

May 28, 2012

## RAGING RIVER EXPLORATION INC. ANNOUNCES FIRST QUARTER 2012 OPERATING AND FINANCIAL RESULTS

CALGARY, ALBERTA –Raging River Exploration Inc. (the “Company” or “Raging River”) (TSXV:RRX) is pleased to announce its operating and financial results for the three months ended March 31, 2012. Selected financial and operational information is outlined below and should be read in conjunction with the interim financial statements and the related MD&A. These filings will be available at [www.sedar.com](http://www.sedar.com) and the Company’s website at [www.rrexploration.com](http://www.rrexploration.com).

Raging River commenced active operations on March 16, 2012 following the completion of the Plan of Arrangement among Wild Stream Exploration Inc., Crescent Point Energy Corp. and the Company. Accordingly the operations below reflect only a 15 day period in the quarter. No comparisons for operational results have been included as Raging River was not a reporting issuer prior to March 16, 2012.

### Financial and Operating Highlights

|   | Commencement of operations<br>March 16, 2012 to<br>March 31, 2012 |      |                |
|---|---|------|----------------|
|   | 2012  | 2011 | Percent Change |
| <b>Financial (thousands of dollars except share data)</b> |   |      |                |
| Petroleum and natural gas revenue                         | 1,559   | -    | 100            |
| Funds from operations <sup>(1)</sup>                      | 948   | -    | 100            |
| Per share - basic   | 0.01  | -    | 100            |
| - diluted   | 0.01  | -    | 100            |
| Net earnings  | 383   | -    | 100            |
| Per share - basic   | 0.00  | -    | 100            |
| - diluted   | 0.00  | -    | 100            |
| Capital expenditures, net                                 | 72  | -    | 100            |
| Corporate acquisitions                                    | -   | -    | 100            |
| Net Debt <sup>(4)</sup>                                   | 35,123  | -    | 100            |
| Proforma Net Debt <sup>(5)</sup>                          | 17,266  | -    | 100            |
| Shareholders' equity                                      | 97,640  | -    | 100            |
| Weighted average shares (thousands)                       |   |      |                |
| Basic   | 88,416  | -    | 100            |
| Diluted   | 94,342  | -    | 100            |
| Shares outstanding, end of period (thousands)             |   |      |                |
| Basic   | 91,041  | -    | 100            |
| Diluted   | 102,310   | -    | 100            |
| <b>Operating (6:1 boe conversion)</b>                     |   |      |                |
| Average daily production                                  |   |      |                |
| Crude Oil and NGLs (bbls/d)                               | 1,345   | -    | 100            |
| Natural gas (mcf/d)                                       | 291   | -    | 100            |
| Barrels of oil equivalent <sup>(2)</sup> (boe/d)          | 1,394   | -    | 100            |
| Average selling prices                                    |   |      |                |
| Crude Oil and NGLs (\$/bbl)                               | 76.95   | -    | 100            |
| Natural gas (\$/mcf)                                      | 1.38  | -    | 100            |
| Barrels of oil equivalent <sup>(2)</sup> (\$/boe)         | 74.56   | -    | 100            |
| Netbacks (\$/boe)   |   |      |                |
| Petroleum and natural gas revenue <sup>(4)</sup>          | 74.56   | -    | 100            |
| Royalties   | (7.10)  | -    | 100            |
| Operating expenses  | (14.63)   | -    | 100            |
| Transportation expenses                                   | (2.03)  | -    | 100            |
| Operating netback (\$/boe)                                | 50.80   | -    | 100            |
| Wells drilled   |   |      |                |
| Gross   | -   | -    | -              |
| Net   | -   | -    | -              |
| Success   | -   | -    | -              |

(1) Management uses funds generated by operations to analyze operating performance and leverage. Funds generated by operations as presented do 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 the 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) Corporate netbacks are calculated as the operating netback less general and administrative expenses, financial charges asset retirement obligations and transaction costs.

(4) Excludes unrealized risk management contracts.

(5) Includes \$17.9 million of proceeds received from the exercise of 11.1 million warrants during the period of April 1 to April 16, 2012.

## **First Quarter 2012 Highlights**

- Exited the quarter at 1,600 boepd (97% oil) achieving 60% growth over January production volumes of 1,000 boepd.
- Raised \$23.1 million through the completion of a private placement with the issuance of 14.4 million units at a price of \$1.61 per unit.
- Raised \$4.7 million through the exercise of 2.9 million warrants at \$1.61 per warrant. An additional \$17.9 million was raised in the period of April 1, 2012 to April 16, 2012 with the exercise of 11.1 million warrants at \$1.61 per warrant. Proforma net debt after the exercise of all warrants was \$17.2 million.

## **Subsequent Events**

- Raging River closed its previously announced \$30.5 million, 175 boe/d acquisition of focused light oil assets in the Dodsland area of southwest Saskatchewan.
- Raging River completed a bought deal financing for gross proceeds of \$35 million and issued 17.5 million special warrants at a price of \$2.00 per special warrant. The special warrants, issued on May 8, 2012, subsequently converted in accordance with their terms to 17.5 million common shares on May 17, 2012.
- On May 25, 2012, the Company increased its revolving credit facility to \$65 million from \$45 million.

## **Increased 2012 Guidance - April through December 2012**

Quarter to date Raging River's production (based on field estimates) has averaged greater than 1,600 boe/d (97% oil). With continued strong performance of our first quarter drilling program the Company is increasing its average production guidance for 2012.

Average daily production for the period of April through December 2012 is now expected to be 1,800 boepd (97% oil) a further 6% increase from our prior guidance of 1,700 boepd. Raging River continues to anticipate 2012 exit production of approximately 2,200 boepd (97% oil) which reflects a 120% increase from our starting point in January 2012 of 1,000 boepd.

## **Operations Review**

Second quarter drilling operations commenced on May 11<sup>th</sup> and, quarter to date, we have drilled and cased 2 (0.9 net) wells. Pending continual favorable weather conditions, the Company expects to drill up to an additional 21 (12.3 net) wells throughout the quarter.

Early in the first quarter, Raging River completed an extensive review of the historical drilling and completion techniques in the Dodsland area resulting in some modifications to our techniques. Although results are preliminary, the 13 wells completed in the first quarter using the revised methods resulted in average 60 day production rates of 50 bbls/d oil which is a 25% increase from the existing type curve for the area of 40 bbls/d of oil.

## Outlook

Even though WTI oil prices have deteriorated from US\$106/bbl in March 2012 to their current levels of approximately US\$92/bbl, the Company remains well positioned to continue to execute its business plan. Edmonton Par crude prices have remained relatively flat during this period resulting in Raging River's net price currently received, being approximately equal to that which was received in March.

The price differential between WTI and Edmonton par were at historical high levels in March and April, but have since narrowed significantly. Raging River expects this price differential volatility to continue until additional export pipeline capacity is added to throughout the basin. To continue to manage this effectively, the Company will continue to utilize hedging strategies and rail delivery options to maximize the value received for the Company's crude oil production.

The Company anticipates spending \$80 million for the last three quarters of the 2012 including \$30 million of acquisition capital, \$43 million of drilling capital in addition to \$7 million of land, seismic and facility expenditures. With the expected expenditures, the Company's balance sheet will remain very strong with projected net debt at year end 2012 staying at less than 1.0 times annualized cashflow.

Raging River's experienced management team remains committed to operational and execution excellence to continually deliver per share growth to our shareholders. The current asset base with extensive development drilling inventory is expected to deliver consistent growth for 2012 and beyond.

Additional corporate information can be found in our June corporate presentation on our website at [www.rreexploration.com](http://www.rreexploration.com) and at [www.sedar.com](http://www.sedar.com).

### FOR FURTHER INFORMATION PLEASE CONTACT:

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*FORWARD LOOKING STATEMENTS: This press release contains forward-looking statements. More particularly, this press release contains statements concerning increased average production guidance for 2012, expected daily production from April through December 2012, anticipated exit production for 2012, Raging River's drilling plans, Raging River growth strategy, spending plans for remainder of 2012 and expected amounts allocated to each of acquisition, capital, drilling capital and land, seismic and facility expenditures, expectation regarding strength of Raging River's balance sheet, projected net debt at year end 2012, ability to continually deliver pre-share growth to shareholders, and anticipated growth plans for 2012 and beyond. In addition, the use of any of the words "guidance", "initial", "scheduled", "can", "will", "prior to", "estimate", "anticipate", "believe", "potential", "should", "unaudited", "forecast", "future", "continue", "may", "expect", "project", and similar expressions are intended to identify forward-looking statements. 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 the success of optimization and efficiency improvement projects, the availability of capital, current legislation, 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 prevailing commodity prices. Although the Company 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 the Company 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, 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, and health, safety and environmental risks), commodity price and exchange rate fluctuations, changes in legislation affecting the oil and gas industry and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures. Refer to Listing Application and risks contained therein.*

*The forward-looking statements contained in this press release are made as of the date hereof and the Company 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.*

*Meaning of Boe: When used in this press release, Boe means a barrel of oil equivalent on the basis of 1 Boe to 6 thousand cubic feet of natural gas. Boe per day means a barrel of oil equivalent per day. Boe's may be misleading, particularly if used in isolation. A Boe conversion ratio of 1 Boe for 6 thousand cubic feet of natural gas 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.*

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