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ASX Announcement
9 July 2009

Range to acquire a 50% farm in interest in two key Georgian O&G blocks

Highlights:

- **Heads of Agreement signed with unlisted UK company to acquire a 50% farm in interest in two oil and gas blocks in Georgia.**
- **Blocks cover 7,000 sq km (approx 10% of the acreage of the Country) and have been subject to significant exploration in the Soviet era.**
- **As part of the agreement Range must complete next phase of exploration activity (350 km of 2D and 3D seismic and well selection).**
- **Range is proceeding with a strategic placement of AUD$2.5m to meet initial requirements as part of the transaction ($1m to December 2009) and to fund operational activities on Puntland assets.**
- **Acquisition to complement existing Puntland assets - Range remains 100% committed to and sees marked progress in the second half of 2009 (placement will also assist with Puntland initiatives).**

Australian based oil and gas explorer Range Resources Limited **(ASX: RRS; AIM: RRL)** ("Range" or "the Company") has significantly enhanced its oil and gas portfolio, with confirmation it has entered into a Heads of Agreement with unlisted UK company Strait Oil and Gas Limited ("Strait") to acquire a 50% interest in two oil and gas blocks in the Republic of Georgia, Eastern Europe.

The two blocks subject to this agreement, Blocks VIa and VIb cover a contiguous area of 7,000 sq km (approx 10% of the surface area of the Country) and were subject to significant exploration in the Soviet era. Please refer Figure 1 for outline of block locations.

Led by seasoned international energy executives Mark Patterson and Greg Smith, Range's management team is well placed (in conjunction with Strait's established team) to find and produce commercial volumes of oil and natural gas on the Georgian Blocks.

Blocks VIa and VIb Background

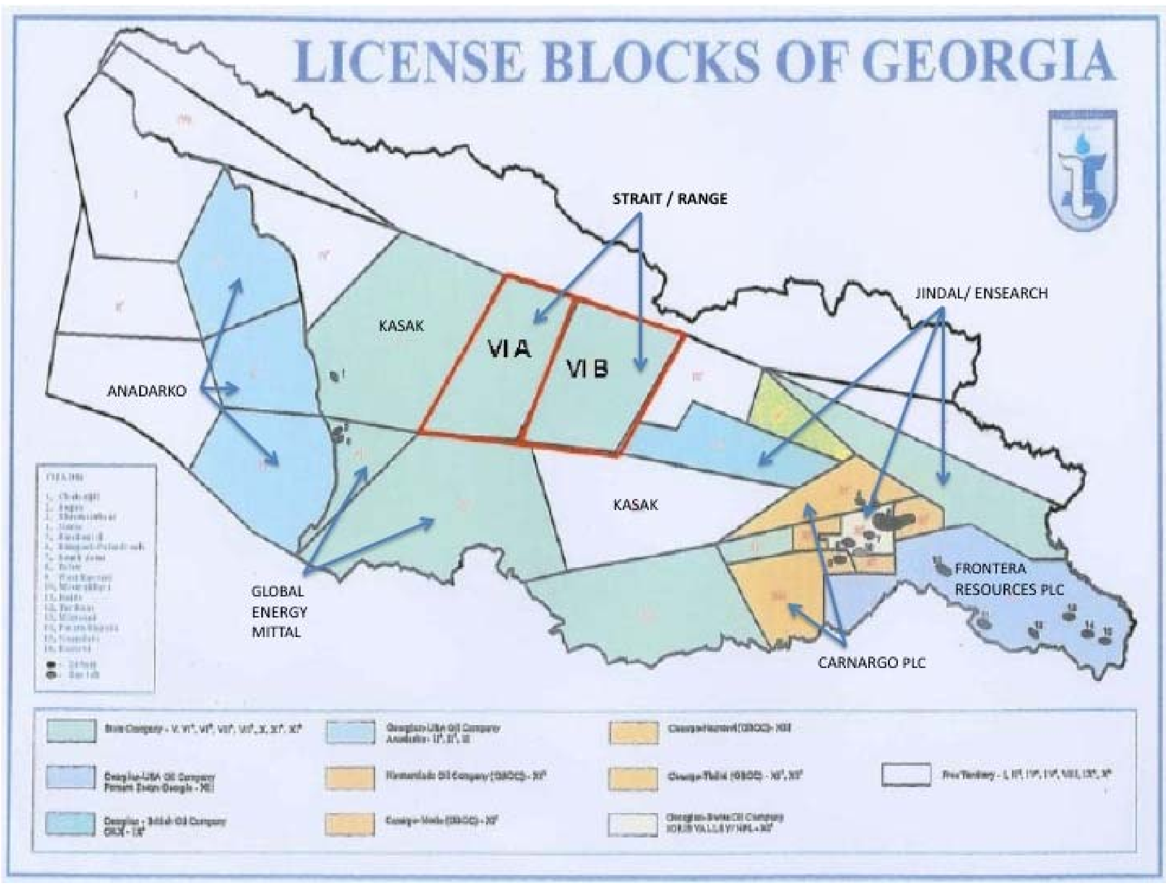
A significant number of wells were drilled during the Soviet era (mainly in the 1980's and early 1990's) in and adjacent to the Blocks. Strait has undertaken a large scale review of all available data over the last two years with the assistance of recognised international oil and gas consultants RPS Energy. Key findings of the technical review include:

- Very few of the approximately 200 wells were drilled with the specific objective of finding oil and gas reservoirs. Certain wells were drilled to relatively shallow depths, to further define structural features identified from surface geological mapping, and to assist in planning the location and design of water reservoirs. Deeper wells were drilled for the purpose of detailed identification of the stratigraphy of the area. Many of these wells found oil and gas shows, in which case they were shut in and abandoned without testing. Much of the work carried out by the technical staff of Strait has been to collate information from these diverse databases and to integrate the data into their own regional interpretation. Data reviewed includes seismic, gravity and magnetic, well, structural mapping and field analogues and reservoir data.

- An initial analysis of 24 areas identified 11 structures suitable for oil in place estimates and key targets for future drilling. Of these structures two are deeper than 2,500 meters and the rest are shallow features between 600 and 2,500 meters. Range intends to release an announcement detailing the oil in place potential of the identified leads and prospects following completion of its final stage due diligence review.

- In compliance with the terms of the applicable PSA (see below), Range proposes to complete 350km of 2D and 3D seismic before May 2010 (in accordance with the PSA) and then commence a minimum two well drilling program.

- In addition to the oil potential of the Blocks there are numerous prospective gas fields, which include highly prospective natural gas and coal bed methane targets. Of the 161 wells drilled for gas, 22 displayed potentially commercial flow rates. Early production could be attained by supplying the local city of Kutaisi (second biggest in Georgia) with a dedicated natural gas supply.



Under the terms of the agreement, subject to standard due diligence, shareholder and regulatory approvals, Range (to earn its 50% interest):

- will complete Phase II under the relevant Production Share Agreement (PSA) applicable to the blocks, consisting mainly of 350 km of 2D and 3D seismic and well selection. Budgeted costs for Phase II are between US$4-$5m,
- make the following equity payments to Strait's nominees:
  - 20m Range Shares and 20m Range Options (RRSOA) upon due diligence completion and obtaining relevant shareholder approvals;
  - 20m Range Shares and 20m Range Options upon completion of Phase II under the PSA and
  - 30m Range Shares and 30m Range Options upon completion of the first 2 wells under the PSA or a commercial discovery, whichever occurs first.
- appoint a Strait nominee to the Range board upon regulatory and due diligence completion.

Please refer to Editors Notes for full terms of the Heads of Agreement.

Background on Georgia

Since the Rose Revolution, Georgia has focused on developing its political and economic systems to Western European standards. Following the unrest with Russia in 2008 Georgia has returned to a state of civil order. The European Union has been advisor, establishing a base and opening a branch of the European Bank for Reconstruction and Development in the capital Tbilisi. Some key background points include:

- **Georgia was named the year's number one reformer** in the World Bank's 2007 "Doing Business Survey," improving its overall ranking from 112 to 37.

- **Significant decrease in corruption** in the public and private sectors made Georgia the World Bank's top anticorruption performer in 2006 "Anticorruption in Transition-3" (ACT3) report.

- **Repatriation of profit.** Foreign investor's rights and guarantees are equal to those granted to Georgians. Profit and property repatriation is allowed.

- **Infrastructure:** Located at the crossroads of Europe and Central Asia, Georgia's three major oil and gas pipelines, Black Sea ports, well-developed railway systems, together with its airports are playing an increasingly important role, linking East & West. The **Georgian Railway,** one of the crucial links in Eurasian transit, serves as a short-cut between Europe and Central Asia, carrying 3.9 million passengers and 22.6 million tons of cargo in 2006. Georgian Railway now directly links to the railway systems of Armenia, Azerbaijan and Russia.

- **Oil and Gas Pipelines:** Georgia plays an important role as a strategic crossroad for hydrocarbon transit in the Caspian region. During the last ten years, approximately $5 billion has been invested to develop the three major oil and gas pipelines that cross Georgia including:

  - **The Baku-Tbilisi-Ceyhan (BTC) pipeline**, completed in 2005 at a total construction cost of nearly US$4 billion, can transport up to a million barrels of oil a day from the Sangachal terminal in Azerbaijan to a newly constructed marine terminal in Ceyhan on the Turkish Mediterranean coast.

- **The South Caucasus gas Pipeline (SCP),** completed in 2006, will carry natural gas from the Shah Deniz field in the Caspian Sea to customers in Georgia, Turkey and Azerbaijan.

- **Construction of two new pipelines** across Georgia increases its role as a strategic crossroad for hydrocarbon transit in the Caspian region. One pipeline runs just south of the Blocks.

With Range's planned onshore drilling program in Puntland, and its progress towards developing a joint exploration strategy with the Puntland Government for offshore Puntland , the Georgian farm in is considered by the Company to be a significant step towards establishing the company as a diversified international explorer with a growing oil and gas acreage position and significant upside potential.

End

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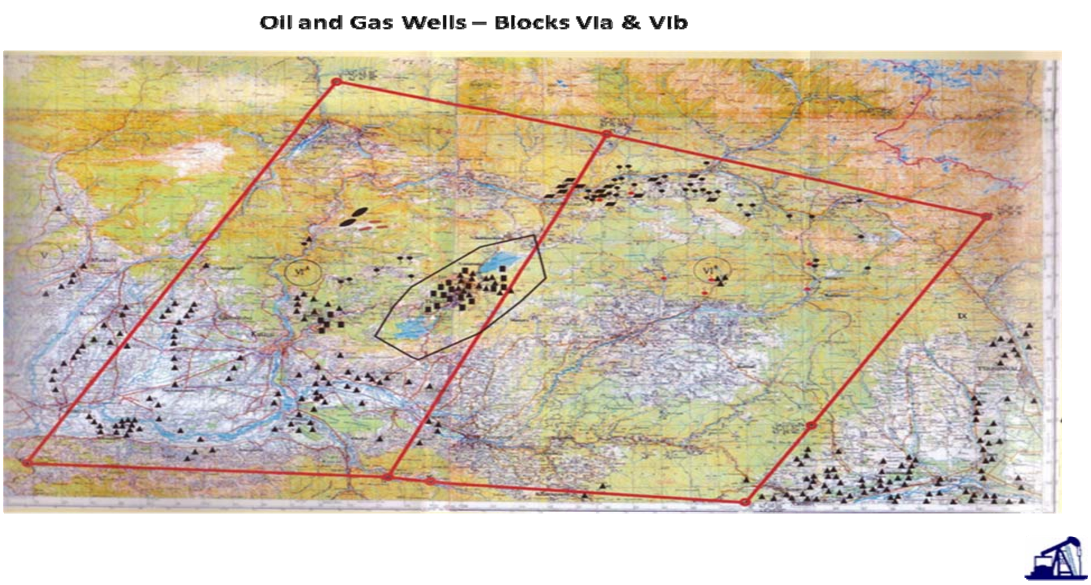
Editors Notes

Figure 1: Past Activity on the Blocks



Key Terms of Heads of Agreement

Key Terms of the Heads of Agreement include:

- To earn its 50% interest Range will complete Phase II under the relevant PSA applicable to the Strait Blocks. Phase II consists mainly of 350 sq. km of 2D and 3D seismic and well selection. Budgeted costs for Phase II are between US$4-$5m.

- Initial funding required is approximately US$1m through year end 2009. To this end Range is proceeding with a placement of AUD$2.5m to parties identified by Strait (AUD$0.035 cents per Share together with a 1 for 1 free attaching listed RRSOA option – conversion price of AUD$0.05 on or before 31 December 2011). Funds will also be used to continue with the completion of the Puntland offshore database and interpretation, Puntland Government initiatives and contributions to onshore drilling when required.

- Standard due diligence and regulatory approvals.

- PSA is initially a 50:50 production split (no taxes or royalty) with the Government through the cost recovery period after which it reverts to a 65:35.

- Range will make the following equity payments to Strait's nominees:

  - 20m Range Shares and 20m Range Options (RRSOA) upon due diligence completion and obtaining relevant shareholder approvals;

  - 20m Range Shares and 20m Range Options upon completion of Phase II under the PSA, and

  - 30m Range Shares and 30m Range Options upon completion of the first 2 wells under the PSA or a commercial discovery, whichever occurs first;

- Appointment of Strait nominee upon regulatory and due diligence completion. Proposed Director is Dr Mustafa Mutlu. Dr Mutlu Mustafa has extensive regional experience having been an advisor to two Presidents of Azerbaijan and currently advises several Turkish Companies in Georgia where he has residency. He is a Professor at Kyrgyz State University of Construction, Transport and Architecture in Bishkek Kyrgyzstan and has a BA in Economics from Columbia University New York, a Masters in Finance and a PhD in Economic and Social Upheaval from Istanbul University.

- Following completion of Phase II under the PSA, Range has the following in respect of the residual 50% interest in the Blocks:

  - Range has standard commercial pre-emptive rights and tag along rights;

  - Range can invite farm in partners on shared, pro rata terms with Strait; and

  - Range will "finance carry" the residual 50% on the basis of a loan account repayable at LIBOR plus 2% from production cashflow if an event above has not occurred.