RANGE RESOURCES CORP
Form 424B5
June 09, 2005

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Pursuant to Rule 424(b)(5)
Registration No. 333-118417

Prospectus supplement
(To prospectus dated November 10, 2004)

4,000,000 shares

Common stock

We are selling 4,000,000 shares of our common stock.

Our common stock is listed on the New York Stock Exchange under the symbol RRC. On June 8, 2005 the last reported sale price of our common stock on the New York Stock Exchange was $24.77 per share.

	Per share	Total
Public offering price	$24.770	$99,080,000
Underwriting discounts and commissions	$ 0.991	$ 3,964,000
Proceeds to Range Resources, before expenses	$23.779	$95,116,000

We have granted the underwriters an option for a period of 30 days to purchase up to 600,000 additional shares to cover over-allotments, if any.

Investing in our common stock involves certain risks. See Risk Factors beginning on page S-10 of this prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed on the adequacy or accuracy of this prospectus supplement or accompanying base prospectus. Any representation to the contrary is a criminal offense.

We expect that delivery of the shares will be made in book-entry form through the facilities of The Depository Trust Company on or about June 14, 2005.

JPMorgan **Friedman Billings Ramsey**
Johnson Rice & Company L.L.C.

KeyBanc Capital Markets
Raymond James
Wachovia Securities
Calyon Securities (USA) Inc.
Deutsche Bank Securities
Harris Nesbitt
Petrie Parkman & Co.

June 8, 2005

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THIS DOCUMENT IS IN TWO PARTS. THE FIRST PART IS THE PROSPECTUS SUPPLEMENT, WHICH DESCRIBES THE SPECIFIC TERMS OF THIS OFFERING. THE SECOND PART IS THE BASE PROSPECTUS, WHICH GIVES MORE GENERAL INFORMATION, SOME OF WHICH MAY NOT APPLY TO THIS OFFERING. GENERALLY, WHEN WE REFER ONLY TO THE PROSPECTUS, WE ARE REFERRING TO BOTH PARTS COMBINED.

IF THE DESCRIPTION OF THIS OFFERING VARIES BETWEEN THIS PROSPECTUS SUPPLEMENT AND THE BASE PROSPECTUS, YOU SHOULD RELY ON THE INFORMATION IN THIS PROSPECTUS SUPPLEMENT.

Where you can find more information

We file annual, quarterly and other reports with, and furnish other information to, the Securities and Exchange Commission. Our SEC filings are available to the public over the Internet at the SEC s website at www.sec.gov. You may also read and copy any document we file at the SEC s public reference room in Judiciary Plaza, 450 Fifth Street N.W., Washington, D.C. 20549. Please call the SEC at 1-800-732-0330 for further information on their public reference room.

The SEC allows us to incorporate by reference the information we file with them, which means that we can disclose important information to you by referring to those documents. The information incorporated by reference is an important part of this prospectus.

Information that we file later with the SEC will automatically update and may replace information in this prospectus and information previously filed with the SEC.

We incorporate by reference in this prospectus the documents listed below which we filed with the SEC and any future filings made with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 (excluding those filings made under Item 2.02 or 7.01 of Form 8-K) until the offering of the securities terminates or we have filed with the SEC an amendment to the registration statement relating to this offering that deregisters all securities then remaining unsold:

Annual Report on Form 10-K for the fiscal year ended December 31, 2004;

Quarterly report on Form 10-Q for the quarterly period ended March 31, 2005;

Current Reports on Form 8-K filed on January 3, 2005; filed on January 12, 2005; filed on January 21, 2005; filed on January 27, 2005; filed on February 22, 2005; filed on February 24, 2005; filed on March 2, 2005; filed on March 4, 2005; filed on March 8, 2005; filed on March 15, 2005; filed on March 22, 2005; filed on March 31, 2005; filed on April 14, 2005; filed on April 29, 2005 and filed on May 18, 2005;

The description of our common stock contained in the registration statement on Form 8-A, dated July 16, 1996 (File No. 1-12209).

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You may request a copy of any document incorporated by reference in this prospectus supplement at no cost by writing or calling us at the following address:

Rodney Waller

Range Resources Corporation
777 Main Street, Suite 800
Fort Worth, Texas 76102
(817) 870-2601

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Prospectus supplement summary

This summary highlights information contained elsewhere in this prospectus supplement and the documents incorporated by reference. Because it is a summary, it does not contain all of the information that you should consider before investing in our securities. You should read the entire prospectus supplement, the base prospectus and the documents incorporated by reference carefully, including the section entitled Risk factors and the financial statements and related notes to those financial statements incorporated by reference, before making an investment decision.

Unless otherwise noted herein, as used in this prospectus supplement, Range Resources, Range, Company, our company, we, our, ours and us refer to Range Resources Corporation and its subsidiaries, except where the context otherwise requires or as otherwise indicated. You will find definitions for oil and natural gas industry terms used throughout the prospectus supplement in Glossary of certain oil and natural gas terms.

Range Resources Corporation

We are an independent oil and natural gas company engaged in the acquisition, development and exploration of oil and natural gas properties in the Southwest, Appalachia and Gulf Coast regions of the United States. We seek to increase our reserves and production through a balanced combination of development drilling, exploration and acquisitions.

We have a geographically diverse asset base focused in three core areas. The Southwest division s properties are located in the Permian Basin, East Texas Basin, Anadarko Basin and Texas Panhandle. The Appalachia division s properties are located in Pennsylvania, Ohio, Virginia and, to a lesser extent, West Virginia and New York. Our Gulf Coast division operates properties onshore in Texas, Louisiana and Mississippi and holds non-operating interests in the shallow waters of the Gulf of Mexico.

Our estimated proved reserves as of December 31, 2004 were 1.18 Tcfe, having a pretax present value of $2.4 billion based on constant benchmark prices of $43.33 per barrel of crude oil and $6.18 per Mmbtu of natural gas. Our estimated proved reserves were 81% natural gas by volume, 64% proved developed and 77% operated by us and, at December 31, 2004, had an estimated reserve life index of 14.9 years (based on fourth-quarter 2004 production). We own 2,428,000 gross (1,890,000 net) acres of leasehold plus over 400,000 royalty acres. We have built a multi-year inventory of drilling projects which currently includes over 6,000 identified drilling locations.

Recent acquisitions

In 1999 we formed Great Lakes Energy Partners L.L.C. (Great Lakes), a joint venture 50% owned by us and 50% by a third party. In June 2004 we acquired the 50% of Great Lakes that we did not previously own, thereby expanding our production in the Appalachian Basin. At closing, we paid $200 million in cash, assumed $70 million of bank debt and retired $28 million of oil and gas commodity hedges for a total purchase price of $298 million. In December 2004 we acquired additional Appalachian oil and gas properties with the purchase from PMOG Holdings, Inc., a private company (Pine Mountain). The purchase price was $222 million.

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Pending acquisition

Range and Plantation Petroleum Holdings II, LLC, a Delaware limited liability company (Seller) recently entered into an agreement (the Stock Purchase Agreement) pursuant to which Range will purchase 100% of the issued and outstanding membership interest of Seller and its wholly owned subsidiaries (the Permian Basin acquisition). The Stock Purchase Agreement provides for a purchase price of $116.5 million, which is subject to upward or downward adjustment under certain circumstances, including changes in working capital. We have sufficient available capacity under our bank credit facility to complete the acquisition with or without completion of this offering.

The acquisition will give us ownership of all of Seller s oil and natural gas reserves and operations, leaseholds, and working capital at the closing date of the purchase. The acquisition involves properties located in southeastern New Mexico that are similar in nature to our existing Permian Basin properties. Proved reserves attributable to the acquired properties are estimated to total 77 Bcfe. The reserves are 82% natural gas, 62% proved developed and the proved producing reserves-to-production ratio is approximately 15 years. We will assume operations of the properties and will own approximately 100% of the working interest. The acquired properties are currently producing approximately 7 Mmcfe net per day from 58 wells. Production is derived from multiple formations ranging in depth from 2,500 to 8,500 feet.

We anticipate the acquisition will close by the end of June 2005. However, the closing of the acquisition is subject to the conditions set forth in the section entitled Risk factors Our pending Permian Basin acquisition may not close as anticipated beginning on page S-13 of this prospectus supplement. We cannot assure you that the acquisition will close, and this offering is not conditioned on the closing of the acquisition. We plan to use the proceeds of this offering, along with funds we currently intend to borrow under our bank credit facility, to finance all of our obligations related to the acquisition. See Use of proceeds on page S-20 of this prospectus supplement. We will likely use the proceeds of this offering to pay down our bank credit facility until the closing of the acquisition or following the closing, or, if for any reason the closing of the acquisition does not occur, for general corporate purposes.

We believe that Range will derive the following benefits from the acquisition:

Complementary acquisition in a core area and near existing properties where we have a proven track record and possess significant technical and operating expertise;

High quality, and high margin, long life properties in a multiple pay area at modest depths (2,500-8,500 feet);

Attractive economics at an acquisition price of $1.51/ Mcfe and $1.77/ Mcfe (fully developed);

Strong reserve and production growth potential with 58 proven recompletions and drilling locations identified, additional unproven opportunities with production targeted to double by the end of 2006; and

Accretive to future cash flow and earnings per share.

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Business strategy

Our strategy is to build stockholder value through consistent growth in reserves and production on a cost-efficient basis. In implementing our strategy, we employ the following principal elements:

Concentrate in Core Operating Areas. We currently operate in three regions; the Southwest (which includes the Permian Basin, East Texas Basin, Texas Panhandle and Anadarko Basin), Appalachia and Gulf Coast. Concentrating our drilling efforts in core areas allows us to develop the regional expertise needed to interpret specific geological trends and develop economies of scale. Operating in these different core areas allows us to blend the production characteristics of each area to balance our portfolio. We believe our geographic focus supports our overall goal to maintain a long-lived reserve base and achieve consistently favorable financial results.

Maintain Multi-Year Drilling Inventory. We use our technical expertise to build and maintain a multi-year drilling inventory. This drilling inventory serves as the catalyst to grow our reserves and production consistently from year to year. Currently, we have over 6,000 identified drilling locations in inventory. In 2004, we drilled 476 gross (397 net) wells. In 2005, our capital program targets the drilling of 806 gross (595 net) wells.

Make Complementary Acquisitions. We target complementary acquisitions in existing core areas. One of our initiatives includes identifying acquisition candidates where our existing scientific knowledge is transferable and drilling results are repeatable. Excluding the pending acquisition, over the past three years, we have completed $670.0 million of complementary acquisitions. These acquisitions have been located in the Appalachia and Southwest regions.

Manage Our Risk Exposure. Because certain of our exploration projects can involve high dry hole costs, we often bring in industry partners in order to reduce financial exposure. We generally plan to limit our exploratory expenditures to no more than 20% of the total capital budget per year. We also equip our geologists and geophysicists with state-of-the-art seismic technology, by which we hope to multiply the number of higher potential prospects we drill without substantially adding to dry hole risk.

Maintain Flexibility. Given the volatility of commodity prices and the risks involved in drilling, we remain flexible and may adjust our capital budget throughout the year. We may defer capital projects in order to seize an attractive acquisition opportunity. If certain areas generate higher than anticipated returns, we may accelerate drilling in those areas and decrease capital expenditures elsewhere. We also believe in maintaining a strong balance sheet and using commodity hedging. This allows us to take advantage of opportunities in cyclical price environments as well as providing more consistent financial results.

Updated information relating to our debt, hedging position, production and operations

During the first quarter of 2005, we reduced our debt by $10.9 million to $609.6 million at March 31, 2005. The debt was reduced as a result of applying excess cash flow to pay down our bank credit facility. On March 31, 2005, availability under our bank credit facility was approximately $312.1 million. On April 15, 2005 the bank credit facility borrowing base was increased from $575 million to $600 million, increasing availability thereunder to $337.1 million. A summary of our debt as of March 31, 2005 is provided in the table below.

(in thousands)	As of March 31, 2005
Long-term debt	
Bank credit facility	$262,900
6 3/8% senior subordinated notes due 2015	150,000
7 3/8% senior subordinated notes due 2013	196,727
Total	$609,627

Based on our May 31, 2005 debt balance and assuming the completion of the offering and the Permian Basin acquisition, we estimate our adjusted debt balance would be as follows:

(in thousands)	As adjusted as of May 31, 2005
As adjusted long-term debt	
Bank credit facility	$292,784
6 3/8% senior subordinated notes due 2015	150,000
7 3/8% senior subordinated notes due 2013	196,775
Total	$639,559

We enter into hedging agreements to reduce the impact of oil and natural gas price volatility on our operations. At March 31, 2005, swaps were in place covering 13.5 Bcf of natural gas at prices averaging $4.22 per Mmbtu, 0.5 million barrels of oil at prices averaging $29.42 per barrel and 0.2 million barrels of NGLs at prices averaging $19.20 per barrel. We also have collars covering 37.9 Bcf of natural gas at weighted average floor and cap prices of $5.14 to $8.34 per mcf and 3.0 million barrels of oil at prices of $29.84 to $43.63 per barrel. Their fair value at March 31, 2005 (the estimated amount that would be realized on termination based on contract price and a reference price, generally NYMEX) was a net unrealized pre-tax loss of $146.5 million.

Based on drilling results through March 31, 2005 combined with the acquisitions we have already completed in 2005, we are on track to meet or exceed our production and reserve growth targets for 2005. As previously disclosed, our original first quarter production target was 225 Mmcfe per day. Our first quarter production averaged 228.8 Mmcfe per day, an increase of 29% compared to 177.4 Mmcfe per day in the first quarter of 2004.

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Dividends to stockholders

In the fourth quarter of 2003, we declared a common stock dividend of one cent per share and paid this dividend in the first quarter of 2004. In the fourth quarter of 2004, we increased the quarterly dividend from one cent to two cents per share.

In the first quarter of 2005, we declared and paid a dividend of two cents per share and in the second quarter of 2005 we declared a dividend of two cents per share on our common stock, payable on June 30, 2005 to stockholders of record at the close of business on June 10, 2005. The common stock sold in this offering will not receive this dividend.

Our dividend policy is subject to the discretion of our board of directors and may change in the future.

We were founded in 1976 and incorporated in Delaware in 1980. Our principal executive offices are located at 777 Main Street, Suite 800, Fort Worth, Texas 76102, and our telephone number at this location is (817) 870-2601. Our website is located at *http://www.rangeresources.com.* The information contained or incorporated in our website is not part of this prospectus supplement or the accompanying base prospectus.

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The offering

Common stock offered by Range: 4,000,000 shares (4,600,000 shares if the underwriters over-allotment option is exercised in full).

Common stock projected to be outstanding after this offering: 85,649,939 shares (86,249,939 if the underwriters over-allotment option is exercised in full). Common stock projected to be outstanding does not include options to purchase 5,227,599 shares of common stock outstanding under our stock option plans as of March 31, 2005.

Use of proceeds

We plan to use the net proceeds of this offering to partially finance the pending Permian Basin acquisition. We will likely use the proceeds of this offering to temporarily pay down our bank credit facility until the closing of the Permian Basin acquisition. However, this offering is not conditioned on the closing of the Permian Basin acquisition. Therefore, if for any reason the closing of the Permian Basin acquisition does not occur, the net proceeds may be used for general corporate purposes. For more details on our planned use of proceeds, see Use of proceeds on page S-20 of this prospectus supplement.

Risk factors

An investment in our shares of common stock involves risks. You should carefully consider the information contained in this prospectus supplement, the accompanying base prospectus and the documents we have incorporated by reference. In particular, you should carefully consider the factors discussed as risk factors set forth in the section of this prospectus supplement entitled Risk Factors beginning on page S-10.

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Summary condensed consolidated financial data

You should read the summary condensed consolidated financial data set forth below in conjunction with our annual report on Form 10-K for the year ended December 31, 2004 and the quarterly report on Form 10-Q for the quarter ended March 31, 2005. None of the data provided below reflects the effect of the Permian Basin acquisition.

The condensed consolidated statement of operations and statement of cash flows data for the years ended December 31, 2002, December 31, 2003 and December 31, 2004 have been derived from our audited consolidated financial statements incorporated by reference in this prospectus supplement and the accompanying base prospectus. The condensed consolidated balance sheet data as of March 31, 2005, the condensed consolidated statement of operations and statement of cash flows data for the three months ended March 31, 2004 and March 31, 2005 are derived from our unaudited consolidated financial statements incorporated by reference in this prospectus which, in the opinion of our management, include all adjustments, consisting only of normal recurring accruals, necessary for a fair presentation. Our operating results for the three months ended March 31, 2005 are not necessarily indicative of the results that may be expected for future periods.

	Year ended December 31,			Three months ended March 31,	
	2002	2003	2004	2004	2005
(in thousands, except per share data)				**(unaudited)**	**(unaudited)**
Statement of operations data:					
Revenues:					
Oil and gas sales	$190,954	$226,402	$315,703	$65,368	$107,415
Transportation and processing	3,495	3,509	2,202	467	528
Gain on retirement of securities	3,098	18,526	(39)		
Other	(5,958)	(2,670)	2,841	(2,302)	17
Total revenues	191,589	245,767	320,707	63,533	107,960
Expenses:					
Direct operating	31,869	36,423	46,308	9,995	14,808
Production and ad valorem taxes	8,574	12,894	20,504	4,250	5,755
Exploration	11,525	13,946	21,219	3,567	3,271
General and administrative	17,240	24,377	39,810	8,821	10,670
Interest expense and dividends on trust convertible preferred securities	23,153	22,165	23,119	4,145	8,584
Depletion, depreciation and amortization	76,820	86,549	102,971	22,248	29,762
Total expenses	169,181	196,354	253,931	53,026	72,850
Income before income tax and accounting change	22,408	49,413	66,776	10,507	35,110
Income tax (benefit)	(3,358)	18,489	24,545	3,887	13,107
Income before cumulative effect of change in accounting principle	25,766	30,924	42,231	6,620	22,003
Cumulative effect of change in accounting principle(1)		4,491			
Net income	25,766	35,415	42,231	6,620	22,003

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(in thousands, except per share data)	Year ended December 31, 2002	2003	2004	Three months ended March 31, 2004 (unaudited)	2005 (unaudited)
Preferred dividends(2)		(803)	(5,163)	(738)	
Net income available to common stockholders	$ 25,766	$ 34,612	$ 37,068	$ 5,882	$ 22,003
Comprehensive income (loss)	$ (40,908)	$ 13,714	$ 41,782	$ (8,499)	$ (25,188)
Basic earnings per share:					
Before cumulative effect of change in accounting principle	$ 0.49	$ 0.56	$ 0.59	$ 0.11	$ 0.28
After cumulative effect of change in accounting principle	$ 0.49	$ 0.64	$ 0.59	$ 0.11	$ 0.28
Weighted average shares outstanding	53,070	54,272	62,362	54,974	79,912
Diluted earnings per share:					
Before cumulative effect of change in accounting principle	$ 0.47	$ 0.53	$ 0.57	$ 0.10	$ 0.26
After cumulative effect of change in accounting principle	$ 0.47	$ 0.61	$ 0.57	$ 0.10	$ 0.26
Weighted average shares outstanding	54,418	57,850	65,332	57,738	83,067

(1) In 2003, we adopted Statement of Financial Accounting Standards No. 143, Accounting for Asset Retirement Obligations.

(2) The preferred stock was retired in 2004/2005.

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Summary production data:

The following table sets forth summary data with respect to our production and sales of oil and natural gas for the periods indicated.

	Year ended December 31,			Three months ended March 31,	
	2002	2003	2004	2004	2005
Average daily production:					
Crude oil (bbls)	5,131	5,543	6,865	6,009	7,901
NGLs (bbls)	1,114	1,098	2,700	2,539	2,766
Natural gas (mcf)	112,592	119,206	138,585	126,115	164,825
Total (mcfe)	150,061	159,049	195,972	177,422	228,827
Average sales prices (excluding hedging):					
Crude oil (per bbl)	$ 23.34	$ 28.42	$ 39.25	$ 32.15	$ 47.09
NGLs (per bbl)	12.93	18.75	23.73	21.29	25.62
Natural gas (per mcf)	3.02	5.10	5.79	5.21	5.97
Total (per mcfe)	3.16	4.94	5.80	5.10	6.24
Average sales price (including hedging):					
Crude oil (per bbl)	$ 22.25	$ 23.53	$ 28.04	$ 24.38	$ 36.23
NGLs (per bbl)	12.93	18.75	19.76	18.99	22.45
Natural gas (per mcf)	3.50	3.94	4.45	4.15	5.13
Total (per mcfe)	3.49	3.90	4.40	4.05	5.22

(in thousands)	Year ended December 31,			Three months ended March 31,	
	2002	2003	2004	2004 (unaudited)	2005 (unaudited)
Statement of cash flows data:					
Net cash provided by (used in):					
Operating activities:	$ 114,472	$ 125,477	$ 213,283	$ 32,222	$ 65,342
Investing activities:	(103,950)	(187,635)	(628,335)	(23,229)	(48,800)
Financing activities:	(12,568)	61,455	432,803	(8,711)	(15,945)

(in thousands)	March 31, 2005 (unaudited)
Balance sheet data:	
Cash and cash equivalents	$ 18,979
Total assets	1,617,154
Long-term debt	609,627
Stockholders equity	544,095

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Risk factors

You should carefully consider and evaluate all the information included in this prospectus and the documents we have incorporated including the risks described below, before making the decision to purchase our common stock.

This prospectus supplement, the base prospectus and documents incorporated by reference also contain forward-looking statements that involve risks and uncertainties, some of which are described in the documents incorporated by reference in this prospectus. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks and uncertainties faced by us described below or incorporated by reference in this prospectus.

Volatility of oil and natural gas prices significantly affects our cash flow and capital resources and could hamper our ability to produce oil and gas economically

Oil and natural gas prices are volatile, and an extended decline in prices would adversely affect our profitability and financial condition.

The oil and natural gas industry is typically cyclical, and prices for oil and natural gas can be highly volatile. Historically, the industry has experienced severe downturns characterized by oversupply and/or weak demand. For example, in 1998 and early 1999, oil and natural gas prices declined, which contributed to the substantial losses we reported in those years. By early 2001, oil and natural gas prices reached levels above historical norms. Prices declined in the second half of 2001 but have risen steadily since mid-2002. Recent oil and natural gas prices are at historic highs with oil prices recently reaching $56 per barrel and natural gas prices reaching $10 per mcf in some markets. These record oil and natural gas prices have contributed to our positive earnings over the last 18-24 months. However, long-term supply and demand for oil and natural gas is uncertain and subject to a myriad of factors including technology, geopolitics, weather patterns and economics.

Many factors affect oil and natural gas prices including general economic conditions, consumer preferences, discretionary spending levels, interest rates and the availability of capital to the industry. Decreases in oil and natural gas prices from current levels could adversely affect our revenues, net income, cash flow and proved reserves. Significant and prolonged price decreases could have a material adverse effect on our operations and limit our ability to fund capital expenditures. Without the ability to fund capital expenditures, we may be unable to replace production.

Hedging transactions may limit our potential gains and involve other risks

To manage our exposure to price risk, we enter into hedging arrangements from time to time with respect to a portion of our future production. The goal of these hedges is to lock in prices so as to limit volatility and increase the predictability of cash flow. These transactions limit our potential gains if oil and natural gas prices rise above the price established by the hedge. For example, at March 31, 2005 we were party to hedging arrangements covering 13.5 Bcf and 0.5 million barrels of oil and 0.2 million barrels of NGLs. We also had collars covering 37.9 Bcf of gas and 3.0 million barrels of oil. The hedges   fair value was a pre-tax loss of $146.5 million. If oil and natural gas prices continue to rise, we could be subject to margin calls.

In addition, hedging transactions may expose us to the risk of financial loss in certain circumstances, including instances in which:

- our production is less than expected;
- the counterparties to our futures contracts fail to perform under the contracts; or
- a sudden, unexpected event materially impacts oil or natural gas prices or the relationship between the hedged price index and the oil and gas sales price.

Information concerning our reserves and future net reserve estimates is uncertain

There are numerous uncertainties inherent in estimating quantities of proved oil and natural gas reserves and their values, including many factors beyond our control. Estimates of proved undeveloped reserves, which comprise a significant portion of our reserves, are by their nature uncertain. Although we believe these estimates are reasonable, actual production, revenues and costs to develop expenditures will likely vary from estimates, and these variances could be material.

The accuracy of any reserve estimate is a function of the quality of available data, engineering and geological interpretation, judgment, assumptions used regarding quantities of oil and natural gas in place, recovery rates and future prices for oil and natural gas. Actual prices, production, development expenditures, operating expenses and quantities of recoverable oil and natural gas reserves will vary from those assumed in our estimates, and such variances may be material. Any variance in the assumptions could materially affect the estimated quantity and value of the reserves.

If oil and natural gas prices decrease or exploration efforts are unsuccessful, we may be required to take write-downs of our oil and natural gas properties

In the past, we have been required to write down the carrying value of our oil and natural gas properties, and there is a risk that we will be required to take additional write-downs in the future. This could occur when oil and natural gas prices are low or if we have downward adjustments to our estimated proved reserves, increases in our estimates of operating or development costs or deterioration in our exploration results.

Accounting rules require that the carrying value of oil and natural gas properties be periodically reviewed for possible impairment. Impairment is recognized when the book value of a proven property is greater than the expected undiscounted future cash flows from that property and on acreage when conditions indicate the carrying value is not recoverable. We may be required to write down the carrying value of a property based on oil and natural gas prices at the time of the impairment review, as well as a continuing evaluation of development results, production data, economics and other factors. While an impairment charge which reflects our long-term ability to recover on a prior investment does not impact cash or cash flow from operating activities, it reduces our earnings and increases our leverage ratios.

For example, based primarily on the poor performance of certain properties acquired in 1997 and 1998 and significantly lower oil and natural gas prices, we recorded impairments of $215.0 million in 1998 and $29.9 million in 1999. At year-end 2001, we recorded an impairment of $31.1 million due to year-end prices. At year-end 2004, we recorded an impairment of $3.6 million on an offshore property due to hurricane damage and related production declines.

Our business is subject to operating hazards and environmental regulations that could result in substantial losses or liabilities

Oil and natural gas operations are subject to many risks, including well blowouts, craterings, explosions, uncontrollable flows of oil, natural gas or well fluids, fires, formations with abnormal pressures, pipelines ruptures or spills, pollution, releases of toxic natural gas and other environmental hazards and risks. If any of these hazards occur, we could sustain substantial losses as a result of:

- injury or loss of life;
- severe damage to or destruction of property, natural resources and equipment;
- pollution or other environmental damage;
- clean-up responsibilities;
- regulatory investigations and penalties; or
- suspension of operations.

Our current and former operations are subject to numerous and increasingly strict federal, state and local laws, regulations and enforcement policies relating to the environment. We may incur significant costs and liabilities in complying with existing or future environmental laws, regulations and enforcement policies and may incur costs arising out of property damage or injuries to employees and other persons. These costs may result from our current and former operations and even may be caused by previous owners of property we own or lease. Any past, present or future failure by us to completely comply with environmental laws, regulations and enforcement policies could cause us to incur substantial fines, sanctions or liabilities from cleanup costs or other damages. Incurrence of those costs or damages could reduce or eliminate funds available for exploration, development or acquisitions or cause us to incur losses.

We maintain insurance against some, but not all, of these potential risks and losses. We may elect not to obtain insurance if we believe that the cost of available insurance is excessive relative to the risks presented. In addition, pollution and environmental risks generally are not fully insurable. If a significant accident or other event occurs that is not fully covered by insurance, it could have a material adverse affect on our financial condition and results of operations.

We are subject to financing and interest rate exposure risks

Our business and operating results can be harmed by factors such as the availability, terms of and cost of capital, increases in interest rates or a reduction in credit rating. These changes could cause our cost of doing business to increase, limit our ability to pursue acquisition opportunities and place us at a competitive disadvantage. For example, as of March 31, 2005 approximately 64% of our debt is at fixed interest rates with the remaining 36% subject to variable interest rates.

Some of our current and potential competitors have greater resources than we have and we may not be able to successfully compete in acquiring, exploring and developing new properties

We face competition in every aspect of our business, including, but not limited to, acquiring reserves and leases, obtaining goods, services and employees needed to operate and manage our business, and marketing oil and natural gas. Competitors include multinational oil

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companies, independent production companies and individual producers and operators. Many of our competitors have greater financial and other resources than we do.

The oil and natural gas industry is subject to extensive regulation

The oil and natural gas industry is subject to various types of regulations in the United States by local, state and federal agencies. Legislation affecting the industry is under constant review for amendment or expansion, frequently increasing our regulatory burden. Numerous departments and agencies, both state and federal, are authorized by statute to issue rules and regulations binding on participants in the oil and natural gas industry. Compliance with such rules and regulations often increases our cost of doing business and, in turn, decreases our profitability.

Acquisitions are subject to the risks and uncertainties of evaluating reserves and potential liabilities and may be disruptive and difficult to integrate into our business

We could be subject to significant liabilities related to our acquisitions. It generally is not feasible to review in detail every individual property included in an acquisition. Ordinarily, a review is focused on higher valued properties. However, even a detailed review of all properties and records may not reveal existing or potential problems, nor will it permit us to become sufficiently familiar with the properties to assess fully their deficiencies and capabilities. We do not always inspect every well we acquire, and environmental problems, such as groundwater contamination, are not necessarily observable even when an inspection is performed.

For example, in 1997, we consummated a large acquisition which proved extremely disappointing. Production from the acquired properties fell more rapidly than anticipated and further development results were below the results we had originally projected. The poor production performance of these properties resulted in material downward reserve revisions. We cannot assure you that our recent and future acquisition activity will not result in similar disappointing results.

In addition, there is intense competition for acquisition opportunities in our industry. Competition for acquisitions may increase the cost of, or cause us to refrain from, completing acquisitions. Our strategy of completing acquisitions is dependent upon, among other things, our ability to obtain debt and equity financing and, in some cases, regulatory approvals. Our ability to pursue our acquisition strategy may be hindered if we are not able to obtain financing on terms acceptable to us, or regulatory approvals.

Acquisitions often pose integration risks and difficulties. In connection with recent and future acquisitions, the process of integrating acquired operations into our existing operations may result in unforeseen operating difficulties and may require significant management attention and financial resources that would otherwise be available for the ongoing development or expansion of existing operations. Possible future acquisitions could result in our incurring additional debt, contingent liabilities, expenses, and diversion of resources all of which could have a material adverse effect on our financial condition and operating results.

Our pending Permian Basin acquisition may not close as anticipated

We expect that our pending Permian Basin acquisition will close without material reduction in value or size on or before June 20, 2005. However, this offering is not conditioned on the closing of the Permian Basin acquisition, which ultimately may not close. The closing of the Permian Basin acquisition is subject to the following material closing conditions:

- the representations and warranties of both us and the seller are true and correct in all material respects as of the closing date and both parties shall have complied, in all material respects, with all covenants in the purchase agreement;

- there shall be no legal proceeding instituted to stop the closing of the acquisition; and

- there shall be no claim made by a person asserting that such person is the holder or beneficial owner of any stock of the Seller.

We cannot predict the impact on our stock price if the acquisition does not close.

Our success depends on key members of our management and our ability to attract and retain experienced technical and other professional personnel

Our success is highly dependent on our senior management personnel, none of whom is currently subject to an employment contract. The loss of one or more of these individuals could have a material adverse effect on our business. Furthermore, competition for experienced technical and other professional personnel is intense. If we cannot retain our current personnel or attract additional experienced personnel, our ability to compete could be adversely affected.

Our future success depends on our ability to replace reserves that we produce

Because the rate of production from oil and natural gas properties generally declines as reserves are depleted, our future success depends upon our ability to economically find or acquire and produce additional oil and natural gas reserves. Except to the extent that we acquire additional properties containing proved reserves, conduct successful exploration and development activities or, through engineering studies, identify additional behind-pipe zones or secondary recovery reserves, our proved reserves will decline materially as reserves are produced. Future oil and natural gas production, therefore, is highly dependent upon our level of success in acquiring or finding additional reserves that are economically recoverable. We cannot assure you that we will be able to find or acquire and develop additional reserves at an acceptable cost.

A portion of our business is subject to special risks related to offshore operations generally and in the Gulf of Mexico specifically

Offshore operations are subject to a variety of operating risks specific to the marine environment, such as capsizing, collisions and damage or loss from hurricanes or other adverse weather conditions. These conditions can cause substantial damage to facilities and interrupt production. As a result, we could incur substantial liabilities that could reduce or eliminate the funds available for exploration, development or leasehold acquisitions, or result in loss of equipment and properties.

Production of reserves from reservoirs in the Gulf of Mexico generally declines more rapidly than from reservoirs in many other producing regions of the world. This results in recovery of a relatively higher percentage of reserves from properties in the Gulf of Mexico during the initial few years of production. As a result, reserve replacement needs from new prospects are greater and require us to incur significant capital expenditure to replace production.

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New technologies may cause our current exploration and drilling methods to become obsolete

The oil and natural gas industry is subject to rapid and significant advancements in technology, including the introduction of new products and services using new technologies. As competitors use or develop new technologies, we may be placed at a competitive disadvantage, and competitive pressures may force us to implement new technologies at a substantial cost. In addition, competitors may have greater financial, technical and personnel resources that allow them to enjoy technological advantages and may in the future allow them to implement new technologies before we can. One or more of the technologies that we currently use or that we may implement in the future may become obsolete. We cannot be certain that we will be able to implement technologies on a timely basis or at a cost that is acceptable to us. If we are not able to maintain technological advancements consistent with industry standards, our operations and financial condition we may be adversely affected.

Our business depends on oil and natural gas transportation facilities, some of which are owned by others

The marketability of our oil and natural gas production depends in part on the availability, proximity and capacity of pipeline systems owned by third parties. The unavailability of or lack of available capacity on these systems and facilities could result in the shut-in of producing wells or the delay or discontinuance of development plans for properties. Although we have some contractual control over the transportation of our product, material changes in these business relationships could materially affect our operations. Federal and state regulation of oil and natural gas production and transportation, tax and energy policies, changes in supply and demand, pipeline pressures, damage to or destruction of pipelines and general economic conditions could adversely affect our ability to produce, gather and transport oil and natural gas.

Our significant indebtedness could limit our ability to successfully operate our business

We are leveraged and our exploration and development program will require substantial capital resources, estimated to range from $250 to $350 million per year over the next three years, and the operation of our existing operations will also require ongoing capital expenditures. In addition, if we decide to pursue additional acquisitions, our capital expenditures will increase both to complete such acquisitions and to explore and develop any newly acquired properties.

The degree to which we are leveraged could have other important consequences, including the following:

- we may be required to dedicate a substantial portion of our cash flows from operations to the payment of our indebtedness, reducing the funds available for our operations;
- a portion of our borrowings are at variable rates of interest, making us vulnerable to increases in interest rates;
- we may be more highly leveraged than some of our competitors, which could place us at a competitive disadvantage;
- our degree of leverage may make us more vulnerable to a downturn in our business or the economy generally;

- the terms of our existing credit arrangements contain numerous financial and other restrictive covenants;
- our debt level could limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate; and
- we may have difficulties borrowing money in the future.

Despite our current levels of indebtedness we still may be able to incur substantially more debt. This could further increase the risks described above.

Any failure to meet our debt obligations could harm our business, financial condition and results of operation

If our cash flow and capital resources are insufficient to fund our debt obligations, we may be forced to sell assets, seek additional equity or debt capital or restructure our debt. In addition, any failure to make scheduled payments of interest and principal on our outstanding indebtedness would likely result in a reduction of our credit rating, which could harm our ability to incur additional indebtedness on acceptable terms. Our cash flow and capital resources may be insufficient for payment of interest on and principal of our debt in the future and any such alternative measures may be unsuccessful or may not permit us to meet scheduled debt service obligations, which could cause us to default on our obligations and impair our liquidity.

Common stockholders will be diluted if additional shares are issued

Since 1998, we have exchanged 21.3 million shares of common stock for $146.7 million of debt and convertible securities. The exchanges were made based on the relative market value of the common stock and the debt and convertible securities at the time of the exchange. During 2001, $17.4 million of debt and convertible securities was exchanged for common stock. During 2002, $10.4 million of debt and convertible securities were exchanged for common stock. During 2003, $880,000 of debt was exchanged for common stock. In 2004, we exchanged our 5.9% convertible preferred stock for 5.9 million shares of common stock. Also in two transactions during 2004, we sold 17.9 million shares of common stock for total proceeds of $246.1 million which were used, in part, to finance our two large acquisitions during the year. While the exchanges have reduced interest expense, dividends and future repayment obligations, the larger number of common shares outstanding had a dilutive effect on our existing stockholders. Our ability to repurchase securities for cash is limited by the bank credit facility, the 7 3/8% senior subordinated note and the 6 3/8% senior subordinated note agreements. We continue to review alternatives to further strengthen our balance sheet by reducing debt. In addition, we may issue additional shares of common stock, additional subordinated notes or other securities or debt convertible into common stock, to extend maturities or fund capital expenditures, including acquisitions. If we issue additional shares of our common stock in the future, it may have a dilutive effect on the shares that you purchase in this offering.

Dividend limitations

Limits on the payment of dividends and other restricted payments are imposed under our bank credit facility, and under our 7 3/8% senior subordinated note and 6 3/8% senior subordinated note agreements. These limitations may, in certain circumstances, limit or prevent the payment dividends independent of our dividend policy.

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Our financial statements are complex

Due to accounting rules, our financial statements continue to be complex, particularly with reference to hedging, asset retirement obligations, stock options and the accounting for our deferred compensation plan. We expect such complexity to continue and possibly increase.

Our stock price may be volatile, and you may not be able to resell shares of our common stock at or above the price you paid

The price of our common stock may fluctuate significantly, which may result in losses for investors. The market price of our common stock has been volatile. From January 1, 2003 to June 8, 2005, the sale price of our common stock reported by the New York Stock Exchange ranged from a low of $5.00 per share to a high of $26.38 per share. We expect our stock to continue to be subject to fluctuations as a result of a variety of factors, including factors beyond our control. These include:

- changes in oil and natural gas prices;
- variations in quarterly drilling, recompletions, acquisitions and operating results;
- changes in financial estimates by securities analysts;
- changes in market valuations of comparable companies;
- additions or departures of key personnel; and
- future sales of our stock.

We may fail to meet expectations of our stockholders or of securities analysts at some time in the future, and our stock price could decline as a result.

Forward-looking statements

The information in this prospectus supplement and the base prospectus, including information and documents incorporated by reference, includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. In general, all statements other than statements of historical fact are forward-looking statements. These forward-looking statements are based on management s current belief, based on currently available information, as to the outcome and timing of future events. However, management s assumptions and our future performance are subject to a wide range of business risks and uncertainties and we cannot assure you that these goals and projections can or will be met. Any number of factors could cause actual results to differ materially from those in the forward-looking statements, including, but not limited to:

- production variance from expectations;
- volatility of oil and natural gas prices;
- hedging results;
- the need to develop and replace reserves;
- the substantial capital expenditures required to fund operations;
- exploration risks;
- environmental risks;
- uncertainties about estimates of reserves;
- competition;
- litigation;

- our sources of liquidity;
- access to capital;
- government regulation;
- political risks;
- our ability to implement our business strategy;
- costs and results of drilling new projects;
- mechanical and other inherent risks associated with oil and natural gas production;
- weather;
- availability of drilling equipment; and
- changes of interest rates.

All such forward-looking statements in this document are expressly qualified in their entirety by the cautionary statements in this paragraph, and we undertake no obligation to update or revise any forward-looking statements.

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Price range of common stock and dividends declared

Our common stock is listed on the New York Stock Exchange and trades under the symbol RRC. The following table sets forth, for the periods indicated, the high and low sales prices of our common stock as reported on the New York Stock Exchange composite tape, and cash dividends declared per share:

	Low	Share price High	Dividends declared
2003:			
First Quarter	$ 5.00	$ 6.20	$
Second Quarter	5.45	7.43	
Third Quarter	5.98	7.35	
Fourth Quarter	6.80	9.86	0.01
2004:			
First Quarter	$ 9.38	$ 12.15	$
Second Quarter	10.79	14.63	0.01
Third Quarter	13.54	17.69	0.01
Fourth Quarter	14.96	21.65	0.02
2005:			
First Quarter	$ 18.51	$ 26.38	$ 0.02
Second Quarter (through June 8, 2005)	20.25	26.29	0.02*

* The common stock sold in this offering will not receive this dividend.

The closing price of our common stock on the New York Stock Exchange on June 8, 2005, was $24.77. As of June 1, 2005, we had approximately 2,011 stockholders of record.

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Use of proceeds

At the public offering price of $24.77 per share and assuming the underwriters do not exercise their over-allotment option, we estimate that the net proceeds from this offering (after deducting the underwriters discounts and estimated expenses of the offering payable by us) will be approximately $94.6 million. We plan to use these net proceeds to finance a portion of our obligations relating to the Permian Basin acquisition. The sources and uses chart below details the sources and uses (in thousands) of the net proceeds of this offering.

Sources		Uses	
This offering	$ 99,080	Permian Basin acquisition cash purchase price	$116,500
Additional debt under our bank credit facility	22,384	Estimated transaction expenses for all transactions including underwriters discounts	4,964
Total sources	$121,464	Total uses	$121,464

We may also use the proceeds of this offering to pay down our bank credit facility until the closing or following the closing of the Permian Basin acquisition. This offering is not conditioned on the closing of the Permian Basin acquisition. Therefore, if for any reason the closing of the Permian Basin acquisition does not occur, the net proceeds may be used for general corporate purposes.

As of March 31, 2005, there was $262.9 million outstanding under our bank credit facility, bearing interest at an average rate of 4.1% with a final maturity of January 1, 2008.

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Capitalization

The following table sets forth our capitalization as of March 31, 2005 on an actual basis and on an as adjusted basis to reflect the application of the estimated net proceeds from the sale of the common stock in this offering and the effects of the Permian Basin acquisition. This table should be read in conjunction with the Summary condensed consolidated financial data included elsewhere in this prospectus supplement and the accompanying base prospectus, and our consolidated financial statements and related notes incorporated by reference in this prospectus supplement and accompanying base prospectus.

(in thousands)	March 31, 2005	
	Actual	As adjusted(1)
Cash and cash equivalents	$ 18,979	$ 18,979
Long-term debt:		
Bank credit facility	262,900	285,284
6 3/8% senior subordinated notes due 2015	150,000	150,000
7 3/8% senior subordinated notes due 2013	196,727	196,727
Total long-term debt	$ 609,627	$ 632,011
Stockholders equity:		
Preferred stock, $1 par value; 10,000,000 shares authorized; none issued and outstanding	$	$
Common stock, $.01 par value; 100,000,000 shares authorized; 81,537,018 (85,537,018 as adjusted), issued and outstanding(2)	815	855
Capital in excess of par value	712,790	807,366
Stock held by employee benefit trust, 1,431,526 at cost	(8,608)	(8,608)
Retained earnings (deficit)	(69,224)	(69,224)
Deferred compensation	(1,186)	(1,186)
Other comprehensive income	(90,492)	(90,492)
Total stockholders equity	$ 544,095	$ 638,711
Total capitalization	$1,153,722	$1,270,722

(1) The Permian Basin acquisition, includes an estimated $94.6 million of net proceeds from this offering, which include all related transactions, including increase in our bank credit facility and payment of all transaction expenses.

(2) Outstanding common stock does not include options to purchase 5,227,599 shares of common stock outstanding under our stock option plans as of March 31, 2005.

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Management

Information regarding the executive officers of the Company as of June 2, 2005 is summarized below:

Name	Age	Officer since	Position
John H. Pinkerton	51	1990	President and Chief Executive Officer
Jeffrey L. Ventura	47	2003	Executive Vice President Chief Operating Officer
Steven L. Grose	56	2005	Senior Vice President Appalachia
Roger S. Manny	47	2003	Senior Vice President and Chief Financial Officer
Herbert A. Newhouse	60	1998	Senior Vice President Gulf Coast
Chad L. Stephens	50	1990	Senior Vice President Corporate Development
Rodney L. Waller	55	1999	Senior Vice President, Chief Governance Officer and Secretary

Officers are appointed annually to hold their respective offices by the Board of Directors at the Board s meeting held in conjunction with the Annual Meeting of Stockholders in May of each year.

John H. Pinkerton, President, Chief Executive Officer and a director, became a director in 1988. He was employed by the Company as President in 1990 and was appointed Chief Executive Officer in 1992. Previously, Mr. Pinkerton was Senior Vice President of Snyder Oil Corporation, or SOCO. Prior to joining SOCO in 1980, Mr. Pinkerton was with Arthur Andersen & Co. Mr. Pinkerton received his Bachelor of Arts in Business Administration from Texas Christian University and his Master of Arts in Business Administration from the University of Texas.

Jeffrey L. Ventura, Executive Vice President and Chief Operating Officer and a director, became a director in 2005. He joined the Company in July 2003. Previously, Mr. Ventura served as President and Chief Operating Officer of Matador Petroleum Corporation which he joined in 1997. Prior to 1997, Mr. Ventura spent eight years at Maxus Energy Corporation where he managed various engineering, exploration and development operations and was responsible for coordination of engineering technology. Previously, Mr. Ventura was with Tenneco, where he held various engineering and operating positions. Mr. Ventura holds a Bachelor of Science degree in Petroleum and Natural Gas Engineering from the Pennsylvania State University.

Steven L. Grose, Senior Vice President Appalachia, joined Range in 1980. Previously, Mr. Grose was employed by Halliburton Services, Inc. from 1971 until 1978. Upon the formation of Great Lakes Energy Partners L.L.C. in September 1999, Mr. Grose was placed in-charge of all operations of the joint venture between Range and FirstEnergy. Mr. Grose is a member of the Society of Petroleum Engineers and is a past president of The Ohio Oil and Gas Association. Mr. Grose received his Bachelor of Science Degree in Petroleum Engineering from Marietta College.

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Roger S. Manny, Senior Vice President and Chief Financial Officer, joined the Company in October 2003. Previously, Mr. Manny served as Executive Vice President and Chief Financial Officer of Matador Petroleum Corporation since 1998. Prior to 1998, Mr. Manny spent 18 years at Bank of America and its predecessors where he served as Senior Vice President in the energy group. Mr. Manny holds a Bachelor of Business Administration degree from the University of Houston and a Masters of Business Administration from Houston Baptist University.

Herbert A. Newhouse, Senior Vice President Gulf Coast, joined the Company in 1998. Mr. Newhouse had held the position of Senior Vice President Gulf Coast since joining the Company. Prior to joining Range, Mr. Newhouse served as Executive Vice President of Domain Energy Corporation and as a Vice President of Tenneco Ventures Corporation. Mr. Newhouse was an employee of Tenneco for over 17 years and has over 30 years of operational and managerial experience in the oil industry. Mr. Newhouse received a Bachelor of Science in Chemical Engineering from Ohio State University.

Chad L. Stephens, Senior Vice President Corporate Development, joined the Company in 1990. Prior to 2002, Mr. Stephens held the position of Senior Vice President-Southwest. Previously, Mr. Stephens was with Duer Wagner & Co., an independent oil and gas producer for approximately two years. Prior to that, Mr. Stephens was an independent oil operator in Midland, Texas for four years. From 1979 to 1984, Mr. Stephens was with Cities Service Company and HNG Oil Company. Mr. Stephens received a Bachelor of Arts in Finance and Land Management from the University of Texas.

Rodney L. Waller, Senior Vice President, Chief Governance Officer and Corporate Secretary, joined the Company in 1999. Since joining the Company, Mr. Waller has held the position of Senior Vice President and Corporate Secretary. Previously, Mr. Waller was Senior Vice President of SOCO, now part of Devon Energy Corporation. Before joining SOCO, Mr. Waller was with Arthur Andersen. Mr. Waller is a certified public accountant and petroleum landman. Mr. Waller received a Bachelor of Arts degree in Accounting from Harding University.

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Underwriting

We are offering the shares of common stock described in this prospectus supplement through a number of underwriters. J.P. Morgan Securities Inc. and Friedman, Billings, Ramsey & Co., Inc. are acting as joint book-running managers of the offering and as representatives of the underwriters. We have entered into an underwriting agreement with the underwriters. Subject to the terms and conditions of the underwriting agreement, we have agreed to sell to the underwriters, and each underwriter has severally agreed to purchase, at the public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus supplement, the number of shares of common stock listed next to its name in the following table:

Name	Number of Shares
J.P. Morgan Securities Inc.	1,280,000
Friedman, Billings, Ramsey & Co., Inc.	640,000
Johnson Rice & Company L.L.C.	320,000
KeyBanc Capital Markets, a Division of McDonald Investments Inc.	320,000
Raymond James & Associates, Inc.	320,000
Wachovia Capital Markets, LLC	320,000
Calyon Securities (USA) Inc.	200,000
Deutsche Bank Securities Inc.	200,000
Harris Nesbitt Corp.	200,000
Petrie Parkman & Co., Inc.	200,000
Total	4,000,000

The underwriters are committed to purchase all the common shares offered by us if they purchase any shares.

The underwriters propose to offer the common shares directly to the public at the initial public offering price set forth on the cover page of this prospectus supplement and to certain dealers at that price less a concession not in excess of $0.595 per share. Any such dealers may resell shares to certain other brokers or dealers at a discount of up to $0.100 per share from the initial public offering price. After the initial public offering of the shares, the offering price and other selling terms may be changed by the underwriters.

The underwriters have an option to buy up to 600,000 additional shares of common stock from us to cover sales of shares by the underwriters which exceed the number of shares specified in the table above. The underwriters have 30 days from the date of this prospectus supplement to exercise this over-allotment option. If any shares are purchased with this over-allotment option, the underwriters will purchase shares in approximately the same proportion as shown in the table above.

The underwriting fee is equal to the public offering price per share of common stock less the amount paid by the underwriters to us per share of common stock. The underwriting fee is $0.991 per share.

The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters assuming both no exercise and full exercise of the underwriters option to purchase additional shares.

	Without over-allotment exercise	With full over-allotment exercise
Per share	$ 0.991	$ 0.991
Total	$3,964,000	$4,558,600

We estimate that the total expenses of this offering, including registration, filing and listing fees, printing fees and legal and accounting expenses, but excluding the underwriting discounts and commissions, will be approximately $500,000.

A prospectus supplement and accompanying prospectus in electronic format may be made available on the web sites maintained by one or more underwriters, or selling group members, if any, participating in the offering. The underwriters may agree to allocate a number of shares to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters and selling group members that may make Internet distributions on the same basis as other allocations.

We have agreed that we will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, or file with the Securities and Exchange Commission a registration statement under the Securities Act relating to, any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our common stock, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing, without the prior written consent of J.P. Morgan Securities Inc. and Friedman, Billings, Ramsey & Co., Inc. for a period of 90 days after the date of this prospectus supplement.

Our directors and executive officers have entered into lock-up agreements with the underwriters prior to the commencement of this offering pursuant to which each of these persons, with limited exceptions, for a period of 90 days after the date of this prospectus supplement, may not, without the prior written consent of J.P. Morgan Securities Inc. and Friedman, Billings, Ramsey & Co., Inc. (1) offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of our common stock, or any securities convertible into or exercisable or exchangeable for our common stock (including, without limitation, common stock which may be deemed to be beneficially owned by such directors or executive officers in accordance with the rules and regulations of the SEC and securities which may be issued upon exercise of a stock option or warrant) or (2) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of our common stock, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of our common stock or such other securities, in cash or otherwise. Notwithstanding the foregoing, such individuals, taken as a group, may sell up to an aggregate of 100,000 shares in the indicated period without regard to these restrictions. In addition, no individual mentioned above, for a period of 90 days after the date of this prospectus supplement, will make any demand for or exercise any right with respect to, the registration of any shares of our common stock or any security convertible into or exercisable or exchangeable for our common stock.

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We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended.

In connection with this offering, the underwriters may engage in stabilizing transactions, which involves making bids for, purchasing and selling shares of common stock in the open market for the purpose of preventing or retarding a decline in the market price of the common stock while this offering is in progress. These stabilizing transactions may include making short sales of the common stock, which involves the sale by the underwriters of a greater number of shares of common stock than they are required to purchase