RANGER INDUSTRIES INC
Form 10QSB
November 19, 2003

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-QSB

(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2003

OR

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _________ to ___________.

COMMISSION FILE NUMBER: 1-5673

RANGER INDUSTRIES, INC.

Exact name of Small Business Issuer as specified in its charter

Connecticut	06-0768904
State or other jurisdiction of incorporation or organization	I.R.S. Employer Identification No.
3400 82nd Way North, St. Petersburg, FL	33710
Address of principal executive offices	Zip Code

Small Business Issuer's telephone number, including area code: (727) 381-4904

Former name, former address and former fiscal year, if changed since last report:

Indicate by check mark whether Ranger (1) has filed all annual, quarterly and other reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that Ranger was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

YES X NO ___

The number of shares outstanding of each of the issuer's classes of common stock, as of November 19, 2003, were 15,610,463 shares, $0.01 par value.

RANGER INDUSTRIES, INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE ENTERPRISE)
CONDENSED CONSOLIDATED BALANCE SHEETS

PART I. FINANCIAL INFORMATION
ASSETS

	September 30, 2003 (Unaudited)	December 2002
Current assets:		
Cash and cash equivalents	$ 2,117	$
Restricted cash and cash equivalents	--	8,5
Marketable equity securities	--	
Accrued interest receivable	--	
Other current assets	5,923	
Total current assets	8,040	8,5
Property and equipment, net of accumulated depreciation of $5,398 in 2003 and $3,752 in 2002	5,580	
Investment in oil and gas properties	516,550	6
	$ 530,170	$ 9,1

LIABILITES AND STOCKHOLDERS' EQUITY

	September 30, 2003 (Unaudited)	December 2002
Current liabilities:		
Note payable, bank	$ --	$ 8,5
Accounts payable	53,111	
Accrued expenses	41,902	
Due to related parties	129,026	
Total current liabilities	224,039	8,6
Other liabilities	--	1
Due to related parties	686,628	6
	910,667	9,3
Minority interest	--	
Stockholders' equity:		
Common stock, $.01 par value, 20,000,000 shares authorized; 19,998,644 shares issued; 15,610,463 shares outstanding	199,986	1
Additional paid-in-capital	9,487,981	9,4
Deficit accumulated during development stage	(1,292,092)	(1,0
Less treasury stock (4,388,181 shares at cost)	(8,776,362)	(8,7
Other comprehensive income	(10)	
	(380,497)	(1

$ 530,170	$ 9,1

See notes to condensed consolidated financial statements.

RANGER INDUSTRIES, INC. AND SUBSIDARIES
(A DEVELOPMENT STAGE ENTERPRISE)
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended	Nine Months Ended	Three Months Ended	
	September 30, 2003		September 30, 20	
Revenues	$ -	$ 50,000	$ -	$
Operating costs and expenses:				
Loss on investment in oil and gas properties	100,000	100,000	-	
Administrative	8,206	31,194	4,087	
Salaries and wages	30,000	90,000	28,000	
Bad debt expense	30,000	30,000	-	
Stock-based compensation	-	-	-	
Consulting and professional fees	13,572	47,388	1,121	
Total operating expenses	181,778	298,582	33,208	
Other income (expense):				
Interest income	-	46,829	65,285	
Interest expense	(11,992)	(103,518)	(119,342)	(
Other income (expense)	(1,069)	6,211	(24,693)	(
Gain on extinguishment of debt	100,000	100,000	-	
	(86,939)	(49,522)	(78,750)	(
Loss before income taxes	(94,839)	(199,060)	(111,958)	(
Income tax expense	-	-	-	
Minority interest in loss on joint venture	-	-	-	

Net loss	($ 94,839)	($ 199,060)	($ 111,958)	($
Basic and diluted loss per share	($ .006)	($ .01)	($ .01)	($
Weighted average shares outstanding, basic and diluted	15,610,463	15,610,463	15,610,463	1

See notes to condensed consolidated financial statements.

RANGER INDUSTRIES, INC. AND SUBSIDARIES
(A DEVELOPMENT STAGE ENTERPRISE)
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Nine Months Ended September 30,	
	2003	2002
Cash flows from operating activities:		
Net loss	($ 199,060)	($ 34
Adjustments to reconcile net loss to net cash flows from operating activities:		
Gain on extinguishment of debt	(100,000)	
Loss on sale of marketable equity securities	1,335	2
Loss on investment in oil and gas properties	100,000	
Provision for bad debt	30,000	
Stock-based compensation	-	
Depreciation	1,647	
Minority interest in loss of joint venture	-	
Change in assets and liabilities:		
Account receivable	(30,000)	
Other assets	(5,921)	(4
Accrued interest receivable	17,419	
Accounts payable and accrued expenses	5,507	(2
Total adjustments	19,987	(3
Net cash flows from operating activities	(179,073)	(38
Cash flows from investing activities:		
Acquisition of marketable equity securities	(9,399)	(22
Proceeds from sale of marketable equity securities	9,586	21

Acquisition of property and equipment	-	(
Acquisition of oil and gas properties	-	(5
Cash acquired in business combination	-	
Proceeds from restricted certificate of deposit	8,500,000	
Purchase of restricted certificate deposit	-	
Net cash flows from investing activities	8,500,187	(7
Cash flows from financing activities:		
Proceeds from issuance of stock	-	
Proceeds from note payable, bank	-	
Payment of note payable, bank	(8,500,000)	
Acquisition of treasury shares	-	
Advances from related party	132,422	37
Net cash flows from financing activities	(8,367,578)	37
Net change in cash and cash equivalents	(46,464)	(8
Cash and cash equivalents at beginning of period	48,581	10
Cash and cash equivalents at end of period	$ 2,117	$ 1
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 117,867	$ 41

See notes to condensed consolidated financial statements.

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RANGER INDUSTRIES, INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE ENTERPRISE)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2003 AND 2002
AND FROM INCEPTION (MARCH 18, 1998) THROUGH SEPTEMBER 30, 2003
(UNAUDITED)

1. Nature of business, basis of presentation and summary of significant accounting policies:

Interim financial statements:

The interim financial statements of Ranger Industries, Inc. and Subsidiaries which are included herein are unaudited and have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-QSB. In the opinion of management, these interim financial statements include all the necessary adjustments to fairly present the results of the interim periods, and all such adjustments are of a normal recurring nature. The interim results reflected in the accompanying financial statements are not necessarily indicative of the results of operations for a full fiscal year.

Nature of business and basis of presentation:

Bumgarner Enterprises, Inc. ("Bumgarner" or the "Company") was incorporated under the laws of the State of Florida in March 1998. There was no significant business activity from inception through October 2000. Since October 2000, the Company acquired assets in the oil and gas industry through joint venture investments and has subsequently pursued exploration and development of those and other similar properties.

In February 2001, Bumgarner merged with Ranger Industries, Inc.'s ("Ranger") subsidiary (BEI Acquisition Corporation) in consideration of Ranger's issuance of 14,720,000 shares for 100% of Bumgarner's issued and outstanding stock. This transaction was accounted for in accordance with reverse acquisition accounting principles as though it were a re-capitalization of Bumgarner and a sale of shares by Bumgarner in exchange for the net assets of Ranger. In February 2001, Bumgarner completed a tender offer for 4,225,000 shares of Ranger common stock at $2.00 per share. Simultaneously, Bumgarner acquired an additional 163,181 shares pursuant to the terms of a related merger and acquisition agreement. The acquisition was financed through a bank loan in the amount of $8,500,000, which was collateralized by an equivalent amount in cash and cash equivalents.

In May 2003, the Company incorporated Ranger Oil & Gas AR, Inc. ("Ranger O&G"), a wholly-owned subsidiary, whose primary purpose is oil and gas exploration, development, and production in Arkansas. Ranger O&G is currently inactive.

1. Nature of business, basis of presentation and summary of significant accounting policies (continued):

Nature of business and basis of presentation (continued):

In September 2003, Bumgarner acquired an additional 1.415% equity interest (20% working interest) in Henryetta Joint Venture (Henryetta") from Inter-Oil & Gas, Inc. ("InterOil"). Bumgarner acquired InterOil's share of all existing or potential claims, all debts and equity or royalty participation interests in existing or future wells or mineral leases associated with Henryetta or its investors in exchange for a 2% overriding royalty interest in any wells drilled and put into production on a specified lease currently associated with the Joshua I well. Pursuant to this agreement, the Company confirmed its intent to extend the specified lease and to drill at least one additional well on the referenced lease as soon as funds are available to do so. In addition, the Company agreed to pay surface damages up to a limit of $2,000 per one acre location regardless of the number of wells on this leased area. Pursuant to this agreement, InterOil also granted the Company use of right-of-way between well sites and use of available water at no cost to the Company.

Management's plan of operations:

Ranger has generated losses since inception and has not yet generated revenues from its primary business activities. Currently management can control expenses and has drastically curtailed expenditures and drilling activities until such time as funding can be obtained. If Ranger does not achieve any funding, Ranger will only finance its administrative activities; Ranger believes it has adequate resources to fund administrative costs at these reduced levels at least through March 2004, principally through related party borrowings and consulting fees. The Company paid the $8,500,000 note payable in February 2003 and consequently will reduce future net interest expense by approximately $180,000 in 2003.

Management is pursuing several opportunities for funding including several merger opportunities and lending arrangements, any one of which, if successful, can be expected to produce the cash required to undertake the drilling necessary to produce oil and gas from the proved reserves reflected in the geological surveys. In addition, management is actively involved in several business consulting opportunities which may yield revenues sufficient to support an increased level of operating costs in 2004. Although management has not been successful in completing any of these significant funding activities to date, management continues to believe it will be successful, there can be no assurances that the Company will achieve its objectives in these financing and consulting endeavors.

1. Nature of business, basis of presentation and summary of significant accounting policies (continued):

Management's plan of operations (continued):

Without funding and successful drilling of one or more wells capable of producing oil and gas in commercial quantities or the acquisition of producing wells, it is not likely that Ranger will be able to achieve positive cash flow. As described in previous reports, the Company has been seeking such funding for more than a year, and there can be no assurance that the Company will be able to obtain any such funding on reasonable terms, if at all.

Recent accounting pronouncements:

In April 2003, the FASB issued SFAS No. 149, Amendment of Statement 133 on Derivative Instruments and Hedging Activities. The statement amends and clarifies accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contracts, and hedging activities. This statement is designed to improve financial reporting such that contracts with comparable characteristics are accounted for similarly. The statement, which is generally effective for contracts entered into or modified after June 30, 2003, is not anticipated to have a significant effect on the Company's financial position or results of operations.

In May 2003, the FASB issued SFAS No. 150, Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity. This statement establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. This statement is effective for financial instruments entered into or modified after May 31, 2003, and is otherwise effective at the beginning of the first interim period beginning after June 15, 2003. The Company currently has no such financial instruments outstanding or under consideration and therefore adoption of this standard currently has no financial reporting implications.

In January 2003, the FASB issued FASB Interpretation No. 46, Consolidation of Valuable Interest Entities. This interpretation clarifies rules relating to consolidation where entities are controlled by means other than a majority voting interest and instances in which equity investors do not bear the residual economic risks. This interpretation is effective immediately for variable interest entities created after January 31, 2003 and for interim and annual periods beginning after December 15, 2003 for interests acquired prior to February 1, 2003. The Company currently has no ownership in variable interest entities and therefore adoption of this standard currently has no financial reporting implications.

RANGER INDUSTRIES, INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE ENTERPRISE)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2003 AND 2002
AND FROM INCEPTION (MARCH 18, 1998) THROUGH SEPTEMBER 30, 2003
(UNAUDITED)

2. Investment in oil and gas properties:

In October 2000, the Company acquired a 74.415% working interest in Henryetta Joint Venture, ("Henryetta JV") which was formed as a general partnership under Oklahoma law. In September 2003, the Company acquired an additional 20% working interest in Henryetta JV. The Company owns leasehold interests in Okfuskee county, Oklahoma. The properties at present have no producing oil or gas wells. The Company eventually expects to drill at least three additional exploratory wells at a total cost of $1,800,000. The Henryetta JV automatically terminates, unless renewed, in 2010.

The Henryetta JV commenced drilling of the Joshua #1 well on Lease B in April 2001. During 2001, the Company experienced difficulties with Joshua #1 and has recorded a charge to operations of $156,130 to write-down certain assets considered to be impaired in connection with that well. Upon resumption of drilling activities, the Company anticipates drilling a second well adjacent to Joshua #1 at a cost of approximately $150,000.

Prior to July 2003, all of the interests held by the Henryetta JV were in undeveloped acreage in Coal, Pontotoc and Okfuskee counties, in south central and central Oklahoma, respectively, consisting of primarily four leases from private landowners. In the quarter ending September 30, 2003, Leases C and D expired and a portion of the leased acreage in Lease B. The Company did not renew the expired leases on the unproved properties.

Since the Company had not previously begun drilling on these properties, an impairment loss of $100,000 was recognized and included in the accompanying statement of operations for the three and nine months ended September 30, 2003.

The Henryetta JV expects to drill additional wells on Lease B as soon as funds are available. Thereafter, and subject to adequate financing, the Henryetta JV expects to drill an exploratory well on Lease A.

The Company has an investment in a second joint venture also in Central Oklahoma. The Company is expanding its prospect lease base to include both a key 60 acre track adjacent to the Henryetta JV Lease B properties and another group of properties in two other central Oklahoma counties. The new properties are known collectively as the OK'ee Mac Joint Venture ("OK'ee Mac JV"). In the aggregate, the OK'ee Mac JV properties are believed to contain oil and gas reserves of the same order of magnitude as those being developed in the Henryetta JV. Key leases on individual properties are in place and others are being negotiated.

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RANGER INDUSTRIES, INC. AND SUBSIDIARIES
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(UNAUDITED)

2. Investment in oil and gas properties (continued):

Oklahoma has a procedure called "forced pooling" by which an oil and gas operator can apply to the Oklahoma Corporation Commission to force other landowners to pool their mineral interests with the interests of that operator. If either of the Joint Ventures is not able to lease the remaining working interests on reasonable terms or renew existing leases, they intend to apply to force pool the remaining working interests on terms similar to the leases which it has obtained from the other property owners, including royalty interest no greater than 20%.

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2. Investment in oil and gas properties (continued):

The following table summarizes the Henryetta Joint Venture's current interest in its two leases.

Land Description		Nature of Reserves	Gross Acres (1)	Net Acr (to the Join
Lease A SW1/4SW1/4Section 14, 17T10N, R12E Okfuskee County	Private landowner	Proved undeveloped	20	2
Lease B E1/2, SE1/4Section 29, NW1/4Section 33, in T11N, R11E Okfuskee County	Private landowner	Proved undeveloped	240	24

(1) A "gross acre" is an acre in which a working interest is owned. The number of gross acres is a working interest is owned. The disclosure of net acres subject to lease reflects lease "net acre" is deemed to exist when the sum of fractional ownership working interests in gr net acres is the sum of the fractional working interests owned in gross acres expressed as w

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2. Investment in oil and gas properties (continued):

The following table summarizes the OK'ee Mac Joint Venture's interest in its three leases.

Land Description		Nature of Reserves	Gross Acres (1)	Net Acres (to the Joint
Lease A SW 1/4 and SW 1/4 NW 1/4 of Section 29, SE 1/4 NE 1/4 and E 1/2 SE 1/4 of Section 30 and N 1/2 NW 1/4 of Section 32 all in 11N-13E Okmulgee, County	Private landowner	Unproved	400	78.60
Lease C NW1/4and N1/2SW1/4of Section 15 all in 10N-12E Okfuskee County	Private landowner	Unproved	240	71.02
Lease H E1/2SE1/4of Section 34 and SW1/4and W1/2SE1/4 and W1/2NE1/4 and NW1/4of Section 35 all in 10N - 13E McIntosh County	Private landowner	Unproved	560	20

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(UNAUDITED)

2. Investment in oil and gas properties (continued):

Supplemental information with respect to oil and gas properties is as follows:

Capitalized costs, net relating to oil and gas exploration and development activities at September 30, 2003:

Property acquisition costs, net	$ 21,924
Development costs	494,626
	$ 516,550

Costs incurred in oil and gas exploration and development activities for the nine months ended September 30, 2003 and 2002 and from inception (March 18, 1998) to September 30, 2003 are::

	Nine Months Ended September 30, 2003	Nine Months Ended September 30, 2002	From incepti (March 18, 19 to September 2003
Property acquisition costs, net	($ 100,000)	$ 14,136	$ 2
Development costs	-	45,326	49
	($ 100,000)	59,462	$ 51

Note: Substantially all oil and gas costs incurred are attributable to the majority interest in the Henryetta JV.

Reserve Information:

The following estimates of proved and proved developed reserve quantities and related standardized measure of discounted net cash flow are estimates only, and do not purport to reflect realizable values or fair market values of the Company's reserves for the Henryetta JV. The Company emphasizes that reserve estimates are inherently imprecise and that estimates of new discoveries are more imprecise than those of producing oil and gas properties. Accordingly, these estimates are expected to change as future information becomes available. The OK'ee Mac JV is unproved, in the initial development stage and only land acquisition costs have been incurred. All of the Company's reserves are located in Oklahoma.

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2. Investment in oil and gas properties (continued):

Reserve Information (continued):

Proved reserves are estimated reserves of crude oil (including condensate and natural gas liquids) and natural gas that geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions. Proved developed reserves are those expected to be recovered through existing wells, equipment, and operating methods.

The standardized measure of discounted future net cash flows is computed by applying prices of oil and gas ($25/bbl and $3.50/mcf, respectively, with no escalation) to the estimated future production of proved oil and gas reserves, less estimated future expenditures (based on year-end costs) to be incurred in developing and producing the proved reserves, less estimated future income tax expenses (based on year-end statutory tax rates, with consideration of future tax rates already legislated) to be incurred on pretax net cash flows less tax basis of the properties and available credits, and assuming continuation of existing economic conditions. The estimated future net cash flows are then discounted using a rate of 10% a year to reflect the estimated timing of the future cash flows.

	Oil (MBbls)	Gas (MMcf)
Beginning of year:		
Proved, developed reserves	-	-
Proved, undeveloped reserves	232	2,801
End of period:		
Proved, developed reserves	-	-
Proved, undeveloped reserves	232	2,801

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RANGER INDUSTRIES, INC. AND SUBSIDIARIES
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2. Investment in oil and gas properties (continued):

Reserve Information (continued):

Standardized measure of discounted future net cash flows at September 30, 2003:

	Henryetta
Future cash inflows	$ 11,599,427
Future production costs	(391,300)
Future development costs	(394,810)
Future income tax expenses	(3,676,528)
Future net cash flows	7,136,789
10% annual discount for estimated timing of cash flows	(1,699,042)
Standardized measures of discounted future net cash flows relating to proved oil and gas reserves at beginning and end of period	$ 5,437,747

As noted in Note 1 the carrying values of the oil and gas properties as reflected in the accompanying balance sheet do not reflect the underlying fair values of such properties.

3. Related party transactions:

Due to related parties:

Due to related parties of $129,026 and $686,628, current and long-term respectively, as of September 30, 2003 represent unsecured advances from the President of the Company and entities affiliated through partial common ownership or control. These advances generally bear interest at 8% and mature December 31, 2004. Interest expense on these related party advances aggregated $35,489 and $19,337 for the nine months ended September 30, 2003 and 2002, respectively. Of these amounts, $179,026 represents accrued payroll to the President as of September 30, 2003. Payment of $50,000 of the accrued payroll has been deferred to December 31, 2004 with the remainder of $129,026 due on demand.

3. Related party transactions (continued):

Extinguishment of debt:

In October 2000, the Company had agreed to pay a fee aggregating $100,000 in connection with the Company's investment in the Henryetta JV. During the three months ended September 30, 2003, an officer of Ranger Oil & Gas, an inactive subsidiary, forgave this $100,000 balance due to him. This extinguishment of debt is included in other income (expense) in the accompanying statement of operations. There have been no payments made to, and there are no balances due to this officer as of September 30, 2003.

4. Partnership agreements

Under the terms of the Henryetta JV agreement, the Company is responsible for 100% of any further capital expenditures and is entitled to its pro-rata share of all distributions. In September 2003, the Company acquired an additional 1.415% equity interest (20% working interest) in Henryetta.

Under the terms of the OK'ee Mac JV agreement, the Company expects to fund 100% of the exploration and development costs and is entitled to 100% of all distributions until such time as its investment has been recovered. Thereafter, profits, losses and distributions will be allocated 80% to the Company, and 20% to InterOil and Gas Group, Inc., the joint venture partner and project manager.

5. Income taxes:

Income tax expense consists of the following for the nine months ended September 30:

	2003	2002
Deferred tax benefit of operating loss carryforward	$ 69,000	$ 128,000
Increase in valuation allowance	(69,000)	(128,000
Income tax expense	$ -	$ -

Income tax expense differs from that which would result from applying statutory tax rates to pre-tax loss due to the increase in the valuation allowance.

Deferred tax assets consist of the deferred tax benefit from the operating loss carryforward of $480,000 and $380,000 reduced by valuation allowances of $480,000 and $380,000 as of September 30, 2003 and 2002, respectively. since management cannot presently determine that it is more likely than not that such deferred tax assets will be realized. Net operating loss carryforwards of approximately $1,300,000 expire 2003 through 2002.

ITEM 2. Management's Discussion and Analysis or Plan of Operation

The following discussion should be read in conjunction with Item 1 above, and the Financial Statements, including the Notes thereto. The following discussion should also be read in conjunction with the financial statements and the Plan of Operations contained in the report on Form 10-KSB Ranger Industries, Inc. ("Ranger") filed with the Securities and Exchange Commission for the year ended December 31, 2002 (our "Annual Report"). Ranger has had no revenues from its primary business activities in either of its two most recent fiscal years or the subsequent three fiscal quarters. Consequently Ranger is providing a Plan of

Operations as required by Item 303(a) of Regulation S-B in lieu of a Management's Discussion and Analysis.

Plan of Operations

Background. Prior to its acquisition of Bumgarner through a merger that occurred in February 2001, Ranger did not have any business activity. At the time of that merger, Ranger's financial resources were solely its cash on hand.

As described more completely in our Annual Report, Ranger's business activities changed in February 2001 when it acquired Bumgarner. In October 2000, Bumgarner had acquired a 74.415% working interest in the Henryetta Joint Venture ("Henryetta") and in December 2001 commenced participation in the OK'ee Mac Joint Venture, in each case with the same affiliated company. In September 2003, Bumgarner acquired an additional 20% working interest in Henryetta.

In addition to its primary business activities, Ranger has engaged in consulting activities that resulted in revenues of $150,000 in 2001, no revenues during 2002 and $50,000 for the nine months ended September 30, 2003.

In May 2003, the Company incorporated Ranger Oil & Gas AR, Inc. ("Ranger O&G"), a wholly-owned subsidiary whose primary purpose is oil and gas exploration, development and production in Arkansas. Ranger O&G is currently inactive.

Anticipated Operations in 2003. Ranger's principal goal during 2003 is to provide the Joint Ventures and Ranger O&G with sufficient capital so that they can achieve their lease acquisition and drilling objectives. At September 30, 2003, however, Ranger has insufficient available working capital to accomplish these objectives, as described in the following table:

Liquid Assets	$ 2,117
Current Assets	$ 25,540
Current Liabilities	$ 224,039
Working Capital Deficit	($ 198,499)

ITEM 2. Management's Discussion and Analysis or Plan of Operation (continued):

Ranger has generated losses since inception and has not yet generated revenues from its primary business activities. Currently management can control expenses and has drastically curtailed expenditures and drilling activities until such time as funding can be obtained. If Ranger does not achieve any funding, Ranger will only finance its administrative activities; Ranger believes it has adequate resources to fund administrative costs at these reduced levels at least through March 2004, principally through related party borrowings and consulting fees. The Company paid the $8,500,000 note payable in February 2003 and consequently will reduce future net interest expense by approximately $180,000 in 2003.

Ranger is actively seeking to acquire funding in excess of $2,000,000 to permit the Company to actively resume development of oil and gas properties in Henryetta Joint Venture and to resume acquisition of leases and exploratory development operations with OK'ee Mac Joint Venture. The Company recognized an impairment loss related to its investment in oil and gas properties, specifically lease acquisition costs. An impairment loss was provided for costs related to expired leases, not subsequently renewed by the Company in which no drilling had taken place.

Management is pursuing several opportunities for funding including several merger opportunities and lending arrangements, any one of which, if successful, can be expected to produce the cash required to undertake the drilling necessary to produce oil and gas from the proved reserves reflected in the geological surveys. In addition, management is actively involved in several business consulting opportunities which may yield revenues sufficient to support an increased level of operating costs in 2004. Although management has not been successful in completing any of these significant funding activities to date, management continues to believe it will be successful, there can be no assurances that the Company will achieve its objectives in these financing and consulting endeavors.

Ranger performed consulting engagements for unaffiliated parties in the first and third quarters of 2003 and earned fees of $50,000. As an interim measure, pending adequate financing to pursue our contemplated oil and gas activities, we may seek and perform additional consulting activities.

Based on its engineering analysis of geological data, Ranger believes that, through the Henryetta and OK'ee Mac Joint Ventures, it has oil and gas resources that merit the expenditures planned by the Company for development of these properties. Ranger notes that its director who was operating the Henryetta and OK'ee Mac Joint Ventures passed away following the end of the first quarter. As of September 2003, Ranger has selected a new oil and gas operator for the joint ventures.

Without funding and successful drilling of one or more wells capable of producing oil and gas in commercial quantities or the acquisition of producing wells, it is not likely that Ranger will be able to achieve positive cash flow. As described in previous reports, the Company has been seeking such funding for more than a year, and there can be no assurance that the Company will be able to obtain any such funding on reasonable terms, if at all.

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Note of Caution Regarding Forward-looking Statements: This report on Form 10-QSB, including the information incorporated by reference herein, contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Certain statements contained in this report using the term "may", "expects to", and other terms denoting future possibilities, are forward looking statements. These statements include, but are not limited to, those statements relating to development of new products, the financial condition of Ranger (including its lack of working capital and negative cash flow). The accuracy of these statements cannot be guaranteed as they are subject to a variety of risks that are beyond Ranger's ability to predict or control and which may cause actual results to differ materially from the projections or estimates contained herein. The business and economic risks faced by Ranger and Ranger's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors as described herein.

Item 3. CONTROLS AND PROCEDURES

As required by Rule 13a-15(e) under the Securities Exchange Act of 1934, as of the end of the period covered by the report, the Company carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures. This evaluation was carried out under the supervision and with the participation of the Company's management, the person serving as the Company's Chairman/Chief Executive Officer/Principal Financial and Accounting Officer, who concluded that the Company's disclosure controls and procedures are effective. There have been no significant changes in the Company's internal controls or in other factors, which could significantly affect internal controls subsequent to the date the Company carried out its evaluation.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in the Company reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in Company reports filed under the Exchange Act is accumulated and communicated to management, including the Company's Chief Executive Officer/Principal Financial Officer as appropriate, to allow timely decisions regarding required disclosure.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

There are no material pending legal or regulatory proceedings against Ranger, and it is not aware of any that are known to be contemplated.

Item 2. Changes in Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Submission of Matters to a Vote of Security Holders.

No matter was submitted during the first or second quarters of the fiscal year covered by this report to a vote of security holders, through the solicitation of proxies or otherwise.

Item 5. Other Information.

None.

ITEM 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

15. Letter from Aidman Piser & Company, P.A. dated November 19, 2003 on Interim Unaudited Financial Information

31. Certification Pursuant To Sarbanes-Oxley Section 302

32. Certification Pursuant To 18 U.S.C. Section 1350 (*)

* A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

(b) Reports on Form 8-K:

none

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Ranger Industries, Inc. has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: November 19, 2003

/s/ Charles G. Masters

Charles G. Masters, President,
Principal Executive Officer and Principal
Financial and Accounting Officer

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