14 March 2008

Range Resources

Year End	Revenue (A$m)	PBT* (A$m)	EPS* (A¢)	DPS (A¢)	PE (x)	Yield (%)
07/06	0.1	(2.5)	(4.3)	0.0	N/A	N/A
07/07	5.4	(1.7)	(2.0)	0.0	N/A	N/A
07/08e	0.0	(5.7)	(3.2)	0.0	N/A	N/A
07/09e	0.0	(6.4)	(3.3)	0.0	N/A	N/A

Note: *PBT and EPS are normalised, excluding goodwill amortisation and exceptional items

Investment summary: On the shoulders of super majors

Ready to drill, high impact exploration acreage with billion barrel potential is hard to come by in the junior oil and gas space. The potential value of Range Resources' portfolio of exploration assets inherited from super major oil companies sets it apart from many other AIM-listed explorers. Operations, located in an autonomous region of Somalia, come with inevitable political concerns. However, a stable government, a drilling programme planned for 2008 and attractive farm-in terms, mean that the potential upsides more than compensate for downside risks.

Material unexplored potential

A CPR report produced by independent consultant Sproule Associates Limited estimates in place undiscovered resources for Range's Nogal Valley block of 4.3bn barrels. The analysis is built on geological data which indicates that the Puntland basins could be analogous to prolific producing areas in neighbouring Yemen. Following the completion of an attractive farm-in agreement, Range's share of exploration costs will be carried by its partner.

Exploration programme built on super major analysis

Super major ConocoPhillips is estimated to have spent $150m on data gathering and exploration activity in Puntland throughout the 1980s and early 1990s. Following the start of civil unrest in the early 1990s, the major oil companies pulled out of Somalia. Range and its partner, Africa Oil, have been able to obtain and analyse more than 4,000km of seismic data shot by these companies. The company has secured a rig to drill two wells in 2008.

Political risk

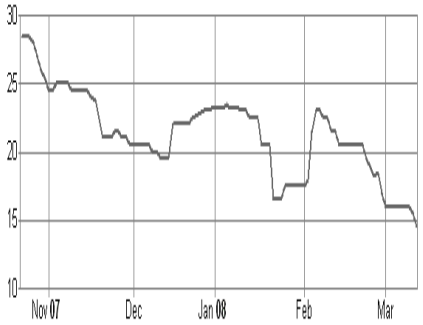
Alongside the inevitable exploration risk, activity in Somalia also comes with material political risk. Range's operations are located in the autonomous region of Puntland in the north east of Somalia, although the north is mainly free of the ethnic tensions that have destabilised the southern region of the country.

Ideal exploration play with near-term potential

Our EMV of Range's onshore assets is £96m indicating a project risk/reward balance skewed towards the upside. The company's near-term drilling programme and farm-out terms provide an attractive value proposition. The regional technical experience that Africa Oil brings, along with access to a comprehensive data set, are key to creating an opportunity for immediate and material returns.

Price	15.5p
Market Cap	£30m

Share price graph



Share details

Code	RRL
Listing	AIM
Sector	Oil & Gas
Shares in issue	194m

Price

52 week	High	Low
	28.5p	15.5p

Balance Sheet as at 31 December 2007

Debt/Equity (%)	N/A
NAV per share (A¢)	51.0
Net cash (A$m)	9.8

Business

Range Resources has a portfolio of prospective exploration licences which are located in the autonomous Puntland region of North East Somalia.

Valuation

	2007	2008e	2009e
P/E relative	N/A	N/A	N/A
P/CF	1.7	N/A	N/A
EV/Sales	N/A	N/A	N/A
ROE	N/A	N/A	N/A

Geography based on revenues

UK	Europe	US	Other
0%	0%	0%	0%

Analyst

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Range Resources is a research client of Edison Investment Research Limited

Investment summary: On the shoulders of super majors

Range Resources has a portfolio of prospective exploration licences which are located in the autonomous Puntland region of north east Somalia.

In 2006 Range acquired a 100% working interest in two blocks which contained significant sub-surface data and a number of prospects. The investment proposition was enhanced in January 2007 through a farm-out agreement with TSX-listed Africa Oil which effectively carried Range's share of exploration drilling costs in exchange for an 80% interest. The company, along with Africa Oil, has contracted a rig for April 2008 to complete a minimum two well and potential four well drilling programme which seeks to prove up potential in place resources of 4.3bn barrels.

Valuation

We provide a risked valuation of Range based on the acquisition value of its farm-in deal, cash at bank and the upside potential available in its exploration portfolio.

Range's farm-in deal is a carried 20% interest in a US$45m, six-year exploration programme. The US$45m acts as a cost floor, any increases in exploration costs will be borne by the operator, Africa Oil. We value the farm-in deal at £5.1m. Our EMV analysis of Range's Nogal Valley block provides a value of £96m. As expected with a carried interest in a potentially high impact field, the EMV indicates a project with a material bias towards the upside potential.

Sensitivities

We see a number of sensitivities that could impact the potential value we see in Range Resources' asset portfolio:

- **Exploration risk:** Range Resources' portfolio of assets targets high impact exploration prospects which, by definition, come with high levels of exploration risk. Importantly this risk is balanced by significant upside potential in the event of success.
- **Political risk:** Since the overthrow of former president Siad Barre in 1990, many parts of Somalia have lacked a sustained period of stable federal government. The potential for political risk is, however, material and varied, a key risk being the potential for both the federal and regional governments to award the same exploration rights to different companies.
- **Focus on single assets**: While Range Resources has an attractive set of assets, it does not benefit from the risk mitigating advantages that come with a diversified portfolio.
- **Hydrocarbon prices:** At the time of writing oil prices are close to historic highs and this is material in skewing the risk/reward balance in favour of high impact assets such as those in Puntland. A reduction in the oil price will inevitably reduce the value associated with a success case and consequently the risk/reward balance.

Financials

Consistent with most AIM-listed explorers, Range recorded a loss of A$1.7m for the 12-month period to June 2007. The strength of its portfolio, however, meant that the company was able to offset a significant proportion of its costs through receipt of a A$5m sign on bonus from Africa Oil.

Company description

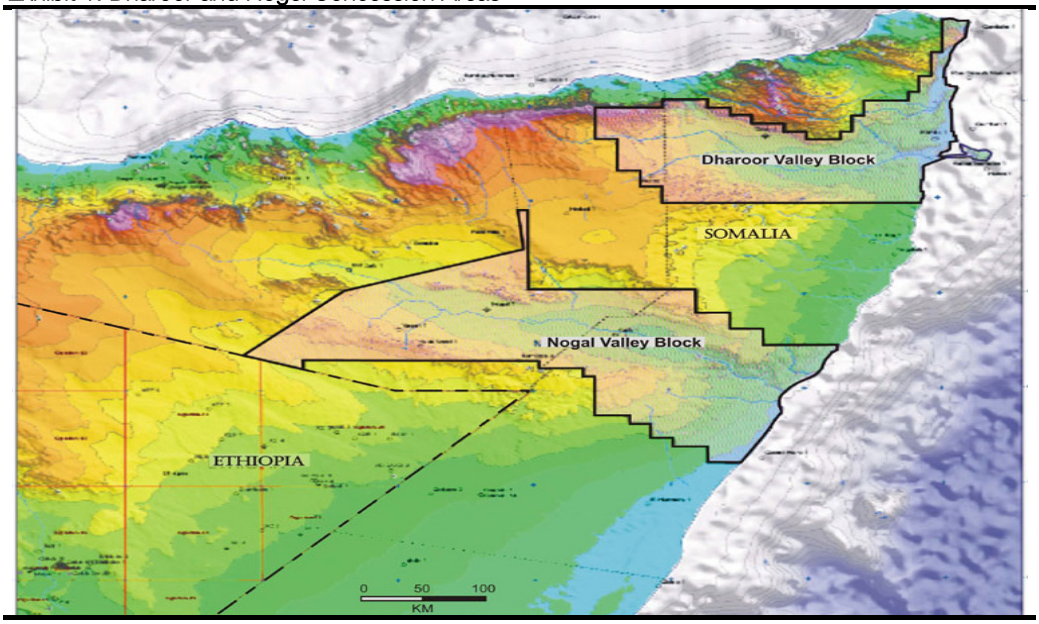
In 2006 Range Resources acquired exclusive hydrocarbon and mineral exploration rights for the autonomous Puntland region of northern Somalia. Along with the rights to explore, the company also inherited a material and valuable set of sub-surface data previously assembled by a number of super major oil companies prior to the Somalian civil war in the early 1990s. Following on from this, the company has enhanced capital efficiency through a farm-in deal with Canadian operator Africa Oil. As a result, the company is fully funded for its exploration programme in 2008 which seeks to prove up the value associated with 4.3bn barrels of potential in place reserves.

Strategy

We suggest that the current oil price has shifted the risk/reward balance in favour of high impact exploration. Our October 2007 report, Golden Barrels, identified a number of key criteria for investors seeking to differentiate between exploration companies in what has become a saturated junior oil and gas sector:

Exploration geared upside: Range has a 20% interest in a Puntland concession which covers 20 million acres of largely undrilled exploration acreage. Sub-surface data and analysis indicates that the geological characteristics of these blocks could be analogous to those found in prolific hydrocarbon areas in neighbouring Yemen. If successful, these assets would undoubtedly transform the company.

Exhibit 1: Dharoor and Nogel Concession Areas



Source: Range Resources

Sub-surface competence: As part of its Production Sharing Contract, Range Resources has acquired from the Puntland government a comprehensive set of sub-surface data collated largely by super major ConocoPhillips in the late 1980s and early 1990s. The data, which include 4,000km of 2D seismic, have been reprocessed and analysed by operator, Africa Oil.

The company should benefit from the regional technical experience of Africa Oil's management team. Managing Director Rick Schmitt has spent a significant part of his career managing and developing projects in the prolific oil basins of Yemen.

Capital efficiency: High impact exploration comes with inevitable risk, the ability to share that risk with partners through farm-outs reduces capital exposure allowing companies to drill more wells, giving investors a greater chance of achieving a successful outcome. In March 2007 Range Resources concluded a farm-out deal with Africa Oil Corp. In exchange for an 80% interest in Range's Puntland hydrocarbon portfolio, Africa Oil agreed to pay to Range a cash consideration of US$5m and fully carry Range's costs (up to a ceiling of US$45m) through the exploration phase. Range still maintains a material and valuable 20% interest in what could be a significant discovery.

Risk/reward balance: Range's farm-out deal has removed the capital costs associated with drilling wells, increasing the likelihood that the company will drill multiple wells and the probability that the company will achieve a successful outcome. By removing a capital contribution to high impact wells, Range has retained significant upside potential while removing much of the downside risk.

Near term drilling: Drilling activity is the key factor that will determine the success or otherwise of junior oil and gas exploration companies. Range, along with its joint venture partner Africa Oil, has contracted a rig to drill two back-to-back prospects (potentially up to four) in April 2008, giving investors immediate access to potential value changing news flow.

Material unexplored potential

Range Resources, along with partner Africa Oil, has exclusive hydrocarbon exploration rights in Puntland. The area's proximity to other prolific areas and the lack of exploration activity has led it to be described as potentially Africa's last unexplored prolific oil basin.

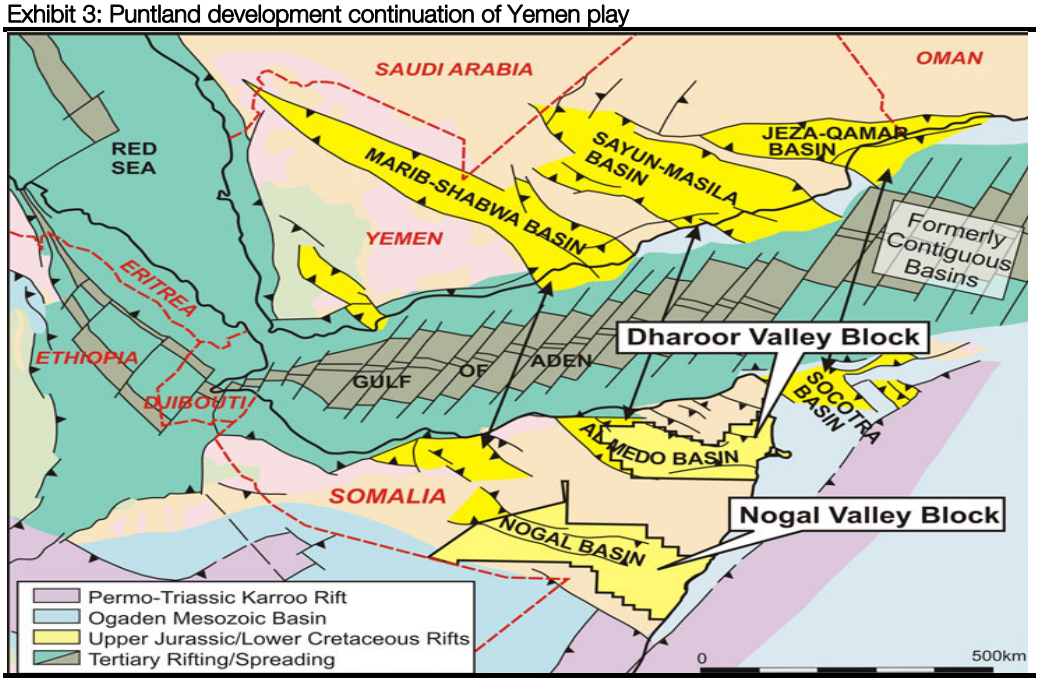
Exhibit 2: Somalia exploration timeline

Date	Event
2007	Canmex in joint venture with Range Resources in Puntland.
2005	Range Resources obtained farm-in deal with Puntland State. The agreement covers hydrocarbons and mineral exploration in Puntland.
2001	Transitional National Government awards exploration concession to Total-Fina-Elf.
1991/2	World Bank, along with Robertson Research geochemistry department (UK), carries out geochemical studies on cores and samples extracted from 27 exploration wells drilled in Somalia. The data analysed and accumulated in the database consist of source rock occurrence, type and maturity, along with oils typing and correlation, and oil to source rock correlation.
1980s	Twelve international oil companies, including Conoco, Amoco, Arco, Chevron, Shell (Pecten), Phillips and AGIP, ENI, sought and obtained exploration rights in Somalia.
1972	The geological survey team of the People's Republic of China produces a report on petroleum and coal survey of the Somali Democratic Republic; Beijing.
1957	Italian super major AGIP begins initial analysis of exploration potential in Somalia.
1954	The Somaliland Oil Exploration Company Ltd is formed.

Source: PetroSomalia 2007

The two blocks under licence to Range are located within the Nogal and Dharoor Valley basins in what is assumed to be part of a failed rift valley system, potentially analogous to the prolific hydrocarbon structures located in neighbouring Yemen. As both systems were joined as one 18 million years ago the assumption is based on strong fundamentals. Yemen currently produces more than 350,000 bbl/day of oil and has significant reserves of gas. Almost all of the country's production is produced from the Marib-Shabwa and Sir-Sayun Basins, which also contain the vast majority of Yemen's remaining reserves. The proximity of both basins to Puntland's Nogal Valley and Dharoor Valley basins is shown in Exhibit 3.

Exhibit 3: Puntland development continuation of Yemen play



Source: Range Resources

In August 2007 Range Resources commissioned consultants, Sproule Associates Limited, to complete a Competent Persons Report on the company's Puntland assets, the reserve estimates are detailed in Exhibit 4 below.

Exhibit 4: Nogal Valley Block – Undiscovered in place oil resources

	Low (billion bbls)	Best (billion bbls)	High (billion bbls)
Gross Undiscovered Oil in place	2.2	4.3	10.4
Net Undiscovered to Range Oil in place	0.46	0.86	2.1

Source: Range Resources, Sproule and Associates and Edison Investment Research

The analysis is based solely on the potential which exists in the Nogal Valley basin and assumes three main reservoir targets:

- Jessoma (Cretaceous), sandstone reservoir targeting oil.
- Gumbaro (Cretaceous), sandstone/carbonate reservoir targeting oil.
- Gabredarre (Jurassic) sandstone reservoir targeting oil.

There were insufficient data available to complete a comparable analysis of the Dharoor Valley, but estimates suggest potential for a similar resource size to that identified at Nogal.

The minimum work programme (which includes geological fieldwork, sub-surface data acquisition, reprocessing of previously shot 2D seismic, review of all sub-surface data and a minimum four well drilling programme) is made up of two exploration periods:

- First exploration period: 36 months, $5m minimum capital expenditure (25% of the block relinquished at the end of the period).
- Second exploration period: 36 months, with the potential for a further six-month extension expenditure (a further 25% of the block relinquished at the end of the period).

Exploration programme built on super major analysis

The sub-surface and technical analysis undertaken by Range, its partner Africa Oil and Sproule is built partly around a large data set including more than 4,500km of 2D seismic compiled in the late

1980s and 1990s by super major, ConocoPhillips. The data was provided to Range as part of the terms of the agreement signed with the Puntland government.

The data also included well logs from the two wells drilled by ConocoPhillips (Nogal-1 and Kalis-1, both recording oil shows) and information regarding previously identified prospects, mapped by the former licence holders prior to the outbreak of civil unrest and their subsequent withdrawal in the early 1990s.

The seismic data have subsequently been reprocessed by the current operator Africa Oil. Access to such a comprehensive data set is rarely available to AIM-listed companies venturing into frontier areas such as Puntland and provides a strong sub-surface foundation essential in the process of de-risking exploration prospects.

Farm-out deal reduces capital exposure and brings in regional expertise

In January 2007, Range Resources completed a farm-out agreement with Canadian exploration company Africa Oil. In exchange for an 80% interest in Range's onshore concessions, Africa Oil agreed to carry Range's costs through the exploration phase of the project. The key aspects of the deal and agreed work programme are detailed below:

- The deal covers onshore concessions. Africa Oil will be the operator with an obligation to spend US$45m to earn an 80% interest in the two main basin areas in Puntland (the Nogal and Darin Basins). The US$45m includes a minimum of four exploration wells to be completed (two in each basin) and sign on bonus of US$5m which was paid on completion. There is a further US$3.5m payment upon commercial production. Range is free-carried through the exploration phase.
- Of Africa Oil's 80% farm-in right, 20% (in one or both basins) is available to farm-out to third parties on terms to be agreed between Range and Africa Oil. Any sign on bonuses with third parties will be split 60% Range, 40% Africa Oil.

The farm-in deal helps to increase capital efficiency and increases the number of wells that investors will have access to via their current shareholding in Range.

As important, however, to the long term prospects of the project is the choice of partner, specifically the regional operations and technical experience that the Africa Oil team brings to the joint venture. Africa Oil Managing Director, Rick Schmitt, has spent a significant part of his career managing and developing projects in the prolific oil basins of Yemen, which are assumed to be geologically analogous to the basins found in Puntland. He has a technical background holding a BSc Hon in Geological Sciences and has held senior management positions in Yemen with Occidental Petroleum, Canadian Occidental and Clyde Petroleum. Africa Oil's major shareholder is Lundin Petroleum, which has a history of success in African exploration.

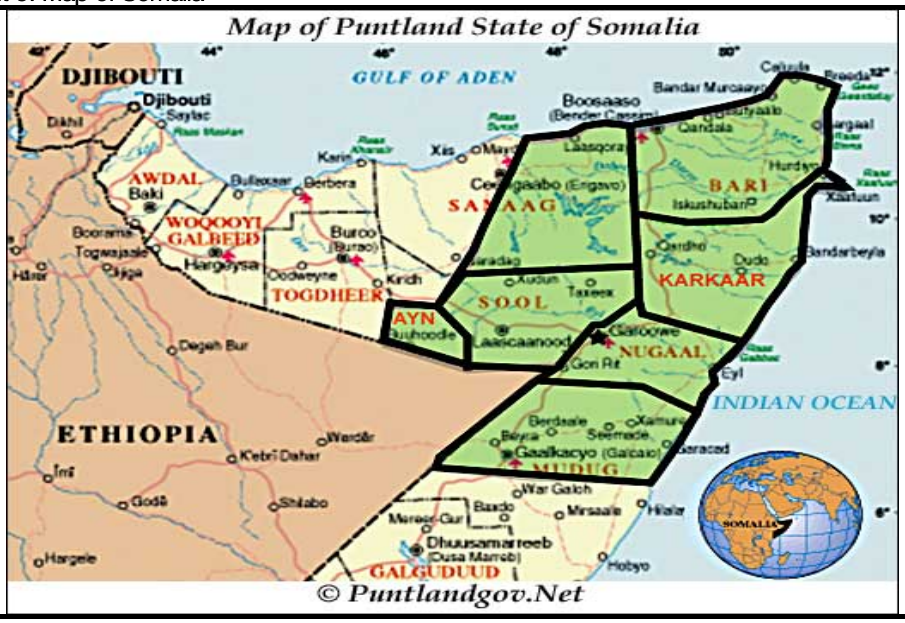
Somalia and Puntland background and political risk

Somalia is located in an area commonly referred to as the horn of Africa, it is bordered by Djibouti to the north west, Kenya to the south east and Ethiopia to the west, its coastline stretches from the Indian Ocean to the Gulf of Aden.

Both the country's recent and distant past have been characterised by rivalry and conflict between ethnic groups, known as clans.

Britain withdrew from what was known as British Somaliland in 1960 to allow its protectorate to join with Italian Somaliland and form the new nation of Somalia. In 1969, a coup headed by Mohamed Siad Barre ushered in an authoritarian socialist rule that managed to suppress clan divisions and impose a degree of stability. In 1991 Barre was overthrown in a coup led by southern warlords, and following a disputed referendum a large proportion of northern Somalia subsequently declared independence under the name Somaliland. In 1998, following continued factional conflicts in the south of the country and a lack of any credible federal government, the north eastern region of Puntland declared itself autonomous. In 2004, subsequent to the adoption of a Transitional Federal Charter, former Puntland president Abdullahi Yusuf Ahmed was elected president and head of an internationally-recognised Transitional Federal Government (TFG). His tenure has been characterised by constant conflict and attempts by warlords and factions to undermine the authority of the TFG.

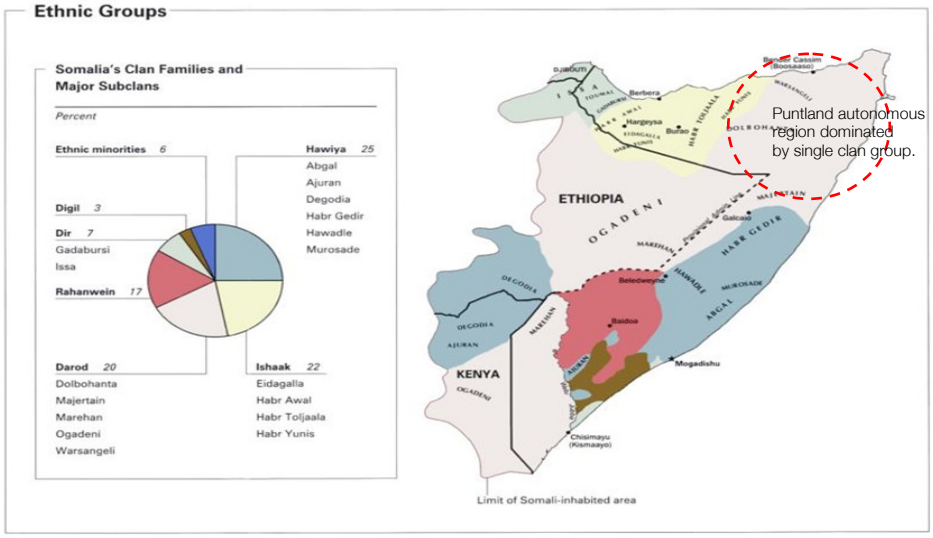
Exhibit 5: Map of Somalia



Source: Government of Puntland

Unlike Somaliland, Puntland does not seek independence from the federal Somali government; instead it is seeking autonomous regional status. What the two regions do have in common is a social and political structure built along homogenous tribal lines. Many political and social commentators have suggested that the comparable lack of development in southern Somalia can be attributed to the variety of clans competing for supremacy.

Exhibit 6: Somali tribal distributions



Source: Somali Transitional Federal Government, Edison Investment Research

Puntland, unlike the southern section of Somalia, has for the past decade seen a period of relative stability. In December however, following a series of high profile disagreements with cabinet members, the president dismissed his government. The ramifications of such a move are not clear. Somalia's recent history suggests that there exists the potential for violent clashes and civil unrest, although at the time of writing this has not been the case.

Mining rights and offshore hydrocarbon exploration

Alongside the company's interest in onshore exploration, Range Resources also holds the exclusive rights to offshore hydrocarbon and onshore mineral exploration in Puntland. While the company's current focus is on onshore exploration, recent super major interest in Yemen's offshore exploration bidding round bodes well for a potential exploration off Somalia's Gulf of Aden Coast. Range is in the process of contracting a service provider to complete a 3D seismic program over their offshore blocks in Q2 of 2008.

Range also continues to progress mineral exploration in Puntland. Mineralisation occurs in the northern area of Puntland which is a rugged arid landscape and access to the area has been logistically difficult and road access limited. However a number of potential projects (including gold, silver, iron ore, manganese and uranium) have been identified and the company hopes to progress these in 2008.

In April 2005, Range entered into a Heads of Agreement to acquire an interest in the Corachapi uranium deposit located in Peru. The Corachapi uranium prospect is located about 150km east-south-east of the city of Cusco in the Puno region of south eastern Peru. The prospect is situated on the top of a flat lying mesa at an altitude of 4,700m within a major sub-aerial volcanic caldera of tertiary vintage.

Management: Background in African resource operations

Alongside partnering with a technically competent operator with strong regional sub-surface experience, Range Resources has also built a management team with experience of African operations and a commercial and a track record of delivering value.

Exhibit 7: Management team

Sir Sam Jonah Non-Executive Chairman	Sir Sam Jonah is Non-Executive Chairman of Range Resources Limited, and Non-Executive President of AngloGold Ashanti Limited, a NYSE-listed company which is one of the world's largest gold companies and the largest African-based gold producer. He was appointed to the position of Chief Executive Officer of Ashanti Goldfields Company Limited in 1986 and oversaw its growth and listing as the first operating sub-Saharan African company on the NYSE. He became President of AngloGold Ashanti in May 2004, when AngloGold Limited acquired Ashanti.
Michael Povey Chief Executive	Mr Povey is a mining engineer with 28 years' experience in the mining and explosives industry. Previous experience has been gained in Southern Africa, North America and Australia and has included senior management positions with Rio Tinto Ltd, ICI Explosives and the Anglo American Group of Companies. In addition, Mr Povey has a strong commercial and technical background in the explosives industry gained as a Senior Technical Engineer with the North American explosives company MSI International based in Salt Lake City and was the manager of the former ICI Explosives Group's commercial and production operations in North West Australia.
Peter Landau Executive Director	Mr Landau is a corporate lawyer and corporate adviser having previously worked with Grange Consulting Group, Clayton Utz and as general counsel at Co-operative Bulk Handling. He is responsible for providing general corporate, capital raising, transaction and strategic advice to numerous ASX listed and unlisted companies. Mr Landau has project managed a significant number of mining exploration and development transactions including capital raisings, M&A, joint ventures and financings. Mr Landau is a Director of a number of ASX listed companies with particular focus on mining, oil and gas exploration and development in Australia and Africa. Companies include NKWE Platinum Limited, Cape Lambert Iron Ore Limited and Continental capital.
Liban Bogor Executive Director	Mr Bogor is an economist with postgraduate qualifications in IT management with international experience in project management. He has previously held various executive positions in IT and financial services with CIBC Bank, Scotia Bank and Qwest Communications. He is currently Senior Economic Advisor to the President of Puntland and was instrumental in finalising the deal between Consort Pvt Ltd and subsequently Range Resources and the State of Puntland.
Marcus Edwards-Jones Non-Executive Director	Mr Edwards-Jones is currently Managing Director (and Co-Founder) of Lloyd Edwards-Jones S.A.S, a finance boutique specialising in selling European equities to institutional clients and introducing resources companies to an extensive institutional client base in the UK, Europe and Asia/Middle East. Mr Edwards-Jones has previously held senior positions with Bank Julius Baer Paris (European equities), and UK/Continental European equity sales at Credit Lyonnais Securities. In addition, he has significant experience in worldwide institutional capital raisings for large resource projects in Africa which will be of immense assistance to Range as it seeks to complete a major equity raising for the 100% acquisition of the Puntland rights and to undertake major exploration for both minerals and hydrocarbons in Puntland.

Source: Range Resources and Edison Investment Research

Sensitivities

We see three key sensitivities that could impact the potential value we see in Range Resources' asset portfolio:

Exploration risk

Exploration risk is a major factor in what is a relatively unexplored region. Hydrocarbon seeps and well data provide cause for optimism, however the CPR report by Sproule suggests that key risk relates to the trap presence and effectiveness. The size of the structures and subsequent prospects used in our EMV calculation require that we apply a conservative chance of success and as a result we assume 15%.

Political risk

Southern Somalia has for the past 15 years been characterised by ethnic-based conflict and a lack of a credible federal government. Until fairly recently the northern regions of Puntland and Somaliland had seen a fairly stable 10 year period. Recent skirmishes between Puntland and Somaliland over boundary rights do provide cause for concern. However, it is important to note that there are credible examples of autonomous regions facilitating the exploration and

development of (specifically) oil projects in the absence of federal government support. Super major TOTAL's activities in Congo Brazzaville without formal approval is a good example. A more recent example is exploration and production activity currently being undertaken in the Iraqi autonomous state of Kurdistan. Both projects are onshore and oil, which is consistent with activities in Puntland.

That said, the potential for political risk in Puntland is material and varied. These include the potential for civil unrest, the consequent ability to deliver projects on time and to budget as well as the potential for challenges to Range's ownership of licences – all of which could potentially erode significant amounts of shareholder value.

Single asset exposure

Although Range has an attractive set of assets, it does not benefit from the risk mitigating advantages that come with a diversified portfolio. The flip side is that shareholders will realise immediate and undiluted exposure to the outcome of Puntland exploration operations. The company is also seeking in the medium term to exploit its exclusive offshore hydrocarbon and onshore mineral rights.

Hydrocarbon prices

At the time of writing oil prices are close to historical highs and this is material in skewing the risk reward balance in favour of high impact assets such as those in Puntland. A reduction in the oil price will inevitably reduce the value associated with a success case and consequently the risk reward balance.

Valuation

Our valuation of Range Resources' assets is based on two key elements:

1) **Farm-in deal £5.2m:** We value the farm-in deal with Africa Oil at £5.2m based on a 20% carry of a US$45m exploration programme.
2) **EMV value £96m:** EMV analysis is a comparative measure and is used to assess a project's risk/reward balance. The key components of an EMV calculation are:
    - The dry hole cost (the capital cost of failure).
    - The chance of achieving a successful outcome (COS).
    - The value in discounted cash flow terms associated with a successful outcome.

In the case of Range Resources we have used a net recovered reserve value of 240mmboe, which represents a 20% share of gross recoverable reserves from a discovery of 1.1bn barrels. While the global success rate for wells drilled is one-in-five, we have applied a COS of 15% to exploration activity in Puntland, which reflects the lack of definitive well data. Our success case value is post tax, discounted and inflated to January 2008, based on a $70/bbl oil price assumption and a discount rate of 10% pa.

The high EMV value attributable to Range's assets reflects the skew towards the upside potential inherent in any high impact exploration portfolio, where the downside costs are fully covered by another party. We suggest that exposure to such value propositions is the most efficient way for investors to manage the risk associated with exploration while providing the added benefit in

current market conditions of removing the need for capital fund-raising. The opportunity to access upside with limited downside is, however, rare and therefore in the case of Range, warrants a premium in valuation.

Financials

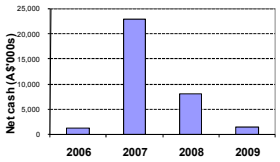
Consistent with most AIM-listed explorers, Range recorded a loss A$1.7m for the 12-month period to June 2007. The strength of its portfolio, however, meant that the company was able to offset a significant proportion of its costs through receipt of a US$5m sign on bonus from Africa Oil.

The company also has a strong cash position with a current balance of A$10m (December 2007), we expect the cash balance to continue to decline as a result of ongoing operations in 2008, actual cash burn (following non cash deductions) in 2007 was A$4.4m. The terms of the farm-in deal with Africa Oil and the company's strong cash position should ensure that exploration activities in Puntland are fully funded. We forecast a loss of A$5.7m for the year ending June 2008.

Exhibit 8: Financials

A$'000s Year end 31 July	2006 IFRS	2007 IFRS	2008e IFRS	2009e IFRS
PROFIT & LOSS				
Revenue	**140**	**5,393**	**0**	**0**
Cost of Sales	0	0	0	0
Gross Profit	140	5,393	0	0
EBITDA	**(1,732)**	**(693)**	**(5,970)**	**(6,470)**
Operating Profit (before GW and except.)	**(1,748)**	**(730)**	**(6,000)**	**(6,500)**
Intangible Amortisation	(8,391)	0	0	0
Share-based payments	0	(63)	(4,714)	0
Exceptionals	0	0	(1,426)	0
Operating Profit	**(10,139)**	**(793)**	**(12,140)**	**(6,500)**
Net Interest	(730)	(1,004)	300	100
Profit Before Tax (norm)	**(2,477)**	**(1,734)**	**(5,700)**	**(6,400)**
Profit Before Tax (FRS 3)	**(10,868)**	**(1,797)**	**(11,840)**	**(6,400)**
Tax	0	0	0	0
Profit After Tax (norm)	**(2,477)**	**(1,734)**	**(5,700)**	**(6,400)**
Profit After Tax (FRS 3)	**(10,868)**	**(1,797)**	**(11,840)**	**(6,400)**
Average Number of Shares Outstanding (m)	57.7	88.6	180.5	194.3
EPS - normalised (c)	(4.3)	(2.0)	(3.2)	(3.3)
EPS - FRS 3 (c)	(18.8)	(2.0)	(6.6)	(3.3)
Dividend per share (c)	0.0	0.0	0.0	0.0
BALANCE SHEET				
Fixed Assets	**20,281**	**87,495**	**101,049**	**121,023**
Intangible Assets	19,994	84,026	100,923	120,923
Tangible Assets	74	106	126	100
Investments	213	3,364	0	0
Current Assets	**1,311**	**23,564**	**9,060**	**2,060**
Stocks	0	0	0	0
Debtors	31	607	1,000	500
Cash	1,211	22,897	8,000	1,500
Current Liabilities	**406**	**53,220**	**200**	**200**
Creditors	406	53,220	200	200
Short term borrowings	0	0	0	0
Long Term Liabilities	**0**	**0**	**0**	**0**
Long term borrowings	0	0	0	0
Other long term liabilities	0	0	0	0
Net Assets	**21,998**	**164,280**	**110,309**	**123,283**
CASH FLOW				
Operating Cash Flow	**(5,192)**	**(8,172)**	**(5,970)**	**(6,470)**
Net Interest	85	216	300	100
Tax	0	0	0	0
Capex	0	(70)	(50)	(50)
Acquisitions/disposals	(5,232)	(1,352)	(18,500)	0
Financing	10,435	32,064	9,323	(80)
Dividends	0	0	0	0
Net Cash Flow	97	22,686	(14,897)	(6,500)
Opening net debt/(cash)	**(1,114)**	**(1,211)**	**(22,897)**	**(8,000)**
HP finance leases initiated	0	0	0	0
Other	0	0	0	0
Closing net debt/(cash)	**(1,211)**	**(23,897)**	**(8,000)**	**(1,500)**

Source: Company accounts/Edison Investment Research

Growth	Profitability	Balance sheet strength	Sensitivities evaluation	
N/A	N/A		Litigation/regulatory	●
			Pensions	○
			Currency	◖
			Stock overhang	○
			Interest rates	○
			Oil/commodity prices	●

Growth metrics	%	Profitability metrics	%	Balance sheet metrics		Company details	
EPS CAGR 05-09e	N/A	ROCE 08e	N/A	Gearing 08e	N/A	Address:	
EPS CAGR 07-09e	N/A	Avg ROCE 05-09e	N/A	Interest cover 08e	N/A	34 Parliament Place West Perth WA 6005 PO Box 684 West Perth WA 6872	
EBITDA CAGR 05-09e	N/A	ROE 08e	N/A	CA/CL 08e	N/A		
EBITDA CAGR 07-09e	N/A	Gross margin 08e	N/A	Stock turn 08e	N/A	Phone	+61 8 9488 5200
Sales CAGR 05-09e	N/A	Operating margin 08e	N/A	Debtor days 08e	N/A	Fax	+61 8 9321 6699
Sales CAGR 07-09e	N/A	Gr mgn / Op mgn 08e	N/A	Creditor days 08e	N/A	www.rangeresources.com.au	

Principal shareholders	%
Consort Private Limited	16.9
UBS Nominees Pty Ltd and its related Bodies Corporate	12.8
Toscafund Asset Management LLP	6.94
Firebird Global Master Fund Ltd	6.50
Tudor Capital	5.55
Erine International Limited	4.67

Forthcoming announcements/catalysts	Date *
Preliminary results	October 2008
*Note: * = estimated*	

Management team

CEO: Michael Povey

Mr Povey is a mining engineer with 28 years' experience in the mining and explosives industry. Previous experience has been gained in Southern Africa, North America and Australia and has included senior management positions with Rio Tinto Ltd, ICI Explosives and the Anglo American Group of Companies.

Executive Director: Peter Landau

Mr Landau is a corporate lawyer and corporate adviser having previously worked with Grange Consulting Group, Clayton Utz and as general counsel at Co-operative Bulk Handling. He is responsible for providing general corporate, capital raising, transaction and strategic advice to numerous ASX-listed and unlisted companies.

Non-Executive Chairman: Sir Sam Jonah

Sir Sam Jonah is Non-Executive Chairman of Range Resources Limited, and Non-Executive President of AngloGold Ashanti Limited, a NYSE-listed company which is one of the world's largest gold companies and the largest African-based gold producer.

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