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## **Increased Exploration Activity and Puntland Government Initiatives**

- **Rig Mobilisation commences for Africa Oil Corp's Drilling Program**
- **Seismic Program to commence in April on Dharoor Block in Puntland**
- **Puntland Government passes new legislation and launches new website ([www.puntlandgov.net](http://www.puntlandgov.net)) with key policy initiatives and clarity on TFG relationship**

### **Exploration Update**

Puntland focussed Australian oil and gas company Range Resources Limited (**ASX: RRS, AIM: RRL**), together with its joint venture partner TSX listed Africa Oil Corporation ("Africa Oil"), are closing in on one of the most important milestones for both the company and the region – with the spudding of the first well in Puntland for over 17 years.

Further to previous company announcements in relation to mobilisation of drilling equipment and a timetable for well spudding, Range is pleased to confirm that 12 containers of casing and camp construction equipment are en route to Bosasso port from Jebalali (UAE) via Djibouti as Range's joint venture partner Africa Oil Corporation increases its exploration activity on the ground in Puntland. The drilling contractors and Africa Oil's drilling manager recently visited the proposed well sites in Puntland and Africa Oil have confirmed that they are still on target to spud the first well in early of July 2008. In addition Africa Oil has finalised the contract with IMC-Tesla for the completion of approximately 2,600km of 2D seismic in the northern Dharoor Block (see Figure 1). The seismic contractors have visited the Dharoor valley and completed an initial reconnaissance of the area it is expected that a seismic crew will be on the ground before the end of March with seismic work commencing in April 2008.

Also new to Range's website ([www.rangeresources.com.au](http://www.rangeresources.com.au)) is an interview recently screened on CNBC Africa and a new analyst's report from Edison Research which will be put up on the website later today.

## **Puntland Government**

The Puntland Government has formally launched a new website [www.puntlandgov.net](http://www.puntlandgov.net) in conjunction with two major initiatives undertaken by the Government. The launch was undertaken with Range and a number of foreign journalists and oil analysts who Range hosted in Puntland as part of the Company's push to increase exposure leading into the seismic and drilling programmes later this year. The Puntland Government also presented to Range and its guests the Puntland Five Year Development Plan which is a comprehensive document which sets out the Puntland Strategic Vision and the Policy Guidelines.



**Meeting with Puntland Government**

**New Mineral and Petroleum Resources and Development Act** – the Puntland Parliament passed a new Act designed to assist in encouraging additional participants in the exploration and development of Puntland's natural resources. A summary of the Act is set out below. Of critical importance is the fact that the introduction of the Act does not materially impact on Range's (and Africa Oil's) existing legislative agreements with the Government and Parliament of Puntland – the agreements (which are separate Acts of Parliament) are upheld and incorporated by way of transitional provisions under the new Act.

The Act underlines that, all minerals and petroleum resources existing in Puntland in their natural form are owned by the State of Puntland, being held in trust by the Government of Puntland on behalf of the community. As such, the management and administration of mineral and petroleum exploration and development in Puntland is the primary responsibility of the Minister of Energy and Minerals and the Licensing Authority empowered by this Act. The system also provides security of access to resources essential for large capital investments which are required for development to occur.

Of note under the Act, the Government of Puntland will cooperate with the Transitional Federal Government and together they will formulate strategic policies to develop the mineral and petroleum wealth of Somalia in

a way that achieves the highest benefit to the people of Somalia. The Government of Puntland will share revenues received under the Act with the Transitional Federal Government pursuant to agreements reached between both parties as to the percentage of shared revenues. The Government of Puntland will also cooperate with the Transitional Federal Government to develop and restructure the minerals and petroleum industry of Somalia.

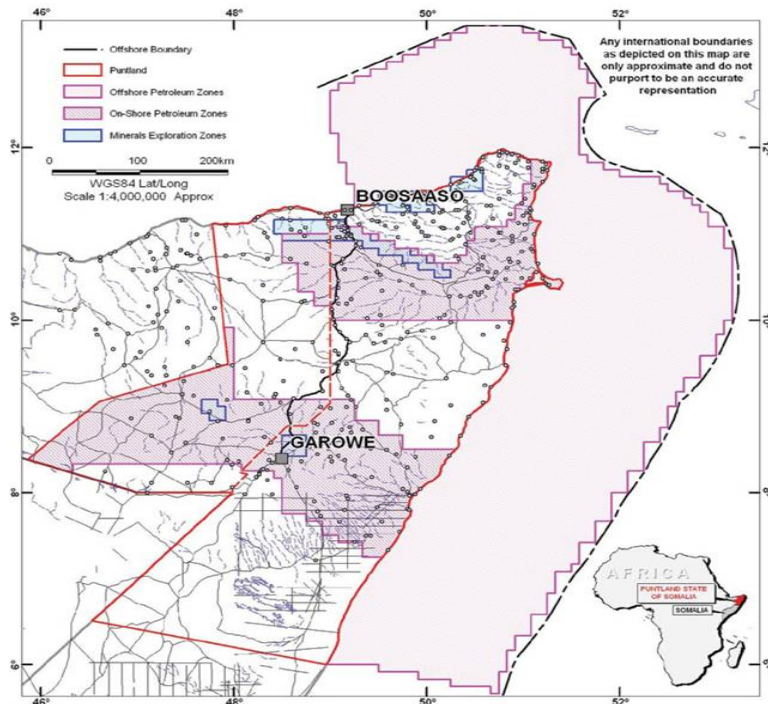
**Puntland Government Policy Statement** – the Government through His Excellency, President Hersi also presented and released a significant policy statement which deals with 3 essential points:

- i. to save Puntland territory and waters from the hostilities created by the absence of central government and confrontations of political factions serving negative interests;
- ii. to be part of the pursuit to restore a Somali central authority based on a federal system, the only system that would prevent totalitarianism and dismemberment; and
- iii. to cooperate with the international community to find a solution to the Somali crisis in general and to support the reconstruction and development in Puntland in particular.

A key feature of the policy statement is that *“Until such time as an all inclusive federal constitution is effected and state governments, convinced with the sharing of power and resources, are instituted, Puntland’s support of the TFG should not be interpreted in any manner that Puntland is part of the TFG – Puntland shall remain independent for its laws, policies and interests.”*

With the exploration effort substantially increasing over the next few months, observers will have noticed an increasing number of conflicting articles and speculation on various websites relating to the situation in Puntland and the activities of Range and Africa Oil. The launching of the Puntland Government website is designed to provide shareholders, potential investors and observers with an accurate picture of activities in Puntland and the Government’s relationship with various stakeholders.

By way of example Range has been informed by the Puntland Government that an open letter posted by the TFG Energy Minister over the Easter weekend was not authorised or approved by either the President or Prime Minister of the TFG (see response from the Puntland Minister for Energy and Minerals on the [www.puntlandgov.net](http://www.puntlandgov.net) ). There will always be certain minority groups trying to destabilise the current Puntland Government given the fractured state of certain parts of Somalia and the fact that exploration success in the coming year will obviously assist the Government and current sitting members as Puntland moves into elections in early 2009. The attempted destabilisation has increased over the last few weeks given the clarity on where the exploration efforts of Range and Africa Oil are headed over the coming months.



**Figure 1**

**Shareholder newsletter and shareholder enquiries**

Range is currently compiling a shareholder newsletter that will include operational information, updated broker reports , recent company and area specific media coverage, community information and projects and a section whereby certain inaccuracies regarding the Puntland Government, the company, and its exploration activities will be addressed. Shareholders seeking clarification on articles or postings that are being circulated can email the Company on [admin@rangeresources.com.au](mailto:admin@rangeresources.com.au) and we will endeavour to address each clarification request in the newsletter.

This newsletter will be posted to the ASX/AIM and all shareholders on a bi-monthly basis with the first edition due early April 2008.

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