilling*

Subsequent to the period end, Range announced that the GY 684 development well located at the Beach Marcelle field, which was drilled in December 2017 was successfully brought into production at a stabilised rate of 120 bopd on a restricted choke. The Company is encouraged by the results from this well, which is one of the best producing wells drilled by Range in recent years in Trinidad. At the date of this publication, the well continues to flow at a rate of approximately 100 bopd.

### *Waterflood update*

Range's focus in Trinidad continues to be on the production growth from its waterflood programme, with over 70% of total reserves attributed to these projects – approximately 11 MMstb of 2P reserves.

Production from the waterflood programme has been increasing over the last months, with approximately 36% of Range's average production for the quarter attributed to waterflood.

During the period, production at the South East area of Beach Marcelle field continued at an average rate of 190 bopd. Production from Range's second waterflood programme at the Morne Diablo field continued at an average rate of 40 bopd.

At the South East area of Beach Marcelle field, the Company completed the construction of a pipeline to connect to additional water supply which has the potential to increase the injection rate by additional 700 bwpd. Transfer of this additional water source has been temporarily suspended, pending installation of a new pump.

### *Workovers*

The Company continues to undertake workovers on the existing wells to provide additional production. 66 workovers have been completed during the period.

### *Publication of a Competent Person's Report ("CPR")*

During the period, the Company published the CPR on its Trinidad assets completed by the independent consultants Rockflow Resources Ltd. The CPR confirmed net 2P reserves of 16 MMstb and net 2C contingent resources of 8 MMstb. A copy of the CPR is available on Range's website: <http://www.rangeresources.co.uk/operations/reserves-and-resources/>.

## OPERATIONS – INDONESIA

Following completion of the acquisition of interests in the Perlak field on 30 October 2017, the Company has commenced the initial geological and geophysical studies which form part of the agreed minimum work programme obligation ("MWO"). The MWO covers a 3-year period and in addition to studies includes well surveying, well workovers, and drilling of one new well.

The planned work programme is aimed at re-initiating production from the existing wells, firming up the field development plan, and fully exploiting the potential resources.

The Perlak field is one of the oldest producing fields in the world, first discovered in 1899 and lies on-trend with many producing hydrocarbon fields, including the giant Arun field. The field was produced

primarily in the period up to the early 1940s and there has been limited activity carried out since that time. Approximately 50 mmbbls have been produced to date from shallow depths of less than 3,300 feet of very light oil with average API of 45-50 degrees.

## **Publication of a CPR**

During the period, the Company published an independent CPR on the Perlak field completed by LEAP Energy Partners Sdn Bhd. The CPR estimates net (based on Range's initial 23% interest) 2C contingent resources of 10.9 Bscf and 3.1 MMstb. A copy of the CPR is available on Range's website: <http://www.rangeresources.co.uk/operations/reserves-and-resources/>.

## **Work programme for 2018**

The Company is in the process of finalising budget and work programme. Once finalised, Range will be publishing its consolidated work programme for both Trinidad and Indonesia.

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

<b>Tenement Reference</b>	<b>Location</b>	<b>Working Interest</b>	<b>Operator</b>
Morne Diablo	Trinidad	100%	Range
South Quarry	Trinidad	100%	Range
Beach Marcelle	Trinidad	100%	Range
St Mary's	Trinidad	80%	Range
Guayaguayare Shallow <sup>1</sup>	Trinidad	65%	Range
Guayaguayare Deep <sup>1</sup>	Trinidad	80%	Range
Perlak <sup>2</sup>	Indonesia	23%	Aceh Timur Kawai Energi

### **Notes:**

- 1. The Production Sharing Contracts relating to Guayaguayare expired in 2015. Any renewal will be subject (inter alia) to government and other regulatory approvals.*
- 2. 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 Aceh Timur Kawai Energi.*

## **Competent Person statement**

*The information contained in this announcement has been reviewed and approved by Mr Lijun Xiu. Mr Xiu is a suitably qualified person with over 30 years' experience in assessing hydrocarbon reserves, and holds a Bachelor degree in Geological Prospecting. In addition, he 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 is a member of the SPE (Society of Petroleum Engineers). Mr Xiu holds a role of a Vice President of Operations and Production with the Company.*

*The reserves stated in this announcement are prepared in accordance with the definitions and guidelines of the SPE Petroleum Resources Management System (SPE-PRMS). The reserve figures for Trinidad*

are reported net, including the volumes in respect of the notional over-riding royalty, which is paid in the form of a tax to Petrotrin. The reference point is defined as the point of sale volumes.

The reserve and resource estimates were calculated using both the deterministic and probabilistic methods.

## **Note relating to statutory disclosure of significant shareholdings**

Statutory disclosure of significant shareholdings (as defined in the AIM Rules) is different for Australian companies and may not always ensure compliance with the requirements of Rule 17 of the Aim Rules. All shareholders who are holding (directly or indirectly), 3% or more of the issued and outstanding Ordinary Shares are requested to notify the Company without delay of any changes to their holding which increase or decrease such holding through any single percentage. Likewise, shareholders who acquire 3% or more of the issued and outstanding Ordinary Shares are requested to notify the Company without delay.

## **Glossary**

**Bbl** – barrel

**Bopd** – barrels of oil per day

**Bscf** – billion of standard cubic feet of gas

**Bwpd** – barrels of water per day

**Mmbbls** – million barrels of oil

**MMstb** – million stock-tank barrels of oil

**2P** – Proved plus Probable reserves. Probability of success 50%

**2C** – a best estimate category of Contingent Resources

## Contact Details

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## Appendix 5B

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

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

## Name of entity

Range Resources Limited

## ABN

88 002 522 009

## Quarter ended ("current quarter")

31 December 2017

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (6 months) \$US'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	2,747	5,078
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	(751)	(1,722)
(c) production	(201)	(340)
(d) staff costs	(634)	(1,227)
(e) administration and corporate costs	(819)	(1,057)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	26	83
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid/refunded	(610)	791
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(242)</b>	<b>1,606</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments*	(960)	(1,600)
(d) other non-current assets	-	-

+ See chapter 19 for defined terms.

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$US'000</b>	<b>Year to date (6 months) \$US'000</b>
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**	(3,787)	(4,808)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)***	(2,800)	(2,800)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(7,547)</b>	<b>(9,208)</b>

\* Investments represent amounts paid for acquisition of equity in Hengtai (Indonesia project).

\*\* Loans to other entities are pre-acquisition loans to RRDSL (US\$3,095,000) and to Aceh Timur Kawai Energi (US\$691,000)

\*\*\* Refundable payment in advance for RRDSL acquisition

<b>3.</b>	<b>Cash flows from financing activities</b>		
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*	(1,600)	(1,600)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(1,600)</b>	<b>(1,600)</b>

\*Amount represents the yearly interest paid on the US\$20,000,000 convertible loan facility.

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	17,662	17,458
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(242)	1,606
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(7,547)	(9,208)

+ See chapter 19 for defined terms.

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$US'000</b>	<b>Year to date (6 months) \$US'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(1,600)	(1,600)
4.5	Effect of movement in exchange rates on cash held	(133)	(116)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>8,140</b>	<b>8,140</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$US'000</b>	<b>Previous quarter \$US'000</b>
5.1	Bank balances	8,140	13,112
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other*	-	4,550
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>8,140</b>	<b>17,662</b>

\*Amount held in escrow account in the previous quarter has now been released as the proposed acquisition of the West Coast assets in Trinidad has been terminated.

<b>6.</b>	<b>Payments to directors of the entity and their associates</b>	<b>Current quarter \$US'000</b>
6.1	Aggregate amount of payments to these parties included in item 1.2	165
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

+ See chapter 19 for defined terms.



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

<b>7. Payments to related entities of the entity and their associates</b>	<b>Current quarter \$US'000</b>
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	

-

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$US'000</b>	<b>Amount drawn at quarter end \$US'000</b>
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

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

9. Estimated cash outflows for next quarter	\$US'000
9.1 Exploration and evaluation	-
9.2 Development	400
9.3 Production	700
9.4 Staff costs	1,100
9.5 Administration and corporate costs	1,600
9.6 Other (provide details if material)*	1,000
<b>9.7 Total estimated cash outflows</b>	<b>4,800</b>

\* 3<sup>rd</sup> tranche of acquisition payment for Hengtai

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	-	-	-	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	Perlak Field, Indonesia	-	Nil	23%

### 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: 31 January 2018

Director

Print name: Yan Liu

+ See chapter 19 for defined terms.

**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.