



# Quarterly Activities Report

For the period ended 30 June 2016

**Range Resources Limited**  
(‘Range’ or ‘the Company’)

**RANGE**

27 July 2016

The Company provides its quarterly activities report for the period ended 30 June 2016.

## Trinidad operations

- Range continues to focus its efforts on the longer term growth from waterflood projects and development drilling. The Company conservatively estimates that the five development wells from the 2016 work programme will add approximately 500 bopd to current production levels by the end of 2016 (calendar year). The Company’s production guidance of 2,500 barrels of oil per day (bopd) by the end of 2017 (calendar year) remains unchanged.
- The Company’s oil production for the period was 40,527 bbls (average of 445 bopd) net to Range, which is approximately 19% decrease from the previous quarter. As previously announced, Range completed a review of the workover programme in line with ongoing cost management. As a result, the Company reduced the number of workovers being undertaken, which contributed to the production decline during the period. Range will keep the workover programme under regular review and continue workover operations on the most profitable wells.
- Following the highly encouraging initial results of the MD 250 development well, the Company made a decision to drill a follow up well from the same drilling pad, the MD 251 well. Subsequent to the quarter end, the MD 251 well successfully spudded and is drilling ahead to a target depth of 3,900 feet. Range expects to see production growth during the current quarter as a result of both MD 250 and MD 251 being brought into production.
- The remaining three development and one exploration wells planned for drilling during 2016 are expected to spud once RRDSL’s drilling rigs are certified by the government in Trinidad.
- Water injection on the South East Block of the Beach Marcelle project commenced during the quarter with first production anticipated during Q1 2017. Two injector wells are being used to

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inject water, at an average initial rate of approximately 600 barrels of water per day ("bwpd"). In line with the planned implementation programme, injection volumes will be low at first, gradually increasing as additional wells and surface facilities are commissioned.

- Water injection on the Morne Diablo project commenced in December 2015 with first production as a result of waterflooding expected in 2H 2016. To get access to additional water source supply, Range has been negotiating with Petrotrin to use produced water from Petrotrin's existing operations, which will increase water injection by 3,000 bwpd. The Company reached an agreement with Petrotrin during the period and expects to sign the contract during the current quarter.

## Corporate and Financial

*Management and director changes:* During the period, Mr Zhiwei Gu, who joined the Board in January 2015 as a Non-Executive Director, was appointed to the role of Non-Executive Chairman. Mr David Chen has stepped down from the role of Chairman of the Board but continues as a Non-Executive Director of the Company.

In addition, Mr Yan Liu has been re-appointed to the role of Executive Director and Chief Executive Officer ("CEO") of the Company. Mr Liu was first appointed to the Board in January 2015 and served as CEO and Trinidad General Manager of the Company until January 2016.

The Company also appointed two new Australian resident Non-Executive Directors to the Board, Mr Lubing Liu and Dr Yi Zeng. Both appointees have significant oil and gas experience and broad industry knowledge, from which Range will benefit enormously.

*Extended credit terms signed with LandOcean:* During the quarter, Range announced that the credit terms provided by LandOcean on drilling services and PO1 have been extended by a further 12 months. These extended credit terms are materially beneficial to Range, as it allows the Company to repay LandOcean from future cashflows once the expected production levels ramp up.

*Royalty rates reduced in Trinidad:* During the quarter, Range announced that it signed an agreement with the Petroleum Company of Trinidad and Tobago Limited ("Petrotrin") to reduce the overriding royalty rates ("ORRs") on the Company's producing Morne Diablo, Beach Marcelle and South Quarry fields in Trinidad. The revised ORRs will apply when the received oil price is below US\$50 per barrel. The changes will be effective from 16 March 2016 and will apply retrospectively to sales made from 1 February 2016 onwards. The impact will progressively increase at higher production levels with the net revenue benefit estimated to be approximately 7% at 2,500 bopd, assuming a WTI price of US\$45 per barrel.

*Settlement agreement reached with Lind:* During the quarter, Range was pleased to announce that it reached a binding agreement with Lind Asset Management LLC ("Lind") to settle all outstanding claims and disputes between the parties. As previously announced, Lind initiated legal action in New South Wales Supreme Court seeking payment of approximately US\$600,000 in respect of interest and legal costs. Lind also sought other damages for breach of contract. Range filed a defence against the claims and a cross-claim for damages. Under the terms of the settlement agreement, Range made a payment to Lind of US\$325,000 and Lind retains the beneficial ownership of the 38 million collateral shares which were issued by Range in 2014 as part of the original funding agreement. Range is pleased to have

reached a mutually acceptable settlement agreement with Lind which enables the Company to draw a line under this long-running dispute.

*Acquisition strategy:* In line with the growth strategy of the Company to create value for shareholders, and to provide Range with additional production and revenue, the Board continues to evaluate potential acquisitions of high quality assets at attractive valuations.

*Receipts from product sales and related debtors (for the 3 months to 30 June 2016):* of US\$1.5 million, compared with US\$1.4 million in the previous quarter. The increase was due to the higher oil price received during the period.

*Capital expenditure (for the 3 months to 30 June 2016):* of US\$0.8 million, compared with US\$1.0 million in the previous quarter. Underlying capital expenditure was broadly stable on previous quarter, and the decrease was due to receipt of a VAT refund which reduced the reported net cash spend on capital expenditure in the period.

*Cash at 30 June 2016:* of US\$21.0 million, compared with US\$21.6 million in the previous quarter reflecting continued limited net expenditure in the period of approximately US\$530,000 which included the final payment to Lind of US\$325,000.

## Petroleum tenements held at the end of the quarter (Appendix A)

Tenement Reference	Location	Working Interest	Operator
Morne Diablo	Trinidad	100%	Range
South Quarry	Trinidad	100%	Range
Beach Marcelle	Trinidad	100%	Range
Guayaguayare Shallow*	Trinidad	65%	Range
Guayaguayare Deep*	Trinidad	80%	Range
St Mary's	Trinidad	80%	Range
Block 1-2005	Guatemala	20%	Latin American Resources Ltd
Block VIa	Georgia	45%	Strait Oil & Gas

Notes:

\*Subject to final government approvals

No other petroleum tenements or farm-in, farm-out interests were acquired during the quarter.

**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.**

## Contact Details

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## Appendix 5B

Mining exploration entity and oil and gas exploration entity  
quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

RANGE RESOURCES LIMITED

ABN

88 002 522 009

Quarter ended ("current quarter")

30 June 2016

## Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$US'000	Year to date (12 months) \$US'000
1.1	Receipts from product sales and related debtors	1,527	7,678
1.2	Payments for (a) exploration & evaluation	-	(56)
	(b) development	(430)	(4,444)
	(c) production	(398)	(3,652)
	(d) administration	(849)	(4,361)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	17	46
1.5	Interest and other costs of finance paid	-	(9)
1.6	Income taxes received/(paid)	-	648
1.7	Other	-	-
	<b>Net Operating Cash Flows</b>	<b>(133)</b>	<b>(4,150)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	(37)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	<b>Net investing cash flows</b>	<b>-</b>	<b>(37)</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(133)</b>	<b>(4,187)</b>

+ See chapter 19 for defined terms.

## Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(133)	(4,187)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	22,316
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(324)	(7,550)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	<b>Net financing cash flows</b>	(324)	14,766
	<b>Net (decrease)/increase in cash held</b>	(457)	10,579
1.20	Cash at beginning of quarter/year to date	21,568	10,692
1.21	Exchange rate adjustments to item 1.20	(73)	(233)
1.22	<b>Cash at end of quarter</b>	<b>21,038</b>	<b>21,038</b>

**Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities**

		Current quarter \$US'000
1.23	Aggregate amount of payments to the parties included in item 1.2	71
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Payment of directors' fees	

**Non-cash financing and investing activities**

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

## Mining exploration entity and oil and gas exploration entity quarterly report

**Financing facilities available**

Add notes as necessary for an understanding of the position.

	Amount available \$US'000	Amount used \$US'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

**Estimated cash outflows for next quarter**

	\$US'000
4.1 Exploration and evaluation	-
4.2 Development	300
4.3 Production	400
4.4 Administration	850
<b>Total</b>	<b>1,550</b>

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$US'000	Previous quarter \$US'000
5.1 Cash on hand and at bank	13,038	13,568
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)*	8,000	8,000
<b>Total: cash at end of quarter (item 1.22)</b>	<b>21,038</b>	<b>21,568</b>

\*US\$8 million is held as cash collateral to support the performance bond issued to MEEI in respect of St Mary's work programme.

+ See chapter 19 for defined terms.

## Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	Nil		
6.2	Interests in mining tenements and petroleum tenements acquired or increased	Nil		

## Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Nil			
7.2				
7.3	7,589,790,100	7,589,790,100		
7.4	NA	NA		
7.5	Nil	Nil		

+ See chapter 19 for defined terms.



## Mining exploration entity and oil and gas exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> (description and conversion factor)	5,000,000 476,190 952,381 6,714,284 9,000,000 3,947,368 8,666,670 694,445 2,205,885 1,250,000 17,333,336 3,000,001 5,153,846 2,000,000 2,000,000 5,000,000 5,180,000 23,636,364 7,500,000 31,000,000 1,000,000 161,472,247 118,729,593 14,000,000 194,585,862 172,557,274 80,000,000		<i>Exercise price</i> £0.037 £0.021 £0.021 £0.021 £0.020 £0.019 £0.018 £0.018 £0.017 £0.016 £0.015 £0.015 £0.013 A\$0.0321 £0.012 £0.011 £0.075 £0.011 £0.03 £0.01203 A\$0.05 £0.01 £0.02 £0.01 £0.01 £0.02 £0.02 £0.01	<i>Expiry date</i> 11 July 2016 25 July 2016 29 July 2016 31 August 2016 31 August 2016 30 September 2016 30 September 2016 31 October 2016 31 October 2016 31 October 2016 31 October 2016 30 November 2016 30 November 2016 11 December 2016 31 December 2016 31 December 2016 31 January 2017 31 January 2017 9 September 2017 15 October 2017 31 January 2018 14 July 2018 14 July 2018 31 August 2018 3 September 2019 3 September 2019 30 March 2020
7.8	Issued during quarter	Nil			
7.9	Exercised during quarter	Nil			
7.10	Expired during quarter	7,058,824 146,533,850		£0.17 £0.04	30 April 2016 30 April 2016
7.11	<b>Debentures</b> (totals only)	Nil			
7.12	<b>Unsecured notes</b> (totals only)	Nil			

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Date: 26 July 2016



Yan Liu, Chief Executive Officer

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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