RANGE

Range Resources Limited
('Range' or 'the Company')

9 March 2015

ASX Code: RRS
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Investor Q&A

The Company is pleased to provide its ongoing investor Q&A setting out responses to questions from investors relating to the published Notice of Meeting. It should be noted that the wording of similar questions has been amalgamated to better reflect a broader spread of investor interests.

Independent Expert Report (IER) Questions

1. Can you describe the value added from the US$5M purchase order with LandOcean in terms of accelerated delivery and /or capital efficiency as both could improve the NAV value attributed by RSM Bird Cameron Corporate Pty Ltd (RSM)?

The first purchase order with LandOcean which the Company entered into on 2 June 2014 is still ongoing. The services provided under this purchase order include a wide range of geological and engineering studies of the Beach Marcelle, Morne Diablo and South Quarry fields in Trinidad. These studies are aimed at optimising the development plans of the Trinidad assets. Until these studies are completed, we cannot quantify the value added.

2. Range has previously given estimates of 59 mmbbl of prospective resources in the Herrera formation in its Morne Diablo and South Quarry blocks. Can you explain why RSM has left these prospective resources out of the model for the valuation of the Company when other experts choose to include these at 10% of prospective resource?

The approach adopted by RSM in preparation of the report was to value the assets on proved and probable reserves. Additionally, the report was based on the FGA report of 1 January 2014, which does not include prospective resources.

3. The IER makes no allowances for Trinidad fiscal incentives when calculating the Company's capital expenditure and makes no allowance for anything other than our known reserves. So could these figures look a lot better if the Company had enough production to claw back as much of this cash as possible and if all resources were included?

The appropriate fiscal incentives were taken into consideration by RSM. The RSM model does take account of the capital allowances that are permitted but the production is limited in the period so the Company does not get any

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material benefit from the allowances. If the production was higher (and therefore higher revenues) then we would get a greater tax benefit.

With regards to reserves, the report is solely based upon the proved and probable reserves for Beach Marcelle, South Quarry and Morne Diablo blocks. It doesn't take into account any contingent resources or potential upside from exploration of the aforementioned three blocks nor the Guayaguayare and St Mary's blocks, which all hold great upside potential to be unlocked through future work programme.

4. **Clause 8.15 of the IER refers to average initial flow rate of a new well of 24 bopd, based on rate estimates by FGA. What average has Range experienced from the wells drilled subsequent to this estimate?**

   The average initial flow rate of new wells has been broadly in line with the rate estimates provided by FGA.

5. **Clause 8.36 of the RSM report relating to the analysis of recent trading in Range shares states "the assessment only reflected trading prior to the announcement of the Proposed Transaction in order to avoid the influence of any movement in price that may have occurred as a result of the announcement". The Core Capital deal was in fact announced as US$20M @ 1p and a US$30M bond @ 1p on the 3rd November. Therefore, the statement in 8.36 is inaccurate as the price has been influenced by this announcement. Can RSM comment on such a significant omission, given that they report the mentioned event in Table 5?**

   Final revised terms of the financing were announced on 11 December 2014, therefore RSM has used that date in their share trading assessment.

6. **Clause 8.41 of the RSM report states that "given the liquidity in Range's shares, particularly on the AIM market, we have selected the recent 1 to 60 day VWAP of between $0.011 and $0.017 for our assessment of the quoted market price valuation of a Range share. Can you explain how a 60 day VWAP can have 2 prices?**

   The lowest value VWAP ($0.011) in table 24 page 34 of the IER was used for low value assessment and the highest value VWAP ($0.017) was used for high value assessment.

7. **Table 12 has replaced the carrying value of Trinidad from the accounts with the upper and lower DCF calculations. The DCF calculations have only been based on P1 & P2 reserves. These calculations appear to ignore the new fiscal benefits and the prospective Herrera resources declared by Range. The benefits of ownership of St Mary's and the JV with Niko appears to be written off with the adopted approach. Can you explain why replacing the carrying value with a DCF calculation is considered robust and "expert" judgement?**

   RSM's primary valuation methodology has been derived by determining the Fair Value of Range's shares using the Company's Trinidad operations which have been derived using a DCF valuation based on the forecast projections and cashflows of the business. DCF valuation was considered more appropriate in preparation of the IER as it takes into account cashflows from future development as opposed to historic costs reflected in the balance sheet. Please refer to 7.16 of the IER for more details.

8. **Figure 4 demonstrates the impact on NPV from different assumptions. Oil price is clearly outside the control of the Directors. Change in the production profile adds $20M to the NPV of the assets (and is**

back in line with the previous management valuation). Can you confirm that the Directors acknowledge this locked in value and what steps are being taken to realize this for shareholders? Can you confirm that the Capex and Opex reflects actual planned expenditure or have Range been able to identify further efficiencies following a change in management that enhance the NPV?

Range is working with LandOcean on improving the efficiencies of the Trinidad operations, as well as enhancing the implementation of the waterflood programme. The Company will be able to add further value by growing its 1P and 2P reserves and moving from prospective resources to reserves category, as work on the ground ramps up. Range will continue to identify opportunities to reduce the costs of growing production.

9. Why weren't 31/12/14 accounts used for the comparisons in the IER, as this would be more up to date than the 30/9/14 that was used?

The preparation of the IER commenced during December, therefore no December accounts were available at that stage. Half-yearly financial accounts to 31 December 2014 will be released to Shareholders on or before 16 March 2015.

10. Does Range support the bopd profile on page 26 of the RSM review?

The bopd profile used in the IER is the underlying production profile from the FGA reserves report as at 1 January 2014. As the development plans for waterflood and other projects are optimised, the bopd profile might change.

11. What was the process that led to the appointment of RSM for this job?

Range obtained quotes from a number of providers. RSM has extensive expertise in preparing IERs and solid industry experience. The management believes that as a result, RSM was the best candidate for the preparation of Range's IER, as well as the most cost effective.

12. In the IER, section 10.1 shows figures in \$. Any idea what these would be in £?

Based on the AUD-GBP currency exchange rate of 0.5116 at 09.03.15 (source: http://www.bloomberg.com/markets/currencies), the £ equivalent will be as follows:

Assessment of fairness	**Value per Share (AU\$)**		**Value per Share (GB£)**	
	Low	High	Low	High
Fair Value of an RRS share pre Proposed Transaction - Control basis	0.019	0.022	0.0097	0.0113
Fair Value of an RRS share post the Proposed Transaction assuming Notes are converted - Non control basis	0.013	0.016	0.0067	0.0082
Fair Value of an RRS share post the Proposed Transaction assuming Notes are not converted - Non control basis	0.012	0.015	0.0061	0.0077

13. The IER report isn't clear as to whether it is US dollars or Australian dollars - please can you clarify which part is which?

As stated in the Glossary of Terms and Abbreviations in Appendix D of the IER, unless stated otherwise, it is Australian dollars.

Director Options Questions

14. The low price of options proposed to be issued to Directors seems grossly under ambitious and sends a poor message to Shareholders. How do you justify these options terms? It appears that the new Board of Directors has gone for much easier or matching targets to that set by the previous Board, can you explain why? Can you explain how the incentives that have been set demonstrate reward for a level of performance beyond basic?

The primary purpose of the grant of the Director Options is to provide a performance linked incentive component in the Directors' remuneration packages to assist the Company in attracting, retaining, motivating and rewarding Directors' performance, and to align their interests with those of Shareholders.

The price of the options is often set at the time when new Directors join the Board of the Company, or at some slight premium above the share price. By setting a higher price to the one proposed, we would make it less attractive as an incentive tool.

Under the proposed terms, 25% of the options will become exercisable upon the Company reaching production of 4,000 barrels of oil per day (bopd) for a continuous 15 day period in Trinidad. The Board believes that if production can reach 4,000 bopd by 2017 after the upgrade of rigs and commencement of the waterflood project, the Company should consider it as a success. For comparison, the previous Directors had 2,500 bopd as a maximum production target for options.

The overall number of options proposed to be issued to the Directors has also been reduced substantially, with the two non-Executive Directors only getting 7,500,000 options which is half of the options that were proposed to be issued to the previous Directors.

When comparing the exercise price of options to the options of the previous Board, we also take into consideration the increase in the number of shares in issue. For example, in February 2014 the number of shares on issue was approximately 3.4 billion, and following the Core Capital transaction the number of shares on issue will increase to approximately 8.4 billion.

The Board considers that the experience of the Directors will greatly assist the development of the Company. As such, the Board believes that the terms of Director Options to be granted is commensurate with their value to the Company. It is also worth noting that every senior manager in the Company has taken a salary cut in order to help out the Company during this difficult period.

15. Would you consider re-pricing the options?

The primary purpose of the grant of the Options is to incentivise the Directors to deliver production growth in Trinidad. We believe the options price is set in line with market standard and peer groups.

16. Can you confirm that the options incentive package has been negotiated and reviewed at "arms length" as was previous practice?

The option package was reviewed by the Board. It is the view of the Board that the proposed package represents a reasonable remuneration and is in line with Range's peers.

17. Can you confirm if the 4,000 bopd target component is above or below the level at which LandOcean will receive a production incentive?

There is no minimum production number linked to a production incentive.

18. Can you confirm that the production targets related to the options are specific to existing P1 / P2 reserves and exclude existing production by way of acquisition?

As stated in the Notice of Meeting, the production targets are specific to Trinidad but not specific to existing P1 / P2 reserves.

19. The options seem reasonable, although will the Board of Directors need to do very much given the drilling work will be effectively contracted out to LandOcean?

Range is an upstream Company, it is not a drilling business and is, therefore still responsible for growing the upstream business through production growth in order to deliver value to the Company's Shareholders.

Core Capital Transaction Questions

20. Why is there no floor on the Core Capital conversion price? How do you plan to bring shareholder value with such a conversion rate?

The Company's prime objective is to deliver value to Shareholders through share price appreciation and production growth. Key to this is to establish a stable financing position to ensure that Range Shareholders are not exposed to an unreasonable level of funding risk going forward. It is the Board's view that the Transaction places the Company in a very strong position to achieve production growth in Trinidad and to establish the Company as one of the strongest independent oil and gas players in Trinidad with the largest private onshore acreage and significant cash reserves to grow from, in an environment that is difficult for oil and gas companies to secure funding.

Shareholders should note that at the time when the Transaction was signed, there were a number of factors that were considered on the proposed terms, including the declining price of the Company's shares, the collapsed oil price, and the fact that the Company had to meet significant minimum work programme obligations in Trinidad, which was essential to retain our licenses.

The Convertible Notes are not convertible for a period of 6 months, with the final conversion price based upon the share price at the time of conversion up to a maximum of £0.009. As a result, in the intervening period Management will be focused on increasing production in Trinidad, which it is hoped might deliver value for shareholders in terms of share price appreciation with a view to seeking to maximise the conversion price.

Separately, the management does not believe it is Core Capital's current intention to exceed a 50% holding in the Company.

21. Range is able to elect to redeem all of the convertible notes after 18 months by cash or conversion. Why does this term not allow for "some or all" as per Core Capital's entitlement at 6 months?

As part of commercial negotiations, the deal provides Range with the ability to fully redeem notes after 18 months. We consider this to be a fair condition to both parties as it provides the flexibility to redeem the notes early. In addition, as Range will be deploying the cash to grow its Trinidad operations, it is highly unlikely that it will be in a position to make early repayments during the first 6 month period.

22. As the default event with Lind occurred after the agreement with Core Capital was reached, why has Range not re-negotiated the transaction to effectively reduce the cost of the Lind settlement?

The terms of the convertible notes by Core Capital are not directly linked to Lind settlement. The Board believes it has secured the best available terms with Core Capital and that the agreed terms are appropriate for a company of Range's size.

23. The Company may elect to capitalise any interest payable. Will Range give an undertaking that if it is more economical to capitalise an interest payment on the due date that they will do so?

Whilst Range cannot provide any formal undertakings, we will consider the most appropriate method of repayment, given the cash needs and share price at the time.

24. Can Shareholders assume that once the Core Capital money is voted through we can settle any outstanding debts pretty quickly and we can resume trading again?

Once shareholder approval is obtained and the Core Capital transaction completes, the Board will seek to settle outstanding debts at the earliest convenience and will seek to resume share trading on ASX and AIM.

Other Questions

25. Why are the calculations used at a share price of £0.009 when right now it's at £0.005?

£0.009 represents the highest Conversion Price pursuant to the Subscription Agreement. It is not possible to accurately predict the number of Shares that may be issued on conversion of the Convertible Notes as this will depend on the amounts of the Convertible Notes outstanding and the Conversion Price, which may be calculated on the VWAP on each occasion that a conversion notice is received by the Company.

Shareholders can find the following examples of the effect on the Company's capital structure and the voting power of Core Capital and/or its Associates in Schedule 3 of the Notice of Meeting:

a) at a Conversion Price of £0.009 (representing the highest Conversion Price pursuant to the Subscription Agreement); and
b) at a Conversion Price of £0.0045 (representing 50% of the highest Conversion price pursuant to the Subscription Agreement and the lowest Share price on AIM during the last 12 months).

26. The Notice refers to DI Holders. It is not clear what these are? It would be helpful if Range could explain.

Depositary Interests (DIs) are an alternative way to hold common shares in companies. The holder of DIs has beneficial ownership of the underlying common shares. Holders of DIs have the same voting rights as other shareholders. However, DI holders are not able to vote at the Meetings and must submit their votes in advance, as advised in the Notice of Meeting.

Effectively, anyone holding equity in the Company on the AIM market is a DI holder and anyone holding equity in the Company on the ASX market is a shareholder.

27. Can you provide a breakdown of the current and proposed future share holdings/total issued with Core Capital on board and Lind shares in and out, for comparison?

We have replicated table 10 provided in the IER to show the proposed future share capital structure post the Core Capital equity transaction:

Entity	Shares held	% of total
Core Capital	3,289,755,045*	39.1%
Abraham Limited	712,377,560	8.5%
TD Direct Investing Nominees (Europe) Limited	537,998,328	6.4%
Barclayshare Nominees Limited	494,532,031	5.9%
Hargreaves Lansdown Nominees Limited	460,442,544	5.5%
HSDL Nominees Limited	447,551,645	5.3%
Investor Nominees Limited	423,044,864	5.0%
HSBC Client Holdings Nominee (UK) Limited	192,144,944	2.3%
Wealth Nominees Limited	181,475,884	2.2%
State Street Nominees Limited	167,000,000	2.0%
Top 10 Shareholders	**6,906,322,845**	82.2%
Other Shareholders	1,500,601,388	17.8%
Total Shares on Issue	**8,406,924,233**	100.0%

**this number only includes shares to be issued under the equity placement and does not include shares to be issued upon conversion of the notes, as it is not possible to accurately predict the number of shares that may be issued on conversion of the convertible notes, as this will depend on the amounts of the convertible notes outstanding and the conversion price.*