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## **DEBT RESTRUCTURING AND TRINIDAD SALE AGREEMENTS SIGNED**

Range, an international company with oil and gas projects and oilfield service businesses in Trinidad and Indonesia, is pleased to announce that following continued negotiations with the Company’s debt holder LandOcean Energy Services Co., Ltd. ("LandOcean"), the parties have successfully signed a binding conditional Sale and Purchase Agreement for the sale of Range Resources Trinidad Limited ("RRTL") to LandOcean (the "SPA") in exchange for (i) offsetting all outstanding debt and payables (including the convertible note) due from Range and its subsidiaries to LandOcean and its subsidiaries, and (ii) a cash consideration of US\$2.5 million (the "Transaction").

### **Key highlights:**

- **Binding conditional agreements signed with LandOcean for the sale of RRTL in exchange for offsetting all outstanding debt due from Range to LandOcean (currently estimated at c. US\$91 million) and cash consideration payable to Range of US\$2.5 million;**
- **From the date of signing the SPA, all payables by Range to LandOcean under any debt agreements will be deferred, pending completion of the Transaction;**
- **Upon completion of the Transaction, the Company’s indebtedness will be fully extinguished and all debt agreements will be terminated;**
- **The first tranche of the cash consideration of US\$0.5 million will be payable upfront as deposit. Range will provide mortgages over its workover and swabbing rigs as security, with such mortgages to be released upon completion or termination of the SPA;**
- **The completion is subject to shareholder and government approvals;**
- **Range’s shareholder meeting to consider the Transaction is planned for November 2019;**
- **As part of a wider restructuring, the Company continues to evaluate new opportunities and to review its strategy with regards to the drilling business in Trinidad and interests in the oil and gas project in Indonesia.**

## **Range's Chairman, Kerry Gu, commented:**

*"I am delighted that we have been successful at signing this milestone agreement with LandOcean, which (if completed) will allow the Company to be completely debt-free and have sufficient cash resources to progress with new opportunities. The removal of debt is a fantastic outcome for the Company's shareholders and is vital to restore our financial health, increase liquidity and improve shareholder sentiment. I am also pleased with the consideration value of RRTL of almost US\$95 million which is a testament to the quality of our Trinidad upstream assets.*

*Over the coming months, our focus will be aimed at securing the necessary approvals to complete this transformative transaction. As part of a wider strategy, we will also continue to evaluate new acquisition targets and review opportunities for our drilling business in Trinidad and interests in the Indonesian oil and gas project.*

*I am very excited about the future of our Company and once again would like to thank our stakeholders for their continued support during this process."*

## **Key terms of the SPA and revised debt agreements**

West Indies Exploration Company Limited, a wholly owned subsidiary of Range Resources Limited, registered in Trinidad and Tobago, has entered into the SPA with LandOcean Hong Kong Investment Holding Group Limited, a wholly owned subsidiary of LandOcean, registered in Hong Kong, for the sale of 100% share capital of RRTL.

On completion, all outstanding debt from Range and its subsidiaries to LandOcean and its subsidiaries (including the US\$20 million convertible note) will be fully repaid by offsetting against the consideration and all underlying debt agreements will be terminated. From the date of signing the SPA and up to the completion date, all payables by Range to LandOcean under any underlying debt agreements will be deferred.

The total current outstanding balance payable to LandOcean is approximately US\$91 million. This balance includes a US\$20 million convertible note. The maturity date of the US\$20 million convertible note will change to the earlier of the date on which completion occurs under the SPA or the longstop date (being 30 June 2020). As part of the agreements, LandOcean undertakes not to issue a conversion notice.

In addition, LandOcean will pay Range the total cash consideration of US\$2.5 million, payable in tranches as follows:

- US\$0.5 million to be paid upfront as a deposit (the "Deposit");
- US\$1 million to be paid within five (5) business days of the approval of the shareholders' meeting of LandOcean (the "First Payment");
- The Deposit and the First Payment are subject to Range procuring mortgages over seven (7) workover and swabbing rigs of Range Resources Drilling Services Limited, namely rigs 2, 3, 6, 9, 10, 11, 12. The rig mortgages will be discharged and released upon completion or termination of the SPA;

- If the key conditions for completion are not satisfied by 30 June 2020, the Deposit and the First Payment (together with interest accrued at 8% per annum) will be repaid to LandOcean. If all conditions are satisfied but LandOcean chooses not to proceed with completion for any reason, the Deposit and the First Payment will be retained by Range; and
- US\$1 million to be paid within five (5) business days of the completion date (the “Final Payment”).

Completion of the sale is subject to satisfaction (or waiver) of the following key conditions:

- Approval by Range shareholders at General Meeting of the Company, as the Transaction would be a material disposal falling under AIM Rule 15 and the ASX Listing Rules and Corporations Act 2001 (Cth), expected to be held in November 2019;
- Approval by LandOcean shareholders at General Meeting of LandOcean, expected to be held at the end of October 2019; and
- Approvals by the government of Trinidad and Tobago.

The agreed long stop date for the Transaction is 30 June 2020. Further details will be provided in the Notice of Meeting of the Company and an Independent Expert's Report which will accompany the Notice of Meeting, expected to be dispatched to shareholders during October 2019.

## **Refundable deposit payment**

Range and LandOcean have agreed that the US\$2.8 million refundable deposit will be allocated permanently towards the consideration and will not be refunded to Range (further details in relation to the refundable deposit were published in the announcement on 21 December 2018).

## **RRTL**

RRTL holds interests in all of Range's oil and gas licences in Trinidad (onshore), namely Morne Diablo, South Quarry, Beach Marcelle (where RRTL holds a 100% interest), and St Mary's (where RRTL holds an 80% interest). In the quarterly activities report for the quarter ending 30 June 2019, the Company reported that total oil production by RRTL was 45,590 barrels (501 bopd). In the Company's annual report for the period ending 30 June 2018, net proven and probable reserves attributable to the Beach Marcelle, Morne Diablo and South Quarry licences were reported as 15.2 million barrels. RRTL's losses for the year ending 30 June 2018 were US\$14,810,577.

## **Related party transaction**

LandOcean is a related party of the Company for the purposes of the AIM Rules by virtue of its status as a substantial shareholder holding 17% of the existing Ordinary Shares. The Directors consider, having consulted with the Company's nominated adviser, Cantor Fitzgerald Europe, that the terms of the Transaction (including the mortgaging of the rigs) are fair and reasonable insofar as the Company's shareholders are concerned.

If the Transaction completes, Range's residual business would comprise its oilfield services business in Trinidad, and its interest in the Perlak field in Indonesia.

There can be no guarantee that the Transaction will complete.

## Competent Person statement

*The information contained in this announcement has been reviewed and approved by Mr Lubing Liu. Mr Liu is a suitably qualified person with over 24 years of industry experience. He holds a BSc in Petroleum Engineering from the Southwest Petroleum University, China and is a member of the SPE (Society of Petroleum Engineers). Mr Liu holds the role of Chief Operating Officer and Trinidad General Manager with the Company.*

*The reserves and resources stated in this announcement were prepared in accordance with the definitions and guidelines in the Society of Petroleum Engineers (SPE) 2007 Petroleum Resources Management System (PRMS). The reserve figures are reported according to Range's net economic interest, net of royalties and net of lease fuel up to the reference point. The reference point is defined as the point of sale to third parties. Petroleum reserves are prepared using deterministic and probabilistic methods. Project and field totals are aggregated by arithmetic summation by category.*

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