Range Energy Resources Inc.

Condensed Interim Consolidated Financial Statements

As at and for the three month period ended March 31, 2013

Expressed in Canadian dollars

(Unaudited – prepared by management)

Notice to Reader: As required by National Instrument 51-102 subsection 4.3(3)(a), readers are advised that an auditor has not performed a review of these interim financial statements.

Range Energy Resources Inc.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited)

Expressed in Canadian Dollars

	March 31, 2013	December 31, 2012
Current assets		
Cash and cash equivalents	$ 3,640,089	$ 1,178,421
Restricted cash (Note 5)	-	-
Accounts receivable	6,644	10,208
Loan receivable (note 6)	530,175	513,267
Deposit and prepaid expenses	15,027	21,998
	4,191,935	1,723,894
Non-current assets		
Property and equipment (note 7)	990	1,070
Long-term investment (note 8)	29,451,999	28,742,908
	29,452,989	28,743,978
Total assets	**$ 33,644,924**	**$ 30,467,872**
Current liabilities		
Accounts payable and accrued liabilities	$ 362,361	$ 280,298
Shareholders' equity		
Share capital (note 9(a) & (b))	36,362,910	33,838,842
Reserves (note 9(c))	11,896,480	10,945,548
Deficit	(14,976,827)	(14,596,816)
	33,282,563	30,187,574
Total liabilities and shareholders' equity	**$ 33,644,924**	**$ 30,467,872**

Nature of operations and going concern (note 1)
Commitment (note 11)
Subsequent events (note 15)

Approved on Behalf of the Board of Directors:

(signed) Toufic Chahine

(signed) Allan Bezanson

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Range Energy Resources Inc.
Condensed Interim Consolidated Statements of Changes in Equity
(Unaudited)

Expressed in Canadian Dollars

	Share capital		Reserves			
	Number of shares	Amount	Warrants	Contributed surplus	Deficit	Total equity
Balance - December 31, 2011	232,277,840	$ 31,212,335	$ 3,749,042	$ 7,651,368	$ (13,086,358)	$ 29,526,387
Share-based compensation	-	-	-	161,645	-	161,645
Net loss for period	-	-	-	-	(367,137)	(367,137)
Balance - March 31, 2012	232,277,840	$ 31,212,335	$ 3,749,042	$ 7,813,013	$ (13,453,495)	$ 29,320,895
Balance - December 31, 2012	245,677,840	$ 33,838,842	$ 576,573	$ 10,368,975	$ (14,596,816)	$ 30,187,574
Private placement	87,500,000	3,500,000	-	-	-	3,500,000
Fair value of warrants issued	-	(944,188)	944,188	-	-	-
Capital raising costs	-	(31,744)	-	-	-	(31,744)
Finder's warrants issued	-	-	6,744	-	-	6,744
Net loss for period	-	-	-	-	(380,011)	(380,011)
Balance - March 31, 2013	333,177,840	$ 36,362,910	$ 1,527,505	$ 10,368,975	$ (14,976,827)	$ 33,282,563

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Range Energy Resources Inc.
Condensed Interim Consolidated Statements of Operations and Comprehensive Loss
(Unaudited)

Expressed in Canadian Dollars

	For the three month period ended March 31, 2013	2012
Expenses		
Audit and related fees	$ -	$ 15,000
Consulting	71,722	55,996
Amortization	80	114
Directors fees	25,390	24,978
General and administrative	36,143	4,181
Legal fees	226,577	72,248
Management fees	25,500	49,100
Share-based compensation (note 9(c))	-	161,645
Transfer agent and filing fees	2,652	2,221
Travel and promotion	150	2,809
Loss before other income	(388,214)	(388,292)
Interest income	8,203	21,155
Net loss and comprehensive loss for period	$ (380,011)	$ (367,137)
Loss per share - basic and diluted	$ (0.00)	$ (0.00)
Weighted average number of common shares used in calculation of loss per share - basic and diluted	265,103,378	232,240,028

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Range Energy Resources Inc.
Consolidated Statements of Cash Flows

Expressed in Canadian Dollars

	For the three month period ended March 31, 2013	2012
Operating activities		
Net loss for period	$ (380,011)	$ (367,137)
Accrued interest on loan receivable	(6,186)	$ -
Depreciation	80	114
Share-based compensation	-	161,645
Unrealized foreign exchange gain	(10,722)	(2,100)
	(396,839)	(207,478)
Changes in non cash working capital items		
Restricted cash (Note 5)	-	269,411
Accounts receivable	3,564	(6,278)
Deposit and prepaid expenses	6,971	9,946
Accounts payable and accrued liabilities	82,063	(6,902)
Cash provided by (used in) operating activities	(304,241)	58,699
Investing activities		
Loan advances (note 6)	-	(497,450)
Purchase of equipment	-	(400)
Cash call payments to New Age Al Zarooni 2 Limited (note 8)	(709,091)	(2,125,885)
Cash provided by (used in) investing activities	(709,091)	(2,623,735)
Financing activities		
Private placements	3,500,000	-
Capital raising costs	(25,000)	-
Cash provided by (used in) financing activities	3,475,000	-
Increase (decrease) in cash and cash equivalents	2,461,668	(2,565,036)
Cash and cash equivalents - beginning of period	1,178,421	8,029,476
Cash and cash equivalents - end of period	$ 3,640,089	$ 5,464,440
Cash and cash equivalents consist of:		
Demand deposits	$ 490,089	$ 224,440
Term deposits	3,150,000	5,240,000
	$ 3,640,089	$ 5,464,440
Supplemental schedule of non-cash investing and financing activities		
Agents warrants issued	$ 6,744	$ -

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

1. Nature of operations and going concern

Range Energy Resources Inc. (the "Company") was incorporated under the laws of British Columbia, Canada on March 1, 2005. On October 24, 2006, the Company's common shares were listed and called for trading on the Canadian National Stock Exchange ("CNSX") and its current symbol is RGO. On February 12, 2007, the Company listed on the Frankfurt Stock Exchange. The Company's corporate head office is located at Suite 615, 800 West Pender Street, Vancouver, BC V6C 2V6. The Company is a development stage company engaged in the acquisition, exploration and development of oil and gas properties. As at March 31, 2013, the Company's principal asset is an indirect investment in an oil and gas property referred to as the Khalakan Block, which is domiciled in the Kurdistan Region of Iraq.

These condensed interim consolidated financial statements are prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. During the three month period ended March 31, 2013, the Company incurred a net loss totalling $380,011. The accumulated deficit at March 31, 2013 is $14,976,827. There is a material uncertainty related to these conditions that may cast significant doubt on the Company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business.

The ability of the Company to meet its commitments and ongoing operating expenses will depend upon the following:

- The ability to raise further funds through the issue of equity financing; and,
- The sale of assets in the ordinary course of business.

Although the Company has been successful in obtaining the necessary financing to continue operations in the past, there can be no assurance that it will be able to continue to do so in the future.

If the going concern assumption were not appropriate for these consolidated financial statements, then adjustments would be necessary in the carrying values of assets, liabilities, the reported income and expenses and the consolidated statement of financial position classifications used. Such adjustments could be material.

Based on the financial position at March 31, 2013, available funds are not considered adequate to meet requirements for fiscal 2013 based on budgeted expenditures for operations and project exploration and investigation. To meet working capital requirements, the Company will have to access financial resources through equity placements. There can be no assurances that such funds will be available and/or on terms acceptable by the Company.

2. Statement of compliance

These condensed interim consolidated financial statements are prepared in accordance with International Financial Standard 34 Interim Financial Reporting of the International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") and interpretations of the International Financial Reporting Committee (("IFRIC"). Accordingly, these condensed interim consolidated financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting process.

These condensed interim consolidated financial statements follow the same accounting policies and methods of application as the Company's audited financial statements for the year ended December 31, 2012. The policies applied in these condensed interim consolidated financial statements are based on IFRS issued as of the date the Board of Directors approved the financial statements. These condensed interim consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2012.

These condensed interim consolidated financial statements have been authorized for release by the Company's Board of Directors on May 30, 2013.

3. Significant accounting policies

Basis of presentation

The condensed interim consolidated financial statements have been prepared on an accrual basis and are on a historical cost basis, except for certain financial instruments, which are measured at fair value. The preparation of consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant are disclosed in note 4.

These condensed interim consolidated financial statements are prepared in Canadian dollars. The functional currency of the Company is Canadian dollars.

4. Significant accounting estimates and judgments

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected.

The Company has identified the valuation of loan receivable and long-term investment, expected tax rates and the utilization of deferred income tax assets, the measurement of share-based transactions and the fair value measurement of financial instruments as areas where significant judgments, estimates and assumptions are made, where actual results may differ from these estimates and this may materially affect the Company's financial results or consolidated statement of financial position in future periods.

The carrying values and assessment of impairment of reserves is based on costs incurred and management's estimate of net recoverable value. Estimates may not necessarily reflect actual recoverable value as this will be dependent on the status of the drilling program, the nature of the resource deposit, commodity prices, adequate funding and the ability of the Company to achieve commercial production.

5. Restricted cash

The Company paid into court $269,411 pursuant to the December 1, 2011 garnishee order (the "Garnished Funds") for a proceeding commenced against the Company in the British Columbia Supreme Court by a former officer. During the year ended December 31, 2012, a settlement agreement was entered into by the parties. The Garnished Funds were released to the Company's legal counsel and the former officer was paid $120,000 plus HST thereon of $14,400 from these funds totalling $134,400. During the year ended December 31, 2012, all remaining restricted funds were released.

6. Loan receivable

On March 3, 2012, the Company entered into a Letter of Intent ("LOI") with Blackstairs Energy PLC ("Blackstairs") whereby the Company proposed to acquire 100% of the issued share capital of Blackstairs subject to a number of conditions set out in the LOI, including, satisfactory completion by the Company of its due diligence review of Blackstairs on or before April 30, 2012, entering into a Definitive Agreement and obtaining requisite regulatory and shareholders' approvals, if required. Under the terms of the LOI, the Company loaned Blackstairs CAD$497,450 (US$500,000) for working capital purposes. As security for this loan, certain shares in Blackstairs were pledged to Range. As the structure of a Definitive Agreement could not be agreed upon, the LOI was terminated on March 29, 2012 and as such, the loan became repayable within 180 days from April 30, 2012, bearing interest at the rate of US prime plus 1.5% per annum compounded monthly until repayment.

On November 13, 2012, the Company and Blackstairs entered into a letter agreement regarding this loan. Under this letter agreement, the Company agreed to waive Blackstairs' obligation to repay the outstanding loan and accrued interest, and to forbear from exercising remedies arising from Blackstairs' failure to timely repay this loan, for a period ending no later than December 1, 2012. The Company agreed to this waiver and forbearance to provide Blackstairs time to complete an equity financing transaction. In consideration for this waiver and forbearance, Blackstairs agreed to pay a higher interest rate on the loan. Blackstairs did not timely repay the principal amount of the loan or accrued and unpaid interest. Range subsequently took the steps necessary to cause the pledged shares to be registered in the name of Range on Blackstairs' share register. Renegotiation of repayment of the loan receivable is ongoing. Range has reserved the right to pursue all rights and remedies available to it. Management estimates that the fair value of the pledged shares likely exceeds the carrying value of the loan receivable and therefore management believes the carrying value of the loan receivable at March 31, 2013 is recoverable.

The balance consists of the following:

	Principal	Interest	Total
Balance -December 31, 2012	$ 497,450	$ 15,817	$ 513,267
Accrued interest	-	$ 6,186	$ 6,186
Unrealized foreign exchange gain - translation	10,350	$ 372	$ 10,722
Balance -March 31, 2013	$ 507,800	$ 22,375	$ 530,175

7. Property and equipment

	Computer hardware and software		
	Cost	Accumulated depreciation	Net book value
Balance -December 31, 2011	$ 4,239	$ (3,113)	$ 1,126
Additions	$ 400	-	$ 400
Depreciation	-	(456)	(456)
Balance -December 31, 2012	4,639	(3,569)	1,070
Depreciation	-	(80)	(80)
Balance -March 31, 2013	$ 4,639	$ (3,649)	$ 990

8. Long-term investment

On November 6, 2009, Range Oil & Gas Inc. entered into a share acquisition agreement with a privately held company (the "Vendor") under which the Company purchased 49.9% of the common shares of New Age Al Zarooni 2 Limited ("NAAZ2"), a company domiciled in Jersey, Channel Islands. The consideration paid for the shares was as follows:

(a) US$16,367,000 ($16,862,774) cash;
(b) 2,000,000 common shares of the Company with an estimated fair value of $400,000 measured on the date of issuance;
(c) 1,500,000 warrants to purchase 1,500,000 common shares of the Company exercisable for a term of five years at a price of $0.30 per share, valued at $509,293 measured on the date of issuance using the Black-Scholes option-pricing model; and,
(d) US$44,000 ($46,728) of expenses reimbursed to the Vendor.

The transaction closed on November 17, 2009. In connection with the transaction, the Company issued 3,250,000 common shares of the Company for corporate advisory services to unrelated third parties. The estimated fair value of these shares was $650,000 measured on the date of issuance and recorded as transaction costs in the consolidated statement of operations and comprehensive loss during the year ended December 31, 2009.

NAAZ2 owns 50% of the common shares of Gas Plus Khalakan Limited ("GPK"), a company domiciled in Jersey, Channel Islands. GPK holds an 80% interest in the Khalakan production sharing contract ("PSC") for an oil and gas resource property ("Khalakan Block") and the Kurdistan Regional Government of Iraq holds the remaining 20% interest. The Khalakan Block consists of two concessions, Blocks 28 and 29 (sometimes referred to as Blocks 6 and 7) and comprises 624 square kilometres located in the central part of the Kurdistan Region of Iraq.

Under the GPK shareholders agreement, a company beneficially owned by a third party is entitled to a 40% interest in the net profits ("NPI") of the project. At any time, the 40% NPI may be exchanged for 40% of the issued common shares of GPK for a price equal to US$1 per common share. In addition, a 3.5% interest in the net profits is payable to the current operator under a management services agreement.

The NAAZ2 shareholders agreement requires each shareholder to fund its cash calls based on its ownership interest. If a shareholder fails to fund its portion of these cash calls, the non-defaulting shareholder has the option to fund any shortfalls and thereby increase its relative interest in NAAZ2, and in turn its interest in GPK. Should the non-defaulting shareholder decline to fund any shortfalls, a buy-out event may be triggered under which the defaulting party's interest may be purchased by the non-defaulting party for a price pre-determined by a formula in the shareholders agreement. During the three month period ended March 31, 2013, the Company funded cash calls made by NAAZ2 totalling $709,091 (US $706,085) (year ended December 31, 2012 $7,355,450 (US $7,345,280)).

The GPK shareholders agreement requires each shareholder to fund its proportional share of cash calls based on its shareholdings. If a shareholder fails to fund its portion of these cash calls, the non-defaulting shareholder will have the option to fund any shortfalls and thereby increase its relative interest in GPK. Should the non-defaulting shareholder decline to fund any shortfalls, a buy-out event may be triggered under which the defaulting party's interest may be purchased by the non-defaulting party for a price pre-determined by a formula in the shareholders agreement.

9. Equity

(a) Authorized

The authorized share capital of the Company consists of an unlimited number of shares without par value and an unlimited number of preferred shares, issuable in series. The preferred share rights and restrictions may be set by the Company's directors upon issue.

(b) Private placements

On March 12, 2013, the Company closed a non-brokered private placement of 87,500,000 units at $0.04 per unit for gross proceeds of $3,500,000. Each unit is comprised of one common share and one transferable share purchase warrant entitling the holder to acquire one additional common share at a price of $0.05 per share up to March 12, 2015. An additional 625,000 finders' warrants were issued each entitling the holder to purchase one common share for $0.05 on or before March 12, 2015. All securities issued in connection with this financing are subject to a hold period until July 13, 2013.

On May 18, 2011, the Company completed a non-brokered private placement consisting of 26,800,000 units at a price of $0.15 per unit. The gross proceeds of the unit placement totalled $4,020,000. Each unit was comprised of one common share and one share purchase warrant entitling the holder to acquire one common share at a price of $0.15 per share up to May 18, 2012. An additional 1,072,000 finders' warrants were issued each entitling the holder to purchase one common share for $0.15 on or before May 18, 2013.

(c) Reserves

Reserves consist of share purchase warrants and the accumulated fair value of common share stock options recognized as share-based compensation.

Warrants

	March 31, 2013			**December 31, 2012**		
	Number of warrants		**Amount**	**Number of warrants**		**Amount**
Opening balance	2,572,000	$	576,573	70,472,000	$	3,749,042
Warrants issued	88,125,000		950,932	-		-
Warrants exercised	-		-	(13,400,000)		(616,507)
Warrants expired	-		-	(54,500,000)		(2,555,962)
Closing balance	90,697,000	$	1,527,505	2,572,000	$	576,573

The fair value of the 88,125,000 warrants issued in connection with the unit private placement completed during the three month period ended March 31, 2013 totalled $950,932.

The warrants issued during the three month period ended March 31, 2013 were valued using the Black-Scholes valuation model, using the following assumptions:

Warrant term	Volatility	Dividend yield	Risk-free interest rate	Warrants issued		Fair value
2 years	197%	0%	1.19%	88,125,000	$	950,932

9. Equity – continued

Stock options

The Company adopted the 2011 Stock Option Incentive Plan (the "Plan") that was approved by the Board of Directors on March 18, 2011 and the shareholders on May 10, 2011. The aggregate number of shares of the Company's share capital issuable pursuant to options granted under the Plan may not exceed 24,656,676 shares. Options granted under the Plan may have a maximum term of ten years. The exercise price of options granted under the Plan shall be determined by the Company's directors, provided that such price shall not be lower than the closing share price on the day before the grant date less the applicable discount permitted under CNSX policies. Stock options granted under the Plan may be subject to vesting terms that are set at the discretion of the directors at the time of grant.

The following table summarizes stock option activity during the three month period ended March 31, 2013 and the year ended December 31, 2012:

	March 31, 2013		December 31, 2012	
	Number of options	Weighted average exercise price of options exercisable	Number of options	Weighted average exercise price of options exercisable
Opening balance	6,262,500	$0.27	7,825,000	$0.33
Options granted	-	-	2,000,000	$0.20
Options expired	-	-	(500,000)	$0.55
Options forfeited	-	-	(3,062,500)	$0.32
Closing balance	6,262,500	$0.27	6,262,500	$0.27

The fair value of the 2,000,000 options granted during the three month period ended March 31, 2012 amounted to $161,645 resulting in a compensation expense of $161,645. The options were valued using the Black-Scholes option pricing model with the following assumptions:

Expected life	Volatility	Dividend yield	Risk-free interest rate	Options granted	Fair value
5 years	190%	0%	1.56%	2,000,000	$ 161,645

At March 31, 2013, stock options outstanding are as follows:

Number of options outstanding and exercisable	Range of exercise prices	Weighted average exercise price of options exercisable	Weighted average remaining contractual life
4,262,500	$0.30-$0.35	$0.30	1.74 years
2,000,000	$0.20	$0.20	3.92 years
6,262,500			

10. Related party transactions

Key management personnel are those persons that have the authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly. Key management personnel include the Company's directors and members of the senior management group.

During the year ended December 31, 2012, the Company entered into a corporate management agreement for accounting services with a company controlled by the interim Chief Financial Officer that expires on December 31, 2013 (Note 11).

Details of key management personnel compensation are as follows:

Three month period ended March 31,		**2013**		**2012**
Services provided:				
Consulting fees	$	10,415	$	9,850
Directors fees		25,390		24,978
Management fees		25,500		49,100
Share-based compensation		-		161,645
Key management personnel compensation	$	61,305	$	245,573
Balances payable to key management personnel	$	61,125	$	107,912

11. Commitment

The Company is party to a corporate management and accounting services agreement that expires on December 31, 2013. The future minimum payments are $85,500 for the year ending December 31, 2013.

12. Segmented information

The Company's operations comprise one reportable segment. The carrying value of the Company's non-current assets on a country-by-country basis is as follows:

	March 31, 2013						December 31, 2012					
		Canada		Channel Islands		Total		Canada		Channel Islands		Total
Property and equipment	$	990	$	-	$	990	$	1,070	$	-	$	1,070
Long-term investment		-		29,451,999		29,451,999		-		28,742,908		28,742,908
Total	$	990	$	29,451,999	$	29,452,989	$	1,070	$	28,742,908	$	28,743,978

13. Financial instruments

The Company's financial instruments include cash and cash equivalents, accounts receivable, loan receivable, deposit, long-term investment and accounts payable and accrued liabilities. The carrying value of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities as presented in the consolidated financial statements are reasonable estimates of fair values due to the relatively short periods to maturity and the terms of these instruments. Long-term investment does not have a reliably measurable fair value as it does not have a quoted market price in an active market.

The Company's financial instruments have been classified as follows:

Financial instrument	Classification	Fair value hierarchy
Cash and cash equivalents	Financial assets held-for-trading	Level 1
Restricted cash	Financial assets held-for-trading	Level 1
Accounts receivable and loan receivable	Loans and receivables	n/a
Long-term investment	Available-for-sale	n/a

See the Company's Consolidated Statements of Financial Position for financial instrument balances as at March 31, 2013 and December 31, 2012.

Financial instruments must be classified at one of three levels within a fair value hierarchy according to the relative reliability of the inputs used to estimate their values. The three levels of the hierarchy are as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets and liabilities;
Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and,
Level 3: Inputs that are not based on observable market data.

Risk exposure and management

The Company is exposed to various financial instrument risks and continuously assesses the impact and likelihood of this exposure. These risks include credit risk, commodity price risk, liquidity risk, interest rate risk and currency risk. Where material these risks are reviewed and monitored by the Board of Directors.

Credit risk
Credit risk arises from the non-performance by counterparties of contractual financial obligations resulting in financial loss to the Company. The Company's credit risk is primarily attributable to its cash and cash equivalents, accounts receivable, and loan receivable. Cash and cash equivalents and $2,213 of accounts receivable are held with an investment grade Canadian financial institution as assessed by external rating agencies. The deposits held with this institution may exceed the amount of insurance provided on such deposits. Accounts receivable of $4,431 is due from an agency of the Canadian government. Management believes the risk of loss to be minimal. Loan receivable of $530,175 is due from Blackstairs (see Note 6). Management believes that collection of the full amount is probable and that security pledged against the loan receivable is likely sufficient to recover the carrying value recorded at March 31, 2013. As at March 31, 2013, the Company's maximum credit risk is the carrying value of cash and cash equivalents, accounts receivable and loan receivable.

Commodity price risk
The Company is subject to price risk from fluctuations in market prices of the commodities underlying its long-term investment. This exposure includes the ability to raise capital with favourable terms. The Company does not currently hold any financial instruments that mitigate this risk.

Liquidity risk
Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations when they become due, or can only do so at excessive cost. As at March 31, 2013, the Company has working capital of $3,829,574. The Company manages liquidity risk by maintaining adequate cash and cash equivalent balances including purchasing cash equivalents with early redemption features that may be sold into an active market. The Company continuously monitors and reviews both actual and forecasted cash flows and matches the maturity profile of financial assets and liabilities.

13. Financial instruments – continued

Interest rate risk
As at March 31, 2013, the Company's cash equivalents consist of variable rate term deposits in the amount of $3,150,000. The term deposits are subject to interest rate cash flow risk as they carry variable rates of interest. The Company does not engage in any hedging activity to mitigate these risks. A plus or minus 1% change in market interest rates would not have a significant effect on the Company's consolidated loss and comprehensive loss for the year.

Currency risk
As the Company operates in an international environment, some of the Company's transactions and balances are denominated in currencies other than the Canadian dollar. The Company's foreign exchange risk arises primarily with respect to the United States dollar. The Company is required to make regular cash contributions denominated in United States dollars to fund the companies underlying its long-term investment (note 8). Fluctuations in the exchange rate between the United States dollar and the Canadian dollar could have a material effect on the Company's business, financial condition and results of operations. The Company does not engage in any hedging activity to mitigate this risk.

As at March 31, 2013, a strengthening (weakening) of the Canadian dollar against the United States dollar of 10% would have an insignificant impact on the Company's consolidated loss and comprehensive loss.

14. Management of capital

The Company manages its capital to ensure it will be able to continue as a going concern and continue the funding of its long-term investment. The Company has no operations that generate cash flow and depends on financings to fund its long-term investment and administrative expenses. The success of each financing depends on numerous factors including a positive oil and gas environment, positive stock market conditions, a company's track record and the experience of management. The capital structure of the Company consists of shareholders' equity, which is comprised of share capital, reserves and deficit. The Board of Directors does not establish quantitative return on capital criteria for management due to the nature of the Company's business. The Company does not pay dividends and is not exposed to any externally imposed capital requirements.

15. Subsequent events

From April 1, 2013 to May 30, 2013:

(a) The Company funded cash calls made by NAAZ2 totalling $585,419 (US $581,234).

(b) The Company's Shareholders Agreement for NAAZ2 provides the Company with limited rights and remedies to pursue specific information if a joint venture participant or other third party fails to provide this information when the Company requests it. On July 20, 2012, the Company commenced arbitration proceedings against NAAZ2 and Black Gold Khalakan Limited to obtain information that Range considers it is entitled to under the law and the relevant agreements. The arbitration hearing was commenced and completed during the last week in April 2013 in London under the Arbitration Rules of the International Chamber of Commerce. The Company has requested remedies that would enable the Company to obtain information regarding its investment in the Khalakan Block. The arbitration tribunal has not yet issued its ruling in the proceeding. The Company anticipates results of these proceedings in the upcoming months. Range is also seeking additional public sources of information to ascertain the progress of exploration in the Khalakan Block. As Range obtains reliable information on these activities in the Khalakan Block, Range will make disclosures to its Shareholders in accordance with regulatory requirements.

(c) On May 18, 2013, 1,072,000 finders' warrants expired unexercised.