



Quarterly Activities Report

For the period ended 31 December 2016

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

RANGE

26 January 2017

The Company provides its quarterly activities report for the period ended 31 December 2016.

Trinidad operations

Production

The Company’s oil production for the period was 50,309 barrels (average of 547 barrels of oil per day (“bopd”)) net to Range, which is a 23% increase from the previous quarter.

The exit production rate for 2016 exceeded 800 bopd, a 40% increase from the exit rate for 2015. The increase is a result of the continued well workover programme, commencement of production at the Morne Diablo waterflood project, as well as development wells put on production during the period.

Waterflood projects

The Company continues its focus on full implementation of the waterflood projects, which account for the vast majority of reserves and are crucial to Range’s production growth in Trinidad. Approximately 20% of the original oil in place (“OIIP”) on the two ongoing waterflood projects has been recovered by primary depletion. Waterflooding is estimated to recover an extra 10% of OIIP, therefore increasing the total recovery factor to over 30% over the next 8 years.

Morne Diablo waterflood: During the quarter, production commenced at the Morne Diablo waterflood project in line with the previously anticipated schedule. At the date of this report, production is approximately 60 bopd, which includes production from both the expansion and pilot waterflood schemes.

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The Company has been injecting water into the expansion area of the field since December 2015, with injection continuing at an average rate of approximately 350 barrels of water per day ("bwpd"). During the quarter, Range signed an agreement with Petrotrin to use produced water from Petrotrin's existing operations, which will increase water injection by 3,000 bwpd. To get access to this additional water supply, the Company will be constructing a new water pipeline, as well as the gathering and transfer stations. All major approvals to carry out this work are already in place.

Beach Marcelle waterflood: Following commencement of the initial water injection on the South East block in May 2016, the Company has been focused on completing the remaining work programme on the project, including water source wells, injection stations, power network, transfer and gathering stations and water pipeline.

The Company has been experiencing electrical outages in the area in the recent months, which has effected some of the injection pumps and resulted in reduced water injectivity rates. In order to improve reliability of the electrical power supply, the Company made a decision to upgrade the electrical system in the Beach Marcelle area and seek connection directly from the national grid rather than from Petrotrin, as was done previously.

Once the remaining work programme has been completed, the water injection rates are expected to increase to approximately 6,000 bwpd. In addition, the Company is finalising agreements with Petrotrin to use produced water from their operations, which will increase injection rates by a further 700 bwpd. In the meantime, the water injection is continuing at an average rate of 1,200 bwpd.

Additional waterflood projects: The Company has identified additional areas on its fields which could be suitable for waterflooding and will be carrying out injectivity testing and pilot programmes to determine the feasibility of waterflooding in these areas. The Company continues to study and evaluate further areas of the field for waterflooding potential.

Drilling programme

During the quarter, the Company successfully drilled the remaining two development wells from its five-well 2016 drilling campaign, the QUN 160 and GY 681 wells, which have been subsequently put on production. The QUN 160 well was put on production on 1 December 2016 at an average stabilised rate of 35 bopd. The GY 681 well was put on production on 13 January 2017 and has continued to flow at an average stabilised rate of 60 bopd.

Given the Company's continued focus on waterflood projects, the drilling of any further developments wells during 2017 will be evaluated in due course.

Corporate and Financial

US\$20 million convertible note financing: During the period, Range signed an agreement with LandOcean Energy Services Co., Ltd. ("LandOcean") for the issuance of a US\$20 million convertible note by Range. The conversion price is at a significant, 130% premium to the closing price as at 28 October 2016 of 0.38p.

The proceeds from this convertible note will be utilised solely to replace a portion of the outstanding payable balance due to LandOcean under the terms of the Integrated Master Services Agreement ("IMSA").

The conversion is conditional upon receipt of shareholder approval from Range. The extraordinary general meeting of shareholders to consider the transaction will be held at 9:30am (AEDT) on Tuesday, 7 February 2017 at RSM Corporate Australia Pty Ltd, Level 13, 60 Castlereagh Street, Sydney, Australia, NSW 2000. A copy of the Notice of Meeting has been dispatched to shareholders and is available on the Company's website: <http://www.rangeresources.co.uk/investors/shareholder-information/shareholder-meetings/>.

Annual General Meeting of Shareholders ("AGM"): During the period, the Company held its AGM, where all proposed resolutions were passed. The resolutions included the adoption of remuneration report; re-election of Ms Juan Wang, Mr Lubing Liu and Dr Yi Zeng as Directors; and issue of Director options to Mr Yan Liu and Mr Zhiwei Gu.

As a result, 50,500,000 unlisted options were issued to Directors and management exercisable at £0.010 per option subject to vesting conditions and expiring on 30 March 2020.

Directorate change: During the period, Mr David Yu Chen tendered his resignation as Non-Executive Director. 30,000,000 unlisted options, exercisable on or before 30 March 2020 at £0.010 per Option, which were issued to Mr Chen on 30 March 2015 have been cancelled.

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

Proposed changes to Trinidad fiscal regime: Range notes the recent press comments made by the Acting Trinidad Minister of Energy and Energy Industries Colm Imbert, which could signal a long-awaited overhaul of the country's oil and gas fiscal regime, including the reform of supplementary petroleum tax ("SPT") in response to the lobbying of small / medium operators. While there can be no guarantees, the proposed changes are anticipated to be finalised by the government during Q1 2017, and are expected to see the SPT which currently takes effect when realised oil prices reach US\$50 / barrel, move to a profit-based tax mechanism rather than a volume or revenue based tax. This potential change would be a welcome government incentive for operators like Range, and should see an increase in exploration, development and production activities in the country.

Receipts from product sales and related debtors (for the 3 months to 31 December 2016): of US\$2.0 million, compared with US\$1.5 million in the previous quarter. This increase was due to a combination of increased production and the steadily improving oil price.

Capital expenditure (for the 3 months to 31 December 2016): of US\$0.7 million, compared with US\$1.0 million in the previous quarter. Underlying capital expenditure was broadly stable on the previous quarter.

Cash at 31 December 2016: of US\$20.6 million, compared with US\$20.4 million in the previous quarter. The increase in cash is a result of higher sales revenue in the period and a VAT refund received in Trinidad, combined with continued limited net capital expenditure.

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

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

Notes:

*Subject to final government approvals.

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

Competent Person statement

In accordance with AIM Rules, Guidance for Mining and Oil & Gas Companies, the information contained in this announcement has been reviewed and approved by Mr Lijun Xiu. Mr Xiu is a suitably qualified person with over 30 years' experience in assessing hydrocarbon reserves, and holds a Bachelor degree in Geological Prospecting. In addition, he holds a number of professional titles, including Reserves Evaluation Specialist from the Ministry of Land and Resources of the People's Republic of China. Mr Xiu is a member of the SPE (Society of Petroleum Engineers). Mr Xiu holds a role of a Vice President of Operations and Production with the Company.

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR"). Upon the publication of this announcement via Regulatory Information Service ("RIS"), this inside information is now considered to be in the public domain.

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Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Range Resources Limited

ABN

88 002 522 009

Quarter ended ("current quarter")

31 December 2016

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (6 months) \$US'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,030	3,539
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	(345)	(504)
(c) production	(360)	(1,166)
(d) staff costs	(673)	(1,437)
(e) administration and corporate costs	(422)	(863)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	13
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	232	(418)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

+ See chapter 19 for defined terms.

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (6 months) \$US'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	20,363	21,041
4.2	Net cash from / (used in) operating activities (item 1.9 above)	232	(418)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

+ See chapter 19 for defined terms.

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (6 months) \$US'000
4.5	Effect of movement in exchange rates on cash held	48	20
4.6	Cash and cash equivalents at end of period	20,643	20,643

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$US'000	Previous quarter \$US'000
5.1	Bank balances	20,643	20,363
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	20,643	20,363

6. Payments to directors of the entity and their associatesCurrent quarter
\$US'000

6.1 Aggregate amount of payments to these parties included in item 1.2

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6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

-

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

7. Payments to related entities of the entity and their associatesCurrent quarter
\$US'000

7.1 Aggregate amount of payments to these parties included in item 1.2

-

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

-

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$US'000	Amount drawn at quarter end \$US'000
8.1 Loan facilities	20,000	20,000
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

The details of the US\$20.0m loan facility are as follows:

Issuer:	Range Resources Limited
Noteholder:	LandOcean Energy Services Co., Ltd
Amount:	US\$20,000,000
Tenor:	3 years
Repayment:	Bullet at maturity date
Interest:	8% per annum, payable annually in arrears
Security:	None
Conversion Price:	0.88p per share
Lender Conversion Right:	At any time, in a minimum amount of US\$10 million

The conversion right is conditional upon receipt of shareholder approval from Range at the EGM to be held on 7 February 2017.

9. Estimated cash outflows for next quarter	\$US'000
9.1 Exploration and evaluation	
9.2 Development	650
9.3 Production	700
9.4 Staff costs	675
9.5 Administration and corporate costs	500
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	2,525

+ See chapter 19 for defined terms.

Mining exploration entity and oil and gas exploration entity quarterly report

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Nil			
10.2	Interests in mining tenements and petroleum tenements acquired or increased	Nil			

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:

Date: 26 January 2017

Print name: Yan Liu, Director

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.