RETURN ENERGY INC.

Statement of Reserves Data and Other Oil and Gas Information

For the Year Ended December 31, 2017

Effective December 31, 2017

Prepared April 11, 2018

Table of Contents

GLOSSARY

The following abbreviations and terms shall have the meanings set forth below, unless otherwise indicated:

"COGE Handbook" means Canadian Oil and Gas Evaluation Handbook;

"**Corporation**" and "**Return**" means Return Energy Inc., a corporation incorporated pursuant to the ABCA and, when used in the context of describing the Corporation's assets and business, may include its subsidiaries and predecessors;

"**Developed reserves**" are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would allow expenditure (e.g., when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and nonproducing;

"**Developed producing reserves**" are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty;

"**Developed non-producing reserves**" are those reserves that either have not been on production, or have previously been on production, but are shut in, and the date of resumption of production is unknown;

"**Development costs**", when referring to oil and gas assets, means costs incurred to obtain access to reserves and to provide facilities for extracting, treating, gathering and storing the oil and gas from the reserves. More specifically, development costs, including applicable operating costs of support equipment and facilities and other costs of development activities, are costs incurred to:

(a) gain access to and prepare well locations for drilling, including surveying well locations for the purpose of determining specific development drilling sites, clearing ground, draining, road building, and relocating public roads, gas lines and power lines, to the extent necessary in developing the reserves;

(b) drill and equip development wells, development type stratigraphic test wells and service wells, including the costs of platforms and of well equipment such as casing, tubing, pumping equipment and the wellhead assembly;

(c) acquire, construct and install production facilities such as flow lines, separators, treaters, heaters, manifolds, measuring devices and production storage tanks, natural gas cycling and processing plants, and central utility and waste disposal systems; and

(d) provide improved recovery systems;

"Effective date" means the effective date of the information contained in this Statement of Reserves Data and Other Oil and Gas Information being December 31, 2017;

"**Exploration costs**", when referring to oil and gas exploration, means costs incurred in identifying areas that may warrant examination and in examining specific areas that are considered to have prospects that may contain oil and gas reserves, including costs of drilling exploratory wells and exploratory type stratigraphic test wells. Exploration costs may be incurred both before acquiring the related property (sometimes referred to in part as prospecting costs) and after acquiring the property. Exploration costs, which include applicable operating costs of support equipment and facilities and other costs of exploration activities, are:

(a) costs of topographical, geochemical, geological and geophysical studies, rights of access to properties to conduct those studies, and salaries and other expenses of engineers, geologists, geophysical crews and others conducting those studies (collectively sometimes referred to as geological and geophysical costs);

(b) costs of carrying and retaining unproved properties, such as delay rentals, taxes (other than income and capital taxes) on properties, legal costs for title defence, and the maintenance of land and lease records;

(c) dryhole contributions and bottom hole contributions; and

(d) costs of drilling and equipping exploratory wells;

"**Future net revenue**" means the estimated net amount to be received with respect to the development and production of reserves (including synthetic oil, coal bed methane and other non-conventional reserves) estimated using forecast prices and costs;

"**Gross Acres**" means the total number of acres in which Return has an interest;

"**Gross Reserves**" means the total working interest share of remaining recoverable reserves before deductions of royalties payable to others;

"**Gross Wells**" means the total number of wells in which Return has an interest;

"**Natural gas**" means the lighter hydrocarbons and associated non-hydrocarbon substances occurring naturally in an underground reservoir, which under atmospheric conditions are essentially gases but which may contain natural gas liquids. Natural gas can exist in a reservoir either dissolved in oil (solution gas) or in a gaseous phase (associated gas or non-associated gas). Non-hydrocarbon substances may include hydrogen sulphide, carbon dioxide and nitrogen;

"**Natural gas liquids**" means those hydrocarbon components that can be recovered from natural gas as liquids including, but not limited to, ethane, propane, butanes, pentanes plus, condensate and small quantities of non-hydrocarbons;

"**Net Acres**" means the total number of Gross Acres multiplied by the Return interest;

"**Net Reserves**" means the total working interest share of remaining recoverable reserves after deductions of royalties payable to others;

"**Net Wells**" means the total number of Gross Wells multiplied by the Return interest;

"**NI 51-101**" means National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities;

"**Proved reserves**" are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

"**Probable reserves**" are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves;

"**Oil**" means a mixture that consists mainly of pentanes and heavier hydrocarbons, which may contain sulphur and other non-hydrocarbon compounds, that is recoverable at a well from an underground reservoir and that is liquid at the conditions under which its volume is measured or estimated. It does not include solution gas or natural gas liquids;

"Preparation date" means the date of preparation of this Statement of Reserves Data and Other Oil and Gas Information being April 11, 2018;

"**Reserves**", when referring to oil and gas reserves, are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, from a given date forward, based on (a) analysis of drilling, geological, geophysical, and engineering data; (b) the use of established technology; and (c) specified economic conditions, which are generally accepted as being reasonable and shall be disclosed. Reserves are classified according to the degree of certainty associated with the estimates; and;

"**Undeveloped reserves**" are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable, possible) to which they are assigned. In multi-well pools, it may be appropriate to allocate total pool reserves between the developed and undeveloped categories or to subdivide the developed reserves for the pool between developed producing and developed non-producing. This allocation should be based on the estimator's assessment as to the reserves that will be recovered from specific wells, facilities, and completion intervals in the pool and their respective development and production status.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Statement of Reserves Data and Other Oil and Gas Information, constitute forward-looking statements within the meaning of applicable securities laws. These statements relate to future events or Return's future performance. All statements other than statements of historical fact are forward-looking statements. The use of any of the words "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "should", "believe" and similar expressions are not historical facts and are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Return believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in, or incorporated by reference into, this Statement of Reserves Data and Other Oil and Gas Information should not be unduly relied upon. These statements speak only as of the date of this Statement of Reserves Data and Other Oil and Gas Information. In particular, this Statement of Reserves Data and Other Oil and Gas Information, contains forward-looking statements pertaining to the following:

> the performance characteristics of Return's oil and natural gas assets;

> the quantity and quality of the oil and natural gas reserves and resources;

> treatment under governmental regulatory regimes and tax laws;

> timing and amount of abandonment and reclamation costs;

> future land expiries;

> supply and demand for oil, natural gas liquids and natural gas;

> expected levels of royalty rates, operating costs, general and administrative costs, costs of services and other costs and expenses; and

> capital expenditure programs and the timing and method of financing thereof.

Actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this Statement of Reserves Data and Other Oil and Gas Information:

> volatility in market prices for oil and natural gas;

> liabilities inherent in oil and natural gas operations;

> uncertainties associated with estimating oil and natural gas reserves and resources;

> risks inherent in oil and gas activities;

> competition for, among other things, capital, acquisitions of reserves, undeveloped lands, equipment, and skilled personnel;

> ability to secure adequate product transportation;

> fluctuation in foreign exchange or interest rates;

> stock market volatility and market valuations;

> geological, technical, drilling and processing problems and other difficulties in producing petroleum reserves; and

> changes in income tax laws or changes in tax or environmental laws and incentive programs or royalty regimes relating to the oil and gas industry.

Further, any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable securities laws, we undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of each such factor on Return's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward looking statements.

OTHER MEASUREMENTS

Where amounts are expressed on a barrel of oil equivalent ("boe") basis, one thousand cubic feet (mcf) has been converted at a ratio of six thousand cubic feet to one barrel of oil. Boe's may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet to one barrel of oil is based on an energy equivalent conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Abbreviations:

Bbl – barrel
Mbbl – one thousand barrels
Mcf – one thousand cubic feet
MMcf – one million cubic feet
Boe – barrel of oil equivalent
Mboe – one thousand barrels of oil equivalent
Bbl/d – barrels of oil per day
Mcf/d – one thousand cubic feet per day
MmBtu – million British thermal units

PART 1 - DATE OF STATEMENT

The effective date of the information being provided in this Form 51-101F1 is December 31, 2017 and is for the year ended December 31, 2017. The preparation date of the information being provided in this statement is April 11, 2018.

PART 2 – DISCLOSURE OF RESERVES DATA

2.1 Reserves Data (Forecast Prices and Costs)

The reserves data set forth below (the "**Reserves Data**") is based upon a report prepared by Sproule Associates Limited, independent petroleum consultants, Calgary, Alberta ("**Sproule**"), evaluating the light and medium oil, conventional natural gas and natural gas liquids reserves of Return, as at December 31, 2017, dated March 22, 2018 (the "**Sproule Report**"). The Reserves Data summarizes the light and medium oil, conventional natural gas and natural gas liquids of the Corporation and the net present values of future net revenue for these reserves using forecast prices and costs. The Sproule Report has been prepared in accordance with the standards contained in the Canadian Oil and Gas Evaluation Handbook prepared jointly by the Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (the "**COGE Handbook**") and the reserve definitions contained in National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities adopted by the Canadian Securities Administrators ("**NI 51-101**") and the COGE Handbook. Additional information not required by NI 51-101 has been presented to provide continuity and additional information which Return believes is important to the readers of this information. The Corporation engaged Sproule to provide an evaluation of proved and proved plus probable reserves and no attempt was made to evaluate possible reserves.

The net present value of future net revenue attributable to the Corporation's reserves is stated without provision for interest costs and general and administrative costs, but after providing for estimated royalties, production costs, development costs, other income, future capital expenditures, and well abandonment costs for only those wells assigned reserves by Sproule. It should not be assumed that the estimates of future net revenues presented in the tables below represent 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 reserve estimates of the Corporation's light and medium oil, solution and natural gas and natural gas liquids provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual light and medium oil, solution and natural gas and natural gas liquids reserves may be greater than or less than the estimates provided herein. Readers should note that the totals in the following tables may not add due to rounding.

All properties evaluated are located in the Provinces of Alberta. All monetary values are expressed in Canadian dollars, unless stated otherwise.

2.1 (1) Reserves Data

Summary of Oil and Natural Gas Reserves
As at December 31, 2017
Forecast Prices and Costs

	Light and Medium Oil		Natural Gas		Natural Gas Liquids		TOTAL	
RESERVES CATEGORY	Gross (Mbbl)	Net (Mbbl)	Gross (MMcf)	Net (MMcf)	Gross (MBbl)	Net (MBbl)	Gross (Mboe)	Net (Mboe)
Proved Reserves								
Proved Developed Producing	78.2	76.4	3,244	3,045	40.5	27.3	659.4	611.2
Proved Developed Non-Producing	18.6	18.2	928	798	8.9	5.4	182.2	156.6
Proved Undeveloped	98.8	89.3	833	774	10.4	9.0	248.0	227.3
Total Proved	195.6	183.9	5,005	4,617	59.8	41.7	1,089.6	995.1
Probable	113.5	98.1	1,917	1,748	22.9	18.1	455.9	407.5
Total Proved Plus Probable Reserves	309.1	282.0	6,922	6,365	82.7	59.8	1,545.5	1,402.6

2.1 (2) Net Present Value of Future Net Revenue

As at December 31, 2017
Forecast Prices and Costs
NET PRESENT VALUES OF FUTURE NET REVENUE

	BEFORE INCOME TAXES					AFTER INCOME TAXES				
	DISCOUNTED AT (% / YEAR)					DISCOUNTED AT (% / YEAR)				
RESERVES CATEGORY	**0**	**5**	**10**	**15**	**20**	**0**	**5**	**10**	**15**	**20**
	(in $ thousands)					(in $ thousands)				
Proved Reserves										
Proved Developed Producing	5,780	5,043	4,375	3,828	3,391	5,780	5,043	4,375	3,828	3,391
Proved Developed Non-Producing	1,080	971	855	749	658	1,080	971	855	749	658
Proved Undeveloped	3,009	2,235	1,648	1,208	877	3,009	2,235	1,648	1,208	877
Total Proved	9,869	8,249	6,878	5,785	4,926	9,869	8,249	6,878	5,785	4,926
Probable	7,033	5,019	3,673	2,767	2,138	6,012	4,386	3,267	2,499	1,957
Total Proved Plus Probable	16,902	13,268	10,551	8,552	7,064	15,881	12,635	10,145	8,284	6,883

2.1 (3) Additional Information Concerning Future Net Revenue (Forecast prices and costs)

	Total Future Revenue (Undiscounted in $ thousands)							
Reserves Category	**Revenue**	**Royalties**	**Operating Costs**	**Development Costs**	**Abdonment and Reclamation Costs**	**Future Net Revenue Before Income Taxes**	**Income Taxes**	**Future Net Revenue After Income Taxes**
Total Proved	38,154	3,116	20,528	3,148	1,494	9,869	-	9,869
Total Proved plus Probable	57,706	5,196	29,187	4,736	1,685	16,902	1,021	15,881

Future Net Revenue By Production Type Before Income Taxes

As at December 31, 2017

Forecast Prices and Costs (In Thousands discounted at 10%)

RESERVES CATEGORY	Light and Medium Oil	Natural Gas (1)
Proved Developed Producing	2,232.0	2,143.0
Proved Developed Non-Producing	377.0	478.0
Proved Undeveloped	1,648.0	-
Total Proved	4,257.0	2,621.0
Probable	2,880.0	792.0
Total Proved Plus Probable	7,137.0	3,413.0

(1) Includes associated byproducts.

Future Net Revenue By Production Type on a Unit Basis Before Income Taxes

As at December 31, 2017

Forecast Prices and Costs (Discounted at 10% net reserves)

RESERVES CATEGORY	Light and Medium Oil	Natural Gas (1)
	$/BBL	$/MCF
Proved Developed Producing	29.2	0.70
Proved Developed Non-Producing	20.7	0.60
Proved Undeveloped	18.5	-
Total Proved	23.1	0.57
Probable	29.4	0.45
Total Proved Plus Probable	25.3	0.54

(1) Includes associated byproducts.

(2) The unit values are based on net reserve volumes.

PART 3 PRICING ASSUMPTIONS

Forecast Prices Used in Estimates

Summary of Selected Canadian Price Forecasts (Effective December 31, 2017)

Year	Canadian Light Sweet Crude 40 ° API ($Cdn/bbl)	Western Canada Select 20.5 API ($Cdn/bbl)	Alberta AECO-C Spot ($Cdn/MMBTU)	Edmonton Pentanes Plus ($Cdn/bbl)	Edmonton Butane ($Cdn/bbl)	Edmonton Propane ($Cdn/bbl)
Historical						
2017	61.84	48.78	2.20	67.21	44.11	28.77
Forecast						
2018	65.44	51.05	2.85	67.72	48.73	26.06
2019	74.51	59.61	3.11	75.61	55.49	32.84
2020	78.24	64.94	3.65	78.82	57.65	35.41
2021	82.45	68.43	3.80	82.35	60.12	37.85
2022	84.10	69.80	3.95	84.07	61.32	39.29
2023	85.78	71.20	4.05	85.82	62.55	40.25
2024	87.49	72.62	4.15	87.61	63.80	41.23
2025	89.24	74.07	4.25	89.43	65.07	42.23
2026	91.03	75.55	4.36	91.29	66.37	43.26
2027	92.85	77.06	4.46	93.19	67.70	44.30
2028	94.71	78.61	4.57	95.12	69.06	45.36
Thereafter			Escalation rate of 2%			

The pricing assumptions above were provided by Sproule who is independent of the Corporation.

PART 4 RECONCILIATION OF CHANGES IN RESERVES

4.1 Reserves Reconciliation

Reconciliation of Gross Reserves (1)
As of December 31, 2017, Forecast Prices and Costs

Factors	Light and Medium Oil			Natural Gas			Natural Gas Liquids			Total		
	Proved (mbbl)	Probable (mbbl)	Proved and Probable (mbbl)	Proved (mmcf)	Probable (mmcf)	Proved and Probable (mmcf)	Proved (mbbl)	Probable (mbbl)	Proved and Probable (mbbl)	Proved (mboe)	Probable (mboe)	Proved and Probable (mboe)
December 31, 2016	**215.0**	**127.3**	**342.3**	**4,256.0**	**1,921.0**	**6,177.0**	**42.1**	**18.0**	**60.1**	**966.4**	**465.4**	**1,431.8**
Technical Revisions	(19.3)	(18.8)	(38.1)	42.0	(346.0)	(304.0)	4.3	0.2	4.5	**(8.0)**	**(75.9)**	**(84.1)**
Acquisitions	18.7	6.8	25.5	1,305.0	355.0	1,660.0	19.9	5.1	25.0	**256.1**	**71.1**	**327.2**
Dispositions	(7.8)	(2.0)	(9.8)	(31.0)	(8.0)	(39.0)	(1.6)	(0.4)	(2.0)	**(14.6)**	**(3.7)**	**(18.3)**
Economic factors	1.4	0.2	1.6	3.0	(6.0)	(3.0)	-	-	-	**1.9**	**(0.8)**	**1.1**
Production	(12.4)	-	(12.4)	(570.0)	-	(570.0)	(4.9)	-	(4.9)	**(112.3)**	**-**	**(112.3)**
December 31, 2017	**195.6**	**113.5**	**309.1**	**5,005.0**	**1,916.0**	**6,921.0**	**59.8**	**22.9**	**82.7**	**1,089.5**	**456.0**	**1,545.5**

(1) Gross Reserves means Corporation's working interest reserves before calculation of royalties and before consideration of Corporation's royalty interests.
(2) May not add due to rounding.

PART 5 ADDITIONAL INFORMATION RELATING TO RESERVES DATA

PART 5.1 Undeveloped Reserves

Undeveloped reserves are attributed by Sproule in accordance with the standards and procedures contained in the COGE Handbook. Proved undeveloped reserves are those reserves that can be estimated with a high degree of certainty and are expected to be recovered from known accumulations where a significant expenditure is required to render them capable of production. Probable undeveloped reserves are those reserves that are less certain to be recovered than proved undeveloped reserves and are expected to be recovered from known accumulations where a significant expenditure is required to render them capable of production.

The Corporation's proved and probable undeveloped reserves are planned to be developed within the next two years. In some cases, it may take longer than two years to develop these reserves. There are a number of factors that could result in delayed or cancelled development, including the following: (i) changing economic conditions (due to pricing, operating and capital expenditure fluctuations); (ii) changing technical conditions (including production anomalies, such as water breakthrough or accelerated depletion); (iii) multi-zone developments (for instance, a prospective formation completion may be delayed until the initial completion formation is no longer economic); (iv) a larger development program may need to be spread out over several years to optimize capital allocation and facility utilization; and (v) surface access issues (including those relating to land owners, weather conditions and regulatory approvals).

5.1 (1) Proved Undeveloped Reserves

Proved Gross Undeveloped Reserves

	Light and Medium Oil (Mbbl)		Natural Gas (MMcf)		Natural Gas Liquids (Mbbl)	
Year	First Attributed	Cumulative at Year End	First Attributed	Cumulative at Year End	First Attributed	Cumulative at Year End
Dec 31, 2015	-	-	-	-	-	-
Dec 31, 2016	102.9	102.9	760.0	760.0	8.4	8.4
Dec 31, 2017	-	99.0	-	833.0	-	10.0

No Proved Undeveloped reserves were attributed for or prior to the year ended December 31, 2015.

Proved undeveloped reserves comprise approximately 23% of Return's total proved reserves on a Boe basis. Proved undeveloped reserves of 248 Mboe were assigned by Sproule in accordance with NI 51-101. In general, proved undeveloped reserves were assigned to certain properties as a result of the Corporation's capital program. Return plans to convert the undeveloped reserves to proved developed producing reserves over the next three years through future capital spending.

5.1 (2) Probable undeveloped reserves

Probable Gross Undeveloped Reserves

	Light and Medium Oil (Mbbl)		Natural Gas (MMcf)		Natural Gas Liquids (Mbbl)	
Year	First Attributed	Cumulative at Year End	First Attributed	Cumulative at Year End	First Attributed	Cumulative at Year End
Dec 31, 2015	-	-	-	-	-	-
Dec 31, 2016	93.0	93.0	865.0	865.0	8.2	8.2
Dec 31, 2017	-	86.0	-	704.0	-	9.0

Probable undeveloped reserves were assigned by Sproule in accordance with NI 51-101 requirements and standards. Return's probable undeveloped reserves amount to 211.9 MBoe and represent about 46% of the total probable reserves. Probable undeveloped reserves are assigned for similar reasons and generally to the same properties as proved undeveloped reserves, but also meet the requirements of the reserve classification to which they belong. Probable undeveloped reserves are those reserves that are less certain to be recovered than proved reserves and are expected to be recovered from known accumulations. Return plans to convert the probable undeveloped reserves to proved developed producing reserves over the next five years as a result of future capital spending.

5.2 Significant Factors or Uncertainties Affecting Reserves Data

The process of estimating reserves is complex. It requires significant judgments and decisions based on available geological, geophysical, engineering or economic data. These estimates may change substantially as additional data from ongoing development activities and production performance become available and as economic conditions impacting oil and gas prices and costs change. The reserve estimates contained herein are based on forecast prices, production forecasts, prices and economic conditions.

As circumstances change and additional data becomes available, reserve estimates also change. Estimates made are reviewed and revised, either upward or downward, as warranted by the new information. Revisions are often required due to changes in well performance, prices, economic conditions and governmental restrictions.

Although every reasonable effort is made to ensure that reserve estimates are accurate, reserve estimation is an inferential science. As a result, the subjective decisions, new geological or production information and a changing environment may impact these estimates. Revisions to reserve estimates can arise from changes in year-end oil and gas prices, and reservoir performance. Such revisions can either be positive or negative.

5.3 (1) Future Development Costs

The following table shows the development costs anticipated in the next 5 years, which have been deducted in the estimation of the Corporation's future net revenues of the reserves evaluated in the Sproule report for the year end December 31, 2017.

Forecast Prices and Cost (Undiscounted)
(In $ thousands)

Year	Proved Reserves	Proved Plus Probable
2018	225.0	225.0
2019	2,922.7	4,510.7
2020	-	-
2021	-	-
2022		
	3,147.7	4,735.7

The Corporation has been successful in raising some of the required capital through equity financings and plans to continue to do so for those development costs specified above which cannot be financed via cash flow from operations. The effect of the costs of the expected funding would have no impact on the revenue or reserves currently being reported.

PART 6 OTHER OIL AND GAS INFORMATION

6.1 Oil and Natural Gas Wells and Properties

The following table sets forth the number of wells in which the Corporation held a working interest as at December 31, 2017, all of which are in the Province of Alberta.

		Oil Well		Natural Gas Wells	
Alberta area	Category	Gross	Net	Gross	Net
Valhalla/Rycroft	Producing	55.00	5.40	15.00	8.22
	Non-Producing	20.00	3.07	16.00	8.47
Other	Producing	3.00	1.20	13.00	7.38
	Non-Producing	2.00	0.90	37.00	22.10
Total	Producing	58.00	6.60	28.00	15.60
	Non-Producing	22.00	3.97	69.00	30.57

The following is a description of the important producing properties, plants, facilities and installations of the Corporation:

Valhalla/Rycroft, Alberta

The Corporation holds working interests in 75 gross (8.5 net) oil wells and 31 gross (16.7 net) gas wells in the Valhalla/Rycroft area of Alberta. Combined with these assets is ownership in several gathering systems. The Corporation also operates and owns 100% of the Rycroft Gas Plant located at 15-11-76-6W6.

The Valhalla/Rycroft area has one well that has been shut in since October 2016. The well produces slightly sour gas and is currently unable to produce to the sweet gas facility that it is pipelined to. The Corporation is exploring the possibility of changing the flow of gas from this well to the Rycroft Gas Plant at 15-11-17-6W6 once a pipeline is built to connect this field. Construction of this pipeline is anticipated to commence in 2018.

Net production from the Valhalla/Rycroft area averaged 44 bbls of oil and NGL per day and 1165 mcf per day of gas, or 238 boe per day from January 1 to December 31, 2017. 83% of the Corporation's 2017 production came from the Valhalla/Rycroft area. The other areas make up the remaining 17% of production.

6.2 Properties with No Attributed Reserves

The following table sets out the Corporation's undeveloped land holdings as at December 31, 2017.

Province	Gross Acres	Net Acres	Net Acres Expiring Within One Year
Alberta	27,775	13,315	-

Undeveloped acres are lands that have not been assigned reserves. The Corporation has no material work commitments related to our undeveloped acreage in 2017.

Significant Factors or Uncertainties Relevant to Properties with No Attributed Reserves

There are several economic factors and significant uncertainties that affect the anticipated development of Return's properties with no attributed reserves. Return will be required to make capital expenditures in order to prove, exploit, develop and produce oil and natural gas from these properties in the future. If Return's cash flow from operations or current cash balance is not sufficient to satisfy its capital expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or, if available, on terms acceptable to Return. Failure to obtain such financing on a timely basis could cause Return to forfeit its interest in certain properties, miss certain opportunities and reduce or terminate its operations. The inability of Return to access sufficient capital for its exploration and development purposes could have a material adverse effect on Return's ability to execute its business strategy to develop these prospects.

Return estimates abandonment and reclamation costs for surface leases, wells and facilities based on its previous experience, current regulations, costs, technology and industry standards. Return has estimated the net present value of its total decommissioning liabilities to be $3.4 million (discounted at 10%) as at December 31, 2017 based on a total undiscounted future liability of $9.5 million. In the Sproule Report, reasonable estimated future abandonment and reclamation costs for wells assigned reserves were deducted in determining the aggregate future net revenue. This is summarized below without discount and using a discount rate of 10%:

	Forcast pricing in (M$)			
	Proved		Proved plus Probable	
	Discount rate 0%	Discount rate 10%	Discount rate 0%	Discount rate 10%
Total decommissioning liability	1,494	324	1,685	280
Portion forecast to be paid during next three years	-	-	-	-

6.3 Forward Contracts

The Corporation does not have any forward sales contracts.

6.5 Tax Horizon

The Corporation is unable to estimate when income taxes may become payable as it is dependent on the level of future commercial exploration and development success.

6.6 Costs Incurred

The following table summarizes the capital expenditures related to the Corporation's activities for the year ended December 31, 2017:

Alberta	Acquisition Costs: Proved properties	Acquisition Costs: Unproved properties	Exploration Costs	Development Costs
Alberta, Canada	$ 1,325,105	$ -	$ -	$ 199,848

6.7 Exploration and Development Activities

The Corporation did not drill any exploratory and development wells in 2017.

The Corporation did not take part in any exploration or development activities in 2017. Current development projects are focused around vertical well development drilling and recompletions for conventional oil and gas recovery in the Rycroft area of Alberta.

6.8 Production Estimates

The following table discloses the total volume of production estimated by the Sproule Report for the year 2018 reflected in the estimates of gross proved reserves and gross probable reserves disclosed under 2.1;

RESERVES CATEGORY	Light and Medium Oil bbl/d	Natural Gas MCF/d	Natural Gas Liquids bbl/d	Total boe/d
Valhalla/Rycroft				
Proved	33.8	1,216	15.1	251.6
Probable	0.6	21	0.4	4.5
Total Proved Plus Probable Reserves	34.4	1,237	15.5	256.1
Other				
Proved	5.1	323.0	3.0	61.9
Probable	0.1	6.0	(0.0)	1.1
Total Proved Plus Probable Reserves	5.2	329.0	3.0	63.0
Total				
Proved	38.9	1,539	18.1	313.5
Probable	0.7	27	0.4	5.6
Total Proved Plus Probable Reserves	39.6	1,566	18.5	319.1

6.9 Production History

The following table sets forth the Corporation's average daily production volume, on a Corporation interest basis, and the average netback received for each fiscal quarter in 2017 and for the entire year. Netbacks are calculated on the basis of prices received, less related royalty and production costs.

	Three Months Ended, 2017				Year Ended
	31-Mar	30-Jun	30-Sep	31-Dec	31-Dec-17
Average Daily Production					
Light and Medium Oil (bbl/d)	43	38	37	36	39
Natural Gas (mcf/d)	1,213	1,383	1,510	1,432	1,385
Natural Gas Liquids (bbl/d)	15	16	17	21	16
Total (boe/d)	260	285	306	296	286
Aggregate Sales	$ 573,534	$ 600,914	$ 431,351	$ 489,182	$ 2,094,981
Average Price per boe	$ 24.47	$ 23.61	$ 15.31	$ 17.96	$ 20.09
Royalty per boe	(2.32)	(1.57)	(1.07)	(1.78)	(1.66)
Operating Expenses per boe	(21.36)	(18.29)	(30.09)	(24.71)	(23.84)
Netback per boe	$ 0.79	$ 3.75	$ (15.85)	$ (8.53)	$ (5.41)