

28 September 2012

The Manager  
Company Announcements  
Australian Securities Exchange Limited  
Level 6, 20 Bridge Street  
Sydney NSW 2000

By e-lodgement

**ANNUAL REPORT FOR THE YEAR ENDED – 30 JUNE 2012**

Please find attached the Company's Annual Report for the year ended 30 June 2012.

Yours faithfully



**Peter Landau**  
**Executive Director**

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**RANGE RESOURCES LIMITED  
AND CONTROLLED ENTITIES**

ABN 88 002 522 009

**FINANCIAL REPORT  
FOR THE YEAR ENDED  
30 JUNE 2012**

**RANGE RESOURCES LIMITED  
AND CONTROLLED ENTITIES  
ABN 88 002 522 009**

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**RANGE RESOURCES LIMITED  
AND CONTROLLED ENTITIES  
ABN 88 002 522 009**

**C O R P O R A T E   D I R E C T O R Y**

**Directors**

Samuel JONAH  
(Non-Executive Chairman)  
Peter LANDAU  
(Executive Director)  
Marcus EDWARDS-JONES  
(Non-Executive Director)  
Anthony EASTMAN  
(Executive Director)

**Company Secretary**

Jane FLEGG  
Anthony EASTMAN

**Technical Consultants**

Mark PATTERSON  
NTD Energy Consultants

**Registered Office**

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WEST PERTH WA 6005  
Telephone: (08) 9488 5220  
Facsimile: (08) 9324 2400

**Principal Place of Business**

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WEST PERTH WA 6005  
Telephone: (08) 9488 5220

Facsimile: (08) 9324 2400

Website: [www.rangeresources.com.au](http://www.rangeresources.com.au)

**Country of Incorporation**

Australia

**Auditors**

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SUBIACO WA 6008  
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Computershare Investor Services Pty Ltd  
Level 2, Reserve Bank Building  
45 St Georges Terrace  
PERTH WA 6000  
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Facsimile: (08) 9323 2033

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The Pavilions  
Bridgewater Road  
Bristol BS99 6ZZ  
United Kingdom  
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Facsimile: +44 (0) 870 703 6114

**Home Exchange**

Australian Stock Exchange Limited  
Exchange Plaza  
2 The Esplanade  
PERTH WA 6000

**ASX Code: RRS**

**Overseas Exchange**

Alternative Investment Markets (AIM)  
c/- London Stock Exchange  
LONDON UK

**AIM Code: RRL**

**RANGE RESOURCES LIMITED  
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**DIRECTOR'S REPORT**

**LETTER TO SHAREHOLDERS**

I don't think any shareholder would argue that Range has experienced the highs and lows of both share price and operational fluctuations as the Company delivered on its activity program for financial year 2012 with mixed success. Our flagship Trinidad project has become the primary focus of Range's operational objectives moving forward as our development plans continue to meet and exceed expectations from a production and reserve enhancement perspective.

The Company's commitment to its Trinidad operations with respect to financial, drilling and human resource cannot be understated with circa 300 employees (and growing), six operating drilling rigs, a focus on local training and employment and an aggressive development plan targeting to achieve 8,000 bopd in 2014. The proposed changes to both existing and 'new well' fiscal terms has further incentivized Range to increase its efforts to ensure that it materially capitalizes on any proposed fiscal changes that may arise.

From an exploration perspective, wildcat success was not forthcoming with our wells in Puntland and Georgia. Whilst we are immensely proud of our success in ensuring that the first two (of many) exploration wells were completed in Puntland, the Board fully appreciates that unless the results are reflected in discoveries (and ultimately share price growth) it is of little comfort to shareholders in tough economic times. Range will continue to fund and drive its Puntland interests either in its current form or through a spin out vehicle which shareholders will participate in through a capital distribution.

The key priorities in Georgia are to secure our strategic partner in the Tkibuli CBM project and complete the current seismic program on both blocks VIa and VIb. These two milestones should pave the way for the Company to attract a farm in partner/s of note to assist with the exploration and development efforts in Georgia.

The current sale of our Texas interests should be completed this year allowing the Company to increase its exploration activity in Colombia with at least one well and the 3D seismic program being completed on the Putamayo blocks over the coming 12 months.

Range's work program through to 30 June 2013 comprises over 40 wells in Trinidad including up to four deeper Herrera exploration targets that many shareholders are anxious to see drilled given their potential for significant daily production rates.

I would like to thank my fellow Board members, employees and consultants who all have made significant contributions over the past year.

On behalf of the Board of Directors, we sincerely thank shareholders for their continued support and patience over the past year. We are extremely encouraged by our projects over the next 12 months (and beyond) and look forward to regularly updating shareholders on our progress.



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**Mr P Landau  
Executive Director**

**RANGE RESOURCES LIMITED  
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**DIRECTORS' REPORT**

**DIRECTORS**

The names of the directors in office and at any time during, or since the end of, the year are:

Sir Samuel Jonah  
Mr Peter Landau  
Mr Marcus Edwards-Jones  
Mr Anthony Eastman

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

**COMPANY SECRETARY**

The following persons held the position of company secretary at the end of the financial year:

Mr Anthony Eastman  
Ms Jane Flegg

**PRINCIPAL ACTIVITIES**

The principal activity of the economic entity during the financial year was hydrocarbon exploration and development within Somalia, Republic of Georgia, Texas, Trinidad and Colombia.

The following significant changes in the nature of the principle activity occurred during the financial year:

- The shares in SOCA were received at the beginning of the current year thus finalising the acquisition of the 100% interest in Trinidad company that holds three onshore oil and gas licenses and a fully operational drilling subsidiary.
- The Company has secured a 65% (possibility to increase to 75%) farm-in opportunity (350m of 3D seismic, 2 new wells and 1 well re-entry) on two highly prospective licenses in the on shore Putamayo basin in Southern Columbia. The Company will undertake a 350km<sup>2</sup> 3D seismic program across the two licences and drill one well per licence, as well as looking to re-enter a previously suspended well that had a significant historical reserve estimate.

**OPERATING RESULTS**

The consolidated loss of the economic entity for the financial year after providing for income tax amounted to \$9,049,907 (2011: loss of \$15,506,885)

**DIVIDENDS PAID OR RECOMMENDED**

The directors recommend that no dividend be paid for the year ended 30 June 2012, nor have any amounts been paid or declared by way of dividend since the end of the previous financial year.

DIRECTORS' REPORT

REVIEW OF OPERATIONS

- Commencement of the historic two well exploration program on the Company's onshore Puntland assets with the first well (Shabeel 1) successfully completed during the year and the second (Shabeel North) completed subsequent to year end
- Commencement of the development drilling program on the Morne Diablo license in Trinidad which has seen three of the Company's six drilling rigs being operational during the year, with the fourth rig joining operations subsequent to year end. All wells drilled to date have been successful.
- Entered into an economic participation agreement that will see the Company earn a 65% economic interest (option to move to 75%) in Blocks PUT-6 and PUT-7 in the Putamy Basin in southern Colombia.
- Entered into an agreement with the Puntland Government with respect to obtaining a 100% working interest in the prospective Nugaal Basin Offshore Block which comprises over 10,000km.
- Completed the first exploration well in Georgia – the Mukhiani well

Trinidad

During the year, the Company commenced its development drilling program following the completion of the 100% acquisition in a Trinidad holding company whose two wholly owned subsidiaries hold production licences for three blocks in producing onshore oilfields in Trinidad (see Figure 1) together with a local drilling company.

This development drilling program commenced on the Company's Morne Diablo license and based on the early success of the shallow wells targeting the Lower Forest trend, the Company has been expanding this trend with great success, utilising the Company's three shallow capacity rigs. Encountered at a depth of circa 1,000 ft, wells in the Lower Forest formation are capable of adding 100-150 bopd initial production per well with the average initial production to date from the successfully completed wells of circa 60 bopd.

The Lower Forest wells that have been drilled and tested to date are showing sands congruent with the sands encountered in the QUN16 well that was drilled and tested in 1942, which is located in the east of the Morne Diablo licence, some 3,500 ft from the completed QUN127 well highlighted below (on the edge of the red proposed drill locations per the Figure 3 below). Given the encouraging similarities that the recently drilled wells have had to the QUN16 well, the Company is looking at a 60+ well program for the Lower Forest horizon, utilising the Company's shallow capacity rigs, that will look to 'bridge the gap' between the existing wells drilled to date and the QUN16 well.

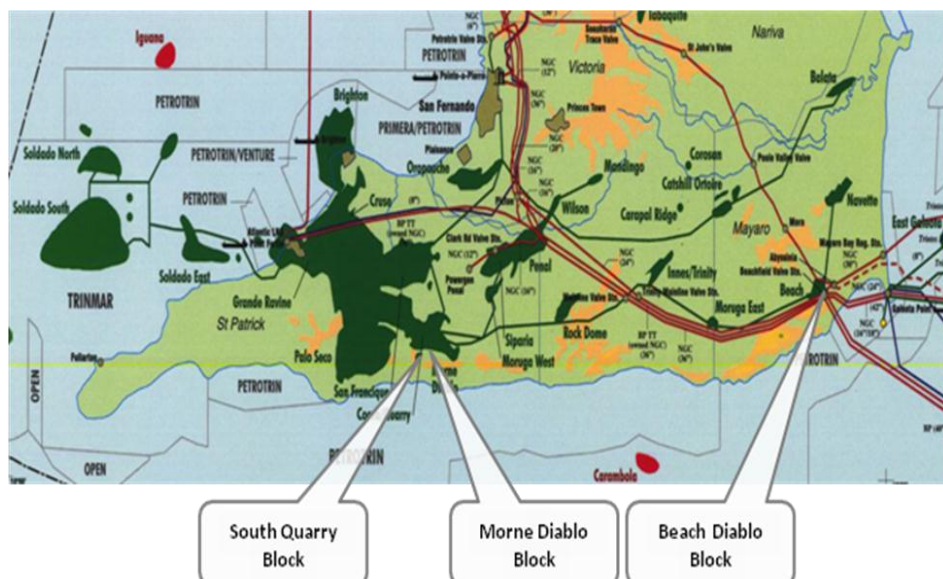
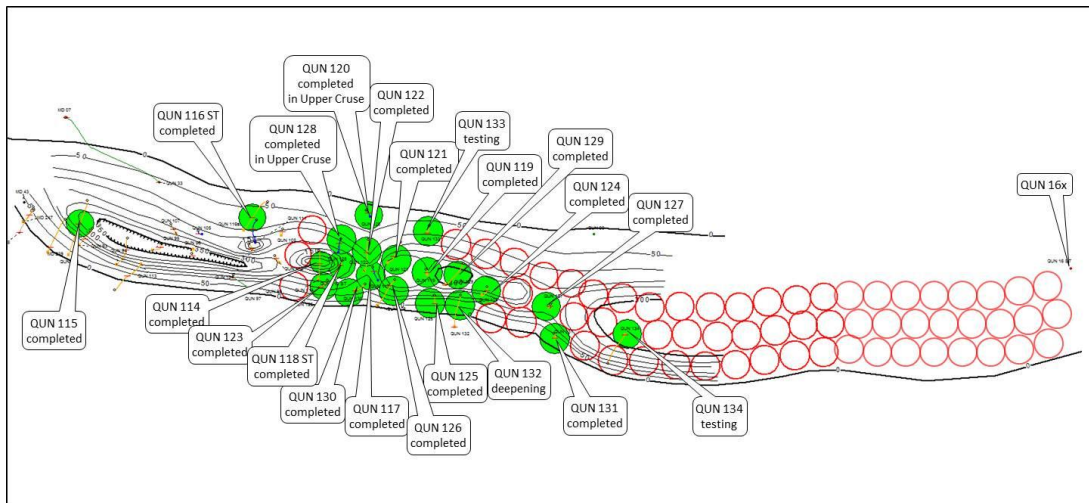


Figure 1 – Location of License areas - onshore Trinidad

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**DIRECTORS' REPORT**



**Figure 2 – Well Locations**

During the current Morne Diablo drilling campaign, two wells were drilled to target the deeper Upper Cruse formation (circa 2,000-2,500 ft) in addition to the shallower Lower Forest formation (circa 1,000 ft) with extremely pleasing results from the Upper Cruse formation. In addition to the Upper Cruse formation that these wells are currently producing from, Range also has the Lower Forest sands that can be perforated at a later date. Given the early success of these wells in the deeper formation, the Company is looking at the potential to focus a separate drilling program targeting the Upper Cruse formation, in a similar way the early success on the Lower Forest formation has been targeted.

This success of the current drilling program has seen production from its three onshore Trinidad licenses exceed 1,000 bopd for the first time since the acquisition of the assets in 2011.

Along with gains in production, the current drilling program will also seek to add reserves to the rapidly-expanding Range portfolio in Trinidad. Significant upward revisions to the Company's Trinidad P1 and P2 reserves are expected to be certified later this year.

As a compliment to the ongoing exploration and development of the Morne Diablo and South Quarry Blocks, Range is moving rapidly ahead with its secondary recovery projects on Morne Diablo through the expansion of the existing pilot program, as well as on the Beach Marcelle Block. Applications for environmental approval, expansion of technical and visualization infrastructure in the new San Fernando office, and utilization of in-house reservoir modelling software are all underway in support of the enhanced oil recovery ("EOR") projects. An aggressive work program is expected to begin in each area once reservoir simulation work is completed and all necessary approvals are in hand.

In addition to the anticipated waterflood program forecast for the Beach Marcelle license, the Company's technical team has also identified a number of conventional well locations covering in-fill, step out and well deepening opportunities. Range is in the process of finalising its technical analysis and preparing a drilling program to pursue these conventional drilling opportunities at Beach Marcelle. This work program will be in addition to the waterflood program planned for the Beach Marcelle licence.

During the year the Company received the results of the independent Reserves and Valuation Report as prepared by the Company's Reserves Auditors, Forest Garb, which included the 490% Proved (1P) Reserve increase in Trinidad following the completion of engineering work on the secondary recovery potential of the Company's Beach Marcelle block.



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**DIRECTORS' REPORT**

Following the results of the report, the Company's attributable interest in the net recoverable reserves on its Trinidad development and production assets as classified in the two reports from Forest Garb.

<b>Category</b>	<b>Oil (MMbbls) *</b>
Proved (P1)	15.4
Probable (P2)	2.2
Possible (P3)	2.0
<b>Total Reserves</b>	<b>19.6</b>

\* which is net of government and overriding royalties and represents Range's economic



**Figure 3 – Drilling Rig on Location**



**Figure 4 – Drilling Rig on Location**

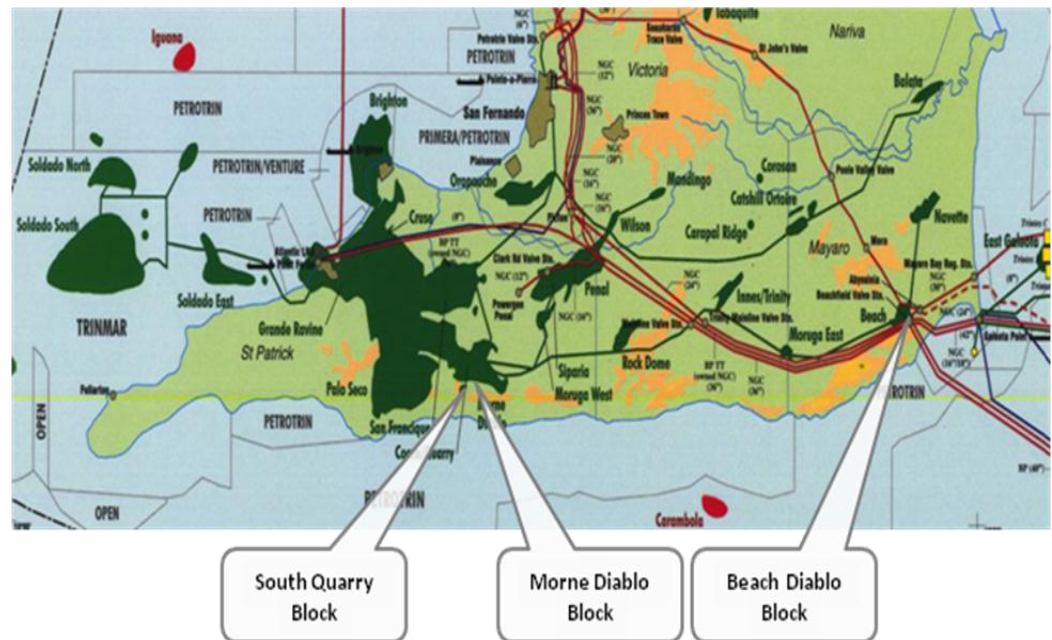
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**DIRECTORS' REPORT**

Subsequent to year end, the Company's fourth drilling rig, with the deepest capabilities of the Company's fleet spud the MD 248 well and is targeting multiple horizons; the Lower Cruse formation (circa 1,000 ft.), the Upper Cruse formation (circa 2,000 ft.) and the Middle & Lower Cruse formations (circa 4,000 ft. and 6,500 ft. respectively). Rig 8 is capable of drilling to approximately 11,000 ft, a depth believed to be sufficient to test the highly prospective Herrera exploration targets.

The MD248 well is the first well that will target development of the Middle Cruse sands at 4,000 ft as well as explore the Lower Cruse formation at 6,500 ft. Upon completion of the MD248 well, Rig 8 is then scheduled to move on to drill the first of a series of wells that will primarily target the prolific Herrera formation as an exploratory targets, in conjunction with also looking to test multiple objectives as it penetrates both the Forest and Cruse formation targets.

The Company is extremely pleased with its achievements in its first year of operations in Trinidad and is confident that once all six of the Company's drilling rigs are in operation, coupled with the commencement of the EOR projects on both the Morne Diablo and Beach Marcelle licenses, this success will continue and will accelerate increases in production and add to the already significant reserve base.



**Figure 3 – Location of License areas - onshore Trinidad**

**Puntland**

During the year, Range together with its joint venture partners successfully spud the historic Shabeel 1 well in the Dharoor Valley, the first in a two well exploration program and the first exploration well in Puntland in over 25 years, with the Shabeel North well having been spud soon after the completion of the Shabeel 1 well and was successfully completed subsequent to the year-end, having reached a target depth of 3,945m, with the joint venture having tested the upper Jessoma sands which only produced fresh water, resulting in additional testing of the Jessoma sands on the Shabeel well not being warranted.

Despite the non-commercial nature of the two wells the joint venture partners were extremely encourage that all of the critical elements exist for oil accumulations, namely a working petroleum system, good quality reservoirs and thick seal rocks, and have entered into the next exploration period in both the Nugaal and Dharoor Valley Production Sharing Contracts which carry a commitment to drill one well in each block within an additional 3 year period. It is the intention that further seismic will also be acquired in the Dharoor Valley to delineate new structural prospects for the upcoming drilling campaign plus to hold discussions with the Puntland Government to gain access regarding drill ready prospects in the Nugaal Valley block.

DIRECTORS' REPORT

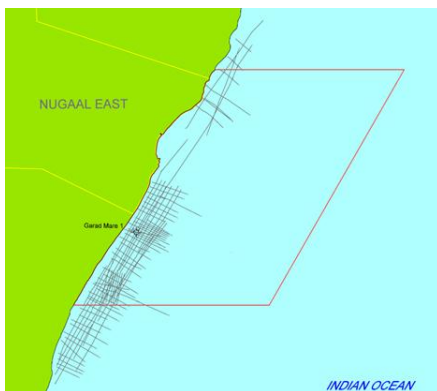


**Figure 4 – Shabeel 1 Well Location**

Puntland Offshore

During the year, Range entered into an agreement with the Puntland Government with respect to obtaining a 100% working interest in the highly prospective Nugaal Basin Offshore Block which is an extension of the onshore Nugaal Region which has the potential for deltaic deposits from the Nugaal Valley drainage system and comprises over 10,000km.

Range will commit to a 2D seismic program within the first three years, with further 3D seismic and an exploration well to follow in the second three year period. The agreement is subject to a formal Production Sharing Agreement (PSA) which is currently being finalised and the receipt of all necessary regulatory approvals with commercial terms being similar to the current on-shore PSAs.



**Figure 6 – Nugaal Basin Offshore Block**

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**DIRECTORS' REPORT**

**Texas**

North Chapman Ranch

During the year the Company engaged independent petroleum consultants Forrest A. Garb and Associates ("Forrest Garb") to complete a review of the North Chapman Ranch reserves following the successful completion of the Smith #2 and Albrecht wells that saw a significant reclassification of the previous Possible (P3) reserves into the Proved (P1) and Probable (P2) categories.

Set out below is a comparison of the gross reserves (100% basis) for the Company's North Chapman Ranch asset between the previous reserve update in December 2011 and the current gross reserves update for June 2012.

Category	Oil (MMbbls)			Natural Gas (Bcf)			Natural Gas Liquids (MMBbls)		
	Dec '11	Jun '12	%age Mvmt	Dec '11	Jun '12	%age Mvmt	Dec '11	Jun '12	%age Mvmt
Proved (P1)	5.1	8.4	+64%	64.3	106.0	+65%	5.0	8.0	+60%
Probable (P2)	3.7	4.4	+19%	48.6	56.7	+17%	3.8	4.4	+16%
Possible (P3)	9.9	5.0	-50%	129.6	64.8	-50%	10.1	5.1	-50%
<b>Total Reserves</b>	<b>18.7</b>	<b>17.8</b>		<b>242.5</b>	<b>227.5</b>		<b>18.9</b>	<b>17.5</b>	

Set out below is the comparison between June 2012 and December 2011 of Range's attributable interest in the net reserves on the Company's North Chapman Ranch asset which is net of government and overriding royalties and represents Range's economic interests in its development and production assets as classified in the report from Forest Garb.

Category	Oil (MMbbls)			Natural Gas (Bcf)			Natural Gas Liquids (MMBbls)		
	Dec '11	Jun '12	%age Mvmt	Dec '11	Jun '12	%age Mvmt	Dec '11	Jun '12	%age Mvmt
Proved (P1)	0.7	1.1	+57%	7.6	11.7	+54%	0.7	1.1	+57%
Probable (P2)	0.5	0.6	+20%	5.5	6.4	+16%	0.5	0.6	+16%
Possible (P3)	1.3	0.7	-46%	14.6	7.3	-50%	1.3	0.7	-46%
<b>Total Reserves</b>	<b>2.5</b>	<b>2.4</b>		<b>27.7</b>	<b>25.4</b>		<b>2.5</b>	<b>2.4</b>	

With the field having now been largely appraised and value demonstrated, the Company is looking at the divestment of its North Chapman Ranch interests so that it can focus its capital on higher value adding opportunities in its portfolio. Any such divestiture decision will be based on market conditions and the ability to achieve a sales price that appropriately reflects the value of the project interest.

East Texas Cotton Valley Prospect

During the quarter, work continued on the Company's East Texas Cotton Valley project area, where additional sections of the Ross 3H horizontal well were recently fracture stimulated and are currently unloading frac fluids. With approximately 5,000 barrels of load left to recover, the well has already yielded early indications of oil saturation, consistent with strong oil shows recorded during drilling.

If successful, the Ross 3H well is expected to form the basis of a new horizontal development of the shallow oil reservoir within the Cotton Valley formation. The project is considered to be analogous to the neighbouring Clarksville Field, which is expected to ultimately produce more than 7 million barrels of oil.

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DIRECTORS' REPORT

Colombia

During the year Range entered into an economic participation agreement with Petro Caribbean Resources Limited, a private oil and gas company focussed on the development of petroleum and natural gas reserves in Colombia ("PCR" the official operator of the blocks), that will see the Company earn a 65% economic interest (option to move to 75%) in Blocks PUT-6 and PUT-7 in return for funding (on a cost recoverable basis) the commitments under the Production Sharing Agreement ("PSA") with the National Hydrocarbons Agency of Colombia ("ANH"). This includes a 350km<sup>2</sup> 3D seismic program across the two blocks followed by one exploration well in each block.

In addition to the completion of the PSA work commitments of the two blocks, the joint venture partners will also (subject to ANH regulatory approval) undertake an extensive review (and possible re-entry) of a Putumayo well that was drilled and subsequently suspended in the mid 1980's on Block PUT-7. The well had a historically reported estimate of 7.9 million barrels of recoverable oil. However, in light of the low oil price (approximately \$12-15 per barrel) and infrastructure constraints at the time, the well was suspended and has not been re-assessed since.

The reservoir modelling and underlying data for this estimate have not yet been reviewed in sufficient detail by Range or its consultants to provide a reserve estimate compliant with the SPE reporting guidelines.+

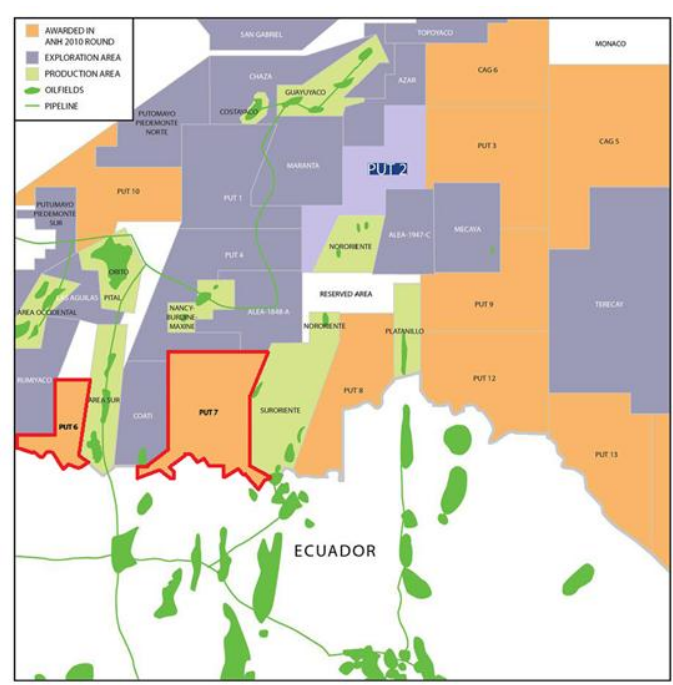


Figure 7 – Colombia's Putumayo Basin

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**DIRECTORS' REPORT**

**Georgia**

During the year, the Company, along with its joint venture partners, successfully spudded the first exploration well – Mukhiani 1, on the Vani 3 Prospect on Block VIa with a planned target depth of circa 3,500m. The Mukhiani Well reached a total depth of circa 1,550m, and following the analysis of the re-interpretation of the seismic supported by the Mukhiani-1 Vertical Seismic Profiling (“VSP”), results indicated that the well encountered previously unrecognised faults that led to possible basement being encountered far earlier than predicted.

New fault trap and stratigraphic trapping potential were also identified in the vicinity of the well and based on these findings, the Company is looking to obtain further seismic over Mukhiani during the 2D seismic program which is currently underway.

The Company engaged new independent technical consultants, NTD Energy during the year, to provide overall technical support with respect to current operations. During the year, the Company along with its joint venture partners and NTD performed a strategic review of the current operations in Georgia and has embarked on a revised exploration and appraisal strategy for Blocks VIa and VIb in Georgia.

The revised strategy will focus on low-cost, shallow appraisal drilling of historically defined Contingent Resources around the Tkibuli-Shaori (“Tkibuli”) CBM field, which straddles the central sections of the Company’s two blocks.

Tkibuli has been estimated by Advanced Resources International to contain Contingent Resources (mean) of approximately 0.4 trillion cubic feet (“tcf”) of coal-bed methane (“CBM”) gas (Range’s attributable 40% interest is 0.16 tcf). Sand horizons have also been identified around the coal beds, which could add additional, conventional hydrocarbon resources to those estimated for CBM at Tkibuli alone.

By prioritising exploration around the productive coal seams, the Company has the opportunity to make early discoveries, add proven reserves and look to provide revenue potential from the Tkibuli CBM play within 18 months from commencement of drilling, in conjunction with satisfying its Production Sharing Agreement (“PSA”) commitments.

Range and its partners also executed a conditional agreement with the Georgian Industrial Group (“GIG”) regarding the joint development of the project and providing a commercial offtake for 100% of the gas produced.

**Corporate**

During the year the Company raised circa \$62.8m through the exercise of options, drawdown on its equity line of credit facility and placement with institutional and sophisticated investors.

The Company also upgraded the trading of its American Depositary Receipts (“ADR’s”) from the OTC to the OTCQX International trading platform. The ADR’s trade under the code, RGRYY, with each ADR representing 40 ordinary shares listed on the Australian Securities Exchange.

**RANGE RESOURCES LIMITED  
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**DIRECTORS' REPORT**

**FINANCIAL POSITION**

The net assets of the economic entity have increased by \$77,212,619, from \$186,562,801 at 30 June 2011 to \$263,775,420 in 2012. This increase has largely resulted from the acquisitions and associated exploration and development expenditure during the year.

The directors believe the economic entity is in a strong and stable financial position to expand and grow its current operations.

**SIGNIFICANT CHANGES IN STATE OF AFFAIRS**

The following significant changes in the state of affairs of the parent entity occurred during the financial year:

- The shares in SOCA were received at the beginning of the current year thus finalising the acquisition of the 100% interest in Trinidad company that holds three onshore oil and gas licenses and a fully operational drilling subsidiary.
- The Company has secured 65% farm-in opportunity (350m of 3D seismic, 2 new wells and 1 well re-entry) on two highly prospective licenses in the onshore Putamayo basin in Southern Colombia. The Company will undertake a 350km<sup>2</sup> 3D seismic program across the two licences and drill one well per license, as well as looking to re-enter a previously suspended well that had a significant historical reserve estimate.
- During the year the Company successfully raised circa \$62.8m through the exercise of options, drawdown on the Company's Equity Line of Credit Facility and a placement.

**EVENTS SUBSEQUENT TO REPORTING DATE**

- Production on the Trinidad assets broke through the 1,000 barrels of oil per day milestone in late July 2012 which was a significant milestone for the Company given the fact it was achieved with just three of the Company's six drilling rigs, with the fourth and deepest capacity rig spudding in early September.
- The second (Shabeel North) of two historical exploration wells in Puntland was completed subsequent to the year-end, having reached a target depth of 3,945m, with the joint venture having tested the upper Jessoma sands which only produced fresh water, resulting in additional testing of the Jessoma sands on the Shabeel well not being warranted. Despite the non-commercial nature of the two wells the joint venture partners were extremely that all of the critical elements exist for oil accumulations, namely a working petroleum system, good quality reservoirs and thick seal rocks, and have entered into the next exploration period in both the Nugaal and Dharoor Valley Production Sharing Contracts which carry a commitment to drill one well in each block within an additional 3 year period. It is the intention that further seismic will also be acquired in the Dharoor Valley to delineate new structural prospects for the upcoming drilling campaign plus to hold discussions with the Puntland Government to gain access regarding drill ready prospects in the Nugaal Valley block.

**FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES**

To further improve the economic entity's profit and maximise shareholders wealth, the Company is committed to further developing the exploration potential of its Puntland and Georgian Exploration Projects and invite interested parties into joint venture arrangements along with the potential disposal of the Company's Texan interests. Following on from the acquisition of the Trinidad assets, the Company is looking to accelerate the development across all of the three licenses with regards to both conventional and unconventional – waterflooding – means, leading to increases in production and reserves. Range is also looking to consolidate its position on the South American region through the farm in opportunity in the Putamayo basin in Colombia as detailed above.

**RANGE RESOURCES LIMITED  
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ABN 88 002 522 009**

**DIRECTORS' REPORT**

**LIKELY DEVELOPMENTS**

Other than information disclosed elsewhere in this annual report, information on likely developments in the operations of the economic entity and the expected results of those operations in future financial years has not been included in this directors' report because the directors believe, on reasonable grounds, that to include such information would be likely to result in unreasonable prejudice to the economic entity.

**ENVIRONMENTAL REGULATION**

The economic entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. For the first measurement period 1 July 2008 to 30 June 2009 and subsequent periods the directors have assessed that there are no current reporting requirements, but may be required to do so in the future.



**RANGE RESOURCES LIMITED  
AND CONTROLLED ENTITIES  
ABN 88 002 522 009**

**DIRECTORS' REPORT**

**INFORMATION ON DIRECTORS**

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<b>Sir Samuel Jonah</b> <b>Hon D Sc (Exeter)</b> <b>MSc (Mineral Production Management)</b> Experience	Non-Executive Chairman.  Sir Samuel Jonah is non-executive Chairman of Range Resources Limited. He is Executive Chairman of Jonah Capital (Pty) Limited, an investment holding company in South Africa and serves on the boards of various public and private companies, including The Standard Bank Group and Vodafone Group Plc. He previously worked for Ashanti Goldfields Company Limited, becoming Chief Executive Officer in 1986, and was formerly Executive President of AngloGold Ashanti Limited and oversaw its growth and listing as the first operating sub-Saharan African company on the NYSE. He is also a member of the Advisory Council of the President of the African Development Bank.  He is an advisor to the Presidents of Ghana, South Africa, Nigeria and Namibia. An Honorary Knighthood was conferred on him by Her Majesty the Queen in 2003 and in 2006 he was awarded Ghana's highest national award, the Companion of the Order of the Star.
Interest in shares and options	Sir Samuel Jonah holds 21,597,833 ordinary shares in the Company. No options held.
Directorships held in other listed entities	During the past three years, Sir Samuel Jonah has served as a Director of other listed companies as follows: <ul style="list-style-type: none"><li>• Vodafone Plc.      From:    01 April 2009</li></ul>

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<b>Mr Peter Landau, LLB;B.Com</b>  Experience	Executive Director.  Mr Landau is the founding director of Okap Ventures Pty Ltd and Komodo Capital Pty Ltd., internationally focused project management, corporate advisory and venture capital firms based in Western Australia and London. Mr Landau is a corporate lawyer and corporate advisor and has over 15 years' experience in providing general corporate, capital raising, transaction and strategic advice to numerous ASX and AIM listed and unlisted companies. Mr Landau has project managed a significant oil and gas and mining exploration and development transactions around the world including capital raising, M & A, joint ventures and finance structures.
Interest in shares and options	Mr Landau holds 13,956,522 ordinary shares and 1,500,000 partly paid shares in the Company. No options held.
Directorships held in other listed entities	During the past three years Mr. Landau has served as a Director of other listed companies as follows: <ul style="list-style-type: none"><li>• Nkwe Platinum Ltd                      From:    14 September 2006</li><li>• Continental Coal Ltd                      From:    10 December 2002</li><li>• Black Mountain Resources Ltd        From:    23 August 2011</li><li>• Paynes Find Gold Ltd                      From:    11 January 2012</li></ul>

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**RANGE RESOURCES LIMITED  
AND CONTROLLED ENTITIES  
ABN 88 002 522 009**

**DIRECTORS' REPORT**

**INFORMATION ON DIRECTORS (continued)**

<b>Mr Marcus Edwards-Jones</b>	Non-Executive Director.
Experience	Mr Edwards-Jones is currently Managing Director (and co-founder) of Lloyd Edwards-Jones S.A.S, a financial boutique firm specialising in selling European equities to institutional clients and introducing resource companies to an extensive institutional client base in the UK, Europe and Asia/Middle East. Mr Edwards-Jones has previously held senior positions with Bank Julius Baer Paris (European equities), and UK/Continental European equity sales at Credit Lyonnais Securities. In addition, Mr Edwards-Jones has significant experience in world wide institutional capital raisings for large resource projects in Africa.
Interest in shares and options	Mr Edwards-Jones holds 3,531,522 ordinary shares and 750,000 partly paid shares (paid up to 30 cents) in the Company. No options held.
Directorships held in other listed entities	During the past three years, Mr Edwards-Jones has served as a Director of other listed companies as follows: <ul style="list-style-type: none"> <li>• Noricum Gold Limited (formerly known as Gold Mining Company Limited) (UK Plus Market) From: 18 June 2010</li> </ul>
<b>Mr Anthony Eastman , BCom, CA</b>	Executive Director Joint Company Secretary
Experience	Mr Eastman is a Chartered Accountant with a number of years experience in financial management and corporate advisory services. He has previously worked with Ernst & Young and CalEnergy Gas Ltd, a subsidiary of the Berkshire Hathaway Group of Companies in both Australia and the United Kingdom.
Interest in shares and options	Mr Eastman holds 4,356,521 ordinary shares in the Company. No options held.
Directorships held in other listed entities	During the past three years, Mr Eastman has not served as a Director of any other companies listed on the ASX.
<b>Ms Jane Flegg</b>	Joint Company Secretary
Experience	Ms Flegg has over 20 years of experience in finance and administration. During the past decade she has been a Corporate Advisor to several ASX and AIM listed mining and oil and gas companies, specialising in corporate and financial management, compliance and company secretarial advice. Ms Flegg is currently Joint Company Secretary to Continental Coal Limited, and Company Secretary to Kaboko Mining Limited and Paynes Find Gold Limited.
Interest in Shares and Options	Ms Flegg holds no shares or options in the Company.

**RANGE RESOURCES LIMITED  
AND CONTROLLED ENTITIES  
ABN 88 002 522 009**

**DIRECTORS' REPORT**

**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 economic entity'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 economic entity, as well as create goal congruence 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 are not 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 Binomial methodology.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. As approved by shareholders in 29 April 2005, the aggregate non-executive remuneration per annum was increased to \$200,000. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. Fees for non-executive directors are not linked to the performance of the consolidated entity. 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 are issued to directors and executives as part of remuneration. The options are not based on performance criteria, but are issued to directors and executives to increase goal congruence between executives, directors and shareholders

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.

**RANGE RESOURCES LIMITED  
AND CONTROLLED ENTITIES  
ABN 88 002 522 009**

**DIRECTORS' REPORT**

**REMUNERATION REPORT (AUDITED) (continued)**

**(i) Remuneration Committee**

During the year ended 30 June 2012, the consolidated entity did not have a separately established nomination or remuneration committee. Considering the number of directors, the Board are of the view that these functions could be efficiently performed with full Board participation.

**(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 2012, the consolidated entity did not contract the service of a remuneration consultant. Considering the number of directors, the Board are of the view that these functions could be efficiently performed with full Board participation.

**(iv) Voting and comments made at the company's 2011 Annual General Meeting**

Range Resources Ltd received 77% of "yes" votes on its remuneration report for the 2011 financial year. The company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

**(b) Key Management Personnel**

<b>NAME</b>	<b>POSITION HELD</b>
Sir Samuel Jonah	Chairman
Mr Peter Landau	Executive Director
Mr Marcus Edward-Jones	Non-Executive Director
Mr Anthony Eastman	Executive Director / Company Secretary
Ms Jane Flegg	Company Secretary

**RANGE RESOURCES LIMITED  
AND CONTROLLED ENTITIES  
ABN 88 002 522 009**

**DIRECTOR'S REPORT**

**REMUNERATION REPORT (AUDITED) (continued)**

**(c) Details of Remuneration**

The remuneration for each director (key management personnel) of the economic entity during the year was as follows:

2012	Short-Term Employee Benefits			Post Employment Benefits	Long Term Benefits	Share-based Payments	Total	% Share-based	Performance Related
	Cash Salary and Fees	Cash Bonus	Termination Benefits	Super-annuation	Long Service Leave	Options			
	\$	\$	\$	\$	\$	\$	\$	%	%
<b>Directors &amp; officers</b>									
Sir Sam Jonah	60,000	-	-	-	-	-	60,000	-	-
Mr Landau	300,000	-	-	-	-	-	300,000	-	-
Mr Edwards-Jones	70,000	-	-	-	-	-	70,000	-	-
Mr Eastman	100,000	-	-	-	-	-	100,000	-	-
Ms Flegg <sup>(i)</sup>	-	-	-	-	-	-	-	-	-
	<u>530,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>530,000</u>	<u>-</u>	<u>-</u>

(i) Ms Flegg is an employee of Okap Ventures Pty Ltd and is paid a salary through Okap's consulting agreement with Range Resources Limited.

2011	Short-Term Employee Benefits			Post Employment Benefits	Long Term Benefits	Share-based Payments	Total	% Share-based	Performance Related
	Cash Salary and Fees	Cash Bonus	Termination Benefits	Super-annuation	Long Service Leave	Options			
	\$	\$	\$	\$	\$	\$	\$	%	%
<b>Directors &amp; officers</b>									
Sir Sam Jonah	30,000	-	-	-	-	-	30,000	-	-
Mr Landau	300,000	-	-	-	-	-	300,000	-	-
Mr Edwards-Jones	70,000	-	-	-	-	-	70,000	-	-
Mr Eastman	74,996	-	-	-	-	-	74,996	-	-
Ms Flegg <sup>(i)</sup>	-	-	-	-	-	-	-	-	-
	<u>474,996</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>474,996</u>	<u>-</u>	<u>-</u>

(i) Ms Flegg is an employee of Okap Ventures Pty Ltd and is paid a salary through Okap's consulting agreement with Range Resources Limited.  
There were no other Key Management Personnel during the year.

**(d) Cash Bonuses**

There were no cash bonuses paid during the year.

**RANGE RESOURCES LIMITED  
AND CONTROLLED ENTITIES  
ABN 88 002 522 009**

**DIRECTOR'S REPORT**

**REMUNERATION REPORT (AUDITED) (continued)**

**(e) Share-based Payments**

There were no share-based payments made during the year to key management personnel.

**(f) Options issued as part of remuneration**

There were no options issued during the current or prior year to the directors or key management personnel.

**(g) Shares provided on exercise of remuneration options**

18,261,100 shares were issued during the year as a result of exercise of remuneration options.

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

2012	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable	Balance held indirectly
Sir Sam Jonah	19,135,013	-	(6,091,535)	(13,043,478)	-	-	-
Mr Landau	20,000,000	-	(6,956,522)	(13,043,478)	-	-	-
Mr Edwards-Jones	15,300,000	-	(2,256,522)	(13,043,478)	-	-	-
Mr Eastman	16,000,000	-	(2,956,521)	(13,043,479)	-	-	-
Ms Flegg	-	-	-	-	-	-	-
<b>Total</b>	<b>70,435,013</b>	<b>-</b>	<b>(18,261,100)</b>	<b>(52,173,913)</b>	<b>-</b>	<b>-</b>	<b>-</b>

All other options expired during the year. No options are vested and unexercisable at the end of the year.

Other changes during the year reflect unexercised options that expired during the year.

2011	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable	Balance held indirectly
Sir Sam Jonah	19,135,013	-	-	-	19,135,013	19,135,013	19,135,013
Mr Landau	20,000,000	-	-	-	20,000,000	20,000,000	20,000,000
Mr Edwards-Jones	15,300,000	-	-	-	15,300,000	15,300,000	15,225,000
Mr Eastman	16,000,000	-	-	-	16,000,000	16,000,000	16,000,000
Ms Flegg	-	-	-	-	-	-	-
<b>Total</b>	<b>70,435,013</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70,435,013</b>	<b>70,435,013</b>	<b>70,360,013</b>

**RANGE RESOURCES LIMITED  
AND CONTROLLED ENTITIES  
ABN 88 002 522 009**

**DIRECTOR'S REPORT**

**REMUNERATION REPORT (AUDITED) (continued)**

**(h) Employment Contracts of Directors and Senior Executives**

On appointment to the Board, new Executive Directors enter into a consultancy agreement with the company. The agreement sets out their duties, remuneration and place of service. Remuneration and other terms of employment for the Managing Director and Executive Director are formalised in employment agreements. These contracts may be terminated early wherein the employee must give six months notice. When the company terminates the contract, he will be entitled to his salary for the balance of any part of the term remaining.

**S. Jonah as Chairman**

Contract term – 3 years from 1 January 2011

Base payment - \$60,000 per annum

Notice period – 6 months

Termination benefits – salary for the balance of the term of the contract

**P. Landau as Executive Director**

Contract term – 3 years from 1 July 2009

Base payment - \$300,000 per annum

Notice period – 6 months

Termination benefits – salary for the balance of the term of the contract

Mr Landau's contract expired on 30 June 2012. New terms are currently being negotiated and in the meantime, the existing terms and conditions are applied.

**M. Edwards-Jones as Non-Executive Director**

Contract term – 3 years from 15 August 2009

Base payment - \$70,000 per annum

Notice period – 6 months

Termination benefits – salary for the balance of the term of the contract

Mr Edward-Jones's contract expired on 14 August 2012. New terms are currently being negotiated and in the meantime, the existing terms and conditions are applied.

**A. Eastman as Executive Director**

Contract term – 3 years from 30 June 2009

Base payment - \$100,000 per annum, as per amendment dated 01 December 2010

Notice period – 6 months

Termination benefits – salary for the balance of the term of the contract

Mr Eastman's contract expired on 29 June 2012. New terms are currently being negotiated and in the meantime, the existing terms and conditions are applied.

**(i) Partly Paid Shares Issued to Directors**

During the year ended 30 June 2007, Partly Paid Shares were allotted and issued to directors at an issue price of \$0.60 each and were deemed to have been paid up to \$0.30 each leaving \$0.30 payable by the holder within 13 months of the date of issue as follows:

Michael Povey (resigned 29 October 2008)	1,500,000
Peter Landau	1,500,000
Marcus Edward-Jones	750,000

**RANGE RESOURCES LIMITED  
AND CONTROLLED ENTITIES  
ABN 88 002 522 009**

**DIRECTOR'S REPORT**

**REMUNERATION REPORT (AUDITED) (continued)**

**(i) Partly Paid Shares Issued to Directors (continued)**

The primary purpose of the partly paid shares was to provide a cost effective consideration of work to be done by the Directors for the Company and for recognition of Directors efforts in negotiating and securing the acquisition of the Puntland Project. The terms of the partly paid shares are ambiguous, given they state that the holder is able to elect, at their sole and absolute discretion, to pay up the shares. It was never the intention of the Board to issue partly paid shares that would require the Directors (without any discretionary election) to pay up any unpaid portion of the shares. Accordingly, on 10 February 2008, and following uncertainty as to the ability to exercise the partly paid shares, those directors entitled to consider the matter (and not having a material personal interest) being Messrs Sam Jonah and Liban Bogor, resolved in accordance with clause 32.9 of the Company's constitution that the shares be forfeited and that payment will not be enforced with regards to the unpaid balance of capital. The Board will obtain the necessary resolutions for a selective reduction and cancellation of these partly paid shares through a meeting of shareholders at some time in the future. The accounts at 30 June 2012 do not reflect the cancellation of the partly paid shares.

*End of Audited Remuneration Report*

**MEETINGS OF DIRECTORS**

During the financial year, 3 meetings of the board of directors were held. Attendances by each director during the year were as follows:

<b>Director</b>	<b>Board Meetings</b>	
	<b>Attended</b>	<b>Held<sup>(i)</sup></b>
Samuel Jonah	3	3
Peter Landau	3	3
Marcus Edwards-Jones	3	3
Anthony Eastman	3	3

(i) Number held during period in which the director held office

**INDEMNIFYING OFFICERS OR AUDITOR**

In accordance with the constitution, except where prohibited by the Corporations Act 2001, every director, principal executive officer or 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 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.



**RANGE RESOURCES LIMITED  
AND CONTROLLED ENTITIES  
ABN 88 002 522 009**

**DIRECTOR'S REPORT**

**OPTIONS**

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

<b>Grant Date</b>	<b>Date of Expiry</b>	<b>Exercise Price</b>	<b>Number Under-Option</b>
08/07/2010	30/06/2015	\$0.07	855,166
20/09/2011	30/04/2016	\$0.26	7,058,824
21/03/2012	31/01/2017	\$0.113	5,180,000
18/06/2012	31/03/2015	\$0.195	9,000,000
			<hr/> <hr/> 22,093,990

During the year ended 30 June 2012, 309,392,276 (2011: 272,245,402) ordinary shares of Range Resources Limited were issued on the exercise of options.

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. The Company's Corporate Governance Statement is contained in the Corporate Governance section of the Financial Report (pages 94 to 96).

**LOANS TO DIRECTORS AND EXECUTIVES**

Information on loans to directors and executives including amounts, interest rates and repayment terms are set out in Note 33 to the financial statements.

**RANGE RESOURCES LIMITED  
AND CONTROLLED ENTITIES  
ABN 88 002 522 009**

**DIRECTOR'S REPORT**

**NON-AUDIT SERVICES**

A non-audit service was provided by a related practice of BDO Audit (WA) Pty Ltd in respect to parent entity's tax compliance. Total non-audit remuneration is \$3,500.

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 audit committee to ensure they do not impact the impartiality and objectivity of the auditor
- 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 2012 has been received and can be found on page 26 of the directors' report.

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



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**Mr P Landau**  
**Executive Director**

Dated this 28<sup>th</sup> day of September 2012

28 September 2012

The Directors  
Range Resources Limited  
Ground Floor, 1 Havelock Street  
WEST PERTH WA 6005

Dear Sirs,

**DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF  
RANGE RESOURCES LIMITED**

As lead auditor of Range Resources Limited for the year ended 30 June 2012, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- 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.



**Glyn O'Brien**  
Director

**BDO Audit (WA) Pty Ltd**  
Perth, Western Australia

**RANGE RESOURCES LIMITED  
AND CONTROLLED ENTITIES  
ABN 88 002 522 009**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED  
30 JUNE 2012**

	Note	Consolidated 2012 \$	2011 \$
<b>Revenue from continuing operations</b>			
Revenue from sale of goods	3	24,216,748	3,074,492
Other income	3	6,354,975	400,017
		30,571,723	3,474,509
<b>Expenses from continuing operations</b>			
Cost of sales	4a	(25,481,179)	(1,439,653)
Finance costs	4b	(2,738,846)	(55,595)
Depreciation - general	4b	(45,347)	(195,839)
Directors fees	6	(529,998)	(474,996)
Corporate management services		(940,000)	(995,000)
Consultants		(5,296,443)	(3,194,748)
Foreign exchange loss		(899,902)	(752,057)
Share-based payment		(1,449,052)	(1,826,250)
Marketing and public relations		(507,855)	(256,741)
Costs associated with AIM listing		(433,320)	(167,454)
Travel expenditure		(1,597,306)	(1,227,326)
Impairment loss on available for sale assets		(112,000)	(55,500)
Share of net loss on investment in associates		(394,596)	-
Acquisition option extension fees		-	(7,217,387)
Other expenses	4b	(1,801,803)	(1,122,848)
		(11,655,924)	(15,506,885)
<b>Loss before income tax expense from continuing operations</b>			
Income tax expense	5	2,606,017	-
<b>Loss for the year attributable to equity holders of Range Resources Limited</b>		(9,049,907)	(15,506,885)
<b>Other comprehensive income/(loss)</b>			
Revaluation of available for sale assets	27d	745,639	295
Exchange difference on translation of foreign operations	27c	(2,800,410)	-
		(2,054,771)	295
<b>Other comprehensive income/(loss) for the year, net of tax</b>			
<b>Total comprehensive loss attributable to equity holders of Range Resources Limited</b>		(11,104,678)	(15,506,590)
<b>Overall operations</b>			
<b>EPS from continuing operations:</b>			
Basic loss per share (cents per share)	8	(0.46)	(1.18)
Diluted loss per share (cents per share)	8	n/a	n/a

The Company's potential ordinary shares were not considered dilutive (refer Note 8).

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

**RANGE RESOURCES LIMITED  
AND CONTROLLED ENTITIES  
ABN 88 002 522 009**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT  
30 JUNE 2012**

	Note	Consolidated 2012 \$	2011 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	9	10,410,363	17,359,870
Trade and other receivables	10	11,192,719	3,002,395
Other current assets	11	911,566	309,013
		<hr/>	<hr/>
		22,514,648	20,671,278
Non-current asset classified as held for sale	13	6,618,518	-
		<hr/>	<hr/>
<b>TOTAL CURRENT ASSETS</b>		<b>29,133,166</b>	<b>20,671,278</b>
<b>NON-CURRENT ASSETS</b>			
Goodwill	15	40,676,589	-
Available for sale financial assets	12	3,246,579	912,342
Property, plant and equipment	16	12,419,393	19,883
Exploration & Evaluation Expenditure	17	115,424,733	87,809,879
Development Assets	18	83,803,651	6,140,208
Prepayments for Investments	19	-	54,426,730
Deferred tax asset	5	342,578	-
Investments in Associates	20	29,850,740	5,891,595
Non-Current Receivable	21	4,762,762	12,122,177
		<hr/>	<hr/>
<b>TOTAL NON-CURRENT ASSETS</b>		<b>290,527,025</b>	<b>167,322,814</b>
		<hr/>	<hr/>
<b>TOTAL ASSETS</b>		<b>319,660,191</b>	<b>187,994,092</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	22	2,862,132	1,419,646
Current tax liabilities		4,180,021	-
Provision	23	592,800	11,645
		<hr/>	<hr/>
<b>TOTAL CURRENT LIABILITIES</b>		<b>7,634,953</b>	<b>1,431,291</b>
<b>NON-CURRENT LIABILITIES</b>			
Other non-current liabilities	25b	3,472,993	-
Deferred tax liabilities	24	44,146,582	-
Employee service benefit	25a	630,243	-
		<hr/>	<hr/>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>48,249,818</b>	<b>-</b>
		<hr/>	<hr/>
<b>TOTAL LIABILITIES</b>		<b>55,884,771</b>	<b>1,431,291</b>
		<hr/>	<hr/>
<b>NET ASSETS</b>		<b>263,775,420</b>	<b>186,562,801</b>
<b>EQUITY</b>			
Contributed equity	26	307,772,709	227,671,125
Reserves	27	24,869,329	18,708,387
Accumulated losses		(68,866,618)	(59,816,711)
		<hr/>	<hr/>
<b>TOTAL EQUITY</b>		<b>263,775,420</b>	<b>186,562,801</b>
		<hr/>	<hr/>

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

**RANGE RESOURCES LIMITED  
AND CONTROLLED ENTITIES  
ABN 88 002 522 009**

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEAR ENDED  
30 JUNE 2012**

**Consolidated**

Note	Contributed Equity \$	Share-based Payment Reserve \$	Option Premium Reserve \$	Foreign Currency Translation Reserve \$	Available for Sale Investment Revaluation Reserve \$	Accumulated Losses \$	Total Equity \$
<b>Balance at 30 June 2010</b>	137,327,825	4,667,099	11,811,411	-	12,250	(44,309,826)	109,508,759
Other comprehensive income/(loss)	-	-	-	-	295	-	295
Loss attributable to members of the company	-	-	-	-	-	(15,506,885)	(15,506,885)
<i>Total comprehensive income and expense for the year</i>	-	-	-	-	295	(15,506,885)	(15,506,590)
Cost of share-based payment	-	2,217,332	-	-	-	-	2,217,332
<b>Transactions with owners in their capacity as owners:</b>							
Issue of share capital	26 81,705,992	-	-	-	-	-	81,705,992
Exercise of options	26 13,612,661	-	-	-	-	-	13,612,661
Issue costs	26 (4,975,353)	-	-	-	-	-	(4,975,353)
<b>Balance at 30 June 2011</b>	227,671,125	6,884,431	11,811,411	-	12,545	(59,816,711)	186,562,801
Other comprehensive income/(loss)	-	-	-	(2,800,410)	745,639	-	(2,054,771)
Loss attributable to members of the company	-	-	-	-	-	(9,049,907)	(9,049,907)
<i>Total comprehensive income and expense for the year</i>	-	-	-	(2,800,410)	745,639	(9,049,907)	(11,104,628)
Cost of share-based payment	-	7,482,078	733,635	-	-	-	8,215,713
<b>Transactions with owners in their capacity as owners:</b>							
Issue of share capital	26 57,603,519	-	-	-	-	-	57,603,519
Exercise of options	26 26,211,929	-	-	-	-	-	26,211,929
Issue costs	26 (3,713,864)	-	-	-	-	-	(3,713,864)
<b>Balance at 30 June 2012</b>	307,772,709	14,366,509	12,545,046	(2,800,410)	758,184	(68,866,618)	263,775,420

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

**RANGE RESOURCES LIMITED  
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**STATEMENT OF CASH FLOWS  
FOR YEAR ENDED  
30 JUNE 2012**

	Note	Consolidated	
		2012 \$	2011 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		21,443,971	2,098,870
Payments to suppliers and employees		(16,207,291)	(7,445,160)
Interest received		315,565	399,930
Interest & other finance costs		-	(46,717)
Net cash inflow/(outflow) from operating activities	31	5,552,245	(4,993,077)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for property, plant & equipment		(12,213,747)	-
Payment for available for sale financial assets		(2,424,368)	(830,865)
Sale of available for sale financial assets		2,523,500	-
Payment for development assets		(12,970,410)	(1,162,644)
Payment for investments		(12,231,565)	(63,425,758)
Payments for exploration and evaluation assets		(22,376,122)	(6,714,573)
Payments for acquisition of subsidiary, net of cash acquired		(4,557,327)	-
Loans to external parties		(6,228,075)	-
Net cash outflow from investing activities		(70,478,114)	(72,133,840)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of equity		62,786,097	90,534,113
Payment of equity issue costs		(4,910,190)	(3,445,796)
Proceeds from borrowings		-	-
Net cash inflow from financing activities		57,875,907	87,088,317
Net increase / (decrease) in cash and cash equivalents		(7,049,963)	9,961,400
Cash and cash equivalents at beginning of financial year		17,359,870	7,398,470
Effect of exchange rate changes on the balance of cash held in foreign currencies		100,456	-
Cash and cash equivalents at end of financial year	9	10,410,364	17,359,870

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

**RANGE RESOURCES LIMITED  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 JUNE 2012**

**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*.

The financial statements cover the consolidated entity 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 35. 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 consolidated entity 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 28 September 2012.

**Functional and presentation currency**

These consolidated financial statements are presented in Australian dollars, which is the functional currency of Range Resources Ltd.

**Adoption of new and revised accounting standards**

In the current year, the consolidated entity 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. There has been no material impact on the financial statements upon the adoption of the new and revised standards.



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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
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**Note 1: Statement of Significant Accounting Policies (continued)**

The impact of standards and interpretations that have been published but are not mandatory for 30 June 2012 reporting periods and have not been early adopted are disclosed within Note 38. There were no standards that were early adopted as of 30 June 2012.

***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 consolidated entity.

**(a) Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Range Resources Limited ("parent entity") as at 30 June 2012 and the results of all subsidiaries for the year then ended. Range Resources Limited and its subsidiaries together are referred as "consolidated entity".

Subsidiaries are all those entities (including special purpose entities) over which the consolidated entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the consolidated entity controls another entity.

Where controlled entities have entered or left the consolidated entity 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 consolidated entity, 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 parent entity.

Associates are all entities over which the consolidated entity 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.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
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**Note 1: Statement of Significant Accounting Policies (continued)**

**(b) Income tax (continued)**

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 consolidated entity 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 consolidated entity 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 consolidated entity 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.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**Note 1: Statement of Significant Accounting Policies (continued)**

**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 consolidated entity 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:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Plant & Equipment	11.25% - 33%
Production equipment	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 immediately 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.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
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**Note 1: Note 1: Statement of Significant Accounting Policies (continued)**

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

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 AASB 6. The carrying value of exploration and evaluation expenditure is historical cost less impairment.

**(e) Development assets**

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

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**Note 1: Statement of Significant Accounting Policies (continued)**

**(e) Development assets (continued)**

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 pre-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**

Financial instruments are included in cash and cash equivalents, trade and other receivables and financial assets available-for-sale in the statement of financial position of the consolidated entity.

**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 consolidated entity 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.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
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**Note 1: Statement of Significant Accounting Policies (continued)**

**(f) Financial instruments (continued)**

**Impairment of assets**

The consolidated entity 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 as 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 comprehensive income on equity instruments classified as available-for-sale are not reversed through profit or loss.

**Recognition and derecognition**

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the consolidated entity commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity 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 consolidated entity is determined using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity'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.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**Note 1: Statement of Significant Accounting Policies (continued)**

**(h) Provisions**

Provisions for legal claims, service warranties and make good obligations are recognised when the consolidated entity 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 consolidated entity 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 consolidated entity.

Revenue from the sale of oil and gas and related products is recognised when the consolidated entity 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.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**Note 1: Statement of Significant Accounting Policies (continued)**

**(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 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 consolidated entity 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 consolidated entity 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 flows at the current market interest rate that is available to the consolidated entity for similar financial instruments.

**(o) Investments in associates**

Investment in associates is accounted for using the equity method of accounting in the consolidated financial statements.

Under the equity method, the investment in the associates 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 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.



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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**Note 1: Statement of Significant Accounting Policies (continued)**

**(q) Trade and other payables**

These amounts represent liabilities for goods and services provided to the consolidated entity 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.

**(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) Business combinations**

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises of fair values of the assets transferred, the liabilities incurred and the equity interest issued by the group. The consideration transferred also includes the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

The excess of the consideration transferred and the amount of any non-controlling interest in the acquiree over the fair value of the net identifiable assets acquires is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**Note 1: Statement of Significant Accounting Policies (continued)**

**(w) 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.

**(x) 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)

**(y) 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.

**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 consolidated entity. 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.

*Development asset expenditure*

The classification of exploration and evaluation expenditure to development asset is based on the time of first commercial production. Development 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.

Development assets are assessed for impairment when facts and circumstances suggest that the carrying amount of a development 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.

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**Note 2: Critical accounting estimates and judgements (continued)**

*Share-based payments*

The Binomial valuation model was used to value share-based payments made in the period to consultants when there was no active market available. As such, certain assumptions are made based on historical data which may not be reflective of future events. Note 32 details these assumptions.

*Investments in associates*

During the prior year Range received 50% of the share capital of Strait Oil & Gas (UK) Limited ("Strait") which holds the PSA's for Block VIa and Block VIb in Georgia. This interest was subsequently diluted to 40% following the farm-in with Red Emperor Resources hence the Company did not have control of Strait at balance date – refer Note 20.

*Impairment of loan to and investment in associates*

The recoverability of loan and investment is based on commercial discovery of Phase III of the development project and payable out of production cashflow and/or a sale event. At 30 June 2012 the balance of the Investment amounts of \$29,850,740 is considered to be recoverable based on the carrying value of the net assets of the associates as at that date.

*Impairment of goodwill*

The group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 1(w). The recoverable amounts of CGU have been determined based on value in use calculations. These calculations require the use of assumptions. Please refer to note 15 for the potential impact of changes to the assumptions..

*Deferred tax liability*

Upon acquisition of SOCA Petroleum Ltd, in accordance with the requirement of AASB on income taxes, a deferred tax liability of \$44,267,976 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. 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.

**Note 3: Revenue**

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>From continuing operations</b>		
– revenue from sale of goods	24,216,748	3,074,492
<b>Other income</b>		
– gain on sale of available for sale financial assets	2,385,966	-
– gain on fair value movement (i)	3,427,202	-
– other income	541,807	400,017
	<b>30,571,723</b>	<b>3,474,509</b>

(i) relates to the fair market valuation of the consideration paid for the initial 10% interest acquired in Trinidad

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**Note 4: Expenses**

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
Loss before income tax includes the following specific expenses:		
<b>(a) Cost of sales</b>		
– Cost of production	12,398,536	1,439,653
– Staff costs	3,873,235	-
– Oil and gas properties depreciation, depletion and amortisation	2,110,997	-
– Amortisation in relation to fair value uplift of oil properties on business combination	7,098,411	-
	25,481,179	1,439,653
<b>(b) Expenses</b>		
Depreciation		
- depreciation- general	45,347	195,839
Total depreciation	45,347	195,839
Finance costs		
- external	1,922,705	55,595
- effect of options surrendered	816,141	-
Total finance costs	2,738,846	55,595
Other expenses		
Audit fees	239,792	72,050
Taxation advice	72,807	49,949
Insurance	142,553	120,539
Share registry expenses	141,266	367,861
Other expenses	1,205,385	512,449
Total other expenses	1,801,803	1,122,848

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**Note 5: Income Tax Expense**

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Income tax expense</b>		
Current tax	41,089	-
Deferred tax	(2,647,107)	-
Adjustments for current tax of prior periods	-	-
	(2,606,017)	-
 <b>(b) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:</b>		
	(11,655,924)	(15,506,885)
Prime facie tax payable on profit from ordinary activities before income tax at 30% (2011: 30%)		
– economic entity	(3,496,777)	(4,652,065)
	(3,496,777)	(4,652,065)
Add:		
Tax effect of:		
– Foreign tax fund	30,328	
– Expenses not deductible for tax	8,392,890	
– Income not assessable for tax	(7,395,809)	
– Tax losses not brought to account	64,844	2,425,109
– Benefit of timing differences not previously recognised	(483,972)	
– Benefit of tax losses not previously recognised	(324,401)	
– Deferred tax assets not brought to account	1,597,352	2,424,303
– Differences in tax rates	(990,472)	
– other non-allowable items	-	(197,347)
	(2,606,017)	-
 <b>Unrecognised Deferred tax asset</b>		
– Capital losses	943,893	943,893
– Revenue losses	9,075,268	9,010,424
– Other	330,219	2,424,303
	10,349,379	12,378,620

Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 2 occur.

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**Note 5: Income Tax Expense (continued)**

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>(c) Recognised deferred tax assets</b>		
- temporary differences	342,578	-
	342,578	-
<b>Recognised deferred tax liabilities</b>		
- Accelerated depreciation	(4,718,200)	-
- DTL arising on business combination	(39,428,383)	-
Net deferred tax assets	(44,146,583)	-

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: Key Management Personnel Compensation**

**(a) Directors**

The following persons were directors of Range Resources Limited during the financial year:

- (i) Executive Directors*  
Mr Peter Landau  
Mr Anthony Eastman
- (ii) Non-executive Directors*  
Sir Samuel Jonah  
Mr Marcus Edwards-Jones
- (iii) Other Key Management Personnel – Joint Company Secretary*  
Jane Flegg  
Anthony Eastman

**(b) Other key management personnel**

There were no other key management personnel during the financial year.

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**Note 6: Key Management Personnel Compensation (continued)**

**(c) Key management personnel compensation**

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits	529,998	474,996

The company has transferred the detailed remuneration disclosures to the Audited Remuneration Report contained in the Directors' Report.

**(d) Equity instrument disclosures relating to key management personnel**

**(i) Options provided as remuneration and shares issued on exercise of such options**

Details of options provided as remuneration and shares issued on the exercise of such options, together with terms and conditions of the options, can be found below and section (f) of the Audited Remuneration Report.

**(ii) Option holdings**

The numbers of options over ordinary shares in the company held during the financial year or at time of resignation by each director and officer of Range Resources Limited, including their personally related parties, are set out below

**Option Holdings**

<b>2012</b>	<b>Balance at the start of the year</b>	<b>Granted during the year as compensation</b>	<b>Exercised during the year</b>	<b>Other changes during the year</b>	<b>Balance at the end of the year</b>	<b>Vested and exercisable</b>	<b>Balance held indirectly</b>
Sir Sam Jonah	19,135,013	-	(6,091,535)	(13,043,478)	-	-	-
Mr Landau	20,000,000	-	(6,956,522)	(13,043,478)	-	-	-
Mr Edwards-Jones	15,300,000	-	(2,256,522)	(13,043,478)	-	-	-
Mr Eastman	16,000,000	-	(2,956,521)	(13,043,479)	-	-	-
Ms Flegg	-	-	-	-	-	-	-
<b>Total</b>	70,435,013	-	(18,261,100)	(52,173,913)	-	-	-

All other options expired during the year. No options are vested and unexercisable at the end of the year. Other changes during the year reflect unexercised options that expired during the year.

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**Note 6: Key Management Personnel Compensation (continued)**

2011	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable	Balance held indirectly
Sir Sam Jonah	19,135,013	-	-	-	19,135,013	19,135,013	19,135,013
Mr Landau	20,000,000	-	-	-	20,000,000	20,000,000	20,000,000
Mr Edwards-Jones	15,300,000	-	-	-	15,300,000	15,300,000	15,225,000
Mr Eastman	16,000,000	-	-	-	16,000,000	16,000,000	16,000,000
Ms Flegg	-	-	-	-	-	-	-
<b>Total</b>	<b>70,435,013</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70,435,013</b>	<b>70,435,013</b>	<b>70,360,013</b>

(iii) Fully paid share holdings

The numbers of shares in the company held during the financial year or at time of resignation by each director of Range Resources Limited, including their personally related parties, are set out below

**Shareholdings**

2012	Balance at the start of the year	Granted during the year as compensation	Participation in rights issue <sup>(1)</sup>	Other changes during the year	Balance at the end of the year	Balance held indirectly
Sir Sam Jonah	15,506,298	-	-	6,091,535	21,597,833	21,597,833
Mr Landau	6,250,000	-	-	7,706,522	13,956,522	13,956,522
Mr Edwards-Jones	1,125,000	-	-	2,406,522	3,531,522	3,531,522
Mr Eastman	1,250,000	-	-	3,106,521	4,356,521	4,356,521
Ms Flegg	-	-	-	-	-	-
<b>Total</b>	<b>24,131,298</b>	<b>-</b>	<b>-</b>	<b>19,311,100</b>	<b>43,442,398</b>	<b>43,442,398</b>

2011	Balance at the start of the year	Granted during the year as compensation	Participation in rights issue <sup>(1)</sup>	Other changes during the year	Balance at the end of the year	Balance held indirectly
Sir Sam Jonah	15,506,298	-	-	-	15,506,298	15,506,298
Mr Landau	6,250,000	-	-	-	6,250,000	6,250,000
Mr Edwards-Jones	1,125,000	-	-	-	1,125,000	1,125,000
Mr Eastman	1,250,000	-	-	-	1,250,000	1,250,000
Ms Flegg	-	-	-	-	-	-
<b>Total</b>	<b>24,131,298</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,131,298</b>	<b>24,131,298</b>



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**Note 6: Key Management Personnel Compensation (continued)**

**(d) Equity instrument disclosures relating to key management personnel (continued)**

**(i) Partly paid shareholdings (refer Note 26b)**

The numbers of shares in the company held during the financial year or at time of resignation by each director of Range Resources Limited, including their personally related parties, are set out below

**Partly paid shareholdings**

<b>2012</b>	<b>Balance at the start of the year</b>	<b>Granted during the year as compensation</b>	<b>Other changes during the year</b>	<b>Balance at the end of the year</b>	<b>Balance held indirectly</b>
Sir Sam Jonah	-	-	-	-	-
Mr Landau	1,500,000	-	-	1,500,000	1,500,000
Mr Edwards-Jones	750,000	-	-	750,000	750,000
Mr Eastman	-	-	-	-	-
Ms Flegg	-	-	-	-	-
<b>Total</b>	<b>2,250,000</b>	<b>-</b>	<b>-</b>	<b>2,250,000</b>	<b>2,250,000</b>

<b>2011</b>	<b>Balance at the start of the year</b>	<b>Granted during the year as compensation</b>	<b>Other changes during the year</b>	<b>Balance at the end of the year</b>	<b>Balance held indirectly</b>
Sir Sam Jonah	-	-	-	-	-
Mr Landau	1,500,000	-	-	1,500,000	1,500,000
Mr Edwards-Jones	750,000	-	-	750,000	750,000
Mr Eastman	-	-	-	-	-
Ms Flegg	-	-	-	-	-
<b>Total</b>	<b>2,250,000</b>	<b>-</b>	<b>-</b>	<b>2,250,000</b>	<b>2,250,000</b>

**(e) Loans to key management personnel**

There were no loans made to directors of Range Resources Limited and other key management personnel of the consolidated entity, including their personally related parties during the 2011 or 2012 financial years.

**(f) Consulting fees**

Please refer to Note 33 which details consulting fees to parties related to Key Management Personnel.

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**Note 7: Auditors' Remuneration**

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
Remuneration of the auditor of the parent entity for:		
- auditing or reviewing the financial report by BDO Audit (WA) Pty Ltd	135,000	72,050
- non-audit services provided by BDO Audit (WA) Pty Ltd in respect to parent entity's tax compliance.	3,500	-
Total remuneration for the parent entity	138,500	72,050
Remuneration of the auditors of the subsidiaries:		
- auditing or reviewing the financial report by BDO Barbados	17,932	-
- auditing or reviewing the financial report by BDO Trinidad	42,650	-
- auditing or reviewing the financial report by BDO USA	40,710	-
Total remuneration for the subsidiaries	101,292	-

**Note 8: Earnings Per Share**

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>cents</b>	<b>cents</b>
<b>(a) Basic loss per share</b>		
(Loss) per share from continuing operations attributable to the ordinary equity holders of the company	(0.46)	(1.18)
(Loss) per share attributable to the ordinary equity holders of the company	(0.46)	(1.18)
<b>(b) Diluted loss per share</b>		
(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
<b>(c) Reconciliation of loss used in calculating earnings per share</b>		
<i>Basic/ Diluted loss per share</i>		
(Loss) from continuing operations attributable to the ordinary equity holders of the company	(9,049,907)	(15,506,885)
(Loss) attributable to the ordinary equity holders of the company	(9,049,907)	(15,506,885)

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**Note 8: Earnings Per Share (continued)**

(d) Weighted average number of shares used as the denominator	2012 No.	2011 No.
Weighted average number of ordinary shares used as the denominator in calculating basic EPS	1,977,276,351	1,312,756,202
<i>Adjustments for calculation of diluted earnings per share:</i>		
Effect of share options on issue	22,093,990	268,881,380
Effect of shares issued post year end	-	35,842,293
	<hr/>	<hr/>
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share at 30 June	1,999,370,341	1,617,479,875

**Note 9: Cash and Cash Equivalents**

	Consolidated	
	2012	2011
	\$	\$
Cash at bank and in hand	10,410,363	17,359,870

**Reconciliation of cash at the end of the year.**

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Balances as above	10,410,363	17,359,870
Bank overdrafts	-	-
	<hr/>	<hr/>
Balances as per statement of cash flows	10,410,363	17,359,870

**Risk exposure**

Information about the consolidated entity's exposure to credit risk, foreign exchange risk and price risk is provided in Note 36

**Note 10: Trade and Other Receivables**

	Consolidated	
	2012	2011
	\$	\$
<b>Current</b>		
Other receivables		
- trade receivables(i)	1,343,781	-
- related party (ii)	2,115,210	-
- other debtors (iii)	3,682,908	2,005,528
- goods and services tax	622,845	21,245
- accrued revenue	3,427,975	975,622
	<hr/>	<hr/>
	11,192,719	3,002,395

Fair value approximates the carrying value of trade and other receivables at 30 June 2012 and 30 June 2011

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**Note 10: Trade and Other Receivables (continued)**

- (i) Trade receivables are generally due for settlement within 30days. 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) During the year, Range Resources Limited entered into a loan agreement with Continental Coal Limited, a company which Peter Landau is a Director, in which \$2,115,210 was advanced to Continental. The loan is interest bearing at 10% and repayable in Australian dollars on or before 31 December 2012.
- (iii) Other debtors comprise primarily of VAT receivable in the Trinidad subsidiaries.

***Risk exposure***

Information about the consolidated entity's exposure to credit risk, foreign exchange risk and price risk is provided in Note 36.

**Note 11: Other Current Assets**

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Prepayments	911,566	309,013
	911,566	309,013

**Note 12: Financial Assets Available-For-Sale**

Listed investments, at fair value		
- Interest in other corporations	3,246,579	912,342
Total available-for-sale financial assets	3,246,579	912,342

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.

No assets have been pledged as security

During the financial year, the Group has made a strategic investment in Tangiers Petroleum Limited ("Tangiers", ASX: TPT). Tangiers is an ASX listed exploration company which has a portfolio of two potentially world class oil and gas projects located in Morocco and Australia.

***Risk exposure***

Information about the consolidated entity's exposure to credit risk, foreign exchange risk and price risk is provided in Note 36.

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**Note 13: Asset classified as held-for-sale**

	Consolidated	
	2012	2011
	\$	\$
Opening net book amount	-	-
Transfer from development assets (note 18)	6,140,208	-
Additions	1,584,708	-
Depletion	(1,106,398)	-
	6,618,518	-
Closing net book amount	6,618,518	-

During the year, the Company indicated it was commencing the process to look to dispose of the Company's Texas interests hence the transfer from development assets.

**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).

The consolidated financial statements include the assets, liabilities and results of the following subsidiaries as disclosed in note 1.

Controlled Entities Consolidated	Country of Incorporation	Percentage Owned (%)	
		30 June 2012	30 June 2011
<i>Subsidiaries of Range Resources Limited:</i>			
Westblade Pty Ltd	Australia	100	100
Donnybrook Gold Pty Ltd	Australia	100	100
Range Australia Resources (US) Ltd	USA	100	-
Range Resources Barbados Limited	Barbados	100	-
<i>Subsidiaries of Range Resources Barbados Limited:</i>			
SOCA Petroleum Limited	Barbados	100	-
Drilling International Service and Supply Limited	Trinidad	100	-
West Indies Exploration Company Limited	Trinidad	100	-
Trincan Oil Limited	Trinidad	100	-
Los Bajos Oil Limited	Trinidad	100	-

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**Note 15: Goodwill**

Goodwill is measured as describe 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 \$45,153,451, which was derived from the acquisition of SOCA Petroleum Limited through the parent's subsidiary Range Resources (Barbados) Ltd. Please refer to note 34 (Business Combination) for detailed information on acquisition.

	Goodwill \$
<b>At 1 July 2011</b>	-
Cost	40,676,589
Accumulated amortisation and impairment	-
Net book amount	40,676,589
 <b>Year ended 30 June 2012</b>	
Opening net book amount	-
Additions-acquisition	40,676,589
Amortisation charge	-
Closing net book amount	40,676,589

During the year ending 30 June 2012, the group determines 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.

(a) Impairment tests for goodwill

During the year ending 30 June 2012, the group determines 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. Goodwill has been allocated for impairment testing purposes to three cash-generating units (CGUs). It is allocated to those CGUs which are expected to generate a value in use in the form of cash flows as a result of the business combination that gave rise to the goodwill.

	Goodwill \$
Cash-generating units	
Morne Diablo	8,598,333
Beach Marcelle	30,517,887
South Quarry	1,560,369
	40,676,589

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering five-year period.

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**Note 15: Goodwill (continued)**

(b) Key assumptions used for value-in use calculations

The key assumptions used in the value-in-use calculations are:

- Recoverable reserves and resources
- Commodity price
- Operating costs
- Capital expenditure
- Discount rate
- Foreign exchange rate

Economical recoverable reserves and resources and represents management's expectations at the time of completing the impairment testing and based on the reserves and resources 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 a flat \$85 West Texas Index (WTI) price being the price used by the Company's independent petroleum consultants in assessing the economical recoverable reserves and resources of the Company's Trinidad interests which have not differed materially as at the date of the impairment review and are within the range of analyst forecast as at the date of the impairment review.

Operating cost assumptions were based on the same assumptions as used by the Company's independent petroleum consultants in assessing the economical recoverable reserves and resources of the Company's Trinidad interests which have not differed materially as at the date of the impairment review.

Future capital expenditure assumptions were based on the same assumptions as used by the Company's independent petroleum consultants in assessing the economical recoverable reserves and resources of the Company's Trinidad interests which have not differed materially as at the date of the impairment review.

The discount rate assumption used was 10% with the foreign exchange rate used being consistent with the foreign exchange rate used by the Company's independent petroleum consultants in assessing the economical recoverable reserves and resources of the Company's Trinidad interests. The recoverable amount of the Trinidad operation has been determined based on a value in use calculation. That calculation uses discounted cash flow (using a discount rate of 10% and assuming a flat US\$85 barrel for oil price) projections based on economic summary projection formulated by Forrest A. Garb & Associates, Inc. ('FGA'). FGA is an international petroleum engineering and geologic consulting firm staffed by experienced engineers and geologists. Collectively FGA staff has more than a century of world-wide experience. A 10% swing on the oil price assumption would not result in an impairment of goodwill.

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**Note 16: Property, Plant & Equipment**

Consolidated	Production Equipment	Gathering Station and Field Office	Leasehold Improvement	Motor Vehicle, Furniture, Fixtures & Fittings	Total
	\$	\$	\$	\$	\$
<b>At 30 June 2010</b>					
Cost or fair value	-		-	135,891	135,891
Accumulated depreciation	-		-	(111,054)	(111,054)
Net book amount	-		-	24,837	24,837
<b>Year ended 30 June 2011</b>					
Opening net book amount	-		-	24,837	24,837
Additions	-		-	-	-
Disposals	-		-	-	-
Depreciation charge	-		-	(4,954)	(4,954)
Closing net book amount	-		-	19,883	19,883
<b>At 30 June 2011</b>					
Cost or fair value	-		-	39,631	39,631
Accumulated depreciation	-		-	(19,748)	(19,748)
Net book amount	-		-	19,883	19,883
<b>Year ended 30 June 2012</b>					
Opening net book amount	-	-	-	19,883	19,883
Acquired thru business combination	9,119,559	196,421	286,837	298,208	9,901,025
Foreign currency movement	187,282	7,178	11,820	10,899	217,179
Additions	2,344,456	-	40,547	588,247	2,973,250
Disposals	(11,709)	-	-	(2,634)	(14,343)
Depreciation charge	(439,475)	(27,315)	(32,641)	(178,170)	(677,601)
Closing net book amount	11,200,113	176,284	306,563	736,433	12,419,393
<b>At 30 June 2012</b>					
Cost or fair value	16,650,217	422,783	640,969	1,569,771	19,283,740
Accumulated depreciation	(5,450,104)	(246,499)	(334,406)	(833,338)	(6,864,347)
Net book amount	11,200,113	176,284	306,563	736,433	12,419,393



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**Note 17: Exploration and Evaluation Expenditure**

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
Opening net book amount	87,809,879	83,848,855
Additions	28,210,539	5,770,072
Transfer to development assets	(595,685)	(1,809,048)
Closing net book amount	115,424,733	87,809,879

At 30 June 2012, the \$115,424,733 (2011: \$87,809,879) capitalised exploration and evaluation expenditure relates to the interests of the group in Puntland, Somalia, Texas and Colombia. The recoverability of the carrying amount of exploration assets is dependent on the group being able, and permitted, to develop and commercially exploit these rights or alternatively to sell the rights.

Amortisation of the costs carried forward for the development phase is not charged until the commencement of commercial production when the assets are reclassified as development assets.

During the year, the operator on East Texas Cotton Valley prospect, Crest Resources received approval from the partners for fracture stimulation of the Ross 3H Horizontal Well and confirmed commerciality of this shallow oil field. The expenditure to date of first production has been transferred to development assets – refer Note 18.

During the year, the Puntland Joint Venture completed the first hydrocarbon exploration well (Shabeel-1), resulting in Range issuing 45 million shares as per terms of the original acquisition agreement with respect to the acquisition of the Puntland Rights.

The second (Shabeel North) of two historical exploration wells in Puntland was successfully completed subsequent to the year-end, having reached a target depth of 3,945m, with the joint venture having tested the upper Jessoma sands which only produced fresh water, resulting in additional testing of the Jessoma sands on the Shabeel well not being warranted. Despite the non-commercial nature of the two wells the joint venture partners were extremely that all of the critical elements exist for oil accumulations, namely a working petroleum system, good quality reservoirs and thick seal rocks, and have entered into the next exploration period in both the Nugaal and Dharoor Valley Production Sharing Contracts which carry a commitment to drill one well in each block within an additional 3 year period. It is the intention that further seismic will also be acquired in the Dharoor Valley to delineate new structural prospects for the upcoming drilling campaign plus to hold discussions with the Puntland Government to gain access regarding drill ready prospects in the Nugaal Valley block.

Capitalised costs amounting to \$22,376,122 (2011: \$6,714,573) has been included in the statement of cash flows from investing activities relating to the acquisition of capitalised exploration expenditure.

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**Note 18: Development Assets**

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
At 30 June		
Cost or fair value	103,733,513	6,349,717
Accumulated amortisation	(19,929,862)	(209,509)
	83,803,651	6,140,208
Net book value		
Opening net book amount	6,140,208	3,359,401
Transfer to asset classified as held for sale	(6,140,208)	-
Transfer from exploration and evaluation expenditure – at cost	595,685	1,809,048
Acquired as part of business combination	80,531,612	-
Foreign currency movement	987,601	-
Additions	9,969,460	1,162,644
Amortisation charge	(8,280,707)	(190,885)
	83,803,651	6,140,208
Closing net book amount		

During 2011 and 2012, further commercial discoveries were made on the North Chapman Ranch asset along with the commencement of fracture stimulation activities on the Ross 3H well on the Company's East Texas Cotton Valley asset. This resulted in expenditure to date of these events that was part of exploration and evaluation expenditure having been transferred to development assets.

During the year, the Company indicated it was commencing the process to look to dispose of the Company's Texan interests hence the transfer to assets classified as held for sale.

In 1 July 2011, Range Resources Ltd completed the acquisition of 100% of SOCA Petroleum which in turn holds 100% of three exploration and production onshore oil and gas licenses, along with 100% of a fully operational drilling subsidiary with five exploration drill rigs, four production drill rigs and associated equipment and operational personnel.

**Note 19: Prepayment for Investments**

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
Opening balance	54,426,730	13,811,660
Consolidated to Financials	(54,426,730)	-
Transfer to Investments in Associates	-	(5,891,595)
Transfer to Non-Current Receivables	-	(5,804,469)
Additions	-	52,311,134
	-	52,311,134
Closing net book amount		
	-	54,426,730

Opening balance relates to the prepayment for an investment in a holding company with production licenses and drilling inventory in Trinidad by way of issue of shares for \$10,772,338 and cash for \$52,506,260, refer note 34.

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**Note 19: Prepayment for Investments (continued)**

On 1 July 2012, Range completed the acquisition of a 100% interest in holding companies with three onshore production licenses and a fully operational drilling subsidiary which constitutes a *Business Combination*. Details of this business combination were disclosed in Note 34.

**Note 20: Investments in Associates**

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
Opening balance	5,891,595	-
Share of net loss using equity method	(394,596)	
Transfer from Prepayment for Investments (Note 19)	-	5,891,595
Transfer from Non-current Receivable (Note 21)	12,122,177	-
Payments during the year	12,231,564	-
	<hr/>	
Closing net book amount	29,850,740	5,891,595

As part of the agreement with unlisted UK Company Strait Oil & Gas (UK) Limited ("Strait"), Range was to fund the completion of Phase II and Phase III of the PSA over the Georgian project, with the initial US\$6m spent to be allocated to the acquisition of the shares and classed as investment in associate and additional expenditure incurred with respect to completing the PSA commitments being repayable upon the completion of Phase III declaration of a commercial discovery and shall be payable out of profit oil and gas or cash proceeds that may arise from a sale event. Interest on the loan accrues at a rate of LIBOR + 2%

On 1 January 2011 the Company received shares in the unlisted UK Company Strait Oil & Gas (UK) Limited ("Strait"), representing 50% of the total shares on issue of Strait. As such, the Company has reclassified expenditure to 1 January 2011 from Prepayment for Investment to Investments. Range's interest was subsequently diluted to 40% following the farm-in with Red Emperor Resources.

Under the terms of the original agreement from 2010, Range must issue 30m shares upon the completion of two wells or a commercial discovery. Additionally, a capital commitment of \$1.5m exists (as at the date of this report) in relation to the current 2D seismic programme being acquired over the two licenses. As at the date of this report, operations continue on the license areas as the Company and its partners work towards the completion of the Phase III commitments under the PSA.

**Note 21: Non-Current Receivable**

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
Opening balance	12,122,177	-
Transfer from Prepayment for Investments (Note 19)	-	5,804,469
Transfer to Investment in Associates (Note 20)	(12,122,177)	-
Payments during the year	4,762,762	6,317,708
	<hr/>	
Closing balance	4,762,762	12,122,177

Payments pertains to advances to a third party in relation to securing options over interests in projects on which Range gets pre-emption rights and first right of refusal. There is no set repayment date and depends on whether the Company pursues potential projects presented to the Company. In the prior year related to payments with respect to the company's interest in Georgia which has been transferred to Investments in Associates in the current year.

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**Note 22: Trade and Other Payables**

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
Trade payables	2,306,608	634,695
Sundry payables and accrued expenses	555,524	784,951
	2,862,132	1,419,646

**Risk exposure**

Trade payables are non-interest bearing and are normally settled on 30-day terms. Information about the consolidated entity's exposure to credit risk, foreign exchange risk and price risk is provided in Note 36.

**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.

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
Provision for rehabilitation	592,800	11,645
	592,800	11,645

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

<b>Non-current</b>		
Carrying amount at the start of the year	11,645	-
Additional provision recognised	581,155	11,645
Carrying amount at the end of the year	592,800	11,645

**Note 24: Deferred Tax Liability**

<b>Movements</b>	<b>Development Assets \$</b>	<b>Property, Plant and Equipment \$</b>	<b>Total \$</b>
At 1 July 2011	-	-	-
Acquired through business combination	42,037,039	2,230,937	44,267,976
Foreign currency movement	1,799,525	95,484	1,895,009
Charged/(credited)			
- to profit or loss	(4,000,854)	1,984,451	(2,105,668)
At 30 June 2012	39,835,710	4,310,872	44,146,582

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 2012 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.

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**Note 25: Other Liabilities**

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
(a) Employee service benefits	630,243	-
(b) Other non-current liabilities		
Tax interest and penalty accrual	2,080,972	-
Sundry payables and accrued expenses	1,392,021	-
	3,472,993	-

**Risk exposure**

Information about the consolidated entity's exposure to credit risk, foreign exchange risk and price risk is provided in Note 36.

**Note 26: Contributed equity**

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
2,357,627,605 (2011: 1,671,041,142) fully paid ordinary shares	326,548,133	242,732,685
4,925,000 partly paid shares (2011: 4,925,000)	1,732,615	1,732,615
Share issue costs	(20,508,039)	(16,794,175)
	307,772,709	227,671,125

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>No.</b>	<b>No.</b>
<b>(a) Fully Paid Ordinary Shares</b>		
At the beginning of reporting period	1,671,041,142	1,002,889,278
Shares issued during year	377,044,187	395,906,463
Options exercised during year	309,392,276	272,245,401
	2,357,477,605	1,671,041,142

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.

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**Note 26: Contributed equity (continued)**

**(b) Partly Paid Ordinary Shares**

	<b>No.</b>	<b>No.</b>
At the beginning of reporting period - \$0.30	4,925,000	4,925,000
Total contributed equity	4,925,000	4,925,000

During the year ended 30 June 2007, Partly Paid shares were allotted and issued to directors at an issue price of \$0.60 each and were deemed to have been paid up to \$0.30 each, leaving \$0.30 payable by the holder within 13 months of the date of issue as follows:

Michael Povey	1,500,000
Peter Landau	1,500,000
Marcus Edward-Jones	750,000

The primary purpose of the partly paid shares was to provide a cost effective consideration of work to be done by the Directors for the Company and for recognition of Directors efforts in negotiating and securing the acquisition of the Puntland Project. The terms of the partly paid shares are ambiguous, given they state that the holder is able to elect, at their sole and absolute discretion, to pay up the shares. It was never the intention of the Board to issue partly paid shares that would require the Directors (without any discretionary election) to pay up any unpaid portion of the shares.

Accordingly, on 10 February 2008, and following uncertainty as to the ability to exercise the partly paid shares, those directors entitled to consider the matter (and not having a material personal interest) being Messrs Sam Jonah and Liban Bogor, resolved in accordance with clause 32.9 of the Company's constitution that the shares be forfeited and that payment will not be enforced with regards to the unpaid balance of capital. The Board will look to convene a meeting of shareholders to obtain the necessary resolutions for a selective reduction and cancellation of these partly paid shares. The accounts at 30 June 2012 do not reflect the cancellation of the partly paid shares.

**(c) Movements in fully paid ordinary share capital**

<b>2012</b>	<b>Details</b>	<b>Number of shares</b>	<b>Issue price</b>	<b>\$</b>
<b>1 July 2011</b>	<b>Opening balance</b>	<b>1,671,041,142</b>		<b>242,732,685</b>
	Exercise of options (listed)	197,790,361	\$0.050	9,889,518
	Exercise of options (unlisted)	60,000,000	\$0.100	6,000,000
	Exercise of options (unlisted)	9,820,000	\$0.114	1,122,364
	Issue of shares upon extinguishing of warrant liability**	41,781,915	\$0.125	5,223,627
	Underwriting shares	18,366,450	\$0.100	1,732,114
	Placement – Socius	83,563,829	\$0.170	9,330,036
	Trinidad acquisition	35,842,293	\$0.250	8,851,868
	Equity Line of Credit	27,272,727	\$0.162	4,419,564
	Placement	160,000,000	\$0.189	30,302,405
	Shares issued as per Puntland's original agreement	45,000,000	\$0.130	5,850,000
	Shares issued for corporate advisory, capital raising fees etc.	6,998,888		1,093,855
<b>30 June 2012</b>	<b>Balance</b>	<b>2,357,477,606</b>		<b>326,548,036</b>

\* Due to some placements of equity drawdown being denominated in GBP, AUD issue price has been rounded to 3 decimal places.

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**Note 26: Contributed equity (continued)**

\*\* During the year, the Group entered into an equity subscription agreement with SOCIUS CG II which stipulates that the number of shares and options to be issued for the subscribed amount of \$15,312,372 (USD\$15 million) is dependent on share price movements, therefore making the ultimate number of shares and options to be issued a variable number and giving rise to a derivative financial instrument. As at 30 June 2012, this transaction has been settled with the issue of a total of 125,345,744 shares and resulted in a loss from fair value movement of derivative of \$816,141 being recognised in the statement of comprehensive income.

2011	Details	Number of shares	Issue price	\$
<b>1 July 2010</b>	<b>Opening balance</b>	<b>1,002,889,277</b>	*	<b>147,414,032</b>
	Exercise of options (listed)	239,467,457	\$0.050	11,973,373
	Exercise of options (unlisted)	28,212,044	\$0.050	1,410,602
	Exercise of options (unlisted)	4,565,489	\$0.050	228,274
	Exercise of options (listed)	412	\$1.00	412
	Placement	71,723,793	\$0.070	5,020,666
	Placement	167,021,859	\$0.261	43,563,577
	Equity line of credit	38,022,814	\$0.125	4,761,905
	Equity line of credit	35,714,286	\$0.226	8,087,997
	Equity line of credit	42,000,000	\$0.279	11,731,889
	Equity line of credit	18,918,919	\$0.299	5,660,541
	Shares issued as deposit for investment in Trinidad acquisition	12,409,116		3,420,471
	Shares issued for corporate advisory, capital raising fees etc.	10,095,676		1,913,086
	Placement received PY	-		(2,454,140)
<b>30 June 2011</b>	<b>Balance</b>	<b>1,671,041,142</b>		<b>242,732,685</b>

\* Due to some placements of equity drawdown being denominated in GBP, AUD issue price has been rounded to 3 decimal places.

	Consolidated	
	2012 No.	2011 No.
<b>(d) Options</b>		
At the beginning of reporting period	268,881,380	584,177,617
Options issued during year	65,781,915	16,425,223
Options expired	(3,177,029)	(55,616,470)
Options exercised during year	(309,392,276)	(276,104,990)
Total options	22,093,990	268,881,380

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
30/06/2015	\$0.070	855,166
30/04/2016	\$0.265	7,058,824
31/01/2017	\$0.114	5,180,000
31/03/2015	\$0.189	9,000,000
		<u>22,093,990</u>

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**Note 26: Contributed equity (continued)**

During the year ended 30 June 2012, 309,392,276 (2011: 276,104,990) ordinary shares of Range Resources Limited were issued on the exercise of options. The holders of these options do not have any rights under the options to participate in any share issues of the company.

**Note 27: Reserves**

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Share-based payment reserve</b>		
Balance 1 July	6,884,431	4,667,099
Options issued to directors	-	-
Shares issued in business combination	7,482,078	2,217,332
<b>Balance 30 June</b>	<b>14,366,509</b>	<b>6,884,431</b>
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. Additionally, this includes the contingent shares to be issued as a result of the business combination.		
<b>(b) Option premium reserve</b>		
Balance 1 July	11,811,411	11,811,411
Options issued in lieu of fees	733,635	-
<b>Balance 30 June</b>	<b>12,545,046</b>	<b>11,811,411</b>
The option premium reserve is used to recognise the grant date fair value of options issued but not exercised.		
<b>(c) Foreign currency translation reserve</b>		
Balance 1 July	-	-
Currency translation differences arising during the year	(2,800,410)	-
<b>Balance 30 June</b>	<b>(2,800,410)</b>	<b>-</b>
The foreign currency translation reserve is used to record exchange differences arising from the translation balances of foreign subsidiaries.		
<b>(d) Available-for-sale investment revaluation reserve</b>		
Balance 1 July	12,545	12,250
Increase in value of investments	745,639	295
<b>Balance 30 June</b>	<b>758,184</b>	<b>12,545</b>
<b>Total Reserves</b>	<b>24,869,329</b>	<b>18,708,387</b>

The available-for-sale investment revaluation reserve is used to record increases in the fair value of available-for-sale financial instruments and decreases to the extent that such decreases do not relate to an impairment of the asset when the movement is taken to the statement of comprehensive income.



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**Note 28: Commitments**

**(a) Capital commitments**

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<i>Intangible assets</i>		
Capital expenditure commitment contracted for:		
Interest in Puntland Project <sup>(i)</sup>	-	16,116,787
<i>Investment in Associate</i>		
Georgian acquisition	1,507,376	-
Trinidad acquisition	-	-
	1,507,376	16,116,787
 <i>Payable</i>		
- not later than 1 year	1,507,376	7,638,618
- later than 1 year but not later than 5 years	-	8,478,169
- later than 5 years	-	-
	1,507,376	16,116,787

- (i) In mid 2007, the Company entered into a joint venture with TSX listed Africa Oil Corporation (AOC), where AOC acquired an 80% participating interest in the Nogal and Dharoor blocks. Range is free carried by AOC for US\$45 million (\$22.5 million on each block) which was met during the recent exploration program.

As announced subsequent to year-end, the joint venture is to enter into the next exploration phase with respect to both the Nogal and Dharoor blocks which carries a commitment to drill one well in each block. The joint venture has also indicated that it would look to acquire further seismic in the Dharoor Valley.

During the year, the Company entered into Memorandum of Understanding (“MOU”) with the Puntland Government with respect to obtaining 100% working interest in the Nugaal Offshore Block and in return US\$5m to be paid to the Government upon completion of the acquisition of which the majority having been paid up to the date of this report.

As at the date of this report, the joint venture is working at determining the AFE’s for the proposed work commitments for the next exploration phase with the AFE values not yet finalised.

- Note: It is possible that Africa Oil’s work program will vary and work could be accelerated. This would affect the timing and quantum of the cash calls on Range. In the event that Range is not able to or chooses not to participate in the cash calls as made by the operator (Africa Oil), then Range will be deemed to be a Non Consenting Partner. In the event that this happens, Range has the ‘option’ to reinstate its relinquished rights by paying a 700% (7x) premium within 30 days of exercising their option to reinstate as a Consenting Partner to the farm-in.

During the year the Company entered into an agreement to acquire a 65% farm-in interest (potential to move to 75%) on two licenses in the Putumayo Basin in Colombia – Range is committed to pay 100% of the planned 3D seismic program plus a well on each licences. As at the date of this report, the joint venture is working at determining the AFE’s for the proposed work commitments for the seismic program.

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**Note 28: Commitments (continued)**

**(b) Expenditure commitments**

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<i>Consultancy agreements</i>		
Not later than 1 year	235,296	138,265
	235,296	138,265

- (i) The above commitment is for our consulting agreement with Texas Energy Advisors LLC. The commitment is for USD 80,000 (2011: USD 43,500) per month for a maximum of 3 months.

**(c) Remuneration commitments**

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
Commitments for the payment of salaries and other remuneration under long-term employment contracts in existence at the reporting date but not recognised as liabilities, payable:		
Within one year	530,000	160,000
Later than one year and not later than five years	1,060,000	291,666
	1,590,000	451,666

Amounts disclosed as remuneration commitments include commitments arising from the service contracts of key management personnel referred to in the remuneration report within the directors' report that are not recognised as liabilities and are not included in the key management personnel compensation.

**Note 29: Contingent Liabilities and Contingent Assets**

The Company completed the acquisition of the remaining 49.9% of the Puntland Rights from Consort Private Limited ("Consort") in May 2007. Under the terms of the Agreement, Range must pay US\$20 million to Consort upon completion of the first 4 hydrocarbon wells drilled in Puntland.

Consort is also entitled to receive a 2.5% net royalty on any Puntland projects derived in respect of Range's interest.

Further, US\$200,000 is payable upon a commercial discovery on each license area as a result of the wells drilled in Puntland giving a total contingent liability of US\$400,000.

The Company has entered into a 12 month rolling agreement with Texas Energy Advisors LLC to procure an offshore drilling partner in Puntland. If Texas Energy facilitates the introduction of Range Resources to an offshore drilling partner, Texas Energy will receive cash or equity to the value of:

<i>Aggregate value of payment received by Range</i>	<i>% to be paid to Texas Energy</i>
Less than or equal to A\$50m	2.0% of such amount; plus
Greater than A\$50m but less than A\$100m	4.0% of such amount; plus
Greater than A\$100m	6.0% of such amount

During 2010, the Company entered into a transaction to acquire a 50% interest in Strait Oil and Gas (UK) Limited, which holds two licenses in the Republic of Georgia. Range's interest was subsequently diluted to 40% following the farm-in with Red Emperor Resources. Under the terms of the original agreement from 2010, Range must issue 30m shares upon the completion of two wells or commercial discovery.

Under the farm-in on the Colombian projects, the vendors are entitled to receive a 5% net royalty in respect to Range's interest.

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**Note 29: Contingent Liabilities and Contingent Assets (continued)**

During the financial year ended 30 June 2008, the entity settled a transaction regarding the disposal of subsidiaries with operations in Peru. Range Resources has received conflicting advice from local advisors as to whether any tax liability arises in Peru from this disposal and are therefore unable, at this stage, to quantify any such liability should it, in fact, exist.

The Trinidad subsidiary of Range, Trincan Oil Limited has been named as a defendant in 3 High Court Actions in Trinidad relating to previous contracts with drilling companies from a number of years ago. To date, no judgement has been handed down hence the Company is not in a position to determine the likely financial impact and potential amounts payable should these actions be successful. The Company believes that any outcome against the Company will not have a significant detrimental impact on the Company.

The Directors are not aware of any further contingent liabilities or contingent assets as at 30 June 2012.

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**Note 30: Segment Reporting**

Management have determined that the operating segments are consistent with prior periods, with management allocating resources to segments on a geographical basis. During the financial period, the consolidated entity operated in four operational segments being Somalia, Georgia, Texas, Colombia and Trinidad.

**(a) Segment information provided to the strategic steering committee**

2012	Somalia \$	Georgia \$	Texas \$	Trinidad \$	Colombia \$	All Other Segments (i) \$	Consolidated \$
<b>Segment revenue</b>							
Revenue from continuing operations	-	-	2,896,263	21,320,485	-	-	24,216,748
Other income	-	-	-	4,298	-	5,275,655	5,279,953
Total revenue	-	-	2,896,263	21,324,783	-	5,275,655	29,496,701
<b>Segment result</b>							
Segment expenses	-	(394,596)	(1,234,939)	(20,258,478)	-	(19,264,612)	(41,152,625)
Loss before income tax	-	(394,596)	1,661,324	1,066,305	-	(13,988,957)	(11,655,924)
Income tax	-	-	(163,812)	(1,638,442)	-	4,408,271	2,606,017
Loss after income tax	-	(394,596)	1,497,512	(527,137)	-	(9,580,686)	(9,049,907)
<b>Segment assets</b>							
Segment assets <sup>(i)</sup>	108,289,313	29,850,740	8,968,263	142,434,157	7,135,420	22,982,298	319,660,191
Total assets	108,289,313	29,850,740	8,968,263	142,434,157	7,135,420	22,982,298	319,660,191
<b>Segment liabilities</b>							
Segment liabilities	-	-	842,704	54,161,581	-	880,486	55,884,771
Total liabilities	-	-	842,704	54,161,581	-	880,486	55,884,771

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**Note 30: Segment Reporting (continued)**

**Other segment information**

Acquisitions of property, plant and equipment, capitalised exploration expenditure and development assets

	21,075,120	12,231,564	2,052,318	92,484,289	7,135,420	1,595,296	140,792,836
Total acquisitions	21,075,120	12,231,564	2,052,318	92,484,289	7,135,420	1,595,296	140,792,836

Depreciation and amortisation of segment assets

	-	-	1,106,398	8,695,691	-	45,347	9,847,436
Total depreciation and amortisation	-	-	1,106,398	8,695,691	-	45,347	9,847,436

Included within the all other segment assets shown above is cash and cash equivalents of \$7,898,547 and non-current receivables of \$4,798,110 (refer note 21) and other material items.

	Somalia	Georgia	Texas	Trinidad	All Other Segments	Consolidated
2011	\$	\$	\$	\$	\$	\$
<b>Segment revenue</b>						
Revenue from continuing operations	-	-	3,074,492	-	391,239	3,465,731
Other income	-	-	-	-	8,691	8,691
Total revenue	-	-	3,074,492	-	399,930	3,474,422
<b>Segment result</b>						
Segment result	-	-	(1,324,301)	(7,217,388)	(10,324,266)	(18,865,955)
Loss before income tax	-	-	1,750,191	(7,217,388)	(9,924,336)	(15,391,533)
Income tax	-	-	(115,352)	-	-	(115,352)
Loss after income tax	-	-	1,634,839	(7,217,388)	(9,924,336)	(15,506,885)
<b>Segment assets</b>						
Segment assets <sup>(i)</sup>	87,214,193	18,013,772	6,735,895	54,426,730	21,603,502	187,994,092
Total assets	87,214,193	18,013,772	6,735,895	54,426,730	21,603,502	187,994,092
<b>Segment liabilities</b>						
Segment liabilities	117,261	-	485,110	-	828,920	1,431,291
Total liabilities	117,261	-	485,110	-	828,920	1,431,291

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**Note 30: Segment Reporting (continued)**

**Other segment information**

Acquisitions of property, plant and equipment,  
capitalised exploration expenditure and  
development assets

	5,174,386	6,317,708	1,758,330	52,311,134	11,503,706	77,065,264
Total acquisitions	5,174,386	6,317,708	1,758,330	52,311,134	11,503,706	77,065,264

Depreciation and amortisation of segment  
assets

	-	-	190,885	-	4,954	195,839
Total depreciation and amortisation	-	-	190,885	-	4,954	195,839

(i) Included within the all other segment assets shown above is cash and cash equivalents of \$17,359,870.

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**Note 30: Segment Reporting (continued)**

**(b) Other segment information**

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>Segment other revenue – all other segments</b>		
gain on sale of investment	2,385,966	-
gain on fair value movement	2,352,180	-
other income	537,509	399,930
	5,275,655	399,930
	5,275,655	399,930
 <b>Segment result – all other segments</b>		
directors fees	529,998	474,996
consultancy fees	5,296,443	5,020,998
public relations	507,855	200,679
share-based payments	1,449,052	1,826,250
admin and other expenses	11,481,264	2,801,343
	19,264,612	10,324,266
	19,264,612	10,324,266

**Accounting Policies**

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the consolidated entity 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 consolidated entity'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 consolidated entity. 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 continuing operations from Texas of \$2,896,263 (2011: \$3,074,492) is derived from several customers who each account for greater than 10% of this amount. Revenue from continuing operations from Trinidad of \$21,324,783 is derived from the subsidiaries' sole customer which is Petrotrin.

**Intersegment Transfers**

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

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**Note 31: Cash Flow Information**

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>Reconciliation of cash flow from operations with loss after income tax</b>		
Loss after income tax	(9,049,907)	(15,506,885)
Non-cash flows in profit		
Depreciation	9,254,755	201,273
Share based payment- others	2,604,700	-
Share based payments to consultants	1,449,052	2,514,025
Impairment loss	112,000	55,500
Gain on fair value movement	(2,352,180)	-
Foreign exchange loss	899,902	752,055
Option extension fees	-	7,217,387
Share of net loss of associate	394,596	-
Other non-cash items	(741,593)	401,304
Decrease/(increase) in other current assets	(602,553)	(109,013)
Decrease/(increase) in trade and other receivables	(1,962,249)	(960,911)
Increase/(decrease) in trade and other payables	5,545,722	442,188
	<hr/>	<hr/>
Net cash inflow/(outflow) from operations	5,552,245	(4,993,077)

**Non-cash investing and financing activities**

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
Acquisition of plant and equipment by means of finance leases	74,336	-
Share issue costs paid via share based payment	433,635	-

**Note 32: Share-Based Payments**

The following share-based payment arrangements occurred during the financial year ended at 30 June 2012.

<b>Quantity</b>	<b>Security</b>	<b>\$ Value</b>	<b>Purpose</b>
6,998,888	Fully paid ordinary shares	1,093,855*	Issued in lieu of corporate advisory, capital raising etc. fees
45,000,000	Fully paid ordinary shares	5,850,000*	Issued to Consort upon completion of first hydrocarbon well as per original agreement in Puntland
35,842,292	Performance shares	7,482,078	To be issued to SGS upon achieving production target in Trinidad. 17, 921,146 shares upon achieving 1,250bopd by 31 Dec 2012 and additional 17,921,146 shares upon achieving 2,500bopd on or before 31 Dec 2014.
15,000,000	Unlisted options	355,197	Issued in lieu of capital raising fees
9,000,000	Unlisted options	378,438	Issued in lieu of capital raising fees

\*These shares were issued in accordance of an agreement rather than an invoice. Accordingly, the group is uncertain of the value that the recipient would have attributed to the services received. As such, the group has valued the shares based on their market value at issue date.

The fair value of performance shares were determined by applying a probability to the shares market value. The probability factor was calculated – refer Note 34.



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**Note 32: Share-Based Payments (continued)**

The following share-based payment arrangements occurred during the financial year ended at 30 June 2011.

Quantity	Security	\$ Value	Purpose
10,095,676	Fully paid ordinary shares	1,913,086	Issued in lieu of corporate advisory, capital raising etc. fees
9,366,399	\$0.05, 31 March 2015 - unlisted option	687,775	Issued in lieu of corporate advisory, capital raising etc. fees
5,420,655	\$0.07, 30 June 2015 - unlisted option	335,701	Issued in lieu of capital raising fees
7,058,824	\$0.265, 30 April 2016 - unlisted option	1,193,856	Issued in lieu of capital raising fees

The fair value at grant date of the 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. No listed options granted as a share based payment.

The following share based payment arrangements from prior periods existed at 30 June 2012:

	2012		2011
	Number of Options	Weighted Average Exercise Price \$	Number of Options
			Weighted Average Exercise Price \$
Outstanding at the beginning of the year	149,447,323		164,878,978
Granted – (\$0.05 - 31.12.11)	-	-	-
Granted – (\$0.10 - 31.12.11)	-	-	-
Granted – (\$0.05 - 31.03.15)	-	-	9,366,399
Granted – (\$0.07 - 30.06.15)	-	-	5,420,655
Granted – (\$0.265 - 30.04.16)	-	-	7,058,824
Granted – (£0.075 – 31.01.17)	15,000,000	0.1152	-
Granted – (£0.125 – 31.03.15)	9,000,000	0.1921	-
Exercised – (\$0.05 - 31.03.15)	-	-	(28,212,044)
Exercised – (\$0.07 - 30.06.15)	-	-	(4,565,489)
Expired – (\$1.00 - 01.10.10)	-	-	(4,500,000)
Exercised- (\$0.05 – 31.12.11)	(42,175,000)	0.0500	-
Exercised- (\$0.10 – 31.12.11)	(60,000,000)	0.1000	-
Exercised- (£0.075 -31.01.17)	(9,820,000)	0.1152	-
Expired – (\$0.50 – 30.06.12)	(3,177,029)	0.5000	-
Outstanding at year end	<u>58,275,294</u>	<u>0.1248</u>	<u>149,447,323</u>
Exercisable at year end	<u>58,275,294</u>	<u>0.1248</u>	<u>149,447,323</u>

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**Note 32: Share-Based Payments (continued)**

The following factors and assumptions were used in determining the fair value of the unlisted options on grant date:

<b>Grant date</b>	<b>Expiry date</b>	<b>Fair value per option</b>	<b>Exercise price</b>	<b>Price of shares on grant date</b>	<b>Expected volatility annualised</b>	<b>Risk free interest rate</b>	<b>Dividend yield</b>
19 March 10	31 March 15	\$0.043	\$0.050	\$0.053	125.00%	4.80%	-
8 July 10	30 June 15	\$0.062	\$0.070	\$0.091	100.00%	4.80%	-
24 June 11	30 April 16	\$0.169	\$0.265	\$0.235	94.57%	4.89%	-
30 Sept 11	30 Sept 16	\$0.143	\$0.189	\$0.170	125.00%	3.26%	-
21 March 12	31 January 17	\$0.175	\$0.113	\$0.101	86.26%	4.94%	-
18 June 12	31 March 15	\$0.043	\$0.195	\$0.105	86.26%	5.00%	-

Historical volatility has been the basis for determining expected share price volatility as it assumed that this is indicative of future volatility, which may not be the case.

*Employee option plan*

There was no options issued to employees during the year or prior year

*Expenses recognised in the profit & loss*

During the year, share-based payments recognised in profit and loss amounts to \$1,449,052 (2011: 2,600,861)

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**Note 33: Related Party Transactions**

**(a) Parent entities**

The parent entity within the consolidated entity is Range Resources Limited. The ultimate Australian parent entity is Range Resources Limited which at 30 June 2012 owns 100% (2011: 100%) of the issued ordinary shares of Donnybrook Gold Pty Ltd and Westblade Pty Ltd. and 100% (2011:nil) of Range Resources Barbados Limited and Range Australia Resources (US) Limited.

**(b) Subsidiaries**

Interests in subsidiaries are set out in Note 14.

**(c) Associates**

As part of the agreement with unlisted UK company Strait Oil & Gas (UK) Limited ("Strait"), Range was to fund the completion of Phase II and Phase III of the PSA, with the initial US\$6m spent to be allocated to the acquisition of the shares and classed as investment in associate and additional expenditure being repayable upon the declaration of a commercial discovery and shall be payable out of profit from oil and gas proceeds that may arise from a sale event. Interest on the loan accrued at a rate of Libor +2%. Additional information is disclosed in Note 20.

**(d) Transactions with related parties**

During the year, Range Resources Limited entered into a loan agreement with Continental Coal Limited, a company which Peter Landau is a Director, in which \$2,115,210 was advanced to Continental. The loan is interest bearing and repayable in Australian dollars on or before 31 December 2012.

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
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, capital 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.	1,361,796*	1,195,000
Consulting fees paid or payable to Doull Holdings Pty Ltd, a company in which Mr Landau is a Director.	300,000	300,000
Consulting fees paid or payable to Smiding Pty Ltd, a company in which Mr Eastman is a Director.	100,000	75,000
*includes prepayment for reimbursable expenses to be incurred by the company.		

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>Amounts payable at year end to related parties:</b>		
Okap Ventures Pty Ltd	278,483	305,661
Doull Holdings Pty Ltd	25,000	25,000
Smiding Pty Ltd	22,985	41,667
Strait Oil and Gas (UK) Ltd	-	-

**(e) Equity transactions with related parties**

Refer to Note 6 and Note 26.

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**Note 34: Business Combination**

**(a) Summary of acquisition**

On 1 July 2011 the parent entity acquired 100% of West Indies Exploration Company Ltd and Drilling International Service and Supply Ltd thru SOCA Petroleum Ltd. The Group and its subsidiaries are engaged in the exploration, development and production of oil essentially from properties located in Trinidad and Tobago and the provision of related management services.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

Purchase consideration	AU\$	US\$
Assets transferred by the acquirer – cash only	52,506,270	55,968,793
Liabilities incurred by the acquirer to the former owners	5,560,893	5,743,592
Equity interest issued by the acquirer	10,772,338	11,415,001
Contingent consideration (i)	7,482,078	7,928,450
	<u>76,321,579</u>	<u>81,055,837</u>
Fair value movement on initial 10% payment	3,427,202	3,450,649
Total consideration	<u>79,748,771</u>	<u>84,506,486</u>

The assets and liabilities recognised as a result of the acquisition are as follows

	Carrying Value AU\$	Fair Market Value AU\$
<b>ASSETS</b>		
Cash and cash equivalents	1,382,460	1,382,460
Trade debtors	591,809	591,809
Other receivables	1,444,658	1,444,658
Deferred tax asset	69,273	69,273
Inventory	12,266	12,266
Goodwill	4,476,862	-
Property, plant and equipment	3,419,580	9,901,025
Development asset	7,487,701	80,531,612
<b>TOTAL ASSETS</b>	<b>18,884,609</b>	<b>93,933,103</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	5,306,164	5,306,164
Current Tax	2,209,343	2,209,343
Long term payables	2,371,689	2,371,689
Provision	298,823	298,823
Contingent Liability	-	406,926
Deferred Tax Liability	2,230,937	44,267,976
<b>TOTAL LIABILITIES</b>	<b>12,416,956</b>	<b>54,860,921</b>
<b>NET ASSETS ACQUIRED</b>	<b>6,467,653</b>	<b>39,072,182</b>
<b>GOODWILL</b> (disclosed in note 15)		<b>40,676,589</b>

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**Note 34: Business Combination (continued)**

Goodwill is allocated to cash-generating units (CGUs) pursuant to AASB 3 in conjunction with AASB 136. It is allocated to those CGUs which are expected to generate a value in use in the form of cash flows. Refer Note 15 for impairment assessment of goodwill.

The fair value adjustments principally relate to the recognition of the reserves and resources as well as the estimated costs of the remaining feasibility study cost which the Group will fund. The goodwill balance is the result of the requirement to recognise deferred tax liability calculated as the difference between the tax effect of the fair value of the assets and liabilities acquired and their tax bases.

(i) Contingent consideration

Included in the net assets acquired was a contingent liability in relation to performance shares. 17,921,146 ordinary fully paid shares will be issued upon achieving production target of 1,250 bopd on or before 31 December 2012 (tranche 1), and a further 17,921,146 ordinary fully paid shares upon achieving production target of 2,500 bopd on or before 31 December 2014. Valuation of the contingent liability was derived using the Forest Garb & Associates ('FGA') economic summary projection on Proved (P1) reserves of the licenses.

(ii) Acquired receivables

The fair value of acquired trade receivables is \$591,809.

(iii) Revenue and profit contribution

The acquired business contributed revenues of \$28,120,855 and net profit of \$5,587,531 to the group for the period from 1 July 2011 to 30 June 2012.

**(b) Purchase consideration – cash outflow**

<i>Outflow of cash to acquire subsidiary, net of cash acquired</i>	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
Cash consideration	5,939,787	52,506,270
Less: Balances acquired		
Cash	(1,382,460)	-
	<hr/>	<hr/>
Outflow of cash	4,557,327	52,506,270
	<hr/>	<hr/>

*Acquisition-related costs*

Acquisition-related costs of \$7,217,387 are made in the prior year which is included in profit or loss and in investing cash flows in the statement of cash flows.

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**Note 35: Parent Entity Information**

The following details information related to the parent entity Range Resources Limited, at 30 June 2012. The information presented here has been prepared in accordance using consistent accounting policies as presented in Note 1.

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
Current assets	12,990,108	20,628,932
Non-current assets	256,203,443	167,322,814
<b>Total assets</b>	<u>269,193,551</u>	<u>187,951,746</u>
Current liabilities	880,487	1,384,114
<b>Total liabilities</b>	<u>880,487</u>	<u>1,384,114</u>
Contributed equity	310,174,270	227,671,125
Accumulated losses	(69,422,694)	(59,815,629)
Reserves	27,561,488	18,712,137
<b>Total equity</b>	<u>268,313,064</u>	<u>186,567,633</u>
Loss for the year	(9,476,605)	(15,506,268)
Other comprehensive profit for the year	633,638	295
<b>Total comprehensive loss for the year</b>	<u>(8,842,967)</u>	<u>(15,505,973)</u>

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

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

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**Note 36: Financial Risk Management**

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

- Credit risk
- Liquidity risk
- Market risk

This Note presents information about the consolidated entity'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 consolidated entity, 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 consolidated entity's activities. The consolidated entity, 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 consolidated entity if counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the consolidated entity'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.

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>Cash at bank and short-term bank deposits (S&amp;P ratings)</b>		
AA-	7,858,788	17,359,870
A-2	2,393,700	-
-	157,875	-
	10,410,363	17,359,870

**Exposure to credit risk**

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

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
Loans and receivables <sup>(i)(ii)</sup>	11,192,719	3,002,395
Non-current receivable <sup>(i)(ii)</sup>	4,762,762	12,122,177
Cash and cash equivalents	10,410,363	17,359,870
	26,365,844	32,484,442

- (i) Counterparties without an external credit rating
- (ii) Receivables with no defaults in the past

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**Note 36: Financial Risk Management (continued)**

**Loans and receivables**

The consolidated entity'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**

None of the receivables at year end are past due or impaired. There are no guarantees to disclose.

**Investments in associates and loan receivables / Prepayment for investments**

The Company doesn't consider any financial risk to its investments in associates, long-term receivables and prepayment for investments other than the risk of impairment that is assessed on an annual basis. At 30 June 2012, the group does not consider any amount impaired relating to the total investment.

**Liquidity risk**

Liquidity risk is the risk that the consolidated entity will not be able to meet its financial obligations as they fall due. The consolidated entity'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 economic entity's reputation.

The consolidated entity uses activity-based costing to cost its activities, which assists in monitoring cash flow requirements and optimising its cash return on investments. Typically, the consolidated entity 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.

*Financing arrangements*

The group has access to undrawn Equity Line of Credit with Dutchess and First Columbus amounting to £27,000,000 as at the end of the reporting period.

	2012 £	2011 £
Line Amount	30,000,000	50,000,000
Drawdowns	(3,000,000)	(20,000,000)
<b>Balance</b>	<b>27,000,000</b>	<b>30,000,000</b>

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

<b>Consolidated Entity 2012</b>	<b>Carrying amount</b>	<b>Contractual cash flows</b>	<b>6 months or less</b>	<b>6 – 12 months</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>Over 5 years</b>
<b>Financial liabilities at amortised cost</b>							
Trade and other payables	2,862,132	-	2,862,012	-	-	-	-
Other non-current liabilities	3,472,993	-	-	3,472,993	-	-	-
	6,335,125	-	2,872,012	3,472,993	-	-	-



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**Note 36: Financial Risk Management (continued)**

<b>Consolidated Entity 2011</b>	<b>Carrying amount</b>	<b>Contractual cash flows</b>	<b>6 months or less</b>	<b>6 – 12 months</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>Over 5 years</b>
<b>Financial liabilities at amortised cost</b>							
Trade and other payables	1,419,646	-	1,419,646	-	-	-	-

**Market risk**

Market risk is the risk that changes in market prices, such as interest rates and equity prices will affect the consolidated entity'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 consolidated entity is exposed to equity securities price risk. This arises from investments held by the consolidated entity and classified on the statement of financial position as available for sale. The consolidated entity is not exposed to commodity price risk.

The consolidated entity holds equity investments which are publicly traded and included either on the ASX or the Toronto Stock Exchange.

The table below summarises the impact of increases/decreases equity investments held on these two indexes on the consolidated entity's post tax profit for the year and on equity. The analysis is based on the assumption that the share price had increased/decreased by 10% (2011: 10%) with all other variables held constant.

	<b>Impact on post-tax loss</b>		<b>Impact on Equity</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Listed available-for-sale assets</b>				
Ram Resources (formerly Contact Uranium)	(112,000)	-	-	12,000
Tangiers Petroleum Ltd	-	-	150,000	-
Africa Oil	-	-	560,638	16,574
Red Emperor Resources	-	-	35,000	34,000

Equity would increase/decrease as a result of gains/losses on equity securities classified as available for sale, unless the assets were determined to be impaired there would be no impact on loss for the year.

AASB7 – Financial Instruments: Disclosures 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 the level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
- c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

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**Note 36: Financial Risk Management (continued)**

2012	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Assets</b>				
Available for sale financial assets Equity securities	3,246,579	-	-	3,246,579
<b>Total assets</b>	<b>3,246,579</b>	<b>-</b>	<b>-</b>	<b>3,246,579</b>

2011	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Assets</b>				
Available for sale financial assets Equity securities	612,941	-	299,401	912,342
<b>Total assets</b>	<b>612,941</b>	<b>-</b>	<b>299,401</b>	<b>912,342</b>

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 consolidate entity is the current bid price. These instruments are included in level 1.

The fair value of the financial instruments categorised as level 3 is based on the fair value of the consideration paid at acquisition date less costs to sell.

As there is no active market for the securities, management believe that the acquisition cost less costs to sell is the fair value of the equity instruments.

**Foreign exchange risk**

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

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 consolidated entity's treasury risk management policy is to closely monitor exchange rate fluctuations. The consolidated entity has engaged a foreign exchange consulting company to assist in this process. To date, the consolidated entity has not sought to hedge its exposure to fluctuations in exchange rates, however this policy will be reviewed on an ongoing basis.

The consolidated entity's exposure to foreign currency risk at the reporting date was as follows:

	2012 US\$	2011 US\$	Consolidated	
			2012 TTD	2011 TTD
<b>Current</b>				
Amount receivable from other entities	356,012	874,747	6,222,033	-
Amount payable to other entities	(296,636)	-	(8,944,992)	-
	59,376	874,747	(2,722,959)	-

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**Note 36: Financial Risk Management (continued)**

*Sensitivity*

Based upon the amounts above, had the Australian dollar strengthened by 10% against the US dollar with all other variables held constant, the consolidated entity post-tax loss for the year on current amounts receivable/payable would have been AUD\$36,925 lower (2011: AUD\$82,541 lower), mainly as a result of foreign exchange gains/losses on translation of US denominated payables as detailed in the table above. On non-current receivables, the consolidated entity's post tax gain for the year would have been AUD\$2,435,374 higher (2011: AUD\$1,212,218 higher). 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.

Range Resources' contingent liabilities are mainly denominated in USD\$ however as the timing and/or occurrence of the payment does not allow that these be included in the sensitivity analysis performed here.

**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 2012 and 2011, the group loan receivables were denominated in Australian Dollars and US Dollars.

**Profile**

At the reporting date, the interest rate profile of the consolidated entity's variable interest-bearing financial instruments which exposes the group to cashflow interest rate risk was:

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>Variable rate instruments</b>		
Financial assets (cash and cash equivalents)	10,410,363	17,359,870
	-	12,122,177
	10,410,363	29,482,047

**Sensitivity analysis for variable rate instruments**

The sensitivity on interest rates for 2012 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. This analysis differs from 2011 which was performed on an interest rate movement up of 50 and 100 basis points (bps) at reporting date – which was consistent with the current market expectations of likely interest rate movements in the prior year. Both analyses for each year assume that all other variables, in particular foreign currency rates, remain constant.

	<b>Weighted Average Interest Rate</b>	<b>2012 +100 bps</b>	<b>2012 -100 bps</b>	<b>Weighted Average Interest Rate</b>	<b>2011 +50 bps</b>	<b>2011 -50 bps</b>
	<b>%</b>	<b>\$</b>	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>\$</b>
<b>Consolidated Entity</b>						
<b>Variable rate instruments</b>						
Financial assets (cash and cash equivalents)	2.47%	63,886	(63,886)	3.66%	106,810	(106,810)
Financial assets (loan and receivables)	-	-	-	3.00%	121,222	(121,222)

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**Note 36: Financial Risk Management (continued)**

**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:

Consolidated Entity	30 June 2012		30 June 2011	
	Carrying amount	Fair value	Carrying amount	Fair value
Available-for-sale financial assets	3,246,579	3,246,579	912,342	912,342
Loans and receivables	11,192,719	11,208,240	3,002,395	3,002,395
Non-current receivable	4,762,762	4,798,110	12,122,177	12,122,177
Cash and cash equivalents	10,410,363	10,410,363	17,359,870	17,359,870
Financial liabilities at amortised cost	(2,872,012)	(2,872,012)	(1,417,159)	(1,417,159)
	<u>26,740,411</u>	<u>26,740,411</u>	<u>31,979,625</u>	<u>31,979,625</u>

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

**Other price risk**

The consolidated entity 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 2011.

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.

*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	
	2012	2011
	\$	\$
<b>Financial assets</b>		
Cash and cash equivalents	10,410,363	17,359,870
Trade and other payables	(2,872,132)	(1,419,646)
Other non-current liabilities		
	(3,472,993)	-
<b>Net assets / (debt)</b>	<b>4,075,238</b>	<b>15,940,224</b>
Equity	310,174,366	227,671,125
<b>Net debt to equity ratio</b>	<b>0%</b>	<b>0%</b>

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**Note 36: Financial Risk Management (continued)**

**Categories of financial instruments**

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>Financial assets</b>		
Cash and cash equivalents	10,410,363	17,359,870
Loans and other receivables	11,192,719	3,002,395
Non-current receivable	4,762,762	12,122,177
Available-for-sale financial assets	3,246,579	912,342
	<b>29,612,423</b>	<b>33,396,784</b>
<b>Financial liabilities</b>		
Financial liabilities at amortised cost	2,872,012	1,419,646

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

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**Note 37: Events After the Reporting Date**

- Production on the Trinidad assets broke through the 1,000 barrels of oil per day milestone in late July 2012 which was a significant milestone for the Company given the fact it was achieved with just three of the Company's six drilling rigs, with the fourth and deepest capacity rig spudding in early September.
- The second (Shabeel North) of two historical exploration wells in Puntland was successfully completed subsequent to the year-end, having reached a target depth of 3,945m, with the joint venture having tested the upper Jessoma sands which only produced fresh water, resulting in additional testing of the Jessoma sands on the Shabeel well not being warranted. Despite the non-commercial nature of the two wells the joint venture partners remain highly encouraged that all of the critical elements exist for oil accumulations, namely a working petroleum system, good quality reservoirs and thick seal rocks, and have entered into the next exploration period in both the Nugaal and Dharoor Valley Production Sharing Contracts which carry a commitment to drill one well in each block within an additional 3 year period. It is the intention that further seismic will also be acquired in the Dharoor Valley to delineate new structural prospects for the upcoming drilling campaign plus to hold discussions with the Puntland Government to gain access regarding drill ready prospects in the Nugaal Valley block.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**Note 38: New Accounting Standards and Interpretations**

**Australian Accounting Standards/Amendments Released But Not Yet Effective: 30 June 2012 Year End**

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for financial year ended 30 June 2012. They have not been adopted in preparing the financial statements for the year ended 30 June. The group's assessment of the impact of these new standards and interpretations are set out below. In all cases the entity intends to apply these standards from the date of application as indicated below.

AASB reference	Title and Affected Standard(s):	Nature of Change	Application date/ Effective date	Impact on Initial Application
AASB 9 (issued December 2009 and amended December 2010)	Financial Instruments	<p>Amends the requirements for classification and measurement of financial assets. The available-for-sale and held-to-maturity categories of financial assets in AASB 139 have been eliminated. Under AASB 9, there are three categories of financial assets:</p> <ul style="list-style-type: none"> <li>• Amortised cost</li> <li>• Fair value through profit or loss</li> <li>• Fair value through other comprehensive income.</li> </ul>	Periods beginning on or after 1 January 2015	Adoption of AASB 9 is only mandatory for the year ending 30 June 2016. The entity has not yet made an assessment of the impact of these amendments.
		<p>The following requirements have generally been carried forward unchanged from AASB 139 Financial Instruments: Recognition and Measurement into AASB 9. These include the requirements relating to:</p> <ul style="list-style-type: none"> <li>• Classification and measurement of financial liabilities; and</li> <li>• Derecognition requirements for financial assets and liabilities.</li> </ul> <p>However, AASB 9 requires that gains or losses on financial liabilities measured at fair value are recognised in profit or loss, except that the effects of changes in the liability's credit risk are recognised in other comprehensive income.</p>		The entity does not have any financial liabilities measured at fair value through profit or loss. There will therefore be no impact on the financial statements when these amendments to AASB 9 are first adopted.

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**Note 38: New Accounting Standards and Interpretations (continued)**

AASB reference	Title and Affected Standard(s):	Nature of Change	Application date/ Effective date	Impact on Initial Application
AASB 10 (issued August 2011)	Consolidated Financial Statements	<p>Introduces a single 'control model' for all entities, including special purpose entities (SPEs), whereby all of the following conditions must be present:</p> <ul style="list-style-type: none"> <li>• Power over investee (whether or not power used in practice)</li> <li>• Exposure, or rights, to variable returns from investee</li> <li>• Ability to use power over investee to affect the entity's returns from investee.</li> </ul>	Annual reporting periods commencing on or after 1 January 2013	When this standard is first adopted for the year ended 30 June 2014, there will be no impact on transactions and balances recognised in the financial statements because the entity does not have any special purpose entities.
AASB 11 (issued August 2011)	Joint Arrangements	<p>Joint arrangements will be classified as either 'joint operations' (where parties with joint control have rights to assets and obligations for liabilities) or 'joint ventures' (where parties with joint control have rights to the net assets of the arrangement).</p> <p>Joint arrangements structured as a separate vehicle will generally be treated as joint ventures and accounted for using the equity method (proportionate consolidation no longer allowed).</p>	Annual reporting periods commencing on or after 1 January 2013	When this standard is first adopted for the year ended 30 June 2014, there will be no impact on transactions and balances recognised in the financial statements.



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**Note 38: New Accounting Standards and Interpretations (continued)**

AASB reference	Title and Affected Standard(s):	Nature of Change	Application date/ Effective date	Impact on Initial Application
AASB 13 (issued September 2011)	Fair Value Measurement	Currently, fair value measurement requirements are included in several Accounting Standards. AASB 13 establishes a single framework for measuring fair value of financial and non-financial items recognised at fair value in the statement of financial position or disclosed in the notes in the financial statements.	Annual reporting periods commencing on or after 1 January 2013	When this standard is adopted for the first time for the year ended 30 June 2014, additional disclosures will be required about fair values.
AASB 2011-9 (issued September 2011)	Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income	<p>Amendments to align the presentation of items of other comprehensive income (OCI) with US GAAP.</p> <p>Various name changes of statements in AASB 101 as follows:</p> <ul style="list-style-type: none"> <li>• 1 statement of comprehensive income – to be referred to as 'statement of profit or loss and other comprehensive income'</li> <li>• 2 statements – to be referred to as 'statement of profit or loss' and 'statement of comprehensive income'.</li> </ul> <p>OCI items must be grouped together into two sections: those that could subsequently be reclassified into profit or loss and those that cannot.</p>	Annual periods commencing on or after 1 July 2012	When this standard is first adopted for the year ended 30 June 2013, there will be no impact on amounts recognised for transactions and balances for 30 June 2013 (and comparatives). However, the statement of comprehensive income will include name changes and include subtotals for items of OCI that can subsequently be reclassified to profit or loss in future (e.g. foreign currency translation reserves) and those that cannot subsequently be reclassified (e.g. fixed asset revaluation surpluses).

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**Note 38: New Accounting Standards and Interpretations (continued)**

AASB reference	Title and Affected Standard(s):	Nature of Change	Application date/ Effective date	Impact on Initial Application
AASB 12 (issued August 2011)	Disclosure of Interests in Other Entities	Combines existing disclosures from AASB 127 Consolidated and Separate Financial Statements, AASB 128 Investments in Associates and AASB 131 Interests in Joint Ventures. Introduces new disclosure requirements for interests in associates and joint arrangements, as well as new requirements for unconsolidated structured entities.	Annual reporting periods commencing on or after 1 January 2013	As this is a disclosure standard only, there will be no impact on amounts recognised in the financial statements. However, additional disclosures will be required for interests in associates and joint arrangements, as well as for unconsolidated structured entities.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**Note 39: Company Details**

The registered office of the company is:

Ground Floor, 1 Havelock Street  
West Perth WA 6005  
Tel: (08) 9488 5220  
Fax: (08) 9324 2400

The principal place of business is:

Ground Floor, 1 Havelock St  
West Perth WA 6005  
Tel: (08) 9488 5220  
Fax: (08) 9324 2400

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**DECLARATION OF BY DIRECTORS**

The directors of the company declare that:

1. The financial statements, comprising the consolidated statement of 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
  - (b) give a true and fair view of the consolidated entity's financial position as at 30 June 2012 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:



\_\_\_\_\_  
Mr P Landau  
Executive Director  
Perth



\_\_\_\_\_  
Mr A Eastman  
Executive Director / Company Secretary  
Perth

Dated this 28<sup>th</sup> day of September 2012

## 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 2012, the consolidated statement of 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.



### Basis for Qualified Opinion

Included in Range Resources Limited's consolidated statement of financial position as at 30 June 2012 is an investment of 40% in associate entity, Strait Oil and Gas (UK) Limited, which is accounted for under the equity method and is carried at \$29,850,740. Range Resources Limited's share of the net loss is \$394,596 which is included in the consolidated statement of comprehensive income for the year ended 30 June 2012. We were unable to obtain sufficient appropriate audit evidence to verify the valuation of the investment or the loss brought to account for the year and as such we were unable to determine whether any adjustments to these amounts are necessary. Given this limitation of scope we cannot, and do not express an opinion on the investments in the associate or the result of the associate included in the consolidated statement of comprehensive income for the year ended 30 June 2012.

### Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph:

- (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 2012 and 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 the directors' report for the year ended 30 June 2012. 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 2012 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

Glyn O'Brien  
Director

Perth, Western Australia  
Dated this 28<sup>th</sup> day of September 2012

**RANGE RESOURCES LIMITED  
AND CONTROLLED ENTITIES  
ABN 88 002 522 009**

**CORPORATE GOVERNANCE STATEMENT**

This Corporate Governance Statement sets out the Company's current compliance with the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations (**Best Practice Recommendations**). The Best Practice Recommendations are not mandatory. However, the Company will be required to provide a statement in its future annual reports disclosing the extent to which the Company has followed the Best Practice Recommendations.

The Board of the Company currently has in place a corporate governance policy and are in the process of adopting a more comprehensive Corporate Governance Plan.

	<b>BEST PRACTICE RECOMMENDATION</b>	<b>COMMENT</b>
<b>1.</b>	<b><i>Lay solid foundations for management and oversight</i></b>	
1.1	Formalise and disclose the functions reserved to the board and those delegated to management.	Satisfied. Refer the Corporate Governance section on the Company website.
1.2	Disclose the process for evaluating the performance of senior executives.	Not satisfied. The Company has not yet established formal performance review measures for key executives given the size and stage of the Company's operations.
1.3	Provide the information indicated in the <i>Guide to Reporting on Principle 1</i> .	Satisfied. Refer to Director's report.
<b>2.</b>	<b><i>Structure the board to add value</i></b>	
2.1	A majority of the board should be independent directors.	Satisfied. Refer the Corporate Governance section on the Company website.
2.2	The chairperson should be an independent director.	Satisfied. Refer the Corporate Governance section on the Company website.
2.3	The roles of chairperson and chief executive officer should not be exercised by the same individual.	Satisfied. Refer the Corporate Governance section on the Company website.
2.4	The board should establish a nomination committee.	Not satisfied. The Board considers that given the current size of the board, this function is efficiently achieved with full Board participation. Accordingly, the Board has resolved not to establish a nomination committee at this stage.
2.5	Disclose the process for evaluating the performance of the board, its committees and individual directors.	Not satisfied. The Company has not yet established formal performance review measures for key executives nor has it established a nomination committee given the size and stage of the Company's operations. The full Board will review the performance of key executives.
2.6	Provide the information indicated in <i>Guide to Reporting on Principle 2</i> .	Satisfied. Refer to Director's report.
<b>3.</b>	<b><i>Promote ethical and responsible decision-making</i></b>	
3.1	Establish a code of conduct to guide the directors, the chief executive officer (or equivalent), the chief financial officer (or equivalent) and any other key executives as to: (a) the practices necessary to maintain confidence in the company's integrity; and (b) the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders (c) the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Satisfied. Refer the Corporate Governance section on the Company website.

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**CORPORATE GOVERNANCE STATEMENT**

	BEST PRACTICE RECOMMENDATION	COMMENT
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.	Satisfied. The Company recognises that a talented and diverse workforce is a key competitive advantage and that an important contributor to the Company's success is the quality and skills of its people.  The Company has established a Diversity Policy. Refer to the Corporate Governance section on the Company's website.
3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress in achieving them.	Not satisfied. Given the size of the Company, the Company has not yet set measurable objectives for achieving gender diversity. In addition, the Board will review progress against any objectives identified on an annual basis.
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	Satisfied. There are currently three women in senior positions, with Ms Jane Flegg as joint Company Secretary along with both Financial Controllers for Trinidad and Range Parent respectively.
3.5	Provide the information indicated in <i>Guide to Reporting on Principle 3</i> .	Satisfied. Refer to Director's report.
<b>4.</b>	<b><i>Safeguard integrity in financial reporting</i></b>	
4.1	The board should establish an audit committee.	Not Satisfied. The Directors believe that it would not increase efficiency or effectiveness to have a separate audit committee, and that audit matters are of such significance that they should be considered by the full Board. The Board may call on outside consultants if it requires assistance in this area.
4.2	Structure the audit committee so that it consists of: (a) only non-executive directors; (b) a majority of independent directors; (c) an independent chairperson, who is not chairperson of the board; and (d) at least three members.	Not satisfied. Refer 4.1.
4.4	The audit committee should have a formal charter.	Not satisfied. Refer 4.1
4.5	Provide the information indicated in <i>Guide to Reporting on Principle 4</i> .	Satisfied. Refer to Director's report.
<b>5.</b>	<b><i>Make timely and balanced disclosure</i></b>	
5.1	Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance.	Satisfied. Continuous disclosure policy is available on the Company website.
5.2	Provide the information indicated in <i>Guide to Reporting on Principle 5</i> .	Satisfied. Refer 5.1
<b>6.</b>	<b><i>Respect the rights of shareholders</i></b>	
6.1	Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings.	Satisfied. Communications with Shareholders policy is available on the Company website
6.2	Provide the information indicated in <i>Guide to Reporting on Principle 6</i> .	Satisfied. Refer to the Company website.



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**CORPORATE GOVERNANCE STATEMENT**

<b>7.</b>	<b><i>Recognise and manage risk</i></b>	
7.1	The board or appropriate board committee should establish policies on risk oversight and management.	Satisfied. Risk management program is available on the Company website.
7.2	Design and implement the risk management and internal control system to manage the company's material business risks and report on whether those risks are being managed effectively.	Satisfied. Refer 7.1
7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Due to the size and scale of its operations, the Company does not have a designated CEO or CFO. The roles are performed by the Board as a whole.
7.4	Provide the information indicated in <i>Guide to Reporting on Principle 7</i> .	Satisfied. Refer 7.1 Not currently applicable. Refer 7.3
<b>8.</b>	<b><i>Remunerate fairly and responsibly</i></b>	
8.1	The board should establish a remuneration committee.	Not satisfied. The Board considered this recommendation and formed the view that it would not increase efficiency or effectiveness to have a separate committee, and that remuneration matters are of such significance that they should be considered by the full Board. The Board may call on outside consultants if it requires assistance in this area.
8.2	Clearly distinguish the structure of non-executive directors' remuneration from that of executives.	Details of executive and non-executive remuneration are outlined in the Directors' report.
8.3	Provide the information indicated in <i>Guide to Reporting on Principle 8</i> .	Satisfied. The Company has incorporated all information as required.

**RANGE RESOURCES LIMITED  
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**ASX ADDITIONAL INFORMATION**

Additional information required by the Australian Stock Exchange Limited Listing Rules not disclosed elsewhere in this Annual Report is set out below.

**1. Shareholdings**

The issued capital of the Company as at 6 September 2012 is 2,357,477,606, ordinary fully paid shares. There are 7,058,824 unlisted options (£0.17, 30 April 2016), 855,166 unlisted options (£0.04, 30 June 2015), 5,180,000 unlisted options (£0.075, 31 January 2015) and 9,000,000 unlisted options (£0.125, 31 March 2015).

Ordinary Shares	No. of Holders	No. of Shares
1 - 1,000	1,097	393,748
1,001 - 5,000	1,288	3,770,518
5,001 – 10,000	734	5,942,998
10,001 - 100,000	1,776	66,429,194
100,001 and 9,999,999,999	568	2,280,941,148
	<b>5,463</b>	<b>2,357,477,606</b>
Number holding less than a marketable parcel	2,547	5,099,205

**2. Top 20 Shareholders as at 6 September 2012**

	No. of Shares Held	% Held
1 Computershare Clearing Pty Ltd <CCNL DI A/C>	1,813,530,043	76.93
2 Consort Private Limited	47,500,000	2.01
3 JP Morgan Nominees Australia Limited <Cash Income A/C>	45,316,970	1.92
4 National Nominees Limited	24,508,434	1.04
5 Erine International Limited	21,597,833	0.92
6 Mr David Scanlen	20,070,693	0.85
7 Mr Pieter Hoekstra + Mrs Ruth Hoekstra < Hoekstra Super Fund A/C>	17,362,488	0.74
8 Doull Holdings Pty ltd	13,206,522	0.56
9 Compagnie Des Montres Leader SA	11,409,116	0.48
10 HSBC Custody Nominees (Australia) Limited	8,230,145	0.35
11 Mr. Mohamed Hersi	7,278,416	0.31
12 Mr Phong Nguyen	6,700,000	0.28
13 Mr Paul Frederick Bennett	6,535,476	0.28
14 Mr Peter Charles Morey + Mrs Valmai Ann Morey < Morey Super Fund A/C>	4,559,416	0.19
15 Mr Shane Mathew Collins	4,000,000	0.17
16 G & D Finn Pty Ltd	3,860,870	0.16
17 Citicorp Nominees Pty Limited	3,294,145	0.14

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ASX ADDITIONAL INFORMATION

2. Top 20 Shareholders as at 6 September 2012 (continued)

	No. of Shares Held	% Held
18 Mr Trevor Arthur Andersen + Mrs Roslyn Anne Andersen	3,275,000	0.14
19 Mr. Bastian Michael Uber	3,200,000	0.14
20 Mr Scott Stewart Dawson	3,175,696	0.13
	<hr/> 2,068,611,263	<hr/> 87.75

3. Substantial Shareholders as at 26 September 2011

	No. of Shares Held	% Held
1 Computershare Clearing Pty Ltd <CCNL DI A/C>	1,813,530,043	76.93
2 Consort Private Limited	47,500,000	2.01

**ASX ADDITIONAL INFORMATION**

**5. Reserve Disclosure**

The reserves estimates for the 3 Trinidad blocks and update reserves estimates for the North Chapman Ranch Project and East Texas Cotton Valley have been formulated by Forrest A. Garb & Associates, Inc. (FGA). FGA is an international petroleum engineering and geologic consulting firm staffed by experienced engineers and geologists. Collectively FGA staff has more than a century of world-wide experience. FGA have consented in writing to the reference to them in this announcement and to the estimates of oil and natural gas liquids provided. The definitions for oil and gas reserves are in accordance with SEC Regulation S-X an in accordance with the guidelines of the Society of Petroleum Engineers ("SPE"). The SPE Reserve definitions can be found on the SPE website at [spe.org](http://spe.org).