

Range Resources Limited
ACN 002 522 009

Notice of General Meeting

Notice is given that the Meeting will be held at:

Time: 10:00am (WST)
Date: 5 March 2019
Place: Edwards Mac Scovell
Level 7, 140 St Georges Terrace
PERTH WA 6000

Important

The business of the Meeting affects your shareholding and your vote is important.

This Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7:00pm (Sydney time) on 3 March 2019.

Business of the Meeting

Agenda

1. Resolution 1 – Approval to issue Shares to LandOcean

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of item 7 of section 611 of the Corporations Act, and for all other purposes, approval is given for the Company to issue Shares to LandOcean in accordance with the Subscription Agreement and the acquisition by LandOcean and its Associates of a relevant interest in the issued voting shares of the Company resulting from the issue of Shares in accordance with the Subscription Agreement and on the conversion of Convertible Notes held by LandOcean, which is otherwise prohibited by section 606(1) of the Corporations Act, and which may result in LandOcean’s and its Associates voting power in the Company increasing to a maximum of 32.6% and otherwise on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion

No votes may be cast in favour of this Resolution by:

- (a) the person proposing to make the acquisition and their associates; or
- (b) the persons (if any) from whom the acquisition is to be made and their associates.

Accordingly, the Company will disregard any votes cast on this Resolution by LandOcean and any of its Associates.

Independent Expert’s Report: Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of the Shareholder approval required under item 7 of section 611 of the Corporations Act. The Independent Expert’s Report comments on the fairness and reasonableness of the transaction the subject of this Resolution to the non-associated Shareholders in the Company and concluded that the issue of Shares to LandOcean and its Associates is **FAIR AND REASONABLE** to the non-associated Shareholders in the Company.

Dated: 30 January 2019

By order of the Board

Nick Beattie
Company Secretary

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

United Kingdom (CREST Voting Instruction)

DI Holders in CREST may transmit voting instructions by utilising the CREST voting service in accordance with the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take appropriate action on their behalf.

In order for instructions made using the CREST voting service to be valid, the appropriate CREST message (a "CREST Voting Instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual (available via www.euroclear.com/CREST).

To be effective, the CREST Voting Instruction must be transmitted so as to be received by the Company's agent (3RA50) no later than 27 February 2019 at 4:00pm (GMT). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the CREST Voting Instruction by the CREST applications host) from which the Company's agent is able to retrieve the CREST Voting Instruction by enquiry to CREST in the manner prescribed by CREST. DI Holders in CREST and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the transmission of CREST Voting Instructions. It is the responsibility of the DI Holder concerned to take (or, if the DI Holder is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that the CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a CREST Voting Instruction is transmitted by means of the CREST voting service by any particular time.

In this connection, DI Holders and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

United Kingdom (Form of Instruction)

DI Holders are invited to attend the Meeting but are not entitled to vote at the Meeting. In order to have votes cast at the Meeting on their behalf, DI holders must complete, sign and return the Forms of Instruction forwarded to them along with the Notice to the Company's agent, Computershare UK, by 27 February 2019 at 4:00pm (GMT).

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company by telephone on +61 8 6205 3012 or +44 (0) 20 3865 8430.

Explanatory Statement

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. Resolution 1 – Approval to issue Shares to LandOcean

1.1 Background

As announced on ASX on 31 October 2016, Range entered into a convertible note deed (**Convertible Note Agreement**) with LandOcean Energy Services Co., Ltd. (**LandOcean**) pursuant to which LandOcean subscribed for US\$20,000,000 worth of unlisted unsecured Convertible Notes with an annual interest rate of 8% which have a face value of US\$1.00 each (**Convertible Notes**).

The Company and LandOcean are parties to the Integrated Master Services Contract dated 29 May 2014 (**IMSC**) under which LandOcean provides various oilfield services to the Company. A subsidiary of the Company is also party to an agreement for the provision of oil and gas consultancy, petroleum, equipment rental, property management and labour and procurement services in Trinidad (**Trinidad Agreement**). As at the date of entering into the Convertible Note Agreement the Company had incurred fees of approximately US\$35,900,000 under the IMSC and the Trinidad Agreement (**Accrued Fees**).

Pursuant to a deed executed by the Company and LandOcean, LandOcean agreed to waive its entitlement to US\$20,000,000 of the Accrued Fees in exchange for the issue of the Convertible Notes (**IMSC Amending Deed**). The Convertible Notes were issued on 28 November 2016 conditional on shareholder approval, which was obtained on 7 February 2017. The proceeds from the Convertible Notes were utilised solely to replace a portion of the outstanding payable balance due to LandOcean under the terms of the IMSC and the IMSC Amending Deed.

Under the Convertible Note Agreement, the Company must pay yearly interest instalments in cash on each anniversary of the issue date of the Convertible Notes.

On 20 December 2018, the Company announced the Company and LandOcean had entered into a subscription and variation agreement (**Subscription Agreement**) pursuant to which LandOcean has agreed to defer the payment date for the total amount of interest due and payable by the Company to LandOcean under the Convertible Note Agreement on the interest payment date falling in the 2018 calendar year, being US\$1,600,000 (**Accrued Interest**), and to allow the Company to pay the Accrued Interest by way of issuance of Shares to LandOcean on the terms and conditions of the Subscription Agreement, including the Company obtaining Shareholder approval for the issuance.

Details of the material terms and conditions of the Convertible Note Agreement and the Subscription Agreement are set out below.

1.2 Shareholder approval requirements

On 7 February 2017, the Company previously obtained Shareholder approval pursuant to item 7 of section 611 of the Corporations Act for the issue of Shares on conversion of the Convertible Notes which would otherwise be prohibited by section 606(1) of the Corporations Act (**Prior Approval**).

Given the additional Shares to be issued pursuant to the Subscription Agreement the maximum voting power that may be acquired by LandOcean and its Associates as approved under the Prior Approval may be exceeded. On this basis, the Company is seeking fresh Shareholder approval for the purpose of item 7 of section 611 of the Corporations Act to allow the Company to issue Shares to LandOcean pursuant to the Subscription Agreement as well Shares on conversion of the Convertible Notes.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Pursuant to ASX Listing Rule 7.2 (Exception 16), ASX Listing Rule 7.1 does not apply to an issue of securities approved for the purpose of item 7 of section 611 of the Corporations Act. Accordingly, if Shareholders approve the issue of securities pursuant to this Resolution 1, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1.

1.3 **About LandOcean**

LandOcean is headquartered in Beijing, China and is active both in the international and domestic Chinese markets by serving the oil and gas industry with a wide spectrum of services, from R&D of high-end technology, to product sales and technical services. LandOcean is a listed high-tech company on the Growth Enterprise Market of the Shenzhen Stock Exchange (Stock code: 300157).

LandOcean's capabilities include: a) R&D and commercialization of petroleum exploration and development software, oil and gas equipment, downhole equipment, as well as instrument technology; b) global sales of petroleum exploration and development software, oil and gas equipment, downhole equipment, as well as instrument technology; and c) providing technical services utilizing petroleum exploration and development software, oil and gas equipment, downhole equipment, as well as instrument technology.

1.4 **Convertible Note Agreement**

The material terms of the Convertible Note Agreement are as follows:

(a) **Convertible Notes**

LandOcean (or its Associates) has subscribed for US\$20,000,000 of unlisted unsecured convertible notes with an 8% per annum coupon which have a face value of US\$1.00 each.

The Convertible Notes are redeemable by LandOcean after 3 years of issue (**Maturity Date**) or earlier if a redemption event occurs (such as non-payment of annual interest payments). Subject to converting at least US\$10,000,000 of Convertible Notes (**Minimum Conversion Amount**), LandOcean may elect to convert the Convertible Notes into Shares at a conversion price of £0.0088 per Share (**Conversion Price**) at any time prior to the Maturity Date.

Range also has the option of redeeming the Convertible Notes for cash at any time prior to the Maturity Date. Range must also pay yearly interest instalments, on each anniversary of the issue date of the Convertible Notes, in cash.

Further terms and conditions of the Convertible Notes are set out in Schedule 1.

(b) **Nominee Directors**

Following issue of the Convertible Notes, for so long as:

- (i) the aggregate face value of the Convertible Notes held by LandOcean combined with the aggregate market value of any Shares issued on conversion of any Convertible Notes (which is to be based on the 30 day VWAP and converted into US\$ at the applicable exchange rate) is greater than US\$10,000,000, LandOcean may appoint one nominee as a Director; and

- (ii) the aggregate face value of the Convertible Notes held by LandOcean combined with the aggregate market value of any Shares issued on conversion of any Convertible Notes (which is to be based on the 30 day VWAP and converted into US\$ at the applicable exchange rate) is equal to or greater than US\$20,000,000, LandOcean may appoint an additional nominee as a Director.

If LandOcean ceases to satisfy the thresholds above, then it must procure that the relevant nominee Director resigns from the board of the Company.

At the date of this Notice, LandOcean has not sought to appoint nominee Directors, but it may exercise this right in the future.

The election or re-election of these nominee directors (as relevant) will be subject to the provisions of the Company's Constitution and other applicable law (including approval of the Company's nominated adviser for the purpose of its AIM listing).

1.5 **Subscription Agreement**

The material terms of the Subscription Agreement are as follows:

(a) **Variations to the Convertible Note Agreement**

With effect from the date of the Subscription Agreement, the interest payment date for the interest due and payable under the Convertible Note Agreement for the 12 month period to 28 November 2018, being US\$1,600,000, is deferred until the earlier of the date the Subscription Agreement is terminated and the date on which the condition precedent is satisfied (**Completion Date**).

The issue of Shares to LandOcean under the Subscription Agreement will be in full and final satisfaction of the Company's obligation to pay the Accrued Interest to LandOcean under the Convertible Note Agreement.

(b) **Condition precedent**

Completion of the issue of Shares under the Subscription Agreement is conditional on and does not become binding unless and until Shareholders have approved the issue of Shares to LandOcean.

If Shareholder approval is not obtained prior to 15 March 2019 (**Cut Off Date**), or the Subscription Agreement is terminated, the Company must pay the Accrued Interest to LandOcean in immediately available funds on the Cut Off Date.

(c) **Subscription and issue**

The number of Shares to be issued to LandOcean on the Completion Date will be calculated as follows:

Accrued Interest (converted into Australian dollars at the Exchange Rate) / Subscription Price

Where:

Accrued Interest means the total amount of interest due and payable by the Company to LandOcean pursuant the Convertible Note Agreement on the Interest Payment Date (as defined in the Convertible Note Agreement) falling in the 2018 calendar year, being US\$1,600,000.

Exchange Rate means at any time, the mid-rate which appears on the Bloomberg Screen "USDAUD" at or about 11:00am Sydney time on that day.

Subscription Price means the amount per Share equal to the average of the daily volume weighted average sale price of Shares traded on the ASX during the 90 Trading Days prior to the Completion Date without reference to the sale price of Shares sold in:

- any transaction defined in the ASX Operating Rules as "special";
- crossings prior to the commencement of normal trading;
- crossings during the after hours adjust phase;
- overnight trades; or
- trades arising from the exercise of options in respect of Shares.

1.6 Effect of the transaction on the Company

(a) Capital structure

Below is a table showing the Company's current capital structure and the possible capital structure on completion of the issue of Shares under the Subscription Agreement and also under the Convertible Note Agreement. This table assumes the Company does not issue any additional Shares and no Options expire, or are exercised, prior to the date that all of the Convertible Notes have converted.

	Shares	Options¹	Convertible Notes²
Balance at the date of this Notice	8,504,921,692	437,643,136	20,000,000
Balance following issue of Shares in satisfaction of Accrued Interest under the Subscription Agreement (rounded up)	10,746,979,901 ^{3,6}	437,643,136	20,000,000
Balance following issue of Shares on conversion of the Convertible Notes under the Convertible Note Agreement (rounded up)	12,616,152,755 ^{4,5,6}	437,643,136	Nil

Notes:

1. Comprising 194,585,862 unlisted Options exercisable at £0.01 on or before 3 September 2019, 172,557,274 unlisted Options exercisable at £0.02 on or before 3 September 2019 and 70,500,000 unlisted Options exercisable at £0.01 on or before 30 March 2020.

2. Issued on 28 November 2016 conditional on shareholder approval, which was obtained on 7 February 2017. The terms and conditions are summarised in Schedule 1.
3. This number assumes a Subscription Price of A\$0.001 (being the closing price of Shares on ASX since 9 October 2018) and an AUD/USD exchange rate of 0.7136 as at 24 January 2019. Based on its definition, the Subscription Price cannot be lower than A\$0.001.
4. This number assumes a Conversion Price of £0.0088 and an GBP/USD exchange rate of 1.216 as at 27 October 2016 (being the Business Day prior to date the Company entered into the Convertible Note Agreement). For details of other scenarios possible as a result of an alternate Conversion Price and the effect this would have on the capital structure of the Company refer to Schedule 2.
5. Assumes all of the Convertible Notes are converted to Shares prior to the expiry date of the Convertible Notes.
6. The Company may issue a differing number of Shares, but has included this disclosure as a theoretical number of Shares LandOcean may be issued in such circumstances. For details of other scenarios possible as a result of an alternate Subscription Price or Conversion Price after applicable foreign currency conversion (as the context requires) and the effect this would have on the capital structure of the Company refer to Schedule 2.

(b) **Voting power of LandOcean and its Associates**

Under the Subscription Agreement, LandOcean has agreed to receive Shares in full and final satisfaction of the Company's obligation to pay the Accrued Interest to LandOcean pursuant to the Convertible Note Agreement.

The Convertible Notes were issued on 28 November 2016. Subject to converting the Minimum Conversion Amount, LandOcean may elect to convert the Convertible Notes into Shares at the Conversion Price at any time prior to the Maturity Date.

Neither LandOcean, nor any of its Associates, currently hold any Shares in the Company.

Refer to Schedule 2 for full particulars (including the number and percentage) of Shares in which LandOcean has, or will have, a relevant interest in immediately before and after the issue of Shares to LandOcean under the Subscription Agreement, as well after conversion of the Convertible Notes (assuming all of the Convertible Notes are converted into Shares).

(c) **Increase or decrease in voting power**

The voting power of LandOcean and its Associates in the Company may change as follows:

- (i) Increase in voting power:
 - A. Transaction of Shares by LandOcean or its Associates on and off market. LandOcean and its Associates could increase its Shareholding under item 9 of section 611 of the Corporations Act allowing it to acquire 3% every 6 months.
 - B. Cancellation of Shares held by Shareholders other than LandOcean and its Associates.

- (ii) Decrease in voting power:
 - A. Disposal of Shares held by LandOcean or its Associates.
 - B. Issue of Shares by the Company to Shareholders other than LandOcean and its Associates.
 - C. Conversion of a proportion of Convertible Notes rather than all of the Convertible Notes.
 - D. Exercise of Options by Option holders.

The Corporations Act and ASIC Regulatory Guide 74 set out a number of regulatory requirements which must be satisfied. These are summarised below.

1.7 Conversion variables

Shareholders should note that given the variables required to determine the Accrued Interest (converted into Australian dollars) and the Subscription Price pursuant to the Subscription Agreement, and the Conversion Price (converted into US dollars) pursuant to the Convertible Note Agreement, it is not possible to provide an exact number of Shares to be issued, or the total increase in the relevant interest of LandOcean (or its Associates), under the Subscription Agreement or on conversion of the Convertible Notes.

The Accrued Interest will be subject to the AUD/USD exchange on the Completion Date and the Subscription Price will be based on the average of the daily volume weighted average sale price of Shares traded on the ASX during the 90 Trading Days prior to the Completion Date. Further, the Conversion Price under the Convertible Note Agreement will be subject to the GBP/USD exchange rate at the time of conversion. The Company does not expect this will have a material effect on the number of Shares to be issued to LandOcean under the Subscription Agreement and on conversion of the Convertible Notes.

For details of other scenarios possible as a result of an alternate Subscription Price or Conversion Price after applicable foreign currency conversion and the effect this would have on the capital structure of the Company refer to Schedule 2.

1.8 Relevant interest may not be obtained

Although the Accrued Interest will convert in full on the day of Shareholder approval of Resolution 1, Shareholders should note that the Convertible Notes may be redeemed in full or in part at the election of LandOcean (subject to the minimum conversion threshold). That is, they may not all be converted. The material terms and conditions of the Convertible Notes, including the terms that govern redemption, repayment and conversion, are set out in Schedule 1.

Redemption of the Convertible Notes (rather than conversion) would result in LandOcean or its Associates being repaid the relevant amount in cash rather than Shares. The effect of this would be that LandOcean or its Associates may acquire less Shares (and a smaller relevant interest) than the approval Resolution 1 permits.

1.9 Item 7 of section 611 of the Corporations Act

- (a) Section 606 of the Corporations Act prohibits a person acquiring a relevant interest in the issued voting shares of the Company if, because of the transaction, that person's or another person's voting power in the Company increases from:
 - (i) 20% or below to more than 20%; or
 - (ii) a starting point that is above 20% and below 90%.
- (b) The voting power of a person in the Company is determined by reference to section 610 of the Corporations Act. A person's voting power in the Company is the total of the votes attaching to the Shares in the Company in which that person and that person's associates (within the meaning of the Corporations Act) have a relevant interest.
- (c) Under section 608 of the Corporations Act, a person will have a relevant interest in Shares if:
 - (i) the person is the registered holder of the Shares;
 - (ii) the person has the power to exercise or control the exercise of votes or disposal of the Shares; or
 - (iii) the person has over 20% of the voting power in a company that has a relevant interest in Shares, then the person has a relevant interest in said Shares.
- (d) For the purpose of determining who is an associate you need to consider section 12 of the Corporations Act. Any reference in chapters 6 to 6C of the Corporations Act to an associate is as that term is defined in section 12 of the Corporations Act. The definition of 'associate' in section 12 of the Corporations Act is exclusive. If a person is an associate under section 11, 13 or 15 of the Corporations Act then it does not apply to chapters 6 to 6C of the Corporations Act. A person is only an associate for the purpose of chapters 6 to 6C of the Corporations Act if he is an associate under section 12 of the Corporations Act.
- (e) A person (second person) will be an associate of the other person (first person) if:
 - (i) the first person is a body corporate and the second person is:
 - A. A body corporate the first person controls;
 - B. A body corporate that controls the first person; or
 - C. A body corporate that is controlled by an entity that controls the first person;
 - (ii) the second person has entered, or proposes to enter, into a relevant agreement with the first person for the purpose of controlling or influencing the composition of the board of a body corporate or the conduct of the affairs of a body corporate; or
 - (iii) the second person is a person with whom the first person is acting, or proposes to act, in concert in relation to the affairs of a body corporate.

- (f) The Corporations Act defines 'control' and 'relevant agreement' very broadly as follows:
- (i) Under section 50AA of the Corporations Act control means the capacity to determine the outcome of decisions about the financial and operating policies of the Company. In determining the capacity you need to take into account the practical influence a person can exert and any practice or pattern of behaviour affecting the financial or operating policies of the Company.
 - (ii) Under section 9 of the Corporations Act relevant agreement means an agreement, arrangement or understanding:
 - (iii) whether formal or informal or partly formal and partly informal;
 - A. whether written or oral or partly written and partly oral; and
 - B. whether or not having legal or equitable force and whether or not based on legal or equitable rights.
- (g) Associates are determined as a matter of fact. For example, where a person controls or influences the Board or the conduct of the Company's business affairs or acts in concert with a person in relation to the entity's business affairs.
- (h) Section 611 of the Corporations Act has exceptions to the prohibition in section 606 of the Corporations Act (**Prohibition**). Item 7 of section 611 of the Corporations Act provides a mechanism by which Shareholders may approve an issue of Shares to a person which results in that person's or another person's voting power in the Company increasing from:
- (i) 20% or below to more than 20%; or
 - (ii) a starting point that is above 20% and below 90%.

1.10 Reason approval under item 7 of section 611 of the Corporations Act is required

As set out above, item 7 of section 611 of the Corporations Act provides an exception to the Prohibition, whereby a person may acquire a relevant interest in a company's voting shares with shareholder approval.

Resolution 1 seeks Shareholder approval, for the purpose of item 7 of section 611 of the Corporations Act, to allow the Company to issue Shares to LandOcean in accordance with the Subscription Agreement and the acquisition by LandOcean and its Associates of a relevant interest in the issued voting shares of the Company resulting from the issue of Shares in accordance with the Subscription Agreement and on the conversion of Convertible Notes held by LandOcean, which is otherwise prohibited by section 606(1) of the Corporations Act, which may result in LandOcean's and its Associates voting power in the Company increasing to a maximum of 32.6%. Refer to Schedule 2 for further details of the voting power calculations including variables and assumptions used.

1.11 Specific Information required by item 7 of section 611 of the Corporations Act and ASIC Regulatory Guide 74

The following information is required to be provided to Shareholders under the Corporations Act and ASIC Regulatory Guide 74 in respect of obtaining approval for item 7 of section 611 of the Corporations Act. Shareholders are also referred to the Independent Expert's Report prepared by Moore Stephens Perth Corporate Services Pty Ltd annexed to this Explanatory Statement.

- (a) **The identity of LandOcean, its Associates and any person who will have a relevant interest in the Shares to be allotted to LandOcean or its Associates**

Details of LandOcean are set out in Section 1.3.

- (b) **Full particulars (including the number and percentage) of the shares in the Company to which LandOcean and its Associates will be entitled immediately before and after Resolution 1**

LandOcean, nor any of its Associates, will not hold any Shares in the Company prior to issue of Shares under the Subscription Agreement or on conversion of the Convertible Notes.

Refer to Schedule 2 for full particulars (including the number and percentage) of Shares in which LandOcean has, or will have, a relevant interest in immediately before and after the issue of Shares to LandOcean under the Subscription Agreement, as well after conversion of the Convertible Notes (assuming all of the Convertible Notes are converted into Shares).

- (c) **The identity, associations (with the Company, LandOcean or any of their Associates) and qualifications of any person who is intended to become a director if Shareholders agree to Resolution 1**

Subject to the thresholds set out in Section 1.4(b), LandOcean may nominate up to two persons to be appointed as non-executive directors of the Company.

At the date of this Notice, LandOcean has advised the Company that it does not wish to appoint nominee directors, but may exercise this right in the future. The election or re-election of these nominee directors (as relevant) will be subject to the provisions of the Company's Constitution and other applicable law.

- (d) **LandOcean's intentions regarding the future of the Company if Shareholders agree to the transaction and the allotment of Shares to LandOcean and/or its Associates**

Other than as disclosed elsewhere in this Explanatory Statement, the Company understands that LandOcean and its Associates:

- (i) have no present intention to change the business of the Company;
- (ii) have no present intention to inject further capital into the Company (other than as disclosed in this Notice);
- (iii) have no present intention to change the future employment of the present employees of the Company;
- (iv) have no proposal whereby any property will be transferred between the Company and LandOcean or and its Associates; and
- (v) have no present intention to redeploy any fixed assets of the Company.

These intentions are based on information concerning the Company, its business, and the business environment which is known to LandOcean and its Associates at the date of this Notice.

These present intentions may change as new information becomes available, as circumstances change or in the light of all material information, facts and circumstances necessary to assess the operational, commercial, taxation and financial implications of those decisions at the relevant time.

- (e) **Particulars of the terms of the proposed allotment of Shares and any contract or proposed contract between LandOcean and the Company or any of their Associates which is conditional upon, or directly or indirectly dependent on, Shareholders agreement to the allotment of Shares to LandOcean and its Associates pursuant to Resolution 1**

The terms of the Subscription Agreement and Convertible Note Agreement governing the issue of Shares are summarised in Sections 1.4, 1.5 and Schedule 1 (as applicable).

Other than the Subscription Agreement, the Convertible Note Agreement and the IMSC Amending Deed, there are no contracts or proposed contracts between LandOcean and the Company or any of their Associates which are conditional upon, or directly or indirectly dependent on, Shareholder agreement to the issue of the Shares pursuant to Resolution 1.

- (f) **When the allotment of Shares under the Subscription is to be made**

The Shares to be issued to LandOcean under the Subscription Agreement will be issued on the Completion Date.

The Convertible Notes have been issued to LandOcean pursuant to the Convertible Note Agreement. The right of LandOcean to convert the Convertible Notes into Shares is subject to approval by Shareholders. The conversion into Shares could happen at any time following approval by Shareholders until the Maturity Date of the Convertible Notes.

- (g) **An explanation of the reasons for the proposed allotment of Shares and to LandOcean and its Associates**

The issue of Shares to LandOcean under the Subscription Agreement will be in full and final satisfaction of the Company's obligation to pay the Accrued Interest to LandOcean under the Convertible Note Agreement.

The Convertible Notes were issued to LandOcean pursuant to the terms of the Convertible Note Agreement, and as consideration for LandOcean agreeing to waive its entitlement to US\$20,000,000 of the Accrued Fees in accordance with the IMSC Amending Deed.

- (h) **The interests of the Directors in Resolution 1**

None of the Directors have an interest in Resolution 1.

- (i) **Identity of the Directors who approved or voted against the proposal to put Resolution 1 to Shareholders and the Explanatory Statement**

All of the Directors voted in favour of the proposal to put the issue of Shares the subject of Resolution 1 the approval of Shareholders.

- (j) **Any intention of LandOcean to change significantly the financial or dividend policies of the Company**

LandOcean does not intend to change significantly the financial or dividend policies of the Company at this time.

- (k) **Recommendation or otherwise of each Director as to whether Shareholders should agree to the proposed allotment and the reasons for the recommendation or otherwise**

See Section 1.15.

- (l) **An analysis of whether the proposed allotment of Shares pursuant to Resolution 1 is fair and reasonable when considered in the context of the interests of the Shareholders other than LandOcean and its Associates**

See Section 1.14.

1.12 Advantages

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote in relation to Resolution 1:

- (a) it will allow the Company to preserve cash to be spent on its existing assets rather than interest payments to LandOcean.

1.13 Disadvantages

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote in relation to Resolution 1:

- (a) Shareholders will have their voting power reduced. Consequently, the ability of existing Shareholders to influence decisions, including the composition of the Board or the acquisition or disposal of assets will be reduced accordingly;
- (b) LandOcean and its Associates will hold up to 20.9% of Range following the issue of Shares under the Subscription Agreement increasing to up to 32.6% on conversion of all Convertible Notes (subject to the assumptions set out in Schedule 2). Therefore, LandOcean and its Associates will be able to have a significant influence over ordinary resolutions. In addition, LandOcean may have the ability to nominate up to two persons to be nominated as non-executive directors of the Company; and
- (c) the number of Shares to be issued to LandOcean is subject to exchange rate fluctuations and not known and therefore the level of potential dilution to Shareholders can only be approximated.

1.14 Independent Expert's Report

The Independent Expert's Report comments on the fairness and reasonableness of the transaction the subject of this Resolution to the non-associated Shareholders in the Company.

The Independent Expert's Report also contains an assessment of the advantages and disadvantages of the proposed issue of Shares to LandOcean. This assessment is designed to assist all Shareholders in reaching their voting decision.

The Independent Expert has provided the Independent Expert's Report and has provided an opinion that it believes the proposal as outlined in Resolution 1 is **FAIR AND REASONABLE** to the Shareholders not associated with LandOcean. It is recommended that all Shareholders read the Independent Expert's Report in full.

The Independent Expert's Report is enclosed with this Notice of Meeting at **Annexure 1**.

1.15 Interests and Recommendations of Directors

None of the current Board members have a material personal interest in the outcome of Resolution 1 other than their interests arising solely in their capacity as Shareholders of the Company. Each of the Directors who holds Shares in the Company (or whose associated entities hold Shares) and is entitled to vote will vote their Shares in favour of Resolution 1.

All of the Directors are of the opinion that Resolution 1 is in the best interests of Shareholders and, accordingly, the Directors unanimously recommend that Shareholders vote in favour of Resolution.

The Director's recommendations are based on an assessment of the advantages and disadvantages referred to in Sections 1.12 and 1.13 respectively and being of the view that the advantages outweigh the disadvantages and the Independent Expert has determined the issue of Shares contemplated by Resolution 1 is **FAIR AND REASONABLE** to the non-associated Shareholders.

The Directors are not aware of any other information other than as set out in this Notice of Meeting that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 1.

Glossary

£ means the official currency of the United Kingdom.

A\$ means Australian dollars.

AIM means the market of that name operated by the London Stock Exchange.

AIM Rules means the AIM Rules for Companies published by the London Stock Exchange, as amended from time to time.

ASIC means the Australian Securities & Investments Commission.

Associate has the meaning in Section 1.9 and as otherwise defined in the Corporations Act.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Company means Range Resources Limited (002 522 009).

Constitution means the Company's constitution.

Convertible Note means a convertible note with the terms and conditions set out in Section 1.4(a) and Schedule 1.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

DI Holder means a holder of depositary interests representing Shares which are electronically listed for trading on AIM and issued by Computershare Investor Services plc which holds legal title to the underlying Shares.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

GMT means Greenwich Mean Time.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Proxy Form means the proxy form accompanying the Notice.

Resolution means the resolution set out in the Notice.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

US\$ means United States dollars.

VWAP means volume weighted average price.

WST means Western Standard Time as observed in Perth, Western Australia.

Schedule 1 – Terms and conditions of the Convertible Notes

The terms and conditions of the Convertible Notes are as follows:

Terms	Details
Subscription Amount	US\$20,000,000
Face Value	US\$1.00 per Convertible Note
Maturity Date	28 November 2019
Interest Rate	8% per annum Default interest on any amount that is not paid when due will be at a rate of 10% per annum.
Interest	Interest will accrue daily and be payable annually in arrears.
Conversion Price	£0.0088. To calculate the Conversion Price in US Dollars, the exchange rate will be the mid-rate which appears on the Bloomberg Screen on that date.
Conversion by LandOcean	Subject to converting the Minimum Conversion Amount, LandOcean may convert some or all of the Convertible Notes into Shares at the Conversion Price.
Redemption by the Company	At any time after the issue date, the Company may elect to redeem all or some of the Convertible Notes by payment of the amount outstanding in cash.
Redemption on Maturity Date	On the Maturity Date, the Company must redeem all of the outstanding Convertible Notes (being those which have not been previously redeemed or converted) by payment of the amount outstanding in cash.
Redemption by LandOcean	The Convertible Notes are subject to the following redemption events: (i) non-payment of funds within 40 business days of the due date, (ii) the winding up or insolvency of the Company or the Company (or one of its subsidiaries), or (iii) ceasing or threatening to cease to carry on its business which is likely to adversely affect the Company as a whole. LandOcean may require the Company to redeem some or all of the Convertible Notes following the occurrence of any of these events.
No Voting Rights	The Convertible Notes do not carry any voting rights but LandOcean will have the same rights as a holder of Shares to receive notices of general meetings, reports, financial statements or any other communications issued by the Company.
Adjustment Event	If there is any reconstruction of the issued share capital of the Company before conversion of the Convertible Notes, the rights of LandOcean may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.
Security	Nil
Governing Law	Western Australia

Schedule 2 – Effect on capital structure and voting power of LandOcean and Associates

Shareholders should note that given the variables required to determine the Accrued Interest (converted into Australian dollars) and the Subscription Price pursuant to the Subscription Agreement, and the Conversion Price (converted into US dollars) pursuant to the Convertible Note Agreement, it is not possible to provide an exact number of Shares to be issued, or the total increase in the relevant interest of LandOcean (or its Associates), under the Subscription Agreement or on conversion of the Convertible Notes.

The Accrued Interest will be subject to the AUD/USD exchange on the Completion Date and the Subscription Price will be based on the average of the daily volume weighted average sale price of Shares traded on the ASX during the 90 Trading Days prior to the Completion Date. Further, the Conversion Price under the Convertible Note Agreement will be subject to the GBP/USD exchange rate at the time of conversion. The Company does not expect this will have a material effect on the number of Shares to be issued to LandOcean under the Subscription Agreement and on conversion of the Convertible Notes.

The table below is a worked example of the number of Shares that may be issued on conversion of the Convertible Notes based on various exchange rates at the time of issue.

	Scenario 1	Scenario 2
Exchange rate	GBP = US\$1.216 (at 27 October 2016)	GBP = US\$1.3012 (as at 24 January 2019)
Conversion Price (in US\$)	US\$0.0107	US\$0.0115
Shares issued on conversion of the Convertible Notes	1,869,172,854	1,746,639,466

The table below is a worked example of the number of Shares that may be issued to LandOcean under the Subscription Agreement (assuming a Subscription Price of A\$0.001 under Scenario 1 and A\$0.0013 under Scenario 2) at the Completion Date.

	Scenario 1	Scenario 2
Exchange rate	A\$ = US\$0.7136 (at 24 January 2019)	A\$ = US\$0.7136 (at 24 January 2019)
Accrued Interest (in A\$)	A\$2,242,058	A\$2,242,058
Subscription Price	A\$0.001	A\$0.0013
Shares issued in satisfaction of Accrued Interest	2,242,058,209	1,724,660,161

Note: The last trading price of the Shares on ASX as at 24 January 2019 was A\$0.001. As Shares cannot trade on ASX at a lower price the Subscription Price cannot be lower than A\$0.001. If the Subscription Price is higher than A\$0.001 then the maximum number of Shares to be issued under the Subscription Agreement (and in turn Resolution 1) will be less and, accordingly, the voting power of LandOcean and its Associates will also be less.

The proposed capital structure of the Company on completion of the issue of Shares under the Subscription Agreement and upon conversion of the Convertible Notes is set out below.

	Scenario 1	Scenario 2
Total Shares on issue at the date of this Notice	8,504,921,692	8,504,921,692
Increase in the number of Shares on issue following issue of Shares in satisfaction of Accrued Interest	2,242,058,209	1,724,660,161
Total Shares	10,746,979,901	10,229,581,853
Percentage of share capital held by LandOcean or its Associates	20.9%	16.9%
Increase in the number of Shares on issue following issue of Shares on conversion of the Convertible Notes	1,869,172,854	1,746,639,466
Total Shares	12,616,152,755	11,976,221,319
Percentage of share capital held by LandOcean or its Associates	32.6%	29.0%

The table above uses the following assumptions:

1. All of the Convertible Notes are converted to Shares on or before the Maturity Date
2. The Company does not issue any additional Shares and no Options expire, or are exercised, prior to the date that all of the Convertible Notes have converted.
3. LandOcean and its Associates do not acquire a relevant interest in any other Shares other than under Resolution 1.

Range Resources Limited

**Independent Expert's Report
and Financial Services Guide
30 January 2019**

**The Proposed Transaction is fair and reasonable to the Non-Associated
Shareholders of Range Resources Limited**

**Prepared by Moore Stephens Perth Corporate Services Pty Ltd
Australian Financial Services License No. 240773**

MOORE STEPHENS PERTH CORPORATE SERVICES PTY LTD

Australian Financial Services Licence No. 240773

FINANCIAL SERVICES GUIDE

This Financial Services Guide is issued in relation to our Independent Expert's Report on the proposed amendment to the terms of the Convertible Note Deed between Range Resources Limited ("Range") and LandOcean Energy Services Co. Ltd ("LandOcean") to allow Range to pay the interest due on 28 November 2018 by way of issuance of ordinary shares in Range ("Subscription Shares") (the "Proposal" or the "Proposed Transaction"). Our report has been prepared at the request of the Directors of Range for inclusion in the Notice of Meeting to be dated 30 January 2019.

Moore Stephens Perth Corporate Services Pty Ltd

Moore Stephens Perth Corporate Services Pty Ltd ("MSPCS") has been engaged by the directors of Range to prepare an independent expert's report expressing our opinion as to whether or not the Proposed Transaction is "fair and reasonable" to the shareholders of Range.

MSPCS holds an Australian Financial Services Licence – Licence No 240773.

Financial Services Guide

As a result of our report being provided to you we are required to issue to you, as a retail client, a Financial Services Guide ("FSG"). The FSG includes information on the use of general financial product advice and is issued so as to comply with our obligations as holder of an Australian Financial Services Licence.

Financial Services we are licensed to provide

We hold an Australian Financial Services Licence which authorises us to provide reports for the purposes of acting for and on behalf of clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate restructures or share issues, and to carry on a financial services business to provide general financial product advice for securities to retail and wholesale clients.

We provide financial product advice by virtue of an engagement to issue a report in connection with the issue of securities of a company or other entities.

Our report includes a description of the circumstances of our engagement and identifies the party who has engaged us. You have not engaged us directly but will be provided with a copy of our report as a retail client because of your connection with the matters on which our report has been issued. We do not accept instructions from retail clients and do not receive remuneration from retail clients for financial services.

Our report is provided on our own behalf as an Australian Financial Services Licensee authorised to provide the financial product advice contained in this report.

General Financial Product Advice

Our report provides general financial product advice only, and does not provide personal financial product advice, because it has been prepared without taking into account your particular personal circumstances or objectives either financial or otherwise, your financial position or your needs.

Some individuals may place a different emphasis on various aspects of potential investments. An individual's decision in relation to the proposed transaction may be influenced by their particular circumstances and, therefore, individuals should seek independent advice.

Benefits that we may receive

We will charge fees for providing our report. The basis on which our fees will be determined has been agreed with, and will be paid by, the person who engaged us to provide the report. Our fees have been agreed on either a fixed fee or time cost basis. We estimate that our fees for the preparation of this report will be approximately \$25,000 plus GST.

Remuneration or other benefits received by our employees

All our employees receive a salary. Employees may be eligible for bonuses based on overall productivity and contribution to the operation of MSPCS or related entities, but any bonuses are not directly in connection with any assignment and in particular are not directly related to the engagement for which our report was provided.

Referrals

We do not pay commissions or provide any other benefits to any parties or person for referring customers to us in connection with the reports that we are licensed to provide.

Associations and relationships

MSPCS is the licensed corporate advisory arm of Moore Stephens Perth, Chartered Accountants. The directors of MSPCS may also be partners in Moore Stephens Perth Chartered, Accountants.

Moore Stephens Perth, Chartered Accountants is comprised of a number of related entities that provide audit, accounting, tax, and financial advisory services to a wide range of clients.

MSPCS's contact details are set out on our letterhead.

MSPCS has previously provided corporate advisory services to Range.

Complaints resolution

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to The Complaints Officer, Moore Stephens, PO Box 5785, St George's Terrace, Perth WA 6831.

On receipt of a written complaint we will record the complaint, acknowledge receipt of the complaint and seek to resolve the complaint as soon as practical.

If we cannot reach a satisfactory resolution, you can raise your concerns with the Australian Financial Complaints Limited ("AFC"). AFC is an independent body established to provide advice and assistance in helping resolve complaints relating to the financial services industry. MSPCS is a member of AFC. AFC may be contacted directly via the details set out below.

Australian Financial Complaints Limited
GPO Box 3
Melbourne VIC 3001
Toll free: 1300 78 08 08
Facsimile: 03 9613 6399
Email: info@fos.org.au

Contents

1. INTRODUCTION..... 4

2. SUMMARY & OPINION 4

3. SUMMARY OF TRANSACTION 8

4. SCOPE OF THE REPORT 11

5. PROFILE OF RANGE RESOURCES LTD 13

6. INDUSTRY ANALYSIS 23

7. VALUATION APPROACH 27

8. VALUATION OF A RANGE SHARE PRIOR TO THE PROPOSED TRANSACTION AND CONVERSION OF CONVERTIBLE NOTES..... 28

9. VALUATION OF A RANGE SHARE POST THE PROPOSED TRANSACTION AND POST THE CONVERSION OF THE CONVERTIBLE NOTES 37

10. IS THE PROPOSED TRANSACTION FAIR TO RANGE SHAREHOLDERS? 39

11. IS THE PROPOSED TRANSACTION REASONABLE? 40

12. INDEPENDENCE..... 42

13. QUALIFICATIONS..... 43

14. DISCLAIMERS AND CONSENTS 44

APPENDIX A – SOURCE OF INFORMATION..... 45

APPENDIX B – VALUATION METHODOLOGIES 46

APPENDIX C – COMPARABLE COMPANY ANALYSIS..... 47

APPENDIX E - GLOSSARY..... 52

30 January 2019

The Directors
Range Resources Limited
c/o Edwards Mac Scovell
Level 7, 140 St Georges Terrace
Perth WA 6000

Dear Directors

INDEPENDENT EXPERT'S REPORT

1. INTRODUCTION

- 1.1 This Independent Expert's Report ("IER") has been prepared to accompany the Notice of General Meeting and Explanatory Statement ("Notice") to be provided to shareholders for a General Meeting of Range Resources Limited ("Range" or "the Company") at which shareholder approval will be sought for an amendment in the terms of the Convertible Note Deed (the "Deed") with LandOcean Energy Services Co. Ltd ("LandOcean") to allow Range to pay the interest due on 28 November 2018 by way of issuance of ordinary shares in Range ("Subscription Shares") (the "Proposal" or "Proposed Transaction").

Further details of the Proposed Transaction are set out in Section 3.

2. SUMMARY & OPINION

Purpose of the Report

- 2.1 Section 606 of the Corporations Act prohibits a person from acquiring a relevant interest in the issued voting shares of a public company if the acquisition results in that person's voting interest increasing from a starting point that is below 20% to an interest above 20%, or a starting point that is above 20% and below 90%, unless the acquisition is less than 3% in any six month period. Completion of the Proposed Transaction is expected to result in LandOcean acquiring an equity interest in Range of between 16.9% and 20.9% prior to the conversion of the Convertible Notes. After conversion of the Convertible Notes (which shareholders have already approved for conversion), LandOcean's interest in Range is expected to increase to between 29.0% and 32.6%.
- 2.2 Under Item 7 of Section 611 of the Act, the prohibition contained in Section 606 of the Act does not apply if the acquisition has been approved by the Non-Associated Shareholders of the Company. Accordingly, the Company is seeking approval from the Non-Associated Shareholders for the Proposed Transaction under Item 7 of Section 611 of the Act.
- 2.3 Item 7 Section 611 of the Act states that shareholders must be given all information that is material to the decision on how to vote at the meeting. ASIC Regulatory Guide 111 ("RG 111") advises the requirement to commission an Independent Expert's Report in such circumstances and provides guidance on the content.
- 2.4 The Directors of Range have engaged Moore Stephens Perth Corporate Services Pty Ltd ("MSPCS") being independent and qualified for the purpose, to prepare an Independent Expert's Report to express an opinion as to whether or not the Proposed Transaction is fair and reasonable to the shareholders of Range not associated with the Proposed Transaction (the "Non-Associated Shareholders").
- 2.5 Our assessment of the Proposed Transaction relies on financial information and instructions provided by the Company and the Directors. We have critically analysed the information provided to us, but we have not completed any audit or due diligence of the information which has been provided for the entities which have been valued. This report does not contain any accounting or taxation advice.

Approach

- 2.6 Our report has been prepared having regard to Australian Securities & Investments Commission (“ASIC”) Regulatory Guide 111 Content of Expert’s Reports (“RG 111”) and Regulatory Guide 112 Independence of Expert’s (“RG 112”)
- 2.7 The conversion of the Convertible Notes was approved by Range shareholders on 7 February 2017. Under this approval the maximum voting power that LandOcean could obtain was 23.52%. The conversion of the interest due on 28 November 2018 by way of the Subscription Shares is expected to result in LandOcean obtaining an equity interest in Range of between 16.9% and 20.9%. The conversion of the Convertible Notes in addition to the Subscription Shares would increase LandOcean’s interest to between 29.0% and 32.6%, in excess of the previously approved maximum voting power of 23.52%. As such, Range is seeking to increase this maximum voting power to 32.6%.
- 2.8 In arriving at our opinion, we have assessed the terms of the Proposed Transaction, as outlined in the body of our report, by considering the following:
- How the value of a Range share prior to the Proposed Transaction and conversion of the Convertible Notes compares to the value of a Range share following the Proposed Transaction and conversion of the Convertible Notes;
 - Advantages and disadvantages of approving the Proposed Transaction;
 - The likelihood of a superior alternative Proposal being available to Range;
 - The maximum voting power that LandOcean will have on conversion of both the interest payable to Subscription Shares and the conversion of the Convertible Notes;
 - Other factors which we consider to be relevant to the shareholders of Range in their assessment of the Proposed Transaction; and
 - The position of the shareholders of Range should the Proposal not be successful.

Further information on the approach we have employed in assessing whether the Proposed Transaction is “fair and reasonable” is set out at Section 4 of this Report.

Opinion

- 2.9 We have considered the terms of the Proposal as outlined in the body of our report and have concluded that the Proposal is fair and reasonable to the Non-Associated Shareholders of Range, as set out in Sections 11 and 12 of this Report.

Fairness

2.10 Our assessed values from Sections 8 and 9 are summarised in the table below.

	Section	Low Value A\$	High Value A\$
Assessed Fair Value of a Range share prior to the Proposed Transaction and prior to the conversion of the Convertible Notes on a control basis	8	Nil	0.00113
Assessed Fair Value of a Range share post the Proposed Transaction and post the conversion of the Convertible Notes on a minority basis	9	0.00093	0.00171

Source: Moore Stephens analysis

- 2.11 The valuation range for the fair value of the Range shares to be issued to LandOcean has been determined using two scenarios as set out in Section 3 of this report. Scenario A and Scenario B differ based on the estimated number of Subscription Shares and Conversion Shares that are expected to convert. The actual number of Subscription Shares and Conversion Shares will differ depending on the actual exchange rate and VWAP on the conversion date. Further details of the assumptions used in the two scenarios are detailed in Section 3 of this report.
- 2.12 In accordance with the guidance set out in ASIC RG 111, and in the absence of any other relevant information, for the purposes of complying with section 611 of the Act, we consider the Proposed Transaction and the conversion of the Convertible Notes to be fair to the Non-Associated Shareholders of Range as the fair value of a Range share post the Proposed Transaction and conversion of the Convertible Notes is greater than the value of a Range share prior to the Proposed Transaction and prior to the conversion of the Convertible Notes.

Reasonableness

2.13 We have considered the analysis in Section 11 of this report, in terms of both:

- Advantages and disadvantages of the Proposed Transaction;
- The maximum voting power that LandOcean will have on conversion of both the interest payable to Subscription Shares and the conversion of the Convertible Notes; and
- Other considerations if the Proposal is successful and the position of shareholders of Range if the Proposal is not successful.

2.14 In our opinion, the position of the Non-Associated Shareholders if the Proposal is approved is more advantageous than the position if it is not approved. Therefore, in the absence of any other relevant information and/or a superior Proposal, we consider that the Proposal is reasonable for the Non-Associated Shareholders of Range.

2.15 The advantages and disadvantages considered are summarised below:

ADVANTAGES

The Proposed Transaction is fair.

The Proposal allows the Company to retain cash in the business to help cash flow flexibility.

The Proposal helps to prevent a Redemption event as defined in the Convertible Note Deed on non-repayment of interest which may lead to going concern and solvency issues for the Company.

DISADVANTAGES

The Proposed Transaction leads to a dilution of existing Shareholder's interests.

The Proposal is expected to allow LandOcean to increase its holding in Range to between 29.0% and 32.6% after conversion of the Convertible Notes. This would make LandOcean Range's largest single shareholder.

2.16 Other key matters we have considered include:

OTHER KEY MATTERS

We are not aware of any alternative proposals that may provide a greater benefit to the Non Associated shareholders of Range.

If the Proposed Transaction is not approved, then the Company will need to repay the interest accrued on the Convertible Notes on the due date in cash. Due to the current cash constraints of Range, the ability of the Company to remain solvent will be reliant upon:

- A significant improvement in the operating performance of the Company;
- An increase in the realised oil price;
- An increase in the cash reserves of the Company; or
- The ability of the Company to secure additional funding through the issue of shares and/or debt.

It is not unusual for a company to pay interest by way of an issuance of shares if there are cash flow constraints in the business.

3. SUMMARY OF TRANSACTION

- 3.1 Range entered into a Convertible Note Deed (the “Deed”) with LandOcean dated 28 October 2016 (amended and restated on 15 November 2016). Range is seeking to amend the terms of this Deed to allow Range to pay the interest that is due on the Convertible Notes on 28 November 2018 by way of issuance of ordinary shares in Range (“Subscription Shares”) (the “Proposal” or “Proposed Transaction”).
- 3.2 The Deed sets out the conversion terms of US\$20m unlisted unsecured convertible notes with a face value of US\$1 each. The Company obtained shareholder approval of the issue of these Convertible Notes in accordance with the requirements of item 7 of section 611 of the Corporations Act on 7 February 2017.
- 3.3 The interest rate on the Convertible Notes per the Deed is 8% per annum. The number of Subscription Shares will be determined using the average of the daily volume weighted average share price (“VWAP”) of Range shares traded on the ASX during the 90 trading days prior to the conversion date.

Scenario A

- 3.4 Using the expected 90 day VWAP on the conversion date (assuming no significant change in the current trading levels and prices on the ASX) and the midpoint US\$:A\$ exchange rate as at 24 January 2019 of US\$1: A\$0.7136, the number of Subscription Shares to be issued to LandOcean to settle the payment of US\$1.6m of interest on the Convertible Notes would be 1,724,660,161. We have used this number of Subscription shares under Scenario A in section 3.9 below.

Scenario B

- 3.5 The number of Subscription Shares to be issued to LandOcean as per the Notice of Meeting (“NOM”) assumes a 90 day VWAP of A\$0.0010, as this was the last trading price for Range shares prior to 24 January 2019 and is the ASX share price floor. Using this VWAP, the number of Subscription Shares to be issued to LandOcean to settle the payment of US\$1.6m of interest on the Convertible Notes would be 2,242,058,209. We have used this number of Subscription Shares under Scenario B in section 3.9 below.
- 3.6 The actual number of Subscription Shares may differ to these estimates as a result of different actual exchange rates and VWAP on the conversion date. Given the current low share price of a Range share trading on the ASX, a relatively minor trading volume may have a significant impact on the Range share price and resulting 90 day VWAP to be used in the calculation of the Subscription Shares.

Key conditions of the Proposed Transaction

- 3.7 The Proposal is conditional upon a number of conditions precedent, including:
 - Range obtaining all necessary shareholder, regulatory and ASX approvals; and
 - Range and LandOcean entering into a loan agreement to revise the terms of the Convertible Notes.

Rationale for the Proposed Transaction

- 3.8 The Proposal allows Range to retain cash in the business.

Impact of Proposed Transaction on Range's Capital Structure

- 3.9 The table below sets out a summary of the capital structure of Range prior to, and post, the Proposed Transaction and before the conversion of the Convertible Notes:

Share structure of Range prior to and post the Proposed Transaction and prior to the conversion of the Convertible Notes

Prior to Proposal			Post Proposal Scenario A ¹		Post Proposal Scenario B ²	
Shares on issue:	%		%		%	
Non-Associated Shareholders	8,504,921,692	100	8,504,921,692	83.1	8,504,921,692	79.1
Associated Shareholders	-	-	1,724,660,161 ¹	16.9	2,242,058,209 ²	20.9
Total Shares on issue	8,504,921,692	100	10,229,581,853¹	100	10,746,979,901²	100

Source: Company Estimates

¹ This number assumes a midpoint exchange rate of US\$1:A\$0.7136 and a 90 day VWAP of A\$0.0013. The actual number of Subscription Shares may differ to this estimate as a result of different actual exchange rates and VWAP on the conversion date. Refer to Section 8 for further details.

² This number assumed a midpoint exchange rate of US\$1:A\$0.7136 and a 90 day VWAP of A\$0.0010. The actual number of Subscription Shares may differ to this estimate as a result of different actual exchange rates and VWAP on the conversion date. Refer to Section 8 for further details.

- 3.10 Following the completion of the Proposed Transaction, existing Non-Associated Shareholders' interest may decrease from 100% to 79.1% prior to any other changes in capital, and prior to the conversion of the Convertible Notes.
- 3.11 Following the completion of the Proposed Transaction, LandOcean's interest in Range may become 20.9% prior to any other changes in capital, and prior to the conversion of the Convertible Notes.
- 3.12 The table below sets out a summary of the capital structure of Range following completion of the Proposed Transaction and following conversion of the Convertible Notes:

Share structure of Range following completion of the Proposed Transaction and following conversion of the Convertible Notes

Prior to Proposal			Post Proposal and Conversion of Convertible Notes Scenario A ¹		Post Proposal and Conversion of Convertible Notes Scenario B ²	
Shares on issue:	%		%		%	
Non-Associated Shareholders	8,504,921,692	100	8,504,921,692	71.0	8,504,921,692	67.4
Associated Shareholders	-	-	3,471,299,627 ¹	29.0	4,111,231,063 ²	32.6
Total Shares on issue	8,504,921,692	100	11,976,221,319¹	100	12,616,152,755²	100

Source: Company Estimates

¹ This number assumes Subscription Shares as per Scenario A in the table at Section 3.9 above, and an exchange rate of £1:US\$1.3012 (being the mid-rate exchange rate on 24 January 2019). The actual number of shares may be different to this estimate as a result of different actual exchange rate on the conversion date. This also assumed that all of the Convertible Notes are converted to Range shares before the maturity date of the Convertible Notes.

² This number assumes Subscription Shares as per Scenario B in the table at Section 3.9 above, and an exchange rate of £1:US\$1.2159 (being the mid-rate exchange rate included in Scenario 1 in the NOM). The actual number of shares may be different to this estimate as a result of different actual exchange rate on the conversion date. This also assumed that all of the Convertible Notes are converted to Range shares before the maturity date of the Convertible Notes.

- 3.13 Following the completion of the Proposed Transaction and conversion of the Convertible Notes to Range shares, existing Non-Associated Shareholders' interest may decrease from 100% to 67.4%.
- 3.14 Following the completion of the Proposed Transaction and conversion of the Convertible Notes to Range shares, LandOcean's interest in Range may become 32.6%.
- 3.15 We have used the exchange rate as at 27 October 2016 in our calculation of the maximum interest that LandOcean could obtain in Range.

4. SCOPE OF THE REPORT

Purpose of the Report

- 4.1 Section 606 of the Corporations Act prohibits a person from acquiring a relevant interest in the issued voting shares of a public company if the acquisition results in that person's voting interest increasing from a starting point that is below 20% to an interest above 20%, or a starting point that is above 20% and below 90%, unless the acquisition is less than 3% in any six month period. Completion of the Proposed Transaction is expected to result in LandOcean acquiring an equity interest in Range of between 16.5% and 20.5% prior to the conversion of the Convertible Notes. After conversion of the Convertible Notes (which shareholders have approved), LandOcean's interest in Range is expected to increase to between 29.0% and 32.6%. The latter holding agrees to Scenario 1 in the NOM.
- 4.2 Under Item 7 of Section 611 of the Act, the prohibition contained in Section 606 of the Act does not apply if the acquisition has been approved by the Non-Associated Shareholders of the Company. Accordingly, the Company is seeking approval from the Non-Associated Shareholders for the Proposed Transaction under Item 7 of Section 611 of the Act.
- 4.3 Item 7 Section 611 of the Act states that shareholders must be given all information that is material to the decision on how to vote at the meeting. ASIC Regulatory Guide 111 ("RG 111") advises the requirement to commission an Independent Expert's Report in such circumstances and provides guidance on the content.

Regulatory guidance

- 4.4 The Listing Rules do not define the meaning of 'fair and reasonable'. In determining whether the Proposed Transaction is fair and reasonable, we have had regard to the views expressed by ASIC in RG 111. This regulatory guide provides guidance as to what matters an independent expert should consider assisting security holders to make informed decisions about transactions.
- 4.5 This regulatory guide suggests that where the transaction is a control transaction, the expert should focus on the substance of the control transaction rather than the legal mechanism to affect it. RG 111 suggests that where a transaction is a control transaction, it should be analysed on a basis consistent with a takeover bid.
- 4.6 In our opinion, the Proposed Transaction is a control transaction as defined by RG 111 and we have therefore assessed the Proposed Transaction as a control transaction to consider whether, in our opinion, it is fair and reasonable to the shareholders of Range.

Adopted basis of evaluation

- 4.7 RG 111 states that a transaction is fair if the value of the consideration received is greater than the value of the securities that are subject of the Proposed Transaction. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length. RG 111 requires the value of the Range shares to be issued to LandOcean to be valued on a control basis.
- 4.8 Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are sufficient reasons for Non-Associated Shareholders to accept the Proposed Transaction in the absence of any higher bid.

4.9 Having regard to the above, MSPCS has completed this comparison in two parts:

- A comparison between the value of a Range share prior to the Proposed Transaction and conversion of the Convertible Note and the value of a Range share post the Proposed Transaction and conversion of the Convertible Note (fairness – see Section 10 – Assessment of Fairness); and
- An investigation into other significant factors to which Non-Associated Shareholders might give consideration, prior to accepting the Proposal, after reference to the value derived above (reasonableness – see Section 11 - Assessment of Reasonableness).

5. PROFILE OF RANGE RESOURCES LTD

Background

- 5.1 Range is a Perth based company listed on the ASX and AIM. The Company engages in the exploration, development and production of oil and gas in Trinidad and Indonesia. The company has been trading on the ASX since 1985 and its shares were admitted to AIM on 13 December 2017.
- 5.2 During the year ended 30 June 2018 the Company completed two acquisitions: an established oilfield services business based in Trinidad (Range Resources Drilling Services Limited ("RRDSL")) and an indirect interest in the Perlak onshore oilfield in Indonesia.
- 5.3 As at 24 January 2019, Range's share price was A\$0.001, giving a market capitalisation of approximately A\$8.5m at that date. Shares traded on the ASX cannot trade at a lower price than A\$0.001. Based on this share price, Range has an estimated enterprise value of A\$72.0m with cash as at 30 June 2018 of US\$3.9m and debt of US\$47.3m.

Projects

Trinidad

- 5.4 Range has been operating in Trinidad since 2011 and holds a 100% interest in 3 onshore production licences in Trinidad, being Morne Diablo, South Quarry and Beach Marcelle. All 3 sites have been producing oil for over 75 years and contain over 600 wells.
- 5.5 The reserves of the three sites were last independently assessed by Rockflow Resources Limited in November 2017 with an effective date of assessment being 30 June 2017. The assessment shows that the company has proved and probable reserves (2P) of 16.04 MMstb. Range plans to use waterflood techniques to improve recovery of oil at each asset.
- 5.6 During the year ended 30 June 2018 Range achieved average daily production of 650 bopd. For the quarter ended 30 September 2018 the average daily production fell to 594 bopd. Range has announced that production subsequent to 30 June 2018 has been impacted by strike action and adverse weather conditions affecting infrastructure locally.

Indonesia

- 5.7 The indirect acquisition of interests in the Indonesian assets occurred in October 2017 with operations at the Perlak field commencing in May 2018. Two historically producing wells are undergoing reactivation with initial production below expectations.
- 5.8 Range acquired an indirect interest of 23% for a total consideration of US\$3.2m. The interest is to increase to 42% on completion of the minimum work programme. Range's share of the minimum work programme commitment amounts to US\$2.3m over a three year period. Under the terms of the shareholder agreements, Range funds 60% of the net costs of the operating company that will perform the work.
- 5.9 As part of the Share Purchase Agreement, Range has been provided with a put option whereby Range can enforce the buyback of its 60% interest in PT Hengtai Weiye Oil and Gas (amounting to US\$3.2m) should pre-agreed milestones not be achieved. These milestones include achieving minimum production levels over a continuous 90 day period and proving up a minimum level of independently audited 1P reserves within a 3 year period. Given the early stage of the work at Perlak there is no evidence at this stage to determine whether or not the milestones will be achieved.

RRDSL

- 5.10 RRDSL is an oilfield services company incorporated in the Republic of Trinidad and Tobago and provides oilfield operation services to Range in Trinidad. RRDSL was acquired from LandOcean in order to reduce the operating and drilling costs of the upstream operations in Trinidad and increase business with other operators to provide an additional third party revenue stream.

- 5.11 RRDSL has a fleet of 13 drilling rigs, of which 4 were acquired during 2015, as well as other equipment such as tanks, tanker trucks, cementing equipment etc. The 4 newer drilling rigs are used by Range in their Trinidad operations, and also hired by third parties to generate external income. Range is RRDSL's largest revenue source by a substantial amount.
- 5.12 Range acquired RRDSL for consideration of US\$5.5m which is due by 30 November 2020 and is subject to interest at 6% per annum. US\$2.8m of the consideration was paid in December 2017 but is refundable on demand.

Board of Directors

- 5.13 The current Board of Directors are:

Name	Title	Experience
Mr Zhiwei Gu	Non-Executive Chairman	Mr Gu is a corporate lawyer, who has worked with numerous companies seeking listings on various international stock markets. He is currently a partner of law firm Dentons. Mr Gu holds a LL.B. from the Jilin University in China; a LL.M. from the Northeast University in China; and a Master of Applied Finance from the Macquarie University in Australia. Mr Gu is a qualified lawyer and securities practitioner in China.
Mr Lubing Liu	Executive Director, Chief Operating Officer	Mr Lubing Liu has over 23 years of global experience in petroleum exploration, development, production, joint venture operations and new ventures. Prior to joining Range, Mr Liu held various subsurface leader roles, including Chief Reservoir Engineer with Melbana Energy Limited, Vice President of Exploration and Petroleum Technology with Sinopec East Puffin Pty Ltd, and other international exploration and production and energy service companies including ConocoPhillips, CNOOC, Woodside, RPS and Senergy. Mr Liu holds a BSc in Petroleum Engineering from the Southwest Petroleum University, China and is a Member of the Society of Petroleum Engineers.
Ms Juan Wang	Non-Executive Director	Ms Wang was previously the President of Energy Prospecting Technology USA, Inc. and LandOcean Energy Canada Ltd. Previously, she was also an investment manager and director at Anterra Energy Inc. responsible for Chinese investor liaisons and a manager of corporate mergers and acquisitions at LandOcean. Ms Wang has a commercial banking background having previously worked for Deutsche Bank and Bank of East Asia.
Dr Mu Luo	Non-Executive Director	Dr Luo is an oil and gas professional with 36 years' experience working for international E&P and oilfield services companies. He has worked on various conventional and unconventional projects across all levels from research to operations. He is currently a principal development geophysicist to Inpex Corporation, leading a multi-billion Ichthys LNG project in Australia. Prior to that, he held roles with Sinopec Oil and Gas, PGS, Japan Petroleum Exploration Company Limited, and Japan Oil, Gas and Metals National Corporation. Dr Luo holds a PhD in Exploration Geophysics from Curtin University, Western Australia; MSc in Geophysics from the University of Queensland; and BSc in Geophysics from the Petroleum University of China. He is a member of the Australian Society of Exploration Geophysicists, the European Association of Geoscientists and Engineers, and the Society of Exploration Geophysicists.

Convertible Notes

- 5.14 The Company has funded its operations largely through interest bearing borrowings and convertible notes from LandOcean and its controlled entities. As at 30 June 2018 Range owed LandOcean and its controlled entities US\$88.6m in a mixture of payables, loans and convertible notes with various repayment dates. Of the US\$88.6m, US\$20m is in the form of unlisted unsecured convertible notes with a face value of US\$1 each (the “Convertible Notes”). The Company obtained shareholder approval of the issue of the Convertible Notes in accordance with the requirements of item 7 of section 611 of the Corporations Act on 7 February 2017.
- 5.15 The Convertible Notes are redeemable for cash by LandOcean anytime within 3 years from the date of issue, or earlier if a redemption event occurs (such as non-payment of interest). On the maturity date, the Company must redeem all of the Convertible Notes that have not otherwise been converted.
- 5.16 Subject to converting the minimum conversion amount, being US\$10m, LandOcean may elect to convert the remaining Convertible Notes to Range shares at a conversion price of GBP0.0088 any time before the end of the 3 year maturity period.
- 5.17 The Convertible Notes earn interest at 8% per annum which is payable in cash in arrears.

The Historical Consolidated Financial Information

- 5.18 The information below provides a summary of the financial information of Range for the years ended 30 June 2018 and 30 June 2017 extracted from the audited consolidated financial statements of the Company.
- 5.19 The auditor of Range, BDO Audit (WA) Pty Ltd, issued an unmodified opinion on the financial statements for the years ended 30 June 2018 and 30 June 2017. For the year ended 30 June 2018 the audit report included an emphasis of matter paragraph relating to a material uncertainty regarding the going concern position of the Company. The auditor’s opinion was not modified in respect of this matter.

5.20 The table below sets out the Consolidated Statement of Financial Position of Range for the years ended 30 June 2018 and 30 June 2017.

Consolidated Statement of Financial Position	Ref	30 June 2018 US\$	30 June 2017 US\$
ASSETS			
Current assets			
Cash and cash equivalents	i	3,945,683	17,254,360
Trade and other receivables	ii	4,875,766	5,740,726
Inventory	iii	3,277,096	2,353,143
Other current assets	iv	3,054,911	233,140
		15,153,456	25,581,369
Non-current assets			
Trade and other receivables	ii	2,251,384	6,866,394
Deferred tax asset	v	13,517,531	6,853,135
Available for sale financial asset		-	45,238
Goodwill	vi	3,241,472	-
Property, plant and equipment	vii	25,489,614	2,021,682
Exploration assets	viii	6,744,997	632,176
Producing assets	ix	109,091,650	108,347,455
		160,366,648	124,766,080
Total assets		175,490,104	150,347,449
LIABILITIES			
Current liabilities			
Trade and other payables	x	9,929,506	1,613,499
Current tax liabilities		246,917	283,220
Borrowings	xi	1,600,000	-
Option liability		33,345	341,618
Provisions	xii	811,737	784,316
		12,621,505	3,022,653
Non-current liabilities			
Trade and other payables	x	50,441,779	51,390,088
Borrowings	xi	42,439,606	21,071,631
Deferred tax liabilities	v	64,761,942	54,500,144
Employee services benefits		731,350	340,289
		158,374,677	127,302,152
Total liabilities		170,996,182	130,324,805
NET ASSETS		4,493,922	20,022,644
EQUITY			
Share capital		383,918,397	383,918,397
Reserves		24,822,953	26,339,311
Accumulated losses	xii	(407,765,301)	(390,235,064)
Non-controlling interest	viii	3,517,873	-
TOTAL EQUITY		4,493,922	20,022,644

Source: Audited Range financial statements for the year ended 30 June 2018

5.21 We note the following in relation to the financial position of Range as at 30 June 2018:

- Cash and cash equivalents declined during the year ended 30 June 2018 by 77%. The decline occurred due to the investment in assets in Indonesia of US\$3.8m, part payment of

consideration for the acquisition of RRDSL and pre acquisition loans to RRDSL of US\$4m, payment of the first year of interest on the convertible notes of US\$1.6m and costs associated with listing on AIM. Subsequent to 30 June 2018 the Company undertook a capital raising on AIM, raising funds before costs of GBP1m. Based on the unaudited management accounts as at 30 September 2018, at that date Range had cash and cash equivalents of US\$4.1m.

- ii. Current trade and other receivables comprise trade receivables and taxes recoverable. Non-current other receivables relate to amounts owed by the LandOcean Group.
- iii. Inventory consists of finished goods such as casing, pumping units and raw materials etc and have been measured at the lower of cost and net realisable value
- iv. Other assets are made up of prepayments and an amount of US\$2.8m owed by LandOcean Petroleum Corp. Ltd in respect of the RRDSL acquisition. The amount is receivable on demand, unsecured and accrues interest at 6% per annum.
- v. The deferred tax asset increased during the year ended 30 June 2018 as a result of the acquisition of RRDSL during the year and relate to temporary timing differences. The deferred tax liability has also increased this year and largely relates to the difference between the carrying value of the exploration and development costs for accounting and tax purposes.
- vi. The goodwill arose as a result of the acquisition of RRDSL during the year ended 30 June 2018. The goodwill represents the synergies to be experienced now that RRDSL is part of the Group.
- vii. Property, plant and equipment is comprised mostly of production equipment and access roads (US\$24.1m). The remaining assets include motor vehicles, furniture, fixtures, leasehold improvements etc. The increase during the year ended 30 June 2018 is as a result of the acquisition of RRDSL where assets of US\$24.7m were acquired.
- viii. Exploration assets comprise areas of interest in Trinidad and Indonesia. The increase during the year ended 30 June 2018 is due to the acquisition of interests in Indonesia to the value of US\$6.1m via Range's 42% indirect interest in PT Hengtai Weiye Oil and Gas. The non-controlling interest portion is shown within equity.
- ix. Producing assets relate to assets used in oil production in Trinidad.
- x. Current trade and other payables relate to trade payables, sundry payables and accruals. Non-current trade and other payables include interest bearing trade payables of US\$41.4m, and accruals of US\$5.8m. Of the total, US\$3.2m is payable to the LandOcean Group. These amounts are payable in 2020 and earn interest at 6% per annum. The increase in payables as at 30 June 2018 is largely as a result of the acquisition of RRDSL.
- xi. Borrowings are made up as follows:

	Note	30 June 2018 US\$	30 June 2017 US\$
Current Borrowings			
Interest on convertible debt	a	1,600,000	-
Total current borrowings		1,600,000	341,618
Non-current borrowings			
Borrowings at amortised cost	b	24,481,224	-
Convertible notes	a	17,958,382	21,071,631
Total non-current borrowings		42,439,606	21,071,631

- a) Interest and principal due on convertible notes with LandOcean Group. This interest payment of US\$1.6m is due on 28 November 2018. The convertible notes total US\$20m and mature on 28 November 2019. The notes earn interest at 8% per annum payable annually in arrears in cash. The notes are unsecured and have a conversion price of 0.88 pence per share with a lender conversion right at any time.
- b) The non-current borrowings at amortised cost are unsecured payables to companies in the LandOcean Group. Interest is charged on these amounts at 6% per annum and are payable within three years.
- xii. Provisions relate to the rehabilitation costs to restore operating locations.
- xiii. The Company reported net assets as at 30 June 2018 of US\$4.5m, down from US\$20.0m as at 30 June 2017. Net current assets amounted to US\$2.5m, down from US\$22.6m as at 30 June 2017. The decline in net current assets has resulted from a decline in the cash balance during the year from US\$17.3m to US\$3.9m. The decline in the cash balance is due to the loss for the year coupled with payments for asset acquisitions, and loans to external parties.
- 5.22 We have reviewed the unaudited net asset position of Range as at 30 September 2018 and note that the net asset position of Range has declined by US\$0.78m since 30 June 2018. The decline is largely as a result of an increase in the payables and borrowings of Range subsequent to 30 June 2018.
- 5.23 The table below sets out the Consolidated Statement of Financial Performance of Range for the years ended 30 June 2018 and 30 June 2017.

Consolidated Statement of Profit or Loss and Other Comprehensive Income	Notes	30 June 2018 US\$	30 June 2017 US\$
Revenue	i	13,059,422	8,435,309
Operating expenses	ii	(10,769,092)	(8,770,969)
Royalties	iii	(4,605,811)	(2,494,497)
Depreciation, depletion and amortisation		(4,950,666)	(6,289,324)
Gross loss	iv	(7,266,147)	(17,554,790)
Other income		421,897	174,367
Other items of expense			
Finance costs	v	(3,094,795)	(3,806,226)
General and administrative expenses	vi	(4,102,712)	(5,223,721)
Exploration expenditure and land fees		(1,946,306)	(1,152,854)
Impairment of non-current assets	vii	-	(28,985,014)
Loss before tax		(15,988,033)	(48,112,929)
Income tax expense		(1,542,204)	(4,999,950)
Loss after tax from continuing operations		(17,530,237)	(53,112,879)
Loss from discontinued activities, net of tax	viii	-	(1,250,000)
Loss for the year		(17,530,237)	(54,362,879)
Other Comprehensive income/(expense)			
Exchange differences on translation of foreign operations		(1,423,892)	2,144,373
Total comprehensive loss		(18,954,129)	(52,218,506)

Source: Audited Range financial statements for the year ended 30 June 2018

5.24 We note the following in relation to the Group's financial performance:

- i. Revenue for the period shown largely comprises revenue derived from the Groups oil and gas production. The Company recognised a 50% growth in revenue related to the sale of oil between the year ended 30 June 2017 and 30 June 2018. The increase is due to an increase in production of oil by 25% from the year ended 30 June 2017 and an increase in the realised oil price by 25%. The average revenue per barrel of oil produced increased from US\$44 during the year ended 30 June 2017 to US\$53 during the year ended 30 June 2018.

During the year ended 30 June 2018, and subsequent to acquisition by Range, Range earned US\$0.4m from services to third parties through its newly acquired subsidiary RRDSL. If the acquisition had occurred on 1 July 2017, revenue from third party services would have been US\$0.5m for the year ended 30 June 2018.

- ii. Operating costs have increased due to new business activities during the period and higher staff costs post acquisition of RRDSL. Operating staff costs increased 89% during the year ended 30 June 2018 whilst the costs of production remained stable, increasing just 1% over the year. The average cost of production (excluding staff costs) declined from US\$35 per barrel produced during the year ended 30 June 2017 to US\$28 per barrel produced during the year ended 30 June 2018.
- iii. Royalty costs increased 85% during the year ended 30 June 2018 and represents 36% of revenue from the sale of oil for the year ended 30 June 2018.
- iv. Overall, Range made a gross loss of -56% for the year ended 30 June 2018, this is an improvement from the year ended 30 June 2017 where Range made a gross loss for the year of -108%. The improvement this year has come from an increase in oil prices and production driving up revenue coupled with a decline in the costs of production this year.
- v. Finance costs relate to interest charged on borrowings and convertible debt during the year.
- vi. General and administrative costs declined 21% this year and includes one off costs of approximately US\$0.75m for the listing on AIM.
- vii. During the year ended 30 June 2017 the Company impaired the goodwill associated with the Company's assets in Trinidad as the work programme showed lower production coupled with increased costs.
- viii. During the year ended 30 June 2017 the Company wrote down its assets in Georgia due to uncertainty over the recoverability.

Group Structure

5.25 Range includes the following subsidiaries:

Name	Country of incorporation	Proportion (% of ownership interest)	
		9 November 2018	30 June 2018
Range Resources (Barbados Limited)	Barbados	100	100
SOCA Petroleum Limited	Barbados	100	100
Range Resources Drilling Services Limited	Trinidad	100	100
West Indies Exploration Company Limited	Trinidad	100	100
Range Resources Trinidad Limited	Trinidad	100	100
Range Resources West Coast Limited	Trinidad	100	100
Range Resources (Barbados) GY Limited	Barbados	100	100
Range Resources GY Shallow Limited	Trinidad	100	100
Range Resources GY Deep Limited	Trinidad	100	100
Range Resources Upstream Services Limited	United Kingdom	100	100
Range Resources HK Limited	Hong Kong	100	100
PT Hengtai Weiye Oil and Gas	Indonesia	60	60
PT Jasmine Oil and Gas Services	Indonesia	60	60
PT Lubuk Kawai Raya	Indonesia	46.8	46.8
PT Aceh Timur Kawai Energi	Indonesia	42.1	42.1
Georgian Oil Pty Limited ¹	Australia	100	-
Strait Oil and Gas Limited ²	Gibraltar	65	45
Strait Oil and Gas (UK) Limited (in liquidation)	United Kingdom	45	45

¹Acquired during October 2018

²20% interest acquired through the acquisition of Georgian Oil Pty Ltd in October 2018

Capital Structure

- 5.26 As at 24 January 2019, Range had 8,504,921,692 ordinary shares on issue. Details of the top 10 shareholders as at 24 January 2019 are as follows:

	Shareholder	Number of Ordinary Shares	% of Total Shares
1	Beijing Sibo Investment Management LP	2,447,620,912	28.8
2	Abraham Limited	712,377,560	8.4
3	Interactive Investor Services Nominees Limited	682,310,005	8.0
4	Barclays Direct Investing Nominees Limited	558,381,641	6.6
5	Interactive Investor Services Nominees Limited	487,025,885	5.7
6	HSDL Nominees Limited	264,889,797	3.1
7	Hargreaves Lansdown (Nominees) Limited	255,898,910	3.0
8	Cantor Fitzgerald Europe	236,411,453	2.8
9	ABN AMRO Bank NV	183,529,411	2.2
10	HSDL Nominees Limited	171,599,095	2.0

Source: Range's share register

Options

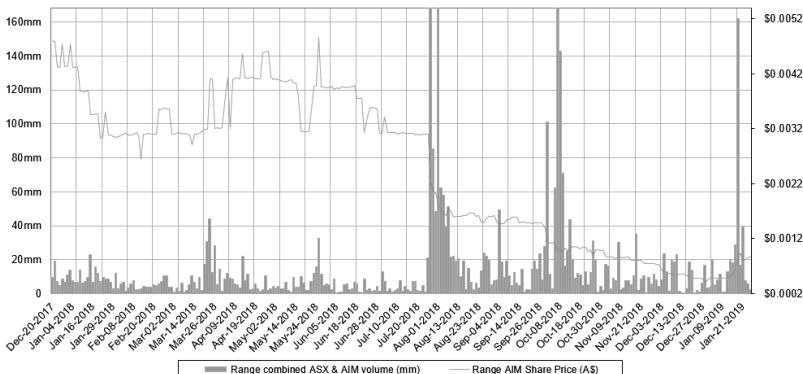
- 5.27 As at 24 January 2019, Range had 437,643,136 shares under option as follows:

Date of expiry	Exercise price	Number of options
3 September 2019	£0.01	194,585,862
3 September 2019	£0.02	172,557,274
30 March 2020	£0.01	70,500,000
Total		437,643,136

Source: Range's option register

Share Price Performance

- 5.28 The figure below sets out a summary of Range's closing share price (AIM pricing converted to Australian dollars) and volume (combination of ASX and AIM volume) of Range shares traded for the period from 13 December 2017 (the date of relisting on AIM) to 24 January 2019.



Source: S&P Capital IQ

- 5.29 Over the period, Range shares traded at a high of A\$0.005 most recently in May 2018 and a low of A\$0.0004. The share price was at its lowest on 28 December 2018. Trading volumes over this period were lower and less frequent than historically.
- 5.30 On the 26 July 2018 Range announced that it had raised GBP1m before expenses via a capital raising on AIM. Pursuant to the subscription, the Company issued 909,090,910 new ordinary shares in Range at a price of GBP0.0011 per share.
- 5.31 We note that elevated trading volumes occurred on the following days:
- 26 July 2018 – significant trade occurred following the announcement that the Company had raised GBP1m before expenses on relisting on AIM, with the funds to be used to accelerate growth in Trinidad.
 - 1 - 9 October 2018 – these trades occurred following the release of the 2018 annual report to the market on 1 October 2018. This followed a significant drop in the share price in August 2018.
 - 17 January 2019 – Range have stated that they know of no corporate or operational reason for the trading activity on this day.
- 5.32 We have considered the volume weighted average share price (“VWAP”) of Range shares using a combination of ASX and AIM volume over a range of periods ending 24 January 2019. The Proposed Transaction was announced on 20 December 2018. We have reviewed the trading activity of Range shares post the announcement and note that the announcement had little impact on the overall share price. The price of a Range share remained relatively unchanged on AIM for 15 days following the announcement.
- 5.33 An analysis of the trading volume of Range’s shares for 1, 5, 10, 30, 60 and 90 trading day periods prior to 24 January 2019 is set out in the table below:

Traded volumes of Range shares to 24 January 2019 (using a combination of ASX and AIM volume and AIM pricing converted to A\$)

	1 Day	5 Day	10 Day	30 Day	60 Day	90 Day
VWAP A\$	0.0009	0.0008	0.0008	0.0007	0.0007	0.0009
Total Volume (000's)	2,539	72,226	314,179	454,751	760,284	1,684,912
Total Volume as % of Total Shares	0.03%	0.85%	3.69%	5.35%	8.94%	19.81%
Low Price A\$	0.0009	0.0008	0.0005	0.0004	0.0004	0.0004
High Price A\$	0.0009	0.0009	0.0009	0.0009	0.0010	0.0015

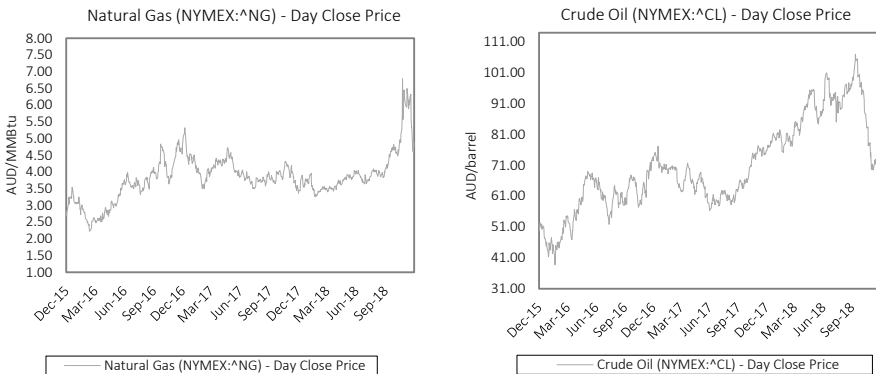
Source: S&P Capital IQ, Moore Stephens analysis

- 5.34 The table above shows the current VWAP of Range shares. 19.81% of the Company’s shares were traded in the 90 trading days to 24 January 2019. Whilst the volumes traded may be considered low, trading is consistent and has occurred on a daily basis. We note that Range has a number of major shareholders and as such lower trading volumes are expected. On this basis, the trading volumes for Range indicate that it is a liquid stock.

6. INDUSTRY ANALYSIS

- 6.1 The oil and gas industry can be separated into three distinct markets; being the upstream industry, midstream industry and downstream industry. The upstream industry explores for and produces oil and gas. The midstream industry processes, stores, markets and transports commodities such as crude oil, natural gas and other equivalent products. While the downstream industry includes final refined products such as petroleum, natural gas and other oil based product distribution on a retail level.¹
- 6.2 While the risk profile of the deposit varies, the underlying commodities once extracted are traded at standard global pricing.
- 6.3 Oil is primarily traded via three benchmarks being:
 - Brent crude;
 - Western Texas Intermediate (WTI); and
 - Dubai Fateh crude.

Global Oil and Gas Price



- 6.4 Oil and Gas prices have been subject to significant volatility in the short term. Both commodities suffered a significant drop in price over the last three months. Oil prices hit a three-year peak on 3 October 2018, reaching A\$107.04/barrel, as of 20 December 2018 the spot price had significantly decreased, trading at A\$64.56/barrel. Natural Gas prices hit a three-year peak on 14 November 2018, reaching A\$6.79/MMBtu, as of 20 December 2018 this price had subsequently retreated to A\$4.76/MMBtu.

Global Oil and Gas Consumption and Demand Drivers

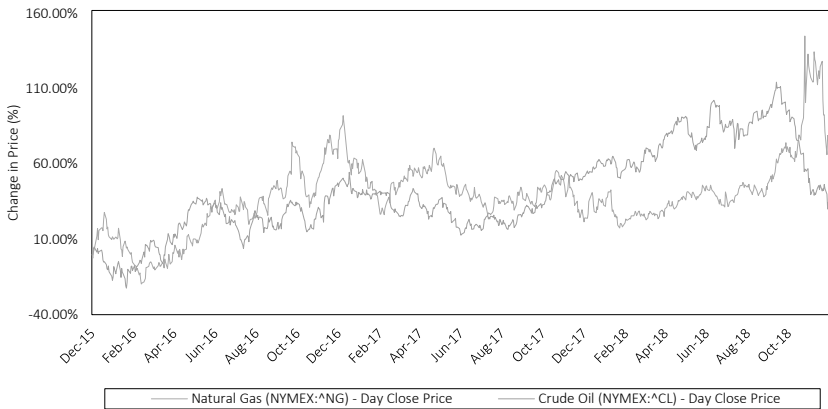
- 6.5 During 2017 oil contributed 34.2% of global energy by fuel type, being the highest global contributor to energy production. Gas was the 3rd most utilised resource for energy production behind oil and coal, contributing 23.4% of total energy.² While oil is the leading contributor of energy use it has been steadily declining since 2000, however gas has seen long term increases in use over a historical 30-year period. The transport sector is the largest consumer sector of oil and oil products, consuming more than 60% of the total used. With the demand of oil strongly linked to the transportation sector, a sector which is linked to economic conditions, it creates a link between economic confidence and oil demand. The gas industry's primary demand drivers are residential use, electricity generation and industrial use. While

¹ <https://www.psac.ca/business/industry-overview/>

² BP Statistical Review of World Energy, June 2018

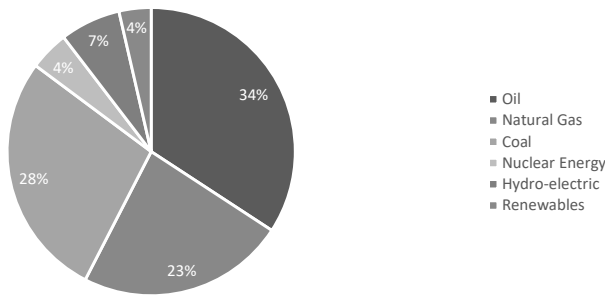
impacted by global economic conditions due to its reliance on total electricity demand and industrial growth, it is considered less correlated to economic conditions than oil due to the lower volatility of residential gas and electricity production demand. Natural gas is also linked to crude oil pricing with the market for oil significantly impacting natural gas pricing.³

The chart below outlines this significant correlation between the oil and gas market.



Source: S&P Capital IQ

6.6 During 2017 oil consumption grew by 1.7% which was 0.6% higher than the average consumption growth rate over the last decade. Consumption of 98,186 million barrels per day during 2017 was greater than total production of 92,649 million barrels per day. The shortfall in production saw crude prices climb during 2017, with a 24% increase in Brent crude average prices year on year when compared to 2016. China was the greatest influencer of any country on net imports of oil over 2017, with an 11% growth in its net imports, as a comparison the USA’s net oil imports grew by 0.2%.⁴



Source: BP Statistical Review of World Energy, June 2018

6.7 During 2017 natural gas consumption grew by 3% which was 0.7% higher than the average consumption growth rate over the last decade. Consumption of 3,670.4 billion cubic metres (bcm) was approximate

³ Energy & Metals Consensus Forecasts, October 2018

⁴ BP Statistical Review of World Energy, June 2018

to the total production of 3,680.4 bcm. Year on year comparison saw Natural gas prices on the Heren NBP Index climb by 23.7% between 2016 to 2017.⁵

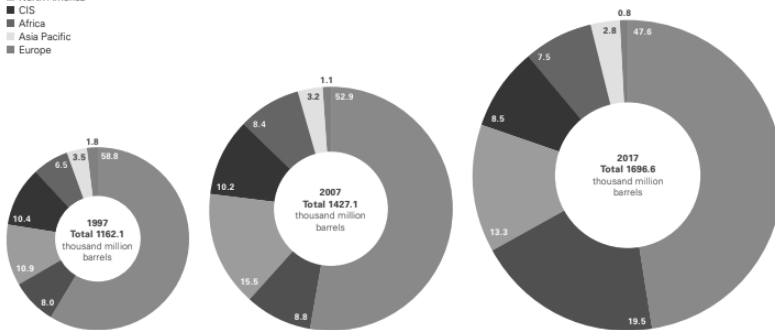
- 6.8 While supply and demand factors are the key determinant to pricing of oil and gas there are also political, geographic and geological events which underpin the risk associated to both supply and demand outlook. Political tensions between the USA and major oil producers such as Iran, Venezuela and Saudi Arabia contribute to pricing fluctuations due to the risk of withheld supply and possible sanctions. Currency fluctuations and the strength in the US dollar also raise imported energy costs. Geological factors, such as in recent times Hurricane Florence, have cause significant disruption to US terminals and ports, creating import issues. Fuel switching in China to promote cleaner fuels has bolstered the demand for natural gas as the country looks to switch away from coal. The unresolved Sino-US trade dispute has placed risk in the market, which may cause restrictions on US gas exports, which would subsequently lift LNG prices.⁶

Global Oil and Gas Reserves

- 6.9 Global oil reserves have significantly increased over the last decade. Proved oil reserves as of 2017 were 1,969.6 billion barrels. The Middle East and South & Central America had the highest reported reserves at 47.6% and 19.5% respectively.⁷

Distribution of proved reserves in 1997, 2007 and 2017
Percentage

■ Middle East
■ S. & Cent. America
■ North America
■ CIS
■ Africa
■ Asia Pacific
■ Europe



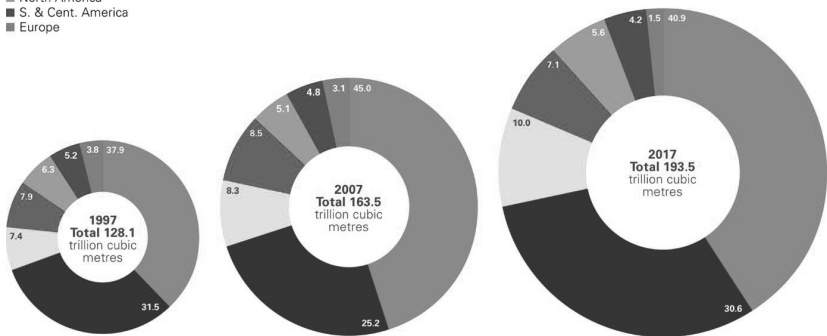
Source: BP Statistical Review of World Energy, June 2018

- 6.10 Global gas reserves have significantly increased over the last decade. Proved gas reserves as of 2017 were 193.5 trillion cubic metres. The Middle East and CIS had the two highest reported global reserves at 40.9% and 30.6% respectively.

⁵ BP Statistical Review of World Energy, June 2018

⁶ Energy & Metals Consensus Forecasts, October 2018

⁷ BP Statistical Review of World Energy, June 2018



Source: BP Statistical Review of World Energy, June 2018

Caribbean Oil and Gas Industry

6.11 The Caribbean has long been considered a forgotten area within the energy sector. With nearby locations such as Venezuela with high oil resources being the key focus of players in the region. In 2015 and 2017 ExxonMobil discovered significant reserves in Guyana, with total discovered reserves now sitting at 500 million barrels. Trinidad and Tobago has long been the energy hub of the Caribbean with the energy sector comprising of 34.9% of the country's GDP. Trinidad and Tobago houses the largest natural gas processing facility in the Western Hemisphere, being the Phoenix Park Gas Processor which has a processing capacity of 2 bcf per day and an output capacity of 70,000 barrels per day. As of 2017 Trinidad and Tobago had 15.5 tcf in proved gas reserves and 0.2 billion barrels of oil.

Outlook

6.12 Both oil and gas production and reserves have increased over the last decade. With forecasts indicating this growth is set to continue over the medium term, with the expectation for global demand to reach 104.5 million barrels a day (mmboed) by 2023 (7.3 mmboed higher than current production). Change in trends over the long term, particularly in developed countries, is set to create negative growth trends after 2020 as the world shifts to alternate fuel and energy generation methods. This negative growth in developed regions is offset in developing countries with an average growth rate of 1.1 mmboed predicted through to 2023. Geopolitical tensions and supply constraints arising from natural causes have caused short term supply constraints though this will likely be resolved as new sources come online in the medium term.⁸

⁸OPEC, Annual Energy Outlook 2018

7. VALUATION APPROACH

Definition of Value

- 7.1 RG 111 states that a transaction is fair if the value of the consideration is greater than the value of the net assets being disposed of. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length. Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid.

Valuation Approach Adopted

- 7.2 There are a number of methodologies which can be used to value a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ('FME')
- Discounted cash flow ('DCF')
- Quoted market price basis ('QMP')
- Net asset value ('NAV')
- Market approach method (comparable market transactions)

- 7.3 A summary of each of these methodologies is outlined in Appendix B.

Value of a Range share prior to the Proposed Transaction and prior to the conversion of the Convertible Notes

- 7.4 In assessing the value of a Range share prior to the Proposed Transaction we have selected two different valuation approaches, being the NAV approach as our primary methodology and QMP as our secondary methodology.

- 7.5 Our valuation methodology was selected on the following basis:

- Range has consistently lost money and does not have a project that generates consistently positive returns. Its net assets are supported by a number of recent transactions.
- As Range's shares are listed on the ASX and AIM, there is a regulated and observable market for them.
- Range does not have a history of profitable earnings.
- Range has a history of not achieving its production targets and as such we do not consider that the forecasts for Range are reliable.

Value of a Range share post the Proposed Transaction and post the conversion of the Convertible Notes

- 7.6 In assessing the value of the Range shares to be issued to LandOcean we have selected the NAV approach.

- 7.7 Our valuation methodology was selected on the following basis:

- Range has consistently lost money and does not have a project that generates consistently positive returns. Its net assets are supported by a number of recent transactions.
- Range does not have a history of profitable earnings.
- Range has a history of not achieving its production targets and as such we do not consider that the forecasts for Range are reliable.

8. VALUATION OF A RANGE SHARE PRIOR TO THE PROPOSED TRANSACTION AND CONVERSION OF CONVERTIBLE NOTES

8.1 As stated at Section 7.4 we have assessed the value of a Range share prior to the Proposed Transaction and prior to the conversion of the Convertible Notes on a control basis based on the Net Asset Value method, as summarised in the table below.

Consolidated Statement of Financial Position	Ref	Audited 30 June 2018 US\$	Unaudited 30 September 2018 US\$	Low Value US\$	High Value US\$
ASSETS					
Current assets					
Cash and cash equivalents		3,945,683	4,122,252	4,122,252	4,122,252
Trade and other receivables	8.3	4,875,766	5,217,085	5,217,085	5,217,085
Other current assets	8.4	6,332,007	6,382,510	6,382,510	6,382,510
		15,153,456	15,721,847	15,721,847	15,721,847
Non-current assets					
Trade and other receivables	8.5	2,251,384	2,256,835	2,256,835	2,256,835
Deferred tax asset	8.6	13,517,531	14,768,900	14,768,900	14,768,900
Goodwill	8.7	3,241,472	-	-	3,241,472
Property, plant and equipment	8.8	25,489,614	24,282,402	21,854,162	24,282,402
Exploration assets	8.10	6,744,997	6,745,224	667,124	6,745,224
Producing assets	8.12	109,091,650	108,839,329	108,839,329	108,839,329
		160,366,648	160,134,162	148,386,350	160,134,162
Total assets		175,490,104	175,856,009	164,108,197	175,856,009
LIABILITIES					
Current liabilities					
Trade and other payables		9,929,506	9,529,446	9,529,446	9,529,446
Current tax liabilities		246,917	688,355	688,355	688,355
Borrowings (interest payable)	8.16	1,600,000	1,600,000	1,600,000	1,600,000
Option liability		33,345	33,345	33,345	33,345
Provisions		811,737	817,711	817,711	817,711
		12,621,505	12,668,857	12,668,857	12,668,857
Non-current liabilities					
Trade and other payables		50,441,779	51,044,715	51,044,715	51,044,715
Borrowings	8.16	42,439,606	42,769,927	42,769,927	42,769,927
Deferred tax liabilities	8.6	64,761,942	65,908,279	65,908,279	65,908,279
Employee services benefits		731,350	746,324	746,324	746,324
		158,374,677	159,469,245	159,469,245	159,469,245
Total liabilities		170,996,182	172,138,102	172,138,102	172,138,102
NET ASSETS		4,493,922	3,717,907	-8,029,905	3,717,907
Non-controlling interest	8.17	3,517,873	3,517,873	-	3,517,873
NET ASSETS ATTRIBUTABLE TO THE SHAREHOLDERS OF RANGE ON A CONTROLLING BASIS (US\$)		976,049	200,034	-8,029,905	200,034
US\$: A\$ exchange rate as at 30 September 2018			0.7217	0.7217	0.7217
NET ASSETS ATTRIBUTABLE TO THE SHAREHOLDERS OF RANGE ON A CONTROLLING BASIS (A\$)			277,186	-11,126,992	277,186
Number of shares on issue in Range pre the Proposal	5.26		8,504,921,692	8,504,921,692	8,504,921,692
VALUE OF A RANGE SHARE PRE THE PROPOSAL ON A CONTROLLING BASIS (A\$)			0.00003	-	0.00003

Source: Moore Stephens analysis

- 8.2 The Actual Statement of Financial Position has been extracted from the audited financial statements of Range as at 30 June 2018. We have reviewed the unaudited management accounts of Range for the three months ended 30 September 2018 and note that the net asset position of Range has declined by US\$0.78m since 30 June 2018. The decline is largely as a result of an increase in the payables and borrowings of Range subsequent to 30 June 2018. We have used the unaudited financial information as at 30 September 2018 in our valuation above because we consider the movement to be a material difference to the shareholders of Range.
- 8.3 Current trade and other receivables comprise trade receivables and taxes receivable and have been confirmed as recoverable with the management of Range.
- 8.4 Other current assets comprise inventory, prepayments and a receivable from LandOcean of US\$2.8m. The receivable from LandOcean is a refundable payment in respect of the RRDSL acquisition. The amount is receivable on demand, unsecured and earns interest at 6% per annum. This amount is expected to be repaid to Range before the end of December 2018. We have confirmed that there are no indicators of impairment.
- 8.5 Non-current trade and other receivables relate to a receivable from LandOcean which is due to be paid in November 2020, at the same time that Range is due to pay the outstanding balance on loans due from RRDSL to LandOcean. We have confirmed that there are no indicators of non-recovery.
- 8.6 The deferred tax asset relates to tax benefits in future years arising from timing differences in relation to the payment of accrued interest mainly. Note that Range does not recognise any deferred tax assets arising from tax losses carried forward. The increase in the deferred tax asset in the three months to 30 September 2018 is largely due to the increase in accrued interest over the period. Range is in a net deferred tax liability position with US\$28.4m of deferred tax liability arising from the difference between the carrying amount of deferred exploration and development costs and the cost base for these assets, and US\$36.3m arising from timing differences in relation to accelerated depreciation as at 30 June 2018. The deferred tax liability represents a tax liability for future years and is expected to be amortised as exploration and development costs are amortised over future years.
- 8.7 Goodwill relates to the acquisition of RRDSL in November 2017. The goodwill is calculated as consideration paid in excess of the fair value of identifiable assets acquired and represents cost savings expected to be achieved with RRDSL as part of the group. The audited financial information of Range for the year ended 30 June 2018 indicates that the cost of production per barrel declined 19% during the year ended 30 June 2018 (of which RRDSL had been a subsidiary of Range for 7 months), and total costs of sales per barrel produced declined 7% over the same period. On review of the historical unaudited financial information of RRDSL for the 12 months ended 31 December 2016 and the 11 months ended 29 November 2017 it is evident that RRDSL has generated a positive EBIT historically, although it has made a substantial net loss before tax, largely due to the significant loans owed to LandOcean over this period. As such, we have kept the full value of the goodwill in the high valuation above to reflect the potential cost savings generated by synergies on full integration of the two companies, however in the low valuation we have included a goodwill figure of nil due to the uncertainty over RRDSL's ability to make future net profits and the reliance that RRDSL has placed on Range as its substantial customer. The high valuation is supported by a recent valuation of RRDSL that was performed prior to acquisition in November 2017.
- 8.8 The property, plant and equipment ("PPE") of Range is measured at depreciated cost and largely consists of assets purchased on acquisition of RRDSL amounting to US\$24.7m as at 30 June 2018. The decrease in the value of the PPE in the three month period to 30 September 2018 is as a result of depreciation charged for the period. PPE largely consist of production rigs and other equipment. 85% of the carrying value of these assets were valued by a project management company based in Trinidad in July and August 2017, prior to the acquisition by Range. On comparison of the valuations performed and the carrying values in the financial statements, we do not consider that there is a significant difference between the carrying values and the fair values arrived at. Note that we consider the recent transaction and shareholder approval as support for the current value.

- 8.9 Given the recent valuations performed in July and August 2017 of approximately 85% of the value of the assets acquired from RRD SL during the year ended 30 June 2018, we consider that there is low risk of impairment to the PPE as at the date of this valuation. As such, we have included 100% of the carrying value of the PPE in our high valuation. We have included 90% of the carrying value of the PPE in our low valuation to allow for any physical deterioration of assets.
- 8.10 Exploration assets include US\$0.6m relating to assets located in Trinidad and US\$6.1m relating to an interest in assets located in Indonesia. The exploration assets in Indonesia are located in the Perlak field and were acquired during the year ended 30 June 2018. The wells are in the process of being reactivated and initial performance of these wells has been below expectations. The Company is considering reducing the work program in these areas, although the Directors have confirmed that the assets are not impaired. Indonesia has a long history of country risk. This, coupled with the lower than expected performance to date, and the potential reduction in work on these wells we have reduced the value of the Indonesian exploration assets to nil in the low valuation. Given the early stage of reactivating these wells, we have kept 100% of the carrying value of the Indonesian exploration assets in the high valuation.
- 8.11 As part of the Share Purchase Agreement for the acquisition of Hengtai, Range has been provided with a put option whereby Range can enforce the buyback of its 60% interest in PT Hengtai Weiye Oil and Gas (amounting to US\$3.2m) should pre-agreed milestones in relation to the Perlak field project not be achieved. These milestones include achieving minimum production levels over a continuous 90 day period and proving up a minimum level of independently audited 1P reserves within a 3 year period. Given the early stage of the work at Perlak there is no evidence at this stage to determine whether or not the milestones will be achieved. We have not used the put option as the low value because we consider the value of Range's assets should reflect market value and it is our opinion that Indonesian assets are often given minimal value by Australian shareholders (and is somewhat evident in the lack of share price movement for Range when announcements are made in relation to the Indonesian assets). If shareholders believe the low value of the exploration assets should reflect the put option amount, this would have no impact on the low value of a Range share as it would still have a nil value.
- 8.12 The producing assets relate to expenditure on areas of interest based in Trinidad that are currently in the commercial production of oil. These assets are measured for their recoverable amount using a discounted cash flow ("DCF") method prepared by management and modified by Rockflow Resources Limited ("Rockflow") in its independent Competent Persons Report ("CPR") dated 10 November 2017. The effective date for the evaluation was 30 June 2017. The CPR was prepared for Range's admission document in relation to its listing on AIM. The DCF model runs to December 2031 and is based on the reserve estimates assessed by the CPR valuer. The mid case value based on the NPV in the model using an oil price of US\$75 per barrel indicated a valuation ranging between US\$103.0m and US\$157.1m with a mid-point of US\$130.6m. If the expected oil price was dropped to US\$25 per barrel, then the model indicated the valuation range between US\$10.9m and US\$40.6m with a mid-point of US\$28.7m. As at 20 November 2018 the oil price per barrel is approximately US\$57.
- 8.13 An updated CPR has not been obtained for the purposes of this Report as the time required for expert consultant specialising in petroleum reservoir evaluation to complete an updated CPR would have caused significant delays to the completion of this report. Given the levels of production subsequent to 30 June 2017 and the minimal change to operations and market conditions since the date of the original report we do not think that an updated report would cause a material difference to our opinion.
- 8.14 Given the current oil price and levels of production in Range, we are confident that the fair value of the producing assets is not materially higher than the carrying value of these assets.
- 8.15 The current market capitalisation of Range exceeds the net assets of Range which indicates that the production assets of the Company are unlikely to be impaired. We have not further considered whether an impairment is required to the carrying value of the producing assets in Range as any impairment would have a nil impact as our low valuation results in a nil valuation for Range.

8.16 The borrowings as at 30 September are made up as follows:

	Note	30 June 2018 US\$	30 September 2018 US\$
Current Borrowings			
Interest on convertible debt	a	1,600,000	1,600,000
Total current borrowings		1,600,000	1,600,000
Non-current borrowings			
Borrowings at amortised cost	b	24,481,224	24,811,545
Convertible notes	a	17,958,382	17,958,382
Total non-current borrowings		42,439,606	42,769,927

- a) Interest and principal due on convertible notes with LandOcean Group. This interest payment of US\$1.6m is due on 28 November 2018. The convertible notes total US\$20m and mature on 28 November 2019. The notes earn interest at 8% per annum payable annually in arrears in cash. The notes are unsecured and have a conversion price of GBP0.88 per share with a lender conversion right at any time.

	30 June 2018 US\$	30 September 2018 US\$
Current convertible notes		
Interest due on outstanding balance - current	1,600,000	1,600,000
Total current convertible notes	1,600,000	1,600,000
Non-current convertible notes		
Convertible note liability element	16,507,750	16,507,750
Convertible note derivative element	384,007	384,007
Interest due on outstanding balance – non-current	1,066,625	1,066,625
Total non-current convertible notes	17,958,382	17,958,382

- b) The non-current borrowings at amortised cost are unsecured payables to companies in the LandOcean Group. Interest is charged on these amounts at 6% per annum and are payable within three years.

8.17 The non-controlling interest relates to the minority interest in the Perlak fields in Indonesia which are included as exploration assets in the balance sheet. As the interest in the Perlak fields is impaired to nil in our low valuation, we have also valued the minority interest to nil. The value in our high valuation remains unchanged.

Control Premium

8.18 The net asset value method implies a premium for control has already been factored into the value. Therefore, our calculation of the fair market value of Range has been prepared on a control basis.

Valuation summary

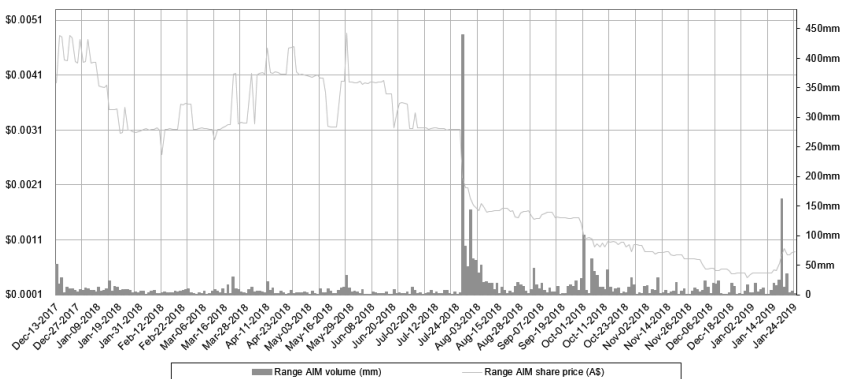
8.19 Our assessed value of a Range share prior to the Proposed Transaction and prior to the conversion of the Convertible Notes on a control basis, calculated using the net assets on a going concern basis methodology noted above, is between nil and A\$0.00003 per share.

Quoted Price of Listed Securities (secondary methodology)

- 8.20 As a cross check and comparison to our primary valuation method above, we have considered the recent quoted market prices of Range’s shares on AIM prior to the announcement of the Proposal. We have used AIM volume and share price data only in our QMP analysis as recent trading data for ASX shows that the stock is trading at A\$0.0010, the ASX share price floor. Trades occurring on the ASX at a share price of A\$0.0010 are likely to include a premium when compared to the AIM share price and as such would artificially inflate the valuation.

Analysis of recent trading history

- 8.21 The figure below sets out a summary of Range’s closing share price and volume traded on AIM for the period from 13 December 2017 (the date of relisting on AIM) to 24 January 2019. The Proposed Transaction was announced on 20 December 2018. We have reviewed the trading activity of Range shares post the announcement and note that the announcement had little impact on the overall share price. The price of a Range share remained relatively unchanged on AIM for 15 days following the announcement.



Source: S&P Capital IQ

- 8.22 Over the period, Range shares traded at a high of A\$0.0049 most recently in May 2018 and a low of A\$0.0005 in December 2018. The share price on 24 January 2019 was A\$0.0009.
- 8.23 We have considered the volume weighted average share price (“VWAP”) of Range Shares using AIM volume over a range of periods ending 24 January 2019. The Proposed Transaction was announced on 20 December 2018. We have reviewed the trading activity of Range shares post the announcement and note that the announcement had little impact on the overall share price. The price of a Range share remained relatively unchanged on AIM for 15 days following the announcement. An analysis of the AIM trading volume of Range’s Shares for 1, 5, 10, 30, 60 and 90 trading day periods prior to 24 January 2019 is set out in the table below:

AIM traded volumes and VWAP of Range Shares to 24 January 2019

	1 Day	5 Day	10 Day	30 Day	60 Day	90 Day
VWAP A\$	0.0009	0.0008	0.0008	0.0007	0.0007	0.0009
Total Volume (000's)	2,539	60,275	291,084	431,656	690,998	1,230,571
Total Volume as % of Total Shares	0.03%	0.71%	3.42%	5.08%	8.13%	14.47%
Low Price A\$	0.0009	0.0008	0.0005	0.0004	0.0004	0.0004
High Price A\$	0.0009	0.0009	0.0009	0.0009	0.0010	0.0015

Source: S&P Capital IQ, Moore Stephens analysis

- 8.24 The table above shows the current VWAP of Range shares traded on AIM. 8.13% of the Company's shares were traded in the 60 trading days to 24 January 2019. Whilst the volumes traded may be considered low, trading is consistent and has occurred on a daily basis. We note that Range has a number of major shareholders and as such lower trading volumes are expected. On this basis, the trading volumes for Range indicate that it is a liquid stock.

Value of a Range share prior to the Proposed Transaction and prior to conversion of the Convertible Notes on a control basis

- 8.25 In our assessment below, we have selected the high and low values for the 1 - 30 day VWAP.
- 8.26 The table below shows our valuation of the Range shares to be issued to LandOcean, on the basis of the recent quoted market price on AIM, including a premium for control:

	Ref	Low	High
Quoted market price of a Range Share on AIM using the 1-30 day VWAP (A\$)	8.23	0.0007*	0.0009*
Add premium for control	8.27	20%	30%
QUOTED MARKET PRICE ON A CONTROLLING BASIS (A\$)		0.0008*	0.0011*

*subject to rounding

Source: Moore Stephens analysis

Control premium

- 8.27 We note that the Share price of a listed company represents the market value of a non-controlling interest in that company. In order to calculate the value of a controlling interest we must apply a control premium to the share price.
- 8.28 We have reviewed the control premiums paid in recent years by companies listed on the ASX. There is significant variability in control premiums paid which are affected by such factors as:
- Nature and magnitude of non-operating assets;
 - Quality of management;
 - Nature and magnitude of business opportunities/assets not currently being exploited;
 - Degree and confidence in future synergies;
 - Level of pre-announcement speculation of the transaction;
 - Level of liquidity in the trade of the acquiree's securities; and
 - The stage in the economic cycle.
- 8.29 A review of control premiums paid by acquirers of companies listed on the ASX in recent years indicates a range of premiums between 20% and 30% is reasonable. We believe that this reflects an appropriate rate of control premia to be applied in our valuation of Range.

Valuation summary

- 8.30 Our assessed value of a Range share prior to the Proposed Transaction and prior to the conversion of the Convertible Notes on a control basis, calculated using the Quoted Market Price method noted above, is between A\$0.0008 and A\$0.0011 per share.

Enterprise Value to Proved and Probable Reserves

- 8.31 As a cross check to the QMP valuation above, we have measured the ratio of the Enterprise Value ("EV") to the Proved and Probable Reserves base ("2P reserves") of the Company and compared this against

comparable companies. In selecting comparable companies, we have reviewed transactions on the following basis:

- Listed companies involved in oil and gas production;
- Revenue between A\$1 and A\$200 million;
- Incorporated in Australia; and
- Publicly available information where 2P reserves are greater than 0.

8.32 The following table sets out a summary of the historic EV to 2P reserves ratio ("EV/2P ratio") of a selection of entities listed on the ASX whose operations and activities are comparable to those of Range. A brief description of each of the companies is listed in Appendix C.

Summary of comparable company EV/2P ratios

		Revenue	Market Cap	Debt	Enterprise Value	Total 2P reserves	
ASX Code	Company Name	A\$m	A\$m	A\$m	A\$m	MMBOE	EV/2P
ASX:RRS	Range Resources Limited	17.7	8.5	63.9	60.1	15.2	3.96
ASX:SEA	Sundance Energy Australia Limited	177.3	292.2	352.0	570.8	145.6	3.92
ASX:HZN	Horizon Oil Limited	135.3	143.4	151.4	234.7	8.9	26.37
ASX:ELK	Elk Petroleum Limited	128.6	60.2	341.4	295.6	52.8	5.60
ASX:XY	Senex Energy Limited	70.3	494.0	0.0	440.8	113.2	3.89
ASX:COE	Cooper Energy Limited	67.5	754.0	116.9	658.0	52.4	12.56
ASX:TAP	Tap Oil Limited	51.2	36.6	0.0	20.1	2.1	9.58
ASX:ATS	Australis Oil & Gas Limited	41.6	282.2	0.0	235.6	47.0	5.01
ASX:CTP	Central Petroleum Limited	34.9	110.0	78.3	150.9	20.3	7.43
ASX:CUE	Cue Energy Resources Limited	24.5	45.4	0.0	31.8	1.8	17.71
ASX:EEG	Empire Energy Group Limited	19.0	39.3	50.5	78.5	11.6	6.77
ASX:BRU	Buru Energy Limited	17.4	92.9	7.7	83.0	22.2	3.74
ASX:TEG	Triangle Energy (Global) Limited	13.6	25.4	2.3	24.9	2.5	9.96
ASX:OEL	Otto Energy Limited	12.9	80.6	10.2	82.4	6.6	12.48
ASX:BYE	Byron Energy Limited	12.9	189.9	8.8	194.5	29.3	6.64
ASX:FDM	Freedom Oil and Gas Ltd	10.4	129.2	20.7	135.1	37.8	3.58
ASX:AOK	AusTex Oil Limited	10.0	9.6	21.1	14.5	1.0	14.36
ASX:BAS	Bass Oil Limited	6.2	7.8	1.7	7.6	0.7	11.29
ASX:GGE	Grand Gulf Energy Limited	3.4	3.1	0.0	1.7	0.2	8.92
ASX:PSA	Petsec Energy Ltd	3.3	38.7	7.1	42.7	9.4	4.55
ASX:WBE	Whitebark Energy Limited	1.6	7.9	0.0	7.0	0.2	34.37
ASX:BUY	Bounty Oil & Gas NL	1.6	3.8	0.0	3.4	0.1	41.74
ASX:LIO	Lion Energy Limited	1.6	6.2	2.1	6.3	0.1	68.91
ASX:FPL	Fremont Petroleum Corporation Limited	1.0	8.6	0.3	8.5	2.1	4.10
Average		36.8	124.4	51.0	144.7	24.7	14.1
Median		13.6	45.4	7.1	78.5	8.9	8.9
Min		1.0	3.1	0.0	1.7	0.1	3.6
Max		177.3	754.0	352.0	658.0	145.6	68.9

Source: S&P Capital IQ, Moore Stephens analysis

- 8.33 The EV/2P ratio expresses a company's value as a multiple of its proved and probable oil and gas reserves. Based on the table above, the EV/2P ratio for Range is low when compared to the median and average ratios of comparable companies listed on the ASX. This suggests that share price of Range may be undervalued. However, given the extensive level of debt and the gearing ratio in Range, the low value

appears to be a result of the market’s reaction to the risk profile of Range. This is evident by the much higher than average debt in Range.

- 8.34 Taking into consideration the level of debt in Range, coupled with the low average daily production of oil to date, the low EV/2P ratio may be an appropriate reflection of the value attributable to Range. This assessment is consistent with the value of Range set out in our valuation conclusion below.

Valuation conclusion

- 8.35 A summary of our assessed values of the Range shares to be issued to LandOcean on a controlling basis is set out below:

	Ref	Low A\$	High A\$
Fair Value of a Range share prior to the Proposed Transaction and Prior to the conversion of the Convertible Notes using the net asset on a going concern basis	8.19	Nil	0.00003
Fair value of a Range share prior to the Proposed Transaction and Prior conversion of the Convertible Notes using the quoted market price	8.30	0.0008	0.0011

Source: Moore Stephens analysis

9. VALUATION OF A RANGE SHARE POST THE PROPOSED TRANSACTION AND POST THE CONVERSION OF THE CONVERTIBLE NOTES

Net Asset Valuation on a Going Concern Basis (primary methodology)

- 9.1 As stated at Section 7.6 we have assessed the value of a Range share post the Proposed Transaction and post the conversion of the Convertible Notes on a minority basis based on the Net Asset Value method, as summarised in the table below.

	Ref	Low Value US\$	High Value US\$
Net assets attributable to the shareholders of Range on a going concern basis prior to the Proposed Transaction and prior to the conversion of the Convertible Notes	8.1	(8,029,905)	200,034
Add back liability for Convertible Note interest assuming that the interest converts to Subscription Shares	8.16	1,600,000	1,600,000
Add back value of the Convertible Notes assuming that they are converted to Conversion Shares	8.16	16,891,757	16,891,757
Net assets attributable to the shareholders of Range on a going concern basis post the Proposed Transaction and post the conversion of the Convertible Notes (US\$)		10,461,852	22,209,664
US\$: A\$ exchange rate as at 30 September 2018	8.1	0.7217	0.7217
Net assets attributable to the shareholders of Range on a going concern basis post the Proposed Transaction and post the conversion of the Convertible Notes (A\$)		14,496,926	25,901,104
Number of shares on issue in Range post the Proposed Transaction and post the conversion of the Convertible Notes	3.12	11,976,221,319	12,616,152,755
Value of a Range share post the Proposed Transaction and post the conversion of the Convertible Notes on a controlling basis (A\$)		0.00121	0.00205
Minority discount ¹		23%	17%
Value of a Range share post the Proposed Transaction and post the conversion of the Convertible Notes on a minority basis (A\$)		0.00093	0.00171

¹Being the inverse for the premium for control

Source: Moore Stephens analysis

Valuation summary

- 9.2 Our assessed value of a Range share post the Proposed Transaction and post the conversion of the Convertible Notes on a minority basis, calculated using the net assets on a going concern basis methodology noted above, is between A\$0.00093 and A\$0.00171.

Valuation conclusion

- 9.3 A summary of our assessed values of the Range shares to be issued to LandOcean on a minority basis is set out below:

	Ref	Low A\$	High A\$
Fair Value of a Range share post the Proposed Transaction and post the conversion of the Convertible Notes using the net asset on a going concern basis	9.1	0.00093	0.00171

Source: Moore Stephens analysis

10. IS THE PROPOSED TRANSACTION FAIR TO RANGE SHAREHOLDERS?

- 10.1 When assessing fairness, we have used two methods to determine our opinion. In Sections 8 and 9, we compared the value of a Range share prior to the Proposed Transaction and prior to the conversion of the Convertible Notes to the value of a Range share post the Proposed Transaction and post the conversion of the Convertible Notes.
- 10.2 In our assessment of Fairness, we have calculated the fair value of a Range share post the Proposed Transaction and post the conversion of the Convertible Notes as this is what Shareholders are being asked to vote upon. LandOcean may however elect not to convert the Convertible Notes before the maturity date. We have addressed this further in our assessment of Reasonableness in Section 11.
- 10.3 Our assessed values from Sections 8 and 9 are summarised in the table below.

Summary of assessed values

	Section	Low Value A\$	High Value A\$
Assessed Fair Value of a Range share prior to the Proposed Transaction and prior to the conversion of the Convertible Notes	8	-	0.00113
Assessed Fair Value a Range share post the Proposed Transaction and post the conversion of the Convertible Notes	9	0.00093	0.00171

Source: Moore Stephens analysis

- 10.4 The valuation range for the fair value of the Range shares to be issued to LandOcean has been determined using two scenarios as set out in Section 3 of this report. Scenario A (Low Value) and Scenario B (High Value) differ based on the assumed number of Subscription Shares and Conversion Shares being different. The differences arise from uncertainties regarding the actual exchange rates and 90 day ASX VWP at the time of conversion. The actual number of Subscription Shares will differ depending on the actual exchange rate and VWP on the conversion date. Further details of the assumptions used in the two scenarios are detailed in Section 3 of this report. In accordance with the guidance set out in ASIC RG 111, and in the absence of any other relevant information, for the purposes of complying with section 611 of the Act, on the basis of the above calculations, which assume that the Convertible Notes are converted to equity before the maturity date, we consider the Proposed Transaction to be fair to the Non-Associated Shareholders of Range as the fair value of a Range share prior to the Proposed Transaction and prior to the conversion of the Convertible Notes is less than the fair value of a Range share post the Proposed Transaction and post the conversion of the Convertible Notes.
- 10.5 As noted in Section 7 of this Report, the valuations methods available to us were limited by the inability to obtain a recent and up to date Competent Persons Report on the oil reserves of Range. Had this report been available to us this may have led us to choose a different valuation methodology, such as a DCF. Whilst we do not believe that the use of an updated DCF would change our valuation materially, the scope of our work has been limited in this respect.

11. IS THE PROPOSED TRANSACTION REASONABLE?

11.1 RG 111 establishes that a Proposed Transaction is reasonable if it is fair. If a Proposed Transaction is not fair it may still be reasonable after considering the specific circumstances applicable to it. In our assessment of the reasonableness of the Proposed Transaction, we have given consideration to:

- The future prospects of Range if the Proposal does not proceed; and
- Other commercial advantages and disadvantages to the Non-Associated Shareholders as a consequence of the Proposal proceeding.

Future prospects of Range if the Proposal does not proceed

11.2 If the Proposal does not proceed then the Company will need to repay the interest accrued on the Convertible Notes on the due date in cash. Due to the current cash constraints of Range, the ability of the Company to remain solvent will be reliant upon:

- A significant improvement in the operating performance of the Company;
- An increase in the realised oil price;
- An increase in the reserves of the Company; or
- The ability of the Company to secure additional funding through the issue of shares and/or debt.

Trading in Range shares immediately following the announcement of the Proposal

11.3 The Company announced the Proposed Transaction on 20 December 2018. We have analysed the Range share price immediately prior to and post the announcement. Immediately prior to the announcement of the Proposed Transaction, the Company's shares were trading on the ASX at A\$0.0010 (the ASX share price floor). There have been few trades on the ASX subsequent to the announcement and all at a share price of A\$0.001. Immediately prior to the announcement of the Proposed Transaction, the Company's shares were trading on AIM at A\$0.00048. The AIM share price remained relatively unchanged for the 13 trading days subsequent to the announcement.

Advantages and Disadvantages

11.4 In assessing whether the Non-Associated Shareholders are likely to be better off if the Proposed Transaction proceeds than if it does not, we have also considered various advantages and disadvantages that are likely to accrue to the Non-Associated Shareholders.

Advantages of approving the Proposal

Advantage 1 – The Proposed Transaction is fair

The Proposed Transaction and conversion of the Convertible Notes is considered to be fair to the Non-Associated Shareholders of Range

Advantage 2 – Retention of cash

The Proposal will allow the Company to retain cash in the business to help cash flow flexibility by facilitating growth and development of the operations in Trinidad.

Advantage 3 – Going concern

If the Proposed Transaction is not approved, Range may not be able to repay the interest due on the Convertible Notes by the due date. The non-payment of the convertible note interest would amount to a default on the Convertible Note Deed and lead to a Redemption Event, which would require Range to redeem some or all of the Convertible Notes (as specified by LandOcean). Such a default may cause a material going concern issue for Range, in which case Range may not be able to realise its assets or settle its liabilities in the normal course of business, nor at amounts stated in the financial statements.

Disadvantages of approving the Proposed Transaction

Disadvantage 1 – Dilution of Shareholdings of Non-Associated Shareholders

In the event that the offer is successful, the issue of shares to LandOcean will have a dilutive effect on the voting interest of Non-Associated Shareholders of Range.

Disadvantage 2 – New Controlling Shareholder

The Proposal is expected to allow LandOcean to increase its holding in Range to between 29.0% and 32.6% after conversion of the Convertible Notes. This would make LandOcean Range's largest single shareholder.

Disadvantage 3 – Convertible Notes may not convert

The Convertible Notes have a fixed conversion price which is significantly out of the money and as such LandOcean may elect not to convert the Convertible Notes. Whilst uncertain, we consider it to be a likely scenario. If the Convertible Notes are not converted, then they will become due and payable on the maturity date.

Alternative Proposal

- 11.5 The Directors are not aware of any alternative proposal at the current time which might provide a greater benefit to the Non-Associated Shareholders of Range.

Other Matters

- 11.6 It is not unusual for a company to pay interest by way of an issuance of shares if there are cash flow constraints in the business. In our opinion it is reasonable to offer shares at a 90 day VWAP in such a scenario.
- 11.7 The conversion of the Convertible Notes was approved by Range shareholders on 7 February 2017. Under this approval the maximum voting power that LandOcean could obtain was 23.52%. The conversion of the interest due on 28 November 2018 by way of the Subscription Shares is expected to result in LandOcean obtaining an equity interest in Range of between 16.9% and 20.9%. The conversion of the Convertible Notes in addition to the Subscription Shares would increase LandOcean's interest to between 29.0% and 32.6%, in excess of the previously approved maximum voting power of 23.52%. As such, Range is seeking to increase this maximum voting power to 32.6%. If Non-Associated Shareholders do not approve the Proposed Transaction, it is possible that Range could issue shares in place of cash for the interest owing on the Convertible Notes up to a maximum of a 20.9% interest in the issued capital of Range. Any remaining interest payable by Range would have to be paid in cash. Further, if the Proposed Transaction is not approved, LandOcean would only be able to convert a portion of existing Convertible Notes that would increase its interest in Range up to the currently approved 23.52%. Any remaining Convertible Notes that could not be converted would have to be repaid in cash.
- 11.8 As such, if Non-Associated Shareholders do not approve the Proposed Transaction, LandOcean could not increase its interest above 23.52% and Range would have to potentially pay a portion of interest and repay a portion of the Convertible Notes in cash.

Conclusion on Reasonableness

- 11.9 In our opinion, the position of the Non-Associated Shareholders if the Proposed Transaction is approved is more advantageous than the position if it is not approved. Therefore, in the absence of any other relevant information and/or a superior Proposal, we consider that the Proposed Transaction is reasonable for the Non-Associated Shareholders of Range.
- 11.10 An individual shareholder's decision in relation to the Proposed Transaction may be influenced by his or her individual circumstances. If in doubt, shareholders should consult an independent advisor.

12. INDEPENDENCE

Moore Stephens Perth Corporate Services Pty Ltd is entitled to receive a fee of approximately A\$25,000, excluding GST and reimbursement of out of pocket expenses. This fee is not contingent upon the conclusion, content or future use of this report. Except for this fee Moore Stephens Perth Corporate Services Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

Prior to accepting this engagement Moore Stephens Perth Corporate Services Pty Ltd has considered its independence with respect to Range and the associated shareholders of Range, and their respective associates with reference to RG 112, Independence of Expert's Reports. It is the opinion of Moore Stephens Perth Corporate Services Pty Ltd that it is independent of Range and the associated shareholders of Range, and their respective associates.

Moore Stephens Perth Corporate Services Pty Ltd and Moore Stephens Perth have not had at the date of this report any relationship which may impair their independence.

We have held discussions with management of Range regarding the information contained in this report. We did not change the methodology used in our assessment as a result of discussions and our independence has not been impaired in any way.

13. QUALIFICATIONS

Our report has been prepared in accordance with professional standard APES 225 “Valuation Services” issued by the Accounting Professional & Ethical Standards Board.

Moore Stephens Perth Corporate Services Pty Ltd is a professional practice company, wholly owned by the Perth practice of Moore Stephens, Chartered Accountants. The firm is part of the National and International network of Moore Stephens independent firms and provides a wide range of professional accounting and business advisory services.

Moore Stephens Perth Corporate Services Pty Ltd holds an Australian Financial Services License to provide financial product advice on securities to retail clients (by way of experts reports pursuant to the listing rules of the ASX and the Corporations Act) and its principals and owners are suitably professionally qualified, with substantial experience in professional practice.

The director responsible for the preparation and signing of this report is Mr Peter Gray who is a director of Moore Stephens Perth Corporate Services Pty Ltd. Mr Gray has approximately 15 years’ experience as a Chartered Accountant and has significant experience in the preparation of independent expert’s reports, valuations and related advice. Mr Gray has previously worked as an oil and gas analyst at a major stock broking firm in Perth.

At the date of this report neither Mr Gray nor any member or Director of Moore Stephens Perth Corporate Services Pty Ltd has any interest in the outcome of the Offer.

14. DISCLAIMERS AND CONSENTS

Moore Stephens Perth Corporate Services Pty Ltd has been requested to prepare this report, to be included in the Notice of Meeting which will be sent to Range's shareholders.

Moore Stephens Perth Corporate Services Pty Ltd consents to this report being included in the Notice of Meeting to be sent to shareholders of Range. This report or any reference thereto is not to be included in or attached to any other document, statement or letter without prior consent from Moore Stephens Perth Corporate Services Pty Ltd.

Moore Stephens Perth Corporate Services Pty Ltd has not conducted any form of audit or any verification of information provided to us and which we have relied upon in regard to Range, however we have no reason to believe that any of the information provided, is false or materially incorrect.

The statements and opinions provided in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

Neither Moore Stephens Perth Corporate Services Pty Ltd nor Mr Gray take any responsibility for nor have they authorised or caused the issue of any part of this report for any third party other than the shareholders of Range in the context of the scope and purpose defined in section 3 of this report.

With respect to taxation implications it is recommended that individual shareholders obtain their own taxation advice, in respect of the Offer, tailored to their own specific circumstances. The advice provided in this report does not constitute legal or taxation advice to shareholders of Range or any other party.

The statements and opinions expressed in this report are given in good faith and with reliance upon information generated both independently and internally and with regard to all of the circumstances pertaining to the Offer.

Subsequent to the issue of the first draft of this report, the terms of the Proposed Transaction were changed and as such our analysis was updated to reflect these changes. Our opinion was unchanged.

In regard to any projected financial information noted in this report, no member or director of Moore Stephens Perth Corporate Services Pty Ltd has had any involvement in the preparation of the projected financial information.

Furthermore, we do not provide any opinion whatsoever as to any projected financial or other results prepared for Range and in particular do not provide any opinion as to whether or not any projected financial results referred to in the report will or will not be achieved.

Yours faithfully



Peter Gray
Director
Moore Stephens Perth Corporate Services Pty Ltd

APPENDIX A – SOURCE OF INFORMATION

In preparing this report we have had access to the following principal sources of information:

- Draft Subscription and Variation Agreement between Range Resources Limited and LandOcean Energy Services Co. Ltd;
- Convertible Note Deed dated 28 October 2016 between Range Resources Limited and LandOcean Energy Services Co. Ltd, as amended and restated on 15 November 2016;
- Draft Notice of Meeting;
- Audited annual report of Range for the years ended 30 June 2017 and 2018;
- Unaudited financial information of Range for the 3 months ended 30 September 2018;
- Unaudited financial information of RRDSL for the period ended 29 November 2017;
- Hilco Enterprise Valuation Services LLC valuation of RRDSL dated 26 April 2017;
- DCF financial model for Trinidad producing assets;
- Competent Persons Report on the Range Resources Limited Assets Trinidad dated 10 November 2017 by Rockflow Resources Ltd;
- Project Management Solutions Company Limited valuations for RRDSL rigs 8, 16, 17, 18 and 19;
- Publicly available information in relation to Range, including ASX announcements;
- Information in the public domain;
- Share registry information for Range;
- Oanda.com;
- S&P Capital IQ database; and
- Discussions with directors and management of Range.

APPENDIX B – VALUATION METHODOLOGIES

We have considered which valuation methodology is the most appropriate in light of all the circumstances and information available. We have considered the following valuation methodologies and approaches:

- Discounted cash flow methodology ('DCF');
- Capitalisation of future maintainable earnings methodology ('FME');
- Net assets value method ('NAV');
- Quoted market price methodology ('QMP'); and
- Market approach method (Comparable market transactions)

Valuation Methodologies and Approaches
<p>Discounted Cash Flow Method</p> <p>Discounted cash flow methods estimate fair market value by discounting a company's future cash flows to their net present value. These methods are appropriate where a forecast of future cash flows can be made with a reasonable degree of confidence. Discounted cash flow methods are commonly used to value early stage companies or projects with a finite life.</p>
<p>Capitalisation of Maintainable Earnings Method</p> <p>The capitalisation of maintainable earnings method estimates "fair market value" or "enterprise value", by estimating a company's future maintainable earnings and dividing this by a market capitalisation rate. The capitalisation rate represents the return an investor would expect to earn from investing in the company which is commensurate with the individual risks associated with the business.</p> <p>It is appropriate to apply the capitalisation of maintainable earnings method where there is an established and relatively stable level of earnings which is likely to be sustained into the foreseeable future.</p> <p>The measure of earnings will need to be assessed and can include, net profit after taxes (NPAT), earnings before interest and taxes (EBIT) and earnings before interest, taxes, depreciation and amortisation (EBITDA).</p> <p>The capitalisation of maintainable earnings method can also be considered a market based methodology as the appropriate capitalisation rate or 'earnings multiple' is based on evidence of market transactions involving comparable companies.</p> <p>An extension of the capitalisation of maintainable earnings method involves the calculation of share value of an entity. This process involves the calculation of the enterprise value, which is then adjusted for the net tangible assets of the entity.</p>
<p>Net Assets Value Method (Orderly Realisation of Assets)</p> <p>The net assets value method (assuming an orderly realisation of assets) estimates fair market value by determining the amount that would be distributed to shareholders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner.</p> <p>Liquidation of assets - The Liquidation method is similar to the orderly realisation of asset method except the liquidation method assumes the assets are sold in a shorter time frame.</p> <p>Net assets – The net assets method is based on the value of the assets of a business less certain liabilities at book values, adjusted to a market value.</p> <p>The asset based approach, as a general rule, ignores the possibility that a company's value could exceed the realisable value of its assets as they ignore the value of intangible assets such as customer lists, management, supply arrangements, and goodwill.</p> <p>The asset based approach is most appropriate when companies are not profitable, a significant proportion of assets are liquid, or for asset holding companies.</p> <p>Cost Based Approach - The cost based approach involves determining the fair market value of an asset by deducting the accumulated depreciation from the asset's replacement cost at current prices.</p> <p>Like the asset based approach, the cost based approach has a number of disadvantages, primarily that the cost of an asset does not necessarily reflect the assets ability to generate income. Accordingly, this approach is only useful in limited circumstances, usually associated with intangible asset valuation.</p>
<p>Quoted Market Price Methodology</p> <p>The method relies on the pricing benchmarks set by sale and purchase transactions in a fully informed market the ASX which is subject to continuous disclosure rules aimed at providing that market with the necessary information to make informed decisions to buy or to sell. Consequently, this approach provides a "fair price", independently determined by a real market. However, the question of a fair price for a particular transaction requires an assessment in the context of that transaction taken as a whole.</p> <p>In taking a quoted market price based assessment of the consideration to both parties to the proposed transaction, the overall reasonableness and benefits to the non-participating shareholders must be carefully evaluated.</p>
<p>Market Approach Method</p> <p>The market based approach estimates a company's fair market value by considering the market prices of transactions in its shares or the market value of comparable assets.</p> <p>This includes, consideration of any recent genuine offers received by the target for an entire entity's business, or any business units or asset as a basis for the valuation of those business units or assets, or prices for recent sales of similar assets</p>

APPENDIX C – COMPARABLE COMPANY ANALYSIS

ASX Code	Company Name	Revenue	Market Cap	Debt	Enterprise Value	Total 2P reserves	EV/2P	Description
		A\$m	A\$m	A\$m	A\$m	MMBOE		
ASX:RRS	Range Resources Limited	17.7	8.5	63.9	60.1	15.2	3.96	Range Resources Limited engages in the exploration, development, and production of oil and gas in Trinidad and Indonesia. It holds 100% interests in three onshore production licenses, including Morne Diablo, South Quarry, and Beach Marcelle; and 80% interest in the St Mary's exploration block. The company was incorporated in 1982 and is based in Perth, Australia.
ASX:SEA	Sundance Energy Australia Limited	177.3	292.2	352.0	570.8	145.6	3.92	Sundance Energy Australia Limited engages in the exploration, development, and production of oil and natural gas in the United States. The company's exploration and development activities are focused on the Eagle Ford project in the South-Texas-Gulf Coast Basin. Sundance Energy Australia Limited was incorporated in 2004 and is based in Wayville, Australia.
ASX:HZN	Horizon Oil Limited	135.3	143.4	151.4	234.7	8.9	26.37	Horizon Oil Limited, together with its subsidiaries, engages in the exploration, development, and production of oil and gas properties. It holds interest in the Block 22/12 oil field in Beibu Gulf, China, as well as engages in the exploration and evaluation of hydrocarbons; Maari/Manalia fields in New Zealand; and Stanley condensate/gas development and six onshore permits in Papua New Guinea. Horizon Oil Limited is headquartered in Sydney, Australia.
ASX:ELK	Elk Petroleum Limited	128.6	60.2	341.4	295.6	52.8	5.60	Elk Petroleum Limited develops and produces oil and gas in the United States. It owns a 49% interest in the Grieve Field project located in Wyoming, the United States; a 14% non-operating working interest in the Madden gas field and the Lost Cabin gas plant, and associated gas gathering pipeline systems located in Natrona and Fremont counties, Wyoming; and a 63% working interest in Aneth field located in southeastern Utah. The company is headquartered in Sydney, Australia.
ASX:SYX	Senex Energy Limited	70.3	494.0	0.0	440.8	113.2	3.89	Senex Energy Limited explores for, develops, and produces oil and gas resources in Australia. It primarily holds a portfolio of oil and gas assets in Cooper-Eromanga Basin, as well as coal seam gas tenements in Surat Basin, Queensland. The company was formerly known as Victoria Petroleum NL and changed its name to Senex Energy Limited in 2010. Senex Energy Limited is headquartered in Brisbane, Australia.
ASX:COE	Cooper Energy Limited	67.5	754.0	116.9	658.0	52.4	12.56	Cooper Energy Limited, an upstream oil and gas exploration and production company, engages in the discovery, commercialization, and sale of gas to south-east Australia. The company's principal project is the Sole gas project, which is under development in the offshore Gippsland Basin. It operates offshore gas production and exploration projects in the Otway Basin; and offshore gas exploration and development projects in the Gippsland Basin, as well as an onshore oil production and exploration project from the western flank of the Cooper Basin. As of June 30, 2018, the company had proved and probable reserves of approximately 52.4 million barrels of oil equivalent, and contingent resources of approximately 23.6 million barrels of oil equivalent. Cooper Energy Limited is headquartered in Adelaide, Australia.

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ASX Code	Company Name	Revenue	Market Cap	Debt	Enterprise Value	Total 2P reserves	EV/2P	Description
		A\$m	A\$m	A\$m	A\$m	MIMBOE		
ASX:TAP	Tap Oil Limited	51.2	36.6	0.0	20.1	2.1	9.58	Tap Oil Limited operates as an independent oil and gas exploration and production company in South Asia and Australia. It operates through Oil & Gas Production and Development; Oil & Gas Exploration; and Third Party Gas. The company owns a 30% interest in the GJ/48 concession in Gulf of Thailand, which includes the Manora oil field. It also has interests in various exploration permits and retention leases in the Carnarvon Basin, North West Western Australia. In addition, the company purchases and sells gas. Tap Oil Limited was founded in 1995 and is based in Perth, Australia.
ASX:ATS	Australis Oil & Gas Limited	41.6	282.2	0.0	235.6	47.0	5.01	Australis Oil & Gas Limited engages in the oil and gas exploration, development, and production activities. The company operates through Oil & Gas Production, Exploration, and Other segments. The company holds 100% interest in the Tuscaloosa Marine Shale covering an area of 95,000 gross acres located in Louisiana and Mississippi. It also has a 100% interest in the Batalha and Pombal concessions, which cover an area of approximately 620,000 acres located onshore in the Lusitanian Basin, Portugal. Australis Oil & Gas Limited was founded in 2015 and is headquartered in Perth, Australia.
ASX:CTP	Central Petroleum Limited	34.9	110.0	78.3	150.9	20.3	7.43	Central Petroleum Limited engages in the development, production, processing, and marketing of hydrocarbons in Australia. It holds interests in various oil and gas properties with 228,740 square kilometers of exploration permits in the Northern Territory at Mereenie, Palm Valley, and Dingo. The company was founded in 1998 and is based in Brisbane, Australia.
ASX:CUE	Cue Energy Resources Limited	24.5	45.4	0.0	31.8	1.8	17.71	Cue Energy Resources Limited engages in the exploration, development, and production of petroleum. It explores for oil and gas through its projects located in Indonesia, New Zealand, and Australia. The company was founded in 1981 and is headquartered in Melbourne, Australia. Cue Energy Resources Limited is a subsidiary of New Zealand Oil & Gas Limited.
ASX:EEG	Empire Energy Group Limited	19.0	39.3	50.5	78.5	11.6	6.77	Empire Energy Group Limited, together its subsidiaries, engages in the acquisition, development, production, exploration, and sale of oil and natural gas in the United States. It operates through Oil and Gas Operations, Investments, and Other segments. The company holds two exploration licenses and five license applications over 14.6 million acres in the McArthur Basin, in the Northern Territory, Australia. Empire Energy Group Limited sells its oil and gas products primarily to owners of domestic pipelines and refiners located in Pennsylvania, New York, and Kansas. The company was formerly known as Imperial Corporation Limited and changed its name to Empire Energy Group Limited in March 2011. Empire Energy Group Limited is headquartered in Sydney, Australia.
ASX:BRU	Buru Energy Limited	17.4	92.9	7.7	83.0	22.2	3.74	Buru Energy Limited engages in the exploration, development, and production of oil and gas resources in Western Australia. The company operates through Oil, Gas, and Exploration segments. It holds interests in a portfolio of petroleum exploration permits covering an area of approximately 22,109 square kilometers located in Canning Superbasin in the southwest Kimberley region of Western Australia. The company's principal property is the Ungani oil field project located onshore in the Canning Basin. Buru Energy Limited was founded in 2008 and is headquartered in Perth, Australia.

ASX Code	Company Name	Revenue A\$m	Market Cap A\$m	Debt A\$m	Enterprise Value A\$m	Total 2P reserves MMBOE	EV/2P	Description
ASX:TEG	Triangle Energy (Global) Limited	13.6	25.4	2.3	24.9	2.5	9.96	Triangle Energy (Global) Limited engages in the exploration and production of oil and gas properties in Australia. It holds a 78.75% interest in Cliff Head Oil Field with a production license covering 72 square kilometers and the oil field covering 6 square kilometers, located in Perth Basin, Western Australia. The company also holds a 30% partner interest in the Xanadu-1 oil field in the Perth Basin. Triangle Energy (Global) Limited is headquartered in West Perth, Australia.
ASX:OEL	Otto Energy Limited	12.9	80.6	10.2	82.4	6.6	12.48	Otto Energy Limited, an oil and gas exploration and production company, explores for, develops, and produces oil and gas primarily in North America. The company's principal projects include its 50% interest in the South Marsh Island 71 project, which covers an area of 12.16 square kilometers; 45% interest in the Bivouac Peak project covering an area of approximately 11.04 square kilometers; and 50% interest in the VR 232 project covering an area of 18.31 square kilometers. Its principal projects also comprise its 22.5% working interest in 4 leases totaling approximately 22,710 acres in the onshore Alaska North slope–Western blocks; and 8%-10.8% working interest in 90 leases covering 287,425 gross acres in the onshore Alaska North slope–Central blocks. The company was formerly known as Ottoman Energy Limited and changed its name to Otto Energy Limited in August 2006. Otto Energy Limited was founded in 2004 and is headquartered in West Perth, Australia.
ASX:BYE	Byron Energy Limited	12.9	189.9	8.8	194.5	29.3	6.64	Byron Energy Limited engages in the development, exploration, and production of oil and gas properties in the United States. It holds 50-100% working interests in various blocks located in the shallow waters of the Gulf of Mexico and transition zone, including the State Waters and adjacent coastline in the United States. The company was founded in 2005 and is based in Melbourne, Australia.
ASX:FDM	Freedom Oil and Gas Ltd	10.4	129.2	20.7	135.1	37.8	3.58	Freedom Oil and Gas Ltd engages in the exploration and production of oil and gas in the United States. It holds a 100% interest in approximately 9,400 acres of undeveloped land located in the Eagle Ford shale play, South Texas. The company was formerly known as Maverick Drilling & Exploration Limited and changed its name to Freedom Oil and Gas Ltd in November 2016. Freedom Oil and Gas Ltd was founded in 2007 and is headquartered in Houston, Texas.
ASX:AOK	AusTex Oil Limited	10.0	9.6	21.1	14.5	1.0	14.36	AusTex Oil Limited engages in the exploration, development, and production of oil and gas in Oklahoma and Kansas, the United States. It primarily holds interest in the Snake River project covering an area of approximately 9,900 acres located in Kay County, Northern Oklahoma. The company was founded in 2006 and is headquartered in Sydney, Australia.
ASX:BAS	Bass Oil Limited	6.2	7.8	1.7	7.6	0.7	11.29	Bass Oil Limited engages in the exploration and production of oil and gas. It holds a 55% interest in the Tangel-Sukananti KSO production assets located within the South Sumatra basin in Indonesia. The company was formerly known as Bass Strait Oil Company Ltd and changed its name to Bass Oil Limited in March 2017. Bass Oil Limited is based in Melbourne, Australia.

ASX Code	Company Name	Revenue	Market Cap	Debt	Enterprise Value	Total 2P reserves	Description	
		A\$m	A\$m	A\$m	A\$m	MIMBOE	EV/2P	
ASX:GGE	Grand Gulf Energy Limited	3.4	3.1	0.0	1.7	0.2	8.92	Grand Gulf Energy Limited explores, evaluates, and produces oil and gas leases the United States. It owns a 39.65% working interest in the Desiree field on the Napoleonville Salt Dome; 55.5% working interest in the Dugas and Leblanc #3 well; and 11.93% working interest in the West Klondike well. The company was formerly known as Alto Energy International Limited and changed its name to Grand Gulf Energy Limited in June 2007. Grand Gulf Energy Limited is based in West Perth, Australia.
ASX:PSA	Petsec Energy Ltd	3.3	38.7	7.1	42.7	9.4	4.55	Petsec Energy Ltd operates as an independent oil and gas exploration and production company. It holds working interests in various projects located in the shallow waters of the Gulf of Mexico and onshore Louisiana, the United States, as well as the Middle East and North African region. The company was founded in 1967 and is based in Sydney, Australia.
ASX:WBE	Whitebark Energy Limited	1.6	7.9	0.0	7.0	0.2	34.37	Whitebark Energy Limited engages in the evaluation of oil and gas exploration projects in the Perth Basin, Western Australia. It holds a 100% interest in the Warro Gas Project located in northeast of Perth. The company also holds interests in various oil and gas properties located in Alberta, Canada. The company was formerly known as Transerv Energy Limited and changed its name to Whitebark Energy Limited in July 2017. Whitebark Energy Limited is based in West Perth, Australia.
ASX:BUY	Bounty Oil & Gas NL	1.6	3.8	0.0	3.4	0.1	41.74	Bounty Oil & Gas NL engages in the exploration, production, and marketing of oil and gas in Australia and Tanzania. It holds interests in 92 producing wells in 18 fields in the Eromanga and Surat Basins of Queensland. The company also invests in listed shares and securities. Bounty Oil & Gas NL was founded in 1999 and is based in Sydney, Australia.
ASX:LIO	Lion Energy Limited	1.6	6.2	2.1	6.3	0.1	68.91	Lion Energy Limited, through its subsidiaries, explores for, develops, and produces oil and gas in Indonesia. The company holds a 2.5% participating interest in the Seram (Non Buia) block production sharing contract (PSC) that covers an area of 1,524 km2 located onshore on the island of Seram in eastern Indonesia. It also owns a 40.7% interest in the South Block A PSC that includes Area 1 comprising 366 km2 and Area 2 consisting 55 km2 located in the prolific North Sumatra Basin. Lion Energy Limited was incorporated in 1970 and is based in Subiaco, Australia.
ASX:FPL	Fremont Petroleum Corporation Limited	1.0	8.6	0.3	8.5	2.1	4.10	Fremont Petroleum Corporation Limited engages in the exploration and development of oil and gas assets in the United States. The company's flagship project is the 100% owned Pathfinder project covering an area of 21,500 acres in Denver Julesburg Basin in Colorado. It is also involved in the accumulation and operation of mineral prospective areas. The company was formerly known as Austin Exploration Limited and changed its name to Fremont Petroleum Corporation Limited in June 2017. Fremont Petroleum Corporation Limited was founded in 2006 and is based in Sydney, Australia.
Average		36.8	124.4	51.0	144.7	24.7	14.1	
Median		13.6	45.4	7.1	78.5	8.9	8.9	
Min		1.0	3.1	0.0	1.7	0.1	3.6	

ASX Code	Company Name	Revenue A\$m	Market Cap A\$m	Debt A\$m	Enterprise Value A\$m	Total 2P reserves MMBOE	EV/2P	Description
Max		177.3	754.0	352.0	658.0	145.6	68.9	

APPENDIX E - GLOSSARY

In this report, unless the context requires otherwise:

Term	Meaning
A\$	Australian Dollar
US\$	US Dollar
£	British Pound
1P	Proved reserve, denotes a low estimate scenario of Reserves
2P	Proved and probable reserves, denotes a mid or best estimate scenario of Reserves
Act	Corporations Act 2001
AIM	Alternative Investment Market
APES	Accounting Professional & Ethics Standards Board
ASIC	Australian Securities and Investments Commission
Associated Shareholders	Shareholders associated with LandOcean
ASX	Australian Securities Exchange or ASX Limited ACN 008 624 691
Board	The Board of Directors of Range Resources Limited
BOPD	Barrels of oil per day
Business Day	has the meaning given in the Listing Rules
Company	Range Resources Limited
CPR	Competent Persons Report
Control basis	Assuming the shareholder/s have control of the entity in which equity is held
Convertible notes	US\$20m convertible notes issued to LandOcean
Range	Range Resources Limited, the consolidated group
Directors	The Directors of Range Resources Limited
Explanatory Statement	The explanatory statement accompanying the Notice
FME	Future Maintainable Earnings
GBP	British Pound
Hengtei	PT Hengtei Weiye Oil and Gas
IER	This Independent Experts Report
Income Tax Assessment Act	the Income Tax Assessment Act 1936 and the Income Tax Assessment Act 1997
LandOcean	LandOcean Energy Services co. Ltd and its controlled entities
Listing Rules	the official listing rules of ASX and includes the business rules of ASX
MMBOE	Million barrels of oil equivalent
MMstb	Million stock tank barrels
Moore Stephens or MSPCS	Moore Stephens Perth Corporate Services Pty Ltd
Non-Associated Shareholders	Shareholders who are not a party to, or associated with a party to, the Proposal
NOM	The notice of meeting
Notice	The notice of meeting

Term	Meaning
NPV	Net present value
Proposal	The change in terms of the Convertible Notes to allow repayment of the annual interest in shares
Proposed Transaction	The change in terms of the Convertible Notes to allow repayment of the annual interest in shares
Range	Range Resources Limited and its controlled entities
Register	the register of members of Range shareholders or option holders, as the case requires
Relevant interest	Shareholding or the power to control the right to vote or dispose of shares
RG 111	ASIC Regulatory Guide 111 <i>Content of Experts Reports</i>
Rockflow	Rockflow Resources Limited
RRDSL	Range Resources Drilling Services Limited
S&P Capital IQ	Third party provider of company and other financial information
Sibo	Beijing Sibio Investment Management LP
VWAP	Volume weighted average share price

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RANGE

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Lodge your vote:



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Proxy Form



Vote online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 182411

SRN/HIN:

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

 **For your vote to be effective it must be received by 10:00am (WST) Sunday, 3 March 2019**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form →**

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Range Resources Limited hereby appoint

☐

the Chairman
of the Meeting **OR**



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Range Resources Limited to be held at Edwards Mac Scovell, Level 7, 140 St Georges Terrace, Perth, Western Australia on Tuesday, 5 March 2019 at 10:00am (WST) and at any adjournment or postponement of that meeting.

STEP 2 Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

Resolution 1 Approval to issue Shares to LandOcean

For

Against

Abstain

☐☐☐

The Chairman of the Meeting intends to vote undirected proxies in favour of the item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on the resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date / /