NEW RANGE
resources ltd.

MANAGEMENT'S DISCUSSION & ANALYSIS
SEPTEMBER 30, 2008

The following is management's discussion and analysis ("MD&A") of the operating and financial results for the three and nine months ended September 30, 2008 of New Range Resources Ltd. ("New Range" or "the Company"). This discussion should be read in conjunction with the Company's financial statements and notes for the three and nine months ended September 30, 2008 and 2007 and the year ended December 31, 2007. The reader must be aware that historical results are not necessarily indicative of the future performance. All amounts are reported in Canadian dollars. This MD&A includes events up to November 25, 2008. The aforementioned documents can be accessed on the SEDAR web site www.sedar.com.

Nature of Business and Basis of Presentation

Corporate Profile

New Range Resources Ltd. ("New Range" or the "Company) 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 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.

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.

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. The Company also presents cash flow per share whereby cash flow from operations is divided by the weighted average number of shares outstanding to determine per share amounts.

Forward-Looking Information

Certain statements contained in this annual 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

	Three Months Ended September 30	
	2008	**2007**
Financial $		
Total revenue	642,850	433,835
Cash flow from operations	262,420	146,163
per share, basic and diluted	0.011	0.006
Income (Loss) for the period	47,984	(74,158)
per share, basic and diluted	0.002	(0.003)
Capital additions	117,599	137,181
Working capital (deficiency)	(1,468,873)	(1,528,439)
Total assets	5,034,231	4,677,903
Total shares outstanding	23,678,500	23,678,500
Operations		
Field operating cash flow	367,612	205,726
Per share, basic and diluted	0.016	0.009
Production		
Gas (MMcfd)	449	339
Oil & NGL (Bopd)	30	45
BOEd (6Mcf = 1Bbl)	104	101
Product Prices		
Gas ($/Mcf)	7.41	4.82
Oil ($/Bbl)	118.13	77.18
NGL ($/Bbl)	90.79	44.18

	Nine Months Ended September 30	
	2008	2007
Financial $		
Total revenue	1,703,382	1,027,703
Cash flow from operations	687,624	117,268
per share, basic and diluted	0.029	0.007
Income (Loss) for the period	116,233	(353,875)
per share, basic and diluted	0.005	(0.015)
Capital additions	482,079	550,927
Working capital (deficiency)	(1,468,873)	(1,528,439)
Total assets	5,034,231	4,677,903
Total shares outstanding	23,678,500	23,678,500
Operations		
Field operating cash flow	965,670	478,979
Per share, basic and diluted	0.041	0.020
Production		
Gas (MMcfd)	363	297
Oil & NGL (Bopd)	30	29
BOEd (6Mcf = 1Bbl)	90	78
Product Prices		
Gas ($/Mcf)	8.43	6.14
Oil ($/Bbl)	110.43	71.08
NGL ($/Bbl)	76.32	43.38

Overview

For the three months ended September 30, 2008 cash flow from operations was $262,420 as compared to $146,163 in the same period last year. Increases in commodity prices and daily production volumes resulted in total revenues of $642,850 during the third quarter of 2008, as compared to $433,835 in the same quarter as 2007, an increase of 48%.

During Q3 production rates averaged 104 boe/day, an increase of 26 boe/day from the Q2 rate of 78 boe/day. The increase is due to steady production from the Company's Knopcik gas well.

Revenue from Oil and Natural Gas Operations

	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006
Oil sales ($)	210,200	206,897	179,718	179,489	217,802	81,242	115,429	84,276	79,606
Natural gas sales ($)	293,878	293,405	248,777	168,466	156,722	147,276	215,179	108,456	102,280
NGL and other sales ($)	86,426	73,872	56,184	26,998	58,585	18,032	13,576	8,829	9,588
Total petroleum and natural gas sales ($)	609,504	572,511	484,680	374,953	433,110	246,550	344,177	201,561	191,474
Bbl Oil /day	19	19	21	24	31	13	21	12	13
Mcf Natural gas/day	449	302	338	297	339	231	322	162	213
NGL volume/day	10	9	11	11	14	6	4	2	2
Average production rates (boe/day)	104	78	89	85	101	58	79	42	50
$/Bbl Oil	118.13	122.36	92.92	81.89	77.18	68.48	61.07	77.37	68.75
$/mcf gas	7.41	10.49	7.96	5.94	4.82	6.70	7.14	7.27	5.23
$/Bbl NGL	90.79	87.03	54.45	24.98	44.18	35.18	38.78	39.19	43.53
$/boe	63.44	80.95	60.51	48.08	45.85	47.52	48.40	53.03	42.29

For the three months ended September 30, 2008, New Range's production was comprised of 72% natural gas, 18% oil and 10% NGLs.

Oil, natural gas and natural gas liquids ("NGLs") sales averaged 104 barrels of oil equivalent per day ("boepd") during the third quarter of 2008 compared to 101 boepd during the same period of 2007.

During the third quarter of 2008, average commodity prices received were $118.13 per bbl of oil, $90.79 per bbl of NGLs and $7.41 per mcf of gas.

Royalties

	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006
Royalties ($)	94,860	87,002	71,255	61,730	81,865	27,173	67,861	25,047	25,165
Royalties ($/boe)	9.87	12.27	8.82	7.91	8.77	5.24	9.74	5.99	5.43
Royalties Rate (% of revenue)	15	15	15	17	19	11	20	13	13

Royalties averaged 15% of revenue in Q3 2008 as compared to 19% in Q3 2007

Operating Costs

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

	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006
Operating Costs ($)	180,378	155,791	148,425	138,592	146,244	141,52	84,069	47,052	97,848
Operating Costs ($/boe)	18.79	21.95	18.36	17.75	15.67	20.92	16.80	11.25	21.10
Operating Costs (% of revenue)	28	27	31	37	34	43	34	23	51

Operating costs averaged $18.79 per boe in Q3 2008 as compared to $20.92 in Q3 2007.

Netbacks

	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006
Average Production Rates (boepd)	104	78	89	85	101	57	79	46	50
Total Revenue ($/boe)	63.44	80.95	60.51	48.08	45.85	47.51	48.40	53.03	41.29
Royalties ($/boe)	9.87	12.27	8.82	7.91	8.77	5.24	9.74	5.99	5.43
Operating Costs ($/boe)	18.79	21.91	18.36	17.75	15.74	20.94	14.62	22.90	12.47
Operating Netback ($/boe)	34.78	46.77	33.33	22.42	21.30	21.33	25.31	23.54	23.39
G & A Costs ($/boe)	8.31	12.04	4.46	13.43	4.92	30.31	6.20	29.50	12.33
Interest ($/boe)	2.64	3.62	3.25	1.58	3.09	5.07	1.72	16.28	0
Corporate Netback ($/boe)	23.83	31.11	25.62	11.85	13.29	(14.05)	17.39	(5.96)	11.06

Field operating netbacks in Q3 2008 were $34.78/boe which represents 55% of revenues.

General & Administrative ("G & A") Expenses

	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006
G & A Costs ($)	79,838	85,436	35,733	104,772	45,707	158,418	49,676	112,083	57,175
G & A Costs ($/boe)	8.31	12.04	4.46	13.43	4.90	30.54	6.99	29.50	12.33
G & A Costs (% of revenue)	15	15	7	28	11	64	14	56	30

Interest Expense

	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006
Interest expense ($)	25,354	25,685	26,002	29,237	28,751	26,065	12,296	60,294	0
Interest expense ($/boe)	2.64	3.62	3.25	3.73	3.09	5.07	1.72	16.28	0
Interest expense % of revenue	4	4	5	8	7	11	4	30	0

The balance outstanding under the credit facility at September 30, 2008 was $822,605. The bank loan bears interest at prime +0.25% annually.

At September 30, 2008 the loan payable balance outstanding was $700,000. The loan payable bears interest at prime +4% annually.

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

The rate of depletion and depreciation with respect to petroleum and natural gas properties, excluding administrative assets, was $22.32 per boe produced in Q3 2008

	Q3 2008	Q3 2007
DD & A Costs ($)	$214,436	$220,321
DD & A Costs ($/boe)	$22.32	$23.71

Cash Flow and Earnings

Net income for the three months ended September 30, 2008 was $47,984 on revenues of $642,850 as compared to a loss of $74,158 on revenues of $433,835 during the same period in 2007.

	Q3 2008 $	Q2 2008 $	Q1 2008 $	Q4 2007 $	Q3 2007 $	Q2 2007 $	Q1 2007 $	Q4 2006 $	Q3 2006 $
Revenues	609,504	574,174	484,680	374,953	433,110	246,550	344,177	201,561	191,474
Royalties	94,860	89,002	71,255	61,730	81,865	27,173	67,861	25,048	25,165
Other income	33,346	-	1,679	1,475	725	2,307	764	(2,821)	3,852
Revenues after Royalties	547,990	487,171	415,103	314,699	351,970	221,684	277,080	173,692	170,161
Operating Costs	180,378	155,407	148,425	138,592	146,244	108,488	117,092	87,052	57,848
G&A Costs	79,388	85,436	35,733	104,772	45,707	158,418	49,676	112,084	57,175
Interest	25,354	25,685	26,001	29,237	28,751	26,065	12,296	60,294	0
Cash Flow	262,420	220,643	204,944	42,098	146,163	(71,217)	98,015	(88,837)	55,138
Cash Flow per Share (basic)	0.011	0.009	0.010	0.001	(0.006)	(0.003)	0.004	(0.0036)	0.0023
Cash Flow per Share (diluted)	0.011	0.009	0.010	0.001	(0.006)	(0.003)	0.004	(0.0033)	0.0021

	Q3 2008 $	Q2 2008 $	Q1 2008 $	Q4 2007 $	Q3 2007 $	Q2 2007 $	Q1 2007 $	Q4 2006 $	Q3 2006 $
DD&A	214,436	178,854	178,101	128,430	220,321	141,512	169,310	(153,828)	332,857
Stock Based Compensation	-	-	-	123,716	0	0	0	272,293	0
Future Income Tax Recover	-	-	-	-	(14,895)	0	(4,305)	(336,135)	0
Net Income (loss)	47,984	41,789	26,843	(210,048)	(74,158)	(212,729)	(66,989)	131,932	(277,719)
Income (Loss) per Share (basic)	0.002	0.002	0.001	(0.001)	(0.003)	(0.009)	(0.003)	0.0055	(0.0116)
Net Income(loss) per Share (diluted)	0.002	0.002	0.001	(0.001)	(0.003)	(0.009)	(0.003)	0.0055	(0.0116)

Capital Expenditures

During Q3 2008, New Range recorded $117,599 in capital expenditures compared to $137,181 in the Q3 2007.

Liquidity and Capital Resources

	September 30, 2008 $	September 30, 2007 $
Working Capital (Deficiency)	(1,468,873)	(1,528,439)

New Range had a working capital deficiency of $1,468,873 at the end of Q3 2008 compared to a working capital deficiency of $1,528,439 at the end of Q3 2007.

Related Party Transactions

During the period, the Company paid $15,675 (2007 - $14,250) for office and administrative expenses, to a company related by a common director and legal fees totalling $4,419 (2007 - $7,521) were paid to a law firm who employs a director of the Company.

The Company also is a joint venture partner with a Company related by one common director. Certain revenue and expense amounts related to the joint venture are allocated from this related Company to Company on a monthly basis.

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Share Information

As of September 30, 2008, and as at the date hereof, there were 23,678,500 common shares of the Company outstanding and 25,918,500 common shares diluted. There are 2,240,000 options to purchase common shares outstanding. The Company's common shares are listed for trading on the TSX Venture Exchange under the symbol "RGE".

	September 30, 2008	**September 30, 2007**
Common Shares issued and outstanding	23,678,500	23,678,500
Common shares issuable on conversion:		
Stock Options	2,240,000	2,240,000
Diluted common shares outstanding	25,918,500	25,918,500

Significant Accounting Policies

The significant accounting policies of New Range are disclosed in Note 4 to the financial statements for the three and nine months ended September 30, 2008. 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.

New Accounting Standards in 2008

During the first quarter of 2008, New Range adopted Sections 1535 “Capital Disclosures” and 3862 “Financial Instruments – Disclosures” issued by the Canadian Institute of Chartered Accountants ("CICA"). Under the new accounting standards, New Range will disclose information that will enable users of the Corporation’s financial statements to evaluate New Range’s objectives, policies and processes for managing capital, and have a better understanding of the nature, risk and risk management of the Corporation’s financial instruments. Please refer to notes 12 and 13 in the financial statements for additional discussion regarding "financial instruments", "capital disclosures" and other new accounting pronouncements.

During the second quarter of 2008, the accounting standards board has confirmed the date of changeover to international financial reporting standards ("IFRS") will be for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Management has started researching the differences between Canadian GAAP and IFRS, and expects to develop an implementation plan for the changeover from Canadian GAAP to IFRS by the third quarter of 2009.

CICA handbook section 3064, Goodwill and Intangible Assets, will be in effect for fiscal years beginning on or after January 1, 2009. The handbook section applies to goodwill subsequent to initial recognition and establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets. At this time, the new disclosure requirement is not expected to have an impact on the Corporation’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.

Off Balance Sheet Arrangements

The Company has not engaged in any off-balance sheet arrangements such as obligations under guarantee contracts, a retained or contingent interest in assets transferred to an unconsolidated entity, any obligation under derivative instruments or any obligation under a material variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the Company or engages in leasing or hedging services with the Company.

Internal Control Over Financial Reporting

The Corporation is a Venture Issuer and therefore under Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (MI 52-109), has not made representations relating to the establishment and maintenance of disclosure controls and procedures ("**DC&P**") and internal control over financial reporting ("**ICFR**"), as defined in MI 52-109. In particular, the Chief Executive Officer and the Chief Financial Officer, the Corporation's certifying officers, have not made any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in MI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Exploration, Development and Production Risks

New Range is engaged in the exploration, development and production of crude oil and natural gas. The oil and gas business is inherently risky and there is no assurance that hydrocarbon reserves will be discovered and economically produced. Operational risks include competition, reservoir performance uncertainties, environmental factors, regulatory, and environment concerns. Financial risks associated with the petroleum industry include fluctuations in commodity prices, interest rates, currency exchange rates and cost of goods and services.

While the Company currently has a limited number of specific identified exploration or development prospects, management will continue to evaluate prospects on an ongoing basis in a manner consistent with industry standards. The long-term commercial success of the Company depends on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. No assurance can be given that the Company will be able to locate satisfactory properties for acquisition or participation. Moreover, if such acquisition or participation opportunities are identified, the Company may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic.

New Range employs highly qualified people, uses operating and business practices, and evaluates all potential and existing wells using up to date technology. New Range complies with government regulations and environment and safety policies are adhered. Liabilities for future abandonment and restoration costs are assessed and provided annually. New Range maintains property and liability insurance coverage. The coverage provides a reasonable amount of protection from risk of loss, however not all risks are foreseeable or insurable.

The Company and its securities should be considered a highly speculative investment and investors should carefully consider all of the information before making an investment in the Company. The Company's limited operating history makes it difficult to predict how its business will develop and its future operating results.

Prices, Markets and Marketing of Crude Oil and Natural Gas

Oil and natural gas are commodities whose prices are determined based on world and/or continental demand, supply and other factors, all of which are beyond the control of the Company. World prices for oil and continental prices for natural gas have fluctuated widely in recent years. Any material decline in prices could result in a reduction of net production revenue. Certain wells or other projects may become uneconomic as a result of a decline in oil and/or natural gas prices, leading to a reduction in the volume of the Company's oil and natural gas reserves. The Company might also elect not to produce from certain wells at lower prices. All of these factors could result in a material decrease in the Company's future net production revenue, causing a reduction in its oil and natural gas acquisition and development activities. In addition, bank borrowings available to the Company are in part determined by the borrowing base of the Company. A sustained material decline in prices could limit or reduce the Company's borrowing base, thereby reducing the bank credit available to the Company, and could require that a portion of any existing bank debt of the Company be repaid.

The Company must successfully market its oil and natural gas to prospective buyers. The marketability and price of oil and natural gas will be affected by numerous factors beyond the Company's control. The Company may be affected by the differential between the price paid by refiners for light-gravity oil and the grades of oil that may be produced by the Company. The ability of the Company to market its natural gas may depend upon its ability to acquire space on pipelines which deliver natural gas to commercial markets. The Company may also be affected by deliverability uncertainties related to the proximity of its reserves to pipelines and processing facilities and related to operational problems with such pipelines and facilities.

Government Regulation

There is extensive government regulation relating to taxes, royalties, land tenure, allowable production, the export of oil and natural gas and many other aspects of the oil and natural gas business. The Company has no control over any changes to the existing regulatory regime that might adversely affect the Company's properties and prospects.

CORPORATE INFORMATION

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Calgary, Alberta

Thomas W. Robinson (1)
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(1) Audit Committee

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Stock Exchange Listing

TSX Venture Exchange

Trading Symbol: RGE

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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