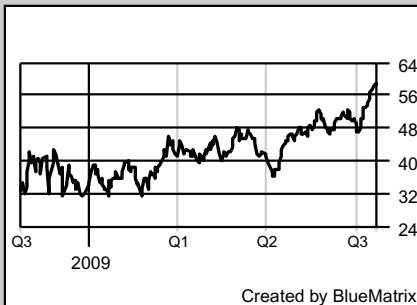


Range Resources Corp.

Low-cost operations/financial discipline augment reserve growth opportunity

RRC: \$56.79

Range Resources



Shares Out. (MM)	157.3	CFPS(Dec)	Q1	Q2	Q3	Q4	Year	P/CF
Market Cap. (MM)	\$8,930.6	2008A	\$1.56	\$1.40	\$1.44	\$1.05	\$5.44	10.4x
Deb + Pref. (MM)	\$1,781.5	2009E	\$1.00A	\$0.98A	\$1.05A	\$1.20	\$4.24	13.4x
Cash (MM)	\$0.9	2010E	-	-	-	-	\$5.35	10.6x
Ent. Value (MM)	\$10,711.2							
52-wk Range	\$60.13-28.05							
Avg. Daily Vol.	2,426,458							
		Production	Y-O-Y		EBITDA		EV /	
		(MMcfe)	Growth		(MM)		EBITDA	
		2008A	141,125	20.0%	2008A	\$933.9	11.5x	
		2009E	159,385	12.9%	2009E	\$737.4	14.5x	
		2010E	183,118	14.9%	2010E	\$912.8	11.7x	

Range Resources is an independent oil and gas company operating in the Southwestern, Appalachian and Gulf Coast regions of the United States. The Company pursues a growth strategy that targets exploitation of its sizable inventory of lower risk development drilling opportunities including an increasing number of projects that target shale and coal bed methane resource projects.

Key Takeaway: Range offers investors exposure to 7x-10x its current reserve base in its three core areas: Marcellus shale, Barnett shale and Nora field. Given its ability to finance its planned capital expenditures out of internally generated cash flows and planned asset sales, we believe the stock will continue to command a premium valuation due to its focus on per share growth. We re-iterate our Over Weight rating on the stock.

- **Marcellus remains primary driver** - Range has identified 15-22 Tcfe of potential upside on its high-graded 900,000 net acres in the Marcellus. Given industry activity in southwest PA, roughly 70% of its 550,000 net acres have been de-risked by industry activity (~320 wells) and this area represents about 11.5 Tcfe of opportunity. In addition, Range's initial horizontal activity in northeast PA (350,000 net acres), which represents 5-7 Tcfe of opportunity, is just beginning. A majority of Range's expected production growth, which is expected to double, in 2010 will come from southwest PA. Its northeast PA should begin to provide a meaningful production contribution in 2011 and beyond.
- **Core areas generate attractive rates of return** - Range walked through the economics of each of its core areas (Marcellus, Barnett and Nora), which represent 90%+ of its planned capital spending. Each of these plays generate 30%+ rates of return at \$5.00/mmbtu.
- **Increased cryogenic processing capacity to increase pricing** - As Range's cryogenic processing capacity grows over the next couple of years, Range should benefit from higher realized prices, as the cryogenic plants are more efficient at stripping liquids. While we are modeling improving price differentials, we believe future upside remains once the cryogenic capacity comes on-line.
- **Fiscal discipline here to stay** - Range plans to maintain its fiscal discipline as it looks at future capital expenditure, with capex levels to be funded through internally generated cash flows and ongoing asset sales. In that environment, the Company should be able to continue to provide strong double-digit production growth while high-grading its asset base.
- **Increasing 2009/2010 CFPS estimates** - We are increasing our 4Q:09 and 2010 production and realized price estimates to account for better than expected performance and the increased cryogenic capacity. Our 2009 and 2010 CFPS estimates are increasing to \$4.24 and \$5.35, versus our prior estimates of \$4.18 and \$5.07.

STOCK RATING:
Overweight

October 22, 2009

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Company Update

Table 1 - Range Resources Quarterly Income Statement (\$ in Thousands, except per share data)

	FY:07A	1Q:08A	2Q:08A	3Q:08A	4Q:08A	FY:08A	1Q:09A	2Q:09A	3Q:09A	4Q:09E	FY:09E	FY:10E
Revenues:												
Oil & Gas Sales	945,229	322,087	312,660	321,719	254,666	1,211,132	247,664	243,906	255,349	277,107	1,024,026	1,216,689
Transportation & Processing	2,552	1,256	1,335	1,643	826	5,060	-229	2,339	2,659	2,659	7,428	7,428
IPF, Net	0	0	0	0	0	0	0	0	0	0	0	0
Interest & Other Income	4,529	187	274	541	898	1,900	-1,830	-4,358	-475	0	-6,663	0
Total	952,310	323,530	314,269	323,903	256,390	1,218,092	245,605	241,887	257,533	279,766	1,024,791	1,224,117
Costs And Expenses:												
Direct Operating	109,770	32,372	36,517	35,770	34,959	139,618	34,812	33,998	30,313	31,589	130,712	128,882
Production and Other Taxes	42,548	13,840	16,056	15,210	10,066	55,172	8,257	7,564	7,600	9,699	33,120	48,668
Exploration	40,756	15,504	18,443	18,129	11,484	63,560	12,278	10,475	10,123	13,123	45,999	52,492
G&A	54,705	12,801	16,973	19,110	19,580	68,464	18,685	20,168	23,022	23,522	85,397	95,588
Non-Cash G&A	0	6,405	8,806	7,428	8,587	31,226	8,291	10,845	9,538	9,538	38,212	38,152
Interest	78,332	23,146	23,842	25,373	27,387	99,748	26,629	29,555	30,633	29,312	116,129	120,250
DD&A	230,653	71,570	77,463	81,173	80,893	311,099	84,320	88,713	97,208	101,300	371,541	442,661
Acreage Impairment Expense	0	0	0	0	0	0	19,572	40,954	24,053	17,553	102,132	70,212
Total	556,764	175,638	198,100	202,193	192,956	768,887	212,844	242,272	232,490	235,636	923,242	996,905
Pretax Income	395,546	147,892	116,169	121,710	63,434	449,205	32,761	-385	25,043	44,129	101,548	227,213
Taxes	146,428	60,173	44,347	45,956	11,443	161,918	11,731	-197	8,580	15,887	36,001	81,797
Net Income	249,118	87,719	71,822	75,754	51,991	287,287	21,030	-188	16,463	28,243	65,548	145,416
Pref. Dividends	0	0	0	0	0	0	0	0	0	0	0	0
Income Before Extra. Items	249,118	87,719	71,822	75,754	51,991	287,287	21,030	-188	16,463	28,243	65,548	145,416
Extra. Items	-18,262	-85,979	-106,404	209,570	41,685	58,871	11,578	-39,695	-46,281	0	-74,398	0
Net After Extra. Items	230,856	1,740	-34,582	285,324	93,676	346,158	32,608	-39,883	-29,818	28,243	-8,850	145,416
EPS	\$1.66	\$0.57	\$0.46	\$0.48	\$0.33	\$1.84	\$0.13	(\$0.00)	\$0.10	\$0.18	\$0.41	\$0.92
EPS (Reported)	\$1.60	\$0.01	(\$0.23)	\$1.81	\$0.61	\$2.29	\$0.21	(\$0.26)	(\$0.19)	\$0.18	(\$0.06)	\$0.94
Avg. Number Shares (Basic)	144,359	147,742	150,772	152,765	152,989	151,067	153,719	154,389	154,653	154,693	154,364	154,793
Net Income	249,118	87,719	71,822	75,754	51,991	287,287	21,030	-188	16,463	28,243	65,548	145,416
DD&A	230,653	71,570	77,463	81,173	80,893	311,099	84,320	88,713	97,208	101,300	371,541	442,661
Exploration	40,756	15,504	18,443	18,129	11,484	63,560	12,278	10,475	10,123	13,123	45,999	52,492
Deferred Tax	146,428	58,552	43,460	44,339	11,329	157,680	11,731	-197	8,580	14,298	34,412	73,617
Non-Cash G&A	0	6,405	8,806	7,428	8,587	31,226	8,291	10,845	9,538	9,538	38,212	38,152
Other Non-Cash Charge	0	0	0	0	0	0	19,572	45,562	25,075	24,303	114,512	97,212
Cash Flow (\$000)	666,955	239,750	219,994	226,824	164,284	850,851	157,222	155,210	166,987	190,805	670,224	849,550
EBITDA (\$000)	745,287	258,112	235,917	252,581	183,198	929,808	175,560	169,312	187,060	205,418	737,350	912,828
Cash Flow Per Share (Diluted)	\$4.46	\$1.56	\$1.40	\$1.44	\$1.05	\$5.44	\$1.00	\$0.98	\$1.05	\$1.20	\$4.24	\$5.35
Avg. Number Shares (Primary)	144,359	147,742	150,772	152,765	152,989	151,067	153,719	154,389	154,653	154,693	154,364	154,793
Conv. Preferred - As If Converted	0	0	0	0	0	0	0	0	0	0	0	0
Options/Warrants/Treasury Stock	5,350	6,048	6,139	4,964	4,129	5,320	3,512	3,961	3,961	3,961	3,849	3,961

Table 2 - Range Resources Operational Information

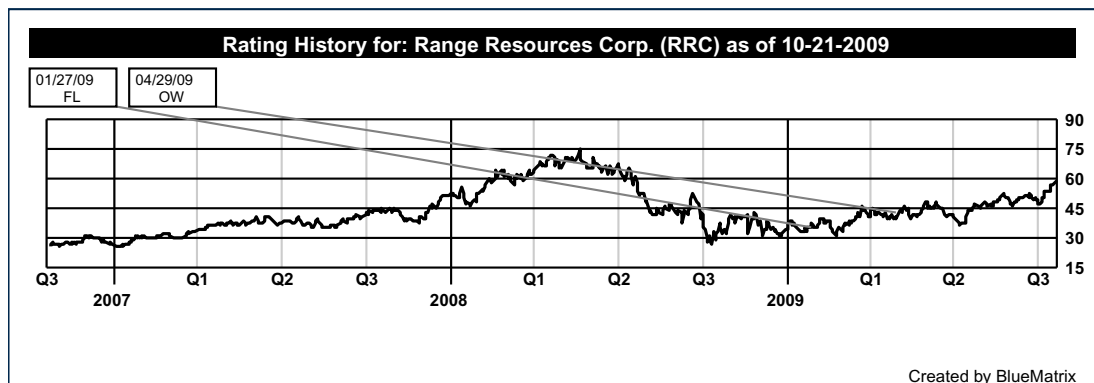
	FY:07A	1Q:08A	2Q:08A	3Q:08A	4Q:08A	FY:08A	1Q:09A	2Q:09A	3Q:09A	4Q:09E	FY:09E	FY:10E
Gas Reserves (Mmcf)	1,830,865					2,213,546					2,329,277	2,374,245
Oil Reserves (Mbbbl)	66,983					73,336					76,954	81,606
Total Reserves (Mmcf)	2,232,762					2,653,562					2,791,001	2,863,883
Total Reserves (Mboe)	372,127					442,260					465,167	477,314
Gas as % of Total	82%					83%					83%	83%
Reserve Life (Yrs.)	19.0					18.8					17.5	15.6
Production:	322,153	370,606	380,649	387,875	403,219	385,587	415,820	433,507	437,092	455,492	435,478	501,692
Gas (Mcf/D)	247,944	300,250	303,879	315,803	329,281	312,303	339,470	350,611	366,826	384,326	360,308	429,326
Oil (Bbl/D)	9,314	8,292	9,111	8,255	8,059	8,429	8,022	8,036	5,809	5,809	6,919	5,859
NGLs (Bbl/D)	3,054	3,434	3,684	3,757	4,265	3,785	4,703	5,780	5,902	6,052	5,609	6,202
Gas (Mmcf)	90,499	27,323	27,653	29,054	30,294	114,303	30,892	31,906	33,748	35,358	131,873	156,704
Oil (Mbbbl)	3,400	755	829	759	741	3,085	730	731	534	534	2,532	2,139
NGLs (Mbbbl)	1,115	312	335	346	392	1,385	428	526	543	557	2,053	2,264
Total (Mmcf)	117,586	33,725	34,639	35,685	37,096	141,125	37,840	39,449	40,212	41,905	159,385	183,118
Total (Mboe)	19,598	5,621	5,773	5,947	6,183	23,521	6,307	6,575	6,702	6,984	26,564	30,520
Gas as % of Total	77%	81%	80%	81%	82%	81%	82%	81%	84%	84%	83%	86%
Avg. Price												
Gas - U.S. Spot (\$/Mcf)	\$6.80	\$7.95	\$10.58	\$10.04	\$6.40	\$8.74	\$4.68	\$3.60	\$3.31	\$4.85	\$4.11	\$6.60
Gas - NYMEX (\$/Mmbtu)	\$6.95	\$8.10	\$10.73	\$10.19	\$6.55	\$8.89	\$4.83	\$3.75	\$3.46	\$5.00	\$4.26	\$6.75
Oil - WTI (\$/Bbl)	\$72.10	\$97.81	\$123.90	\$118.46	\$58.67	\$99.71	\$41.50	\$57.50	\$68.38	\$70.00	\$59.35	\$70.00
Gas - Company Avg.	\$7.68	\$9.25	\$8.46	\$8.62	\$6.44	\$8.19	\$6.47	\$5.85	\$6.05	\$6.18	\$6.14	\$6.25
Oil - Company Avg.	\$60.18	\$70.25	\$72.34	\$67.40	\$62.30	\$68.07	\$59.64	\$60.88	\$63.88	\$66.00	\$62.60	\$66.50
NGL - Company Avg.	\$41.36	\$52.06	\$56.12	\$58.34	\$33.77	\$50.07	\$16.22	\$24.15	\$31.10	\$42.00	\$28.37	\$42.00
Weighted Average (\$/Mcf)	\$8.04	\$9.55	\$9.03	\$9.02	\$6.86	\$8.61	\$6.62	\$6.18	\$6.35	\$6.61	\$6.44	\$6.64
Direct Operating Expense (\$/Mcf)	\$0.93	\$0.96	\$1.05	\$1.00	\$0.94	\$0.99	\$0.92	\$0.86	\$0.75	\$0.75	\$0.82	\$0.70
Production and Other Taxes (\$/Mcf)	\$0.36	\$0.41	\$0.46	\$0.43	\$0.27	\$0.39	\$0.22	\$0.19	\$0.19	\$0.23	\$0.21	\$0.27
Avg. Prod. Cost (\$/Mcf)	\$1.30	\$1.37	\$1.52	\$1.43	\$1.21	\$1.38	\$1.14	\$1.05	\$0.94	\$0.99	\$1.03	\$0.97
Avg. Margin (\$/Mcf)	\$6.74	\$8.18	\$7.51	\$7.59	\$5.65	\$7.23	\$5.48	\$5.13	\$5.40	\$5.63	\$5.41	\$5.67
DD&A (\$/Mcf)	\$1.95	\$2.12	\$2.24	\$2.27	\$2.18	\$2.20	\$2.23	\$2.25	\$2.42	\$2.42	\$2.33	\$2.42
G&A (\$/Mcf)	\$0.46	\$0.38	\$0.49	\$0.54	\$0.53	\$0.48	\$0.49	\$0.51	\$0.57	\$0.56	\$0.53	\$0.52
EBIT (\$/Mcf)	\$4.33	\$5.68	\$4.78	\$4.78	\$2.94	\$4.54	\$2.76	\$2.37	\$2.41	\$2.65	\$2.55	\$2.74
EBITDA (\$/Mcf)	\$6.28	\$7.80	\$7.02	\$7.05	\$5.12	\$6.75	\$4.98	\$4.62	\$4.83	\$5.07	\$4.87	\$5.15

Table 3 - Range Resources Balance Sheet

(\$ in Thousands)

	FY:07A	FY:08A	FY:09E	FY:10E
Cash and Cash Equivalents	4,018	753	11,664	36,214
Current Assets	257,796	403,558	196,317	196,317
Assets held for sale	0	0	0	0
Oil & Gas Properties (Net)	3,503,808	4,852,710	4,937,516	5,267,363
Other PP&E (Net)	61,126	86,228	94,278	94,278
Other Assets	189,760	219,294	232,989	232,989
Total Assets	4,016,508	5,562,543	5,472,764	5,827,161
Current Liabilities	305,433	353,514	246,364	246,364
Current Portion of LTD	0	0	0	0
Long Term Debt	1,150,658	1,790,668	1,781,480	1,781,480
Other Liabilities	832,395	960,528	1,031,348	1,240,329
Preferred Stock	0	0	0	0
Equity	1,728,022	2,457,833	2,413,572	2,558,988
Total Liab. & Equity	4,016,508	5,562,543	5,472,764	5,827,161

Required Disclosures:



Legend: I - Initiating Coverage, R - Resuming Coverage, S - Suspending Coverage, T - Terminating Coverage

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Conflict of Interest: Johnson Rice & Company L.L.C. expects to receive or intends to seek compensation for investment banking services from Range Resources Corp. in the next three months.

Prior to January 16, 2009, Johnson Rice & Company L.L.C. utilized a rating system of Overweight, Equal weight and Underweight. As of January 16, 2009, Johnson Rice & Company L.L.C has adopted a new rating system as shown below.

Stock Rating

Focus List (FL) – The stock represents the analyst's top pick(s) within their coverage group for outperforming the expected total return to the industry sector over the next 3-months on a risk adjusted basis.

Overweight (OW) – The stock is expected to outperform the expected total return to the industry sector over a 12-month investment horizon.

Equal weight (EW) – The stock is expected to perform in-line with the expected total return to the industry sector over a 12-month investment horizon.

Underweight (UW) - The stock is expected to under perform the expected total return to the industry sector over a 12-month investment horizon.

Not Rated (NR) – Johnson Rice & Company does not provide an investment rating for this stock because there is not a sufficient fundamental basis for determining an investment rating.

Rating Suspended (RS) – The rating and target price have been suspended temporarily to comply with applicable regulations and/or firm policies in certain circumstances including when JRCO is acting in an advisory capacity on a merger or strategic transaction involving the company.

JRCO Rating Distributions

Rating Category	Count	Percent
Buy/Overweight/Focus List	84	58%
Hold/Equal weight	59	40%
Sell/Underweight	3	2%

Overweight (OW) or Focus List (FL) ratings for purposes of mandatory regulatory disclosures are classified as a Buy rating.

Of the 10 JRCO investment-banking clients, 80% are rated Buy/Overweight/Focus List, 20% are rated Hold/Equal weight.

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