



## NEWS RELEASE

December 19, 2011

### **RMP Energy Announces 2012 Capital Budget and Business Plan and Provides Personnel Update**

**Calgary, Alberta** – RMP Energy Inc. (“**RMP**” or the “**Company**”) (TSX:RMP) is pleased to announce that the Company has set a 2012 capital budget of \$75 million for exploration and development (“E&D”) investments (the “2012 Capital Budget”), as compared to an estimated \$109 million of E&D capital expenditures in 2011 (which includes accelerated Ante Creek Montney oil drilling and completion activity). The focus of RMP’s 2012 Capital Budget will be the continued delineation and development of the 100%-owned, Montney light oil resource play at Waskahigan in West Central Alberta. Budgeted drilling and completion activity in 2012 also includes additional development drilling at Pine Creek in West Central Alberta, associated with the non-operated development of the Wilrich tight gas play, wherein five (2.0 net) wells were successfully drilled in 2011.

Since restructuring Orleans Energy in May, 2011, RMP has successfully utilized horizontal drilling and multi-stage fracturing techniques to exploit and delineate the Waskahigan Montney light oil pool. The Company presently holds a significant land position of 39 sections (100% working interest).

With regards to the Company’s other assets within its portfolio of opportunities, RMP continues to monitor industry activity in both its Deep Basin areas of Resthaven/Bilbo and Ricinus wherein the Company holds 43.25 sections (100% working interest) and 53 sections (65% working interest) of land, respectively. At Resthaven, there are multi-zone targets throughout the stratigraphic section. Competitor activity at Resthaven has demonstrated noteworthy drilling success in both the Nikanassin and Montney formations. At Ricinus, the area is prospective for multi-zone targets including the Glauconite, Ellerslie and Basal Quartz/Cadomin. Recent results by industry, targeting the Cretaceous Ellerslie channel systems that are present throughout the area, have been very encouraging and bodes well for future RMP drilling operations.

#### Forecasted Production

For 2012, RMP is targeting average daily production to range between 5,000 to 5,500 boe/d, weighted 40% towards light oil and natural gas liquids on a volume basis and 75% weighted on a revenue basis. This forecast includes the impact of a four-week production curtailment at Kaybob in May 2012, as a result of a scheduled plant turnaround by the mid-stream operator. Based on the mid-point of the production guidance range, the 2012 Capital Budget reflects an internally-generated, “drill-bit” growth rate of 54% over 2011 production of approximately 3,400 boe/d. RMP’s production base has grown through the Company’s drilling success at Waskahigan, with current corporate production of about 5,000 boe/d.

## Forecasted Net Debt and Cash Flow

Projected cash flow from operations for 2012, utilizing current commodity strip price assumptions of an AECO gas price of C\$3.00 per gigajoule, a West Texas Intermediate oil price of US\$94.00 per bbl, and an exchange rate of 1C\$ = 0.96US\$, is estimated between \$60 million to \$66 million (\$0.62 to \$0.68 per basic share). This represents approximately 200% growth in cash flow, as a result of the crude oil focus. For 2012, the Company presently has a total of 700 bbls/d of crude oil hedged with a fixed weighted average price of C\$99.19 per barrel. As a result of the marked shift towards an oilier production platform and anticipated operating cost savings resulting from the RMP-owned and operated Waskahigan oil battery, forecasted cash flow operating netbacks will increase significantly.

The Company intends to fund the 2012 Capital Budget with cash flow from operations and draws on its bank credit facility which has a recently-updated borrowing capacity limit of \$80 million. Based on the 2012 Capital Budget and cash flow projection, RMP's year-end 2012 net debt is estimated between \$59 million to \$65 million (or approximately one times forecasted 2012 cash flow from operations).

## Personnel Update

RMP also announces that effective January 1, 2012, Mr. Derek Riddell, P.L.Eng, has been promoted to Vice-President, Operations from his present position as Manager, Operations. Mr. Riddell has been with RMP Energy since inception and previously was employed with RMP's predecessor companies. Mr. Riddell's promotion is well-deserved as it recognizes his significant commitment and contributions to RMP's day-to-day operations and his oversight with the Company's environmental, safety and regulatory programs.

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For more information, please contact:

### **RMP ENERGY INC.**

Craig Stewart  
Executive Chairman  
(403) 930-6302  
craig.stewart@rmpenergyinc.com

John Ferguson  
President and Chief Executive Officer  
(403) 930-6303  
john.ferguson@rmpenergyinc.com

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

## **Abbreviations**

Crude Oil and Natural Gas Liquids		Natural Gas and Natural Gas Liquids	
bbl	barrel	Mcf/d	thousand cubic feet per day
Mbbl	thousand barrels	NGLs	natural gas liquids
bbls/d	barrels per day	MMcf/d	million cubic feet per day
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

## **Reader Advisories**

Any references in this news release to initial and/or final raw test or production 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. Additionally, such rates may also include recovered "load oil" fluids used in well completion stimulation. 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 new release contains forward looking information relating to: forecasted average daily production rates for 2011 and 2012, cash flow from operations for 2012, 2011 and 2012 capital expenditures, drilling plans, sources of funds, growth rate, liquids-weighting, cash flow operating netbacks, and year-end 2012 estimated net debt. 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 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, reserves and production data are commonly stated in barrels of oil equivalent ("boe") using a six to one conversion ratio when converting thousands of cubic feet of natural gas ("mcf") to barrels of oil ("bbl") and a one to one conversion ratio for natural gas liquids ("NGLs"). Such conversion may be misleading, particularly if used in isolation. A boe conversion ratio of 6 mcf: 1 bbl is based on energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

As an indicator of the Company's performance, the term cash flow from operations or operating cash flow 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 International Financial Reporting Standards ("IFRS"). This term does not have a standardized meaning, nor is it a financial measure, under IFRS. Cash flow 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. Cash flow from operations, as disclosed within this news release, represents cash flow from operating activities before: expensed corporate acquisition-related costs, decommissioning obligation cash expenditures and changes in non-cash working capital from operating activities. The Company presents cash flow 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 (excludes current unrealized amounts pertaining to risk management commodity contracts). Net debt is not a recognized measure under IFRS. Cash flow operating netbacks refers to realized wellhead revenue less royalties, operating expenses and transportation costs per barrel of oil equivalent ("boe").