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The Manager  
Company Announcements  
Australian Securities Exchange Limited  
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Sydney NSW 2000

By e-lodgement

## **COLOMBIA FARM-IN FINALISED AND NEW JOINT BROKER APPOINTED**

### **Highlights**

- Range to earn 65% (option to move to 75%) interest in the highly prospective blocks PUT-6 and PUT-7 in the Putumayo Basin in return for providing funding for the PSA work commitments (3D seismic and 2 wells)
- Additional opportunity to appraise and potentially re-enter a shut in well on Block PUT-7 which has historically reported reserves of 7.9 million barrels of oil
- 21 mapped leads across the 2 blocks to be the focus of 3D seismic programme
- The Putumayo Basin is an hydrocarbon producing region in Colombia with established infrastructure
- Appointment of GMP Securities Europe LLP as Joint Broker

Range Resources Limited ("**Range**" or "**the Company**") is pleased to announce further details on the Company's future economic participation into two highly prospective blocks in Colombia's Putumayo Basin in southern Colombia, following the receipt of relevant regulatory approvals.

### **Economic Participation Agreement**

Range has 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**") which include a 350km<sup>2</sup> 3D seismic programme 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 as mentioned above, 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.

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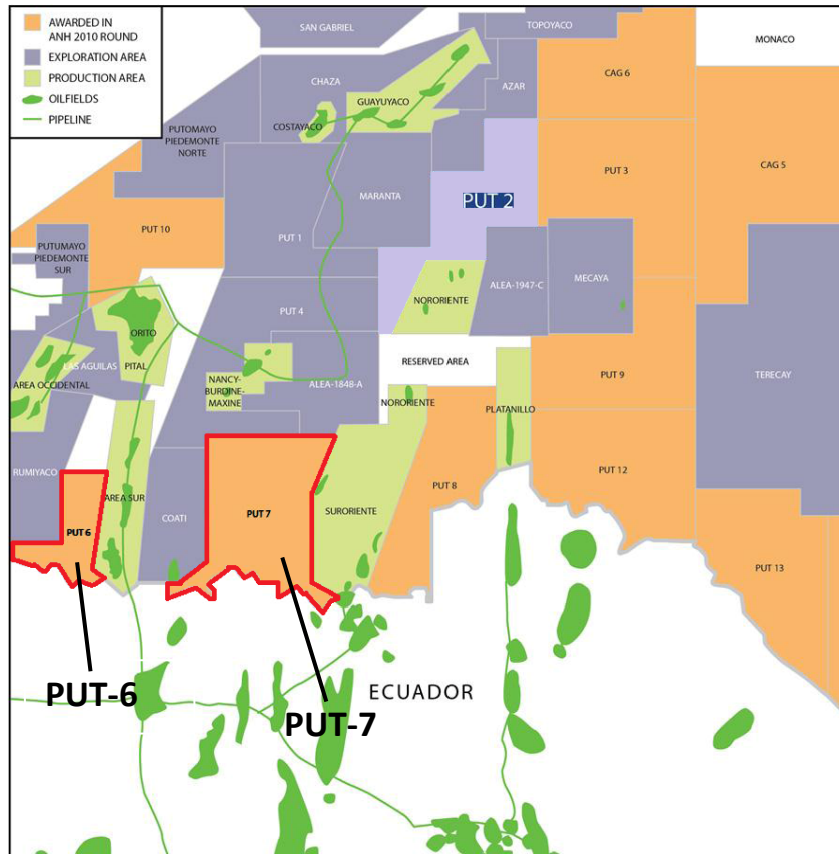
The reservoir modelling and underlying data for this estimate have not yet been reviewed in sufficient detail by Range or its consultants to provide a reserve estimate compliant with the SPE reporting guidelines.

Assuming the results of the re-evaluation area are favourable, the joint venture partner's plans to re-enter the well late 2012.

### Putumayo Basin Blocks 6 and 7

Blocks PUT-6 and PUT-7 are located in the Putumayo Basin in southern Colombia (see map 1), next to the border with Ecuador to the South. This basin is an extension of the prolific hydrocarbon bearing Oriente Basin of Ecuador. There are numerous producing oil-fields surrounding the two blocks and many other discoveries of good quality light oil with approximately 365 MMboe having been discovered in the basin to date. Both blocks are on trend with known discoveries and close to existing pipeline infrastructure. Typical well productivity in the basin ranges from 1,500 to 4,000 bopd with good pressure maintenance by water drive. Production from the Putumayo basin during 2011 averaged between 35,000 – 40,000 bopd. <sup>1</sup>

Most of the existing leads (**6 mapped in PUT-6, 15 mapped in PUT-7**) in the two blocks are four-way structural closures, formed by reverse faults providing good closure and minimal risk of breaching/fault leakage. The leads have been interpreted on vintage 2D seismic data. With the new planned 3D seismic data (commencing Q3 2012 subject to ANH approval), the imaging of the targets will improve and the structures will become better defined allowing the leads to be matured into firm prospects and prioritised for drill testing.



Map – location of blocks in the Putumayo Basin, Colombia

<sup>1</sup> Source - Ministerio de Minas y Energia. Current operators include Ecopetrol, Pacific Rubiales, Gran Tierra and Amerisur Resources.

### Source

- The oil is sourced from the thick regional Jurassic La Paz/Luna Formation and the Cretaceous Caballos Formation; current interpretations suggest that oil migrated early on from West to East into paleo-structures that form the main targets in these blocks.

### Reservoirs

- The main reservoirs in the Putumayo Basin are the good-quality sandstones found in the Lower Cretaceous Caballos Formation, with an average thickness of 300ft. Porosities range from 10% to 16%, with good permeability.
- Oil recovery rates for the reservoirs vary, but range from 16% to 35%. There is significant aquifer support that typically sustains production and reservoir pressure over the long term.
- Secondary targets exist above the Caballos in the U and T sandstones (Middle to Upper Cretaceous Villeta Formation). Recent results by other operators in adjacent blocks indicate significant upside potential in the shallower Villeta N Sand.

### Seal

- An excellent seal is provided by the Cretaceous plastic shales of the Villeta Formation. Rumiayaco and Orteguzza shales are also potential seals.

### Traps

- The main targets are structural traps associated with thrusts and sub-thrusts in the western side of the basin, and up-thrusts forming reverse-faulted anticlines in the foreland basin.
- Oil fields in the basin are related to structural traps, mainly contractional fault related folds, and reverse faulting.
- Leads show four-way closures at multiple intervals, from the Lower Cretaceous Caballos to the Villeta N Sand

Development of the blocks will be funded through existing funds and cashflow.

Peter Landau commented, *“the Colombian farm-in represents a great opportunity for Range to build its exciting oil and gas portfolio with Trinidad as the underpin. The Putumayo Basin is a proven producing region with well-established Companies operating in the region and our 2 blocks are some of the largest areas on trend which haven’t had any genuine exploration and development work undertaken in recent decades. Leveraging off our significant Trinidad operations financially, technically and logistically, Colombia further strengthens our current and future production growth profile as we head towards 10,000 bopd by 2014.”*

### **Appointment of Joint Broker**

Range is also pleased to announce the appointment of GMP Securities Europe LLP as Joint Broker to the Company with immediate effect.

Yours faithfully



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

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## Range Background

Range Resources Limited is a dual listed (ASX:RRS; AIM:RRL) oil & gas exploration company with oil & gas interests in the frontier state of Puntland, Somalia, the Republic of Georgia, Texas, USA and Trinidad.

- In Trinidad Range recently completed the acquisition of a 100% interest in holding companies with three onshore production licenses and fully operational drilling subsidiary. Independently assessed Proved (1P) reserves in place of 15.4 MMbbls with 19.6 MMbbls of proved, probable and possible (3P) reserves and an additional 20 MMbbls (mean) of prospective resources.
- In the Republic of Georgia, Range holds a 40% farm-in interest in onshore blocks VIa and VIb, covering approx. 7,000sq.km. Range completed a 410km 2D seismic program with independent consultants RPS Energy identifying 68 potential structures containing an estimated 2 billion barrels of undiscovered oil-in-place (on a mean 100% basis) with the first (Mukhiani-1) of two exploration wells having spudded in July in 2011. The Company is focussing on a revised development strategy that will focus on low-cost, shallow appraisal drilling of the contingent resources around the Tkibuli-Shaori ("Tkibuli") coal deposit, which straddles the central sections of the Company's two blocks.
- In Puntland, Range holds a 20% working interest in two licences encompassing the highly prospective Dharoor and Nugaal valleys. The operator and 60% interest holder, Horn Petroleum Corp. (TSXV: HRN) has completed the first exploration well (Shabeel-1) to a final depth of 3,470m having encountered a 12-20m zone of significant hydrocarbon pay in the Upper Cretaceous Jesomma Formation. The second well spud in early June 2012 and targeting best estimate Prospective Resources (100% basis) across the two wells of 170-300 mmbbls.
- Range holds a 25% interest in the initial Smith #1 well and a 20% interest in further wells on the North Chapman Ranch project, Texas. The project area encompasses approximately 1,680 acres in one of the most prolific oil and gas producing trends in the State of Texas. Independently assessed 3P reserves in place (on a 100% basis) of 228 Bcf of natural gas, 18 mmbbls of oil and 17 mmbbls of natural gas liquids.

- Range holds a 21.75% interest in the East Texas Cotton Valley Prospect in Red River County, Texas, USA, where the prospect's project area encompasses approximately 1,570 acres encompassing a recent oil discovery. The prospect has independently assessed 3P reserves in place (on a 100% basis) of 3.3mmbbls of oil.
- Range is earning a 65% (option to move to 75%) interest in the highly prospective PUT 6 and PUT 7 licences in Putumayo 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 licence, as well as looking to re-enter a previously suspended well that had a significant historical reserve estimate.

*The reserves estimates for the 3 Trinidad blocks and update reserves estimates for the North Chapman Ranch Project and East Texas Cotton Valley referred above 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 and 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).*

*RPS Group is an International Petroleum Consulting Firm with offices worldwide, who specialise in the evaluation of resources, and have consented to the information with regards to the Company's Georgian interests in the form and context that they appear. These estimates were formulated in accordance with the guidelines of the Society of Petroleum Engineers ("SPE").*

*The prospective resource estimates for the two Dharoor Valley prospects are internal estimates reported by Africa Oil Corp, the operator of the joint venture, which are based on volumetric and related assessments by Gaffney, Cline & Associates.*

*In granting its consent to the public disclosure of this press release with respect to the Company's Trinidad operations, Petrotrin makes no representation or warranty as to the adequacy or accuracy of its contents and disclaims any liability that may arise because of reliance on it.*

*The Contingent Resource estimate for CBM gas at the Tkibuli project is sourced from the publically available references to a report by Advanced Resources International's ("ARI") report in 2009: CMM and CBM development in the Tkibuli-Shaori Region, Georgia. Advanced Resources International, Inc., 2009. Prepared for GIG/Saknakshiri and U.S. Trade and Development Agency. - [globalmethane.org/documents/toolsres\\_coal\\_overview\\_ch13.pdf](http://globalmethane.org/documents/toolsres_coal_overview_ch13.pdf). Range's technical consultants have not yet reviewed the details of ARI's resource estimate and the reliability of this estimate and its compliance with the SPE reporting guidelines or other standard is uncertain. Range and its JV partners will be seeking to confirm this resource estimate, and seek to define reserves, through its appraisal program and review of historical data during the next 12 months.*

*Reserve information on the Putumayo 1 Well published by Ecopetrol 1987.*

#### **SPE Definitions for Proved, Probable, Possible Reserves and Prospective Resources**

**Proved Reserves** are those quantities of petroleum, which by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations.

**Probable Reserves** are those additional Reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves.

**Possible Reserves** are those additional reserves which analysis of geoscience and engineering data indicate are less likely to be recoverable than Probable Reserves.

**Prospective Resources** are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both an associated chance of discovery and a chance of development. Prospective Resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be sub-classified based on project maturity.

**Contingent Resources** are those quantities of hydrocarbons which are estimated, on a given date, to be potentially recoverable from known accumulations, but which are not currently considered to be commercially recoverable.