

PRESS RELEASE

Rock Energy Inc. Announces Reserve Evaluation and Net Asset Value Update

September 27th, 2011, Calgary, Alberta: Rock Energy Inc. (TSX:RE) (“Rock” or the “Corporation”). In conjunction with the previously announced process to review strategic alternatives, Rock commissioned GLJ Petroleum Consultants Ltd. (“GLJ”) to complete an evaluation of Rock’s reserves and conduct a contingent resource evaluation on a portion of Rock’s Montney resource play at Elmworth, Alberta, both at August 31, 2011. In addition, Rock commissioned Independent Land Evaluations Inc. (“ILE”) to assess the value of Rock’s undeveloped land at August 31, 2011. With these independent evaluations complete, having taken into account all of Rock’s 2011 production performance, 2011 drilling activity, current estimated debt levels, and current shares outstanding, the Corporation estimates its net asset value as at August 31, 2011 on a proven plus probable basis to be \$5.88 per fully diluted share, and on a proven plus probable plus possible Elmworth Montney reserves basis the value reaches \$7.29 per fully diluted share. The best estimate of the value of contingent resources identified on a portion of Rock’s lands in the Elmworth area represents a further addition of \$2.78 per fully diluted share. The results of these evaluations are provided in detail as follows:

Net Asset Value

The following table summarizes Rock’s net asset value and net asset value per share.

	Proved and Probable Reserves Dec 31/10	Proved and Probable Reserves Aug 31/11	Possible Elmworth Montney Reserves ⁽⁵⁾⁽⁶⁾ Aug 31/11	Best Estimate Elmworth Montney Contingent Resources ⁽⁷⁾ Aug 31/11
(\$000 except number of shares and net asset value per share)				
Value of reserves and resources ⁽¹⁾	203,576	225,717	58,427	115,460
Value of undeveloped land ⁽²⁾	29,089	41,199	-	-
Total net debt ⁽³⁾	(32,364)	(33,493)	-	-
Net asset value	200,301	233,423	58,427	115,460
Shares outstanding (000) ⁽⁴⁾	32,754	38,786	38,786	38,786
Net asset value per share (basic)	\$ 6.12	\$ 6.02	\$ 1.51	\$ 2.98
Option proceeds	5,964	10,318	-	-
Net asset value	206,265	243,741	58,427	115,460
Fully diluted shares outstanding (000) ⁽⁴⁾	34,796	41,473	41,473	41,473
Net asset value per share (fully diluted)	\$ 5.93	\$ 5.88	\$ 1.41	\$ 2.78

(1) See section entitled Net Present Value of Future Net Revenue. A discount rate of 10 percent is used. Net present value of future net revenue does not necessarily represent fair market value.

(2) Undeveloped land value is the fair market value of Rock’s lands determined by Independent Land Evaluations Inc. as of August 31, 2011.

(3) Net debt is working capital deficiency including bank debt and excluding commodity price contracts estimated by management as of August 31, 2011.

(4) Shares outstanding is based on outstanding common shares and stock options issued as of August 31, 2011.

(5) Elmworth Montney Total Proved and Probable Reserves were valued at \$76,519 as of August 31, 2011.

(6) Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable reserves.

(7) Best Estimate is calculated on a portion of Rock’s Elmworth land (22 gross (20.0 net) sections).

Reserves

Rock's reserves have been independently evaluated by GLJ at August 31, 2011 in a report entitled "Reserve Determination and Economic Evaluation of Rock Energy Inc, Effective August 31, 2011 (the "Reserve Evaluation"). This is the eighth year that GLJ has evaluated the Corporation's reserves. The reserves as at August 31, 2011 have been evaluated in accordance with National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities (NI 51-101). The following tables summarize Rock's reserves on a Company gross interest basis (before deducting royalties and excluding any reserves attributable to royalty revenue interests). The Reserve Evaluation was prepared using GLJ Forecast Pricing as at July 1, 2011.

Rock's Company gross interest reserves at August 31, 2011 are 11.5 million boe of proved reserves and 21.5 million boe of proved plus probable reserves. Increases from December 31, 2010 of 2.9 million boe in Company gross interest proved reserves and 5.6 million boe in Company gross interest proved plus probable reserves were primarily due to additions to natural gas reserves at Elmworth. Proved producing reserves decreased to 19 percent of proved plus probable reserves on a Company gross interest basis at August 31, 2011 from 26 percent at December 31, 2010. The breakdown of reserves on a commodity basis changed slightly from December 31, 2010 to August 31, 2011 with heavy oil comprising 29 percent of proved plus probable reserves at August 31, 2011 (down from 31 percent at year-end 2010) and natural gas comprising 56 percent of proved plus probable reserves as at August 31, 2011 (up from 55 percent in 2010).

Summary of Total Corporate Reserves (Forecast Prices and Costs) ⁽¹⁾

Reserves Category	Heavy Oil (mbbls)	Light and Medium Oil (mbbls)	Natural Gas Liquids (mbbls)	Natural Gas (mmcf)	Total Oil Equivalent (mboe)
Proved					
Proved producing	2,490	163	251	7,434	4,143
Proved non-producing	180	22	45	2,431	652
Proved undeveloped	1,165	-	1,101	26,752	6,724
Total proved	3,835	185	1,397	36,617	11,519
Probable	2,444	50	1,470	36,020	9,968
Total proved and probable	6,279	235	2,867	72,637	21,487
Possible (Elmworth Montney Only) ⁽²⁾⁽³⁾	-	-	1,583	41,360	8,476
Contingent resources (Elmworth Montney Only) ⁽⁴⁾	-	-	7,308	220,361	44,035

(1) Company gross interest reserve volumes from the "Reserve Evaluation".

(2) At August 31, 2011, Elmworth Montney Total Proved Reserves are 26,895 mmcf of Natural Gas and 1,118 mbbl of Natural Gas Liquids and Total Proved and Probable Reserves are 57,800 mmcf of Natural Gas and 2,456 mbbl of Natural Gas Liquids..

(3) Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable reserves.

(4) Company gross interest "best estimate" resource volumes from the "Contingent Resource Evaluation".

Net Present Value of Future Net Revenue of Reserves ⁽¹⁾

(\$000)	Before Income Taxes Discounted at (% per year)				
	0	5	10	12	15
Proved reserves					
Proved producing	106,459	89,339	77,972	74,412	69,816
Proved developed non-producing	12,017	9,483	7,842	7,326	6,655
Proved undeveloped	129,127	69,635	36,118	26,850	15,864
Total proved reserves	247,603	168,457	121,932	108,589	92,335
Probable reserves	284,111	161,969	103,785	88,977	72,060
Total proved and probable reserves	531,714	330,426	225,717	197,566	164,395
Possible reserves (Elmworth Montney Only) ^{(2) (3) (4)}	254,461	113,430	58,427	46,143	33,155
Contingent resources (Elmworth Montney Only) ⁽⁵⁾	870,738	331,233	115,460	68,571	20,993

- (1) Rock's value of future net revenue from the "Reserve Evaluation".
- (2) Rock's value of future net revenue from the "Reserve Evaluation" of the Elmworth Montney area
- (3) Elmworth Montney Total Proved and Probable Reserves were valued at \$279,962 (0% Discount), \$143,591 (5% Discount), \$76,519 (10% Discount), \$59,373 (12% Discount), and 39,899 (15% Discount) as of August 31, 2011.
- (4) Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable reserves.
- (5) Rock's value of future net revenue of Elmworth Montney "Best Estimate" contingent resources from the "Contingent Resource Evaluation".

Pricing Assumptions, GLJ forecast pricing as of July 1, 2011

Year	Crude Oil				Natural Gas Liquids				Natural Gas		Cdn\$/ US\$ Exchange Rate	Inflation Rate (%/year)
	WTI Cushing, Oklahoma (\$/bbl)	Edmonton Reference Price (\$/bbl)	Cromer Medium 29° API (\$/bbl)	Hardisty Heavy 12° API (\$/bbl)	Edmonton Propane (\$/bbl)	Edmonton Butane (\$/bbl)	Edmonton Pentane (\$/bbl)	Ethane (\$/bbl)	AECO - C Spot (\$/mcf)			
2011 Q3 - Q4	97.50	96.60	89.84	68.50	57.96	74.38	105.29	13.41	4.08	1.00	2.0	
2012	100.00	101.12	93.03	73.58	63.71	77.86	104.16	15.19	4.59	0.98	2.0	
2013	100.00	101.12	93.03	73.88	63.71	77.86	103.14	16.78	5.05	0.98	2.0	
2014	100.00	101.12	92.02	73.88	63.71	77.86	103.14	18.36	5.51	0.98	2.0	
2015	100.00	101.12	92.02	73.88	63.71	77.86	103.14	19.95	5.97	0.98	2.0	
2016	100.00	101.12	92.02	73.88	63.71	77.86	103.14	21.53	6.43	0.98	2.0	
2017	101.36	102.51	93.28	74.91	64.58	78.93	104.56	22.66	6.76	0.98	2.0	
2018	103.38	104.57	95.16	76.44	65.88	80.52	106.66	23.17	6.90	0.98	2.0	
2019	105.45	106.68	97.08	78.00	67.21	82.15	108.82	23.70	7.06	0.98	2.0	
2020	107.56	108.84	99.04	79.59	68.57	83.80	111.01	24.24	7.21	0.98	2.0	
2021 + (escalating at)	2.0%/yr	2.0%/yr	2.0%/yr	2.0%/yr	2.0%/yr	2.0%/yr	2.0%/yr	2.0%/yr	2.0%/yr	0.98	2.0	

Contingent Resources

The Montney resource play in Western Canada in Elsworth has been identified as one of the significant unconventional natural gas resource plays in North America. Rock believes that there are considerable volumes of natural gas and associated liquids resources on the Corporation's Elsworth acreage that can be reclassified as reserves with continued successful future development.

In an effort to quantify the future reserve potential, Rock commissioned GLJ to conduct an Economic Contingent Resource Evaluation ("Contingent Resource Evaluation") for the Montney natural gas at Elsworth. A Contingent Resource Evaluation was conducted by GLJ effective August 31, 2011 and Contingent Resources have been assigned on 22 gross (20.0 net) sections of the Corporation's total land position of 70.5 gross (68.5 net) sections of Montney rights at Elsworth. The Contingent Resource Evaluation was prepared using GLJ Forecast Pricing as at July 1, 2011.

Contingent resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but may not currently be considered commercially recoverable due to one or more contingencies. Contingent Resources are in addition to reserves booked as Proved, Probable and Possible. To estimate Contingent Resources, the Discovered Gas Initially in Place ("DGIIP") is determined. DGIIP is the estimated quantity of gas that is contained in known accumulations prior to production.

The most significant positive or negative factors with respect to estimates of contingent resources are related to the fact that the field is currently at an evaluation/delineation stage. The Montney formation is extensive in the Elsworth region, however well control is limited. Both resource-in-place and productivity may be higher or lower than current estimates. Additional drilling and testing is required to confirm volumetric resource estimates and reservoir productivity for the contingent resources to be reclassified as reserves.

Lands under which contingent resources have been assigned in the evaluation are proximal to lands developed by Rock's four vertical well tests and one horizontal well test. No contingent resources are assigned proximal to Rock's latest vertical stratigraphic well (13-12-68-10W6M) as this well had not been tested as of August 31, 2011. GLJ's calculation of DGIIP was based on a 3% porosity cut-off.

GLJ's best estimate of DGIIP and Contingent Resource is 755 and 264 billion cubic feet of natural gas respectively net to Rock on 22 gross (20.0 net) sections of land.

Summary of the Elsworth Montney Contingent Resource Evaluation ⁽¹⁾

	Rock's Working Interest Lands Evaluated ⁽²⁾	Best Estimate DGIIP ⁽³⁾	Company Gross Contingent Resources Low Estimate ⁽⁴⁾		Company Gross Contingent Resources Best Estimate ⁽⁴⁾		Company Gross Contingent Resources High Estimate ⁽⁴⁾	
	(sections)	(bcf)	(bcfe)	(mmboe)	(bcfe)	(mmboe)	(bcfe)	(mmboe)
Montney B	20.0	478						
Gas			108.7	18.1	122.1	20.3	139.1	23.2
Liquids			24.6	4.1	26.4	4.4	30.0	5.0
Montney C	10.0	277						
Gas			73.8	12.3	98.2	16.4	117.0	19.5
Liquids			12.6	2.1	17.4	2.9	20.4	3.4
Total		755	219.7	36.6	264.1	44.0	306.5	51.1
Total Value (\$000) ⁽⁵⁾			\$49,383		\$115,460		\$177,018	

- (1) Per independent GLJ Economic Contingent Resource Evaluation as of August 31, 2011 and based on GLJ forecast pricing as of July 1, 2011.
- (2) Working interest lands is not additive as the evaluated Montney C lands are included within the evaluated Montney B lands.
- (3) DGIIP is presented as raw volumes (Bcf).
- (4) The bcfe and mmboe volumes are sales volumes.
- (5) Total value is the net present value of future net revenues discounted at 10 percent.

Rock controls rights on an additional 48.5 net Montney B sections and 58.5 net Montney C sections that were not included in the Contingent Resource Evaluation as they were located more than three miles from Rock's existing well tests. Depending on future drilling results in the area, Rock believes that additional contingent resources and reserves will be recognized on its Montney lands.

Undeveloped Land Holdings

The following table summarizes Rock's current undeveloped land holdings prepared by Independent Land Evaluation Inc. ("ILE") as at August 31, 2011. The evaluation represents what ILE believes as independent consultants to be fair market value of the undeveloped land. The report was completed applying internal methods and standards implemented by ILE which comply with the CSA in accordance with NI 51-101 5.9(1)(e), relying on information provided by Rock and publicly provided information.

Acres	– Gross	163,018
	– Net	122,582
Value	– Net (\$000)	\$ 41,199

Tax Pools (as at August 31, 2011)

	(millions)
CEE	\$ 41.6
CDE	58.0
COGPE	17.2
UCC	28.7
Loss carry-forwards	5.5
Other	3.4
Total	\$ 154.4

Information Regarding Disclosure on Oil and Gas Reserves, Resources and Operational Information

Natural gas has been converted to barrels of oil equivalent (“boe”) based on 6 mcf: 1 boe. The boe ratio is based on an energy equivalent conversion method primarily applicable at the burner tip and does not represent a value equivalent at the wellhead. Use of boe in isolation may be misleading.

Natural gas liquids have been converted to thousand cubic feet equivalent (“mcf”) base on 1 barrel: 6 mcf. The mcf ratio is based on an energy equivalent conversion method primarily applicable at the burner tip and does not represent a value equivalent at the wellhead. Use of mcf in isolation may be misleading.

Unless otherwise specified, all resource volumes in this news release (and all information derived there from) are based on “company gross volumes” (or Working Interest), before deductions of Crown and other royalties, using forecast prices and costs.

The Contingent Resource Evaluation was prepared in accordance with the resource and reserves definitions, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook (COGEH) and was conducted by a qualified reserves evaluator (GLJ Petroleum Consultants Ltd.).

This news release contains references to estimates of gas classified as discovered gas initially in place in the Elmworth area which are not, and should not be confused with oil and gas reserves. “Discovered gas initially in place” (“DGIIIP”) is defined in the Canadian Oil and Gas Evaluation Handbook (the “COGE Handbook”) as the quantity of hydrocarbons that are estimated to be in place within a known accumulation prior to production. DGIIIP is divided into recoverable and unrecoverable portions, with the estimated future recoverable portion classified as reserves and contingent resources and the remainder as at evaluation date is by definition classified as unrecoverable. There is no certainty that it will be economically viable to produce any portion of the resources.

Projects have not been defined to develop the resources in the Elmworth evaluated area as at the evaluation date. Such projects, in the case of the Montney resource development, have historically been developed sequentially over a number of drilling seasons and are subject to annual budget constraints, Rock’s policy of orderly development on a staged basis, the timing of the growth of third party infrastructure, the short and long-term view of Rock on gas prices, the results of exploration and development activities of Rock and others in the area and possible infrastructure capacity constraints.

Rock’s belief that it will establish significant additional reserves over time in the discussion of the results of the Contingent Resource Evaluation is a forward looking statement and is based on certain assumptions and is subject to certain risks, as discussed below under the heading “Forward Looking Statements”.

Advisory Regarding Forward-Looking Information and Statements

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words “will”, “expects”, “believe”, “plans”, “potential” and similar expressions are intended to identify forward-looking statements or information. More particularly and without limitation, this press release contains forward looking statements and information concerning: the recognition of additional resources and reserves under the heading “Contingent Resource Evaluation”.

The forward-looking statements and information in this press release are based on certain key expectations and assumptions made by Rock, including Rock’s reserves, the quality of the Montney reservoir, continued performance from existing wells, future drilling programs and performance from new wells, the growth of infrastructure, well density per section, recovery factors and development necessarily involves known and unknown risks and uncertainties. Although Rock believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information because Rock can give no assurance that they will prove to be correct. There is no certainty that Rock will achieve commercially viable production from its undeveloped lands and prospects.

Since forward-looking statements and information 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 the risks associated with the oil and gas industry in general such as: 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 reserves, production, costs and expenses; health, safety and environmental risks; commodity price and exchange rate fluctuations; marketing and transportation of petroleum and natural gas and loss of markets; environmental risks; competition; incorrect assessment of the value of acquisitions; failure to realize the anticipated benefits of acquisitions; ability to access sufficient capital from internal and external sources; stock market volatility; and changes in legislation, including but not limited to tax laws, royalty rates and environmental regulations.

Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect the operations or financial results of Rock are included in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com). The forward-looking statements and information contained in this press release are made as of the date hereof and Rock 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.

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