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

## By e-lodgement

### TRINIDAD UPDATE

Range Resources Limited (“Range” or “the Company”) is pleased to announce the following update with respect to the Company’s Trinidad operations with the following highlights:

- **The QUN 139 well drilling ahead at 950 ft. with a revised target depth of 1,300 ft. having encountered approximately 80 ft. of good quality oil sands to 945 ft.;**
- **The QUN 135 well finds more than 80 ft. of oil pay and will be deepened after indications of a possible new pay zone near TD;**
- **The Morne Diablo Waterflood programme is currently being simulated / modeled, with completion estimated in February;**
- **The Beach Marcelle programme is looking to commence upon receipt of the approvals to deepen six of the existing wells targeting production of 150-300 bopd per well; and**
- **The Company has received the final revised farm-out agreements that will see an initial reduction in the enhanced royalty currently being paid by the Company. The revised rates at 1,000 bopd will see net back prices increase to circa \$40 / barrel before tax and circa \$50 / barrel before tax at 2,000 bopd.**

### Lower Forest Development Update

Development of the Lower Forest formation continues with the QUN 139 well drilling ahead at 950 ft. with a revised target depth of 1,300 ft. having encountered approximately 80 ft. of good quality oil sands to 945 ft. The QUN 139 location is contiguous to producing wells QUN 119 and QUN 129 which achieved initial production rates of 129 bopd and 138 bopd, respectively. Both wells still flow under natural pressure, with QUN 129 having now produced for 12 months since first production.

The QUN 140 well is expected to spud shortly, with the Company awaiting receipt of necessary approvals. The well will be drilled to a target depth of approximately 1,000 ft. The QUN 140 well is contiguous and up-dip to the recently drilled QUN 138 well. As previously announced, the logging of the QUN 138 well indicated 100 ft of net oil sands across a number of horizons including a highly resistive zone between 770 and 810 ft. The Company awaits approvals which are anticipated shortly, with the production rig ready to move immediately onto site, perforate the well, and place it into production.

### Drilling Deeper Formations

The Company is pleased to report that after operational delays, the QUN 135 has been successfully drilled to its planned total depth of 3,500 ft., with indications that it may have penetrated a new Middle Cruse pay zone. Following conditioning of the well bore, logging operations were initiated and more than 80 ft. of net oil pay was identified in the Lower Forest, Upper Cruse and Middle Cruse

Australia

Ground Floor, 1 Havelock Street, West Perth WA 6005, Australia

t: +61 8 9488 5220, f: +61 8 9324 2400

e: admin@rangeresources.com.au

London

Suite 1A, Prince’s House, 38 Jermyn Street, London SW1 6DN

t: +44 (0)207 025 7040, f: +44 207 287 8028

w: www.rangeresources.com.au

formations. Based on oil shows while drilling and induction logs indicating that the well reached its planned total depth in the top of a Middle Cruse oil zone, the 135 well will now be deepened to confirm what may represent a previously undiscovered reservoir in the Middle Cruse section. Following deepening of the well and evaluation of open hole logs, the Company will determine which of the multiple oil zones present is the best candidate for initial completion.

In addition to the wells mentioned above, the Company is looking at re-entering four Lower Forest wells that have experienced comingling of oil and water sands. Remedial work will be performed on these wells with a small work-over rig, with additional perforations to be added in two of the four wells. This work is expected to improve the performance of these wells and add further to production.

The MD 248 well has reached 4,000 ft. and will continue to drill towards the target depth of 6,500 ft. to test the Lower Cruse formation. Following equipment shortages that resulted in drilling delays, additional rig components have been procured to reduce future downtime.

The previously drilled MD 19 well encountered well-developed Lower Cruse sands. However, they were structurally low and water-saturated at that location.

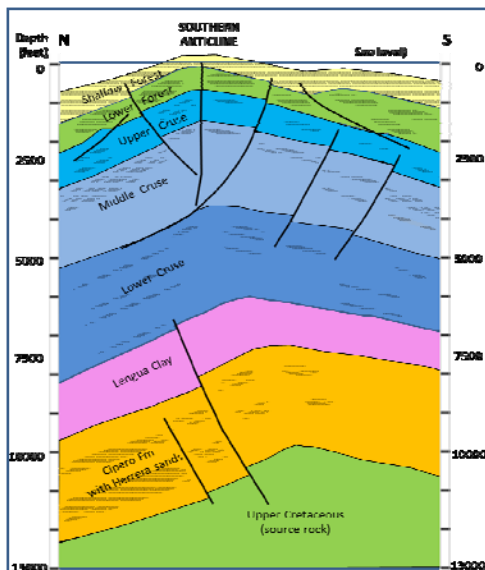


Figure 1



Figure 2

Figure 1: Structural Cross-section showing the multiple producing and exploratory objectives underlying the Southern Anticline across the Company's Morne Diablo and South Quarry Licenses; Figure 2: Drill Rig

### Morne Diablo Waterflood Project

The shallow Forest water flood project on the Morne Diablo license is currently being simulated / modeled, with completion estimated for mid-February followed soon thereafter by a presentation and application for approval to the regulatory authorities, with development still forecast to commence mid 2013.

### Beach Marcelle License

The Company has finalised the Environmental Impact Assessment (EIA) to be submitted to the Environmental Management Authority (EMA) in application for a Certificate of Environmental Clearance (CEC) to drill up to 40 wells and conduct the water flood program. It is anticipated the EMA will take approximately two to three months to review and grant environmental approval. Final approvals will then be sought from the regulatory authorities. Once all permits and approvals are in place, Range will commence development, currently forecast for mid-2013, after which the Company will look to commence preparations for the 40 well work program and water flood.

The Company has also applied for a separate CEC to deepen six wells in the Beach Marcelle license (without EIA) and anticipates that a favourable response will be received soon. Following receipt of

the CEC for the deepening of these six wells, the Company will move one of the medium capability rigs to the Beach Marcelle license to commence the drilling program.

The Company has recently received approval of a CEC on the Beach Marcelle license (without EIA) to build a bio-remediation site, to aid in waste management of the proposed drilling program. These bio-sites are present in all Range fields and unique in allowing Range complete on-site control of the drilling-remediation process.

### **2013 Outlook**

Range is looking forward to a prospective and busy 2013 across the Company's three onshore licenses. The Company is working towards having all six of its drilling rigs running to increase production and cash flow, as well as resolving the operational delays that have recently been experienced by implementing processes and procedures across the board to minimise downtime. With a track record of early drilling success, the Company remains focused on maintaining the continuous drilling and completion operations required for sustainable production growth.

Development of the Lower Forest formation on the Morne Diablo license will continue, utilising the Company's shallower capacity rigs, with an inventory of 40+ wells still to be drilled. This shallow reservoir development is currently self-funding, with revenue from pre-existing wells and the Lower Forest wells drilled to date more than offsetting the capital required for these shallow wells.

As mentioned above, work will commence on the Beach Marcelle block upon receipt of the approved CEC with respect to the deepening of six existing wells. These wells are to be drilled to depths between 3,000 and 4,000 ft., targeting the prolific Gros Morne formation with historical wells having demonstrated initial production in the range of 150-300 bopd.

Once all six rigs are operational, the Company will move one of the medium capacity rigs to the South Quarry field to commence testing and development of the shallow targets that have been identified on the license. The initial shallow well program will involve the drilling of up to 10 wells and, contingent upon the success of this program, development will continue in a similar manner as the Lower Forest development.

In addition, following completion of the MD 248 well, the Company will spud the first of a series of wells that will test the prolific Herrera formation as a primary exploration target, with the Forest and Cruse formations as secondary objectives.

### **Revised License Agreements**

The Company has received the final revised agreements that will see an initial reduction in the enhanced royalty currently being paid by the Company. The revised terms will see an improvement in the net back per barrel of oil produced. The revised royalty rates at production rates of 1,000 bopd will see net backs increase to circa \$40 / barrel before tax and circa \$50 / barrel before tax at 2,000 bopd – assuming \$90 barrel oil and opex at similar levels. Only minor administrative items relating to market communications remain to be resolved.

In addition, discussions continue with the regulatory agencies and other farm-in operators for further performance-based drilling and production incentives. Updates will be provided upon progress when available.

### **Executive Director Peter Landau commented:**

*"There is no doubt that it has been a challenging few months given the operational delays experienced in getting certain wells drilled in Trinidad and the softening of the Company's share price. As we continue to address the supply chain issues that resulted in those delays, it is important to remember the key positives that will continue to underpin Range's performance moving forward in the short to medium term.*

*Trinidad is fully funded through both existing facilities, the Texas sale and / or other reserve based lending options that are available to the Company. The work program will continue as summarised*

*above and further capital will be deployed to ensure operational delays moving forward are reduced significantly with spare plant and equipment and an increased number of specialised personnel. The revised fiscal terms will only serve to further benefit increased production over the coming year as production ramp up moves into full swing.*

*With Range close to finalising the GIG joint venture in Georgia, the financial and operational focus will be firmly placed on Trinidad and our target of 6,000 bopd by the second half of 2014 based on known PDP and PUD Reserves.”*

Yours faithfully



**Peter Landau**  
Executive Director

## Contacts

### Range Resources Limited

Peter Landau

Tel : +61 (8) 9488 5220

Em: [plandau@rangeresources.com.au](mailto:plandau@rangeresources.com.au)

### RFC Ambrian Limited (Nominated Advisor)

Stuart Laing

Tel: +61 (8) 9480 2500

### Fox-Davies Capital Limited

Daniel Fox-Davies / Richard Hail

Tel: +44 (0) 203 463 5000

### PPR (Australia)

David Tasker

Tel: +61 (8) 9388 0944

Em: [david.tasker@ppr.com.au](mailto:david.tasker@ppr.com.au)

### Old Park Lane Capital (Joint Broker)

Michael Parnes

Tel: +44 (0) 207 493 8188

### GMP Securities Europe LLP (Joint Broker)

James Pope / Chris Beltgens

Tel: +44 (0) 207 647 2800

## 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, Trinidad and Colombia.

- In Trinidad Range holds a 100% interest in holding companies with three onshore production licenses and fully operational drilling subsidiary. Independently assessed Proved (P1) reserves in place of 17.5 MMbbls with 25.2 MMbbls of proved, probable and possible (3P) reserves and an additional 81 MMbbls of unrisks best estimate 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) exploration well 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 licenses encompassing the highly prospective Dharoor and Nugaal valleys. The operator and 60% interest holder, Horn Petroleum Corp. (TSXV:HRN) has completed two exploration wells and will continue with a further seismic and well program over the next 12-18 months.
- 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.

### Table of Reserves and Resources

Detailed below are the estimated reserves for the Range project portfolio.

<i>All figures in MMboe</i>	Gross Oil Reserves			Range's Interest	Net Attributable			Operator
	1P	2P	3P		1P	2P	3P	
<i>Oil &amp; NGL</i>								
<b>Texas – NCR *</b>	16.4	25.2	35.3	20-25%	2.2	3.4	4.8	Western Gulf
<b>Texas – ETCV</b>	1.0	1.6	3.3	22%	0.2	0.3	0.6	Crest Resources
<b>Trinidad</b>	17.5	20.2	25.2	100%	17.5	20.2	25.2	Range
<b>Total Oil &amp; Liquids</b>	34.9	47.0	63.8		19.9	21.3	28.9	
<i>Gas Reserves</i>								
<b>Texas – NCR *</b>	106.0	162.7	228	20-25%	11.7	18.1	25.4	Western Gulf
<b>Total Gas Reserves</b>	106.0	162.7	228		11.7	18.1	25.4	

\* Reserves attributable to Range's interest in the North Chapman Ranch asset, which are net of government and overriding royalties as described in the Forrest Garb report.

Detailed below are the estimated resources and oil-in-place delineated across Range's portfolio of project interests.

<i>All figures in MMboe</i>	Gross Oil Resources			Range's Interest	Net Attributable			Operator
	Low	Best/ Mean	High		Low	Best/ Mean	High	
<i>Prospective Resources</i>								
<b>Trinidad</b>	8.1	40.5	81.0	100%	8.1	40.5	81.0	Range
<b>Total Prospective Resources</b>	8.1	40.5	81.0		8.1	40.5	81.0	
<i>Undiscovered Oil-In-Place</i>								
<b>Puntland</b>	-	16,000	-	20%	-	3,200	-	Horn Petroleum
<b>Georgia</b>	-	2,045	-	40%	-	818	-	Strait Oil & Gas
<b>Colombia</b>	-	7.8	-	65-75%	-	5.1 - 5.8	-	Petro Caribbean

All of the technical information, including information in relation to reserves and resources that is contained in this document has been reviewed internally by the Company's technical consultant, Mr Mark Patterson. Mr Patterson is a geophysicist who is a suitably qualified person with over 25 years' experience in assessing hydrocarbon reserves and has reviewed the release and consents to the inclusion of the technical information.

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 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/Saknakhshiri 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.

**1P** refers to Proved Reserves, **2P** refers to Proved plus Probable Reserves and **3P** refers to Proved plus Probable plus Possible 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.

**Undiscovered Oil-In-Place** is that quantity of oil which is estimated, on a given date, to be contained in accumulations yet to be discovered. The estimated potentially recoverable portion of such accumulations is classified as Prospective Resources, as defined above.