

# RANGE

**Range Resources Limited**  
**ABN 88 002 522 009**

**Annual report for the year ended  
30 June 2015**

Range Resources is a growing dual listed (ASX: RRS and AIM: RRL) E&P company with the largest private onshore acreage in Trinidad. The Company has established a stable funding position for its growth through a number of attractive equity, supplier and trade finance packages. The Company's objective is to create sustainable shareholder value by growing oil production, developing discovered resources and continuing exploration on its highly prospective assets.

## **Attractive Investment Proposition:**

### **Highly prospective assets**

- Largest private onshore acreage in world class petroleum province of Trinidad
- Combination of current production from infill drilling, implementation of waterflood projects, combined with highly prospective exploration acreage on two new blocks
- Solid reserve base in proven reservoirs

### **Funded work programme**

- Equity funding of US\$30 million completed at a significant premium to the share price
- 12-month credit facility on drilling services in place
- US\$50 million trade financing secured

### **Strong strategic partner**

- Integrated Master Services Agreement in place with LandOcean
- LandOcean provides full oilfield operations services to Range in Trinidad with four new drilling rigs added to the fleet

### **Extensive drilling campaign underway**

- Nimble, low cost operator
- Active drilling campaign of 22 exploration and development wells commenced
- First exploration well to be spudded in Q4 2015

### **Streamlined operations and non-core asset rationalisation**

- The sale of the drilling business, Texas assets, Citation Resources equity stake completed
- Puntland exit completed; Georgia and Guatemala exits continue

### **Liquid stock**

- Combination of cornerstone / retail investors: Directors and Management invested personally

## HIGHLIGHTS OF THE FINANCIAL YEAR

- **Funding secured:** Despite a challenging market for junior E&P companies, Range has established a stable funding position for the growth of the Company through attractive equity and supplier financing packages. In addition, the Company is looking to finalise a trade financing of up to US\$50 million.
- **Cutting costs and streamlining operations:** The Board has been focused on driving efficiency and cost reduction by streamlining the scale and geographic footprint of non-core and cash draining businesses; and a reduction in G&A costs which have shown a material decrease in the last year, with the Company striving to reduce these costs even further. During the year, the Company has successfully completed the sales of its drilling business, Texas assets, Citation Resources equity holding and an exit from Puntland. These assets required capital funding so each disposal has eliminated imminent spending commitments whilst raising cash for the Company (during the year Range raised approximately US\$5 million from these disposals).
- **Trinidad operations:** The Board is confident that the financial year of 2016 will be pivotal in improving operational performance and growing production (the average production for the period was 562 bopd). The expected access to four brand new drilling rigs during Q4 2015 will be crucial to improving capabilities and limiting the downtime of Range's development and exploration operations. The Company has finalised a 22 development and exploration well work programme, which commenced subsequent to the period end. In addition, the Company has commenced exploration operations on the two highly prospective St Mary's and Guayaguayare blocks. Waterflood projects are also progressing, with water injections planned to commence once the necessary approvals have been received.
- **Licences:** The Company successfully signed the Exploration & Production licence and negotiated the Joint Operating Agreement on the new St Mary's block. Range also completed assignment of the partial interest and the operatorship on the Guayaguayare block and applied for the approvals to transfer the remaining interest and extension of the PSCs.
- **Environmental:** Ongoing activities to comply with existing licence obligations and in preparation for drilling and exploration across five blocks in Trinidad.
- **Financial:** As a result of the actions taken by the Board and management, the financial performance during the year has substantially improved compared to the prior year. Despite the overall loss still recorded there is a notable, positive trend in financial performance with particular improvement being seen in key areas between the first and second half of the year.
  - The Consolidated Statement of Profit or Loss and Other Comprehensive Income for the financial year shows a net loss attributable to owners of US\$30,279,054 (2014: net loss of US\$102,541,990).
  - The Group's revenue was US\$13,152,954 (2014: US\$21,185,745). The decrease of US\$8,032,791 was primarily due to lower oil prices during the period.
  - The net loss after tax from continuing operations was US\$22,581,895 (2014: US\$59,096,590). Decrease in loss primarily due to large numbers of write-offs in the prior year.
  - Net cash outflow from operating activities for the period was US\$6,955,264 (2014: outflow US\$6,221,781).
  - General and administrative costs overall decreased by US\$4,537,360 to US\$9,948,494 (2014: US\$14,485,854) as a result of cost cutting measures implemented across the Group.
  - The net assets of the Group decreased by US\$14,271,807 to US\$95,023,456 (2014: US\$109,295,263). This decrease is primarily due to impairments made in the year to the Group's Georgian assets (impairment of US\$5,000,000) and Guatemalan assets (impairment of US\$1,779,476), and other losses made by the Group.

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## CHAIRMAN'S STATEMENT

Dear Shareholder

On behalf of the Board of Directors, I would like to send a very warm welcome to all shareholders as this is the first Annual Report of the Company that we have the honour of presenting.

Despite the challenges facing the energy sector during the period, the last financial year was a year of change and unprecedented activity for the Company, and the progress made so far by our team has been extremely encouraging. With renewed leadership six months into the financial year, we were able to achieve a number of significant milestones in a relatively short period. We have completed an important equity transaction with a cornerstone investor at a significant premium to the share price and secured a credit facility with our strategic partner and oilfield services provider LandOcean, which not only allowed the Company to commence its work programme, but also enabled us to repay invoices through future cashflows.

Following a thorough review, we have adopted a revised Company strategy to focus on growing, managing and operating our upstream assets. We have driven efficiency and cost reduction by streamlining the scale and geographic footprint of our business. We successfully completed a number of non-core asset divestments, including sales of the drilling business, Texas assets, and equity holding in Citation Resources, as well as withdrawal from Puntland. For the first time in Range's history, following the sale of the drilling business, the Company has positive operating cashflows from its Trinidad operations.

During the year, we have successfully signed the Exploration & Production licence on St Mary's block and PSCs and operatorship on the Guayaguayare block. The first exploration well on the Guayaguayare Shallow PSC is expected to spud during Q4 2015. Range is one of the only operators to be undertaking an extensive exploration campaign onshore Trinidad. We feel extremely privileged to be in this advantageous position compared to our peers and very much look forward to our continued progress with these exciting opportunities.

Waterflood projects are also progressing well. During the year, Range and LandOcean have been evaluating multiple waterflood blocks on Beach Marcelle, South Quarry field, and Morne Diablo fields. Water injections are planned to commence during 2016 and the projects will play a key role in our next stage of growth as oil producer.

The progress made to date is a testimony of the impressive work that our team has achieved and validates the Company's strategy, prospectivity of the assets and the potential to achieve significant oil production growth. There is no doubt that the next few years will bring many challenges for the Board, management team and employees. However, we will continue to be focused on improving the results by executing a bold and simple agenda – expand drilling activities, grow production and cashflows.

I was extremely encouraged by the Directors and management team participating in the share purchases during the year to a value of US\$300,000. By making personal investments, we have further aligned our and shareholders' interests and demonstrated our commitment and belief in the Company and return on the investment.

During the next financial year, shareholders can look forward to a number of key developments and steady positive newsflow, including:

- Drilling programme of initial 22 wells, aimed at production and cashflow growth
- Implementation of large scale waterflood projects
- Exploration programme on the Guayaguayare block, including drilling of at least two exploration wells
- Exploration programme on the St Mary's block, including audit of existing field infrastructure, facilities and wells and tendering for drilling rig, equipment, and other oilfield services
- Remaining non-core asset divestments (Georgia, and Guatemala)
- Continued reduction of G&A costs and streamlining of operations
- In line with the business growth strategy of the Company, the Board continues to evaluate potential acquisitions of high quality, near-term oil production assets at attractive valuations, which will create value for shareholders, provide Range with additional production and revenue, and leverage our partner's capabilities and resources.

The creation of long-term value for our shareholders remains the fundamental driver of everything we do and we look forward to demonstrating this as we develop our ambitious plans and achieve our goals. With the Company's highly prospective licences, drilling underway, and funding in place, I believe the Company is well positioned for future success by growing production and reserves, and transforming Range into a significant oil producing company, which is not yet reflected in today's share price.

**CHAIRMAN'S STATEMENT (continued)**

On behalf of the Board, I thank all our shareholders, for your continued support through this past year and as we move forward and look forward to further success in the future.

Yours sincerely,

A handwritten signature in dark ink, appearing to read "David Chen", with a stylized flourish at the end.

**David Chen**  
**Chairman**

## **CHIEF EXECUTIVE'S STATEMENT**

Dear Shareholder

Welcome to Range's Annual Report.

### **Introduction and progress overview**

I joined Range mid-way through the financial year and have been encouraged by a portfolio of very attractive assets in Trinidad that the Company has built with experienced management team to support the future growth.

Given the low commodity price environment, we had to take a number of immediate actions in order to preserve cash and control costs. As a result, we completed a number of non-core asset divestments and streamlined our operations, which allowed us to focus our time and resources on growing our core assets. As a result of the drilling business sale, we have reduced our headcount across the Group from over 250 to 32. Our G&A costs were down significantly by 32% during the period and we are continuing to target cost savings across the business and improving efficiencies of our operations through maximising production and minimising downtime.

The newly completed funding with Sibor is transformative for the Company, and provides us with capability to progress with our work programme. I would like to thank Sibor for the support during the times of challenging markets. It is hugely significant for the Company to have such a supportive professional cornerstone investor, as we develop our ambitious plans.

In addition, LandOcean in conjunction with Sinosure are looking to provide Range with up to US\$50 million. The package will provide us with further funding flexibility to fully exploit the Trinidad assets and we are hoping that it will be finalised shortly.

During the year, we have worked on enhancing our internal control and risk management processes to ensure they are implemented across our operations. Numerous policies and procedures to mitigate the risk (as described in more detail in the Directors' report) were implemented. Regular revision and reviews are conducted by the management with oversight at the Board level.

In addition to my CEO position, I have extended my role to that of Trinidad General Manager, focusing on managing the Trinidad business, growing production and driving profitability. Together with the local management team, we have been working on improving forward planning in permitting as much as possible, and have implemented new tracking systems which resulted in several of the approval application processes becoming more standardised. In addition, along with other operator companies in Trinidad, we have been working with the relevant authorities to define better guidelines, which have led to improved submissions and approval timelines. We are extremely pleased with continued support from the government of Trinidad and Tobago, and will continue to actively engage and cooperate with the government on our growth plans and strategy.

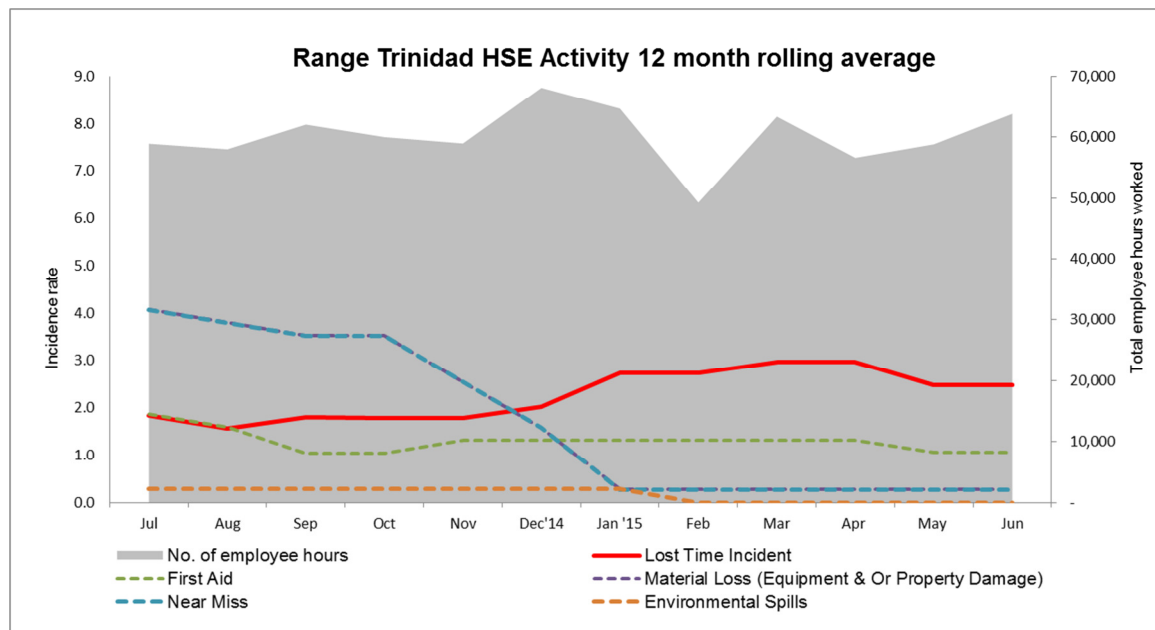
With funding in place, addition of four new rigs to the drilling fleet, and LandOcean as a key oilfield services provider, we are confident that we will be able to deliver on our plans and drill in excess of 20 exploration and development wells during 2015/ 2016. By expanding our drilling campaign and improving our knowledge of the reservoirs, not only we are aiming to achieve material production growth, we are also hoping to grow our reserves base.

### **Health, safety, and environment (HSE)**

During the year, Range continued with its commitment to safe operations. Health and Safety inspections were regularly performed on all the assets, with no major issues identified. The management has HSE reporting and review processes as part of its operational management in place, which are regularly reviewed by the Board.

The chart below demonstrates the HSE performance during the year.

## CHIEF EXECUTIVE'S STATEMENT (continued)



The Company is achieving a Lost Time Incident frequency rate of 2.5 which is below to that reported by the American Petroleum Institute for the onshore US Oil & Gas Industry.

During the year, the Company has successfully completed its accreditation process in Trinidad as per STOW ("Safe to Work") requirements and was granted two years certification, effective December 2014. This was a result of implementation of the various HSE management systems, and we will continue to manage, monitor and lend support towards the continued focus on HSE through effective leadership and involvement.

In addition, during the year Range's HSE and gathering station teams won a number of awards at Petrotrin's annual HSE Leadership Forum including the top award for best all round lease operator. I am pleased to acknowledge all the efforts and hard work from the team members for these achievements and hope that we will continue with such a dedication in 2016 and beyond.

### Production

During the year, our average production of approximately 560 bopd was largely unchanged from the previous year. The lack of production growth was a result of few wells drilled during the year caused by failures of old rigs and equipment. In addition, results from the South Quarry development wells were disappointing and did not achieve the production rates that were anticipated.

Despite being disappointed by lack of new drilling during the period, it is important to recognise the hard work of our production team in Trinidad. As a result of 290 well workovers that were completed during the period, we were able to maintain the current production levels.

Total net production attributable to Range during the period was 205,209 bbls, which in turn generated revenue from sales of over US\$13 million. We are confident that the production and cashflows from our Trinidad operations will show significant growth during FY 2016. Our previously announced production target of 1,000 bopd by the end of Q4 2015 remains unchanged.

### Operational review – Trinidad

During the year, 11 development wells were drilled on the Company's Morne Diablo and South Quarry licences. Range and LandOcean have initiated a detailed analysis of the Company's three producing fields and the drilling results from the previous wells, aimed at improving the understanding of the structures and reservoirs. Further studies are ongoing. In addition, a number of past performance issues were identified, including a poor selection of previous drilling locations and targets, as well as engineering failures during



## **CHIEF EXECUTIVE'S STATEMENT (continued)**

drilling operations. The poor condition of the old rig fleet was also a major contributing factor for missed production targets in the past.

Therefore, I firmly believe that the next financial year will show substantial improvement in operational performance. With increased knowledge of the fields, we will be able to select the most prospective well locations, and thus increase economics from the future drilled wells. The addition of new rigs will also be pivotal to improving results and limiting the downtime of Range's development and exploration operations.

Subsequent to the year-end, we finalised the initial 22 development and exploration well programme, with the first well having spudded in September 2015. It is expected that the proposed wells will be drilled by the end of Q1 2016. We are optimistic about this target, however the drilling schedule remains subject to a number of variables, including availability of suitable rigs, arrival and commissioning of new rigs into RRDSL's rig fleet, various regulatory approvals, and the construction of drilling pads. RRDSL will also be required to recruit additional drilling staff to operate the new rigs.

We have also commenced Electromagnetic Surveying in our fields. This technology is used to image shallow resistive bodies and identify possible oil reservoirs at depths of 1,000 ft. or less, thus reducing exploration and development risks at a relatively low cost with minimal environmental impact.

I am particularly excited about commencing the waterflood projects on our Beach Marcelle and Morne Diablo fields during 2016. It is a large scale operation, which will be an essential component of our production growth. Surface facility planning and scheduling for implementation are currently underway. It will take approximately 6 months after injection commences until we can experience production growth, so we are likely to see the rewards towards 2017.

### **Exploration**

Exploration is critical to the growth of any oil & gas company, and we are delighted to have finalised the agreements on two large and highly prospective blocks during the year – the Guayaguayare and St Mary's blocks. On the Guayaguayare block, we were also successfully awarded the operatorship and are finalising the transfer of the full remaining interest of Niko in the block. Both blocks have exciting prospects and we believe they will play a key role in our asset portfolio with plenty of newsflow to offer to our shareholders.

On the Guayaguayare block, we are looking to drill an initial two exploration wells (one shallow and one deep) during 2015 and 2016. We have also commenced exploration programme on the St Mary's block with the audit of existing field infrastructure, facilities and wells currently underway. In addition, we provided the MEEA with the required performance bond of US\$8 million in support of the minimum work obligations on the licence.

### **Strong strategic partnership with LandOcean**

We are delighted with our continued partnership with LandOcean, an emerging provider of a wide range of technical and production services, which not only provides us with access to sophisticated oilfield services provider but also additional financial backing and support.

During the previous financial year, we entered into an Integrated Master Services Agreement, whereby LandOcean will act as the preferred oilfield services contractor to Range in Trinidad. Under the first US\$5 million purchase order (which was entered into in June 2014), LandOcean provided geological and engineering studies of secondary recovery projects, as follows:

- Screening study of all likely potential horizons and areas that could benefit from waterflooding in all three fields (Morne Diablo, South Quarry and Beach Marcelle);
- Technical review of additional reserves and production rates that could be achieved by waterflooding priority areas, including new well requirements and re-use / recompletion of existing wells. Identification of water volume requirements for waterflooding;
- Cost estimates of subsurface and surface infrastructure requirements for each waterflooding project, plus screening economics of each project;
- In collaboration with Range, identification of four priority waterflood projects (three in Beach Marcelle, and one in Morne Diablo); and
- Joint presentations to Petrotrin and the MEEA of detailed waterflooding plans for these four priority projects.

## **CHIEF EXECUTIVE'S STATEMENT (continued)**

Subsequently, in December 2014, Range entered into the second purchase order of further US\$50 million, which covers a wide range of activities over the coming years.

During the year, LandOcean also acquired Range's drilling business in Trinidad and added four brand new drilling rigs to the fleet, which are expected to be available for operations from Q4 2015 to ramp up Range's drilling activities. The sale of the drilling business has allowed us to focus time and resources on efficiently running Range's upstream assets and growing production, as well as transferring operational performance risk, improving financial stability and planning.

In addition, LandOcean agreed to provide Range with an extended 12 month credit facility on its services, which allowed the Company to commence its drilling programme and make repayments from future cashflows.

We are very grateful to LandOcean for their support and will continue to work with them to achieve further cost savings, optimisation and improved operational efficiencies.

### **Non-core assets**

During the year, we continued with non-core asset rationalisation, and have completed sales of the Texas assets, Citation Resources equity stake, and exit from Puntland. We believe that it was in the best interest of all shareholders as these assets required imminent spending commitments which outweighed the potential return. During the next financial year, we are aiming to dispose of our interests in Guatemala and Georgia, and will keep our position in Colombia under review.

### **Financial review**

As a result of the actions taken by the Board and management, the financial performance during the year has substantially improved compared to the prior year. Despite the overall loss still recorded there is a notable, positive trend in financial performance with particular improvement being seen in key areas between the first and second half of the year:

- The Group's revenue was US\$13.2 million (2014: US\$21.2 million), a decrease of approximately 38%, whilst Group's gross loss fell by 19% to US\$2.9 million (2014: US\$3.6 million). Revenues were clearly affected from low oil prices during the year, with an average WTI realised price of US\$69.46/bbl (2014: US\$101.33/bbl). However, the impact at an operating level was somewhat negated due to the Supplemental Petroleum Tax ("SPT") structure in Trinidad – at WTI oil prices below US\$50 per barrel no SPT is payable. The Company continues to monitor the oil price as well as those related markets that could impact the Company's future project and operational development plans;
- The Group's loss after tax was reduced substantially compared to the prior year at US\$30.3 million (2014: US\$102.5 million);
- There were a number of exceptional and one-off charges during the year (including asset write-downs and loss on disposal) and the Group's net loss before tax from continuing operations prior to any exceptional costs also showed a marked improvement on the prior year at US\$20.4 million (2014: US\$40.5 million). There was an additional positive trend during the second half of the year which reflected a loss of US\$7.9 million (compared to US\$12.5 million in the first half);
- General and administrative costs overall decreased by 32% overall during the year and totalled US\$9.9 million (2014: US\$14.5 million). Notable again is the positive trend during the second half of the year when G&A costs were US\$3.2 million (compared to US\$6.7 million in the first half). This was achieved as a result of cost cutting measures implemented by the Board;
- The Group's EBITDA also showed improvement half year on half year, falling from a loss of US\$16.7 million in H1 to US\$6.9 million in H2;
- Net cash at 30 June 2015 was US\$10.5 million (2014: US\$3.0 million). This increase was largely a result of new equity financing completed during the year;
- Cash outflow from operating activities was broadly stable on the prior year (despite reduction in average oil price) at US\$7.0 million (2014: outflow US\$6.2 million); and
- Net cash inflow from investing activities was US\$0.4 million (2014: outflow of US\$8.1 million). Current year inflow was primarily a result of asset sales offsetting the continued investment made in Trinidad during the year.

## **CHIEF EXECUTIVE'S STATEMENT (continued)**

### **Summary**

Last year we were focused on cutting costs across the Group and driving forward our development programmes in Trinidad with the goal of achieving production and cashflows increase. Despite numerous challenges that we've had to overcome, we believe that the next year we can realise on our potential and unlock the true value of our assets. We have an extremely busy year ahead of us, with plenty of newsflow to offer to our shareholders.

The Company has solid production assets with substantial reserves and potential to significantly increase production; exploration upside; funding in place; and the team committed to growing shareholder value.

On behalf of the Board, management and employees, I would like to thank our loyal shareholders for their support as we progress through the period of high activity. I am extremely grateful to be part of the management team of the Company with such tremendous potential and look forward to focusing on valuable returns for our shareholders.

Yours Faithfully

A handwritten signature in black ink, appearing to read 'Yan Liu', with a long horizontal line extending to the left.

**Yan Liu**  
**Chief Executive**

## **CORPORATE SOCIAL RESPONSIBILITY**

Range is committed to operating in a socially responsible way with the highest standards of Business Ethics, Environmental Awareness and Health & Safety by:

- Ensuring the health and safety of its employees and contractors;
- Preserving and protecting the environment; and
- Cultivating a harmonious relationship with the local communities and key stakeholders.

### **Health, Safety and Environment (“HSE”)**

Range is committed to “Operational Excellence”, a core value that drives achievement of its sustainable growth and financial performance. The Company’s vision of “Zero Harm” is that “no one gets hurt and nothing gets harmed” and as a result HSE performance is a critical element of our Operational Excellence goal. It is, therefore, the Policy of the Company, and far as is reasonably practicable, to:

- Implement and maintain HSE management systems to prevent accidents, occupational injuries, illnesses and environmental incidence;
- Meet or exceed compliance with all applicable HSE laws and regulations;
- Ensure the provision and maintenance of a safe work environment, safe equipment and work procedures;
- Foster a culture where all employees and contractors are held accountable for following all Company Policies and Procedures;
- Provide appropriate training, re-training and supervision to maintain the competence levels of all employees to safely perform their duties;
- Promote the development of a positive Health and Safety culture;
- Ensure timely investigation and reporting of all HSE related incidents; and
- Conduct regular reviews of the Company’s Policies and Procedures.

Concern for the environment is of utmost importance to Range where our policy is to minimise our potential environmental impact by striving to:

- Protect the natural environment;
- Implement a cost effective waste and emissions management programme to prevent and control pollution;
- Manage, monitor and communicate our environmental performance; and
- Integrate environmental considerations into all our business processes and strive for continuous improvement.

### **Ethics and Principles**

Range’s employees share a responsibility for ensuring that they conduct business in an open, honest, and ethical manner and maintain the highest standards of integrity; and through corporate governance measure, audit and publicly report performance on Corporate Social Responsibility programmes.

### **Anti-bribery & Corruption (“ABC”)**

Range has a zero tolerance approach with respect to its Anti-bribery and Corruption policy, procedures and implementation and complies with all applicable laws and regulations of the countries in which it operates. It is the responsibility of all Range employees to ensure that none of Range’s businesses engage in practices which infringe legal or regulatory requirements or which fall below the highest standards of ethical business conduct.

Any Range employee engaging in business practices which infringe legal or regulatory requirements or fall below the highest standards of ethical business conduct may be subject to disciplinary action which may lead to dismissal and may face personal criminal or civil liability.

It is the responsibility of all Range employees to ensure that they report any infringement or suspected infringement of legal or regulatory requirements or the highest standards of ethical business conduct to the management of the Company.

## **CORPORATE SOCIAL RESPONSIBILITY (continued)**

### **Social Responsibility & Community Programmes**

Range's aim has been to follow a collaborative approach to our local communities' initiatives by:

- Striving to develop mutually beneficial relationships with its local communities through capacity building, employment and other economic opportunities; and
- Supporting innovative programmes in local health, education, environment, and cultural activities.

### **Current Community Programmes**

Range's commitment to the local communities is evidenced by the Company's ongoing support for the Morne Diablo Funk-a-delic steel orchestra in Trinidad. First formed in 2004, the steel orchestra band consists of around 40 local children between the ages of 6 and 18. Providing the children with an outlet for team building and community participation, the programme provides music lessons up to three times a week, where they learn how to play the steel pan (Trinidad and Tobago's national musical instrument) and to read music. The orchestra has performed at a number of ceremonies, including events hosted by the government of Trinidad and Tobago.

## CORPORATE GOVERNANCE

### Principles of Best Practice Recommendations

Range has adopted appropriate systems of control and accountability as the basis for the administration of corporate governance. The Board has adopted corporate governance policies and practices consistent with the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations (ASX Principles and Recommendations 3rd Edition), considered appropriate for the Group of Range's size and nature.

Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. Where, after due consideration, the Company's corporate governance practices depart from a recommendation, the Board has offered full disclosure and reason for the adoption of its own practice.

Further information about the Company's corporate governance practices may be found on the Company's website at [www.rangeresources.co.uk](http://www.rangeresources.co.uk), under the section marked "Corporate Governance".

	Best Practice Recommendation	Comment
1.	Lay solid foundations for management and oversight	
1.1	Disclose the respective roles and responsibilities of its board and management and those matters expressly reserved to the board and those delegated to management.	Satisfied. Refer to the Board Charter in the Corporate Governance section on the Company's website.
1.2	Undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director and provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	Satisfied. Refer to Remuneration and Nomination Policy in the Corporate Governance section on the Company's website.
1.3	Establish a written agreement with each director and senior executive setting out the terms of their appointment.	Satisfied. Refer to Directors' Report.
1.4	The company secretary should be accountable directly to the board, through the chair; on all matters to do with the proper functioning of the board.	Satisfied. Refer to the Board Charter in the Corporate Governance section on the Company's website.
1.5	Establish a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them. Disclose the gender diversity policy or a summary and disclose at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either; 1. The respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined 'senior executive' for these purposes); or 2. If the entity is a 'relevant employer under the Workplace Gender Equality Act, the entity's most recent 'Gender Equality Indicators, as defined in and published under the Act.	Satisfied. Refer to Diversity Policy in the Corporate Governance Section on the Company's website. The Board has not currently set any measurable objectives for achieving gender diversity.

**CORPORATE GOVERNANCE (continued)**

1.6	Have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors and disclose, in relation to each reporting period whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Not satisfied. The Company is currently in the process of establishing a Board evaluation programme.
1.7	Have and disclose a process for periodically evaluating the performance of its senior executives, and disclose, in relation to each reporting period whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Not satisfied. The Company is currently in the process of establishing a senior executive performance evaluation programme.
2.	Structure the board to add value	
2.1	The board should: a) have a nomination committee which has at least three members a majority of whom are independent directors and is chaired by an independent director and disclose the charter of the committee, the members of the committee and as at the end of each reporting period the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	Satisfied. Refer to Remuneration and Nomination Policy in the Corporate Governance section on the Company's website.
2.2	Have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or it's looking to achieve in its membership.	Not satisfied. The Company is currently in the process of establishing a Board skills matrix.
2.	Structure the board to add value continued	
2.3	Disclose the names of the directors considered by the board to be independent directors, if a director has an interest, position, association or relationship but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion, and the length of service of each director.	Satisfied. Refer to Directors' Report.
2.4	A majority of the board should be independent directors.	Satisfied. Refer to Independence definition in the Corporate Governance section on the Company's website.
2.5	The chair of the board should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Satisfied.
2.6	Should establish a programme for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain their skills and knowledge needed to perform their role as directors effectively.	Not satisfied. The Company is currently in the process of establishing an induction programme.
3.	Act ethically and responsibly	

**CORPORATE GOVERNANCE (continued)**

3.1	Establish a code of conduct for the directors, senior executives and employees and disclose that code or a summary of it.	Satisfied. Refer to the Code of Conduct in the Corporate Governance section on the Company's website.
4.	Safeguard integrity in corporate reporting	
4.1	The board should establish an audit committee which; a) has at least three members, all of whom are non-executive directors and majority of whom are independent directors, and b) is chaired by an independent director, who is not the chair of the board, and disclose: 1) the charter of the committee; 2) the relevant qualifications and experience of the members of the committee; and 3) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or c) if it does not have an audit committee, disclose the fact and the processes it employs that independently verify and safeguard the integrity of its corporate governance reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	Satisfied. The Board has established an audit and risk committee made up of two Non-Executive Directors and the CFO. Refer to the Audit and Risk Committee in the Corporate Governance section on the Company's website.
4.2	The board before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operation effectively.	Satisfied.
4.3	The Company should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Satisfied. Refer to Shareholder Communications Policy in the Corporate Governance section on the Company's website.
5.	Make timely and balanced disclosure	
5.1	Establish a written policy for compliance with the Continuous Disclosure obligations under the Listing Rules and disclose the policy or a summary of it.	Satisfied. Refer to Continuous disclosure policy in the Corporate Governance section on the Company's website.
6.	Respect the rights of security holders	
6.1	The Company should provide information about itself and its governance to investors via its website.	Satisfied. Refer to Shareholder Communications Policy in the Corporate Governance section on the Company's website.



**CORPORATE GOVERNANCE (continued)**

6.2	Design and implement an investor relations programme to facilitate effective two-way communication with investors.	Satisfied. Refer to Shareholder Communications Policy in the Corporate Governance section on the Company's website.
6.3	The Company should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Satisfied. Refer to Shareholder Communications Policy in the Corporate Governance section on the Company's website.
6.4	Give its security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Satisfied. Refer to Shareholder Communications Policy in the Corporate Governance section on the Company's website.
7.	Recognise and manage risk	
7.1	The board should; a) have a committee or committees to oversee risk, each of which: 1) has at least three members, a majority of whom are independent directors; and 2) is chaired by an independent director, and disclose: 3) the charter of the committee; 4) the members of the committee; and 5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	Satisfied. The Board has established an audit and risk committee made up of two Non-Executive Directors and the CFO. Refer to Audit and Risk Committee in the Corporate Governance section on the Company's website.
7.2	The board or committee of the board should: a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and b) disclose, in relation to each reporting period, whether such a review has taken place.	Not satisfied. The Company is currently in the process of establishing a risk management framework.
7.3	The Company should disclose; a) If it has an internal audit function, how the function is structured and what role it performs; or b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Not satisfied. The Company is currently in the process of establishing an internal audit function.

## CORPORATE GOVERNANCE (continued)

7.4	To disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Not satisfied. The Company is currently in the process of establishing a risk management framework which will incorporate economic, environmental and social sustainability risks and how it intends to manage the risks.
8.	Remunerate fairly and responsibly	
8.1	<p>The board should;</p> <p>a) have a remuneration committee which:</p> <ol style="list-style-type: none"> <li>1) has at least three members, a majority of whom are independent directors; and</li> <li>2) is chaired by an independent director, and disclose:</li> <li>3) the charter of the committee;</li> <li>4) the members of the committee; and</li> <li>5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ol> <p>b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	Satisfied. Refer to Remuneration and Nomination Policy in the Corporate Governance section on the Company's website.
8.2	Separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Satisfied. Refer to Remuneration and Nomination Policy in the Corporate Governance section on the Company's website.
8.3	<p>A company which has an equity-based remuneration scheme should;</p> <ol style="list-style-type: none"> <li>a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</li> <li>b) disclose that policy or summary of it.</li> </ol>	N/A – the Company does not currently have an equity-based remuneration scheme.

## BOARD OF DIRECTORS

### Role and Responsibilities of the Board

The Board of Directors is responsible for the overall strategy, governance and performance of Range and its controlled entities. The Board is responsible for promoting the success of the Company through its key functions of overseeing the management of the Company, providing overall corporate governance of the Company, monitoring the financial performance of the Company, engaging appropriate management commensurate with the Company's structure and objectives, involvement in the development of corporate strategy and performance objectives, and reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance.

## **CORPORATE GOVERNANCE (continued)**

### **The Board's Relationship with Management**

The role of management is to support the Chief Executive Officer and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board. The Board shall delegate responsibility for the day-to-day operations and administration of the Company to the Chief Executive Officer. In addition to formal reporting structures, members of the Board are encouraged to have direct communications with management and other employees within the Group to facilitate the carrying out of their duties as Directors.

The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board. All directors have direct access to the Company Secretary.

The Company's Board Charter is available on the Company's website [www.rangeresources.co.uk](http://www.rangeresources.co.uk).

### **Composition of the Board**

The composition of the Board is reviewed regularly to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction.

In appointing new members to the Board, consideration is given to the ability of the appointee to contribute to the ongoing effectiveness of the Board, to exercise sound business judgement, to commit the necessary time to fulfil the requirements of the role effectively and to contribute to the development of the strategic direction of the Company.

Where practical, the majority of the Board will be comprised of independent Directors.

The Company intends to establish a board skills matrix setting out the mix of skills and diversity during the current financial year.

### **Definition of an Independent Director**

The Board has accepted the following definition of an independent Director:

An independent Director is a non-executive Director (ie is not a member of management) and:

- Holds less than 5% of the voting shares of the Company and is not an officer of, or otherwise associated directly or indirectly with, a shareholder of more than 5% of the voting shares of the Company;
- Within the last three years has not been employed in an executive capacity by the Company or another group member, or been a Director after ceasing to hold any such employment;
- Within the last three years has not been a partner, director or senior employee of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided;
- Within the last three years has not been in a material business relationship, is not a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with someone with such a relationship;
- Has no material contractual relationship with the Company or another group member other than as a Director of the Company;
- Has close family ties with any person who falls within any of the categories described above;
- Has not served on the board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
- Is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

The materiality thresholds are assessed on a case-by-case basis, taking into account the relevant Director's specific circumstances, rather than referring to a general materiality threshold.

### **Term of Office**

Under the Company's Constitution, the minimum number of Directors is three. At each Annual General Meeting, one third of the Directors (excluding the CEO) must resign, with Directors resigning by rotation based on the date of their appointment. Directors resigning by rotation may offer themselves for re-election.

## **CORPORATE GOVERNANCE (continued)**

### **Independent Professional Advice and Access to Company Information**

Each Director has the right of access to all relevant Company information and to the Company's Executives and, subject to prior consultation with the Chairperson, may seek independent professional advice at the Company's expense. A copy of advice received by the Director is made available to all other members of the Board.

## **BOARD COMMITTEES**

### **Remuneration and Nomination Committee**

The Board has established a Remuneration and Nomination Committee. The primary purpose of the Committee is to support and advise the Board in fulfilling its responsibilities to shareholders by:

- Reviewing and approving the executive remuneration policy to enable the Company to attract and retain executives and Directors who will create value for shareholders;
- Ensuring that the executive remuneration policy demonstrates a clear relationship between key executive performance and remuneration;
- Recommending to the Board the remuneration of executive Directors;
- Fairly and responsibly rewarding executives based on the performance of the Group, the performance of the executive and the prevailing remuneration expectations in the market;
- Reviewing the Company's recruitment, retention and termination policies and procedures for senior management;
- Reviewing and approving the remuneration of Director reports to the Chief Executive Officer, and as appropriate other senior executives; and
- Reviewing and approving any equity based plans and other incentive schemes.

Range's Remuneration and Nomination Committee consists of the following members:

- Mr David Chen, Non-executive Chairman (Chairman of the committee)
- Ms Juan Wang, Non-executive Director (Member of the committee)
- Mr Zhiwei Gu, Non-executive Director (Member of the committee)

The Committee held 2 meeting during the period.

The Company's Remuneration and Nomination Committee Charter is available on the Company's website at [www.rangeresources.co.uk](http://www.rangeresources.co.uk)

### **Audit and Risk Committee**

The Board has established an Audit and Risk Committee. The primary purpose of the Committee is to assist the Board in fulfilling its statutory and fiduciary responsibilities relating to:

- The quality and integrity of the Company's financial statements, accounting policies and financial reporting and disclosure practices;
- Compliance with all applicable laws, regulations and company policy;
- The effectiveness and adequacy of internal control processes;
- The performance of the Company's external auditors and their appointment and removal;
- The independence of the external auditor and the rotation of the lead engagement partner;
- The identification and management of business, economic, environmental and social sustainability risks; and
- The review of the Company's risk management framework at least annually to satisfy itself that it continues to be sound.

Range's Audit and Risk Committee consists of the following members:

- Mr Zhiwei Gu, Non-executive Director (Chairman of the committee)
- Mr David Chen, Non-executive Chairman (Member of the committee)
- Mr Nick Beattie, Chief Financial Officer (Member of the committee)

The Committee held 2 meetings during the period.

The Company's Audit and Risk Committee Charter is available on the Company's website at [www.rangeresources.co.uk](http://www.rangeresources.co.uk).

## **CORPORATE GOVERNANCE (continued)**

### **Reserves Committee**

The Board has established a Reserves Committee. The primary purpose of the Committee is to support and advise the Board in:

- Reviewing the Company's procedures relating to the disclosure of information with respect to oil and gas activities; and
- Meeting with management and the qualified reserves evaluator or auditor to review the reserves data or report of the qualified reserves evaluator or auditor.

Range's Reserves Committee consists of the following members:

- Mr Yan Liu, Executive Director (Chairman of the committee)
- Mr Nick Beattie, Chief Financial Officer (Member of the committee)
- Mr David Chen, Non-executive Chairman (Member of the committee)

The Committee held 1 meeting during the period.

The Company's Reserves Committee Charter is available on the Company's website at [www.rangeresources.co.uk](http://www.rangeresources.co.uk)

### **Performance Evaluation**

The Remuneration and Nomination Committee will arrange a performance evaluation of the Board, its Committees, individual Directors and senior executives on an annual basis. To assist in this process an independent advisor may be used.

The Remuneration and Nomination Committee will conduct an annual review of the role of the Board, assess the performance of the Board over the previous 12 months and examine ways of assisting the Board in performing its duties more effectively.

The review will include:

- Comparing the performance of the Board with the requirements of its Charter;
- Examination of the Board's interaction with management;
- The nature of information provided to the Board by management; and
- Management's performance in assisting the Board to meet its objectives.

A similar review will be conducted for each Committee by the Board with the aim of assessing the performance of each Committee and identifying areas where improvements can be made.

The Remuneration and Nomination Committee will oversee the performance evaluation of the executive team. This evaluation is based on specific criteria, including the business performance of the Company and its subsidiaries, whether strategic objectives are being achieved and the development of management and personnel.

A review was undertaken on 17 October 2014.

### **Code of Conduct**

The Company has developed a Code of Conduct (the Code) which has been fully endorsed by the Board and applies to all Directors and employees. The Code is regularly reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the Company's integrity. The purpose of the Code is to provide a framework for decisions and actions in relation to ethical conduct in employment. It underpins the Company's commitment to integrity and fair dealing in its business affairs and to a duty of care to all employees, clients and stakeholders. The Code can be found in the corporate governance information section of the Company's website at [www.rangeresources.co.uk](http://www.rangeresources.co.uk).

## **CORPORATE GOVERNANCE (continued)**

### **Conflict of Interest**

In accordance with the Corporations Act 2001 and the Company's constitution, Directors must keep the Board advised on an ongoing basis of any interest that could potentially conflict with those of the Company. Where the Board believes a significant conflict exists, the Director concerned does not receive the relevant Board papers and is not present at the Board meeting whilst the item is considered. Details of Directors related entity transactions with the Company are set out in the related parties note in the financial statements.

### **Diversity**

The Company and all its related bodies are committed to workplace diversity. The Company recognises the benefits arising from employee and Board diversity, including a broader pool of high quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent. Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. The Board believes that the Company has diverse work force at all levels, however at this stage the Board believes that there is no requirement to set a measurable objective in relation to gender diversity.

The Company's diversity policy can be found on the Company's website [www.rangeresources.co.uk](http://www.rangeresources.co.uk).

### **Trading in the Company's Securities by Directors, Officers and Employees**

The Board has adopted a specific trading policy in relation to all Directors of the Company and all employees of the Range Group (including all full and part time staff and contractors). These persons are prohibited from trading in the Company's shares, options and other securities if they are in possession of price-sensitive information.

The Company's Security Trading Policy is provided to each new employee as part of their induction training. The Directors are satisfied that the Company has complied with its policies on ethical standards, including trading in securities.

The Company's trading policy was last updated on 12 August 2015 and a copy can be found on the Company's website [www.rangeresources.co.uk](http://www.rangeresources.co.uk).

### **Continuous Disclosure**

The Company must comply with continuous disclosure requirements arising from legislation and the ASX and AIM Listing Rules.

The general rule, in accordance with ASX Listing Rule 3.1, is that once the Company becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price of value of the Company's securities, the Company must immediately disclose that information to the ASX.

AIM Rule 10 states that information must be published on AIM no later than it is published elsewhere. An AIM company must take reasonable care to ensure that any information it notifies is not misleading, false or deceptive and does not omit anything that is likely to affect the import of such information. It will be presumed that information notified to a Regulatory Information Service is required by these rules or other legal regulatory requirement unless otherwise designated.

AIM Rule 11 states that an AIM company must issue notification without delay of any new developments which are not public knowledge concerning a change in:

- Its financial condition;
- Its sphere of activity;
- The performance of its business; or
- Its expectation of its performance, which, if made public, would be likely to lead to a substantial movement in the price of its AIM securities.

The Company has in place a written policy on information disclosure and relevant procedures, which can be accessed at [www.rangeresources.co.uk](http://www.rangeresources.co.uk).

## **CORPORATE GOVERNANCE (continued)**

### **Shareholder Communications Strategy**

The Company places significant importance on effective communication with shareholders. Information is communicated to shareholders through the annual and half yearly financial reports, quarterly reports on activities, announcements through the ASX and AIM, and the media, on the Company's web site and through the Chairman's address at the annual general meeting. After the Annual General Meeting, Chairman of the meeting is available to meet with any shareholders and answer questions. Shareholders are encouraged to contact Range and to submit any questions via email [admin@rangeresources.co.uk](mailto:admin@rangeresources.co.uk).

As part of the Company's developing investor relations program, Shareholders can register on the Company's website to receive email notifications of when an announcement is made by the Company to the ASX and AIM, including the release of the annual report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX and AIM is immediately posted.

The Company will, wherever practicable, take advantage of new technologies that provide greater opportunities for more effective communications with shareholders.

Range ensures that its external auditor is present at all Annual General Meetings to enable shareholders to ask questions relevant to the audit directly to the auditor.

The Company's Shareholder Communications Strategy can be accessed from the Company's website [www.rangeresources.co.uk](http://www.rangeresources.co.uk).

### **Company Website**

The Company has made available details of all its corporate governance principles, which can be found in the corporate governance information section of the Company's website at [www.rangeresources.co.uk](http://www.rangeresources.co.uk).

## DIRECTORS' REPORT

The Directors of Range Resources Limited ("Range" or "the Company") and the entities it controls (together, the "Group") present the financial report for the year ended 30 June 2015.

## PRINCIPAL ACTIVITIES

The principal activity of the Group during the financial year was oil and gas exploration, development and production in Trinidad. The Company holds further interests in non-core oil and gas projects in Georgia, Guatemala and Colombia. The Company's strategy is to create sustainable shareholder value by growing oil production and developing discovered resources from its core assets, while rationalising non-core assets within the portfolio.

## FINANCIAL RESULTS

- The Consolidated Statement of Profit or Loss and Other Comprehensive Income for the financial year shows a net loss attributable to owners of US\$30,279,054 (2014: net loss of US\$102,541,990).
- The Group's revenue was US\$13,152,954 (2014: US\$21,185,745). The decrease of US\$8,032,791 was primarily due to lower oil prices in the 2015 financial year.
- The net loss after tax from continuing operations was US\$22,581,895 (2014: US\$59,096,590). Decrease in loss primarily due to large numbers of write offs in the prior year.
- Net cash outflow from operating activities for the period was US\$6,955,264 (2014: outflow US\$6,221,781).
- General and administrative costs overall decreased by US\$4,537,360 to US\$9,948,494 (2014: US\$14,485,854) as a result of cost cutting measures implemented across the Group.
- The net assets of the Group decreased by US\$14,271,807 to US\$95,023,456 (2014: US\$109,295,263). This decrease is primarily due to impairments made in the year to the Group's Georgian assets (impairment of US\$5,000,000) and Guatemalan assets (impairment of US\$1,779,476), and other losses made by the Group.

## DIVIDENDS

No dividends have been declared, provided for or paid in respect of the financial year ended 30 June 2015 (2014: Nil).

## OPERATING ACTIVITIES

### Corporate

#### **Directorate and management changes**

During the Annual General Meeting of the Company held on 28 November 2014, a number of Directors were not re-elected to the Company's Board by the shareholders, namely Mr Rory Scott Russell, Mr Graham Lyon, Dr Christian Bukovics and Mr Marcus Edwards-Jones. Sir Sam Jonah, Non-Executive Chairman, resigned from the Board of the Company effective from the conclusion of the Company's Annual General Meeting. Subsequently, Mr David Riekie and Mr Ian Olson also resigned from the Board of the Company on 11 December 2014.

Following these changes, four new Director appointments have been made to the Company's Board, which now comprises of Mr David Yu Chen, Mr Yan Liu, Mr Zhiwei (Kerry) Gu, and Ms Juan (Kiki) Wang.

The Company also appointed Mr Nick Beattie and Ms Sara Kelly as Joint Company Secretary.

In addition, subsequent to the period end, the Company appointed Mr Lijun Xiu as Trinidad Deputy General Manager. Mr Xiu has a long and distinguished geological career of over 30 years working for Jilin Oilfield Research Institute of Petroleum Exploration & Development (a division of China National Petroleum Corporation). Mr Xiu has extensive experience in oilfield exploration and development planning, drilling design, research on geological conditions for oil and gas accumulations and target selection, evaluation of oil reservoir properties and productivity construction, evaluation of well logging, and assessment of hydrocarbon reserves.

Mr Yan Liu, Chief Executive Officer of the Company, extended his role to that of Trinidad General Manager, focusing on managing the Trinidad business, growing production and driving profitability. Mr Walter Cukavac (previously, Trinidad Chief Operations Officer) was appointed as Trinidad Director of Operations, responsible for overseeing the



## **DIRECTORS' REPORT (continued)**

Health, Safety and Environment functions, government communications, managing production, and other oilfield support activities.

### **Equity Financing with Sibio**

During the period, Range agreed an equity funding package with Beijing Sibio Investment Management LP ("Sibio") for US\$30 million, which completed subsequent to the year end. As per the terms of the subscription agreement, Range issued approximately 2,450 million new ordinary fully paid shares of the Company to Sibio at a subscription price of £0.008 per share. The Company also issued 194,585,862 unlisted warrants with an exercise price of £0.01 and 172,557,274 unlisted warrants with an exercise price of £0.02 to Sibio. All warrants have an expiry date of 3 September 2019.

Range's Directors and management also subscribed for ordinary shares in an amount of US\$0.3 million in cash. Range issued 25 million new Shares to Directors and management at a subscription price of £0.008 per Share.

The financing with Sibio supersedes the previously contemplated financing with Core Capital Management Co., Ltd, which was terminated during the period.

### **Supplier Financing with LandOcean**

During the period, Range and LandOcean reached an agreement whereby LandOcean provide extended credit terms of 12 months on drilling related invoices payable to Range Resources Drilling Services Limited ("RRDSL"). This has material cashflow benefit to Range and importantly allows the Company to progress with its planned drilling programme. Interest will be payable by Range on any third party costs contained within the invoices at the rate of 10% per annum.

### **Loan Financing with Lind**

During the period, Range announced that it had signed a loan agreement for up to US\$15 million in medium-term financing with Lind Asset Management, LLC, ("Lind"). Range received advances totalling US\$5,500,000 (minus certain fees) pursuant to the agreement. Range made a repayment of US\$562,500 (paid by way of the issue of shares to Lind) in November 2014.

On 16 February 2015, Range received a statutory demand from Lind demanding repayment of approximately US\$7.2 million that Lind alleges is due and payable. Subsequently, Range filed an application to the Supreme Court of Western Australia to set aside the statutory demand.

Subsequent to the period end, the Company paid US\$5 million to Lind.

### **US\$50 Million Trade Financing Package with Sinosure**

During the period, Range announced that LandOcean in conjunction with Sinosure are looking to provide Range with up to US\$50 million by way of a credit facility of two years to fund the development programme in Trinidad principally related to the waterflood programme. The facility is subject to final approvals by Sinosure, and payment of a security deposit of US\$7.5 million by Range. The security deposit shall be refunded to the Company upon expiry or termination of the second purchase order and the Company's satisfaction of its obligations to pay all accrued interest on the financing facility at such time. The financing is subject to interest at 10% per annum and repayments will be due 720 days after each drawdown on the financing.

### **International Petroleum Loan Settlement**

During the period, and in line with a loan settlement agreement, International Petroleum Ltd ("IOP") made a cash payment of US\$500,000 to Range and all other outstanding monies have been converted into 147,803,270 ordinary shares of IOP. Following conversion, Range holds approximately 9% of the enlarged share capital of IOP. In addition, IOP issued 5 million unlisted options to Range exercisable at AU\$0.06 per option on or before 2 October 2016. At the date of this report, IOP shares remain suspended from trading on NSX.

## **Operations**

### **TRINIDAD**

## DIRECTORS' REPORT (continued)

The Company has the largest private onshore acreage in Trinidad with a 100% interest in three onshore production licences – Morne Diablo, South Quarry and Beach Marcelle, as well as interests in two exploration blocks – St Mary's and Guayaguayare.

### Production

The Company's oil and gas production for the period in Trinidad was 205,209 bbls (average of 562 bopd) net to Range. Production during the year was broadly unchanged from the previous year (2014: average of 573 bopd). There was a limited number of development wells drilled during the year, due to failures of old equipment and rigs, which prevented the Company from running its drilling campaign efficiently. The Company believes that the financial year of 2016 should show substantial improvement in operational performance. The access to four brand new drilling rigs during 2H 2015, will be pivotal to improving capabilities and limiting the downtime of Range's development and exploration drilling.

### Sale of Range Resources Drilling Services Limited

Following a strategic review, management decided to realign its corporate strategy in order to solely focus its time and resources on growing its E&P business. As a result, the Company completed the sale of its drilling business RRDSL to LandOcean. RRDSL will continue to provide full oilfield operations services to Range in Trinidad. Range and LandOcean have finalised the Trinidad Drilling Contract agreement, as an extension of the Integrated Master Services Agreement with services to be provided on a turnkey basis and priced in line with market rates in Trinidad, to be reviewed periodically by both parties.

### New Drilling Rig Fleet

Following completion of RRDSL sale, LandOcean added four new drilling rigs to the existing fleet. The first new drilling rig arrived in Trinidad in August 2015 and is expected to be available for drilling from October 2015, subject to a number of conditions, including various government and regulatory approvals and availability of suitable drilling staff to operate the rigs. This large rig with a drilling capability of 13,000 ft. (4,000 m) will be utilised to drill deeper, previously inaccessible exploration targets on the Company's licences in Trinidad.

The other three new drilling rigs with drilling capabilities of 6,500 ft. (2,000 m), 4,900 ft. (1,500 m) and 3,200 ft. (1,000 m) are also on route to Trinidad, expected to arrive by the end of September 2015 and be available for drilling from November 2015.

### Development Programme

During the year, the Company drilled the following development wells:

Item	Well	Field	Total Depth (ft)	Status
1	QUN 153	Morne Diablo	1,111	Pumping
2	QUN 154	Morne Diablo	2,300	Flowing
3	QUN 155	Morne Diablo	800	Pumping
4	QUN 156	Morne Diablo	800	Pumping
5	QUN 157	Morne Diablo	2,301	Flowing
6	QUN 158	Morne Diablo	2,000	To be re-drilled during Q4 2015
7	1 PS 1505	South Quarry	800	100% water
8	QU 454	South Quarry	2,000	Well side-tracked (refer QU 454 ST)
9	QU 455	South Quarry	890	Previously producing, now capped
10	QU 454 ST	South Quarry	1,440	Capped
11	QU 456	South Quarry	2,002	Capped

Subsequent to year-end, the Company finalised an initial 22 development and exploration well programme, with drilling operations underway.

In addition, the Company commenced Electromagnetic Surveying in its fields. This technology is used to image shallow resistive bodies and identify possible oil reservoirs at depths of 1,000 ft. or less, thus reducing exploration and development risks at a relatively low cost with minimal environmental impact.

## **DIRECTORS' REPORT (continued)**

### **Waterflood Programmes**

During the year, the Company has been evaluating multiple waterflood blocks in the Beach Marcelle field, two blocks in the South Quarry field, and expansion of the existing pilot project on Morne Diablo field.

It has been concluded that Phase 1 waterflooding on Beach Marcelle field will comprise the South East, North East and South West blocks, plus parts of the North West block previously partially waterflooded by Texaco (subject to the relevant approvals).

Range applied for the relevant approvals for Beach Marcelle waterflooding during September 2015. Once all approvals are obtained, implementation of water injection is expected to commence approximately five months thereafter. In the meantime, surface facility planning and scheduling for implementation are underway.

On Morne Diablo field, LandOcean completed a review of the previous plans for expansion of the existing pilot waterflood scheme, and suggested changes to the waterflooding pattern which could enhance incremental production and recovery from the project. Range applied for the relevant approvals for revised Morne Diablo waterflooding during August 2015. Once all approvals are obtained, implementation of water injection is expected to commence approximately four months thereafter. In the meantime, surface facility planning and scheduling for implementation are underway.

### **Exploration Programmes**

#### ***Guayaguayare Block***

Subsequent to the period end, Range obtained a consent from the Minister of Energy and Energy Affairs of Trinidad and Tobago and the other partners in the block, Niko Resources Ltd. ("Niko") and Petrotrin, for the assignment of Niko's partial interest as contemplated in the original farm-in transaction entered into in December 2013. Therefore, Range holds a 40% interest in the Deep Production Sharing Contract ("PSC") and a 32.5% interest in the Shallow PSC. In addition, Range has been appointed as the Operator of the block.

Subsequent to the period end, Range signed an amendment agreement to acquire the full remaining interest of Niko in the block. Range has applied for the approvals to transfer the remaining interest and for the extension of the PSCs. Following completion of the agreement, Range will hold an 80% interest in the Deep PSC and a 65% interest in the Shallow PSC.

The Company continued to prepare for spudding of its first exploration well, Canari North, located on the Guayaguayare block. The Canari North well will be the first exploration well to be drilled by Range in Trinidad, and any success with the well is expected to de-risk the Moruga sub-basin and could result in material potential upside in the Guayaguayare block with multiple follow-on prospects and leads to be tested by further exploration drilling. The planned drilling programme is for a vertical well to be drilled to a target depth of 5,000 ft.

The second commitment well, the Guayaguayare deep well, is expected to be drilled during 2016.

#### ***St Mary's Block***

During the period, the Company successfully signed the Exploration & Production licence and negotiated the Joint Operating Agreement on the new St Mary's block. The work programme on the block has commenced with the audit of existing field infrastructure, facilities and wells underway. Range has committed to drilling four exploration wells, shooting 160km of 2D seismic and 60km<sup>2</sup> of 3D seismic, along with various other technical studies before the end of 2018.

Subsequent to the period end, Range used US\$8 million of the Sibó proceeds to provide the Ministry of Energy and Energy Affairs with the required performance bond in support of the minimum work obligations on the St Mary's licence.

### **NON-CORE ASSETS**

In line with the Company's stated strategy of non-core asset rationalisation and continued focus on production growth from the core assets in Trinidad, the Company continued with non-core assets disposals during the period.

## **DIRECTORS' REPORT (continued)**

### **Puntland**

During the period, the Joint Venture Operator, Africa Energy Corp. provided notice to the Puntland State of Somalia advising of its intention to withdraw from the January 2007 production sharing agreements ("PSAs") in respect of the Nugaal Block and the Dharoor Block. Range also confirmed that it would withdraw from these blocks.

The principal reason for the decision was the uncertainty of the current political climate in Somalia, especially in respect of the disagreement between the Federal Government of Somalia and the regional government of Puntland, Somalia over the legitimacy of the PSAs, and potential territorial claims on the Nugaal Block.

### **Georgia**

During the period, the Ministry of Energy of Georgia formally notified the Operator of the Georgian project, Strait Oil & Gas ("SOG": in which Range holds a 45% interest) that the PSC over Block VIb was terminated. This notification was solely in respect of Block VIb and does not affect the validity of Block VIa. The Company continues to pursue a disposal of its shareholding in SOG (which holds interests in Block VIa).

### **Texas, USA**

During the period, the Company completed the sale of its interests in the East Clarksville and North Chapman Ranch projects in Texas to Citation Resources Limited ("Citation"). Citation is an ASX-listed oil and gas company, which together with Range holds interests in oil production and exploration assets in Guatemala.

As part of the sales proceeds Range has received a AU\$500,000 cash payment, a carry on the Guatemalan assets to the value of AU\$830,000, a forgiveness on monies owed by Range to Citation to the value of AU\$189,000 and 200 million new ordinary shares in Citation (which were later sold by Range – please refer below).

### **Guatemala**

During the period, the Company disposed of its entire equity holding in Citation by way of an on market sale of 2,209,585 ordinary fully paid shares in Citation at an average price of AU\$0.11 per share, which realised approximately AU\$0.22 million in cash to Range. The proceeds represented a 10% premium to the assumed value from the Texas disposal.

The Company continues to explore potential disposal options for its 20% interest in the Guatemalan Project.

### **Colombia**

Range holds a 10% fully carried interest in three blocks in Colombia; PUT-5, VMM-7, and VSM-1. The blocks are operated by Optima Oil Corp ("Optima"), a private company registered in Panama. The three blocks are found in the mature basins of the Putumayo and Magdalena Valley with hydrocarbon accumulations in the vicinity of each block. The initial exploration term expires in December 2015 during which time 2D seismic and one exploration well will need to be drilled on each block. The Operator continues its discussions with Agencia Nacional de Hidrocarburos with regards to the minimum work obligations on the three exploration blocks and the provision of guarantees.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

Range continually monitors the effectiveness of the Company's risk management, internal compliance and control systems. The Board has identified the following principal business risks and adopted mitigating strategies as described below:

**DIRECTORS' REPORT (continued)**

<b>Risk</b>	<b>Description</b>	<b>Mitigation</b>
Exploration and development activities	<p>There is a significant element of technical risk in exploring for and developing oil and gas fields.</p> <p>Exploration activities are inherently uncertain in their outcome. Failure to discover and develop hydrocarbons in commercially viable quantities could have a material adverse effect on the Company's business.</p>	<p>The Company aims to continuously improve the quality of its operations through rigorous reviews. Technical work processes are used to ensure each opportunity has been thoroughly evaluated before investment decisions are made.</p> <p>Range is focused on lowering its exploration risk by applying disciplined capital allocation processes and investing in technologies such as seismic.</p>
HSE	<p>Exploration, development and production of oil and gas involve risks which may impact the health and safety of personnel, the community and the environment.</p> <p>Failure to manage these risks could result in injury or loss of life, damage or destruction of property, and damage to the environment.</p>	<p>Range is committed to maintaining robust HSE policies, and cultivating an organizational culture committed to superior HSE performance.</p> <p>The Company maintains strict reporting requirements in respect of any incidents, hazards or near misses. Training, procedures and competency are performed throughout the organisation.</p> <p>Appropriate insurances are in place.</p>
HR	<p>Key personnel and positions are required in order to implement the Company's strategy. The risk occurs when the appropriate personnel are difficult to recruit and retain.</p>	<p>The Company identifies the key positions and personnel and ensures that the incentive package offered reflects the key needs of the business.</p>
Access to funding	<p>Range's ability to explore for and develop oil and gas reserves is dependent on its ability to generate and otherwise access capital to fund these activities.</p>	<p>The Board reviews and approves the allocation of cash resources via the annual budget. The Board also considers longer term cash forecasts to ensure sufficient funds to meet its goals. Range continues to assess long-term funding needs and manage capital efficiently.</p>
Commodity price change	<p>The Company's revenues, profitability, cash flows and rate of growth are significantly impacted by prevailing oil prices. Crude prices are affected by numerous and complex worldwide factors beyond Range's control.</p>	<p>Range does not currently hedge its oil price exposure.</p> <p>Price hedging arrangements would be implemented if deemed appropriate for financial planning and to mitigate commodity price risks.</p>
Exchange rate fluctuations	<p>The Company is exposed to financial market volatility and fluctuation in various foreign exchange rates.</p>	<p>Range does not currently hedge its US Dollar exposure.</p> <p>Given the proportion of development capital expenditure and operating costs incurred in currencies other than the US Dollar, the Company routinely reviews potential hedges and will execute hedges if necessary to mitigate foreign exchange rate risk.</p>

## DIRECTORS' REPORT (continued)

Political, economic, and regulatory risks	A substantial amount of Range's properties and operations are located in Trinidad and Tobago and the Group's results of operations and financial condition are affected by policy, taxation and other political or economic developments in or affecting Trinidad and Tobago.	Range continuously monitors the political, economic, and regulatory environments in which it operates and actively cooperates with the government of Trinidad and Tobago on strategies that might impact the Company.
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## DIRECTORS

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

Mr David Yu Chen	Non-Executive Chairman	<i>appointed 30 November 2014</i>
Ms Juan Wang	Non-Executive Director	<i>appointed 30 November 2014</i>
Mr Yan Liu	Executive Director	<i>appointed 11 December 2014</i>
Mr Zhiwei Gu	Non-Executive Director	<i>appointed 11 December 2014</i>
Sir Samuel Jonah	Non-Executive Chairman	<i>resigned 28 November 2014</i>
Mr Rory Scott Russell	Executive Director	<i>appointed 3 Feb 2014, not re-elected 28 November 2014</i>
Mr Marcus Edwards-Jones	Non-Executive Director	<i>not re-elected 28 November 2014</i>
Dr Christian Bukovics	Non-Executive Director	<i>appointed 3 Feb 2014, not re-elected 28 November 2014</i>
Mr Graham Lyon	Non-Executive Director	<i>appointed 3 Feb 2014, not re-elected 28 November 2014</i>
Mr David Riekie	Non-Executive Director	<i>appointed 27 Jun 2014</i>
	Executive Director	<i>appointed 4 December 2014, resigned 11 December 2014</i>
Mr Ian Macliver	Non-Executive Director	<i>resigned 13 Aug 2014</i>
Mr Ian Olson	Non-Executive Director	<i>appointed 18 Aug 2014, resigned 11 December 2014</i>

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 during the financial year:

Mr Nick Beattie	<i>appointed 30 March 2015</i>
Ms Sara Kelly	<i>resigned 21 Jul 2014, re-appointed 7 January 2015</i>
Ms Rebecca Sandford	<i>resigned 30 March 2015</i>
Ms Amy Just	<i>appointed 21 Jul 2014, resigned 11 December 2014</i>

Mr Beattie and Ms Kelly held the positions of Company Secretary at the date of this report.

## DIRECTORS' REPORT (continued)

### INFORMATION ON DIRECTORS

<b>Mr David Yu Chen</b>	Non-Executive Chairman (appointed 30 November 2014)
Qualifications	B.Ec.
Experience	Mr Chen has over 16 years of corporate experience, having served as Chief Executive and Board member for companies listed on US and Hong Kong stock markets. He founded Huashan Capital in 2009 to invest in the resources sector. His investment experience includes the establishment of a US-listed special purpose acquisition fund and venture capital investments in China. Mr Chen is currently the Vice Chairman and President of Hengxing Gold, a Hong Kong Stock Exchange listed gold mining company. Mr Chen has served as an independent director at Zhonglu Group, a Shanghai Stock Exchange listed diversified investment holding company. He now serves as a director at Payeco, a leading mobile payment service provider in China; and as a director at Cardvalue, a technology driven business loan provider in China.
Interest in shares and options	18,288,070 ordinary shares 42,742,654 unlisted options (£0.01, 14 July 2018) 30,000,000 unlisted options (£0.01, 30 March 2020)
Directorships held in other listed entities during the past three years	Hengxing Gold Holding Company Limited ( <i>from March 2013</i> ) Zhonglu Company Limited ( <i>from May 2009 to November 2014</i> )
<b>Mr Yan Liu</b>	Executive Director (appointed 11 December 2014)
Qualifications	B.Ec, MCom
Experience	Mr Liu has over 18 years of accounting and corporate advisory experience in China and Australia. Mr Liu was the Chief Financial Officer with AIM listed China Rerun Chemical Group Limited, a China-based lubricant oil company and a partner of Agile Partners, the financial advisory company based in China. Previously, Mr Liu was the Financial Controller at Legalwise Seminars Pty in Australia and he spent 8 years at Chinatex Corporation where he worked in project management positions. Mr Liu holds a Bachelor degree in Economics from Central University of Finance and Economics, China, and a Master degree in Commerce from the University of New South Wales, Australia.
Interest in shares and options	6,333,333 ordinary shares 30,000,000 unlisted options (£0.01, 30 March 2020)
Directorships held in other listed entities during the past three years	None

## DIRECTORS' REPORT (continued)

### Mr Zhiwei Gu

Non-Executive Director (appointed 11 December 2014)

Qualifications

LL.B, LL.M., MSc

Experience

Mr Gu is an experienced corporate lawyer, who has worked with numerous companies seeking listing approval on various stock markets including Chinese A share, NASDAQ, TSX and HKSE. He is currently a partner of Dacheng Law Offices, the largest law firm in China. Mr Gu has participated in several Venture Capital and Private Equity investment cases by various funds, such as London Asia Fund, Warburg Pincus, Korea Development Bank, China Venture Investment Co, and China Cinda AMC. During his time with China National Gold Group Corp., Mr Gu was in charge of mineral resource M&A activities. Mr Gu holds a LL.B. from the Jilin University in China; a LL.M. from the Northeast University in China; and a Master of Applied Finance from the Macquarie University in Australia. Mr Gu is a qualified lawyer and securities practitioner in China.

Interest in shares and options

2,083,333 ordinary shares  
7,500,000 unlisted options (£0.01, 30 March 2020)

Directorships held in other listed entities during the past three years

None

### Ms Juan Wang

Non-Executive Director (appointed 30 November 2014)

Qualifications

BA, MBA

Experience

Ms Wang is currently a president of Energy Prospecting Technology USA, Inc. and LandOcean Energy Canada Ltd. where she is responsible for overall management work for the subsidiary companies of LandOcean Energy Services Co. Ltd. in Houston and Calgary. Prior to the current position, she was an investment manager at Anterra Energy Inc. responsible for Chinese investor liaisons. Prior to joining Anterra, Ms Wang was manager of corporate mergers and acquisitions at LandOcean Energy Services Co. Ltd. Ms Wang has a commercial banking background, having previously worked for Deutsche Bank and Bank of East Asia.

Interest in shares and options

2,083,333 ordinary shares  
7,500,000 unlisted options (£0.01, 30 March 2020)

Directorships held in other listed entities during the past three years

Anterra Energy Inc.



## DIRECTORS' REPORT (continued)

### Sir Samuel Esson Jonah

Non-Executive Chairman (resigned 28 November 2014)

Qualifications

DSc (Hons), MSc

Experience

Sir Sam Jonah is an 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 Vodafone plc. He is also Chairman of Metropolitan Insurance Company Limited and was previously Chief Executive Officer of Ashanti Goldfields Company Limited, Executive President of AngloGold Ashanti Limited, a director of Lonmin Plc and a member of the Advisory Council of the President of the African Development Bank.

Interest in shares and options

21,597,833 ordinary shares

Directorships held in other listed entities during the past three years

Vodafone Plc (*from 1 April 2009*)

### Mr Rory George Scott Russell

Executive Director and Chief Executive Officer (appointed 3 February 2014, not re-elected 28 November 2014)

Qualifications

BSc (Hons)

Experience

Mr Rory Scott Russell has over ten years of international experience in upstream positions at Shell. He previously worked as Finance Manager for Exploration in Europe and Russia, involved in country entries and project start-ups in Greenland, Albania, Spain, Ukraine and Russia. Prior to this he was Finance and Commercial Manager for exploration and has also worked in the strategic planning unit for Shell's global upstream business.

Interest in shares and options

Nil

Directorships held in other listed entities during the past three years

None

### Mr Graham Victor Lyon

Non-Executive Director (appointed 3 February 2014, not re-elected 28 November 2014)

Qualifications

BSc (Hons)

Experience

Mr Graham Lyon has over 30 years of experience in the oil and gas industry, working for a wide range of listed and private companies. He started his career with Chevron before moving to Shell as sub surface team leader and as project petroleum engineer. Graham previously held positions with Deminex in a series of technical leadership roles, and with Petro-Canada as Vice President Strategy and Business Development. Graham has also held senior positions with Mena Hydrocarbons Inc, Hawkey Oil and Gas Ltd, Tarbagatay Munay LLP and Soncer Ltd.

Interest in shares and options

Nil

## DIRECTORS' REPORT (continued)

Directorships held in other listed entities during the past three years

Mena Hydrocarbons Inc (*from 31 January 2011 to 30 November 2012*)  
Hawley Oil and Gas Ltd (*from 30 August 2012 to 14 October 2014*)

### **Dr Christian Eduard Wilhelm Johann Bukovics**

Non-Executive Director (appointed 3 February 2014, not re-elected 28 November 2014)

Qualifications

PhD

Experience

Dr Christian Bukovics has over 30 years' experience in exploration and has held executive positions at Shell. Until end of 2012, Christian was Vice President for exploration in Russia and the FSU and a member of the global exploration leadership team. Prior to this he held the exploration manager position for the European Atlantic Margin, was General Manager for Shell businesses in Iran and Kazakhstan and Vice President for the Commercial division of Shell Global Exploration.

Interest in shares and options

280,000 ordinary shares

Directorships held in other listed entities during the past three years

None

### **Mr David Noel Riekie**

Non-Executive Director (appointed 27 June 2014)  
Executive Director (appointed 4 December 2014, resigned 11 December 2014)

Qualifications

B.Ec., CA, AICD, Dip Acc

Experience

Mr David Riekie has over 20 years of corporate experience through a variety of executive and advisory roles in the Industrial and Resource sectors of Australia. Mr Riekie is a former director of Hawley Oil and Gas Limited and was a founding Director of Otto Energy.

Interest in shares and options

Nil

Directorships held in other listed entities during the past three years

AVZ Minerals Ltd (*from 21 Aug 2008 to 3 Aug 2012*)  
Hawley Oil and Gas Ltd (*from 22 Jun 2010 to 17 Sep 2013*)

### **Mr Ian Peter Olson**

Non-Executive Director (appointed 18 August 2014, resigned 11 December 2014)

Qualifications

B.Com, CA, AICD

Experience

Mr Ian Olson is a Chartered Accountant with over 25 years of experience whose areas of expertise include corporate finance, audit and assurance across a broad range of industries including energy. Previously Managing Partner of PKF Chartered Accountants in Perth, Western Australia, Ian also spent numerous years working with global investment banks in London and New York.

## DIRECTORS' REPORT (continued)

Interest in shares and options	Nil
Directorships held in other listed entities during the past three years	Gage Roads Brewing Co Ltd <i>(from November 2007)</i> Diploma Group Ltd <i>(from October 2007 to 31 March 2015)</i> RuralAus Investments Ltd <i>(from 2005 to 26 February 2013)</i>

### Mr Marcus Edwards-Jones

Non-Executive Director (not re-elected 28 November 2014)

Qualifications BA (Hons), MA (Oxon)

Experience Mr Marcus Edwards-Jones is a Managing Director and co-founder of Lloyd Edwards-Jones S.A.S, a financial boutique firm. Mr Edwards-Jones has previously held positions with Bank Julius Baer Paris, and Credit Lyonnais Securities. In addition, Mr Edwards-Jones has significant experience in worldwide institutional capital raisings for large resource projects in Africa.

Interest in shares and options 3,531,522 ordinary shares  
750,000 partly paid shares (paid up to 30 cents)

Directorships held in other listed entities during the past three years Noricum Gold Limited *(from 18 June 2010)*

### Mr Ian Alexander Macliver

Non-Executive Director (appointed 27 June 2014, resigned 13 August 2014)

Qualifications B.Com, CA, FINSIA, AICD

Experience Mr Ian Macliver has extensive experience as a senior executive and director of both resource and industrial companies. Mr Macliver is Principal of a specialist corporate advisory firm in Australia and is a director of various listed and unlisted companies.

Interest in shares and options Nil

Directorships held in other listed entities during the past three years Otto Energy Ltd *(from 7 January 2004)*  
Rent.com.au (formerly Select Exploration Ltd) *(from 14 September 2010)*  
Western Areas Ltd *(from October 2011)*

## INFORMATION ON COMPANY SECRETARIES

### Mr Nick Beattie

Joint Company Secretary (appointed 30 March 2015)

Qualifications BA (Hons), FCIBS, AMCT

Experience Mr Nick Beattie has over twenty years of experience in finance working with a range of international banks. Most recently he was a Managing Director in the BNP Paribas Upstream Oil and Gas team in London where he was responsible for leading the bank relationships with UK focused independent E&P companies. Nick has

## DIRECTORS' REPORT (continued)

approximately ten years' experience specifically financing the E&P sector and whilst at BNP Paribas, he structured and led numerous reserve based loans, development financings and other debt facilities. Prior to working with BNP Paribas, Nick worked as a Director within the Oil and Gas finance team at Fortis Bank covering Europe, Middle East and Africa and in a variety of roles with National Australia Bank Group. Nick is an Associate Member of the Association of Corporate Treasurers and a Fellow of the Chartered Institute of Bankers in Scotland.

Interest in shares and options	2,916,667 ordinary shares 25,000,000 unlisted options (£0.01, 30 March 2020)
Directorships held in other listed entities during the past three years	None
<b>Ms Sara Claire Kelly</b>	Joint Company Secretary (resigned 21 July 2014, re-appointed 7 January 2015)
Qualifications	B.Com, LLB
Experience	Ms Sara Kelly is an experienced Company Secretary and Corporate Lawyer with over 9 years' experience. Sara has comprehensive knowledge of and experience in administering regulatory frameworks and processes in a listed company environment and practised as a corporate lawyer specialising in acquisitions, takeovers, capital raisings and listing of companies on ASX and AIM. Sara has acted as the company secretary of a number of ASX listed companies.
Interest in shares and options	Nil
Directorships held in other listed entities during the past three years	None
<b>Ms Rebecca Louise Sandford</b>	Company Secretary (appointed 22 April 2014, resigned 30 March 2015)
Qualifications	B.Bus, AGIA
Experience	Ms Rebecca Sandford's experience includes acquisitions, takeovers, capital raisings, listing of companies on ASX, due diligence reviews and compliances. Rebecca has acted as the company secretary of a number of ASX listed companies. Rebecca is a member of the Governance Institute of Australia.
Interest in shares and options	595,238 ordinary shares
Directorships held in other listed entities during the past three years	None
<b>Ms Amy Just</b>	Company Secretary (appointed 21 July 2014, resigned 11 December 2014)
Qualifications	B. Bus, CA, AGIA

## DIRECTORS' REPORT (continued)

Experience	Ms Amy Just's experience includes corporate advisory, company secretarial and financial management services. Amy has ten years of experience as a Chartered Accountant and is member of the Governance Institute of Australia. Amy has acted as the Financial Controller and Company Secretary of numerous domestic and international oil & gas and mineral exploration companies.
Interest in shares and options	Nil
Directorships held in other listed entities during the past three years	None

## SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

- The restructure of the Board of Directors;
- In line with the Company's focus on growing and developing its core assets, the Company has completed a number of non-core asset divestments, including sales of the drilling business, Texas assets, and equity holding in Citation Resources, as well as withdrawal from Puntland.

Further details on the above matters can be found in the Review of Operations.

## EVENTS SUBSEQUENT TO REPORTING DATE

### Equity Financing with Sibor

Subsequent to the period end, equity financing with Sibor completed. As per the terms of the subscription agreement, Range issued approximately 2,450 million new ordinary fully paid shares of the Company to Sibor at a subscription price of £0.008 per share. The Company also issued 194,585,862 unlisted warrants with an exercise price of £0.01 and 172,557,274 unlisted warrants with an exercise price of £0.02 to Sibor. All warrants have an expiry date of 3 September 2019. Range's Directors and management also subscribed for ordinary shares in an amount of US\$0.3 million in cash. Range issued 25 million new Shares to Directors and management at a subscription price of £0.008 per Share.

### St Mary's Bond

Subsequent to the period end, Range used US\$8 million of the Sibor proceeds to provide the Ministry of Energy and Energy Affairs with the required performance bond in support of the minimum work obligations on the St Mary's licence. The Company is seeking alternative sources of finance to replace this bond, which would allow the cash collateral to be released and used for other purposes.

### Loan Financing with Lind

Subsequent to the period end, the Company announced that its application to the Supreme Court of Western Australia to set aside the statutory demand from Lind Asset Management, LLC had been unsuccessful. The Supreme Court extended the time for payment of the demand. Subsequently, Range filed an appeal against the Supreme Court's decision, and the Western Australian Court of Appeal extended the deadline for repayment until the later of 31 August 2015 or 7 days from the determination of the appeal. In advance of the appeal, Range paid US\$5 million to Lind without prejudice to its contentions in the appeal. On 10 September 2015 the appeal was heard and as at the date of this report, no decision has been received from the Western Australian Court of Appeal.

### Guayaguayare Block

Subsequent to the period end, Range obtained a consent from the Minister of Energy and Energy Affairs of Trinidad and Tobago and the other partners in the block, Niko Resources Ltd. ("Niko") and Petrotrin, for the assignment of Niko's partial interest as contemplated in the original farm-in transaction entered into in December 2013. Therefore,

## **DIRECTORS' REPORT (continued)**

Range holds a 40% interest in the Deep Production Sharing Contract ("PSC") and a 32.5% interest in the Shallow PSC. In addition, Range has been appointed as the Operator of the block.

## **LIKELY DEVELOPMENTS AND EXPECTED RESULTS**

The Company intends to continue with its development plans in Trinidad by executing the planned work programme of development and exploration wells, implementing secondary recovery (waterflood) projects and exploration of deeper production horizons. In addition, the Company will continue to rationalise the non-core assets. Please refer to the Review of Operations for full details on likely developments and future prospects of the Group.

## **ENVIRONMENTAL REGULATION**

The Group'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. The directors have assessed that there are no current reporting requirements, but may be required to do so in the future.

## **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 Group'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 Group, as well as create alignment of goals 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 have historically not been 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 Black-Scholes methodology.

The Board policy is to remunerate non-executive directors at market rates for comparable companies taking into consideration time, commitment and level of responsibility. As approved by shareholders in 30 November 2011, the aggregate non-executive remuneration per annum is currently A\$350,000 (US\$291,472). The Remuneration and Nomination Committee determines payments to the non-executive directors and reviews their remuneration annually. Independent external advice is sought when required. Fees for non-executive directors are not linked to the performance of the Group. The directors are not required to hold any shares in

## REMUNERATION REPORT (AUDITED) (continued)

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 may be issued to directors and executives as part of remuneration. Options issued to directors have historically not been based on performance criteria. However, the options issued to the current directors on 27 March 2015 principally vest upon satisfaction of set company performance criteria detailed in Note 32.

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.

### (i) Remuneration Committee

During the year ended 30 June 2014, the Group did not have a separately established nomination or remuneration committee. Considering the number of directors, the Board was of the view that these functions could be efficiently performed with full Board participation. In line with the enhanced corporate governance processes implemented, a Remuneration Committee was established in the year.

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

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

### (iii) Use of remuneration consultants

During the year ended 30 June 2015, the Group contracted the service of a remuneration consultant, The Curzon partnership, to provide market comparison for executive and non-executive remuneration. The fee for this service was GB£480.

### (iv) Voting and comments made at the company's 2014 Annual General Meeting

Range Resources Limited received 77% of "yes" votes on its remuneration report for the 2014 financial year. During the year the company received feedback from certain shareholders that the level of Director remuneration was excessive for a company of Range's current scale and financial position. This was evidenced by the vote at the AGM regarding an increase in the Non-Executive Director fee pool where 83% of votes cast were against the resolution. In response to shareholder feedback the company has reviewed its remuneration practices and the remuneration for the current board has been set at a significantly lower level than in previous years.

## (b) Key Management Personnel

NAME	POSITION HELD	APPOINTMENT/RESIGNATION DATE
<b>Directors</b>		
Mr David Yu Chen	Non-Executive Chairman	appointed 30 November 2014
Ms Juan Wang	Non-Executive Director	appointed 30 November 2014
Mr Yan Liu	Executive Director	appointed 11 December 2014
Mr Zhiwei Gu	Non-Executive Director	appointed 11 December 2014
Sir Samuel Jonah	Non-Executive Chairman	resigned 28 November 2014
Mr Rory Scott Russell	Executive Director	appointed 3 Feb 2014, not re-elected 28 November 2014
Mr Marcus Edwards-Jones	Non-Executive Director	not re-elected 28 November 2014
Dr Christian Bukovics	Non-Executive Director	appointed 3 Feb 2014, not re-elected 28 November 2014
Mr Graham Lyon	Non-Executive Director	appointed 3 Feb 2014, not re-elected 28 November 2014

## REMUNERATION REPORT (AUDITED) (continued)

Mr David Riekie	Non-Executive Director Executive Director	appointed 27 Jun 2014 appointed 4 December 2014, resigned 11 December 2014
Mr Ian Macliver Mr Ian Olson	Non-Executive Director Non-Executive Director	resigned 13 Aug 2014 appointed 18 Aug 2014, resigned 11 December 2014
<b>Officers</b>		
Mr Nick Beattie	CFO & Company Secretary	appointed 23 May 2014 (as CFO) and 30 March 2015 (as Company Secretary)
Ms Sara Kelly	Company Secretary	resigned 21 Jul 2014, re-appointed 7 January 2015
Ms Rebecca Sandford Ms Amy Just	Company Secretary Company Secretary	resigned 30 March 2015 appointed 21 Jul 2014, resigned 11 December 2014



## REMUNERATION REPORT (AUDITED) (continued)

### (c) Details of Remuneration

The remuneration for the Key Management Personnel of the Group during the year was as follows:

2015	Short-Term Employee Benefits			Post Employment Benefits	Share-based Payments	Total
	Cash Salary and Fees	Cash Bonus	Termination Benefits	Super-annuation/Pensions	Options	
	US\$	US\$	US\$	US\$	US\$	US\$
<b>Directors &amp; officers</b>						
Sir Sam Jonah	37,609	-	-	-	-	37,609
Mr Scott Russell	103,137	-	150,253	-	-	253,390
Mr Beattie	228,342	-	-	28,152	-	256,494
Mr Edwards-Jones	37,609	-	-	-	-	37,609
Mr Macliver	5,584	-	-	-	-	5,584
Mr Lyon (i)	50,093	-	-	-	-	50,093
Dr Bukovics	37,889	-	-	-	-	37,889
Mr Riekie (ii)	45,836	-	-	-	-	45,836
Mr Olson	21,265	-	-	-	-	21,265
Mr Chen	88,710	-	-	-	34,186	122,896
Mr Liu	86,418	-	-	-	34,186	120,604
Ms Wang	19,152	-	-	-	8,546	27,698
Mr Gu	16,694	-	-	-	8,546	25,240
	<u>778,338</u>	<u>-</u>	<u>150,253</u>	<u>28,152</u>	<u>85,464</u>	<u>1,042,207</u>

- (i) Fees paid to Mr Lyon comprised US\$37,299 received in his capacity as a non-executive director and US\$12,794 received for additional consulting work.
- (ii) Fees paid to Mr Riekie comprised US\$31,416 received in his capacity as a non-executive director and US\$14,420 received for additional consulting work.

2014	Short-Term Employee Benefits		Post Employment Benefits	Share-based Payments	Total
	Cash Salary and Fees	Cash Bonus	Super-annuation	Options	
	US\$	US\$	US\$	US\$	US\$
<b>Directors &amp; officers</b>					
Sir Sam Jonah	91,473	-	-	-	91,473
Mr Scott Russell (iii)	116,064	84,042	-	35,414	235,520
Mr Beattie (iii)	30,593	33,235	-	11,069	74,897
Mr Edwards-Jones	91,473	-	-	-	91,473
Mr Lyon	105,536	-	-	-	105,536
Dr Bukovics	43,024	-	-	1,816	44,840
Mr Macliver	-	-	-	-	-
Mr Riekie	-	-	-	-	-
Mr Landau <sup>(i)</sup>	329,268	-	-	-	329,268
Mr Eastman	223,151	-	-	-	223,151
Ms Flegg <sup>(ii)</sup>	-	-	-	-	-
	<u>1,030,582</u>	<u>117,277</u>	<u>-</u>	<u>48,299</u>	<u>1,196,158</u>

- (i) Fees paid to Mr Landau comprised US\$289,268 received in his capacity as an executive director and US\$40,000 received in his capacity as a non-executive director.
- (ii) Ms Flegg was an employee of OKAP ventures Pty Ltd (a Related Party) and was paid a salary through Okap's consulting agreement with Range Resources Limited. This consulting agreement was terminated in the 2015 financial year.
- (iii) Cash bonuses paid to Mr Scott Russell and Mr Beattie were in respect of sign on bonuses in accordance with their respective employment contracts and were not linked to Company or Group performance.

## REMUNERATION REPORT (AUDITED) (continued)

### (d) Equity instrument disclosures relating to Key Management Personnel

#### (i) Share-based Payments

On 27 March 2015, the following options were issued to key management personnel:

<b>Name</b>	<b>Number of options</b>
Mr Yan Liu	30,000,000
Mr David Chen	30,000,000
Mr Zhiwei Gu	7,500,000
Ms Juan Wang	7,500,000

All options expire on 30 March 2020 with an exercise price of £0.01 per share.

The vesting conditions of these options are as follows:

- (a) 25% will become exercisable on the date that is one year from the issue date
- (b) 25% will become exercisable upon the Company reaching production of 1,500 barrels of oil per day for a continuous 15 day period in Trinidad
- (c) 25% will become exercisable upon the Company reaching production of 2,500 barrels of oil per day for a continuous 15 day period in Trinidad
- (d) 25% will become exercisable upon the Company reaching production of 4,000 barrels of oil per day for a continuous 15 day period in Trinidad

The value per option at the grant date was 0.51 cents, determined using the Black Scholes option price model using the following key inputs:

Volatility: 100%	Grant date: 27 March 2015
Risk free rate: 1.92%	Exercise price: £0.01
USD/GBP exchange rate: 0.7752	Share price on grant date £0.054

In 2014, no options were issued to Directors or employees.

#### (ii) Shares provided on exercise of remuneration options

No options issued in prior years affects remuneration in the current or future financial years.

## REMUNERATION REPORT (AUDITED) (continued)

### (iii) Fully paid share holdings

The numbers of shares in the company held during the financial year or at time of resignation by Key Management Personnel of the Company, including their personally related parties, are set out below.

#### Shareholdings

2015	Balance at the start of the year	Granted as compensation	Other changes	Balance at the end of the year	Balance held indirectly
Sir Sam Jonah (i)/(ii)	21,597,833	-	-	21,597,833	-
Mr Scott Russell (i)	-	-	-	-	-
Mr Beattie	-	-	-	-	-
Mr Edwards-Jones (i)/(ii)	3,531,522	-	-	3,531,522	-
Mr Macliver	-	-	-	-	-
Dr Bukovics (i)/(ii)	280,000	-	-	280,000	-
Mr Lyon (i)	-	-	-	-	-
Mr Riekie (iii)	-	-	-	-	-
Mr Olson (iii)	-	-	-	-	-
Mr Chen(iv)	4,288,070	-	6,000,000	10,288,070	-
Mr Liu	-	-	-	-	-
Ms Wang	-	-	-	-	-
Mr Gu	-	-	-	-	-
<b>Total</b>	<b>29,697,425</b>	<b>-</b>	<b>6,000,000</b>	<b>35,697,425</b>	<b>-</b>

(i) Not re-elected 28 November 2014

(ii) Balance at date of non re-election

(iii) Resigned 11 December 2014

(iv) Balance at appointment date

### (v) Partly paid shareholdings (Note 26c)

The numbers of shares in the company held during the financial year or at time of resignation by Key Management Personnel of the Company, including their personally related parties, are set out below.

#### Partly paid shareholdings

2015	Balance at the start of the year	Granted as compensation	Cancelled in year	Balance at the end of the year	Balance held indirectly
Mr Edwards-Jones	750,000	-	(750,000)	-	-
<b>Total</b>	<b>750,000</b>	<b>-</b>	<b>(750,000)</b>	<b>-</b>	<b>-</b>

## REMUNERATION REPORT (AUDITED) (continued)

### vi) Options held by key management personnel

The numbers of options in the company held during the financial year or at time of resignation by Key Management Personnel of the Company, including their personally related parties, are set out below:

#### Options

2015	Balance at the start of the year	Granted as compensation	Other Changes*	Balance at the end of the year
Mr Chen	-	30,000,000	42,742,654	72,742,654
Mr Liu	-	30,000,000	-	30,000,000
Ms Wang	-	7,500,000	-	7,500,000
Mr Gu	-	7,500,000	-	7,500,000
<b>Total</b>	<b>-</b>	<b>75,000,000</b>	<b>42,742,654</b>	<b>117,742,654</b>

\*Issued prior to appointment as director.

#### (e) Loans to Key Management Personnel

There were no loans made to directors of Range Resources Limited and other Key Management Personnel of the Group, including their personally related parties during the 2014 or 2015 financial years.

#### (f) Transactions with Key Management Personnel

The following transactions occurred during the year with Key Management Personnel or their related parties:

	2015 US\$	2014 US\$
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, capita 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 (iii)	-	780,718

#### Balances at year end due to former key management personnel:

Sir Sam Jonah (i)	191,440	219,661
Marcus Edwards-Jones (i)	33,566	33,419
Soncer Limited (i)	18,442	-
Anthony Eastman (iii)	169,280	221,063
OKAP Ventures Pty Ltd payable (iii)	64,579	79,585
Doull Holdings Pty Ltd payable (in respect of Peter Landau Director fees) (iii)	165,403	181,612

(i) These were related parties throughout the financial year until 28 November 2014.

(ii) David Riekie was a related party throughout the financial year until 11 December 2014.

(iii) Related party until 13 June 2014

## REMUNERATION REPORT (AUDITED) (continued)

### (g) Employment Contracts of Directors and Other Key Management Personnel

On appointment, Executive Directors and Other Key Management Personnel enter into an employment contract with the Company (or another company within the Group). This contract sets out their duties, remuneration and other terms of employment. These contracts may be terminated by either the Company or the employee as detailed below.

All non-executive directors are eligible to receive consulting fees for services provided to the Company over and above the services expected from a non-executive director.

#### **Sir Sam Jonah as Non-Executive Chairman** (*resigned 28 November 2014*)

Contract term – 3 years from 1 July 2012

Base payment - AU\$100,000 per annum

Superannuation – no superannuation entitlement

Notice period – 6 months

Termination benefits – payment for the balance of the term of the contract for termination without cause

#### **Mr Rory Scott Russell as Chief Executive Officer and Executive Director** (*not re-elected 28 November 2014, CEO position terminated 4 December 2014*)

Contract start date – 3 February 2014

Base payment - GB£150,000 per annum, reviewed annually

Pension – 10% of base

Bonus – eligible to receive bonuses are at the discretion of the Board

Notice period – first 12 months – 3 months, thereafter 6 months

Termination benefits – payment in lieu of notice at Company option for termination without cause

#### **Mr Nick Beattie as Chief Financial Officer**

Contract start date – 23 May 2014

Base payment - GB£135,000 per annum, reviewed annually

Pension – 10% of base

Bonus – eligible to receive bonuses at the discretion of the Board

Notice period – 3-6 months

Termination benefits – 6 months' salary

#### **Mr Marcus Edwards-Jones as Non-Executive Director** (*not re-elected 28 November 2014*)

Contract term – 3 years from 15 August 2012

Base payment - AU\$100,000 per annum

Superannuation – no superannuation entitlement

Notice period – 6 months

Termination benefits – payment for the balance of the term of the contract for termination without cause

#### **Mr Graham Lyon as Non-Executive Director** (*not re-elected 28 November 2014*)

Contract term – 3 years from 1 February 2014

Base payment - GB£55,000 per annum

Notice period – 3 months

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

Consulting services – Mr Lyon may provide additional consulting services over and above services rendered to the Company as a non-executive director from time to time as required at a rate of GB£2,000 per day.

#### **Dr Christian Bukovics as Non-Executive Director** (*not re-elected 28 November 2014*)

Contract term – 3 years from 3 February 2014

Base payment - GB£55,000 per annum

Notice period – 3 months

Termination benefits – payment for the balance of the term of the contract for termination without cause

## REMUNERATION REPORT (AUDITED) (continued)

### **Mr David Riekie as Non-Executive Director** *(resigned 11 December 2014)*

Contract start date – 27 June 2014

Base payment - AU\$72,000 per annum

Superannuation – no superannuation entitlement

Termination benefits – none

Consulting services – Mr Riekie may provide additional consulting services over and above services rendered to the Company as a non-executive director from time to time as required at a rate of AU\$1,400 per day.

### **Mr Ian Olson as Non-Executive Director** *(resigned 11 December 2014)*

Appointment date – 18 August 2014

Base payment - AU\$72,000 per annum

Superannuation – no superannuation entitlement

Termination benefits – none

### **Mr Ian MacIver as Non-Executive Director** *(resigned 13 August 2014)*

Contract start date – 27 June 2014

Base payment - AU\$72,000 per annum

Superannuation – no superannuation entitlement

Termination benefits – none

### **Mr David Chen as Non-Executive Chairman** *(appointed 30 November 2014)*

Contract start date – 11 December 2014

Total compensation including management services - US\$155,000 per annum

Superannuation – no superannuation entitlement

Notice period – 3 months

Termination benefits – payment in lieu of notice at Company option for termination without cause

### **Mr Yan Liu as Chief Executive Officer and Executive Director** *(appointed 11 December 2014)*

Contract start date – 11 December 2014

Base payment - US\$155,000 per annum

Superannuation – no superannuation entitlement

Notice period – 3 months

Termination benefits – payment in lieu of notice at Company option for termination without cause

### **Ms Juan (Kiki) Wang as Non-Executive Director** *(appointed 30 November 2014)*

Contract start date – 19 January 2015

Base payment - US\$30,000 per annum

Superannuation – no superannuation entitlement

Termination benefits – none

### **Mr Zhiwei (Kerry) Gu as Non-Executive Director** *(appointed 11 December 2014)*

Contract start date – 19 January 2015

Base payment - US\$30,000 per annum

Superannuation – no superannuation entitlement

Termination benefits – none

*End of Audited Remuneration Report*

## MEETINGS OF DIRECTORS

During the financial year 11 meetings of the board of directors were held. Attendances by each director during the year were as follows:

Director	Board Meetings	
	Attended	Attended
David Chen (appointed 30 Nov 2014)	5	5
Juan Wang (appointed 30 Nov 2014)	4	4
Yan Liu (appointed 11 Dec 2014)	2	2
Zhiwei Gu (appointed 11 Dec 2014)	2	2
Samuel Jonah (resigned 28 Nov 2014)	4	4
Marcus Edwards-Jones (not re-elected 28 Nov 2014)	4	4
Rory Scott Russell (not re-elected 28 Nov 2014)	5	5
Graham Lyon (not re-elected 28 Nov 2014)	5	5
Christian Bukovics (not re-elected 28 Nov 2014)	5	5
Ian Macliver (resigned 13 Aug 2014)	1	1
David Riekie (resigned 11 Dec 2014)	8	8
Ian Olson (appointed 18 Aug 2014, resigned 11 Dec 2014)	6	6

## INDEMNIFYING OFFICERS OR AUDITOR

In accordance with the constitution, except where prohibited by the *Corporations Act 2001*, every director, principal executive officer and 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 and Officers 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.

## OPTIONS

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 January 2016	\$0.05	80,508,341	listed
30 April 2016	£0.17	7,058,824	unlisted
31 January 2017	£0.075	5,180,000	unlisted
19 October 2015	£0.0615	15,708,801	unlisted
30 November 2015	£0.05075	32,275,862	unlisted
31 January 2016	A\$0.10	5,000,000	unlisted
10 February 2016	A\$0.06	5,000,000	unlisted
30 April 2016	£0.04	146,533,850	unlisted
11 July 2016	£0.037	5,000,000	unlisted
25 July 2016	£0.021	476,190	unlisted
29 July 2016	£0.021	952,381	unlisted
31 August 2016	£0.021	6,714,284	unlisted
31 August 2016	£0.020	9,000,000	unlisted
30 September 2016	£0.019	3,947,369	unlisted
30 September 2016	£0.018	8,666,670	unlisted
31 October 2016	£0.018	694,445	unlisted
31 October 2016	£0.017	2,205,885	unlisted
31 October 2016	£0.016	1,250,000	unlisted
31 October 2016	£0.015	17,333,336	unlisted
30 November 2016	£0.015	3,000,001	unlisted
30 November 2016	£0.013	5,153,846	unlisted
11 December 2016	\$0.0321	2,000,000	unlisted
31 December 2016	£0.012	2,000,000	unlisted
31 December 2016	£0.011	5,000,000	unlisted
31 January 2017	£0.011	23,636,364	unlisted
9 September 2017	£0.03	7,500,000	unlisted
14 July 2018	£0.01	161,472,247	unlisted
14 July 2018	£0.02	118,729,593	unlisted
31 January 2018	\$0.05	1,000,000	unlisted
15 October 2017	£0.01203	31,000,000	unlisted
30 March 2020	£0.01	75,000,000	unlisted
		<u>788,998,289</u>	

During the year ended 30 June 2015, 49,051,468 ordinary shares of Range Resources Limited were issued on the exercise of options (2014: 70,833,334).

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.

## NON-AUDIT SERVICES

The total value of non-audit services provided by a related practice of BDO Audit (WA) Pty Ltd in respect to the Company's tax compliance is US\$63,217 (2014: US\$47,998).

The board of directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Board to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.



## 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 2015 has been received and can be found on the following page.

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



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**David Chen**  
**Chairman**  
30 September 2015

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF RANGE RESOURCES LIMITED

As lead auditor of Range Resources Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of 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.



Jarrad Prue  
Director

BDO Audit (WA) Pty Ltd  
Perth, 30 September 2015

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2015**

	Note	Consolidated	
		2015 US\$	2014 US\$
<b>Revenue from continuing operations</b>	<b>3</b>	<b>13,152,954</b>	<b>21,185,745</b>
Operating expenses		(6,440,734)	(9,549,610)
Royalties		(4,654,241)	(7,353,237)
Depreciation, depletion and amortisation		(4,917,053)	(7,909,945)
<b>Cost of sales</b>	<b>4a</b>	<u>(16,012,028)</u>	<u>(24,812,792)</u>
<b>Gross loss</b>		<b>(2,859,074)</b>	<b>(3,627,047)</b>
<b>Other income and expenses from continuing operations</b>			
Other income	<b>3</b>	428,588	1,221,108
Finance costs	<b>4b</b>	(4,347,575)	(21,797,779)
General and administration expenses	<b>4b</b>	(9,948,494)	(14,485,854)
Assets written-off	<b>4c</b>	(692,929)	(24,267,968)
Exploration expenditure and land fees	<b>4d</b>	(2,202,748)	(1,163,920)
Loss on disposal of subsidiary	<b>4e</b>	(1,491,857)	-
Share of net loss of investments in associates	<b>19</b>	-	(659,400)
<b>Loss before income tax expense from continuing operations</b>		<u>(21,114,089)</u>	<u>(64,780,860)</u>
Income tax expense	<b>6</b>	(1,467,806)	(906,620)
<b>Loss after income tax from continuing operations</b>		<u>(22,581,895)</u>	<u>(65,687,480)</u>
Loss from discontinued operations, net of tax	<b>5a</b>	(7,697,159)	(36,854,510)
<b>Loss for the year attributable to equity holders of Range Resources Limited</b>		<u>(30,279,054)</u>	<u>(102,541,990)</u>
<b>Other comprehensive income/(loss)</b>			
<b>Items that may be reclassified to profit or loss</b>			
Revaluation of available for sale financial assets	<b>27d</b>	-	325,263
Exchange differences on translation of foreign operations	<b>27c</b>	455,307	(411,110)
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<u>455,307</u>	<u>(85,847)</u>
<b>Total comprehensive loss attributable to equity holders of Range Resources Limited</b>		<u>(29,823,747)</u>	<u>(102,627,837)</u>
<b>Loss per share from continuing operations attributable to the ordinary equity holders of the Company:</b>			
Basic loss per share (cents per share)	<b>8a</b>	(0.44)	(1.85)
Diluted loss per share (cents per share)	<b>8b</b>	n/a	n/a
<b>Loss per share attributable to the ordinary equity holders of the Company:</b>			
Basic loss per share (cents per share)	<b>8a</b>	(0.59)	(2.89)
Diluted loss per share (cents per share)	<b>8b</b>	n/a	n/a

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2015**

	Note	Consolidated	
		2015 US\$	2014 US\$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	9	10,530,104	2,977,410
Trade and other receivables	10	5,148,978	5,338,769
Other current assets	11	783,385	728,544
		16,462,467	9,044,723
Non-current assets classified as held for sale	12	6,000,000	11,000,000
		<b>22,462,467</b>	<b>20,044,723</b>
<b>NON-CURRENT ASSETS</b>			
Deferred tax asset	6	286,693	462,325
Available for sale financial assets	13	446,000	876,347
Goodwill	15	46,198,974	46,198,974
Property, plant and equipment	16	1,502,442	11,254,269
Exploration & evaluation expenditure	17	668,951	523,605
Producing assets	18	90,350,492	82,517,820
Investments in associates	19	-	2,779,476
Other non-current assets	20	-	1,500,000
		<b>139,453,552</b>	<b>146,112,816</b>
<b>TOTAL ASSETS</b>			
		<b>161,916,019</b>	<b>166,157,539</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	21	13,654,195	8,705,005
Current tax liabilities		296,894	310,335
Borrowings	22a	7,518,077	-
Option liability	22b	808,083	2,189,913
Provisions	23	734,858	696,244
		<b>23,012,107</b>	<b>11,901,497</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities	24	43,359,199	44,376,033
Employee service benefits	25a	521,257	584,746
		<b>43,880,456</b>	<b>44,960,779</b>
<b>TOTAL LIABILITIES</b>			
		<b>66,892,563</b>	<b>56,862,276</b>
<b>NET ASSETS</b>			
		<b>95,023,456</b>	<b>109,295,263</b>
<b>EQUITY</b>			
Contributed equity	26	363,205,277	352,599,569
Reserves	27	29,748,880	27,862,006
Accumulated losses		(297,930,701)	(271,166,312)
		<b>95,023,456</b>	<b>109,295,263</b>

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2015**

**Consolidated**

Note	Contributed Equity US\$	Accumulated Losses US\$	Foreign Currency Translation Reserve US\$	Available for Sale Investment Revaluation Reserve US\$	Share-based Payment Reserve US\$	Option Premium Reserve US\$	Total Equity US\$
<b>Balance at 1 July 2013</b>	314,199,634	(168,624,322)	3,415,742	(325,263)	14,085,042	9,815,752	172,566,585
Other comprehensive income/(loss)	-	-	(411,110)	325,263	-	-	(85,847)
Loss attributable to members of the company	-	(102,541,990)	-	-	-	-	(102,541,990)
<i>Total comprehensive loss for the year</i>	-	(102,541,990)	(411,110)	325,263	-	-	(102,627,837)
<b>Transactions with owners in their capacity as owners:</b>							
Issue of share capital	26 32,467,157	-	-	-	-	-	32,467,157
Unissued share capital	26 6,000,000	-	-	-	-	-	6,000,000
Exercise of options	26 652,778	-	-	-	-	814,761	1,467,539
Cost of share-based payments	-	-	-	-	141,819	-	141,819
Issue costs	26 (720,000)	-	-	-	-	-	(720,000)
<b>Balance at 30 June 2014</b>	352,599,569	(271,166,312)	3,004,632	-	14,226,861	10,630,513	109,295,263
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>Balance at 1 July 2014</b>	352,599,569	(271,166,312)	3,004,632	-	14,226,861	10,630,513	109,295,263
Other comprehensive income/(loss)	-	-	455,307	-	-	-	455,307
Loss attributable to members of the company	-	(30,279,054)	-	-	-	-	(30,279,054)
<i>Total comprehensive loss for the year</i>	-	(30,279,054)	455,307	-	-	-	(29,823,747)
<b>Transactions with owners in their capacity as owners:</b>							
Issue of share capital	26 11,044,172	-	-	-	-	-	11,044,172
Exercise of options	26 923,880	-	-	-	-	1,426,850	2,350,730
Cancellation of partly paid shares	26 (1,362,344)	1,362,344	-	-	-	-	-
Expired options - Reclassified	-	2,152,321	-	-	(2,152,321)	-	-
Cost of share-based payments	-	-	-	-	2,157,038	-	2,157,038
<b>Balance at 30 June 2015</b>	363,205,277	(297,930,701)	3,459,939	-	14,231,578	12,057,363	95,023,456

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

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR YEAR ENDED  
30 JUNE 2015**

	Note	Consolidated	
		2015 US\$	2014 US\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		13,313,284	21,786,510
Payments to suppliers and employees		(19,472,258)	(19,638,193)
Payments for exploration and evaluation expenditure		(392,219)	(1,163,920)
Income taxes paid		(208,536)	(2,236,840)
Interest received		3,390	10,293
Interest & other finance costs		(198,925)	(4,979,631)
Net cash outflow from operating activities	31	(6,955,264)	(6,221,781)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for property, plant & equipment		(1,576,298)	(857,934)
Proceeds from sale of available for sale financial assets		450,643	-
Payment for producing assets		(3,992,670)	(3,146,149)
Payment to investments in associates		-	(2,715,517)
Payments for exploration and evaluation assets		(145,346)	(683,887)
Proceeds from sale of assets held-for-sale		5,202,379	-
Receipts from loan repayments/(Loans to external parties)		500,000	(700,000)
Net cash inflow/(outflow) from investing activities		438,708	(8,103,487)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of equity		8,890,800	16,002,037
Payment of equity issue costs		-	(720,000)
Proceeds from borrowings		5,250,000	16,407,790
Repayment of borrowings		-	(16,119,380)
Net cash inflow from financing activities		14,140,800	15,570,447
Net increase in cash and cash equivalents		7,624,244	1,245,179
Net foreign exchange differences		(71,550)	-
Cash and cash equivalents at beginning of financial year		2,977,410	1,732,231
Cash and cash equivalents at end of financial year	9	10,530,104	2,977,410

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 JUNE 2015**

**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*. Range Resources Limited is a for-profit entity for the purpose of preparing the financial statements.

The financial statements cover the Group 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 34. 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 Group 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 29 September 2015.

***Functional and presentation currency***

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "Functional Currency"). The consolidated financial statements are presented in United States Dollars (USD), which is Range Resources Limited's functional and presentation currency.

***Going Concern***

The Directors have prepared the financial statements on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred losses of US\$30,279,054 for the year ending 30 June 2015. The Group also had net cash outflows from operating and investing activities for the year totalling US\$6,516,556, and a net current liability position (excluding assets held for sale) of US\$6,549,639.

As announced on 3 September 2015, post year end, the Group received Tranche 2 subscription proceeds of US\$22.1 million in cash from Sibio financing. This was the final cash receipt following the issue of 1,822,620,912 new ordinary shares to Beijing Sibio Investment Management LP. In addition to this, on 11 December 2014 Range announced a proposed US\$50m trade financing with Sinasure. These funding arrangements are more than sufficient to cover Range's cash requirements for the 12 months from date of sign-off.

The Company will seek to rationalise the portfolio of non-core assets and redeploy capital to maximise current production from its core assets in Trinidad and pursue growth opportunities that enhance cash generation and returns to shareholders.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

***Adoption of new and revised accounting standards***

In the current year, the Group 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. The group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 July 2014:

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 JUNE 2015**

**Note 1: Statement of Significant Accounting Policies (continued)**

- AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets
- AASB 2013-4 Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting
- Interpretation 21 Accounting for Levies
- AASB 2014-1 Amendments to Australian Accounting Standards

The adoption of these standards did not have any significant impact on the current period or any prior period and is not likely to affect future periods.

The impact of standards and interpretations that have been published but are not mandatory for 30 June 2015 reporting periods and have not been early adopted are disclosed within note 39. There were no standards that were early adopted as of 30 June 2015.

***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 Group.

**(a) Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Range Resources Limited (“Parent Entity” or “Company”) as at 30 June 2015 and the results of all subsidiaries for the year then ended. Range Resources Limited and its subsidiaries together are referred to as the “Group”.

Subsidiaries are all those entities (including special purpose entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its investment with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Where controlled entities have entered or left the Group 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 14 to the financial statements. All controlled entities have a June financial year-end.

All inter-company balances and transactions between entities in the Group, 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 Company.

Associates are all entities over which the Group 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.

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.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
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**Note 1: Statement of Significant Accounting Policies (continued)**

offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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 Group 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**

*Owned assets*

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

The cost of fixed assets constructed within the Group 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 Group 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.

*Oil and gas assets*

These properties represents the accumulation of all exploration, evaluation and development expenditure, pre-production development costs and ongoing costs of continuing the develop reserves for production incurred by or on behalf of the entity in relation to areas of interests.

Where further development expenditure is incurred in respect of a property after the commencement of production, such expenditure is carried forward as part of the cost of that property only when expected future economic benefits are to be received, otherwise such expenditure is classified as part of the cost of production.

**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 Group 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:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Plant & equipment	11.25% - 33%
Production equipment	10 - 20%
Motor vehicles, furniture & fixtures	25 - 33%
Leasehold improvements	10 - 12.50%

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 to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
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**Note 1: Statement of Significant Accounting Policies (continued)**

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.

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

Generally, 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.

It's the Group's policy to capitalise exploration expenditure for all areas of interest apart from those in Somalia and Colombia. Exploration costs incurred in respect of the Group's Somalian and Colombian interests are expensed as incurred.

**(e) Producing assets**

Upon the commencement of commercial production from each identifiable area of interest, the exploration and evaluation expenditure incurred up to that point is impairment tested and then reclassified to producing 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 Group 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 producing assets is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount of an asset is the greater of its fair value less costs to sell and its value in use. In assessing value in use, an asset's estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash flows that are largely independent from other assets or groups of assets, the recoverable amount is determined for the cash generating unit to which the asset belongs. For producing assets, the estimated future cash flows for the value-in-use calculation are based on estimates, the most significant of which are 2P hydrocarbon reserves, future production profiles, commodity prices, operating costs and any future development costs necessary to produce the reserves. Under a fair value less costs to sell calculation, future cash flows are based on estimates of 2P hydrocarbon reserves. Estimates of future commodity prices are based on the Group's best estimate of future market prices with reference to external market analysts' forecasts, current spot prices and forward curves. Future commodity prices are reviewed at least annually.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
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**Note 1: Statement of Significant Accounting Policies (continued)**

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.

The Group records the present value of the estimated cost of legal and constructive obligations to restore operating locations in the period in which the obligation arises. The nature of restoration activities includes the removal of facilities, abandonment of wells and restoration of affected areas. A restoration provision is recognised and updated at different stages of the development and construction of a facility and then reviewed on an annual basis. When the liability is initially recorded, the estimated cost is capitalised by increasing the carrying amount of the related exploration and evaluation/development assets.

Over time, the liability is increased for the change in the present value based on a post-tax discount rate appropriate to the risk inherent in the liability. The unwinding of the discount is recorded as an accretion charge within finance costs. The carrying amount capitalised in oil and gas properties is depreciated over the useful life of the related asset.

Costs incurred that relate to an existing condition caused by past operation and do not have a future economic benefit are expensed.

**(f) Financial instruments**

The Group's financial instruments include cash and cash equivalents, trade and other receivables and available-for-sale financial assets.

**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 Group 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.

**Impairment of assets**

The Group 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 an indicator that the securities are impaired. If any

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 JUNE 2015**

**Note 1: Statement of Significant Accounting Policies (continued)**

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 profit or loss and other comprehensive income on equity instruments classified as available-for-sale are not reversed through profit or loss.

**Recognition and de-recognition**

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs. Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group 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 Group is determined using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in United States dollars which is the Company'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.

**(h) Provisions**

Provisions for legal claims, service warranties and make good obligations are recognised when the Group 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 JUNE 2015**

**Note 1: Statement of Significant Accounting Policies (continued)**

**(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 Group 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 Group.

Revenue from the sale of oil and gas and related products is recognised when the Group 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.

**(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 consolidated 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 JUNE 2015**

**Note 1: Statement of Significant Accounting Policies (continued)**

**(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 Group 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 Group 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 Group for similar financial instruments.

**(o) Investments in associates**

Investments in associates are accounted for using the equity method of accounting in the consolidated financial statements.

Under the equity method, the investment in the associate 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 profit or loss and other 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.

**(q) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 JUNE 2015**

**Note 1: Statement of Significant Accounting Policies (continued)**

**(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.

**(v) Impairment of assets**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which they are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**(w) Intangible assets (goodwill)**

Goodwill is measured as described in note 1(v). Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segments (note 30).

**(x) Share-based payments**

The fair value of options granted is recognised as an expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

**(y) Employee benefits**

*Wages and salaries and annual leave*

Liabilities for wages and salaries, including non-monetary benefits are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

*Long service leave*

The liability for long service leave is recognised in current and non-current liabilities, depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

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

**(z) Leases**

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the company will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

**(aa) Borrowings**

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

**(bb) Compound Financial Instruments**

Compound financial instruments issued by the Group comprise convertible notes that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition.

Interest related to the financial liability is recognised in profit or loss. On conversion the financial liability is reclassified to equity and no gain or loss is recognised.

Convertible notes that can be converted to share capital at the option of the holder and where the number of shares is variable, contains an embedded derivative liability. The embedded derivative liability is calculated (at fair value) first and the residual value is assigned to the debt host contract. The embedded derivative is subsequently measured at fair values and movements are reflected in the profit and loss.

Certain convertible notes issued by the Group which include embedded derivatives (option to convert to variable number of shares in the Group) are recognised as financial liabilities at fair value through profit or loss. On initial recognition, the fair value of the convertible note will equate to the proceeds received and subsequently the liability is measured at fair value at each reporting period until settlement. The fair value movements are recognised on the profit and loss as finance costs.

**(cc) Finance costs**

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.



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

**(dd) Non-current assets classified as held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell. For non-current assets to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of a non-current asset, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale are presented separately on the face of the consolidated statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

**(ee) Discontinued operations**

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical are of operations.
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative consolidated statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

**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 Group. 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 17.

*Producing asset expenditure*

The classification of exploration and evaluation expenditure to producing assets is based on the time of first commercial production. Producing 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.

Producing assets are assessed for impairment when facts and circumstances suggest that the carrying amount of a production 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 18.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**Note 2: Critical accounting estimates and judgements (continued)**

*Investment in associate – LAR*

In January 2013, Range acquired a stake in Citation Resources Limited (ASX: CTR) which held a 70% interest in Latin American Resources (“LAR”). Subsequently, Range acquired a direct 20% interest in LAR.

As at 30 June 2014, Range had a 6.33% interest in CTR and CTR had a 60% interest in LAR. Combined with the direct shareholding this gives Range an effective 24% interest in LAR, giving Range significance influence over the group. At 30 June 2014 the carrying value of the Group’s 20% interest in LAR has been impaired down to US\$2,779,476 which represents the Group’s share of 20% of LAR net assets – refer Note 19. The impairment recognised in relation to LAR at 30 June 2014 was US\$1,410,138, which is included in the consolidated statement of profit or loss and other comprehensive income within assets written-off.

During the year ended 30 June 2015, the asset was written down by a further US\$600,118 to a value of US\$2,179,358 and transferred to assets held for sale following the board’s decision to actively market the asset. Once transferred to held for sale, a further write down of US\$1,179,358 to US\$1,000,000 was recognised

*Provision for impairment of trade and other receivables*

During the prior year, and given uncertainty over the counterparty’s ability to repay, a provision for impairment of US\$2,489,443 was recognised in relation to miscellaneous other receivables totalling US\$3,179,394. A further provision of \$17,937 was recognised in the current financial year.

*Provision for impairment of other non-current receivable*

In the year ended 30 June 2014, the Company recognised an impairment of US\$7,354,469 with respect to the loan which had been advanced to International Petroleum Limited, reducing the carrying value of the loan to US\$1,500,000 at 30 June 2014 as set out in note 20. US\$500,000 of the balance was received in the year ended 30 June 2015, with the remaining balance exchanged into equity in IOP with a carrying value of \$346,000.

*Impairment of goodwill and producing assets*

The Group tests annually whether goodwill or the producing assets has suffered any impairment in accordance with the accounting policies stated in notes 1(e) and 1(w). The recoverable amount of the cash-generating unit to which the assets belong is estimated based on the present value of future cash flows. The expected future cash flow estimation is always based on a number of factors, variables and assumptions, the most important of which are estimates of reserves, future production profiles, commodity prices and costs. In most cases, the present value of future cash flows is most sensitive to estimates of future oil price and discount rates. A change in the modelled assumptions in isolation could materially change the recoverable amount. Refer to note 15 for details of these key assumptions.

*Deferred tax liability*

Upon acquisition of SOCA Petroleum Ltd, in accordance with the requirement of AASB 112 *Income Taxes*, a deferred tax liability of US\$46,979,878 was recognised in relation to the difference between the carrying amount for accounting purposes of deferred development assets and their actual cost base for tax purposes. The carrying value of this deferred tax liability has reduced to US\$43,359,199 at 30 June 2015. In the event that the manner by which the carrying value of these assets is recovered differs from that which is assumed for the purpose of this estimation, the associated tax charges may be significantly less than this amount.

*Impairment of assets held-for-sale*

An impairment loss in respect of assets held-for-sale is generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on re-measurement are recognised in profit or loss. Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

During 2014, as part of the Company’s strategy to rationalise non-core assets, the Company committed to a plan to dispose its shares in Strait Oil & Gas (UK) Limited (“Strait”).

In the current financial year, Range decided to actively market its Guatemalan assets for sale.

At 30 June 2015 impairment losses of US\$34,281,987 and US\$1,779,476 have been recognised in respect of Strait and the Guatemalan asset, respectively.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**Note 2: Critical accounting estimates and judgements (continued)**

*Share based payments transactions*

The Group measures the cost of equity-settled share-based payment transactions with employees by reference to the fair value of the equity instruments at the grant date. The fair value is determined using a Black-Scholes model. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

*Classification of operations to discontinued*

The assets classified as discontinued operations represent separate major lines of business and geographical areas of operations.

**Note 3: Revenue**

	<b>Consolidated 2015 US\$</b>	<b>2014 US\$</b>
<b>From continuing operations</b>		
– revenue from sale of oil	13,152,954	21,185,745
<b>Other income</b>		
– interest income (i)	3,390	1,217,890
– other income	422,198	3,218
	425,588	1,221,108

- (i) 2014 figure relates primarily to the loan facility and interest revenue as per final settlement agreement between Citation Resources Ltd and the Group.

**Note 4: Expenses**

	<b>Consolidated 2015 US\$</b>	<b>2014 US\$</b>
Loss before income tax includes the following specific expenses:		
<b>(a) Cost of sales</b>		
– Costs of production	3,125,464	4,705,948
– Royalties	4,654,241	7,353,237
– Staff costs	3,315,271	4,843,662
– Oil and gas properties depreciation, depletion and amortisation	1,781,212	1,687,468
– Amortisation in relation to fair value uplift of oil properties on business combination	3,135,840	6,222,477
	16,012,028	24,812,792
<b>(b) Expenses</b>		
Finance costs		
– Interest and premium paid on financial liabilities at fair value	2,550,028	11,199,869
– Fair value movement of option liability	(127,883)	
– Facility fees settled in shares	1,575,637	2,123,709
– Loss on equity swap	-	3,494,570
– Interest expense	349,793	2,902,249
– Corporate advisory fee	-	2,077,382
Total finance costs	4,347,575	21,797,779

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**Note 4: Expenses (continued)**

General and administration expenses		
– Consultants	1,964,024	3,421,400
– Other expenses	1,205,399	1,597,262
– Share based payments	2,157,037	1,673,558
– Share based payments –employee and consultant shares	580,455	-
– Foreign exchange (gain)/loss	(134,789)	1,468,581
– Directors' and officers' fees and benefits	999,571	1,115,524
– Travel expenditure	585,994	1,113,233
– Legal fees	552,459	1,293,946
– Corporate management services	303,327	780,718
– Insurance	259,384	568,931
– Marketing and public relations	200,134	461,902
– Share registry expenses and listing costs	402,824	655,537
– Audit fees	271,754	225,040
– Depreciation	1,192	62,224
– Loss on disposal of available for sale asset	496,958	-
– Taxation advice	102,771	47,998
Total general and administration expenses	<u>9,948,494</u>	<u>14,485,854</u>

**(c) Asset values written-down**

Asset values written-down		
– Impairment of restricted deposits	-	3,480,000
– Impairment of current receivables	17,937	2,489,443
– Impairment of non-current receivables	20,992	6,549,517
– Impairment of investment in associate	-	1,410,138
– Impairment of Colombian exploration expenditure	-	9,613,918
– Impairment of investment in available for sale financial assets	654,000	724,952
Total assets written-down	<u>692,929</u>	<u>24,267,968</u>

**(d) Exploration Expenditure**

Puntland	314,982	1,163,920
Trinidad (i)	1,810,529	-
Colombia	77,237	-
Total exploration expenses	<u>2,202,748</u>	<u>1,163,920</u>

**Loss on disposal of subsidiary**

<b>(e)</b> Range Resources Drilling Limited	<u>1,491,857</u>	-
Total loss on disposal	<u>1,491,857</u>	-

**Details of loss on sale of subsidiaries**

Consideration received	4,870,000
Carrying amount of net assets sold	<u>6,319,358</u>
<b>Loss on sale</b>	<b>(1,449,358)</b>
Reclassification of FX reserve	(42,499)
Income tax expense on gain	-
<b>Loss on sale</b>	<b>(1,491,857)</b>

(i) Amounts expensed in the year in Trinidad relate to land fees in relation to Guayaguayare and St Mary's for which the company policy is to expense.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**Note 5: Discontinued operations**

In 2013, the Company indicated that it was in the process of disposing of the Company's North Chapman Ranch and East Texas Cotton Valley assets hence the transfer from producing assets to assets classified as held-for-sale in that accounting period. This sale was completed on 24 March 2015 through a disposal of Range Australia Resources (US) Limited.

During the 2014 financial year, the Company also committed to a plan to dispose its shares in the unlisted company Strait Oil & Gas (UK) Limited, representing 45% of the shares on issue of Strait to place greater focus on the Group's core producing assets in Trinidad. This has been written down by a further US\$5,000,000 in the current financial period (2014: US\$29,281,987) as Range continues to search for a buyer for the asset.

Impairment losses of US\$6,779,476 (2014 - US\$37,244,836) for write-downs of the disposal group to the lower of its carrying amount and its recoverable amount have been included in loss on discontinued operations (see note 5a). The impairment losses have been applied to reduce the carrying amount of the assets held-for-sale within the disposal group. There is no cumulative income or expenses included in other comprehensive income relating to the disposal group.

	<b>2015 US\$</b>	<b>2014 US\$</b>
<b>(a) Results of discontinued operations</b>		
Revenue	238,194	553,965
Cost of sales	(104,799)	(97,652)
Asset write off	(6,779,476)	(37,244,836)
Other expenses	(949,169)	(610,285)
<b>Results from operating activities</b>	<b>(7,595,250)</b>	<b>(37,398,808)</b>
Income tax (expense)/benefit	-	544,298
<b>Results from operating activities, after tax</b>	<b>(7,595,250)</b>	<b>(36,854,510)</b>
Loss on sale of subsidiary asset	(101,909)	-
<b>Loss from discontinued operations</b>	<b>(7,697,159)</b>	<b>(36,854,510)</b>

The loss from the discontinued operations of US\$7,697,159 (2014: US\$36,854,510) is attributable entirely to the owners of the Company.

<b>(b) Cash flows gained from/(used in) discontinued operations</b>		
Net cash used in operating activities	(801,003)	(2,069,088)
<b>Net cash flow for the year</b>	<b>(801,003)</b>	<b>(2,069,088)</b>

**(c) Details of sale of Range Australia Resources (US) Limited**

Consideration received	
-Cash	389,172
-Debts forgiven	147,311
-Shares	155,885
Total disposal consideration	692,368
Less: Carrying amount of net assets sold	(794,277)
<b>Loss on sale</b>	<b>(101,909)</b>
Income tax expense on gain	-
<b>Loss on sale</b>	<b>(101,909)</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**Note 6: Income Tax Expense**

	<b>Consolidated</b>	
	<b>2015 US\$</b>	<b>2014 US\$</b>
<b>(a) Income tax expense</b>		
Current tax	624,618	1,753,045
Deferred tax	843,188	(865,005)
Adjustments for current tax of prior periods	-	(525,718)
	1,467,806	362,322
Income tax expense/(benefit) is attributable to:		
Profit/(loss) from continuing operations	1,467,806	906,618
Profit/(loss) from discontinued operations	-	(544,296)
Aggregate income tax expense	1,467,806	362,322
<b>(b) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:</b>	(28,811,248)	(102,179,666)
Prime facie tax payable on profit from ordinary activities before income tax at 30% (2014: 30%)		
– Group	(8,643,374)	(30,653,900)
	(8,643,374)	(30,653,900)
Add:		
Tax effect of:		
– Other taxes	477,852	2,065,308
– Expenses not deductible for tax	7,752,706	29,066,976
– Income not assessable for tax	(3,757,145)	(4,061,284)
– Tax losses not brought to account	1,938,572	494,731
– Benefit of tax losses not previously recognised	3,608,262	2,128,535
– Deferred tax assets not brought to account	2,315,848	2,835,615
– Differences in tax rates	(2,224,915)	(987,941)
– Prior year adjustment	-	(525,718)
	1,467,806	362,322
<b>Unrecognised Deferred tax asset</b>		
– Capital losses	1,084,219	295,658
– Revenue losses	10,033,815	8,797,175
– Other	3,265,732	1,068,076
	14,383,766	10,160,909

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**Note 6: Income Tax Expense (continued)**

		<b>Consolidated</b>	
		<b>2015</b>	<b>2014</b>
		<b>US\$</b>	<b>US\$</b>
<b>(c) Recognised deferred tax assets</b>			
-	temporary differences	286,693	462,325
		286,693	462,325
	<b>Recognised deferred tax liabilities</b>		
-	Accelerated depreciation	(11,039,440)	(9,365,463)
-	DTL arising on business combination	(32,319,759)	(35,010,570)
	Net deferred tax liabilities	(43,359,199)	(44,376,033)

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 7: Auditors' Remuneration**

		<b>Consolidated</b>	
		<b>2015</b>	<b>2014</b>
		<b>US\$</b>	<b>US\$</b>
Remuneration of the auditor of the Parent Entity for:			
-	auditing or reviewing the financial report by BDO Audit (WA) Pty Ltd	216,866	144,894
-	non-audit services provided by a related entity of BDO Audit (WA) Pty Ltd in respect to Parent Entity's tax compliance.	72,570	47,998
	Total remuneration for the Parent Entity	289,436	192,892
Remuneration of the auditors of the subsidiaries:			
-	auditing or reviewing the financial report by BDO UK	3,933	-
-	auditing or reviewing the financial report by BDO Barbados	13,030	15,697
-	auditing or reviewing the financial report by BDO Trinidad	40,530	64,449
	Total remuneration for the subsidiaries	57,493	80,146

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**Note 8: Earnings Per Share**

		<b>Consolidated</b>	
		<b>2015</b>	<b>2014</b>
		<b>US cents</b>	<b>US cents</b>
<b>(a)</b>	<b>Basic loss per share</b>		
	(Loss) per share from continuing operations attributable to the ordinary equity holders of the company	(0.44)	(1.85)
	(Loss) per share attributable to the ordinary equity holders of the company	(0.59)	(2.89)
<b>(b)</b>	<b>Diluted loss per share</b>		
	(Loss) per share from continuing operations attributable to the ordinary equity holders of the company	n/a	n/a
	(Loss) per share attributable to the ordinary equity holders of the company	n/a	n/a
<b>(c)</b>	<b>Reconciliation of loss used in calculating earnings per share</b>		
	<i>Basic/ Diluted loss per share</i>		
	Loss from continuing operations attributable to the ordinary equity holders of the company	(22,581,895)	(65,687,480)
	Loss attributable to the ordinary equity holders of the company	(30,279,054)	(102,541,990)
<b>(d)</b>	<b>Weighted average number of shares used as the denominator</b>	<b>2015</b>	<b>2014</b>
		<b>No.</b>	<b>No.</b>
	Weighted average number of ordinary shares used as the denominator in calculating basic EPS	5,095,406,444	3,553,499,382

**Effect of dilutive securities**

Options on issue at reporting date could potentially dilute earnings per share in the future. The effect in the current year is to reduce the loss per share hence they are considered anti-dilutive. Accordingly the diluted loss per share has not been disclosed.

**Note 9: Cash and Cash Equivalents**

		<b>Consolidated</b>	
		<b>2015</b>	<b>2014</b>
		<b>US\$</b>	<b>US\$</b>
	Cash at bank and on hand	10,530,104	2,977,410

**Risk exposure**

Information about the Group's exposure to credit risk, foreign exchange risk and price risk is provided in Note 35.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**Note 10: Trade and Other Receivables**

	Consolidated	
	2015 US\$	2014 US\$
<b>Current</b>		
Other receivables		
- trade receivables (i)	672,331	1,258,117
- accrued revenue (ii)	-	102,825
- goods and services tax	3,820,265	3,287,876
- other debtors (iii)	3,145,825	3,179,394
- less: provision for impairment	(2,489,443)	(2,489,443)
	5,148,978	5,338,769

Fair value approximates the carrying value of trade and other receivables at 30 June 2015 and 30 June 2014.

- (i) Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date. Trade receivables are neither past due nor impaired.
- (ii) Accrued revenues relate to the Petrotrin overriding royalty refundable in the Trinidad subsidiaries.
- (iii) Other debtors are comprised primarily of advances to unrelated third parties. Given the uncertainty over the likelihood of repayment these advances have been included within the provision for impairment raised at 30 June 2015 and 30 June 2014.

**Risk exposure**

Information about the Group's exposure to credit risk, foreign exchange risk and price risk is provided in Note 35.

**Note 11: Other Current Assets**

	Consolidated	
	2015 US\$	2014 US\$
<b>Current</b>		
Prepayments	352,724	728,544
Other assets	430,661	-
	783,385	728,544

**Note 12: Assets Held-for-Sale**

Assets classified as held for sale are as follows:

	Consolidated	
	2015 US\$	2014 US\$
Strait Oil & Gas (UK) Limited – 45% equity interest	5,000,000	10,000,000
Range Australia Resources (US) Limited – 100% owned subsidiary	-	1,000,000
Latin American Resources – 20% equity interest	1,000,000	-
Total	6,000,000	11,000,000

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**Note 12: Assets Held-for-Sale (continued)**

**Movements in assets classified as held for sale are as follows:**

Opening net book amount	11,000,000	8,769,792
Transfer from investment in associate (note 19)	2,179,358	39,281,987
Additions	-	193,057
Sold in period	(1,000,000)	-
Impairment loss relating to discontinued operations	(6,179,358)	(37,244,836)
	<hr/>	<hr/>
Closing net book amount	6,000,000	11,000,000

Impairment losses of US\$6.8 million for write-downs of the disposal group to the lower of its carrying amount and its recoverable amount have been included in 'loss on discontinued operations' (see note 5). The impairment losses have been applied to reduce the carrying amount of the assets held-for-sale within the disposal group. There is no cumulative income or expenses included in other comprehensive income relating to the disposal group.

**Note 13: Financial Assets Available-For-Sale**

	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>US\$</b>	<b>US\$</b>
Listed investments, at fair value		
- Interest in other corporations	446,000	876,347
	<hr/>	<hr/>
Total available-for-sale financial assets	446,000	876,347

**Movement in Financial Assets Available-for-Sale**

Opening balance	876,347	822,751
Shares received on settlement of loan receivable	171,254	3,762,367
Acquisitions	-	1,207,598
Shares disposed of to settle liabilities	-	(3,720,555)
Foreign exchange variance	-	59,021
Shares sold in period	(947,601)	-
Fair value movement recognised in equity	-	(529,883)
Transferred from other current assets (note 20)	1,000,000	-
Impairment recognised in profit and loss	(654,000)	(724,952)
	<hr/>	<hr/>
Closing balance	446,000	876,347

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.

**Risk exposure**

Information about the Group's exposure to credit risk, foreign exchange risk and price risk is provided in Note 35.

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**Note 14: Controlled Entities**

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

Controlled Entities Consolidated	Country of Incorporation	Percentage Owned (%)	
		30 June 2015	30 June 2014
<i>Subsidiaries of Range Resources Limited:</i>			
Westblade Pty Ltd (i)	Australia	-	100
Donnybrook Gold Pty Ltd (i)	Australia	-	100
Range Australia Resources (US) Ltd (ii)	USA	-	100
Range Resources (Barbados) Limited	Barbados	100	100
SOCA Petroleum Limited	Barbados	100	100
Range Resources Drilling Services Limited	Trinidad	-	100
West Indies Exploration Company Limited	Trinidad	100	100
Range Resources Trinidad Limited	Trinidad	100	100
Los Bajos Oil Limited (iii)	Trinidad	-	100
Range Resources (Barbados) GY Limited	Barbados	100	100
Range Resources St. Mary's Limited	Trinidad	100	-
Range Resources GY Shallow Limited	Trinidad	100	100
Range Resources GY Deep Limited	Trinidad	100	100
Range Resources (Cayman) Limited	Cayman Islands	100	100
Range Resources Upstream Services Limited	United Kingdom	100	100

- (i) Dissolved in year
- (ii) Disposed of in year as part of Texas sale
- (iii) Amalgamated in year with Range Resources Trinidad Limited.

**Note 15: Goodwill**

Goodwill is measured as described in note 1(v). Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

The Group reported goodwill of US\$46,198,974, which was derived from the acquisition of SOCA Petroleum Limited through the parent's subsidiary Range Resources (Barbados) Ltd.

	Goodwill	
	2015 US\$	2014 US\$
<b>At 1 July 2014</b>		
Cost	46,198,974	46,198,974
Accumulated amortisation and impairment	-	-
Net book amount	<u>46,198,974</u>	<u>46,198,974</u>
<b>Year ended 30 June 2015</b>		
Opening net book amount	46,198,974	46,198,974
Additions-acquisition	-	-
Amortisation charge	-	-
Closing net book amount	<u>46,198,974</u>	<u>46,198,974</u>

**(a) Impairment tests for goodwill**

During the year ending 30 June 2015, the Group determined that there is no impairment of any of its cash-generating units or group of cash-generating units containing goodwill or intangible assets with indefinite useful lives.

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**Note 15: Goodwill (continued)**

Goodwill has been allocated for impairment testing purposes to a single cash-generating unit (CGU), identified according to operating segments, being Trinidad.

Estimates of the recoverable amount is based on an an asset's fair value less costs to sell (level 3 fair value hierarchy) using a discounted cash flow method and is most sensitive to the following key assumptions:

- P1 and P2 Recoverable reserves
- Commodity price of between US\$52 and US\$82 per barrel dependent on the year.
- Operating costs at 7-14% of revenue, depending on oil price at that time.
- Post-tax discount rate of 10%

Economical recoverable reserves represent management's expectations at the time of completing the impairment testing and based on the reserves statements and exploration and evaluation work undertaken by appropriately qualified persons. A summary of the Company's Trinidad reserves and resources are published on the company's website.

The commodity price for oil was based on forecast oil price data compiled by Capital IQ, as used in the IER released on 31 July 2015. The data compiled by Capital IQ is taken from a number of economic and market analyst forecasts and averaged to present an estimated forecast price. Estimates are \$52/bbl in 2015, \$63/bbl in 2016, \$70/bbl in 2017, \$73/bbl in 2018, \$78/bbl in 2019, \$80/bbl in 2020 and \$82/bbl from 2021.

Operating cost assumptions were based on management reports from June and July 2015.

**(b) Sensitivity to change of assumptions**

An individual movement of 20% against any one key assumption would cause the carrying value of the cash generating unit to materially exceed its recoverable amount. An adverse movement of 20% in reserves and resources, commodity prices, operating costs or discount rate would lead to an impairment of US\$16.4m, US\$32.3m, US\$4.7m and US\$4.7m respectively.

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**Note 16: Property, Plant & Equipment**

Consolidated	Production Equipment and access roads	Gathering Station and Field Office	Leasehold Improvement	Motor Vehicle, Furniture, Fixtures & Fittings	Total
	US\$	US\$	US\$	US\$	US\$
<b>Year ended 30 June 2014</b>					
Opening net book amount	10,897,690	159,025	433,409	810,294	12,300,418
Foreign currency movement	4,372	-	546	2,603	7,521
Additions	746,400	-	-	111,534	857,934
Disposals	-	-	-	(2,708)	(2,708)
Depreciation charge	(1,543,103)	(19,756)	(49,139)	(296,898)	(1,908,896)
Closing net book amount	10,105,359	139,269	384,816	624,825	11,254,269
<b>At 30 June 2014</b>					
Cost	20,969,042	424,876	1,061,478	2,032,909	24,488,305
Accumulated depreciation	(10,863,683)	(285,607)	(676,662)	(1,408,084)	(13,234,036)
Net book amount	10,105,359	139,269	384,816	624,825	11,254,269
<b>Year ended 30 June 2015</b>					
Opening net book amount	10,105,359	139,269	384,816	624,825	11,254,269
Foreign currency movement	143,202	(29,878)	(116,584)	2,167	(1,093)
Additions	1,413,411	23,543	24,181	115,163	1,576,298
Disposals	-	-	-	(3,100)	(3,100)
Disposal of subsidiary	(10,030,580)	-	-	(245,780)	(10,276,360)
Depreciation charge	(793,660)	(15,844)	(45,098)	(192,970)	(1,047,572)
Closing net book amount	837,732	117,090	247,315	300,305	1,502,442
<b>At 30 June 2015</b>					
Cost	5,206,843	529,326	556,333	1,235,929	7,528,431
Accumulated depreciation	(4,369,111)	(412,236)	(309,018)	(935,624)	(6,025,989)
Net book amount	837,732	117,090	247,315	300,305	1,502,442

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**Note 17: Exploration and Evaluation Expenditure**

	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>US\$</b>	<b>US\$</b>
Opening net book amount	523,605	9,453,636
Additions	145,346	683,887
Assets written off (note 4c)	-	(9,613,918)
	<hr/>	<hr/>
Closing net book amount	668,951	523,605

At 30 June 2015, the US\$668,951 (30 June 2014 – US\$523,605) capitalised exploration and evaluation expenditure relates to the interests of the Group in the Guayaguayare and St Mary's Blocks in Trinidad.

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.

The recoverability of the carrying amount of exploration assets is dependent on the successful development and commercial exploitation or sale of the respective mining permits.

Capitalised costs amounting to US\$145,346 (2014: US\$683,887) has been included in the statement of cash flows from investing activities.

**Note 18: Producing Assets**

	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>US\$</b>	<b>US\$</b>
At 30 June		
Cost	122,141,667	110,748,605
Accumulated amortisation	(31,791,175)	(28,230,785)
	<hr/>	<hr/>
Net book value	90,350,492	82,517,820
Opening net book amount	82,517,820	85,422,826
Foreign currency movement	395	11,633
Additions	11,392,667	3,146,149
Amortisation charge	(3,560,390)	(6,062,788)
	<hr/>	<hr/>
Closing net book amount	90,350,492	82,517,820

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**Note 19: Investments in Associates**

	Consolidated	
	2015 US\$	2014 US\$
Opening balance	2,779,476	37,295,453
Transfer from other non-current assets (note 20)	-	2,897,785
Transfer investment in unlisted company Strait Oil & Gas (UK) Limited to held for sale (note 12)	-	(39,281,987)
Consideration for equity interest	-	1,293,214
Further investments	-	2,644,549
Loss on impairment	(600,118)	(1,410,138)
Share of net loss using equity method	-	(659,400)
Transfer investment in Latin American Resources to held for sale (note 12)	(2,179,358)	-
	<hr/>	<hr/>
Closing net book amount	-	2,779,476

During the prior year, the Company committed to a plan to dispose of its equity interest in the unlisted Company Strait Oil & Gas (UK) Limited. US\$39,281,987 was therefore re-classified as asset held for sale (refer to note 12).

During the current year, the Company committed to a plan to dispose of its equity interest in Latin American Resources (LAR). US\$2,179,358 was therefore re-classified as asset held for sale (refer to note 12).

**(a) Interests in associates**

The table below sets out material interests in associates at 30 June 2015. Unless otherwise stated, the proportionate ownership interest is the same as the proportion of voting rights held.

Name of entity	Place of business/ Country of incorporation	Ownership interest held by the group		Nature of relationship	Measurement method	Quoted fair value	
		2015	2014			2015	2014
		%	%			\$	\$
Latin American Resources	Guatemala	20 (i)	20	Held for sale asset (2015) Associate (2014)	Equity method	N/A *	N/A *

\*Private company – no share price available

(i) Classified as held for sale during the year at which point ceased to be accounted for as an associate. Range has not received audited financial statements from Latin American Resources during the year. Range has therefore written down the carrying value of the asset to US\$1.0m.

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**Note 20: Other Non-Current Assets**

	<b>Consolidated</b>	
	<b>2015 US\$</b>	<b>2014 US\$</b>
Non-current receivables (a)	-	1,500,000
Total non-current assets	-	1,500,000
<b>(a) Non-current receivables</b>		
Opening balance	1,500,000	8,584,773
Transfer to other current receivable	-	(1,214,389)
Advances made during the year	-	700,000
Foreign currency movement	-	(20,867)
Payments received during the year	(500,000)	-
Impairment	-	(6,549,517)
Settled by way of available for sale investment	(1,000,000)	-
Closing balance	-	1,500,000

During the year ended 30 June 2013, the Company announced its proposal to undertake a strategic merger with International Petroleum Limited (NSX: IOP) and during that year the Company provided a loan to IOP of US\$8,029,110. The loan accrued interest at a rate of 8% per annum and was repayable by 30 April 2014. IOP was unable to meet the loan repayment when due. During the current financial year, the Company reached an agreement with IOP to extend the loan repayment date to 30 November 2014 to allow IOP time to complete the sale of its Russian assets and upon conclusion of the sale, IOP made a US\$500,000 cash repayment, with the remaining outstanding monies converted to ordinary shares in IOP. Range also received 5 million options to acquire shares in IOP (exercisable at AU\$0.06, expiry 24 months from the issue date). Following completion of the sale of IOP Russian assets and the debt conversion to equity, Range owns approximately 9% of the enlarged share capital of IOP. This balance has been transferred to available for sale financial assets in the period.

IOP remains suspended from trading on NSX and given the uncertainty over the valuation of the shares once trading resumes, the investment has been written down to US\$346,000 being equivalent to the Company's 9% shareholding interest in IOP's net cash position at 30 June 2015.

**Note 21: Trade and Other Payables**

	<b>Consolidated</b>	
	<b>2015 US\$</b>	<b>2014 US\$</b>
Trade payables	4,991,035	4,233,904
Sundry payables and accrued expenses	8,663,160	4,471,101
	<u>13,654,195</u>	<u>8,705,005</u>

**Risk exposure**

Trade payables are non-interest bearing.

Information about the Group's exposure to credit risk, foreign exchange risk and price risk is provided in Note 35.



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**Note 22: Borrowings at Fair Value**

**(a) Borrowings at Fair Value**

	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>US\$</b>	<b>US\$</b>
Opening balance	-	11,026,440
Proceeds from borrowings	5,500,000	16,407,790
Fair value movement	-	13,323,578
Face value premium	2,250,000	-
Interest due on outstanding balance	330,577	-
Amount classified as equity	-	(2,123,709)
Cash repayment	-	(16,119,380)
Conversion to equity	-	(17,727,995)
Repayment via equity	(562,500)	-
Settled through transfer of assets	-	(2,470,353)
Settled through issue of options	-	(3,146,491)
Foreign currency movement	-	830,120
Closing net book amount	7,518,077	-

On 30 September 2014, Range announced that it had signed a loan agreement for up to US\$15 million in medium-term financing with Lind Asset Management, LLC, (Lind). The terms of the financing were subsequently amended, as announced on 17 October 2014.

The Loan was signed for a maximum term of 24 months and was to be available in 2 tranches. The first tranche (Tranche 1) totalling US\$10 million, of which US\$5 million was funded at closing with the remainder to be drawn down on a monthly basis, with the second tranche (Tranche 2) totalling US\$5 million. The total amount repayable under the facility was to be US\$18.375 million (US\$12.25 million for Tranche 1 and US\$6.125 million for Tranche 2).

Each tranche was repayable over an 18-month period from the date of drawdown. Each repayment could be made on a monthly basis, at Range's option, either through cash or shares (Repayment Shares) (or a mixture of both). Following the first 6 monthly repayments, if the Company elected to repay in cash, the repayment amount carried a premium of 2.5% of that monthly repayment amount. Repayment shares were to be priced at the lower of 92.5% of the average of three daily volume weighted average prices (VWAP), to be chosen by Lind, during the 20 trading days prior to each issuance of shares and 130% of the average daily VWAP per share during the 11 trading days prior to 17 October 2014 (for Tranche 1) and the second closing date (for Tranche 2).

In addition, after a period of 6 months from the initial drawdown, Lind had the option to convert any amounts outstanding under the agreement into ordinary shares at a premium conversion price equal to 130% of the average of the VWAP during the 11 trading days prior to the amended agreement being signed (equal to either A\$0.0243 or 1.203p per share).

As part of the financing package, Lind was also entitled to receive up to 46,500,000 options exercisable for up to 36 months after the date of issue. The options were to be issued in two tranches; 31,000,000 upon drawdown of Tranche 1 and 15,500,000 6 months after execution of the amended agreement in respect of Tranche 2. The exercise price for the options was to be equal to 130% of the average of the VWAP during the 11 trading days prior to the amended agreement being signed. This exercise price is £0.01203.

As security for the facility, Range issued to Lind 38,000,000 ordinary shares in the Company (Collateral Shares).

Range had the right to elect to repay the facility in full at any time and if that occurred Lind had the right upon repayment to convert the repayable amount at that time (or a certain portion of that amount) into equity at the premium conversion price equal to 130% of the average of the VWAP during the 20 trading days prior to the agreement being signed (equal to A\$0.0335 or 1.8938p per share).

Range received advances totalling US\$5,500,000 (minus certain fees) pursuant to the agreement. Range made a repayment of US\$562,500 (paid by way of the issue of shares to Lind) in November 2014.

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**Note 22: Borrowings at Fair Value (cont.)**

The amended agreement contained a clause to the effect that a suspension of trading of the Company's shares on either the ASX or AIM market for more than 5 trading days in any rolling 12 month period commencing on the execution date would constitute an event of default (subject to certain exceptions). With the suspension which started on 10 December 2014, the Company fully utilised these days. On that basis, Lind demanded re-payment of the balance of the loan immediately and in full, together with a premium of US\$2.25 million and interest.

On 16 February 2015 Range received a statutory demand from Lind demanding repayment of approximately US\$7.2 million that Lind alleges is due and payable.

On 9 March 2015, Range filed an application to the Supreme Court of Western Australia to set aside the statutory demand.

On 2 July 2015, the company announced that its application to the Supreme Court of Western Australia to set aside the statutory demand from Lind Asset Management, LLC had been unsuccessful. The Supreme Court extended the time for payment of the demand.

On 27 July 2015, Range filed an appeal against the Supreme Court's decision, and the Western Australian Court of Appeal extended the deadline for repayment until the later of 31 August 2015 or 7 days from the determination of the appeal.

In advance of the appeal, Range paid \$5.0m to Lind on 28 July 2015 without prejudice to its contentions in the appeal.

On 10 September 2015 the appeal was heard and as at the date of this report, no decision has been received from the Western Australian Court of Appeal.

During the prior year the Group entered into various financing arrangements, as follows:

- Equity swap arrangement with Yorkville Advisors – Range issued 72 million shares for £1.1million at a benchmark price of £0.017 to be settled in 6 equal monthly instalments. Nil outstanding at prior year end.
- £4.1 million (US\$6.2 million) unsecured convertible note agreements with Hudson Bay, Cranshire, Empery and Hartz. The term of the loan was for 18 months at coupon rate of 10%, a discount to the face value of 10% and convertible at a 90% VWAP conversion price. The entire balance was settled through the issue of equity during the year. Under the terms of these agreements, the lender was granted options equal to 50% of the number of shares issued on each conversion date. These options have an exercise price equal to the conversion price and an expiry term of 3 years. Nil outstanding at prior year end.
- Platinum Partners provided 2 loans for £2.2 million and US\$3.3 million respectively each for a 6 month term. In consideration for providing the loans the Company issued 13,636,364 options exercisable at £0.011 on or before 31 January 2017, 100million collateral shares in the Company and additionally provided security over 100million shares held by the Company in Citation Resources Limited (ASX: CTR). The loan was fully repaid during the year and as part of the repayment arrangements the Company agreed that the lender was not required to return the collateral shares or the CTR security, which therefore allowed a reduced cash payment of the outstanding amount of the loan. Nil outstanding at prior year end.
- US\$600,000 3-month loan from a US based institutional investor which was convertible at the lenders option at 85% VWAP conversion price. Nil outstanding at prior year end.
- Unsecured loan of US\$2.2 million from a syndicate of Australian investors which was convertible upon the mutual agreement of the Company and lenders at a 85% VWAP conversion price. In consideration for providing the loans the Company issued 23,779,254 options to the syndicate. Nil outstanding at prior year end.
- US\$1 million, 12 month loan from a Cayman Islands based company which was convertible at the lenders option at the lower of 1.35p/share or 90% VWAP conversion price. In consideration for providing the loans the Company issued 7,500,000 options to the lender. Nil outstanding at prior year end.

In the year ended 30 June 2013, the Group issued US\$10,400,000 in secured notes to Crede Capital Group. The outstanding borrowing was fully settled in October 2013 and the remaining obligation to issue 7,500,000 options was satisfied during the year and the security has been released.

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**Note 22: Borrowings at Fair Value (cont.)**

Also in the year ended 30 June 2013, the Group entered in a US\$15 million Loan Agreement backed by a Standby Equity Distribution Agreement ("SEDA") with YA Global Master SPV Ltd, an investment fund managed by Yorkville Advisors. US\$6.9 million was drawn during the year ended 30 June 2014 with nil outstanding at prior year end.

**(b) Option Liability**

	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>US\$</b>	<b>US\$</b>
Option liability at fair value through profit or loss	808,083	2,189,913
	808,083	2,189,913

During 2015, 49,051,468 options with a face value of US\$1,426,883 were exercised prior to year-end and 31m options with a fair value of US\$172,926 were issued.

During the prior year 240,694,827 options with a fair value of US\$3,004,295 were issued as a result of conversion of notes under the above financing arrangements. 70,833,334 options with a face value of US\$814,382 were exercised prior to year-end.

**Note 23: Provision for Rehabilitation**

The Group records the present value of the estimated cost of legal and constructive obligations to restore operating locations in the period in which the obligation arises. The nature of restoration activities includes removal of facilities, abandonment of wells and restoration of affected areas.

	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>US\$</b>	<b>US\$</b>
Provision for rehabilitation	734,858	696,224
Movement in the provision for rehabilitation during the financial year are set out below:		
Carrying amount at the start of the year	696,224	654,873
Additional provision recognised	38,634	41,351
Carrying amount at the end of the year	734,858	696,224

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**Note 24: Deferred Tax Liability**

	<b>Fair Value Uplift on Business Combination</b>	<b>Accelerated Depreciation</b>	<b>Total</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>Movements</b>			
<b>Year ended 30 June 2014</b>			
Opening balance	38,081,168	6,914,465	44,995,633
Foreign currency movement	1,041	-	1,041
Charged/(credited)			
- to profit or loss	(3,071,637)	2,450,996	(620,641)
<b>Closing net book amount</b>	<b>35,010,572</b>	<b>9,365,461</b>	<b>44,376,033</b>
<b>Year ended 30 June 2015</b>			
Opening balance	35,010,572	9,365,461	44,376,033
Foreign currency movement	(1,041)	(32,147)	(33,188)
Disposal of subsidiary	(723,359)	(1,189,198)	(1,912,557)
Charged/(credited)			
- to profit or loss	(1,966,411)	(2,895,322)	928,911
<b>Closing net book amount</b>	<b>32,319,761</b>	<b>11,039,438</b>	<b>43,359,199</b>

As a result of business combination, at the date of acquisition a deferred tax liability has been recognised in relation to the difference between the carrying amount of the deferred exploration and development costs for accounting purposes and the cost base of the asset for tax purposes in accordance with the requirements of Australian Accounting Standard AASB 112 *Income Taxes*. The Group does not have a tax payable in relation to the deferred tax liability at 30 June 2015 and it is anticipated that the deferred taxation liability will be reduced in the future as the deferred exploration and development costs are amortised in future periods.

**Note 25: Other Non-Current Liabilities**

	<b>Consolidated</b>	
	<b>2015 US\$</b>	<b>2014 US\$</b>
Employee service benefits	521,257	584,746
	<b>521,257</b>	<b>584,746</b>

**Risk exposure**

Information about the Group's exposure to credit risk, foreign exchange risk and price risk is provided in Note 35.

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**Note 26: Contributed equity**

	Consolidated	
	2015 US\$	2014 US\$
5,767,169,188 (2014: 4,521,201,870) fully paid ordinary shares	382,535,744	364,567,692
Nil (2014: 386,188,780 l) unissued fully paid ordinary shares	-	6,000,000
Nil partly paid shares (2014: 4,925,000)	-	1,362,344
Share issue costs	(19,330,467)	(19,330,467)
	363,205,277	352,599,569

	Consolidated			
	2015 No.	2015 US\$	2014 No.	2014 US\$
<b>(a) Fully Paid Ordinary Shares</b>				
At the beginning of reporting period	4,521,201,870	364,567,692	2,898,084,648	331,447,756
Shares issued during year	1,245,967,318	17,968,052	1,623,117,222	33,119,936
	5,767,169,188	382,535,744	4,521,201,870	364,567,692

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) Unissued Fully Paid Ordinary Shares**

	2015	2014
	No.	No.
Opening balance (i)	386,188,780	30,000,000
Issued in year	(356,188,780)	
Shares to be issued subsequent to reporting date (ii)	-	356,188,780
	30,000,000	386,188,780

(i) Under the terms of an agreement between shareholders in Strait, the Company was required to issue 30,000,000 shares to other investors in Strait upon the completion of the next well in the Georgia drilling programme or upon disposal of Range's shareholding in Strait.

(ii) During the prior year, the company entered into a US\$12 million financing facility with a Hong Kong based private institutional investor, Abraham Ltd. Under the terms of the subscription agreement, Abraham was to subscribe for shares in the Company in two US\$6 million tranches, with the first tranche issued during the year, whilst the second tranche was to be issued following shareholder approval. Shareholder approval for the issue of shares for the US\$6 million second tranche was sought and obtained at the General Meeting of the Company on 11<sup>th</sup> July 2014.

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**Note 26: Contributed equity (continued)**

**(c) Partly Paid Ordinary Shares**

	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>No.</b>	<b>No.</b>
Total partly paid shares -AU\$0.30	-	4,925,000
Total contributed equity	-	4,925,000

All partly paid shares were cancelled during the year.

**(d) Movements in fully paid ordinary share capital**

<b>2015</b>	<b>Details</b>	<b>Number of shares</b>	<b>Issue Price US\$</b>	<b>US\$</b>
<b>1 July 2014</b>	<b>Opening balance</b>	<b>4,521,201,870</b>		<b>364,567,692</b>
	Transfer from unissued	356,188,780	0.017	6,000,000
	Shares issued as loan repayment	58,440,891	0.010	562,500
	Shares issued upon option conversion	49,051,468	0.010- 0.024	923,880
	Shares issued as Collateral Shares (i)	38,000,000	0.008	300,979
	Shares issued to employees	19,987,481	0.013- 0.040	580,458
	Shares issued in lieu of corporate advisory/ capital raising and loan commencement fees	74,298,698	0.009- 0.037	1,633,315
	Issued to Beijing Sibio Investment Management LP	650,000,000	0.012	7,966,920
<b>30 June 2015</b>	<b>Closing Balance</b>	<b>5,767,169,188</b>		<b>382,535,744</b>
<b>1 July 2013</b>	<b>Opening balance</b>	<b>2,898,084,648</b>		<b>331,447,756</b>
	Issue of shares through conversion of notes (refer note 22)	907,296,105	0.020	17,727,995
	Placement	53,125,000	0.037	1,963,500
	Issue of shares to YA Global through equity swap (refer note 22)	72,000,000	0.025	1,794,238
	Equity tranche under YA Global agreement	8,119,059	0.027	219,012
	YA advance	31,000,954	0.036	1,107,013
	Equity tranche under convertible notes	81,460,298	0.026	2,123,709
	Issue of shares to Abraham Ltd for US\$12m financing as per subscription agreement	356,188,780	0.017	6,000,000
	Issue of shares through exercise of options	70,833,334	0.009	652,778
	Shares issued in lieu of corporate advisory fees (refer note 32)	43,093,692	0.036	1,531,691
<b>30 June 2014</b>	<b>Balance</b>	<b>4,521,201,870</b>		<b>364,567,692</b>

	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>No.</b>	<b>No.</b>
<b>(e) Options</b>		
At the beginning of reporting period	453,203,084	266,612,503
Options issued during year	394,701,840	257,423,915
Options expired	(9,855,166)	-
Options exercised during year	(49,051,469)	(70,833,334)

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Total options

788,998,289

453,203,084

**Note 26: Contributed equity (continued)**

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 January 2016	\$0.05	80,508,341	listed
30 April 2016	£0.17	7,058,824	unlisted
31 January 2017	£0.075	5,180,000	unlisted
19 October 2015	£0.0615	15,708,801	unlisted
30 November 2015	£0.05075	32,275,862	unlisted
31 January 2016	A\$0.10	5,000,000	unlisted
10 February 2016	A\$0.06	5,000,000	unlisted
30 April 2016	£0.04	146,533,850	unlisted
11 July 2016	£0.037	5,000,000	unlisted
25 July 2016	£0.021	476,190	unlisted
29 July 2016	£0.021	952,381	unlisted
31 August 2016	£0.021	6,714,284	unlisted
31 August 2016	£0.020	9,000,000	unlisted
30 September 2016	£0.019	3,947,369	unlisted
30 September 2016	£0.018	8,666,670	unlisted
31 October 2016	£0.018	694,445	unlisted
31 October 2016	£0.017	2,205,885	unlisted
31 October 2016	£0.016	1,250,000	unlisted
31 October 2016	£0.015	17,333,336	unlisted
30 November 2016	£0.015	3,000,001	unlisted
30 November 2016	£0.013	5,153,846	unlisted
11 December 2016	\$0.0321	2,000,000	unlisted
31 December 2016	£0.012	2,000,000	unlisted
31 December 2016	£0.011	5,000,000	unlisted
31 January 2017	£0.011	23,636,364	unlisted
9 September 2017	£0.03	7,500,000	unlisted
14 July 2018	£0.01	161,472,247	unlisted
14 July 2018	£0.02	118,729,593	unlisted
31 January 2018	\$0.05	1,000,000	unlisted
15 October 2017	£0.01203	31,000,000	unlisted
30 March 2020	£0.01	75,000,000	unlisted
		788,998,289	

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

During the year ended 30 June 2015, 49,051,468 ordinary shares of Range Resources Limited were issued on the exercise of options (2014: 70,833,334).

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**Note 27: Reserves**

	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>US\$</b>	<b>US\$</b>
<b>(a) Share-based payment reserve</b>		
Balance 1 July	14,226,861	14,085,042
Options issued to consultants and employees (refer note 32)	2,157,038	141,819
Expired options reclassified to retained earnings	(2,152,321)	-
<b>Balance 30 June</b>	<b>14,231,578</b>	<b>14,226,861</b>
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>(b) Option premium reserve</b>		
Balance 1 July	10,630,513	9,815,752
Fair value movement of exercised options that were originally classified as a derivative liability	1,426,850	814,761
<b>Balance 30 June</b>	<b>12,057,363</b>	<b>10,630,513</b>
The option premium reserve is used to recognise the grant date fair value of options.		
<b>(c) Foreign currency translation reserve</b>		
Balance 1 July	3,004,632	3,415,742
Currency translation differences arising during the year	455,307	(411,110)
<b>Balance 30 June</b>	<b>3,459,939</b>	<b>3,004,632</b>
The foreign currency translation reserve is used to record exchange differences arising from the translation balances of foreign subsidiaries.		
<b>(d) Available for sale investment revaluation reserve</b>		
Balance 1 July	-	(325,263)
Reclassification to profit or loss	-	855,146
Decrease in value of investments	-	(529,883)
<b>Balance 30 June</b>	<b>-</b>	<b>-</b>
 <b>Total Reserves</b>	 <b>29,748,880</b>	 <b>27,862,006</b>



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**Note 28: Commitments**

**Expenditure commitments**

	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>US\$</b>	<b>US\$</b>
Not later than 1 year	211,000	137,500
	211,000	137,500

**Note 29: Contingent Liabilities and Contingent Assets**

**Mark Patterson**

Range has received a demand for arbitration of claims in the amount of approximately US\$5.8 million from Mark Patterson who was engaged by Range as a consultant over a period from 2010 - 2014. Mr. Patterson is claiming he terminated a purported consultant contract, dated 29 August 2013, with good reason, as defined in the contract, due to a reduction in duties, and in that circumstance he claims to be entitled to full payment for the remainder of the term of the contract plus various other payments. Range has engaged legal advisers to assist with this claim and will strongly defend our position. The claim will be heard through an arbitration process in Texas. It is currently expected that the arbitration hearing will occur in late 2015. Given the process is still at an early stage, Range is unable to quantify any likely financial impact of a successful claim against the Company however, it will not have a material impact.

**Crown Capital Partners**

Range is involved as a defendant in a court action in Alberta, Canada related to an alleged breach in early 2013 of an exclusivity undertaking in a commitment letter from a potential financier dated 6 November 2012. The claim is for approximately C\$500,000. Range strongly refutes the allegations and intends to vigorously defend our position. A Statement of Defence has been filed and Range is currently in the discovery phase of litigation. There is no date as yet for a court hearing and the Company is not in a position therefore to determine the likely financial impact of any successful claim. Range however, believes that any outcome against the Company will not have a material impact.

**Lanndon LLC & Benedict Silverman**

Los Bajos Oil Limited is a defendant in a court action in federal court in the state of Connecticut, USA which dates back to the period prior to Los Bajos being acquired by Range in 2011. The claim relates to an alleged breach of contract with respect to payments due by Los Bajos to Lanndon LLC under a settlement agreement dated May 2011. Range has an indemnity from the sellers of Los Bajos in respect of any successful claim against the Company.

The Directors are not aware of any further contingent liabilities or contingent assets as at 30 June 2015.

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**Note 30: Segment Reporting**

Management have determined that the operating segments are broadly consistent with prior periods, with management allocating resources to segments on a geographical basis. During the financial period, the Group operated in six operational segments being Somalia, Georgia, Texas, Colombia, Guatemala and Trinidad. The operating segments of Somalia and Colombia have been aggregated as their operations are of a similar nature and not material to the Group.

**(a) Segment information provided to the strategic steering committee**

<u>Year ended 30 June 2015</u>	Continuing Operations			Discontinued operations				
	Trinidad	All Other Segments	Total	Discontinued Operations - Georgia	Discontinued Operations - Texas	Discontinued Operations - Guatemala	Total discontinued operations	Consolidated
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
<b>Segment revenue</b>								
Revenue from continuing operations	13,152,954	-	<b>13,152,954</b>	-	-	-	-	<b>13,152,954</b>
Revenue from discontinued operations	-	-	-	-	238,194	-	<b>238,194</b>	<b>238,194</b>
Other income	-	428,588	<b>428,588</b>	-	-	-	-	<b>428,588</b>
Total revenue	13,152,954	428,588	<b>13,581,542</b>	-	238,194	-	<b>238,194</b>	<b>13,819,736</b>
<b>Segment result</b>								
Segment expenses	(23,162,985)	(11,532,647)	<b>(34,695,632)</b>	(5,474,255)	(681,621)	(1,779,476)	<b>(7,935,352)</b>	<b>(42,630,983)</b>
Profit/ (loss) before income tax	(10,010,031)	(11,104,059)	<b>(21,114,090)</b>	(5,474,255)	(443,427)	(1,779,476)	<b>(7,697,158)</b>	<b>(28,811,248)</b>
Income tax	(1,467,806)	-	<b>(1,467,806)</b>	-	-	-	-	<b>(1,467,806)</b>
Profit/ (loss) after income tax	(11,477,837)	(11,104,059)	<b>(22,581,896)</b>	(5,474,256)	(443,427)	(1,779,476)	<b>(7,697,159)</b>	<b>(30,279,054)</b>
<b>Segment assets</b>								
Segment assets	144,457,523	11,458,496	<b>155,916,019</b>	5,000,000	-	1,000,000	<b>6,000,000</b>	<b>161,916,019</b>
Total assets	144,457,523	11,458,496	<b>155,916,019</b>	5,000,000	-	1,000,000	<b>6,000,000</b>	<b>161,916,019</b>
<b>Segment liabilities</b>								
Segment liabilities	49,846,696	17,045,866	<b>66,892,562</b>	-	-	-	-	<b>66,892,562</b>
Total liabilities	49,846,696	17,045,866	<b>66,892,562</b>	-	-	-	-	<b>66,892,562</b>

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**Note 30: Segment Reporting (continued)**

Year ended 30 June 2014	Continuing Operations			Discontinued operations			
	Trinidad	All Other Segments	Total	Discontinued Operations - Georgia	Discontinued Operations - Texas	Total discontinued operations	Consolidated
	US\$	US\$	US\$	US\$	US\$	US\$	US\$
<b>Segment revenue</b>							
Revenue from continuing operations	21,185,745	-	21,185,745	-	-	-	21,185,745
Revenue from discontinued operations	-	-	-	-	553,965	553,965	553,965
Other income	3,218	1,221,108	1,224,326	-	-	-	1,224,326
Total revenue	21,188,963	1,221,108	22,410,071	-	553,965	553,965	22,964,036
<b>Segment result</b>							
Segment expenses	(27,817,491)	(59,373,442)	(87,190,933)	(29,281,987)	(8,670,784)	(37,952,771)	(125,143,704)
Profit/ (loss) before income tax	(6,628,528)	(58,152,334)	(64,780,862)	(29,281,987)	(8,116,819)	(37,398,806)	(102,179,668)
Income tax	(906,620)	-	(906,620)	-	544,298	544,298	(362,322)
Profit/ (loss) after income tax	(7,535,148)	(58,152,334)	(65,687,482)	(29,281,987)	(7,572,521)	(36,854,508)	(102,541,990)
<b>Segment assets</b>							
Segment assets	147,238,949	5,058,337	152,297,286	10,000,000	1,080,777	11,080,777	166,157,539
Total assets	147,238,949	5,058,337	152,297,286	10,000,000	1,080,777	11,080,777	166,157,539
<b>Segment liabilities</b>							
Segment liabilities	51,383,185	5,479,091	56,862,276	-	-	-	56,862,276
Total liabilities	51,383,185	5,479,091	56,862,276	-	-	-	56,862,276

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**Note 30: Segment Reporting (continued)**

**(b) Other segment information**

	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>US\$</b>	<b>US\$</b>
<b>Segment other revenue – all other segments</b>		
Other income	428,588	1,221,108
	428,588	1,221,108
 <b>Segment result – all other segments</b>		
Directors fees	912,290	1,115,524
Consultancy fees	359,830	3,421,400
Marketing and Public relations	200,134	461,902
Share-based payments	2,737,493	1,673,558
Finance costs	4,347,575	21,797,779
Asset write offs	38,929	9,138,960
Administration and other expenses	2,544,177	4,014,652
Exploration expenses	392,219	15,577,838
Share of loss of associate	-	2,171,829
	11,532,647	59,373,442

**Accounting Policies**

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group 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 Group'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 Group. 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 discontinued operations from Texas of US\$238,194 (2014: US\$553,965) is derived from several customers who each account for greater than 10% of this amount. Revenue from Trinidad of US\$13,152,954 (2014: US\$21,185,745) is derived from the subsidiary's sole customer, which is Petrotrin.

**Intersegment Transfers**

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

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**Note 31: Cash Flow Information**

	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>US\$</b>	<b>US\$</b>
<b>Reconciliation of cash flow from operations with loss after income tax</b>		
Loss after income tax	(30,279,054)	(102,541,990)
Non-cash flows in profit		
Depreciation	4,766,581	7,972,169
Share based payment- consultants and employees	2,737,443	1,673,558
Finance costs (non-cash)	2,107,281	16,818,148
Interest on non-current receivable paid in shares	-	(1,207,598)
Impairment expense	654,000	21,778,525
Loss on sale of subsidiary	1,593,766	-
Loss on sale of PPE	3,100	-
Foreign exchange (gain)/loss	(124,789)	(840,637)
Impairments recognised on held for sale assets	6,779,476	37,244,836
Share of net loss of associate	-	659,400
Net loss on sale of available for sale financial assets	496,958	855,146
Other non-cash items*		
Decrease/(increase) in other operating assets	-	3,090,272
Decrease/(increase) in other current assets	375,820	-
Decrease/(increase) in trade and other receivables	(608,228)	8,958,238
Decrease/(increase) in deferred tax asset	175,634	(245,405)
Increase/(decrease) in trade and other payables	162,554	1,534,827
Increase/(decrease) in accrued interest	2,830,577	-
Increase/(decrease) in income tax payable	(13,442)	(1,495,695)
Increase/(decrease) in deferred tax liabilities	1,097,078	(619,600)
Increase/(decrease) in provisions	289,981	144,025
	<u>444,738</u>	<u>(6,221,781)</u>
Net cash inflow/(outflow) from operations	<u>444,738</u>	<u>(6,221,781)</u>

\*Net of effects of subsidiary disposal

**Non-cash investing and financing activities**

	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>US\$</b>	<b>US\$</b>
Repayment of borrowings:		
Through issue of shares	562,500	17,727,598
Through the issue of options	-	3,146,491
Acquisition of available for sale financial assets	-	1,207,598
Non-cash consideration for investment in associate	-	1,293,214
Share issued as share based payments or finance costs	4,844,724	-

**Note 32: Share-Based Payments**

The following share-based payment arrangements occurred during the financial year ended at 30 June 2015.

<b>Quantity</b>	<b>Security</b>	<b>US\$ Value</b>	<b>Purpose</b>
19,987,481	Fully paid ordinary shares	580,406	Shares issued to employees and consultants
42,742,654	Unlisted options	1,176,524	Options issued in lieu of consulting fee
75,000,000	Unlisted options	85,464	Options issued to Directors in period
7,500,000	Unlisted options	895,049	Options issued in lieu of consulting fees

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**Note 32: Share-Based Payments (continued)**

The following inputs were used to calculate the value of the options issued to Directors in the period:

Volatility: 100%	Grant date: 27 March 2015
Risk free rate: 1.92%	Exercise price: £0.01
USD/GBP exchange rate: 0.7752	Share price on grant date £0.054

The following share-based payment arrangements occurred during the financial year ended at 30 June 2014.

Quantity	Security	US\$ Value	Purpose
43,093,692	Fully paid ordinary shares	1,531,691	Issued in lieu of corporate advisory fees
16,729,087	Listed options	141,869	Issued in lieu of corporate advisory fee

Listed options issued as share based payments during the year ended 30 June 2014 were valued based upon the market price at grant date. There were no unlisted options issued in the 30 June 2014 year.

The fair value at grant date of unlisted options is independently determined using a Black Scholes 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.

*Employee option plan*

During the year the following options were issued to Directors and employees:

Name	Number of options
Mr Yan Liu	30,000,000
Mr David Chen	30,000,000
Mr Zhiwei Gu	7,500,000
Ms Juan Wang	7,500,000

The vesting conditions of these options are as follows:

- (a) 25% will become exercisable on the date that is one year from the issue date
- (b) 25% will become exercisable upon the Company reaching production of 1,500 barrels of oil per day for a continuous 15 day period in Trinidad
- (c) 25% will become exercisable upon the Company reaching production of 2,500 barrels of oil per day for a continuous 15 day period in Trinidad
- (d) 25% will become exercisable upon the Company reaching production of 4,000 barrels of oil per day for a continuous 15 day period in Trinidad

In addition to the above, vesting depends on continued employment.

In 2014, no options were issued to Directors or employees.

*Expenses recognised in the profit & loss*

During the year, share-based payments recognised in profit and loss amounts to US\$2,157,037 (2014: US\$1,673,558)

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**Note 32: Share-Based Payments (continued)**

	<b>2015</b>	<b>Average exercise</b>	<b>2014</b>	<b>Average exercise</b>
	<b>Number</b>	<b>price US\$</b>	<b>Number</b>	<b>price US\$</b>
As at 1 July	453,203,083	0.060	266,612,503	0.078
Granted during year	394,701,840	0.019	257,423,914	0.023
Exercised	(49,051,468)	0.017	(70,833,334)	0.009
Forfeited	(9,855,166)		-	
As at 30 June	<b>788,998,289</b>	<b>0.023</b>	<b>453,203,083</b>	<b>0.060</b>
Valued and exercisable at 30 June	713,998,289	0.047	453,203,083	0.060
Weighted average remaining contractual life options outstanding at end of period	673 days		700 days	

**Note 33: Related Party Transactions**

(a) **Parent entity**  
The ultimate Parent Entity and ultimate Australian Parent Entity within the Group is Range Resources Limited.

(b) **Subsidiaries**  
Interests in subsidiaries are set out in Note 14.

(c) **Transactions with Key Management Personnel**

The following transactions occurred during the year with Key Management Personnel or their related parties:

	<b>2015</b>	<b>2014</b>
	<b>US\$</b>	<b>US\$</b>
Consulting fees paid or payable to Soncer Limited, a company owned by Mr Graham Lyon, for the provision of corporate advisory and capital raising services (i)	12,794	67,321
Consulting fees paid or payable to DNR Consulting, a company owned by Mr David Rieke, for the provision of corporate advisory and services (ii)	13,486	-

**Balances at year end to related parties:**

Sir Sam Jonah (i)	191,440	219,661
Marcus Edwards-Jones (i)	33,566	33,419
Soncer Limited (i)	18,442	-
Anthony Eastman (iii)	169,280	221,063
OKAP Ventures Pty Ltd payable (iii)	64,579	79,585
Doull Holdings Pty Ltd payable (in respect of Peter Landau Director fees) (iii)	165,403	181,612

(i) These were related parties throughout the financial year until 28 November 2014.

(ii) David Rieke was a related party throughout the financial year until 11 December 2014.

(iii) Related party until 13 June 2014

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**Note 33: Related Party Transactions (continued)**

**(d) Key management personnel compensation**

	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>US\$</b>	<b>US\$</b>
Short-term employee benefits	778,338	1,147,859
Post-employment benefits	28,152	48,299
Termination benefits	150,253	-
Share based payments	85,464	-
<b>Total</b>	<u>1,042,207</u>	<u>1,196,158</u>

**(e) Transactions with associates**

Details of transactions with associates are set out in Note 19.

**Note 34: Parent Entity Information**

The following details information related to the Parent Entity Range Resources Limited, at 30 June 2015. The information presented here has been prepared in accordance using consistent accounting policies as presented in Note 1.

	<b>2015</b>	<b>2014</b>
	<b>US\$</b>	<b>US\$</b>
Current assets	15,290,123	3,740,814
Non-current assets	97,208,375	119,618,504
<b>Total assets</b>	<u>112,498,498</u>	<u>123,359,318</u>
Current liabilities	15,333,201	5,361,769
<b>Total liabilities</b>	<u>15,333,201</u>	<u>5,361,769</u>
Contributed equity	363,205,245	352,599,569
Accumulated losses	(295,165,636)	(262,296,104)
Reserves	29,125,688	27,694,084
<b>Total equity</b>	<u>97,165,297</u>	<u>117,997,549</u>
Loss for the year from continuing operations	(29,028,556)	(57,548,321)
Loss for the year from discontinued operations	(7,355,641)	(37,556,087)
<b>Total loss for the year</b>	<u>(36,384,197)</u>	<u>(95,104,408)</u>
Other comprehensive loss for the year	-	325,263
<b>Total comprehensive loss for the year</b>	<u>(36,384,197)</u>	<u>(94,779,145)</u>

The contingent liabilities of the parent are the same as those of the Group as disclosed in Note 29.

The contractual commitments of the parent are the same as those of the Group as disclosed in Note 28.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**Note 35: Financial Risk Management**

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

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group'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 Group, 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 Group's activities. The Group, 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 Group if counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's investments, receivables and cash held at financial institutions.

Credit risk is managed on a group basis. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The credit quality of financial assets that are neither past due or impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>US\$</b>	<b>US\$</b>
<b>Cash at bank and short-term bank deposits (S&amp;P ratings)</b>		
AA-	9,868,592	1,603,785
A-	-	1,340,063
BBB+	661,512	-
BBB	-	33,562
	10,530,104	2,977,410

**Exposure to credit risk**

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

	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>US\$</b>	<b>US\$</b>
Trade and other receivables <sup>(i)</sup>	5,148,978	5,338,769
Non-current receivable <sup>(i)</sup>	-	1,500,000
Cash and cash equivalents	10,530,104	2,977,410
	15,679,082	9,816,179

(i) Counterparties without an external credit rating

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**Note 35: Financial Risk Management (continued)**

**Loans and receivables**

The Group'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**

During the year, an impairment of US\$17,937 on trade and other receivables were recognised. An impairment loss of US\$654,000 was recognised in relation to the IOP asset in the year. During the prior year, given uncertainty over the counterparty's ability to receive repayment a provision for impairment of US\$2,489,443 was recognised in relation to miscellaneous other receivables totalling US\$3,179,394.

**Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group'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 Group's reputation.

The Group uses activity-based costing to cost its activities, which assists in monitoring cash flow requirements and optimising its cash return on investments. Typically, the Group 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:

<b>Group 2015</b>	<b>Carrying amount</b>	<b>Contractual cash flows</b>	<b>6 months or less</b>	<b>6 – 12 months</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>Over 5 years</b>
<b>Financial liabilities at amortised cost</b>							
Trade and other payables	11,998,340	11,998,340	11,998,340	-	-	-	-
Borrowings	7,518,077	7,518,077	7,518,077	-	-	-	-
	19,516,417	19,516,417	19,516,417	-	-	-	-

<b>Group 2014</b>	<b>Carrying amount</b>	<b>Contractual cash flows</b>	<b>6 months or less</b>	<b>6 – 12 months</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>Over 5 years</b>
<b>Financial liabilities at amortised cost</b>							
Trade and other payables	8,705,005	6,515,093	6,515,093	-	-	-	-
Borrowings	-	-	-	-	-	-	-
	8,705,005	6,515,093	6,515,093	-	-	-	-

**Market risk**

Market risk is the risk that changes in market prices, such as interest rates and equity prices will affect the Group'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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**Note 35: Financial Risk Management (continued)**

*Equity price risk*

The Group is exposed to equity securities price risk. This arises from investments held by the Group and classified on the statement of financial position as available for sale as well as from the option liability held as a current liability.

A 10% increase in Range's share price would result in an increase to the option liability of \$76,707. A decrease would have had the equal but opposite effect.

The Group holds equity investments which are publicly traded and included on the NSX.

Range holds an equity investment in International Petroleum Ltd ("IOP"). Any adverse movement in the share price would be immaterial.

**Foreign exchange risk**

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar, AU dollar, TT Dollar and British pound.

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 Group's treasury risk management policy is to closely monitor exchange rate fluctuations. To date, the Group has not sought to hedge its exposure to fluctuations in exchange rates, however this policy will be reviewed on an ongoing basis.

The Group's exposure to foreign currency risk at the reporting date was as follows: (expressed in USD)

	<b>Consolidated</b>		<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>AUD</b>	<b>AUD</b>	<b>GBP</b>	<b>GBP</b>
Amount receivable from other entities	-	1,647,657	-	-
Cash	272,621	343,923	242,304	83,284
Available for sale investments	-	784,397	-	-
Amount payable to other entities	(1,159,133)	(1,042,719)	(362,135)	-
	<u>(886,512)</u>	<u>1,733,257</u>	<u>(119,831)</u>	<u>83,284</u>

*Sensitivity*

Based upon the amounts above, had the Australian dollar strengthened by 10% against the US dollar with all other variables held constant, the Group post-tax loss for the year on current amounts receivable/payable would have been US\$67,885 higher (2014: US\$181,654 lower), mainly as a result of foreign exchange gains/losses on translation of AUD 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.

The Trinidad entities are minimally exposed to foreign exchange risk arising from various currencies, primarily with respect to the United States Dollar.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**Note 35: Financial Risk Management (continued)**

**Interest rate risk**

The group's main interest rate risk arises from non-current receivables and borrowings. Non-current receivables and borrowings issued at fixed rates expose the group to fair value interest rate if the loans are carried at fair value. During 2015 and 2014, the group loan receivables were denominated in Australian Dollars, British Pounds and US Dollars.

**Profile**

At the reporting date, the interest rate profile of the Group's financial instruments which exposes the group to cash flow interest rate risks are:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Maturing		Non-interest bearing		Total	
	2015 %	2014 %	2015 US\$	2014 US\$	2015 US\$	2014 US\$	2015 US\$	2014 US\$	2015 US\$	2014 US\$
<b>Financial Assets:</b>										
Cash and cash equivalents	0.10%	2.50%	10,530,104	2,977,410	-	-	-	-	10,530,104	2,977,410
Trade and other receivables	-	-	-	-	-	-	5,148,978	5,338,769	5,148,978	5,338,769
Available for sale financial assets	-	-	-	-	-	-	446,000	876,347	446,000	876,347
Non-current receivables	-	3.33%	-	-	-	1,500,000	-	-	-	1,500,000
<b>Total Financial Assets</b>	<b>0.10%</b>	<b>2.31%</b>	<b>10,530,104</b>	<b>2,977,410</b>	<b>-</b>	<b>1,500,000</b>	<b>5,594,978</b>	<b>6,215,116</b>	<b>16,125,082</b>	<b>10,692,526</b>
<b>Financial Liabilities:</b>										
Trade and other payables	-	-	-	-	-	-	11,998,340	8,705,005	11,998,340	8,705,005
Borrowings	35%	-	-	-	7,518,077	-	-	-	7,518,077	-
<b>Total Financial Liabilities</b>	<b>35%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,518,077</b>	<b>-</b>	<b>11,998,340</b>	<b>8,705,005</b>	<b>19,516,417</b>	<b>8,705,005</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**Note 35: Financial Risk Management (continued)**

**Sensitivity analysis for variable rate instruments**

The sensitivity on interest rates for 2015 and 2014 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. Both analyses for each year assume that all other variables, in particular foreign currency rates, remain constant.

<b>Group</b>	<b>Weighted Average Interest Rate %</b>	<b>2015 +100 bps US\$</b>	<b>2015 -100 bps US\$</b>	<b>Weighted Average Interest Rate %</b>	<b>2014 +100 bps US\$</b>	<b>2014 -100 bps US\$</b>
<b>Variable rate instruments</b>						
Financial assets (cash and cash equivalents)	0.10%	-	-	2.50%	-	-
Financial assets (loan and receivables)	-	-	-	3.33%	-	-

**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:

<b>Group</b>	<b>30 June 2015 US\$</b>		<b>30 June 2014 US\$</b>	
	<b>Carrying amount</b>	<b>Fair value</b>	<b>Carrying amount</b>	<b>Fair value</b>
Available-for-sale financial assets	446,000	446,000	876,347	876,347
Trade and other receivables	5,148,978	5,148,978	5,338,769	5,338,769
Non-current receivable	-	-	1,500,000	1,500,000
Cash and cash equivalents	10,530,104	10,530,104	2,977,410	2,977,410
Trade and other payables	(11,998,340)	(11,998,340)	(8,705,005)	(8,705,005)
Borrowings	(7,518,077)	(7,518,077)	-	-
	<b>(3,391,335)</b>	<b>(3,391,335)</b>	<b>1,987,521</b>	<b>1,987,521</b>

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

**Other price risk**

The Group 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 2014.

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 26 and 27 respectively. None of the entities within the group are subject to externally imposed capital requirements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**Note 35: 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

	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>US\$</b>	<b>US\$</b>
<b>Financial assets</b>		
Cash and cash equivalents	10,530,104	2,977,410
<b>Financial liabilities</b>		
Trade and other payables	(11,998,340)	(8,705,005)
Borrowings	(7,518,077)	-
<b>Net assets / (debt)</b>	<b>(8,986,313)</b>	<b>(5,727,595)</b>
Equity	96,507,888	109,295,263
<b>Net debt to equity ratio</b>	<b>9.31%</b>	<b>5.24%</b>

**Categories of financial instruments**

	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>US\$</b>	<b>US\$</b>
<b>Financial assets</b>		
Cash and cash equivalents	10,530,104	2,977,410
Trade and other receivables	5,148,978	5,338,769
Non-current receivable	-	1,500,000
Available-for-sale financial assets	446,000	876,347
	<b>16,125,082</b>	<b>10,692,526</b>
<b>Financial liabilities</b>		
Trade and other payables	11,998,340	8,705,005
Borrowings	7,518,077	-
Option liability	808,083	2,189,913
	<b>20,324,500</b>	<b>10,894,918</b>

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

**NOTES TO THE FINANCIAL STATEMENTS  
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**Note 36: Fair Value Measurement of Financial Instruments**

**(a) Fair value hierarchy**

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

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

The following table presents the Group's financial assets and financial liabilities measured and recognised at fair value at 30 June 2015 and 30 June 2014 on a recurring basis:

<b>At 30 June 2015</b>	<b>Level 1 US\$</b>	<b>Level 2 US\$</b>	<b>Level 3 US\$</b>	<b>Total</b>
<b>Assets</b>				
Available for sale financial assets				
Equity securities	-	-	446,000	446,000
<b>Total assets</b>	<b>-</b>	<b>-</b>	<b>446,000</b>	<b>446,000</b>
<b>Liabilities</b>				
Option liability at fair value through profit or loss	-	808,083	-	808,083
Borrowings	-	7,518,077	-	7,518,077
<b>Total liabilities</b>	<b>-</b>	<b>8,326,160</b>	<b>-</b>	<b>8,326,160</b>
<b>At 30 June 2014</b>	<b>Level 1 US\$</b>	<b>Level 2 US\$</b>	<b>Level 3 US\$</b>	<b>Total</b>
<b>Assets</b>				
Available for sale financial assets				
Equity securities	876,347	-	-	876,347
<b>Total assets</b>	<b>876,347</b>	<b>-</b>	<b>-</b>	<b>876,347</b>
<b>Liabilities</b>				
Option liability at fair value through profit or loss	-	2,189,913	-	2,189,913
<b>Total liabilities</b>	<b>-</b>	<b>2,189,913</b>	<b>-</b>	<b>2,189,913</b>

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 Group is the current bid price. These instruments are included in Level 1.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There were no transfers between the levels of the fair value hierarchy during the year ended 30 June 2015.

**(b) Fair values of other financial instruments**

The Group has no financial instruments which are not measured at fair value in the consolidated statement of financial position.

Due to their short term nature, the carrying amounts of the current receivables, current payables, current borrowings, and current other financial liabilities is assumed to approximate their fair value.

**NOTES TO THE FINANCIAL STATEMENTS  
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**Note 37: Fair Value Measurement of Non-Financial Instruments**

**(a) Non-recurring fair value measurements**

Assets classified as held for sale at 30 June 2015 were measured at fair value less costs to sell in accordance with the Group's accounting policy.

Fair value less costs to sell has been determined based upon offers received from independent third parties to acquire the assets. Due to the way the third party offers are structured, the fair values of assets held for sale has been assessed as a Level 3 measurement as per the fair value hierarchy set out above.

Significant estimates made in determining the fair value of held for sale assets are as follows:

Strait Oil & Gas (UK) Limited

The Group has made the decision to divest Strait in June 2014, as part of the revised strategy to focus on Trinidad and the Group is in the process of marketing its equity interest in Strait. The Group is optimistic that a buyer will be found for this asset. In the absence of a fully executed sale agreement at the report date the Group has chosen to write down the value of its interest in Strait to US\$5million which is considered by the Company to be a fair market value for the level of cash consideration which may be received upon closing of a sale. This valuation is based upon expressions of interest received and negotiations which have taken place with potential purchasers.

Latin American Resources (LAR)

The Group has also made the decision to divest LAR in June 2015. The Group is optimistic that a buyer will be found for this asset. In the absence of a fully executed sale agreement at the report date the Group has chosen to write down the value of its interest in LAR to US\$1million which is considered by the Company to be a fair market value for the level of cash consideration which may be received upon closing of a sale. This valuation is based upon expressions of interest received and negotiations which have taken place with potential purchasers.

**(b) Fair value hierarchy**

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

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

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There were no transfers between the levels of the fair value hierarchy during the year ended 30 June 2015.

The following table presents the Group's non-financial instruments measured and recognised at fair value at 30 June 2015 on a non-recurring basis:

<b>At 30 June 2015</b>	<b>Level 1 US\$</b>	<b>Level 2 US\$</b>	<b>Level 3 US\$</b>	<b>Total</b>
<b>Assets</b>				
Assets classified as held for sale				
Strait Oil & Gas (UK) Limited	-	-	5,000,000	5,000,000
Latin American Resources	-	-	2,179,358	2,179,358
<b>Total assets</b>	<b>-</b>	<b>-</b>	<b>7,179,358</b>	<b>7,179,358</b>



**NOTES TO THE FINANCIAL STATEMENTS  
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**Note 38: Events after the Reporting Date**

**Loan Financing with Lind**

Subsequent to the period end, the Company announced that its application to the Supreme Court of Western Australia to set aside the statutory demand from Lind Asset Management, LLC had been unsuccessful. The Supreme Court extended the time for payment of the demand. Subsequently, Range filed an appeal against the Supreme Court's decision, and the Western Australian Court of Appeal extended the deadline for repayment until the later of 31 August 2015 or 7 days from the determination of the appeal. In advance of the appeal, Range paid US\$5 million to Lind without prejudice to its contentions in the appeal. On 10 September 2015 the appeal was heard and as at the date of this report, no decision has been received from the Western Australian Court of Appeal.

**Completion of US\$30m funding**

Following the Company's announcement on 1 September 2015, Range received proceeds of US\$22.1 million in cash from Beijing Sibio Investment Management LP ("Sibo"). As per the terms of the subscription agreement, Range issued 1,797,620,912 new ordinary fully paid shares of the Company to Sibo at a subscription price of £0.008 per Share, which represented a premium of approximately 45% to the share price of the Company on the close of AIM on 2 September 2015. The Company also issued 194,585,862 unlisted warrants with an exercise price of £0.01 and 172,557,274 unlisted warrants with an exercise price of £0.02 to Sibo. All warrants have an expiry date of 3 September 2019. Tranche 1 subscription proceeds of £5.2 million (approximately US\$7.9 million) in cash had already been received by the Company, as announced on 5 June 2015. Following completion of Tranche 2, the total funding provided by Sibo is US\$30 million. This gave Sibo a total holding of approximately 32% in the enlarged share capital of the Company.

**St Mary's block**

During the period, the Company successfully signed the Exploration & Production licence and negotiated the Joint Operating Agreement on the new St Mary's block. The work programme on the block has commenced with the audit of existing field infrastructure, facilities and wells currently underway. Range has committed to drilling four exploration wells, shooting 160km of 2D seismic and 60km<sup>2</sup> of 3D seismic, along with various other technical studies before the end of 2018.

Subsequent to the period end, Range used US\$8 million of the Sibo proceeds to provide the Ministry of Energy and Energy Affairs with the required performance bond in support of the minimum work obligations on the St Mary's licence. The Company is seeking alternative sources of finance to replace this bond, which would allow the cash collateral to be released and used for other purposes.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
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**Note 39: New Accounting Standards and Interpretations**

**Australian Accounting Standards/Amendments Released But Not Yet Effective: 30 June 2015 Year End**

Certain new accounting Standards and Interpretations have been published that are not mandatory for 30 June 2015 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new Standards and Interpretations is set out below. In all cases the Group intends to apply these standards from the application date as indicated in the table below.

Reference	Title	Standard application date	Group application date	Key Requirements	Impact
AASB 9	Financial Instruments	1 January 2018	1 July 2018	<p>AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting.</p> <p>In December 2014, the AASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the financial instruments standard.</p>	There will be no significant impact on the Group on the adoption of this standard.
AASB 15	Revenue from Contracts with Customers	1 January 2018	1 July 2018	<p>The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB111 which covers construction contracts.</p> <p>The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer, so the notion of control replaces the existing notion of risks and rewards.</p> <p>The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise any applicable transitional adjustments in retained earnings on the date of the initial application without restating the comparative period.</p> <p>Entities will only need to apply the new rules to contracts that are not completed as of the date of initial application.</p>	Management is currently assessing the impact of the new rules. At this stage, the Group is not able to estimate the impact of the new rules on the Group's financial statements. The Group will make more detailed assessments of the impact over the next 12 months.

**NOTES TO THE FINANCIAL STATEMENTS  
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**Note 39: New Accounting Standards and Interpretations (continued)**

Reference	Title	Standard application date	Group application date	Key Requirements	Impact
AASB 2015-2	Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101	1 January 2016	1 July 2016	<p>This standard makes amendments to AASB 101 Presentation of Financial Statements arising from the IASB's Disclosure Initiative Project. The amendments are designed to further encourage companies to apply professional judgment in determining what information to disclose in the financial statements.</p> <p>The amendments also clarify that companies should use professional judgment in determining where and in what order information is to be presented in the financial disclosures.</p>	There will be no significant impact on the Group on the adoption of this standard. The Group is currently conducting an exercise of reviewing financial report disclosures.

There are no other standards that are not yet effective and that would be expected to have a material impact on Range in the current or future period and on foreseeable future transactions.

**Note 40: Company Details**

The registered office of the company is:

Ground Floor, BGC Centre  
28 The Esplanade  
Perth WA 6000  
Australia  
Telephone: +61 8 6205 3012  
Facsimile: +61 8 6316 2211

The principal place of business is:

Ground Floor, BGC Centre  
28 The Esplanade  
Perth WA 6000  
Australia  
Telephone: +61 8 6205 3012  
Facsimile: +61 8 6316 2211

## DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements, comprising the consolidated statement of profit or loss and other 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 other mandatory professional reporting requirements; and
  - (b) give a true and fair view of the Group's financial position as at 30 June 2015 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 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:



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**David Chen**

**Chairman**

30 September 2015

## 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 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, 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 of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 company's preparation of the financial report that gives a true and fair view 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 company'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 opinion.



#### 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*, which has been given to the directors of Range Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

#### 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 2015 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in the Note 1.

#### Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2015. 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.

#### Opinion

In our opinion, the Remuneration Report of Range Resources Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

A handwritten signature in blue ink. The word 'BDO' is written in a simple, blocky font. Below it, the name 'J Prue' is written in a cursive, handwritten style.

Jarrad Prue

Director

Perth, 30 September 2015

**RANGE RESOURCES LIMITED  
AND CONTROLLED ENTITIES  
ABN 88 002 522 009**

**TENEMENT INTERESTS**

Range's portfolio of exploration, development and production assets at 30 June 2015:

<b>Tenement Reference</b>	<b>Location</b>	<b>Working Interest</b>	<b>Operator</b>
Morne Diablo	Trinidad	100%	Range
South Quarry	Trinidad	100%	Range
Beach Marcelle	Trinidad	100%	Range
Guayaguayare Shallow*	Trinidad	65%	Range
Guayaguayare Deep*	Trinidad	80%	Range
St Mary's Block	Trinidad	80%	Range
Block 1-2005, South Peten Basin	Guatemala	20%	Latin American Resources Ltd
Block Vla	Georgia	45%	Strait Oil & Gas
PUT-5, Putumayo basin	Colombia	10%	Optima Oil Corp
VMM-7, Magdalena Valley	Colombia	10%	Optima Oil Corp
VSM-1, Magdalena Valley	Colombia	10%	Optima Oil Corp

**Notes:**

\*During the period, Range signed an amendment agreement in respect of its interest in the Guayaguayare Block in Trinidad. Subject to final government approvals, Range will take over as Operator and will hold 80% interest in the Deep PSC and 65% interest in the Shallow PSC.

**RANGE RESOURCES LIMITED  
AND CONTROLLED ENTITIES  
ABN 88 002 522 009**

**SHAREHOLDER STATISTICS**

Additional information provided pursuant to ASX listing rule 4.10 and not shown elsewhere in this report:

**(a) A distribution schedule of the number of holders in each class of equity securities as at 31 August 2015:**

<b>Ordinary Shares</b>	<b>No. of holders</b>	<b>No. of shares held</b>
1 – 1,000	1,082	382,716
1,001 – 5,000	1,179	3,426,202
5,001 – 10,000	658	5,322,506
10,001 – 100,000	1,540	57,595,333
100,001 – 9,999,999,999	619	5,700,442,431
<b>Total</b>	<b>5,078</b>	<b>5,767,169,188</b>
<b>Listed Options (\$0.05, 31 January 2016)</b>	<b>No. of holders</b>	<b>No. of options held</b>
1 – 1,000	1	876
1,001 – 5,000	–	–
5,001 – 10,000	19	190,000
10,001 – 100,000	3	175,000
100,001 – 9,999,999,999	36	80,142,465
<b>Total</b>	<b>59</b>	<b>80,508,341</b>

**(b) The number of holders holding less than a marketable parcel as at 31 August 2015 of fully paid shares was 3,943 holders and of listed options was 32 holders.**

**(c) The names of the 20 largest holders of fully paid shares, the number of fully paid shares each holds and the percentage of capital each holds as at 31 August 2015:**

***Top 20 Holders of Fully Paid Shares***

<b>Rank</b>	<b>Name</b>	<b>No. of shares held</b>	<b>% held</b>
1.	Computershare Clearing Pty Ltd	3,764,124,232	65.27
2.	Abraham Limited	712,377,560	12.35
3.	Beijing Sibo Investment Management LP	650,000,000	11.27
4.	Citicorp Nominees Pty Limited	58,807,342	1.02
5.	J P Morgan Nominees Australia Limited	40,845,412	0.71
6.	BBY Nominees Limited	34,596,161	0.60
7.	Mr David Scanlen	20,070,693	0.35
8.	Mr Pieter Hoekstra + Mrs Ruth Hoekstra	17,362,488	0.30



**RANGE RESOURCES LIMITED  
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9.	HSBC Custody Nominees (Australia) Limited	16,739,738	0.29
10.	Mr Phong Nguyen	13,000,000	0.23
11.	Mr David Chen	10,288,070	0.18
12.	All Door Services Pty Ltd	10,192,258	0.18
13.	Celtic Capital Pte Ltd	9,999,790	0.17
14.	Mr Paul Frederick Bennett	8,035,476	0.14
15.	Immobiliare` Investments Pty Ltd	8,000,000	0.14
16.	Ziziphus Pty Ltd	6,336,925	0.11
17.	Mr Mohamed Hersi	5,028,416	0.09
18.	G & D Finn Pty Ltd	5,000,870	0.09
19.	Mrs Lingling Wei	4,828,061	0.08
20.	National Nominees Limited	4,109,579	0.07
	Total	5,399,638,071	93.63

**(d) The names of the substantial holders of fully paid shares, the number of fully paid shares each holds and the percentage of capital each holds as at 31 August 2015:**

Rank	Name	No. of shares held	% held
1.	Computershare Clearing Pty Ltd	3,764,124,232	65.27
2.	Abraham Limited	712,377,560	12.35
3.	Beijing Sibio Investment Management LP	650,000,000	11.27

**(e) The names of the 20 largest holders of listed option holders, the number of listed options each holds and the percentage of capital each holds as at 31 August 2015:**

**Top 20 Holders of Listed Options (\$0.05, 31 January 2016)**

Rank	Name	No. of options held	% held
1.	ABN Amro Clearing Sydney Nominees Pty Ltd	12,874,000	15.99
2.	Mrs Kristin Eileen Franco	10,616,671	13.19
3.	Satori International Pty Ltd	8,900,000	11.05
4.	Mr Ivan Brown	7,175,457	8.91
5.	Chimaera Capital Limited	4,229,087	5.25
6.	Mr Bastian Michael Uber	4,150,000	5.15
7.	G & D Finn Pty Ltd	4,000,000	4.97
8.	HSBC Custody Nominees (Australia) Limited	4,000,000	4.97

**RANGE RESOURCES LIMITED  
AND CONTROLLED ENTITIES  
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9.	City Corp Pty Ltd	2,470,000	3.07
10.	Mrs Shelly Mary Therese Duncan	2,300,000	2.86
11.	Mr Ronan O'Murchu	1,774,600	2.20
12.	Mrs Vita Pelly	1,600,000	1.99
13.	Mr Sebastian Lamicela	1,312,247	1.63
14.	Mr Raymond Peter Cunneen	1,295,000	1.61
15.	Mr Scott Duncan	1,170,000	1.45
16.	Noble 888 Pty Ltd	1,091,306	1.36
17.	Mr Walter Graham	1,000,000	1.24
18.	Mr Mihirkumar Ranchhodbhai Patel	1,000,000	1.24
19.	Pathat Pty Ltd	1,000,000	1.24
20.	Mrs Sheryl Lee Ireson	990,000	1.23
	Total	72,948,368	90.61

**(f) The names of the substantial holders of listed option holders, the number of listed options each holds and the percentage of capital each holds as at 31 August 2015:**

Rank	Name	No. of options held	% held
1.	ABN Amro Clearing Sydney Nominees Pty Ltd	12,874,000	15.99
2.	Mrs Kristin Eileen Franco	10,616,671	13.19
3.	Satori International Pty Ltd	8,900,000	11.05
4.	Mr Ivan Brown	7,175,457	8.91
5.	Chimaera Capital Limited	4,229,087	5.25
6.	Mr Bastian Michael Uber	4,150,000	5.15

***Voting rights***

Subject to the constitution and to any rights or restrictions attaching to any class of shares, every member is entitled to vote at a general meeting of the Company. Subject to the constitution and the Corporations Act 2001, every member present in person or by proxy, representative or attorney at a general meeting has, on a show of hands, one vote, and on a poll, one vote for each fully paid share held by the member.

**RANGE RESOURCES LIMITED  
AND CONTROLLED ENTITIES  
ABN 88 002 522 009**

**CORPORATE DIRECTORY**

**Directors**

David Yu Chen  
Yan Liu  
Zhiwei Gu  
Juan Wang

*Non-Executive Chairman*  
*Executive Director and CEO*  
*Non-Executive Director*  
*Non-Executive Director*

**Auditors**

BDO Audit (WA) Pty Ltd  
38 Station Street  
Subiaco WA 6008  
Australia

**Company Secretary (Joint)**

Nick Beattie  
Sara Kelly

**Share Registry (Australia)**

Computershare Investor Services Pty Ltd

**Share Registry (United Kingdom)**

Computershare Investor Services plc

**Registered Office**

Ground Floor, BGC Centre  
28 The Esplanade  
Perth WA 6000  
Australia  
Telephone: +61 8 6205 3012  
Facsimile: +61 8 6316 2211

**Stock Exchange**

Australian Stock Exchange Limited (ASX)

Alternative Investment Market of the London  
Stock Exchange (AIM)

**ASX Code: RRS**

**AIM Code: RRL**

**Principal Place of Business**

Ground Floor, BGC Centre  
28 The Esplanade  
Perth WA 6000  
Australia  
Telephone: +61 8 6205 3012  
Facsimile: +61 8 6316 2211

**Website**

[www.rangeresources.co.uk](http://www.rangeresources.co.uk)

**Country of Incorporation**

Australia