

13 March 2017

THE INFORMATION CONTAINED WITHIN THIS ANNOUNCEMENT IS DEEMED BY THE COMPANY TO CONSTITUTE INSIDE INFORMATION AS STIPULATED UNDER THE MARKET ABUSE REGULATIONS (EU) NO. 596/2014 ("MAR"). UPON THE PUBLICATION OF THIS ANNOUNCEMENT VIA REGULATORY INFORMATION SERVICE ("RIS"), THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN.

AGREEMENT TO ACQUIRE RRDSL AND PROPOSED REVERSE TAKEOVER

Range is pleased to announce the signing of binding Heads of Agreement (the “Heads of Agreement”) for the acquisition of 100% of Range Resources Drilling Services Limited ("RRDSL"), an established oilfield services business based in Trinidad.

Highlights:

- RRDSL is a major oilfield services company in Trinidad with of a large modern fleet of 12 rigs, including 4 drilling rigs purchased during 2014. RRDSL currently employs over 160 staff;
- Range plans to continue with its upstream operations, and believes the acquisition will significantly lower its operating and drilling costs in Trinidad and provide substantial operational flexibility;
- Range also believes RRDSL will be in a good position to take advantage of the increasing activity in the E&P sector and sees this acquisition as an opportunity to grow RRDSL into a leading oilfield services provider in the Caribbean region;
- The amount of consideration for the proposed acquisition is US\$5.5 million (subject to adjustment as set out below). In addition, RRDSL has a loan from LandOcean which totals approximately US\$19.5 million (“Existing Debt”);
- Payment of the consideration is due by no later than the date falling three years after completion and is subject to 6% interest per annum. Similarly, repayment of the Existing Debt will be due to be made in cash no later than three years from completion date, subject to 6% interest per annum;
- The proposed transaction, if completed, would constitute a reverse takeover that will be subject to a vote of the Company’s shareholders and relevant regulatory stock exchange approvals. Accordingly, as required by Rule 14 of the AIM Rules for Companies, an admission document and notice of general meeting (the "Notice of Meeting") will be sent to the Company's shareholders in due course which will, among other things, convene a general meeting of the Company at which a resolution approving the transaction will be proposed;
- The Company has requested a suspension of trading in its shares on AIM with immediate effect pending the publication of an admission document. The Company has also requested a voluntary trading halt on ASX; and
- The Company continues to evaluate acquisition opportunities in the upstream sector.

RRDSL overview

RRDSL was previously owned by Range and sold to LandOcean Petroleum Corp. Ltd ("LandOcean Petroleum"), a Hong Kong based company wholly owned by LandOcean Energy Services Co. Ltd; ("LandOcean") in May 2015, to allow Range to focus on its upstream operations at the time of depressed

oil prices. RRDSL has continued to provide full oilfield operations services to Range in Trinidad since that time under Range's Integrated Master Services Agreement ("IMSA") with LandOcean.

During the last two years, LandOcean has injected significant capital of over US\$25 million into RRDSL, including purchasing of four new rigs, equipment, and production rig upgrades. All four drilling rigs have passed government certification processes and are fully operational. LandOcean has also recently purchased cementing facilities to a total value of over US\$2 million, which provides additional operational flexibility. A major streamlining of overhead structure has been completed over the last two years, which resulted in a reduction in staff numbers by 24%.

Today, RRDSL has a set of high-quality assets capable of supporting a wide variety of oilfield operations. The assets include:

- Four modern onshore drilling rigs ranging in drilling capacities between 4,000m and 1,000m capable of drilling both vertical and directional wells;
- Eight production rigs which can be used for production and waterflood activities (two heavy workover, three light workover and three swabbing rigs); and
- Cementing equipment, tracked carriers, tanker trucks, storage tanks, a full workshop and pipe yard, and other related facilities and equipment.

The four drilling rigs were used to complete Range's five-well drilling campaign during 2016 (17,135 feet drilled), with drilling operations completed efficiently, safely and ahead of schedule. The average drilling time for development wells from spud to completion using the new equipment has shown a 15% improvement compared to old equipment. RRDSL's production rigs are currently used in Range's waterflood and workover operations in Trinidad. Further details on the drilling rigs are contained in the Appendix.

For the 12 months ending 31 December 2016, the operating profit attributable to RRDSL was approximately TT\$24.5 million (US\$3.6 million). *

**As per unaudited financial statements of RRDSL*

Rationale for the acquisition

The Board believes the acquisition will provide Range with substantial operational flexibility and significantly decrease the operating costs associated with Range's upstream operations in Trinidad. It will allow Range's business in Trinidad to grow and prosper as a part of a unified group, and realise increased value for shareholders.

The recent oil price recovery is having a favourable impact on drilling activities in the E&P sector globally, and consequently oilfield service providers. The Board believes that the acquisition will provide the Company with a platform to capitalise on this recovering market.

Currently there is a limited number of drilling rigs available in Trinidad, with RRDSL's drilling fleet being the most efficient and modern in the market. Range believes there is substantial potential to capitalise on this and one of RRDSL's drilling rigs has recently been contracted for drilling operations for one of the other upstream companies in Trinidad. RRDSL is in discussions with other operators in Trinidad and South America with a view to assisting them in monetising their oil and gas resources and believes it will be in a position to secure further contract work for the drilling fleet based on interest seen to date.

Following the acquisition, Range will aim to take further steps to reduce costs, improve drilling efficiency, secure contracts and diversify the customer base. The Company plans to establish RRDSL as a profitable oilfield services company, providing onshore operations to Range and a wide range of counterparties Trinidad, as well as internationally.

While continuing to implement a waterflood programme in Trinidad, the Board remains focused on expanding the Company's operations through acquisition of new upstream projects.

Terms of the Heads of Agreement

Key terms of the Heads of Agreement are as follows:

- Soca Petroleum Limited, a wholly owned subsidiary of Range Resources Limited registered in Barbados has entered into a conditional agreement to acquire RRDSL, subject to the parties entering into final agreements in respect of the transaction;
- Consideration of US\$5.5 million payable in cash no later than three years from completion date (subject to any adjustment according to the valuation report discussed below);
- An independent valuation report will be prepared to provide a fair market value of RRDSL. In the event that the valuation report shows a valuation of less than 95% of the US\$5.5 million consideration, the parties will agree on any relevant adjustment to be reflected in the final agreements;
- RRDSL has Existing Debt from LandOcean. At the date of signing the Heads of Agreement, the Existing Debt totals approximately US\$19.5 million. The terms of this Existing Debt will be amended to reflect a bullet repayment due in cash at maturity of the loan which will be no later three years from completion date;
- Both the consideration and the Existing Debt are subject to 6% interest per annum (payable annually in arrears);
- The parties agree to use their best efforts to execute final agreements (including a final conditional share purchase agreement) by no later than 30 April 2017; and
- Completion of the transaction is conditional upon various factors including receipt of shareholder approval from Range and readmission to trading on AIM, and other regulatory and stock exchange approvals relating to both Range and LandOcean.

Integrated Master Services Agreement

As announced on 2 June 2014, Range and LandOcean entered into an Integrated Master Services Agreement (the "IMSA") whereby LandOcean acts as the preferred services contractor for Range's oilfield services in Trinidad, including drilling and waterflood activities with services provided on credit terms.

Following completion of the acquisition of RRDSL, Range will no longer benefit from credit terms from LandOcean on its oilfield services activities in Trinidad. Range intends to fund ongoing expenditure on waterflood projects and other operations from existing cash resources, revenues generated from operations, and other sources of financing as required.

Concurrently with signing of the final agreement for acquisition of RRDSL, it is expected that an additional agreement will be entered into with respect to the amounts due to be paid under the IMSA by Range to RRDSL. These amounts total approximately US\$34.7 million and have been incurred during the period

since the IMSA was established under various purchase orders for drilling and other oilfield services undertaken. Range will now be required to make payment for these invoices to LandOcean Petroleum, instead of RRDSL.

Following the agreement to acquire RRDSL, the Company will fund its waterflood projects from its cash flows generated from operations and existing cash reserves. As a result and taking into consideration production performance year to date, Range does not believe it will meet its stated production target of 2,500 bopd by the end of 2017.

As part of the reverse takeover process, a competent persons' report will be commissioned which will provide further detail on the Company's reserves and resources following completion of the acquisition of RRDSL.

Proposed Reverse Takeover and suspension of trading on AIM

The proposed acquisition of RRDSL constitutes a reverse takeover pursuant to Rule 14 of the AIM Rules. As a result, the Company has requested a suspension of trading in its shares on AIM with immediate effect pending the publication of an admission document. The Company has also requested a voluntary trading halt on ASX.

In accordance with AIM Rule 14, the implementation of the proposal is conditional, inter alia, upon the approval of the Company's shareholders. The Company will convene a General Meeting of Shareholders to consider the transaction and currently anticipates this will take place during the second half of 2017.

There can be no guarantee that the transaction will complete.

Contact Details

Range Resources Limited

Evgenia Bezruchko (Group Corporate Development Manager)

e. admin@rangeresources.co.uk

t. +44 (0)20 7520 9486

Cantor Fitzgerald Europe (Nominated Advisor and Broker)

David Porter / Sarah Wharry (Corporate Finance)

David Banks (Corporate Broking)

t. +44 (0)20 7894 7000

APPENDIX

Drilling rigs summary:

Rig number	Drilling capability (metres)	Horse Power (HP)
Rig #16	4,000	1,000
Rig #17	2,000	630
Rig #18	1,500	540
Rig #19	1,000	540



Rig #16



Rig #17



Rig #18



Rig #19