CALGARY, ALBERTA--(Marketwired - Mar 6, 2017) - Raging River Exploration Inc. (the "Company" or "Raging River") (TSX:RRX) announces its operating and financial results for the three months and year ended December 31, 2016. Selected financial and operational information is outlined below and should be read in conjunction with the audited financial statements and the related management's, discussion and analysis ("MD&A"). These filings will be available at www.sedar.com and the Company's website at www.rrexploration.com. In addition, readers are also directed to the Company's Annual Information Form for the year ended December 31, 2016, dated March 6, 2017, filed on SEDAR at www.sedar.com.

Financial and Operating Highlights

	Three months ended December 31,		Percent	Year ended December 31,		Percent
	2016	2015	Change	2016	2015	Change
Financial *(thousands of dollars except share data)*						
Petroleum and natural gas revenue	98,479	62,943	56	297,020	254,932	17
Funds flow from operations [1]	64,561	40,708	59	188,188	167,351	12
Per share						
- basic	0.28	0.20	40	0.83	0.85	(2)
- diluted	0.28	0.20	40	0.83	0.84	(1)
Net earnings	18,986	5,120	271	23,212	28,919	(20)
Per share						
- basic	0.08	0.03	167	0.10	0.15	(33)
- diluted	0.08	0.03	167	0.10	0.15	(33)
Development capital expenditures	76,658	43,494	76	211,556	171,047	24
Property acquisitions	58,259	-	100	83,384	39,731	110
Corporate acquisition	-	32,790	(100)	61,263	32,790	87
Total capital expenditures	134,917	76,284	77	356,203	243,568	46
Net debt[1][3]				209,543	139,943	50
Shareholders' equity				899,120	719,213	25
Weighted average shares *(thousands)*						
Basic	231,114	202,977	14	225,946	197,701	14
Diluted	232,048	203,897	14	226,533	198,601	14
Shares outstanding, end of period (*thousands)*						
Basic				231,142	213,421	8
Diluted				241,011	223,051	8
Operating *(6:1 boe conversion)*						
Average daily production						
Light crude oil and NGLs *(bbls/d)*	17,058	14,021	22	15,589	13,051	19
Heavy crude oil *(bbls/d)*	1,780	173	929	965	184	424
Natural gas *(mcf/d)*	9,652	3,461	179	8,079	2,877	181
Barrels of oil equivalent [2]*(boe/d)*	20,447	14,771	38	17,900	13,715	31
Netbacks *($/boe)*						
Operating						
Oil and gas sales[3]	52.35	46.32	13	45.34	50.93	(11)
Royalties	(4.94)	(4.72)	5	(4.37)	(4.97)	(12)
Operating expenses	(10.79)	(8.92)	21	(9.80)	(9.99)	(2)
Transportation expenses	(1.42)	(1.36)	4	(1.41)	(1.37)	3
Field netback [1]	35.20	31.32	12	29.76	34.60	(14)
Realized gain (loss) on commodity contracts	(0.15)	0.89	(117)	-	0.91	(100)
Operating netback [1]	35.05	32.21	9	29.76	35.51	(16)
General and administrative expense	(1.00)	(1.35)	(26)	(1.14)	(1.30)	(12)
Financial charges	(0.82)	(0.84)	(2)	(0.69)	(0.76)	(9)
Asset retirement expenditures	(0.12)	(0.06)	100	(0.07)	(0.02)	250
Current taxes recovery	1.22	-	100	0.87	-	100
Funds flow netback[1]	34.33	29.96	15	28.73	33.43	(14)
Net earnings	10.10	3.77	168	3.55	5.78	(39)
Wells drilled[4]						
Gross	121	69	75	303	232	31
Net	106.1	62.0	71	273.5	215.9	27

Success	100	% 100	% -	99.6	% 99.7	% -

(1) See "Non-IFRS Measures."

(2) See "Barrels of Oil Equivalent."

(3) Excludes unrealized risk management contracts.

(4) Excludes service wells.

FOURTH QUARTER 2016 HIGHLIGHTS

- Achieved a quarterly production record with average production of 20,447 boe/d (92% oil) representing an increase of 38% over the comparable period in 2015. This represents a 22% production per share increase from the fourth quarter of 2015.
- Achieved funds flow from operations of $64.6 million ($0.28/share basic), an increase of 59% from the fourth quarter of 2015.
- Generated fourth quarter net earnings of $19 million or $10.10 per boe, an increase of 168% from the fourth quarter of 2015 on a boe basis.
- The Company's exploration and development expenditures for the quarter were $76.7 million. A total of 106.1 net Viking crude oil wells were drilled at a 100% success rate.
- Closed a Dodsland Viking property acquisition for cash consideration of $58.3 million. The Company acquired approximately 620 boe/d (97% light oil) of production and 24 net sections of land prospective for Viking light oil.
- Maintained balance sheet strength with year-end net debt of $209.5 million representing 0.8 times net debt to fourth quarter annualized funds flow from operations.
- Increased our credit facilities to $400 million from $300 million in December 2016.

YEAR ENDED DECEMBER 31, 2016

- Production averaged 17,900 boe/d, a 31% increase (21% per share) from 2015 annual production of 13,715 boe/d.
- Generated corporate funds flow from operations of $188.2 million ($0.83/share basic) an increase of 12% from 2015.
- Attained top decile general and administrative costs of $1.14/boe, a 12% decrease from 2015.
- Raging River continued to add to its drilling inventory through strategic corporate and property acquisitions. The Company invested a total of $403.2 million consisting of $191.6 million of acquisition capital that expanded the Viking play and $211.6 million of development capital.
- Completed the $108.3 million corporate acquisition of Rock Energy Inc. ("Rock Acquisition"). The Rock Acquisition included 2,550 boe/d (95% oil) of production and approximately 25 net sections of highly prospective land targeting Viking light oil in the Kerrobert area of southwest Saskatchewan.
- Completed two property acquisitions for total cash consideration of $83.4 million, to further consolidate the Company's interests in the Viking light oil fairway.
- Executed a $211.6 million exploration and development program to drill a total of 303 (273.5 net) Viking crude oil wells with a 99.6% success rate.
- Proved plus probable reserves increased 23% to 94 mmboe (94% oil) and proved reserves increased 25% to 71.6 mmboe (94% oil).
- Finding, development and acquisition costs including the change in future development capital were:
  - $26.86 per boe on a proved developed producing basis resulting in a recycle ratio of 1.1 times.
  - $23.54/boe on a total proved basis resulting in a recycle ratio of 1.3 times.
  - $19.42/boe on a total proved plus probable basis resulting in a recycle ratio of 1.5 times.
- Finding and development costs including the change in future development capital were:
  - $22.04 per boe on a proved developed producing basis resulting in a recycle ratio of 1.4 times.
  - $22.16/boe on a total proved basis resulting in a recycle ratio of 1.3 times.
  - $16.83/boe on a total proved plus probable basis resulting in a recycle ratio of 1.8 times.
- Total net undeveloped land holdings increased 53% to 428,100 acres principally in our core Viking prospect areas in southwest Saskatchewan and southeast Alberta.
- During 2016, the Company completed a bought deal financing for gross proceeds of approximately $108.1 million, issuing 12.5 million common shares at a price of $8.65 per common share.

2017 OPERATIONS UPDATE

All capital activities for the first quarter of 2017 are anticipated to be completed within the next week. A total of 93.5 net Viking wells were drilled including 27.8 net extended reach horizontal ("ERH") wells. A total of 106.1 net wells are expected to be brought on production in the first quarter with 26 drilled but uncompleted wells carried into the second quarter.

Our ERH wells continue to provide positive results. We currently have 55 ERH wells that have in excess of 3 months of production history. The ERH wells have produced at an average of 2.0 times the rate of the comparable offsetting 0.5 mile wells significantly exceeding initial expectations. The average costs achieved on our program during the first quarter were $670 thousand per 0.5 mile horizontal well and $900 thousand per ERH well. The costs are on-track with our budget, which anticipated an approximate 5-7% increase in capital costs from the cyclical lows of 2016.

Waterflood facilities construction has continued throughout the quarter with phase two waterflood expansions nearing completion at Beadle, Plato, Forgan and Gleneath. Upon commissioning of these facilities an additional 1,300 bbls/d of light crude oil (6% of our total light crude oil) will be under secondary recovery.

Based on field estimates, year to date production has exceeded our annual average production guidance of 22,500 boe/d.

2017 OUTLOOK

There remains considerable uncertainty in the macro environment including OPEC, the Canadian and United States governments and the stability of crude oil prices. In spite of this, the Company is well positioned to continue creating shareholder value. At current 2017 strip, WTI oil prices of US$55/bbl, we anticipate 2017 funds flow from operations of approximately $310 million and exiting 2017 with approximately $210 million of net debt, or approximately 0.7 times net debt to trailing funds flow from operations. The Company expects to show year over year production per share growth of approximately 26% and anticipate continued strong earnings growth in 2017.

Waterflood and ERH initiatives are expected to continue to reduce corporate declines in the medium and longer term. With a flat commodity price of US$55/bbl WTI and moderating declines in 2018 we expect that sustaining funds flow from operations will represent less than 70% of corporate funds flow from operations, leaving the Company with significant flexibility to continue to pursue double digit growth and other opportunities.

Additional corporate information can be found in our corporate presentation on our website at www.rrexploration.com.

FORWARD LOOKING STATEMENTS: This press release contains forward-looking statements. More particularly, this press release contains statements concerning Raging River's expectations regarding, plans and timing of execution of capital activities, expected 2017 average production, expected 2017 exit production, expectations on drilling ERH wells, expectations of implementing waterflood plans, expectations on the number of wells to be drilled in the first quarter of 2017 and the timing for completion thereof and the number of wells expected to be completed in the second quarter of 2017, expectations of per share growth, corporate funds flow from operations in 2017 and 2018, expected reduction in corporate declines, the amount of production that will be under secondary recovery and the timing thereof. In addition, the use of any of the words "guidance", "initial, "scheduled", "can", "will", "prior to", "estimate", "anticipate", "believe", "potential", "should", "unaudited", "forecast", "future", "continue", "may", "expect", "project", and similar expressions are intended to identify forward-looking statements. The forward-looking statements contained herein are based on certain key expectations and assumptions made by the Company, including but not limited to expectations and assumptions concerning the success of optimization and efficiency improvement projects the availability of capital, current legislation, receipt of required regulatory approval, the success of future drilling, development and waterflooding activities, the performance of existing wells, the performance of new wells, Raging River's growth strategy, general economic conditions, availability of required equipment and services, prevailing equipment and services costs and prevailing commodity prices. Although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Company can give no assurance that they will prove to be correct.
Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; as the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), commodity price and exchange rate fluctuations, changes in legislation affecting the oil and gas industry and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures. Refer to Raging River's most recent Annual Information Form dated March 6, 2017, on SEDAR at www.sedar.com, and the risk factors contained therein.

The forward-looking statements contained in this press release are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

FUTURE ORIENTED FINANCIAL INFORMATION: Any financial outlook or future oriented financial information in this press release, as defined by applicable securities legislation, has been approved by management of Raging River as of the date hereof. Readers are cautioned that any such future-oriented financial information contained herein should not be used for *purposes other than those for which it is disclosed herein. The Company and its management believe that the prospective financial information as to the anticipated results of its proposed business activities for 2017 and 2018 has been prepared on a reasonable basis, reflecting management's best estimates and judgments, and represent, to the best of management's knowledge and opinion, the Company's expected course of action. However, because this information is highly subjective, it should not be relied on as necessarily indicative of future results.*

INITIAL RATES OF PRODUCTION: References in this press release to initial production rates associated with certain ERH wells 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 and are not indicative of long term performance or of ultimate recovery. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for the Company. The Company cautions that such production rates should be considered to be preliminary.

NON-IFRS MEASURES: This document contains the terms "funds flow from operations" (or "cash flow"), "net debt", "field netback", "operating netback" and "funds flow netback", which do not have standardized meanings prescribed by International Financial Reporting Standards ("IFRS") and therefore may not be comparable with the calculation of similar measures by other companies. Management uses funds flow from operations to analyze operating performance and leverage. Management believes "net debt" is a useful supplemental measure of the total amount of current and long-term debt of the Company. Mark-to-market risk management contracts are excluded from the net debt calculation. Management believes "field netback", "operating netback" and "funds flow netback" are useful supplemental measures of firstly, the amount of revenues received after royalties and operating and transportation costs, secondly, the amount of revenues received after royalties, operating, transportation costs and realized gain (loss) on derivatives, and thirdly, the amount of revenues received after royalties, operating, transportation costs, realized gain (loss) on derivatives, general and administrative costs, financial charges and asset retirement obligations. Additional information relating to certain of these non-IFRS measures, including the reconciliation between funds from operations and cash flow from operating activities, can be found in the MD&A.

BARRELS OF OIL EQUIVALENT: The term "boe" or barrels of oil equivalent may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet of natural gas to one barrel of oil equivalent (6 Mcf: 1 bbl) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Additionally, given that the value ratio based on the current price of crude oil, as compared to natural gas, is significantly different from the energy equivalency of 6:1; utilizing a conversion ratio of 6:1 may be misleading as an indication of value.

OIL AND GAS METRICS: This press release contains a number of oil and gas metrics, including finding, development and acquisition costs, finding and development costs and recycle ratio, which do not have standardized meanings or standard methods of calculation and therefore such measures may not be comparable to similar measures used by other companies. Such metrics have been included herein to provide readers with additional measures to evaluate the Company's performance; however, such measures are not reliable indicators of the Company's future performance. Finding, development and acquisition costs and finding and development costs are used as a measure of capital efficiency. The finding, development and acquisition cost calculation includes all capital costs (exploration, development and acquisition capital) for that period plus the change in future development capital for that period. This total capital including the change in the future development capital is then divided by the change in reserves for that period incorporating all revisions and production for that same period. Finding and development costs include exploration and development capital costs for that period plus the change in future development capital for that period. This capital including the change in the future development capital is then divided by the change in reserves categorized for development for that period incorporating all revisions and production for that same period. The recycle ratio was calculated by dividing operating netback per boe by the finding, development and acquisition costs for the year. For additional details on the calculation of these oil and gas metrics, see the Company's press release dated February 7, 2017 which is available on SEDAR at www.sedar.com and on the Company's website at www.rrexploration.com.

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