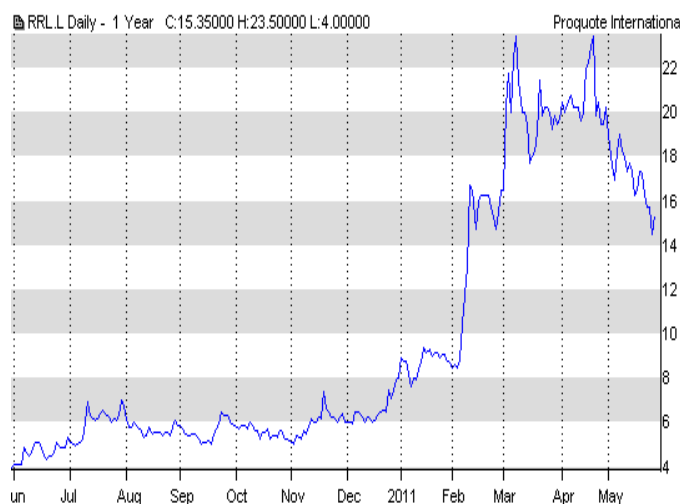


RANGE RESOURCES LTD

Production and development assets update

15.38p

27 May 2011



Recommendation

Sector:
Exchange & Ticker:

Shares in issue:
Fully diluted shares:
Market cap:

Target price:

ANALYST:

**CHIEF EXECUTIVE &
CORPORATE BROKING:**

BUY

Oil & Gas
AIM: RRL
ASX: RRS

1,604.9m
1,911.9m
£246.8m

28.1p

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Range has provided a very positive update regarding its production and development assets in Texas and Trinidad. Recent fracture stimulation work at the North Chapman Ranch Project in Texas has yielded dramatically increased production from the Russell Bevly #1 well and further frac work at the East Texas Cotton Valley Prospect (ETCV) will commence within a fortnight. Range has also finalised the details of an aggressive drilling programme in Trinidad which is expected to commence within the next 45 days.

- Range is completing work on its fracture stimulation programme on the Russell Bevly #1 well and stabilised flow rates are approximately 3.5 mmcfpd and 350 bopd from the uppermost zone alone. Given that the budgeted output for all producing zones is 4 mmcfpd and 350 bopd, the overall rate of co-mingled production from all completed zones is likely to exceed expectations significantly.
- At the East Clarksville field at ETCV, Range and its partners are awaiting the arrival of frac equipment and crews to begin operations on the recently completed Ross 3H horizontal well. The well has been cased with a 3,400ft section and demonstrated good oil shows throughout the horizontal section. Range expects that frac work will commence within the next two weeks.
- Range is finalising an aggressive work programme for its recently acquired assets in Trinidad. This is expected to increase production from 650 - 700 bopd to 4,000 bopd from existing P1 and P2 reserves over the next 36 months. The company will commence drilling within the next 30-45 days with the first phase being nine shallow wells in the Upper Cruse, Lower Forest and Shallow Forest formations. At depths of 250ft - 2,500ft, these wells are expected to take only one to two weeks each to complete and initial flow rates are expected to be 40 - 150 bopd.
- Range will also reprocess existing 3D seismic to upgrade the current 10+ targets in the deeper but potentially more productive Herrera formation. Success in the Herrera is currently excluded from the company's production targets. Nevertheless, we anticipate that Range will spud an exploration well in the Herrera in 2011.

Range's progress in Texas and Trinidad continues to de-risk the business while maintaining exciting exposure to highly attractive exploration upside in Georgia and Puntland. With Range participating in four high impact exploration wells over the next six months, we believe that investors should see the recent weakness in the share price as an opportunity to buy the shares.

A marketing communication from OPLC, broker to Range Resources Ltd

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The recommendation system used for this research is as follows. We expect the indicated target price relative to the FT All Share Index to be achieved with 12 months on the date of this publication. A 'Hold' indicates expected performance relative to this index of +/-10%, a 'Buy' indicates expected outperformance of >10% and a 'Sell' indicates underperformance of >10%.

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