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 May 9, 2016 and should be read in conjunction with the unaudited interim financial statements for the three months ended March 31, 2016 and the audited financial statements for the year ended December 31, 2015 and the notes thereto. The interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 – "Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All dollar amounts are referenced in Canadian dollars, except when noted otherwise.

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 2016 capital budget including expected capital expenditures, the total number of wells to be drilled , total expected on-stream costs, expectations that the Company will have adequate liquidity to fund operations and capital expenditures and expected sources of financing for any expansion of the capital program or any significant acquisition that may be undertaken by the Company. 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, 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 unaudited interim 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 March 31, 2016	2015
Cash flow from operating activities	29,173	8,564
Changes in non – cash working capital	731	24,916
Funds flow from operations	29,904	33,480

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.

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 in the Viking oil resource play in western Canada, being primarily located in the Dodsland area in southwestern Saskatchewan and southeast Alberta.

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

Corporate Highlights

First quarter ended March 31, 2016

- Achieved another quarterly production record with average production of 16,505 boe/d (92% oil) representing an increase of 24% over the comparable period in 2015. This represents a 9% production per share increase from the comparable period of 2015 and a 5% increase from the fourth quarter of 2015.

- The Company's capital expenditures were $37.4 million. Capital expenditures during the quarter consisted of $27.6 million on drilling and completions, $6 million on equipping and $3.8 million on waterflood expansion and land purchases.

- A total of 56.5 net Viking horizontal wells were drilled at a 100% success rate. Average on-stream capital costs during the quarter achieved a new record low for Raging River of $650,000 per well with average drilling and completion costs of $530,000 per well.

- On an unhedged basis, the Company generated industry leading operating netbacks of $19.95/boe and funds flow netbacks of $19.77/boe.

- Completed a bought deal financing for gross proceeds of $108.1 million, issuing 12.5 million common shares at a price of $8.65 per share.

- Maintained balance sheet strength with first quarter exit net debt of $44.6 million representing 0.4 times debt to the first quarter annualized cash flow.

- Subsequent to quarter end, Raging River has reaffirmed its existing $300 million credit facilities.

Petroleum and Natural Gas Revenue

	Three months ended March 31, 2016	2015	Percent Change
	(thousands of dollars)		
Liquids revenue	48,983	54,329	(10)
Natural gas revenue	1,358	649	109
Royalty revenue	41	28	46
	50,382	55,006	(8)
Operating: (6:1 boe conversion)			
Average daily production			
Liquids (bbls/d)	15,188	12,870	18
Natural gas (mcf/d)	7,900	2,641	199
Barrels of oil equivalent (boe/d)	16,505	13,310	24
Raging River average sales price			
Liquids ($/bbl)	35.47	46.93	(24)
Natural gas ($/mcf)	1.89	2.73	(31)
Barrel of oil equivalent ($/boe)	33.54	45.92	(27)
Average Benchmark Prices			
Crude oil - WTI (US$/bbl)	33.45	48.63	(31)
Crude oil – MSW	40.72	51.87	(21)
Natural gas - AECO	1.83	2.75	(33)
Exchange rate (US$/Cdn$)	0.73	0.81	(10)

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 Mixed Sweet Blend ("MSW"). The continued significant decline in the WTI price was only partially offset by the weak Canadian dollar in the first quarter of 2016, which resulted in a lower realized price for the Company. The Company's liquids price averaged $35.47/bbl for the first quarter of 2016, down 24% from $46.93/bbl in the first quarter of 2015. Raging River's average quality adjustment to MSW pricing during the first quarter of 2016 increased slightly to $5.25/bbl compared to $4.94/bbl in the first quarter of 2015. Raging River's quality adjustments are related to our average oil being 35º API versus the 40º API WTI benchmark, yielding an average $5/bbl differential to MSW.

The AECO natural gas price declined in the first quarter of 2016 due to above average input into storage from an oversupplied market and warmer weather reducing demand, resulting in downward pressure on natural gas pricing and a decrease in the natural gas price realized by the Company. Raging River's realized natural gas price in the first quarter of 2016 was $1.89 per mcf compared to $2.73 per mcf in the first quarter of 2015.

During the first quarter of 2016, the Company drilled a total of 58 (57.5 net) wells resulting in 57 (56.5 net) crude oil wells for a success rate of 100% and 1 (1.0 net) service well.

Production	Q1/16	Q4/15	Q3/15	Q2/15	Q1/15	Q4/14	Q3/14	Q2/14	Q1/14
Liquids (bbls/d)	15,188	14,194	13,009	12,856	12,780	12,059	10,278	9,500	9,427
Natural gas (mcf/d)	7,900	3,461	2,454	2,947	2,641	2,931	2,406	2,765	2,269
Total (boe/d)	16,505	14,771	13,418	13,347	13,310	12,548	10,679	9,960	9,805
% increase over prior quarter	12%	10%	1%	-	6%	18%	7%	2%	26%
Production per 1 million shares	76.2	72.8	67.2	67.4	70	69.6	59.3	55.5	55.9
Per share % increase (decrease) over prior quarter	5%	8%	-	(4%)	1%	17%	7%	(1%)	18%

The Company's production for the first quarter of 2016 increased to 16,505 boe/d from 13,310 boe/d in the first quarter of 2015, an increase of 24%. Quarter over quarter, production in the first quarter of 2016 increased to 16,505 boe/d from 14,771 boe/d in the fourth quarter of 2015, an increase of 12%. The year over year increase was primarily attributable to a successful drilling program in 2015 and 2016 combined with the corporate acquisition that closed in December 2015.

Petroleum and natural gas revenue in the three month period March 31, 2016 was $50.4 million as compared to $55.0 million in the comparable period of 2015. This decline was the result of a 27% decrease in commodity pricing that was partially offset by a 24% 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 May 9, 2016 the Company has the following price contracts in place by quarter:

2016

Q2					
Crude oil	Differential	Apr 2016 – Jun 2016	1,500 bbls/d	Cdn $4.65/bbl	WTI
Natural gas	Fixed	Apr 2016 – Jun 2016	2,500 GJs/d	Cdn $2.39/GJ	AECO
Q3					
Crude oil	Differential	Jul 2016 – Sept 2016	1,500 bbls/d	Cdn $4.65/bbl	WTI
Natural gas	Fixed	Jul 2016 – Sept 2016	2,500 GJs/d	Cdn $2.41/GJ	AECO
Q4					
Crude oil	Differential	Oct 2016 – Dec 2016	1,500 bbls/d	Cdn $4.65/bbl	WTI
Natural gas	Fixed	Oct 2016 – Dec 2016	2,500 GJs/d	Cdn $2.45/GJ	AECO

Realized & Unrealized Gain/Loss on Commodity Contracts

The realized gain/loss represents the commodity contracts settled during the first quarter of 2016. As the oil commodity contracts are referenced to 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 decline in the WTI in the first quarter of 2016 was only partially offset by the weak Canadian dollar which resulted in a realized gain for the three months ended March 31, 2016. For the three months ended March 31, 2016, the Company realized gains of $204 thousand (three months ended March 31, 2015 realized gains of $1.9 million).

As of March 31, 2016, the fair value of Raging River's outstanding commodity contracts is an unrealized asset of $472 thousand as reflected in the interim 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 March 31, 2016 had the contracts been monetized or terminated. Subsequent changes in the fair value of the commodity contracts are recognized in the interim financial statements and could be materially different than what is recorded at March 31, 2016. The unrealized gain of $257 thousand in the first quarter of 2016 represents the change in fair value of the underlying commodity contracts recorded on the statement of financial position. In comparison, an unrealized loss of $1.0 million was recorded for the three months ended March 31, 2015.

Royalties

	Three months ended March 31, 2016	2015	Percent Change
	(thousands of dollars)		
Crown	1,019	1,216	(16)
Saskatchewan resource surcharge	957	1,040	(8)
Freehold and GORR	2,932	3,533	(17)
	4,908	5,789	(15)
Percent of total revenue	9.7%	10.5%	(8)
Per boe ($)	3.27	4.83	(32)

Royalty expenses consist of royalties paid to provincial governments, freehold landowners, overriding royalty owners and the Saskatchewan resource surcharge. Royalties decreased to $4.9 million in the first quarter of 2016 from $5.8 million in the first quarter of 2015 primarily due to a 27% decline in commodity pricing. The Company's average royalty rate was 9.7% in the first quarter of 2016 compared to 10.5% in the three months ended March 31, 2015.

Operating Expenses

	Three months ended March 31, 2016	2015	Percent Change
Total operating costs *($ thousands)*	13,449	13,606	(1)
Percent of total revenue	26.7%	24.7%	8
Per boe ($)	8.95	11.36	(21)

Operating expenses slightly decreased to $13.4 million in the first quarter of 2016 from $13.6 million in the first quarter of 2015. The decrease in operating costs in the first quarter of 2016 is a result of achieving cost reduction initiatives and reduced costs from warmer winter weather that was offset by the 24% increase in production volumes.

Operating expenses averaged $8.95/boe in the first quarter of 2016, which represents a decrease of 21% or $2.41/boe from $11.36/boe in the first quarter of 2015. Operating costs per boe decreased in first quarter of March 31, 2016, due to mild winter conditions, a significant component of operating costs being fixed with increased production, and achieving cost reductions.

Transportation Expenses

	Three months ended March 31, 2016	2015	Percent Change
Total transportation costs *($ thousands)*	2,058	1,617	27
Percent of total revenue	4.1%	2.9%	41
Per boe ($)	1.37	1.35	1

Transportation expenses relate to the cost of transporting liquids and natural gas and hauling crude oil to the point of sale. Transportation costs increased to $2.1 million in the first quarter of 2016 from $1.6 million in the first quarter of 2015. The increase in transportation expenses is primarily a result of a 24% increase in production volumes. On a per boe basis, transportation expenses for the quarter ended March 31, 2016 remained consistent at $1.37 per boe from $1.35 in the comparable period of 2015.

General and Administrative (“G&A”) Expenses

	Three months ended March 31, 2016	2015	Percent Change
	(thousands of dollars)		
General and administrative	2,852	2,407	18
Overhead recoveries	(315)	(175)	80
Capitalized G & A	(648)	(592)	9
	1,889	1,640	15
Percent of total revenue	3.7%	3.0%	23
Per boe ($)	1.26	1.37	(8)

The Company incurred gross G&A costs of $2.9 million in the first quarter of 2016, an increase of 18% from $2.4 million in the first quarter of 2015. Increased G&A costs before recoveries and capitalization were mainly the result of increased costs including software and consulting fees to accommodate the Company’s capital expenditure program and the larger operations resulting from increases in production.

Net general and administration expenses for the first quarter of 2016 were $1.9 million or $1.26/boe compared to $1.6 million or $1.37/boe in the first quarter of 2015. The decrease in net G&A per boe from the comparable periods is a result of continued G&A efficiencies achieved combined with higher production levels.

Financial Charges

	Three months ended March 31, 2016	2015	Percent Change
Financial charges *($ thousands)*	1,227	754	63
Percent of total revenue	2.4%	1.4%	71
Per boe ($)	0.82	0.63	30

Financial charges for the first quarter of 2016 were $1.2 million or $0.82/boe compared to $754 thousand or $0.63/boe in the first quarter of 2015. Interest on bank debt increased in the first quarter of 2016 as compared to the first quarter of 2015, due to carrying higher average debt levels primarily a result of debt assumed from the corporate acquisition that closed in late 2015. On March 9, 2016, the Company issued 12.5 million common shares at $8.65 per common share for net proceeds of $102.9 million. The Company used proceeds from the financing to reduce debt and free up borrowing capacity. Subsequent to the financing, debt was redrawn to fund the 2016 capital expenditure program. As at March 31, 2016 the Company had drawn $25.2 million against the available credit facilities of $300 million.

Stock-based Compensation

	Three months ended March 31, 2016	2015	Percent Change
Stock based compensation *($ thousands)*	1,654	1,383	20
Percent of total revenue	3.3%	2.5%	32
Per boe ($)	1.10	1.15	(4)

As at March 31, 2016, the Company had outstanding a total of 9.9 million stock options with a weighted average fair value of $2.18 per option. Stock based compensation expense in the first quarter of 2016 was $1.7 million compared to $1.4 million in the first quarter of 2015. Stock based compensation expense increased in the three months ended March 31, 2016, due to amortization of expense relating to additional stock options granted to new employees.

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 March 31, 2016	2015	Percent Change
	(thousands of dollars)		
Depletion and depreciation	32,964	27,267	21
Exploration and evaluation lease expiries	2,197	2,512	(13)
Accretion	349	247	41
	35,510	30,026	
Percent of total revenue	70.5%	54.6%	29
Per boe ($) – Exploration and evaluation lease expiries	1.46	2.10	(30)
Per boe ($) – Depletion and depreciation	22.18	22.97	(3)

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 first quarter of 2016 was $33.0 million or $22.18/boe compared to $27.3 million or $22.97/boe in the first quarter of 2015. The increase in depletion expense is a result of a 24% increase in production volumes, combined with a large increase to the capital base from capital expenditures and the corporate acquisition that closed in December 2015. Depletion per boe remained consistent in the first quarter of 2016 compared to 2015 as capital additions were offset by significant reserve additions in 2015.

Accretion increased in 2016 to $349 thousand from $247 thousand in the comparable quarter of 2015. 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%. It will continue to increase with the passage of time and the increases in asset retirement obligations.

During the three month period ended March 31, 2016, $2.2 million of costs associated with expired mineral leases were recognized as exploration and evaluation expense in the statement of comprehensive earnings. In comparison, $2.5 million of lease expiries were recorded in the first quarter of 2015. Saskatchewan crown land leases come up for renewal annually in the first quarter of the year.

Asset Retirement Obligations

As at March 31, 2016, the asset retirement obligation of the Company was $72.8 million. The Company recorded an increase of $7.9 million in the obligation from the asset retirement obligation of $64.9 million as at December 31, 2015. This is related to its first quarter 2016 capital exploration and development program combined with an upward revision to the estimate. The revision to estimated asset retirement obligations of $3.0 million was due to discounting future cost estimates at a lower rate than in prior periods.

Income Taxes

The Company recorded a deferred income tax provision for the three months ended March 31, 2016 of $900 thousand which when combined with the current tax recovery was an effective rate of 20.7%

Raging River recorded a current income tax recovery of $2.9 million for the three months ended March 31, 2016 due to the decline in commodity pricing. Based on the current forecast commodity prices, the Company does not expect to pay cash taxes in 2016.

Funds Flow from Operations and Net Earnings (loss)

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 three month period of operations ended March 31, 2016, Raging River recorded funds flow from operations of $29.9 million and net loss of $7.9 million. This is a significant decrease from the 2015 first quarter results with funds flow from operations of $33.5 million and net earnings of $760 thousand, due primarily to the significant decline in commodity pricing which was slightly offset by increased production volumes and lower cash costs per boe.

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

	Three months ended March 31, 2016	Three months ended March 31, 2015	Percent Change
	($/boe)		
Petroleum and natural gas revenue	33.54	45.92	(27)
Realized gain on commodity contracts	0.14	1.59	(91)
Royalties	(3.27)	(4.83)	(32)
Net revenue	30.41	42.68	(29)
Operating expenses	(8.95)	(11.36)	(21)
Transportation expenses	(1.37)	(1.35)	1
Operating netback	20.09	29.97	(33)
General and administrative expenses	(1.26)	(1.37)	(8)
Financial charges	(0.82)	(0.63)	30
Asset retirement expenditures	(0.03)	(0.02)	50
Current taxes recovery	1.93	-	100
Funds flow from operations	19.91	27.95	(29)
Unrealized gain (loss) on financial instruments	0.17	(0.86)	(120)
Stock-based compensation expense	(1.10)	(1.15)	(4)

Asset retirement expenditures	0.03	0.02	50
Exploration and evaluation expense	(1.46)	(2.10)	(30)
Depletion, depreciation and accretion expense	(22.18)	(22.97)	(3)
Earnings before deferred taxes	(4.63)	0.89	(620)
Deferred income tax expense	(0.60)	(0.25)	140
Net earnings (loss)	(5.23)	0.64	(917)

Capital Expenditures

Total exploration and development capital expenditures for the three month period ended March 31, 2016 were $37.4 million compared to $84.1 million for the same period in 2015. The expenditures are detailed below:

	Three months ended March 31, 2016	2015	Percent Change
	(thousands of dollars)		
Land	537	317	69
Property acquisitions	-	35,729	(100)
Geological and geophysical	3	1	200
Drilling and completions	27,556	37,668	(27)
Facilities and equipping	9,248	10,375	(11)
Other	36	16	125
Exploration and development	37,380	84,106	(56)

In the three months ended March 31, 2016, Raging River drilled a total of 58 (57.5 net) wells. This included 57 (56.5 net) crude oil wells at a success rate of 100% and 1(1.0 net) service test well. By comparison, the Company drilled a total of 60 (53.3 net) crude oil wells in the three months ended March 31, 2015 at a 100% success rate.

In the three months ended March 31, 2016, the Company invested a total of $37.4 million on capital expenditures including $36.8 million on drilling, completions and production facilities and $0.6 million on land and geological and geophysical costs.

The board of directors has approved an increase to the capital expenditure budget to $175 million from $155 million for 2016. Raging River's amended 2016 budget includes the drilling of approximately 220 net Viking oil wells. Total on-stream costs (drilling, completion and equipping) are expected to represent $162 million or 93% of the approved 2016 budget of $175 million. The Corporation has allocated $7 million for waterflood and facility expansion with the remaining $6 million to land, seismic and maintenance capital. During the quarter the Company completed a bought deal financing for net proceeds of $102.8 million. This allowed the Company to reduce debt and free up borrowing capacity, which has been redrawn to fund the 2016 capital expenditure program.

Drilling Activity

The following table summarizes our drilling results:

	Three months ended March 31, 2016		2015	
	Gross	Net	Gross	Net
Crude oil	57	56.5	60	53.3
Natural gas	-		-	-
Service	1	1.0	-	-
Dry and abandoned	-		-	-
Total	58	57.5	60	53.3
Success [(1)]	100%	100%	100%	100%

(1) Does not include service well.

Liquidity and Capital Resources

At March 31, 2016, the Company had net debt of $44.6 million compared to net debt of $139.9 million at December 31, 2015. For the three months ended March 31, 2016, funds flow from operations of $29.9 combined with common share equity issuances for net proceeds of $102.8 million less capital expenditures of $37.4 million resulted in the ending net debt of $44.6 million. The Company expects to have adequate liquidity to fund the increased 2016 capital expenditure budget of $175 million through a combination of funds flow from operations and the $300 million syndicated credit facilities. 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.

Capital Resources

	March 31, 2016	2015
($ thousands)		
Capital Resources		
Bank debt available	300,000	300,000
Net debt	(44,564)	(115,841)
Total capital resources available	255,436	184,159

Changes to share capital in 2016 were the following:

On March 9, 2016, the Company completed a bought deal financing for gross proceeds of $108.1 million and issued 12.5 million common shares at a price of $8.65 per common share.

During the three months ended March 31, 2016, 167 thousand stock options were exercised for 90 thousand common shares on a cash-less basis and 3 thousand stock options were exercised for 3 thousand common shares for gross proceeds of $9 thousand.

Common share information

CAPITALIZATION

Share Capital

	March 31, 2016	March 31, 2015
Weighted average outstanding common shares [(1)]		
-Basic	216,492,553	190,206,634
-Diluted	216,492,553	194,986,125
Outstanding securities at March 31, 2016		
-Common shares		226,014,018
-Stock options – weighted average exercise price of $8.24		9,882,128

(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 March 31, 2016 was approximately $2.1 billion.

	March 31, 2016
Common shares outstanding	226,014,018
Share price (1)	$9.08
Total market capitalization	$2,052,207,283

(1) Represents the closing price on the TSX on March 31, 2016.

As at May 9, 2016 the Company had 226,206,885 common shares outstanding.

	May 9, 2016
Outstanding securities at May 9, 2016	
-Common shares	226,206,885
-Stock options – weighted average exercise price of $8.40	9,560,967

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	779	1,883	-	-	2,662
Bank debt	-	25,231	-	-	25,231
Total contractual obligations	779	27,114	-	-	27,893

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 first quarter of 2016.

Summary of Quarterly Results

	Q1/16	Q4/15	Q3/15	Q2/15	Q1/15	Q4/14	Q3/14	Q2/14
Financial *(thousands of dollars except share data)*								
Petroleum and natural gas revenue	50,382	62,943	63,518	73,465	55,066	78,634	88,566	88,931
Funds flow from operations (1)	29,904	40,708	43,630	49,535	33,480	57,704	57,850	56,283
Per share - basic	0.14	0.20	0.22	0.25	0.18	0.32	0.32	0.32
- diluted	0.14	0.20	0.22	0.25	0.17	0.31	0.31	0.30
Net earnings	(7,852)	5,120	10,893	12,145	760	24,067	31,505	30,238
Per share - basic	(0.04)	0.03	0.05	0.06	0.00	0.14	0.17	0.17
- diluted	(0.04)	0.03	0.05	0.06	0.00	0.13	0.17	0.16
Capital expenditures, net	37,380	76,284	49,760	33,417	84,106	97,123	81,664	27,789
Shareholders' equity	817,839	719,213	616,834	602,539	587,903	496,984	470,775	437,159
Weighted average shares *(thousands)*								
Basic	216,493	202,977	199,576	197,882	190,207	180,256	180,081	179,438
Diluted	216,493	203,897	201,648	201,734	194,986	187,394	188,442	188,002
Shares outstanding, end of period *(thousands)*								
Basic	226,014	213,421	200,319	198,655	197,206	180,332	180,209	179,890
Diluted	235,896	223,051	211,265	211,320	209,692	196,064	195,755	195,104
Operating *(6:1 boe conversion)*								
Average daily production								
Crude oil and NGLs *(bbls/d)*	15,188	14,194	13,009	12,856	12,870	12,059	10,278	9,500
Natural gas *(mcf/d)*	7,900	3,461	2,454	2,947	2,641	2,931	2,406	2,765
Barrels of oil equivalent (2) *(boe/d)*	16,505	14,771	13,418	13,347	13,310	12,548	10,679	9,960
Average selling prices(4)								
Crude oil and NGLs *($/bbl)*	35.47	47.64	52.54	60.20	46.93	70.00	92.79	101.59
Natural gas *($/mcf)*	1.89	2.31	2.82	2.59	2.73	3.60	3.74	4.41
Barrels of oil equivalent (2) *($/boe)*	33.54	46.32	51.45	60.49	45.92	68.12	90.14	98.11
Netbacks ($/boe)								
Operating								
Petroleum and natural gas revenue(4)	33.54	46.32	51.45	60.49	45.92	68.12	90.14	98.11
Realized gain (loss) on commodity contracts	0.14	0.89	0.80	0.37	1.59	4.01	0.13	(2.34)
Royalties	(3.27)	(4.72)	(4.52)	(5.86)	(4.83)	(5.33)	(8.89)	(9.63)
Operating expenses	(8.95)	(8.92)	(9.14)	(10.69)	(11.36)	(11.45)	(11.75)	(11.99)
Transportation expenses	(1.37)	(1.36)	(1.37)	(1.39)	(1.35)	(1.30)	(1.95)	(1.99)
Operating netback *($/boe)*	20.09	32.21	37.22	42.92	29.97	54.05	67.68	72.16
General and administrative	(1.26)	(1.35)	(1.18)	(1.30)	(1.37)	(1.44)	(1.39)	(1.43)
Financial charges	(0.82)	(0.84)	(0.71)	(0.83)	(0.63)	(0.71)	(0.91)	(1.19)
Asset retirement obligation	(0.03)	(0.06)	-	-	(0.02)	(0.09)	-	-
Current taxes	1.93	-	-	-	-	(1.82)	(6.51)	(7.45)
Funds flow netback(3) *($/boe)*	19.91	29.96	35.33	40.79	27.95	49.99	58.87	62.09

(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 2016, the Company has maintained an active capital expenditure program combined with property 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. The decrease in revenue, funds flow from operations and net earnings in the first quarter of 2016 is primarily due to lower commodity prices. The corporate acquisition that closed in December 2015, resulted in increased production for the first quarter of 2016. Please refer to the Financial and Operating Results section of this MD&A for detailed discussions of changes in the first quarter of 2016.

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 ("NI") 52-109 of the Canadian Securities Administrators, to provide reasonable assurance that: (i) material information relating to the Company is made known to the CEO and the CFO by others, particularly during the period in which the annual filings are being prepared; and (ii) information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

Internal Controls over Financial Reporting

The CEO and the CFO of Raging River have designed, or caused to be designed under their supervision, internal controls over financial reporting ("ICFR") 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 (2013) ("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, 2015. There have been no changes in the Company's internal controls over financial reporting during the period from January 1, 2016 to March 31, 2016 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 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, 2015 audited annual financial statements, except as noted below. Those accounting policies have been applied consistently to all periods presented in the Company's interim 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. The IASB has proposed to defer the adoption date to January 2018. 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.

IFRS 16 Leases, which replaces IAS 17 Leases was issued in January 2016. For lessees applying IFRS 16, a single recognition and measurement model for leases would apply, with required recognition of assets and liabilities for most leases. The standard will come into effect for annual periods beginning on or after January 1, 2019, with earlier adoption permitted if the entity is also applying IFRS 15 Revenue from Contracts with Customers. Management is currently assessing the potential impact of the adoption of IFRS 16 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, Azimuth Capital Management
Calgary, Alberta

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

Officers

NEIL ROSZELL, P. Eng.
President & CEO

BRUCE BEYNON
Executive Vice President

JERRY SAPIEHA, CA
Vice President Finance & CFO

JASON JASKELA
Vice President Production & COO

JESSE BARLOW
Vice President Engineering

TERRY DANKU
Vice President Business Development

SCOTT RIDEOUT
Vice President Land

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

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