

January 20, 2014

## **RAGING RIVER EXPLORATION INC. ANNOUNCES 148% INCREASE IN 2013 YEAR END RESERVES AND OPERATIONS UPDATE**

**CALGARY, ALBERTA (January 20, 2014)** Raging River Exploration Inc. ("**Raging River**" or the "**Company**") (TSX:RRX) is pleased to report that estimated daily production reached a record of 9,000 boe/d (96% oil) during the second half of December 2013. Further, based on field estimates the Company's fourth quarter 2013 average production increased 37% from the third quarter average to 7,700 boe/d (96% oil) which is 5% ahead of our previous fourth quarter guidance of 7,300-7,400 boe/d.

Raging River exited 2013 with 16 net wells awaiting completion and is off to a solid start in the first quarter with 17 gross (15.5 net) wells drilled since January 1, 2014. With production averaging above 9,000 boe/d in the first two weeks of January, we anticipate achieving our 2014 average production level of 9,500 boe/d in early February. Production is expected to be strong through the first quarter followed by a modest reduction in the second quarter due to breakup and we are reaffirming our average 2014 production guidance of 9,500 boe/d.

The Company is also pleased to report its 2013 year-end oil and gas reserves. 2013 proven plus probable reserves of 42.7 mmboe represent a 148% increase from 2012. Finding, development and acquisition costs were reduced by 26% from 2012 to \$19.40/boe demonstrating the quality of the Company's continuously expanding drilling inventory.

### **Reserve Report Highlights:**

- Increased proved plus probable reserves by 148% to 42.7 mmboe (96.2% oil) and proven reserves by 171% to 31.3 mmboe (96.2% oil).
- Net asset value per fully diluted share calculated on a present value before tax of 10% ("PVBT10") increased 133% to an estimated \$6.42 per share at December 31, 2013 inclusive of an internal land value of \$108 million.
- Finding, development and acquisition costs, including the change in future development capital of \$260 million are \$19.40 per boe on a proven plus probable basis.
- Finding, development and acquisition costs, including the change in future development capital of \$298 million are \$26.29 per boe on a total proven basis.
- Total proven reserves represent 73.4% of proven plus probable reserves as at December 31, 2013.
- The FD&A recycle ratio was 3.0 times based on our estimated 2013 corporate netback of \$57.25 per boe.
- The reserves life index increased to 13.0 years based on current production of 9,000 boe/d.
- Reserve additions replaced 2013 production by greater than 9 times on a proved basis and 12 times on a proved plus probable basis.
- Reserves per fully diluted share increased by 125% to 218 boe per 1,000 shares from 97 boe per 1,000 shares.
- Raging River's development drilling inventory has increased to 2,000+ risked locations as at January 1, 2014 of which approximately 75% are currently unbooked.

- Average estimated ultimate recovery (“EUR”) per horizontal well drilled in 2013 increased by 27% to 47.5 mstb per well from an average of 37.5 mstb per well for those drilled to the end 2012.

The following tables summarize certain information contained in the independent reserves report prepared by Sproule Associates Ltd. (“Sproule”) as of December 31, 2013. The report was prepared in accordance with definition, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook and National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities (“NI 51-101”). Additional reserve information as required under NI 51-101 will be included in the Company’s Annual Information Form which will be filed on SEDAR by March 31, 2014.

December 31, 2013

Reserves Category	Oil	Gas	Oil	BTAX PV	Future	Net
<u>Gross Working Interest</u>	<u>Mbbl</u>	<u>MMcf</u>	<u>Equivalent</u>	<u>10%</u>	<u>Development</u>	<u>Undeveloped</u>
			<u>mBOE</u>	<u>M\$'s</u>	<u>Capital</u>	<u>Wells</u>
					<u>M\$'s</u>	<u>Booked</u>
Proved Developed Producing	11,450	3,244	12,004	440,021	-	-
Proven Undeveloped	18,653	3,948	19,372	403,879	<b>481,851</b>	<b>525.8</b>
Total Proven	30,103	7,192	31,376	843,900	<b>481,851</b>	<b>525.8</b>
Probable Developed Producing	4,673	1,336	4,904	138,715	-	-
Probable Undeveloped	6,216	1,282	6,450	209,169	<b>3,640</b>	<b>4.5</b>
<b>Total Proven Plus Probable</b>	<b>40,993</b>	<b>9,810</b>	<b>42,729</b>	<b>1,191,785</b>	<b>485,491</b>	<b>530.3</b>

Notes:

1. Gross Company reserves are the Company’s total working interest share before the deduction of any royalties and without including any royalty interests of the Company.
2. Based on Sproule’s December 31, 2013 escalated price forecast.
3. It should not be assumed that the present worth of estimated future net revenue presented in the tables above represents the fair market value of the reserves. There is no assurance that the forecast prices and costs assumptions will be attained and variances could be material. The recovery and reserves estimates of Raging River’s crude oil, natural gas liquids and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, natural gas and natural gas liquids reserves may be greater than or less than the estimates provided herein.
4. All future net revenues are stated prior to provision for interest, general and administrative expenses and after deduction of royalties, operating costs, estimated abandonment costs and estimated future capital expenditures. Future net revenues have been presented on a before tax basis. Estimated values of future net revenue disclosed herein do not represent fair market value.
5. Finding and development costs both including and excluding acquisitions and dispositions have been presented below. While NI 51-101 requires that the effects of acquisitions and dispositions be excluded, FD&A costs have been presented because acquisitions and dispositions can have a significant impact on the Company’s ongoing reserve replacement costs and excluding these amounts could result in an inaccurate portrayal of the Company’s cost structure.
6. The aggregate of the exploration and development costs incurred in the most recent financial year and the change during that year in estimated future development costs generally will not reflect total finding and development costs related to reserves additions for that year.
7. Figures are subject to audit.
8. The capital expenditures include the announced purchase price of corporate acquisitions rather than the amounts allocated to property, plant and equipment for accounting purposes. The capital expenditures also exclude capitalized administration costs.

<b>2013 FD&amp;A Costs (\$000's)</b>	<b>Proved</b>	<b>Proved plus Probable</b>
Development	172,000	172,000
Net Acquisitions	104,000	104,000
Change in FDC	298,429	259,940
Total Capital	574,429	535,940
<b>2013 Reserve Additions Mboe</b>		
Acquisitions	3,492	4,726
Additions/Revisions	18,359	22,893
Total	21,851	27,619
2013 FD&A (\$/boe)	26.29	19.40

## Operations Update

Raging River is in the midst of another active quarter in which we anticipate drilling 60 net horizontal wells. We currently have two drilling rigs operational and have drilled 17 gross (15.5 net) wells this quarter at a 100% success rate. With completion operations well under way a new well is being placed on production every day and it is expected that trend will continue throughout the quarter.

To date this quarter we have successfully tested four previously undrilled sections at Beadle with expectations that an additional 12-15 previously undrilled sections will be tested this quarter.

In the recently acquired Forgan area, the operations team has been actively working towards obtaining our first drilling licenses in the area and it is now expected that we will be able to drill up to four wells testing previously undrilled sections in this area during the first quarter.

Raging River continues to be active on adding additional lands in the Viking light oil fairway. Since early December 2013, 15 additional sections of land have been added in the greater Beadle area. Our total prospective Viking light oil land holdings are now in excess of 215 net sections.

Raging River's team remains dauntless in its pursuit of operational and executional excellence to continue delivering per share production, reserves and value growth to our shareholders while maintaining a pristine balance sheet.

Additional corporate information can be found on our website at [www.rrexploration.com](http://www.rrexploration.com) or on [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 forward looking statements relating to: expectations as to drilling and completion activity in the first quarter of 2014, including the timing thereof, expectations of achieving certain production levels in the first quarter of 2014, expectations as to Raging River's drilling inventory, estimates of future development capital associated with the Company's reserves, expectations about drilling and testing plans in the Beadle and Forgan areas, and, Raging River's intent to deliver per share production, reserves and value growth to its shareholders while maintaining a pristine balance sheet. Statements relating to "reserves" 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. 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 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, the ability of the Company to effectively manage price differentials, 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; as 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 Raging River's most recent annual information form dated March 20, 2013 on SEDAR at [www.sedar.com](http://www.sedar.com) 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.

*Finding, Development and Acquisition ("FD&A") Costs:* Finding and development costs including acquisitions and dispositions have been presented herein. While NI 51-101 requires that the effects of acquisitions and dispositions be excluded, FD&A costs have been presented because acquisitions and dispositions can have a significant impact on the Company's ongoing reserve replacement costs and excluding these amounts could result in an inaccurate portrayal of the Company's cost structure. The Company's finding and development costs, excluding the effects of acquisitions and dispositions, for 2013 were \$25.62/boe on a proved basis and \$18.87/boe on a proved plus probable basis. The Company's finding and development costs, excluding the effects of acquisitions and dispositions, for 2012 were \$31.02/boe on a proved basis and \$26.36/boe on a proved plus probable basis (the additions to reserves used for the 2012 finding and development costs represent a comparison to the opening reserves balance which were the reserves acquired from Wild Stream Exploration Inc. by Raging River on March 16, 2012). The average finding and development costs over the last three years have not been presented herein because the Company only began active operations in March 2012. The aggregate of the exploration and development costs incurred in the most recent financial year and the change during that year in estimated future development costs generally will not reflect total finding and development costs related to reserves additions for that year.

*Net Asset Value per Share:* Net asset value per share as presented herein is based on the PVBT10 of proven plus probable reserves as at December 31, 2013 of \$1,192 million, an internal estimate of Raging River's undeveloped land value of \$108 million, estimated 2013 year end net debt of \$101 million, dilutive securities proceeds of \$55 million for total net asset value of \$1,254 million and with 195.2 million shares outstanding on a fully diluted basis a net asset value per share of \$6.42/share

*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.

*Non-IFRS Measures:* The Company uses terms in this press release that are not measures recognized by International Financial Reporting Standards ("IFRS") and do not have standardized meanings prescribed by IFRS, including "net debt" and "operating netback". Therefore, they may not be comparable to performance measures presented by others. For additional information relating to these measures and how the Company calculates these measures, see management's discussion and analysis for the period ended September 30, 2013, which is available on the SEDAR website at [www.sedar.com](http://www.sedar.com).