



OPEN RANGE ENERGY CORP.

ANNUAL INFORMATION FORM

For the year ended December 31, 2009

Dated: March 17, 2010

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ABBREVIATIONS

Crude Oil and Natural Gas Liquids (NGL)		Natural Gas	
bbls	barrels of oil inclusive of NGLs	mcf	thousand cubic feet
mbbls	thousand barrels	mmcf	million cubic feet
bbls/d	barrels of oil per day	bcf	billion cubic feet
boe	barrels of oil equivalent converting gas to oil at a ratio of six mcf of gas to one bbl of oil	mcf/d	thousand cubic feet per day
mboe	thousand barrels of oil equivalent	mmcf/d	million cubic feet per day
boe/d	barrels of oil equivalent per day	MMbtu	million British Thermal Units
WTI	West Texas Intermediate		

Other Abbreviations

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.

Disclosure provided herein in respect of boe may be misleading, particularly if used in isolation. A boe conversion ratio of 6 mcf:1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Where any disclosure of reserves data is made in this annual information form that does not reflect all reserves of Open Range, the reader should note that the estimates of reserves and future net revenue for individual properties or groups of properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation.

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;
- anticipated benefits of the Corporation's 2009 working-interest acquisition;
- 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 oil and 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

Corporate 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 February 22, 2007, Open Range issued 3.0 million Flow-Through Shares on a bought-deal private placement basis at a price of \$4.00 per share for aggregate gross proceeds of \$12.0 million. Proceeds from the issue were applied to Open Range's exploration program for 2007.

On December 20, 2007, Open Range issued 2.0 million Flow-Through Shares on a bought-deal private placement basis at a price of \$3.45 per share for aggregate proceeds of \$7.0 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 2.6 million Common Shares at a price of \$4.20 per share and 2.4 million Flow-Through Shares at a price of \$5.00 per share for gross proceeds of approximately \$22.9 million, plus an additional 0.5 million 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 terminated on October 27, 2009. Pursuant to the Bid, Open Range was entitled to purchase for cancellation up to a maximum of 1.4 million Common Shares. As at the termination of the Bid on October 29, 2009 the Corporation had purchased and cancelled 0.8 million Common Shares under the Bid at an average price of \$1.45 per Common Share and for total consideration of \$1.2 million.

On October 13, 2009, the Corporation entered into a purchase and sale agreement (the "Purchase Agreement") to acquire the position of a working-interest partner in the Corporation's operated Ansell/Sundance property in west central Alberta (the "Acquisition"). In conjunction with the Acquisition, Open Range sold, through a syndicate of underwriters and pursuant to an underwriting agreement ("Underwriting Agreement"), 31.4 million Subscription Receipts ("Subscription Receipts") at a price of \$1.85 per Subscription Receipt for gross proceeds of \$58.0 million and 3.0 million Flow-Through Special Warrants ("Flow-Through Warrants") at a price of \$2.30 per flow-through warrant for gross proceeds of \$7.0 million (the "Financing").

On November 4, 2009, following filing and obtaining receipt for its short-form prospectus, the Corporation issued 3.0 million Flow-Through Shares upon the deemed exercise of the equivalent number of Flow-Through Warrants that were previously issued under the Financing.

On November 16, 2009, following receipt of all customary regulatory and shareholder approvals, the Corporation issued 31.4 million Common Shares upon the deemed exercise of the equivalent number of Subscription Receipts previously issued under the Financing.

Significant Acquisition

The Acquisition was the only significant acquisition completed by Open Range since the beginning of its most recently completed financial year. Open Range has filed a business acquisition report dated November 16, 2009 with respect to the Acquisition.

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 20 full-time equivalent employees;
- Completed a proprietary 75 square-mile 3D seismic program over Ansell/Sundance in 2006;
- Drilled 51 gross (22.5 net) wells at a success rate of 98 percent, of which 37 gross (18.6 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 16.9 million boe at December 31, 2009;
- Established an exploration and development drilling inventory of approximately 200 locations by the end of 2009;
- Completed a \$34.6 million capital program in 2006, a \$42.0 million capital program in 2007, a \$61.8 million capital program in 2008 and an \$85.8 million capital program in 2009, which included the Acquisition for \$58.5 million;
- Expanded its core lands at Ansell/Sundance to interests in approximately 65 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 \$92.5 million (gross proceeds) to December 31, 2009, through the issue of 40.4 million Common Shares;
- Raised approximately \$43.7 million (gross proceeds) to December 31, 2009, through the issue of 11.5 million Flow-Through Shares;
- Realized gains on commodity contracts of \$2.7 million since the commencement of the Corporation's hedging program in 2007;
- Constructed a 20 mmcf per day gas plant at Ansell/Sundance in 2008. The Corporation has a 61 percent interest and operates the plant;
- Drilled its first horizontal well at the Ansell/Sundance property targeting the Bluesky formation in 2009;
- Completed the Acquisition which increased corporate production from approximately 2,350 boe per day to 3,500 boe per day, an increase of 49 percent, and increased proved plus probable reserves from 10.0 million boe to 15.0 million boe, an increase of 50 percent;
- Completed the Financing for total gross proceeds of \$65.0 million;
- Increased its banking facilities with the National Bank of Canada to \$75.0 million (\$70.0 million extendable revolving-credit facility and a \$5.0 million acquisition and development facility) as of December 31, 2009;
- Realized 2009 average production of 2,457 boe per day, a 19 percent increase from the 2008 average of 2,070 boe per day; and
- Approved an initial \$30 million capital budget for the first half of 2010.

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 200 locations at its multi-zone objective Ansell/Sundance area as of December 31, 2009. Open Range is the operator of this property and currently controls approximately 65 sections of land with an average working interest of 85 percent. The Corporation intends to invest approximately \$30.0 million in the first half of 2010 on drilling and completion opportunities. Open Range's capital program contemplates drilling 5 gross (4.6 net) wells targeted primarily towards its west central high-growth property at Ansell/Sundance and includes \$2.0 million for land, seismic and capitalized G&A and \$3.0 million for facilities.

Moving forward, Open Range intends to continue to internally generate further exploration and development opportunities with 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 corporation, it continues to look at opportunities for acquisitions at cyclically appropriate valuations should they complement Open Range's asset base or allow the Corporation to diversify its production mix. 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 corporation to Open Range entered into a farm-in agreement 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. 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 had grown to 54.5 sections at an average working interest of 56 percent.

Production in 2009 averaged 2,016 boe per day representing an increase of 29 percent over 1,566 boe per day in 2008. The increase in production volumes came from the drilling of one horizontal Bluesky well which came on production in August, some vertical tie-ins early in 2009 and the acquired interests pursuant to the Acquisition which closed on November 16, 2009. The Corporation added 8.2 million boe of total proved plus probable reserves at Ansell/Sundance during 2009 resulting in reserves at December 31, 2009 of 15.9 million boe or an 89 percent increase year-over-year. The Corporation's land position increased to 64.5 sections of gross land at the end of 2009, with an average working interest of 85 percent.

Other Deep Basin Properties – The Corporation's other Deep Basin properties include various working interests in the Ferrier, Garrington, Pembina and Rough areas of west central Alberta. The Ferrier, Garrington and Pembina areas are all assets that were transferred to Open Range pursuant to a plan of arrangement at the commencement of the Corporation's operations in 2005. The Rough property was established in 2007 pursuant to a farm-in agreement with an industry partner and the subsequent drilling of an exploratory discovery well.

In 2009, combined average production from these properties was approximately 284 boe per day. Open Range currently has land interests in 29,120 gross (24,768 net) undeveloped acres. There was no drilling activity in these areas in 2009. At December 31, 2009, the Corporation had 0.7 million boe of proved plus probable reserves attributed to these properties.

Big Bend – The Corporation's Big Bend property was part of the assets that were transferred to Open Range pursuant to a plan of arrangement at the commencement of the Corporation's operations in 2005. At that time, production at Big Bend was 230 boe per day from over 40 wells with varying royalty and working interests. Open Range has a 100 percent interest in a sweet gas facility at Big Bend, consisting of inlet separation, compression, dehydration and refrigeration capabilities.

Average production at Big Bend in 2009 was 157 boe per day. The Corporation's independent reserves engineers have assigned total proved plus probable reserves of 0.3 million boe to the Big Bend property at December 31, 2009. Open Range has a working interest in 20,320 gross (6,547 net) undeveloped acres.

2009 Operations

<u>Area</u>	<u>2009 Production (boe/d)</u>	<u>% of Total 2009 Production</u>	<u>Undeveloped Land (net acres) at December 31, 2009</u>
Ansell/Sundance	2,016	82	33,923
Other Deep Basin	284	12	24,768
Big Bend	157	6	6,547
Total	2,457	100	65,238

Open Range drilled one (100 percent working interest) Bluesky horizontal well in 2009. This horizontal well plus some vertical tie-ins earlier in 2009 grew the Corporation's production to 2,457 boe per day, representing an increase of 19 percent year-over-year.

First Half 2010 Guidance

Open Range has set an average production target of 3,600 boe per day for the first half of 2010, with natural gas targeted to average approximately 90 percent. The Board of Directors has approved an initial capital investment program of \$30.0 million for the first half of 2010.

Open Range's planned first-half drilling program of 5 gross (4.6 net) wells commenced in mid-December 2009 with the second horizontal well spudded at the Corporation's core Ansell/Sundance property. The Corporation has allocated approximately 80 percent of its first-half 2010 capital budget toward drilling and completion activities.

At the start of 2010, Open Range had \$37.6 million in net debt compared to bank credit facilities of \$75.0 million. In addition, the Corporation has approximately 10 mmcf per day of its forecast average 2010 natural gas production hedged at an average floor price of \$4.56 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, 2009; the Report of Independent Qualified Reserves Evaluator or Auditor dated March 3, 2010; and the Report of Management and Directors dated March 11, 2010, 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 2010. 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, 2009:

	Price Range (\$)		Trading Volume
	High	Low	
2009			
January	1.50	1.08	700,500
February	1.11	0.69	1,169,000
March	1.48	0.84	2,638,400
April	1.81	1.19	1,767,200
May	2.23	1.70	1,478,300
June	2.00	1.35	1,043,200
July	1.65	1.20	557,700
August	1.78	1.27	1,265,600
September	2.43	1.41	4,879,200
October	2.44	1.68	7,192,300
November	2.20	1.92	2,213,400
December	2.18	1.80	1,136,700

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, Wiser 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.
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).

<u>Name and Residence</u>	<u>Director Since</u>	<u>Position Held</u>	<u>Principal Occupation for Past Five Years</u>
W.C. (Mike) Seth ⁽¹⁾⁽²⁾ Alberta, Canada	May 14, 2009	Director	President of Seth Consultants Ltd. (a private consulting firm); Formerly Chairman of McDaniel & Associates Consultants Ltd. ("McDaniel"); prior thereto President and Managing Director of McDaniel.
Jarrod Isfeld Alberta, Canada	N/A	Secretary	Partner of Burstall Winger LLP (law firm); prior thereto Associate with Burstall Winger LLP.

Notes:

- (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 3.0 million Common Shares or approximately five percent of the issued and outstanding Common Shares.

Cease Trade Orders

To the knowledge of management of Open Range, 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 corporation (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 corporation access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, and that was issued (i) while that person was acting in such capacity, or (ii) after that person was acting in such capacity and which resulted from an event that occurred while that person was acting in such capacity.

Bankruptcies

To the knowledge of management of Open Range, 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 corporation (including Open Range) that, while that person was acting in such capacity, or within a year of that person ceasing to act in such 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.

To the knowledge of management of Open Range, 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 its assets.

Penalties or Sanctions

To the knowledge of management of Open Range, 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.

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.

Global Financial Crisis

Recent market events and conditions, including disruptions in the international credit markets and other financial systems and the deterioration of global economic conditions, have caused significant volatility to commodity prices. These conditions worsened in 2008 and 2009, causing a loss of confidence in the broader global credit and financial markets which have negatively impacted company valuations and will impact the performance of the global economy going forward.

Hedging

The Corporation has in place and may from time to time continue to enter into agreements to receive fixed prices on its natural gas and oil production to offset the risk of revenue losses if commodity prices decline. However, if commodity prices increase beyond the levels set in certain such agreements, the Corporation will not benefit from such increases and the Corporation may nevertheless be obligated to pay royalties on such higher prices, even though not received by it, after giving effect to such agreements. Similarly, from time to time the Corporation 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, the Corporation will not benefit from the fluctuating exchange rate.

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 and Operational Independence

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. In addition, other companies may operate certain of the assets in which the Corporation currently has or may in the future have interests. As a result, the Corporation has limited ability to exercise influence over the operation of those assets or their associated costs, which could adversely affect the Corporation's financial performance. The Corporation's return on assets operated by others therefore depends upon a number of factors that may be outside of the Corporation's control, including the timing and amount of capital expenditures, the operator's expertise and financial resources, the approval of other participants, the selection of technology and risk management practices.

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 several 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.

Failure to Realize Anticipated Benefits of Acquisitions and Dispositions

The Corporation makes acquisitions and dispositions of businesses and assets in the ordinary course of business. Achieving benefits from such acquisitions depends on, among other things, successfully consolidating functions and integrating operations and procedures in a timely and efficient manner as well as the Corporation's ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses and operations with those of the Corporation. The integration of acquired business may require substantial management effort, time and resources and may divert management's focus from other strategic opportunities and operational matters. Management continually assesses the value and contribution of services provided and assets required to provide such services. In this regard, non-core assets are periodically disposed of, so that the Corporation can focus its efforts and resources more efficiently. Depending on the state of the market for such non-core assets, certain non-core assets of the Corporation, if disposed of, could be expected to realize less than their carrying value on the financial statements of the Corporation.

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.

Management of Growth

The Corporation may be subject to risks related to growth including capacity constraints and pressure on its internal systems and controls. The ability of the Corporation to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Corporation to deal with this growth may have a material adverse effect on the Corporation's business.

Dividends

Open Range does not anticipate the payment of any dividends on the Common Shares in 2010.

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, 2009 was, a party, or of which any of its property is, or during the financing year ended December 31, 2009 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, 2009, 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, or any settlement agreements entered into by Open Range before a court relating to securities legislation or with a securities regulatory authority during the financial year ended December 31, 2009.

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, Open Range has not entered into any material contracts during its most recently completed financial year, or before its most recently completed financial year that are still in effect, other than the Purchase Agreement and the Underwriting Agreement.

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, 2009 the oil and natural gas reserves attributable to the principal properties of the Corporation.

None of GLJ, KPMG LLP or the partners of KPMG LLP hold greater than one percent, directly or indirectly, in any securities or other property of the Corporation either at the time of such report or since that time. None of the above experts have received, or is to receive, any registered or beneficial interest, direct or indirect, in any securities or other property of Open Range or of one of associates or affiliates.

No director, officer or employee of any of the experts referred to herein is or is expected to be elected, appointed or employed as a director, officer or employee of Open Range or of any associate or affiliate of Open Range.

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 32 years. Mr. Jensen is currently the managing partner of Toscana Capital Corporation, a private merchant bank specializing in providing mezzanine debt, and a trustee of Toscana Financial Income Trust. 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.
W.C. (Mike) Seth	Yes	Yes	Mr. Seth is President of Seth Consultants Ltd. (a private consulting firm). Mr. Seth is formerly the Chairman, President and Managing Director of McDaniel & Associates Consultants Ltd. (a petroleum engineering consulting firm) and has over 40 years of experience in the oil and gas industry. Mr. Seth has a Bachelor of Applied Science degree in mechanical engineering from the University of British Columbia and is a registered professional engineer in the Province of Alberta.

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

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 17, 2010. The effective date of the information provided in this Statement is December 31, 2009 unless otherwise indicated. The information was prepared between December 31, 2009 and March 17, 2010.

Part 2 Disclosure of Reserves Data

GLJ has prepared a report dated March 3, 2010 (the "**GLJ Report**"), in which it has evaluated as at December 31, 2009 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, 2009 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.

**SUMMARY OF OIL AND GAS RESERVES
AS OF DECEMBER 31, 2009**

FORECAST PRICES & COSTS

Reserves Category	Light and Medium Oil		Natural Gas		Natural Gas Liquids		Total Oil Equivalent	
	Gross (Mbbls)	Net (Mbbls)	Gross (MMcf)	Net (MMcf)	Gross (Mbbls)	Net (Mbbls)	Gross (Mboe)	Net (Mboe)
Proved								
Producing	11	10	30,803	27,570	608	368	5,753	4,973
Developed Nonproducing	-	-	758	634	12	8	139	113
Undeveloped	-	-	22,187	20,333	364	257	4,062	3,646
Total Proved	11	10	53,748	48,537	985	633	9,954	8,733
Total Probable	4	4	37,296	32,943	646	406	6,866	5,901
Total Proved Plus Probable	15	14	91,043	81,480	1,630	1,039	16,820	14,634

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 percent, 5 percent, 10 percent, 15 percent and 20 percent.

**SUMMARY OF NET PRESENT VALUE OF FUTURE NET REVENUE
AS OF DECEMBER 31, 2009**

FORECAST PRICES & COSTS

Reserves Category	Before Income Taxes – Discounted at (rate/year)					After Income Taxes – Discounted at (rate/year)				
	0%	5%	10%	15%	20%	0%	5%	10%	15%	20%
Proved										
Producing	185,547	142,434	116,442	99,090	86,691	179,683	138,957	114,283	97,698	85,764
Developed Nonproducing	5,375	3,725	2,790	2,220	1,849	4,031	2,876	2,227	1,831	1,572
Undeveloped	86,291	51,340	30,728	17,786	9,248	64,861	37,208	20,867	10,593	3,815
Total Proved	277,212	197,499	149,960	119,096	97,788	248,575	179,041	137,377	110,122	91,151
Total Probable	267,318	138,830	86,012	59,791	44,807	201,196	104,013	64,151	44,400	33,140
Total Proved Plus Probable	544,530	336,329	235,972	178,887	142,594	449,771	283,055	201,527	154,522	124,290

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.

**TOTAL FUTURE NET REVENUE (UNDISCOUNTED)
AS OF DECEMBER 31, 2009**

FORECAST PRICES & COSTS

<i>(\$ thousands)</i> Reserves Category	Revenue	Royalties	Operating Costs	Capital Dev. Costs	Well Aband. Costs	Future Net Revenue Before Tax	Income Tax	Future Net Revenue After Tax
Proved								
Producing	302,453	34,393	76,676	2,716	3,122	185,547	5,864	179,683
Developed Nonproducing	7,372	638	902	446	11	5,375	1,344	4,031
Undeveloped	214,670	20,286	40,872	65,994	1,228	86,291	21,430	64,861
Total Proved	524,495	55,317	118,450	69,155	4,360	277,212	28,637	248,575
Total Probable	441,846	54,125	102,176	17,104	1,124	264,318	66,122	201,196
Total Proved Plus Probable	966,341	109,442	220,626	86,259	5,484	544,530	94,760	449,771

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.

**NET PRESENT VALUE OF FUTURE NET REVENUE BY PRODUCTION GROUP
AS OF DECEMBER 31, 2009**

FORECAST PRICES & COSTS

Reserves Category	Production Group	Future Net Revenue Before Tax (Discounted at 10%/year)		
		\$ thousands	\$/boe	\$/mcf
Proved Producing	Light & Medium Oil	309	26.10	4.35
	Natural Gas	116,133	23.41	3.90
Total Proved Producing		116,442	23.41	3.90
Proved	Light & Medium Oil	315	26.67	4.45
	Natural Gas	149,645	17.16	2.86
Total Proved		149,960	17.17	2.86
Proved Plus Probable	Light & Medium Oil	416	25.76	4.29
	Natural Gas	235,556	16.11	2.69
Total Proved Plus Probable		235,972	16.13	2.69

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.

SUMMARY OF PRICING AND INFLATION RATE ASSUMPTIONS AS OF DECEMBER 31, 2009

FORECAST PRICES & COSTS

Year	Oil		Natural Gas	Natural Gas Liquids			Inflation & Exchange	
	WTI Cushing Oklahoma (\$US/bbl)	Edmonton Par Price 40° API (\$Cdn/bbl)	AECO Price (\$Cdn/MMbtu)	Edmonton Pentanes Plus (\$Cdn/bbl)	Edmonton Butanes (\$Cdn/bbl)	Edmonton Propane (\$Cdn/bbl)	Inflation Rate (%/year)	Exchange Rate (\$US/\$Cdn)
2010	80.00	83.26	5.96	84.93	64.11	52.46	2.0	0.950
2011	83.00	86.42	6.79	88.15	66.54	54.45	2.0	0.950
2012	86.00	89.58	6.89	91.37	68.98	56.43	2.0	0.950
2013	89.00	92.74	6.95	94.59	71.41	58.42	2.0	0.950
2014	92.00	95.90	7.05	97.82	73.84	60.42	2.0	0.950
2015	93.84	97.84	7.16	99.79	75.33	61.64	2.0	0.950
2016	95.72	99.81	7.42	101.81	76.85	62.88	2.0	0.950
2017	97.64	101.83	7.95	103.86	78.41	64.15	2.0	0.950
2018	99.59	103.88	8.52	105.96	79.99	65.45	2.0	0.950
2019	101.58	105.98	8.69	108.10	81.60	66.77	2.0	0.950
Thereafter	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	2.0	0.950

This price forecast is GLJ's standard price forecast effective January 1, 2010.

In 2009, Open Range received a weighted average price of \$58.67 per barrel (before transportation, marketing fees and hedging) for its crude oil, \$4.31 per mcf for natural gas, \$23.95 per barrel for its propane, \$31.08 per barrel for its butane and \$66.59 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.

Table 4.1
NI 51-101

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

	Light & Medium Oil			Associated & Non-Associated Gas			Natural Gas Liquids			Total		
	Proved (Mbbls)	Probable (Mbbls)	Proved Plus Probable (Mbbls)	Proved (MMcf)	Probable (MMcf)	Proved Plus Probable (MMcf)	Proved (Mbbls)	Probable (Mbbls)	Proved Plus Probable (Mbbls)	Proved (Mboe)	Probable (Mboe)	Proved Plus Probable (Mboe)
December 31, 2008	13	7	20	32,792	20,495	53,287	693	412	1,104	6,171	3,834	10,006
Discoveries	—	—	—	—	—	—	—	—	—	—	—	—
Extensions ⁽²⁾	—	—	—	3,135	6,270	9,405	52	103	154	574	1,148	1,722
Infill Drilling ⁽²⁾	—	—	—	4,446	2,964	7,410	73	49	122	814	543	1,357
Improved Recovery ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—
Technical Revisions	6	(2)	4	2,205	(4,285)	(2,080)	(109)	(159)	(268)	265	(877)	(612)
Acquisitions	—	—	—	16,007	11,852	27,859	356	242	598	3,024	2,217	5,241
Dispositions	—	—	—	—	—	—	—	—	—	—	—	—
Economic Factors	—	—	—	—	—	—	—	—	—	—	—	—
Production	(8)	—	(8)	(4,837)	—	(4,837)	(80)	—	(80)	(894)	—	(894)
December 31, 2009	11	5	16	53,748	37,296	91,043	985	646	1,630	9,954	6,866	16,820

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

⁽²⁾ The above change categories correspond to standards set out in the Canadian Oil and Gas Evaluation Handbook. For reporting under NI 51-101, 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 & Cost)

Proved Undeveloped Reserves

Year	Light & Medium Oil		Natural Gas ⁽²⁾		Natural Gas Liquids		Total	
	First Attributed ⁽¹⁾	Total at Yr. End (Mbbls)	First Attributed ⁽¹⁾	Total at Yr. End (MMcf)	First Attributed ⁽¹⁾	Total at Yr. End (Mbbls)	First Attributed ⁽¹⁾	Total at Yr. End (Mboe)
Prior	–	–	2,487	2,487	34	34	449	449
2007	–	–	1,776	1,982	31	34	327	351
2008	–	–	11,487	11,615	218	220	2,133	2,156
2009	–	–	7,361	22,187	121	364	1,348	4,062

Probable Undeveloped Reserves

Year	Light & Medium Oil		Natural Gas ⁽²⁾		Natural Gas Liquids		Total	
	First Attributed ⁽¹⁾	Total at Yr. End (Mbbls)	First Attributed ⁽¹⁾	Total at Yr. End (MMcf)	First Attributed ⁽¹⁾	Total at Yr. End (Mbbls)	First Attributed ⁽¹⁾	Total at Yr. End (Mboe)
Prior	–	–	756	756	44	44	553	553
2007	–	–	2,222	2,978	40	54	410	550
2008	–	–	8,722	9,044	166	171	1,628	1,679
2009	–	–	8,973	21,599	147	355	1,643	3,955

(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.

FUTURE DEVELOPMENT COSTS AS OF DECEMBER 31, 2009			
FORECAST PRICES & COSTS			
<i>(\$ thousands)</i> Year	Proved Producing Reserves	Proved Reserves	Proved Plus Probable Reserves
2010	2,550	19,374	22,171
2011	-	49,616	63,923
2012	-	-	-
2013	-	-	-
2014	-	-	-
2015	166	166	166
2016	-	-	-
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020	-	-	-
2021	-	-	-
2022	-	-	-
Subtotal	2,716	69,155	86,259
Remainder	-	-	-
Total (Undiscounted)	2,716	69,155	86,259
Total (Discounted at 10%/year)	2,529	61,577	76,644

The Corporation expects that such funds required for future development costs will be obtained from a combination of internally-generated cash flow from operations, borrowings on credit facilities and equity financing.

Part 6 Other Oil and Gas Information

Item 6.1. Oil and Gas Properties and Wells

Ansell/Sundance – A predecessor corporation to Open Range entered into a farm-in agreement 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. 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 had grown to 54.5 sections at an average working interest of 56 percent.

Production in 2009 averaged 2,016 boe per day representing an increase of 29 percent over 1,566 boe per day in 2008. The increase in production volumes came from the drilling of one horizontal Bluesky well which came on production in August, some vertical tie-ins early in 2009 and the acquired interests pursuant to the Acquisition which closed on November 16, 2009. The Corporation added 8.2 million boe of total proved plus probable reserves at Ansell/Sundance during 2009 resulting in reserves at December 31, 2009 of 15.9 million boe or an 89 percent increase year-over-year. The Corporation's land position increased to 64.5 sections of gross land at the end of 2009, with an average working interest of 85 percent.

Other Deep Basin Properties – The Corporation's other Deep Basin properties include various working interests in the Ferrier, Garrington, Pembina and Rough areas of west central Alberta. The Ferrier, Garrington and Pembina areas are all assets that were transferred to Open Range pursuant to a plan of arrangement at the commencement of the Corporation's operations in 2005. The Rough property was established in 2007 pursuant to a farm-in agreement with an industry partner and the subsequent drilling of an exploratory discovery well.

In 2009, combined average production from these properties was approximately 284 boe per day. Open Range currently has land interests in 29,120 gross (24,768 net) undeveloped acres. There was no drilling activity in these areas in 2009. At December 31, 2009, the Corporation had 0.7 million boe of proved plus probable reserves attributed to these properties.

Big Bend – The Corporation’s Big Bend property was part of the assets transferred to Open Range pursuant to a plan of arrangement at the commencement of the Corporation’s operations in 2005. At that time, production at Big Bend was 230 boe per day from over 40 wells with varied royalty and working interests. Open Range has a 100 percent interest in a sweet gas facility at Big Bend, consisting of inlet separation, compression, dehydration and refrigeration capabilities.

Average production at Big Bend in 2009 was 157 boe per day. The Corporation's independent reserves engineers have assigned total proved plus probable reserves of 0.3 million boe to the Big Bend property at December 31, 2009. Open Range has a working interest in 20,320 gross (6,547 net) undeveloped acres.

The following table shows information regarding the Corporation’s wells at December 31, 2009.

Wells	OIL AND GAS WELLS			
	Producing		Non-Producing	
	Gross	Net	Gross	Net
Alberta				
Oil	3	2	2	1
Natural Gas	139	61	81	28
Total	142	63	83	29

Item 6.2 Properties with no Attributed Reserves

The following table sets forth information respecting Open Range’s undeveloped lands as at December 31, 2009.

	PROPERTY WITH NO ATTRIBUTED RESERVES	
	Undeveloped Land	
	Gross Acres	Net Acres
Total	86,827	65,238

As of December 31, 2009 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**ABANDONMENT COSTS****FORECAST PRICES & COSTS**

<i>(\$ thousands)</i> Year	Proved	Proved Plus Probable
2010	99	80
2011	241	180
2012	118	90
2013	71	116
2014	244	68
2015	75	31
2016	23	79
2017	126	172
2018	129	79
2019	215	47
2020	67	116
2021	37	69
Remainder	2,916	4,356
Total (Undiscounted)	4,360	5,484
Total (Discounted at 10%/year)	1,391	1,055

The number of net wells included in the well abandonment and reclamation costs are based on the December 31, 2009 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 the GLJ Report are for abandonment of the well bore only and the values used by GLJ are based on EUB 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 EUB published reclamation costs by Alberta region as published in EUB Directive 011. There were no facility reclamation costs assumed in the analysis since Open Range has no plans to shut down any facilities in 2010, 2011 or 2012. 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 2010 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, 2009.

Table 6.6
NI 51-101

**PROPERTY ACQUISITION / DISPOSITION COSTS AND
CAPITAL EXPENDITURES FOR THE YEAR ENDED DECEMBER 31, 2009**

<i>(\$ thousands)</i>	<u>Amount</u>
Property Acquisition	
Proved	47,001
Unproved	11,515
 Capital Expenditures	
Exploration Costs	3,135
Development Costs	<u>24,127</u>
 Total	 <u>85,778</u>

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, 2009.

Table 6.7**NI 51-101****OIL AND GAS WELL ACTIVITY IN 2009 ⁽¹⁾**

Wells	Well Activity	
	Gross ⁽²⁾	Net ⁽³⁾
Development		
Gas	1	1
Oil	–	–
Service	–	–
Dry	–	–
Total	1	1
Exploratory		
Gas	–	–
Oil	–	–
Service	–	–
Dry	1	1
Total	1	1
Total	2	2

(1) Results of Development and Exploratory activities during the year ended December 31, 2009.

(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.

Open Range has initial plans to drill five wells at Ansell/Sundance in the first half of 2010.

Item 6.8. Production Estimates

The following table summarizes the Corporation's estimated future average daily production volumes from total proved and total proved plus probable reserves at December 31, 2009 for each product type for 2010:

Table 6.8
NI 51-101

**SUMMARY OF PRODUCTION ESTIMATES BY PRODUCTION GROUP
AND RESERVE CATEGORY FOR 2010 (Forecast Prices & Costs)**

Reserves Category	Light & Medium Oil		Natural Gas ⁽¹⁾		Natural Gas Liquids		Total Oil Equivalent	
	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	—	—	15,777	13,167	275	182	2,905	2,377
Other Properties	7	6	1,875	1,775	47	29	366	331
Total Proved	<u>7</u>	<u>6</u>	<u>17,653</u>	<u>14,942</u>	<u>323</u>	<u>211</u>	<u>3,271</u>	<u>2,708</u>
Proved Plus Probable								
Ansell/Sundance	—	—	18,049	15,159	313	214	3,321	2,741
Other Properties	7	6	1,948	1,838	49	30	381	343
Total Proved Plus Probable	<u>7</u>	<u>6</u>	<u>19,997</u>	<u>16,997</u>	<u>362</u>	<u>245</u>	<u>3,701</u>	<u>3,084</u>

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

(2) Net production is Corporation 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.

Table 6.9
NI 51-101

PRODUCTION HISTORY

	Three months ended March 31, 2009	Three months ended June 30, 2009	Three months ended September 30, 2009	Three months ended December 31, 2009
Average Daily Production ⁽¹⁾				
Light and medium crude oil (bbls/d)	26	24	20	27
Natural gas (Mcf/d)	12,642	12,078	12,612	15,814
Natural gas liquids (bbls/d)	223	207	181	255
Total combined (boe/d)	2,356	2,245	2,303	2,918
Average price received				
Light and medium crude oil (\$/bbl)	\$37.85	\$55.70	\$ 72.81	\$ 70.27
Natural gas (\$/Mcf) ⁽⁴⁾	5.60	4.29	4.23	5.29
Natural gas liquids (\$/bbl)	43.11	47.25	51.56	59.01
Total combined (\$/boe)	\$34.53	\$ 28.03	\$ 27.85	\$ 34.47
Combined Netback ⁽³⁾ (\$/boe)				
Revenue	\$34.53	\$ 28.03	\$ 27.85	\$ 34.47
Royalties	(7.23)	(3.22)	(0.74)	(1.55)
Operating costs ⁽²⁾	(6.22)	(4.89)	(6.03)	(5.26)
Transportation costs	(0.93)	(1.08)	(1.14)	(0.74)
Netback	\$20.15	\$ 18.84	\$ 19.94	\$ 26.91

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, 2009 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 IN 2009

FIELD	Light & Medium Oil (bbls/d)	Natural Gas ⁽²⁾ (Mcf/d)	Natural Gas Liquids (bbls/d)	Total (boe/d)
Ansell/Sundance	15	11,052	159	2,016
Other	9	2,241	58	441
TOTAL	24	13,293	217	2,457

(1) Daily production is taken from average for the year ended December 31, 2009.

(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 "Corporation"):

1. We have prepared an evaluation of the Corporation's reserves data as at December 31, 2009. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2009, estimated using forecast prices and costs.

2. The reserves data are the responsibility of the Corporation'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 Corporation evaluated by us for the year ended December 31, 2009, and identifies the respective portions thereof that we have audited, evaluated and reviewed and reported on to the Corporation'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 Tax (discounted at 10%/year; \$ thousands)			
			Audited	Evaluated	Reviewed	Total
GLJ Petroleum Consultants	January 25, 2010	CANADA	-	235,972	-	235,972

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 3, 2010

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

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

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 net revenue as at December 31, 2009, estimated using forecast prices and costs.

An independent qualified reserves evaluator has evaluated the Corporation's reserves data. The report of the independent qualified reserves evaluator 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 evaluator;
- (b) met with the independent qualified reserves evaluator to determine whether any restrictions affected the ability of the independent qualified reserves evaluator to report without reservation; and
- (c) reviewed the reserves data with management and the independent qualified reserves evaluator.

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, on the recommendation of the Reserves Committee, has approved:

- (a) the content and filing with securities regulatory authorities of the Form 51-101F1 containing reserves data and other oil and gas information;
- (b) the filing of Form 51-102F2 which is the report of the independent qualified reserves evaluator on the reserves data; and
- (c) 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. However, any variations should be consistent with the fact that reserves are categorized according to the probability of their recovery.

<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

<original signed>

W.C. (Mike) Seth
Director

March 11, 2010

APPENDIX "B"
AUDIT COMMITTEE CHARTER

OPEN RANGE ENERGY CORP.
(the "Corporation")

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.