July 31, 2018

RAGING RIVER EXPLORATION INC. ANNOUNCES SECOND QUARTER OPERATING AND FINANCIAL RESULTS

CALGARY, ALBERTA – Raging River Exploration Inc. (the **"Company"** or **"Raging River"**) **(TSX:RRX)** announces its operating and financial results for the three and six months ended June 30, 2018. Selected financial and operational information is outlined below and should be read in conjunction with the unaudited interim financial statements and the related management's discussion and analysis ("MD&A"). These filings will be available at **www.sedar.com** and the Company's website at www.rrexploration.com.

Financial and Operating Highlights

	Three months ended June 30, 2018	Three months ended June 30, 2017	Percent Change	Six months ended June 30, 2018	Six months ended June 30, 2017	Percent Change
Financial *(thousands of dollars except share data)*						
Petroleum and natural gas revenue	150,001	105,982	42	286,313	217,999	31
Funds flow from operations [1]	97,625	64,965	50	186,589	137,717	35
Per share - basic	0.42	0.28	50	0.81	0.60	35
- diluted	0.42	0.28	50	0.81	0.60	35
Net earnings	32,529	18,595	75	54,265	33,938	60
Per share - basic	0.14	0.08	75	0.23	0.15	53
- diluted	0.14	0.08	75	0.23	0.15	53
Development capital expenditures	79,782	68,640	16	198,192	181,323	9
Net debt[1][3]				311,197	253,117	23
Shareholders' equity				1,028,108	938,337	10
Weighted average shares *(thousands)*						
Basic	231,307	231,178	-	231,303	231,165	-
Diluted	231,663	231,335	-	231,666	231,402	-
Shares outstanding, end of period *(thousands)*						
Basic				231,426	231,243	-
Diluted				232,412	232,979	-
Operating *(6:1 boe conversion)*						
Average daily production						
Light crude oil and NGLs *(bbls/d)*	20,943	18,795	11	21,146	19,134	11
Heavy crude oil *(bbls/d)*	917	1,189	(23)	1,031	1,303	(21)
Natural gas *(mcf/d)*	10,511	12,185	(14)	10,119	11,676	(13)
Barrels of oil equivalent [2] *(boe/d)*	23,611	22,015	7	23,864	22,383	7
Netbacks *($/boe)*						
Operating						
Oil and gas sales[3]	69.81	52.90	32	66.29	53.81	23
Royalties	(6.37)	(5.05)	26	(6.01)	(5.14)	17
Operating expenses	(11.33)	(11.31)	-	(11.15)	(10.90)	2
Transportation expenses	(1.42)	(1.41)	1	(1.41)	(1.43)	(1)
Field netback [1]	50.69	35.13	44	47.72	36.34	31
Realized loss on risk management contracts[5]	(2.43)	(0.37)	557	(1.90)	(0.12)	1,483
Operating netback [1]	48.26	34.76	39	45.82	36.22	27
General and administrative expense	(1.04)	(1.05)	(1)	(1.04)	(1.04)	-
Transaction costs	(0.23)	-	100	(0.12)	-	100
Financial charges	(1.41)	(1.14)	24	(1.34)	(1.07)	25
Realized loss on risk management contracts[6]	(0.05)	-	100	(0.05)	-	100
Asset retirement expenditures	(0.09)	(0.15)	(40)	(0.06)	(0.13)	(54)
Funds flow netback[1]	45.44	32.42	40	43.21	33.98	27
Net earnings	15.15	9.28	63	12.58	8.36	50
Wells drilled[4]						
Gross	56	64	(13)	182	163	12
Net	52.5	60.6	(13)	165.2	155.1	7
Successs	100%	97%	3	100%	98%	2

(1) See "Non-IFRS Measures."
(2) See "'Barrels of Oil Equivalent."

(3) Excludes unrealized risk management contracts.
(4) Excludes injection and service wells.
(5) Includes realized gains and loss on commodity contracts. Excludes realized loss on interest rate swap.
(6) Loss on interest rate swap.

SECOND QUARTER 2018 HIGHLIGHTS

- Entered into an Arrangement Agreement with Baytex Energy Corp. ("Baytex") to create a well-capitalized, oil-weighted company with an attractive growth and free cash flow profile. This strategic combination is expected to close on August 22, 2018.
- Achieved quarterly average production of 23,611 boe/d (93% oil) representing an increase of 7% over the comparable period in 2017.
- Achieved funds flow from operations of $97.6 million ($0.42/share basic) relative to $89 million ($0.38/share basic) in the first quarter of 2018 and compared to $65 million ($0.28/share basic) in the second quarter of 2017.
- The Company generated operating netbacks of $50.69/boe on an unhedged basis, an increase of 44% from the second quarter of 2017 and funds flow netbacks of $45.44/boe, an increase of 40% from the second quarter of 2017.
- Generated second quarter net earnings of $32.5 million or $15.15/boe, an increase of 75% from the second quarter of 2017.
- Corporate royalties continue to be stable at 9.1% during the quarter.
- Continued diligent cost control with top decile general and administrative costs of $1.04/boe.
- The Company's capital expenditures were $79.8 million inclusive of $8.4 million on land and $71.4 million of exploration and development expenditures resulting in the drilling of 51.5 net Viking crude oil wells and 1.0 net Duvernay crude oil well at a 100% success rate.
- Maintained balance sheet strength with second quarter net debt of $311.2 million representing 0.8 times net debt to second quarter annualized funds flow from operations.

OPERATIONS UPDATE

DUVERNAY

Raging River continues to prudently and methodically advance the evaluation of the emerging Duvernay light oil play in central Alberta. We continue to expand our prospective land base and have increased our Duvernay land holdings by 50 net sections this year and we now control approximately 275,000 net acres (430 sections) within the Duvernay light oil fairway.

The two Duvernay wells, Ferrybank (02-20) and Gilby (01-20) that were drilled and uncompleted in the first quarter of 2018, have both been successfully completed and were recently placed on-stream. First oil was recently witnessed on both wells however it is anticipated that no meaningful rates will be available for at least another 45-60 days.

Raging River is currently drilling two follow up locations approximately 5 miles southwest of our Duvernay light oil discovery well at 14-36 in the Pembina area. Drilling of both wells will be complete within the next 10 days and completion operations on the wells are expected to begin in mid-September. The 14-

36 well discovery continues to exhibit strong production performance with average production in June (based on field estimates) of 450 boe/d (86% light oil and NGL's).

Additional follow up locations are currently being licensed in both the Pembina and Ferrybank areas to allow for potential expanded activities later in the fourth quarter.

VIKING

During the second quarter of 2018, the Company drilled 51.5 net Viking horizontal light oil wells with a 100% success rate. Four drilling rigs and one fracture stimulation crew are currently executing our development program. The Viking asset base continues to generate significant free cash flow that is currently being allocated to fund our ongoing Duvernay light oil evaluation program.

STRATEGIC COMBINATION WITH BAYTEX

On June 18, 2018, Raging River and Baytex announced that their respective boards of directors had unanimously agreed to a strategic combination of the two companies (the "Transaction"). The combined company, which will operate under the Baytex name, will be a well-capitalized, oil-weighted company with an attractive growth and free cash flow profile provided by its world class assets across North America.

The combined company is expected to have production of approximately 94,000 boe/d from a diverse portfolio of high quality oil assets, including Viking, Peace River, Lloydminster and East Duvernay Shale properties in Canada and the Eagle Ford in Texas. The combined company will have a deep inventory of high quality drilling prospects that generate top tier returns on invested capital and have the capability to deliver meaningful organic production growth.

The Transaction will result in holders of common shares of Raging River receiving, directly or indirectly, 1.36 common shares of Baytex for each Raging River common share owned. The Transaction is subject to approval by the shareholders of both companies, the Court of Queen's Bench of Alberta and certain regulatory and other authorities, and is subject to the satisfaction or waiver of other customary closing conditions.

The joint management information circular was mailed to shareholders of each of Raging River and Baytex on July 20, 2018. Raging River and Baytex shareholders will hold their respective shareholder meetings on August 21, 2018 and the Transaction is expected to close on August 22, 2018. For further information on the Transaction, please see the joint management information circular dated July 12, 2018 and the joint press release dated June 18, 2018.

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 the anticipated timing associated with certain drilling and completion activities. 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, the receipt of shareholder approval at the Raging River and Baytex shareholder meetings, the receipt of all regulatory approvals in respect of the arrangement and the satisfaction or waiver of all conditions precedent to the Plan of Arrangement. 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 5, 2018, on Sedar at www.sedar.com, and the risk factors 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.

NON-IFRS MEASURES: This document contains the terms "funds flow from operations", "net debt", "field netback", "operating netback" and "funds flow netback", which do not have a standardized meaning prescribed by International Financial Reporting Standards ("IFRS") and therefore may not be comparable with the calculation of similar measures by other companies. Management uses funds flow from operations to analyze operating performance and leverage. Management believes "net debt" is a useful supplemental measure of the total amount of current and long-term debt of the Company. Mark-to-market risk management contracts are excluded from the net debt calculation. Management believes "field netback", "operating netback" and "funds flow netback" are useful supplemental measures of firstly, the amount of revenues received after royalties and operating and transportation costs, secondly, the amount of revenues received after royalties, operating, transportation costs and realized gain (loss) on risk management contracts, and thirdly, the amount of revenues received after royalties, operating, transportation costs, realized gain (loss) on risk management contracts, general and administrative costs, transaction costs, financial charges, asset retirement obligations and current taxes. Additional information relating to certain of these non-IFRS measures, including the reconciliation between funds flow from operations and cash flow from operating activities, can be found in the MD&A.

BARRELS OF OIL EQUIVALENT: The term "boe" or barrels of oil equivalent may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet of natural gas to one barrel of oil equivalent (6 Mcf: 1 bbl) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Additionally, given that the value ratio based on the current price of crude oil, as compared to natural gas, is significantly different from the energy equivalency of 6:1; utilizing a conversion ratio of 6:1 may be misleading as an indication of value.

INITIAL RATES OF PRODUCTION: References in this press release to performance and production rates associated with certain newly drilled wells are useful in confirming the presence of hydrocarbons, however such rates are not determinative of: the future production and decline rates of such wells, the rates other wells to be drilled by the Company will commence production and decline thereafter and are not indicative of long term performance or of ultimate recovery. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for the Company. The Company cautions that such production rates should be considered to be preliminary.