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The Manager
Company Announcements
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By e-lodgement

KEY APPOINTMENTS and INITIATIVES TO ACCELERATE PUNTLAND PROJECT

Key Highlights:

- Appointment of Mr Mark Patterson as Executive Consultant
- Appointment of Mr Fawaz Mourad as a Non Executive Director
- Appointment of two additional new consultants
- Proposed 1 for 2 non-renounceable rights issue to raise up to A\$5.0 million
- Entry into a Letter of Understanding with one of the world's leading geophysical services contractors, for the undertaking of 15,000 kilometres of 2-D seismic in Puntland's offshore oil and gas areas.

Australian Oil and Gas Company Range Resources Ltd (**ASX: RRS; AIM: RRL**) ("**Range**" or "**the Company**") is accelerating its Horn of Africa oil and gas exploration programme following the appointment of a highly experienced executive consultant, board member and consultant group, together with the signing of a Letter of Understanding for the completion of a regional survey of offshore Puntland oil and gas areas.

Board and Consultant Appointments

The Company is pleased to announce that it has appointed Mr Mark Patterson as an Executive Consultant to Range moving to an executive Director following successful completion of the Rights Issue referred to below. The appointment has been structured through a consultancy agreement ("**Consultancy Agreement**") with Texas Energy Advisors LLC (**TEA**), a specialist energy advisory firm under which TEA will provide the services of Mr Mark Patterson as Executive and Mr Greg Smith and Mr Pawan Sharma as consultants (**Consultants**). Further details are set out below:

- Mark Patterson.

Mr Patterson (age 53) has over 25 years experience in the oil and gas industry. He was Managing Partner of Calypso Energy LLC, an independent exploration and development company and part of the Calypso Energy group of companies he co-founded in 2000. He was also previously a non-executive director of AIM-listed PetroLatina Energy Plc, an oil and gas exploration focused on Latin America, and prior to which Chief Executive Officer of Compania General de Combustibles (**CGC**), one of Argentina's largest independent oil and gas companies with over US\$620 million in upstream and midstream assets. Under his direction, CGC generated record earnings and increased its net worth by more than 70%.

While at CGC, Mr Patterson served as Director of Transportadora de Gas del Norte (TGN), GasAndes, and several other companies in which CGC was a major shareholder. Prior to joining CGC, he was Division Manager for Argentina's YPF in charge of 90,000 barrels per day of non-operated production. Since 1997, Mr. Patterson has participated in the successful completion of over \$410 million in energy-related transactions and arranged financing for an additional \$120 million.

During his 13 years with Maxus Energy Corporation and its predecessor company Diamond Shamrock, he occupied positions of increasing responsibility including Offshore Exploration Manager, Exploration & Development Manager for North America, and General Manager for Maxus Bolivia, Inc. prior to joining Diamond Shamrock; he was Offshore Exploration Geophysicist for Getty Oil Company and Engineering Geophysicist for Fairfield Industries. Mr. Patterson and his exploration teams are credited with the discovery of more than 85 million barrels of oil and 300 billion cubic feet of natural gas.

Mr. Patterson holds a Bachelors Degree in Geology from the University of California Santa Barbara and a Masters Degree in Business Administration from Houston Baptist University.

- Mr Gregory Smith

Mr Gregory Smith (age 47) has been involved in the resources business for in excess of 20 years. He has a wide breadth of senior management and executive experience, having been associated with natural resource companies across the globe – coal bed methane in Wyoming; onshore oil and gas in Guatemala and Colombia; underground and open pit zinc mines in Canada; and corporate finance and advisory services throughout much of the world.

Mr. Smith is Chairman, CEO and founder of AIM-listed International Consolidated Minerals Inc, a South American focused mineral exploration and development company. Mr Smith is a founder of Texas Energy Advisors, formed in 2007.

From 2004 to June 2008, Mr. Smith founded and served as Executive Chairman of Petrolatina Energy Plc, an AIM listed oil and gas company with operations initially in Guatemala and now in Colombia. Between 2003 and 2004, he provided corporate advisory services to Ontzinc Corporation at its 1,000 tpd Balmat zinc mine in New York State, USA, including advice on financing the exploration program and the acquisition of Hudson Bay Mining. He also investigated and provided advisory services on possible mining acquisitions in Canada and Australia.

Between 1998 and 2001 he was the chairman of Powder River Basin Gas Corporation, which was a successful operator of coal bed methane in Wyoming, US. Through a drilling program overseen by Mr Smith, Powder River's reserve base increased from 0 to 17bcf of P1, P2 and P3 reserves. This entity merged with Imperial Petroleum in April 2003.

Mr Smith's 20 years of experience encompasses all of the major components of investigation, analysis, conceptual planning, exploration, development, financing (equity and debt), environmental aspects, governmental dealings, high level negotiations, acquisitions, executive management and corporate governance. He was educated in the United States, and received a degree in managerial sciences from the University of Nevada.

- Mr Pawan Sharma

Mr Pawan Sharma (age 34) has considerable legal and corporate finance experience, having been a lawyer at US law firm Debevoise & Plimpton and, most recently, a partner in the corporate department of London law firm, Stephenson Harwood. Mr Sharma has structured, led and advised on numerous debt and equity transactions, mergers and acquisitions and other corporate transactions for both start-up and FTSE 100 companies.

Mr Fawaz Mourad – New Board Appointment

Range is also pleased to announce the appointment, subject to standard AIM market related sign off requirements, Mr Fawaz Mourad as a Non Executive Director. Mr Mourad (age 52) has over 25 years of expertise in the oil and gas industry in Africa and the Middle East and has assisted with major seismic acquisition exercises in the Eastern Mediterranean. In recent years, Fawaz has been heavily involved in business development in North Africa and the Middle East. Mr Mourad is a director of Lake Energy Services and AFIL (Al Fardouss International) which is a representative for Norway based PGS-Marine, Petroleum Geoservices, out of Norway. He has been instrumental in assisting Range with the offshore transaction.

Moving Forward

As part of the changes to the Board of Directors, Mr Michael Povey will step down as a Director of Range with immediate effect. The Board thanks him for his contributions over the last 4 years. Mr Peter Landau will remain on the Board in an executive capacity in assisting the new management team for an interim period.

Mr Landau said *“Range considers the appointments of Messrs Patterson and Mourad and the new consultancy team to be a strong indication of its commitment to the development of its oil and gas areas in the Puntland State of Somalia. Range believes that the collective expertise of the new additions, together with that of the existing Directors, will provide the Company with the leadership it requires going forward and, particularly, in the development phase of the Puntland project. The Company will have representative offices in London, Perth, Dallas and Bosaso, Puntland.”*

Mr Patterson said *“Range is entering an exciting phase and has demonstrated that it is committed to its projects in Puntland, Somalia by engaging the necessary expertise to drive these projects forward.”*

Issue of Shares and Options to New Management

As part of the Consultancy Agreement with the new management team, an equity incentive package is proposed to be issued to TEA subject to any necessary approvals. The package will be equivalent to approximately 10% of the issued capital of Range, and comprise:

- The immediate issue of 15 million Range shares and 4.5 million Range listed options (expiring 1 October 2010 with a \$1.00 exercise price) as a sign-on fee;
- The contingent issue of a further 5 million Range shares subject to the completion of the rights issue (see below);
- The contingent issue of a further 10 million Range shares on Range entering into a formal joint venture agreement in relation to its offshore Puntland acreage with a party introduced by the new management team;
- The issue of a further 6.575 million options on the achievement of various performance milestones by the Company (full details will be provided with the obtaining of requisite shareholder approvals); and
- The issue of 4 million incentive options expiring 31 December 2011 with an exercise price of \$0.20 on the following terms;
 - 2 million incentive options to be issued in the event that Range's ordinary market capitalisation exceeds \$50 million for 10 consecutive trading days on the ASX; and
 - 2 million incentive options to be issued in the event that Ranges ordinary market capitalisation exceeds \$100 million for 10 consecutive trading days on the ASX.

Under the Consultancy Agreement, TEA will also be paid a retainer of approximately US\$45,000 per month for the services of the new management team (this includes the provision of support staff and offices in Dallas and London).

Subject to discussions that are yet to be finalised and any necessary approvals, Range may 'potentially' issue up to a further 36 million incentive options to other parties not related to Range (also excluding its existing significant shareholders) or the new management team in relation to supporting the proposed rights issue detailed below. Details of any such arrangements will be announced as soon as they are finalised.

Letter of Understanding - Leading Chinese Geophysical Service Operator

Range is also pleased to announce that it has entered into a Letter of Understanding (**Agreement**) with one of the world's leading Chinese Geophysical Service Operator (**Geophysical Operator**). The Agreement is in respect of completing a regional survey of offshore Puntland comprising 15,000 kilometres of 2-D seismic data on Puntland's offshore oil and gas areas.

Under the terms of the Agreement, the Geophysical Operator has conditionally agreed to finance 50% of the costs associated with the Seismic programme, by way of a multi client

tender programme for off shore Puntland and have a seismic charter available at this stage to commence before the end of 2008.

The estimated total cost of the seismic programme is US\$30 million. Led by the new management team, the Company is in discussions with a number of parties regarding the joint venturing of Range's current 100% interest in offshore Puntland, and the balance of the funding of the seismic programme. The Agreement is expected to move into a formal contract over the next 30 days subject to the securing of a Joint Venture partner.

Proposed Rights Issue

Range is proposing a non-renounceable rights issue to raise up to \$5.0 million (before expenses) (**Rights Issue**).

Key Terms of Rights Issue

The terms of the proposed Rights Issue remain subject to finalisation. The intention is that Range shareholders shall be entitled to acquire one (1) new ordinary Range share (**New Share**) for every two (2) existing Range shares held at the record date. The New Shares will have an issue price of \$0.05 per New Share. For every two (2) New Shares subscribed, Shareholders shall receive one (1) free listed attaching option (\$0.20; 31 December 2011) (**Attaching Option**).

Range is seeking advice on structuring the payment terms of the New Shares that will comply with regulatory requirements to allow Shareholders to have the option to part pay given current world markets and potential positive developments in Puntland moving forward.

Range will announce the full terms and conditions of the proposed Rights Issue together with the associated Appendix 3B and proposed timetable as soon as they are finalised.

Bonus Option

In addition, the Attaching Option shall carry with it the right to a bonus, listed option (RRSOA; \$1.00; 1 October 2010) (**Bonus Option**) if the Attaching Option is exercised by the holder before a specified date pursuant to a call by the Directors as a result of a need for further capital to potentially contribute to any funding obligations for the Company's farm-in arrangements – as covered by the PSC's (and other agreements). Based on current budgets, it is expected that Range will possibly have to begin to contribute to its 20% participating interest on or near to the commencement of drilling in the Dharoor basin. There is no obligation on Option holders to exercise pursuant to a call.

Shortfall

In the event any New Shares are not taken up by existing Range shareholders (**Shortfall**), the Company proposes to offer those persons who were registered as holders of \$1.00 unlisted options (**Expired Options**), which expired on 1 October 2008 (**Expiry Date**), on the date of such expiry (**Ex-Optionholders**), the right to subscribe under the Shortfall for 1 New Share at \$0.05 per New Share (with the free Attaching 1 for 2 Option) on the basis of every 2 Expired Options held on the Expiry Date.

If the Shortfall is oversubscribed by the Ex-Optionholders, the Company will use its 15% capacity pursuant to ASX Listing Rules to issue further New Shares (and Attaching Options) to the Ex-Optionholders.

Capital Structure

If the proposed Rights Issue is fully subscribed, 97,152,472 New Shares and 48,576,236 Attaching Options will be issued. It is proposed that the funds raised from the Rights Issue will be used to further progress Range's Puntland Projects. A table setting out the indicative effect on Range's capital structure of the proposed Rights Issue and the issue of shares and options to the new management team is annexed to this announcement. It is noted that Range cannot lodge an Appendix 3B at this point in time as the terms of the Rights Issue and other issues are still being finalised.

The Company is currently finalising the terms and timetable for the Rights Issue and also talking to potential underwriters for the issue. Details of these matters will be included in an offer document for the Rights Issue.

Yours faithfully



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RANGE RESOURCES LTD – CAPITAL STRUCTURE

	Shares	Options
Existing (as at 23/10/08)	194,304,944	60,401,186 ¹ 2,952,029 ²
<i>Contingent obligation to issue securities to Original Vendor of Puntland Project</i>	contingent: 45,000,000 ¹¹	contingent: 11,250,000 ¹¹
Proposed		
<i>Rights Issue</i> ³	97,152,472	48,576,236 ⁴
<i>New Management</i>	15,000,000	4,500,000 ⁷
	contingent: 5,000,000 ⁵ 10,000,000 ⁶	contingent: 6,575,000 ⁸
<i>Incentive Options</i>		contingent: 20,000,000 ⁹ 20,000,000 ¹⁰

¹ Listed ASX: RRSOA (1 October 2010; A\$1.00)

² Unlisted (30 June 2012; A\$0.50).

³ 1 for 2 (non-renounceable) rights issue at A\$0.05 per share with a 1 for 2 free attaching option (to be listed on ASX: 31 December 2011; A\$0.20) to raise A\$5 million. Assumes expired option holders do not subscribe for more rights shares than the shortfall;

⁴ To be listed on ASX (31 December 2011; A\$0.20).

⁵ Contingent on the completion of the Rights Issue referred to in note 3 above.

⁶ Contingent on Range entering into a joint venture agreement in relation to off-shore Puntland with a third party introduced by the new management.

⁷ Listed ASX: RRSOA (1 October 2010; A\$1.00)

⁸ Various milestone options

⁹ Proposed Incentive Options (listed 31 December 2011; A\$0.20) with respect to Range's market capitalisation equalling or exceeding A\$50 million for a period of 10 consecutive trading days on ASX.

¹⁰ Proposed Incentive Options (listed 31 December 2011; A\$0.20) with respect to Range's market capitalisation (based on issued shares only) equalling or exceeding A\$100 million for a period of 10 consecutive trading days on ASX.

¹¹ Contingent on completion of first well as approved by shareholders in 2007.