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By E-Lodgment

POSITIVE INTERPRETATION OF CONOCO DATA

During the mid 1980's most of the World's major oil companies either independently or in a combination of various consortiums entered into Concession agreements to explore for oil in Northern Somalia. These agreements with the former Somalia Democratic Republic required the concession holders to provide all the data pertaining to their exploration activities. Following the outbreak of civil unrest in 1991 it was assumed that most if not all of this data was lost or destroyed. However, Range has continued to inquire and seek data within Puntland with the help of the Puntland Government authorities. Recently, Range has obtained, through Puntland Government sources, Conoco documentation on that company's exploration in Puntland up to June 1990. The documentation includes well summaries for Nogal-1 and Kalis-1, monthly reports and minutes of the Joint Venture Technical Committee. The joint venture partners consisted of Conoco, Phillips (then a separate company) and Nikko Petroleum of Japan. Nogal-1 and Kalis-1 were the last wells to be drilled by Conoco before their evacuation from Somalia and represent the latest the information on the target oil leads they were prospecting. This latest data in particular the Nogal-1 well logs and the Joint Venture Operating Committee Minutes has been reviewed by Range's Oil and Gas Technical Consultant David Archibald.

The Nogal-1 well was spudded on 16th November, 1989 and reached TD (Total Depth) of 3,272 .3 metres on 3rd April, 1990. Conoco then went on to drill the Kalis-1 well. The third well in the programme, Sinujif-1, had site preparations and roadwork's completed at the time that drilling was abandoned in 1991.

Nogal-1 was the first well to be drilled into the Nogal Basin and the Conoco-led Joint Venture was unsure of the sequence they would be drilling. The following minutes from a Joint Venture Technical Committee Meeting held in Houston on 16th April, 1990 indicate that the Nogal Basin, and by analogy the Darin Basin, is very prospective for large oil discoveries:

"In summary, the partners expressed encouragement that the well has identified an undrilled Mesozoic basin, with oil and gas shows improving with depth, with the excellent Upper Cretaceous Jesomma reservoir (494 net porous feet of sandstone, average porosity 19%) and with the super Upper Cretaceous Gumburo shale seal which is probably a regional seal."

"This Mesozoic basin has many large structures, has an excellent regional seal, and there are oil and gas shows getting better with depth. The primary objective remains to reach the Upper Jurassic to find both rich, oil-prone source rocks similar to those in outcrop at Bihendula to the west, and to find Jurassic sandstones in communication with those source rocks."

One Committee member concluded that *"the Nogal-1 results to date are extremely encouraging. The over pressured Upper Cretaceous Gumburo shale documents that the deeper objectives are well sealed. The nature and thickness of these shale's suggests a basin-wide seal should be expected."*

Another Committee member reminded Partners *"that the best shows to date are in sandstones below 9,750 feet, which is below the base of the deepest currently available logs."* Whilst another remarked that *"the Jesomma in the fault block immediately west of the Nogal-1 structure may be prospective with the over pressured Upper Cretaceous shale's juxtaposed against the Jesomma sandstones."*

It would be hard to describe the petroleum prospects of the Nogal Basin in more positive terms than in these Technical Committee Meeting minutes. In summary, the Nogal Basin demonstrated:

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

Due to the unpredicted over pressuring associated with the excellent regional seal (shale's of the Gumburo Formation), Nogal-1 was sidetracked three times before it was abandoned. Conoco concentrated on generating geological data rather than completing the well for production.

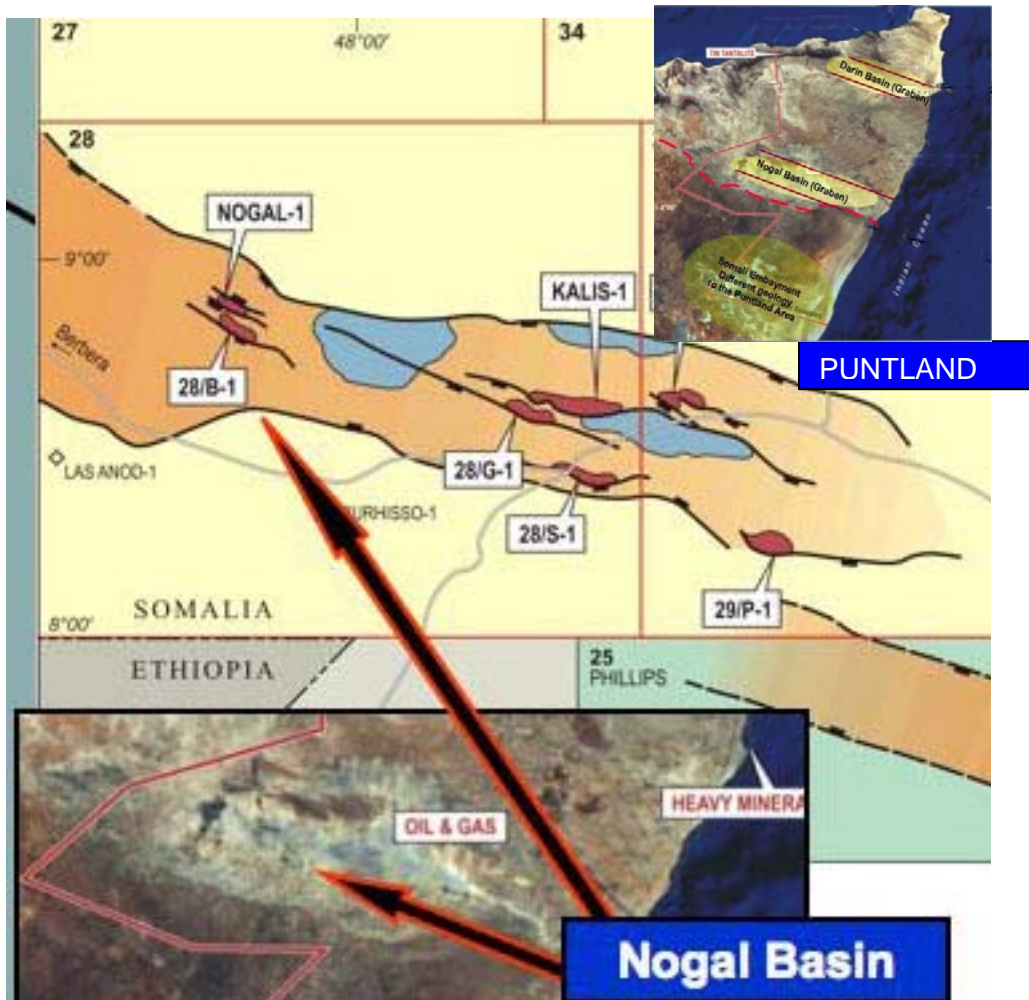


Figure 1. Location of Nogal-1 and other Conoco Well Targets

Log analysis of Nogal-1 undertaken by Conoco during drilling indicates that there are three zones in the Gumburo Formation with potential for commercially producible oil, summarised in the following table:

Zone	Lithology	From metres	To metres	Gross Column metres	Net Column metres	Porosity %	Water Saturation %	Recover. Oil mmbbls
1	Carbonate	2,560	2,591	30	14	6.5	40	17.2
2	Carbonate	2,591	2,603	12	6	7.3	49	6.8
3	Sandstone	2,982	3,187	204	35	12.2	53	63.5

Recoverable reserves are based on 25% recovery and closure covering 20 sq km (Range Resources assumptions). On this basis, total potential recoverable reserves for these three zones are approximately 90 million barrels.

Conoco did not test any of these zones. Over pressuring was encountered from 2,200 metres and the well was in its third sidetrack at the time of the wire line log analysis. It would have been very difficult to test the well or case it for completion. Despite the fact that Nogal-1 did not reach the primary reservoir target, the Gabredarre Formation, it can be interpreted that Nogal - 1 should be classified as an oil discovery

Range considers the highly positive information from the Conoco documentation to be very encouraging and the Company believes it provides further evidence of the large potential for hydrocarbons in the Nogal and Darin basins. Although the interpretation and comments are derived from the Conoco documentation in its possession Range does not have the complete data sets on these wells or for the whole exploration effort in the Nogal Valley Basin or the Darin Basins. Therefore, these encouraging results require follow up with modern seismic and exploration wells to confirm this potential.

Yours Faithfully

A handwritten signature in black ink, appearing to read 'Micheal Povey', written over a horizontal line.

MICHEAL POVEY
Managing Director

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Editor's Notes:

Range's technical review of the information has been undertaken by its Technical Consultant - Oil and Gas, David Archibald. David holds a Bachelor of Science (Hons), and has a wide range of experience in oil exploration, coal, oil shale, gold and base metals exploration, the steel industry, telecommunications, financial services and pharmaceutical research. He began his career with Esso Australia in 1980, working on the deepwater Exmouth Plateau. David oversaw the drilling of two oil wells in the Canning basin in mid 2006 as then operation director for TSX listed Golden Dynasty Resources. David is currently a member of the Australian Institute of Mining and Meteorology and a member of the Australian Institute of Geo Scientists.