

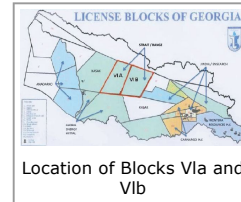


Range moves into eastern Europe

Thursday, 9 July 2009

RANGE Resources has diversified its international oil and gas portfolio with an agreement to acquire a 50% interest in two oil and gas blocks in the Republic of Georgia, eastern Europe.

Under the heads of agreement with unlisted United Kingdom company Strait Oil and Gas, Range will earn a 50% interest in Blocks VIa and VIb by completing phase two of the production-sharing agreement, which includes shooting 350 kilometres of 2D and 3D seismic, and drilling a minimum of two wells.



The company will also issue Strait with 20 million shares and 20 million options on the completion of due diligence and shareholder approval; 20 million shares and 20 million options once phase two is completed; and 30 million shares and 30 million options once the first two wells are drilled or a commercial discovery is made.

Range will also appoint a Strait nominee to its board once regulatory and due diligence has been completed.

To meet the initial funding of the transaction, Range will carry out a strategic placement to raise \$2.5 million. The funds will also allow the company to fund its operational activities on its Puntland assets in Somalia.

Blocks VIa and VIb cover 7000 square kilometres or about 10% of the surface area of the country and were subject to significant exploration in the Soviet era.

About 200 wells were drilled during the era in and adjacent to the blocks to find oil and gas reservoirs.

According to Range, many of the wells found oil and gas shows, but were shut-in and abandoned without testing.

The company said Strait has carried out a large-scale review of all the available data over the past two years and identified 11 structures suitable for oil in place estimates and key targets for future drilling.

Of these structures, two are deeper than 2500m while the rest are shallow features of 600-2500m.

In addition to the oil potential, the block is prospective for natural gas and coal seam gas.

According to Range, of the 161 wells drilled for gas, 22 displayed potentially commercial flow rates.

The company added that early production could be achieved by supplying the second-largest city in Georgia, Kutaisi, with a dedicated natural gas supply.

"With Range's planned onshore drilling program in Puntland and its progress towards developing a joint exploration strategy with the Puntland government for offshore Puntland, the Georgian farm-in is considered by the company to be a significant step towards establishing the company as a diversified international explorer with a growing oil and gas acreage position and significant upside potential," Range said.

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