

Figure 87: Range Resources Financial Forecast

\$'Mn	Q1 '14	Q2 '14	Q3 '14	Q4 '14E	Q1 '15E	Q2 '15E	Q3 '15E	Q4 '15E	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Revenue	570	473	443	460	429	446	471	490	637	640	929	1,115	1,643	1,963	1,841	2,346				
Realized Hedging Gain / (Loss) - Cash Flow Hedges	2	5	4	52	50	51	49	47	203	65	108	236	73	62	197	36				
Net Revenue	572	478	446	512	479	497	520	537	840	705	1,037	1,352	1,716	2,015	2,038	2,372				
Operating Costs	174	179	181	209	215	224	233	243	281	299	290	321	629	744	915	1,102				
Realized Hedging Gain / (Loss)	(105)	(26)	17	-	-	-	-	-	184	51	32	39	(31)	(114)	-	-				
EBITDA with Hedges	293	273	281	316	264	273	287	299	743	682	779	869	1,056	1,157	1,123	1,279				
COA	129	133	142	163	160	167	174	181	380	394	341	445	493	568	681	828				
EBIT	164	139	139	147	104	106	113	119	363	299	438	424	562	589	442	552				
Interest	45	45	39	37	37	39	38	38	117	131	125	169	177	167	150	152				
EBT (excl others)	119	94	100	110	67	69	75	81	246	168	313	255	385	422	291	300				
Others	57	(230)	(154)	27	19	20	21	21	208	(8)	135	103	103	(299)	81	97				
One time charges	10	34	13	-	-	-	-	-	114	540	99	127	59	56	-	-				
EBT(incl others)	51	289	240	83	48	48	55	60	(59)	(366)	78	25	150	663	211	203				
Taxes	19	118	94	32	19	19	21	23	(5)	(127)	36	12	34	263	82	79				
Net Income	33	171	146	50	29	30	33	36	(54)	(239)	42	13	116	401	128	124				
Note: One time charges for Q4 08 & Q1 09 represent ceiling test charges																				
LTM EBITDAX with Hedges	1,198	1,115	1,120	1,157	1,129	1,129	1,134	1,133	743	682	779	869	1,056	1,157	1,123	1,279				
LTM EBITDAX without Hedges	1,188	1,189	1,204	1,289	1,828	955	932	926	356	548	639	594	1,614	1,289	926	1,244				
Actual WTI Crude (\$/bbl)	\$93.81	\$102.99	\$97.25	\$73.20	\$62.50	\$62.50	\$65.00	\$67.50	\$61.90	\$79.58	\$95.16	\$94.10	\$98.07	\$93.01	\$94.38	\$95.00				
Actual Henry Hub Natural Gas (\$/mcf)	\$4.72	\$4.58	\$3.95	\$3.83	\$3.75	\$3.75	\$3.75	\$3.75	\$4.20	\$4.35	\$4.02	\$2.83	\$3.74	\$4.27	\$3.75	\$3.75				
Key Production Data																				
Company Natural Gas Production (mmcf)	62,018	67,762	75,665	86,940	82,433	84,889	84,620	86,574	130,649	142,034	145,206	216,555	264,528	292,384	338,494	398,500				
Realized Natural Gas Price (\$/mcf)	\$4.20	\$3.88	\$3.63	\$3.51	\$3.54	\$3.54	\$3.54	\$3.54	\$6.13	\$4.48	\$4.34	\$3.95	\$4.00	\$3.77	\$3.54	\$3.38				
Company Oil Production (Mbbbls)	1,035	990	985	1,047	1,418	1,478	1,539	1,599	2,587	1,989	1,980	2,851	3,827	4,067	6,034	7,240				
Realized Oil Price (\$/bbl)	\$82.03	\$90.63	\$78.66	\$82.05	\$67.89	\$67.19	\$67.22	\$67.19	\$62.58	\$69.31	\$91.19	\$93.64	\$94.70	\$90.87	\$87.36	\$88.08				
Company NGL Production (Mbbbls)	4,471	4,471	4,835	5,163	5,099	5,495	6,338	6,913	2,187	4,490	5,352	6,967	9,255	19,840	23,744	29,775				
Realized NGL Price (\$/bbl)	\$27.34	\$24.34	\$22.53	\$24.89	\$17.86	\$17.69	\$18.46	\$18.84	\$28.99	\$39.03	\$50.24	\$42.61	\$32.71	\$24.72	\$18.28	\$20.37				
Total Equivalent Produced (mcf)	96,087	105,524	111,186	124,200	121,533	126,705	131,876	137,948	158,112	180,789	189,077	276,465	343,022	430,368	517,162	626,594				
Total Equivalent Realized (\$/mcf)	4.92	4.49	4.17	4.18	3.94	3.92	3.94	3.96	6.44	5.23	5.59	5.05	4.91	4.41	3.94	3.82				
Total Equivalent Produced (boe)	15,843	16,754	18,531	20,700	20,235	21,117	21,979	22,841	26,519	30,132	31,513	45,911	57,170	71,828	86,194	103,432				
Total Equivalent Realized (boe)	29.52	26.95	25.00	25.10	23.66	23.52	23.67	23.73	28.63	21.37	23.56	20.28	29.46	26.48	23.65	22.93				
Revenue & Operating Margins per Mcf																				
Realization	\$4.92	\$4.49	\$4.17	\$4.18	\$3.94	\$3.92	\$3.94	\$3.96	\$6.44	\$5.23	\$5.59	\$5.05	\$4.91	\$4.41	\$3.94	\$3.82				
Lifting Costs	\$1.32	\$1.22	\$1.19	\$1.20	\$1.24	\$1.24	\$1.24	\$1.25	\$1.04	\$0.91	\$0.74	\$1.27	\$1.25	\$1.23	\$1.24	\$1.25				
G&A	\$0.51	\$0.56	\$0.44	\$0.49	\$0.52	\$0.52	\$0.52	\$0.52	\$0.72	\$0.74	\$0.79	\$0.62	\$0.58	\$0.50	\$0.52	\$0.52				
CO&A	\$1.35	\$1.33	\$1.28	\$1.32	\$1.32	\$1.32	\$1.32	\$1.32	\$2.28	\$2.01	\$1.80	\$1.62	\$1.44	\$1.32	\$1.32	\$1.32				
Operating Income	\$1.73	\$1.39	\$1.25	\$1.18	\$0.86	\$0.83	\$0.86	\$0.87	\$2.39	\$1.56	\$2.26	\$1.54	\$1.64	\$1.37	\$0.95	\$0.73				
Interest	\$0.48	\$0.45	\$0.35	\$0.30	\$0.31	\$0.30	\$0.29	\$0.28	\$0.74	\$0.73	\$0.74	\$0.61	\$0.51	\$0.39	\$0.29	\$0.25				
3-yr avg. F&D all (in acc)	\$0.83	\$0.83	\$0.83	\$0.83	\$0.83	\$0.83	\$0.83	\$0.83	\$1.84	\$1.21	\$0.96	\$0.86	\$0.83	\$0.83	\$0.83	\$0.83				
3-yr avg. F&D all (excl acc)	\$0.71	\$0.71	\$0.71	\$0.71	\$0.71	\$0.71	\$0.71	\$0.71	\$1.65	\$1.12	\$0.79	\$0.75	\$0.71	\$0.71	\$0.71	\$0.71				
Full cycle costs	\$3.14	\$3.86	\$2.81	\$2.81	\$2.96	\$2.89	\$2.88	\$2.88	\$4.34	\$3.59	\$3.14	\$3.37	\$3.19	\$2.94	\$2.89	\$2.89				
Free Cash Flow																				
EBITDA with Hedges	293	273	281	310	264	273	287	299	743	682	779	869	1,056	1,157	1,123	1,279				
Current Taxes	(8)	(8)	(8)	(2)	(1)	(1)	(1)	(1)	(8)	1	(1)	(8)	0	(2)	(4)	(4)				
Total Capex	(280)	(382)	(380)	(498)	(325)	(325)	(325)	(325)	(714)	(1,128)	(1,438)	(1,694)	(1,297)	(1,520)	(1,300)	(1,300)				
Change in Net Working Capital	(76)	25	(26)	3	19	22	23	(8)	(43)	3	(36)	(23)	(43)	(88)	56	73				
Cash Available for Debt Service	(57)	(85)	(105)	(186)	(43)	(32)	(16)	(30)	(14)	(463)	(696)	(849)	(294)	(433)	(433)	(126)				
Interest (Excl. Capitalized Interest)	(55)	(34)	(55)	(19)	(56)	(19)	(56)	(20)	(109)	(114)	(133)	(153)	(159)	(163)	(150)	(152)				
Free Cash Flow	(112)	(119)	(169)	(295)	(98)	(51)	(72)	(55)	(123)	(576)	(829)	(1,063)	(443)	(596)	(276)	(113)				
Disposal of Assets	0	146	1	38	-	-	-	-	225	328	895	168	316	185	-	-				
Free Cash Flow Incl Asset Sales	(112)	27	(159)	(167)	(98)	(51)	(72)	(55)	102	(248)	66	(934)	(128)	(411)	(276)	(113)				
Balance Sheet Data																				
Cash	0	0	0	-	-	-	-	-	1	3	0	0	0	-	-	-				
Debt																				
- Senior Notes	2,641	2,350	2,350	2,350	2,350	2,350	2,350	2,350	1,384	1,687	1,788	2,139	2,641	2,350	2,350	2,350				
- Credit Facilities	594	480	649	803	891	930	960	1,031	324	274	187	739	500	803	1,031	1,000				
Long Term Debt	3,235	2,830	2,999	3,153	3,241	3,280	3,340	3,381	1,708	1,961	1,975	2,878	3,141	3,153	3,381	3,350				
YoY Growth Statistics																				
Revenue Growth (Including Realized Hedging Gain)	17%	9%	9%	17%	3%	10%	12%	4%	-16%	-6%	11%	30%	21%	13%	7%	16%				
Production Growth	21%	21%	26%	33%	29%	26%	19%	10%	13%	14%	9%	46%	25%	26%	20%	20%				
LTM Credit Statistics																				
EBITDA/Cash Interest (incl. Capitalized Interest)	6.2x	6.4x	6.4x	7.1x	6.9x	7.6x	7.6x	7.5x	6.8x	5.8x	5.9x	5.7x	6.6x	7.1x	7.3x	8.3x				
Sr. Sec debt/EBITDA	0.5x	0.4x	0.6x	0.7x	0.8x	0.8x	0.9x	0.9x	0.4x	0.4x	0.2x	0.9x	0.5x	0.7x	0.9x	0.9x				
Debt/EBITDA	2.8x	2.5x	2.7x	2.7x	2.9x	2.9x	2.9x	3.0x	2.3x	3.0x	2.5x	3.3x	3.0x	2.7x	3.0x	2.7x				
Net Debt/EBITDA	2.8x	2.5x	2.7x	2.7x	2.9x	2.9x	2.9x	3.0x	2.3x	3.0x	2.5x	3.3x	3.0x	2.7x	3.0x	2.7x				
Debt/Proved Reserves (\$/Mcfe)	\$0.39	\$0.35	\$0.37	NA	NA	NA	NA	NA	\$0.55	\$0.44	\$0.39	\$0.44	\$0.38	NA	NA	NA				
Debt/Proved Developed Reserves (\$/Mcfe)	\$0.77	\$0.67	\$0.72	NA	NA	NA	NA	NA	\$1.20	\$0.90	\$0.82	\$0.83	\$0.75	NA	NA	NA				

Source: Deutsche Bank, Company data

