Range Resources Limited
('Range' or 'the Company')

RANGE

8 August 2017

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ACQUISITION OF OIL AND GAS INTERESTS IN INDONESIA

In line with the growth strategy of the Company, Range is pleased to announce an acquisition of interests in an established oil block in Indonesia. The Company has signed a Sale and Purchase Agreement (the "SPA") with PT Hengtai Weiye Oil and Gas ("Hengtai"), to acquire a 23% interest (to increase to 42% upon completion of the minimum work programme) in the Perlak field. The acquisition consideration of US$3.2 million will be funded from the existing cash resources of the Company.

The Perlak field has a long history of oil production of c.60 million barrels ("mmbbls"). Range estimates material remaining oil in place of up to 500 mmbbls (this figure covers all reserve and resource categories), which demonstrates the high prospectivity of the field and substantial reserves and resources growth potential.

The low risk low cost work programme is aimed at re-initiating production from the existing wells, firming up the field development plan ("FDP"), and fully exploiting the potential resources.

Acquisition highlights:

- Established oilfield, located in a mature hydrocarbon province of Northeast Sumatra;
- Estimated oil in place of up to 500 mmbbls (this figure covers all reserve and resource categories) and provides material reserves and resources growth potential (Range's internal estimate);
- Expansion into Indonesia provides exposure to a prolific oil & gas country and diversifies geographic risk;
- Low acquisition cost of US$3.2 million, payable in tranches;
- Range is protected against underperformance of the project via a put option which allows Range to sell its shares to the vendor at full investment cost;
- Low work programme commitment, with Range's share of the work commitment amounting to US$2.3 million over a three-year period;
- Range's initial interest of 23% will increase to 42% once the minimum work programme is completed;
- Experienced operator and local government as partners in the project; and
- Long term licence of 15 years in place (expires 31 March 2032).

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Commenting on the acquisition, Chairman, Kerry Gu said:

"We are extremely pleased with the investment in this established oilfield with a long history of production. The low acquisition cost, minimal work programme commitment and protection from underperformance present a very attractive opportunity for the Company to expand its footprint and potentially grow its reserves base. We look forward to the commencement of the work programme and unlocking the full potential of this highly prospective asset, which should deliver significant benefits to our shareholders in the form of increased production, reserves, and new development opportunities.

In the meantime, we continue to progress with further acquisition opportunities of oil and gas assets in line with our stated acquisition-led growth strategy. On behalf of the Board, I would like to thank all shareholders for their support and look forward to what promises to be an exciting time for the Company."

The Perlak field overview

The field is located in an established hydrocarbon province of Aceh, Northeast Sumatran basin and covers an area of 10.4 km^2. The field is one of the oldest producing oilfields in the world, first discovered in 1899. It lies on-trend with many producing hydrocarbon fields, including the giant Arun field.

The Perlak field was produced primarily in the period up to the early 1940s from the crestal part of the structure (the "developed area"). Over 300 wells have been drilled to date, with 250 of those put into production. The field has produced approximately 59 mmbbl to date from very shallow depths of less than 1,000 metres (3,300 feet). The oil is very light with average API of 45-50 degrees. The average recovery factor of the developed area to date is estimated at 36%.

The field was shut-in during World War II and there has been limited activity carried out since that time, mainly by smaller local operators. Eleven wells had been drilled on the field since 1970s. Two of the more recent wells drilled in 2011 were put into production of 180 and 100 bopd, respectively, producing very light high quality oil 53 degrees API.

The mature operating environment offers low cost development opportunities of the field with potentially short lead times to production. In addition, the Company believes that substantial potential exists in the areas of the field that have not yet been developed.

The field benefits from 2D and 3D seismic which has been obtained by previous operators and will be evaluated as part of the upcoming work programme.

Map showing location of the Perlak field

Work programme

The agreed minimum work programme ("MWO") covers a 3-year period from the date of licence award, and involves geological and geophysical studies, workovers of existing wells, and drilling of one well. The Company has identified four low-cost workover opportunities of existing wells. The Company estimates that these wells will add over 120 bopd of production once brought online. The Company will be evaluating the potential to expand its workover programme beyond these four wells and expediting its work programme.

The overall objective of the work programme is to firm up an FDP, in order to produce additional reserves across the field and fully exploit the potential resources.

Range's share of the cost of the MWO is US$2.28 m. The field will be operated by a local company, PT Aceh Timur Kawai Energi.

Key terms of the SPA

- Range Resources HK limited, a wholly owned subsidiary of Range Resources Limited registered in Hong Kong has entered into a binding SPA to acquire 60% interest in Hengtai, Indonesia-registered company, which provides Range with 23% indirect interest in the Perlak field. The proposed structure can be found in Appendix B of this announcement;
- Consideration of US$3.2 million will be payable in cash in the following tranches:
  - a) US$640,000 upon signing of the SPA;
  - b) US$960,000 upon completion;
  - c) US$960,000 upon the establishment of a service company *; and
  - d) US$640,000 upon completion of the MWO.
- Range is required to provide its share of the bank guarantee to Pertamina (Indonesian state-owned oil and natural gas corporation), net US$0.9 million to Range;
- Once the minimum work programme has been completed, Range's indirect interest in the Perlak field will increase to 42%;

- Completion of the transaction is conditional upon approval from the Indonesian Investment Coordinating Board (BKPM), and completion of statutory notification requirements; and
- Range has the right to appoint 1 Director, 2 Commissioners to the Board of Hengtai, as well as a financial controller.

**Range and the vendor are intending to establish a services company in Indonesia to provide oilfield services to the oil and gas industry (including potentially the Perlak field). 30% of consideration is payable once this company has been established (as stated above).*

Put option

As part of the SPA, the vendor has agreed to provide Range with a put option, whereby Range has the option to enforce a buyback of its full 60% interest in Hengtai should the agreed milestones not be achieved, therefore providing protection to Range's investment. These milestones, amongst others, include achieving minimum production of 800 bopd from Perlak field over a continuous 90-day period, as well as proving up independently audited 1P reserves of at least 10 mmbbl within a three-year period.

Glossary

Oil in place - the quantity of oil or petroleum that is estimated to exist originally in naturally occurring accumulations before any extraction or production

Competent Person statement

In accordance with AIM Rules, Guidance for Mining and Oil & Gas Companies, the information contained in this announcement has been reviewed and approved by Dr Douglas Field. Dr Field is a petroleum and reservoir engineer who is a suitably qualified person with over 30 years' experience in assessing hydrocarbon reserves, and holds a PhD in Organic Chemistry. Dr Field is a member of the SPE (Society of Petroleum Engineers) and the PESGB (Petroleum Exploration Society of Great Britain). Dr Field holds a role of a Chief Petroleum Engineer with the Company.

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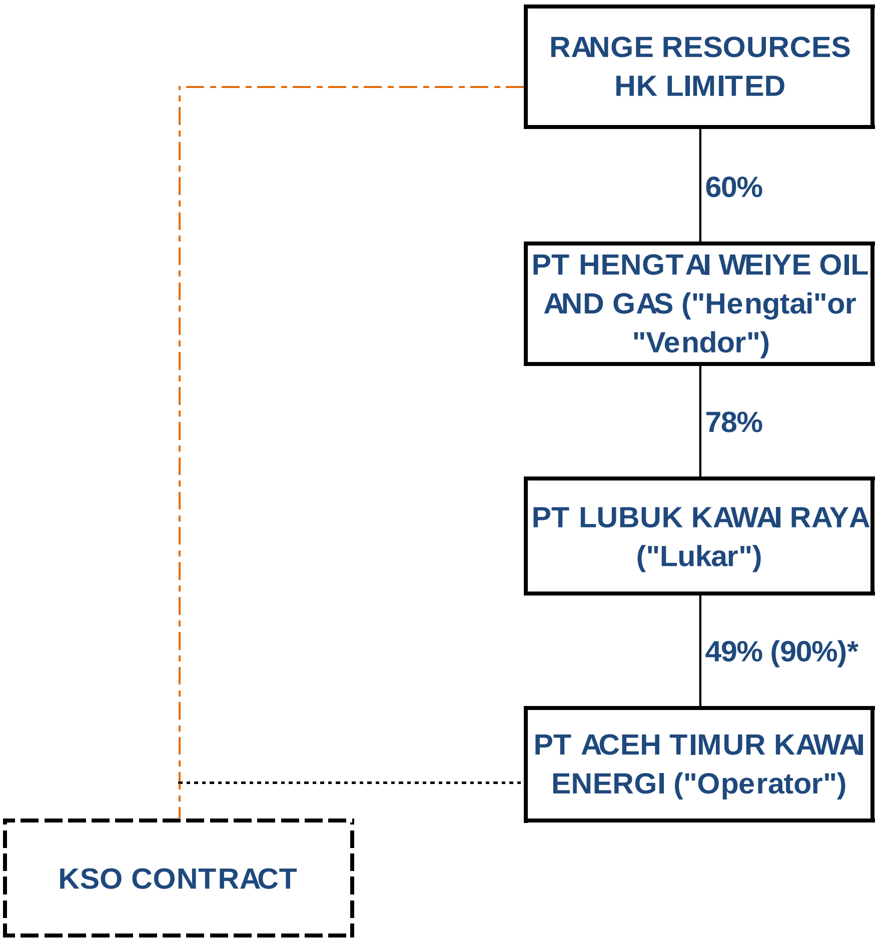
Appendix A – Minimum work programme

Year	Completion date	Activity	Total Value (US$ m)	Value to Range (net US$ m)
1	31 March 2018	a) Geological, geophysical and reservoir studies b) Well surveying c) 1 well workover	0.55	0.33
2	31 March 2019	a) 3D seismic data evaluation b) 3 well workovers	1.00	0.60
3	31 March 2020	a) Geological, geophysical and reservoir studies b) 1 well drilling	2.25	1.35
		TOTAL	**3.80**	**2.28**

Appendix B – Acquisition structure



Range effective indirect interest in KSO:
23% until MWO complete
42% after MWO complete

**Ownership in brackets represents the change following completion of MWO*