



# Operating and Financial Summary

The following table provides unaudited results for the three months ended March 31, 2006 as compared to the same period in 2005.

	2006	2005
Production revenue	261,378	-
Cash flow from field operations	161,306	-
Cash flow	(160,396)	(9,155)
Cash flow per share (basic)	(0.01)	-
Cash flow per share (diluted)	(0.01)	-
Net earnings (loss)	(225,039)	(9,155)
Net earnings per share (basic)	(0.01)	-
Net earnings per share (diluted)	(0.01)	-
Capital expenditures	11,448	-
Working capital	523,949	429,813
Shareholders' equity	3,624,633	429,813
<b>Production</b>		
<b>Oil and NGL</b>		
Total Bbl	1,979	-
Per day	22	-
Average price \$	63.35	-
<b>Natural gas</b>		
Total Mcf	17,436	-
Per day	194	-
Average price \$	7.93	-
<b>BOE (6:1)</b>		
Total BOE	4,885	-
Per day	54	-
Issued and outstanding common shares	23,468,500	7,000,000

# President's Message

The Company produced an average of 54 BOE (6 Mcf = 1 BOE) per day during the first quarter of 2006 which was comprised of 22 barrels of oil and natural gas liquids per day, and 194 Mcf of natural gas per day.

On March 30, 2006 New Range Resources Ltd. ("New Range" or "the Company") (formerly named Open Range Capital Corp. "Open Range") completed its qualifying transaction and was promoted to a Tier I TSX Venture Exchange issuer. The qualifying transaction involved the acquisition of SIGA Resources Limited ("Siga"), pursuant to a plan of arrangement involving Open Range, SIGA and Open Range Resources Ltd. ("OR Resources"), a private company created by the management of Open Range in order to facilitate the financing of the acquisition. Pursuant to the arrangement: (i) OR Resources acquired all the issued and outstanding common shares of SIGA from SIGA's shareholders for cash consideration of \$0.20 per SIGA share; (ii) Open Range acquired all of the issued and outstanding common shares of OR Resources from shareholders of OR Resources on the basis of one common share of Open Range for each OR Resources share; and (iii) OR Resources, Siga and Open Range were vertically amalgamated to form the amalgamated corporation New Range Resources Ltd.

New Range is pleased to announce financial and operating results for the three months ended March 31, 2006.

In the first quarter of 2006, the Company's revenues (net of royalties) were \$224,289. Cash flow from field operations for the period totalled \$161,306 while the Company had a net cash flow deficiency of \$160,396. The loss for the period was \$225,039.

The Company produced an average of 54 BOE (6 Mcf = 1 BOE) per day during the first quarter of 2006 which was comprised of 22 barrels of oil and natural gas liquids per day, and 194 Mcf of natural gas per day. The Company ended the period with working capital of \$523,949 and no bank debt.

## Operations Update

During the balance of 2006 New Range plans to:

- a) drill one well targeting Cardium oil on its lands at Pembina. New Range has a 64% working interest in one quarter section of land at Pembina Alberta. The land has one producing Cardium oil well at 8-12-47-9 W5, currently producing eight bbl of oil per day. A second well location has been surveyed in LSD 2 to offset the 8-12 location.
- b) participate in the completion of an existing well bore at Knopcik targeting natural gas. New Range has a 30% working interest in two sections of land at Knopcik, Alberta. There is a standing cased well bore on one section and one undrilled section. The Company will participate in the completion of the standing cased well bore, and if the completion is successful the tie-in of that well. Based on the results of the completion New Range will evaluate the undrilled section and determine whether an offset well should be drilled.

These two capital projects will satisfy the Company's Flow Through Share obligations for 2006. Total exploration and development expenditures required are \$1,046,500.

On behalf of the Board of Directors,

"Signed"

**Hugh M. Thomson, C.A.**  
**President**

May 29, 2006

# Corporate Profile



TSXV  
**RGE**

New Range Resources Ltd. is a Calgary based junior oil and natural gas corporation, engaged in the exploration, development, acquisition and production of natural gas and medium to light gravity crude oil reserves in Alberta.

New Range's common shares trade on the TSX Venture Exchange (TSXV) under the symbol RGE.

The Company's primary corporate objective is to achieve non-dilutive growth and enhance shareholder value through internal prospect development, strategic production acquisitions and prudent financial management.

## Operations

Properties	Gas	Oil/NGL	Boe/d
Lodgepole	2.0	12.2	12.5
Mossleigh	28.5	-	4.7
Niton	51.3	1.9	10.5
Pembina	-	4.9	4.9
Bruce	26.6	-	4.4
Wood River	18.1	-	3.0
Provost	13.0	-	2.2
Eyremore	35.1	-	5.8
Hays	-	1.5	1.5
Garrington	-	1.0	1.0
Alderson	6.4	-	1.0
Other	13.0	0.5	2.5
<b>TOTAL</b>	<b>194.0</b>	<b>22.0</b>	<b>54.0</b>

# Management's Discussion & Analysis

The Management's discussion and analysis should be read in conjunction with the interim financial statements. The analysis compares results for the quarter ended March 31, 2006 to the same period in 2005. The Company had no operations for the period ended March 31, 2005.

## First Quarter of Operations

<b>Revenues</b>		<b>2006</b>
Gross Revenues		261,378
Average Gas Price (\$/Mcf)		7.93
Average Oil & NGL Price (\$/Bbl)		63.35
<b>Royalties</b>		
Gross Royalties		37,089
<b>Production Expenses</b>		
Production Expense		62,983
Production Expense per BOE		\$ 12.89
<b>Operating Netbacks per BOE</b>		
Sales Price (\$/BOE)		53.50
Royalties		7.59
Production Expenses		12.89
Operating Netback		33.02
<b>General &amp; Administrative Costs</b>		<b>2006</b>
General & Administrative Costs		332,570
<b>Depletion and Depreciation</b>		<b>2006</b>
Depletion and depreciation		64,643
Depletion and depreciation per BOE		\$ 13.23

## Capital Expenditures

Capital expenditures for the period were \$11,448.

## Forward-looking Statements

Certain statements in this material may be "forward -looking statements", including outlook on oil and gas prices, estimates of future production, estimated completion dates of construction and development projects, business plans for drilling and exploration, estimated amounts and timing of capital expenditures and anticipated future debt levels. Information concerning reserves contained in this material may also be deemed to be forward -looking statements as such estimates involve the implied assessment that the resources described can be profitably produced in the future. These statements are based on current expectations, estimates and projections that involve a number of risks and uncertainties that could cause actual results to differ from those anticipated by New Range Resources Ltd.

## Notice of No Auditor Review

The accompanying unaudited interim financial statements have been prepared by management. The Corporation's independent auditors have not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants or a review of interim financial statements by an entity's auditors.

# Financial Statements

## Balance Sheets Unaudited – Prepared by Management

For the three months ended March 31, 2006 (unaudited) and the year end December 31, 2005 (audited)

	March 31, 2006	December 31, 2005
<b>Assets</b>		
<b>Current assets:</b>		
Cash	\$ 722,053	\$ 410,221
Accounts receivable	161,781	2,858
Prepaid expenses	34,177	-
	918,011	413,079
Capital assets	3,404,768	-
	\$ 4,322,779	\$ 413,079
<b>Liabilities and Shareholders' Equity</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	\$ 394,062	\$ 18,354
	394,062	18,354
Asset retirement obligation	304,084	-
Future income taxes	-	-
<b>Shareholders' equity:</b>		
Common shares	3,768,714	452,814
Contributed surplus	14,170	14,170
Retained earnings	(158,251)	(72,259)
	3,264,633	394,725
	\$ 4,322,779	\$ 413,079

See accompanying notes to financial statements.

“Signed”

**Hugh M. Thomson,**  
President, Chief Executive Officer

“Signed”

**Thomas W. Robinson,**  
Director

## Financial Statements (cont.)

### Statements of Earnings and Retained Earnings

For the three months ended March 31 (Unaudited)

	2006		2005	
<b>Revenue:</b>				
Petroleum and natural gas	\$	261,378	\$	-
Royalties		(37,089)		-
		224,289		-
Other income		13,402		1,132
		237,691		1,132
<b>Expenses:</b>				
Operating		62,983		-
General and administrative		332,570		10,287
Interest		2,534		-
Depletion and depreciation		64,543		-
		462,730		10,287
Net loss	\$	(225,039)	\$	(9,155)

See accompanying notes to financial statements.

## Statements of Cash Flows

For the three months ended March 31 (Unaudited)

	2006	2005
<b>Cash provided by (used in):</b>		
<b>Operations:</b>		
Net loss	\$ (225,039)	\$ (9,155)
Items not involving cash:		
Depletion and depreciation	64,543	-
<b>Funds generated from operations</b>	<b>(160,496)</b>	<b>(9,155)</b>
Change in non-cash working capital	182,608	880
	<b>22,112</b>	<b>(8,275)</b>
<b>Financing:</b>		
Share issuance costs	(187,100)	157
Proceeds from issuance of share capital	3,503,000	-
Consolidation adjustment	139,047	-
	<b>3,454,947</b>	<b>-</b>
<b>Investment:</b>		
Additions to property, plant and equipment	(3,469,311)	-
Asset retirement obligation	304,084	-
	<b>(3,165,227)</b>	<b>-</b>
Increase (decrease) in cash	311,832	(8,118)
Cash, beginning of period	410,221	446,946
Cash end of period	\$ 722,053	\$ 438,828

See accompanying notes to financial statements.

# Notes to Interim Financial Statements

Three months ended March 31, 2006 and 2005 (Unaudited)

## 1. Nature Of Operations

New Range Resources Ltd. (the "Company") was incorporated pursuant to the provisions of the Alberta Corporations Act on April 7, 2004 and amended its articles to remove the private company restrictions and began trading on October 14, 2004.

On March 30, 2006 New Range Resources Ltd., formerly named Open Range Capital Corp. ("Open Range"), completed its qualifying transaction and was promoted to a Tier I TSX Venture Exchange issuer. The qualifying transaction involved the acquisition of SIGA Resources Limited ("Siga"), pursuant to a plan of arrangement involving Open Range, SIGA and Open Range Resources Ltd. ("OR Resources"), a private company created by the management of Open Range in order to facilitate the financing of the acquisition. Pursuant to the arrangement: (i) OR Resources acquired all the issued and outstanding common shares of SIGA from SIGA's shareholders for cash consideration of 20 cents per SIGA share; (ii) Open Range acquired all of the issued and outstanding common shares of OR Resources from shareholders of OR Resources on the basis of one common share of Open Range for each OR Resources share; and (iii) OR Resources, Siga and Open Range were vertically amalgamated to form the amalgamated corporation New Range Resources Ltd.

## 2. Significant Accounting Policies

These financial statements have been prepared using the historical cost basis in accordance with Canadian generally accepted accounting principles. These financial statements have, in management's opinion, been properly prepared within the framework of the accounting policies summarized as follows:

### Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant. Accounts specifically affected by estimates in these financial statements are accounts receivable and accounts payable and accrued liabilities.

### Cash

Cash consists of balances with financial institutions.

### Stock-based compensation

The Company has a stock-based compensation plan, which is described in note 4. Awards of options under this plan are expensed based on the fair value of the options at the grant date. Any consideration paid by employees on exercise of stock options or purchase of stock is credited to share capital.

### Revenue recognition

Interest income is recognized when earned.

### Loss per share

The Company uses the treasury stock method of calculating per share amounts whereby any proceeds from the exercise of stock options or other dilutive instruments are assumed to be used to purchase common shares at the average market price during the period.

### Future income taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between financial statement carrying amounts of assets and liabilities and their respective tax bases.

## 3. Related Party Transactions

- a) During the three months ended March 31, 2006, the Company entered into transactions with the following related parties:

New North Resources Ltd. ("New North"), related by common directors Robinson Stewart, Barristers and Solicitors ("Robinson Stewart"), controlled by two directors

- b) Transactions

<b>Expenses</b>	
Rent	\$ 3,000
Legal fees	14,668
	\$ 17,668

These transactions are in the normal course of operations and have been valued

## Notes to Financial Statements (cont.)

in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

### 4. Share Capital

#### a) Authorized

Unlimited number of Common voting shares without nominal or par value.

Unlimited number of Preferred shares, without nominal or par value, issuable in series. The directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions and conditions attached to the shares of each series.

#### b) Issued

3,000,000 issued for cash in May 2004	\$	150,000
4,000,000 issued for cash in October 2004		302,971
Share issuance costs		(97,186)
<hr/>		
Balance December 31, 2005		452,814
2,230,000 issued for cash in February 2006		446,000
14,238,500 issued to acquire Open Range Resources Ltd. in March 2006		3,057,000
Share issuance costs		(187,100)
<hr/>		
Balance March 31, 2006	\$	3,768,714

On May 11, 2004 the Company issued 2,200,000 common shares at a price of \$0.05 per share for proceeds of \$110,000.

On May 12, 2004 the Company issued an additional 800,000 common shares at a price of \$0.05 per share for proceeds of \$40,000.

On October 7, 2004 the Company issued 4,000,000 common shares to the public at a price of \$0.10 per share for proceeds of \$400,000. The costs of the issue were \$97,029 including the agents' commission of 10% of gross proceeds raised.

In February, 2006 the Company issued 2,230,000 common shares at a price of \$0.20 per share for proceeds of \$446,000.

On March 31, 2006 the Company issued 14,238,500 common shares in exchange for all of the issued and outstanding shares of Open Range Resources Ltd. at a deemed price of \$0.20 per share for total consideration of \$3,057,000.

#### c) Escrowed shares

## Notes to Financial Statements (cont.)

Under the requirements of the TSX-V the 3,000,000 common shares held by officers and directors were held in escrow. On April 11, 2006 25% of these shares were released upon the issuance of the bulletin announcing the acceptance of the Company's qualifying transaction (the "initial release"). Hereafter 1/3 of the escrowed shares will be released 6 months following the initial release a further 1/2 will be released 12 months following the initial release with the balance released 18 months after the initial release.

### d) Stock options

The Company has adopted an incentive stock option plan whereby options may be granted from time to time to directors, officers, employees and consultants to the Company with common shares to be reserved for issuance as options not to exceed 10% of the issued and outstanding common shares.

Pursuant to the Agency Agreement related to the public offering that took place on October 7, 2004, the Agent received non-transferable options to purchase 400,000 shares at a price of \$0.10 per common share. These options will expire 18 months from the date the shares are posted for trading (October 14, 2004) on the TSX Venture Exchange.

On May 11, 2004, the Company granted 700,000 options to purchase common shares to officers and directors at a price of \$0.10 per common share. Any common shares issued pursuant to the exercise of the options prior to the completion of the Qualifying Transaction must be deposited into escrow and will be subject to the escrow terms until a TSX Venture bulletin announcing acceptance of the Qualifying Transaction is issued by the Company.

The fair value of the stock options is estimated using the Black-Scholes option - pricing model with the following assumptions; dividend yield (nil), expected volatility (25%), risk-free interest rate (3.75%), and weighted average life of 1.5 years for the agents' options and 5 years for the directors' options. The value of the agents' options of \$2,200 has been charged to share issue costs and the value of directors' options of \$11,970 has been charged to stock compensation expense with an offsetting credit of \$14,170 to contributed surplus.

The following options were outstanding at March 31, 2006:

	Number of options	Weighted average exercise price
Agents options	400,000	\$ 0.10
Directors options	700,000	0.10
Total options, end of period	1,100,000	\$ 0.10

### 5. Subsequent Events

On April 10, 2006 the Company granted certain officers, employees and directors 1,250,000 options to acquire common shares at a price of \$0.25/share.

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TSX-V  
**RGE**



## Corporate Information

### Directors

Hugh M. Thomson<sup>1</sup>  
Calgary, Alberta

William C. Macdonald  
Calgary, Alberta

Leigh D. Stewart  
Calgary, Alberta

Thomas W. Robinson<sup>1</sup>  
Calgary, Alberta

Geoff Paskuski<sup>1</sup>  
Calgary, Alberta

Note: <sup>1</sup>Audit Committee

### Officers

Hugh M. Thomson,  
President & Chief Executive Officer

William C. Macdonald,  
Vice President, Land

Leigh D. Stewart  
Vice President, Finance  
Chief Financial Officer and  
Corporate Secretary

### Auditors

Hudson & Co. LLP  
Chartered Accountants  
300, 625 - 11th Avenue S.W.  
Calgary, Alberta T2R 0E1

### Registrar and Transfer Agent

Olympia Trust Company  
2300, 125 - 9th Avenue S.W.  
Calgary, Alberta  
T2G 0P6

### Solicitor

Gowling Lafleur Henderson LLP  
Barrister and Solicitors  
1400, 200-7th Avenue S.W.  
Calgary, Alberta  
T2P 4V5

### Banker

Canadian Western Bank  
Calgary, Alberta

### Stock Exchange Listing

TSX Venture Exchange  
TSX-V Trading Symbol: RGE

### Abbreviations

Bbl	barrels	NGL	natural gas liquids
Bpd	barrels of oil per day	BOE	barrel of oil equivalent (6:1)
Mcf	thousand cubic feet	BOEpd	barrel of oil equivalent per day (6:1)
Mcfpd	thousand cubic feet per day		

All sums of money are expressed in Canadian dollars.