

24 April 2018

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## QUARTERLY ACTIVITIES REPORT

Range, an international oil and gas company with assets in Trinidad and Indonesia, and an oilfield services business in Trinidad, provides its quarterly activities report for the period ended 31 March 2018 (Q3 FY18).

### Key highlights:

#### *Trinidad*

- Average production of 731 bopd, an increase of 16% from the previous quarter;
- Third consecutive quarter of significant growth in production achieved in Trinidad operations;
- Additional water storage facilities installed at the Beach Marcelle field;
- 57 workovers completed;
- Oilfield services business awarded new contract with Shell. Operations successfully completed during April 2018;

#### *Indonesia*

- Two offices established and management team in place;
- Preparations to commence field operations are underway;
- The rig is expected to be mobilized to site during the current quarter;

#### *Corporate*

- Trinidad operations demonstrated positive operating cashflow from activities during the quarter of US\$0.8 million (equivalent to US\$12 per barrel of production);
- Strong cash and liquid assets position of US\$9.5 million;
- Chief Operating Officer and Trinidad General Manager appointed;
- Legacy issue with Colombia successfully resolved (subsequent to the quarter end);

#### *Outlook*

- The Company will continue its work programme in Trinidad with production target of 800 bopd during the current quarter and 1,000 bopd prior to the end of 2018 (calendar year);
- Field operations expected to commence in Indonesia, targeting first production in mid-2018 (calendar year);
- It is expected that the planned well reopening and workovers in Indonesia could add up to 200 bopd of production (gross);

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- Fully funded current work programme activities;
- Discussions with potential new E&P clients for the provision of oilfield services are ongoing with a view of securing further third-party work and increasing revenues.

**Range's Chief Executive Officer, Yan Liu commented:**

*"We are pleased to be reporting our third consecutive quarter of significant production and revenue growth. As stated in the report achieving continued growth in production is not without its challenges but we have a clear plan in place to achieve our set targets, and I am fully confident that we can deliver on this goal.*

*One of the notable achievements during the quarter was a new contract award for our oilfield services business with Shell. The operations were completed safely and successfully during April, which is a testament to the quality of RRDSL's services, HSSE standards, equipment and personnel. We are aiming to capitalise on the recovering market by securing further contract work and establishing a solid client base.*

*I am also hugely excited with upcoming field operations in Indonesia, targeting a rapid return to production from this historic field. All preparations for first well reopening are progressing well and on track for commencement during the current quarter. We look forward to updating our shareholders on the progress in due course."*

## OPERATIONS – TRINIDAD

Range is pleased to be reporting significant production growth in Trinidad of 731 bopd, a 16% increase from the prior quarter. The majority of the production growth is attributed to the Beach Marcelle field.

Production at the Beach Marcelle field fluctuated during the quarter as a result of insufficient oil handling and storage capacity at the field. Early in the quarter, as a temporary solution the Company was using a rental truck to increase the frequency of trucking the produced oil from some of the wells. However, given the high cost associated with renting a truck from a third party, the Company terminated the arrangement, which resulted in only one tanker unit being used later in the quarter. In addition, due to lack of oil storage capacity some of the producing wells had to be temporarily suspended to prevent overflow.

To address these issues and increase production to above 800 bopd during the current quarter, Range is implementing the following actions:

- Acquiring its own truck (in addition to one existing truck already in use) to increase the frequency of trucking at the Beach Marcelle field;
- Installing an additional 500 barrel oil storage tank at the Beach Marcelle field. This will increase the oil storage capacity at the field to 2,100 barrels;
- Completing 44 workovers, reactivation and swabbing activities at the Beach Marcelle, Morne Diablo and South Quarry fields.

### ***Waterflood***

During the quarter, waterflood production from the South East area of Beach Marcelle field (the "SE project") continued at an average rate of 200 bopd.

As previously announced, the supply of injection water from Petrotrin has commenced. To increase the water storage capacity at the SE project the Company has installed an additional water storage tank. The addition of the tank has enabled the Company to increase injection rates up to 1,500 bwpd.

It has been challenging to maintain injection rates at a consistent level, as the total volume of water being received from Petrotrin fluctuates throughout the day and at times exceeds the agreed amount and capabilities of the existing pump. The Company is looking to upgrade to a larger pump to handle higher volumes of water more efficiently. Once completed, this should allow the Company to stabilise injection rates in a more consistent way.

### ***Workovers***

The Company also continues to undertake workovers on the existing wells to provide additional production. 57 workovers, have been completed during the period.

### ***Outlook***

The Company continues its work programme to target stable production growth in Trinidad to 800 bopd during the current quarter and 1,000 bopd prior to the end of 2018 (calendar year).

## ***Range Resources Drilling Services Limited ("RRDSL") contract award***

During the quarter, RRDSL was successfully awarded a contract with Shell Trinidad Central Block Limited, a subsidiary of Royal Dutch Shell plc ("Shell"). The work scope under the contract consisted of a one-well workover using RRDSL's Rig 19 at Shell's operations onshore Trinidad. Operations have been successfully completed during April 2018. Rig 19 has been demobilised from the location.

With over 15 E&P companies operating onshore Trinidad, the Company sees significant opportunity to expand third party customer base in the country. In addition, Range has an active ongoing marketing campaign in South America. The Company is in discussions with potential clients in the region and is hoping to secure further third-party work.

## **OPERATIONS – INDONESIA**

During the quarter, the Company provided an update with respect of its 2018 work plan at the Perlak field. The planned work programme significantly exceeds the minimum work obligation and comprises:

- Reopening of up to 10 existing, previously producing wells;
- 2 workovers of previously producing wells; and
- Geological, geophysical and integrity studies.

This work programme has been designed to swiftly reinstate production from the historically producing Perlak oilfield in 2018. It is expected that reopening and workovers on the planned wells could add up to 200 bopd of production (gross).

The preparatory work has already commenced. The operator of the project has identified the rig that will be used for the well reopenings and workovers and it is planned that the rig will be mobilized to site during the current quarter ahead of commencement of field operations. Range and its project partners have also set up two offices in Indonesia, including a corporate and an operations office.

## **CORPORATE**

### ***Appointment of Chief Operating Officer and Trinidad General Manager***

During the quarter, Range announced appointment of Mr Lubing Liu as Group Chief Operating Officer and General Manager of Trinidad, responsible for overseeing the Company's upstream and oilfield services operations focusing on Trinidad.

### ***Colombia***

Subsequent to the quarter end, Range announced that it reached an agreement with Agencia Nacional de Hidrocarburos ("ANH") to settle all outstanding historic claims and disputes between ANH and the consortium of Optima Oil Corporation and the Company (the "Consortium"). The agreement between the Consortium and ANH is subject to court approval in Colombia which is anticipated to be received within the next 3-6 months.

## 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
Guayaguayare Shallow <sup>1</sup>	Trinidad	65%	Range
Guayaguayare Deep <sup>1</sup>	Trinidad	80%	Range
Perlak <sup>2</sup>	Indonesia	23%	Aceh Timur Kawai Energi

### Notes:

1. The Production Sharing Contracts relating to Guayaguayare expired in 2015. Any renewal will be subject (inter alia) to government and other regulatory approvals.
2. 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 20 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 a role of a Chief Operating Officer and Trinidad General Manager with the Company.

### Note relating to statutory disclosure of significant shareholdings

Statutory disclosure of significant shareholdings (as defined in the AIM Rules) is different for Australian companies and may not always ensure compliance with the requirements of Rule 17 of the Aim Rules. All shareholders who are holding (directly or indirectly), 3% or more of the issued and outstanding Ordinary Shares are requested to notify the Company without delay of any changes to their holding which increase or decrease such holding through any single percentage. Likewise, shareholders who acquire 3% or more of the issued and outstanding Ordinary Shares are requested to notify the Company without delay.

### Contact Details

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## Appendix 5B

Mining exploration entity and oil and gas exploration entity  
quarterly report

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

## Name of entity

Range Resources Limited

## ABN

88 002 522 009

## Quarter ended ("current quarter")

31 March 2018

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (9 months) \$US'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	3,515	8,593
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	(1,372)	(3,094)
(c) production	(822)	(1,162)
(d) staff costs	(1,585)	(2,812)
(e) administration and corporate costs	(1,213)	(2,270)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	22	105
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes (paid)/refunded	647	1,438
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>(808)</b>	<b>799</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(228)	(228)
(b) tenements (see item 10)	-	-
(c) investments	-	(1,600)
(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 (9 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*	(221)	(5,029)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	(2,800)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(449)</b>	<b>(9,657)</b>

\* Loans to other entities are funding of Aceh Timur Kawai Energi (US\$221,000)

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(1,600)
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>-</b>	<b>(1,600)</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	8,140	17,458
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(807)	799
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(449)	(9,657)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(1,600)

+ 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 (9 months) \$US'000</b>
4.5	Effect of movement in exchange rates on cash held	(208)	(324)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>6,676</b>	<b>6,676</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	6,676	8,140
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>6,676</b>	<b>8,140</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

164

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>
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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
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

<b>9. Estimated cash outflows for next quarter</b>	<b>\$US'000</b>
9.1 Exploration and evaluation	-
9.2 Development	1,400
9.3 Production	800
9.4 Staff costs	1,600
9.5 Administration and corporate costs	800
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>4,600</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: 23 April 2018

Director

Print name: Yan Liu

**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.