

30 April 2019

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## QUARTERLY ACTIVITIES REPORT

Range, an international company with oil and gas assets and oilfield services operations in Trinidad and Indonesia, provides its quarterly activities report for the period ended 31 March 2019 (Q3 FY19) with the following highlights:

- Average production for the quarter of 487 barrels of oil per day ("bopd");
- Production was 15% lower from the previous quarter mainly due to natural decline of some of the producing wells, lower production of the waterflood producer wells and limited storage capacity;
- Exploration studies by independent consultants on the St Mary's licence completed. The results will be used to identify a prioritised list of drillable prospects on the licence;
- Independent consultants engaged to undertake a new waterflood development plan on the Beach Marcelle licence;
- 24 workovers on the existing wells completed;
- In Indonesia, the Company made a decision to write off the value of its investment and is exploring opportunities to dispose of its interest;
- Colombia legacy matter successfully concluded (subsequent to the quarter end);
- Conditional agreement signed with LandOcean to substantially restructure existing debt and extend the maturity profile. Completion of the restructured arrangements (amongst other conditions) is subject to approval by shareholders at a general meeting and the completion of a proposed new acquisition. A new transformational acquisition opportunity identified to acquire an interest in a pre-school education business, with due diligence underway;
- Dr Mu (Robin) Luo appointed as a Non-Executive Director;
- Mr Theo Eleftheriades assumed the role of Acting CFO and Ms Evgenia Bezruchko the role of Joint Company Secretary; and
- Cash position of US\$3.05 million (unaudited).

### Range's Executive Chairman, Kerry Gu commented:

*"I am delighted that we have been able to sign agreements to substantially restructure the balance sheet, which allows the Company to move forward with growing the business, progressing with new opportunities and demonstrating profitability without any repayments due until 2022 at the earliest. The agreements are (amongst other conditions) contingent on the Company completing a new acquisition."*

*We have identified a transformational acquisition opportunity of an educational company and have been progressing with due diligence on this company. We expect to complete this process during April and are hopeful that we will be in a position to sign binding terms shortly thereafter. I look forward to sharing more details with my fellow shareholders in due course and once again would like to thank all shareholders and finance partners for their continued support.”*

## **DETAILED REVIEW OF THE QUARTER**

### **TRINIDAD**

#### ***Production***

Total net production for the quarter was 43,824 barrels of oil (net 487 bopd), which is a 15% decrease from production in the previous quarter. Production decrease was attributed to a number of factors including natural production decline in some of the producing wells, and lower production at the Beach Marcelle waterflood producer wells. The Company is in the process of undertaking workovers on the selected Beach Marcelle waterflood wells to bring them back into production.

In addition, as previously reported, one of the sales tanks at the Beach Marcelle field had to be taken out of service due to a reported leak, with the Company being forced to shut in some of the producing wells. Range is undertaking a programme of infrastructure modernisation at the field to provide a greater resilience in the production infrastructure and enable future production growth. The programme is ongoing and is expected to be completed during Q3 2019.

#### ***Exploration studies completed on the St Mary's licence***

Subsequent to the quarter end, Range in combination with LEAP Energy Partners Sdn. Bhd ("LEAP"), a leading independent subsurface consultancy, completed new exploration studies on the St Mary's licence. The objective of these studies was to assess a work scope for the licence and establish its potential. The St Mary's licence, operated by Range, is a large onshore licence which is adjacent to, and contiguous with, a number of past and present producing fields at different reservoir horizons, including Range's producing Morne Diablo field.

The St Mary's licence includes 2D and 3D seismic, and 14 wells drilled to different depths and horizons. The LEAP study combined this data with publicly-available information from the nearby producing fields. A number of leads, previously identified by Range, have been further reviewed and assessed by LEAP, with a view to identifying any further work and data required to convert these leads into drillable prospects.

The study has targeted seven main prospects, at differing reservoir horizons (all producing at nearby fields), and with different potential volumes and levels of risk. The study suggests the potential, for each prospect, of reprocessing some of the seismic data, adding further 2D lines as necessary, and comparing the existing log data with the analogue producing fields nearby. Range will be actively following up these suggestions and conclusions, with the objective of identifying a prioritised list of drillable prospects on the licence. The Company is also considering various funding options, including a farm-out to third parties as part of its forward development plan of the licence.

***Waterflood development plan***

The Company engaged independent leading consultants Petrofac Facilities Management Limited and Rockflow Resources Ltd to jointly undertake a detailed new waterflood development plan on the Beach Marcelle licence. The aim of this work is to provide a subsurface-driven development plan for extending the current waterflood project to other areas of the Beach Marcelle field. The development plan is expected to be completed by the end of Q2 2019.

***Waterflood programme***

Production from the South East area of Beach Marcelle field (the “SE Project”) during the quarter continued at an average rate of 116 bopd. Since first commencement of production from the SE Project, the Company has produced over 100,000 barrels of oil to date. Production from the SE Project was lower during the quarter (previous quarter production of 160 bopd), as some of the producer wells in the scheme stopped flowing. The Company is in the process of undertaking workovers on the selected wells to bring them back into production.

The Company was also undertaking a programme of low-cost data collection on some of the identified wells on the SE Project with a view to incorporating additional wells into the scheme and expanding the area subjected to waterflooding. One additional producer well has been brought into production thus far. The other wells will be tested once the storage upgrade is complete.

***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. Preparations have been ongoing to commence the studies in Q2 2019, which will initially be focused on the Morne Diablo field.

***Optimization activities***

The Company continued with its optimization work programme and completed 24 workovers on the existing wells.

**INDONESIA**

Despite continued efforts by the operator of the project to establish production from the field, no continuous, sustained production has been achieved from work programme to date. Given these disappointing results, the Company made a decision to write off the value of its investment in Indonesia (as reported in the half-yearly report published on 18 March 2019). The Company is not currently intending to invest any material further sums into this project and is exploring opportunities to dispose of its interest.

## CORPORATE

### ***Proposed debt restructuring and acquisition***

During the quarter, Range signed agreements with LandOcean Energy Services Co., Ltd. ("LandOcean") to undertake a comprehensive restructuring of the outstanding payable balances and convertible note between the two parties. The key elements of the revised terms are:

- Existing US\$20 million convertible note is renewed for a further 3-year term. Interest rate is unchanged but interest will now only be payable at the maturity of the note. The conversion price of the new note will be 0.11p;
- US\$19.7 million of Non-Current Borrowings will be repaid through an issue of new shares in the Company to LandOcean at a price equal to the preceding 90-day VWAP;
- Repayment of all other interest-bearing trade payables and borrowings related to LandOcean will be extended by a further 3-year term at unchanged interest rate; and
- The US\$2.8 million refundable deposit advanced by Range towards the acquisition price for the purchase of RRDSL shall be permanently paid towards the acquisition price. Payment of the remaining net acquisition consideration of approximately US\$0.46 million will be extended by a further 3-year term.

The Proposed Debt Restructuring is subject to satisfaction (or waiver) of the following conditions:

1. Shareholder approval of the proposed issuance of shares to LandOcean (and any other required shareholder approvals to affect the Proposed Debt Restructuring) at a General Meeting of the Company. The Notice of Meeting and an Independent Expert's Report which will accompany the Notice of Meeting are expected to be published during Q2 2019;
2. Approval by LandOcean shareholders (if required); and
3. Completion of the Proposed Acquisition on or before the end of 2019.

The Board identified what it considers to be a transformational opportunity to acquire an interest in a pre-school education business operating in China. A detailed legal, financial and commercial due diligence process is currently underway. Range expects that the due diligence process will be completed during April 2019 and full details will be provided to shareholders upon signing of any binding agreements.

The Proposed Acquisition, if completed, would constitute a reverse takeover under Rule 14 of the AIM Rules. Admission to trading on AIM of the Company as enlarged by the Proposed Acquisition would require publication of an Admission Document and would be subject to a vote of the Company's shareholders. The Company requested a suspension of trading in its shares on AIM and ASX effective 18 March 2019 pending the publication of an admission document or confirmation by the Company that the Proposed Acquisition is not to proceed.

### ***Colombia legacy matter concluded***

Subsequent to the quarter end, the Company announced that the court in Colombia approved the decision to settle all outstanding historic claims and disputes between Agencia Nacional de Hidrocarburos ("ANH") and the consortium of Optima Oil Corporation and the Company (the "Consortium"). The key terms of the settlement arrangement are that ANH confirms that Range (and the Consortium) has no liability for any payments or debts, all proposed penalties have been lifted, the

Consortium agrees to waive all potential claims against ANH and the Consortium agrees to the termination of the exploration licences.

### ***Director and management changes***

Dr Mu (Robin) Luo was appointed as a Non-Executive Director of the Company effective 11 January 2019. Dr Luo is a senior oil and gas professional with 36 years' experience working for leading international E&P and oilfield services companies. He has worked on various giant conventional and unconventional projects across all levels from research to operations.

Mr Nick Beattie tendered his resignation as Chief Financial Officer ("CFO") and Joint Company Secretary, effective 1 April 2019. Mr Theo Eleftheriades, the Group Financial Controller assumed the role of Acting CFO and Ms Evgenia Bezruchko, the Group Corporate Development Manager assumed the role of Joint Company Secretary, both with effect from 1 April 2019.

### ***Share capital***

Following approval at the General Meeting held on 5 March 2019, the Company issued 1,739,076,923 new ordinary fully paid shares at A\$0.0013 in lieu of annual interest payment of US\$1.6 million under the convertible note with LandOcean.

Separately, 33,000,000 unlisted options previously issued to management exercisable on or before 30 March 2020 at £0.01 per option were cancelled.

## 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 23 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

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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 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$US'000</b>	<b>Year to date (9 months) \$US'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,985	6,306
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	(127)	(437)
(c) production	(645)	(2,127)
(d) staff costs	(712)	(2,938)
(e) administration and corporate costs	(915)	(2,692)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	10	33
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes (paid)/refunded	427	(176)
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>23</b>	<b>(2,031)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(642)
(b) tenements (see item 10)	-	-
(c) investments	-	(20)
(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	-	-
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>(662)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	1,251
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>-</b>	<b>1,251</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	2,955	4,036
4.2	Net cash from / (used in) operating activities (item 1.9 above)	23	(2,033)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(662)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	1,251

+ 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	69	455
4.6	<b>Cash and cash equivalents at end of period</b>	<b>3,047</b>	<b>3,047</b>

<b>5. 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	3,047	2,955
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,047</b>	<b>2,955</b>

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

<b>Current quarter \$US'000</b>
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6.1 Aggregate amount of payments to these parties included in item 1.2

89

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 2022
Repayment:	Bullet at maturity date
Interest:	8% per annum, payable at maturity
Security:	None
Conversion Price:	£0.0011 per share
Lender Conversion Right:	At any time, in a minimum amount of US\$10,000,000

*\*As announced on 18 March 2019, Range signed conditional debt restructuring agreements, whereby the convertible note is renewed for a further 3-year term and a conversion price revised to 0.11p. Completion of the proposed amendments is conditional upon: (i) Range shareholder approval being obtained, (ii) LandOcean shareholder approval (if required), and (iii) completion of a new acquisition by Range.*

<b>9. Estimated cash outflows for next quarter</b>	<b>\$US'000</b>
9.1 Exploration and evaluation	-
9.2 Development	100
9.3 Production	700
9.4 Staff costs	700
9.5 Administration and corporate costs	900
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>2,400</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: 30 April 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.