NEW RANGE RESOURCES LTD.
MANAGEMENT'S DISCUSSION & ANALYSIS
MARCH 31, 2007

The following is management's discussion and analysis ("MD&A") of the operating and financial results for the three months ended March 31, 2007 of New Range Resources Ltd. ("New Range" or "the Company"), dated as of May 30, 2007. This discussion should be read in conjunction with the Company's financial statements and notes for the three months ended March 31, 2007 and 2006. The reader must be aware that historical results are not necessarily indicative of the future performance. All amounts are reported in Canadian dollars. The aforementioned documents can be accessed on the SEDAR web site www.sedar.com.

Nature of Business and Basis of Presentation

New Range was incorporated as "Open Range Capital Corp." under the *Business Corporations Act* (Alberta) on April 7, 2004. On March 30, 2006, a plan of arrangement involving the Company, Siga Resources Limited and Open Range Resources Ltd. was consummated and marked the commencement of oil and natural gas operations for the amalgamated Company. Under the plan of arrangement, Open Range Resources Ltd. acquired all the issued and outstanding shares of Siga Resources Limited in exchange for cash, and immediately thereafter, the Company acquired all the issued and outstanding shares of Open Range Resources Ltd. in exchange for shares of the Company. As both the Company and Open Range Resources Ltd. were controlled by the same group of shareholders and had the same Board of Directors, no change of control occurred with the purchase of Open Range Resources Ltd., and as a result, for accounting purposes, this transaction is being treated as occurring effective January 1, 2006. This is in accordance with the CICA Handbook's EIC 89 – *Exchanges of Ownership Interests Between Enterprises Under Common Control*, which provides that in such circumstances, the accounting treatment for a purchase is to be done on a continuity of interest basis. This allows for the two companies to merge their operations together as if they had always operated as one company, which in this case, has been selected by management to be as of January 1, 2006, notwithstanding the transaction closed on March 30, 2006.

For the purposes of calculating revenues and costs on a per unit basis, natural gas volumes have been converted to barrels ("bbl") of oil equivalent ("boe") using six thousand cubic feet ("mcf") of natural gas equal to one boe. This conversion conforms to Canadian Securities Regulators National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities*. Use of the term boe may be misleading, particularly if used in isolation. A boe conversion ratio of 6 mcf:1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Non GAAP Measures

This MD&A contains the term cash flow from operations, which should not be considered an alternative to, or more meaningful than, cash flows from operating activities as determined in accordance with Canadian Generally Accepted Accounting principles ("GAAP") as an indicator of New Range's performance. New Range's determination of cash flow from operations may not be comparable to that reported by other companies. The reconciliation between net earnings and cash flows from operating activities can be found in the statement of cash flows.

Forward-Looking Information

Certain statements contained in this interim management discussion and analysis may contain words such as "could", "should", "expect", "believe", "will" and similar expressions and statements relating to matters that are not historical facts but are forward-looking statements. Such forward-looking statements are subject to both known and unknown risks and uncertainties which may cause the actual results, performances or achievements of New Range to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Such factors include, among other things, the receipt of required regulatory approvals, the availability of sufficient capital, the estimated cost and availability of funding for the continued exploration and development of New Range's prospects, political and economic conditions, commodity prices and other factors.

Corporate Financial and Operational Summary

	Quarter Ended March 31	
	2007	**2006**
Financial $ (except share figures)		
Total revenue	**344,177**	**261,378**
Cash flow (deficiency) from operations	**102,321**	**(160,496)**
per share, basic and diluted	**0.004**	**(0.010)**
Loss for the period	**(66,989)**	**(225,039)**
per share, basic and diluted	**(0.003)**	**(0.025)**
Property, plant and equipment		
Capital additions (net)	**308,555**	**3,330,264**
Working capital (deficiency)	**(1,337,592)**	**523,949**
Total assets	**5,189,432**	**4,322,779**
Total shares outstanding	**23,678,500**	**23,868,500**
Operations		
Production		
Gas (mcfpd)	**322**	**194**
Oil & NGL (bpd)	**25**	**24**
boepd (6mcf = 1bbl)	**79**	**56**
Product Prices		
Gas ($/mcf)	**7.14**	**7.93**
Oil +NGL ($/bbl)	**$ 57.34**	**$ 58.83**

Review of Oil & Gas Operations

Knopcik, Alberta

In August 2006, New Range participated in earning a 30% working interest in the completion of an existing well bore at 14-09-74-11W6 (“14-9 well”) in the Halfway zone at 2,398-2,410 meters. The zone was perforated, fraced with a 30 tonne oil based gel frac and then production tested.

New Range’s discovery well was flow tested over a 63-hour period at a stabilized rate of 3.0 mmcf per day of slightly sour natural gas from the Halfway zone. The well flowed through a 6.35 mm choke with a final flowing pressure of 17,350 kPa. The 14-9 well remained shut-in for 17 days with pressure recorders down hole. Final bottom hole pressure was 23,376 Kpa.

In the fall of 2006, New Range and its partners completed the construction of a 4” (114.3 mm) 1.8-mile (2.875 Km) pipeline and related well site facilities.

The Knopcik 14-9 well was initially put on production in December 2006. Due to hydrate blockage in a non-operated section of pipeline, production was limited in December 2006. Once the hydrate blockage was resolved, the Knopcik 14-9 well recommenced production in early January 2007, producing a total of 57,475 mmcf (17,242 mmcf net), averaging 1,854 mcf/day (556 mcf/day net) of gas during January, with production during the last week of January averaging 3.55 mmcf/day (1.065 mmcf/day net). The Knopcik 14-9 well was shut-in on February 1, 2007 as the H2S level had increased from 6.3% to 7.8%, which was in excess of the pipeline specifications.

In February 2007 design and construction began on a sour gas dilution facility to bring the H2S level back in line with pipeline specifications. The facility was completed and installed in early May 2007. The well came back on stream on May 18, 2007. At that time, the Knopcik 14-9 well was put on production at a restricted rate of 2 mmscf/day (600 mcf/day net).

Pembina, Alberta

In December 2006 New Range’s Pembina 100/2-12-47-9W5/00 (“2-12 well”) was drilled to a depth of 1,655 meters to evaluate the Cardium formation for oil production. The 2-12 well was cased, perforated and fractured and flowed oil at an initial rate of in excess of 150 bbl per day (96 bbl/day net), and natural gas at a rate in excess of 400 mcf/day (256 mcf/day net).

In February 2007, New Range moved a temporary facility on location at Pembina 2-12 well to further test the productivity of the well. During the nine day test, the Pembina 2-12 well flow tested oil and natural gas without pumping equipment as follows:

Day	Hours on production	Wellhead Pressure (psi)	Oil rate (bbl/day)	Gas rate (mcf/day)
1	24	300	157	410
2	24	250	147	455
3	24	260	133	455
4	24	270	95	440
5	24	260	74	460
6	24	260	70	465
7	24	250	48	420
8	24	250	50	420
9	22	230	45	419

Design and construction of a single well oil battery is now completed. A 400 meter natural gas pipeline tie-in has been surveyed and licensed, and construction is expected to commence in the near future. New Range is the operator of the Pembina 2-12 well and holds a 64% working interest.

As of the date of this report with Knopcik on-stream at a restricted rate, New Range is producing 150 boe/day.

Once the Knopcik 14-9 well and the Pembina 2-12 well are both on-stream and at optimal volumes, the Company expects its daily production to increase to approximately 250 boe/day.

The industry and economic factors that could affect the Company's performance that are discussed in our annual management discussion and analysis are substantially unchanged.

Revenue from Oil and Natural Gas Operations

	2007 Q1	**2006 Q4**	**2006 Q3**	**2006 Q2**	**2006 Q1**	**2006 Year**
Oil sales ($)	115,429	84,276	79,606	117,534	117,718	399,134
Natural gas sales ($)	215,179	108,456	102,280	96,524	138,301	445,561
NGL sales ($)	13,576	8,829	9,588	10,757	9,359	38,533
Total petroleum and natural gas sales ($)	344,176	201,561	191,474	224,815	265,378	883,228
Bbl Oil /day	21	12	13	18	22	16
Mcf Natural gas/day	322	162	213	152	194	180
NGL volume/day	4	2	2	2	2	2
Average production rates (boe/day)	79	42	50	46	56	48
$/Bbl Oil	61.07	77.37	68.75	70.30	60.36	68.00
$/mcf gas	7.14	7.27	5.23	6.99	7.93	6.78
$/Bbl NGL	38.78	39.19	43.53	50.68	50.12	45.63
$/boe	48.40	53.03	42.29	53.72	52.62	49.99

Revenues for the three months ended March 31, 2007, were $344,176 compared to $265,378 for the same period last year. The Company began operations in 2006 with the acquisition of Siga Resources Limited ("Siga") on March 30, 2006. Since effective control of Siga occurred in December, 2005 the operating results of Siga are included for the period January 1, 2006 to December 31, 2006.

Oil, natural gas and natural gas liquid sales averaged 79 barrels of oil equivalent per day during the first quarter of 2007 compared to 56 boepd during the same period of 2006.

During the first quarter of 2007, average commodity prices received were $61.07 per bbl of oil, $38.78 per bbl of NGL and $7.14 per mcf of gas.

Royalties

	Q1 2007	**Q1 2006**
Royalties ($)	67,861	37,089
Royalties ($/boe)	8.47	7.35
Royalties Rate (% of revenue)	19.7	14.1

Royalties per boe and as a percentage of revenues increased due to new gas production at Knopcik 14-9-74-11W6 which has a “new gas” royalty rate of 30%.

Netbacks

	Q1 2007	**Q4 2006**	**Q3 2006**	**Q2 2006**	**Q1 2006**	**Year 2006**
Average Production Rates (boepd)	79	41	50	46	56	48
Total Revenue ($/boe)	48.40	53.03	41.29	53.72	52.62	49.99
Royalties ($/boe)	8.47	6.59	5.43	6.70	7.35	6.53
Operating Costs ($/boe)	14.62	22.90	12.47	15.14	13.28	15.58
Operating Netback ($/boe)	25.31	23.54	23.39	31.88	31.99	27.88
G & A Costs ($/boe)	6.20	29.50	12.33	13.43	65.95	31.59
Interest ($/boe)	1.72	16.28	0	0	0	3.59
Corporate Netback ($/boe)	17.39	(22.44)	11.06	18.45	(33.96)	(7.30)

Field operating netbacks for the period were $25.31 boe, which represents 52% of revenues.

Operating Costs

Operating costs can vary significantly depending on such factors as production rates, reservoir quality, water content and available infrastructure.

	Q1 2007	**Q1 2006**
Operating Costs ($)	117,092	62,983
Operating Costs ($/boe)	14.62	13.28
Operating Costs (% of revenue)	34	24

Operating costs per boe have been substantially higher than industry average due to the fact that production base of 79 boe/day is comprised of a large number of lower productivity wells, which bear a higher cost per boe due to economies of scale. With new production coming on steam in Q2 2007 the company expects operating costs per boe to decrease.

General & Administrative ("G & A") Expenses

	Q1 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q4 2005	Year 2006
G & A Costs ($)	49,676	112,083	57,175	56,197	332,570	23,788	558,025
G & A Costs ($/boe)	6.99	29.50	12.33	13.43	65.95	N/A	31.59
G & A Costs (% of revenue)	14	56	30	25	125	N/A	63

G&A expenses/boe decreased to $6.99/boe in Q1 2007. With increased volumes in Q2 going forward New Range expects G&A /boe to decrease significantly.

Interest Expenses

The balance outstanding under the Canadian Chartered Bank credit facility at March 31, 2007 was $696,872. The credit facility has a maximum of $850,000 with interest payable at the bank's prime rate plus 0.25% annually. At March 31, 2007 New Range also had short term loans outstanding of $650,000 due to related parties. Interest on the credit facility and short term loans was $12,296 during Q1 2007.

Depletion, Depreciation and Accretion ("DD&A") Costs

The rate of depletion, depreciation and accretion with respect to petroleum and natural gas properties was $22.67 per boe produced.

	Q1 2007	Q1 2006
DD & A Costs ($)	169,310	64,543
DD & A Costs ($/boe)	22.67	12.81

DD&A costs were based on a reserve decline rate of 12.7%.

Cash Flow and Earnings

Net loss for the three months ended March 31, 2007 was $66,989 on net revenues of $277,080 as compared to a loss of $225,039 on net revenues of $224,289 during the same period in 2006.

	Q1 2007 $	Q4 2006 $	Q3 2006 $	Q2 2006 $	Q1 2006 $	Year 2006 $
Revenues	344,176	201,561	191,474	224,815	265,378	883,228
Royalties	67,861	25,048	25,165	28,037	37,090	115,340
Other Income	764	(2,821)	3,852	3,298	13,402	17,731
Revenues after Royalties	277,080	173,692	170,161	204,075	237,691	785,619
Operating Costs	117,093	87,052	57,848	67,379	62,983	275,262
G&A Costs	49,676	112,084	57,175	56,197	332,570	558,025
Interest	12,296	60,294	0	0	2,534	62,928
Current Income Tax	4,305	0	0	0	0	0
Cash Flow	102,321	(88,837)	55,138	80,499	(160,396)	(110,597)
Cash Flow per Share (basic)	0.004	(0.0036)	0.0023	0.0034	(0.0177)	(0.0056)
Cash Flow per Share (diluted)	0.004	(0.0033)	0.0021	0.0031	(0.0164)	(0.0051)
DD&A	169,310	(153,828)	332,857	204,402	64,543	447,974
Stock Based Compensation	0	272,293	0	0	0	272,293
Future Income Tax	0	(336,135)	0	0	0	(336,135)
Net Income (loss)	(66,989)	131,932	(277,719)	(123,903)	(225,039)	(494,729)
Income (Loss) per Share (basic)	(0.003)	0.0055	(0.0116)	(0.0052)	(0.0249)	(0.0249)

Capital Expenditures

During Q1 2007, New Range recorded $285,134 in net capital expenditures compared to $3,469,311in Q1 2006.

Liquidity and Capital Resources

	Period Ended March 31, 2007 $	Period Ended March 31, 2006 $
Working Capital (Deficiency)	(1,337,592)	523,949

New Range has a working capital deficiency of $1,337,592 at the end of the Q1 2007 compared to positive working capital of $523,949 at the end of Q1 2006.

As of March 31, 2007 New Range had utilized $696,872 of its $850,000 revolving loan facility with a Canadian chartered bank. During Q1 2007, the Company obtained additional short term financing to cover its working capital deficiency.

Related Parties

An officer and director of the Company is a lawyer whose firm provides legal services to the Company at market rates. Prior thereto, the officer and director of the Company was a partner with another director of the Company at a firm that provided legal services of the Company at market rates. In Q1 2007, amounts totaled $11,142 for such legal services (2006 - $ 14,223).

An officer and director of the Company, and an insider of the Company (holding in excess of 10% of the Company's common shares) are also officers, directors or insiders of a private oil and gas company that entered into a sub-participation agreement with the Company pursuant to which the Company had the right to earn a 30% working interest in the Knopcik 14-9 well. The Company earned a 30% interest in the Knopcik 14-9 well and as at the period ended March 31, 2007, the Company had accounts receivable from the private oil and gas company in the amount of $729,033 and accounts payable and accrued liabilities to the private company in the amount of $739,823 in connection with the Company's share of expenses for development and production activity on the Knopcik 14-9 well.

In addition, during the period March 31, 2007, the Company paid $21,150 general and administrative expenses (2006 - $12,008) to the private oil and gas company in connection with sharing of administrative services with the private company.

A company wholly owned by an officer and director of the Company charged consulting fees of $15,000 to the Company in 2007.

Share Information

As of May 30, 2007, there are 23,678,500 common shares of the Company outstanding and 25,458,500 common shares diluted. There are 1,780,000 options to purchase common shares outstanding. The Company's common shares are listed for trading on the TSX Venture Exchange under the symbol "RGE".

	March 31 2007	**March 31 2006**
Common Shares issued and outstanding	23,678,500	23,868,500
Common shares issuable on conversion:		
Stock Options	1,780,000	700,000
Agent's Warrants	-	-
Diluted common shares outstanding	25,458,500	24,568,500

Critical Accounting Estimates

The significant accounting policies of New Range are disclosed in Note 2 to the Financial Statements. Certain accounting policies require that management make appropriate decisions with respect to the formulation of estimates and assumptions that affect the reported amounts of assets, liabilities, and revenues and expenses. New Range's management reviews its estimates regularly.

There are a number of critical estimates underlying the accounting policies employed in preparing the Financial Statements including cost estimates for services received but not yet billed which are estimated based on original quotes and historical cost information. In addition, estimates are provided for income taxes, stock based compensation, asset retirement obligations and depreciation, depletion and amortization of property and equipment.

The Company's Financial Statements have been prepared on a going concern basis, which contemplates the realization of certain assets and the payment of liabilities in the ordinary course of business. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due. The financial statements do not include any adjustments relating to the recoverability and the classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

The determination of the Company's income and other tax liabilities requires interpretation of complex laws and regulations. All tax filings are subject to audit and potential reassessment after the lapse of consideration time. Accordingly, the actual income tax liability may differ significantly from estimated and recorded in the Company's Financial Statements.

Proved Petroleum and Natural Gas Reserves

The full cost method of accounting, which is used to account for oil and gas activities, relies on estimates of proved reserves that will ultimately be recovered from the properties. These estimates are utilized in calculating unit of production depletion, potential impairment of asset carrying costs and future site restoration expense. The process of estimating reserves is complex and requires judgment on available geological, engineering and economic data.

Reserves are evaluated at year-end by an independent engineering firm. Although the Company makes every effort to ensure the estimates are accurate, changing economic and operational conditions, and governmental regulations can significantly affect these estimates, which may cause fluctuations in earnings and cash flows.

Disclosure Controls and Procedures

Disclosure controls and procedures have been designed to ensure that information required to be disclosed by New Range is accumulated and communicated to our management as appropriate to allow timely decisions regarding required disclosure. The Company's Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") have concluded, based on their evaluation as of December 31, 2006, that the Company's disclosure controls and procedures are effective to provide reasonable assurance that material information related to New Range, is made known to them by employees or third part consultants working for the Company.

Internal Control Over Financial Reporting

The design of the Company's internal control over financial reporting was assessed by the CEO and CFO as of December 31, 2006 pursuant to the requirements of Multilateral Instrument 52-109 of the Canadian Securities Administrators. During this process, management identified the following weaknesses in internal control over financial reporting which are as follows:

(a) Due to the limited number of staff, it is not possible to achieve a segregation of duties: and
(b) Due to the limited number of staff there is no independent review of more complex areas of accounting. This may result in inadvertent errors in the accounting for income taxes, complex or non-routine accounting transactions that may arise.

These weaknesses in the Company's internal controls over financial reporting results in a more than remote likelihood that a material misstatement would not be prevented or detected. Management and the board of directors work to mitigate the risk of material misstatement in financial reporting. In addition, when complex accounting and technical issues arise during the preparation of the quarterly financial statements, outside consulting expertise is engaged.

CORPORATE INFORMATION

Directors

Hugh M. Thomson,
Calgary, Alberta (1)

William C. Macdonald,
Calgary, Alberta

Leigh D. Stewart,
Calgary, Alberta

Thomas W. Robinson (1)
Calgary, Alberta

Geoffrey Paskuski
Calgary, Alberta

(1) Audit Committee

Officers

Hugh M. Thomson,
President & Chief Executive Officer

Leigh D. Stewart
Chief Financial Officer and Corporate Secretary

Head Office

Suite 750, Calgary Place I
330-5th Avenue S.W.
Calgary, Alberta T2P 0L4

Telephone: (403) 532-4466
Fax: (403) 303-2503
E-mail: info@newrangeresources .com

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.E.
Calgary, Alberta T2G 0P6

Solicitor

Gowlings Lafleur Henderson LLP
Suite 1200, 700 – 2nd Street S.W.
Calgary, Alberta T2P 4V4

Banker

Canadian western Bank
606 – 4th Street S.W.
Calgary, Alberta T2P 1T1

Stock Exchange Listing

TSX Venture Exchange
TSXV Trading Symbol: RGE

Abbreviations

bbl	barrels
bpd	barrels of oil per day
mcf	thousand cubic feet
mmcf	million cubic feet
mcfpd	thousand cubic feet per day
NGL	natural gas liquids
boe	barrel of oil equivalent (6:1)
boepd	barrel of oil equivalent per day

All sums of money are expressed in Canadian Dollars