



OPEN RANGE ENERGY CORP.

ANNUAL INFORMATION FORM

For the year ended December 31, 2008

Dated: March 19, 2009

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ABBREVIATIONS

Crude Oil and Natural Gas Liquids ("NGLs")

Natural Gas

bbls	barrels of oil inclusive of NGLs	mcf	thousand cubic feet
mbbls	thousand barrels	mmcf	million cubic feet
mmbbls	million barrels	bcf	billion cubic feet
bbl/d	barrels of oil per day	mcf/d	thousand cubic feet per day
boe	barrels of oil equivalent converting gas to oil at a ratio of six mcf of gas to one bbl of oil	mmcf/d	million cubic feet per day
mboe	thousand barrels of oil equivalent	MMbtu	million British Thermal Units
boe/d	barrels of oil equivalent per day		
WTI	West Texas Intermediate		
WI	working interest		

CONVERSION

The following table sets forth certain standard conversions from Standard Imperial units to the International System of Units (or metric units).

<u>To Convert From</u>	<u>To</u>	<u>Multiply By</u>
Mcf	Cubic metres ("m ³ ")	28.174
Cubic metres ("m ³ ")	Cubic feet	35.494
Bbls	Cubic metres ("m ³ ")	0.159
Cubic metres ("m ³ ")	Bbls	6.290
Feet	Metres	0.305
Metres	Feet	3.281
Miles	Kilometres	1.609
Kilometres	Miles	0.621
Acres	Hectares	0.405
Hectares	Acres	2.471

In this Annual Information Form, unless otherwise noted, all dollar amounts are expressed in Canadian dollars.

FORWARD-LOOKING STATEMENTS

This Annual Information Form ("AIF") contains certain forward-looking statements and forward-looking information which are based on Open Range Energy Corp.'s (the "Corporation" or "Open Range") current internal expectations, estimates, projections, assumptions and beliefs. The reader is cautioned that assumptions used in the preparation of such information may prove to be incorrect. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "plan", "should", "believe" and similar expressions identify such forward-looking statements and forward-looking information. These statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements or information. The Corporation believes that the expectations reflected in these forward-looking statements and information are reasonable but no assurance can be given that these expectations, or the assumptions underlying these expectations, will prove to be correct and such forward-looking statements and information included in this AIF should not be unduly relied upon. Such forward-looking statements and information speak only as of the date of this AIF and the Corporation does not undertake any obligation to publicly update or revise any forward-looking statements or information, except as required by applicable laws.

In particular, this AIF contains forward-looking statements which include, but are not limited to, statements and information pertaining to the following:

- the quality of and future net revenues from the Corporation's reserves;
- oil, NGLs and natural gas production levels;
- commodity prices, U.S. dollar exchange rates and interest rates;
- capital expenditure programs and other expenditures and the method of financing thereof;
- supply and demand for oil, NGLs and natural gas;
- expectations regarding the Corporation's ability to raise capital and to continually add to reserves through acquisitions and development;
- schedules and timing of certain projects, including the drilling of natural gas wells, and the Corporation's strategy for growth;
- the Corporation's plans with respect to the payment of dividends;
- the Corporation's future operating and financial results; and
- treatment under governmental and other regulatory or royalty regimes and tax, environmental and other laws.

The forward-looking statements contained herein are based on certain assumptions, including, but not limited to, the following:

- the prices of oil and natural gas will not deteriorate significantly;
- capital, undeveloped lands and skilled personnel will continue to be available at the level Open Range has enjoyed to date;
- Open Range will be able to obtain equipment in a timely manner to carry out exploration, development and exploitation activities;
- Open Range will be able to obtain financing on acceptable terms;
- Open Range will be able to continue to add production and reserves through exploration and development activities at a consistent rate; and
- the current tax and regulatory regime will remain substantially unchanged.

The Corporation's actual results could differ materially from those anticipated in these forward-looking statements and information as a result of both known and unknown risks, including, but not limited to, the risk factors set forth under "Risk Factors" in this AIF and those set forth below:

- risks associated with the exploration for and development of oil and natural gas reserves;
- operational risks and liabilities that are not covered by insurance;
- volatility in market prices for oil, NGLs and natural gas;
- the ability of the Corporation to fund its substantial capital requirements and operations;
- risks associated with ensuring title to the Corporation's properties;
- changes in environmental or other legislation applicable to the Corporation's operations, and the Corporation's ability to comply with current and future environmental and other laws;
- uncertainties associated with estimating reserves;
- the Corporation's success at acquisition, exploitation and development of reserves;
- the Corporation's reliance on key operational and management personnel;
- the ability of the Corporation to obtain and maintain all of its required permits and licenses;
- competition for, among other things, capital, drilling equipment, acquisitions of reserves, undeveloped lands and skilled personnel;
- changes in general economic, market and business conditions in Canada, North America and worldwide;
- actions by governmental or regulatory authorities including changes in income tax laws or changes in tax laws and incentive programs relating to the oil and gas industry
- geopolitical risks;
- adverse regulatory rulings, orders and decisions; and
- risks associated with the nature of the Corporation's securities.

These factors should not be construed as exhaustive. Except as required under applicable securities laws, the Corporation undertakes no obligation to update or revise any forward-looking statements.

GLOSSARY OF TERMS

Unless the context otherwise requires, the following terms shall have the respective meanings set out below when used in this Annual Information Form:

"**3D**" means three dimensional;

"**ABCA**" means *Business Corporations Act* (Alberta);

"**AIF**" means this annual information form including the appendices hereto;

"**Board of Directors**" or "**Board**" means the board of directors of the Corporation;

"**Common Shares**" means the common shares in the capital of Open Range;

"**Corporation**" or "**Open Range**" means Open Range Energy Corp.;

"**ERCB**" means Energy Resources Conservation Board;

"**Flow-Through Shares**" means Common Shares in the capital of the Corporation issued on a "flow-through" basis pursuant to the *Income Tax Act* (Canada);

"**G&A**" means general and administrative expenses;

"**GLJ**" means GLJ Petroleum Consultants Ltd.;

"**NGLs**" means natural gas liquids;

"**NI 51-101**" means National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*;

"**Preferred Shares**" means the first preferred shares in the capital of Open Range; and

"**TSX**" or "**Exchange**" means The Toronto Stock Exchange.

NAME AND INCORPORATION

Open Range Energy Corp. was formed under the laws of the Province of Alberta on November 30, 2005 by amalgamation pursuant to a plan of arrangement.

The registered office of the Corporation is located at Suite 1600, 333 - 7th Avenue S.W., Calgary, Alberta, T2P 2Z1 and its head office is located at Suite 1100, 645 - 7th Avenue S.W., Calgary, Alberta, T2P 4G8.

The Corporation has no subsidiaries.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

The Corporation commenced operations in November 2005. On December 2, 2005, Open Range's Common Shares began trading on TSX under the symbol ONR.

On January 10, 2006, Open Range issued 1,649,000 Common Shares on a bought-deal private placement basis at a price of \$4.25 per share for aggregate gross proceeds of \$7 million. Proceeds from the issue were applied towards Open Range's exploration and development activities for 2006.

On May 16, 2006, Open Range issued 1,000,000 Flow-Through Shares on a bought-deal private placement basis at a price of \$5.70 per share for aggregate gross proceeds of \$5.7 million. Proceeds from the issue were applied to Open Range's exploration program in 2006.

On November 9, 2006, Open Range issued 2,324,300 Common Shares on a bought-deal private placement basis at a price of \$3.55 per share for aggregate gross proceeds of \$8.3 million. Proceeds from the issue were applied towards Open Range's exploration and development activities for 2006 and the first quarter of 2007.

On February 22, 2007, Open Range issued 3,000,000 Flow-Through Shares on a bought-deal private placement basis at a price of \$4.00 per share for aggregate gross proceeds of \$12 million. Proceeds from the issue were applied to Open Range's exploration program for 2007.

On December 20, 2007, Open Range issued 2,029,100 Flow-Through Shares on a bought-deal private placement basis at a price of \$3.45 per share for aggregate proceeds of \$7 million. Proceeds from the issue were applied to Open Range's exploration activities in 2008.

On April 4, 2008, Open Range issued on a bought-deal private placement basis 2,595,300 Common Shares at a price of \$4.20 per share and 2,400,000 Flow-Through Shares at a price of \$5.00 per share for gross proceeds of approximately \$22.9 million, plus an additional 500,000 Common Shares issued upon exercise of the underwriter's over-allotment option at a price of \$4.20 per share for additional gross proceeds of \$2.1 million. Proceeds from the issue were applied to Open Range's 2008 capital investment program.

On October 23, 2008 the Corporation received regulatory approval under Canadian securities laws to purchase common shares under a Normal Course Issuer Bid (the "Bid") which commenced October 28, 2008 and will terminate on October 27, 2009. Pursuant to the Bid, Open Range is entitled to purchase for cancellation, from time to time, up to a maximum of 1,366,662 Common Shares. As of March 19, 2009 the Corporation has purchased and cancelled 799,900 Common Shares under the Bid at an average price of \$1.45 per Common Share.

Recent Developments

On October 25, 2007, the Government of Alberta announced changes to the royalties payable on production from all Crown mineral rights owned by the province. This new royalty structure will affect the calculation of Crown royalties, which calculation depends on the production rate per well, commodity prices and the depth of procuring wells.

On March 3, 2009, an incentive program designed to encourage the execution of new drilling projects in Alberta was announced in response to the global economic crisis and slowdown in drilling activity throughout the province of Alberta. The incentive program provides for a drilling royalty credit for new conventional oil and natural gas wells that initiate drilling on or after April 1, 2009 and that complete drilling by March 31, 2010. The incentive program also provides a reduced royalty rate on new wells for the first year of production up to an established total production volume. The effect of the March 3, 2009 announcement has not been reflected in this AIF.

DESCRIPTION OF THE BUSINESS

Corporate Highlights

Since its creation on November 30, 2005 Open Range has:

- Commenced trading on the TSX on December 2, 2005 under the symbol ONR;
- Finalized the additions to its staff and currently maintains 19 employees;
- Completed its review of seismic data over option lands acquired from Daylight Energy Trust;
- Completed a proprietary 75 square-mile 3D seismic program over Ansell/Sundance in 2006;
- Drilled 49 gross (20.5 net) wells at a success rate of 100 percent, of which 36 gross (17.7 net) wells were at its core Ansell/Sundance property and 1 (0.7 net) well was at its Rough property;
- Increased total proved plus probable reserves to 10,035 mboe at December 31, 2008;
- Established an exploration and development drilling inventory of approximately 100 locations by the end of 2008;
- Completed a \$35 million capital program in 2006, a \$42 million capital program in 2007, and a \$62 million capital program in 2008;
- Expanded its core lands at Ansell/Sundance to interests in approximately 55 gross sections;
- Utilized the ERCB's Development Entity Commingling (DE2) at Ansell/Sundance to commingle all of its Cretaceous pay zones in each well bore to achieve significant multi-zone completion cost-savings;
- Raised approximately \$34.7 million (gross proceeds) to December 31, 2008, through the issue of 9,156,600 Common Shares;
- Raised approximately \$36.7 million (gross proceeds) to December 31, 2008, through the issue of 8,429,100 Flow-Through Shares;
- Realized gains on commodity contracts of \$1.5 million in 2007 and realized losses on commodity contracts of \$1.5 million in 2008;
- Increased its banking facilities at the National Bank of Canada to \$54 million (\$50 million extendable revolving-credit facility and a \$4 million acquisition and development facility as of December 31, 2008);
- Realized 2008 average production of 2,070 boe per day a 42 percent increase from the 2007 average of 1,456 boe per day;
- Constructed a 20 mmcf per day gas plant at Ansell/Sundance in 2008. The Corporation has a one third interest and operates the plant;
- Approved an initial \$18 million capital budget for 2009;

- Commenced its 2009 capital program with the drilling of its first horizontal well at the Ansell/Sundance property targeting the Bluesky formation; and
- Applied for holdings to down-space wells to 6 wells per section over 18 gross sections of land at Ansell/Sundance.

Corporate Strategy

Open Range's strategy is to explore and develop quality assets that translate into per share results in cash flow, production and reserves. Open Range is focused on exploration and development in the Deep Basin area of west central Alberta. Open Range's efforts are concentrated on long-life reserves supplemented by strategic acquisitions with all opportunities evaluated for their risk and return profiles.

To date, Open Range has focused on exploration and development drilling of prospects in its core area at Ansell/Sundance. The Corporation utilizes current geological and geophysical techniques to select premium multi-zone drilling locations, coupled with carefully developed drilling and completion practices. Since inception, the Corporation's focus has been on the Ansell/Sundance area and building a multi-year development drilling inventory with a land base that has the potential to significantly expand that inventory. Open Range has established a drilling inventory of approximately 100 locations at its multi-zone objective Ansell/Sundance area as of December 31, 2008. Open Range is the operator of this property and currently controls approximately 55 sections of land with an average working interest of 56 percent. The Corporation intends to invest approximately \$11.8 million in 2009 on drilling and completion opportunities. Open Range's capital program contemplates drilling 3 gross (2.3 net) wells targeted primarily towards its west central high growth property at Ansell/Sundance and includes \$3.5 million for land, seismic and capitalized G&A and \$2.7 million for facilities.

Moving forward, Open Range intends to continue to internally generate further exploration and development opportunities possessing medium risk and multi-zone potential. Open Range intends to maintain a balance between exploration, development and exploitation drilling. Although Open Range's history has been as an exploration company, it continues to look at opportunities for acquisitions at cyclically appropriate valuations should they complement Open Range's asset base. To achieve sustainable and profitable growth, management of Open Range intends to build detailed short and long term project economic analyses, allowing it to control the timing and costs of its projects wherever possible. Open Range seeks, wherever possible and when the opportunities arise, to become the operator of its properties. Further, to minimize competition within its geographic areas of interest, Open Range strives to maximize its working interest ownership in its properties where reasonably possible. While Open Range believes it has the skills and resources necessary to achieve its objectives, participation in the exploration and development in the oil and natural gas industry has a number of inherent risks. See "Risk Factors".

PRINCIPAL PRODUCING PROPERTIES

The following is a general description of Open Range's principal producing properties.

Ansell/Sundance – A predecessor to Open Range entered into a farm-in and re-entered an existing well bore in May 2005 followed up by drilling an additional well (0.4 net) in August 2005. Open Range drilled two (0.75 net) net wells in 2005, with a success rate of 100 percent. Open Range's first well in this area commenced production in mid November with a second well commencing production in late December of 2005. In the second quarter of 2006, Open Range commenced and completed a 75 square mile proprietary 3D seismic program. Over the course of 2006, Open Range drilled an additional eight (3.6 net) wells at a rate of success of 100 percent. Four wells selected using the new seismic data encountered notably better quality reservoir sands and a higher average number of pay zones. Two locations drilled in the fourth quarter of 2006 each encountered four productive pay zones. Open Range expanded its land position at Ansell/Sundance in 2006 to 42 gross sections with an average working

interest of 47 percent. At year end 2006, Open Range had established a development drilling inventory of 25 locations all identified utilizing the 3D seismic. In 2006, production at Ansell/Sundance averaged 315 boe per day and the area represented 57 percent of Open Range's proved plus probable reserves.

In 2007, Open Range drilled 12 gross (6.2 net) wells encountering on average 3.9 productive pay zones per well. Production in 2007 averaged 973 boe per day or an increase of 209 percent over 315 boe per day in 2006. Reserves at Ansell/Sundance account for 65 percent of the Corporation's total proved plus probable reserves. Open Range's land position in 2007 expanded to an approximate 50 percent working interest in 50 sections. Operated infrastructure was expanded in 2007 with the addition of a 10 mmcf per day compressor facility at 9-34-53-20W5 (33 percent working interest) and a 3 mmcf per day sour compressor facility at 6-3-54-19W5 (50 percent working interest)

For 2008, production averaged 1,566 boe per day or an increase of 61 percent over 973 boe per day in 2007. The production increase was attributed to drilling 16 gross (7.8 net) wells at Ansell/Sundance and the construction and commissioning of the Corporation's first area gas plant at 9-34-53-20W5. Open Range is the operator of the 20 mmcf per day gas plant and owns a 33 percent working interest. Capital spending at Ansell/Sundance was approximately \$43 million or 71 percent of the \$60.6 million total capital expenditures in 2008. At December 31, 2008 reserves at Ansell/Sundance accounted for 83 percent of the Corporation's total proved plus probable assignment. Exiting 2008 the land position at the property has grown to 54.5 sections at an average working interest of 56 percent.

Rough – Open Range established itself in 2007 in the Rough deep foothills natural gas play through a farm-in deal and the subsequent drilling of its exploratory discovery well at 15-35-38-12W5 (70 percent working interest). Completion of the well was deferred until 2008 allowing the Corporation to establish an approximate 90 percent working interest in 38 sections of offsetting lands. In the third quarter of 2008 the well was completed and two new pool discoveries were confirmed in the Glauconitic and Notikewan zones. Both of these zones encountered significant pay thickness and over-pressured reservoirs. The well commenced production from the Glauconitic zone in September 2008 and subsequently in the first quarter of 2009 production was commingled with the Notikewan zone. This property makes up approximately seven percent of the Corporation's total proved plus probable reserves, with nearly 700 mboe assigned over only 160 acres.

Ferrier – In 2005, production at Ferrier was approximately 84 boe per day, consisting of 96 percent natural gas. Two non-operated wells (30 percent working interest) were drilled in the second quarter of 2006, with the wells being brought on production in October 2006. There was no drilling activity in 2007 and 2008 at Ferrier. Open Range owns an average of 46 percent working interest in producing wells at Ferrier and is focused on the Ellerslie and Ostracod formations at 2,900 metres. Secondary uphole targets in this area are the Glauconitic, Belly River and Edmonton formations. This area represents 4 percent of Open Range's proved plus probable reserves. The Corporation has a land position of 4,800 (2,072 net) acres, all of which are developed. In 2007, production at Ferrier averaged 151 boe per day, or an increase of 26 percent over 120 boe per day, in 2006. Production in 2008 averaged 113 boe per day, or a decrease of 25 percent from 2007. There was no drilling or completion activity at Ferrier in 2008, or any plans for such activity in 2009.

Garrington – This area is the Corporation's smallest property by reserve assignment and is also in the multi-zone Deep Basin. The principal Deep Basin formation at Garrington is the Ostracod. Other zones include the Manville Group, Rock Creek, Viking and the recently developing shallow Edmonton sand plays. In 2005, production at Garrington was approximately 73 boe per day. In the second quarter of 2006, Open Range participated in one gross (0.25 net) exploration well that resulted in an Ostracod natural gas completion capable of 1 mmcf per day. The well was brought on stream in October 2006 at a restricted rate of 0.3-0.4 mmcf per day. Open Range has land interests in 6,720 gross (3,854 net) acres, of which 1,387 net acres are undeveloped. In 2007, production at Garrington averaged 97 boe per day and

the area represented four percent of the Corporation's total proved plus probable reserves. Activity at Garrington in 2007 included the drilling of one gross (0.25 net) well that was cased for gas potential in the Edmonton sands. In 2008 production at Garrington averaged 131 boe per day and the area represented two percent of the Corporation's total proved plus probable reserves. There was no drilling activity at the property in 2008, or any plans for such activity in 2009.

Big Bend – In 2005, production at Big Bend was 230 boe per day and came from over 40 wells with varied royalty and working interests. A new well was drilled in the second quarter of 2006, and was brought on production in July 2006. The Corporation's independent reserves engineers have assigned total proved plus probable reserves of 331 mboe, representing 3 percent of Open Range's total proved plus probable reserves. This area, straddling the West 4 and West 5 meridian, is characterized by multi-zoned gas prospects produced from several Lower Cretaceous aged zones, primarily within the Manville group. Producing formations include the Colony, Glauconitic, Ellerslie and Wabamun. Open Range has land interests in 45,948 gross (18,589 net) acres, of which 6,209 net acres are undeveloped. Production in 2007 averaged 231 boe per day. Drilling activity in 2007 included participation in four gross (0.1 net) gas wells. Production in 2008 averaged 228 boe per day. Open Range has a 100 percent interest in a sweet gas facility consisting of inlet separation, compression, dehydration and refrigeration capabilities, and also includes water and oil storage tanks. There was no drilling activity for the area in 2008. The Corporation plans to drill one well in 2009.

2008 Operations

Area	2008 Production (boe/d)	% of Total 2008 Production	Undeveloped Land (net acres) at December 31, 2008
Ansell/Sundance	1,566	76	18,768
Big Bend	227	11	6,209
Garrington	131	6	1,387
Ferrier	113	5	-
Rough	33	2	24,448
Total	2,070	100	50,812

Open Range drilled 16 gross (7.8 net) successful wells in 2008.

2009 Guidance

Open Range has set an average production target of 2,400 boe per day for 2009, with natural gas targeted to average approximately 91 percent. The Board of Directors has approved an initial capital investment program of \$18 million for 2009.

Open Range's planned drilling program of three gross (2.3 net) wells commenced on January 3, 2009 with the first horizontal well at the Corporation's core Ansell/Sundance property. All anticipated locations have been selected utilizing 3D seismic data. The Corporation has allocated approximately 72 percent of its 2009 capital budget toward drilling and completion activities.

At the start of 2009, Open Range had \$27.6 million in net debt compared to bank credit facilities of \$54 million. In addition, the Corporation has approximately 37 percent or 5.1 mmcf per day of its forecast average 2009 natural gas production hedged at an average floor price of \$4.68 per mcf.

Foreign Operations

The Corporation's operations are all based in West Central Alberta. Open Range currently has no foreign operations.

STATEMENT OF RESERVES DATA AND OTHER INFORMATION

Reference is made to the Corporation's Statement of Reserves Data and Other Oil & Gas Information effective as of December 31, 2008; the Report of Independent Qualified Reserves Evaluator or Auditor dated March 6, 2009; and the Report of Management and Directors dated March 12, 2009, attached hereto as Appendix "A". Each of these was prepared pursuant to NI 51-101.

DIVIDEND POLICY

No dividends have been paid on any shares of the Corporation since the date of its incorporation. The Corporation currently intends to retain its earnings to finance the growth and development of its business and therefore it is not expected that dividends will be paid on the Common Shares in 2009. Any decision to pay dividends in the future will be made by the Board of Directors on the basis of the Corporation's earnings, financial requirements and other conditions at such time.

SHARE CAPITAL

Common Shares

The Corporation is authorized to issue an unlimited number of Common Shares. The holders of Common Shares are entitled to dividends if, as and when declared by the Board of Directors, to one vote per share at any meeting of the shareholders of the Corporation and upon liquidation to receive all assets of the Corporation as are distributable to the holders of shares.

Preferred Shares

The Corporation is also authorized to issue an unlimited number of Preferred Shares, issuable in series, without nominal or par value, as determined from time to time by the Board of Directors of the Corporation. Any series of Preferred Shares, as fixed by the Board of Directors, may have any manner of voting rights, if any, dividend rights, if any, or such other rights as the directors may determine, including priority on dividends and winding-up.

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares are listed for trading on the Toronto Stock Exchange under the symbol ONR. The following chart shows trading information for the Common Shares during the year ended December 31, 2008:

	Common Shares		Trading Volume
	Price Range (\$)		
	High	Low	
2008			
January	3.20	2.70	1,271,600

	Price Range (\$)		Trading Volume
	High	Low	
February	3.55	3.09	1,271,200
March	4.32	3.50	1,270,100
April	4.90	3.95	4,137,900
May	5.30	4.55	1,948,800
June	8.00	5.05	3,473,000
July	7.85	5.67	1,593,500
August	6.29	4.06	1,297,500
September	4.21	2.80	2,884,100
October	2.88	1.60	1,830,600
November	2.42	1.50	664,400
December	1.72	1.05	1,740,700

DIRECTORS AND OFFICERS

The names, residences, positions with the Corporation and the principal occupations of the directors and executive officers of the Corporation are set out below. The Board of Directors presently consists of four directors, all of whom are elected annually to hold office until the next annual meeting of shareholders or until his successor is duly elected or appointed unless his office is earlier vacated in accordance with the provisions of the ABCA or the Corporation's by-laws.

<u>Name and Residence</u>	<u>Director Since</u>	<u>Position Held</u>	<u>Principal Occupation for Past Five Years</u>
A. Scott Dawson ⁽²⁾ Alberta, Canada	Inception, November 2005	President, Chief Executive Officer and Director	Formerly President and Chief Executive Officer of Tempest Energy Corp.; prior thereto President and Chief Executive Officer of Tier One Energy Corp.
Gerald R. Costigan Alberta, Canada	N/A	Executive Vice-President	Formerly Vice President, Exploration of Tempest Energy; prior thereto Vice President, Exploration of Marathon Canada Ltd.; prior thereto Exploration Manager of Tarragon Oil and Gas Limited.
John A. Mueller Alberta, Canada	N/A	Vice-President, Engineering and Chief Operating Officer	Formerly Vice-President, Engineering and Operations of Tempest Energy Corp.; prior thereto employed with Viking Energy Royalty Trust, Archean Energy, Wisser Oil, Norcen.
Lyle Michaluk Alberta, Canada	N/A	Vice-President, Finance and Chief Financial Officer	Formerly Canadian Tax Manager of Halliburton Energy Services; prior thereto employed with Marathon Canada Ltd., Rio Alto Exploration Ltd., and Ernst & Young LLP.
James F. Bland Alberta, Canada	N/A	Vice-President, Exploration	Formerly a geologist with Burlington Resources Canada Ltd. and Canadian Hunter Exploration Ltd.
David M. Griffith Alberta, Canada	N/A	Vice-President and Chief Geophysicist	Formerly a geophysicist with Tempest Energy Corp., Vermillion Resources Ltd., Renaissance Energy Ltd. and Mobil Oil Corporation.
Jamie Beninger Alberta, Canada	N/A	Vice-President, Land	Formerly Vice-President, Land of Tempest Energy Corp.; prior thereto employed with Addison Energy Inc.

<u>Name and Residence</u>	<u>Director Since</u>	<u>Position Held</u>	<u>Principal Occupation for Past Five Years</u>
Daniel M. Boyko Alberta, Canada	N/A	Vice-President, Business Development and Exploitation	Formerly an independent engineering consultant for Tempest Energy, Devon Canada Corporation, Compton Petroleum Corp. and Pioneer Natural Resources Canada Inc., respectively; prior thereto a Senior Engineer with POCO Petroleum Ltd.
Kenneth J. Faircloth ⁽¹⁾⁽³⁾ Alberta, Canada	Inception, November 2005	Director	Retired since March 2002; prior thereto an analyst with Raymond James Ltd; prior thereto employed with Richardson Greenshields of Canada Ltd.
Dean R. Jensen ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾ Alberta, Canada	Inception, November 2005	Director	Partner of Toscana Capital Corporation, a private merchant bank; prior thereto Senior lending positions with the National Bank of Canada.
Harley L. Winger ⁽¹⁾⁽³⁾⁽⁴⁾ Alberta, Canada	Inception, November 2005	Chairman of the Board and Director	Partner of Burstall Winger LLP (law firm).
Jarrod Isfeld Alberta, Canada	N/A	Secretary	Partner of Burstall Winger LLP (law firm) from January 1, 2006 to present. Prior thereto Associate with Burstall Winger LLP.

Note:

- (1) Audit committee member.
- (2) Reserves committee member.
- (3) Compensation committee member.
- (4) Corporate governance and nominating committee member.

Ownership of Shares

As the date hereof, the directors and officers of the Corporation, as a group, owned or controlled, directly or indirectly, in aggregate 2,791,759 Common Shares or approximately 11 percent of the issued and outstanding Common Shares.

Cease Trade Orders

No director or executive officer of Open Range is, as of the date of this AIF, or was, within the 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including Open Range) that was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, that was issued (i) while such person was acting in that capacity, or (ii) after such person was acting in such capacity and which resulted from an event that occurred while that person was acting in such capacity.

Bankruptcies

No director or executive officer of Open Range, or shareholder holding a sufficient number of securities to affect materially the control of Open Range is, as of the date of this AIF, or has been, within 10 years before the date hereof, a director or executive officer of any company that, while such person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No director or executive officer of Open Range, or shareholder holding a sufficient number of securities to affect materially the control of Open Range has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Penalties or Sanctions

No director or executive officer of Open Range, or shareholder holding a sufficient number of securities to affect materially the control of Open Range has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Harley Winger, Chairman of the Board and a director of the Corporation, and Jarrod Isfeld, Secretary of the Corporation, are partners of Burstall Winger LLP, which provides legal services to the Corporation on a fee for services basis.

There are potential conflicts of interest to which the directors and officers of the Corporation will be subject in connection with the operations of the Corporation. Conflicts, if any, will be subject to the procedures and remedies available under the ABCA. The ABCA provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided by the ABCA.

RISK FACTORS

Open Range's securities should be considered highly speculative due to the nature of Open Range's business. An investor should consider carefully the risk factors set out below. In addition, investors should carefully review and consider all other information contained in this AIF before making an investment decision. An investment in securities of Open Range should only be made by persons who can afford a significant or total loss of their investment.

Exploration, Development and Production Risks

Oil and gas operations involve many risks that even a combination of experience and knowledge and careful evaluation may not be able to overcome. The long-term commercial success of Open Range depends on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. Without the continual addition of new reserves, any existing reserves Open Range may have at any particular time and the production therefrom will decline over time as such existing reserves are exploited. A future increase in Open Range's reserves will depend not only on its ability to explore and develop any properties it may have from time to time, but also on its ability to select and acquire suitable producing properties or prospects. No assurance can be given that Open Range will be able to continue to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, Open Range may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic. There is no assurance that further commercial quantities of oil and natural gas will be discovered or acquired by Open Range.

Future oil and gas exploration may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions. While diligent well supervision and effective maintenance operations can contribute to maximizing production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow levels to varying degrees.

Oil and natural gas exploration, development and production operations are subject to all the risks and hazards typically associated with such operations, including hazards such as fire, explosion, blowouts, cratering, sour gas releases and spills, each of which could result in substantial damage to oil and natural gas wells, production facilities, other property and the environment or in personal injury. In accordance with industry practice, Open Range will not be fully insured against all of these risks, nor are all such risks insurable. Although Open Range will maintain liability insurance in an amount that it considers consistent with industry practice, the nature of these risks is such that liabilities could exceed policy limits, in which event Open Range could incur significant costs that could have a material adverse effect upon its financial condition. Oil and natural gas production operations are also subject to all the risks typically associated with such operations, including encountering unexpected formations or pressures, premature decline of reservoirs and the invasion of water into producing formations. Losses resulting from the occurrence of any of these risks could have a materially adverse effect on future results of operations, liquidity and financial condition.

Substantial Capital Requirements

Open Range anticipates making substantial capital expenditures for the acquisition, exploration, development and production of oil and natural gas reserves in the future. If Open Range's revenues or reserves decline, it may have limited ability to expend the capital necessary to undertake or complete future drilling programs. There can be no assurance that debt or equity financing, or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to Open Range. Moreover, future activities may require Open Range to alter its capitalization significantly. The inability of Open Range to access sufficient capital for its operations could have a material adverse effect on Open Range's financial condition, results of operations or prospects.

Additional Funding Requirements

Open Range's cash flow from its reserves may not be sufficient to fund its ongoing activities at all times. From time to time, Open Range may require additional financing in order to carry out its oil and gas acquisition, exploration and development activities. Failure to obtain such financing on a timely basis could cause Open Range to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. If Open Range's revenues from its reserves decrease as a result of lower oil and natural gas prices or otherwise, it will affect Open Range's ability to expend the necessary capital to replace its reserves or to maintain its production. If Open Range's cash flow from operations is not sufficient to satisfy its capital expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or available on terms acceptable to Open Range.

Changes to Royalty Regime

The royalty regime is a significant factor in the profitability of oil and natural gas production. Royalties payable on production from lands other than Crown lands are determined by negotiations between the mineral owner and the lessee. Royalties payable on production from Crown lands are determined by government regulation and are, in general terms, calculated as a varying percentage of the value of gross production of oil or natural gas. The rate of royalties payable generally depends in part on prescribed reference prices, well productivity, geographical location, field discovery date, method of recovery and the type of quality of the petroleum product produced. Other royalties and royalty-like interests, are from time to time, carved out of the working interest owner's interest through non-public transactions. These are often referred to as overriding royalties, gross overriding royalties, net profits interests, or net carried interests.

There can be no assurance that the Government of Alberta or the Canadian Federal Government will not adopt a new royalty regime or modify the methodology of royalty calculations which could increase the royalties paid by Open Range. An increase in royalties could reduce Open Range's earnings and/or it could make capital expenditures by Open Range uneconomic.

On October 25, 2007, the Government of Alberta announced a new royalty framework which is to take effect on January 1, 2009, with implementing legislation and accounting and administration procedures to be developed during the intervening period. The new framework was announced in response to a report released by an independent Royalty Review Panel appointed by the Government of Alberta in September of 2007 that recommended an increase in overall resource charges assessed on oil and gas producers by the Province of Alberta, as the owner of the underlying mineral resources. Under the new framework, royalty rates will be increased on conventional oil, natural gas and the oil sands. The Government of Alberta estimates that these royalty increases will generate additional revenues of approximately \$1.4 billion, or approximately 20 percent over its previously estimated royalty revenues for 2010. According to the Government of Alberta, approximately \$460 million of this increase will come from additional royalty revenues from conventional oil, \$470 million from natural gas, and \$470 million from the oil sands.

On conventional oil projects, in addition to simplifying the royalty calculation methodology, the new framework will introduce separate price-sensitive and well volume-sensitive elements within a single sliding scale rate formula. New royalty rates will range from 0 percent to a maximum of 50 percent (compared to prior maximum rates of 30 percent for new oil and 35 percent for old oil), and the tiers that distinguish the vintages of new and old oil will be eliminated. Additionally, the rate cap on prices will be raised to \$120 per bbl from the current cap of approximately \$30 per bbl. On natural gas projects, in addition to various other changes including the elimination of a number of special royalty programs, the new royalty framework includes separate price-sensitive and well volume-sensitive elements within a single sliding scale formula. The Government of Alberta will also retain and revamp its deep gas well drilling program and will apply lower royalty rates over a wider price range for wells with less productivity. New royalty rates will range from 5 percent to 50 percent (compared to prior maximum rates of 30 percent for new gas and 35 percent for old gas), and the tiers that distinguish the vintages of new and old gas will be eliminated. The rate cap will be raised to \$16.59 per GJ from the current cap of approximately \$3.70 per GJ.

The new royalty framework is not expected to impact drilling activity uniformly since the effect of the changes will vary depending on factors including the location, productivity and depth of wells drilled. The Government of Alberta will apply somewhat lower royalty rates over a wider price range to low productivity reserves. In addition, the deep gas drilling program will be retained and revamped to provide more favourable rates for certain deeper gas wells. Industry analysts expect minimum well depth to be

revised to a 2,000 metre minimum "measured" depth, which includes horizontal drilling (original minimum was 2,500 metres of vertical depth).

On March 3, 2009, the Government of Alberta announced an incentive program for the province's energy sector in light of the current global economic slowdown.

The highlights of the province's incentive plan include the following.

- A drilling royalty credit for new conventional oil and natural gas wells. This one-year program will provide a \$200-per-metre-drilled royalty credit to companies on a sliding scale based on their production levels from last year. This will ensure that the maximum benefits will be available for small and mid-sized producers, while freeing up available capital for all companies.
- A new well incentive program, which offers a maximum five-per-cent royalty rate for the first year of production from new oil or gas wells. This one-year program is intended to help free up cash flow, and in turn, help provide access to the capital necessary for reinvestment by Alberta's oil and gas industry.

The province will monitor the impact of the incentive program, and at the end of the year, assess whether it is necessary or appropriate for it to be continued.

Prices, Markets and Marketing

The marketability and price of oil and natural gas that may be acquired or discovered by Open Range will be affected by numerous factors beyond its control. Open Range's ability to market its natural gas may depend upon its ability to acquire space on pipelines that deliver natural gas to commercial markets. Open Range may also be affected by deliverability uncertainties related to the proximity of its reserves to pipelines and processing facilities and related to operational problems with such pipelines and facilities and extensive government regulation relating to price, taxes, royalties, land tenure, allowable production, the export of oil and natural gas and many other aspects of the oil and natural gas business.

Both oil and natural gas prices are unstable and are subject to fluctuation. Any material decline in prices could result in a reduction of Open Range's net production revenue. The economics of producing from some wells may change as a result of lower prices, which could result in a reduction in the volumes of Open Range's reserves. Open Range might also elect not to produce from certain wells at lower prices. All of these factors could result in a material decrease in Open Range's net production revenue causing a reduction in its oil and gas acquisition, development and exploration activities. In addition, bank borrowings available to Open Range are in part determined by Open Range's borrowing base. A sustained material decline in prices from historical average prices could further reduce Open Range's borrowing base, therefore reducing the bank credit available to Open Range and could require that a portion of Open Range's bank debt be repaid.

Third Party Credit Risk

Open Range is or may be exposed to third party credit risk through its contractual arrangements with its current or future joint venture partners, marketers of its petroleum and natural gas production and other parties. In the event such entities fail to meet their contractual obligations to Open Range such failures could have a material adverse effect on Open Range and its cash flow from operations.

Alternatives to and Changing Demand for Petroleum Products

Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas, and technological advances in fuel economy and energy generation devices could reduce the demand for crude oil and other liquid hydrocarbons. Open Range cannot predict the impact of

changing demand for oil and natural gas products, and any major changes may have a material adverse effect on Open Range's business, financial condition, results of operations and cash flows.

Reserves Replacement

Open Range's future oil and natural gas reserves, production, and cash flows to be derived therefrom are highly dependent on Open Range successfully acquiring or discovering new reserves. Without the continual addition of new reserves, any existing reserves Open Range may have at any particular time and the production therefrom will decline over time as such existing reserves are exploited. A future increase in Open Range's reserves will depend not only on Open Range's ability to develop any properties it may have from time to time, but also on its ability to select and acquire suitable producing properties or prospects. There can be no assurance that Open Range's future exploration and development efforts will result in the discovery and development of additional commercial accumulations of oil and natural gas.

Reserve Estimates

There are numerous uncertainties inherent in estimating quantities of reserves and cash flows to be derived therefrom, including many factors that are beyond the control of Open Range. The reserve and cash flow information set forth herein represent estimates only. These evaluations include a number of assumptions relating to factors such as initial production rates, production decline rates, ultimate recovery of reserves, timing and amount of capital expenditures, marketability of production, future prices of oil and natural gas, operating costs and royalties and other government levies that may be imposed over the producing life of the reserves. These assumptions were based on price forecasts in use at the date the relevant evaluations were prepared and many of these assumptions are subject to change and are beyond the control of Open Range. Actual production and cash flows derived therefrom will vary from these evaluations, and such variations could be material. The foregoing evaluations are based in part on the assumed success of activities Open Range intends to undertake in future years. The reserves and estimated cash flows to be derived therefrom contained in such evaluations will be reduced to the extent that such activities do not achieve the level of success assumed in the evaluations.

Seasonal Impact of Industry

The level of activity in the Canadian oil and natural gas industry is influenced by seasonal weather patterns. Wet weather and spring thaw may make the ground unstable. Consequently, municipalities and provincial transportation departments enforce road bans that restrict the movement of rigs and other heavy equipment, thereby reducing activity levels. Also, certain oil and gas producing areas are located in areas that are inaccessible other than during the winter months because the ground surrounding the sites in these areas consists of wet, swampy terrain. Seasonal factors and unexpected weather patterns could lead to declines in exploration and production activity of Open Range.

Availability of Drilling Equipment and Access

Oil and natural gas exploration and development activities are dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted. Demand for such limited equipment or access restrictions may affect the availability of such equipment to Open Range and may delay exploration and development activities. To the extent Open Range is not the operator of its oil and gas properties, Open Range will be dependent on such operators for the timing of activities related to such properties and will be largely unable to direct or control the activities of the operators.

Delays in Business Operations

In addition to the usual delays in payments by purchasers of oil and natural gas to Open Range or to the operator, and the delays by operators in remitting payment to Open Range, payments between these parties may be delayed due to restrictions imposed by lenders, accounting delays, delays in the sale or delivery of products, delays in the connections of wells to a gathering system, adjustment for prior periods, or recovery by the operator of expenses incurred in the operation of the properties. Any of these delays could reduce the amount of cash flow available for the business of Open Range in a given period and expose Open Range to additional third party credit risks.

Competition

The petroleum industry is competitive in all its phases. Open Range competes with numerous other participants in the search for the acquisition of oil and natural gas properties. Open Range's competitors include oil and gas companies that have substantially greater financial resources, staff and facilities than those of Open Range. Open Range's ability to increase reserves in the future will depend not only on its ability to explore and develop its present properties, but also on its ability to select and acquire suitable producing properties or prospects for exploratory drilling. Competitive factors in the distribution and marketing of oil and natural gas include price and methods and reliability of delivery.

Conflicting Interests with Partners

Joint venture, acquisition, financing and other agreements and arrangements must be negotiated with independent third parties and, in some cases, must be approved by governmental agencies. These third parties generally have objectives and interests that may not coincide with and may conflict with Open Range's interests. Unless the parties are able to comprise these conflicting objectives and interests in a mutually acceptable manner, agreements and arrangements with these third parties will not be consummated or maintained.

In certain circumstances, the concurrence of co-venturers may be required for various actions. Other parties influencing the timing of events may have priorities that differ from Open Range's, even if they generally share Open Range's objectives. Demands by or expectations of governments, co-venturers, customers and others may affect Open Range's strategy regarding the various projects. Failure to meet such demands or expectations could adversely affect Open Range's participation in such projects or its ability to obtain or maintain necessary licences and other approvals.

Assessments of Value of Acquisitions

Acquisitions of oil and gas issuers and oil and gas assets are typically based on engineering and economic assessments made by independent engineers and the acquirer's own assessments. These assessments both will include a series of assumptions regarding such factors and recoverability and marketability of oil and gas, future prices of oil and gas and operating costs, future capital expenditures and royalties and other government levies which will be imposed over the producing life of the reserves. Many of these factors are subject to change and are beyond Open Range's control. In particular, the prices of and markets for oil and natural gas products may change from those anticipated at the time of making such assessment. In addition, all such assessments involve a measure of geologic and engineering uncertainty which could result in lower production and reserves than anticipated. Initial assessments of acquisitions may be based on reports by a firm of independent engineers that are not the same as the firm Open Range uses for its year end reserve evaluations. Because each of these firms may have different evaluation methods and approaches, these initial assessments may differ significantly from the assessments of the firm used by Open Range. Any such instance may offset the return on and value of the Common Shares.

Acquisition Risks

The Corporation intends to acquire additional oil and gas properties. Although the Corporation performs a review of properties prior to acquiring them that it believed is consistent with industry practice, such reviews are inherently incomplete. It is generally not feasible to review in depth every individual property involved in each acquisition. Generally, the Corporation will focus its due diligence efforts on higher valued properties and will sample the remainder. However, even an in-depth review of all properties and records may not necessarily reveal existing or potential problems, nor will it permit a buyer to become sufficiently familiar with the properties to assess fully their deficiencies and capabilities. The Corporation may be required to assume pre-closing liabilities, including environmental liabilities, and may acquire interests in properties on an "as is" basis.

Title to Assets

Although title reviews will generally be conducted prior to the purchase of most oil and natural gas producing properties or the commencement of drilling wells, such reviews do not guarantee or certify that an unforeseen defect in the chain of title will not arise to defeat Open Range's claim which could result in a reduction of the revenue received by Open Range.

Aboriginal Claims

Aboriginal peoples have claimed aboriginal title and rights to certain portions of Western Canada. Open Range is not aware of any claims made in respect of its property and assets, however, if a claim arose and was successful this could have an adverse effect on the Corporation and its operations.

Reliance on Industry Partners

The Corporation relies on industry partners with respect to the evaluation, acquisition and development of, and future production from, its properties and a failure or inability to perform by such partners could materially affect the prospects of the Corporation.

Reliance on Key Personnel

Open Range's success will depend in large measure on certain key personnel. The loss of the services of such key personnel could have a material adverse affect on Open Range. Open Range does not have key person insurance in effect for management. The contributions of these individuals to the immediate operations of Open Range are likely to be of central importance. In addition, the competition for qualified personnel in the oil and natural gas industry is intense and there can be no assurance that Open Range will be able to continue to attract and retain all personnel necessary for the development and operation of its business. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of Open Range.

Issuance of Debt and Borrowing

From time to time Open Range may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed partially or wholly with debt, which may increase Open Range's debt levels above industry standards. Depending on future exploration and development plans, Open Range may require additional equity and/or debt financing that may not be available or, if available, may not be available on favourable terms. Neither Open Range's articles nor its by-laws limit the amount of indebtedness that Open Range may incur. The level of Open Range's indebtedness from time to time, could impair Open Range's ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that may arise.

Open Range's lenders have been provided with security over a large portion of the assets of Open Range. If Open Range becomes unable to pay its debt service charges or otherwise commits an event of default, such as bankruptcy, these lenders may foreclose on or sell some or all of Open Range's properties. The proceeds of any such sale would be applied to satisfy amounts owed to Open Range's lenders and other creditors and only the remainder, if any, would be available to Open Range.

Financial Instruments

Open Range is currently a party to three natural gas commodity contracts, and from time to time it may enter into additional agreements to receive fixed prices on its oil and natural gas production to offset the risk of revenue losses if commodity prices decline. If, however, commodity prices increase beyond the levels set in such agreements, Open Range would not benefit from such increases. Similarly, from time to time Open Range may enter into agreements to fix the exchange rate of Canadian to United States dollars in order to offset the risk of revenue losses if the Canadian dollar increases in value compared to the United States dollar; however, if the Canadian dollar declines in value compared to the United States dollar, Open Range would not benefit from the fluctuating exchange rate.

Accounting

Open Range uses the full cost method of accounting for oil and natural gas properties. Under this accounting method, capitalized costs are reviewed for impairment to ensure that the carrying amount of these costs is recoverable based on expected future cash flows. To the extent that such capitalized costs (net of accumulated depreciation and depletion) less future taxes exceed the present value of estimated future net cash flows from Open Range's proved oil and natural gas reserves, those excess costs would be required to be charged to operations.

Income Taxes

Open Range will file all required income tax returns and believes that it will be in full compliance with the provisions of the *Income Tax Act* (Canada) and all applicable provincial tax legislation. However, such returns are subject to reassessment by the applicable taxation authority. In the event of a successful reassessment of Open Range, whether by re-characterization of exploration and development expenditures or otherwise, such reassessment may have an impact on current and future taxes payable.

Insurance

Open Range's involvement in the exploration for and development of oil and gas properties may result in Open Range becoming subject to liability for pollution, blow outs, property damage, personal injury or other hazards. Although prior to drilling Open Range will obtain insurance in accordance with industry standards to address such risks, such insurance has limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks may not in all circumstances be insurable or, in certain circumstances, Open Range may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to Open Range. The occurrence of a significant event that Open Range is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on Open Range's financial position, results of operations or prospects.

Regulatory

Oil and natural gas operations (exploration, production, pricing, marketing and transportation) are subject to extensive controls and regulations imposed by various levels of government that may be amended from

time to time. Open Range's operations may require licenses from various governmental authorities. There can be no assurance that Open Range will be able to obtain all necessary licenses and permits that may be required to carry out exploration and development at its projects.

The Canadian Federal Government has announced its intention to regulate greenhouse gases ("GHG") and other air pollutants. The Government is currently developing a framework that outlines its clean air and climate change action plan, including a target to reduce GHG emissions by 45 percent to 65 percent by 2050 and a commitment to regulate industry on an emissions intensity basis in the short-term. Currently there are few technical details regarding the implementation of the Government's plan to regulate industrial GHG emissions, but the Government has made a commitment to work with industry to develop the specifics. As this federal program is under development, Open Range is unable to predict the total impact of the potential regulations upon its business. It is possible that Open Range's customers could face increases in operating costs in order to comply with GHG emissions legislation which could have the effect of curtailing exploration and development by oil and natural gas producers and that in turn, could adversely affect Open Range's operations by reducing demand for its services.

Changes in Legislation

The return on an investment in securities of Open Range is subject to changes in Canadian federal and provincial tax laws and government incentive programs and there can be no assurance that such laws or programs will not be changed in a manner that adversely affects Open Range or the holding or disposing of the securities of Open Range.

Environmental

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, provincial and local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and gas operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require Open Range to incur costs to remedy such discharge. Although Open Range believes that it will be in material compliance with current applicable environmental regulations no assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect Open Range's financial condition, results of operations or prospects.

Kyoto Protocol

Canada is a signatory to the United Nations Framework Convention on Climate Change and has ratified the Kyoto Protocol established thereunder to set legally binding targets to reduce nationwide emissions of carbon dioxide, methane, nitrous oxide and other so-called "greenhouse gases". The Corporation's exploration and production facilities and other operations and activities emit greenhouse gases which will likely subject the Corporation to possible future legislation that will set greenhouse gases emission reduction requirements for various industrial activities, including oil and gas exploration and production. Future federal legislation, together with provincial emission reduction requirements, such as those included in Alberta's *Climate Change and Emissions Management Act* (partially in force), may require the

reduction of emissions (or emissions intensity) produced by the Corporation's expected operations and facilities. The direct or indirect costs of these regulations may adversely affect the expected business of the Corporation.

Conflicts of Interest

Certain directors of Open Range are also directors of other oil and gas companies and as such may, in certain circumstances, have a conflict of interest requiring them to abstain from certain decisions. Conflicts, if any, will be subject to the procedures and remedies of the ABCA. See "Conflicts of Interest".

Common Share Price Volatility

The market price of the Common Shares could be subject to wide fluctuations in response to Open Range's results of operations, changes in earnings estimates by analysts, changing conditions in the oil and gas industry, or changes in general market, economic or political conditions.

Dilution

Open Range may make future property or corporate acquisitions or enter into financing or other transactions involving the issuance of securities of Open Range which may be dilutive.

Dividends

Open Range does not anticipate the payment of any dividends on the Common Shares in 2009.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Management of Open Range is not aware of any existing or contemplated legal proceedings material to Open Range, to which Open Range is, or during the financial year ended December 31, 2008 was, a party or of which any of its property is, or during the financing year ended December 31, 2008 was, subject.

Management of Open Range is not aware of any penalties or sanctions imposed against Open Range by a court relating to securities legislation or by a securities regulatory authority during the financial year ended December 31, 2008 or any other penalties or sanctions imposed by a court or regulatory body against Open Range that would likely be considered important to a reasonable investor in making an investment decision.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director or executive officer of the Corporation, or shareholder that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of any class or series of voting securities of the Corporation, or associate or affiliate of any of the foregoing persons has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Corporation.

REGISTRAR AND TRANSFER AGENT

Valiant Trust Company, at its principal office in Calgary, Alberta is the registrar and transfer agent for the Common Shares.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, there are no other contracts entered into by Open Range in the most recently completed financial year which can be reasonably regarded as presently material to Open Range.

INTERESTS OF EXPERTS

The auditors of the Corporation are KPMG LLP, Calgary, Alberta, and they are independent in accordance with the auditor's Rules of Professional Conduct of the Institute of Chartered Accountants of Alberta.

GLJ prepared the independent report filed with the Form 51-101F1 in which it evaluated as at December 31, 2008 the oil and natural gas reserves attributable to the principal properties of the Corporation.

An independent evaluation report was not prepared on Open Range's non-reserve oil and gas properties as at December 31, 2008.

None of the above experts hold greater than one percent, directly or indirectly, in any securities or other property of the Corporation either at the time of such reports or since that time.

AUDIT COMMITTEE

Audit Committee Charter

The committee's mandate includes reviewing financial statements, press releases and MD&A and recommending the external auditors, establishing their compensation, overseeing their work and approving non-audit services. The committee will also establish processes that allow employees to confidentially voice concerns regarding accounting issues. The full text of the audit committee charter is attached as Appendix "B" to this AIF.

Composition of Audit Committee

The following table sets forth the name of each current member of the audit committee, whether such member is considered independent under National Instrument 52-110 – *Audit Committees* ("NI 52-110"), whether such member is financially literate and the relevant education and experience of such member.

<u>Name</u>	<u>Independent</u>	<u>Financially Literate</u>	<u>Relevant Education and Experience</u>
Dean R. Jensen	Yes	Yes	Mr. Jensen is the Chairman of the Audit Committee. He is a career banker by profession who has gained his broad base of banking experience from exposure to a wide variety of commercial, corporate and energy related concerns over the past 28 years. Mr. Jensen is currently a partner of Toscana Capital Corporation, a private merchant bank specializing in providing mezzanine debt. Prior thereto Mr. Jensen held various senior commercial, corporate and energy lending positions with the National Bank of Canada. Mr. Jensen holds a Canadian Investment Manager designation and is a Fellow of the Institute of Canadian Bankers.

Kenneth J. Faircloth	Yes	Yes	Mr. Faircloth is a recently retired Oil Analyst with 35 years of experience in the oil and gas industry. Most recently, Mr. Faircloth worked as an Analyst for six years at Raymond James of Canada. Previously, he had an impressive career of 28 years at Richardson Greenshields of Canada Ltd. Mr. Faircloth obtained his Bachelor of Arts (Economics) degree from The University of Manitoba in 1967.
Harley L. Winger	No	Yes	Mr. Winger is a senior partner of Burstall Winger LLP. He has been practising law, principally in the area of corporate finance, for over 30 years. He has served, and continues to serve, on the Board of Directors of numerous public and private companies. As a lawyer, he has been involved in assisting in the financing and ongoing operations of numerous companies, as well as in many corporate mergers. Mr. Winger obtained his LL.B. from the University of Saskatchewan in 1978.

Reliance on Certain Exemptions

Open Range is relying on the exemption in Section 3.5 of NI 52-110, which provision exempts an audit committee from the requirement that every member must be independent if a vacancy on the committee is the result of a resignation of an audit committee member. Mr. Winger was appointed to the Audit Committee to fill a vacancy following the resignation of an audit committee member.

Pre-Approval Policies and Procedures

Open Range has a Pre-Approval Policy with respect to the Corporation's auditors which provides that a request for services where the aggregate fees are estimated to be less than or equal to \$20,000 will be submitted by the Vice-President, Finance and Chief Financial Officer to the Audit Committee Chairman for consideration and approval. In cases where services where the aggregate fees are estimated to be greater than \$20,000, recommendations, in respect of each engagement, will be submitted by the Vice President, Finance and Chief Financial Officer to the full Audit Committee for consideration and approval, generally at its next meeting or at a special meeting called for the purpose of approving such services.

APPENDIX "A"
FORM 51-101F1
STATEMENT OF RESERVES DATA AND
OTHER OIL AND GAS INFORMATION
OF OPEN RANGE ENERGY CORP.

Part 1 Relevant Dates

Item 1.1. Date of Statement and Statement Information

This Statement of Reserves Data and Other Oil and Gas Information of Open Range Energy Corp. ("Open Range" or the "Corporation") is dated March 19, 2009. The effective date of the information provided in this Statement is December 31, 2008 unless otherwise indicated. The information was prepared between December 31, 2008 and March 19, 2009.

Part 2 Disclosure of Reserves Data

GLJ has prepared a report dated March 6, 2009 (the "GLJ Report"), in which it has evaluated as at December 31, 2008 the oil and natural gas reserves attributable to the principal properties of the Corporation.

The GLJ Report also presents the estimated net value of future revenue of Open Range's properties before and after taxes, at various discount rates. Assumptions and qualifications relating to costs, prices for future production and other matters are summarized in the notes to the following tables.

The extent and nature of all information supplied by Open Range and/or the operator of its properties, which may have included ownership data, well information, geological information, reservoir studies, timing and future production, gas sales contract information, current product prices, operating cost data, capital budget forecasts and future operating plans, have been relied upon by GLJ in preparing the GLJ Report and were accepted as represented without independent verification. In the absence of such information, GLJ relied, with the approval of Open Range, upon its opinion of reasonable practice in the industry. All information provided to GLJ was as at December 31, 2008 and, accordingly, certain of such information may not be representative of current conditions.

The definitions of the various categories of reserves and expenditures are those set out in National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101").

BOEs 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.

It should not be assumed that the present worth of estimated future net revenue represents the fair market value of the reserves. There is no assurance that the escalating price and cost assumptions contained in the GLJ Report will be attained and variances could be material. The reserve and revenue estimates set forth below are estimates only and the actual reserves and realized revenue may be greater or less than those calculated.

Item 2.1. Reserves Data - Forecast Prices and Costs

The following table discloses, in the aggregate, the Corporation's gross and net proved reserves, estimated using forecast prices and costs, by product type. "Forecast prices and costs" means future prices and costs used by GLJ in the GLJ Report that are generally accepted as being a reasonable outlook of the future, or fixed or currently determinable future prices or costs to which the Corporation is bound.

Table 2.1.1
NI 51-101

SUMMARY OF RESERVES AS OF DECEMBER 31, 2008 (Forecast Prices & Costs)

RESERVES CATEGORY	Light & Medium Oil		Natural Gas (1)		Natural Gas Liquids		Total Oil Equivalent	
	Gross (2) (Mbbbls)	Net (3) (Mbbbls)	Gross (2) (MMcf)	Net (3) (MMcf)	Gross (2) (Mbbbls)	Net (3) (Mbbbls)	Gross (2) (Mbbbls)	Net (3) (Mbbbls)
PROVED								
Developed Producing	13	12	19,151	16,105	434	270	3,639	2,966
Developed Non-Producing	-	-	2,027	1,790	38	25	376	323
Undeveloped	-	-	11,615	10,377	220	157	2,156	1,887
Total Proved	13	12	32,792	28,271	693	452	6,171	5,176
PROBABLE	7	6	20,495	16,299	411	249	3,834	2,972
TOTAL PROVED + PROBABLE	20	18	53,287	44,571	1,104	701	10,006	8,148

Note: Table may not add due to rounding.

(1) Estimates of Reserves of natural gas include associated and non-associated gas.

(2) "Gross Reserves" are Company's working interest share of remaining reserves before the deduction of royalties.

(3) "Net Reserves" are Company's working interest share of remaining reserves less all Crown, freehold, and overriding royalties and interests owned by others.

The following table discloses, in the aggregate, the net present value of the Corporation's future net revenue attributable to the reserves categories in the previous table, estimated using forecast prices and costs, before and after deducting future income tax expenses, and calculated without discount and using discount rates of 0%, 5%, 10%, 15% and 20%.

Table 2.1.2
NI 51-101

SUMMARY OF NET PRESENT VALUE OF FUTURE NET REVENUE
AS OF DECEMBER 31, 2008 (Forecast Prices & Costs)

RESERVES CATEGORY	Net Present Value (NPV) of Future Net Revenue (FNR)									
	Before Income Taxes - Discounted at (%/yr)					After Income Taxes - Discounted at (%/yr)				
	0 (MM\$)	5 (MM\$)	10 (MM\$)	15 (MM\$)	20 (MM\$)	0 (MM\$)	5 (MM\$)	10 (MM\$)	15 (MM\$)	20 (MM\$)
PROVED										
Developed Producing	138.9	108.1	89.2	76.4	67.2	129.1	101.8	84.9	73.4	65.0
Developed Non-Producing	11.8	8.4	6.4	5.1	4.2	8.6	6.2	4.8	3.9	3.2
Undeveloped	61.1	39.2	25.9	17.3	11.6	44.6	27.8	17.6	11.0	6.6
Total Proved	211.8	155.7	121.5	98.8	82.9	182.2	135.8	107.3	88.3	74.8
PROBABLE	171.5	87.2	53.6	37.3	28.0	125.2	63.5	39.0	27.1	20.4
TOTAL PROVED + PROBABLE	383.3	242.8	175.1	136.1	110.9	307.5	199.2	146.3	115.4	95.2

Note: Table may not add due to rounding.

NPV of FNR includes all resource income: Sale of oil, gas, by-product reserves; Processing of third party reserves; Other income.

Income Taxes includes all resource income, appropriate income tax calculations and prior tax pools.

The following two tables provide additional information regarding the future net revenue attributable to total proved reserves outlined in the previous table.

This table discloses, in the aggregate, certain elements of the Corporation's future net revenue attributable to its proved reserves and its proved plus probable reserves, estimated using forecast prices and costs, and calculated without discount.

Table 2.1.3
NI 51-101

TOTAL FUTURE NET REVENUE (Undiscounted)
AS OF DECEMBER 31, 2008 (Forecast Prices & Costs)

RESERVES CATEGORY	Revenue (M\$)	Royalties (M\$)	Operating Cost (M\$)	Capital Development Costs (M\$)	Well Aband. Costs (M\$)	BT Future Net Revenue (1) (M\$)	Income Taxes (M\$)	AT Future Net Revenue (1) (M\$)
Proved Producing	217,809	33,375	43,518	228	1,795	138,895	9,803	129,092
Proved Developed Nonproducing	22,451	2,639	5,267	2,647	142	11,756	3,174	8,582
Proved Undeveloped	129,410	15,183	16,911	35,589	618	61,109	16,547	44,563
TOTAL PROVED	369,671	51,197	65,696	38,463	2,554	211,760	29,523	182,236
Total Probable	279,351	53,380	48,494	5,412	523	171,541	46,321	125,221
TOTAL PROVED + PROBABLE	649,022	104,577	114,190	43,876	3,078	383,301	75,844	307,457

Note: Table may not add due to rounding.

(1) BT = Before Taxes and AT = After Taxes

This table discloses, by production group, the net present value of the Corporation's future net revenue attributable to its proved and its proved plus probable reserves, before deducting future income tax expenses, estimated using forecast prices and costs, and calculated using a 10 percent discount rate.

Table 2.1.3 (c)
NI 51-101

NET PRESENT VALUE OF FUTURE NET REVENUE BY PRODUCTION GROUP
AS OF DECEMBER 31, 2008 (Forecast Prices & Costs)

RESERVES CATEGORY	PRODUCTION GROUP	BT Discounted (10%/Yr) Future Net Revenue(3) (M\$)	BT Discounted (10%/Yr) Future Net Revenue(3) \$/boe	BT Discounted (10%/Yr) Future Net Revenue(3) \$/mcf
PROVED PRODUCING	Light & Medium Oil (1)	380	27.42	4.57
	Natural gas (2)	88,811	30.08	5.01
TOTAL PROVED PRODUCING		89,190	30.07	5.01
PROVED	Light & Medium Oil (1)	377	27.27	4.54
	Natural gas (2)	121,082	23.46	3.91
TOTAL PROVED		121,460	23.47	3.91
PROVED + PROBABLE	Light & Medium Oil (1)	548	26.64	4.44
	Natural gas (2)	174,548	21.48	3.58
TOTAL PROVED PLUS PROBABLE		175,096	21.49	3.58

Note: Table may not add due to rounding.

(1) Including solution gas and other natural by-products

(2) Including by-products but excluding solution gas

(3) Other company revenue and costs not related to a specific production group have been allocated proportionately to production groups. Unit values are based on Company Net Reserves.

Item 2.3 Subsidiaries

There are no subsidiaries of the Corporation.

Part 3 Pricing Assumptions

Item 3.2 Forecast Prices Used in Estimates

The forecast reference prices used in preparing Open Range's reserves data are provided in the below table.

Table 3.2
NI 51-101

SUMMARY OF PRICING AND INFLATION RATE ASSUMPTIONS
AS OF DECEMBER 31, 2008 (Forecast Prices & Costs)

RESERVES CATEGORY	OIL		GAS		NATURAL GAS LIQUIDS			INFLATION	
	WTI Cushing Oklahoma (\$US/bbl)	Edmonton Par Price 40 degree API (\$Cdn/bbl)	Natural Gas (1) AECO Price (\$Cdn/MMBtu)	Edmonton Pentanes Plus FOB Field Gate (\$Cdn/bbl)	Edmonton Butanes FOB Field Gate (\$Cdn/bbl)	Edmonton Propane FOB Field Gate (\$Cdn/bbl)	Inflation Rate (2) (%/Yr)	Exchange Rate (3) (\$US/\$Cdn)	
Historical									
Year 2004	41.38	52.96	6.88	53.94	39.97	34.70	1.80	0.7700	
Year 2005	56.58	69.02	8.58	69.57	51.80	43.04	2.20	0.8260	
Year 2006	66.22	73.21	7.16	75.41	60.17	43.85	2.00	0.8820	
Year 2007	72.39	77.06	6.65	77.38	61.78	49.56	2.20	0.9350	
Year 2008 (e)	99.48	103.44	8.16	104.46	76.91	57.82	2.40	0.9430	
Issuers Weighted Avg. Prices (4)									
Year 2008	94.78		8.60	103.51	63.86	48.41			
Forecast									
Year 2009	57.50	68.61	7.58	69.98	52.14	43.22	2.00	0.8250	
Year 2010	68.00	78.94	7.94	80.52	61.57	49.73	2.00	0.8500	
Year 2011	74.00	83.54	8.34	85.21	65.16	52.63	2.00	0.8750	
Year 2012	85.00	90.92	8.70	92.74	70.92	57.28	2.00	0.9250	
Year 2013	92.01	95.91	8.95	97.82	74.81	60.42	2.00	0.9500	
Year 2014	93.85	97.84	9.14	99.80	76.32	61.64	2.00	0.9500	
Year 2015	95.73	99.82	9.34	101.81	77.86	62.89	2.00	0.9500	
Year 2016	97.64	101.83	9.54	103.87	79.43	64.15	2.00	0.9500	
Year 2017	99.59	103.89	9.75	105.97	81.03	65.45	2.00	0.9500	
Year 2018	101.59	105.99	9.95	108.10	82.67	66.77	2.00	0.9500	
Thereafter	Escalate at 2.0% per year						2.00	0.9500	

(1) Summary table identifies benchmark reference pricing schedules that may apply to a reporting issuer.

(2) Inflation rates for forecasting prices and costs.

(3) Exchange rates used to generate the benchmark reference prices in table.

(4) Issuers weighted average historical prices received for the financial year 2008 and do not include realized gains on commodity contracts.

Note: Product sale prices will reflect these reference prices with further adjustments for quality and transportation to point of sale.

This price forecast is GLJ's standard price forecast effective January 1, 2009.

In 2008, Open Range received a weighted average price of \$94.78 per barrel (before transportation, marketing fees and hedging) for its crude oil, \$8.60 per mcf for natural gas, \$48.41 per barrel for its propane, \$63.86 per barrel for its butane and \$103.51 per barrel for its pentanes plus.

Part 4 Reconciliation Of Changes In Reserves And Future Net Revenue

Item 4.1. Reserves Reconciliation

The following table provides a reconciliation of Open Range's gross⁽¹⁾ net reserves based on forecast prices and costs.

Item 4.1 NI 51-101

RECONCILIATION OF COMPANY GROSS⁽¹⁾ RESERVES BY PRINCIPLE PRODUCT TYPE (Forecast Prices & Costs)

Factors	Light/Medium Oil			Associated and Non-Associated Gas			Natural Gas Liquids			TOTAL		
	Proved (mdbl)	Probable (mdbl)	Proved Plus Probable (mdbl)	Proved (mmcf)	Probable (mmcf)	Proved Plus Probable (mmcf)	Proved (mdbl)	Probable (mdbl)	Proved Plus Probable (mdbl)	Proved (mboe)	Probable (mboe)	Proved Plus Probable (mboe)
December 31, 2007	19	10	28	16,511	13,316	29,827	355	203	558	3,125	2,432	5,557
Discoveries	-	-	-	-	-	-	-	-	-	-	-	-
Extensions (2)	-	-	-	13,004	9,834	22,839	247	187	433	2,414	1,825	4,239
Infill Drilling (2)	-	-	-	3,062	1,786	4,848	58	34	92	569	331	900
Improved Recovery (2)	-	-	-	-	-	-	-	-	-	-	-	-
Technical Revisions	3	(3)	-	4,246	(4,441)	(196)	108	(12)	96	818	(753)	65
Acquisitions	-	-	-	-	-	-	-	-	-	-	-	-
Dispositions	-	-	-	-	-	-	-	-	-	-	-	-
Economic Factors	-	-	-	-	-	-	-	-	-	-	-	-
Production	(8)	-	(8)	(4,031)	-	(4,031)	(74)	-	(74)	(755)	-	(755)
December 31, 2008	13	7	20	32,792	20,495	53,287	693	412	1,104	6,171	3,835	10,006

Note: Table may not add due to rounding.

(1) "Gross Reserves" are Company's working interest share of remaining reserves before the deduction of royalties.

(2) * The above change categories correspond to standards set out in the Canadian Oil and Gas Evaluation Handbook. For reporting under NI51-101, reserves additions under Infill Drilling, Improved Recovery and Extensions should be combined and reported as "Extensions and Improved Recovery".

Part 5 Additional Information Relating To Reserves Data

Item 5.1. Undeveloped Reserves

In general, once proved and/or probable undeveloped reserves are identified they are scheduled into Open Range's development plans. Normally, the Corporation plans to develop its proved and probable undeveloped reserves within two years. A number of factors that could result in the delay or cancellation of the planned development are as follows:

- Changing economic conditions (due to pricing, operating or capital expenditure fluctuations and restricted debt or capital markets);
- Changing technical conditions such as production anomalies;
- Multi-zone developments (such as delaying a prospective zone completion until the initial zone is no longer economic);
- Larger development programs may need to be spread out over several years to optimize capital allocation and facility utilization; and
- Surface access issues (landowners, weather conditions, regulatory approvals)

TABLE 5.1
NI 51-101

TIMING OF INITIAL UNDEVELOPED RESERVES ASSIGNMENT (Forecast Prices & Costs)

Proved Undeveloped Reserves

Year	Light & Medium Oil		Natural Gas (2)		Natural Gas Liquids		Total	
	First	Total at Yr	First	Total at Yr	First	Total at Yr	First	Total at Yr
	Attributed (1)	End (Mbbls)	Attributed (1)	End (MMcf)	Attributed (1)	End (Mbbls)	Attributed (1)	End (Mbbls)
2006	0	0	2,487	2,487	34	34	449	449
2007	0	0	1,776	1,902	31	34	327	351
2008	0	0	11,487	11,615	218	220	2,133	2,156

Probable Undeveloped Reserves

YEAR	Light & Medium Oil		Natural Gas (2)		Natural Gas Liquids		Total	
	First	Total at Yr	First	Total at Yr	First	Total at Yr	First	Total at Yr
	Attributed (1)	End (Mbbls)	Attributed (1)	End (MMcf)	Attributed (1)	End (Mbbls)	Attributed (1)	End (Mbbls)
2006	0	0	756	756	44	44	553	553
2007	0	0	2,222	2,978	40	54	410	550
2008	0	0	8,772	9,044	166	171	1,628	1,679

(1) First Attributed refers to reserves first attributed at year end of the corresponding fiscal year.

(2) Includes Associated and Non-Associated Gas

Item 5.2. Significant Factors or Uncertainties

The Corporation does not anticipate any significant economic factors or significant uncertainties will affect any particular components of the reserves data. However, the reserves can be affected significantly by fluctuations in product pricing, capital expenditures, operating costs, royalty regimes and well performance that are beyond the Corporation's control (see "Risk Factors").

Item 5.3. Future Development Costs

The following table provides information regarding the development costs deducted in the estimation of future net revenue attributable to the Corporations reserves.

TABLE 5.3
NI 51-101

FUTURE DEVELOPMENT COSTS (1)

YEAR	Forecast Prices & Costs		
	For Proved Producing Reserves (M\$)	For Proved Reserves (M\$)	For Proved + Probable Reserves (M\$)
2009	228	15,448	15,818
2010	0	23,015	28,058
2011	0	0	0
2012	0	0	0
2013	0	0	0
2014	0	0	0
2015	0	0	0
2016	0	0	0
2017	0	0	0
2018	0	0	0
2019	0	0	0
2020	0	0	0
Subtotal	228	38,463	43,876
Remainder	0	0	0
TOTAL	228	38,463	43,876
Undiscounted	228	38,463	43,876
Discounted @ 10%/Yr	217	34,678	39,402

(1) Future Development Costs shown are associated with booked reserves in the Reserves Report and do not necessarily represent the Company's full exploration and development budget.

The Corporation expects that such funds will be obtained from internally-generated cash flow and debt or equity financing.

Part 6 Other Oil and Gas Information**Item 6.1. Oil and Gas Properties and Wells**

Ansell/Sundance – A predecessor to Open Range entered into a farm-in and re-entered an existing well bore in May 2005 followed up by drilling one more well (0.4 net) in August 2005. Open Range drilled two (0.75 net) net wells in 2005, with a success rate of 100 percent. Open Range's first well in this area commenced production in mid November with a second well commencing production in late December of 2005. In the second quarter of 2006, Open Range commenced and completed a 75 square mile proprietary 3D seismic program. Over the course of 2006, Open Range drilled an additional eight (3.6 net) wells at a rate of success of 100 percent. Four wells selected using the new seismic data notably encountered better quality reservoir sands and a higher average number of pay zones. Two locations drilled in the fourth quarter of 2006 each encountered four productive pay zones. Open Range expanded its land position at Ansell/Sundance in 2006 to 42 gross sections with an average working interest of 47 percent. At year end 2006, Open Range had established a development drilling inventory of 25 locations all identified utilizing the 3D seismic. In 2006, production at Ansell/Sundance averaged 315 boe per day and the area represented 57 percent of Open Range's proved plus probable reserves.

In 2007 Open Range drilled 12 gross (6.2 net) wells encountering on average 3.9 productive pay zones per well. Production in 2007 averaged 973 boe per day or an increase of 209 percent over 315 boe per day in 2006. Reserves at Ansell/Sundance account for 65 percent of the Corporation's total proved plus probable reserves. Open Range's land position in 2007 expanded to an approximate 50 percent working interest in 50 sections. Operated infrastructure was expanded in 2007 with the addition of a 10mmcf per day compressor facility at 9-34-53-20W5 (33 percent working interest) and a 3 mmcf per day sour compressor facility at 6-3-54-19W5 (50 percent working interest).

For 2008 production averaged 1,566 boe per day or an increase of 61 percent over 973 boe per day in 2007. The production increase was attributed to drilling 16 gross (7.8 net) wells at Ansell/Sundance and the construction and commissioning of the Corporation's first area gas plant at 9-34-53-20W5. Open Range is operator of the 20 mmcf per day gas plant and owns a 33 percent working interest. Capital spending at Ansell/Sundance was approximately \$43 million or 71 percent of the \$60.6 million total capital expenditures in 2008. At December 31, 2008 reserves at Ansell/Sundance account for 83 percent of the Corporation's total proved plus probable assignment. Exiting 2008 the land position at the property has grown to 54.5 sections at an average working interest of 56 percent.

Rough – Open Range established itself in 2007 in the Rough deep foothills natural gas play through a farm-in deal and the subsequent drilling of its exploratory discovery well at 15-35-38-12W5 (70 percent working interest). Completion of the well was deferred until 2008 allowing the Corporation to establish an approximate 90 percent working interest in 38 sections of offsetting lands. In Q3 2008 the well was completed and two new pool discoveries were confirmed in the Glaucontic and Notikewan zones. Both of these zones encountered significant pay thickness and over-pressured reservoirs. The well commenced production from the Glaucontic zone in September 2008 and subsequently in Q1 2009 production was commingled with the Notikewan zone. This property makes up approximately 7 percent of the Corporation's total proved plus probable reserves, with nearly 700 mboe assigned over only 160 acres.

Ferrier – In 2005, production at Ferrier was approximately 84 boe per day, consisting of 96 percent natural gas. Two non-operated wells (30 percent working interest) were drilled in the second quarter of 2006, with the wells being brought on production in October 2006. There was no drilling activity in 2007 and 2008. Open Range owns an average of 46 percent working interest in producing wells at Ferrier and is focused on the Ellerslie and Ostracod formations at 2,900 metres. Secondary uphole targets in this area are the Glauconitic, Belly River and Edmonton formations. This area represents 4 percent of Open Range's proved plus probable reserves. The Corporation has a land position of 4,800 (2,072 net) acres, all of which are developed. In 2007, production at Ferrier averaged 151 boe per day, or an increase of 26 percent over 120 boe per day, in 2006. Production in 2008 averaged 113 boe per day, or a decrease of 25 percent from 2007. There was no drilling or completion activity in 2008, or any plans for such activity in 2009.

Garrington - This area is the Corporation's smallest property by reserve assignment and is also in the multi-zone Deep Basin. The principal Deep Basin formation at Garrington is the Ostracod. Other zones include the Manville Group, Rock Creek, Viking and the recently developing shallow Edmonton sand plays. In 2005, production at Garrington was approximately 73 boe per day. In the second quarter of 2006, Open Range participated in one gross (0.25 net) exploration well that resulted in an Ostracod natural gas completion capable of 1 mmcf per day. The well was brought on stream in October 2006 at a restricted rate of 0.3-0.4 mmcf per day. Open Range has land interests in 6,720 gross (3,854 net) acres, of which 1,387 net acres are undeveloped. In 2007, production at Garrington averaged 97 boe per day and the area represented four percent of the Corporation's total proved plus probable reserves. Activity at Garrington in 2007 included the drilling of one gross (0.25 net) well that was cased for gas potential in the Edmonton sands. In 2008 production at Garrington averaged 131 boe per day and the area represented

two percent of the Corporation's total proved plus probable reserves. There was no drilling activity at the property in 2008, or any drilling planned for 2009.

Big Bend – In 2005, production at Big Bend was 230 boe per day and came from over 40 wells with varied royalty and working interests. A new well was drilled in the second quarter of 2006, and was brought on production in July 2006. The Corporation's independent reserves engineers have assigned total proved plus probable reserves of 331 mboe, representing 3 percent of Open Range's total proved plus probable reserves. This area, straddling the West 4 and West 5 meridian, is characterized by multi-zoned gas prospects produced from several Lower Cretaceous aged zones, primarily within the Manville group. Producing formations include the Colony, Glauconitic, Ellerslie and Wabamun. Open Range has land interests in 45,948 gross (18,589 net) acres, of which 6,209 net acres are undeveloped. Production in 2007 averaged 231 boe per day. Drilling activity in 2007 included participation in four gross (0.1 net) gas wells. Production in 2008 averaged 228 boe per day. Open Range has a 100 percent interest in a sweet gas facility consisting of inlet separation, compression, dehydration and refrigeration capabilities, and also includes water and oil storage tanks. There was no drilling activity for the area in 2008. The Corporation has plans to drill one well in 2009.

The following table shows information regarding the Corporation's wells at December 31, 2008.

TABLE 6.1.2
NI 51-101

OIL AND GAS WELLS

	Producing		Non-Producing	
	Gross (1)	Net (2)	Gross (1)	Net (2)
Wells				
Alberta				
Oil	3.0	2.1	3.0	2.0
Natural gas	95.0	38.5	63.0	26.8
TOTAL	98.0	40.6	66.0	28.8

(1) "Gross" wells means the number of wells in which the Corporation has a working interest or a royalty interest that may be converted to a working interest.

(2) "Net" wells means the aggregate number of wells obtained by multiplying each gross well by the Corporation's percentage working interest therein.

Item 6.2 Properties with no Attributed Reserves

The following table sets forth information respecting Open Range's undeveloped lands as at December 31, 2008.

**TABLE 6.2
NI 51-101**

PROPERTY WITH NO ATTRIBUTED RESERVES

LOCATION	Unproved Properties		2009 Expiring
	Gross Acres	Net Acres	Net Acres
Alberta	74,600.0	50,811.6	4,280.0
TOTAL	74,600.0	50,811.6	4,280.0

(1) Unproved Properties have no attributed reserves as of December 31, 2008. Undeveloped acreage within properties where reserves have been booked as of December 31, 2008 have not been included.

As of December 31, 2008 Open Range has no outstanding material work commitments in any areas of its operations as all Open Range’s significant obligations are discretionary.

Item 6.3. Forward Contracts

Open Range is not currently party to any forward sale contracts.

Item 6.4. Additional Information Concerning Abandonment and Reclamation Costs

**Table 6.4
NI 51-101**

ABANDONMENT & RECLAMATION COSTS (Forecast Prices & Costs)

	Number of Net Wells expected to incur Abandonment and Reclamation Costs	Total Abandonment and Reclamation Costs Including Well Abandonment and Disconnect Costs all Net of Salvage (1) (M\$)	Discounted 10%
Total Proved Reserves (Yr)			
2009	4	117	105
2010	4	173	157
2011	1	53	44
Proved + Probable Reserves (Yr)			
2009	3	88	79
2010	1	66	60
2011	2	52	43

(1) Costs shown are greater than those included in the Reserves Report as all disconnect and facility reclamation is included.

The number of net wells included in the well abandonment and reclamation costs are based on the December 31, 2008 GLJ Report. In the GLJ Report well abandonment costs were included for each well in the specific year that the well reached its economic limit. The well abandonment costs included in GLJ are for abandonment of the well bore only and the values used by GLJ are based on ERCB published data by region in Alberta. The GLJ Report does not include reclamation costs for the wells. Reclamation costs for the wells were estimated by Open Range by using the ERCB published reclamation costs by Alberta region as published in ERCB’s Directive 011. There were no facility reclamation costs assumed in the analysis since Open Range has no plans to shut down any facilities in 2009, 2010 or 2011. In this analysis there was no value assigned to equipment salvage to offset well abandonment and reclamation costs.

Item 6.5. Tax Horizon

Open Range forecasts its tax horizon assuming a continuing business model. Tax forecasting involves a number of variables including commodity prices, interest rates, inflation, production additions, production declines and the nature and amount of capital spending. Open Range does not forecast paying income taxes in 2009 or in the foreseeable future based on forecast oil and natural gas prices and its ongoing capital spending at its existing properties which are weighted primarily to exploration and development drilling.

Item 6.6. Costs Incurred

The following table summarizes certain expenditures for the Corporation during the year ended December 31, 2008.

Table 6.6
NI 51-101

**PROPERTY ACQUISITION / DISPOSITION COSTS AND
CAPITAL EXPENDITURES FOR THE YEAR ENDING DECEMBER 31, 2008**

	Amount (M\$)
Property Acquisition	
Proved	0
Unproved	12,983
Capital Expenditures	
Exploration Costs	35,062
Development Costs	12,522
TOTAL	60,567

Item 6.7. Exploration and Development Activities

The following table sets forth the number of gross and net wells completed by Open Range during the year ended December 31, 2008.

TABLE 6.7
NI 51-101

OIL AND GAS WELL ACTIVITY IN YEAR 2008⁽¹⁾

WELLS	Well Activity	
	Gross (2)	Net (3)
Development		
Gas	0.0	0.0
Oil	0.0	0.0
Service	0.0	0.0
Dry	0.0	0.0
TOTAL	0.0	0.0
Exploratory		
Gas	16.0	7.8
Oil	0.0	0.0
Service	0.0	0.0
Dry	0.0	0.0
TOTAL	16.0	7.8
TOTAL	16.0	7.8

(1) Results of Development and Exploratory activities during the financial year ending December 31, 2008

(2) "Gross" wells means the number of wells in which the Corporation has a working interest or a royalty interest that may be converted to a working interest

(3) "Net" wells means the aggregate number of wells obtained by multiplying each gross well by the Corporation's percentage working interest therein.

Open Range has initial plans to drill two wells at Ansell/Sundance for 2009.

Item 6.8. Production Estimates

The following table summarizes the Corporation's estimated future average daily production volumes from total proved and total proved & probable reserves at December 31, 2008 for each product type for 2009:

Table 6.8
NI 51-101

SUMMARY OF PRODUCTION ESTIMATES BY PRODUCTION GROUP
TOTAL PROVED and TOTAL PROVED & PROBABLE RESERVES FOR YEAR 2009 (Forecast Prices & Costs)

RESERVES CATEGORY	Light & Medium Oil		Natural Gas (1)		Natural Gas Liquids		Total	
	Gross (Bbls/d)	Net (2) (Bbls/d)	Gross (Mcf/d)	Net (2) (Mcf/d)	Gross (Bbls/d)	Net (2) (Bbls/d)	Gross (Boe/d)	Net (2) (Boe/d)
PROVED								
Ansell/Sundance	-	-	10,754	8,193	204	143	1,996	1,509
Other Properties	8	8	2,767	2,259	72	45	542	429
TOTAL PROVED	8	8	13,520	10,452	276	188	2,538	1,938
PROVED & PROBABLE								
Ansell/Sundance	-	-	12,140	9,126	230	162	2,254	1,682
Other Properties	9	8	2,903	2,326	76	47	568	443
TOTAL PROVED & PROBABLE	9	8	15,043	11,451	306	209	2,822	2,125

(1) Barrels of Oil Equivalent (boe) have been reported based on natural gas conversion of 6 Mcf/1 bbl.

(2) Net production is Company interest before all royalty deductions.

Item 6.9. Production History

The following table sets forth certain information in respect of production, product prices received, royalties, operating costs and netbacks received by Open Range for each of the periods indicated.

	Three months ended March 31, 2008	Three months ended June 30, 2008	Three months ended September 30, 2008	Three months ended December 31, 2008
Average Daily Production ⁽¹⁾				
Light and medium crude oil (Bbls/d)	24	21	23	26
Natural gas (Mcf/d)	9,746	10,630	10,696	13,164
Natural gas liquids (Bbls/d)	192	204	186	231
Total combined (Boe/d)	1,840	1,996	1,992	2,451
Average price received				
Light and medium crude oil (\$/bbl)	\$88.92	\$ 113.07	\$ 129.58	\$ 54.57
Natural gas (\$/Mcf) ⁽⁴⁾	8.58	9.44	7.82	7.35
Natural gas liquids (\$/bbl)	53.92	104.37	98.12	56.63
Total combined (\$/boe)	\$54.74	\$ 62.10	\$ 52.64	\$ 45.41
Combined Netback ⁽³⁾ (\$/Boe)				
Revenue	\$ 54.74	\$ 62.10	\$ 52.64	\$ 45.41
Royalties	(8.71)	(12.65)	(13.90)	(8.05)
Operating costs ⁽²⁾	(7.45)	(6.81)	(6.93)	(6.35)
Netback	\$ 38.58	\$ 42.64	\$ 31.81	\$ 31.01

Notes:

- (1) Before deduction of royalties.
- (2) Operating recoveries associated with operated properties were excluded from operating costs and accounted for as a reduction to general and administrative costs.
- (3) Netbacks are calculated by subtracting royalties, operating costs (including transportation costs) from revenues.
- (4) Natural gas prices include realized gains on commodity contracts.

The following table summarizes the Corporation's production volumes during the year ended December 31, 2008 for each field comprising in excess of 10 percent of production and in total, by product type.

Table 6.9.2
NI 51-101

PRODUCTION HISTORY (1) BY MAJOR FIELD - YEAR 2008

FIELD	Light & Medium Oil (bbl/d)	Natural Gas (2) (Mcf/d)	Natural Gas Liquids (bbl/d)	TOTAL (boe/d)
Ansell/Sundance	9	8,462	146	1,566
Big Bend	0	1,362	0	227
Other	14	1,240	57	277
TOTAL	23	11,064	203	2,070

(1) Daily production is taken from average for 2008

(2) Natural Gas includes Associated and Non-Associated sales gas volumes.

**FORM 51-101F2
REPORT ON RESERVES DATA BY INDEPENDENT
QUALIFIED RESERVES EVALUATOR OR AUDITOR**

To the board of directors of Open Range Energy Corp. (the "Company"):

1. We have prepared an evaluation of the Company's reserves data as at December 31, 2008. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2008, estimated using forecast prices and costs.

2. The reserves data are the responsibility of the Company's management. Our responsibility is to express an opinion on the reserves data based on our evaluation.

We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook (the "COGE Handbook") prepared jointly by the Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society).

3. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions in the COGE Handbook.

4. The following table sets forth the estimated future net revenue (before deduction of income taxes) attributed to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated by us for the year ended December 31, 2008, and identifies the respective portions thereof that we have audited, evaluated and reviewed and reported on to the Company's board of directors:

Independent Qualified Reserves Evaluator	Description and Preparation Date of Evaluation Report	Location of Reserves (Country or Foreign Geographic Area)	Net Present Value of Future Net Revenue (before income taxes, 10% discount rate - \$M)			
			Audited	Evaluated	Reviewed	Total
GLJ Petroleum Consultants	February 10, 2009	Canada	-	175,096	-	175,096

5. In our opinion, the reserves data respectively evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook.

6. We have no responsibility to update our reports referred to in paragraph 4 for events and circumstances occurring after their respective preparation dates.

7. Because the reserves data are based on judgements regarding future events, actual results will vary and the variations may be material. However, any variations should be consistent with the fact that reserves are categorized according to the probability of their recovery.

EXECUTED as to our report referred to above:

GLJ Petroleum Consultants Ltd., Calgary, Alberta, Canada, March 6, 2009

<original signed>
Neil I. Dell, P. Eng.
Vice-President

FORM 51-101F3
REPORT OF MANAGEMENT AND DIRECTORS ON OIL AND GAS DISCLOSURE

This is the form referred to in item 3 of section, 2.1 of National Instrument 51-101 Standard of Disclosure for Oil and Gas Activities ("NI 51-101").

Management of Open Range Energy Corp. (the "Corporation") are responsible for the preparation and disclosure of information with respect to the Corporation's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data which are estimates of proved reserves and probable reserves and related future revenue as at December 31, 2008, estimated using forecast prices and costs.

An independent qualified reserves auditor has evaluated the Corporation's reserves data. The report of the independent qualified reserves auditor will be filed with securities regulatory authorities concurrently with this Report.

The Reserves Committee of the board of directors of the Corporation has:

- (a) reviewed the Corporation's procedures for providing information to the independent qualified reserves auditor;
- (b) met with the independent qualified reserves auditor to determine whether any restrictions affected the ability of the independent qualified reserves auditor to report without reservation; and
- (c) reviewed the reserves data with management and the independent qualified reserves auditor.

The Reserves Committee of the board of directors has reviewed the Corporation's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The board of directors has approved:

- (d) the content and filing with securities regulatory authorities of the Form 51-101 F1 containing reserves data and other oil and gas information;
- (e) the filing of Form 51-102 F2 which is the report of the independent qualified reserves auditor on the reserves data; and
- (f) the content and filing of this report.

Because the reserves data are based on judgements regarding future events, actual results will vary and the variations may be material.

CSA Staff Notice 51-324 *Glossary to NI 51-101 Standards of Disclosure for Oil and Gas Activities* sets out the meaning of terms that are printed in italics in sections 1 and 2 of this Form or in NI 51-101, Form 51-101 F1, Form 51-101 F2 or Companion Policy 51-101 CP.

<original signed>

A. Scott Dawson
President and Chief Executive Officer

<original signed>

John A. Mueller
Vice-President, Engineering and Chief
Operating Officer

<original signed>

Dean R. Jensen
Director

March 19, 2009

APPENDIX "B"
AUDIT COMMITTEE CHARTER

OPEN RANGE ENERGY CORP.
(the "Corporation")

December 13, 2005

OVERALL ROLE AND RESPONSIBILITY

The Audit Committee shall:

- (a) assist the Board of Directors in its oversight role with respect to:
 - (i) the quality and integrity of financial information;
 - (ii) the independent auditor's performance, qualifications and independence;
 - (iii) the performance of the Corporation's internal audit function, if applicable; and
 - (iv) the Corporation's compliance with legal and regulatory requirements and
- (b) prepare such reports of the Audit Committee required to be included in the Proxy Circular in accordance with applicable laws or the rules of applicable securities regulatory authorities.

MEMBERSHIP AND MEETINGS

The Audit Committee shall consist of three or more Directors appointed by the Board of Directors, all of whom shall be independent and unrelated to the Corporation and as such shall not be officers (other than a non-executive Chairman or Corporate Secretary who is not an employee of the Corporation) or employees of or have a meaningful business relationship with the Corporation or any of the Corporation's affiliates or be an immediate family member of any of the foregoing. Each of the members of the Audit Committee shall satisfy the applicable independence and financial literacy of the laws governing the Corporation, the applicable stock exchanges on which the Corporation's securities are listed and applicable securities regulatory authorities.

The Board of Directors shall designate one member of the Audit Committee as the Committee Chair. Each member of the Audit Committee shall be financially literate as such qualification is interpreted by the Board of Directors in its business judgment.

STRUCTURE AND OPERATIONS

The affirmative vote of a majority of the members of the Audit Committee participating in any meeting of the Audit Committee is necessary for the adoption of any resolution.

The Audit Committee shall meet as often as it determines, but not less frequently than quarterly. The Committee shall report to the Board of Directors on its activities after each of its meetings at which time minutes of the prior Committee meeting shall be tabled for the Board.

The Audit Committee shall review and assess the adequacy of this Charter periodically and, where necessary, will recommend changes to the Board of Directors for its approval.

The Audit Committee is expected to establish and maintain free and open communication with management and the independent auditor and shall periodically meet separately with each of them.

SPECIFIC DUTIES

Oversight of the Independent Auditor

- Make recommendations to the board for the appointment and replacement of the independent auditor.
- Responsibility for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent auditor shall report directly to the Audit Committee.
- Authority to pre-approve all audit services and permitted non-audit services (including the fees, terms and conditions for the performance of such services) to be performed by the independent auditor.
- Evaluate the qualifications, performance and independence of the independent auditor, including (i) reviewing and evaluating the lead partner on the independent auditor's engagement with the Corporation, and (ii) considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence.
- Obtain from the independent auditor and review the independent auditor's report regarding the management internal control report of the Corporation to be included in the Corporation's annual proxy circular, as required by applicable law.
- Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law (currently at least every 5 years).

Financial Reporting

- Review and discuss with management and the independent auditor:
 - prior to the annual audit the scope, planning and staffing of the annual audit,
 - the annual audited financial statements,
 - the Corporation's annual and quarterly disclosures made in management's discussion and analysis,
 - approve any reports for inclusion in the Corporation's Annual Report, as required by applicable legislation,

- the Corporation's quarterly financial statements, including the results of the independent auditor's review of the quarterly financial statements and any matters required to be communicated by the independent auditor under applicable review standards,
 - significant financial reporting issues and judgments made in connection with the preparation of the Corporation's financial statements,
 - any significant changes in the Corporation's selection or application of accounting principles,
 - any major issues as to the adequacy of the Corporation's internal controls and any special steps adopted in light of material control deficiencies, and
 - other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.
- Discuss with the independent auditor matters relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information and any significant disagreements with management.

AUDIT COMMITTEE'S ROLE

The Audit Committee has the oversight role set out in this Charter. Management, the Board of Directors, the independent auditor and the internal auditor (if any) all play important roles in respect of compliance and the preparation and presentation of financial information. Management is responsible for compliance and the preparation of financial statements and periodic reports. Management is responsible for ensuring the Corporation's financial statements and disclosures are complete, accurate, in accordance with generally accepted accounting principles and applicable laws. The Board of Directors in its oversight role is responsible for ensuring that management fulfills its responsibilities. The independent auditor, following the completion of its annual audit, opines on the presentation, in all material respects, of the financial position and results of operations of the Corporation in accordance with Canadian generally accepted accounting principles.

FUNDING FOR THE INDEPENDENT AUDITOR AND RETENTION OF OTHER INDEPENDENT ADVISORS

The Corporation shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the independent auditor for the purpose of issuing an audit report and to any advisors retained by the Audit Committee. The Audit Committee shall also have the authority to retain such other independent advisors as it may from time to time deem necessary or advisable for its purposes and the payment of compensation therefor shall also be funded by the Corporation.

Approval of Audit and Remitted Non-Audit Services Provided by External Auditors

Over the course of any year there will be two levels of approvals that will be provided. The first is the existing annual Audit Committee approval of the audit engagement and identifiable permitted non-audit services for the coming year. The second is in-year Audit Committee pre-approvals of proposed audit and permitted non-audit services as they arise.

Any proposed audit and permitted non-audit services to be provided by the External Auditor to the Corporation or its subsidiaries must receive prior approval from the Audit Committee, in accordance with this Protocol. The Chief Financial Officer shall act as the primary contact to receive and assess any proposed engagements from the External Auditor.

Following receipt and initial review for eligibility by the primary contacts, a proposal would then be forwarded to the Audit Committee for review and confirmation that a proposed engagement is permitted.

In the majority of such instances, proposals may be received and considered by the Chair of the Audit Committee (or such other member of the Audit Committee who may be delegated authority to approve audit and permitted non-audit services), for approval of the proposal on behalf of the Audit Committee. The Audit Committee Chair will then inform the Audit Committee of any approvals granted at the next scheduled meeting.