

## NEWS RELEASE

June 27, 2012

### **Raging River Exploration Inc. Maintains 2012 Production Guidance while Reducing Capital Expenditures**

**CALGARY, ALBERTA (June 27, 2012)** Raging River Exploration Inc. ("**Raging River**" or the "**Company**") (TSXV:RRX) reaffirms production guidance with reduced capital expenditures.

The Board of Directors of Raging River has approved a \$13 million reduction in our 2012 capital budget to \$67 million from \$80 million.

#### **Revised Capital Budget**

Drilling & Completions	\$29 million
Land, Seismic and Facilities	\$ 3 million
Acquisitions	<u>\$35 million</u>
Total	\$67 million

The current budget contemplates 31 net horizontal oil wells in the Dodsland and Plato areas. The revised budget includes \$35 million of acquisitions completed in the second quarter, including the Dodsland acquisition announced in our April 19, 2012 press release in addition to multiple small acquisitions completed in the Plato and Lucky Hills areas. Further acquisition expenditures are not contemplated in the revised budget, however the Company continues to evaluate acquisition opportunities within and beyond our current core area.

#### **Reaffirmed Production Guidance**

In spite of the 26% reduction in our exploration and development budget our average daily production for the period of April through December 2012 is still expected to be 1,800 boepd (97% crude oil). Raging River still anticipates 2012 exit production of approximately 2,200 boepd (97% crude oil).

#### **Operations Review**

Second quarter drilling operations have been hampered by heavy rainfall and we now anticipate drilling 8 (3.7 net) wells. Weather conditions have recently improved and conditions look favorable for an active third quarter that will see up to 24 (18.5 net) horizontal oil wells drilled and brought on stream.

The 13 wells brought on in the first quarter with the Company's optimized drilling and completion techniques continue to perform significantly above expectations. The average four month rates for these wells have been 49 bbls/d versus 36 bbls/d on our previous type curve.

With continued strong well results second quarter production has exceeded our expectations with quarterly field receipts pointing to an average of 1,650-1,700 boepd (97% crude oil).

## **Outlook**

The current weakness in global oil markets which has seen WTI oil prices decline by 25% since March, necessitating prompt reaction to ensure the Company remains well positioned through these turbulent times. The revised budget contemplates \$70/bbl Edmonton light oil price for the second half of 2012. With these prices, combined with the revised capital budget, we will maintain a strong balance sheet and exit the year with less than 50% drawn on our \$65 million credit facility.

Raging River continues to implement an active risk management strategy and we currently have approximately 25% of our production hedged at an average WTI price of Cdn\$94.75/bbl for the balance of 2012.

Raging River's experienced management team remains committed to balance sheet management, operational and execution excellence to continue to deliver per share value growth to our shareholders.

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

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*FORWARD LOOKING STATEMENTS: This press release contains forward-looking statements. More particularly, this press release contains statements, including but not limited to, statements concerning Raging River's drilling plans, the success of future drilling and development activities future growth plans, reserves and values attributable thereto, per share growth, Raging River's growth strategy, future capital spending amounts, prevailing commodity prices and capital expenditures, production levels (including anticipated 2012 daily and exit production rates), the amount drawn on the Corporation's credit facility at the end of the 2012 calendar year, the success of the Corporation's hedging program.. 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 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. Certain of these risks are set out in more detail in the Company's listing application which has been filed on SEDAR and can be accessed at [www.sedar.com](http://www.sedar.com) or Raging River's website [www.rrexploration.com](http://www.rrexploration.com).

Any financial outlook or future oriented financial information in this news release, as defined by applicable securities legislation, has been approved by management of Raging River. Such financial outlook or future oriented financial information is provided for the purpose of providing information about management's reasonable expectations as to the anticipated results of its proposed business activities for 2012. Readers are cautioned that reliance on such information may not be appropriate for other purposes. 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.

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