MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis as provided by the management of Raging River Exploration Inc. ("Raging River" or the "Company") is dated March 9, 2015 and should be read in conjunction with the audited financial statements for the years ended December 31, 2014 and 2013 and the notes thereto as well as Raging River's Annual Information Form for the year ended December 31, 2014 filed on SEDAR at www.sedar.com. The audited financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All dollar amounts are referenced in Canadian dollars.

Forward Looking Statements

This Management Discussion and Analysis ("MD&A") may include forward-looking statements including opinions, assumptions, estimates and management's assessment of future plans and operations, expected royalty rates, expected transportation costs, details of the 2015 capital budget including expected capital expenditures, expectations that the company will have adequate liquidity to fund operations and capital expenditures and the timing and funding thereof and expected use of proceeds from the recently completed bought deal financing. When used in this document, the words "anticipate", "believe", "estimate", "expect", "intent", "may", "project", "plan", "should" and similar expressions are intended to be among the statements that identify forward-looking statements. Forward-looking statements are subject to a wide range of risks and uncertainties, and although the Company believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will be realized. 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 including but not limited to expectations and assumptions with respect to the success of optimization and efficiency improvement projects, the availability of capital, current legislation, pipeline capacity, receipt of required regulatory approval, the success of future drilling and development 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 and the costs of obtaining such equipment and services, and prevailing commodity prices. Any number of important factors could cause actual results to differ materially from those in the forward-looking statements, including, but not limited to, risks associated with petroleum and natural gas, exploration, development, exploitation, production, marketing and transportation, the volatility of petroleum and natural gas prices, currency fluctuations, the ability to implement corporate strategies, the state of domestic capital markets, the ability to obtain financing, incorrect assessments of the value of acquisitions, failure to realize the anticipated benefits of acquisitions, changes in petroleum and natural gas acquisition and drilling programs, delays resulting from inability to obtain required regulatory approvals, delays resulting from other producers, imprecision or reserve estimates, labour supply risks, environmental risks, competition from other producers, imprecision of reserve estimates, changes in general economic conditions, whether farm-in and farm-out opportunities result in agreements and other factions more fully described from time to time in the reports and filings made by the Company with securities regulatory authorities including the Company's most recent annual information form. Statements relating to "reserves" or "resources" are deemed to be forward looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the resources and reserves described can be profitably produced in the future. The forward looking statements contained in this MD&A are expressly qualified by this cautionary statement. Readers are cautioned not to place undue reliance on forward-looking statements, as no assurances can be given as to future results, levels of activity or achievements. Except as required by applicable securities laws, the Company does not undertake any obligation to publicly update or revise any forward-looking statements.

Non-GAAP Measures

The MD&A contains the term funds flow from operations which should not be considered an alternative to, or more meaningful than, cash flow from operating activities as determined in accordance with IFRS as an indicator of the Company's performance. The reconciliation between cash flow from operating activities and funds flow from operations can be found in the statement of cash flows in the annual financial statements and is presented before the change in non-cash operating working capital. The Company reconciles funds flow from operations to cash flow from operating activities, which is the most directly comparable measure calculated in accordance with IFRS, as follows:

	Three months ended December 31,		Year ended, December 31,	
	2014	2013	2014	2013
	(thousands of dollars)			
Cash flow from operating activities	71,621	64,290	229,820	131,149
Changes in non – cash working capital	(13,917)	(28,408)	(8,170)	(14,182)
Funds flow from operations	57,704	35,882	221,650	116,967

The Company presents funds flow from operations per share whereby per share amounts are calculated consistent with the calculation of earnings per share.

The MD&A contains other terms such as net debt, operating netbacks and funds flow netbacks, which are not recognized measures under IFRS. Management believes these measures are useful supplemental measures of firstly, the total amount of current and long-term debt the Company has, secondly, the amount of revenues received on a per unit of production basis after the royalties, operating and transportation costs and thirdly, the amount of revenues received on a per unit of production basis after the royalties, operating and transportation costs, general and administrative expenses, financial charges, asset retirement expenditures and current taxes . Net debt represents current assets less current liabilities and bank debt and is used to assess efficiency, liquidity and the general financial strength of the Company. Mark-to-market risk management contracts are excluded from the net debt calculation. Readers are cautioned however, that these measures should not be construed as an alternative to other terms such as current and long-term debt or net earnings in accordance with IFRS as measures of performance. The Company's method of calculating these measures may differ from other companies, and accordingly, such measures may not be comparable to measures used by other companies.

The term barrels of oil equivalent ("boe") may be misleading, particularly if used in isolation. Per boe amounts have been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil. This equivalence is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. As the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value

The recycle ratio was calculated by dividing operating netback by the FD&A costs for the year. Operating netback is defined as revenues received after royalties and operating and transportation costs.

Net asset value per share as presented herein is based on the net present value of future net revenue calculated before tax and discounted at 10% ("PVBT10") of proven plus probable reserves as at December 31, 2014 from the externally prepared reserve report, an internal estimate of Raging River's undeveloped land value, 2014 year end net debt, dilutive securities proceeds for total net asset value divided by fully diluted shares outstanding.

The Company has disclosed herein its 2014 FD&A (as defined herein), including the change in future development capital, based on proven plus probable basis. While National Instrument 51-101 – *Standards of Disclosure of Oil and Gas Activities* ("NI 51-101") requires that the effects of acquisitions and dispositions be excluded, FD&A costs have been included because acquisitions and dispositions can have a significant impact on the Company's ongoing reserve replacement costs and excluding these amounts could result in an inaccurate portrayal of the Company's cost structure. The Company's finding and development costs, excluding the effects of acquisitions and dispositions, for 2014 were $23.90/boe on a proved basis and $23.45/boe on a proved plus probable basis. The Company's finding and development costs, excluding the effects of acquisitions and dispositions, for 2013 were $25.62/boe on a proved basis and $18.87/boe on a proved plus probable basis. The Company's average finding and development costs for the last three years, excluding the effects of acquisitions and dispositions, were

$25.34/boe on a proved basis and $21.92/boe on a proved plus probable basis. The aggregate of the exploration and development costs incurred in the most recent financial year and the change during that year in estimated future development costs generally will not reflect total finding and development costs related to reserves additions for that year.

Description of the Company

Raging River was incorporated as 1646988 Alberta Ltd. pursuant to the *Business Corporations Act* (Alberta) on December 15, 2011 and subsequently changed its name to Raging River Exploration Inc. Raging River is a crude oil and natural gas exploration, development and production company based in Calgary, Alberta, Canada. The Company's operations are focused in the Dodsland area of southwest Saskatchewan.

Unless otherwise indicated herein, all production information presented herein has been presented on a gross basis, which is the Company's working interest prior to deduction of royalties and without including any royalty interests.

FOURTH QUARTER 2014 HIGHLIGHTS

- Achieved another quarterly production record with average production of 12,548 boe/d (96% oil) representing an increase of 61% over the comparable period in 2013. This represents a 17% production per share increase from the third quarter of 2014.

- Executed a $97.1 million capital program to drill 109 (90.9 net) Viking horizontal oil wells at a 97% success rate.

- Generated operating netbacks of $54.05/boe and funds flow netbacks of $49.99/boe. Combined with record production levels, the corporate netback resulted in a 61% increase in funds flow from operations from the comparable quarter of 2013.

- Achieved an 8% reduction in operating costs to $11.45/boe from the comparable period in 2013.

- Attained top decile general and administrative costs of $1.44/boe, a 19% decrease from the comparable period in 2013.

- Maintained balance sheet strength with fourth quarter exit net debt of $152.2 million representing 0.66 times debt to the fourth quarter annualized cash flow.

YEAR ENDED DECEMBER 31, 2014

- Increased average production to 10,755 boe/d, a 90% increase over 2013 production of 5,665 boe/d.

- Spent $278.6 million, including $267.6 million on development activities and $11 million on property and land acquisitions. Raging River drilled 293 (248.3 net) horizontal Viking wells at a 98% success rate.

- Attained record corporate funds flow from operations of $221.7 million ($1.24/share basic) an increase of 89% from 2013.

- Net earnings increased by 154% to $110.2 million ($0.62/share basic) from $43.4 million in 2013. Net earnings increased 34% on a per boe basis to $28.06/boe from $20.99/boe in 2013.

- Net asset value per fully diluted share calculated on a PVBT10 increased 45% to an estimated $9.30 per share at December 31, 2014 ($6.42 at December 31, 2013).

- Proved plus probable reserves increased 49% to 63.6 mmboe (97% oil) and proven reserves increased 59% to 49.9 mmboe (97% oil).

- Finding, development and acquisition ("FD&A") costs including the change in future development capital of $305 million are $23.59/boe on a total proved plus probable basis which results in a recycle ratio of 2.7 times.

- Total net undeveloped land holdings increased 35% to 221,900 acres all in the Dodsland area of southwest Saskatchewan.

SUBSEQUENT TO THE YEAR ENDED DECEMBER 31, 2014

- Raging River completed a bought deal financing for gross proceeds of $88.3 million, issuing 13.8 million common shares at a price of $6.40 per share.

- Closed the previously announced property acquisition in the Dodsland area of southwest Saskatchewan for $35.6 million before closing adjustments.

Petroleum and Natural Gas Revenue

	Three months ended December 31, 2014	Three months ended December 31, 2013	Percent Change	Year ended December 31, 2014	Year ended December 31, 2013	Percent Change
	(thousands of dollars)			*(thousands of dollars)*		
Liquids revenue	77,497	55,470	40	332,164	174,289	91
Natural gas revenue	970	578	68	4,069	1,443	182
Royalty revenue	167	58	188	605	76	696
	78,634	56,106	40	336,838	175,808	92
Operating: (6:1 boe conversion)						
Average daily production						
Liquids (bbls/d)	12,059	7,458	62	10,323	5,457	89
Natural gas (mcf/d)	2,931	1,912	53	2,594	1,252	107
Barrels of oil equivalent (boe/d)	12,548	7,777	61	10,755	5,665	90
Raging River average sales price						
Liquids ($/bbl)	70.00	80.93	(14)	88.32	87.55	1
Natural gas ($/mcf)	3.60	3.28	10	4.30	3.16	36
Barrel of oil equivalent ($/boe)	68.12	78.42	(13)	85.80	85.02	1
Average Benchmark Prices						
Crude Oil - WTI (US$/bbl)	73.15	97.46	(25)	93.00	97.98	(5)
Crude Oil – Canadian Light	74.37	86.26	(14)	93.99	93.24	1
Natural gas - AECO	3.63	3.52	3	4.50	3.13	44
Exchange rate (US$/Cdn$)	0.88	0.96	(8)	0.91	0.97	(6)

The Company takes almost all of its working interest production "in kind" and it is marketed and sold through various credit-worthy commodity purchasers. Raging River's crude oil is marketed under a short-term (30 day) contract with a crude oil marketer and through major North American crude oil purchasers. All of the Company's natural gas is currently sold as spot gas through significant North American natural gas marketers.

Commodity prices are affected by both domestic and international factors that are beyond the control of the Company. Prices received for crude oil are determined by the quality of the crude compared to the benchmark price for Canadian light, sweet oil. The significant decline in the WTI price was only slightly offset by the weak Canadian dollar in the fourth quarter of 2014 which resulted in a lower realized price for the Company. The Company's liquids price averaged $70.00/bbl for the fourth quarter of 2014, down 14% from $80.93/bbl in the fourth quarter of 2013. Raging River's average quality adjustment to Canadian Light pricing during the fourth quarter of 2014 was $4.37/bbl compared to $5.33/bbl in the fourth quarter of 2013.

The WTI price was highly volatile in 2014, with the price peaking in June followed by a significant decline in the second half of the year which was slightly offset by a weakened Canadian dollar. This resulted in the Company realizing an average liquids price of $88.32/bbl for the year ended 2014, up 1% from an average price of $87.55/bbl received in 2013. Raging River's average quality adjustment to Canadian Light pricing was also consistent at $5.67/bbl relative to $5.69/bbl in the comparable period of 2013.

The increase in the AECO natural gas price due to cold winter weather in the first half of 2014 was followed by a decline due to continued supply increases however, on a year to date basis, this resulted in the 36% increase in the natural gas price realized by the Company. Raging River's realized natural gas price in the fourth quarter and year ended December 31, 2014, was $3.60 per mcf and $4.30 per mcf respectively, compared to $3.28 per mcf and $3.16 per mcf for the same periods in 2013.

During the fourth quarter of 2014, the Company drilled a total of 109 (90.9 net) crude oil wells resulting in 106 (88.1 net) crude oil wells and 3 (2.8 net) dry holes, with a 97% success rate, primarily in the greater Dodsland area of southwest Saskatchewan. In the year ended December 31, 2014, Raging River drilled a total of 294 (248.8 net) wells resulting in 288 (244.0 net) crude oil wells, 1 (0.5 net) stratigraphic test well and 5 (4.3 net) dry holes for an overall success rate of 98%.

Production	Q4/14	Q3/14	Q2/14	Q1/14	Q4/13	Q3/13	Q2/13	Q1/13	Q4/12
Liquids (bbls/d)	12,059	10,278	9,500	9,427	7,458	5,495	4,387	4,454	3,027
Natural gas (mcf/d)	2,931	2,406	2,765	2,269	1,912	1,104	1,401	580	618
Total (boe/d)	12,548	10,679	9,960	9,805	7,777	5,679	4,620	4,550	3,130
% increase over prior quarter	18%	7%	2%	26%	37%	23%	2%	45%	47%
Production per 1 million shares	69.6	59.3	55.5	55.9	47.4	36.2	29.5	29.0	24.6
Per share % increase (decrease) over prior quarter	17%	7%	(1%)	18%	31%	23%	2%	18%	41%

Quarter over quarter, production in the fourth quarter of 2014 increased to 12,548 boe/d from 10,679 boe/d, an increase of 18%. The Company's production for the fourth quarter of 2014 increased to 12,548 boe/d from 7,777 boe/d in the fourth quarter of 2013, an increase of 61%. The year over year increase of 90% was attributable to a successful drilling program in 2013 and 2014 combined with approximately 800 boe/d attributed to the property acquisition that closed late in the fourth quarter of 2013.

Petroleum and natural gas revenue in the three month period December 31, 2014 was $78.6 million as compared to $56.1 million in the comparable period of 2013. This increase was primarily attributable to a 61% increase in production volumes which was slightly offset by a 13% decline in commodity prices.

Petroleum and natural gas revenues for the year ended December 31, 2014 were $336.8 million, as compared to $175.8 million in the comparable period of 2013, representing an increase of 92%. This increase in revenue is primarily attributed to a 90% increase in production volumes.

Commodity Price Risk Management

Raging River, as part of our financial management strategy, has adopted a disciplined commodity hedging program. The objective of the hedging program is to reduce volatility in the financial results, protect acquisition economics and stabilize cash flow against the unpredictable commodity price environment. As the Company's production grows, our corporate hedging strategy will be restricted to a maximum hedge of 60% of the trailing month's actual production, allowing the Company to participate in commodity price increases while limiting exposure to declines in commodity prices. As of March 9, 2015 the Company has the following price contracts in place by quarter:

2015

Q1

Crude oil	Fixed	Jan 2015 – Mar 2015	450 bbls/d	Cdn $107.00/bbl	WTI
Natural gas	Fixed	Mar 2015	1,000 GJs/d	Cdn $2.92	AECO

Q2

Crude oil	Fixed	Apr 2015 – Jun 2015	450 bbls/d	Cdn $85.67/bbl	WTI
Natural gas	Fixed	Apr 2015 – Jun 2015	1,000 GJs/d	Cdn $2.92	AECO

Q3					
Crude oil	Fixed	Jul 2015 – Sept 2015	500 bbls/d	Cdn $72.55/bbl	WTI
Natural gas	Fixed	Jul 2015 – Sept 2015	1,000 GJs/d	Cdn $2.92	AECO
Q4					
Crude oil	Fixed	Oct 2015 – Dec 2015	500 bbls/d	Cdn $74.98/bbl	WTI
Natural gas	Fixed	Oct 2015 – Dec 2015	1,000 GJs/d	Cdn $2.92	AECO

Realized & unrealized gain/loss on financial instruments

The realized gain/loss represents the commodity contracts settled during fourth quarter and year ended December 31, 2014. As the oil commodity contracts are referenced to the WTI and settled in Canadian dollars, the realized gains and losses fluctuate based on changes in the WTI price and $US/$Cdn exchange rate.

The significant decrease in the WTI in the fourth quarter was only partially offset by the weak Canadian dollar which resulted in a realized gain for the three months ended December 31, 2014. For the three months ended December 31, 2014, the Company realized gains of $4.6 million (three months ended December 31, 2013: realized losses of $1.4 million).

For the year ended December 31, 2014, an extremely volatile WTI price throughout 2014 combined with a weak Canadian dollar resulted in a realized gain of $991 thousand (year ended December 31, 2013: realized losses of $5.6 million).

As of December 31, 2014, the fair value of Raging River's outstanding commodity contracts is an unrealized asset of $2.5 million as reflected in the annual financial statements. The fair value or mark to market value of these contracts is based upon the estimated amount that would have been received as at December 31, 2014, had the contracts been monetized or terminated. Subsequent changes in the fair value of the commodity contracts are recognized in the financial statements and could be materially different than what is recorded at December 31, 2014. The unrealized gain of $4.0 million represents the fair value change of the underlying commodity contracts to be settled in the future which has resulted from the substantial decline in WTI forward pricing. In comparison, an unrealized loss of $1.9 million was recorded for the year ended December 31, 2013.

In the fourth quarter of 2014 due to a decline in the WTI price, the Company had unrealized gains of $1.3 million, compared to unrealized gains of $2.6 million in the fourth quarter of 2013.

Royalties

	Three months ended December 31,		Percent	Year ended December 31,		Percent
	2014	2013	Change	2014	2013	Change
	(thousands of dollars)			*(thousands of dollars)*		
Crown	1,606	1,828	(12)	8,953	5,397	66
Saskatchewan resource surcharge	1,497	1,051	42	5,825	3,385	72
Freehold and GORR	3,046	2,140	42	16,125	6,851	135
	6,149	5,019	23	30,903	15,633	98
Percent of total revenue	7.8%	8.9%	(12)	9.2%	8.9%	3
Per boe ($)	5.33	7.02	(24)	7.87	7.56	4

Royalty expenses consist of royalties paid to provincial governments, freehold landowners, overriding royalty owners and Saskatchewan resource surcharge. Royalties increased to $6.1 million in the fourth quarter of 2014 from $5 million in the fourth quarter of 2013, primarily as a result of a 61% increase in production volumes. On a per boe basis, royalties decreased 24% to $5.33/boe in the fourth quarter of 2014 from the comparable quarter primarily due to the 13% decline in commodity pricing.

During the year ended December 31, 2014, royalties increased 98% to $30.9 million from $15.6 million in the comparable period. The increase is primarily a result of a 90% increase in production volumes. Royalties as a percentage of revenue have increased in the year ended December 31, 2014 as a larger percentage of wells having freehold royalties were drilled in 2014. Royalties on a per boe basis remained constant in 2014 at $7.87/boe from $7.56/boe in the comparable period.

Operating Expenses

	Three months ended December 31,		Percent	Year ended December 31,		Percent
	2014	2013	Change	2014	2013	Change
Total operating costs ($000's)	13,221	8,889	49	46,664	25,988	80
Percent of total revenue	16.8%	15.8%	6	13.9%	14.8%	(6)
Per boe ($)	11.45	12.42	(8)	11.89	12.57	(5)

Operating expenses increased to $13.2 million in the fourth quarter of 2014 from $8.9 million in the fourth quarter of 2013. The increase is attributable to the 61% increase in production volumes. During the year ended December 31, 2014, operating expenses increased 80% to $46.7 million from $26.0 million in the comparable period. The increase is a result of a 90% increase in production volumes.

Operating costs averaged $11.45/boe in the fourth quarter of 2014 and $11.89/boe in the year. This represents a decrease of 8% or $0.97/boe from $12.42/boe in the fourth quarter of 2013 and a decrease of 5% or $0.68/boe from $12.57/boe in the year ended December 31, 2013. Operating costs per boe decreased in both the fourth quarter and year ended December 31, 2014, due to mild winter conditions in 2014 as compared to 2013, a significant component of operating costs being fixed and achieving operating efficiencies from focused operations in our core area.

Transportation Expenses

	Three months ended December 31,		Percent	Year ended December 31,		Percent
	2014	2013	Change	2014	2013	Change
Total transportation costs ($000's)	1,499	1,502	-	6,984	4,403	59
Percent of total revenue	1.9%	2.7%	(30)	2.1%	2.5%	(16)
Per boe ($)	1.30	2.10	(38)	1.78	2.13	(16)

Transportation expenses relate to the cost of transporting natural gas and hauling crude oil to the point of sale. Transportation costs of $1.5 million in the fourth quarter of 2014 were unchanged from $1.5 million in the fourth quarter of 2013. Although production volumes increased, the Company realized cost savings in the fourth quarter from pipeline infrastructure built in 2014. During the year ended December 31, 2014, transportation costs increased 59% to $7.0 million from $4.4 million in the comparable period. The increase is primarily a result of a 90% increase in production volumes.

Transportation costs averaged $1.30/boe in the fourth quarter of 2014 and $1.78/boe in the year ended December 31, 2014. This is a decrease of 38% from $2.10/boe in the fourth quarter of 2013 and a decrease of 16% from $2.13/boe in the year ended December 31, 2013. Transportation costs per boe decreased in both the fourth quarter and year ended December 31, 2014, due to expanded pipeline infrastructure resulting in less clean oil trucking.

General and Administrative ("G&A") Expenses

	Three months ended December 31,		Percent	Year ended December 31,		Percent
	2014	2013	Change	2014	2013	Change
	(thousands of dollars)			*(thousands of dollars)*		
General and administrative	2,631	1,960	34	8,687	5,933	46
Overhead recoveries	(275)	(355)	(23)	(836)	(984)	(15)
Capitalized G&A	(693)	(333)	108	(2,228)	(1,121)	99
	1,663	1,272	31	5,623	3,828	47
Percent of total revenue	2.1%	2.3%	(9)	1.7%	2.2%	(23)
Per boe ($)	1.44	1.78	(19)	1.43	1.85	(23)

The Company incurred gross G&A expenses of $2.6 million and $8.7 million, respectively, during the fourth quarter and year ended December 31, 2014. Increased G&A costs before recoveries and capitalization were mainly the result of increased employee related costs including salaries, office rent and software driven by the capital growth of Raging River and its operations. Higher salary costs were driven by increased personnel including technical, operations and administrative staff.

Net G&A expenses incurred were $1.7 million or $1.44 per boe and $5.6 million or $1.43 per boe, respectively, during the fourth quarter and year ended December 31, 2014. The decrease in net G&A per boe from the comparable periods is a result of G&A efficiencies achieved with higher production levels. In addition, capitalized G&A increased in both the fourth quarter and year ended December 31, 2014, due to increased exploration and development capital expenditures.

Financial Charges

	Three months ended December 31,		Percent	Year ended December 31,		Percent
	2014	2013	Change	2014	2013	Change
Financial charges ($000's)	818	545	50	3,697	1,099	236
Percent of total revenue	1.0%	1.0%	-	1.1%	0.6%	83
Per boe ($)	0.71	0.76	(7)	0.94	0.53	77

Financial charges during the fourth quarter and year ended December 31, 2014, were $818 thousand and $3.7 million respectively compared to $545 thousand and $1.1 million respectively for 2013. Interest on bank debt increased in both the fourth quarter of 2014 and year ended December 31, 2014, due to carrying higher average debt levels throughout 2014 as compared to 2013 to fund a significant capital expenditure program. Standby charges increased during both the fourth quarter of 2014 and year ended December 31, 2014 as a result of an increase in the authorized borrowing base to $300 million compared to the borrowing base that ranged between $125 million and $225 million for 2013. As at December 31, 2014 the Company had drawn $48.3 million against the available credit facility.

Stock-based Compensation

	Three months ended December 31, 2014	2013	Percent Change	Year ended December 31, 2014	2013	Percent Change
Stock based compensation ($000's)	1,423	682	109	4,747	2,248	111
Percent of total revenue	1.8%	1.2%	50	1.4%	1.3%	8
Per boe ($)	1.23	0.95	29	1.21	1.09	11

As at December 31, 2014, the Company has a total of 13.1 million stock options outstanding with a weighted average fair value of $1.29 per option. Stock based compensation expense in the fourth quarter of 2014 was $1.4 million compared to $682 thousand in the fourth quarter of 2013. Stock based compensation expense increased in the fourth quarter and year ended December 31, 2014, due to the increase in the fair value of stock options granted in 2014 arising from Raging River's increase in share price combined with additional options granted.

The expense is driven by the timing and valuation of new stock option grants. Stock options granted have a term of 3.5 years to expiry and have a three year vesting period from the date of grant. The stock-based compensation plan is accounted for using the fair value method of accounting.

Depletion, Depreciation and Accretion

	Three months ended December 31, 2014	2013	Percent Change	Year ended December 31, 2014	2013	Percent Change
	(thousands of dollars)			*(thousands of dollars)*		
Depletion and depreciation	26,405	16,130	64	90,628	53,703	69
Exploration and evaluation lease expiries	-	-	-	581	1,185	(51)
Accretion	229	104	120	752	351	114
	26,634	16,234	64	91,961	55,239	66
Percent of total revenue	33.9%	28.9%	17	27.3%	31.4%	(13)
Per boe ($) – Depletion and depreciation	23.07	22.54	2	23.28	26.54	(12)
Per boe ($) – Exploration and evaluation lease expiries	-	0.15	(100)	0.15	0.17	(12)

Depletion of oil and gas assets is provided on the "unit-of–production" method based on total proved and probable reserves, including future development costs, on a component basis. Depletion and depreciation expense for the fourth quarter was $26.4 million or $23.07/boe compared to $16.1 million or $22.54/boe in the fourth quarter of 2013. The increase in depletion expense is primarily related to the 61% increase in production volumes. Depletion per boe remained relatively constant in the fourth quarter of 2014 compared to 2013 as significant capital additions were offset by significant reserve additions.

Depletion and depreciation expense for the year ended December 31, 2014 was $90.6 million or $23.28/boe compared to $53.7 million or $26.54/boe in the comparable period of 2013. On a unit of production basis, the decrease of 12% to $23.28/boe from the $26.54 per boe in the year ended December 31, 2013 was primarily from an intensive drilling program which resulted in significant reserve additions in 2014. Total proved plus probable reserves grew to 63.6 million boe, a 49% increase over the December 31, 2013 reserves of 42.7 million boe. Future development costs of $790.7 million have been included in the capital base used in the calculation and salvage values of $14.3 million have been excluded in the calculation.

Accretion increased in the fourth quarter of 2014 to $229 thousand from $104 thousand in the comparable quarter of 2013. This increase is primarily due to the increase in asset retirement obligation from drilling and acquisition activities. Accretion represents the time value of the asset retirement obligation and is calculated at the Company's risk-free rate, currently 2.33%. It will continue to increase with the passage of time and the increases in asset retirement obligations.

During the year ended December 31, 2014, $581 thousand of costs associated with expired mineral leases were recognized as depletion expense in the statement of comprehensive earnings. In comparison, $1.2 million of lease expiries were recorded for the year ended December 31, 2013.

Asset Retirement Obligations

As at December 31, 2014, the asset retirement obligation of the Company was $42.5 million. The Company recorded an increase of $22.9 million in the obligation from the asset retirement obligation of $19.6 million as at December 31, 2013. This is related to the capital exploration and development program in 2014, an upward revision to the estimate due to discounting the costs at a lower risk-free rate at December 31, 2014 relative to the rate applied at December 31, 2013 resulting in an increase of $6.1 million and an increase to the underlying cost estimate of $4.5 million.

Income Taxes

Income tax expense for the year ended December 31, 2014 was $41.1 million which consisted of $18.9 million of deferred income taxes and $22.2 million of current income tax for an effective tax provision rate of 26.1%. The federal tax pools are as follows:

($ thousands)	Estimated balance at January 1, 2015
Canadian oil and gas property expense	173,185
Canadian development expense	216,594
Undepreciated capital cost	129,518
Share issue costs	5,118
Total	524,415

Funds Flow from Operations and Net Earnings

The Company's funds flow from operations and net earnings generating capability are a direct result of production, commodity prices, and the cost to find and produce reserves. In the year ended December 31, 2014, Raging River recorded funds flow from operations of $221.7 million and net earnings of $110.2 million. This is a significant increase from the 2013 results with funds flow from operations of $117.0 million and net earnings of $43.4 million, due primarily to increased production volumes, lower operating costs per boe, lower depletion rates per boe and higher commodity prices in the first half of 2014.

The following table summarizes the operating netback, funds flow from operations and net earnings on a barrel of oil equivalent basis:

	Three months ended December 31, 2014	2013	Percent Change	Year ended December 31, 2014	2013	Percent Change
	($/boe)			($/boe)		
Petroleum and natural gas revenue	68.12	78.42	(13)	85.80	85.02	1
Realized gain (loss) on commodity contracts	4.01	(1.99)	(302)	0.25	(2.69)	(109)
Royalties	(5.33)	(7.02)	(24)	(7.87)	(7.56)	4
Net revenue	66.80	69.41	(4)	78.18	74.77	5
Operating expenses	(11.45)	(12.42)	(8)	(11.89)	(12.57)	(5)
Transportation expenses	(1.30)	(2.10)	(38)	(1.78)	(2.13)	(16)
Operating netback	54.05	54.89	(2)	64.51	60.07	7
General and administrative expenses	(1.44)	(1.78)	(19)	(1.43)	(1.85)	(23)
Financial charges	(0.71)	(0.76)	(7)	(0.94)	(0.53)	77
Asset retirement expenditures	(0.09)	-	(100)	(0.03)	-	(100)
Current taxes	(1.82)	(2.20)	(17)	(5.65)	(1.13)	400
Funds flow from operations	49.99	50.15	-	56.46	56.56	-
Unrealized gain (loss) on financial instruments	1.14	3.60	(68)	1.02	(0.92)	(211)
Stock-based compensation expense	(1.23)	(0.95)	29	(1.21)	(1.09)	11
Asset retirement expenditures	0.09	-	100	0.03	-	100
Exploration and evaluation lease expiries	-	-	-	(0.15)	(0.17)	(12)
Depletion, depreciation and accretion expense	(23.07)	(22.69)	2	(23.28)	(26.54)	(12)
Earnings before deferred taxes	26.92	30.11	(11)	32.87	27.84	18
Deferred income tax provision	(6.06)	(6.87)	(12)	(4.81)	(6.84)	(30)
Net earnings	20.86	23.24	(10)	28.06	20.99	34

Capital Expenditures

Total exploration and development capital expenditures for the fourth quarter and year ended December 31, 2014, were $97.1 million and $278.6 million, respectively, compared to $164.1 million and $272.5 million for the same periods in 2013. The expenditures are detailed below:

	Three months ended December 31, 2014	2013	Percent Change	Year ended December 31, 2014	2013	Percent Change
	(thousands of dollars)			(thousands of dollars)		
Land	4,065	1,619	151	6,268	3,999	57
Property acquisitions	-	103,423	(100)	4,701	104,370	(95)
Geological and geophysical	119	55	116	213	265	(20)
Drilling and completions	86,681	53,726	61	247,936	155,602	59
Production facilities	6,248	5,286	18	19,364	8,242	135
Other	10	12	(17)	112	17	559
Exploration and development	97,123	164,121	(41)	278,594	272,495	2

In the year ended December 31, 2014, Raging River drilled a total of 294 (248.8 net) crude oil wells, primarily in the greater Dodsland area in southwest Saskatchewan, with a 98% success rate. This included 288 (244.0 net) crude oil wells, 1 (0.5 net) stratigraphic test well and 5 (4.3 net) dry holes. 3 (3.0 net) wells drilled and completed in the first quarter of 2014 were deemed to be below the internally calculated economic threshold. By comparison, the Company drilled a total of 210 (173.5 net) wells in the year ended December 31, 2013 at a 100% success rate.

During the year ended December 31, 2014, the Company spent $278.6 million on capital expenditures including $267.4 million on drilling, completions and production facilities, $213 thousand on geological and geophysical costs and $11 million on land and property acquisitions.

In the fourth quarter of 2014, Raging River drilled a total of 109 (90.9 net) crude oil wells resulting in 106 (88.1 net) crude oil wells and 3 (2.8 net) dry holes, with a 97% success rate. By comparison, the Company drilled a total of 66 (60.2 net) wells in the fourth quarter of 2013 at a 100% success rate.

During the fourth quarter, Raging River invested a total of $97.1 million on capital expenditures including $92.9 on drilling, completion and production facilities, $119 thousand on geological and geophysical costs and $4.1 million on land and property acquisitions.

The Company's Board of Directors approved an initial 2015 exploration and development budget of $175 million. On February 9, 2015, this capital budget was subsequently expanded to $210 million. This budget will be funded from anticipated 2015 cash flow combined with the Company's existing credit facility of $300 million. Subsequent to year-end, the Company completed a bought deal financing, the net proceeds of $84.1 million of which was used to repay outstanding indebtedness under the Company's credit facilities which will be redrawn to fund the Corporation's 2015 capital expenditure program and for general corporate purposes (Refer to Subsequent Events note).

Land Holdings

We have evaluated our undeveloped land holdings internally. This internal evaluation estimated the fair market value of our 221,893 net acres undeveloped land holdings as at December 31, 2014, at $146 million. For purposes of the internal evaluation "fair market value" is defined as the price which we feel could be expected to be received for the undeveloped lands in an arm's length transaction. In order to determine fair market value, we considered a number of factors including a) current prices being paid for crown lands in the same area b) terms and conditions, expressed in monetary terms of recent farm-in and/or work commitments and the degree of exploration activity in each area, and c) recent industry sales of similar properties in the same general area. In areas where current prices or other pertinent information was not available, we used our best judgment.

During 2014, Raging River significantly increased its undeveloped land base. A total of 58,111 net acres of undeveloped land were acquired primarily in our core area of Dodsland in southwest Saskatchewan, through land sales and property acquisitions completed throughout 2014. The following table summarizes our developed and undeveloped land holdings (in acres) as at December 31, 2014.

	Undeveloped		Developed		Total	
	Gross (1)	Net (2)	Gross (1)	Net (2)	Gross (1)	Net (2)
Saskatchewan	247,936	208,533	46,658	38,249	294,594	246,782
Alberta	13,360	13,360	80	80	13,440	13,440
Total	261,296	221,893	46,738	38,329	308,034	260,222

(1) *"Gross" means the total number of acres in which we hold an interest.*
(2) *"Net" means the aggregate of the percentage working interests of Raging River in the gross acres*

Drilling Activity

The following table summarizes our drilling results:

	Three months ended December 31,				Year ended December 31,			
	2014		2013		2014		2013	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Crude oil	106	88.1	66	60.2	288	244.0	209	172.5
Natural gas	-	-	-	-	-	-	-	-
Test well	-	-	-	-	1	0.5	1	1.0
Service	-	-	-	-	-	-	-	-
Dry and abandoned	3	2.8	-	-	5	4.3	-	-
Total	109	90.9	66	60.2	294	248.8	210	173.5
Success (1)	97%	97%	100%	100%	98%	98%	100%	100%

(1) The Company does not include test wells in the calculation of success. Although 100% of the wells drilled in the first quarter of 2014 were drilled, completed and placed on production, 3 (3.0 net) wells were deemed to be below an internally calculated economic threshold.

Liquidity and Capital Resources

At December 31, 2014, the Company had net debt of $152.2 million compared to net debt of $96.3 million at December 31, 2013. For the year ended December 31, 2014, funds flow from operations of $221.7 million combined with warrant and stock option proceeds of $1 million, less capital expenditures of $278.6 million resulted in the ending net debt of $152.2 million.

The Company expects to have adequate liquidity to fund the updated 2015 capital expenditure budget of $210 million through a combination of funds flow from operations and the $300 million syndicated credit facility. Raging River anticipates that it will make use of additional bank debt or equity financing for any substantial expansion in its capital program or to finance any significant acquisitions.

Subsequent to year-end, the Company completed a bought deal financing, the net proceeds of $84.1 million of which was used to repay outstanding indebtedness under the Company's credit facilities which will be redrawn to fund the Corporations 2015 capital expenditure program and for general corporate purposes (Refer to Subsequent Events note).

Capital Resources

	December 31,	
	2014	2013
($ thousands)		
Capital Resources		
Bank debt available	300,000	225,000
Net debt	(152,250)	(96,322)
Total capital resources available	147,750	128,678

At December 31, 2014, the Company had 2.6 million warrants outstanding that entitle the holders to purchase common shares at an exercise price of $2.00 per common share until March 15, 2015. During the year ended December 31, 2014, the Company amended the terms of the warrants to allow warrants to be exercised on a "cash-less" basis by surrendering the warrants in exchange for the issuance of common shares equal to the number determined by dividing the closing price of the common shares on the Toronto Stock Exchange ("TSX") on the trading day immediately preceding the date of exercise into the difference between the market price and the exercise price of the warrants.

During the year ended December 31, 2013, the Company amended its Option Plan to allow options to be exercised on a "cash-less" basis by surrendering the options in exchange for the issuance of common shares equal to the number determined by dividing the closing price of the common shares on the TSX on the date of exercise into the difference between the closing price and the exercise price of the options being exercised.

Changes to share capital in 2014 were the following:

During the year ended December 31, 2014, 1.1 million stock options were exercised for 817 thousand common shares on a cash-less basis.

During the year ended December 31, 2014, 83 thousand stock options were exercised for 83 thousand common shares for proceeds of $185 thousand.

During the year ended December 31, 2014, 11.2 million warrants were exercised for 8.1 million common shares on a cash-less basis.

During the year ended December 31, 2014, 415 thousand warrants were exercised for 415 thousand common shares for proceeds of $830 thousand.

Common share information

CAPITALIZATION

Share Capital

	Three months ended December 31,		Year ended December 31,	
Outstanding common shares	2014	2013	2014	2013
Weighted average outstanding common shares (1)				
-Basic	180,256	164,121	178,826	158,613
-Diluted	187,394	178,729	186,602	170,236
Outstanding securities at December 31, 2014				
-Common shares				180,332,023
-Common share options – average strike price of $5.08				13,119,738
-Warrants issued through Private Placement – strike price of $2.00				2,612,422

(1) Diluted weighted average share information reflects the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted to common shares. Diluted weighted average share information is calculated assuming that any proceeds received by the Company upon exercise of in-the-money stock options or warrants plus the unamortized stock compensation expense would be used to buy back common shares at the average market price for the period.

Total Market Capitalization

The Company's market capitalization at December 31, 2014 was $1.3 billion.

	December 31, 2014
Common shares outstanding	180,332,023
Share price (1)	$7.34
Total market capitalization	$1,323,637,049

(1) Represents the last price traded on the TSX on December 31, 2014.

As at March 9, 2015 the Company had 196,453,893 common shares outstanding.

	March 9, 2015
Outstanding securities at March 9, 2015	
-Common shares	196,453,893
-Stock options – weighted average exercise price of $5.10	13,173,072
-Warrants issued through Private Placement	6,000

Subsequent Events

Subsequent to the end of the year, the following event has occurred:

a) Financing

On February 4, 2015, the Company completed a bought deal financing for gross proceeds of $88.3 million and issued 13.8 million shares at a price of $6.40 per common share, which included 1.8 million common shares issued in connection with the full exercise of the underwriters' over allotment option.

b) Property acquisition

On February 11, 2015, the Company closed the previously announced asset acquisition in the Dodsland area of southwest Saskatchewan for $35.6 million before closing adjustments. The Viking oil assets consist of approximately 600 boe/d (100% light oil) of production and 19,200 net acres of highly prospective land targeting Viking oil.

c) Warrants exercised

Subsequent to year ended December 31, 2014, 2.6 million warrants have been exercised for 2.3 million common shares.

Contractual Obligations and Commitments

Raging River has assumed various contractual obligations and commitments in the normal course of operations and financing activities. We consider these obligations when assessing cash requirements in the discussion of future liquidity that follows:

Contractual Obligations

Payments due by Period ($ thousands)	Less than 1 Year	1 to 3 Years	4 to 5 Years	After 5 Years	Total
Office Lease	724	2,171	483	-	3,378
Bank debt	-	48,305	-	-	48,305
Total contractual obligations	724	50,476	483	-	51,683

Off-Balance Sheet Arrangements

There are currently no significant off-balance sheet arrangements.

Related Party Transactions

The Company did not have any related party transactions in the year ended December 31, 2014.

Selected Annual Information

	2014	2013	2012[(1)]
Financial *(thousands of dollars except share data)*			
Average production volumes	10,755	5,665	2,277
Petroleum and natural gas revenue	336,838	175,808	49,964
Funds flow from operations [(2)]	221,650	116,967	33,797
Per share - basic	1.24	0.74	0.28
- diluted	1.19	0.69	0.28
Net earnings	110,170	43,412	11,337
Per share - basic	0.62	0.27	0.10
- diluted	0.59	0.26	0.09
Total assets	765,332	550,746	316,287
Net debt[(2)]	152,250	96,322	15,157
Weighted average shares *(thousands)*			
Basic	178,826	158,613	118,999
Diluted	186,602	170,236	121,094

(1) Raging River commenced active operations on March 16, 2012, accordingly the operations for the year ended December 31, 2012 reflect only a 290 day period.
(2) Funds flow from operations and net debt do not have a standardized meaning under GAAP. Refer to non-GAAP measures in this MD&A.

The Company's petroleum and natural gas revenue, funds flow from operations and total assets have increased for the years 2012 to 2014 due to increased production volumes from the Company's successful capital program combined with corporate and property acquisitions completed during these periods.

Summary of Quarterly Results

	Q4/14	Q3/14	Q2/14	Q1/14	Q4/13	Q3/13	Q2/13	Q1/13
Financial *(thousands of dollars except share data)*								
Petroleum and natural gas revenue	78,634	88,566	88,931	80,707	56,106	50,287	36,264	33,151
Funds flow from operations [(1)]	57,704	57,850	56,283	49,813	35,882	32,174	25,527	23,383
Per share - basic	0.32	0.32	0.32	0.28	0.22	0.21	0.16	0.15
- diluted	0.31	0.31	0.30	0.27	0.20	0.19	0.15	0.14
Net earnings	24,067	31,505	30,238	24,360	16,622	11,738	8,810	6,241
Per share - basic	0.14	0.17	0.17	0.14	0.10	0.07	0.06	0.04
- diluted	0.13	0.17	0.16	0.13	0.09	0.07	0.05	0.04
Capital expenditures, net	97,123	81,664	27,789	72,017	164,121	60,184	10,583	37,608
Shareholders' equity	496,984	470,775	437,159	405,258	379,403	286,318	273,703	264,027
Weighted average shares *(thousands)*								
Basic	180,256	180,081	179,438	175,461	164,121	156,757	156,757	156,757
Diluted	187,394	188,442	188,002	183,417	178,729	169,485	166,546	164,775
Shares outstanding, end of period *(thousands)*								
Basic	180,332	180,209	179,890	179,213	170,914	156,757	156,757	156,757
Diluted	196,064	195,755	195,104	192,372	195,214	180,879	180,829	177,672
Operating *(6:1 boe conversion)*								
Average daily production								
Crude oil and NGLs *(bbls/d)*	12,059	10,278	9,500	9,427	7,458	5,495	4,387	4,454
Natural gas *(mcf/d)*	2,931	2,406	2,765	2,269	1,912	1,104	1,401	580
Barrels of oil equivalent [(2)] *(boe/d)*	12,548	10,679	9,960	9,805	7,777	5,679	4,620	4,550

Average selling prices[4]								
Crude oil and NGLs *($/bbl)*	70.00	92.79	101.59	93.75	80.93	98.98	89.71	82.29
Natural gas *($/mcf)*	3.60	3.74	4.41	5.69	3.28	2.43	3.55	3.18
Barrels of oil equivalent [2] *($/boe)*	68.12	90.14	98.11	91.46	78.42	96.25	86.26	80.95
Netbacks ($/boe)								
Operating								
Petroleum and natural gas revenue[4]	68.12	90.14	98.11	91.46	78.42	96.25	86.26	80.95
Realized gain (loss) on commodity contracts	4.01	0.13	(2.34)	(1.86)	(1.99)	(7.65)	(0.49)	0.15
Royalties	(5.33)	(8.89)	(9.63)	(8.27)	(7.02)	(8.86)	(7.46)	(6.94)
Operating expenses	(11.45)	(11.75)	(11.99)	(12.50)	(12.42)	(12.53)	(12.78)	(12.66)
Transportation expenses	(1.30)	(1.95)	(1.99)	(2.01)	(2.10)	(2.02)	(2.25)	(2.20)
Operating netback *($/boe)*	54.05	67.68	72.16	66.82	54.89	65.19	63.28	59.30
General and administrative	(1.44)	(1.39)	(1.43)	(1.47)	(1.78)	(1.85)	(1.95)	(1.88)
Financial charges	(0.71)	(0.91)	(1.19)	(1.03)	(0.76)	(0.32)	(0.61)	(0.32)
Asset retirement obligation	(0.09)	-	-	-	-	-	-	-
Current taxes	(1.82)	(6.51)	(7.45)	(7.88)	(2.20)	(0.55)	-	-
Funds flow netback[3] *($/boe)*	49.99	58.87	62.09	56.44	50.15	62.47	60.72	57.10

(1) Management uses funds flow from operations to analyze operating performance and leverage. Funds flow from operations as presented does not have any standardized meaning prescribed by IFRS and therefore it may not be comparable with the calculation of similar measures for other entities. The reconciliation between funds flow from operations and cash flow from operating activities can be found in this MD&A.
(2) Boe conversion ratio for natural gas of 1 Boe: 6 Mcf has been used, which is based on an energy equivalency conversion method primarily applicable at the burner tip and does not necessarily represent a value equivalency at the wellhead. As the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.
(3) Funds flow netbacks are calculated as the operating netback less general and administrative expenses, financial charges, asset retirement obligations, and current taxes.
(4) Excludes unrealized risk management contracts.

The fluctuations in Raging River's revenue, funds flow from operations and net earnings from quarter to quarter are primarily due to increases in production volumes, changes in realized commodity pricing and the related impact on royalties. With the commencement of operations in the latter part of the first quarter of 2012, and continuing through into 2014, the Company has maintained an active capital expenditure program combined with property acquisitions and corporate acquisitions. This has resulted in a substantial increase on a quarter over quarter basis in the Company's production, revenues, funds flow from operations and net earnings. Please refer to the Financial and Operating Results section of this MD&A for detailed discussions of changes in the fourth quarter of 2014.

Business Environment and Risk

The business risks the Company is exposed to are those inherent in the oil and gas industry as well as those governed by the individual nature of Raging River's operations. Geological and engineering risks, the uncertainty of discovering commercial quantities of new reserves, commodity prices, interest rate and foreign exchange risks, competition and government regulations – all of these govern the business and influence the controls and management at the Company. Raging River manages these risks by:

- attracting and retaining a team of highly qualified and motivated professionals who have a vested interest in the success of the Company;
- operating properties in order to maximize opportunities;
- employing risk management instruments to minimize exposure to volatility of commodity prices, interest rate and foreign exchange rates;
- maintaining a strong financial position; and
- maintaining strict environmental, safety and health practices

For additional details on the risks relating to Raging River's business, see "Risk Factors" in the Company's most recent annual information form, which is available on SEDAR at www.sedar.com.

Disclosure Controls and Procedures

The Chief Executive Officer (“CEO”) and the Chief Financial Officer (“CFO”) have designed, or caused to be designed under their supervision, disclosure controls and procedures as defined in National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109") of the Canadian Securities Administrators. The CEO and CFO have evaluated the disclosure controls and procedures as at December 31, 2014 and have concluded that they were effective as at such date.

Internal Controls over Financial Reporting

The CEO and the CFO have designed, or caused to be designed under their supervision, internal controls over financial reporting as defined in NI 52-109. The control framework Raging River’s officers used to design the Company’s ICFR is the Internal Control - Integrated Framework (1992) (“COSO Framework”) published by The Committee of Sponsoring Organizations of the Treadway Commission (“COSO”). The CEO and CFO have concluded that the Company’s internal controls over financial reporting were effective as of December 31, 2014. There have been no changes in the Company's internal controls over financial reporting during the period from January 1, 2014 to December 31, 2014 that have materially affected, or are reasonably likely to materially affect the Company's internal controls over financial reporting.

It should be noted that while Raging River’s CEO and CFO believe that the Company’s internal controls and procedures provide a reasonable level of assurance and that they are effective, they do not expect that these controls will prevent all errors or fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Application of Critical Accounting Estimates

Use of estimates and judgments

The preparation of financial statements requires management to make estimates and use judgment regarding the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the period. By their nature, estimates are subject to measurement uncertainty and changes in such estimates in future periods could require a material change in the financial statements. Accordingly, actual results may differ from the estimated amounts as future confirming events occur.

Estimates and their underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and for any future years affected.

a) Critical Judgments in Applying Accounting Policies

Determination of cash-generating units (“CGU”) and impairment

The determination of what constitutes a CGU used to test the recoverability of development and production asset carrying values is subject to management judgment. Judgments are made in regards to shared infrastructure, geographical proximity, petroleum type and similar exposure to market risk and materiality. The asset composition of a CGU can directly impact the recoverability of the assets included therein. The key estimates used in the determination of cash flows from oil and natural gas reserves include the following:

i) Reserves – assumptions that are valid at the time of reserve estimation may change significantly when new information becomes available. Changes in forward price estimates, production levels or results of future drilling may change the economic status of reserves and may ultimately result in reserves being restated.

ii) Oil and natural gas prices – forward price estimates are used in the cash flow model. Commodity prices can fluctuate for a variety of reasons including supply and demand fundamentals, inventory levels, exchange rates, weather, and economic and geopolitical factors.

iii) Discount rate – the discount rate used to calculate the net present value of cash flows is based on estimates of an approximate industry peer group weighted average cost of capital. Changes in the general economic environment could result in significant changes to this estimate.

Judgments are required to assess when impairment indicators exist and impairment testing is required. In determining the recoverable amount of assets, in the absence of quoted market prices, impairment tests are based on estimates of reserves, production rates, future oil and natural gas prices, future costs, discount rates, market value of land and other relevant assumptions.

Exploration and evaluation ("E&E") assets

The application of the Company's accounting policy for E&E assets requires management to make certain judgments as to future events and circumstances as to whether economic quantities of reserves have been found. Judgment is also required to determine the level at which E&E is assessed for impairment; for Raging River, the recoverable amount of E&E assets is assessed at the CGU level.

Deferred income taxes

Judgments are made by management to determine the likelihood of whether deferred income tax assets at the end of the reporting year will be realized from future taxable earnings.

b) Key Sources of Estimation Uncertainty

Business combinations

In a business combination, management makes estimates of the fair value of assets acquired and liabilities assumed, which includes assessing the value of oil and natural gas properties based on the estimation of recoverable quantities of proved plus probable reserves being acquired.

Valuation of property and equipment/Reserves

The valuation of property and equipment involves the estimation of proved plus probable reserves and includes assumptions regarding future commodity prices, exchange rates, discount rates, future development costs and production and transportation costs for future cash flows as well as the interpretation of complex geological and geophysical models and data. Changes in reported reserves can affect the impairment of assets, the decommissioning obligations, the economic feasibility of exploration and evaluation assets and the amounts reported for depletion, depreciation and amortization of property, plant and equipment. These reserve estimates are verified by third-party professional engineers, who work with information provided by the Company to establish reserve determinations in accordance with NI 51-101. Accordingly, the impact to the financial statements in future years could be material.

Asset retirement obligations

Amounts recorded for asset retirement obligations and the related accretion expense requires the use of estimates with respect to the amount and timing of abandonment expenditures. Other provisions are recognized in the year when it becomes probable that there will be a future cash outflow.

Valuation of derivative financial instruments

The estimated fair values of derivative financial instruments resulting in financial assets and liabilities, by their very nature are subject to measurement uncertainty.

Measurement of share-based compensation

The estimated fair values of stock options and warrants using pricing models such as the Black-Scholes model is based on significant assumptions such as volatility, forfeiture rates and the expected term.

Income taxes

Tax interpretations, regulations and legislation in the various jurisdictions in which the Company operates are subject to change. As such, income taxes are subject to measurement uncertainty.

Summary of Significant Accounting Policies

The Company's accounting policies are described in Note 3 to the December 31, 2014 audited annual financial statements, except for the new or amended IFRS's effective January 1, 2014 as noted below.

IAS 32 Financial Instruments: Presentation, has been amended to clarify the requirements for offsetting financial assets and liabilities. The amendments clarify that the right to offset must be available on the current date and cannot be contingent upon a future event. The adoption of this amendment did not impact the Company's financial statements.

IAS 36 Impairment of Assets, has been amended to require additional disclosures in the event of recognizing an impairment of assets. The Company did not recognize an impairment of assets as at or during the year ended December 31, 2014 and as a result, the adoption of this amendment did not impact the Company's financial statement disclosures.

Effective January 1, 2014, the International Financial Reporting Interpretation Committee ("IFRIC") 21 clarified that an entity recognizes a liability for a levy when the activity that triggers payment occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarified that no liability should be anticipated before the minimum threshold is reached. The adoption of this interpretation did not have an impact on the Company's financial statements.

Future accounting pronouncements

IFRS 15 Revenue from Contracts with Customers, provides clarification for recognizing revenue from contracts with customers and establishes a single revenue recognition and measurement framework that applies to contracts with customers. The new standard is effective for annual periods beginning on or after January 1, 2017, with early adoption permitted. Management is currently assessing the potential impact of the adoption of IFRS 15 on the Company's financial statements.

IFRS 9 Financial Instruments, is intended to replace IAS 39 Financial Instruments: Recognition and Measurement and uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. For financial liabilities designated at fair value through profit or loss, a company can recognize the portion of the change in fair value related to the change in the company's own credit risk through other comprehensive income rather than profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39, and incorporates new hedge accounting requirements. The new standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. Management is currently assessing the potential impact of the adoption of IFRS 9 on the Company's financial statements.

Corporate Information

Board of Directors

NEIL ROSZELL
President & CEO, Raging River Exploration Inc.
Calgary, Alberta

GARY BUGEAUD (2)
Businessman
Calgary, Alberta

GEORGE FINK (1) (2) (3)
Chairman & CEO, Bonterra Energy Corp.
Calgary, Alberta

RAYMOND P. MACK (1)
Partner, Kenway Mack Slusarchuk Stewart LLP
Calgary, Alberta

KEVIN OLSON (1) (3)
President, Kyklopes Capital Management Ltd.
Calgary, Alberta

DAVE PEARCE (2) (3)
Deputy Managing Partner, KERN Partners
Calgary, Alberta

(1) Audit Committee
(2) Corporate Governance and Compensation Committee
(3) Reserves Committee

Officers

NEIL ROSZELL, P. Eng.
President & CEO

BRUCE ROBERTSON
Executive Vice President

JERRY SAPIEHA, CA
Vice President Finance & CFO

BRUCE BEYNON
Vice President Exploration

JASON JASKELA, P. Eng.
Vice President Production & COO

TERRY DANKU
Vice President Engineering

SCOTT RIDEOUT
Vice President Land

TED BROWN (Corporate Secretary)
Burnet, Duckworth & Palmer LLP

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Calgary, Alberta

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