

17 January 2012

The Manager
Company Announcements
Australian Securities Exchange Limited
Level 6, 20 Bridge Street
Sydney NSW 2000



ABN 88 002 522 009

www.rangeresources.com.au

By e-lodgement

SPUDDING OF HISTORICAL PUNTLAND EXPLORATION WELL

Highlights:

- **Spudding of the Shabeel-1 well, the first of two planned landmark exploration wells, in the Dharoor Valley, Puntland, Somalia**
- **The first oil exploration well to be drilled in over 20 years in Puntland targeting Prospective Resources of over 300 million barrels of oil (mean 100% basis)**
- **Initial operations also commenced on the Shabeel North-1 well (second exploration well)**

Range Resources Limited ("**Range**" or "**the Company**"), together with its joint venture partners, Horn Petroleum Corporation (TSX: HRN) and Red Emperor Resources (ASX: RMP / AIM: RMP), is pleased to announce the spudding of the Shabeel-1 well on the Dharoor Block in Puntland, Somalia. Horn Petroleum, the well operator, is currently preparing to drill ahead to a total planned maximum depth of 3,800 meters. Drilling operations have also commenced on the Shabeel North-1 well with the setting of the 30 inch surface casing and the drilling of a 50 meter pilot hole.

The Sakson 501 rig will be used to drill both wells which are expected to take approximately 90 days each for drilling and evaluation. These two wells satisfy the first exploration period minimum work obligations of the Production Sharing Contracts for both the Dharoor and Nugaal Blocks. They are the first oil exploration wells to be drilled in over 20 years in the country.



Shabeel-1 Well Site

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His Excellency – President Farole on top of the drilling rig

The Shabeel and Shabeel North prospects are located on a Jurassic aged rift system which is part of the same system that has proven to be highly productive in the Masila and Shabwa Basins in Yemen that contain an estimated 6 billion barrels of oil*. Both prospects are very large fault block prospects with internal estimates of Prospective Resources of over 300 million barrels of oil (mean 100% basis), with Range’s 20% attributable interest being over 60 million barrels. Source rocks are expected to be rich Jurassic Kimmeridgian shales in the deep portion of the rift immediately down dip from the Shabeel prospects. Reservoirs are expected to be sandstones and carbonates of the Lower Cretaceous and Jurassic systems analogous to Yemen.



Shabeel-1 Well Spudding Delegation in front of the drilling rig

Range’s Executive Director Peter Landau commented “We consider the spudding of the historic Shabeel-1 well a monumental achievement which could not be achieved without the immense contributions of Range personnel, the Puntland Government, operator Horn Petroleum / Africa Oil and, most importantly, the people of Puntland and the Dharoor Valley communities.”

Peter Landau continues, "We hope that success at the Shabeel well will, given the royalty and profit share arrangements in place, lead to significant infrastructure and employment benefits for Puntland and Greater Somalia. I also think that it is appropriate to commend Range shareholders who have stuck with the Company and supported us over the past 6 years as we now realise one of our key objectives in drilling a well in Puntland."



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Please refer to attached Appendix 3B

**Sourced from country and industry websites*

Yours faithfully

Peter Landau
Executive Director

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Range Background

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

- In Trinidad Range recently completed the acquisition of a 100% interest in holding companies with three onshore production licenses and fully operational drilling subsidiary. Independently assessed Proved (1P) reserves in place of 15.4 MMbbls with 19.6 MMbbls of proved, probable and possible (3P) reserves and an additional 20 MMbbls (mean) of prospective resources.
- In the Republic of Georgia, Range holds a 40% farm-in interest in onshore blocks VIa and VIb, covering approx. 7,000sq.km. Range has recently completed a 410km 2D seismic program with independent consultants RPS Energy identifying 68 potential structures containing an estimated 2 billion barrels of undiscovered oil-in-place (on a mean 100% basis) with the first (Mukhiani-1) of two exploration wells having spudded in July in 2011. Re-interpreted seismic supported by the Mukhiani-1 vertical seismic profiling has identified new fault and stratigraphic trapping potential with the possibility of a side track well to be drilled post additional seismic in 2H 2012.
- In Puntland, Range holds a 20% working interest in two licences encompassing the highly prospective Dharoor and Nugaal valleys. The operator and 60% interest holder, Horn Petroleum Corp. (TSXV: HRN) has spud the first well in a two well programme in early 2012 targeting 300mmbbls and 375mmbbls of best estimate Prospective Resources (100% basis). Site construction has commenced on the second well with the setting of the 30 inch surface casing and the drilling of a 50 meter pilot hole in readiness for spudding following the completion of the first well.
- Range holds a 25% interest in the initial Smith #1 well and a 20% interest in further wells on the North Chapman Ranch project, Texas. The project area encompasses approximately 1,680 acres in one of the most prolific oil and gas producing trends in the State of Texas. Drilling of the first well has resulted in a commercial discovery with independently assessed 3P reserves in place (on a 100% basis) of 242 Bcf of natural gas, 15 mmbbls of oil and 19 mmbbls of natural gas liquids.
- Range holds a 21.75% interest in the East Texas Cotton Valley Prospect in Red River County, Texas, USA, where the prospect's project area encompasses approximately 1,570 acres encompassing a recent oil discovery. The prospect has independently assessed 3P reserves in place (on a 100% basis) of 3.3mmbbls of oil.

The reserves estimates for the 3 Trinidad blocks and update reserves estimates for the North Chapman Ranch Project and East Texas Cotton Valley 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 and 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.

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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In granting its consent to the public disclosure of this press release with respect to the Company's Trinidad operations, Petrotrin makes no representation or warranty as to the adequacy or accuracy of its contents and disclaims any liability that may arise because of reliance on it.



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SPE Definitions for Proved, Probable, Possible Reserves and Prospective Resources

Proved Reserves are those quantities of petroleum, which by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations.

Probable Reserves are those additional Reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves.

Possible Reserves are those additional reserves which analysis of geoscience and engineering data indicate are less likely to be recoverable than Probable Reserves.

Prospective Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both an associated chance of discovery and a chance of development. Prospective Resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be sub-classified based on project maturity.

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

RANGE RESOURCES LIMITED

ABN

88 002 522 009

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | |
|--|---|
| 1 +Class of +securities issued or to be issued | Ordinary Fully Paid Shares |
| 2 Number of +securities issued or to be issued (if known) or maximum number which may be issued | 39,257,407 Ordinary Fully Paid Shares |
| 3 Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | <p>18,366,450 Ordinary Fully Paid Shares to be issued in placement of \$0.115 as part of underwriting and placing agreements to the listed options (\$0.05, 31 December 2011)</p> <p>20,890,957 Ordinary Fully Paid Shares to be issued upon exercise of unlisted options (\$0.1898, 30 September 2016)</p> |

+ See chapter 19 for defined terms.

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4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment

the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

Yes – Ordinary Fully Paid

5 Issue price or consideration

18,366,450 Ordinary Fully Paid Shares to be issued in placement of \$0.115 as part of underwriting and placing agreements to the listed options (\$0.05, 31 December 2011)

20,890,957 Ordinary Fully Paid Shares to be issued upon exercise of unlisted options (\$0.1898, 30 September 2016)

6 Purpose of the issue
(If issued as consideration for the acquisition of assets, clearly identify those assets)

18,366,450 Ordinary Fully Paid Shares to be issued in placement of \$0.115 as part of underwriting and placing agreements to the listed options (\$0.05, 31 December 2011)

20,890,957 Ordinary Fully Paid Shares to be issued upon exercise of unlisted options (\$0.1898, 30 September 2016)

7 Dates of entering ⁺securities into uncertificated holdings or despatch of certificates

On or about 17 January 2012

	Number	⁺ Class
8 Number and ⁺ class of all ⁺ securities quoted on ASX (including the securities in clause 2 if applicable)	2,092,495,032 *	Ordinary fully paid shares (RRS)

* 30m ordinary fully paid shares still to be issued upon milestones in respect to the Georgian acquisition.

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	855,166	Unlisted Options (£0.04p, 30 June 2015)
	7,058,824	Unlisted Options (£0.17p, 30 April 2016)
	3,177,029	Unlisted Options (A\$0.50, 30 June 2012)
	17,921,146	Class A Performance Shares
	17,921,146	Class B Performance Shares
	20,890,958	Unlisted Options (\$0.1898, 30 September 2016)
	15,000,000	Unlisted Options (£0.075p, 31 January 2017)

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Not applicable
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Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?	N/A
12 Is the issue renounceable or non-renounceable?	N/A
13 Ratio in which the +securities will be offered	N/A
14 +Class of +securities to which the offer relates	N/A
15 +Record date to determine entitlements	N/A
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17 Policy for deciding entitlements in relation to fractions	N/A
18 Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	N/A
19 Closing date for receipt of acceptances or renunciations	N/A
20 Names of any underwriters	N/A
21 Amount of any underwriting fee or commission	N/A

+ See chapter 19 for defined terms.

22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	N/A
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do ⁺ security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	⁺ Despatch date	N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) Securities described in Part 1
- (b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or

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- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
 1 - 1,000
 1,001 - 5,000
 5,001 - 10,000
 10,001 - 100,000
 100,001 and over
- 37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

	Number	+Class
42	Number and +class of all +securities quoted on ASX (including the securities in clause 38)	

+ See chapter 19 for defined terms.

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Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



Date: 17 January 2012

Print name: Jane Flegg – Company Secretary

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