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RANGE RESOURCES LIMITED
AND CONTROLLED ENTITIES

ABN 88 002 522 009

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2011

RANGE RESOURCES LIMITED
AND CONTROLLED ENTITIES
ABN 88 002 522 009

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C O R P O R A T E D I R E C T O R Y

Directors

Samuel JONAH
(Non-Executive Chairman)
Peter LANDAU
(Executive Director)
Marcus EDWARDS-JONES
(Non-Executive Director)
Anthony EASTMAN
(Executive Director)

Company Secretary

Jane FLEGG
Anthony EASTMAN

Registered Office

Ground Floor, 1 Havelock Street
WEST PERTH WA 6005
Telephone: (08) 9488 5220
Facsimile: (08) 9324 2400

Principal Place of Business

Ground Floor, 1 Havelock Street
WEST PERTH WA 6005
Telephone: (08) 9488 5220

Facsimile: (08) 9324 2400
Website: www.rangeresources.com.au

Country of Incorporation

Australia

Auditors

BDO Audit (WA) Pty Ltd
38 Station Street
SUBIACO WA 6008
Telephone: (08) 6382 4600
Facsimile: (08) 6382 4601

Share Registry (Australia)

Computershare Investor Services Pty Ltd
Level 2, Reserve Bank Building
45 St Georges Terrace
PERTH WA 6000
Telephone: (08) 9323 2000
Facsimile: (08) 9323 2033

Share Registry (United Kingdom)

Computershare Investor Services plc
The Pavilions
Bridgewater Road
Bristol BS99 6ZZ
United Kingdom
Telephone: +44 (0) 870 703 6300
Facsimile: +44 (0) 870 703 6114

Home Exchange

Australian Stock Exchange Limited
Exchange Plaza
2 The Esplanade
PERTH WA 6000

ASX Code: RRS

Overseas Exchange

Alternative Investment Markets (AIM)
c/- London Stock Exchange
LONDON UK

AIM Code: RRL

Your directors present their report on the company and its controlled entities for the financial year ended 30 June 2011.

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DIRECTORS' REPORT

DIRECTORS

The names of the directors in office and at any time during, or since the end of, the year are:

Sir Samuel Jonah
Mr Peter Landau
Mr Marcus Edwards-Jones
Mr Anthony Eastman

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

COMPANY SECRETARY

The following persons held the position of company secretary at the end of the financial year:

Mr Anthony Eastman
Ms Jane Flegg

PRINCIPAL ACTIVITIES

The principal activity of the economic entity during the financial year was hydrocarbon exploration and development within Somalia, Republic of Georgia, Texas and Trinidad.

The following significant changes in the nature of the principle activity occurred during the financial year:

- The Company expanded its hydrocarbon exploration and development focus through the completion of the acquisition of 100% interest in Trinidad company that holds three onshore oil and gas licenses and a fully operational drilling subsidiary, with the company receiving the shares in SOCA post year end.

OPERATING RESULTS

The consolidated loss of the economic entity for the financial year after providing for income tax amounted to \$15,506,885 (2010: \$8,838,586)

DIVIDENDS PAID OR RECOMMENDED

The directors recommend that no dividend be paid for the year ended 30 June 2011, nor have any amounts been paid or declared by way of dividend since the end of the previous financial year.

DIRECTORS' REPORT

REVIEW OF OPERATIONS

- Puntland Onshore Production Sharing Agreements ratified by the New Puntland Government in the prior year have been extended a year into early 2012, with key contracts signed subsequent to year end paving the way for the historic spudding of the first of two planned exploration wells on the Company's Puntland assets.
- Successful completion of a 410km 2D seismic program in Georgia and subsequent geochemical helium survey which has led to the spudding of the first of two exploration wells on the Georgia licences subsequent to year end.
- Acquisition of a 25% interest in the first well (Smith #1 well – 20% on subsequent wells) in well known Texan oil and gas field.
- First production achieved during the year on the Company's second well on the North Chapman Ranch project – with a successful fracture stimulation program completed on both wells.
- Increased interest to 21.75% in second Texan property during the year with first well having spudded.
- Acquisition of 100% in Holding Company which holds interests in three onshore Trinidad projects plus drilling company, with the shares in SOCA received post year end.
- The Company successfully completed a number of capital raisings during the year.

Georgia

During the year, the Company received the results from the report entitled Seismic Interpretation, Field Mapping and Evaluation of Prospective Hydrocarbon Volumes across the Company's two Georgian blocks (Block VIa and Block VIb) completed by leading International Oil and Gas Seismic Consultancy firm RPS Energy ("RPS").

RPS identified a total of 68 structural culminations across the two blocks each of which potentially contains stacked reservoirs. Total combined best estimate of gross unrisked oil-in-place across these 68 identified structural culminations amounts to 2,045 million barrels. Recovery factors for oil in place can be conservatively estimated at 30%.

Of the 68 identified prospective targets across the two blocks, 6 structures have been prioritised as being ready for drilling. Of these 6 structures, total gross unrisked oil-in-place has been estimated at 728 million barrels.

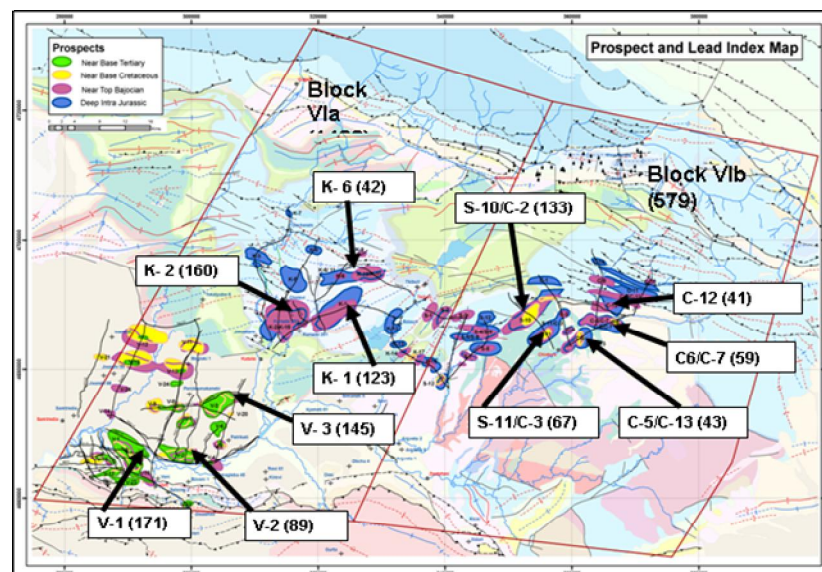


Figure 1 - Numerous Prospects and Leads with Mean Estimated Oil-in-Place (mmbbls)

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Following on from the seismic program, Range engaged international geochemical company, Actual Geology International Limited ("AGI") to carry out a "helium" survey on the 3 top multi-stacked prospects as identified by RPS which have estimated undiscovered oil-in-place in excess of 450 mmbbls (mean 100% basis).

AGI were given the co-ordinates of three of the six identified "ready to drill" prospects and commenced mobilisation and field operations in early December. AGI completed all field work in early January with laboratory analysis completed soon thereafter.

The survey was a "blind test" where AGI shot the survey without any prior seismic info on the co-ordinates provided by Range/Strait. After the survey and results were compiled by AGI they were then integrated with the existing seismic results to produce the best possible target locations to be drilled.

Of the three locations tested by AGI, results of the helium survey by AGI indicated active oil & gas presence in the first 2 drill targets (as identified following the RPS Seismic Report) at the Mukhiani and Kursebi areas, with the survey identifying priority zones which are most likely to contain potentially productive systems.

Shortly after the completion of the helium survey, the Company and its Georgian partners secured the services of Edeco Petroleum Services Limited ("Edeco") to supply the exploration drilling rig to be used in the Company's two exploration well program in Georgia.

The rig was successfully shipped to Georgia and subsequent to year-end Mukhiani #1 well successfully spudded. The Mukhiani Well is targeting the Vani 3 prospect which has the following potential STOIP:

Vani 3 Prospect – STOIP* (MMbbls)

	P90	P50	P10	Mean
Gross	41.7	92.7	178.2	115.2
Net Attributable to Range (40%)	16.7	37.1	71.3	46.1

*STOIP shown here assumes that the Vani 3 Prospect contains 3 stacked reservoirs based on current stratigraphic understanding. Any given well may encounter 1, 2, or 3 such potential reservoirs depending on the degree of relative uplift and/or erosion at any given Prospect location.



Figure 2 – Drilling operations – Mukhiani #1 Well

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Also during the year the Company, along with its Georgian partner Strait Oil and Gas UK Limited ("Strait") 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.

Texas

North Chapman Ranch

During the year the Company received a revised reserve report on the North Chapman Ranch field in Nueces County, Texas, following the successful drilling and completion of the Russell-Bevly #1 appraisal well which confirmed the Company's structural and stratigraphic models and established additional Proved oil and gas reserves across the northwest flank of the closure.

After integration of data obtained from the Russell-Bevly #1, Lonquist & Co LLC's ("Lonquist") independent reserves report has estimated the following gross commercially recoverable reserves from the North Chapman Ranch Field:

Category	Natural Gas (Bcf)	Oil (Mmbbls)	Natural Gas Liquids (Mmbbls)
Proved (P1)	62.4	4.8	4.5
Probable (P2)	34.6	2.7	2.5
Possible (P3)	142.5	10.9	10.3
Total Reserves	239.5	18.4	17.3

Set out below is Range's attributable interest in the gross recoverable reserves on 25% of the Smith #1 well and on 20% of the remaining wells assuming the exercise of certain clawback provisions by joint venture partners occurs following the success of the Smith #1 and Russell-Bevly wells:

Category	Natural Gas (Bcf)	Oil (Mmbbls)	Natural Gas Liquids (Mmbbls)
Proved (P1)	12.7	1.0	0.9
Probable (P2)	6.9	0.5	0.5
Possible (P3)	28.5	2.2	2.1
Total Reserves	48.1	3.7	3.5

Based on the reserve numbers cited above, Lonquist's estimated net undiscounted cash flow value to Range, along with PW10 discounted cash flow (at a 10% discount rate) using the same commodity price deck as used in the May 2010 report, following reductions for royalties, opex, capex, production taxes etc are as follows:

Reserve Category	Undiscounted US\$	PW10 US\$
Proved (P1)	100m	69m
Probable (P2)	60m	37m
Possible (P3)	252m	142m
Estimated Future Cashflow (Range's net interest)	\$412m	\$248m

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Changes to reserve estimates at North Chapman Ranch included a significant movement of Probable Reserves into the Proved category, as well as new reserves established by the Russell-Bevly #1 appraisal Well.

Also during the year, both the Smith #1 and Russel Bevly wells were successfully fracture stimulated with gross combined rates from the field hitting a high of 9.3 MMcf and 800 bbl of oil per day during the month of March. Towards the end of the year, remedial work was performed on the Company's Smith #1 well with production tubing being installed and successfully completed, with the Smith #1 well back online shortly before year-end.

East Texas Cotton Valley Prospect

Also during the year, the Company acquired an additional 8.19% in the East Cotton Valley Prospect which was subject to pre-emptive rights from the Prospects other partners. Subsequent to period end, none of the partners exercised their pre-emptive rights and Range completed the acquisition of the additional 8.19% for a total cost of \$148,000 in lease acquisition costs and an overriding royalty retained by the seller, bringing Range's total interest to 21.75%.

Trinidad

During the year Range acquired through SOCA Petroleum ("SOCA") its right to purchase a 100% interest in a Trinidad holding company whose two wholly owned subsidiaries hold production licences for three blocks in producing onshore oilfields in Trinidad (see Figure 1) together with a local drilling company.

The production acreage and operating wells cover the Morne Diablo, Beach Marcelle and South Quarry oilfields, with the total acreage covering 16,253 gross acres on the southern coast of onshore Trinidad. Current production from the fields is approximately 600 bopd, however Range believes a minimal work program could potentially lift production to more than 4,000 bopd within 36 months on the known reserves.

In addition to the holding company parent of two subsidiaries holding production licences for the onshore acreage, the proposed Range acquisition also includes a 100% interest in a wholly owned drilling company (located in Trinidad), which owns onshore drilling equipment and related facilities.

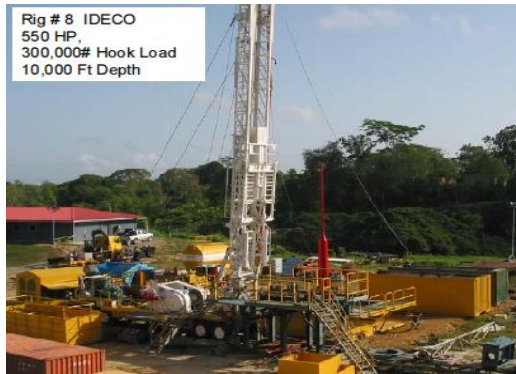


Figure 3 – Trinidad Drilling Rig Inventory

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DIRECTORS' REPORT

The Company is planning to use company-owned drilling rigs and equipment and to commence its development and exploration program which aims to increase the production from 600 bopd to 4,000 bopd within 36 months from known reserves without taking into account any exploration upside. Subsequent to year-end the Company initiated its initial work program that will see approximately 21 wells being drilled on known reserves with an aim to lift production to 1,400-1,800 bopd.



Figure 4 – Rig 1 on Location in Trinidad

In addition to the known reserves, significant potential exists in the deeper Herrera Formation. The Deeper Herrera Formation will be a primary target of future drilling using company-owned drilling rigs, which are capable of reaching the depth of these formations. Subject to the successful drill testing of this formation, the Company is ultimately targeting an increase in the production level to between 8,000 – 10,000 bopd.

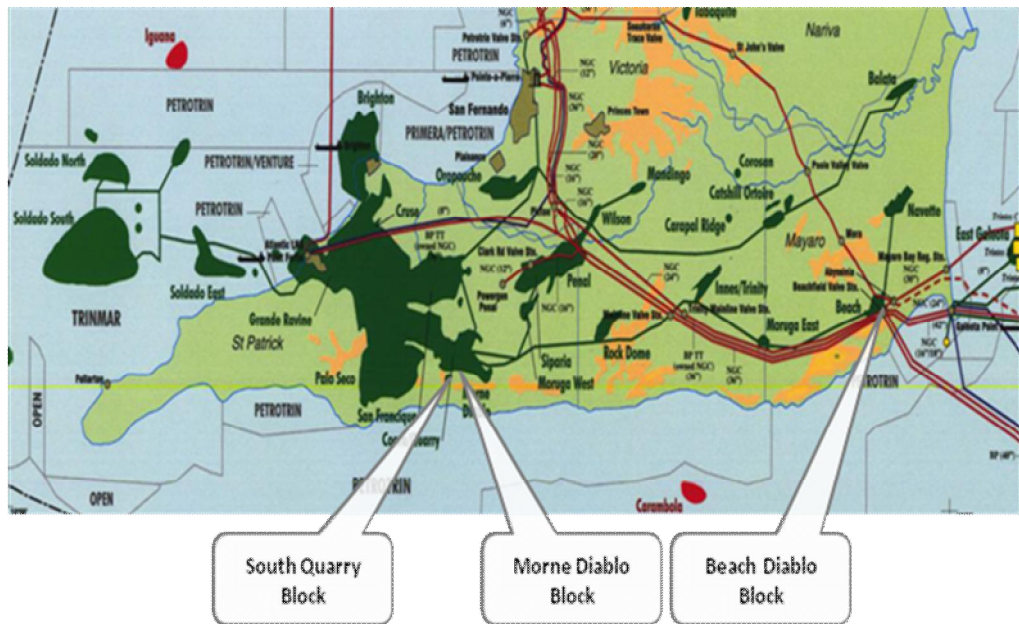


Figure 5 – Location of License areas - onshore Trinidad

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DIRECTORS' REPORT

Puntland

During the year, Range together with its joint venture partners successfully negotiated the extension of the PSAs with the Government of Puntland

Range also agreed with its joint venture partner and operator Africa Oil that the second exploration well will be included as part of Africa Oil's exploration commitments under the Joint Venture Agreement between Range and Africa Oil. Under this agreement, Africa Oil is obliged to spend US\$22.5m in both Dharoor and Nugaal before Range reverts to a contributing basis.

Africa Oil has satisfied their commitments with respect to Dharoor, however to date, still has circa US\$15m expenditure commitments on Nugaal, with expenditure to date on Nugaal being circa US\$7.5m. With the second well being able to satisfy the joint ventures obligations under the Nugaal PSA, Range will be carried for the first US\$15m spent on the well.

Corporate

During the year the Company raised circa \$92.4m through the exercise of options, drawdown on its equity line of credit facility and placement with institutional and sophisticated investors.

The Company was included in the FTSE AIM All Share Index ("the Index") in the UK during the year. In order to qualify for inclusion in the Index the Company must meet certain liquidity requirements over a twelve month period, which the Company met during 2010.

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DIRECTORS' REPORT

FINANCIAL POSITION

The net assets of the economic entity have increased by \$77,054,042 from \$109,508,759 at 30 June 2010 to \$186,562,801 in 2011. This increase has largely resulted from the acquisitions and associated exploration and development expenditure during the year.

The directors believe the economic entity is in a strong and stable financial position to expand and grow its current operations.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The following significant changes in the state of affairs of the parent entity occurred during the financial year:

- In June 2011 the Company successfully acquired through SOCA Petroleum ("SOCA") its right to purchase a 100% interest in a Trinidad holding company whose two wholly owned subsidiaries hold production licences for three blocks in producing onshore oilfields in Trinidad together with a local drilling company.
- In January 2011 the Company, along with its Georgian partner Strait Oil and Gas UK Limited ("Strait") 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.
- In January 2011, Range acquired an additional 8.19% in the East Cotton Valley Prospect which was subject to pre-emptive rights from the Prospects other partners, increasing its stake to in the Prospect to 21.75%.
- During the year the Company successfully raised circa \$92.4m through the exercise of options, drawdown on the Company's Equity Line of Credit Facility and a placement.

EVENTS SUBSEQUENT TO REPORTING DATE

- Following on from completion of the Trinidad acquisition during the year, subsequent to year end, Range received the 100% share capital of SOCA Petroleum Limited through its newly created subsidiary Range Resources (Barbados) Limited.
- Range also made a strategic investment in Tangiers Petroleum Limited ("Tangiers", ASX:TPT) in subscribing for 5m ordinary shares in Tangiers at an issue price of \$0.40. Tangiers is an ASX listed exploration company which has a portfolio of two potentially world class oil and gas projects located in Morocco and Australia. Tangiers Moroccan assets include the highly prospective offshore Tarfaya block. Netherland, Sewell & Associates conducted an independent review of the first four prospects on this block and concluded a best estimate prospective resource of approximately 870 Million Barrels, and a high estimate of almost 5 Billion Barrels
- Subsequent to year-end the Company successfully raised US\$15m through a strategic placement of 83,563,829 shares and 41,781,915 attaching options to Socius CG II, an established and highly successful United States based investment group and a wholly-owned subsidiary of Socius Capital Group.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

To further improve the economic entity's profit and maximise shareholders wealth, the Company is committed to further developing the exploration potential of its Puntland and Georgian Exploration Projects and invite interested parties into joint venture arrangements along with the active development of the Company's Texan interests. The Company has also expanded its oil and gas prospects with the acquisition of 100% interest in Trinidad company that holds three onshore oil and gas licenses and a fully operational drilling subsidiary.

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DIRECTORS' REPORT

LIKELY DEVELOPMENTS

Other than information disclosed elsewhere in this annual report, information on likely developments in the operations of the economic entity and the expected results of those operations in future financial years has not been included in this directors' report because the directors believe, on reasonable grounds, that to include such information would be likely to result in unreasonable prejudice to the economic entity.

ENVIRONMENTAL REGULATION

The economic entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. For the first measurement period 1 July 2008 to 30 June 2009 and subsequent periods the directors have assessed that there are no current reporting requirements, but may be required to do so in the future.

INFORMATION ON DIRECTORS

Sir Samuel Jonah Hon D Sc (Exeter) MSc (Mineral Production Management) Experience	Non-Executive Chairman. Age 62
	Sir Samuel Jonah is non-executive Chairman of Range Resources Limited. He is Executive Chairman of Jonah Capital (Pty) Limited, an investment holding company in South Africa and serves on the boards of various public and private companies, including The Standard Bank Group and Vodafone Group Plc. He previously worked for Ashanti Goldfields Company Limited, becoming Chief Executive Officer in 1986, and was formerly Executive President of AngloGold Ashanti Limited and oversaw its growth and listing as the first operating sub-Saharan African company on the NYSE. He is also a member of the Advisory Council of the President of the African Development Bank.
	He is an advisor to the Presidents of Ghana, South Africa, Nigeria and Namibia. An Honorary Knighthood was conferred on him by Her Majesty the Queen in 2003 and in 2006 he was awarded Ghana's highest national award, the Companion of the Order of the Star.
Interest in shares and options	Sir Samuel Jonah holds 15,506,298 ordinary shares, 4,135,013 \$0.05 listed options (expiring 31 December 2011) and 15,000,000 \$0.10 unlisted options (expiring 31 December 2011) in the Company.
Directorships held in other listed entities	During the past three years, Sir Samuel Jonah has served as a Director of other listed companies as follows: <ul style="list-style-type: none">• Vodafone Plc. From: 01 April 2009

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DIRECTORS' REPORT

INFORMATION ON DIRECTORS (continued)

Mr Peter Landau, LLB;B.Com	Executive Director. Age 39
Experience	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. Mr Landau is 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 around the world including capital raisings, M & A, joint ventures and financings. Mr Landau is a director of a number of ASX listed companies with particular focus on mining, oil and gas exploration and development in Africa.
Interest in shares and options	Mr Landau holds 6,250,000 ordinary shares, 1,500,000 partly paid shares (paid up to 30 cents), 5,000,000 \$0.05 listed options (expiring 31 December 2011) and 15,000,000 \$0.10 unlisted options (expiring 31 December 2011) in the Company.
Directorships held in other listed entities	During the past three years Mr. Landau has served as a Director of other listed companies as follows: <ul style="list-style-type: none"> • Nkwe Platinum Ltd From: 14 September 2006 • Continental Coal Ltd From: 10 December 2002 • Black Mountain Resources Ltd From: 23 August 2011
Mr Marcus Edwards-Jones	Non-Executive Director. Age 49
Experience	Mr Edwards-Jones is currently Managing Director (and co-founder) of Lloyd Edwards-Jones S.A.S, a financial boutique firm specialising in selling European equities to institutional clients and introducing resource companies to an extensive institutional client base in the UK, Europe and Asia/Middle East. Mr Edwards-Jones has previously held senior positions with Bank Julius Baer Paris (European equities), and UK/Continental European equity sales at Credit Lyonnais Securities. In addition, Mr Edwards-Jones has significant experience in world wide institutional capital raisings for large resource projects in Africa.
Interest in shares and options	Mr Edwards-Jones holds 1,125,000 ordinary shares, 750,000 partly paid shares (paid up to 30 cents), 300,000 \$0.05 listed options (expiring 31 December 2011) and 15,000,000 \$0.10 unlisted options (expiring 31 December 2011) in the Company.
Directorships held in other listed entities	During the past three years, Mr Edwards-Jones has served as a Director of other listed companies as follows: <ul style="list-style-type: none"> • Gold Mining Company Limited (UK Plus Market) From: 18 June 2010

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DIRECTORS' REPORT

INFORMATION ON DIRECTORS (continued)

Mr Anthony Eastman , BCom, CA	Executive Director Age 36 Joint Company Secretary								
Experience	Mr Eastman is a Chartered Accountant with a number of years experience in financial management and corporate advisory services. He has previously worked with Ernst & Young and CalEnergy Gas Ltd, a subsidiary of the Berkshire Hathaway Group of Companies in both Australia and the United Kingdom.								
Interest in shares and options	Mr Eastman holds 1,250,000 ordinary shares, 1,000,000 \$0.05 listed options (expiring 31 December 2011) and 15,000,000 \$0.10 unlisted options (expiring 31 December 2011) in the Company.								
Directorships held in other listed entities	<p>During the past three years, Mr Eastman has served as a Director of other listed companies as follows:</p> <ul style="list-style-type: none"> <table style="display: inline-table; vertical-align: middle;"> <tr> <td style="width: 20px;">•</td> <td>Continental Coal Limited</td> <td>From:</td> <td>17 June 2008</td> </tr> <tr> <td></td> <td></td> <td>To:</td> <td>21 May 2009</td> </tr> </table> 	•	Continental Coal Limited	From:	17 June 2008			To:	21 May 2009
•	Continental Coal Limited	From:	17 June 2008						
		To:	21 May 2009						
Ms Jane Flegg	Joint Company Secretary								
Experience	Ms Flegg has over 20 years of experience in finance and administration. During the past decade she has been a Corporate Advisor to several ASX Public Listed Companies, specialising in corporate and financial management, compliance and company secretarial advice. Ms Flegg is currently Joint Company Secretary to Continental Coal Limited and Uran Limited.								
Interest in Shares and Options	Ms Flegg holds no shares or options in the Company.								

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DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each director of Range Resources Limited.

(a) Remuneration Policy

The remuneration policy of Range Resources Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the economic entity's financial results. The Board of Range Resources Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the economic entity, as well as create goal congruence between directors, executives and shareholders.

The board's policy for determining the nature and amount of remuneration for board members and senior executives of the Company is as follows:

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed and approved by the board.

Non-executive directors, executive directors and senior executives receive a base salary (which is based on factors such as length of service and experience), which is calculated on a total cost basis and includes any FBT charges related to employee benefits including motor vehicles, as well as employer contributions to superannuation funds.

Executive directors can be employed by the Company on a consultancy basis, on board approval, with remuneration and terms stipulated in individual consultancy agreements.

The board exercises its discretion in determining remuneration performance of executives. Given the size and nature of the entity, the board does not deem it to be realistic to measure performance against defined criteria. As such remuneration and performance are not linked.

All remuneration paid to directors and executives is valued at the cost to the Company and expensed. Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Unlisted options are valued using the Binomial methodology.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. As approved by shareholders in 29 April 2005, the aggregate non-executive remuneration per annum was increased to \$200,000. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. Fees for non-executive directors are not linked to the performance of the consolidated entity. The Directors are not required to hold any shares in the Company under the Constitution of the Company; however, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

Options are issued to directors and executives as part of remuneration. The options are not based on performance criteria, but are issued to directors and executives to increase goal congruence between executives, directors and shareholders.

Under the Company's share trading policy, all employees and Directors of the Company and its related companies are prohibited from trading in the Company's shares or other securities if they are in possession of "inside information".

The Board believes that it has implemented suitable practices and procedures that are appropriate for an organisation of this size and maturity.

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DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

(i) Remuneration Committee

During the year ended 30 June 2011, the consolidated entity did not have a separately established nomination or remuneration committee. Considering the size of the consolidated entity, the number of directors and the consolidated entity's early stages of its development, the Board are of the view that these functions could be efficiently performed with full Board participation.

(ii) Company Performance, Shareholder Wealth and Directors and Executives Remuneration

No relationship exists between shareholder wealth, director and executive remuneration and Company performance.

(iii) Performance in 5 Years

	2011	2010	2009	2008	2007
Net Profit / (Loss)	(\$15,506,590)	(\$8,838,586)	(\$8,523,198)	(\$13,339,473)	(\$1,797,561)
Working Capital	19,239,987	8,043,859	(\$258,934)	4,872,322	4,872,322
Share Price Movement	\$0.15	\$0.04	(\$0.19)	(\$0.61)	\$0.20
Percentage Movement	171%	107%	-82%	-72%	30%

(b) Key Management Personnel

NAME	POSITION HELD
Sir Samuel Jonah	Chairman
Mr Peter Landau	Executive Director
Mr Marcus Edward-Jones	Non-Executive Director
Mr Anthony Eastman	Executive Director / Company Secretary
Ms Jane Flegg	Company Secretary

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REMUNERATION REPORT (AUDITED) (continued)

(c) Details of Remuneration

The remuneration for each director (key management personnel) of the economic entity during the year was as follows:

2011	Short-Term Employee Benefits			Post Employment Benefits	Long Term Benefits	Share-based Payments	Total	% Share-based	Performance Related
	Cash Salary and Fees	Cash Bonus	Termination Benefits	Super-annuation	Long Service Leave	Options			
	\$	\$	\$	\$	\$	\$	\$	%	%
Directors & officers									
Sir Sam Jonah	30,000	-	-	-	-	-	30,000	-	-
Mr Landau	300,000	-	-	-	-	-	300,000	-	-
Mr Edwards-Jones	70,000	-	-	-	-	-	70,000	-	-
Mr Eastman	79,166	-	-	-	-	-	79,166	-	-
Ms Flegg ⁽ⁱ⁾	-	-	-	-	-	-	-	-	-
	479,166	-	-	-	-	-	479,166	-	-

(i) Ms Flegg is an employee of Okap Ventures Pty Ltd and is paid a salary through Okap's consulting agreement with Range Resources Limited.

2010	Short-Term Employee Benefits			Post Employment Benefits	Long Term Benefits	Share-based Payments	Total	% Share-based	Performance Related
	Cash Salary and Fees	Cash Bonus	Termination Benefits	Super-annuation	Long Service Leave	Options			
	\$	\$	\$	\$	\$	\$	\$	%	%
Directors & officers									
Sir Sam Jonah	-	-	-	-	-	345,000	345,000	100	-
Mr Landau	300,000	-	-	-	-	345,000	645,000	53	-
Mr Edwards-Jones	69,996	-	-	-	-	345,000	414,996	83	-
Mr Eastman	40,000	-	-	-	-	345,000	385,000	90	-
Ms Flegg ⁽ⁱ⁾	-	-	-	-	-	-	-	-	-
	409,996	-	-	-	-	1,380,000	1,789,996		

(i) Ms Flegg is an employee of Okap Ventures Pty Ltd and is paid a salary through Okap's consulting agreement with Range Resources Limited.
There were no other Key Management Personnel during the year.
There were no specified executives during the year.

(d) Cash Bonuses

There were no cash bonuses paid during the year.

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DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

(e) Share-based Payments

There were no share-based payments made during the year to key management personnel.

During the prior year, Sir Samuel, Mr Landau, Mr Edwards-Jones and Mr Eastman were issued 15,000,000 \$0.10 unlisted options (expiring 31 December 2011) as approved by shareholders at the general meeting held 19 March 2010 which were valued at \$1,380,000 at date of grant, in aggregate. The options vested immediately.

(f) Options issued as part of remuneration

The terms and conditions of each grant of options affecting remuneration in the previous, this or future reporting periods are as follows:

Grant Date	Date vested and exercisable	Expiry date	Exercise price	Value per option at grant date	Number of Options Granted
19/03/10	19/03/10	31 December 2011	\$0.10	\$0.023	60,000,000

Additional Information

For grant of partly paid shares and options, the percentage of the available grant that was paid, or that was vested, in the financial year, and the percentage that were forfeited or expired is set out below. The options vest immediately and there were no performance conditions attached to the granting of vesting of the options.

The options and partly paid shares on issue to key management personnel as part of remuneration for years ended 30 June 2010 and 2011 are shown below:

Name	Year granted & vested immediately	Number granted	Options			Minimum total value of grant yet to vest	Maximum total value of grant yet to vest
			Vested	Forfeited	Expired		
Mr Edwards-Jones	2010	15,000,000	100%	-	-	-	-
Mr Landau	2010	15,000,000	100%	-	-	-	-
Sir Samuel Jonah	2010	15,000,000	100%	-	-	-	-
Mr Eastman	2010	15,000,000	100%	-	-	-	-

There were no shares issued during the current or prior year as a result of the exercise of the above options by directors or key management personnel.

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DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

(g) Employment Contracts of Directors and Senior Executives

On appointment to the Board, new Executive Directors enter into a consultancy agreement with the company. The agreement sets out their duties, remuneration and place of service. Remuneration and other terms of employment for the Managing Director and Executive Director are formalised in employment agreements. These contracts may be terminated early wherein the employee must give six months notice. When the company terminates the contract, he will be entitled to his salary for the balance of any part of the term remaining.

S. Jonah as Chairman

Contract term – 3 years from 1 January 2011

Base payment - \$60,000 per annum,

Notice period – 6 months

Termination benefits – payment in lieu of any untaken Annual Leave in addition to salary for the balance of the term of the contract

P. Landau as Executive Director

Contract term – 3 years from 1 July 2009

Base payment - \$300,000 per annum, laptop computer and mobile phone.

Notice period – 6 months

Termination benefits – payment in lieu of any untaken Annual Leave in addition to salary for the balance of the term of the contract

M. Edwards-Jones as Non-Executive Director

Contract term – 3 years from 15 August 2009

Base payment - \$70,000 per annum

Notice period – 6 months

Termination benefits – salary for the balance of the term of the contract

A. Eastman as Executive Director

Contract term – 3 years from 15 June 2009

Base payment - \$100,000 per annum, as per amendment dated 01 December 2010

Notice period – 6 months

Termination benefits – salary for the balance of the term of the contract

(h) Partly Paid Shares Issued to Directors

During the year ended 30 June 2007, Partly Paid Shares were allotted and issued to directors at an issue price of \$0.60 each and were deemed to have been paid up to \$0.30 each leaving \$0.30 payable by the holder within 13 months of the date of issue as follows:

Michael Povey (resigned 29 October 2008)	1,500,000
Peter Landau	1,500,000
Marcus Edward-Jones	750,000

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DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

(h) Partly Paid Shares Issued to Directors (continued)

The primary purpose of the partly paid shares was to provide a cost effective consideration of work to be done by the Directors for the Company and for recognition of Directors efforts in negotiating and securing the acquisition of the Puntland Project. The terms of the partly paid shares are ambiguous, given they state that the holder is able to elect, at their sole and absolute discretion, to pay up the shares. It was never the intention of the Board to issue partly paid shares that would require the Directors (without any discretionary election) to pay up any unpaid portion of the shares. Accordingly, on 10 February 2008, and following uncertainty as to the ability to exercise the partly paid shares, those directors entitled to consider the matter (and not having a material personal interest) being Messrs Sam Jonah and Liban Bogor, resolved in accordance with clause 32.9 of the Company's constitution that the shares be forfeited and that payment will not be enforced with regards to the unpaid balance of capital. The Board will obtain the necessary resolutions for a selective reduction and cancellation of these partly paid shares through a meeting of shareholders at some time in the future. The accounts at 30 June 2011 do not reflect the cancellation of the partly paid shares.

End of Audited Remuneration Report

MEETINGS OF DIRECTORS

During the financial year, 3 meetings of the board of directors were held. Attendances by each director during the year were as follows:

Director	Board Meetings	
	Attended	Held ⁽ⁱ⁾
Samuel Jonah	3	3
Peter Landau	3	3
Marcus Edwards-Jones	3	3
Anthony Eastman	3	3

(i) Number held during period in which the director held office

INDEMNIFYING OFFICERS OR AUDITOR

In accordance with the constitution, except where prohibited by the Corporations Act 2001, every director, principal executive officer or secretary of the Company shall be indemnified out of the property of the Company against any liability incurred by him/her in his/her capacity as director, principal executive officer or secretary of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings whether civil or criminal.

During the financial year, the Company has paid premiums to insure the Directors against certain liabilities arising out of the conduct of acting as an officer of the Company. Under the terms and conditions of the insurance contract, the nature of liabilities insured against and the premium paid cannot be disclosed.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

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RANGE RESOURCES LIMITED
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DIRECTORS' REPORT

OPTIONS

At the date of this report, the unissued ordinary shares of Range Resources Limited under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number Under-Option
Various	31/12/2011	\$0.05	197,790,361
19/03/2010	31/12/2011	\$0.10	60,000,000
09/11/2007	30/06/2012	\$0.50	3,177,029
08/07/2010	30/06/2015	\$0.07	855,166
			<hr/> <hr/> 261,822,556

During the year ended 30 June 2011, 272,245,402 (2010: 7,523,480) ordinary shares of Range Resources Limited were issued on the exercise of options.

The holders of these options do not have any rights under the options to participate in any share issues of the company.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Range Resources Limited support and have adhered to the principles of Corporate Governance. The Company's Corporate Governance Statement is contained in the Corporate Governance section of the Financial Report (pages 79 to 81).

LOANS TO DIRECTORS AND EXECUTIVES

Information on loans to directors and executives including amounts, interest rates and repayment terms are set out in Note 28 to the financial statements.

RANGE RESOURCES LIMITED
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DIRECTORS' REPORT

NON-AUDIT SERVICES

There were no non-audit services provided by BDO Audit (WA) Pty Ltd or associated entities during the year.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration, as required under Section 307C of the *Corporations Act 2001*, for the year ended 30 June 2011 has been received and can be found on page 23 of the directors' report.

Signed in accordance with a resolution of the Board of Directors.



Mr P Landau
Executive Director

Dated this 30 day of September 2011

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30 September 2011

The Directors
Range Resources Limited
Ground Floor, 1 Havelock Street
WEST PERTH WA 6005

Dear Sirs,

DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF RANGE RESOURCES LIMITED

As lead auditor of Range Resources Limited for the year ended 30 June 2011, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Range Resources Limited and the entities it controlled during the period.



Glyn O'Brien
Director



BDO Audit (WA) Pty Ltd
Perth, Western Australia

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RANGE RESOURCES LIMITED
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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED
30 JUNE 2011

	Note	Consolidated	
		2011	2010
		\$	\$
Revenue from continuing operations			
Revenue from continuing operations	3	3,074,492	581,102
Other income	3	400,017	138,332
Expenses from continuing operations			
Operating costs	4	(1,439,653)	(237,643)
Finance costs	4	(55,595)	(75,769)
Depreciation expense	4	(195,839)	(49,407)
Directors fees	6	(474,996)	(409,996)
Directors share based payment	6 & 27	-	(1,380,000)
Corporate management services		(995,000)	(700,000)
Consultants		(5,020,998)	(3,542,487)
Foreign exchange loss		(752,057)	(337,600)
Marketing and public relations		(256,741)	(550,431)
Costs associated with AIM listing		(167,454)	(181,775)
Travel expenditure		(1,227,326)	(397,377)
Loss on sale of available for sale assets		(55,500)	-
Impairment for available for sale assets		-	(1,097,624)
Acquisition option extension fees		(7,217,387)	-
Other expenses	4	(1,122,848)	(597,911)
Loss before income tax expense from continuing operations		(15,506,885)	(8,838,586)
Income tax expense	5	-	-
Loss for the year attributable to equity holders of Range Resources Limited		(15,506,885)	(8,838,586)
Other comprehensive income			
Revaluation of available for sale assets		295	12,250
Other comprehensive income for the year, net of tax		295	12,250
Total comprehensive loss attributable to equity holders of Range Resources Limited		(15,506,590)	(8,826,336)
Overall operations			
EPS from continuing operations:			
Basic loss per share (cents per share)	8	(1.18)	(1.4)
Diluted loss per share (cents per share)		n/a	n/a

The Company's potential ordinary shares were not considered dilutive (refer Note 8).

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

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RANGE RESOURCES LIMITED
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT
30 JUNE 2011

	Note	Consolidated	
		2011	2010
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9	17,359,870	7,398,470
Trade and other receivables	10	3,002,395	2,038,997
Other current assets	11	309,013	200,000
TOTAL CURRENT ASSETS		20,671,278	9,637,467
NON-CURRENT ASSETS			
Financial assets available for sale	12	912,342	420,147
Property, plant and equipment	14	19,883	24,837
Exploration & Evaluation Expenditure	15	87,809,879	83,848,855
Development Assets	16	6,140,208	3,359,401
Prepayments for Investments	17	54,426,730	13,811,660
Investments in Associates	18	5,891,595	-
Non-Current Receivable	19	12,122,177	-
TOTAL NON-CURRENT ASSETS		167,322,814	101,464,900
TOTAL ASSETS		187,994,092	111,102,367
CURRENT LIABILITIES			
Trade and other payables	20	1,419,646	1,587,397
Provision		11,645	6,211
TOTAL LIABILITIES		1,431,291	1,593,608
NET ASSETS		186,562,801	109,508,759
EQUITY			
Contributed equity	21	227,671,125	137,327,825
Reserves	22	18,708,387	16,490,760
Accumulated losses		(59,816,711)	(44,309,826)
TOTAL EQUITY		186,562,801	109,508,759

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

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RANGE RESOURCES LIMITED
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STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED
30 JUNE 2011

Consolidated

Note	Contributed Equity \$	Share-based Payment Reserve \$	Option Premium Reserve \$	Available for Sale Investment Revaluation Reserve \$	Accumulated Losses \$	Total Equity \$
	104,063,285	467,769	11,811,411	-	(35,471,090)	80,871,225
	-	-	-	12,250	-	12,250
	-	-	-	-	(8,838,586)	(8,838,586)
	-	-	-	12,250	(8,838,586)	(8,826,336)
	34,904,421	-	-	-	-	34,904,421
	380,032	-	-	-	-	380,032
	(2,019,913)	-	-	-	-	(2,019,913)
	-	4,199,330	-	-	-	4,199,330
	137,327,825	4,667,099	11,811,411	12,250	(44,309,826)	109,508,759
	-	-	-	295	-	295
	-	-	-	-	(15,506,885)	(15,506,885)
	-	-	-	295	(15,506,885)	(15,506,590)
	81,705,992	-	-	-	-	81,705,992
	13,612,661	-	-	-	-	13,612,661
	(4,975,353)	-	-	-	-	(4,975,353)
	-	2,217,332	-	-	-	2,217,332
	227,671,125	6,884,431	11,811,411	12,545	(59,816,711)	186,562,801

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes..

RANGE RESOURCES LIMITED
AND CONTROLLED ENTITIES
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STATEMENT OF CASH FLOWS
FOR YEAR ENDED
30 JUNE 2011

	Note	Consolidated	
		2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		2,098,870	513,678
Payments to suppliers and employees		(7,445,160)	(4,227,015)
Interest received		399,930	18,407
Interest & other finance costs		(46,717)	(72,943)
Net cash outflow from operating activities	26	(4,993,077)	(3,767,873)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant & equipment		-	(5,842)
Payment for available for sale financial assets		(830,865)	-
Payment for development assets		(1,162,644)	(3,371,814)
Payment for investments		(63,425,758)	(10,282,357)
Payments for exploration and evaluation assets		(6,714,573)	(3,718,227)
Loans to external parties		-	(193,185)
Net cash outflow from investing activities		(72,133,840)	(17,571,425)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of equity		90,534,113	28,264,974
Payment of equity issue costs		(3,445,796)	(1,543,625)
Proceeds from borrowings		-	1,600,000
Net cash inflow from financing activities		87,088,317	28,321,350
Net increase / (decrease) in cash and cash equivalents		9,961,400	6,982,053
Cash and cash equivalents at beginning of financial year		7,398,470	416,417
Cash and cash equivalents at end of financial year	9	17,359,870	7,398,470

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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RANGE RESOURCES LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2011

Note 1: Statement of Significant Accounting Policies

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial statements cover the consolidated entity consisting of Range Resources Limited and its controlled entities. Separate financial statements of Range Resources Limited are no longer presented as a result of a change to the Corporations Act 2001. Financial information for Range Resources Limited as an individual entity is disclosed in Note 29. Range Resources Limited is a listed public company, incorporated and domiciled in Australia.

The following is a summary of the material accounting policies adopted by the consolidated entity in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

Reporting Basis and Conventions

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Compliance with IFRS

The financial statements of Range Resources Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial statements were approved by the Board of Directors on 30 September 2011.

Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the functional currency of the consolidated entity.

Adoption of new and revised accounting standards

In the current year, the consolidated entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current annual reporting period.

RANGE RESOURCES LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2011

Note 1: Statement of Significant Accounting Policies (continued)

The impact of standards and interpretations that have been published but are not mandatory for 30 June 2011 reporting periods and have not been early adopted are disclosed within Note 32. There were no standards that were early adopted as of 30 June 2011.

Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by the consolidated entity.

(a) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Range Resources Limited ("parent entity") as at 30 June 2011 and the results of all subsidiaries for the year then ended. Range Resources Limited and its subsidiaries together are referred as "consolidated entity".

Subsidiaries are all those entities (including special purpose entities) over which the consolidated entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the consolidated entity controls another entity.

Where controlled entities have entered or left the consolidated entity during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased. A list of controlled entities is contained in Note 13 to the financial statements. All controlled entities have a June financial year-end.

All inter-company balances and transactions between entities in the consolidated entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Associates are all entities over which the consolidated entity has significant influence but not control or joint control, generally accompanying a shareholding of between 20-50% of the voting rights. Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost.

(b) Income tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the reporting date within each jurisdiction.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. Deferred tax is credited in profit or loss except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

RANGE RESOURCES LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2011

Note 1: Statement of Significant Accounting Policies (continued)

(b) Income tax (continued)

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(c) Property, plant and equipment

Plant and equipment are measured on the historical cost basis less accumulated depreciation and impairment losses.

The cost of fixed assets constructed within the consolidated entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the consolidated entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including capitalised lease assets is depreciated on a straight-line basis over their useful lives to the consolidated entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable asset are:

Class of Fixed Asset	Depreciation Rate
Plant & Equipment	11.25% - 33%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in profit or loss. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to accumulated losses.

RANGE RESOURCES LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2011

Note 1: Statement of Significant Accounting Policies (continued)

(d) Exploration and evaluation expenditure and the recognition of assets

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

The carrying values of expenditures carried forward are reviewed for impairment at each reporting date when the facts, events or changes in circumstances indicate that the carrying value may be impaired.

Accumulated expenditures are written off to profit or loss to the extent to which they are considered to be impaired.

Range Resources Limited is applying AASB 6 *Exploration for and Evaluation of Mineral Resources* which is equivalent to IFRS 6. The carrying value of exploration and evaluation expenditure is historical cost less impairment.

(e) Development assets

Upon the commencement of commercial production from each identifiable area of interest, the exploration and evaluation expenditure incurred up to that point impairment is tested and then reclassified to development assets.

When production commences, the accumulated costs for the relevant area of interest are amortised on a units of production method based on the ratio of actual production to remaining proved reserves (P1) as estimated by independent petroleum engineers over the life of the area according to the rate of depletion of the economically recoverable reserves.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the consolidated entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit and loss during the financial period in which they are incurred.

The carrying amount of development assets is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in profit or loss. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to accumulated losses.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. These costs are included in development assets in the statement of financial position. Site restoration costs include the dismantling and removal of plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs are determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2011

Note 1: Statement of Significant Accounting Policies (continued)

(e) Development assets (continued)

Any changes in the estimates for the restoration costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(f) Financial instruments

Financial instruments are included in cash and cash equivalents, trade and other receivables and financial assets available-for-sale in the statement of financial position of the consolidated entity.

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition, these instruments are measured as set out below.

The consolidated entity classifies its financial assets in the following categories, loans and receivables and available-for-sale investments. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include non-derivative financial assets designated in this category not included in any of the other categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to the available for sale investment revaluation reserve in equity. Investments are designated as available-for-sale if they do not have fixed maturities and fixed determinable payments and management intends to hold them for the medium to long term.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities held at cost less impairment, including recent arm's length transactions, reference to similar instruments and option pricing models.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in the available for sale investment revaluation reserve in equity. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

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NOTES TO THE FINANCIAL STATEMENTS
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Note 1: Statement of Significant Accounting Policies (continued)

(f) Financial instruments (continued)

Impairment of assets

The consolidated entity assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and included in profit or loss. Impairment losses recognised in the statement of comprehensive income on equity instruments classified as available-for-sale are not reversed through profit or loss.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the consolidated entity commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and reward of ownership.

When the securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in profit or loss as gains and losses for investment securities.

(g) Foreign currency transactions and balances

Functional and presentation currency

The functional currency of each entity within the consolidated entity is determined using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity; otherwise the exchange difference is recognised in profit or loss.

Group companies

All group companies operate in a functional currency that is the same as the consolidated entity's presentation currency, Australian dollars (AUD).

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Note 1: Statement of Significant Accounting Policies (continued)

(h) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the consolidated entity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects the current market assessments of the time value of money and the risk specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(i) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the consolidated entity will not be able to collect all amounts due, according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of impairment loss is recognised in profit or loss within other expenses. When a trade receivable, for which an impairment allowance had been recognised, becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(k) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties. Revenue is recognised when the amount of revenue can be reliably measured, and it is probable that future economic benefits will flow to the consolidated entity.

Revenue from the sale of oil and gas and related products is recognised when the consolidated entity has transferred to the buyer the significant risks and rewards of ownership and the amounts can be measured reliably. In the case of oil, this usually occurs at the time of lifting.

Interest revenue is recognised on a time proportion basis taking into account the interest rates applicable to the financial assets.

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Note 1: Statement of Significant Accounting Policies (continued)

(l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(m) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(n) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the consolidated entity is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques. The consolidated entity uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the consolidated entity for similar financial instruments.

(o) Investments in associates

Investment in associates is accounted for using the equity method of accounting in the consolidated financial statements.

Under the equity method, the investment in the associates is carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate.

The Group's share of the associate post-acquisition profits or losses is recognised in the statement of comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in the associate equals or exceeds its interest in the associate, including any unsecured long-term receivables and loans, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The reporting dates of the associate and the Group are identical and the associate's accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

(p) Prepayments for investments

Prepayments for acquisitions of financial assets are recorded at the fair value of consideration to acquire the assets.

On satisfaction of all terms of the acquisition contract have been satisfied the prepayment is transferred and accounted for as an investment.

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Note 1: Statement of Significant Accounting Policies (continued)

(q) Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(r) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at reporting date.

(s) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(t) Earnings per share

(i) *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares.

(u) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the managing director.

Note 2: Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the consolidated entity. Areas involving a higher degree of judgement or complexity, or areas where estimations and assumptions are significant to the financial statements are disclosed here.

Exploration and evaluation expenditure

Exploration and evaluation expenditure for each area of interest is carried forward as an asset provided certain conditions listed in Note 1(d) are met. Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. These calculations and reviews require the use of assumptions and judgement. The related carrying amounts are disclosed in Note 15.

Development asset expenditure

The classification of exploration and evaluation expenditure to development asset is based on the time of first commercial production. Development asset expenditure for each area of interest is carried forward as an asset provided certain conditions listed in Note 1(e) are met and depreciated on a unit of production basis on P1 reserves. P1 reserves have been determined by an independent expert.

Development assets are assessed for impairment when facts and circumstances suggest that the carrying amount of a development asset may exceed its recoverable amount. These timings, calculations and reviews require the use of assumptions and judgement. The related carrying amounts are disclosed in Note 16.

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Note 2: Critical accounting estimates and judgements (continued)

Share-based payments

The Binomial valuation model was used to value share-based payments made in the period to consultants when there was no active market available. As such, certain assumptions are made based on historical data which may not be reflective of future events. Note 27 details these assumptions.

Financial assets available-for-sale

The value of the investment in Pangaea Energy Limited, an unlimited company incorporated in the UK, is carried at cost, as there is no active market for re-valuation. Given the developments in Kyrgystan in the later half of the prior financial year, where Pangea has areas of interest, Range believes the investment in Pangaea Energy shows indication of impairment and as such provided in full against the cost of the investment. Refer to Note 12.

Investments in associates

During the year Range received 50% of the share capital of Strait Oil & Gas (UK) Limited ("Strait") which was subsequently diluted to 40% following the farm-in with Red Emperor Resources hence the Company did not have control of Strait at balance date – refer Note 19.

Note 3: Revenue

	Consolidated	
	2011	2010
	\$	\$
From continuing operations		
– revenue from sale of goods	3,074,492	562,695
– interest received	-	18,407
	3,074,492	581,102
– other income	400,017	138,332
	3,474,509	719,434

Note 4: Expenses

	Consolidated	
	2011	2010
	\$	\$
Loss before income tax includes the following specific expenses:		
(a) Expenses		
Depreciation		
- continuing operations	195,839	49,407
Total depreciation	195,839	49,407
Operating Cost		
- operating expenditure	1,439,653	237,643
Total operating cost	1,439,653	237,643
Finance costs		
- external	55,595	75,769
Total finance costs	55,595	75,769
Other expenses		
Audit fees	72,050	76,221
Taxation advice	49,949	29,098
Insurance	120,539	82,300
Share registry expenses	367,861	91,128
Other expenses	512,449	319,164
Total other expenses	1,122,848	597,911

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Note 4: Expenses (continued)

(b)	Significant revenue and expenses The following significant revenue and expense items are relevant in explaining the financial performance: Director options/shares granted	-	1,380,000
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For details, refer to Note 6.

Note 5: Income Tax Expense

		Consolidated	
		2011	2010
		\$	\$
(a)	Income tax expense		
	Current tax	-	-
	Deferred tax	-	-
	Adjustments for current tax of prior periods	-	-
		-	-
(b)	The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:	(15,506,885)	(8,838,586)
	Prime facie tax payable on profit from ordinary activities before income tax at 30% (2010: 30%)		
	– economic entity	(4,652,065)	(2,651,576)
		(4,652,065)	(2,651,576)
	Add:		
	Tax effect of:		
	– other non-allowable items	725,001	1,066,091
		(3,927,064)	(1,585,485)
	Less:		
	Tax effect of:		
	– timing differences not brought to account as deferred tax assets	2,425,109	(71,157)
	– other non-allowable items	(922,348)	(205,612)
		2,424,303	1,862,254
	Deferred tax asset in relation to tax losses not recognised		
		-	-
	Income tax attributable to entity		
		-	-
	The applicable weighted average effective tax rates are as follows:	-	-

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Note 5: Income Tax Expense (continued)

	Consolidated	
	2011	2010
	\$	\$
(c) Deferred tax assets		
- temporary differences	-	-
- tax losses:		
- operating losses	9,010,424	7,056,649
- capital losses	943,893	947,385
	<u>9,954,317</u>	<u>8,004,034</u>
Deferred tax liabilities		
- temporary differences	-	-
Net deferred tax assets	<u>9,954,317</u>	<u>8,004,034</u>

Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1(b) occur.

Note 6: Key Management Personnel Compensation

(a) Directors

The following persons were directors of Range Resources Limited during the financial year:

- (i) *Executive Directors*
Mr Peter Landau
Mr Anthony Eastman
- (ii) *Non-executive Directors*
Sir Samuel Jonah
Mr Marcus Edwards-Jones
- (iii) *Other Key Management Personnel – Joint Company Secretary*
Jane Flegg
Anthony Eastman

(b) Other key management personnel

There were no other key management personnel during the financial year.

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Note 6: Key Management Personnel Compensation (continued)

(c) Key management personnel compensation

	Consolidated	
	2011	2010
	\$	\$
Short-term employee benefits	474,996	409,996
Share-based payments	-	1,380,000
	<u>474,996</u>	<u>1,789,996</u>

The company has transferred the detailed remuneration disclosures to the Audited Remuneration Report contained in the Directors' Report.

(d) Equity instrument disclosures relating to key management personnel

(i) Options provided as remuneration and shares issued on exercise of such options

Details of options provided as remuneration and shares issued on the exercise of such options, together with terms and conditions of the options, can be found below and section (f) of the Audited Remuneration Report.

(ii) Option holdings

The numbers of options over ordinary shares in the company held during the financial year or at time of resignation by each director and officer of Range Resources Limited, including their personally related parties, are set out below

Option Holdings

2011	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable	Balance held indirectly
Sir Sam Jonah	19,135,013	-	-	-	19,135,013	19,135,013	19,135,013
Mr Landau	20,000,000	-	-	-	20,000,000	20,000,000	20,000,000
Mr Edwards-Jones	15,300,000	-	-	-	15,300,000	15,300,000	15,225,000
Mr Eastman	16,000,000	-	-	-	16,000,000	16,000,000	16,000,000
Ms Flegg	-	-	-	-	-	-	-
Total	<u>70,435,013</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,435,013</u>	<u>70,435,013</u>	<u>70,360,013</u>

No options are vested and unexercisable at the end of the year.

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Note 6: Key Management Personnel Compensation (continued)

2010	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable	Balance held indirectly
Sir Sam Jonah	4,135,013	15,000,000	-	-	19,135,013	19,135,013	19,135,013
Mr Landau	5,000,000	15,000,000	-	-	20,000,000	20,000,000	20,000,000
Mr Edwards-Jones	300,000	15,000,000	-	-	15,300,000	15,300,000	15,225,000
Mr Eastman	1,000,000	15,000,000	-	-	16,000,000	16,000,000	16,000,000
Ms Flegg	-	-	-	-	-	-	-
Total	10,435,013	60,000,000	-	-	70,435,013	70,435,013	70,360,013

(iii) Fully paid share holdings

The numbers of shares in the company held during the financial year or at time of resignation by each director of Range Resources Limited, including their personally related parties, are set out below

Shareholdings

2011	Balance at the start of the year	Granted during the year as compensation	Participation in rights issue ⁽¹⁾	Other changes during the year	Balance at the end of the year	Balance held indirectly
Sir Sam Jonah	15,506,298	-	-	-	15,506,298	15,506,298
Mr Landau	6,250,000	-	-	-	6,250,000	6,250,000
Mr Edwards-Jones	1,125,000	-	-	-	1,125,000	1,125,000
Mr Eastman	1,250,000	-	-	-	1,250,000	1,250,000
Ms Flegg	-	-	-	-	-	-
Total	24,131,298	-	-	-	24,131,298	24,131,298

2010	Balance at the start of the year	Granted during the year as compensation	Participation in rights issue ⁽¹⁾	Other changes during the year	Balance at the end of the year	Balance held indirectly
Sir Sam Jonah	12,405,038	-	3,101,260	-	15,506,298	15,506,298
Mr Landau	5,000,000	-	1,250,000	-	6,250,000	6,250,000
Mr Edwards-Jones	900,000	-	225,000	-	1,125,000	1,125,000
Mr Eastman	1,000,000	-	250,000	-	1,250,000	1,250,000
Ms Flegg	-	-	-	-	-	-
Total	19,305,038	-	4,826,260	-	24,131,298	24,131,298

(1) All Directors took up their entitlements on the non-renounceable rights issue during the prior year.

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Note 6: Key Management Personnel Compensation (continued)

(d) Equity instrument disclosures relating to key management personnel (continued)

(i) Partly paid shareholdings (refer Note 21b)

The numbers of shares in the company held during the financial year or at time of resignation by each director of Range Resources Limited, including their personally related parties, are set out below

Partly paid shareholdings

2011	Balance at the start of the year	Granted during the year as compensation	Other changes during the year	Balance at the end of the year	Balance held indirectly
Sir Sam Jonah	-	-	-	-	-
Mr Landau	1,500,000	-	-	1,500,000	1,500,000
Mr Edwards-Jones	750,000	-	-	750,000	750,000
Mr Eastman	-	-	-	-	-
Ms Flegg	-	-	-	-	-
Total	2,250,000	-	-	2,250,000	2,250,000

2010	Balance at the start of the year	Granted during the year as compensation	Other changes during the year	Balance at the end of the year	Balance held indirectly
Sir Sam Jonah	-	-	-	-	-
Mr Landau	1,500,000	-	-	1,500,000	1,500,000
Mr Edwards-Jones	750,000	-	-	750,000	750,000
Mr Eastman	-	-	-	-	-
Ms Flegg	-	-	-	-	-
Total	2,250,000	-	-	2,250,000	2,250,000

(e) Loans to key management personnel

There were no loans made to directors of Range Resources Limited and other key management personnel of the consolidated entity, including their personally related parties during the 2010 or 2011 financial years.

(f) Consulting fees

Please refer to Note 28(c) which details consulting fees to parties related to Key Management Personnel.

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Note 7: Auditors' Remuneration

	Consolidated	
	2011	2010
	\$	\$
Remuneration of the auditor of the parent entity for:		
- auditing or reviewing the financial report BDO Audit (WA) Pty Ltd	72,050	76,221
Total remuneration for audit services	72,050	76,221

Note 8: Earnings Per Share

	Consolidated	
	2011	2010
	cents	cents
(a) Basic earnings per share		
Loss per share from continuing operations attributable to the ordinary equity holders of the company	(1.18)	(1.4)
Loss per share attributable to the ordinary equity holders of the company	(1.18)	(1.4)
(b) Reconciliation of earnings used in calculating earnings per share		
Loss from continuing operations attributable to the ordinary equity holders of the company	(15,506,885)	(8,838,586)
Loss attributable to the ordinary equity holders of the company	(15,506,885)	(8,838,586)

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Note 8: Earnings Per Share (continued)

(c) Weighted average number of shares used as the denominator	2011 No.	2010 No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	1,312,756,202	639,567,895
The effect of the Company's potential ordinary shares would be to decrease the loss per share, and as a result, diluted EPS is not disclosed.		
Potential ordinary shares that could dilute EPS in the future		
Weighted average number of ordinary shares (basic)	1,312,756,202	639,567,895
Effect of share options on issue	268,881,380	584,177,617
Effect of shares issued post year end	35,842,293	162,160,462
	<hr/>	<hr/>
Weighted average number of ordinary shares (diluted) at 30 June	1,617,479,875	1,385,905,974

Note 9: Cash and Cash Equivalents

	Consolidated	
	2011	2010
	\$	\$
Cash at bank and in hand	17,359,870	7,398,470
Reconciliation of cash at the end of the year.		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Balances as above	17,359,870	7,398,470
Bank overdrafts	-	-
	<hr/>	<hr/>
Balances as per statement of cash flows	17,359,870	7,398,470

Note 10: Trade and Other Receivables

	Consolidated	
	2011	2010
	\$	\$
Current		
Other receivables		
- other debtors	2,005,528	1,710,753
- goods and services tax	21,245	56,977
- accrued revenue	975,622	271,267
	<hr/>	<hr/>
	3,002,395	2,038,997

Risk exposure

Information about the consolidated entity's exposure to credit risk, foreign exchange risk and price risk is provided in Note 30.

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Note 11: Other Current Assets

	Consolidated	
	2011	2010
	\$	\$
Current Prepayments	309,013	200,000
	<u>309,013</u>	<u>200,000</u>

Note 12: Financial Assets Available-For-Sale

Listed investments, at fair value		
- Interest in other corporations	912,342	420,147
Unlisted investments, at cost		
- interest in other corporations	-	904,439
- less provision for impairment	-	(904,439)
	<u>-</u>	<u>-</u>
Total available-for-sale financial assets	<u>912,342</u>	<u>420,147</u>

Available-for-sale financial assets comprise investments in the ordinary share capital of various entities. There are no fixed returns or fixed maturity date attached to these investments.

No assets have been pledged as security

During the 2009 financial year, the loan receivable from Ram Resources Limited was settled through receipt of an investment in unlisted company, IMC Holdings (Hong Kong) Limited, which holds the Kyrgyzstan uranium asset, previously held by Ram Resources. IMC Holdings was subsequently acquired by Pangaea Energy Limited with Range's investment in IMC Holdings being rolled into an investment in Pangaea Energy. Given the recent developments in Kyrgyzstan in the later half of the 2010 financial year, where Pangaea Energy has areas interest, the Company believed the investment in Pangaea Energy showed indication of impairment and as such provided in full against the cost of the investment.

Risk exposure

Information about the consolidated entity's exposure to credit risk, foreign exchange risk and price risk is provided in Note 30.

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Note 13: Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with accounting policy described in Note 1(a).

Name of entity	Country of incorporation	Class of share	Equity (%)*	
			2011	2010
Subsidiaries of Range Resources Limited:				
Donnybrook Gold Pty Ltd	Australia	Ordinary	100	100
Westblade Pty Ltd	Australia	Ordinary	100	100

*Percentage of voting power is in proportion to ownership

Note 14: Property, Plant & Equipment

Consolidated	Furniture, fittings & equipment \$	Motor vehicles \$	Total \$
At 30 June 2009			
Cost or fair value	90,418	39,631	130,049
Accumulated depreciation	(70,430)	(9,840)	(80,270)
Net book amount	19,988	29,791	49,779
Year ended 30 June 2010			
Opening net book amount	19,988	29,791	49,779
Additions	5,842	-	5,842
Disposals	-	-	-
Depreciation charge	(25,830)	(4,954)	(30,784)
Closing net book amount	-	24,837	24,837
At 30 June 2010			
Cost or fair value	96,260	39,631	135,891
Accumulated depreciation	(96,260)	(14,794)	(111,054)
Net book amount	-	24,837	24,837
Year ended 30 June 2011			
Opening net book amount	-	24,837	24,837
Additions	-	-	-
Disposals	-	-	-
Depreciation charge	-	(4,954)	(4,954)
Closing net book amount	-	19,883	19,883
At 30 June 2011			
Cost or fair value	-	39,631	39,631
Accumulated depreciation	-	(19,748)	(19,748)
Net book amount	-	19,883	19,883

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Note 15: Exploration & Evaluation Expenditure

	Consolidated	
	2011	2010
	\$	\$
Opening net book amount	83,848,855	79,888,841
Additions	5,770,072	7,331,829
Written off project	-	-
Transfer to development assets	(1,809,048)	(3,371,815)
Closing net book amount	87,809,879	83,848,855

At 30 June 2011, the \$87,809,879 (2010: \$83,848,855) capitalised exploration and evaluation expenditure relates to the interests of the group in Puntland, Somalia, and Texas. The recoverability of the carrying amount of exploration assets is dependent on the group being able, and permitted, to develop and commercially exploit these rights or alternatively to sell the rights.

Amortisation of the costs carried forward for the development phase is not charged until the commencement of commercial production when the assets are reclassified as development assets.

During 2010, a commercial discovery was made on the Russel Bevly Well, which subsequently commenced productions in September 2010, with expenditure to date of first production have been transferred to development assets – refer Note 16.

During the prior year, a commercial discovery was made on the Smith #1 Well, which subsequently commenced production in February 2010, with expenditure to date of first production have been transferred to development assets – refer Note 16.

Capitalised costs amounting to \$8,232,118 (2010: \$7,090,041) has been included in the statement of cash flows from investing activities relating to the acquisition of capitalised exploration expenditure and development assets.

Note 16: Development Assets

	Consolidated	
	2011	2010
	\$	\$
At 30 June		
Cost or fair value	6,349,717	3,378,026
Accumulated amortisation	(209,509)	(18,625)
Net book value	6,140,208	3,359,401
Opening net book amount	3,359,401	-
Transfer from exploration and evaluation expenditure – at cost	1,809,048	3,371,815
Additions	1,162,644	6,211
Amortisation charge	(190,885)	(18,625)
Closing net book amount	6,140,208	3,359,401

During 2010, a commercial discovery was made on the Russel Bevly Well, which subsequently commenced production in September 2010, with expenditure to date of first production that was part of exploration and evaluation expenditure having been transferred to development assets.

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Note 16: Development Assets (continued)

During the prior year, a commercial discovery was made on the Smith #1 Well, which subsequently commenced commercial production in February 2010, with expenditure to date of first production that was part of exploration and evaluation expenditure having been transferred to development assets.

Note 17: Prepayment for Investments

	Consolidated	
	2011	2010
	\$	\$
Opening balance	13,811,660	-
Transfer to Investments in Associates	(5,891,595)	-
Transfer to Non-Current Receivables	(5,804,469)	-
Additions	52,311,134	13,811,660
Closing net book amount	54,426,730	13,811,660

The balances relate to the investment in the unlisted UK Company Strait Oil & Gas (UK) Limited, which was reclassified to Investments and Non-Current Receivables in the current year (refer Note 18 and Note 19), along with the prepayment for an investment in a holding company with production licenses and drilling inventory in Trinidad. Details of these transactions are shown below:

(i) Georgia

The terms of the agreement with Strait Oil & Gas (UK) Limited includes the issue of 70m ordinary shares and 70m listed options (\$0.05, 31 December 2011) upon various milestones. In addition, to earn the 50% of Strait Oil & Gas (UK) Limited, Range was required to complete Phase II of the relevant Production Share Agreement applicable to the two Oil and Gas blocks, comprising mainly the completion of 350km of seismic and well selection which was completed during the prior year with 40 million of the shares and options had been issued due to milestones having been met.

(ii) Trinidad

Under the terms of the Agreement with SOCA Petroleum, Range has paid \$49m in cash and \$3m in shares to acquire the 100% interest in SOCA and subsequent to year end issued following shareholder approval:

- 35,842,293 fully paid ordinary; and
- Two parcels of performance shares of 17,921,146 fully paid ordinary shares per parcel that will convert fully paid ordinary shares upon production from the SOCA licences reaching 1,250 bopd and 2,500 bopd respectively

Note 18: Investments in Associates

	Consolidated	
	2011	2010
	\$	\$
Opening balance	-	-
Transfer from Prepayment for Investments (Note 17)	5,891,595	-
Closing net book amount	5,891,595	-

As part of the agreement with unlisted UK Company Strait Oil & Gas (UK) Limited ("Strait"), Range was to fund the completion of Phase II and Phase III of the PSA, with the initial US\$6m spent to be allocated to the acquisition of the shares and classed as investment in associate and additional expenditure being repayable upon the declaration of a commercial discovery and shall be payable out of profit oil and gas or cash proceeds that may arise from a sale event. Interest on the loan accrues at a rate or LIBOR.

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Note 18: Investments in Associates (continued)

On 1 January 2011 the Company received shares in the unlisted UK Company Strait Oil & Gas (UK) Limited ("Strait"), representing 50% of the total shares on issue of Strait. As such, the Company has reclassified expenditure to 1 January 2011 from Prepayment for Investment to Investments with all subsequent payments with respect to the Company's Investment in Strait being recorded as additions per above. Range interest was subsequently diluted to 40% following the farm-in with Red Emperor Resources.

Note 19: Non-Current Receivable - Associates

	Consolidated	
	2011	2010
	\$	\$
Opening balance	-	-
Transfer from Prepayment for Investments (Note 17)	5,804,469	-
Payments during the year	6,317,708	-
Closing balance	12,122,177	-

As part of the agreement with unlisted UK Company Strait Oil & Gas (UK) Limited ("Strait"), Range agreed to fund the Phase II costs under the PSA in return for a 50% interest in Strait with all additional expenditure incurred for Phase III agreed to consist of a non-current loan from Range to Strait that was repayable upon completion of Phase III and upon the declaration of a commercial discovery and shall be payable out of profit oil and gas or cash proceeds that may arise from a sale event. Interest on the loan accrues at a rate of LIBOR + 2%.

On 1 January 2011, the Company received shares in the unlisted UK Company Strait Oil & Gas (UK) Limited ("Strait"), representing 50% of the total shares on issue of Strait. As such, the Company has reclassified expenditure to 1 January 2011 from Prepayment for Investment to Investments and Non-Current Receivables.

Note 20: Trade and Other Payables

	Consolidated	
	2011	2010
	\$	\$
Trade payables	634,695	349,871
Sundry payables and accrued expenses	784,951	1,237,526
	1,419,646	1,587,397

Risk exposure

Information about the consolidated entity's exposure to credit risk, foreign exchange risk and price risk is provided in Note 30.

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Note 21: Contributed equity

	Consolidated	
	2011	2010
	\$	\$
1,671,041,142 (2010: 1,002,889,278) fully paid ordinary shares	242,732,685	147,414,032
4,925,000 partly paid shares (2010: 4,925,000)	1,732,615	1,732,615
Share issue costs	(16,794,175)	(11,818,822)
	<u>227,671,125</u>	<u>137,327,825</u>

Included in share capital in the prior year is an amount of \$2,454,140 relating to cash received in relation to the placement which occurred in June 2010, with the shares issued subsequent to 30 June 2010.

	Consolidated	
	2011	2010
	No.	No.
(a) Fully Paid Ordinary Shares		
At the beginning of reporting period	1,002,889,278	328,155,494
Shares issued during year	395,906,463	667,210,304
Options exercised during year	272,245,401	7,523,480
Total contributed equity	<u>1,671,041,142</u>	<u>1,002,889,278</u>

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting of the Company, in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(b) Partly Paid Ordinary Shares		
At the beginning of reporting period - \$0.30	No. 4,925,000	No. 4,925,000
Reduction in partly paid shares	-	-
Total contributed equity	<u>4,925,000</u>	<u>4,925,000</u>

During the year ended 30 June 2007, Partly Paid shares were allotted and issued to directors at an issue price of \$0.60 each and were deemed to have been paid up to \$0.30 each, leaving \$0.30 payable by the holder within 13 months of the date of issue as follows:

Michael Povey	1,500,000
Peter Landau	1,500,000
Marcus Edward-Jones	750,000

The primary purpose of the partly paid shares was to provide a cost effective consideration of work to be done by the Directors for the Company and for recognition of Directors efforts in negotiating and securing the acquisition of the Puntland Project. The terms of the partly paid shares are ambiguous, given they state that the holder is able to elect, at their sole and absolute discretion, to pay up the shares. It was never the intention of the Board to issue partly paid shares that would require the Directors (without any discretionary election) to pay up any unpaid portion of the shares.

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Note 21: Contributed equity (continued)

(b) Partly paid shares issued to directors (continued)

Accordingly, on 10 February 2008, and following uncertainty as to the ability to exercise the partly paid shares, those directors entitled to consider the matter (and not having a material personal interest) being Messrs Sam Jonah and Liban Bogor, resolved in accordance with clause 32.9 of the Company's constitution that the shares be forfeited and that payment will not be enforced with regards to the unpaid balance of capital. The Board will look to convene a meeting of shareholders to obtain the necessary resolutions for a selective reduction and cancellation of these partly paid shares. The accounts at 30 June 2011 do not reflect the cancellation of the partly paid shares.

(c) Movements in fully paid ordinary share capital

2011	Details	Number of shares	Issue price	\$
1 July 2010	Opening balance	1,002,889,277	*	147,414,032
	Exercise of options (listed)	239,467,457	\$0.050	11,973,373
	Exercise of options (unlisted)	28,212,044	\$0.050	1,410,602
	Exercise of options (unlisted)	4,565,489	\$0.050	228,274
	Exercise of options (listed)	412	\$1.00	412
	Placement	71,723,793	\$0.070	5,020,666
	Placement	167,021,859	\$0.261	43,563,577
	Equity line of credit	38,022,814	\$0.125	4,761,905
	Equity line of credit	35,714,286	\$0.226	8,087,997
	Equity line of credit	42,000,000	\$0.279	11,731,889
	Equity line of credit	18,918,919	\$0.299	5,660,541
	Shares issued as deposit for investment in Trinidad acquisition	12,409,116		3,420,471
	Shares issued for corporate advisory, capital raising fees etc.	10,095,676		1,913,086
	Placement received PY	-		(2,454,140)
30 June 2011	Balance	<u>1,671,041,142</u>		<u>242,732,685</u>

* Due to some placements of equity drawdown being denominated in GBP, AUD issue price has been rounded to 3 decimal places.

2010	Details	Number of shares	Issue price	\$
1 July 2009	Opening balance	328,155,494		112,129,579
	Exercise of options	7,519,419	\$0.050	375,971
	Exercise of options	4,061	\$1.000	4,061
	Placement	180,947,995	\$0.035	6,333,180
	Conversion of loan	45,714,285	\$0.035	1,600,000
	Rights issue and placement	269,558,565	\$0.050	13,477,928
	Placement	104,844,250	\$0.070	7,339,098
	Shares issued as deposit for the investment in associate (Note 17)	40,000,000	\$0.055	2,220,000
	Shares issued for corporate advisory, capital raising fees etc.	26,145,209		1,480,075
	Cash received in advance	-		2,454,140
30 June 2010	Balance	<u>1,002,889,278</u>		<u>147,414,032</u>

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Note 21: Contributed equity (continued)

	Consolidated	
	2011 No.	2010 No.
(d) Options		
At the beginning of reporting period	584,177,617	196,787,306
Options issued during year	16,425,223	394,913,791
Options expired	(55,616,470)	-
Options exercised during year	(276,104,990)	(7,523,480)
Total options	<u>268,881,380</u>	<u>584,177,617</u>

At the date of this report, the unissued ordinary shares of Range Resources Limited under option are as follows

Date of Expiry	Exercise Price	Number Under-Option
31/12/2011	\$0.05	197,790,361
31/12/2011	\$0.10	60,000,000
30/06/2012	\$0.50	3,177,029
30/06/2015	\$0.07	855,166
30/04/2016	\$0.265	7,058,824
		<u>268,881,380</u>

During the year ended 30 June 2011, 276,104,990 (2010: 7,523,480) ordinary shares of Range Resources Limited were issued on the exercise of options.

The holders of these options do not have any rights under the options to participate in any share issues of the company.

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Note 22: Reserves

	Consolidated	
	2011	2010
	\$	\$
(a) Share-based payment reserve		
Balance 1 July	4,667,099	467,769
Options issued to directors	-	1,380,000
Options issued as deposit for investment (Note 18)	-	800,000
Options issued in lieu of consulting fees	2,217,332	2,019,330
	<hr/>	<hr/>
Balance 30 June	6,884,431	4,667,099
	<hr/>	<hr/>
The share based payment reserve records items recognised as expenses on the fair valuation of shares and options issued as remuneration to employees, directors and consultants		
(b) Option premium reserve		
Balance 1 July	11,811,411	11,811,411
	<hr/>	<hr/>
Balance 30 June	11,811,411	11,811,411
	<hr/>	<hr/>
The option premium reserve is used to recognise the grant date fair value of options issued but not exercised.		
(c) Available-for-sale investment revaluation reserve		
Balance 1 July	12,250	-
Increase in value of investments	295	12,250
	<hr/>	<hr/>
Balance 30 June	12,545	12,250
	<hr/>	<hr/>
Total Reserves	18,708,387	16,490,760
	<hr/>	<hr/>

The available-for-sale investment revaluation reserve is used to record increases in the fair value of available-for-sale financial instruments and decreases to the extent that such decreases do not relate to an impairment of the asset when the movement is taken to the statement of comprehensive income.

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Note 23: Commitments

(a) Capital commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

	Consolidated	
	2011	2010
	\$	\$
<i>Intangible assets</i>		
Capital expenditure commitment contracted for:		
Interest in Puntland Project ⁽ⁱ⁾	16,116,787	17,400,000
<i>Investment in Associate</i>		
Georgian acquisition	-	116,727
Trinidad acquisition	-	3,925,736
	<u>16,116,787</u>	<u>21,442,463</u>
Payable		
- not later than 1 year	7,638,618	8,242,463
- later than 1 year but not later than 5 years	8,478,169	13,200,000
- later than 5 years	-	-
	<u>16,116,787</u>	<u>21,442,463</u>

- (i) In mid 2007, the Company entered into a joint venture with TSX listed Africa Oil Corporation (AOC), where AOC acquired an 80% participating interest in the Nogal and Dharoor blocks. Range is free carried by AOC for US\$45 million (\$22.5 million on each block). Subject to certain milestones being reached by AOC, AOC can make cash calls on Range. The above represents Range's best estimate of this commitment as at the reporting date.

Note: It is possible that Africa Oil's work program will vary and work could be accelerated. This would affect the timing and quantum of the cash calls on Range. In the event that Range is not able to or chooses not to participate in the cash calls as made by the operator (Africa Oil), then Range will be deemed to be a Non Consenting Partner. In the event that this happens, Range has the 'option' to reinstate its relinquished rights by paying a 700% (7x) premium within 30 days of exercising their option to reinstate as a Consenting Partner to the farm-in.

(b) Expenditure commitments

	Consolidated	
	2011	2010
	\$	\$
<i>Consultancy agreements</i>		
Not later than 1 year	<u>138,265</u>	<u>153,115</u>
	<u>138,265</u>	<u>153,115</u>

- (i) The above commitment is for our consulting agreement with Texas Energy Advisors LLC. The commitment is for USD 43,500 (2010: USD 43,500) per month for a maximum of 3 months.

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Note 23: Commitments (continued)

(c) Remuneration commitments

	Consolidated	
	2011	2010
	\$	\$
Commitments for the payment of salaries and other remuneration under long-term employment contracts in existence at the reporting date but not recognised as liabilities, payable:		
Within one year	160,000	40,000
Later than one year and not later than five years	291,666	40,000
	<u>451,666</u>	<u>80,000</u>

Amounts disclosed as remuneration commitments include commitments arising from the service contracts of key management personnel referred to in the remuneration report within the directors' report that are not recognised as liabilities and are not included in the key management personnel compensation.

Note 24: Contingent Liabilities and Contingent Assets

The Company completed the acquisition of the remaining 49.9% of the Puntland Rights from Consort Private Limited ("Consort") in May 2007. Under the terms of the Agreement, Range must issue a further 45 million shares to Consort upon completion of the first hydrocarbon well drilled in Puntland.

In addition, upon completion of the first 4 hydrocarbon wells drilled in Puntland, the Company must pay US\$20 million to Consort.

Consort are also entitled to receive a 2.5% net royalty on any Puntland projects derived in respect of Range's interest.

Further, US\$200,000 is payable upon a commercial discovery on each license area as a result of the wells drilled in Puntland giving a total contingent liability of US\$400,000.

The Company has entered into a 12 month rolling agreement with Texas Energy Advisors LLC to procure an offshore drilling partner in Puntland. If Texas Energy facilitates the introduction of Range Resources to an offshore drilling partner, Texas Energy will receive cash or equity to the value of:

<i>Aggregate value of payment received by Range</i>	<i>% to be paid to Texas Energy</i>
Less than or equal to A\$50m	2.0% of such amount; plus
Greater than A\$50m but less than A\$100m	4.0% of such amount; plus
Greater than A\$100m	6.0% of such amount

Taghmen Ventures have been employed by the Company to locate a Joint Venture drilling partner for the Puntland offshore project. Taghmen Ventures will be compensated as per the below table:

	Introduction by Taghmen Ventures	Introduction without Taghmen Ventures
Upon formal Joint Venture	5,000,000 fully paid ordinary shares 75,000 \$0.50 unlisted options (30/6/12)	Nil
Upon drilling of first well	4,500,000 fully paid ordinary shares	2,250,000 fully paid ordinary shares
Total	9,500,000 fully paid ordinary shares 75,000 \$0.50 unlisted options (30/6/12)	2,250,000 fully paid ordinary shares

During the prior year, the Company entered into a transaction to acquire a 50% interest in Strait Oil and Gas (UK) Limited, which holds two licenses in the Republic of Georgia. Under the terms of the Agreement, Range must issue 30m shares and 30m options (\$0.05, 31 December 2011) upon the completion of two wells or commercial discovery.

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Note 24: Contingent Liabilities and Contingent Assets (continued)

During the financial year ended 30 June 2008, the entity settled a transaction regarding the disposal of subsidiaries with operations in Peru. Range Resources has received conflicting advice from local advisors as to whether any tax liability arises in Peru from this disposal and are therefore unable, at this stage, to quantify any such liability should it, in fact, exist.

The Trinidad subsidiary of Range, Trincan Oil Limited has been named as a defendant in 3 High Court Actions in Trinidad relating to previous contracts with drilling companies from a number of years ago. To date, no judgement has been handed down hence the Company is not in a position to determine the likely financial impact and potential amounts payable should these actions be successful. The Company believes that any outcome against the Company will not have a significant detrimental impact on the Company.

The Directors are not aware of any further contingent liabilities or contingent assets as at 30 June 2011.

Note 25: Segment Reporting

Management have determined that the operating segments are consistent with prior periods, with management allocating resources to segments on a geographical basis. During the financial period, the consolidated entity operated in four operational segments being Somalia, Georgia, Texas and Trinidad.

2011	Somalia \$	Georgia \$	Texas \$	Trinidad \$	Unallocated \$	Consolidated \$
Segment revenue						
Revenue from continuing operations	-	-	3,074,492	-	391,239	3,465,731
Other income	-	-	-	-	8,691	8,691
Total revenue	-	-	3,074,492	-	399,930	3,474,422
Segment result						
Segment result	-	-	(1,324,301)	(7,217,388)	(10,324,266)	(18,865,955)
Loss before income tax	-	-	1,750,191	(7,217,388)	(9,924,336)	(15,391,533)
Income tax	-	-	(115,352)	-	-	(115,352)
Loss after income tax	-	-	1,634,839	(7,217,388)	(9,924,336)	(15,506,885)
Segment assets						
Segment assets ⁽¹⁾	87,214,193	18,013,772	6,735,895	54,426,730	21,603,502	187,994,092
Total assets	87,214,193	18,013,772	6,735,895	54,426,730	21,603,502	187,994,092
Segment liabilities						
Segment liabilities	117,261	-	485,110	-	828,920	1,431,291
Total liabilities	117,261	-	485,110	-	828,920	1,431,291

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Note 25: Segment Reporting (continued)

Other segment information						
Acquisitions of property, plant and equipment, capitalised exploration expenditure and development assets	5,174,386	6,317,708	1,758,330	52,311,134	11,503,706	77,065,264
Total acquisitions	-	-	-	-	-	-
Depreciation and amortisation of segment assets	-	-	190,885	-	4,954	195,839
Total depreciation and amortisation	-	-	190,885	-	4,954	195,829

(i) Included within the unallocated assets shown above is cash and cash equivalents of \$17,359,870.

2010	Somalia	Georgia	Texas	Unallocated	Consolidated
	\$	\$	\$	\$	\$
Segment revenue					
Revenue from continuing operations	-	-	562,695	18,407	581,102
Other income	-	-	-	138,332	138,332
Total revenue	-	-	562,695	156,739	719,434
Segment result					
Segment result	-	-	306,427	(9,145,013)	(8,838,586)
Loss before income tax	-	-	306,427	(9,145,013)	(8,838,586)
Income tax	-	-	-	-	-
Loss after income tax	-	-	306,427	(9,145,013)	(8,838,586)
Segment assets					
Segment assets ⁽ⁱ⁾	82,039,806	11,698,064	5,168,449	12,196,048	111,102,367
Total assets	82,039,806	11,698,064	5,168,449	12,196,048	111,102,367
Segment liabilities					
Segment liabilities	-	509,303	371,670	712,635	1,593,608
Total liabilities	-	509,303	371,670	712,635	1,593,608
Other segment information					
Acquisitions of property, plant and equipment, capitalised exploration expenditure and development assets	2,150,965	-	5,187,075	5,842	7,343,882
Total acquisitions	2,150,965	-	5,187,075	5,842	7,343,882
Depreciation and amortisation of segment assets	-	-	18,625	30,782	49,407
Total depreciation and amortisation	-	-	18,625	30,782	49,407

(ii) Included within the unallocated assets shown above is cash and cash equivalents of \$7,398,470.

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Note 25: Segment Reporting (continued)

Accounting Policies

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the consolidated entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The chief operating decision maker is the managing director and through this role the Board of Directors.

Following the adoption of AASB 8, the identification of the consolidated entity's reporting segments remain consistent with prior periods, with management allocating resources to segments on a geographical basis.

Information regarding these segments is presented above. The accounting policies of the reportable segments are the same as those of the consolidated entity. Segment information is prepared in conformity with the accounting policies of the entity as disclosed in Note 1.

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of cash, receivables, plant and equipment, exploration expenditure capitalised and development assets net of accumulated depreciation and amortisation. While most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment disclosures do not include deferred income taxes.

Revenue from continuing operations from Texas of \$3,074,492 is derived from several customers who each account for greater than 10% of this amount.

Intersegment Transfers

Segment revenues, expenses and results do not include any transfers between segments.

Note 26: Cash Flow Information

	Consolidated	
	2011	2010
	\$	\$
Reconciliation of cash flow from operations with loss after income tax		
Loss after income tax	(15,506,885)	(8,838,586)
Non-cash flows in profit		
Depreciation	201,273	49,407
Share based director remuneration	-	1,380,000
Share based payments to consultants	2,514,025	3,134,721
Impairment of available-for-sale investments	55,500	1,097,624
Foreign exchange loss	752,055	337,600
Option extension fees	7,217,387	-
Other non-cash items	401,304	398,312
Decrease/(increase) in other current assets	(109,013)	(147,775)
Decrease/(increase) in trade and other receivables	(960,911)	(1,996,546)
Increase/(decrease) in trade and other payables	442,188	817,370
	<u>(4,993,077)</u>	<u>(3,767,873)</u>
Net cash outflow from operations	<u>(4,993,077)</u>	<u>(3,767,873)</u>

The following non-cash items were included in investing and operating activities:

- Shares worth \$3,420,471 were issued as prepayment of the investment relating to the Trinidad acquisition.

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Note 27: Share-Based Payments

The following share-based payment arrangements occurred during the financial year ended at 30 June 2011.

Quantity	Security	\$ Value	Purpose
10,095,676	Fully paid ordinary shares	1,913,086	Issued in lieu of corporate advisory, capital raising etc. fees
9,366,399	\$0.05, 31 March 2015 - unlisted option	687,775	Issued in lieu of corporate advisory, capital raising etc. fees
5,420,655	\$0.07, 30 June 2015 - unlisted option	335,701	Issued in lieu of capital raising fees
7,058,824	\$0.265, 30 April 2016 - unlisted option	1,193,856	Issued in lieu of capital raising fees

The fair value at grant date of the unlisted options is independently determined using a Binomial option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The fair value of the listed options was determined as the market price of the listed options at the time the services were provided to the Company.

The following share based payment arrangements from prior periods existed at 30 June 2011:

	2011		2010	
	Number of Options	Weighted Average Exercise Price \$	Number of Options	Weighted Average Exercise Price \$
Outstanding at the beginning of the year	164,878,978	0.110	43,858,333	0.206
Granted – (\$0.05 - 31.12.11)	-	-	42,175,000	0.050
Granted – (\$0.10 - 31.12.11)	-	-	60,000,000	0.100
Granted – (\$0.05 - 31.03.15)	9,366,399	0.050	18,845,645	0.050
Granted – (\$0.07 - 30.06.15)	5,420,655	0.070	-	-
Granted – (\$0.265 - 30.04.16)	7,058,824	0.265	-	-
Exercised – (\$0.05 - 31.03.15)	(28,212,044)	(0.050)	-	-
Exercised – (\$0.07 - 30.06.15)	(4,565,489)	(0.070)	-	-
Expired – (\$1.00 - 01.10.10)	(4,500,000)	1.000	-	-
Outstanding at year end	149,447,323	0.098	164,878,978	0.110
Exercisable at year end	149,447,323	0.098	164,878,978	0.110

The following factors and assumptions were used in determining the fair value of the unlisted options on grant date:

Grant date	Expiry date	Fair value per option	Exercise price	Price of shares on grant date	Expected volatility annualised	Risk free interest rate	Dividend yield
22 December 08	30 June 12	\$0.0041	\$0.50	\$0.037	84.52%	3.64%	-
14 April 09	31 December 11	\$0.0122	\$0.05	\$0.030	83.83%	3.26%	-
19 March 10	31 December 11	\$0.0230	\$0.10	\$0.053	125.00%	4.80%	-
19 March 10	31 March 15	\$0.0430	\$0.05	\$0.053	125.00%	4.80%	-
8 July 10	30 June 15	\$0.0619	\$0.07	\$0.091	100.00%	4.80%	-
24 June 11	30 April 16	\$0.1691	\$0.265	\$0.235	94.57%	4.89%	-

Historical volatility has been the basis for determining expected share price volatility as it assumed that this is indicative of future volatility, which may not be the case.

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Note 28: Related Party Transactions

(a) Parent entities
The parent entity within the consolidated entity is Range Resources Limited. The ultimate Australian parent entity is Range Resources Limited which at 30 June 2011 owns 100% (2010: 100%) of the issued ordinary shares of Donnybrook Gold Pty Ltd and Westblade Pty Ltd.

(b) Subsidiaries
Interests in subsidiaries are set out in Note 13.

(c) Transactions with related parties

	Consolidated	
	2011	2010
	\$	\$
Consulting fees paid or payable to Okap Ventures Pty Ltd, a company in which Mr Landau is a Director, for the provision of corporate advisory, capital raising, company secretarial, investor / public relations and associated services including provision of all financial and administrative staff and office space in West Perth and London.	1,195,000	700,000
Reimbursement of expenses (including but not limited to Director and consultant travel and accommodation) paid by Okap Ventures Pty Ltd on behalf of Range Resources Limited.	493,388	404,073
Consulting fees paid or payable to Doull Holdings Pty Ltd, a company in which Mr Landau is a Director.	300,000	300,000
Consulting fees paid or payable to Smiding Pty Ltd, a company in which Mr Eastman is a Director.	75,000	40,833
Amounts payable at year end to related parties:	Consolidated	
	2011	2010
	\$	\$
Okap Ventures Pty Ltd	305,661	55,000
Doull Holdings Pty Ltd	25,000	55,000
Smiding Pty Ltd	41,667	4,583

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Note 28: Related Party Transactions (continued)

(d) Equity transactions with related parties

Refer to Note 21 and Note 28.

Note 29: Parent Entity Information

The following details information related to the parent entity Range Resources Limited, at 30 June 2011. The information presented here has been prepared in accordance using consistent accounting policies as presented in Note 1.

	2011 \$	2010 \$
Current assets	20,628,932	9,594,863
Non-current assets	167,322,814	101,277,400
Total assets	<u>187,951,746</u>	<u>110,872,263</u>
Current liabilities	1,384,114	1,361,792
Total liabilities	<u>1,384,114</u>	<u>1,361,792</u>
Contributed equity	227,671,125	137,327,826
Accumulated losses	(59,815,629)	(44,311,865)
Reserves	18,712,137	16,494,510
Total equity	<u>186,522,942</u>	<u>109,510,471</u>
Loss for the year	(15,506,268)	(8,840,689)
Other comprehensive profit / (loss) for the year	295	16,000
Total comprehensive loss for the year	<u>(15,505,973)</u>	<u>(8,824,689)</u>

The contingent liabilities of the parent are the same as those of the consolidated entity as disclosed in Note 24.

The contractual commitments of the parent are the same as those of the consolidated entity as disclosed in Note 23.

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Note 30: Financial Risk Management

The consolidated entity has exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This Note presents information about the consolidated entity's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

Risk management policies are established to identify and analyse the risks faced by the consolidated entity, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed to reflect changes in market conditions and the consolidated entity's activities. The consolidated entity, through training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all consultants and agents understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the consolidated entity if counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the consolidated entity's investments, receivables and cash held at financial institutions.

Exposure to credit risk

The carrying amount of the economic entity's financial assets represents the maximum credit exposure. The consolidated entity's maximum exposure to credit risk at the reporting date was:

	Consolidated	
	2011	2010
	\$	\$
Available for sale financial assets	912,342	420,147
Loans and receivables	3,002,395	2,038,997
Non-current receivable	12,122,177	-
Cash and cash equivalents	17,359,870	7,398,470
	<u>33,396,784</u>	<u>9,857,614</u>

Cash and cash equivalents are held in financial institutions in Australia with external credit ratings of AA.

The carrying value of unlisted investments prior to write off was \$904,439, of which \$904,439 was provided against in the prior year (2010: \$904,439).

Loans and receivables

The consolidated entity's exposure to credit risk is influenced mainly by the individual characteristics of each debtor. No collateral was held in relation to these receivables.

Impairment losses

None of the receivables at year end are past due or impaired. There are no guarantees to disclose.

Investments in associates / Prepayment for investments

The Company doesn't consider any financial risk to its investments in associates and prepayment for investments other than the risk of impairment that is assessed on an annual basis.

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Note 30: Financial Risk Management (continued)

Liquidity risk

Liquidity risk is the risk that the consolidated entity will not be able to meet its financial obligations as they fall due. The consolidated entity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the economic entity's reputation.

The consolidated entity uses activity-based costing to cost its activities, which assists in monitoring cash flow requirements and optimising its cash return on investments. Typically, the consolidated entity ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 6 months; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following are contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

Consolidated Entity 2011							
	Carrying amount	Contractual cash flows	6 months or less	6 – 12 months	1-2 years	2-5 years	Over 5 years
Financial liabilities at amortised cost							
Trade and other payables	1,419,646	-	1,419,646	-	-	-	-
Consolidated Entity 2010							
	Carrying amount	Contractual cash flows	6 months or less	6 – 12 months	1-2 years	2-5 years	Over 5 years
Financial liabilities at amortised cost							
Trade and other payables	1,587,394	-	1,587,394	-	-	-	-

Market risk

Market risk is the risk that changes in market prices, such as interest rates and equity prices will affect the consolidated entity's income or the value of its holdings of available for sale assets. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Equity price risk

The consolidated entity is exposed to equity securities price risk. This arises from investments held by the consolidated entity and classified on the statement of financial position as available for sale. The consolidated entity is not exposed to commodity price risk.

The consolidated entity holds equity investments which are publicly traded and included either on the ASX or the Toronto Stock Exchange.

The table below summarises the impact of increases/decreases equity investments held on these two indexes on the consolidated entity's post tax profit for the year and on equity. The analysis is based on the assumption that the share price had increased/decreased by 10% (2010: 10%) with all other variables held constant.

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Note 30: Financial Risk Management (continued)

	Impact on post-tax loss		Impact on Equity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Listed available-for-sale assets				
Ram Resources (formerly Contact Uranium)	-	-	12,000	11,200
Boss Energy	-	-	-	18,750
Africa Oil	-	-	16,574	12,061
Red Emperor Resources	-	-	34,000	-

Equity would increase/decrease as a result of gains/losses on equity securities classified as available for sale, unless the assets were determined to be impaired there would be no impact on loss for the year.

AASB7 – Financial Instruments: Disclosures requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- inputs other than quoted prices included within the level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

2011	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Available for sale financial assets				
Equity securities	612,941	-	299,401	912,342
Total assets	612,941	-	299,401	912,342

2010	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Available for sale financial assets				
Equity securities	420,147	-	-	420,147
Total assets	420,147	-	-	420,147

The fair value of financial instruments in active markets such as available for sale securities is based on quoted market bids at the end of the reporting period. The quoted market price used for financial assets held by the consolidate entity is the current bid price. These instruments are included in level 1.

The fair value of the financial instruments categorised as level 3 is based on the fair value of the consideration paid at acquisition date less costs to sell.

As there is no active market for the securities, management believe that the acquisition cost less costs to sell is the fair value of the equity instruments.

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Note 30: Financial Risk Management (continued)

Foreign exchange risk

The consolidated entity operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar, British pound and Euro.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The consolidated entity's treasury risk management policy is to closely monitor exchange rate fluctuations. The consolidated entity has engaged a foreign exchange consulting company to assist in this process. To date, the consolidated entity has not sought to hedge its exposure to fluctuations in exchange rates, however this policy will be reviewed on an ongoing basis.

The consolidated entity's exposure to foreign currency risk at the reporting date was as follows:

	Consolidated	
	2011	2010
	US\$	US\$
Amount receivable from other entities	874,747	271,261
Amount payable to other entities	-	-

Sensitivity

Based upon the amounts above, had the Australian dollar strengthened by 10% against the US dollar with all other variables held constant, the consolidated entity post-tax loss for the year would have been AUD\$82,541 lower (2010: AUD\$21,676 lower), mainly as a result of foreign exchange gains/losses on translation of US denominated payables as detailed in the table above. A 10% weakening of the Australian dollar against the above currencies at 30 June would have had the equal but opposite effect, on the basis that all other variables remain constant.

Range Resources' contingent liabilities are mainly denominated in USD\$ however as the timing and/or occurrence of the payment does not allow that these be included in the sensitivity analysis performed here.

Interest rate risk

Profile

At the reporting date, the interest rate profile of the consolidated entity's interest-bearing financial instruments was:

	Consolidated	
	2011	2010
	\$	\$
Variable rate instruments		
Financial assets (cash and cash equivalents)	17,359,870	7,398,470
Non-current Receivable	12,122,177	-
	<u>29,482,047</u>	<u>7,398,470</u>

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Note 30: Financial Risk Management (continued)

Sensitivity analysis for variable rate instruments

The sensitivity on interest rates for 2011 assumes a change of 100 basis points in the interest rates at the reporting date and would have increased / (decreased) profit and loss by the amounts shown. This analysis differs from 2010 which was performed on an interest rate movement up of 50 and 100 basis points (bps) at reporting date – which was consistent with the current market expectations of likely interest rate movements in the prior year. Both analysis for each year assumes that all other variables, in particular foreign currency rates, remain constant.

	Weighted Average Interest Rate %	2011 +100 bps \$	2011 -100 bps \$	Weighted Average Interest Rate %	2010 +50 bps \$	2010 +100 bps \$
Consolidated Entity						
Variable rate instruments						
Financial assets (cash and cash equivalents)	3.66%	106,810	(106,810)	1.32%	6,947	13,894
Financial assets (loan to associates)	3.00%	121,222	(121,222)	-	-	-

Fair values

Fair values versus carrying amounts

The fair value of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

Consolidated Entity	30 June 2011		30 June 2010	
	Carrying amount	Fair value	Carrying amount	Fair value
Available-for-sale financial assets	912,342	912,342	420,147	420,147
Loans and receivables	3,002,395	3,002,395	2,038,997	2,038,997
Non-current receivable	12,122,177	12,122,177	-	-
Cash and cash equivalents	17,359,870	17,359,870	7,398,470	7,398,470
Financial liabilities at amortised cost	(1,417,159)	(1,417,159)	(1,587,397)	(1,587,397)
	<u>31,979,625</u>	<u>31,979,625</u>	<u>8,270,217</u>	<u>8,270,217</u>

The basis for determining fair value is disclosed in Note 1(n) and Note 1(o).

Other price risk

The consolidated entity is not exposed to any other price risks.

Capital management

The entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The entity's overall strategy remains unchanged from 2011.

The capital structure of the group consists of cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued capital, reserves and accumulated losses as disclosed in Notes 21 and 22 respectively. None of the entities within the group are subject to externally imposed capital requirements.

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Note 30: Financial Risk Management (continued)

Gearing ratio

The Board reviews the capital structure on an annual basis. As a part of this review the Board considers the cost of capital and the risks associated with each class of capital

	Consolidated	
	2011	2010
	\$	\$
Financial assets		
Cash and cash equivalents	17,359,870	7,398,470
Trade and other payables	(1,419,646)	(1,587,397)
Net assets / (debt)	15,940,224	5,811,073
Equity	242,732,685	147,414,032
Net debt to equity ratio	0%	0%

Categories of financial instruments

	Consolidated	
	2011	2010
	\$	\$
Financial assets		
Cash and cash equivalents	17,359,870	7,398,470
Loans and other receivables	3,002,395	2,038,997
Non-current receivable	12,122,177	-
Available-for-sale financial assets	912,342	420,147
	33,396,784	9,857,614
Financial liabilities		
Financial liabilities at amortised cost	1,419,646	1,587,397

The carrying amount reflected above represents the consolidated entity's maximum exposure to credit risk for such loans and receivables.

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Note 31: Events After the Reporting Date

- Following on from completion of the Trinidad acquisition during the year, subsequent to year end, Range received the 100% share capital of SOCA Petroleum Limited through its newly created subsidiary Range Resources (Barbados) Limited. The Company is still in the process of valuing the acquisition in accordance with the requirements of AASB 3. The amounts paid for the acquisition as referred to in Note 18.
- The initial 21 development well work program commenced in Trinidad in less than 2 months from the acquisition of 100% of the Trinidad assets. The development well program is utilizing 3 of the Company's rigs and is targeting an increase in production to between 1,400-1,800 bopd, an increase and reclassification of reserves along with extending the limits of the existing fields.
- The Company's first exploration well in Georgia successfully spudded in July, with the Mukhiani #1 well targeting a prospect with a mean estimate of undiscovered oil in place of 115 million barrels (with 46 million barrels attributable to Range's 40% interest) and a total proposed depth of 3,500m.
- The Company's joint venture partner Africa Oil Corporation signed a landmark contract with Sakson Drilling and Oil Services who will provide a 1,500 horse-power, top drive drilling rig to drill two highly anticipated exploration wells in Puntland, Somalia. The majority of the drilling-related third party service contracts have now been entered into, with the mobilisation of required personnel and equipment to commence, which is expected to allow for the spudding of the first well during the fourth quarter of this year. Drilling locations have been selected over two robust prospects targeting total gross best estimate Prospective Resources of 675 million barrels of oil (with 135 million barrels net attributable to Range). The first prospect, Shabeel-1, is targeting Prospective Resources of in excess of 300 million barrels of oil (with 60 million barrels net attributable to Range).
- Range also made a strategic investment in Tangiers Petroleum Limited ("Tangiers", ASX:TPT) in subscribing for 5m ordinary shares in Tangiers at an issue price of \$0.40. Tangiers is an ASX listed exploration company which has a portfolio of two potentially world class oil and gas projects located in Morocco and Australia. Tangiers Moroccan assets include the highly prospective offshore Tarfaya block. Netherland, Sewell & Associates conducted an independent review of the first four prospects on this block and concluded a best estimate prospective resource of approximately 870 Million Barrels, and a high estimate of almost 5 Billion Barrels.
- Subsequent to year-end the Company successfully raised US\$15m through a strategic placement of 83,563,829 shares and 41,781,915 attaching options to Socius CG II, an established and highly successful United States based investment group and a wholly-owned subsidiary of Socius Capital Group.

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Note 32: New Accounting Standards and Interpretations

Australian Accounting Standards/Amendments Released But Not Yet Effective: 30 June 2011 Year End

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for financial year ended 30 June 2011. They have not been adopted in preparing the financial statements for the year ended 30 June. The group's assessment of the impact of these new standards and interpretations are set out below. In all cases the entity intends to apply these standards from the date of application as indicated below.

AASB reference	Title and Affected Standard(s):	Nature of Change	Application date/ Effective date	Impact on Initial Application
AASB 9 (issued December 2009 and amended December 2010)	Financial Instruments	<p>Amends the requirements for classification and measurement of financial assets.</p> <p>The following requirements have generally been carried forward unchanged from AASB 139 Financial Instruments: Recognition and Measurement into AASB 9. These include the requirements relating to:</p> <ul style="list-style-type: none"> • Classification and measurement of financial liabilities; and • Derecognition requirements for financial assets and liabilities. <p>However, AASB 9 requires that gains or losses on financial liabilities measured at fair value are recognised in profit or loss, except that the effects of changes in the liability's credit risk are recognised in other comprehensive income.</p>	Periods beginning on or after 1 January 2013	Due to the recent release of these amendments and that adoption is only mandatory for the 31 December 2013 year end, the entity has not yet made an assessment of the impact of these amendments.

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Note 32: New Accounting Standards and Interpretations (continued)

AASB reference	Title and Affected Standard(s):	Nature of Change	Application date/ Effective date	Impact on Initial Application
AASB 10 (issued August 2011)	Consolidated Financial Statements	<p>Introduces a single 'control model' for all entities, including special purpose entities (SPEs), whereby all of the following conditions must be present:</p> <ul style="list-style-type: none"> • Power over investee (whether or not power used in practice) • Exposure, or rights, to variable returns from investee • Ability to use power over investee to affect the entity's returns from investee. 	Annual reporting periods commencing on or after 1 January 2013	When this standard is first adopted for the year ended 30 June 2014, there will be no impact on transactions and balances recognised in the financial statements because the entity does not have any special purpose entities.
AASB 11 (issued August 2011)	Joint Arrangements	<p>Joint arrangements will be classified as either 'joint operations' (where parties with joint control have rights to assets and obligations for liabilities) or 'joint ventures' (where parties with joint control have rights to the net assets of the arrangement).</p> <p>Joint arrangements structured as a separate vehicle will generally be treated as joint ventures and accounted for using the equity method (proportionate consolidation no longer allowed).</p>	Annual reporting periods commencing on or after 1 January 2013	When this standard is first adopted for the year ended 30 June 2014, there will be no impact on transactions and balances recognised in the financial statements.

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Note 32: New Accounting Standards and Interpretations (continued)

AASB reference	Title and Affected Standard(s):	Nature of Change	Application date/ Effective date	Impact on Initial Application
AASB 13 (issued September 2011)	Fair Value Measurement	Currently, fair value measurement requirements are included in several Accounting Standards. AASB 13 establishes a single framework for measuring fair value of financial and non-financial items recognised at fair value in the statement of financial position or disclosed in the notes in the financial statements.	Annual reporting periods commencing on or after 1 January 2013	When this standard is adopted for the first time on 1 July 2013, additional disclosures will be required about fair values.
AASB 2011-9 (issued September 2011)	Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income	<p>Amendments to align the presentation of items of other comprehensive income (OCI) with US GAAP.</p> <p>Various name changes of statements in AASB 101 as follows:</p> <ul style="list-style-type: none"> 1 statement of comprehensive income – to be referred to as ‘statement of profit or loss and other comprehensive income’ 2 statements – to be referred to as ‘statement of profit or loss’ and ‘statement of comprehensive income’. <p>OCI items must be grouped together into two sections: those that could subsequently be reclassified into profit or loss and those that cannot.</p>	Annual periods commencing on or after 1 July 2012	When this standard is first adopted for the year ended 30 June 2013, there will be no impact on amounts recognised for transactions and balances for 30 June 2013 (and comparatives). However, the statement of comprehensive income will include name changes and include subtotals for items of OCI that can subsequently be reclassified to profit or loss in future (e.g. foreign currency translation reserves) and those that cannot subsequently be reclassified (e.g. fixed asset revaluation surpluses).

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Note 32: New Accounting Standards and Interpretations (continued)

AASB reference	Title and Affected Standard(s):	Nature of Change	Application date/ Effective date	Impact on Initial Application
AASB 124 (issued December 2009)	Related Party Disclosures	Simplifies disclosure requirements for government-related entities and clarifies the definition of a related party.	Annual reporting periods commencing on or after 1 January 2011.	As this is a disclosure standard only, there will be no impact on amounts recognised in the financial statements. However, various disclosures currently required by government entities about related party transactions with other entities that are controlled, or significantly influenced by the same government entity will no longer be required if it is costly to gather and of less value to users.
AASB 12 (issued August 2011)	Disclosure of Interests in Other Entities	Combines existing disclosures from AASB 127 Consolidated and Separate Financial Statements, AASB 128 Investments in Associates and AASB 131 Interests in Joint Ventures. Introduces new disclosure requirements for interests in associates and joint arrangements, as well as new requirements for unconsolidated structured entities.	Annual reporting periods commencing on or after 1 January 2013	As this is a disclosure standard only, there will be no impact on amounts recognised in the financial statements. However, additional disclosures will be required for interests in associates and joint arrangements, as well as for unconsolidated structured entities.
AASB 7	Financial Instruments: Disclosures	Deletes various disclosures relating to credit risk, renegotiated loans and receivables and the fair value of collateral held.	Periods commencing on or after 1 January 2011	There will be no impact on initial adoption to amounts recognised in the financial statement as the amendments result in fewer disclosures only.
AASB 101	Presentation of Financial Statements	A detailed reconciliation of each item of other comprehensive income may be included in the statement of changes in equity or in the notes to the financial statements.	Periods commencing on or after 1 January 2011	There will be no impact on initial adoption of this amendment as a detailed reconciliation of each item of other comprehensive income has always been included in the statement of changes in equity.

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NOTES TO THE FINANCIAL STATEMENTS
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Note 32: New Accounting Standards and Interpretations (continued)

AASB reference	Title and Affected Standard(s):	Nature of Change	Application date/ Effective date	Impact on Initial Application
AASB 2010-6 (issued November 2010)	Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets	Additional disclosures required for entities that transfer financial assets, including information about the nature of financial assets involved and the risks associated with them.	Annual reporting periods commencing on or after 1 July 2011	As this is a disclosure standard only, there will be no impact on amounts recognised in the financial statements.
AASB 1054 (issued May 2011)	Australian Additional Disclosures	Moves additional Australian specific disclosure requirements for for-profit entities from various Australian Accounting Standards into this Standard as a result of the Trans-Tasman Convergence Project. Removes the requirement to disclose each class of capital commitment and expenditure commitment contracted for at the end of the reporting period (other than commitments for the supply of inventories).	Annual reporting periods commencing on or after 1 July 2011	When this Standard is adopted for the first time for the year ended 30 June 2012, the financial statements will no longer include disclosures about capital and other expenditure commitments as these are no longer required by AASB 1054.

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Note 33: Company Details

The registered office of the company is:

Ground Floor, 1 Havelock Street
West Perth WA 6005
Tel: (08) 9488 5220
Fax: (08) 9324 2400

The principal place of business is:

Ground Floor, 1 Havelock St
West Perth WA 6005
Tel: (08) 9488 5220
Fax: (08) 9324 2400

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DECLARATION OF BY DIRECTORS

The directors of the company declare that:

1. The financial statements, comprising the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, accompanying notes, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date.
2. The company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
3. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
4. The remuneration disclosures included in pages 15 to 20 of the directors' report (as part of audited Remuneration Report), for the year ended 30 June 2011, comply with section 300A of the Corporations Act 2001.
5. The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



Mr P Landau
Executive Director
Perth



Mr A Eastman
Executive Director / Company Secretary
Perth

Dated this 30th day of September 2011

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RANGE RESOURCES LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Range Resources Limited, which comprises the consolidated statement of financial position as at 30 June 2011, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* would be in the same terms if it had been given to the directors at the time that this auditor's report was made.

Auditor's Opinion

In our opinion:

- (a) the financial report of Range Resources Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2011. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of Range Resources Limited for the year ended 30 June 2011, complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd



Glyn O'Brien
Director

Perth, Western Australia
Dated this 30th day of September 2011

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CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement sets out the Company's current compliance with the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations (Best Practice Recommendations). The Best Practice Recommendations are not mandatory. However, the Company will be required to provide a statement in its future annual reports disclosing the extent to which the Company has followed the Best Practice Recommendations.

The Board of the Company currently has in place a corporate governance policy and are in the process of adopting a more comprehensive Corporate Governance Plan.

	BEST PRACTICE RECOMMENDATION	COMMENT
1.	<i>Lay solid foundations for management and oversight</i>	
1.1	Formalise and disclose the functions reserved to the board and those delegated to management.	Satisfied. Refer the Corporate Governance section on the Company website.
1.2	Disclose the process for evaluating the performance of senior executives.	Not satisfied. The Company has not yet established formal performance review measures for key executives given the size and stage of the Company's operations.
1.3	Provide the information indicated in the <i>Guide to Reporting on Principle 1</i> .	Satisfied. Refer to Director's report.
2.	<i>Structure the board to add value</i>	
2.1	A majority of the board should be independent directors.	Satisfied. Refer the Corporate Governance section on the Company website.
2.2	The chairperson should be an independent director.	Satisfied. Refer the Corporate Governance section on the Company website.
2.3	The roles of chairperson and chief executive officer should not be exercised by the same individual.	Satisfied. Refer the Corporate Governance section on the Company website.
2.4	The board should establish a nomination committee.	Not satisfied. The Board considers that given the current size of the board, this function is efficiently achieved with full Board participation. Accordingly, the Board has resolved not to establish a nomination committee at this stage.
2.5	Disclose the process for evaluating the performance of the board, its committees and individual directors.	Not satisfied. The Company has not yet established formal performance review measures for key executives nor has it established a nomination committee given the size and stage of the Company's operations. The full Board will review the performance of key executives.
2.6	Provide the information indicated in <i>Guide to Reporting on Principle 2</i> .	Satisfied. Refer to Director's report.
3.	<i>Promote ethical and responsible decision-making</i>	
3.1	Establish a code of conduct to guide the directors, the chief executive officer (or equivalent), the chief financial officer (or equivalent) and any other key executives as to: (a) the practices necessary to maintain confidence in the company's integrity; and (b) the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders (c) the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Satisfied. Refer the Corporate Governance section on the Company website.

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CORPORATE GOVERNANCE STATEMENT

	BEST PRACTICE RECOMMENDATION	COMMENT
3.2	Disclose the policy concerning trading in company securities by directors, officers and employees.	Satisfied. Available on the Company website.
3.3	Provide the information indicated in <i>Guide to Reporting on Principle 3</i> .	Satisfied. Refer to Director's report.
4.	<i>Safeguard integrity in financial reporting</i>	
4.1	The board should establish an audit committee.	Not Satisfied. The Directors believe that it would not increase efficiency or effectiveness to have a separate audit committee, and that audit matters are of such significance that they should be considered by the full Board. The Board may call on outside consultants if it requires assistance in this area.
4.2	Structure the audit committee so that it consists of: (a) only non-executive directors; (b) a majority of independent directors; (c) an independent chairperson, who is not chairperson of the board; and (d) at least three members.	Not satisfied. Refer 4.1.
4.4	The audit committee should have a formal charter.	Not satisfied. Refer 4.1
4.5	Provide the information indicated in <i>Guide to Reporting on Principle 4</i> .	Satisfied. Refer to Director's report.
5.	<i>Make timely and balanced disclosure</i>	
5.1	Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance.	Satisfied. Continuous disclosure policy is available on the Company website.
5.2	Provide the information indicated in <i>Guide to Reporting on Principle 5</i> .	Satisfied. Refer 5.1
6.	<i>Respect the rights of shareholders</i>	
6.1	Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings.	Satisfied. Communications with Shareholders policy is available on the Company website
6.2	Provide the information indicated in <i>Guide to Reporting on Principle 6</i> .	Satisfied. Refer to the Company website.

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CORPORATE GOVERNANCE STATEMENT

7.	<i>Recognise and manage risk</i>	
7.1	The board or appropriate board committee should establish policies on risk oversight and management.	Satisfied. Risk management program is available on the Company website.
7.2	Design and implement the risk management and internal control system to manage the company's material business risks and report on whether those risks are being managed effectively.	Satisfied. Refer 7.1
7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Due to the size and scale of its operations, the Company does not have a designated CEO or CFO. The roles are performed by the Board as a whole.
7.4	Provide the information indicated in <i>Guide to Reporting on Principle 7</i> .	Satisfied. Refer 7.1 Not currently applicable. Refer 7.3
8.	<i>Remunerate fairly and responsibly</i>	
8.1	The board should establish a remuneration committee.	Not satisfied. The Board considered this recommendation and formed the view that it would not increase efficiency or effectiveness to have a separate committee, and that remuneration matters are of such significance that they should be considered by the full Board. The Board may call on outside consultants if it requires assistance in this area.
8.2	Clearly distinguish the structure of non-executive directors' remuneration from that of executives.	Details of executive and non-executive remuneration are outlined in the Directors' report.
8.3	Provide the information indicated in <i>Guide to Reporting on Principle 8</i> .	Satisfied. The Company has incorporated all information as required.

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ASX ADDITIONAL INFORMATION

Additional information required by the Australian Stock Exchange Limited Listing Rules not disclosed elsewhere in this Annual Report is set out below.

1. Shareholdings

The issued capital of the Company as at 26 September 2011 is 1,718,100,765 ordinary fully paid shares. There are 189,933,031 listed options (\$0.05, 31 December 2011), 3,177,029 unlisted options (\$0.50, 30 June 2012), 7,058,824 unlisted options (€0.17, 30 April 2016), 60,000,000 unlisted director options (\$0.10, 31 December 2011) and 855,166 unlisted options (€0.04, 30 June 2015).

Ordinary Shares	No. of Holders	No. of Shares
1 - 1,000	1,106	402,829
1,001 - 5,000	1,301	3,797,682
5,001 - 10,000	724	5,861,687
10,001 - 100,000	1,520	53,462,730
100,001 and over	454	1,654,575,837
	<u>5,105</u>	<u>1,718,100,765</u>
Number holding less than a marketable parcel	<u>1,816</u>	<u>1,757,664</u>

Listed Options (\$0.05, 31 December 2011)	No. of Holders	No. of Options
1 - 1,000	249	103,590
1,001 - 5,000	202	507,686
5,001 - 10,000	63	467,260
10,001 - 100,000	191	8,358,982
100,001 and over	168	180,495,513
	<u>873</u>	<u>189,933,031</u>
Number holding less than a marketable parcel	<u>424</u>	<u>477,815</u>

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ASX ADDITIONAL INFORMATION

2. Top 20 Shareholders as at 26 September 2011

	No. of Shares Held	% Held
1 Computershare Clearing Pty Ltd <CCNL DI A/C>	1,320,922,516	76.88
2 National Nominees Limited	43,008,639	2.50
3 JP Morgan Nominees Australia Limited <Cash Income A/C>	35,316,675	2.06
4 Mr. David Scanlen	20,002,187	1.16
5 Erine International Limited	15,506,298	.90
6 Compagnie Des Montres Leader SA	11,409,116	0.66
7 HSBC Custody Nominees (Australia) Limited	11,166,779	0.65
8 Citicorp Nominees Pty Limited	9,711,260	0.57
9 Mr Pieter Hoekstra + Mrs Ruth Hoekstra < Hoekstra Super Fund A/C>	6,935,000	0.40
10 Doull Holdings Pty Ltd	6,250,000	0.36
11 Mr Paul Frederick Bennett	5,342,027	0.31
12 Consort Private Limited	5,000,000	0.29
13 Mr. Mohamed Hersi	4,650,099	0.27
14 Drn Redfern	4,166,667	0.24
15 Mr Dominic Redfern	3,623,971	0.21
16 J P Morgan Nominees Australia Limited	3,127,782	0.18
17 R W Manners Pty Ltd <R W Manners Pty Ltd <RW Manners P/L Super/F A/C>	2,564,502	0.15
18 Mr Phong Nguyen	2,445,678	0.14
19 Mr. Kenneth Meintjes + Mrs. Sally Louise Meintjes	2,009,578	0.12
20 Davidson <Black Prince S/FUND A/C>	2,000,000	0.12
	<u>1,515,158,774</u>	<u>88.19</u>

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ASX ADDITIONAL INFORMATION

3. Top 20 Option holders (\$0.05, 31 December 2011) as at 26 September 2011

	No. of Options Held	% Held
1 Mr David Scanlen	24,720,000	13.02
2 Mr. Pieter Hoekstra + Mrs Ruth Hoekstra <Hoekstra Super Fund A/C>	14,900,000	7.84
3 Pershing Nominees Limited <GWCLT>	8,522,730	4.49
4 Mr Peter Charles Morey & Mrs Valmai Ann Morey <Morey Super Fund A/C>	5,636,336	2.97
5 Doull Holdings Pty Ltd	5,000,000	2.63
6 Pre-Emptive Trading Pty Ltd	4,805,000	2.53
7 Mr Mohamed Hersi	4,650,099	2.45
8 Mr Shane Mathew Collins	4,400,000	2.32
9 Ms Kim Michelle Oates	4,225,000	2.22
10 Surfing Solutions Pty Ltd <Gollner S/F A/C>	4,198,378	2.21
11 Mr. Gilbert Gavars	4,159,635	2.19
12 JP Morgan Nominees Australia Limited <Cash Income A/C>	4,142,096	2.18
13 Erine International Limited	4,135,013	2.18
14 G & D Finn Pty Ltd	4,000,000	2.11
15 DRN Redfem	3,333,333	1.76
16 Mr. Trevor Arthur Andersen + Mrs. Roslyn Anne Andersen	3,140,000	1.65
17 Mr. Phong Nguyen	3,000,000	1.58
18 Mr. Scott Stewart Dawson	2,825,696	1.49
19 Mr. Mark Chow	2,400,000	1.26
20 Mr. Bastian Michael Uber	2,350,000	1.24
	<u>114,543,316</u>	<u>60.31</u>

4. Substantial Shareholders as at 26 September 2011

	No. of Shares Held	% Held
1 Computershare Clearing Pty Ltd <CCNL DI A/C>	1,320,922,516	76.88
2 National Nominees Limited	43,008,639	2.50

ASX ADDITIONAL INFORMATION

5. Reserve Disclosure

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 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").

The prospective resource estimates for the two Dharoor Valley prospects are internal estimates reported by Africa Oil Corp, the operator of the joint venture, which are based on volumetric and related assessments by Gaffney, Cline & Associates.

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