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Companies Announcement Office
Australian Stock Exchange Limited
20 Bond Street
SYDNEY NSW 2000

By E-Lodgement

KOREA NATIONAL OIL CORPORATION LETTER OF INTENT

As referred to in the ASX Announcement dated 20 April 2006, the Company is pleased to announce that it has entered into a letter of intent with the Korea National Oil Corporation ("**KNOC**") in respect of a 75% farm in to a concession area in the Noogal Area comprising a portion of the former Blocks 28 and 29 following key meetings held in the middle east last week. Key terms of the letter of intent include:

- US\$10m sign on fee;
- Minimum exploration of US\$25m over 2 years to earn 75% of the area; and
- 45 day formal due diligence period with the letter of intent and subsequent formal agreement to become legally binding upon a decision to proceed.

In the event of KNOC proceeding Range would hold the residual 25% (contributing interest following minimum spend) interest with the acquisition of the 12.5% interest from the Company's joint venture partner Consort Private Limited for an agreed formula based on the farm in terms.

The Board believes that the letter of intent is a significant step as the Company moves towards attracting a number of key international partners in assisting it with the exploration and development of Puntland's mineral and hydrocarbon assets.

Range looks forward to updating shareholders on key activities in Puntland.

Yours sincerely

A handwritten signature in black ink, appearing to read "Mike Povey", is written over a horizontal dotted line.

MIKE POVEY
Executive Chairman

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