

# RANGE

RESOURCES LTD

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**“If you can find a path with no obstacles it probably doesn’t lead anywhere”**

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# Overview



- Range Resources is an AIM (RRL) and ASX (RRS) listed exploration company with interests in Puntland, an autonomous state within Somalia
- Shared exclusive rights to all strategically identified regions for onshore and offshore oil & gas. Wholly exclusive minerals rights in Puntland (initially focused on oil & gas)
- Potential replica of the 5 bn bbl - 10 bn bbl hydrocarbon basins in nearby Yemen
- Somalia, and in particular Puntland, remains one of the last under-explored countries that has potential for considerable reserves of hydrocarbons
- Over US\$150 million estimated spend in region by major corporations prior to political instability in early 1990s
- Excellent relationship with Puntland Government and local clans
- US\$50 million, 80% farm-in agreement (4 wells) with Africa Oil Corp. (TSXV:AOI) on two main onshore basins (Nogal and Dharoor)
- Seismic reinterpretation results and ready to drill targets completed for Nogal
- 2,600km of 2D seismic on Dharoor Basin continuing with rig mobilisation planned for Nov/Dec 2008 and spudding early 2009.
- Competent Persons Report - Estimated Gross Oil in Place between 2.2 bn bbl -10.4 bn bbl on one of the onshore basins (Nogal)

# Puntland – Assessing Political and Legal Risk



- Puntland is an autonomous state within Somalia, recognised by the Transitional Federal Government of Somalia
- Elections held since 2001 with relatively stable political infrastructure
- The Political situation in Puntland is comparatively stable with a respected President and civil order – very different to that affecting Mogadishu
- Recent changes in the political control of southern Somalia have not extended into Puntland. The comparative stability in Puntland largely reflects the clan loyalty system which plays a large role in Somalia's political system- Major risk at present is with terrorist arm of the Islamic Courts (Al Shabaab)
- Elections to be held January 2009





# Puntland – Assessing Political and Legal Risk



- Recent events see Puntland confirming autonomous power and control over natural resources
- Border issues with Somaliland but almost all clan and local support with Puntland
- Previous concession holders (abandonment/ relinquishment and/on previous regime no longer exists)
- Previous major claiming acreage under force majeure until 2002. 2003 acreage written down from portfolio
- Puntland Government statement following Age article.



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# Africa Oil Farm-in and PSA



In January 2007, a subsidiary of Africa Oil Corporation (listed on the TSX Venture Exchange) signed a farm-in agreement relating to Range Resource's onshore petroleum rights

Africa Oil will be the operator of the onshore oil and gas exploration effort with an obligation to spend US\$45 million to earn an 80% interest in the two main basin areas in Puntland (the Nogal and Dharoor Basins) – split \$22.5m each basin

Africa Oil also provides technical expertise, regional experience and strong financial backing

- Richard Schmitt, President of Africa Oil, has over 29 years of industry experience and has spent a significant part of his career managing and developing projects in the prolific oil basins of Yemen
- The Lundin group is a significant stakeholder of Africa Oil
- Drilling major appointed (Paul Colyer) - 35 years experience including managing drilling programmes in Yemen and Somalia
- Yemen style PSA: Government 4 -10% sliding sale royalty with 50:50 profit split





# Independent Report- Nogal Basin

**Table S-1**  
**Summary of Undiscovered In-Place Oil Resources for the Nogal Valley Block Puntland, Somalia**

	Estimated Gross Oil-in-Place (MMbbls)			Estimated Net (20%) Oil-in-Place (MMbbls)		
	Low	Best	High	Low	Best	High
Undiscovered Oil-in-Place	2,213	4,301	10,397	443	860	2,079

Notes: (1) Estimates are on an unrisks basis; (2) Company Net interest of 20% (carried through exploration phase); and (3) Africa Oil is the operator

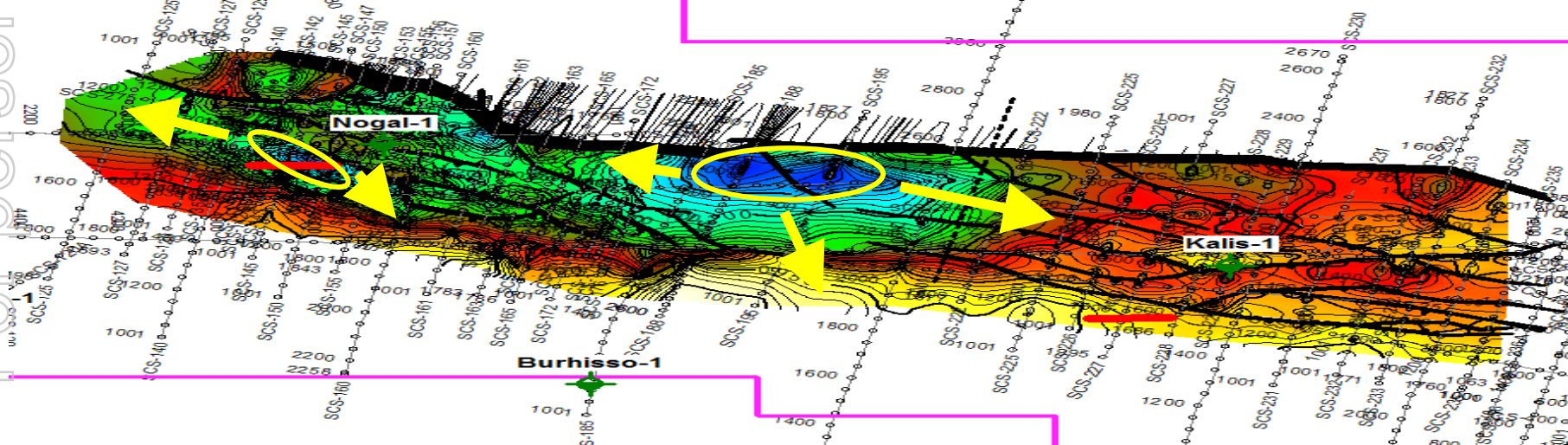
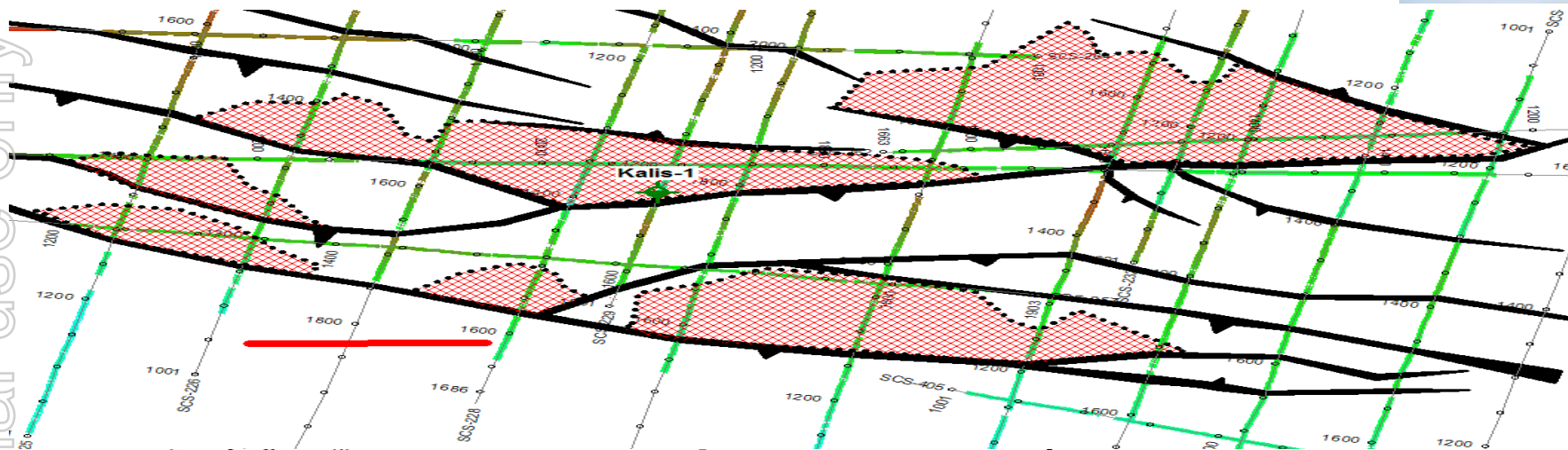
**Nogal Valley Block**  
**Range of Reservoir Parameters**

Zone	Jesomma (Cretaceous)		Gumburo (Cretaceous)		Gabredarre (Jurassic)	
Reservoir Type	Sandstone		Sandstone /Carbonate		Sandstone	
Hydrocarbon Type	Oil		Oil		Oil	
Range	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
Porosity (%)	13	21	8	13	15	25
Water Saturation (%)	31	49	36	58	23	37
Net Reservoir Thickness (ft)	20	100	20	200	20	200
Area (acres)	The areas were taken as a log normal distribution with a minimum (P90) of 160 acres and the maximum (P10) was varied from 1200 to 14200 acres within the 7 potential structures.					
1/Bo (stb/bbl)	0.77	0.91	0.77	0.91	0.77	0.91
Recovery Factor (%)	12.5	30	1.25	30	12.5	30

Notes: Extract from Sproule International Limited (Competent Person's Report – [www.rangeresources.com.au](http://www.rangeresources.com.au))

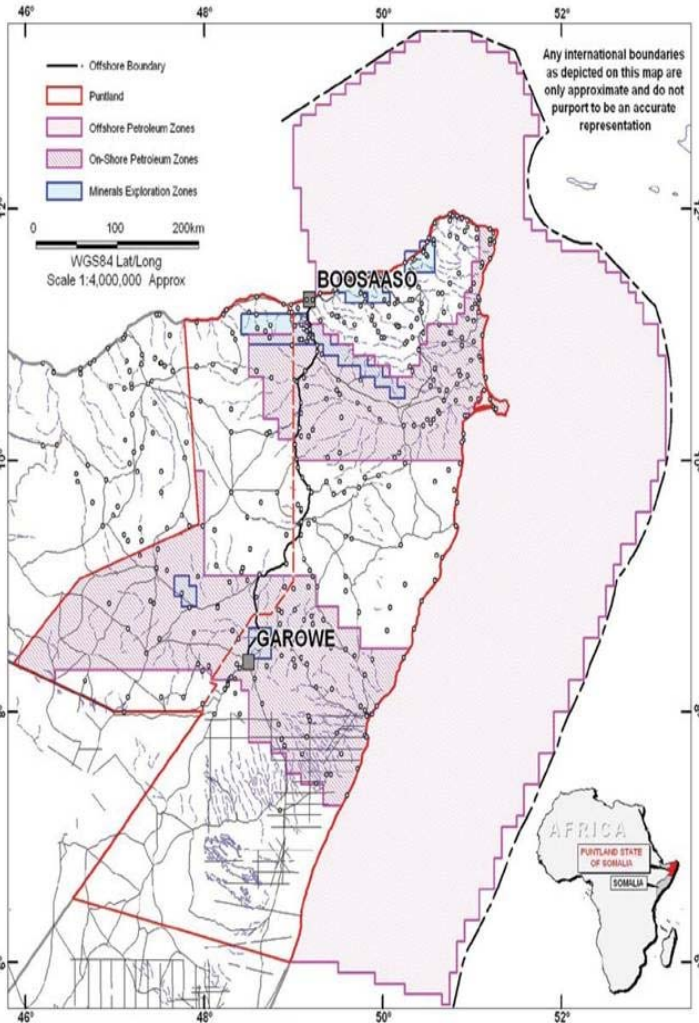


# Key Prospects



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# Puntland Concessions - World Class Acreage



81,000 km<sup>2</sup>  
Numerous  
Prospects



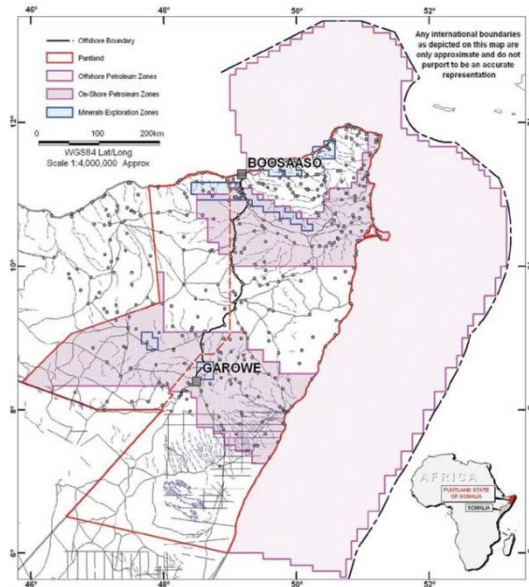
Nogal Basin



Old Exploration Camp



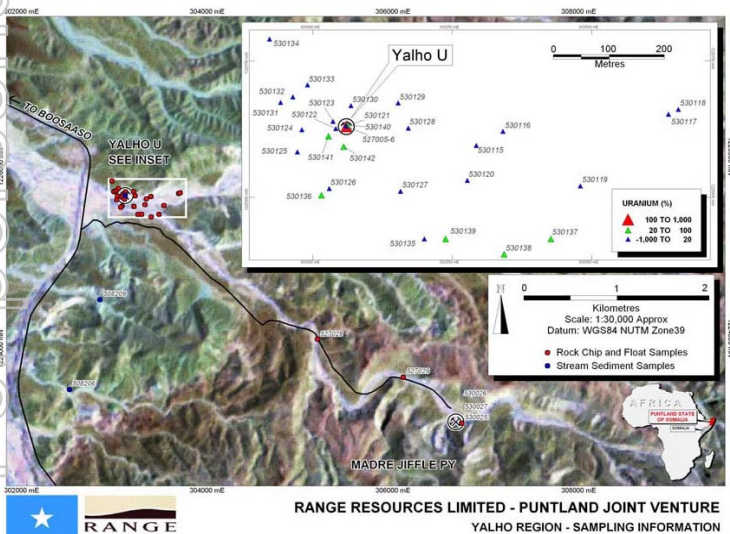
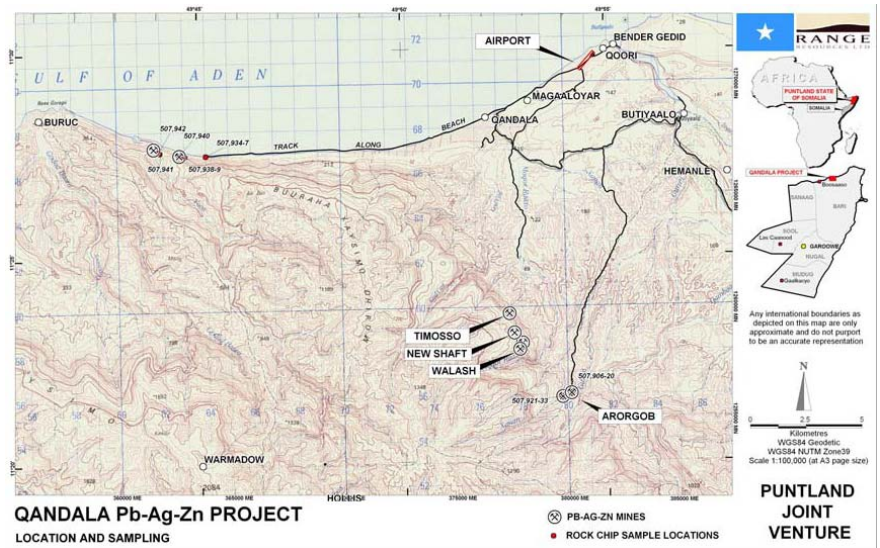
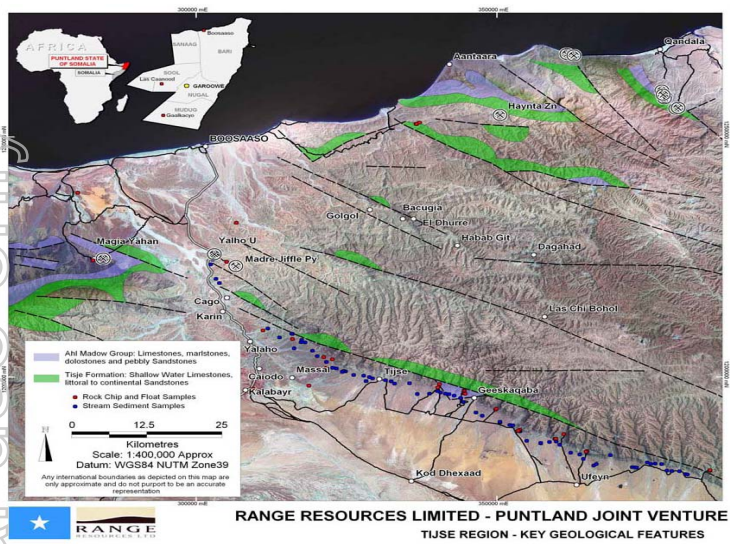
# Offshore Potential



- Offer of Seismic Boat from Dec 2009 from major Chinese group.
- 15,000km of 2D line seismic planned.
- New Management in negotiations with potential joint venture partners
- Offer to fund 50% of US\$22.5m cost. (approx) JV partners the balance.
- No piracy has occurred in Puntland waters with escorted vessels utilised as appropriate security.
- Range intention to retain 20% - 30% interest upon completion of 2D seismic



# Mineral Potential



- Silver, Lead, Zinc

Historic mines at Qandala

Geology Analogous to Jabali deposit in Yemen.  
Reported reserve of 8.7mt at 9.2% Zn (ZincOx Resources Plc)

Other major argentiferous lead occurrences identified

- Uranium

Historical reports identified significant  $U_3O_8$  anomaly

Sampling programme warrants drilling programme



# 2008/2009 Work Programme

- Africa Oil has completed reviews of extensive data collected by Puntland Government and Range Resources including reprocessing and reinterpreting seismic tapes
- Reinterpretation results and ready to drill targets (Nogal Valley) identified with contractor selected. Current programme is for Nogal to be drilled after Dharoor Valley
- 2,600km 2D seismic programme commenced in May 2008 for Dharoor Valley
- Rig mobilisation for Dharoor planned for 4th quarter of 2008, spudding early 2009. Minimum of 2 back to back wells.
- 2D offshore seismic programme planned for 1st quarter 2009.



**Bosasso Port**



**Main Road to Garowe**

# Seismic Update

Range Resources through its joint venture partner Africa Oil Corporation have made a positive start to the commencement of seismic operations in the Dharoor Valley in Northern Puntland). Approximately 2600km of high quality 2D vibroseis is being acquired as part of a comprehensive programme of exploration work in the region.

Key milestones achieved to date include:

- Establishment of onsite camp and operational facilities;
- Successful liaison and communication initiatives with local communities and clans;
- Successful arrival of seismic equipment at Boosaaso Port.
- 800km of seismic completed



**Trucks arriving at Bosasso Port**



**Seismic trucks leave in convoy**



# Capital Structure

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

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

<sup>2</sup> Unlisted (30 June 2012; A\$0.50).

<sup>3</sup> 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;

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

<sup>5</sup> Contingent on the completion of the Rights Issue referred to in note 3 above.

<sup>6</sup> Contingent on Range entering into a joint venture agreement in relation to off-shore Puntland with a third party introduced by the new management prior to [date].

<sup>7</sup> Listed ASX: RRSOA (1 October 2010; A\$1.00)

<sup>8</sup> Various milestone options

<sup>9</sup> 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.

<sup>10</sup> 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.

<sup>11</sup> Contingent on completion of first well as approved by shareholders in 2007.





# New management team

## **Mark Patterson – Executive Consultant (Director upon completion of Rights Issue)**

Mark has over 25 years experience in the oil and gas industry.

Mark is 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. Mark was previously a director of Petrolatina Energy Plc (AIM:PELE), and AIM listed Latin American exploration and production company. He is the former Chief Executive Officer of Compania General de Combustibles ("CGC"), one of Argentina's largest independent oil and gas companies with over \$620 MM 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.

## **Consultants**

**Gregory Smith** - Chairman of International Consolidated Mining. He is Executive Chairman of PetroLatina Energy Plc, an AIM listed oil and gas exploration company with an initial focus on Latin America.

Before establishing ICM, Mr. Smith was the managing partner in TVL, a company that specialises in raising venture capital for the energy and mining sector. 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. This merged with Imperial Petroleum in April 2003.

From 1993 to 2001 Mr. Smith was President of Renaissance Companies Inc, a structured finance group specialising in fund raising in varying forms for the energy and real estate sectors in the U.S. He has a degree in managerial sciences from the University of Nevada.

**Pawan Sharma** has over ten years' legal and corporate finance experience. He qualified as a solicitor and practiced with US law firms Morgan Lewis & Bockius and Debevoise & Plimpton, before moving in-house to become General Counsel for Sony Entertainment Television in India. Returning to private practice, Pawan was most recently a partner in the Corporate Department at Stephenson Harwood in London.

Mr. Sharma has considerable transactional experience, having structured, led and advised on numerous debt and equity transactions (IPO's, private placements and private equity), mergers & acquisitions, divestures, and other corporate transactions for start-up to FTSE 100 companies.



# Board of Directors

## **Sir Sam Jonah – Non-Executive Chairman**

- Member of advisory committees including President Thabo Mbeki's International Investment Advisory Council of South Africa, President Kufuor's Ghana Investors' Advisory Council, and the United Nations Secretary General's Global Compact Advisory Council
- Director on public and private company boards including AngloGold Ashanti Limited, Anglo American Corporation of South Africa, Anglo American Platinum Corporation Ltd. (Amplats), Titanium Resources Group Ltd., and Standard Bank Group
- Adviser to four Presidents in Africa - President Kufuor of Ghana, President Obasanjo of Nigeria, President Mbeki of South Africa and President Hersi of Puntland

## **Peter Landau – Executive Director/Company Secretary**

- Previously Mr Landau is a corporate lawyer and corporate advisor having previously worked with Grange Consulting Group, Clayton Utz and as general counsel at Co-operative Bulk Handling.
- Responsible for providing general corporate, capital raising, transaction and strategic advice to numerous ASX listed and unlisted companies.
- Mr Landau has project managed a significant number of mining exploration and development transactions including capital raisings, M & A, joint ventures and financings. Mr Landau is a Director of a number of ASX and AIM listed companies with particular focus on mining, oil and gas exploration and development in Australia and Africa.
- Currently a Director of Range Resources Limited, Nkwe Platinum Limited, Continental Capital Limited and Cape Lambert Iron Ore Limited.

## **Marcus Edwards-Jones – Non-Executive Director**

- Managing Director (and Co-founder) of Lloyd Edwards-Jones S.A.S, a boutique European financial house
- Previously held senior positions with Bank Julius Baer Paris, (European equities) and UK/Continental European equity sales at Credit Lyonnais Securities.
- significant experience in world wide institutional capital raisings for large resource projects in Africa

# Contact Information

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