MANAGEMENT'S DISCUSSION & ANALYSIS
DECEMBER 31, 2009

The following is management's discussion and analysis ("MD&A") of the operating and financial results for the year ended December 31, 2009 of New Range Resources Ltd. ("New Range" or "the Company"), dated as of April 22, 2010. This discussion should be read in conjunction with the Company's financial statements and notes for the years ended December 31, 2009 and 2008 ("Financial Statements"). 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

Corporate Profile

New Range Resources Ltd. ("New Range" or the "Company") is a Calgary based junior oil and natural gas Company, 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" and "operating netback", 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 and operating netback 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.

Corporate Financial and Operational Summary

	Years Ended December 31	
	2009	**2008**
Financial $		
Total revenue	**731,098**	**2,040,551**
Cash flow from operations	**(209,180)**	**635,487**
per share, basic and diluted	**(0.009)**	**.027**
Loss for the period	**(430,813)**	**(1,353,700)**
per share, basic and diluted	**(0.018)**	**(0.057)**
Capital additions	**79,535**	**550,514**
Dispositions	**790,000**	**-**
Working capital (deficit)	**(1,088,160)**	**(1,589,445)**
Total assets	**2,614,237**	**3,513,561**
Total shares outstanding	**23,678,500**	**23,678,500**
Operations		
Field operating cash flow	**205,251**	**1,079,423**
Per share, basic and diluted	**0.009**	**0.046**
Production		
Gas (MMcfd)	**197**	**368**
Oil & NGL (Bopd)	**23**	**28**
BOEd (6Mcf = 1Bbl)	**56**	**89**
Product Prices		
Gas ($/Mcf)	**3.84**	**8.09**
Oil ($/Bbl)	**61.77**	**97.90**
NGL ($/Bbl)	**28. 16**	**67.66**
Reserves (proved plus probable, future costs and prices)		
Gas (mmcf)	**363**	**889**
Oil (MBbl)	**52**	**57**
NGL (MBbl)	**12**	**15**
BOE (MBOE)	**125**	**223**
Present value, before tax ($ Thousands at 10%)	**2,015**	**3,190**

Revenue from Oil and Natural Gas Operations

For the year ended December 31, 2009, New Range's production was comprised of 48% natural gas, 40% oil and 12% NGLs.

	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008
Oil sales ($)	109,639	106,333	98,431	73,321	87,475	210,200	206,897	179,718
Natural gas sales ($)	49,515	53,489	40,769	139,951	232,137	312,879	293,405	248,778
NGL sales ($)	17,240	13,589	13,550	18,075	20,495	58,513	52,789	56,184
Sulphur sales ($)	-	(325)	784	(4,264)	(13,440)	27,913	19,420	-
Other	2,952	529	529	(3,010)	10,502	33,346	1,662	1,679
Total petroleum and natural gas revenue ($)	179,346	173,616	154,063	224,074	337,169	642,850	574,173	486,359
Bbl Oil /day	16	17	18	18	16	19	19	22
Mcf Natural gas/day	115	203	129	340	382	449	302	338
NGL volume/day	4	4	5	10	6	10	9	11
Average production rates (boe/day)	40	55	44	84	86	104	78	89
$/Bbl Oil	73.26	68.04	61.47	45.35	58.18	118.13	122.36	92.92
$/mcf gas	4.51	2.78	3.35	4.43	6.50	7.41	10.49	7.96
$/Bbl NGL	42.80	33.68	33.99	15.98	38.35	90.79	87.03	54.45
$/boe	49.18	34.23	38.80	29.64	42.99	63.44	80.95	60.51

Petroleum and Natural gas revenues for the year ended December 31, 2009, were $731,098 compared to $2,040,551 for the same period last year, a decrease of 64%

Oil, natural gas and natural gas liquids ("NGLs") sales averaged 40 barrels of oil equivalent per day ("boepd") during the fourth quarter of 2009 compared to 86 boepd during the same period of 2008. For the year, production averaged 56 boepd as compared to 89 boepd during 2008.

During the fourth quarter of 2009, average commodity prices received were $73.26 per bbl of oil, $42.80 per bbl of NGLs and $4.51 per mcf of gas. For the year 2009, average commodity prices received were $61.77 per bbl of oil, $28.16 per bbl of NGLs and $3.84 per mcf of gas.

Royalties

	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008
Royalties ($)	(1,509)	1,501	15,432	21,755	78,165	94,860	87,002	71,255
Royalties ($/boe)	(.41)	.30	3.89	2.85	9.88	9.87	12.27	8.82
Royalties Rate (% of revenue)	(1)	1	10	10	23	15	15	15

Royalties are paid to various government entities and other land, mineral rights and interest holders in respect of the Company's natural gas, natural gas liquids and oil production.

Alberta Royalty Framework

Alberta 's royalty framework for natural gas and conventional oil were modified on a permanent basis for all production effective January 1, 2011 using the criteria as follows:

- The current incentive program rate of five per cent on new natural gas and conventional oil wells will become a permanent feature of the royalty system, with the current time and volume limits.
- The maximum royalty rate for conventional oil will be reduced at higher price levels from 50 per cent to 40 per cent to provide better risk-reward balance to investors.
- Recognizing the fundamental changes to the North American supply/demand balance and increased competition from other jurisdictions, the maximum royalty rate for conventional and unconventional natural gas will be reduced at higher price levels from 50 to 36 per cent.
- All royalty curves will be finalized and announced by May 31, 2010.
- The transitional royalty framework for oil and gas introduced in November 2008 will continue until its original announced expiration on December 31, 2013. Effective January 1, 2011, no new wells will be allowed to select the transitional royalty rates. Wells that have already selected the transitional royalty rates will have the option to stay with those rates or switch to the new rates effective January 1, 2011.

Operating Costs

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

	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008
Operating Costs ($)	139,418	95,872	106,313	147,065	145,253	180,378	155,791	148,425
Operating Costs ($/boe)	37.76	18.89	26.78	19.30	18.36	18.79	21.95	18.36
Operating Costs (% of revenue)	77	55	69	65	43	30	27	31

Operating costs averaged $24.00 per Boe in 2009 as compared to $19.28 in 2008.

General & Administrative ("G & A") Expenses

	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008
G & A Costs ($)	154,802	56,921	79,049	47,281	123,184	79,838	85,436	35,734
G & A Costs ($/boe)	42.44	11.23	19.91	6.24	15.57	8.31	12.04	4.46

Interest Expenses

At times during 2009, the Company drew down on its credit facility with a Canadian chartered bank. The balance outstanding under the credit facility at December 31, 2009 was $370,000. The bank loan bears interest at prime + 2% annually.

The Company has a loan from a related party. At December 31, 2009 the balance outstanding was $610,000. The loan payable bears interest at prime +4% annually.

Netbacks

	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008
Average Production Rates (boepd)	40	55	44	84	86	104	78	89
Total Revenue ($/boe)	49.18	34.23	38.80	29.64	42.99	63.44	80.95	60.51
Royalties ($/boe)	(.41)	0.30	3.89	2.88	9.88	9.87	12.27	8.82
Operating Costs ($/boe)	37.76	18.89	26.78	19.30	18.36	18.97	21.91	18.36
Operating Netback ($/boe)	11.83	15.04	8.13	7.46	14.75	34.78	46.77	33.33
G & A Costs ($/boe)	42.44	11.23	19.91	6.24	15.57	8.31	12.04	4.46
Interest ($/boe)	7.38	3.63	4.83	2.35	2.91	2.64	3.62	3.25
Corporate Netback ($/boe)	(37.99)	0.18	(16.61)	(0.84)	(3.73)	23.83	31.11	25.62

Field operating netbacks in Q4 2009 were $11.83/BOE which represents 24% of revenues.

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 $21.76 per boe produced in 2009.

	2009	2008
DD & A Costs ($)	441,165	805,367
DD & A Costs ($/boe)	21.76	24.94

Income Taxes

As at December 31, 2009, the Company had approximately $2,489,380 (2008 $3,301,990) of Canadian tax pools available for deduction against future taxable income. The Company also has non-capital tax losses of approximately $1,370,196 (2008 $1,021,661) available for deduction against future taxable income that expire between 2014 and 2030.

Cash Flow and Earnings

Net loss for the year ended December 31, 2009 was $430,813 on revenues of $731,098 as compared to a loss of $1,353,700 on revenues of $2,040,551 during the same period in 2008.

	Q4 2009 $	Q3 2009 $	Q2 2009 $	Q1 2009 $	Q4 2008 $	Q3 2008 $	Q2 2008 $	Q1 2008 $
Revenues	179,346	173,616	154,063	224,074	337,169	645,851	574,173	486,358
Royalties	(1,509)	1,501	15,432	21,755	78,165	94,860	87,002	71,254
Other income	3,305	-	-	-	349	-	-	-
Revenues after Royalties	184,160	172,115	138,631	202,319	259,354	547,990	487,171	415,104
Operating Costs	139,418	95,872	106,313	147,065	145,253	180,378	155,791	148,425
G&A Costs	154,802	56,921	79,049	47,281	123,184	79,838	85,436	35,734
Interest	26,914	18,387	19,180	17,741	23,054	25,354	25,685	26,001
Other expense	-	-	-	-	20,000	-	-	-
Current tax	-	-	-	(2,538)	-	-	-	-
Cash Flow	(136,974)	935	(65,911)	(7,230)	(52,138)	262,420	220,259	204,944
Cash Flow per Share (basic)	(0.005)	0.000	(0.003)	(0.0003)	(0.001)	0.011	0.009	0.010
Cash Flow per Share (diluted)	(0.005)	0.000	(0.003)	(0.0003)	(0.001)	0.011	0.009	0.010
DD&A	145,942	88,185	94,654	112,384	233,976	214,436	178,854	178,101
Impairment of PNG Properties	-	-	-	-	1,183,820	-	-	-
Gain on sale of resource property	219,532	-	-	-	-	-	-	-
Net Income (loss)	(63,384)	(87,250)	(160,565)	(119,614)	(1,469,934)	47,984	41,405	26,843
Income (Loss) per Share (basic)	(0.002)	(0.004)	(0.007)	(0.005)	(0.062)	0.002	0.002	0.001
Net Income(loss) per Share (diluted)	(0.002)	(0.004)	(0.007)	(0.005)	(0.062)	0.002	0.002	0.001

Capital Expenditures

During 2009, New Range recorded $79,535 in capital expenditures compared to $550,514 in the year 2008.

In November, 2009 the Company sold its 30% working interest in the Knopcik natural gas property for proceeds of $790,000.

Liquidity and Capital Resources

	Year ended December 31, 2009 $	Year ended December 31, 2008 $
Working Capital (Deficiency)	(1,088,160)	(1,589,445)

New Range had a working capital deficiency of $1,088,160 at the end of 2009 compared to a working capital deficiency of $1,589,445 at the end of 2008.

As of December 31, 2009, New Range had a utilized $370,000 of its $900,000 revolving loan facility with a Canadian chartered bank.

Related Parties

An officer and director of the Company is a lawyer whose firm provides legal services to the Company at market rates. During 2009, amounts totaled $73,278 for such legal services (2008 - $ 20,922).

In addition, during the year ended December 31, 2009, the Company paid $68,655 general and administrative expenses (2008 - $51,511) to a private oil and gas company related by a common director and common control person 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 $72,500 (2008 - $72,000) to the Company in 2009.

The Company sold a natural gas property for proceeds of $790,000 to a private oil and gas company related by a common director and common control person.

At December 31, 2009, the Company had a short term loan from a related party totaling $610,000 (2008 - $650,000). The loan bears interest payable monthly at prime plus 4% per annum. There is no collateral and the balance is due on demand. A total of $43,783 (2008 - $66,145) was paid in interest on the short term loan in 2009.

Share Information

As at December 31, 2009, there are 23,678,500 common shares of the Company outstanding. The Company's common shares are listed for trading on the TSX Venture Exchange under the symbol "RGE".

	December 31 2009	December 31 2008
Common Shares issued and outstanding	23,678,500	23,678,500

Subsequent Events

On April 12, 2010 the Company closed a private placement for 6,000,000 common shares for net proceeds of $300,000 (including 1,875,000 common shares subscribed for by insiders of the Company).

Subsequent to year end the Company has entered into a letter of intent, with a related party, dated March 10, 2010 to sell two thirds of their oil and gas properties.

Critical Accounting Estimates

The significant accounting policies of New Range are disclosed in Note 4 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.

DISCLOSURE CONTROLS AND PROCEDURES

The Company has established and maintains disclosure controls and procedures that have been designed by, or under the supervision of, the Company's Chief Executive Officer and the Chief Financial Officer ("Certifying Officers") to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation and to ensure that information required to be disclosed by an issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to the Company's management, including its certifying officers, as appropriate to allow timely decisions regarding required disclosure. Such disclosure controls and procedures are referred to as the "Disclosure Controls and Procedures".

The Certifying Officers have evaluated, or caused to be evaluated under the supervision, the effectiveness of the Company's Disclosure Controls and Procedures as at December 31, 2009 and have concluded that such Disclosure Controls and Procedures were effective as at that date to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized, and reported within the time periods specified in the securities legislation and that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to the Company's management, including the Certifying Officers, as appropriate to allow timely decisions regarding required disclosure.

It should be noted that while the Certifying Officers believe that the Company's Disclosure Controls and Procedures are effective to provide a reasonable level of assurance, they do not expect that the Disclosure Controls and Procedures will provide an absolute level of assurance or prevent all errors and fraud. A control system, no matter how well conceived, maintained and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are achieved.

INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company has established and maintains internal controls over financial reporting that have been designed by, or under the supervision of, the Company's Certifying Officers to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP applicable to the Company and reasonable assurance that all assets are safeguarded and transactions are appropriately authorized and recorded to facilitate the preparation of relevant, reliable and timely information. Such internal controls over financial reporting are herein referred to as "ICFR". The Certifying Officers have evaluated, or caused to be evaluated under their supervision, the effectiveness of the Company's ICFR as required by National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings. Based on that evaluation, the Certifying Officers concluded that the Company's ICFR was effective at December 31, 2009 for the purposes described above. It should be noted that a control system, including the Company's, no matter how well conceived, maintained and operated, can provide only reasonable, but not absolute, assurance that the objectives of the control system will be met and it should not be expected that the ICFR will prevent all errors and fraud.

CHANGE IN ACCOUNTING POLICIES

On January 1, 2009 the Company prospectively adopted the following Canadian Institute of Chartered Accountant (TICA") Handbook Sections:

Section 3064 Goodwill and Intangible Assets, which defines the criteria for the recognition of intangible assets. The adoption of this Section had no impact on the Company's Financial Statements.

EIC-173 Credit Risk and the Fair Value of Financial Assets and Financial Liabilities, which provides guidance on how to take into account credit risk of an entity and counterparty when determining the fair value of financial assets and financial liabilities, including derivative instruments. The application of this EIC did not have a material effect on the Company's Financial Statements.

Section 3855 Financial Instruments — Recognition and Measurement and Section 3025 Impaired Loans which were amended to converge with international standards (IAS 39 Financial Instruments — Recognition and Measurement) for impairment of debt instruments by changing the categories into which debt instruments are required or permitted to be classified. The adoption of these Sections did not have an impact on the Company's Financial Statements.

Section 3862 Financial Instruments — Disclosures which was amended in June 2009 to include enhanced disclosures related to the fair value of financial instruments and the liquidity risk associated with financial instruments. The amendments will be effective for annual financial statements for fiscal years ending after December 31, 2009. The amendments are consistent with recent amendments to financial instrument disclosure standards in IFRS. The Company has included the applicable disclosures related to this Section in Note 9 of the Financial Statements.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

IFRS Transition Plan

In February 2008, the CICA's Accounting Standards Board confirmed that IFRS will replace Canadian GAAP in 2011 for profit-oriented Canadian publicly accountable enterprises. New Range will be required to report its results in accordance with IFRS beginning in 2011. The Company has developed a transition plan to complete the transition to IFRS by January 1, 2011, including the preparation of 2010 required comparative information.
New Range’s transition plan includes training and development throughout the organization, and three key phases:

- Scoping and diagnostic phase

This phase involves performing a high level impact analysis to identify areas that may be affected by the transition to IFRS. The results of this analysis are priority ranked according to complexity and the amount of time required to assess the impact of changes in transitioning to IFRS.

- Impact analysis and evaluation phase

During this phase, items identified in the diagnostic phase are addressed according to the priority levels assigned to them. This phase involves analysis of policy choices allowed under IFRS and their impact on the financial statements. In addition, certain potential differences are further investigated to assess whether there may be a broader impact to New Range’s debt agreements, business processes or management reporting systems. The conclusion of the impact analysis and evaluation phase will require the Audit Committee of the Board of Directors to review and approve all accounting policy choices as proposed by management.

- Implementation phase

This phase involves implementation of all changes approved in the impact analysis phase and will include changes to information systems, business processes, modification of agreements and training of all staff who are impacted by the conversion.

During 2009, New Range made significant progress on its transition plan. The Company conducted preliminary analysis of accounting policy alternatives and preliminarily drafted several of its IFRS accounting policies. Broader business process and systems impacts have been considered for significant areas of impact, with internal control requirements taken into account. IFRS education sessions have been held with internal stakeholders.

Process and system changes will be implemented in early 2010 to ensure IFRS comparative data is captured. New Range s IFRS accounting policies are expected to be finalized mid-2010. Quantification of IFRS impacts will then be determined utilizing previously captured data. Communication of impacts to external stakeholders is expected to occur in the latter half of 2010.

New Range will continue to update its IFRS transition plan to reflect new and amended accounting standards issued by the International Accounting Standards Board ("lASB").

IFRS Accounting Policies

New Range has completed its analysis of accounting policy alternatives and determined the areas that will be most significantly affected by the adoption of IFRS. The areas identified as being significant have the greatest potential impact to the Company's financial statements or the greatest risk in terms of complexity to implement. The most significant areas continue to include:

Property, Plant and Equipment ("PP&E"), including;

Transition on date of adoption of IFRS
Pre-exploration costs
Exploration and Evaluation (E&E) costs
Depletion, depreciation and amortization

Impairment testing
Decommissioning liabilities (known as "asset retirement obligations" under GAAP)
Stock-based compensation
Income taxes

Each of these significant impact areas is discussed in more detail below.

Property, Plant & Equipment

PP&E will be one of the most significant areas impacted by the adoption of IFRS. Under Canadian GAAP, New Range follows the CICA's guideline on full cost accounting, while IFRS has no equivalent guideline. In order to facilitate the transition to IFRS by full cost accounting companies, the lASB released additional exemptions for first-time adopters of IFRS in July 2009. Included in the amendments is an exemption which permits full cost accounting companies to allocate their existing PP&E net book value (full cost pool) over reserves to the unit of account level upon transition to IFRS. New Range expects to adopt this exemption and is currently evaluating whether to allocate based on reserve volumes or values. Without this exemption, the Company would have been required to retrospectively determine the carrying amount of oil and gas assets at the date of transition, or use the fair value or revaluation amount as the new deemed cost under IFRS. By using the exemption, the net book value of New Range s PP&E at the date of transition to IFRS will be the same as it was under Canadian GAAP, subject to any potential IFRS impairments that are recognized at the date of transition.

In moving to IFRS, New Range will be required to adopt different accounting policies for pre-exploration activities, exploration and evaluation costs, DD&A and the accounting for gains and losses on divestitures of properties.

Pre-exploration costs are costs incurred before the Company obtains the legal right to explore an area. Under Canadian GAAP, these costs are capitalized, while under IFRS, these costs must be expensed. At this time, New Range does not anticipate that this accounting policy difference will have a significant impact on the financial statements.

During the exploration and evaluation phase, New Range capitalizes costs incurred for these projects under Canadian GAAP. Under IFRS, the Company has the alternative to either continue capitalizing these costs until technical feasibility and commercial viability of the project is determined, or to expense these costs as incurred. At this time, New Range s IFRS accounting policy in relation to E&E activities has not been finalized.

Under Canadian GAAP, New Range calculates its depletion, depreciation and amortization rate at the country cost centre level. Under IFRS, this rate will be calculated at a lower unit of account level. At this time, the Company has not finalized its policy in this regard, and therefore the impact of this difference in accounting policy is not reasonably determinable.

Full cost accounting under Canadian GAAP requires that gains or losses on divestitures of properties are only recognized when the disposal would affect the DD&A rate by 20 percent or more. Under IFRS, there is no such exemption, and therefore New Range will be required to recognize all gains and losses on property divestitures. At this time, the impact of this difference in accounting policy is not reasonably determinable.

As a result of the additional exemption released by the IASB in July 2009, the Company anticipates that all changes to its PP&E accounting policies will be adopted prospectively.

Impairment Testing

For the first step of the impairment test under Canadian GAAP, future cash flows are not discounted. Under IFRS, the future cash flows are discounted. In addition, for PP&E, impairment testing is currently performed at the country cost centre level, while under IFRS, it will be performed at a lower level, referred to as a cash-generating unit. The impairment calculations will be performed using either total proved or proved plus probable reserves. Canadian GAAP prohibits reversal of impairment losses. Under IFRS if the conditions giving rise to impairment have reversed, impairment losses previously recorded would be partially or fully reversed to eliminate write-downs recorded. New Range expects to adopt these changes in accounting policy prospectively. At this time, the impact of accounting policy differences related to impairment testing is not reasonably determinable.

Asset Retirement Obligation

Under Canadian GAAP, the Company recognizes a liability for the estimated fair value of the future retirement obligations associated with PP&E. The fair value is capitalized and amortized over the same period as the underlying asset. New Range estimates the liability based on the estimated costs to abandon and reclaim its net ownership interest in wells and facilities, including an estimate for the timing of the costs to be incurred in future periods. These cash outflows are discounted using a credit-adjusted rate. Changes in the net present value of the future retirement obligation are expensed through accretion as part of DD&A. Under IFRS, these liabilities are known as "decommissioning liabilities" and are included in the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. Decommissioning liabilities are calculated at each reporting period using estimate of risk-adjusted future cash outflows discounted using a risk-free rate. Changes in the net present value of the future retirement obligation are expensed through accretion as part of DD&A. Due to the change in the discount rate from a credit-adjusted rate to a risk-free rate, New Range expects there may be an increase in the value of the decommissioning liability under IFRS as compared to Canadian GAAP. However the difference, if any, is not known at this time.

Stock-based Compensation

IFRS 2 Share-Based Payments requires the expense related to share-based payments to be recognized as the options vest; that is, for options that vest over a period of time, each tranche must be treated as a separate option grant which accelerates the expense recognition in comparison to Canadian GAAP which allows the expense to be recognized on a straight-line basis over the period the options vest. While the carrying value for each reporting period will be different under IFRS, the cumulative expense recognized over the life of the instrument under both methods will be the same. New Range expects to adopt this change in accounting policy prospectively. At this time, the impact of this difference has not been determined.

Income Tax

In transitioning to IFRS, the carrying amount of New Range’s tax balances will be directly impacted by the tax effects resulting from changes required by the above IFRS accounting policy differences. Due to the recent withdrawal of the exposure draft on IAS 12 Income Taxes in November 2009, New Range is still determining the impact of the revised standard on its IFRS transition. Therefore, at this time the income tax impacts of our differences are not reasonably determinable.

Changes to IFRS Accounting Standards

New Range’s analysis of accounting policy differences specifically considers the current IFRS standards that are in effect. The Company will continue to monitor any new or amended accounting standards that are issued by the IASB, including assessing any impact of the new joint ventures standard that the IASB expects to publish in the first quarter of 2010.

Internal Controls over Financial Reporting

New Range does not anticipate that the transition to IFRS will have a significant impact on either its internal controls over financial reporting, or its disclosure controls and procedures. As the review of New Range’s accounting policies is completed, an assessment will be made to determine changes necessary for internal controls over financial reporting. For example, additional controls and review will be implemented as necessary for the IFRS 1 changes such as the allocation of New Range’s PP&E as well as the process for reclassifying E&E expenditures from PP&E on transition. This will be an ongoing process throughout 2010 to ensure that all changes in accounting policies include the appropriate additional controls and procedures for future IFRS reporting requirements. Throughout the transition, New Range will assess stakeholders' information requirements and will ensure that adequate and timely information is provided so that all stakeholders remain apprised.

Facilities are important to the Company because it relies on this source of capital to fund its capital budget in excess of its internally generated funds. Should the Reserves Estimates change materially and negatively, it may have a material adverse affect on the amount of capital available to the Company under the credit facilities, which may impair the Company's ability to pursue its business plans.

Asset Retirement Obligations

New Range records a liability for the fair value of legal obligations associated with the retirement of long-lived assets in the period in which they are incurred, normally when the asset is purchased or developed. In the oil and gas industry, this retirement obligation is normally associated with abandonment and reclamation costs relating to wells and facilities. On recognition of the asset retirement obligation there is a corresponding increase in the carrying amount of the related asset (an increase to petroleum and natural gas properties and equipment) which is recorded as the asset retirement cost. The total future asset retirement obligation is an estimate at a point in time based on the Company's net ownership interest in all wells (producing, shut-in, suspended and others) and facilities, the estimated cost to abandon and reclaim these wells and facilities, and the estimated timing of the costs to be incurred in future periods. The total undiscounted amount of the estimated cash flows required to settle the asset retirement obligation is the Company's best estimate at any given point in time that is subject to measurement uncertainty and any change may potentially impact the liability materially.

New Range attempts to mitigate this risk by reviewing all of its wells and facilities included in the calculation and by utilizing the expertise of its reserve evaluation consultants in order to provide the best estimates possible at the time.

Current Income Taxes

The Company is required to file a corporate income tax return annually and is required to pay any income tax liability in a timely manner. As a result of this requirement, New Range must estimate at the end of each financial reporting period its potential current income tax liability for the particular fiscal year in question. In order to determine its income tax liability for the fiscal year, the Company must estimate revenue, royalties other income, operating expenses, general and administrative expenses, interest expense, capital expenditures and other relevant items. The Company makes these estimates using its budget approved by the Board of Directors and adjusts it for any actual history up to the time the estimate is made. The critical estimates in this process are production rates, commodity prices, capital expenditures and the tax category of these capital expenditures for the entire fiscal period. The risk of materially misstating the amount of current taxes payable is highest in respect of the first quarter and reduces for each quarter thereafter as more actual data is used and the estimated amounts apply to a shorter period.

To the extent that the estimate of current taxes payable varies materially from the actual amount of taxes payable, the Company may be required to pay an unexpected material amount of taxes which may adversely affect the Company's financial condition. The most critical part of this estimate is the estimate of the amount and tax category of capital expenditures that will be incurred during the relevant year as those expenditures form the basis of any new tax pools that New Range can use as deductions in respect of that year. To the extent that a material amount of capital allocated to exploration drilling which is 100% deductible in the fiscal year, is ultimately allocated to development drilling which is only 30% deductible in the fiscal year, the Company's current taxes payable can change materially. There is a risk that wells that are drilled in an effort to encounter a new oil or natural gas accumulation can encounter an already discovered accumulation, thus changing the tax category from exploration expenditure to development expenditure. This risk is significant because many wells drilled by the Company are drilled in proximity to other wells and the tax category of the expenditures is not finally determined until drilling is completed. To mitigate this risk, the Company allocates its entire budget to tax categories based

on discussions with its operations group and reviews the continuing validity of these categorizations at the end of each reporting period.

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 considerable time. Accordingly, the actual income tax liability may differ from that estimated and recorded by Management.

RISK FACTORS & RISK MANAGEMENT

Commodity Price Risk

New Range's liquidity and cash flow are largely impacted by petroleum and natural gas commodity prices. Currently, New Range has not hedged any of its oil and natural gas production at the date hereof and although it does monitor the hedge market, its strategy is to continue and to sell its oil and natural gas production at the spot market rate. Management remains bullish about future commodity prices and believes New Range is well positioned to take advantage of a rising oil and natural gas price environment. If there is a significant deterioration in the price it receives for oil and natural gas, New Range will consider reducing its capital spending or access alternate sources of capital.

Foreign Currency Exchange Risk

The Company is exposed to foreign currency fluctuations because its Canadian revenues are strongly linked to United States dollar denominated benchmark prices.

Production Risk

New Range believes it has a stable production base from a large number of producing wells and that an adverse event affecting production at any single well would not cause a liquidity issue. Nonetheless, New Range remains subject to the risk that production rates of its most significant wells may decrease in an unpredictable and uncontrollable manner, which could result in a material decrease in the Company's overall production and associated cash flows.

The majority of New Range’s production passes through owned or third party infrastructure prior to it being ready for transfer at designated commodity sales points. There is a risk that should this infrastructure fail and cause a significant portion of New Range’s production to be shut-in and unable to be sold, this could have a material adverse effect on New Range’s available cash flow. The Company mitigates this risk by purchasing business interruption insurance policies for its significant owned infrastructure and contingent business interruption insurance policies for its significant third party infrastructure.

Reserve Replacement Risk

Oil and natural gas reserves naturally deplete as they are produced over time. The success of the Company's business is highly dependent on its ability to acquire and/or discover new reserves in a cost efficient manner. Substantially all of the Company's cash flow is derived from the sale of the petroleum and natural gas reserves it accumulates and develops. In order to remain financially viable, the Company must be able to replace reserves over time at a lesser cost on a per unit basis than its cash flow on a per unit basis. The reserves and costs used in this determination are estimated each year based on numerous assumptions and these estimates and costs may vary materially from the actual reserves produced or from the costs required to produce those reserves. In order to mitigate this risk, the Company employs a competent and experienced team of petroleum and natural gas

professionals and closely monitors the capital expenditures made for the purposes of increasing its petroleum and natural gas reserves.

Health, Safety & Environmental Risk

Health, safety and environment risks influence the workforce, operating costs and the establishment of regulatory standards. New Range provides staff with the training and resources need to complete work safely and effectively; incorporates hazard assessment and risk management as an integral part of everyday operations; monitors performance to ensure its operations comply with legal obligations and internal standards; and identifies and manages environmental liabilities associated with its existing asset base. The Company has a site inspections program and a corrosion risk management program designed to ensure compliance with environmental laws and regulations. New Range carries insurance to cover a portion of property losses, liability to others and business interruption resulting from unusual events.
New Range is subject to the risk that the unexpected failure of its equipment used in drilling, completing or producing wells or in transporting production could result in releases of fluids substances that pollute or contaminate lands at or near its facilities which could result in significant liability to the Company for costs of clean up, remediation and reclamation of contaminated lands. New Range's policy with regards to the environment is to conduct all operations with due regard for the potential impact on the environment. This policy is implemented by hiring skilled personnel and reminding staff involved with operations of their responsibilities in this regard and by retaining expert environment advice and assistance to deal with environmental releases and remediation and reclamation work where such expertise is needed.

Regulatory Risk

Government royalties, income tax laws, environmental laws and regulatory requirements can have a significant financial and operational impact on the Company. As an oil and natural gas producer, New Range is subject to a broad range of regulatory requirements. New Range does its best to remain knowledgeable regarding changes to the regulatory regime under which it operates.

All of New Range's properties are currently located within the province of Alberta. There is a risk that although the Company believes it is making an economic investment at the time all of the upfront capital is invested in facilities or drilling, completing and equipping an oil or natural gas well, the Government may at any point in the economic life of that project, expropriate without compensation a portion of the expected profit under a new royalty/tax regulation or regime with no grandfathering provisions. Without grandfathering provisions this may cause that particular project to become uneconomic once the new royalties or taxes take effect. This type of possible future government action is unpredictable and cannot be forecast by the Company.

Counterparty Risk

New Range assumes customer credit risk associated with oil and gas sales and joint venture participants. To mitigate this risk, the Company performs regular reviews of receivables to minimize default or non-payment and takes the majority of its production in kind. The Company also puts in place security arrangements with respect to amounts owed to it by others when reviews indicate it is appropriate to do so.

Access to Credit Markets

Due to the nature of the Company's business it is necessary from time to time for the Company to access other sources of capital beyond its internally generated cash flow in order to fund the development and acquisition of its long term asset base. As part of this strategy the Company obtains some of this necessary capital by incurring debt and therefore the Company is dependent to a certain extent on continued availability of the credit markets.

The continued availability of the credit markets for New Range is primarily dependent on the state of the economies and the health of the banking industry in Canada and United States. There is risk that should these economies and banking industry see unexpected and/or prolonged deterioration, then New Range's access to credit markets may contract or disappear all together. The Company tries to mitigate this risk by dealing with reputable lenders and tries to structure its lending agreements to give it the most flexibility possible should these situations arise. However, the situations that may give rise to credit markets tightening or disappearing are ultimately uncontrollable by New Range.

New Range is also dependent to a certain extent on continued access to equity capital markets. The Company is listed on the Toronto Stock Exchange and maintains an active investor relations program. Continued access to capital is dependent on New Range's ability to continue to perform at a level that meets market expectations.

Climate Change Risks

North American climate change policy is evolving at both regional and national levels and recent political and economic events may significantly affect the scope and timing of new climate change measures that are ultimately put in place. Although it is not the case today, the Company expects that some of its significant facilities may ultimately be subject to future regional, provincial and/or federal climate change regulations to manage greenhouse gas ("GHG") emissions.
The Specified Gas Emitters Regulation, which came into effect in Alberta in 2007, requires large industrial facility emitters of GHG to reduce GHG emissions intensities by 12 per cent. Each of New Range's facilities is below the 100,000 tonnes per year threshold that this regulation applies to.

The Government of Alberta released its climate change strategy which sets a target to reduce GHG emissions in Alberta by 50% by 2050. Implementing carbon capture and storage technology across industrial sectors is a large component of the strategy, along with energy-efficiency measures, clean energy technologies, and expanding the use of renewable sources of energy. In July 2008, the Alberta government announced that it will commit to $2 billion in capital investments to fund the carbon capture and storage technology.

The Canadian government has expressed interest in pursuing the development of a North American cap and trade system for GHG emissions. In April 2007, the Government of Canada released the Regulatory Framework for Air Emissions ("Framework"). The Framework outlines short, medium and long-term objectives for managing both GHG emissions and air pollutants in Canada. It is uncertain how the Framework will fit within a North American cap and trade system and what the specific requirements for industrial emitters such as New Range will be. Proposed regulations have not yet been released and therefore it is uncertain whether the impacts from such future regulations will be material to the Company.

In addition there are a number of regional initiatives being pursued by various provinces and US states such as the Western Climate Initiative which involves seven western US states and Alberta and three other Canadian provinces which are focused on the implementation of a cap and trade program. The Company anticipates a number of its facilities may be affected by these initiatives, however, the level of impact is uncertain as key details remain unknown.

FORWARD LOOKING STATEMENTS

This MD&A contains certain forward-looking statements and forward-looking information (hereinafter collectively referred to as "forward-looking statements") within the meaning of applicable Canadian securities laws. These statements relate to future events or our future performance and are based upon the Company's current internal expectations, estimates, projections, assumptions and beliefs. All statements other than statements of historical fact are forward-looking statements. In some cases, words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "may", "will", "would",

"potential", "proposed" and other similar words, or statements that certain events or conditions "may" or "will" occur, are intended to identify forward-looking statements.
Undue reliance should not be placed on these forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions and known and unknown risks and uncertainties that the predictions, forecasts, projections and other forward-looking statements will not occur. Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. The Company cannot guarantee future results, levels of activity, performance or achievements. Consequently, there is no representation by the Company that actual results achieved will be the same in whole or in part as those set out in the forward-looking statements. Such forward-looking statements in this MD&A speak only as of the date of this MD&A.

In particular, this MD&A contains forward-looking statements pertaining to the following: drilling inventory, drilling plans and timing of drilling, completion, re-completion and tie-in of wells; plans for facilities construction and completion of construction and the timing and method of funding thereof; productive capacity of wells, anticipated or expected production rates and anticipated dates of commencement of production; drilling, completion and facilities costs; results of projects of the Company; ability to lower costs borne by the Company; production growth expectations; timing of development of undeveloped reserves; the tax horizon of the Company; the future performance and characteristics of the Company's oil and natural gas properties; oil and natural gas production levels; the quantity of oil and natural gas reserves; planned capital expenditure programs; supply and demand for oil and natural gas; commodity prices; the future impact of Canadian federal and provincial governmental regulation on the Company; weighting of production between different commodities; expected levels of royalty rates and incentives, operating costs, general administrative costs, costs of services and other costs and expenses; expectations regarding the Company's ability to raise capital and to add to reserves through acquisitions, exploration and development; and treatment under tax laws. With respect to such forward-looking statements, the key assumptions on which the Company relies are: that future prices for crude oil and natural gas, future currency exchange rates and interest rates and future availability of debt and equity financing will be at levels and costs that allow the Company to manage, operate and finance its business and develop its properties and meet its future obligations; that the regulatory framework in respect of royalties, taxes and environmental matters applicable to the Company will not become so onerous as to preclude the Company from viably managing, operating and financing its business and the development of its properties; and that the Company will continue to be able to identify, attract and employ qualified staff and obtain the outside expertise and specialized and other equipment and services it requires to manage, operate and finance its business and develop its properties.

All such forward-looking statements necessarily involve risks associated with oil and gas exploration, production and marketing which may cause actual results to differ materially from those anticipated in the forward-looking statements. Some of those risks include: general economic conditions in Canada, the United States and globally; industry conditions, including fluctuations in the price of oil and natural gas; changes in governmental regulation of the oil and gas industry, including environmental regulation; fluctuations in foreign exchange rates or interest rates; geological, technical, drilling and processing problems and other difficulties in producing reserves; unanticipated operating events which can damage facilities or reduce production or cause production to be shut in or delayed; failure to obtain regulatory approvals in a timely manner; adverse conditions in the debt and equity markets; competition from others for scarce resources; and other factors disclosed under "Risk Factors" in this MD&A.

Readers are cautioned that the foregoing list of factors is not exhaustive. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. The Company is not under any duty to update any of the forward-looking statements after the date of this MD&A to conform such statements to actual results or to changes in the Company's plans or expectations, except as otherwise required by applicable securities laws.

CORPORATE INFORMATION

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Leigh D. Stewart
Calgary, Alberta

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(1) Audit Committee

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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