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## QUARTERLY REPORT FOR PERIOD ENDING 30 SEPTEMBER 2007

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

### HIGHLIGHTS:

- Puntland confirms Range/Africa Oil PSA's
- Competent Persons Report
- Continued Government support for Range/Africa Oil exploration efforts

### PUNTLAND CONFIRMS RANGE/AFRICA OIL PSA'S

During the quarter there was much speculation and debate in relation to the proposed introduction of a National Oil Law by the Transitional Federal Government (TFG) of Somalia. Of particular concern was the impact this National Oil Law would have on the Range concessions. Range was pleased to advise on 13 September that the Government of Puntland had reinforced its support for Range and its joint venture partner Africa Oil, and formally stated that it will not accept the proposed new national oil law. The Puntland Government noted that in their opinion, the proposed law was not only inconsistent with the rights validly granted by the Puntland Government to Range (which were also endorsed by the TFG), but it would also be detrimental to the interests of Puntland and the Somali people as a whole. Further more, it must be noted that the TFG parliament was adjourned abruptly over the weekend of 8 and 9 September when the proposed law was scheduled for debate. Therefore, the debate over the proposed law did not commence and the law was not considered by the TFG parliament.

It is also worth noting that since this time; the TFG Prime Minister Ali Mohammed Gedi has resigned. Gedi was the driving force behind the proposed National Oil Law.

Given the proximity of the drilling program of Range and Africa Oil the resultant success and generation of oil production royalties ensures that Range, Africa Oil and the Puntland Government remain committed to the exploration and development of Puntland's natural resources.

## COMPETENT PERSONS REPORT

During the later part of the quarter Range was pleased to receive its Competent Persons Report which was prepared for the AIM listing. The report was prepared by oil and gas technical consultants Sproule International Limited. As previously announced, the report included a resource estimate for the Nogal Basin as summarized below:

<b>Table S-1</b>						
<b>Summary of Undiscovered In-Place Oil Resources for the Nogal Valley Block</b>						
<b>Puntland, Somalia</b>						
	Estimated Gross Oil-in-Place (MMbbls)			Estimated Net (20%) Oil-in-Place (MMbbls)		
	Low	Best	High	Low	Best	High
Undiscovered Oil-in-Place	2,213	4,301	10,397	443	860	2,079

*Notes: (1) Estimates are on an unrisks basis; (2) Range Net interest of 20% (carried through exploration phase); and (3) Africa Oil is the operator (4) The properties have been assessed as unproved properties with no proved or probable reserves and no fair market value assigned at this time. There is no certainty that any portion of the undiscovered resources will be discovered and that, if discovered, that it will be economically viable or technically feasible to produce.*

## PUNTLAND OIL EXPLORATION

Africa Oil is currently in possession of a large amount of exploration data obtained from previous hydrocarbon exploration in Puntland up until June 1990. Range was able to obtain some of this data in the latter part of 2006 and the remainder has been acquired by Africa Oil 2007. The documentation includes 4500km of seismic line data from the Nogal Basin and 550km of seismic line data from the Darin Basin. The data also includes previous seismic and drilling data processed prior to exploration activities ceasing in Somalia. The data showed that the Nogal Valley area demonstrated:

1. Abundant oil shows;
2. Thick, high porosity reservoirs;
3. Many large structures; and
4. An excellent regional seal.

The Vibroseis data from the late 1980's obtained for the Nogal valley is of good quality and sufficient for mapping large structures while the data for the Darin Basin is of 1970's vintage and is only sufficient to delineate the basin itself. The data obtained for the Nogal Block was loaded into a Kingdom Workstation Project in June to undergo interpretation and the work done to date has outlined and inventoried the main prospects and produced an initial basis for recommendations for the next stage of exploration. Basin modelling and source migration studies have also been undertaken and 11 prospects have been outlined in the study to date. These have been ranked on their prospectivity with regard to the oil source migration and their structural controls. Further geophysical work is being undertaken to refine the seismic interpretation especially to identify and correlate the formation tops and also a more detailed study of the potential drill targets is required. In addition, analysis of key isochrones will be done to determine the timing constraints on the rift and prospect formation.

In the Darin Block the seismic data needs to be interpreted and correlated with the geological assessment.

It is the intention to drill two wells as soon as a drilling rig is sourced. It is anticipated that the drilling programme will take place early 2008.

Africa Oil has identified two drilling targets in the Nogal block (one of which is expected to be the 28/B-1 prospect), and it is the intention to drill two wells as soon as a drilling rig is sourced. It is anticipated that the drilling programme will take place early 2008.

Prospect 28/B-1 was to be drilled in 1991 as a result of Conoco's exploration effort. The exploration showed a Yemen style rift (graben) running through blocks 28 & 29. Several major structures were mapped showing that the right conditions were present for potential major oil accumulations and structures were thought to be analogous to Hunt Oil's Alif Fields and the CanOxy fields discovered in the mid 1980s. In Prospect 28B Conoco postulated 2 reservoir targets in well, with the most likely 'oil reserve' to be in the vicinity of >500MBO recoverable.

# 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")

30 September 2007

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors		
1.2 Payments for		
(a) exploration and evaluation	(449)	(449)
(b) development		
(c) production		
(d) administration	(714)	(714)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	206	206
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other	5	5
<b>Net Operating Cash Flows</b>	<b>(952)</b>	<b>(952)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects		
(b) equity investments		
(c) other fixed assets	(42)	(42)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments		
(c) other fixed assets		
1.10 Loans to other entities	(14)	(14)
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Puntland Mineral & Hydrocarbon Rights	(14,548)	(14,548)
<b>Net investing cash flows</b>	<b>(14,604)</b>	<b>(14,604)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(15,556)</b>	<b>(15,556)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(15,556)	(15,556)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	376	376
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)	(50)	(50)
	<b>Net financing cash flows</b>	326	326
	<b>Net increase (decrease) in cash held</b>	15,230	15,230
1.20	Cash at beginning of quarter/year to date	22,896	22,896
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	7,666	7,666

**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	326
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 \$117k Payments for Financial/Company Secretarial/Office Support Services \$198k Payment to a Director Related Associate \$11k
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**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

Issue of 30,000,000 shares and 26,250,000 options (\$1.00, 01 October 2010) to Consort Private Ltd for the remaining 49.9% hydrocarbon and mineral rights in Puntland, Somalia.
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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
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+ 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	1,200
4.2 Development	-
<b>Total</b>	<b>1,200</b>

### 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	1,090	2,303
5.2 Deposits at call	6,576	20,593
5.3 Bank overdraft	-	-
5.4 Other – Term Deposit	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>7,666</b>	<b>22,896</b>

### 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	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 <b>Preference securities</b> <i>(description)</i>	Nil			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	177,245,573	177,245,573		
7.4 Changes during quarter (a) Increases through issues  (b) Decreases through returns of capital, buy-backs	38,279,188  Nil	38,279,188  Nil		
7.5 <b>+Convertible debt securities</b> <i>(description)</i>	Nil			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b>			<i>Exercise Price</i>	<i>Expiry Date</i>
	69,177,747	69,177,747	\$1.00	1 October 2007
	50,823,029	-	\$1.00	1 October 2010
	2,952,029		\$0.50	30 June 2012
7.8 Issued during quarter	26,250,000	-	\$1.00	1 October 2010
7.9 Exercised during quarter	6,453	6,453	\$1.00	1 October 2007
7.10 Expired during quarter	-	-	-	-

+ See chapter 19 for defined terms.

7.11	<b>Debentures</b> <i>(totals only)</i>	Nil			
7.12	<b>Unsecured notes</b> <i>(totals only)</i>	Nil			
7.13	<b>Partly Paid Shares</b>	5,000,000	Nil	60 cents	30 cents

## 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.




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Peter Landau  
Executive Director  
31 October 2007

## 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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