

31 January 2012

QUARTERLY REPORT FOR PERIOD ENDING 31 DECEMBER 2011

| | | | | | |
|---|-----------------|------------------------------|------------|---------------|----------------|
| Issued Capital | 1,903m * | ASX Code | RRS | Closing price | \$0.13* |
| Market Capital | A\$247m* | AIM Code | RRL | Closing Price | £0.082* |
| * as at 31 December 2011 | | | | | |
| Gross Production for the Quarter | | | | | |
| Gas | 381k mcf | Range Interest – 85k mcf | | | |
| Oil | 72,229 bbls | Range Interest – 51,486 bbls | | | |

The Board of Range Resources Limited (“**Range**” or “**the Company**”) is pleased to provide the following commentary to be read in conjunction with the Appendix 5B (Quarterly Cash Flow Report) which is attached.

Reserves and Valuation Upgrades – Trinidad and Texas

During the quarter, the Company announced a significant upgrade of its Proved (P1) Reserves along with completing a consolidated, independent reserves, resource and valuation report on the Company’s project interests in Trinidad and Texas.

490% Upgrade of Proved (P1) Reserves

Under the Beach Marcelle Incremental Production Service Contract (“**IPSC**”), its wholly owned subsidiary Los Bajos Oil Limited has with Petrotrin established P1 reserves of 12.8 million barrels of oil based on extensive independent engineering studies of its mature oil fields in Trinidad. It should be noted that under the IPSC, in ground reserves belong to Petrotrin. The reserves are then able to be economically developed and exploited by the Contract partner pursuant to an agreed work program.

This increase in reserves follows the recently completed engineering studies of secondary recovery potential in the Company’s **Beach Marcelle Block**. Range, through its wholly owned subsidiary Los Bajos Oil Limited will seek all necessary approvals to commence development in early 2012 and commit to a \$12m development program over the next 12-18 months.

The engineering review, performed by the Company’s Dallas-based reserve auditor Forrest A. Garb & Associates (“**Forrest Garb**”), confirmed that significant volumes of crude remain in the Beach Marcelle field that are expected to be recoverable using standard secondary recovery techniques such as water flooding. The proposed water flood program has been engineered to produce approximately 1m to 1.5m barrels per year for the first 8 years following initial production and has an attributable valuation of approximately US\$290MM (PV10) as determined by Forest Garb taking into account all relevant project economics (capital and operating expenditure, production taxes and royalties, and a US\$85 per barrel WTI crude oil price).

Independent Reserves, Resources and Valuation Report

Shortly before quarter-end, the Company announced the results of Forest Garb’s Independent Reserves, Resources and Valuation Report, which was an analysis of the estimated reserves, prospective resources and future net revenue attributable to the Company’s portfolio of producing

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and development assets onshore Trinidad and Texas. Forest Garb has previously completed a similar report on the Trinidad licenses in June 2010.

The report included the 490% Proved (1P) Reserve increase in Trinidad following the completion of engineering work on the secondary recovery potential of the Company's Beach Marcelle block mentioned above, however did not include the positive results from the Company's development drilling program at North Chapman Ranch in Texas, recent extensions to the Morne Diablo field in Trinidad where Range has drilled five successful development wells to date, nor the significant exploration potential associated with the Herrera formation, which underlies the existing Trinidad production.

Set out below is Range's attributable interest in the net recoverable reserves combined across the Texas and Trinidad assets which is net of government and overriding royalties and represents Range's economic interests in its development and production assets as classified in the report from Forest Garb.

| Category | Oil (MMbbls) | Natural Gas (Bcf) | Natural Gas Liquids (MMBbls) |
|-----------------------------------|-----------------|----------------------|---------------------------------|
| Proved (P1) | 16.1 | 10.8 | 0.7 |
| Probable (P2) | 2.8 | 5.5 | 0.5 |
| Possible (P3) | 3.7 | 14.6 | 1.3 |
| Total Reserves | 22.6 | 30.9 | 2.5 |
| Prospective Resource | | | |
| Best | 1.7 | - | - |
| High | 18.2 | - | - |
| Total Reserves / Resources | 42.5 | 30.9 | 2.5 |

Set out below is the total estimate Gross Reserves and Resources across split between Trinidad and Texas.

| Category | Oil (MMbbls) | | Natural Gas (Bcf) | | Natural Gas Liquids (MMBbls) | |
|-----------------------------------|-----------------|-------------|----------------------|--------------|---------------------------------|-------------|
| | Trinidad | Texas | Trinidad | Texas | Trinidad | Texas |
| Proved (P1) | 16.2 | 6.0 | 3.2 | 64.3 | - | 5.0 |
| Probable (P2) | 3.0 | 4.4 | - | 48.6 | - | 3.8 |
| Possible (P3) | 2.9 | 11.6 | - | 129.6 | - | 10.1 |
| Total Reserves | 22.1 | 22.0 | 3.2 | 242.5 | - | 18.9 |
| Prospective Resource | | | | | | |
| High | 2.4 | - | - | - | - | - |
| Best | 25.0 | - | - | - | - | - |
| Total Reserves / Resources | 27.4 | 22.0 | 3.2 | 242.5 | - | 18.9 |

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Set out below is Range's attributable interest in the net recoverable reserves split between the Company's Texas and Trinidad assets which is net of government and overriding royalties and represents Range's economic interests in its development and production assets as classified in the report from Forest Garb.

| Category | Oil (MMbbls) | | Natural Gas (Bcf) | | Natural Gas Liquids (MMBbls) | |
|-----------------------------------|--------------|------------|-------------------|-------------|------------------------------|------------|
| | Trinidad | Texas | Trinidad | Texas | Trinidad | Texas |
| Proved (P1) | 15.4 | 0.7 | 3.2 | 7.6 | - | 0.7 |
| Probable (P2) | 2.2 | 0.6 | - | 5.5 | - | 0.5 |
| Possible (P3) | 2.0 | 1.7 | - | 14.6 | - | 1.3 |
| Total Reserves | 19.6 | 3.0 | 3.2 | 27.7 | - | 2.5 |
| Prospective Resource | | | | | | |
| High | 1.7 | - | - | - | - | - |
| Best | 18.2 | - | - | - | - | - |
| Total Reserves / Resources | 39.5 | 3.0 | 3.2 | 27.7 | - | 2.5 |

Based on the reserve numbers cited above, Forrest Garb's estimated net undiscounted cash flow value to Range for Proved (P1), Probable (P2) and Possible (P3), along with discounted cash flow (at a 10% discount rate) valuation based on two pricing scenarios:

- Flat US\$85 / bbl oil and US\$4.69 / Mcf gas
- Nymex forward strip prices reported on 1 October 2011

following reductions for royalties, opex, capex, production taxes etc are as follows:

| Category | Flat \$85/bbl & \$4.69/Mcf | | Nymex Forward Strip Price at 1 October 2011 | |
|-----------------------|----------------------------|------------|---|------------|
| | Undiscounted US\$m | PV10 US\$m | Undiscounted US\$m | PV10 US\$m |
| Proved (P1) | 787 | 452 | 885 | 495 |
| Probable (P2) | 211 | 115 | 243 | 129 |
| Possible (P3) | 335 | 134 | 420 | 162 |
| Total Reserves | 1,334 | 701 | 1,549 | 786 |

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Trinidad

During the quarter the Company continued its initial 21 development well work program on the Company's Morne Diablo license with the successful completion of the QUN 116ST, QUN 117 and QUN 118ST shortly after quarter-end.

The QUN 116ST well encountered approximately 66 ft of net pay zone in the Lowe Forest Sands and achieved initial natural pressure flow rates of 50 bopd and subsequently stabilised to 30 bopd under natural pressure with an aim to put the well on pump, after further decline, to increase the production rate to an estimated 50 bopd.

The QUN 117 well encountered both the Lower Forest and Upper Cruse objectives which suggests the extension eastward of the existing wells and confirmed the Company's predictions that the current well program would extend existing fields. The Upper Cruse section was placed on production with initial production rates of 81 bopd under natural pressure. Like the QUN 116ST well, this well will look to be optimized and be placed on pump and is forecast to produce upwards of 50 bopd, whilst still maintaining the Lower Forest zone potential which will be looked to be exploited at a later date.

Following the successful logging and completion of the QUN118ST well, initial production testing saw the well producing at a rate of 102 bopd on a 5/32" choke under natural pressure from the shallow Forrest formation and has stabilized at approximately 84 bopd.

Subsequent to quarter-end Rig 2 moved to the QUN 119 location drilled to its TD of 2,400 ft, targeting the Upper Cruse and Lower Forest Sands. Well logs were taken over the Lower Forest interval and have indicated approximately 280 ft of good oil sands with 100 ft of these sands displaying higher quality potential for better than expected flow rates. Subsequent to reaching TD, the well has flowed under natural pressure averaging circa 130 bopd as it comes online. These results are extremely encouraging as indications are that the multi zone producing trends previously encountered in the QUN 117 well appears to continue with the results of the QUN 119 well

Rig 5 has been prepared to join the current operations and will be targeting its first well, QUN 120 for the Lower Forest Sands in the coming weeks.

Rig 8 currently awaits regulatory inspection which is expected shortly and will be targeting the deeper Middle and Lower Cruse formations, whilst Rig 1 has been awaiting replacement drill string, expected to be received shortly, at which point in time the Company will have four fully operational drilling rigs rapidly advancing the Company's current drilling program on Morne Diablo.



Trinidad operations

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Subsequent to quarter-end the Company announced the formation of a partnership with Leni Gas & Oil plc (“LGO”) to jointly develop their interests in the Eastern Fields Area onshore southern Trinidad, including the Goudron and Beach Marcelle fields.

In a binding Heads of Agreement (“HOA”) Range and LGO have agreed that, subject inter alia to full legal and technical due diligence:

- Range will acquire a 30% interest in Goudron E&P Limited (“GEPL”) (a wholly owned subsidiary of LGO) in return for contributing US\$4 million at completion;
- For a further contribution of US\$4 million during the first 12 months following completion Range will increase their holding in GEPL to 50%;
- LGO will operate the Goudron field during the initial work-over phase, but subject to Range exercising its option to acquire a total of 50% in GEPL, Range will become operator during the infill drilling and water flood phases;
- Range will obtain an accelerated return through 75% of the revenue interest until their initial investment is recovered;
- LGO will have the option to acquire a 15% interest in the Beach Marcelle waterflood project by contributing 22.5% towards the development costs (i.e. paying a 50% promote), up to US\$7 million, towards the development costs;
- Range and LGO will work collaboratively to optimise and extend their joint interests in the Eastern Fields Area in Trinidad.

GEPL, holds the exclusive rights to purchase the existing Incremental Production Service Contract (“IPSC”) for the Goudron Field. Range, through its subsidiary Trincan Oil Limited, holds a 100% interest in the Beach Marcelle IPSC where it has approved the redevelopment of the existing field production by means of a water-flood.

LGO’s Goudron Field was originally developed by Texaco with 150 wells and holds an estimated 21.8 mmbbls of reserves in proven, probable and possible categories. The block covers an area of 2,875 acres and produces from the Goudron and Gros Morne (Cruse equivalent) sandstone formations at depths between 300 and 3,500 feet. Current production averages below 100 bopd.

An initial work programme involving well work-overs and selected infill wells is planned to bring Goudron production up to 450-500 bopd funded by the consideration in this agreement. Additional infill drilling and hydraulic fracturing of wells is expected to raise production to up to 4,000 bopd. Further potential exists in deeper reservoirs and through the implementation of secondary recovery techniques, such as a water-flood. Production from Goudron will commence on assignment of the IPSC and is expected to rise steeply over the first 6 months of operations.

Georgia

During the quarter, the Mukhiani Well reached a total depth of circa 1,550m, and following the analysis of the re-interpretation of the seismic supported by the Mukhiani-1 Vertical Seismic Profiling (“VSP”), results indicated that the well encountered previously unrecognised faults that led to possible basement being encountered far earlier than predicted.

New fault trap and stratigraphic trapping potential has been identified in the vicinity of the well and based on these findings, Range and its partners have the option to side-track and test these targets. However, the Company and its partners decided that, based on its exploration schedule and the availability of the drilling rig that it would continue onto the next proposed Kursebi well.

The joint venture suspended the well and preparations began on the next proposed well site in the Kursebi Area. The Kursebi well is targeting separate geological structures from the Vani area, with the Kursebi target having been identified using different seismic lines for interpretation purposes.

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Subsequent to quarter-end, site construction commenced in readiness for the spudding of the Company's second exploration well in Georgia - the Namakhvani well (TD circa 3,500m) which is the Kursebi 6 Prospect.

Given the unexpected geological sequences encountered with the first well, Range engaged new independent technical consultants, NTD Energy, to perform a fresh review of all of the seismic and geological data across the top 3 Kursebi prospects previously identified. The Kursebi-6 prospect was identified as the most robust prospect with a more clearly defined structure and indications of a significantly thicker Jurassic section, increasing chances of encountering more reservoir and mature source rocks.

Below are the estimates of undiscovered Stock Tank Oil Initially In Place (STOIIIP) for the prospect.

| | STOIIIP (Mmbbls) | | | |
|-----------------------------|------------------|------|-------|------|
| | P90 | P50 | P10 | Mean |
| K-6 Prospect – 100% | 32.2 | 84.8 | 185.8 | 99.2 |
| Attributable to Range – 40% | 12.9 | 33.9 | 74.3 | 39.7 |

NTD Energy will assist in the management of the Company's drilling program for the Namakhvani well along with the supervision of the proposed 2D seismic program on block VIb. NTD Energy will also assist the Company in looking at ways of identifying; promoting and developing the unconventional (shale) plays that are said to exist across the two licence areas through the introduction of farm-in partners.

Puntland

During the quarter Horn Petroleum Corp. ("Horn") completed sourcing all drilling related materials with the majority of materials arriving on the drilling site. Site preparation, including the drill site, air strip, ingress route construction and water wells were completed, with the first well (Shabeel-1) having spud shortly after quarter-end. The Shabeel-1 well is to drill to a total planned maximum depth of 3,800 meters.

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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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.

**Sourced from country and industry websites*

Texas

North Chapman Ranch

During the quarter, the spudding of the third well (Smith #2) commenced with the Smith #2 well being an offset to the existing Smith #1 well and has been categorised as a proved undeveloped location. Drilling was completed in December with the partners logging a significant show in the Manley section (approx. 10,000 ft), possibly representing another productive interval in addition to the primary field pay zone. Following the successful drilling to target depth, a production liner was run and cemented, with the well now awaiting final completion and fracture stimulation which is forecast during the Q1 2012.

Shortly before quarter-end, the Albrecht #1 appraisal well was spudded with surface casing successfully set. The Albrecht #1 appraisal well is the fourth well in the North Chapman Ranch ("NCR") Project and if successful, is anticipated to prove up reserves in the south-east portion of the NCR license area, and support re-classification of current Possible (P3) reserves into Probable (P2) and Proved (P1) categories.

Subsequent to quarter-end the joint venture has run 9 5/8" casing on the Albrecht #1 well and is drilling ahead at 11,800 ft, just above the Anderson Formation, with a proposed target depth of 14,500 ft. If productive, the Anderson could add significant reserves to those of the Howell High Formation, the primary field pay at NCR.

Following on from the Albrecht #1 well, the joint venture has the option to continue with the development of the field with a possible four-well program in 2012 under discussion among the joint venture partners.

East Texas Cotton Valley Prospect

During the quarter, testing continued on the Ross 3H horizontal well, as individual zones are perforated and swabbed in to check fluid content prior to any hydraulic fracturing. The Ross 3H was drilled to a total measured depth of 8,500 ft. and showed good evidence of reservoir quality rock and oil saturation while drilling.

Subsequent to quarter-end the operator on East Texas Cotton Valley prospect, Crest Resources has received approval from the partners for fracture stimulation of the Ross 3H Horizontal Well, and is in the process of scheduling the frac work and subsequent testing during this quarter, which is expected to confirm commerciality of this shallow oil field.

Corporate

Capital Raisings

During the quarter the Company raised circa \$3.7m through the exercise of options, with the balance of cash physically received from the exercise of all outstanding options expiring 31 December 2011 occurring post period end.

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Yours faithfully



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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

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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 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 information contained in this announcement with respect to the Goudron Field in Trinidad has been reviewed and approved by Neil Ritson, Chief Executive Officer and Director for Leni Gas & Oil Plc who has 35 years of relevant experience in the oil industry. Mr. Ritson is a member of the Society of Petroleum Engineers, an Active Member of the American Association of Petroleum Geologists and is a Fellow of the Geological Society of London.

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.

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.

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.

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Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

RANGE RESOURCES LIMITED

ABN

88 002 522 009

Quarter ended ("current quarter")

31 December 2011

Consolidated statement of cash flows

| Cash flows related to operating activities | Current quarter \$A'000 | Year to date (6 months) (\$A'000) |
|---|----------------------------|---|
| 1.1 Receipts from product sales and related debtors | 4,004 | 10,748 |
| 1.2 Payments for (a) exploration & evaluation | (8,814) | (14,011) |
| (b) development | (2,544) | (3,451) |
| (c) production | (3,009) | (7,224) |
| (d) administration | (2,661) | (5,981) |
| 1.3 Dividends received | - | - |
| 1.4 Interest and other items of a similar nature received | 32 | 138 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Taxes paid | (278) | (1,031) |
| 1.7 Other (provide details if material) | - | - |
| Net Operating Cash Flows | (13,270) | (20,812) |
| Cash flows related to investing activities | | |
| 1.8 Payment for purchases of: | | |
| (a) prospects | (1,841) | (6,040) |
| (b) equity investments | (100) | (2,100) |
| (c) other fixed assets | (219) | (337) |
| 1.9 Proceeds from sale of: | | |
| (a) prospects | - | - |
| (b) equity investments | - | - |
| (c) other fixed assets | - | - |
| 1.10 Loans to other entities | (2,395) | (2,395) |
| 1.11 Loans repaid by other entities | - | - |
| 1.12 Other – net cash acquired on acquisition of subsidiary | - | 628 |
| Net investing cash flows | (4,555) | (10,244) |
| 1.13 Total operating and investing cash flows (carried forward) | (17,825) | (31,056) |

+ See chapter 19 for defined terms.

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Appendix 5B
Mining exploration entity quarterly report

| | | | |
|------|--|-----------------|-----------------|
| 1.13 | Total operating and investing cash flows (brought forward) | (17,825) | (31,056) |
| | Cash flows related to financing activities | | |
| 1.14 | Proceeds from issues of shares, options, etc. | 3,668 | 19,431 |
| 1.15 | Proceeds from sale of forfeited shares | - | - |
| 1.16 | Proceeds from borrowings | - | - |
| 1.17 | Repayment of borrowings | - | - |
| 1.18 | Dividends paid | - | - |
| 1.19 | Other (provide details if material) | - | (766) |
| | Net financing cash flows | 3,668 | 18,665 |
| | Net increase (decrease) in cash held | (14,157) | (12,391) |
| 1.20 | Cash at beginning of quarter/year to date | 19,126 | 17,360 |
| 1.21 | Exchange rate adjustments to item 1.20 | (155) | (155) |
| 1.22 | Cash at end of quarter | 4,814 * | 4,814 * |

* balance of cash physically received from the exercise of all outstanding options expiring 31 December 2011 occurring post period end

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

| | | Current quarter \$A'000 |
|------|--|----------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 355 |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10 | - |

1.25 Explanation necessary for an understanding of the transactions

\$145,000 payment of directors fees

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

| | Amount available \$A'000 | Amount used \$A'000 |
|---------------------------------|-----------------------------|------------------------|
| 3.1 Loan facilities | - | - |
| 3.2 Credit standby arrangements | - | - |

Estimated cash outflows for next quarter

| | \$A'000 |
|--------------------------------|--------------|
| 4.1 Exploration and evaluation | 5,000 |
| 4.2 Development | 1,000 |
| 4.3 Production | 2,500 |
| 4.4 Administration | 750 |
| Total | 9,250 |

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

| | Current quarter \$A'000 | Previous quarter \$A'000 |
|--|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank | 4,814 | 19,126 |
| 5.2 Deposits at call | - | - |
| 5.3 Bank overdraft | - | - |
| 5.4 Other (provide details) | - | - |
| Total: cash at end of quarter (item 1.22) | 4,814 | 19,126 |

Changes in interests in mining tenements

| | Tenement reference | Nature of interest (note (2)) | Interest at beginning of quarter | Interest at end of quarter |
|-----|---|-------------------------------|----------------------------------|----------------------------|
| 6.1 | Interests in mining tenements relinquished, reduced or lapsed | | | |
| 6.2 | Interests in mining tenements acquired or increased | Nil | | |

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Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

| | Total number | Number quoted | Issue price per security (see note 3) (cents) | Amount paid up per security (see note 3) (cents) |
|--|---------------|---------------|---|--|
| 7.1 Preference securities <i>(description)</i> | Nil | | | |
| 7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions | | | | |
| 7.3 *Ordinary securities | 1,903,285,825 | 1,903,285,825 | | |
| 7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs | 100,013,731 | 100,013,731 | | |
| 7.5 *Convertible debt securities <i>(description)</i> | Nil | | | |
| 7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted | | | | |
| 7.7 Options <i>(description and conversion factor)</i> | | | <i>Exercise price</i> | <i>Expiry date</i> |
| | 91,450,688 | 189,965,531 | \$0.05 | 31 December 2011 * |
| | 3,177,029 | | \$0.50 | 30 June 2012 |
| | 855,166 | | £0.04 | 30 June 2015 |
| | 7,058,824 | | £0.17 | 30 April 2016 |
| | 60,000,000 | | \$0.10 | 31 December 2011 * |
| | 41,781,915 | | \$0.1898 | 30 September 2016 |
| | | | | * Physical issue of shares from exercise of options occurred post year end |

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| | | | | | |
|------|--------------------------------------|--|------------|--------|------------------|
| 7.8 | Issued during quarter | - | | | |
| 7.9 | Exercised during quarter | 98,514,843 | 98,514,843 | \$0.05 | 31 December 2011 |
| 7.10 | Expired during quarter | Nil | | | |
| 7.11 | Debentures (totals only) | Nil | | | |
| 7.12 | Unsecured notes (totals only) | Nil | | | |
| 7.13 | Converting Performance Shares | 17,921,146 – Class A 17,921,146 – Class B | | | |

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Peter Landau
Executive Director
31 January 2012

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

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Appendix 5B
Mining exploration entity quarterly report

- 5 Accounting Standards ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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