NEW RANGE resources ltd.

FINANCIAL STATEMENTS

MARCH 31, 2008 AND 2007

NOTICE OF NO AUDITOR REVIEW

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a), the accompanying unaudited interim financial statements have been prepared by management and the Corporation's independent auditors have not performed a review of these financial statements.

NEW RANGE RESOURCES LTD.
BALANCE SHEETS

		MARCH 31, 2008		DECEMBER 31, 2007
ASSETS				
CURRENT				
Accounts receivable	$	290,946	$	285,929
Prepaid expenses		21,089		18,239
		312,035		304,168
PETROLEUM AND NATURAL GAS PROPERTIES (note 6)		4,507,102		4,641,153
	$	4,819,137	$	4,945,321
LIABILITIES				
CURRENT				
Bank indebtedness (note 7)	$	597,396	$	698,369
Accounts payable and accrued liabilities		528,163		580,217
Loan payable (note 8)		700,000		700,000
		1,825,559		1,978,586
ASSET RETIREMENT OBLIGATION		496,474		496,474
		2,322,033		2,475,060
SHAREHOLDERS' EQUITY				
SHARE CAPITAL (note 9)		3,230,411		3,230,411
CONTRIBUTED SURPLUS (note 10)		410,179		410,179
DEFICIT		(1,143,486)		(1,170,329)
		2,497,104		2,470,261
	$	4,819,137	$	4,945,321

Approved on behalf of the Board

Director "Signed"
Hugh M. Thomson

Director "Signed"
Thomas W. Robinson

NEW RANGE RESOURCES LTD.
STATEMENTS OF OPERATIONS

THREE MONTHS ENDED MARCH 31		2008		2007
REVENUE				
Revenue	$	484,680	$	344,177
Royalties		(71,255)		(67,861)
		413,425		276,316
OTHER INCOME		1,679		764
		415,104		277,080
EXPENSES				
Amortization, depletion and accretion		178,101		169,310
Operating expenses		148,425		117,092
Administration expenses (note 5)		35,734		49,676
Interest and bank charges		26,001		12,296
		388,261		348,374
INCOME (LOSS) BEFORE INCOME TAXES		26,843		(71,294)
INCOME TAX EXPENSE				
Current		-		4,305
Future		-		-
		-		4,305
NET AND COMPREHENSIVE INCOME (LOSS)	$	26,843	$	(66,989)
BASIC AND DILUTED INCOME (LOSS) PER SHARE (note 11)	$	0.001	$	(0.003)

NEW RANGE RESOURCES LTD.
STATEMENTS OF CASH FLOWS

THREE MONTHS ENDED MARCH 31		2008		2007
CASH FLOWS FROM OPERATING ACTIVITIES				
Net and comprehensive income (loss)	$	26,843	$	(66,989)
Items not affecting cash				
Amortization, depletion and accretion		178,101		169,310
CASH FLOW		204,944		102,321
Change in non-cash working capital items		(59,921)		(813,058)
		145,023		(710,737)
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to petroleum and natural gas properties		(44,050)		(308,555)
Asset retirement obligation		-		23,420
		(44,050)		(285,135)
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase in short term loans		-		650,000
Increase decrease in bank indebtedness		(100,973)		411,210
Repurchase of share capital		-		(65,338)
		(100,973)		995,872
CHANGE IN CASH POSITION		-		-
CASH, beginning of period		-		-
CASH, end of period	$	-	$	-

1. NATURE OF OPERATIONS

New Range Resources Ltd. (the "Company") was incorporated under the provisions of the Business Corporations Act (Alberta) on April 7, 2004 as Open Range Capital Corp., and became New Range Resources Ltd. on March 30, 2006 upon the amalgamation with Open Range Resources Ltd. ("OR Resources") (a private company, related by way of common control). The Company's common shares began trading on the TSX Venture Exchange on October 14, 2004 and trades under the symbol of RGE.

The Company's principal business activity is participation in various producing oil and gas properties in Alberta and is also in the process of exploring and developing other oil and gas properties in Alberta.

2. CHANGES IN ACCOUNTING POLICIES

On January 1, 2008, the Company adopted the following Canadian accounting standards:

Capital Disclosures

Effective January 1, 2008 the Corporation adopted Section 1535, Capital Disclosures which requires companies to disclose their objectives, policies and processes for managing capital as well as compliance with externally imposed capital requirements.

Financial Instrument Disclosure and Presentation

Effective January 1, 2008 the Corporation adopted Section 3862, Financial Instruments – Disclosures and Section 3863, Financial Instruments – Disclosures and Presentation. These disclosures standards require entities to provide information that enable users to evaluate:

- The significance of financial instruments for the entity's financial; position and performance; and
- The nature and extent of risks arising from financial instruments between liabilities and equity, the classification of related interest, dividends , losses and gains and the circumstances in which financial assets and financial liabilities are offset.

3. BUSINESS COMBINATION

On March 30, 2006, the Company acquired all the issued and outstanding shares of OR Resources, on the basis of one common share of the Company for each common share of OR Resources. Upon acquisition, OR Resources and the Company were amalgamated to form New Range Resources Ltd.

The acquisition was accounted for using the continuity of interest method. The results of operations are included in the accounts as if the two entities had always operated together. Details of the acquisition are as follows:

Purchase consideration:		
Shares issued	$	2,888,000
The total purchase consideration was assigned to the net assets acquired based on their fair values as follows:		
Cash	$	329,789
Accounts receivable		153,979
Prepaid expenses		5,462
Petroleum and natural gas properties		2,994,768
Accounts payable		(291,914)
Asset retirement obligations		(304,084)
	$	2,888,000

The Company issued 14,238,500 shares as consideration for the purchase of OR Resources. The value of these shares were determined using the carrying value of shares at the date of acquisition as the parties were non-arms length and there was no change of control.

The operations of Siga Resources Ltd., the entity purchased by OR Resources during 2006, have been consolidated from January 1, 2006.

4. SIGNIFICANT ACCOUNTING POLICIES

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

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

4. SIGNIFICANT ACCOUNTING POLICIES continued

Cash
Cash on deposit consists of cheques in excess of funds on deposit.

Capitalized costs
The Company follows the full cost method of accounting for oil and gas operations whereby all costs of exploring for and developing oil and gas reserves are capitalized whether successful or not. Such costs include land acquisitions, geological and geophysical costs, carrying charges on non-producing properties, costs of drilling both productive and non-productive wells, production equipment, asset retirement costs and the portion of general and administrative expenses directly attributable to exploration and development activities.

Proceeds from the sale of petroleum and natural gas properties are applied against capitalized costs, with no gain or loss recognized unless such a sale would alter the rate of depletion by greater than twenty percent.

Amortization and depletion
Amortization and depletion of petroleum and natural gas properties and equipment is provided for using the unit-of-production method based on estimated proven petroleum and natural gas reserves before any royalty deductions as determined by independent engineers. For the purpose of this calculation, petroleum and natural gas reserves are converted to a common unit of measurement on the basis of their relative energy content where six thousand cubic feet of gas equates to one barrel of oil. Costs of acquiring and evaluating unproven properties are excluded from costs subject to amortization and depletion until it is determined whether proven reserves are attributable to the properties or impairment occurs.
Other property, plant and equipment are recorded at cost and are amortized at an annual rate of 20%.

Asset retirement obligation
The fair value of an asset retirement obligation is recognized in the period in which the obligation is incurred, and is discounted to its present value using the Company's credit adjusted risk-free interest rate. The fair value of the estimated obligation is recorded as a long term liability, with a corresponding increase in the carrying amount of the related asset. The costs capitalized to the related assets are amortized to earnings in a manner consistent with the depletion, depreciation and amortization of the underlying asset. The liability amount is increased in each reporting period due to passage of time and the amount of accretion is charged to earnings in the period. Revisions to the estimated timing of cash flows or to the original estimated undiscounted costs could also result in an increase or decrease to the obligation. Actual costs incurred upon settlement of the retirement obligation are charged against the obligation to the extent of the liability recorded.

Ceiling test
The net amount at which petroleum and natural gas properties are carried is subject to a cost recovery test (the “ceiling test”). Under this test, an estimate is made of the ultimate recoverable amount for undiscounted future prices, plus unproved properties. If the carrying amount exceeds the ultimate recoverable amount, an impairment loss is recognized in net earnings. The impairment loss is limited to the amount by which the carrying amount exceeds: (i) the sum of the fair value of proved and probable reserves; and (ii) the costs of unproved properties that have been subject to a separate impairment test and contain no probable reserves.

4. SIGNIFICANT ACCOUNTING POLICIES continued

Joint ventures
A portion of the Company's exploration, development and production activities are conducted jointly with others and, accordingly, these financial statements reflect only the Company's proportionate interest in such activities.

Revenue recognition
Revenues associated with sales of crude oil, natural gas, and natural gas liquids are recorded when the products are delivered. Delivery occurs when the customer has taken title and has assumed the risks and rewards of ownership, prices are fixed or determinable and collectability is reasonably assured. Royalty revenues are recognized when they become receivable. The Company does not enter into ongoing arrangements whereby it is required to repurchase its products, nor does the Company provide the customer with a right of return.

Interest income is recognized in the period it is earned.

Future income taxes
The Company follows the asset and liability method of accounting for income taxes. Under this method, the Company records future income taxes for the effect of any difference between the accounting and income tax basis of an asset or liability, using the substantively enacted income tax rates. Accumulated future income tax balances are adjusted to reflect changes in income tax rates that are substantively enacted with the adjustment being recognized in earnings in the period that the change occurs. Future tax assets are recognized to the extent that they are more likely than not to be realized.

Loss per share
The calculation of basic loss per share is based on net earnings divided by the weighted average number of common shares outstanding.

The treasury stock method of calculating diluted per share amounts is used whereby any proceeds from the exercise of stock options or other dilutive instruments are assumed to be used to purchase common shares at the average market price during the period. In addition, diluted common shares also include the effect of the potential exercise of any outstanding warrants.

Stock-based compensation
The Company has a stock based compensation plan, which is described in note 10. Awards of options under this plan are expensed based on the fair value of the options at the grant date and credited to contributed surplus. Fair values are determined using the Black-Scholes option-pricing model. If the options are subject to a vesting period, the expense is recognized over this period. Any consideration paid by employees on exercise of stock options or purchase of stock is credited to share capital plus the amounts originally recorded as contributed surplus.

Flow-through shares
The resource expenditure deductions for income tax purposes related to exploratory and development activities funded by flow-through share arrangements are renounced to investors in accordance with tax legislation. A future tax liability is generated when the renouncements related to the corresponding exploration and development expenditures are filed with the tax authorities.

5. RELATED PARTY TRANSACTIONS

During the period, the Company paid $22,650 (2007 - $21,150) for office and administrative expenses, to a company related by a common director; $15,000 (2007 - $15,000) was paid to a company controlled by a director for management consulting services. A total of $48,991 (2007 - $nil) was paid to a company controlled by a common shareholder for interest on short-term loans. Legal fees totaling $1,298 (2007 - $11,142) 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 two common directors. 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.

6. PETROLEUM AND NATURAL GAS PROPERTIES

		March 31	2008
	Cost	Accumulated amortization and depletion	Net
Petroleum and natural gas properties	$ 7,325,522	$ 2,818,420	$ 4,507,102

		March 31	2007
	Cost	Accumulated amortization and depletion	Net
Petroleum and natural gas properties	$ 6,585,595	$ 2,146,906	$ 4,438,689

7. BANK INDEBTEDNESS

The Company has a demand revolving operating loan facility with a Canadian chartered bank, to be used for development and acquisition of petroleum and natural gas properties and related assets. At March 31, 2008, the credit facility available was for up to $615,000 (2007 -$850,000) and $597,396 was drawn on the credit facility. This credit facility is secured by a fixed and floating charge debenture over all assets, a general security agreement and a general assignment of book debts. The facility bears interest at prime plus 0.25%, payable monthly.

8. LOAN PAYABLE

At March 31, 2008, the Company had a short term loan from a related party, related by a common shareholder, totaling $700,000 (2007 - $700,000). The loan bears interest payable monthly at prime plus 4% per annum. There is no collateral and the balance is due on demand.

9. SHARE CAPITAL

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

Common shares issued

	Number	Amount
Balance December 31, 2005	7,000,000	$ 452,814
Agent options exercised in January 2006	400,000	40,000
February 2006 share issuance	2,230,000	446,000
Shares issued on acquisition of Open Range Resources Ltd.	14,238,500	2,888,000
Tax effect of flow-through shares	-	(336,135)
Share issuance costs	-	(234,347)
Balance December 31, 2006	23,868,500	3,256,332
Normal course issuer bid purchases	(190,000)	(25,921)
Balance December 31, 2007 and March 31, 2008	23,678,500	$ 3,230,411

9. SHARE CAPITAL continued

During January 2006, agent options were exercised, and the Company issued 400,000 common shares at a price of $0.10 per share for proceeds of $40,000.

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

On March 30, 2006, the Company issued 14,238,500 common shares in exchange for all of the issued and outstanding shares of Open Range Resources Ltd. at a deemed price of $0.20 per share. For accounting purposes, however, the shares have been valued based on the carrying value of net assets of Open Range Resources Ltd. Continuity of interest accounting was used as this was considered to be a related party and there was no change in control. The carrying value of these assets was $2,888,000.

In 2007 The Company received all required regulatory approvals including approval by the TSX Venture Exchange in compliance with applicable securities laws, rules and regulations, to make a normal-course issuer bid to repurchase up to 2,053,350 of its common voting shares, being 10 per cent of the Company's public float as defined in the policies of the TSX Venture Exchange. The bid commenced on January 17, 2007, and ended on January 16, 2008. In January and February 2007 the Company purchased 190,000 common shares in the market for $65,337 at an average purchase price of $0.34 per share. The average cost base of the shares repurchased was $0.13643/share and as such $25,921 has been deducted from share capital, with the remaining $39,416 charged to deficit.

Escrowed shares

Under the requirements of the TSX Venture Exchange there are nil (2007 - 1,500,000) seed-capital common shares remaining in escrow of the original 3,000,000.

Stock options

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

Pursuant to the Agency Agreement related to the public offering that took place on October 14, 2004, the Agent received non-transferable options to purchase 400,000 shares at a price of $0.10 per common share. These options were exercised during January 2006.

On April 1, 2006, the Company granted 1,275,000 options to purchase common shares to officers, directors and consultants. These options vested immediately, carry an exercise price of $0.25, and expire on April 1, 2011. Upon cessation of employment of an officer, director or consultant, the options will expire 90 days from the cessation date. Stock-based compensation expense of $358,874 was recorded, with a corresponding credit to contributed surplus. The amount of compensation expense was based on the fair value of the options. Also, during the year, upon cessation of a consultant's contract, 275,000 options were cancelled.

9. SHARE CAPITAL continued

On August 15, 2006, the Company granted 80,000 options to purchase common shares to officers, directors and consultants. These options vested immediately, carry an exercise price of $0.25, and expire on August 15, 2011. Stock-based compensation expense of $18,122 was recorded, with a corresponding credit to contributed surplus. During 2007, upon cessation of a consultant's contract, 50,000 options were cancelled.

On February 9 and 15, 2007, the Company granted 510,000 options to purchase common shares to officers, directors and consultants. These options vest immediately, carry an exercise price of $0.30 per share and expire on February 9 and 15, 2012. Upon cessation of employment of an officer, director or consultant, the options will expire 90 days from the cessation date. Stock-based compensation expense of $123,716 was recorded, with a corresponding credit to contributed surplus.

The fair value of the stock options granted in 2007 have been determined using the Black-Scholes option-pricing model using the following assumptions; dividend yield (nil), expected volatility of 112% (2006 - 110%), market risk-free interest rate of 3.0% (2006 - 3%), and expected life of 5 years (2006 - 5 years).

9. SHARE CAPITAL, continued

	Number	Weighted average exercise price
Outstanding December 31, 2005	1,100,000	$ 0.10
Issued, April 1, 2006	1,275,000	0.25
Issued, August 15, 2006	80,000	0.25
Exercised in the year	(400,000)	0.10
Cancelled in the year	(275,000)	0.25
Outstanding December 31, 2006	1,780,000	0.19
Issued, February 9 and 15, 2007	510,000	0.30
Expired in 2007	(50,000)	0.25
Outstanding December 31, 2007 and March 31, 2008	2,240,000	$ 0.21

Options outstanding	Exercise price	Options exercisable at March 31, 2008	Expiry date
700,000	$ 0.10	700,000	May 11, 2009
1,000,000	0.25	1,000,000	April 1, 2011
30,000	0.25	30,000	August 15, 2011
60,000	0.30	60,000	February 9, 2012
450,000	0.30	450,000	February 15, 2012
2,240,000		2,240,000	

10. CONTRIBUTED SURPLUS

	2007	2006
Opening balance	$ 286,463	$ 14,170
Options issued, April 1, 2006	-	254,171
Options issued, August 15, 2006	-	18,122
Options issued, February 9 and 15, 2007	123,716	-
	$ 410,179	$ 286,463

11. LOSS PER SHARE

Basic loss per share is calculated using the weighted average number of shares outstanding during the year. Diluted loss per share is calculated to reflect the dilutive effect of stock options outstanding. Loss per share is calculated as follows:

	March 31		2008
	Net Income	Weighted average common shares	Income per share
Basic and diluted	$ 26,843	23,678,500	0.001

	March 31		2007
	Net Loss	Weighted average common shares	Loss per share
Basic and diluted	$ (66,989)	23,773,500	(0.003)

12. FINANCIAL INSTRUMENTS

Financial instruments consist of recorded amounts of accounts receivable which will result in future cash receipts, as well as bank indebtedness, accounts payable and accrued liabilities and loan payable which will result in future cash outlays.

The nature of the Company's operations results in exposure to fluctuations in commodity prices, exchange rates and interest rates. The Company does not use derivative financial instruments to manage its exposure to these risks.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Company is exposed to credit risk from customers. During 2008 and 2007, a small number of customers comprised the majority of the Company's oil and gas revenue and accounts receivable. Since these sales could be made to other buyers on terms that would allow the reporting entity to continue as a viable economic entity, the economic dependency on these customers is minimized.

12. FINANCIAL INSTRUMENTS, continued

(b) Fair value

It is management's opinion that the Company's carrying values of accounts receivable, bank indebtedness and accounts payable and accrued liabilities equals their fair values due to the immediate or short-term maturity of these instruments.

The fair value of the loan payable is less than carrying value, as the amounts are non-interest bearing. As the amounts have no terms of repayment, the fair value cannot be calculated with any degree of certainty.

(c) Interest rate risk

The Company is exposed to interest rate risk through floating rate borrowings. The floating rate debt is subject to interest rate cash flow risk, as the required cash flows to service the debt will fluctuate as a result of changes in market rates.

13. RECENT ACCOUNTING PRONOUNCEMENTS

Recently the Accounting Standards Board (AcSB) approved new accounting recommendations which have not yet come into effect. The following is a summary of the new recommendations:

(a) Going concern

For fiscal years beginning on or after January 1, 2008 the AcSB issued recommendations for assessing and disclosing an entity’s ability to continue as a going concern. Section 1400 of the CICA Handbook (which was announced in June 2007) requires management to assess their ability to continue as a going concern.

(b) Capital disclosures

The AcSB have issued Section 1535 with an effective date for periods commencing on or after October 1, 2007. This standard will require the Company to make disclosures regarding:

- the Company's objectives, policies and processes for managing capital;
- quantitative data about what the Company regards as capital;
- whether the Company had complied with any capital requirements; and
- if it has not complied, the consequences of such non-compliance.

Management are currently reviewing the impact that this standard will have on the Company's financial statements.

13. RECENT ACCOUNTING PRONOUNCEMENTS, continued

(c) Financial instruments disclosure and presentation

In December 2006, the AcSB issued Section 3862, "Financial Instruments - Disclosure", and Section 3863, "Financial Instruments - Presentation". Section 3862 requires enhanced disclosure on the nature and extent of financial instrument risks and how an entity manages those risks. Section 3863 carried forward existing presentation requirements and provides additional guidance for the classification of financial instruments. These sections are effective for fiscal periods beginning on or after October 1, 2007. These new requirements are for disclosure only and will not impact the financial results of the Company.