

10 January 2011

Australian Securities Exchange
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Via e-lodgement

HEADS OF AGREEMENT EXECUTED ON GEORGIAN LICENSES

Highlights

- **Heads of Agreement signed with Red Emperor Resources NL seeing Red Emperor acquire a 20% interest (10% from Range / 10% from Strait) in the two Georgian Licenses;**
- **Red Emperor to pay 40% of the costs of the two well program in return for acquiring the 20% interest; and**
- **Red Emperor intends to offer Range Resource's ASX and AIM shareholders an opportunity to participate in future capital raising.**

Range Resources Limited ("**Range**" or "**the Company**") (ASX: RRS / AIM: RRL) along with its Georgian partner Strait Oil and Gas UK Limited ("**Strait**") is pleased to announce that it has entered into a Heads of Agreement ("**HOA**") with Red Emperor Resources NL ("**Red Emperor**") (ASX: RMP) to acquire a 20% farm-in interest (10% from Range and 10% from Strait) in Block VIa and Block VIb in Georgia.

The key terms of the HOA will see Red Emperor contribute 40% of the drilling costs for the planned two well program (capped at total gross costs of \$14m – RMP contributing \$5.6m) to acquire the 20% interest in the two blocks.

The Company believes the transaction significantly reduces the Company's financial exposure to the two well drilling program through the favourable two-for-one farm-in terms, whilst still maintaining a significant 40% interest in the two blocks.

As part of the discussions with Red Emperor's management, it is Red Emperor's intention to offer Range's ASX and AIM shareholders the opportunity to participate in a future capital raising subject to necessary regulatory requirements. Details of this offer to Range's ASX and AIM shareholders will be communicated closer to the time of the capital raising.

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Terms of the Heads of Agreement

Terms of the Heads of Agreement entered into with Red Emperor are as follows with the following conditions precedent:

- (a) Completion by Red Emperor, to the reasonable satisfaction of its directors, of all necessary due diligence investigations in respect of Strait and the Georgian Blocks by 31 January 2011 (or such later date as agreed by the parties);
- (b) The execution of the Share Subscription Agreement by the parties by 28 February 2011 (or such later date as agreed by the parties);
- (c) Range and Strait procuring any necessary third party consents for the subscription of Shares to the Purchaser as a result of the Transaction (if required) by 15 February 2011; and
- (d) Receipt of all necessary ministerial consent, government and regulatory approvals, in respect of the Subscription of Shares by 15 February 2011 (or such later date as agreed by the parties).

For and on behalf of the Board

Regards



Peter Landau
Executive Director

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Range Background

Range Resources is a dual listed (ASX: RRS; AIM: RRL) oil & gas exploration company with oil & gas interests in the frontier state of Puntland, Somalia, the Republic of Georgia and Texas, USA.

- Range holds a 25% interest in the initial Smith #1 well and 20% interest in further wells on the North Chapman Ranch project, Texas. The project area encompasses approximately 1,680 acres in one of the most prolific oil and gas producing trends in the State of Texas. Drilling of the first well has resulted in a commercial discovery with independently assessed gross recoverable reserves in place of 240 Bcf of natural gas, 18 mmbbls of oil and 17 mmbbls of natural gas liquids.
- Range holds a 13.56% interest in the East Texas Cotton Valley Prospect in Red River County, Texas, USA, with the prospect's project area encompasses approximately 1,570 acres encompassing a recent oil discovery. Independently assessed gross recoverable reserves in place of 5.4 Mmbbls of oil.
- In Puntland, Range holds a 20% working interest in two licences encompassing the highly prospective Dharoor and Nugaal valleys with plans to drill two wells (TSXV:AOI) – 45% Operator, in 2011.
- In the Republic of Georgia, Range holds a 50% farm-in interest in onshore blocks VIa and VIb, covering approx. 7,000sq.km. Currently, Range has recently completed a 410km 2D seismic program with independent consultants RPS Energy identifying 68 potential structures containing and estimated 2.045 billion barrels of oil-in-place.
- In Trinidad Range has entered into a HOA to acquire a 10% interest in holding companies with three onshore production licenses. Independently assessed gross recoverable P2 reserves in place of 4.8MMbbls.

The reserves estimate for the North Chapman Ranch Project and East Texas Cotton Valley has been formulated by Lonquist & Co LLC who are Petroleum Consultants based in the United States with offices in Houston and Austin. Lonquist provides specific engineering services to the oil and gas exploration and production industry, and consults on all aspects of petroleum geology and engineering for both domestic and international projects and companies. Lonquist & Co LLC have consented in writing to the reference to them in this announcement and to the estimates of oil, natural gas and natural gas liquids provided. These estimates were formulated in accordance with the guidelines of the Society of Petroleum Engineers ("SPE"). The SPE Reserve definitions can be found on the SPE website at www.spe.org.

The reserves estimates for the 3 Trinidad blocks referred above have been formulated by Forrest A. Garb & Associates, Inc. (FGA). FGA is an international petroleum engineering and geologic consulting firm staffed by experienced engineers and geologists. Collectively FGA staff has more than a century of world-wide experience. FGA have consented in writing to the reference to them in this announcement and to the estimates of oil and natural gas liquids provided. The definitions for oil and gas reserves are in accordance with SEC Regulation S-X.

RPS Group is an International Petroleum Consulting Firm with offices worldwide, who specialise in the evaluation of resources, and have consented to the information with regards to the Company's Georgian interests in the form and context that they appear. These estimates were formulated in accordance with the guidelines of the Society of Petroleum Engineers ("SPE").