

Range Resources Limited  
ACN 002 522 009

# Prospectus

## Offer

For the offer of 500,000 Shares at an issue price of \$0.001 each to remove trading restrictions on Shares issued without disclosure under Part 6D of the Corporations Act on or before the Closing Date (**Offer**).

## Important

This Prospectus is a transaction specific prospectus issued in accordance with section 713 of the Corporations Act. This is an important document that should be read in its entirety. Please read the instructions in this Prospectus and the Application Form regarding applying under the Offer. Investors who do not understand this document should consult their stockbroker, lawyer, accountant or other professional adviser before deciding to apply for Shares under the Offer. The Shares offered under this Prospectus should be considered highly speculative.

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# Important information

## General

This Prospectus is issued by Range Resources Limited ACN 002 522 009 (**Company**).

The Prospectus is dated 5 March 2019 and a copy of this Prospectus was lodged with ASIC on that date. Neither ASIC nor ASX take responsibility for the contents of this Prospectus or the merits of the investment to which the Prospectus relates.

This Prospectus is a transaction specific prospectus for offers of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act.

No securities will be issued pursuant to this Prospectus later than 13 months after the date of this Prospectus.

Persons wishing to apply for Shares pursuant to the Offer must do so using the Application Form attached to or accompanying this Prospectus. Before applying for Shares, investors should carefully read this Prospectus so that they can make an informed assessment of the rights and liabilities attaching to the Shares, the assets and liabilities of the Company, its financial position and performance, profits and losses, and prospects.

Any investment in the Company should be considered highly speculative. Investors who do not understand this document should consult their stockbroker, lawyer, accountant or other professional adviser before deciding to apply for Shares under the Offer.

No person is authorised to give any information or to make any representation in relation to the Offer which is not contained in this Prospectus. Any such information or representations may not be relied upon as having been authorised by the Directors.

## Prospectus availability

ASIC has confirmed that the Corporations Act allows distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

A copy of this Prospectus can be downloaded from the Company's website at [www.rangeresources.co.uk](http://www.rangeresources.co.uk). There is no facility for online applications. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company on +61 8 6205 3012 or +44 (0) 20 3865 8430.

## Risk factors

Before deciding to invest in the Company, investors should read the entire Prospectus and in particular, in considering the prospects of the Company, investors should consider the risk factors that could affect the financial performance and assets of the Company. Investors should carefully consider these factors in light of personal circumstances (including financial and taxation issues). The Shares offered by this Prospectus should be considered highly speculative. Refer to Section 4 details certain risk factors which are considered to be relevant for the purposes of the Offer.

## Publicly available information

Information about the Company is publicly available and can be obtained from ASIC and ASX (including ASX's website at [www.asx.com.au](http://www.asx.com.au)). The contents of any website or ASIC or ASX filing by the Company are not incorporated into this Prospectus and do not constitute part of the Offer. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest in Shares or the Company.

## Financial amounts

All references in this Prospectus to "\$", "A\$", "AUD", "dollars" or "cents" are references to Australian currency unless otherwise stated, references to "US\$" are to United States of America currency, references to "£" and "GBX" are to pounds sterling and pence sterling respectively, the currency of Great Britain and references to "TT\$" are to Trinidad and Tobago currency.

Any discrepancies between the totals and sums of components in tables contained in this Prospectus are due to rounding.

## Definitions and time

A number of terms and abbreviations used in this Prospectus have defined meanings which are set out in Section 7.

All references to time relate to the time in Perth, Western Australia unless otherwise stated or implied.

## Governing law

This Prospectus and the contracts that arise from the acceptance of the applications under this Prospectus are governed by the law applicable in Western Australia and each applicant submits to the exclusive jurisdiction of the courts of Western Australia.

## Corporate directory

### Directors

Mr Zhiwei Gu  
Executive Chairman

Ms Juan Wang  
Non-Executive Director

Mr Lubing Liu  
Executive Director, COO

Dr Mu (Robin) Luo  
Non-Executive Director

### Company Secretaries

Mr Nick Beattie

Ms Sara Kelly

### Registered Office

Level 7, 140 St Georges Terrace  
Perth WA 6000

Phone: +61 8 6205 3012

### UK Office

c/o Range Resources Upstream Services Limited  
1 Long Lane  
London SE1 4PG

### Website

[www.rangeresources.co.uk](http://www.rangeresources.co.uk)

### ASX Code

RRS

### AIM Code

RRL

### Share Registry (Australia) \*

Computershare Investor Services Pty Limited  
Level 11, 172 St Georges Terrace  
Perth WA 6000

### Share Registry (United Kingdom) \*

Computershare Investor Services plc  
PO Box 82  
The Pavilions, Bridge water Road  
Bristol UK BS99 6ZZ

### Auditor\*

BDO Audit (WA) Pty Ltd  
38 Station Street  
Subiaco WA 6008

### Legal Adviser

Edwards Mac Scovell  
Level 7, 140 St Georges Terrace  
Perth WA 6000

*\* This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.*

# 1. Timetable

The timetable for the Offer is as follows

Event	Date
Lodgment of this Prospectus with ASIC and ASX	5 March 2019
Opening Date	5 March 2019
Closing Date	6 March 2019

**Note:** The above timetable is indicative only. The Company reserves the right, subject to the Corporations Act, the Listing Rules and other applicable laws, to vary the dates, including by extending the Closing Date or accepting late applications, either generally or in particular cases, without notice.

## 2. Details of the Offer

### 2.1 Offer

Under the Offer, the Company is offering 500,000 Shares at an issue price of \$0.001 each. The Offer is open to persons by invitation from the Company only.

The Offer has no minimum subscription.

Details specific to the Offer are set out in this Section 2.1.

#### (a) Shares

The Shares offered under the Offer are of the same class and will rank equally in all respects with existing Shares on issue. As summary of the rights and liabilities attaching to the Shares is set out in Section 5.3.

#### (b) Purpose

The purpose of the Offer is not to raise funds. Instead, its purpose is to remove trading restrictions on Shares issued without disclosure under Part 6D of the Corporations Act on or before the Closing Date, including those Shares issued to LandOcean under the Subscription Agreement.

Generally, section 707(3) of the Corporations Act requires that a prospectus is issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to offer those securities for sale within 12 months of their issue.

Relevantly, section 708A(11)(b) provides that a sale offer does not need disclosure to investors if:

- the relevant securities are in a class of securities of the company that are already quoted on the ASX;
- a prospectus is lodged with ASIC either:

- on or after the day on which the relevant securities were issued; or
- before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- the prospectus is for an offer of securities issued by the company that are in the same class of securities as the relevant securities.

The issues of Shares under the Subscription Agreement have not been, and are not being, undertaken by the Company for the purpose of the relevant recipients selling or transferring those Shares. However, the Company considers that those recipients should be entitled, if they wish, to on-sell their Shares prior to the expiry of 12 months after being issued, subject to any escrow arrangements.

**(c) Offer period**

The Offer will open on the Opening Date and close on the Closing Date.

**(d) Applications**

An application under the Offer may only be made by a person on invitation from the Company using the Application Form accompanying this Prospectus. The Application Form must be completed in accordance with the instructions set out on the back of the form.

Application Forms with accompanying cheque must be delivered or mailed to the address set out on the Application Form, with sufficient time to be received by or on behalf of the Company by no later than 5.00pm (WST) on the Closing Date.

**(e) ASX quotation**

The Company will apply to ASX within 7 days after the date of this Prospectus for quotation of the Shares offered under this Prospectus. If approval for quotation of the Shares is not granted within 3 months after the date of this Prospectus, the Company will not issue any Shares and will repay all Application Monies without interest as soon as practicable.

**(f) Application Monies**

All Application Monies for Shares to be issued pursuant to the Offer will be held in trust on behalf of applicants until the Shares are issued or, if the Shares are not issued, until the Application Monies are returned to applicants. All interest earned on Application Monies (including those which do not result in the issue of Shares) will be retained by the Company.

**2.2 Foreign investor restrictions**

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or to extend such an invitation. No action has been taken to register this Prospectus or otherwise to permit an offering of securities in any jurisdiction outside Australia. It is the responsibility of non-Australian resident investors to obtain all necessary approvals and comply with all relevant laws and regulations for the issue to them of securities offered pursuant to this Prospectus. Return of the Application Form will constitute a representation and warranty that there has been no breach of such laws and regulations.

## **2.3 Representations**

The return of the Application Form or otherwise applying for securities under an Offer will be taken by the Company to constitute a representation by the applicant that it:

- has received a printed or electronic copy of this Prospectus accompanying the form and has read it in full;
- agrees to be bound by the terms of this Prospectus and the Constitution;
- has obtained all necessary approvals and complied with all relevant laws and regulations for the purposes of Section 2.2 (to the extent that they are applicable) and confirms its eligibility in respect of an offer of securities under the Offer;
- declares that all details and statements in the Application Form are complete and accurate;
- declares that it is over 18 years of age and has full legal capacity and power to perform all of its rights and obligations under the Application Form;
- acknowledges that once the Application Form is returned or payment is made its acceptance may not be withdrawn;
- agrees to being issued the number of new securities that it applies for (or such other number issued in accordance with this Prospectus);
- authorises the Company to register it as the holder(s) of the Shares issued to it under the Offer;
- acknowledges that the information contained in this Prospectus is not investment advice or a recommendation that the Shares are suitable for it, given its investment objectives, financial situation or particular needs; and
- authorises the Company and its officers or agents to do anything on its behalf necessary for the new securities to be issued to it, including correcting any errors in its Application Form or other form provided by it and acting on instructions received by the Share Registry using the contact details in the Application Form.

## **2.4 Capital raising fees**

No capital raisings fees will be paid in relation to applications under the Offer.

## **2.5 Issues of Shares**

The issue of Shares under this Prospectus will occur on or about the Closing Date. The Directors will determine the recipients of all the Shares. The Directors reserve the right to reject any application or to allocate any applicant fewer Share than the number applied for.

## **2.6 CHESS and issuer sponsorship**

The Company operates an electronic CHESS sub-register and an electronic issuer sponsored sub-register. These two sub-registers will make up the Company's register of shares.

The Company will not issue certificates to security holders. Rather, holding statements (similar to bank statements) will be dispatched to security holders as soon as practicable after allotment. Holding statements will be sent either by CHESS (for security holders who elect to hold Shares on the CHESS sub-register) or by the Company's Share Registry (for security holders who elect to hold their Shares on the issuer sponsored sub-register). The statements will set out the number of Shares allotted under this Prospectus and the Holder Identification Number (for security holders who elect to hold Shares on

the CHESS sub register) or Shareholder Reference Number (for security holders who elect to hold their shares on the issuer sponsored sub-register). Updated holding statements will also be sent to each security holder following the month in which the balance of their security holding changes, and also as required by the Listing Rules and the Corporations Act.

## 2.7 Privacy disclosure

Persons who apply for securities pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess applications for securities, to provide facilities and services to Shareholders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If the information requested is not supplied, applications for securities will not be processed. In accordance with privacy laws, information collected in relation to specific Shareholders can be obtained by that Shareholder through contacting the Company or the Share Registry.

## 2.8 Taxation

It is the responsibility of all investors to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offer, by consulting their own professional tax advisers. Neither Company or the Directors accept any liability or responsibility in respect of the taxation consequences of the matters referred to in this Prospectus.

# 3. Effect of the Offer

## 3.1 Capital structure

The effect of the Offer on the capital structure of the Company are set out below.

Security	Number
<b>Shares<sup>1</sup></b>	
Shares on issue as at the date of this Prospectus <sup>2</sup>	10,243,998,615
Shares offered under the Offer <sup>3</sup>	500,000
<b>Total Shares on issue on completion of the Offer<sup>4</sup></b>	<b>10,244,498,615</b>
<b>Options</b>	
Unlisted Options exercisable at £0.01 on or before 3 September 2019	194,585,862
Unlisted Options exercisable at £0.02 on or before 3 September 2019	172,557,274
Unlisted Options exercisable at £0.01 on or before 30 March 2020 (subject to vesting conditions) <sup>5</sup>	70,500,000
<b>Total Options on issue on completion of the Offer</b>	<b>437,643,136</b>
<b>Convertible Notes</b>	
Unlisted Convertible Notes <sup>6</sup>	20,000,000



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**Total Convertible Notes on issue on completion of the Offer****20,000,000**

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**Notes:**

1. The rights and liabilities to the Shares are summarised in Section 5.3.
2. This includes the issue of 1,739,076,923 Shares to LandOcean under the Subscription Agreement. The full terms and conditions of this issue are set out in the Company's notice of general meeting released to ASX on 1 February 2019.
3. These Shares are being offered for the purpose set out in Section 2.1(b).
4. This assumes the Offer is fully subscribed, no Options are exercised, and no Convertible Notes are converted into Shares.
5. 17,625,000 Options are not subject to vesting conditions. 17,625,000 Options will vest and become exercisable upon the Company reaching production of 1,500 barrels of oil per day for a continuous 15-day period in Trinidad. 17,625,000 will vest and become exercisable upon the Company reaching production of 2,500 barrels of oil per day for a continuous 15-day period in Trinidad. 17,625,000 will vest and become exercisable upon the Company reaching production of 4,500 barrels of oil per day for a continuous 15-day period in Trinidad.
6. Each Convertible Note has a face value of US\$1.00, an annual interest rate of 8%, a conversion price of £0.0088 and a maturity date of 28 November 2019. Conversion is permitted at any time subject to conversion of a minimum amount of US\$10,000,000 of Convertible Notes. The full terms and conditions of the Convertible Notes are set out in the Company's notice of general meeting released to ASX on 1 February 2019.

**3.2 Control**

The Offer will not have a material impact on control of the Company.

**3.3 Cash reserves**

After paying expenses of the Offer of approximately \$10,000 (exclusive of GST), there will be no net proceeds from the Offer. The expenses of the Offer (exceeding \$500) will be met from the Company's existing cash reserves. The effect of the Offer on the Company's financial position will be a net decrease in cash held of approximately \$9,500 (exclusive of GST).

**4. Risk factors**

Activities in the Company and its controlled entities, as in any business, are subject to risks, which may impact on the Company's future performance. The Company and its controlled entities have implemented appropriate strategies, actions, systems and safeguards for known risks, however, some are outside its control.

The Directors consider that the matters summarised in this Section 4, which is not exhaustive, represent some of the major risk factors which Shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. Shareholders should carefully consider the following factors in addition to the other information presented in this Prospectus.

**4.1 Specific risks****(a) Amounts owing to the LandOcean Group**

The Group is significantly indebted to the LandOcean Group in respect of (i) payment of the cash consideration for the Range Resources Drilling Services Limited acquisition (including accrued interest); (ii) amounts owing under the Convertible Note Agreement (including repayment of the Convertible Notes and any accrued interest); (iii) amounts owing under the IMSA and related purchase orders (including accrued interest); and (iv) the loans due from Range Resources Drilling Services Limited to the LandOcean Group. The Group's ability to

make payments of principal and interest on, or to refinance, the indebtedness to the LandOcean Group will depend on its ability to access capital markets, future operating performance, and ability to generate cashflows, which are subject, inter alia, to prevailing economic conditions, prevailing interest rate levels, and financial, competitive, business and other factors, many of which may be beyond its control. No assurance can therefore be given that the Group will be able to meet its indebtedness obligations as and when they fall due.

**(b) The Group has not fulfilled all of its minimum work obligations in respect of all of its licences**

The ability of the Group to develop and exploit oil and gas reserves depends on the Group's compliance with its obligations under its licences. The licences granted by the Trinidad Minister of Energy set out the term of the licence and the minimum work obligations and expenditure obligations that need to be complied with by the licensee during such term. The Trinidad Minister of Energy is entitled to revoke the licence and the licensee's right to carry out petroleum operations where there is a failure by the licensee to fulfil the minimum work obligations or to meet its expenditure obligations. The Group has not fulfilled all of its minimum work obligations in respect of all of its licences on an asset by asset basis. In particular, the Group is currently in breach of the work obligations in respect of St. Mary's onshore block in Trinidad which would entitle the Trinidad Minister of Energy to terminate the exploration and production licence relating to the St. Mary's block in Trinidad. However, the Group has not received any notification from the Trinidad Minister of Energy of any breach by any licensees within the Group of its licence obligations. The revocation by the Trinidad Minister of Energy of the Group's licences in these circumstances could have a material adverse effect on the Group's business, results of operations and financial condition.

**(c) Exploration, development and production risks**

Oil and natural gas operations involve many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. The long-term commercial success of the Group will depend, inter alia, on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. Without the continual addition of new reserves, any existing reserves the Group may have at any particular time and the production therefrom will decline over time as such existing reserves are exploited. A future increase in the Group's reserves will depend not only on its ability to explore and develop any properties it may have from time to time but also on its ability to select and acquire suitable producing properties or prospects. No assurance can be given that the Group will be able to continue to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, the Group may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic. There is no assurance that further commercial quantities of oil and natural gas will be discovered or acquired by the Group. In particular the secondary recovery waterflood programme at the Group's Beach Marcelle, South Quarry and Morne Diablo fields may not achieve the production levels that the Group's technical work to date forecasts and this may have an impact on the financial position of the Group in the event that the programme is not economically viable in the future.

Future oil and natural gas exploration may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions. While diligent well supervision and effective maintenance operations can contribute to maximizing production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow levels to varying degrees.

Oil and natural gas exploration, development and production operations are subject to all the risks and hazards typically associated with such operations including hazards such as fire, explosion, blowouts, cratering, sour gas releases and spills each of which could result in substantial damage to oil and natural gas wells, production facilities, other property and the environment or personal injury. Oil and natural gas production operations are also subject to all of the risks typically associated with such operations, including encountering unexpected formations or pressures, premature decline of reservoirs and the invasion of water into producing formations. Losses resulting from the occurrence of any of these risks could have a material adverse effect on future results of operations, the Group's liquidity and financial condition.

**(d) Properties with no attributed reserves**

The development of properties with no attributed reserves can be affected by a number of factors including, but not limited to, project economics, forecasted commodity price assumptions, cost estimates, lack of availability of a development plan and access to infrastructure. These and other factors could lead to the delay or the acceleration of projects related to these properties.

**(e) Interruptions in availability of exploration, production or supply infrastructure**

The Group in the future may be reliant upon government and third party owned pipelines and processing facilities for the export of its oil and gas products to local and international markets.

**(f) Reliance on operators, joint venture shareholders, management and key personnel**

Successfully exploring for, developing and commercializing oil and gas interests and generating cashflows from oil services activities depends on a number of factors not least of which is the technical skill of the personnel involved. The Group's success will be, in part, dependent on the performance of its key managers and consultants. Failure to retain the managers and consultants, or to attract or retain additional key personnel, with the necessary skills and experience could have a materially adverse impact upon the Company's growth and profitability. The Company does not carry key person insurance. In addition, the Group may not be the operator of certain oil and gas properties in which it acquires an interest.

Additionally, the Group holds interests in certain of its oil and gas assets indirectly through intermediate companies which it does not control. This lack of control has historically on occasion led to disputes between the Group and its partners.

To the extent the Group is not the operator of its oil and gas properties, it will be dependent on such operators for the timing of activities related to such properties and will be unable to control the activities of the operators.

**(g) Hedging**

From time to time, the Group may enter into agreements to receive fixed prices on its oil and natural gas production to offset the risk of revenue losses if commodity prices decline; however, if commodity prices increase beyond the levels set in such agreements, the Group will not benefit from such increases and it may nevertheless be obligated to pay royalties on such higher prices, even though not received by it, after giving effect to such agreements.

**(h) Third-party credit risk and delays**

The Group may be exposed to third-party credit risk through its contractual arrangements with its current or future marketers of its petroleum and natural gas production, the customers of its oil services business, suppliers and other parties. In the event such entities fail to meet their contractual obligations to the Group such failures could have a material adverse effect on the Group and its business, operations and prospects.

In addition to the usual delays in payments by purchasers of oil and natural gas, or from future customers of its oil services business, to the Group or to the operators, and the delays by operators in remitting payment to the Group, payments between these parties may be delayed due to restrictions imposed by lenders, accounting delays, delays in the sale of delivery of products, delays in the connection of wells to a gathering system, adjustment for prior periods, or recovery by the operator of expenses incurred in the operation of the properties. Any of these delays could reduce the amount of cashflow available for the business of the Group in a given period and expose the Group to additional third-party credit risks.

**(i) Availability of equipment and qualified personnel and related costs**

Oil and natural gas exploration, development and production activities, and oil services activities are dependent on the availability of drilling and related equipment and qualified personnel in the particular areas where such activities will be conducted. Notwithstanding the fact that the Company has its own drilling business, demand for such limited equipment and qualified personnel may still affect the availability of such equipment and qualified personnel to the Group and may delay the Group's exploration and development and its oil services activities. In addition, the costs of qualified personnel and equipment in the areas where the Group's assets are located may increase due to the availability of, and demands for, such qualified personnel and equipment in such areas.

**(j) Management of growth**

The Group may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Group to manage growth effectively will require it to continue to implement and improve its operations and financial systems and to expand, train and manage its employee base. The inability of Group to deal with this growth could have a material adverse impact on its business, operations and prospects.

**(k) Potential conflicts of interest**

Certain directors of the Group may become directors or officers of companies which are in competition to its interests. No assurances can be given that opportunities identified by such Board members will be provided to the Group.

**(l) Limitations of insurance**

The Group's involvement in the exploration for and development of oil and gas properties may result in the Group becoming subject to liability for pollution, blowouts, property damage, personal injury or other hazards. Although the Group has obtained insurance in accordance with industry standards to address such risks, such insurance has limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks may not, in all circumstances be insurable or, in certain circumstances, the Group may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to the Group. The occurrence of a significant event that the Group is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on the Group's financial position, results of operations or prospects.

**(m) Reliance on joint venture partners**

There is a risk that other parties with interests in the Group's assets in the future may elect not to participate in certain activities relating to those assets and which require that party's consent. In these circumstances, it may not be possible for such activities to be undertaken by the Group alone or in conjunction with other participants at the desired time or at all.

Other participants may default on their obligations to fund capital or other funding obligations in relation to the Group's assets. In such circumstances, the Group may be required under the

terms of the relevant operating agreement to contribute all or part of any such funding shortfall itself.

In addition, the Group may choose to farm-in to non-operated assets in the future. Accordingly, whilst in these circumstances the relevant operating agreement would typically provide for a right of consultation or consent in relation to significant matters, the Group may have limited control over the day-to-day management or operations of those assets and would therefore be dependent upon the activities of the operator of those assets. Any mismanagement of an asset by the operator could result in delays or increased costs to non-operated exploration, development or production activities that the Group may be involved with in the future.

The terms of any relevant operating agreement generally impose standards and requirements in relation to the operator's activities. Whilst the Group would purposely only acquire interests in assets that are operated by parties that it believes to be reputable, competent and sufficiently funded, there can be no assurance that an operator would observe such standards or requirements.

**(n) Failure to realize anticipated benefits of acquisitions and disposals**

The Group will make acquisitions and disposals of businesses and assets in the ordinary course of business. Achieving the benefits of acquisitions depends in part on successfully consolidating functions and integrating operations and procedures in a timely and efficient manner as well as the Group's ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses and operations with its existing operations. The integration of acquired businesses may require substantial management effort, time and resources and may divert management's focus from other strategic opportunities and operational matters. Management continually assesses the value and contribution of services provided and assets required to provide such services. In this regard, non-core assets are periodically disposed of so that the Group can focus its efforts and resources more efficiently. Depending on the state of the market for such non-core assets, certain non-core assets of the Group, if disposed of, might realize less than their carrying value on the financial statements of the Group.

In particular, there are certain rigs owned by Range Resources Drilling Services Limited that have been unutilised for long periods of time and whilst the Group has impaired the value of these assets, it is possible that if they were to remain unutilised, there may be a further write-down of the value of these rigs in the future.

**(o) The Group holds interests in an exploration licence or in licences which are in their initial terms**

The Group holds, and may in the future hold, interests in exploration licences or in other licences which are in their initial terms. The early stages of an exploration period of a licence are commonly the most risky. These phases of the term of a licence may require high levels of relatively speculative capital expenditure without a commensurate degree of certainty of a return on that investment.

**(p) Heritage currently purchases all of the Group's crude oil in Trinidad**

Heritage currently purchases all of the Group's crude oil and accordingly the Group's revenue is heavily dependent on Heritage. The price Heritage will pay the Group for its crude oil is not fixed and maintenance of the current pricing is not guaranteed. Accordingly, there will be limited transparency as to the ultimate pricing the Group will receive for its oil. Any long-term disruption to Heritage's marketing operations could impact the Group's ability to sell to Heritage and consequently would affect the results of operations of the Group.

**(q) The Group cannot accurately predict its future decommissioning liabilities**

The Group, through its licence interests, has assumed certain obligations in respect of the decommissioning of its fields and related infrastructure and is expected to assume additional decommissioning liabilities in respect of its future operations. These liabilities are derived from legislative and regulatory requirements concerning the decommissioning of wells and production facilities and require the Group to make provision for and/or underwrite the liabilities relating to such decommissioning. Any significant increase in the actual or estimated decommissioning costs that the Group incurs may adversely affect its financial condition.

**(r) The Group is subject to the risk of labour disputes and adverse employee relations**

The Group and the Group's partners, contractors or service providers may be limited in their flexibility in dealing with their staff due in part to the presence of trade unions among their staff. If there is a material disagreement between the Group or its partners, contractors or service providers and any of their staff, the Group's operations could suffer an interruption or shutdown that could have a material adverse effect on its business, results of operations or financial condition.

**(s) Health, Safety, Security and the Environment**

Exploration, development and production of oil and gas involve risks which may impact the health and safety of personnel, the community and the environment.

Failure to manage these risks could result in injury or loss of life, damage or destruction of property, and damage to the environment.

**(t) Litigation risks**

In the normal course of the Group's operations, it may become involved in, named as a party to, or be the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions, relating to personal injuries, property damage, property taxes, the environment and contract disputes. The outcome of outstanding, pending or future proceedings cannot be predicted with certainty and may be determined adversely to the Group and as a result, could have a material adverse effect on the Group's assets, liabilities, business, financial condition and results of operations. Even if the Group prevails in any such legal proceedings, the proceedings could be costly and time-consuming and may divert the attention of management and key personnel from the Group's business operations, which could adversely affect its financial condition.

*Colombian Exploration Licences*

As previously announced on 19 January 2016 and 1 September 2016, the Company received a notice from Agencia Nacional de Hidrocarburos (**ANH**) of Colombia revoking the licences over three exploration blocks in Colombia (PUT-5, VMM-7 and VSM-1). The licences had been awarded to a consortium of Optima Oil Corporation (**Optima**) and the Company in December 2012 (the **Consortium**). ANH alleged that its action was a result of the exploration work commitments not being fulfilled and presentation of invalid letters of credit to ANH by Optima to support the minimum work obligations. There are three joint operating agreements (**JOAs**) in place amongst the Consortium partners and Petro Caribbean Resources Ltd in relation to each of the PUT-5, VMM-7 and VSM-1 exploration blocks. Under the terms of the JOAs it was agreed between the Consortium that it was the sole responsibility of Optima to complete the minimum work obligations and to provide all necessary funding including the provision of valid letters of credit in favour of ANH. Under the JOAs, the Company has an indemnity to recover from Optima any payment incurred by the Company for any contractual obligations under the licences which were not paid by Optima. As announced on 1 September 2016, the Company received a demand notice from ANH addressed to the Consortium seeking payment of the full amount of the outstanding obligations due to ANH totalling up to approximately US\$53,000,000. The deadline for making the payment, or otherwise

responding to ANH with a defence against the action was 7 September 2016. In conjunction with its legal advisers in Colombia, the Company reviewed the demand notice and, as announced on 15 September 2016, a comprehensive response was submitted to ANH by the Consortium on 7 September 2016. This response addressed the numerous areas in which the Consortium objected to the demand which was received from ANH. The Company has no material assets located in Colombia. In addition to the ongoing work with legal advisers in Colombia, the Company has sought advice from Australian advisers regarding the ability of ANH to try and enforce a claim against the Company in Australia. The Company's advisers have confirmed that there is no provision in Australian law to enable either judgments of Colombian courts or administrative orders of ANH to be recognised in Australia. If ANH did seek to make any claim in Australia it would be required to commence court proceedings in the Australian courts and to prove its entitlement to such claim. The Company would have the right to defend such claim. The Company has not as at the date of this document received any claim from ANH in Australia.

As announced on the 11 April 2018, the Company has reached an agreement with ANH to settle all outstanding claims and disputes between ANH and the Consortium. The key terms of the settlement agreement are: (1) ANH confirms that the Company (and the Consortium) has no liability for any payments or debts, (2) all proposed penalties have been lifted, (3) the Consortium agrees to waive all potential claims against ANH and (4) the Consortium agrees to the termination of the licences over the three exploration blocks.

The agreement between the Consortium and ANH is subject to court approval in Colombia and this is anticipated to be received during the first half of 2019.

#### *Georgia Licence*

The Company believes that it holds an indirect interest in a production sharing contract dated 29 March 2007 over Block VIA in Georgia (the **Georgia PSC**) through its 65% shareholding in Strait Oil & Gas Limited (**SOGL**). On 3 April 2017, the Government of Georgia announced an open international tender on Block VIA in Georgia (the **Tender Announcement**). The Company has been involved in the project since 2009 and has invested substantial capital since that time with funds used to complete the minimum work programme stipulated by the Georgia PSC. The Agency has previously confirmed to SOGL that this minimum work programme has been satisfactorily completed. The Company believes that the Georgia PSC over Block VIA remains valid and in good standing and that the purported relicensing of the block by the Agency pursuant to the Tender Announcement would be a breach of the Georgia PSC. The Company and SOGL have contacted the Agency to seek an amicable resolution to this issue and has engaged legal advisers to explore relevant routes to preserve the value of its investment in Georgia. As at 30 June 2017, the Company has fully written down the value of its investment in SOGL and has nil value attributed to its interests in the project on the Company's balance sheet. There can be no guarantee that the Company will be able to preserve the value of this investment or that it will be successful in its attempts to secure the Georgia PSC.

#### *Geeta Maharaj*

The Company and its subsidiary, Range Resources Trinidad Limited (**RRTL**) have received an invoice from Geeta Maharaj (**Ms Maharaj**), a Trinidad-based attorney seeking payment for legal services in the amount of TT\$12,019,573. The invoice purports to relate to legal work undertaken during mid-2014 including the preparation of inter-company loan agreements. The Company and RRTL strongly refute the amount of this purported invoice and consider it to be vastly excessive and therefore not payable. A claim has been filed by Ms Maharaj seeking the sum of TT\$12,019,573 plus interest and costs. The Company and RRTL filed a notice of application to strike out this claim on 14 July 2017. An initial hearing on this application was held on 29 September 2017 at which the parties were ordered to file and exchange written submissions by 20 October 2017 with replies, if any, to be filed by 30 October 2017. Both parties filed and exchange written submissions and responses by the requested dates and a further hearing was scheduled for 1 December 2017. This hearing was rescheduled by the

court and the Company is awaiting notification of a rescheduled date, which is likely to be in the first half of 2019.

Separately, the Company and RRTL have received further correspondence from Ms Maharaj on a related matter claiming damages of TT\$6,000,000 on the basis of a conspiracy designed to damage Ms Maharaj's reputation. Again, the Company and RRTL firmly refute the allegation and in conjunction with its legal counsel in Trinidad have responded to this demand. A claim has been filed by Ms Maharaj seeking damages of TT\$6,000,000 plus interest and costs. The Company, in conjunction with its legal counsel, has filed a defence in respect of this claim and a preliminary hearing was scheduled for 1 December 2017. This hearing was rescheduled by the court and the Company is awaiting notification of a rescheduled date, which is likely to be in the first half of 2019.

While the Company, having taken legal advice, considers the probability of Ms Maharaj succeeding in either of her claims to be remote, there can be no guarantee that there will be a favourable outcome for the Group.

#### *Trinidad and Tobago Tax Appeals*

The Group is currently involved in a number of tax appeals in Trinidad and Tobago:

On 9 February 2017, RRTL (as successor to Los Bajos Oil Limited) filed appeals in respect of the Trinidad and Tobago Board of Inland Revenue's (**BIR**) assessment that Los Bajos Oil Limited (a former subsidiary of the Company which amalgamated with RRTL) owed additional petroleum profit taxes in the sum of TT\$1,218,720.34 and additional unemployment levy of TT\$121,872.03 for the financial year 2008. Los Bajos Oil Limited duly filed a petroleum profits tax return for the financial year 2008 and subsequently sought to amend the return to claim a deduction of supplemental petroleum tax liabilities for the respective financial years 2008, 2009 and 2010. Following an audit examination, the BIR assessed Los Bajos Oil Limited to owe further petroleum profits tax and consequently adjusted its unemployment levy liability. The total amount of additional petroleum profit taxes in dispute is TT\$1,218,720.34 additional unemployment levy liability in dispute is TT\$121,872.03.

On 9 February 2017, RRTL filed appeals in respect of the BIR's assessment that RRTL owed additional petroleum profit taxes in the sum of TT\$4,325,000.00 and additional unemployment levy of TT\$432,500.00 for the financial year of income 2008. RRTL duly filed a petroleum profits tax return for the financial year of income 2008 and subsequently sought to amend the return to claim a deduction of supplemental petroleum tax liabilities for the respective income financial years 2008, 2009 and 2010. Following an audit examination, BIR assessed RRTL to further petroleum profits tax and consequently adjusted its unemployment levy liability. The total amount of additional petroleum profit taxes in dispute is TT\$4,325,000.00 and additional unemployment levy liability in dispute is TT\$432,500.00.

The above appeals are currently at the stage of discussions with the BIR and the Group is in discussions with BIR with a view to resolving the dispute amicably. Whilst discussions continue the matter has now been listed for trial on the 26 and 27 June 2019.

RRTL is also in negotiation with BIR on a separate matter with respect to a waiver of interest on an historic tax liability. In the years prior to 2012 (and prior to its acquisition by the Group), RRTL was late with payment of certain taxation liabilities to BIR. The taxes due were paid in full by RRTL in 2013 (following its acquisition by the Group) however the late payment attracted interest of approximately TT\$22,800,000. RRTL engaged tax advisers to assist with this matter and based upon advice received and verbal responses from BIR, RRTL anticipates that it will receive a waiver of 75% of the assessed interest amount. RRTL and its advisers are currently in negotiations with the BIR to finalise this matter and the amount payable by RRTL. The Group has recognised an accrual of TT\$11 million in respect of this potential liability.



RRTL is also involved in a further matter with BIR with respect to a notice of assessment from BIR for the 2009 and 2010 tax year (with respect to RRTL and Los Bajos Oil Limited). Following an audit investigation, in December 2015 BIR provided RRTL with notices of assessment for total additional Petroleum Profits Tax of TT\$4,264,713. RRTL disputes the assessment and provided objection letters in June 2018. Due to an administrative oversight the objection letters were sent outwith the normal statutory period and were rejected by BIR. In November 2018, RRTL submitted an application to the Tax Appeal Board in Trinidad seeking consent for the objection letters to be filed, despite being outwith the statutory time period. The hearing took place in front of the Tax Appeal Board on 28 January 2019. The appeal in respect of RRTL was accepted and the objection letter will therefore be submitted. The appeal in respect of Los Bajos Oil Limited will be heard at the next scheduled review date of 26 June 2019.

## **4.2 General risks**

### **(a) Political, economic, legal, regulatory and social risk**

The Group's operations will be exposed to the political, economic, legal, regulatory and social risks of countries in which it operates (or intends to operate), including Trinidad and Indonesia. These risks potentially include expropriation (including "creeping" expropriation) and nationalisation of property; instability in political, economic or financial systems; uncertainty arising from undeveloped legal and regulatory systems; bribery and corruption (particularly in Indonesia); civil strife or labour unrest; acts of war, armed conflict, terrorism; outbreaks of infectious diseases; prohibitions, limitations or price controls on hydrocarbon exports and limitations or the imposition of duties on imports or certain goods.

Some of the countries in which the Group may operate may have transportation, telecommunications and financial services infrastructures that may present logistical challenges not associated with doing business in more developed countries. Furthermore, the Group may have difficulty ascertaining its legal obligations and enforcing any rights it may have. Certain governments in other countries have in the past expropriated or nationalised the property of hydrocarbon production companies operating within their jurisdictions. Sovereign or regional governments could require the Group to grant to them larger shares of hydrocarbons or revenues than those previously agreed. Positive engagement with local communities, partners, advisers and other stakeholders in each of these countries will be important to ensure that the Group's interests are maintained. Additionally, implementation by the Group of effective internal procedures and processes will assist with mitigating certain of these potential risks.

Once the Group has established hydrocarbon exploration and/or production operations in a particular country, it may be expensive and logistically burdensome to discontinue such operations should economic, political, physical, or other conditions subsequently deteriorate. All of these factors could materially adversely affect the Group's business, results of operations, financial condition or prospects.

As an exploration and production company, some of the Company's activities may be located in countries where corruption may exist (particularly Indonesia). The Group will seek to comply fully with applicable bribery legislation such as and has put in place internal control policies. However, there can be no assurance that such procedures and established internal controls will adequately protect them against fraudulent and/or corrupt activity and such activity could have an adverse effect on the Group's business, reputation, results of operations, financial condition and/or prospects.

The Company is considering updating its existing anti-bribery and corruption policies to ensure it has suitable policies and procedures in place to mitigate any risks identified in any new territories.

**(b) Governmental involvement in the oil and gas industry**

The governments of Trinidad and Tobago and Indonesia have exercised and will continue to exercise significant influence over many aspects of their respective economies, including the oil and gas industry. Any government action concerning the economy, including the oil and gas industry (such as a change in oil or gas pricing policy or taxation rules or practice, or renegotiation or nullification of existing concession contracts, or the withholding of payments to international oil companies), could have a material adverse effect on the Group.

Further, there is no assurance that the governments of the countries in which the Group operates, or will operate, will not postpone or review projects or will not make any changes to laws, rules, regulations or policies, or delay the renewal of licences in each case, which could adversely affect the Group's financial position, results of operations or prospects.

**(c) Licencing and other regulatory requirements**

The Group's activities in the countries in which it operates or intends to operate are subject to licences, regulations and approvals of governmental authorities including those relating to the exploration, development, operation, production, marketing, pricing, transportation and storage of oil and gas, the generation of electricity, taxation, environmental and health and safety matters.

The Group has limited control over whether or not necessary approvals or licences (or renewals thereof) are granted, the timing of obtaining (or renewing) such licences or approvals, the terms on which they are granted or the tax regime to which it or assets in which it has interests will be subject. As a result, the Group may have limited control over the nature and timing of development and exploration of oil and gas fields in which it has or seeks interests.

The Group may incur substantial costs in order to maintain compliance with existing laws and regulations and additional costs if these laws are revised or if new laws affecting the Group's operations are passed. Furthermore, there can be no assurance that the Group will be able to obtain all necessary licences and permits that may be required to carry out exploration, development and production operations on its properties.

Upon the expiry of licences, contractors are generally required, under the terms of relevant licences or local law, to dismantle and remove equipment, cap or seal wells and generally make good production sites. The Group's accounts make reasonable provision for decommissioning. There can be no assurance that such provision will be sufficient to meet the eventual decommissioning liabilities of the Group.

**(d) The Group's success depends on its ability to appraise, find, acquire, develop and produce oil and gas reserves that are economically recoverable**

The Group's long-term commercial success depends on its ability to appraise, find, acquire, develop and commercially produce oil and gas reserves. Factors such as adverse weather conditions, natural disasters, equipment or services shortages, procurement delays or difficulties arising from the political, environmental and other conditions in the areas where the reserves are located or through which the Group's products are transported may increase costs and make it uneconomical to develop potential reserves. Moreover, the Group may become dependent on the competence and judgement of third-party operators in relation to the development of reserves where it is not itself the operator. There is no assurance that the Group will discover, acquire or develop further commercial quantities of oil and gas.

**(e) The Group's Reserves and Resources information represents estimates that may turn out to be incorrect or inaccurate**

The process of estimating oil and gas reserves and resources and the cash flows that may be derived from them is very complex. In general, estimates of the quantity and value of

economically recoverable oil and gas reserves and the possible future net cash flows are based upon a number of variable factors and assumptions, such as historic production rates, ultimate reserves recovery, interpretation of geological and geophysical data, timing and amount of capital expenditures, marketability of oil and gas, royalty rates, continuity of current fiscal policies and regulatory regimes, future oil and gas prices, operating costs, development and production costs and workover and remedial costs, all of which may vary from actual results. Estimates are also to some degree speculative, and classifications of reserves are only attempts to define the degree of speculation involved. In addition, there are uncertainties inherent in estimating the quantity of resources and in projecting future rates of production including factors beyond the Group's control. Estimating the amount of hydrocarbon resources is a subjective process and, in addition, results of drilling, testing and production subsequent to the date of an estimate may result in material revisions to original estimates. For these reasons, estimates of the economically recoverable oil and gas reserves attributable to a particular asset of the Group, the classification of such reserves based on risk of recovery and estimates of expected future net revenues prepared by different engineers, or by the same engineers at different times, may vary. As a result, the estimates of the Group's reserves may require substantial upward or downward revisions if subsequent drilling, testing and production reveal differences. Any downward adjustment could indicate lower future production and thus adversely affect the Group's financial condition, future prospects and market value. Furthermore, a decline in the Group's reserves or an inability to increase the amount of the Group's reserves may affect its ability to raise or access sufficient capital for its future operations.

Estimates of proved, probable and possible reserves that may be developed and produced in the future are often not based on actual production history but on volumetric calculations and analogies to similar types of reserves. Estimates based on these methods are generally less reliable than those based on actual production history. Subsequent evaluation of the same reserves based on production history and production practices may result in variations in the estimated reserves and these variations could be material.

The nature of reserve quantification studies means that there can be no guarantee that estimates of quantities and quality of oil and gas disclosed will be available for extraction or for it to be commercially viable at the relevant time to extract such resources particularly where such assets are more mature.

**(f) Exploration projects do not necessarily result in a profit on the investment or the recovery of costs**

Exploration activities are capital intensive and inherently uncertain in their outcome. The Group's future oil and gas exploration projects may involve unprofitable efforts, either from dry wells or from wells that are productive but do not produce sufficient net revenues to return a profit after development, operating and other costs. Completion of a well does not guarantee a profit on the investment or recovery of the costs associated with that well. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or adverse geological conditions. While diligent well supervision and effective maintenance operations can contribute to maximising production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and may adversely affect the Group's revenues and cashflows.

**(g) Exploration, development and production activities are dependent on the availability of equipment and services or supply infrastructure**

The Group's oil and gas exploration and development activities are dependent on the availability of drilling and other equipment and onshore and offshore services and delivery infrastructure in Trinidad and Indonesia. Further, exploration and production activities relating to the Indonesia project may present further operational challenges given the field's remote location which could require additional expenditure to deliver the work programme. Shortages

or the high cost of drilling rigs, equipment, supplies, personnel or oilfield services could delay or adversely affect the Group's development, exploration and production operations, which could have a material adverse effect on its business, financial condition or results of operations. In addition, oil and natural gas exploration and development activities are dependent on the availability of delivery infrastructure, including, but not limited to, access to production facilities that have the capacity to process crude oil and natural gas in the particular areas where those activities will be conducted.

These facilities are not always owned or operated by the Company. As such, the Group's oil and gas production levels may be adversely affected by events relating to such infrastructure, including obtaining governmental approvals or consents, repairs and maintenance, planned and unplanned shut-downs, civil conflict and terrorism, regulatory changes, competition from other suppliers and other operational matters which are unrelated to the performance of the Group's oil and gas fields and beyond its control.

Such interruptions or delays may have a material adverse effect on the Group's business, financial condition, prospects, results and/or future operations.

**(h) Geopolitical risks**

The marketability and price of oil and natural gas that may be acquired or discovered by the Group is and will continue to be affected by political events throughout the world that cause disruptions in the supply of oil. Conflicts, or conversely peaceful developments, arising in the Middle East, Africa and other areas of the world have a significant impact on the price of oil and natural gas. Any particular event could result in a material decline in prices and therefore result in a reduction of the Group's net production revenue.

**(i) Global financial markets**

Recent market events and conditions, including disruptions in the international credit markets and other financial systems, the American and European sovereign debt levels and global commodity supply and demand balances have caused significant volatility in commodity prices. These events and conditions have caused a decrease in confidence in the global credit and financial markets and have created a climate of greater volatility, less liquidity, widening of credit spreads, lack of price transparency, increased credit losses and tighter credit conditions. Notwithstanding various actions by governments, concerns about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions has in the past caused the broader credit markets to further deteriorate and stock markets to decline substantially. A prolonged period of adverse market conditions may impede the Group's ability to finance planned capital expenditures which would adversely affect its ability to maintain and grow its reserves and fully exploit its properties for the benefit of its Shareholders. While there have been signs of economic recovery, these factors have negatively impacted company valuations and are likely to continue to impact the performance of the global economy going forward. Petroleum prices are expected to remain volatile for the near future as a result of market uncertainties over the supply and demand of these commodities due to the current state of the world economies, actions taken by Organization of the Petroleum Exporting Companies and the ongoing global credit and liquidity concerns. This volatility may in the future affect the Group's ability to obtain equity or debt financing on acceptable terms.

**(j) Prices, markets and marketing**

The Group is exposed to the influence and effects of oil and gas prices. The marketability and price of oil and natural gas that may be acquired or discovered by the Group will continue to be affected by numerous factors beyond its control. The Group's ability to market its oil and natural gas may depend upon its ability to secure capacity on pipelines that deliver oil and natural gas to commercial markets. The Group may also be affected by deliverability uncertainties related to the proximity of its reserves to pipelines and processing and storage facilities and operational problems affecting such pipelines and facilities as well as extensive

government regulation relating to price, taxes, royalties, land tenure, allowable production, the export of oil and natural gas and many other aspects of the oil and natural gas business.

The prices of oil and natural gas may be volatile and subject to fluctuation. Any material decline in prices could result in a reduction in the Group's net production revenue. The economics of producing from some wells may change as a result of lower prices which could result in reduced production of oil or gas and a reduction in the volumes of the Group's reserves. The Group might also elect not to produce from certain wells at lower prices. All of these factors could result in a material decrease in the Group's expected net production revenue and a reduction in its oil and gas acquisition, development and exploration activities. Prices for oil and gas are subject to large fluctuations in response to relatively minor changes in the supply of and demand for oil and gas, market uncertainty and a variety of additional factors beyond the control of the Group. These factors include economic conditions in the United States, Canada and Europe, the actions of Organization of the Petroleum Exporting Companies, governmental regulation, political stability in the Middle East, Africa and elsewhere, the foreign supply of oil and gas, risks of supply disruption, the price of foreign imports and the availability of alternative fuel sources. In the latter half of 2014 and throughout 2015 world oil prices declined significantly. Any substantial and extended decline in the price of oil and gas would have an adverse effect on the Group's carrying value of its reserves, borrowing capacity, revenues, profitability and cash flows from operations and may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Petroleum prices are expected to remain volatile for the near future as a result of market uncertainties over the supply and the demand of these commodities due to the current state of the world economies, the Organization of the Petroleum Exporting Companies actions and the ongoing credit and liquidity concerns. Volatile oil and gas prices make it difficult to estimate the value of producing properties for acquisition and often cause disruption in the market for oil and gas producing properties as buyers and sellers have difficulty agreeing on such value. Price volatility also makes it difficult to budget for and project the return on acquisitions and development and exploitation projects.

Fluctuations in oil and gas prices could also have a negative impact on the demand for oilfield and related services which could negatively affect the business and financial condition of the Group.

**(k) Variations in foreign exchange rates and interest rates**

The reporting and functional currency of the Group is in US Dollars. Substantially all of the Group's operations are in Trinidad and Indonesia while substantially all of its revenue is invoiced in US Dollars. Costs incurred by the Group may be incurred in foreign currencies including Australian Dollars, Trinidad and Tobago Dollars, British Pounds Sterling, US Dollars and Indonesian Rupiah. In addition, certain costs incurred by the Group are generally paid in Trinidad and Tobago Dollars, British Pounds Sterling and Indonesian Rupiah. As a result, the Group will be exposed to foreign currency exchange rate risk on some of its activities primarily on exchange fluctuations between the US Dollar, the Trinidad and Tobago Dollar, the Australian Dollar, the British Pound Sterling and Indonesian Rupiah. However, the majority of capital expenditures will be incurred in US Dollars, Trinidad and Tobago Dollars and Indonesian Rupiah while oil revenues will be received in US Dollars and Trinidad and Tobago Dollars. Future exchange rates between US Dollars, Trinidad and Tobago Dollars, Australian Dollars, British Pounds Sterling and Indonesian Rupiah could impact the future value of the Group Reserves as determined by independent evaluators.

To the extent that the Group engages in risk management activities related to foreign exchange rates, there is a credit risk associated with counterparties with which the Group may contract.

An increase in interest rates could result in a significant increase in the amount the Group pays to service debt which could negatively impact the Group's cashflows.

**(l) Competition**

There is strong competition relating to all aspects of the oil and natural gas industry whether in the exploration, development and production sector or in the oil services sector. The Group will actively compete for capital, skilled personnel, access to rigs and other equipment, access to customers for its oil and gas production and its oil services business, access to processing facilities and pipeline and refining capacity and in all other aspects of its operations with a substantial number of other organizations many of which will have greater technical and financial resources (or access to such resources) than that of the Group.

**(m) Environmental concerns**

The Group's operations that are conducted in Trinidad and Indonesia are subject to environmental regulations promulgated by the Trinidad government and Indonesia government (respectively). Should the Group initiate operations in other countries such operations will be subject to environmental legislation in such jurisdictions. Current environmental legislation in Trinidad and Indonesia provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil, condensate and natural gas operations. In addition, certain types of operations may require the submission and approval of environmental impact assessments and, particularly in Indonesia, an environmental licence. The Group's existing operations are subject to such environmental policies and legislation. Environmental legislation and policy is periodically amended. Such amendments may result in stricter standards and enforcement and in more stringent fines and penalties for non-compliance. Environmental assessments of existing and proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees.

The costs of compliance associated with changes in environmental regulations could require significant expenditures and breaches of such regulations may result in the imposition of material fines and penalties. In extreme cases, such regulations may result in the temporary or permanent suspension of production operations. There can be no assurance that these environmental costs or effects will not have a materially adverse effect on the Group's future financial condition or results of operations.

Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require the Group to incur costs to remedy such discharge. No assurance can be given that the application of environmental laws to the business and operations of the Group will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect the Group's financial condition, results of operations or prospects.

**(n) Alternatives to, and changing demand for, petroleum products**

Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas and technological advances in fuel economy and energy generation devices could reduce the demand for crude oil and other liquid hydrocarbons and for the services of oil drilling companies.

The Group cannot predict the impact of changing demand for both its oil and natural gas products and its oil drilling services and any major changes may have a material adverse effect on the Group's business, financial condition, results of operations and cashflows.

**(o) Market price of Ordinary Shares**

The price at which Shares are traded and the price at which investors may realise their investment are influenced by a large number of factors, some specific to the Group and its

operations and some which may affect growth companies or quoted companies generally. Consequently, the price of Shares may be subject to fluctuation on small volumes, and Shares may be difficult to sell at a particular price.

In addition, the market price of the Shares may fluctuate significantly as a result of factors beyond the Group's control including the results of exploration, appraisal and development programmes and production operations; changes in securities analysts' recommendations or estimates of earnings or financial performance of the Group, its competitors or the industry, or the failure to meet expectations of securities analysts; fluctuations in the prices of oil, gas and other petroleum products, fluctuations in stock market prices and volumes; general market volatility; changes in laws, rules, regulations and taxes, applicable to the Group, its operations and the operations in which the Group has interests; loss of key personnel and involvement in litigation.

**(p) Investment returns**

The Company has not paid dividends nor made a distribution on any of its securities. Further, the Group may never achieve a level of profitability that would permit payment of dividends or making other forms of distributions to security holders. In any event, given the stage of the Company's development, it will likely be a long period of time before the Group could be in a position to make dividends or distributions to its investors. The payment of any future dividends by the Group will be at the sole discretion of the Board. In this regard, the Group currently intends to retain earnings to finance the expansion of its business and does not anticipate paying dividends in the foreseeable future.

**(q) Access to further capital**

The Group may require additional funds to respond to business challenges or to enhance existing operations. Accordingly, the Group may need to engage in equity or debt financings to secure additional funds. If the Group raises additional funds through further issues of equity or convertible debt securities, existing Shareholders could suffer significant dilution and any new equity securities could have rights, preferences and privileges superior to those of current Shareholders. Any debt financing secured by the Group in the future could involve restrictive covenants relating to its capital raising activities and other financial and operational matters which may make it more difficult for the Group to obtain additional capital and to pursue business opportunities including potential acquisitions. In addition, the Group may not be able to obtain additional financing on terms favourable to it if at all. If the Group is unable to obtain adequate financing or financing on terms satisfactory to it and when the Group requires it, the Group's ability to continue to support its business growth and to respond to business challenges could be significantly limited or could affect its financial viability.

**(r) Issuance of additional Shares**

An additional issue of Shares by the Company, or the public perception that an issue may occur, could have an adverse effect on the market price of Shares and could dilute the proportionate ownership interest, and hence the proportionate voting interest, of Shareholders. This will particularly be the case if, and to the extent that, such an issue of Shares is not affected on a pre-emptive basis or Shareholders do not take up their rights to subscribe for further Shares structured as a pre-emptive offer.

**(s) Taxation**

The Group will be subject to, inter alia, tax in Trinidad and Tobago, Indonesia, Australia, Hong Kong, Barbados, Gibraltar and the UK. The application of taxes to the Company may change over time due to changes in laws, regulations or interpretations by the tax authorities,

tribunals and courts. Any changes in taxes may have a material adverse effect on the Group's financial condition and the results of its operations.

**(t) Movement in Australian and overseas share markets and financial markets generally**

A number of factors affect the performance of stockmarket investments that could also affect the price at which shares trade on the ASX and AIM. Movements on international stockmarkets, local interest rates and exchange rates, domestic and international economic conditions, as well as government taxation and other policy changes may affect the stockmarket.

**(u) Regulatory risks**

The Company is listed on the ASX in Australia and AIM in the United Kingdom and has operations in the Americas, Asia and Europe. The Company's exploration and development activities in these regions are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time consuming process and there is a risk that Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project.

**(v) Changes in law**

The Company may be affected by changes to laws and regulations (in Trinidad, Indonesia and other countries in which the Company may operate) concerning property, the environment, superannuation, taxation and the regulation of trade practices and competition, government grants and incentive schemes, accounting standards, and other matters. Such changes could have adverse impacts on the Company from a financial and operational perspective.

**(w) Share market conditions**

The market price of the Company's securities may be subject to varied and unpredictable influences on the market for equities.

**(x) Force majeure risk**

Events may occur within or outside the markets in which the Company operates that could impact upon the global and Australian economies, the operations of the Company and the market price of its securities. These events include acts of terrorism, outbreaks of international hostilities, fires, pandemics, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease, and other man-made or natural events or occurrences that can have an adverse effect on the demand for the Company's services and its ability to conduct business. Given the Company has only a limited ability to insure against some of these risks, its business, financial performance and operations may be materially adversely affected if any of the events described above occurs.

**(y) Litigation**

The Company may in the ordinary course of business become involved in litigation and disputes, for example with service providers, customers or third parties infringing the



Company's intellectual property rights. Any such litigation or dispute could involve significant economic costs and damage to relationships with contractors, customers or other stakeholders. Such outcomes may have an adverse impact on the Company's business, reputation and financial performance.

#### **4.3 Other risks**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the securities offered under this Prospectus. Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Investors should consider that an investment in the Company is highly speculative and should consult their professional adviser before deciding whether to apply for Shares pursuant to this Prospectus.

## **5. Additional information**

### **5.1 Continuous disclosure**

As the Company is admitted to the official list of ASX, the Company is a "disclosing entity" for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

Price sensitive information is publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants is also managed through disclosure to ASX. In addition, the Company posts information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

Investors are encouraged to check and monitor any further announcements made by the Company to ASX prior to securities being issued under the Offer. To do so, please refer to the Company's ASX announcements platform via [www.asx.com.au](http://www.asx.com.au).

By virtue of section 713 of the Corporations Act, the Company is entitled to issue a "transaction-specific" prospectus in respect of the Offer.

In general terms, a "transaction-specific prospectus" is only required to contain information in relation to the effect of the issue of securities on the Company and the rights and liabilities attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position and performance, profits and losses or prospects of the issuing company.

As a disclosing entity under the Corporations Act, the Company states that:

- it is subject to regular reporting and disclosure obligations;
- copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC; and
- it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
  - the annual financial report of the Company for the financial year ended 30 June 2018;

- any half-year financial report of the Company lodged with ASIC after the lodgement of the annual financial report referred to above and before the lodgement of this Prospectus with ASIC; and
- all continuous disclosure notices given by the Company after the lodgement of the annual financial report referred to above and before the lodgement of this Prospectus with ASIC (see below).

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules that investors or their professional advisers:

- would reasonably require for the purpose of making an informed assessment of:
  - the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
  - the rights and liabilities attaching to the securities the subject of this Prospectus; and
- would reasonably expect to find in this Prospectus.

This Prospectus contains information specific to the Offer. If investors require further information in relation to the Company, they are recommended to take advantage of the opportunity to inspect or obtain copies of the documents referred to above.

The following announcements have been lodged with ASX in respect of the Company since the Company lodged its annual financial report for the financial year ended 30 June 2018 on 1 October 2018.

<b>Date</b>	<b>Title</b>
5 March 2019	Results of Meeting
11 February 2019	Management Changes
1 February 2019	Notice of Meeting and IER
31 January 2019	Quarterly Activities Report & Appendix 5B
18 January 2019	Statement re Share Price Movement
11 January 2019	Reinstatement to Official Quotation
11 January 2019	Director Appointment, Appendix 3X
21 December 2018	Refundable Payment Update
20 December 2018	Convertible Note Interest Payment
10 December 2018	Director resignation, Share trading update, App 3Y & 3Z
10 December 2018	Voluntary Suspension
10 December 2018	Pause in Trading
4 December 2018	Amended Constitution
3 December 2018	Results of Meeting

Date	Title
30 November 2018	Company Presentation
28 November 2018	Director resignation, withdrawal of AGM resolution, App3Z
25 October 2018	Quarterly Activities Report & Appendix 5B
24 October 2018	Notice of Annual General Meeting/Proxy Form

## 5.2 Market price of Shares

The highest and lowest closing prices of Shares on the ASX and AIM during the 3 months preceding the date of this Prospectus, and the closing price on the trading day before the date of this Prospectus, are set out below.

### ASX

	Price	Date
Highest	\$0.001	Various dates between 5 December 2018 and 4 March 2019
Lowest	\$0.001	Various dates between 5 December 2018 and 4 March 2019
Last	\$0.001	4 March 2019

### AIM

	Price	Date
Highest	0.050 GBX	18 and 21 January 2019
Lowest	0.023 GBX	31 December 2018
Last	0.030 GBX	4 March 2019

## 5.3 Rights and liabilities attaching to Shares

The rights attaching to Shares are described in the Constitution and, to the extent applicable, are regulated by the Corporations Act, the Listing Rules and general law. The following is a summary of certain rights attaching to Shares.

- **General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

- **Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

- **Dividend rights**

Subject to and in accordance with the Corporations Act, the Listing Rules, the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

- **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

- **Shareholder liability**

As the Shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

- **Transfer of Shares**

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

- **Variation of rights**

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

- **Alteration of Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

#### 5.4 Director interests

Other than as set out below or elsewhere in this Prospectus, no existing or proposed Director holds at the date of this Prospectus, or has held in the 2 years prior to the date of this Prospectus, an interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or in connection with the Offer; or
- the Offer,

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to an existing or proposed Director to induce them to become, or qualify as, a Director or for services in connection with the formation or promotion of the Company or the Offer.

**(a) Remuneration**

The remuneration (including superannuation) to be paid to the Directors for the current financial year and paid to the Directors for the 2 financial years prior to the date of this Prospectus is set out below.

Director	Financial year ended 30 June 2017	Financial year ended 30 June 2018	Financial year ended 30 June 2019
Mr Zhiwei Gu <sup>1</sup>	US\$250,000	US\$250,000	US\$302,083
Ms Juan Wang <sup>2</sup>	US\$105,000	US\$141,250	US\$25,000
Mr Lubing Liu <sup>3</sup>	US\$64,660	US\$93,608	US\$162,660
Dr Mu (Robin) Luo <sup>4</sup>	Nil	Nil	US\$11,760

**Notes:**

1. Fees paid to Mr Zhiwei Gu for the financial years ended 30 June 2017 and 30 June 2018 comprised US\$30,000 in his capacity as Non-Executive Director, US\$25,000 in his role as Non-Executive Chairman and US\$195,000 for additional consulting work. Mr Zhiwei Gu is currently paid a fee of US\$30,000 in his capacity as an Executive Director, US\$25,000 in his role as Executive Chairman and US\$195,000 for additional consulting work.
2. Fees paid to Ms Juan Wang for the financial years ended 30 June 2017 and 30 June 2018 comprised US\$30,000 and US\$28,750 respectively in her capacity as Non-Executive Director and US\$75,000 and US\$112,500 respectively for additional consulting work. This consulting arrangement has now expired and no further consultancy fees are currently being paid. Ms Juan Wang is currently paid a fee of US\$25,000 in her capacity as Non-Executive Director.
3. Fees paid to Mr Lubing Liu for the financial years ended 30 June 2017 and 30 June 2018 comprised US\$25,000 and US\$16,667 respectively in his capacity as Non-Executive Director and US\$39,660 and US\$37,340 respectively for additional consulting work. In addition, in the financial year ended 30 June 2018, Mr Lubing Liu received a salary of US\$39,601 in his capacity as Chief Executive Officer. Mr Lubing Liu is currently paid US\$84,000 per annum in his role as Chief Operating Officer and US\$60,000 per annum in his role as Trinidad General Manager.
4. Dr Mu (Robin) Luo was appointed Non-Executive Director on 11 January 2019. Dr Mu (Robin) Luo is currently paid a fee of US\$25,000 per annum.

**(b) Securities**

The securities in which the Directors and their associates have or are proposed to have relevant interests in at the date of this Prospectus are set out below.

Director	Shares	Options <sup>1</sup>	Convertible Notes
Mr Zhiwei Gu	2,083,333	30,000,000	-
Ms Juan Wang	2,083,333	7,500,000	-
Mr Lubing Liu	-	-	-
Dr Mu (Robin) Luo	-	-	-

**Notes:**

1. Unlisted Options exercisable at £0.01 on or before 30 March 2020.

**5.5 Expert and adviser interests**

Other than as set out below or elsewhere in this Prospectus, no expert, promoter, underwriter or other person named in this Prospectus who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus holds, at the date of this Prospectus, or has held in the 2 years prior to the date of this Prospectus, an interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or in connection with the Offer; or
- the Offer,

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to any such persons for services in connection with the formation or promotion of the Company or the Offer.

Edwards Mac Scovell has acted as the legal adviser to the Company in relation to the Offer. The estimated fees payable to Edwards Mac Scovell for these services are \$5,000 (exclusive of GST). During the 24 months preceding lodgment of this Prospectus with the ASIC, Edwards Mac Scovell has been paid or is owed fees totaling \$136,505 (excluding GST) by the Company for legal services provided to the Company.

## 5.6 Consents

Each of the parties referred to below:

- does not make the Offer;
- has not authorised or caused the issue of this Prospectus;
- does not make, or purport to make, any statement that is included in this Prospectus, or a statement on which a statement made in this Prospectus is based, other than as specified below; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with the consent of that party as specified below.

Edwards Mac Scovell has given, and has not before lodgement of this Prospectus withdrawn, its written consent to be named in this Prospectus as the legal adviser to the Company in relation to the Offer in the form and context in which it is named.

There are a number of persons referred to elsewhere in this Prospectus who have not made statements included in this Prospectus and there are no statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in this Prospectus and did not authorise or cause the issue of this Prospectus.

## 5.7 Offer expenses

The estimated expenses of the Offer (exclusive of GST) are set out below.

<b>Item</b>	<b>Amount</b>
ASIC fees	\$3,206
Legal fees	\$5,000
Miscellaneous costs	\$1,794
<b>Total</b>	<b>\$10,000</b>

## 5.8 Substantial Shareholders

At the date of this Prospectus the following Shareholders hold more than 5% of the Shares on issue.

Shareholder	Shares	%
Beijing Sibot Investment Management LP	2,447,620,912	23.89
LandOcean Energy Services Co. Ltd	1,739,076,923	16.98
Interactive Investor Services Nominees Limited <Smktnoms>	726,806,583	7.09
Abraham Limited	712,377,560	6.95
Barclays Direct Investing Nominees Limited <Client1>	547,917,474	5.35

## 5.9 Litigation

As at the date of this Prospectus, and other than as disclosed in Section 4, the Company is not involved in any material legal proceedings and the Directors are not aware of any material legal proceedings pending or threatened against the Company.

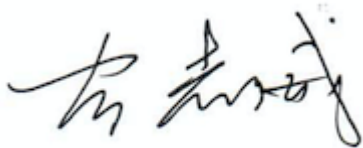


## 6. Directors' authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and the issue of this Prospectus, and has not withdrawn that consent.

Signed for and on behalf of the Company.

A handwritten signature in black ink, appearing to read 'Zhiwei Gu', is written over a faint, illegible background.

**Zhiwei Gu**  
Executive Chairman  
Range Resources Limited

## 7. Definitions

**\$** means the official currency of the Commonwealth of Australia.

**£** means the official currency of the United Kingdom.

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

**Application Form** means an application form either attached to or accompanying this Prospectus.

**Application Monies** means the monies received from persons applying for Shares under the Offer.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.

**ASX Settlement** means ASX Settlement Pty Limited ACN 008 504 532.

**Board** means the board of Directors.

**Business Day** means a day on which banks are open for business in Perth, Western Australia excluding a Saturday, Sunday or public holiday.

**CHESS** means the Clearing House Electronic Subregister System operated by ASX Settlement.

**Closing Date** means the date that the Offer close being 5.00pm (WST) on 6 March 2019 or such other time and date as the Company determines.

**Company** means Range Resources Limited ACN 002 522 009

**Constitution** means the constitution of the Company from time to time.

**Convertible Note Agreement** means the convertible note deed between the Company and LandOcean Energy Services Co. Ltd. dated 28 October 2016 (as amended and restated by a deed of amendment and restatement dated 15 November 2016).

**Convertible Notes** means unlisted convertible notes issued to LandOcean Energy Services Co., Ltd, as approved by Shareholders at the Company's general meeting held on 7 February 2017.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Director** means a director of the Company.

**Eligible Investor** means a person who has been issued Shares under the Placement.

**GBX** means pence sterling.

**Group** means the Company and its subsidiaries

**Heritage** means Heritage Petroleum Company Limited, a state owned oil company in Trinidad and Tobago.

**IMSA** means the integrated master services agreement dated 29 May 2014 between the Company and LandOcean Energy Services Co. Ltd., as amended by the IMSA amendment agreement and IMSA supplementary agreement.

**LandOcean** means LandOcean Energy Services Co. Ltd, a company incorporated in the People's Republic of China.

**LandOcean Group** means LandOcean and its subsidiaries.

**Listing Rules** means the official listing rules of the ASX.

**Offer** means the offer of Shares as detailed in Section 2.1.

**Opening Date** means the first date for receipt of applications under the Offer being 5 March 2019 or such other time and date as the Company determines.

**Option** means an option to acquire a Share.

**Prospectus** means this prospectus.

**Section** means a section of this Prospectus.

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

**Shareholder** means the registered holder of one or more Shares.

**Share Registry** means the share registry of the Company as specified in the corporate directory of this Prospectus.

**Subscription Agreement** means the subscription and variation agreement (as amended) between the Company and LandOcean Group pursuant to which LandOcean Group agreed to defer the payment for the total amount of interest due and payable by the Company to LandOcean Group under the Convertible Note Agreement on the interest payment date falling in the 2018 calendar year, being US\$1,600,000, as announced to ASX on 20 December 2018.

**US\$** means the official currency of the United States of America.

**WST** means Western Standard Time, being the time in Perth, Western Australia.