**October 4, 2012**

# RAGING RIVER EXPLORATION INC. ANNOUNCES OPERATIONS UPDATE AND INCREASED CAPITAL AND PRODUCTION GUIDANCE

CALGARY, ALBERTA – Raging River Exploration Inc. **(the "Company" or "Raging River") (TSXV:RRX)** is pleased to provide increased 2012 capital and production guidance and a third quarter operations update.

Continued exceptional well results and strong production volumes have resulted in the Board of Directors of Raging River approving a $15 million budget increase. This increases the Company's 2012 capital budget to $82 million from the previous $67 million.

## REVISED CAPITAL BUDGET

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|---|---|
| Drilling & Completions | $44 million |
| Land, Seismic and Facilities | 4 million |
| Acquisitions | 34 million |
| Total | $82 million |

The increased budget will see an additional 10-12 net horizontal wells added to the program for a total of 41-43 net wells. The revised capital budget also contemplates pre-drilling a number of 2013 locations assuming operating conditions remain favorable.

## INCREASED 2012 GUIDANCE

Based upon field estimates, third quarter production exceeded expectations with average production of 2,100 boe/d (97% oil). Average daily production for the period from April through December 2012 is expected to be 2,150 boe/d (97% oil), a further 10% increase from prior guidance of 1,950 boe/d. This third increase in guidance in 2012 represents a 26% increase from initial guidance of 1,700 boe/d without increased capital expenditures.

The 10-12 incremental net wells are expected to have a material impact on exit production which is now expected to be 2,800-2,900 boepd (97% oil). This third increase in exit guidance represents a 30% increase from initial guidance of 2,200 boepd without increased capital expenditures.

## OPERATIONS UPDATE

Weather conditions improved during the quarter which allowed for an aggressive drilling program. The Company drilled a total of 37 gross (28.8 net) wells during the third quarter including 36 horizontal Viking oil wells at a 100% success rate and one vertical stratigraphic test well. 17 gross (16 net) wells were placed on production in the third quarter and 19 gross (11.8 net) wells were waiting to be brought on stream in October.

The optimized drilling and completion techniques previously disclosed, continue to provide consistent improved production results. Average 45 day production rates for the 17 new wells placed on stream during the third quarter have exceeded 50 bbls/d of oil. This is consistent with the results of the first 13 wells drilled with this technique earlier this year.

Drilling and completion costs ("D&C") have continued to trend lower. The average D&C cost in the third quarter was $800 thousand leading to total per well on-stream costs of $925 thousand.

## OUTLOOK

Raging River's rapidly increasing production and cash flow will allow the Company's balance sheet to remain exceptionally strong. The Company forecasts that its net debt at year end 2012 will be approximately $35 million, 55% drawn on its $65 million credit facility, representing less than 0.7 times debt to trailing fourth quarter cash flow.

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 October corporate presentation on our website at www.rrexploration.com.

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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, estimated third quarter average production, Raging River's drilling plans, Raging River growth strategy, spending plans for remainder of 2012 and expected amounts allocated to each of acquisitions, drilling and completions and land, seismic and facility expenditures, expectation regarding strength of Raging River's balance sheet, anticipated number of additional wells to be drilled in the fourth quarter of 2012, 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 our Listing Application which is available on SEDAR at www.sedar.com and the 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.*