

CALGARY, ALBERTA--(Marketwired - May 25, 2016) - [RMP Energy Inc.](#) ("RMP" or the "Company") (TSX:RMP) is pleased to provide drilling and completion results from its Gold Creek exploration well and also announce a strategic purchase of assets in the Gold Creek area. RMP's strategy during this period of low commodity prices has been to maintain a strong balance sheet while adding to the Company's exploration and development inventory. The Company has strategically shifted its capital allocation towards asset expansion and enhancement of long-term growth prospects while temporarily scaling-back its pace of drilling and moderating near-term production growth objectives. The Gold Creek exploration drilling results and the acquisition outlined below are integral to this strategy.

### Gold Creek Exploration Drilling Results

In the first quarter of this year, RMP successfully drilled and completed an exploration well (3-22-68-03W6), with flow test results confirming the existence of a Montney oil pool. The cost incurred to drill and complete this 100% working interest well was approximately \$4.3 million. The 3-22 exploration well was drilled to a total measured distance of 4,233 metres at a true vertical depth of 2,197 metres.

Completion operations encompassed a 25 stage, 1,250 tonne, 31,000 bbl hybrid slick-water fracture stimulation (average 50 tonnes per stage). Initial flow-back results have demonstrated the Montney reservoir to be oil bearing and gas charged, providing geological confidence on the prospectivity of the Montney formation in the Gold Creek area. The 3-22 well clean-up and production flow test was for an aggregate 118 hour period (approximately 5 days), truncated due to regulatory gas flaring limitations. During this period, the 3-22 well achieved a maximum flow rate of 600 bbls/d of light oil and 7.5 MMcf/d of gas. During the production flow test of 35 hours, through smaller-diameter production tubing, the 3-22 well flowed an average of 200 bbls/d of light oil and 4.4 MMcf/d of gas, for an oil equivalent rate of 930 boe/d. At the end of the production test, the 3-22 well flowed and tested at approximately 300 bbls/d of 40 degree API crude oil and 5.0 MMcf/d of associated sweet solution gas for a total of 1,130 boe/d with a final bottom hole flowing pressure of approximately 17,000 kPa. Additionally, the expected NGL yield on the raw solution gas is approximately 20 bbls/MMcf. After the flow test, the well was shut-in and the reservoir pressure was extrapolated to be 20,500 kPa, which indicates a normally-pressured Montney reservoir. Please refer to important *Reader Advisories* at the end of this news release.

RMP plans to install an 11 km gathering line, connecting the 3-22 well to an existing multi-well battery facility and compressor station (details provided hereinafter within the *Gold Creek Acquisition* section). The 3-22 well tie-in operation, which requires frozen surface ground conditions, will be undertaken this winter with the well anticipated to be on-stream in early-2017. Preliminary estimated total proved plus probable reserves resulting from the successful completion of the 3-22 well, based on the Company's internal evaluation prepared in accordance with *National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities*, aggregate to approximately 3.1 million boe (including 900 Mbbls of light oil), effective May 1, 2016. The internally-estimated reserves include the 3-22 well as a proved developed non-producing well in addition to four (4.0 net) undrilled offset well locations (two proved undeveloped and two probable undeveloped).

### Gold Creek Acquisition

The Company is also pleased to announce that it has entered into a purchase and sale agreement involving the acquisition of key Montney assets, which expands RMP's drilling inventory and provides infrastructure in its Gold Creek area, for total cash consideration of approximately \$10.0 million, subject to customary closing adjustments (the "Acquisition"). The purchase price will be funded from RMP's existing available bank credit facility and the Acquisition has been budgeted for and included within the Company's previously-announced fiscal 2016 capital budget of \$50 million. Closing of this Acquisition is anticipated to occur on or about June 30, 2016. The material attributes of the assets to be acquired through the Acquisition include the following:

- Land and Montney Drilling Inventory: 20 sections (12,800 acres) of 100% working interest acreage prospective for Montney light oil with significant exploration and development potential, which are primarily contiguous to RMP's existing Gold Creek lands.
- Key Field Infrastructure: an 87.4% working interest in a multi-well battery facility and compressor station located at 1-23-68-04W6, which is in close proximity to the surface lease for RMP's 3-22 well, in addition to assorted gathering lines. The field facilities to be acquired will enable RMP to process and handle production from its 3-22 well upon tie-in. Additionally, the acquired gathering system provides operating cost savings through utilization of Company-owned gathering versus third-party owned. A portion of the infrastructure comprising the Acquisition assets is subject to a right of first refusal option ("ROFR") held by a third party. If the ROFR is exercised, the purchase price will be reduced by the value assigned to those assets subject to the ROFR.
- Reserves and Production: 0.15 million boe proved plus probable reserves estimated from the acquired wells and 1.25 million boe from two probable undeveloped well locations associated with the Montney rights, based on the Company's internal evaluation prepared in accordance with *National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities*, effective May 1, 2016. Current production of approximately 40 boe/d from two (1.8 net) non-Montney legacy vertical wells.

This transaction in conjunction with the Company's systematic Gold Creek land purchase strategy, has enabled RMP to accumulate a large undeveloped land base of 74 (73.5 net) sections (47,360 gross acres) of operated acreage which provides an extensive drilling inventory and establish a field infrastructure presence, thereby significantly expanding its asset 'footprint' in the Gold Creek area in order to make this a material growth asset for the Company.

An updated map of RMP's Gold Creek Montney acreage position is available on its website at [www.rmpenergyinc.com](http://www.rmpenergyinc.com).

The Company intends to delineate the areal extent of the hydrocarbon-bearing Middle Montney Formation trend in Gold Creek with three (3.0 net) exploration wells planned in 2017. Preliminary analysis of the financial impact on RMP's well economics as a result of the Alberta Government's new Modernized Royalty Framework, which is effective for new wells drilled after January 1, 2017, suggests a markedly positive effect on the Company's Montney light oil drilling inventory.

In summary, although current industry conditions continue to be challenging, RMP remains focused to build on its high quality resource portfolio, bolstering the prospective undeveloped land position in order to counter-cyclically expand the Company's future drilling inventory and strategically-position itself as a company with assets focused on visible, long-term value creation.

#### 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                    | MMcf   | Million cubic feet          |
| boe         | barrels of oil equivalent          | Bcf    | billion cubic feet          |
| Mboe        | thousand barrels of oil equivalent | psi    | pounds per square inch      |
| boe/d       | barrels of oil equivalent per day  | kPa    | kilopascals                 |
| NGLs        | natural gas liquids                | GJ     | Gigajoule                   |
| WTI         | West Texas Intermediate            | GJ/d   | Gigajoules per day          |

#### Reader Advisories

Any references in this news release to initial and/or final test or production flow test rates and/or "flush" production rates are useful in confirming the presence of hydrocarbons, however, such rates are not determinative of the rates at which such wells will commence production and decline thereafter. These test results are not necessarily indicative of long-term performance or ultimate recovery. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for the Company.

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: the volume and product mix of the Company's Gold Creek internally-evaluated reserves estimates and associated reserve category locations; the anticipated timing of the Gold Creek exploration well tie-in; the proved plus probable reserves and current production levels associated with the Gold Creek asset acquisition; the anticipated closing of the Gold Creek asset acquisition and the timing thereof; the Company's future level of Gold Creek exploration drilling and infrastructure plan activity and associated timing thereof; the expected well project economic benefit from the new Modernized Royalty Framework; the anticipated potential and prospectiveness of the Company's Gold Creek property and estimated future drilling inventory associated thereof. 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; fluctuations in commodity prices and foreign exchange and interest rates; stock market volatility and market valuations; volatility in market prices for oil and natural gas; 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 including, without limitation, the closing of the Gold Creek asset acquisition, 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.

Statements relating to "reserves" are forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described can be profitably produced in the future.

This news release may disclose drilling locations in four categories: (i) proved undeveloped locations; (ii) probable undeveloped locations; (iii) unbooked locations; and, (iv) an aggregate total of (i), (ii) and (iii). Proved undeveloped locations and probable undeveloped locations discussed herein derived from the Company's internally-prepared reserves evaluation and account for drilling locations that have associated proved and/or probable reserves, as applicable. Unbooked locations are internal estimates based on the Company's prospective acreage and an assumption as to the number of wells that can be drilled per section based on industry practice and internal review. Unbooked locations do not have attributed reserves or resources. Unbooked locations have been identified by management as an estimation of the Company's multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that the Company will drill all unbooked drilling locations and if drilled there is no certainty that such locations will result in additional oil and gas reserves,

resources or production. The drilling locations on which the Company will actually drill wells is ultimately dependent upon the availability of capital, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While certain of the unbooked drilling locations have been derisked by drilling existing wells in relative close proximity to such unbooked drilling locations, the majority of other unbooked drilling locations are farther away from existing wells where management has less information about the characteristics of the reservoir and therefore there is more uncertainty whether wells will be drilled in such locations and if drilled there is more uncertainty that such wells will result in additional oil and gas reserves, resources or production.

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.

In this news release, the estimates of reserves for individual properties may not reflect the same confidence level as estimates of reserves and net revenue for all properties due to the effects of aggregation. Estimates of reserves have been made assuming that development of each property, in respect of which estimates have been made, will occur without regard to the availability of funding required for that development.

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