

30 October 2019

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.

## QUARTERLY ACTIVITIES REPORT

Range provides its quarterly activities report for the period ended 30 September 2019 (Q1 FY20) with the following highlights:

- Average production for the quarter of 563 barrels of oil per day (“bopd”);
- Production increased by 12% from the previous quarter, following commissioning of upgraded storage facilities and completed workovers;
- SPA signed with LandOcean for the sale of RRTL in exchange for offsetting all outstanding debt and payables (US\$91.5 million as at 30 June 2019) and a cash consideration of US\$2.5 million, subject to shareholders' approvals and Trinidad government approvals;
- Subscription for new ordinary shares to raise £750,000 completed;
- Cash position of US\$2.4 million (unaudited);
- Subsequent to the quarter end:
  - SPA signed for the sale of four drilling rigs and related equipment for a total cash consideration of US\$3.6 million; and
  - Applied for the voluntary delisting from ASX which is expected to occur at close of trading on 25 November 2019.

## **DETAILED REVIEW OF THE QUARTER**

### **TRINIDAD**

#### ***Production***

Total net production for the quarter was 51,823 barrels of oil (net 563 bopd), which is a 12% increase from production in the previous quarter. This includes production from the Beach Marcelle and Morne Diablo waterflood programmes which continued at average rates of 166 bopd and 22 bopd, respectively.

Production increase was mainly attributed to higher production at the Beach Marcelle field following the commissioning of upgraded storage facilities. In addition, some of the completed workovers at the Morne Diablo and Beach Marcelle fields produced at higher rates than anticipated. In total, 30 workovers were completed during the period.

#### ***Morne Diablo infrastructure upgrades***

During the quarter, the Company commenced small scale infrastructure upgrades at the Morne Diablo field, which comprise repair and modification of the storage tanks. These upgrades are required to ensure the facilities meet regulatory standards.

#### ***Geological tool studies***

As previously advised, the Company acquired a new geological tool to undertake studies on its fields that are expected to significantly enhance subsurface understanding, and assist in identifying shallow reservoirs and economic well locations. The Company is in the process of testing the geotool and acquiring data for correlation.

### **CORPORATE**

#### ***Proposed debt restructuring and RRTL sale***

During the quarter, the Company announced that it signed a binding conditional Sale and Purchase Agreement with LandOcean for the sale of Range Resources Trinidad Limited ("RRTL") (the "SPA") in exchange for (i) offsetting all outstanding debt and payables (including the convertible note) due from Range and its subsidiaries to LandOcean and its subsidiaries, and (ii) a cash consideration of US\$2.5 million (the "Transaction"). RRTL holds interests in all of Range's oil and gas licences in Trinidad (onshore), namely Morne Diablo, South Quarry, Beach Marcelle (where RRTL holds a 100% interest), and St Mary's (where RRTL holds an 80% interest).

On completion, all outstanding debt from Range and its subsidiaries to LandOcean and its subsidiaries (including the US\$20 million convertible note) will be fully repaid by offsetting against the consideration and all underlying debt agreements will be terminated. From the date of signing the SPA and up to the completion date, all payables by Range to LandOcean under any underlying debt agreements will be deferred. The maturity date of the US\$20 million convertible note will change to the earlier of the date on which completion occurs under the SPA or the longstop date (being 30 June 2020). As part of the agreements, LandOcean undertakes not to issue a conversion notice.

Completion of the SPA is subject to satisfaction (or waiver) of the following key conditions:

- Approval by Range shareholders at General Meeting of the Company, as the Transaction would be a material disposal falling under AIM Rule 15 and the ASX Listing Rules and Corporations Act 2001 (Cth). The General Meeting is planned for 29 November 2019;
- Approval by LandOcean shareholders at the General Meeting of LandOcean, with the date of this meeting to be determined; and
- Approvals by the government of Trinidad and Tobago.

There can be no guarantee that the Transaction and debt restructuring will complete.

### ***£0.75 million subscription***

During the quarter, the Company completed a subscription for new ordinary shares to raise £0.75 million. As part of the subscription, the investor can nominate up to two non-executive directors to the Board of the Company and shall retain this ability for so long as it holds 10% or more of the Company's shares in issue.

### ***Director resignation***

During the quarter, Ms Juan Wang tendered her resignation as Non-Executive Director of the Company.

### ***Drilling rigs sale***

Subsequent to the quarter end, Range signed a Sale and Purchase Agreement with Wilson Energy Services Inc., a private company incorporated in Canada (the "Buyer") for the sale of four drilling rigs and related equipment of Range Resources Drilling Services Limited ("RRDSL", the "Seller") for a total cash consideration of US\$3.6 million.

Completion is subject to satisfaction of final inspection of the rigs and equipment by the Buyer and delivery of various documentation related to the rigs by the Seller, including documentation required for the transfer of ownership of the rigs by the Trinidad Transport Board and the Licensing Authority. The agreed long stop date for this transaction is 8 November 2019.

If the Transaction completes, RRDSL's residual rigs would comprise 7 workover and swabbing rigs and 1 drilling rig. RRDSL will continue to provide oilfield services to Range and other operators in Trinidad.

### ***Georgia legal action***

Subsequent to the quarter end, after careful consideration, Range withdrew the previously submitted Notice of Arbitration against Georgia on a without prejudice basis.

### ***Trinidad and Tobago tax appeals***

As previously disclosed, the Company is involved in tax appeals in Trinidad and Tobago. The total amount of all liabilities in dispute against Range is approximately US\$4.9 million, which has been prudently accrued by the Company. Whilst discussions continue, the matters have been listed for hearing in November 2019. The Company will provide an update on any matters as and when there are any material developments.

## Voluntary delisting from ASX

Subsequent to the quarter end, the Company applied to ASX requesting that ASX remove the Company from the official list of ASX (the "Official List") pursuant to ASX Listing Rule 17.11 and ASX accepted its application and resolved to remove the Company from the Official List, subject to the satisfaction of the conditions at close of trading on 25 November 2019. The Company will be sending out further information to ASX shareholders advising of options with regards to their shareholding.

## 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
St Mary's	Trinidad	80%	Range
Perlak <sup>1</sup>	Indonesia	23%	Aceh Timur Kawai Energi

### Notes:

1. Range's indirect interest in the Perlak field is held through its 60% shareholding in Hengtai, which holds a 78% interest in Lukar which in turn holds a 49% interest in Aceh Timur Kawai Energi.

## Competent Person statement

The information contained in this announcement has been reviewed and approved by Mr Lubing Liu. Mr Liu is a suitably qualified person with over 24 years of industry experience. He holds a BSc in Petroleum Engineering from the Southwest Petroleum University, China and is a member of the SPE (Society of Petroleum Engineers). Mr Liu holds the role of Chief Operating Officer and Trinidad General Manager with the Company.

### Contact Details

#### Range Resources Limited

Evgenia Bezruchko (Group Corporate Development Manager & Joint Company Secretary)

e. [admin@rangeresources.co.uk](mailto:admin@rangeresources.co.uk)

t. +44 (0)20 3865 8430

#### Cantor Fitzgerald Europe (Nominated Adviser and Broker)

David Porter / Rick Thompson (Corporate Finance)

t. +44 (0)20 7894 7000

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

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

**Name of entity**

Range Resources Limited

**ABN**

88 002 522 009

**Quarter ended ("current quarter")**

30 September 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$US'000</b>	<b>Year to date (3 months) \$US'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,200	1,200
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	(61)	(61)
(c) production	(368)	(368)
(d) staff costs	(626)	(626)
(e) administration and corporate costs	(1,665)	(1,665)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes (paid)/refunded	943	943
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(575)</b>	<b>(575)</b>

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

+ See chapter 19 for defined terms.

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$US'000</b>	<b>Year to date (3 months) \$US'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	925	925
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>925</b>	<b>925</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,116	2,116
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(575)	(575)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	925	925

+ See chapter 19 for defined terms.

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$US'000</b>	<b>Year to date (3 months) \$US'000</b>
4.5	Effect of movement in exchange rates on cash held	(96)	(96)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,370</b>	<b>2,370</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$US'000</b>	<b>Previous quarter \$US'000</b>
5.1	Bank balances	2,370	2,116
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,370</b>	<b>2,116</b>

**6. Payments to directors of the entity and their associates**

<b>Current quarter \$US'000</b>
-------------------------------------

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

687

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

-

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

Directors' fees and Directors' consulting fees.

**7. Payments to related entities of the entity and their associates**

<b>Current quarter \$US'000</b>
-------------------------------------

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

-

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

-

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

-

+ See chapter 19 for defined terms.

## Mining exploration entity and oil and gas exploration entity quarterly report

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

The details of the US\$20,000,000 convertible loan facility are as follows:

Issuer:	Range Resources Limited
Noteholder:	LandOcean Energy Services Co., Ltd
Amount:	US\$20,000,000
Maturity Date:	28 November 2019 (i)
Repayment:	Bullet at maturity date
Interest:	8% per annum, payable annually in arrears
Security:	None
Conversion Price:	£0.0088 per share
Lender Conversion Right:	At any time, in a minimum amount of US\$10,000,000

(i) As per SPA dated 2 September 2019, a maturity date is the earlier of 30 June 2020 and the date on which completion occurs. Under SPA, LandOcean undertakes not to issue a conversion notice.

On completion of Range Resources Trinidad Limited sale to LandOcean, all borrowings (including the convertible note) will be waived and form part of the transaction consideration.

<b>9. Estimated cash outflows for next quarter</b>	<b>\$US'000</b>
9.1 Exploration and evaluation	-
9.2 Development	-
9.3 Production	400
9.4 Staff costs	500
9.5 Administration and corporate costs	500
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>1,400</b>

+ See chapter 19 for defined terms.

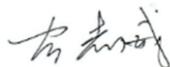
## Mining exploration entity and oil and gas exploration entity quarterly report

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

**Compliance statement**

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

Sign here:



Date: 29 October 2019

Director

Print name: Zhiwei Gu

**Notes**

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

+ See chapter 19 for defined terms.