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30 January 2009

QUARTERLY REPORT FOR PERIOD ENDING 31 DECEMBER 2008

The Board is pleased to provide the following commentary to be read in conjunction with the Appendix 5B which is attached.

During the quarter a new management team and offshore opportunities were announced, the Company held its Annual General Meeting and recently (5 January 2009) the Company's rights issue prospectus was lodged and despatched to share and option holders and on 13 January 2009 the Company released an update regarding the elections in Puntland.

EXPLORATION UPDATE - Dharoor

The Company's joint venture partner, Africa Oil, completed its 2D seismic programme in Puntland's Dharoor Valley. A total of 782 km of good quality vibroseis data, comprising a grid of 15 lines were recorded.

Africa Oil is currently processing the new survey and combining the results with 555 km of older seismic data previously acquired. Mapping of this combined survey is scheduled to commence in early 2009 and drilling locations will be selected before the end of the first quarter 2009. A more definite timetable for rig mobilisation and drilling will be announced as drilling locations are finalised by the end of the first quarter 2009.

Range notes that the current world financial crisis combined with recent low oil prices has meant that rig availability has increased significantly while budgeted drilling costs have decreased significantly, thereby providing Africa Oil greater flexibility in finalising its programme.

The Company has commenced contributions to the expenditure programme on the Dharoor Valley (subject to finalization of cost allocation under the joint operating agreement with Africa Oil). It should be noted that Africa Oil's expenditure to date includes a rig mobilization fee and purchase and delivery of inventory (mainly well heads and casing) sufficient for 4 wells.

Offshore Programme

Work is underway to compile and review previously collected seismic data in order to design a new 2D seismic acquisition programme for Puntland's offshore oil and gas areas. Discussions regarding possible joint ventures with third parties are expected to be finalised first quarter 2009. The key point to note is that, in line with the world economic situation referred to above, the proposed costs of any proposed offshore programme have reduced significantly and, to this end, the Company is looking at alternative operators in addition to renegotiating the current offer from the Chinese geophysical group. The Company (with the input of its new management team) believes that one or more joint ventures with industry partners in offshore Puntland would allow the Company to explore while reducing exposure to exploratory risk and significant capital expenditures.

The new management team are promoting Range at the NAPE expo in Houston, Texas for the first time in February 2009. The Board remains confident that the oil and gas potential of offshore Puntland matches that of other successfully developed international offshore oil and gas areas

Political Situation

As recently announced (13 January 2009) following a democratic regional election held in Puntland, Somalia where the Company holds oil and gas assets, Dr. Abdirahman Mohamed "Farole," was appointed the fourth President of Puntland. Dr. Farole, 63, won in the third round of voting by the 66-seat Puntland Parliament, which essentially functions as the region's Electoral College.

The Company congratulates the new President on his election and looks forward to continuing with the successful development of Puntland's hydrocarbon and mineral assets.

Range believes the open and peaceful nature of the election of President Dr Farole highlights the strong wish of the Puntland people for security and democracy to be maintained and enhanced in the region.

During the official crowning ceremony in Garowe, new President Dr Farole gave special thanks to the outgoing President Hersi for the smooth transition of power and declared that former President Hersi will become the Government's special advisor on development issues. The appointment of former President Hersi will greatly assist Range as it seeks to establish a good working relationship with the new Government in dealing with offshore development and key areas of mineral interest.

Non-Renounceable Rights Issue

On 5 January 2009, the Company announced the details of a non-renounceable entitlement issue ("Rights Issue") to the Company's shareholders ("Shareholders") on the basis of 1 unlisted option ("New Option") for every 2 fully paid ordinary shares in the capital of the Company ("Shares"), together with 1 free attaching listed option ("Attaching Option") for every 4 New Options subscribed for, to raise approximately \$1,569,787 before expenses. Each listed Attaching Option shall have an exercise price of 5 cents (\$0.05) and is exercisable at any time on or before 31 December 2011.

The subscription price for each New Option shall be 1.5 cents (\$0.015) and each New Option shall have an exercise price of 1.5 cents (\$0.015) and is exercisable at any time on or before 31 May 2009. For every 4 New Options which a subscriber exercises following subscription, the subscriber shall receive (in addition to the ordinary fully paid share) 3 further Attaching Options.

The Offer closes at 5.00pm (WDST) on 6 February 2009 and closing details of the Rights Issue will be announced on or about 9 February 2009.

Mineral Exploration

During the quarter the Company significantly scaled down its expenditures regarding the Western Australian tenements as it formally moves to sell or farm out its interests. Moving forward the exercise will save the Company approximately \$300,000 per quarter.

By order of the Board



Peter Landau
Executive Director

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Appendix 5B

Mining exploration entity quarterly report

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

Name of entity

RANGE RESOURCES LIMITED

ABN

88 002 522 009

Quarter ended ("current quarter")

31 December 2008

Consolidated statement of cash flows

| | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| Cash flows related to operating activities | | |
| 1.1 Receipts from product sales and related debtors | | |
| 1.2 Payments for | | |
| (a) exploration and evaluation | (1,215) | (1,751) |
| (b) development | - | - |
| (c) production | - | - |
| (d) administration | (669) | (1,455) |
| 1.3 Dividends received | - | - |
| 1.4 Interest and other items of a similar nature received | 14 | 53 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Other | - | - |
| Net Operating Cash Flows | (1,870) | (3,153) |
| Cash flows related to investing activities | | |
| 1.8 Payment for purchases of: | | |
| (a) prospects | - | - |
| (b) equity investments | - | - |
| (c) other fixed assets | (78) | (227) |
| 1.9 Proceeds from sale of: | | |
| (a) prospects | - | - |
| (b) equity investments | - | - |
| (c) other fixed assets | - | - |
| 1.10 Loans to other entities | - | - |
| 1.11 Loans repaid by other entities | - | - |
| 1.12 Other | - | - |
| Net investing cash flows | (78) | (227) |
| 1.13 Total operating and investing cash flows (carried forward) | (1,948) | (3,380) |

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

| | | | |
|------|--|---------|---------|
| 1.13 | Total operating and investing cash flows (brought forward) | (1,948) | (3,380) |
| | Cash flows related to financing activities | | |
| 1.14 | Proceeds from issues of shares, options, etc. | - | - |
| 1.15 | Proceeds from sale of forfeited shares | - | - |
| 1.16 | Proceeds from borrowings | - | - |
| 1.17 | Repayment of borrowings | - | - |
| 1.18 | Dividends paid | - | - |
| 1.19 | Costs associated with issue of shares (refer to note) | (4) | (4) |
| | Net financing cash flows | (4) | (4) |
| | Net increase (decrease) in cash held | (1,952) | (3,384) |
| 1.20 | Cash at beginning of quarter/year to date | 2,710 | 4,138 |
| 1.21 | Exchange rate adjustments to item 1.20 | (5) | (1) |
| 1.22 | Cash at end of quarter | 753 | 753 |

Payments to directors of the entity and associates of the directors

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

| | | Current quarter \$A'000 |
|------|--|----------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 and 1.7 | 182 |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10 | Nil |

1.25 Explanation necessary for an understanding of the transactions

| |
|---|
| Payments of Directors Fees and Financial/Company Secretarial/Office Support Services \$182k |
|---|

Non-cash financing and investing activities

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

| |
|-----|
| N/A |
|-----|

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

| |
|-----|
| N/A |
|-----|

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

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

Estimated cash outflows for next quarter

| | \$A'000 |
|--------------------------------|------------|
| 4.1 Exploration and evaluation | 500 |
| 4.2 Development | - |
| Total | 500 |

Reconciliation of cash

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

| | Current quarter \$A'000 | Previous quarter \$A'000 |
|--|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank | 753 | 2,710 |
| 5.2 Deposits at call | - | - |
| 5.3 Bank overdraft | - | - |
| 5.4 Other – Term Deposit | - | - |
| Total: cash at end of quarter (item 1.22) | 753 | 2,710 |

Changes in interests in mining tenements

| | Tenement reference | Nature of interest (note (2)) | Interest at beginning of quarter | Interest at end of quarter |
|---|--------------------|----------------------------------|----------------------------------|----------------------------|
| 6.1 Interests in mining tenements relinquished, reduced or lapsed | E70/2500 | Indirect | 60% | Nil |
| 6.2 Interests in mining tenements acquired or increased | Nil | | | |

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

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

| | Total number | Number quoted | Issue price per security (see note 3) (cents) | Amount paid up per security (see note 3) (cents) |
|--|-----------------------|-----------------------|---|--|
| 7.1 Preference securities <i>(description)</i> | Nil | | | |
| 7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions | | | | |
| 7.3 +Ordinary securities | 209,404,944 | 209,404,944 | | |
| 7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs | 15,100,000 Nil | 15,100,000 Nil | | |
| 7.5 +Convertible debt securities <i>(description)</i> | Nil | | | |
| 7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted | | | | |
| 7.7 Options | | | <i>Exercise Price</i> | <i>Expiry Date</i> |
| | 64,901,186 | 64,901,186 | \$1.00 | 1 October 2010 |
| | 3,177,029 | | \$0.50 | 30 June 2012 |
| 7.8 Issued during quarter | 4,500,000 | 4,500,000 | \$1.00 | 1 October 2010 |
| | 225,000 | | \$0.50 | 30 June 2012 |
| 7.9 Exercised during quarter | - | - | | |
| 7.10 Expired during quarter | 63,723,901 | - | \$1.00 | 1 October 2008 |
| 7.11 Debentures <i>(totals only)</i> | Nil | | | |

+ See chapter 19 for defined terms.

| | | | | | |
|------|---|-----|--|--|--|
| 7.12 | Unsecured notes (<i>totals only</i>) | Nil | | | |
| 7.13 | Partly Paid Shares | Nil | | | |

Compliance statement

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



Peter Landau
Executive Director
30 January 2009

Notes

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

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+ See chapter 19 for defined terms.