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By E-lodgement

## **RANGE PROVEN (P1) TEXAS RESERVES UP 67%**

### **Highlights:**

- Updated reserves report from Independent Petroleum Engineers Lonquist and Co., LLC for the North Chapman Field in Nueces County, Texas;
- Range's attributable commercially recoverable reserves increase of 67% on proved (P1) to 12.7 Bcf (natural gas) and 1.9 Mmbbls (oil and natural gas liquids) received;
- Total commercially recoverable reserves (P1, P2, P3) attributable to Range of 48.1 Bcf (natural gas) and 7.2 Mmbbls (oil and natural gas liquids);
- Independent (PV<sub>10</sub>) DCF Valuation of Range's net interest of US\$248m; and
- East Texas Cotton Valley Prospect to be spudded later this month.

### **North Chapman Ranch**

Range Resources Limited ("**Range**" or "**the Company**") is pleased to announce that it has a revised reserve report on the North Chapman Ranch field in Nueces County, Texas, following the successful drilling and completion of the Russell-Bevly #1 appraisal well earlier this year. As previously reported, the Russell-Bevly well confirmed the Company's structural and stratigraphic models and established additional Proved oil and gas reserves across the northwest flank of the closure.

The well averaged 1.3 MMcfd and 104 Bopd during the month of September from just 11 ft. of perforations in one of four identified pay zones totalling roughly 130 ft in thickness. Early October results have already increased to approximately 1.8 Mcf and 140 Bopd over the same zone following the increase of well head pressure.

After integration of data obtained from the Russell-Bevly #1, and as shown in the tables below, oil, natural gas, and natural gas liquids reserves net to the Company's interest, as certified by Lonquist & Co LLC ("**Lonquist**"), the Company's reserve auditor are detailed below.



Lonquist's independent reserves report has estimated the following gross commercially recoverable reserves from the North Chapman Ranch Field:

Category	Natural Gas (Bcf)	Oil (Mmbbls)	Natural Gas Liquids (Mmbbls)
Proved (P1)	62.4	4.8	4.5
Probable (P2)	34.6	2.7	2.5
Possible (P3)	142.5	10.9	10.3
<b>Total Reserves</b>	<b>239.5</b>	<b>18.4</b>	<b>17.3</b>

Set out below is Range's attributable interest in the gross recoverable reserves on 25% of the Smith #1 well and on 20% of the remaining wells assuming the exercise of certain clawback provisions by joint venture partners occurs following the success of the Smith #1 and Russell-Bevly wells:

Category	Natural Gas (Bcf)	Oil (Mmbbls)	Natural Gas Liquids (Mmbbls)
Proved (P1)	12.7	1.0	0.9
Probable (P2)	6.9	0.5	0.5
Possible (P3)	28.5	2.2	2.1
<b>Total Reserves</b>	<b>48.1</b>	<b>3.7</b>	<b>3.5</b>

Based on the reserve numbers cited above, Lonquist's estimated net undiscounted cash flow value to Range, along with PW10 discounted cash flow (at a 10% discount rate) using the same commodity price deck as used in the May 2010 report, following reductions for royalties, opex, capex, production taxes etc are as follows:

Reserve Category	Undiscounted US\$	PW10 US\$
Proved (P1)	100m	69m
Probable (P2)	60m	37m
Possible (P3)	252m	142m
<b>Estimated Future Cashflow (Range's net interest)</b>	<b>\$412m</b>	<b>\$248m</b>

Changes to reserve estimates at North Chapman Ranch include a significant movement of Probable Reserves into the Proved category, as well as new reserves established by the Russell-Bevly #1.

Plans for the next well at North Chapman Ranch are currently being finalised with Range and its joint venture partners.

### **East Texas Cotton Valley Prospect**

Approaching another milestone in its international exploration and development program, the first horizontal well (Range holds 13.56% interest) in the East Clarksville oil field will be spudded later this month. The Ross 3H horizontal well will be drilled to 8,200 ft (2,500m) measured depth, with a horizontal section approximately 2,500 ft (762m) in length. The well will test the Cotton Valley formation and offset the Morris 2H well that previously found good quality oil and reservoir rock approximately 500 ft (152m) to the west. If successful, the Ross 3H could trigger an oil development drilling program of 20-25 wells, with estimated recoveries of between 200,000 - 300,000 Bbls per



well. The Ross 3H is expected to cost \$US 2.8MM to drill and complete, or \$US 380,000, net to Range's 13.56% working interest.

Commenting on the recent and upcoming events in Texas, Range's Executive Director Peter Landau said, "As expected, the Russell Bevely #1 well has added new reserves, production and cash flow to the Company's portfolio, while helping to calibrate our development plans for the North Chapman Ranch field going forward. Similarly, we are confident that the Ross 3H well will not only add additional crude oil to Range's growing reserve base, but will give us valuable experience in the area of horizontal drilling applications for future upstream projects."

For and on behalf of the Board

Regards

A handwritten signature in black ink, consisting of several overlapping loops and strokes, enclosed within a hand-drawn oval.

Peter Landau  
Executive Director

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## Range Background

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

- Range holds a 25% interest in the initial Smith #1 well and 20% interest in further wells on the North Chapman Ranch project, Texas. The project area encompasses approximately 1,680 acres in one of the most prolific oil and gas producing trends in the State of Texas. Drilling of the first well has resulted in a commercial discovery with independently assessed gross recoverable reserves in place of 215 Bcf of natural gas, 16 mmbbls of oil and 15 mmbbls of natural gas liquids.
- Range holds a 13.56% interest in the East Texas Cotton Valley Prospect in Red River County, Texas, USA, with the prospect's project area encompasses approximately 1,570 acres encompassing a recent oil discovery. Independently assessed gross recoverable reserves in place of 5.4 Mmbbls of oil.
- In Puntland, Range holds a 20% working interest in two licences encompassing the highly prospective Dharoor and Nugaal valleys with plans to drill two wells (TSXV:AOI) – 55% Operator, in 2010.
- In the Republic of Georgia, Range holds a 50% farm-in interest in onshore blocks VIa and VIb, covering approx. 7,000sq.km. Currently, Range has recently completed a 410km 2D seismic program.
- In Trinidad Range has entered into a HOA to acquire a 10% interest in holding companies with three onshore production licenses. Independently assessed gross recoverable P2 reserves in place of 4.8MMbbls.

*The reserves estimate for the North Chapman Ranch Project and East Texas Cotton Valley has been formulated by Lonquist & Co LLC who are Petroleum Consultants based in the United States with offices in Houston and Austin. Lonquist provides specific engineering services to the oil and gas exploration and production industry, and consults on all aspects of petroleum geology and engineering for both domestic and international projects and companies. Lonquist & Co LLC have consented in writing to the reference to them in this announcement and to the estimates of oil, natural gas and natural gas liquids provided. These estimates were formulated in accordance with the guidelines of the Society of Petroleum Engineers ("SPE"). The SPE Reserve definitions can be found on the SPE website at [www.spe.org](http://www.spe.org).*

*The reserves estimates for the 3 Trinidad blocks referred above have been formulated by Forrest A. Garb & Associates, Inc. (FGA). FGA is an international petroleum engineering and geologic consulting firm staffed by experienced engineers and geologists. Collectively FGA staff has more than a century of world-wide experience. FGA have consented in writing to the reference to them in this announcement and to the estimates of oil and natural gas liquids provided. The definitions for oil and gas reserves are in accordance with SEC Regulation S-X.*