



Quarterly Activities Report

For the period ended 30 September 2016

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

19 October 2016

RANGE

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

Trinidad operations

Production

The Company’s oil production for the period was 40,888 barrels (average of 444 barrels of oil per day (“bopd”)) net to Range. Whilst the average oil production is unchanged from the previous quarter, during September 2016 the Company saw an increase in production as a result of a development drilling programme and workovers with exit September 2016 production in excess of 600 bopd net to Range.

Range continues to focus its efforts on longer term production growth from waterflood projects. The Company’s production guidance of 2,500 bopd net to Range by the end of 2017 (calendar year) remains unchanged.

Reserves update

During the quarter, the Company announced the results of a reserves audit compiled by the independent petroleum consultants, Rockflow Resources Limited as at 30 June 2016. The audit showed an increase in the Company’s total 2P reserves in Trinidad by 11% from the previously reported 22.0 million barrels of oil equivalent (“mboe”) (30 June 2015) to 24.4 mboe, which validates the quality and potential of the Trinidad assets.

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Waterflood projects

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

Beach Marcelle waterflood: During the quarter, water injection continued at an average rate of approximately 640 barrels of water per day ("bwpd"). The Company continued with implementation of the full waterflood scheme, including workovers of the selected waterflood wells; repair work on these selected wells; installation of injection stations; engineering design of the gathering station; and installation of pipeline network.

To get access to additional water supply and increase water injection rate, the Company has been working on the installation of a high pressure pipeline network, with the majority of work (7,220 metres) already completed. The remaining pipeline network (530 metres) is expected to be completed once approvals are in place.

To increase injection volumes in the short term, Range has requested the use of an additional 700 bwpd from the Petroleum Company of Trinidad and Tobago Limited ("Petrotrin") gathering station and is currently awaiting their response.

The first production from the South East block as a result of waterflooding is anticipated during Q1 2017.

Morne Diablo waterflood: During the quarter, water injection continued at an average rate of 200 bwpd, which is the maximum volume of water available at present from Range's producer wells.

To get access to additional water supply and increase water injection rate, Range has been negotiating with Petrotrin to use produced water from their existing operations, which will increase water injection by 3,000 bwpd. The agreement with Petrotrin has been reached and Range expects to execute final agreements during the remainder of 2016.

The Company will be constructing a new water pipeline to connect the gathering and injection stations at the Morne Diablo field to Petrotrin's water treatment facility, once the relevant agreements are in place.

The first production from the Morne Diablo field as a result of waterflooding is anticipated during Q4 2016.

South Quarry waterflood: During the quarter, Range applied for environmental approvals to conduct injectivity testing in the South Quarry block. The Company will be constructing a proposed pipeline of 740 meters as part of the testing programme, planned for 2017. This will be done at a minimal cost of less than US\$200,000 and will be undertaken to determine waterflooding feasibility in the area.

The Company continues to study and evaluate further areas of the field for waterflooding potential.

Drilling programme

During the quarter, the Company successfully drilled two development wells, MD 251 and QUN 159 located at the Morne Diablo field, and completed production testing on these wells, as well as the previously drilled MD 250 well.

At the date of this report, the QUN 159 well is flowing at a stabilised rate of approximately 50 bopd on a restricted choke size, as the Company continues to monitor the well performance. The MD 250 well, which was initially producing at an average rate of 50 bopd, is currently producing water only. The Company is investigating the reason for this, which could be caused by a fault in the cementing, and is hoping to rectify the issue and bring the well back into oil production. The MD 251 well tested gas.

The details of the production testing programme are summarised in the table below.

Well	Total depth	Initial well findings	Production testing programme	Well results
MD 250 (Morne Diablo field)	4,100 feet	Initial log evaluations identified multiple hydrocarbon bearing zones, with an estimated net pay of over 140 feet.	The Company perforated 66 feet of net oil sands in the Upper Cruse (primary target) and 26 feet of net oil sands in the Middle Cruse (secondary target).	The well was initially producing from the Upper Cruse at an average rate of 50 bopd of 29 degree API oil on a restricted 6/32" choke size. Following initial oil production, the well is currently flowing water only.
MD 251 (Morne Diablo field)	3,900 feet	Initial log evaluations identified approximately 60 feet net oil pay in the Middle Cruse.	The Company perforated 62 feet of net oil sands in the Middle Cruse.	The well is producing gas.*
QUN 159 (Morne Diablo field)	2,600 feet	Initial log evaluations identified approximately 40 feet net oil pay in the Upper Cruse.	The Company perforated 23 feet of net oil sands in the Upper Cruse.	The well is producing from the Upper Cruse at an average stabilized rate of 50 bopd of 44 degree API oil on a restricted 5/32" choke size.

*Currently the Company has no infrastructure in place for gas production.

The remaining two development wells to be drilled this year (QUN 158R and GY218SE) are expected to spud during Q4 2016. Both well locations have been completed and the rigs are rigged up on locations, awaiting final government approval to commence drilling operations. The Canari North exploration well in the Guayaguayare block is currently anticipated to spud during Q1 2017.

As previously announced, the Company has forecast that the five development wells from the 2016 work programme would add approximately 500 bopd to current production levels by the end of this year. Given the lower than anticipated production results from the first three wells, the Company revises this production expectation to 200 bopd by the end of this year.

The Company is undertaking additional low cost workovers on selected wells which will provide additional production and compensate for the production difference.

Corporate and Financial

Colombia: During the quarter, Range received a demand notice from the Agencia Nacional de Hidrocarburos ("ANH") addressed to the consortium of Optima Oil Corporation ("Optima") and the Company seeking payment of the full amount of the outstanding obligations over three exploration blocks due to ANH totalling up to approximately US\$53 million. The consortium submitted a comprehensive response to ANH on 7 September 2016. This defence addressed the numerous areas in which Range and the consortium object to the demand which was received from ANH. The Company continues to work with Optima and legal advisers to defend its position to the maximum extent possible and is considering what further action can be taken to challenge the actions taken by ANH.

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

Receipts from product sales and related debtors (for the 3 months to 30 September 2016): of US\$1.5 million, compared with US\$1.5 million in the previous quarter. This can be explained by broadly consistent production and oil prices between the two quarters.

Capital expenditure (for the 3 months to 30 September 2016): of US\$1.2 million, compared with US\$0.8 million in the previous quarter. Underlying capital expenditure was broadly stable on the previous quarter, with the exception of an annual payment of head licence fees of US\$0.3 million paid in the current quarter.

Cash at 30 September 2016: of US\$20.4 million, compared with US\$21.0 million in the previous quarter, reflecting continued limited net expenditure in the period of approximately US\$0.65 million.

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

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

Notes:

*Subject to final government approvals

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

Competent Person statement

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

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

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Appendix 5B

Mining exploration entity and oil and gas exploration entity
quarterly report

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

Name of entity

RANGE RESOURCES LIMITED

ABN

88 002 522 009

Quarter ended ("current quarter")

30 September 2016

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$US'000	Year to date (12 months) \$US'000
1.1	Receipts from product sales and related debtors	1,509	1,509
1.2	Payments for (a) exploration & evaluation (b) development (c) production (d) administration	- (301) (917) (952)	- (301) (917) (952)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	11	11
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes received/(paid)	-	-
1.7	Other	-	-
	Net Operating Cash Flows	(650)	(650)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.9	Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	-	-
1.13	Total operating and investing cash flows (carried forward)	(650)	(650)

+ See chapter 19 for defined terms.

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(650)	(650)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net decrease in cash held	(650)	(650)
1.20	Cash at beginning of quarter/year to date	21,038	21,038
1.21	Exchange rate adjustments to item 1.20	(25)	(25)
1.22	Cash at end of quarter	20,363	20,363

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

	Current quarter \$US'000	
1.23	Aggregate amount of payments to the parties included in item 1.2	139
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Payment of directors' fees	

Non-cash financing and investing activities

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

N/A

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

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

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

Estimated cash outflows for next quarter

	\$US'000
4.1 Exploration and evaluation	-
4.2 Development	300
4.3 Production	650
4.4 Administration	900
Total	1,850

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$US'000	Previous quarter \$US'000
5.1 Cash on hand and at bank	12,363	13,038
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)*	8,000	8,000
Total: cash at end of quarter (item 1.22)	20,363	21,038

*US\$8 million is held as cash collateral to support the performance bond issued to the Ministry of Energy and Energy Industries of Trinidad and Tobago in respect of St Mary's work programme.

+ See chapter 19 for defined terms.

Changes in interests in mining tenements and petroleum tenements

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

Issued and quoted securities at end of current quarter

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Nil			
7.2				
7.3	7,595,830,782	7,595,830,782		
7.4	6,040,682	6,040,682		
7.5	Nil	Nil		

+ See chapter 19 for defined terms.

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

+ See chapter 19 for defined terms.

Compliance statement

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

Date: 18 October 2016



Yan Liu, Chief Executive Officer

Notes

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

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