



RMP Energy Announces \$80 Million Disposition of Assets and Name Change

CALGARY, Alberta, Sept. 01, 2017 (GLOBE NEWSWIRE) -- RMP Energy Inc. ("**RMP**" or the "**Company**") (TSX:RMP) is pleased to announce that it has entered into a definitive purchase and sale agreement (the "**Agreement**") with Tangle Creek Energy Ltd. ("**Tangle Creek**") pursuant to which Tangle Creek will acquire all of RMP's crude oil and natural gas interests in the Waskahigan/Grizzly, Kaybob, Gilby, Pine Creek areas of West Central Alberta in addition to other minor Alberta properties (collectively the "**Assets**") for total consideration of \$80.0 million, subject to customary closing adjustments (the "**Transaction**"). The Company will retain its oil and gas properties and associated interests in its core Elmworth area of operations.

"The Transaction is transformational for the Company. Following the re-constitution of the Company's Board of Directors in May and the appointment of the new management team in August, this Transaction completes RMP's reorganization and positions the Company to drive forward with the development of its highly economic, oil-weighted Montney lands at Elmworth," said Rob Colcleugh, RMP's CEO. "The Company has now successfully drilled four wells on this acreage and is producing approximately 1,400 boe/d from two of these wells through its 100%-owned battery. With estimated liquidity of approximately \$45 million following the Transaction, the Company will now have the financial strength to capitalize on its significant Elmworth land base," Mr. Colcleugh further commented.

Pro Forma Company Snapshot

Cash and Investments	approximately \$45 million
Bank Debt	Nil
Shares Outstanding (non diluted)	156.3 million
Current Production ⁽¹⁾	approximately 1,400 boe/d (30% oil and NGLs)
Elmworth Montney Land	52,800 net acres (82.5 net sections)

Note (1) Based on field estimates for the month of August, 2017.

The Company's recently drilled and completed Elmworth 15-23 well represents the first completion directed by the new management team. This well is currently in the process of being tied-in to the Elmworth 2-23 battery. This well is somewhat shorter than the last two (2.0 net) RMP wells at Elmworth due to land constraints, however, it had higher frac intensity with 30 stages at 50 metre spacing and 60 tonnes per stage of proppant. The drilling and completion cost was approximately \$4.4 million, which compares favourably to the \$6.0 million average cost of the last two wells drilled and completed at Elmworth in the first quarter of 2017. Management will assess the production rates from the 15-23 well throughout the month of September, which will be instructive for future development activity.

The Company currently plans to drill at least two (2.0 net) additional delineation wells this winter, which will continue 39 sections of prospective acreage through the year 2020. Management may add additional wells to the program depending upon information learned from the 15-23 well and ongoing discussions with infrastructure partners. In addition, a number of third-party Montney wells have been drilled or are in the

process of being drilled in the vicinity of the Company's lands which will also provide invaluable information to the Company in the coming months.

At Elsworth, following the completion of the Transaction, the Company will continue to hold a large undeveloped land base consisting of 83 (82.5 net) sections (52,800 net acres) of operated Montney acreage, with substantial resource potential. Future delineation and development of the Company's Elsworth assets will be focused on extended reach horizontals with increased frac and proppant intensity. These technical improvements coupled with operational efficiencies in spud-to-on-stream cycle times, emulsion management and infrastructure optimization will provide the key to unlocking the vast potential of the Elsworth Montney fairway. The Company's management team has significant experience using the most current technologies to drive costs out of unconventional resource development programs which has the potential to generate significant value to shareholders.

As part of the RMP shareholder meeting being called to approve the Transaction, the Company will also be seeking approval for a name change of the Company to **Iron Bridge Resources Inc.** Ironbridge Gorge is located in Shropshire England and is recognized as one of the birthplaces of the Industrial Revolution. It was here in 1709 that Abraham Darby perfected the technique of producing pig iron in a blast furnace fueled by coke rather than coal allowing for much cheaper production of iron. The name reflects the Company's focus on innovation and cost efficiency in the unconventional resource revolution.

The Transaction

The consideration to be received by the Company at closing of the Transaction is comprised of: (i) \$71.0 million in cash; and (ii) approximately 13.85 million common shares ("**Tangle Shares**") of Tangle Creek (having a value of \$9.0 million based upon the issue price of Tangle Creek's most recent equity financing completed in conjunction with the Transaction). Tangle Creek is fully-funded and there is no financing condition to the closing of the Transaction.

"We are pleased to become minority shareholders of Tangle Creek which has a substantial light oil weighted production base in the Kaybob area of West Central Alberta," stated Rob Colcleugh. "Tangle Creek has the financial resources and management expertise to realize the upside potential that we see at Waskahigan and we believe this has the potential to be an excellent investment for the Company and our shareholders."

The effective date of the Transaction is June 1, 2017 and closing is expected to occur in October 2017 (the "**Closing**"), subject to approval of RMP's shareholders, the receipt of all necessary regulatory approvals and the satisfaction of other customary closing conditions. The Transaction was unanimously approved by both companies' Boards of Directors.

The Assets comprise a substantial portion of RMP's production and reserves and, accordingly, the Company will be seeking approval for the Transaction by its shareholders at a special meeting of RMP's shareholders expected to take place in October 2017 (the "**Meeting**"). The approval threshold will be two-thirds of the votes cast by RMP's shareholders voting in person or by proxy at the Meeting. From the date of the Agreement to Closing, RMP has agreed not to solicit or initiate discussions regarding any other business combination or sale of these Assets and has granted Tangle Creek the right to match any superior proposals. The Agreement provides for a \$6.0 million mutual non-completion fee in certain circumstances if the Transaction is not completed.

Concurrent with entering into the Agreement, certain shareholders of the Company, including officers and

directors, have entered into voting support agreements with Tangle Creek pursuant to which they have agreed to vote all of the common shares of RMP owned or controlled by them in favor of the Transaction (representing over 20% of RMP's outstanding common shares).

The Assets to be sold under the Transaction include the following:

- | Average production of 3,215 boe/d, weighted approximately 70% natural gas (second quarter 2017);
- | Annualized operating income of approximately \$11 million⁽¹⁾;
- | Total proved reserves of 14.9 MMboe⁽²⁾;
- | Total proved plus probable reserves of 23.0 MMboe⁽²⁾; and,
- | Land acreage of 92,450 net acres, along with infrastructure facilities and pipeline interests.

In connection with the Transaction, Tangle Creek will also assume a portion of RMP's crude oil and natural gas firm transportation commitments relating to the Assets.

Notes:

(1): Reflects realized second quarter 2017 field operating cash flow adjusted for associated and allocated general and administrative overhead costs.

(2): Reflects "gross" reserves independently-evaluated and assigned by the Company's independent qualified reserves evaluator, Insite Petroleum Consultants, effective as of December 31, 2016, in accordance with National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities ("NI 51-101") and the Canadian Oil and Gas Evaluation Handbook (the "COGE Handbook").

GMP Securities L.P. ("**GMP FirstEnergy**") has acted as financial advisor to the Company in respect of the Transaction and has provided an opinion to RMP's Board of Directors to the effect that the consideration to be received by the Company is fair, from a financial point of view, to RMP.

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
MMboe	million 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

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 anticipated completion of the Transaction including satisfaction of the conditions thereto, including the anticipated receipt of regulatory approvals and the approval of RMP shareholders and the anticipated timing for completion of these matters; pro-forma information of the Company following

completion of the Transaction; production and reserve estimates, capital expenditure plans and future operations including the number of wells to be drilled and timing thereof; the anticipated benefits of the Transaction including the potential of the Company's retained assets in its Elsworth area of operations and the proposed name change of the Company.

Statements relating to "reserves" or "resources" are also forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the reserves or resources described can be profitably produced or recovered in the future. In this news release, any 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.

With respect to forward-looking statements contained in this news release, RMP has made assumptions regarding, but not limited to: conditions in general economic and financial markets; effects of regulation by governmental agencies; current and future commodity prices and royalty regimes; future exchange rates; royalty rates; future operating costs; availability of skilled labor; availability of drilling and related equipment; timing and amount of capital expenditures; the impact of increasing competition; the price of crude oil and natural gas; that the Transaction will be completed on the terms and timing anticipated; that the Company will have sufficient cash flow, debt or equity sources or other financial resources required to fund its capital and operating expenditures and requirements as needed; that the Company's conduct and results of operations will be consistent with its expectations; available pipeline capacity; that the Company will have the ability to develop the Company's properties in the manner currently contemplated; that the Company will be able to drill, complete and tie-in wells in the manner and on the timing described herein; current or, where applicable, proposed assumed industry conditions, laws and regulations will continue in effect or as anticipated; and the estimates of the Company's production and reserves volumes and the assumptions related thereto (including commodity prices and development costs) are accurate in all material respects.

These statements involve substantial known and unknown risks and uncertainties, certain of which are beyond the Company's control, including: there are no assurances the Transaction will be completed on the terms and timeline anticipated, or at all, 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; obtaining required approvals of regulatory authorities; that the Transaction does not close on the terms or timing anticipated; that the Company is not bank debt free upon completion of the Transaction; unexpected drilling results; the Company is unable to achieve its objectives; that the anticipated resource potential in the Elsworth area is not achieved; changes in capital expenditures, reserves or reserves estimates and debt service requirements; the occurrence of unexpected events involved in the exploration for, and the operation and development of, oil and gas properties, including hazards such as fire, explosion, blowouts, cratering, and spills, each of which could result in substantial damage to wells, production facilities, other property and the environment or in personal injury; changes or fluctuations in production levels; delays in anticipated timing of drilling and completion of wells; lack of available capacity on pipelines; the lack of availability of qualified personnel; uncertainties associated with estimating oil and natural gas reserves; and ability to access sufficient capital from internal and external sources. Many of these risks and uncertainties and additional risk factors are

described in the Company's Annual Information Form which is available at www.sedar.com.

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.

This press release contains certain oil and gas metrics, including field operating cash flow or operating income, 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 and should not be used to make comparisons. 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 future performance of the Company and future performance may not compare to the performance in previous periods and therefore such metrics should not be unduly relied upon. Field operating cash flow refers to realized wellhead revenue less royalties, operating expenses and transportation costs. Operating income refers to field operating cash flow less allocated general and administrative overhead costs.

Field operating cash flow or operating income are not recognized measures under International Financial Reporting Standards ("**IFRS**") and do not have standardized meanings. Management believes that such financial measures are useful supplemental information to analyze operating performance and provides an indication of the results generated by the Company's principal business activities. Investors should be cautioned that these measures should not be construed as an alternative to other measures of financial performance as determined in accordance with IFRS. The Company's method of calculating these measures may differ from other companies, and accordingly, they may not be comparable to similar measures used by other companies.

For more information, please contact:
RMP ENERGY INC.

Rob Colcleugh
Chief Executive Officer
(403) 930-6333
rob.colcleugh@rmpenergyinc.com

Dean Bernhard
Vice President, Finance and Chief Financial Officer
(403) 930-6304
dean.bernhard@rmpenergyinc.com