RMP Energy Announces Third Quarter 2013 Results

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CALGARY, ALBERTA--(Marketwired - Nov 12, 2013) - RMP Energy Inc. ("**RMP**" or the "**Company**") (TSX:RMP) is pleased to report its results for the third quarter of 2013. For the three months ended September 30, 2013, RMP reported funds from operations of $17.8 million ($0.16 per basic share) on revenue of $33.8 million and average daily production of 6,639 barrels of oil equivalent. Highlights are as follows:

Financial Highlights	Three Months Ended Sept. 30,			Nine Months Ended S		
(thousands except share and per boe data) (6:1 oil equivalent conversion)	2013	2012	% Change	2013	2012	%
Petroleum and natural gas revenue [1]	33,790	19,511	73	102,004	55,656	
Funds from operations [2]	17,796	11,789	51	59,145	31,749	
Per share - basic	0.16	0.12	33	0.55	0.32	
- diluted	0.15	0.12	25	0.52	0.32	
Net income (loss)	1,196	(1,164)	-	7,997	4,076	
Per share - basic and diluted	0.01	(0.01)	-	0.07	0.04	
Total capital expenditures	36,783	25,805	43	94,725	62,473	
Net debt [3] - period end	91,662	64,069	43	91,662	64,069	
Weighted average basic shares	109,591,162	100,225,439	9	106,965,791	97,915,535	
Weighted average diluted shares	116,091,485	100,225,439	16	112,708,577	97,915,535	
Issued and outstanding shares [4]	109,592,756	104,281,424	5	109,592,756	104,281,424	
Operating Highlights						
Average daily production:						
Natural gas (Mcf/d)	19,500	17,874	9	19,181	17,638	
Liquids (Oil and NGLs) (Bbls/d)	3,389	1,988	70	3,542	1,979	
Oil equivalent (boe/d)	6,639	4,967	34	6,739	4,919	
% Liquids (Oil and NGLs)	51 %	40 %	28	53 %	40 %	
Average sales price[1] :						
Natural gas ($/Mcf)	3.00	2.47	21	3.46	2.30	
Liquids (Oil and NGLs) ($/Bbl)	91.11	84.52	8	86.72	82.12	
Oil equivalent ($/boe)	55.32	42.70	30	55.45	41.29	
Operating expenses ($/boe)	7.15	9.04	(21)	7.30	8.29	
Operating netback [5] ($/boe)	32.13	29.55	9	35.62	27.57	
Wells drilled: gross (net)	6 (6.0)	4 (3.4)	50	13 (13.0)	11 (9.8)	

Notes:

1. Petroleum and natural gas ("**P&NG**") revenue and average sales pricing includes: any realized gains or losses from risk management commodity contract settlements.
2. Funds from operations does not have any standardized meaning prescribed by International Financial Reporting Standards ("**IFRS**"). Please refer to the Reader Advisories at the end of the news release.
3. Net debt is not a recognized measure under IFRS. Please refer to the Reader Advisories at the end of the news release.
4. As of November 12, 2013, common shares outstanding are 109,592,756.
5. Operating netback is not a recognized measure under IFRS. Please refer to the Reader Advisories at the end of the news release.

Third Quarter 2013 Operating and Financial Highlights

- Average daily production of 6,639 boe/d, weighted 51% towards light oil and NGLs, was relatively flat as compared to the preceding second quarter production level. Significantly wet field conditions in late-June and early-July delayed the Company's third quarter drilling and completion operations. As a result, RMP did not bring on-stream a new well during a five month period between the end of March and end of August 2013. Despite the delayed field activity, the Company remains on-track to achieve its previously-increased fiscal 2013 guided average daily production target of approximately 6,800 boe/d. Average production for the month of October 2013 is estimated at approximately 7,000 boe/d, weighted 55% light oil and NGLs (excludes previously announced asset purchase which closed November 1, 2013). Current estimated corporate production is over 7,500 boe/d, weighted 56% light oil and NGLs, which only includes three producing wells at Ante Creek, with four other high-deliverability wells presently shut-in due to associated solution gas third-party compression and processing capacity limitations.

- Petroleum and natural gas ("**P&NG**") revenue for the third quarter amounted to $33.8 million (including a realized loss on risk management commodity contracts of $1.6 million). The Company's realized crude oil discount differential to the Canadian-dollar converted WTI price averaged approximately $7.83/bbl during the quarter, as compared to $6.41/bbl in the third quarter of 2012. Current differential indications in the forward market for the Company's Waskahigan and Ante Creek crude oil pricing have recently widened due to market volatility resulting from downstream infrastructure seasonal turnarounds and pipeline apportionments. The Company's realized natural gas price was $3.00/Mcf in the third quarter, a 21% increase over the comparable third quarter of 2012, however, a 23% decrease from the $3.90/Mcf price realized in the preceding second quarter of 2013.

- Petroleum and natural gas royalties amounted to $8.4 million (23.9% of P&NG sales excluding a realized loss on risk management commodity contracts), as compared to $1.1 million (5.7% of P&NG sales) in the third quarter of 2012 and $6.0 million (17.0% of P&NG sales) in the preceding second quarter of 2013. The increase in royalties is primarily attributable to the exceptional production from the wells in the Ante Creek field. The wells on-production at Ante Creek in the third quarter were no longer eligible for the volume-based, 5% Crown royalty maximum available under the Alberta Government's drilling incentive program, and with the continued prolific production performance of the Ante Creek wells, they have a high corresponding royalty rate. The effective royalty rate for the Ante Creek field in the third quarter was 37.9%, as compared to 26.6% in the preceding second quarter and 22.1% in the first quarter of 2013. Prospectively, as new wells are brought on-stream at Ante Creek, which will be eligible for the Crown's 5% royalty cap program, the field's royalty rate is expected to decrease from the rate experienced in the third quarter.

- Corporate operating costs of $7.15/boe decreased by 21% on a per boe basis, when compared to operating costs for the third quarter 2012 period of $9.04/boe. Year-to-date operating costs at RMP's Waskahigan and Ante Creek light oil fields were $6.21/boe and $3.80/boe, respectively.

- Funds from operations of $17.8 million ($0.16 per basic share) for the three months ended September 30, 2013, representing a 51% increase (33% per share) from the funds from operations for the third quarter of 2012. Although the Company's cost profile (operating, transportation, general and administrative and bank interest) continues to be optimized as reflected with an all-in cost structure of $12.36/boe in the third quarter, lower natural gas pricing, realized losses on WTI crude oil risk management hedging and higher royalties, as discussed above, resulted in lower funds from operations in comparison to the preceding second quarter of 2013.

- Net income for the third quarter amounted to $1.2 million, as compared to a $1.2 million net loss in the third quarter of 2012.

- In the third quarter, the Company incurred capital expenditures of $36.8 million. RMP drilled and completed five (5.0 net) horizontal oil wells in the third quarter. Additionally, approximately $8.4 million related to the Company's planned Ante Creek-to-Waskahigan pipeline interconnect and associated Ante Creek battery expansion was recorded in the third quarter. *Please refer to the Company's October 21, 2013 and October 24, 2013 news releases for an operational update on its third quarter field operations and fiscal 2013 capital expenditure plans*. Subsequent to the end of the quarter, on November 1, 2013, the Company closed the previously announced purchase of complementary Montney light oil assets located in its core areas of Ante Creek and Waskahigan for total cash consideration of approximately $38.0 million. RMP now holds a total of 106 sections (105.15 net) of land at Ante Creek, Waskahigan and Grizzly, wherein the Company has developed significant technical acumen with the Triassic-age Montney reservoir formation, with a significant light oil resource base and extensive inventory of future, Company-operated drilling opportunities. In mid-December 2013, the Company anticipates releasing its *2014 Capital Budget and Business Plan*, in addition to an updated, independently-evaluated corporate reserves report (effective October 1, 2013).

- Net debt as of September 30, 2013 was $91.7 million. Approximately $117 million is presently drawn against the Company's bank credit facility, which includes funding of the aforementioned asset purchase. On October 24, 2013, the Company announced a "bought deal" equity financing for total gross proceeds of approximately $50.0 million, wherein approximately 8.2 million common shares are to be issued at a price of $6.10 per share. Closing of this financing is expected to occur on or about November 13, 2013.

The Company's interim condensed consolidated financial statements and associated Management's Discussion and Analysis ("**MD&A**") for the three and nine months ended September 30, 2013 are available on RMP's website at www.rmpenergyinc.com within "Investors" under "Financials". Additionally, these documents will have been filed by the close of business today, on the Company's profile on the System for Electronic Document Analysis and Retrieval ("**SEDAR**"). These documents can be retrieved electronically from the SEDAR system by accessing RMP's public filings under "Search for Public Company Documents" within the "Search Database" module at www.sedar.com.

Abbreviations

Bbl or Bbls	barrel or barrels	Mcf/d	thousand cubic feet per day
Mbbl	thousand barrels	MMcf/d	million cubic feet per day
bbls/d	barrels per day	Mcf	thousand cubic feet
boe	barrels of oil equivalent	MMcf	million cubic feet
Mboe	thousand barrels of oil equivalent	Bcf	billion cubic feet
boe/d	barrels of oil equivalent per day	psi	pounds per square inch
NGLs	natural gas liquids	kPa	kilopascals
WTI	West Texas Intermediate	GJ/d	Gigajoules per day

Reader Advisories

The information in this news release contains certain forward-looking statements. These statements relate to future events or our future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "approximate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "would" and similar expressions. More particularly and without limitation, this news release contains forward-looking information relating to: forecasted average daily production rates for the month of October 2013 and fiscal 2013 and the current estimated corporate production rate including the light oil and NGLs weighting of such; widening differentials in the forward market for the Company's Waskahigan and Ante Creek crude oil pricing and the causes of such widening; expected future royalty rate decreases in the Ante Creek field; the anticipated future inventory of Company-operated drilling opportunities; the anticipated release date of both the Company's 2014 Capital Budget and Business Plan and an updated corporate reserves report; and the expected closing date of the equity financing. These statements involve substantial known and unknown risks and uncertainties, certain of which are beyond the Company's control, including: the impact of general economic conditions; industry conditions; changes in laws and regulations including the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced; volatility in market prices for crude oil, natural gas and NGLs; foreign exchange currency and interest rate fluctuation; stock market volatility and market valuations; liabilities inherent in oil and natural gas operations; changes in income tax laws or changes in tax laws and incentive programs relating to the oil and gas industry ; geological, technical, drilling and processing problems and other difficulties in producing petroleum reserves; and obtaining required approvals of regulatory authorities. The Company's actual results, performance or achievement could differ materially from those expressed in, or implied by, such forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur or, if any of them do, what benefits that the Company will derive from them. The Company's forward-looking statements are expressly qualified in their entirety by this cautionary statement. Except as required by law, the Company undertakes no obligation to publicly update or revise any forward-looking statements.

In this news release RMP has adopted a standard for converting thousands of cubic feet ("**mcf**") of natural gas to barrels of oil equivalent ("**boe**") of 6 mcf:1 boe. Use of boes may be misleading, particularly if used in isolation. The boe rate is based on an energy equivalent conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different than the energy equivalency of the 6:1 conversion ratio, utilizing the 6:1 conversion ratio may be misleading as an indication of value.

As an indicator of the Company's performance, the term funds from operations contained within this news release should not be considered as an alternative to, or more meaningful than, cash flow from operating, financing or investing activities, as determined in accordance with IFRS. This term is not a recognized measure, does not have a standardized meaning nor is it a financial measure under IFRS. Funds from operations is widely accepted as a financial indicator of an exploration and production company's ability to generate cash which is used to internally fund exploration and development activities and to service debt. This measure is widely used by shareholders and investors in the valuation, comparison and investment recommendations of companies within the natural gas and crude oil exploration and production industry. Funds from operations, as disclosed within this news release, represents cash flow from operating activities before: decommissioning obligation cash expenditures and changes in non-cash working capital from operating activities. The Company presents funds from operations per share whereby per share amounts are calculated consistent with the calculation of earnings per share.

Net debt refers to outstanding bank debt plus working capital deficit or less any working capital surplus (excludes current unrealized amounts pertaining to risk management commodity contracts). Net debt is not a recognized measure under IFRS and does not have a standardized meaning. Field operating netback or operating netback refers to realized wellhead revenue less royalties, operating expenses and transportation costs per boe. Field operating netback or operating netback is not a recognized measure under IFRS and does not have a standardized meaning.

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