

Renegade Petroleum Ltd. Announces Operational Update including Record Production and Cash Flow Growth and Provides 2012 Guidance

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Renegade Petroleum Ltd. ("Renegade" or the "Company") (TSX Venture: RPL) is pleased to announce that due to its successful 2011 drilling program, the Company achieved exit production of approximately 3,800 boe/d, surpassing the previously announced 2011 exit guidance of 3,750 boe/d. Production for the quarter averaged approximately 3,625 boe/d with a 96% light oil weighting. In addition, due to the success of its 2011 capital program, Renegade has substantially increased its drilling inventory to over 589 gross (498 net) locations.

HIGHLIGHTS & ACCOMPLISHMENTS

- 2011 exit production of approximately 3,800 boe/d surpassing previously announced 2011 exit guidance of 3,750 boe/d;
- Increased sales volumes to approximately 3,625 boe/d (estimated) in the fourth quarter of 2011, representing an increase of 27% from 2,852 boe/d reported in the third quarter of 2011, and an increase of 139% from 1,517 boe/d reported in the fourth quarter of 2010;
- Achieved record operating netbacks and delivered record cash flow of approximately \$16.5 million or \$0.19 per diluted share during the fourth quarter;
- Increased production per diluted share by 28% over the third quarter of 2011 and 73% as compared to the fourth quarter of 2010;
- Drilled 17 gross (14.3 net) wells in the fourth quarter with a 94% success rate which include 12 gross (9.3 net) wells in southeast Saskatchewan and Manitoba and 5 gross (5.0 net) wells in the Viking;
- Increased its bank line with National Bank of Canada to \$100 million from \$80 million, representing a 25% increase. Closing of the operating facility expansion is expected to occur near the end of January; and
- Hedged 1,500 bbls/d in fixed price oil swaps for calendar 2012 at an average price of \$100.23 per barrel.

OPERATIONAL UPDATE

Southeast Saskatchewan and Manitoba

During the fourth quarter of 2011, Renegade drilled 12 gross (9.3 net) wells with in southeast Saskatchewan with a 92% success rate. Renegade successfully drilled a dual leg Souris Valley well with initial production exceeding 300 bbls/day (150 bbls/day net to Renegade) of light oil. Based on the success of this well this further supports up to 20 additional development horizontal locations within the Souris Valley pool. Renegade has also conducted an exploratory program consisting of 7 gross (7.0 net) wells focused on various key opportunities in southeast Saskatchewan and Manitoba. The success of the exploratory program has led to the discovery of new pools and the delineation of additional exploratory trends. As a result of this recent success, Renegade has increased the number of inventory drilling locations by approximately 60% in southeast Saskatchewan and Manitoba.

Viking

Renegade drilled 5 gross (5.0 net) wells in the fourth quarter of 2011 with a success rate of 100%. Further to the success of the 2011 program, Renegade has begun a downspacing program in two key areas of its operations. The initial pilot is located in the Lucky Hills area, with one well drilled at 40 acre spacing. Results from this pilot have exceeded management's expectations, and as such, Renegade has begun drilling further locations in Lucky Hills at 40 acre spacing. The results of the pilot have shown no negative effects on the production of either the pre-existing or downspaced location. In southeast Dodsland, Renegade has begun its 2012 drilling program with a pilot on 40 acre spacing. With the success of these pilots, Renegade can aggressively de-risk and increase its well inventory in west central Saskatchewan.

2012 GUIDANCE

Renegade is pleased to report that the Board of Directors has approved a 2012 Capital Budget of \$76 million for exploration and development activities, with approximately 83% of the total budget allocated toward drilling, completions and well equipping activities. The Company anticipates drilling a total of 67 gross (61.3 net) wells in 2012. This program is expected to be financed through a combination of cash flow from operations and the Company's recently expanded credit facility.

Management is pleased to provide the following 2012 guidance:

	2012 Guidance
Capital Expenditures⁽¹⁾	\$76 million
Average Production	4,000 boe/d to 4,200 boe/d (~96% light oil)
Planned Wells Drilled	67 gross (61.3 net)
Average Funds Flow From Operations⁽²⁾	\$78 million - \$83 million
Average Funds Flow From Operations Per Share	\$0.90 - \$0.96
Operating Netback⁽³⁾	~ \$62/boe
Year Over Year Production Increase⁽⁴⁾	68%

(1) Excludes major corporate or land acquisitions.

(2) 2012 funds flow from operations assumes oil pricing of US\$95.00/bbl WTI, a 0.97 US\$/C\$ exchange rate and current 2012 existing oil swaps of 1,500 bbls/d at an average price of C\$100.23.

(3) The 2012 guidance uses an average royalty rate of 17% of revenue, operating costs of \$14.25 per boe and transportation costs of \$2.50 per boe.

(4) Based on 2012 average forecasted production of 4,200 boe/d versus 2011 average production of 2,500 boe/d.

Due to the extended break-up in 2010 and 2011 due to wet weather conditions, Renegade has assumed a extended break-up for 2012 in southeast Saskatchewan and has factored the extended break-up into its 2012 averages.

Renegade continues to be excited and optimistic about generating growth prospects in 2012 and continues to be committed to delivering per share growth and capital efficiency. Renegade currently has over 589 potential gross (498 net) drilling locations in its inventory. This depth of drilling inventory positions the Company well for long-term organic growth in production, cash flow, reserves and net asset value in 2012 and beyond.

Renegade expects to announce details of its 2011 reserves evaluation, fourth quarter and full-year 2011 financial and operational results in early April 2012.

CORPORATE INFORMATION

Renegade's common shares trade on the TSX Venture Exchange under the symbol RPL. Renegade currently has approximately 77.3 million shares outstanding and 86.6 million fully-diluted shares.

FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements. More particularly, this press release contains statements concerning Renegade's capital expenditure program, Renegade's drilling plans, the expected ability of Renegade to execute on its exploration and development program and Renegade's anticipated production (both in terms of quantity and raw attributes), funds flow from operations, operating net backs and other similar matters.

The forward-looking statements contained in this document are based on certain key expectations and assumptions made by Renegade, including: (i) with respect to capital expenditures, generally, and at particular locations, the availability of adequate and secure sources of funding for Renegade's proposed capital expenditure program and the availability of appropriate opportunities to deploy capital; (ii) with respect to drilling plans, the availability of drilling rigs, expectations and assumptions concerning the success of future drilling and development activities and prevailing commodity prices; (iii) with respect to Renegade's ability to execute on its exploration and development program, the performance of Renegade's personnel, the availability of capital and prevailing commodity prices; (iv) with respect to anticipated production, the ability to drill and operate wells on an economic basis, the performance of new and existing wells and accounting risks typically associated with oil and gas exploration and production; (v) oil prices; (vi) currency exchange rates; (vii) royalty rates; (viii) operating costs; and (ix) transportation costs.

Although Renegade believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Renegade can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the failure to obtain necessary regulatory approvals, risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses; health, safety and environmental risks; commodity price and exchange rate fluctuations; and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures).

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

Any references in this news release to initial production (IP) rates are useful in confirming the presence of hydrocarbons, however, such rates are not determinative of the rates at which such wells will continue production and decline thereafter. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for the Company.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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