Management's Discussion & Analysis
For the Fourth Quarter and Year Ended
December 31, 2019

INTRODUCTION

The following Management's Discussion and Analysis ("MD&A") of Return Energy Inc. ("Return" or the "Company") has been prepared by management as of April 6, 2020, in accordance with the requirements of National Instrument 51-102 – *Continuous Disclosure Requirements* ("NI 51-102"). This MD&A should be read in conjunction with the audited consolidated annual financial statements for the years ended December 31, 2019 and 2018 and related notes which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company and is not a substitute for detailed investigation or analysis on any particular issue. The Company is presently a "Venture Issuer" as defined in NI 51-102. Additional information relevant to the Company's activities, including Return's Annual Information Form for the year ended December 31, 2019 (the "AIF"), can be found on SEDAR at www.sedar.com and the Company's website at www.spartandeltacorp.com.

All financial information in this MD&A has been prepared in accordance with IFRS, unless otherwise indicated. All dollar amounts are quoted in Canadian dollars, the reporting and functional currency of the Company, unless specifically noted.

This MD&A contains forward-looking statements, non-IFRS measures and other non-financial measures. Readers are cautioned that the MD&A should be read in conjunction with the Company's disclosures under the headings "Forward-Looking Statements", "Non-IFRS Measures", and "Other Measurements" included at the end of this MD&A.

OVERVIEW OF THE BUSINESS

The Company was incorporated under the laws of Alberta on March 20, 2006. Through its wholly-owned subsidiary, Winslow Resources Inc. ("Winslow"), the Company is engaged in the exploration for, and development and production of petroleum and natural gas properties in Western Canada. The Company's core land holdings are located at Rycroft-Valhalla, in the Peace River Arch area of northwest Alberta.

Return was recapitalized on December 19, 2019 upon completion of a non-brokered private placement for gross proceeds of $25.0 million and the appointment of a new management team and new board of directors (the "Recapitalization Transaction"). Additional information regarding the foregoing is provided under the heading "Recapitalization Transaction". The shareholders of the Company approved a name change to "Spartan Delta Corp." at a meeting of shareholders held on March 4, 2020. The Company intends to complete the name change in the first half of 2020.

Return's common shares are listed on the TSX Venture Exchange under the trading symbol "RTN". The Company's head office is located at 202, 1201 – 5th Street S.W., Calgary, Alberta T2R 0Y6. The registered office is located at 4300 Bankers Hall West, 888 – 3rd Street S.W., Calgary, Alberta T2P 5C5.

GROWTH STRATEGY

Management is actively working to grow the Company's production and revenue through a combination of drilling and accretive acquisitions. In addition, management closely monitors commodity prices of oil and gas, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company if favorable or adverse market conditions occur.

Structural changes to the market over the last quarter have materially enhanced the opportunity set for Return's targeted acquisition and consolidation strategy. The Company is focused across multiple jurisdictions on rarely seen opportunities to acquire top tier assets at historically low valuations, while simultaneously utilizing restructuring tools to reduce burdensome debt, legacy fixed cost commitments and unnecessary overhead. The Company's intent is to emerge from future acquisitions with an industry leading balance sheet with both sustainable and profitable corporate metrics on strip commodity pricing. Simultaneously, the Company continues to focus on the expansion of its opportunity suite through internally generated prospects and strategic tuck-in acquisitions, in addition to its identified horizontal drilling locations in both the Upper Charlie Lake at Rycroft and in the Lower Charlie Lake at Gordondale.

FINANCIAL AND OPERATING HIGHLIGHTS

	Three months ended December 31,			Year ended December 31,		
(Canadian dollars $, except for BOE volumes)	**2019**	2018	%	**2019**	2018	%
FINANCIAL						
Revenue	**$ 471,344**	$ 345,151	37%	**$ 1,649,145**	$ 2,033,828	-19%
Net loss and comprehensive loss	**(58,972)**	(1,496,741)	-96%	**(1,997,830)**	(3,156,096)	-37%
$ per share, basic and diluted	**-**	(0.01)	-100%	**(0.01)**	(0.03)	-67%
Funds used in operations [(1)]	**(788,309)**	(520,970)	51%	**(1,900,788)**	(2,031,870)	-6%
Capital expenditures, net of dispositions	**29,459**	6,575	348%	**(230,871)**	2,675,350	-109%
Total assets				**34,245,022**	12,274,560	179%
Working capital surplus				**23,537,806**	814,938	2788%
Long-term liabilities				**7,212,875**	8,743,099	-18%
Shareholders' equity				**25,640,170**	3,043,943	742%
OPERATING						
Average daily production (BOE/d)	**223**	229	-3%	**225**	248	-9%
% Oil and NGLs	**20%**	18%	11%	**18%**	20%	-10%
Average realized price ($ per BOE)	**21.33**	15.01	42%	**18.18**	19.98	-9%
Operating netback (loss) ($ per BOE) [(1)]	**(7.95)**	(7.30)	9%	**(4.48)**	0.01	-
Reserves - proved plus probable						
Crude oil (mbbls)				**1,457.0**	778.7	87%
NGLs (mbbls)				**137.2**	124.1	11%
Gas (mmcf)				**10,319.5**	8,701.0	19%
Combined (mBOE)				**3,314.1**	2,353.0	41%

(1) "Operating netback (loss)" and "Funds used in operations" do not have standardized meanings under IFRS, refer to "Non-IFRS Measures" section of this MD&A.

2019 HIGHLIGHTS:

- Return was recapitalized on December 19, 2019 upon completion of a non-brokered private placement for gross proceeds of $25.0 million and the appointment of a new management team and new board of directors, as further described under the heading “Recapitalization Transaction”.
- The Company completed non-core property dispositions during the first quarter of 2019 for aggregate cash proceeds of $264,793 and reported a net gain on sale of $28,272.
- Focused on balance sheet preservation, the Company did not drill any wells during 2019 and capital expenditures were nominal. Total capital expenditures before proceeds from dispositions were $33,922 in 2019, of which $28,958 was incurred for corporate assets purchased following the Recapitalization Transaction in the fourth quarter.
- Production averaged 223 BOE per day during the fourth quarter of 2019, down 3% from 229 BOE per day in the fourth quarter of 2018. Calendar year production decreased by 9% during 2019 and averaged 225 BOE per day (82% gas) compared to 248 BOE per day (80% gas) in 2018.
- Oil and gas sales revenue (before royalties) was $1.5 million in 2019, down 17% from $1.8 million in 2018 due to lower production and weaker realized oil and NGLs prices on average during 2019. Return’s combined average realized price was $18.18 per BOE in 2019, 9% lower than the average price of $19.98 per BOE in the previous year. Natural gas prices strengthened significantly during the fourth quarter of 2019, driving the Company’s average realized price higher to $21.33 per BOE for the three months ended December 31, 2019.
- The Company’s total operating expenses of $2.0 million were relatively unchanged year over year. On a per unit basis, operating expenses averaged $24.58 per BOE during 2019, up 9% compared to $22.48 per BOE in 2018, corresponding with the decrease in production volumes. High operating costs compounded by weak

commodity prices resulted in operating netback losses and negative cash flow from operating activities in both 2018 and 2019.

- Return reported a net loss of $2.0 million ($0.01 per share) for the year ended December 31, 2019, down 37% from the net loss of $3.2 million ($0.03 per share) in the previous year. The Company recognized a gain of $2.0 million on extinguishment of preferred shares which were repurchased and cancelled for nominal consideration in connection with the Recapitalization Transaction, which reduced the net loss during the fourth quarter of 2019.
- As at December 31, 2019, the Company had no bank debt or long-term financial liabilities. Return exited 2019 with a net working capital surplus of $23.5 million, including $24.7 million of cash on hand. The recapitalized company is well positioned to fund its 2020 capital expenditure program and to take advantage of opportunities as they arise.

RESULTS OF OPERATIONS

PRODUCTION

	Three months ended December 31,		Year ended December 31,	
	2019	2018	**2019**	2018
Production volumes				
Crude oil (bbls)	**2,274**	2,729	**9,409**	12,387
NGLs (bbls)	**1,843**	1,039	**5,591**	5,967
Natural gas (mcf)	**98,430**	103,851	**402,092**	432,516
Oil equivalent (BOE @ 6:1)	**20,522**	21,077	**82,015**	90,440
Average production per day				
Crude oil (bbls/d)	**25**	30	**26**	34
NGLs (bbls/d)	**20**	11	**15**	16
Natural gas (mcf/d)	**1,070**	1,129	**1,102**	1,185
BOE/d	**223**	229	**225**	248

Production averaged 223 BOE per day during the fourth quarter of 2019, down 3% from 229 BOE per day in the fourth quarter of 2018. Calendar year production decreased by 9% during 2019 and averaged 225 BOE per day (82% gas) compared to 248 BOE per day (80% gas) in 2018. The decrease in production is primarily due to non-core property dispositions and natural declines as the Company suspended its drilling program in order to preserve capital in 2019. Return's corporate average production decline rate is relatively low due to the maturity of its producing wells.

REVENUE

Oil and gas sales revenue

	Three months ended December 31,		Year ended December 31,	
	2019	2018	**2019**	2018
Oil and gas sales, before royalties				
Crude oil	**$ 123,122**	$ 109,108	**$ 581,102**	$ 814,399
NGLs	**98,392**	65,373	**302,647**	402,576
Natural gas	**216,249**	141,815	**607,570**	589,806
Total oil and gas sales, before royalties	**$ 437,763**	$ 316,296	**$ 1,491,319**	$ 1,806,781
Average realized prices				
Crude oil ($/bbls)	**$ 54.14**	$ 39.98	**$ 61.76**	$ 65.75
NGLs ($/bbl)	**53.39**	62.92	**54.13**	67.47
Natural gas ($/mcf)	**2.20**	1.37	**1.51**	1.36
$/BOE	**$ 21.33**	$ 15.01	**$ 18.18**	$ 19.98

The Company's oil and gas sales for the year ended December 31, 2019 decreased by 17% due to lower production volumes and weaker realized oil and NGLs prices, on average, during 2019 compared to 2018. Return's combined average realized price was $18.18 per BOE in 2019, 9% lower than the average price of $19.98 per BOE in the previous year. The impact of lower oil and NGLs prices was party offset by stronger natural gas prices in 2019, which improved significantly during the fourth quarter of 2019, driving the Company's average realized price higher to $21.33 per BOE for the three months ended December 31, 2019.

	Three months ended December 31,		Year ended December 31,	
	2019	2018	**2019**	2018
Royalties				
Crude oil	**$ 1,506**	$ 2,726	**$ 7,385**	$ 27,983
NGLs, before GCA	**20,225**	16,603	**88,151**	105,802
Natural gas, before GCA	**18,470**	9,011	**55,664**	29,832
Gas cost allowance ("GCA")	**(37,225)**	(31,953)	**(172,893)**	(256,940)
Total royalties	**$ 2,976**	$ (3,613)	**$ (21,693)**	$ (93,323)
$ per BOE	**$ 0.15**	$ (0.17)	**$ (0.26)**	$ (1.03)
Average royalty rate (% of sales)				
Crude oil	**1.2%**	2.5%	**1.3%**	3.4%
NGLs, before GCA	**20.6%**	25.4%	**29.1%**	26.3%
Natural gas, before GCA	**8.5%**	6.4%	**9.2%**	5.1%
Gas and NGLs, combined, net of GCA	**0.5%**	(3.1%)	**(3.2%)**	(12.2%)
Average royalty rate	**0.7%**	(1.1%)	**(1.5%)**	(5.2%)

Return had a net royalty recovery of $21,693 for the year ended December 31, 2019, compared to a net recovery of $93,323 in the previous year. Under the royalty framework in Alberta, a company producing natural gas from Crown lands is allowed to deduct certain gas gathering and processing costs in calculating royalties (Gas Cost Allowance or “GCA”). Gas and NGLs royalties are paid monthly based on an estimate of GCA for the calendar year period, which is trued-up annually in June of the following year based on the Company’s submission of its actual gas gathering and processing costs. Underestimation of GCA for the 2017 and 2018 calendar years resulted in recoveries of gas and NGLs royalties upon true-up of GCA in June of 2018 and 2019, respectively.

Crude oil royalties, which are taken in-kind by the Crown, are not significant for Return because of low production at the well level and relatively low crude oil prices.

Processing and other revenue

	Three months ended December 31,		Year ended December 31,	
	2019	2018	**2019**	2018
Processing and other	**$ 36,557**	$ 25,242	**$ 136,133**	$ 133,724
$ per BOE	**$ 1.78**	$ 1.20	**$ 1.66**	$ 1.48

Processing and other revenue primarily relates to gas processing and transportation fees earned on third party gas processed through the Company’s Rycroft gas plant. Such income varies quarter to quarter depending on third party volumes.

OPERATING EXPENSES

	Three months ended December 31,		Year ended December 31,	
	2019	2018	**2019**	2018
Operating expenses	**$ 634,331**	$ 499,044	**$ 2,015,803**	$ 2,032,679
$ per BOE	**$ 30.91**	$ 23.68	**$ 24.58**	$ 22.48

Total operating expenses of $2.0 million were relatively unchanged year over year but increased by 9% on a per unit basis in conjunction with the 9% decrease in production in 2019 compared to 2018. A significant proportion of the Company’s operating costs such as property taxes and lease rentals are fixed and do not vary with production volumes.

With a focus on cost containment in 2019, the Company did realize reductions in certain production costs and was able to maintain operating expenses at $22.47 per BOE during the first nine months of 2019 despite lower average production compared to 2018. However, these improvements were offset by higher operating expenses reported during the three months ended December 31, 2019 which averaged $30.91 per BOE. Following the Recapitalization Transaction, the new management of Return reviewed open disputes for non-operated joint interest billings and accrued additional operating expenses of approximately $0.2 million related to prior periods.

OPERATING NETBACK (LOSS)

	Three months ended December 31,		Year ended December 31,	
	2019	2018 [(2)]	**2019**	2018 [(2)]
Operating Netback ($ per BOE) [(1)]				
Oil and gas sales	**$ 21.33**	$ 15.01	**$ 18.18**	$ 19.98
Processing and other	**1.78**	1.20	**1.66**	1.48
Royalties	**(0.15)**	0.17	**0.26**	1.03
Operating expenses	**(30.91)**	(23.68)	**(24.58)**	(22.48)
Operating Netback (Loss)	**$ (7.95)**	$ (7.30)	**$ (4.48)**	$ 0.01

(1) "Operating netback" is a non-IFRS measure calculated on a $ per BOE basis by deducting operating expenses from revenue (comprised of oil and gas sales, net of royalties, and processing and other revenue). See "Non-IFRS Measures" section of this MD&A.

(2) The operating netback (loss) for the 2018 comparative periods differs from the amounts previously reported for the fourth quarter and year ended December 31, 2018 because processing and other revenue was previously omitted from the calculation. As the fee income from processing third-party volumes at the Company's facility directly offsets a portion of its own expenses for operating the gas plant, the New Management Team believes that the inclusion of processing and other revenue provides a more accurate and complete representation of the Company's netback from field operations.

High operating costs compounded by weak commodity prices resulted in operating netback losses and negative cash flows from operating activities in both 2018 and 2019. During the three months ended December 31, 2019, an accrual for additional operating expenses related to prior periods resulted in above normal operating costs reported for the fourth quarter, which more than offset the impact of stronger realized prices relative to the comparative periods.

GENERAL AND ADMINISTATIVE ("G&A") EXPENSES

	Three months ended December 31,		Year ended December 31,	
	2019	2018	**2019**	2018
General and administrative	**$ 558,060**	$ 316,281	**$ 1,405,225**	$ 1,348,781
$ per BOE	**$ 27.19**	$ 15.01	**$ 17.13**	$ 14.91

Total G&A expenses reported for 2019 include approximately $165,000 of expenses directly related to the Recapitalization Transaction. Such costs include severance, legal fees, and additional insurance policy premiums incurred during the fourth quarter of 2019. Excluding transaction costs, the Company realized an 8% decrease in G&A expenses in 2019 compared to 2018 as a result of lower activity levels and management's efforts to reduce costs.

SHARE BASED COMPENSATION

The Company has a stock option plan under which options to purchase common shares may be granted to officers, directors, employees and consultants. The Board of Directors has approved a policy of reserving up to 10% of the outstanding common shares for issuance to eligible participants. Under the plan, all options have a maximum term of five years. The vesting period for each grant is determined at the discretion of the Board of Directors. As at December 31, 2019 there are no stock options outstanding. As of December 31, 2018 there were 7,100,000 stock options outstanding with an average exercise price of $0.16 per share.

	Three months ended December 31,		Year ended December 31,	
	2019	2018	**2019**	2018
SBC expense, prior to forfeitures	**$ 29,361**	$ 80,967	**$ 113,886**	$ 329,742
Forfeiture of unvested stock options	**(264,833)**	-	**(264,833)**	-
SBC expense (recovery)	**$ (235,472)**	$ 80,967	**$ (150,947)**	$ 329,742
$ per BOE	**$ (11.47)**	$ 3.84	**$ (1.84)**	$ 3.65

The total fair value associated with stock options previously granted is recognized as share-based compensation ("SBC") expense over the service period using graded vesting. SBC expense, prior to forfeitures, decreased in 2019 as there were no new stock options granted during the year. The expense recognized in 2019 relates to amortization of the fair value of stock options granted in 2017 and 2018.

In connection with the Recapitalization Transaction, all outstanding stock options were required to be exercised or terminated such that none of the stock options previously granted by Return would remain outstanding at closing. A total of 6,925,000 stock options with an average exercise price of $0.12 per share were surrendered and cancelled effective December 19, 2019. SBC expense is reversed for stock options that are unvested at the time of forfeiture, resulting in a recovery of $264,833 of SBC expense previously recognized.

DEPLETION, DEPRECIATION AND IMPAIRMENT ("DD&I")

	Three months ended December 31,		Year ended December 31,	
	2019	2018	**2019**	2018
Depletion and depreciation	**$ 674,297**	$ 313,315	**$ 1,442,903**	$ 1,085,777
Impairment	**849,478**	595,000	**849,478**	595,000
Depletion, depreciation and impairment	**$ 1,523,775**	$ 908,315	**$ 2,292,381**	$ 1,680,777
Depletion and depreciation ($ per BOE)	**$ 32.86**	$ 14.87	**$ 17.59**	$ 12.01
DD&I ($ per BOE)	**$ 74.25**	$ 43.10	**$ 27.95**	$ 18.58

Depletion and depreciation ("D&D")

The Company calculates depletion expense on a unit of production basis relative to total proved plus probable reserves. Major facilities and corporate assets are depreciated on a straight-line basis over the useful life. During the first nine months of 2019, D&D expense averaged $12.50 per BOE, relatively in line with 2018 average D&D expense of $12.01 per BOE. The significant increase in D&D expense during the fourth quarter of 2019 is due to an increase in estimated decommissioning costs related to certain inactive properties, partly offset by lower depletion expense on Return's core assets resulting from an increase in reserves at Rycroft-Valhalla. As at December 31, 2019, the Company added approximately $0.4 million of decommissioning costs for certain non-producing properties to property, plant, and equipment ("PP&E") and the full amount was immediately charged to depletion expense as there are no reserves assigned to these properties. As a result, D&D expense averaged $32.86 per BOE for the three-month period ended December 31, 2019 and averaged $17.59 per BOE for the current year.

Impairment

An indication of potential impairment was identified as a result of the significant decrease in forecast oil and natural gas prices as at December 31, 2019 compared to forecast prices as at December 31, 2018. Return has three cash generating units ("CGUs"), namely: Rycroft-Valhalla, Gordondale, and Rainbow. Prior to impairment, the Company's Rycroft-Valhalla and Gordondale CGUs represented 91% and 9% of the total carrying value of PP&E, respectively. The carrying amount of the Rainbow CGU was fully depleted as at December 31, 2019.

Recoverable amounts were estimated for each CGU based on fair value less costs of disposal ("FVLCD") methodology, calculated using the present value of the CGUs' expected future cash flows before-tax. The cash flow information was derived from a report on the Company's oil and gas reserves which was prepared by an independent qualified reserve evaluator, Sproule Associates Limited ("Sproule") as of December 31, 2019. The projected cash flows used in the FVLCD calculation reflect market assessments of key assumptions as at December 31, 2019, including long-term forecasts of commodity prices, inflation rates, and foreign exchange rates (Level 3 fair value inputs). Cash flow forecasts are also based on past experience, historical trends and Sproule's evaluation of the Company's reserves and resources to determine production profiles and volumes, operating costs, maintenance and future development capital expenditures. Future cash flow estimates are discounted using pre-tax risk-adjusted discount rates.

Based on a discount rate of 15% before-tax, the FVLCD of the Gordondale CGU is negative as at December 31, 2019. At current commodity prices, the return on investment of future development drilling expenditures is not sufficient to offset the decommissioning costs associated with existing inactive wells on the property. Accordingly, the Company concluded the carrying amount of the Gordondale CGU was fully impaired and recognized an impairment loss of $849,478. After impairment, the Rycroft-Valhalla CGU and corporate assets represent 100% of the remaining carrying value of PP&E as at December 31, 2019.

While the recoverable amounts estimated pursuant to FVLCD calculations are sensitive to the discount rate and future commodity price assumptions, holding all other assumptions constant, a 1% change in the discount rate or 5% change in the forecast combined average realized price would not increase or decrease the amount of impairment recognized as at December 31, 2019. The results of the impairment calculation are unchanged because the Gordondale CGU was fully impaired and the FVLCD of Rycroft-Valhalla is more than double the carrying amount of the CGU, when future cash flow estimates are discounted at 15% before-tax.

As of the prior year ended December 31, 2018, the Company recorded impairments on the Gordondale and Rainbow CGUs of $560,000 and $35,000, respectively. The prior year FVLCD calculation was based on the present value of pre-tax cash flows from oil and gas reserves per the December 31, 2018 Sproule report and a pre-tax discount rate of 15%.

The forecast future prices used in the impairment evaluations as at December 31, 2019 and December 31, 2018, reflect the benchmark prices set-forth in the tables below, adjusted for basis differentials to determine local reference prices, transportation costs and tariffs, heat content and quality.

As at December 31, 2019	**2020**	**2021**	**2022**	**2023**	**2024(1)**
WTI Cushing Oklahoma (US$/bbl)	**61.00**	**65.00**	**67.00**	**68.34**	**69.71**
Canadian Light Sweet 40 API ($/bbl)	**73.84**	**78.51**	**78.73**	**80.30**	**81.91**
NYMEX Henry Hub (US$/MMBtu)	**2.80**	**3.00**	**3.25**	**3.32**	**3.38**
AECO-C Spot ($/MMBtu)	**2.04**	**2.27**	**2.81**	**2.89**	**2.98**
Exchange rate (CA$/US$)	**1.3158**	**1.2987**	**1.2500**	**1.2500**	**1.2500**

(1) Prices escalate at 2.0% thereafter

As at December 31, 2018	2019	2020	2021	2022	2023(1)
WTI Cushing Oklahoma (US$/bbl)	63.00	67.00	70.00	71.40	72.83
Canadian Light Sweet 40 API ($/bbl)	75.27	77.89	82.25	84.79	87.39
NYMEX Henry Hub (US$/MMBtu)	3.00	3.25	3.50	3.57	3.64
AECO-C Spot ($/MMBtu)	1.95	2.44	3.00	3.21	3.30
Exchange rate (CA$/US$)	1.2987	1.2500	1.2500	1.2500	1.2500

(1) Prices escalate at 2.0% thereafter

Refer to additional information under the heading "Subsequent Events" for discussion regarding the collapse of global oil prices subsequent to the reporting period.

GAIN ON SALE OF ASSETS

Return recognized a net gain on sale of $28,272 from non-core property dispositions during the year ended December 31, 2019 (2018 – $352,059 gain on sale).

On March 28, 2019, the Company sold undeveloped land for cash proceeds of $50,000. The carrying value of the non-core lands disposed was nil resulting in the recognition of a gain on sale of $50,000.

On March 29, 2019, the Company closed a disposition of certain non-core assets located at Valhalla, Alberta, for cash proceeds of $214,793 after closing adjustments. The disposition included PP&E with a net carrying value of $434,104 and decommissioning liabilities of $197,583, resulting in a loss on sale of $21,728. The loss was recognized during the three months ended December 31, 2019 upon finalization of the accounting for the disposition. Production from the assets disposed was approximately 4 BOE per day at the time of sale.

During the previous year ended December 31, 2018, the Company completed dispositions of certain interests located at Gordondale, Alberta, for total cash proceeds after closing adjustments of $352,059. A gain on sale of $352,059 was recognized as the carrying value of the net assets disposed was determined to be nil. The interests disposed consisted primarily of non-core undeveloped lands (exploration and evaluation assets) as well as some minor developed non-producing interests with associated decommissioning costs.

GAIN ON EXTINGUISHMENT OF PREFERRED SHARES

Prior to the Recapitalization Transaction, Return had two million of non-interest bearing, non-voting Series I convertible preferred shares (the "Preferred Shares") outstanding. The Preferred Shares were repurchased and cancelled by the Company for nominal consideration on December 19, 2019 in connection with the Recapitalization Transaction. A gain of $2.0 million was recorded in the fourth quarter of 2019 as a result of extinguishing the Preferred Shares which were classified as a financial liability.

INCOME TAXES

As at December 31, 2019, the Company's total tax pools are estimated to be $19.9 million, of which $15.4 million are non-capital losses. The non-capital losses expire in years 2025 to 2039, with $3.4 million expiring in 5 to 10 years and $12.0 million expiring in 10 to 20 years.

Under IFRS, deferred income tax assets may only be recognized to the extent that it is probable that future taxable profits will be available against which unused tax losses and deductible temporary differences can be utilized. Although the Company's financial position, outlook and growth prospects have improved significantly following the Recapitalization Transaction, Return has a history of losses and the oil and gas industry continues to be faced with weak commodity prices. Accordingly, the Company has not recognized a deferred income tax asset of $4.2 million as at December 31, 2019. The unrecognized deferred income tax asset was $4.1 million as of December 31, 2018.

The combined federal and provincial statutory tax rate averaged 26.5% during 2019 compared to 27.0% in 2018. On June 28, 2019, the Alberta government enacted legislation which reduced the Alberta corporate income tax rate from 12% to: 11% effective July 1, 2019; 10% effective January 1, 2020; 9% effective January 1, 2021; and 8% effective January 1, 2022 and thereafter. As a result of the decrease in tax rates, the unrecognized deferred income tax asset decreased by approximately $0.8 million. A detailed analysis of the provision for income taxes is included in note 12 of the consolidated annual financial statements, which includes a reconciliation of the difference between income tax expense reported of nil for the years ended December 31, 2019 and 2018, relative to expected deferred income tax recovery based on the statutory tax rate.

CASH USED IN OPERATING ACTIVITIES

	Three months ended December 31,		Year ended December 31,	
	2019	2018	**2019**	2018
Revenue	**$ 471,344**	$ 345,151	**$ 1,649,145**	$ 2,033,828
Operating expenses	**(634,331)**	(499,044)	**(2,015,803)**	(2,032,679)
Operating income (loss) [1]	**$ (162,987)**	$ (153,893)	**$ (366,658)**	$ 1,149
General and administrative expenses	**(558,060)**	(316,281)	**(1,405,225)**	(1,348,781)
Settlement of decommissioning liabilities	**(67,262)**	(50,796)	**(128,905)**	(684,238)
Funds used in operations [1]	**$ (788,309)**	$ (520,970)	**$ (1,900,788)**	$ (2,031,870)
Cash in non-cash working capital	**190,890**	316,198	**602,686**	(103,261)
Cash used in operating activities	**$ (597,419)**	$ (204,772)	**$ (1,298,102)**	$ (2,135,131)

(1) "Operating income" and "Funds used in operations" do not have standardized meanings under IFRS, refer to "Non-IFRS Measures" section of this MD&A.

Funds used in operations were $1.9 million for the year ended December 31, 2019, down 6% from $2.0 million of funds used in operations during 2018. The net decrease in the amount of funds used in operations is due to significantly lower spending on settlement of decommissioning liabilities in 2019 compared to 2018, offset by the increase in operating loss and higher G&A expenses. The Company incurred an operating loss of $366,658 during 2019 compared to operating income of $1,149 in the previous year. A high proportion of the Company's operating expenses are fixed and could not be avoided despite reporting lower production and revenues in the current year.

Cash used in operating activities, as determined in accordance with IFRS, includes changes in non-cash working capital. In connection with the Recapitalization Transaction which closed in late December, the balance of accounts payable and accrued liabilities increased significantly as of December 31, 2019 compared to working capital balances as at December 31, 2018. This is the primary driver of the difference in Return's "cash used in operating activities" during the 2019 calendar year of $1.3 million (2018 – $2.1 million) in comparison to its reported "funds used in operations" of $1.9 million (2018 – $2.0 million), which excludes the impact of changes in non-cash working capital.

NET LOSS AND COMPREHENSIVE LOSS

	Three months ended December 31,		Year ended December 31,	
	2019	2018	**2019**	2018
Revenue	**$ 471,344**	$ 345,151	**$ 1,649,145**	$ 2,033,828
Expenses	**(2,508,588)**	(1,839,935)	**(5,675,247)**	(5,541,983)
Loss before other items and taxes	**$ (2,037,244)**	$ (1,494,784)	**$ (4,026,102)**	$ (3,508,155)
Gain (loss) on sale of assets	**(21,728)**	(1,957)	**28,272**	352,059
Gain on extinguishment of preferred shares	**2,000,000**	-	**2,000,000**	-
Loss before income taxes	**$ (58,972)**	$ (1,496,741)	**$ (1,997,830)**	$ (3,156,096)
Income taxes	**-**	-	**-**	-
Net loss and comprehensive loss	**$ (58,972)**	$ (1,496,741)	**$ (1,997,830)**	$ (3,156,096)
Net loss per share Basic and diluted	**$ -**	$ (0.01)	**$ (0.01)**	$ (0.03)
Weighted average common shares outstanding during period Basic and diluted	**463,812,518**	110,551,648	**199,592,744**	110,551,648

Return's net loss for the year ended December 31, 2019 was $2.0 million, down 37% from the net loss of $3.2 million in the previous year. Although the Company incurred higher operating, G&A, D&D and impairment expenses during the three months ended December 31, 2019, the net loss was lower in the current period due to a gain of $2.0 million on extinguishment of the Preferred Shares in connection with the Recapitalization Transaction.

CAPITAL EXPENDITURES

	Three months ended December 31,				Year ended December 31,			
	2019		2018		**2019**		2018	
Capital expenditures								
Exploration and evaluation	**$**	**-**	$	-	**$**	**-**	$	218,727
Property plant and equipment		**29,459**		31,825		**33,922**		2,808,682
Capital expenditures, before dispositions	**$**	**29,459**	$	31,825	**$**	**33,922**	$	3,027,409
Proceeds from dispositions		**-**		(25,250)		**(264,793)**		(352,059)
Net capital expenditures	**$**	**29,459**	$	6,575	**$**	**(230,871)**	$	2,675,350

Focused on balance sheet preservation, the Company did not drill any wells during 2019 and capital expenditures were nominal. Total capital expenditures before proceeds from dispositions were $33,922 in 2019, of which $28,958 was incurred for corporate assets purchased following the Recapitalization Transaction in the fourth quarter. The Company continued to execute on its strategy of divesting non-core assets and completed property dispositions for aggregate cash proceeds of $264,793 during the first quarter of 2019.

During the previous year ended December 31, 2018, the Company spent $0.2 million on land and $2.8 million on property, plant and equipment. The capital expenditures included drilling and completing two 100% owned development wells and performing a major turnaround on the Company's gas processing plant at Rycroft.

RECAPITALIZATION TRANSACTION

On November 21, 2019, the Company entered into a definitive reorganization and investment agreement with Fotis Kalantzis and Richard McHardy (the "Initial Investors") which provided for the Recapitalization Transaction, including: (a) a non-brokered private placement for gross proceeds of up to $25.0 million (the "Private Placement"); and (b) the appointment of a new management team (the "New Management Team") and new board of directors (the "New Board") of Return. The New Management Team is led by Richard McHardy as Executive Chairman and Fotis Kalantzis as President and Chief Executive Officer, Geri Greenall as Chief Financial Officer, Thanos Natras as Vice President, Exploration, Craig Martin as Vice President, Operations, Mark Hodgson as Vice President, Corporate Development, and Brendan Paton as Manager, Engineering. The New Board is comprised of Richard McHardy, Fotis Kalantzis, Donald Archibald, Reginald Greenslade, Kevin Overstrom and Tamara MacDonald. Sanjib (Sony) Gill was appointed as Corporate Secretary.

The closing in respect of the Private Placement was completed on December 19, 2019 (the "Closing") with the Company issuing a total of 879,650,000 common shares and 1,620,350,000 units (the "Recap Units") of the Company at a price of $0.01 per common share and Recap Unit, respectively, for aggregate gross proceeds of $25.0 million ($24.7 million after issue costs). The Recap Units issued under the Private Placement were issued to the New Management Team, the New Board and certain additional subscribers identified by such persons. Each Recap Unit was comprised of one common share and one common share purchase warrant (each, a "Recap Warrant"). Each Recap Warrant entitles the holder to purchase one common share at a price of $0.01 (the "Exercise Price") for a period of five years. The Recap Warrants will vest and become exercisable as to one third upon the 10-day weighted average trading price of the common shares (the "Market Price") equaling or exceeding 100% of the Exercise Price, an additional one-third upon the Market Price equaling or exceeding 150% of the Exercise Price and a final one-third upon the Market Price equaling or exceeding 200% of the Exercise Price. Following the Closing, the appointment of the New Management Team and the New Board was completed. The common shares and Recap Units issued pursuant to the Private Placement are subject to a statutory four-month hold period following the Closing date.

As part of the Recapitalization Transaction, an aggregate of: (a) 2,000,000 Preferred Shares, being all of the issued and outstanding Preferred Shares; (b) 66,666,666 common share purchase warrants of Return (the "Legacy Warrants"), being all of the issued and outstanding Legacy Warrants; and (c) 6,925,000 stock options of Return, being all of the granted and outstanding stock options, were cancelled for nominal consideration.

CAPITAL RESOURCES AND LIQUIDITY

Return's capital management objectives are to maintain a flexible capital structure in order to meet its financial obligations, execute on strategic opportunities throughout the business cycle and respond to changes in economic conditions. Return actively manages its capital structure and makes adjustments in light of economic conditions and the risk characteristics of the underlying assets.

The significant components of the Company's capital structure are summarized below:

	December 31, 2019	December 31, 2018
Working capital:		
Cash and cash equivalents	**$ 24,652,586**	$ 974,813
Non-cash working capital (1)	**(1,114,780)**	(159,875)
Working capital	**23,537,806**	814,938
Long-term financial liabilities:		
Convertible preferred shares	**-**	2,000,000
Total shareholders' equity	**$ 25,640,170**	$ 3,043,943

(1) Total current assets, excluding cash, less total current liabilities.

During 2019, the Company took steps to significantly improve its capital structure and liquidity. In addition to non-core property dispositions which provided proceeds of $0.3 million in March 2019, the Company completed the Recapitalization Transaction in December 2019. Return raised cash proceeds of $24.7 million (after issue costs) from the Private Placement and extinguished the financial liability related to the Preferred Shares which were repurchased and cancelled for nominal consideration. The Company exited 2019 with a net working capital surplus of $23.5 million (2018 – $0.8 million). Return has no bank debt and its total financial liabilities as of December 31, 2019 are $0.9 million of accounts payable and accrued liabilities.

The Company's business plan is dynamic and evolving in response to the current business environment which is challenging and uncertain. Despite the challenges facing the oil and gas industry, the New Management Team believes Return is well positioned to take advantage of the opportunities created during this period of low commodity prices. The recapitalized corporate structure will allow for the exploitation of existing drilling locations, and the further expansion of Return's opportunity suite through internally generated prospects and strategic acquisitions. The New Management Team is actively evaluating numerous acquisition opportunities.

The Company's existing capital resources are sufficient to satisfy its financial obligations and execute on its current business plan for the next 12 months. In order to maintain or adjust its capital structure in the future, the Company may issue new common shares or other equity securities, issue debt, adjust capital expenditures and acquire or dispose of assets. Return's ability to access new capital (if required) in the future is not guaranteed and may impact the Company's ability to execute on its strategic growth plans. Refer to additional information under the heading "Subsequent Events" for discussion of recent developments impacting global markets.

As at December 31, 2019, the Company is not subject to any externally imposed capital requirements.

SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares, an unlimited number of preferred shares, and an unlimited number of special shares, each without par value. The preferred shares may be issued in series, with the directors determining the terms of the preferred shares on a series by series basis.

Number of securities outstanding	December 31, 2018	December 31, 2019	**April 6, 2020**
Common shares	110,551,648	2,610,551,651	**2,610,551,651**
Preferred shares	2,000,000	-	**-**
Special shares	-	-	**-**
Warrants (1)	66,666,666	1,620,350,000	**1,620,350,000**
Stock Options	7,100,000	-	**-**

(1) Additional information regarding the terms of common share purchase warrants outstanding as at December 31, 2019 is provided under the heading "Recapitalization Transaction".

The Company's common shares trade on the TSX Venture Exchange under the symbol "RTN".

On March 4, 2020, the shareholders of the Company approved a consolidation of common shares on the basis of a ratio of up to one-hundred (100) pre-consolidation common shares for each post-consolidation common share (the "Share Consolidation"). The Company intends to complete the Share Consolidation in the first half of 2020. The actual ratio for the Share Consolidation will be determined by the Board of Directors, in its sole discretion, having regard to numerous factors, including market considerations and the advice of its advisors.

COMMITMENTS AND CONTINGENCIES

As at December 31, 2019 the Company's total financial commitments were $6,267 related to the final month of rent under Return's former office lease. The office lease expired on January 31, 2020 after the original term was extended from September 30, 2019 and was accounted for as a short-term lease under IFRS 16 because the remaining term was less than 12 months as of the January 1, 2019 IFRS transition date. Total payments under the office lease during the year ended December 31, 2019 of $92,326 are reported in general and administrative expenses (2018 – $94,821).

Following completion of the Recapitalization Transaction on December 19, 2019, the New Management Team is utilizing temporary office space and does not currently have any financial commitments or contractual obligations related to its corporate office.

Litigation

In the normal course of the Company's operations, it may become involved in, named as a party to, or be the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions, related to personal injuries, property damage, property tax, land rights, the environment and contract disputes with partners or other stakeholders. The outcome of outstanding, pending or future proceedings cannot be predicted with certainty and may be determined to have an adverse affect on the Company's future operations or financial condition. As of the date of this MD&A, the Company has no material litigation or claims outstanding.

RELATED PARTY DISCLOSURES

a) Inter-corporate relationships

As at and throughout the year ended December 31, 2019, Return had one wholly-owned subsidiary, Winslow Resources Inc. Balances and transactions between the Company and its subsidiary have been eliminated on consolidation.

b) Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of a company. The Company defines its key management personnel as its officers and board of directors. The following table summarizes compensation paid or payable to key management personnel during the years ended December 31, 2019 and 2018.

Key management personnel compensation ($)	**2019**	2018
Salaries and benefits (1)	**786,041**	683,508
Directors fees	**36,785**	36,733
Share-based compensation (2)	**(146,200)**	317,249
Key management personnel compensation	**676,626**	1,037,490

(1) Includes $80,000 of severance paid to the former officers Return in connection with the Recapitalization Transaction.

(2) All stock options were forfeited on December 19, 2019 in connection with the Recapitalization Transaction. The recovery of $146,200 relates to share based compensation expense previously recognized for stock options that were unvested.

All amounts reported in the table above were paid to the former officers and directors of Return. The New Management Team and New Board appointed on December 19, 2019 upon closing of the Recapitalization Transaction did not receive remuneration in 2019.

c) Related party transactions

During 2019, Return incurred $210,000 of legal fees to a law firm where Sanjib (Sony) Gill, corporate secretary of the Company, is a partner (2018 – nil). The full amount is payable as at December 31, 2019 and is included in the balance of accrued liabilities. The Company expects to continue using the services of this law firm from time to time.

SUBSEQUENT EVENTS

To date in 2020, crude oil prices have declined dramatically, largely due to the actual and anticipated impact of the novel coronavirus (“COVID-19”) outbreak upon global commerce and energy demand, and the recent disagreements between major oil producing nations of Saudi Arabia and Russia with respect to production quotas. The production cuts by the Organization of Petroleum Exporting Countries (“OPEC”) in late 2019 and discussions of potentially further cuts in 2020 had, until recently, kept WTI oil prices in the mid-to-low US$50s. On March 9, 2020, oil prices fell precipitously and WTI has since dropped as far as into the low US$20s.

The COVID-19 outbreak was declared a pandemic by the World Health Organization on March 11, 2020. This has resulted in significant economic uncertainty and governments worldwide are enacting emergency measures to contain the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global financial markets have experienced significant volatility and weakness as a consequence of this economic uncertainty. The duration and impact of the COVID-19 outbreak is unknown as this time, as is the effectiveness of interventions by governments and central banks. While low oil prices will undoubtedly negatively impact Return’s future cash flow, the full extent of the impact on the Company’s future financial results is uncertain given the length and severity of these developments cannot be reliably estimated. Notwithstanding current uncertainties, Return remains committed to responding to market fundamentals and is carefully monitoring emerging developments. Return is well capitalized and has no leverage, putting the Company in strong position to face these challenges.

In March 2020, the Company entered into risk management contracts to fix the price of 750 GJ per day of natural gas production at CA$1.54 per GJ from April 1 to October 31, 2020. The fixed contract volumes represent approximately 50% of Return’s forecasted gas production over the contract term and serve to guarantee a portion of the Company’s cash flow through this period of economic uncertainty and depressed oil prices.

SUMMARY OF QUARTERLY INFORMATION

The financial information summarized below is presented in thousands of Canadian dollars, except for per share and per BOE amounts. Refer to "Results of Operations" section of this MD&A and the Company's previously issued MD&A's for detailed discussions of quarter-to-quarter variances in these key performance measures.

	2019				2018			
(CA$ thousands, except per share and BOE amounts)	**Q4**	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue	**$ 471**	$ 291	$ 357	$ 529	$ 345	$ 559	$ 618	$ 512
Net loss and comprehensive loss	**(59)**	(691)	(820)	(427)	(1,497)	(237)	(624)	(798)
$ per share, basic and diluted	-	(0.01)	(0.01)	-	(0.01)	-	(0.01)	(0.01)
Funds used in operations (1)	**(788)**	(398)	(549)	(166)	(521)	(273)	(659)	(579)
Capital expenditures, net of dispositions	**29**	1	1	(261)	7	(120)	872	1,917
Total assets	**34,245**	11,226	11,628	11,990	12,275	13,191	14,615	16,130
Working capital surplus	**23,538**	28	426	926	815	1,142	1,295	2,812
Long-term liabilities	**7,213**	9,292	9,123	8,876	8,743	8,018	8,265	8,505
Shareholders' equity	**25,640**	1,190	1,853	2,645	3,044	4,460	4,616	5,159
Average daily production (BOE/d)	**223**	215	237	224	229	257	249	256
% Oil and NGLs	**20%**	17%	16%	21%	18%	22%	20%	21%
Average realized price ($ per BOE)	**21.33**	12.94	13.74	24.90	15.01	22.04	19.48	22.90
Operating netback (loss) ($ per BOE) (1)	**(7.95)**	(8.80)	(7.40)	6.47	(7.30)	1.44	4.19	1.13

(1) "Funds used in operations" and "Operating netback (loss)" do not have standardized meanings under IFRS, refer to "Non-IFRS Measures" section of this MD&A.

Generally speaking, the Company's results have been negatively impacted by low commodity prices over the past eight consecutive quarters. Due to the challenging economic environment and limited access to capital, Return suspended its capital expenditure program in the second half of 2018, launched a strategic alternatives process and began divesting of non-core assets. During the fourth quarter of 2019, the Company completed the Recapitalization Transaction and $25.0 million Private Placement.

SELECTED ANNUAL INFORMATION

(CA$ thousands, except per share and BOE amounts)	**2019**	2018	2017
Revenue	**$ 1,649**	$ 2,034	$ 2,066
Net loss and comprehensive loss	**(1,998)**	(3,156)	(2,250)
$ per share, basic and diluted	**(0.01)**	(0.03)	(0.06)
Funds used in operations (1)	**(1,901)**	(2,032)	(1,553)
Capital expenditures, net of dispositions	**(231)**	2,675	1,007
Total assets	**34,245**	12,275	15,207
Working capital surplus	**23,538**	815	5,070
Long-term liabilities	**7,213**	8,743	8,216
Shareholders' equity	**25,640**	3,044	5,870
Average daily production (BOE/d)	**225**	248	286
% Oil and NGLs	**18%**	20%	19%
Average realized price ($ per BOE)	**18.18**	19.98	20.09
Operating netback (loss) ($ per BOE) (1)	**(4.48)**	0.01	(4.03)

(1) "Funds used in operations" and "Operating netback (loss)" do not have standardized meanings under IFRS, refer to "Non-IFRS Measures" section of this MD&A.

SIGNIFICANT ESTIMATES AND JUDGEMENTS

The timely preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ materially from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are reviewed and for any future years affected. Significant judgments, estimates and assumptions made by management in the financial statements are discussed below.

Deferred income taxes

Tax interpretations, regulations and legislation in the jurisdictions in which the Company operates are subject to change. Consequently, deferred income taxes are subject to measurement uncertainty. On June 28, 2019, the Alberta government enacted legislation which reduces the Alberta corporate income tax rate from 12%, incrementally down to 8% starting January 1, 2022. Assumptions for the expected amount and timing of when temporary differences will reverse impacts the measurement of deferred tax assets and liabilities. Additional information regarding the Company's provision for deferred income taxes is provided note 12 of the consolidated annual financial statements as at December 31, 2019.

Deferred income tax assets are assessed by management at the end of each reporting period to determine the likelihood that they will be realized from future taxable earnings. As of the prior year ended December 31, 2018, the Company had not recognized a deferred tax asset of $4.1 million because Return's ability to continue as a going concern was uncertain and it was not probable that the tax pools could be utilized in the future. Although the Company's financial position and growth prospects have improved significantly following the Recapitalization Transaction on December 19, 2019, Return has a history of losses and the outlook for commodity prices continues to be weak. Accordingly, the Company has not recognized a deferred income tax asset of $4.2 million as at December 31, 2019.

Depletion, depreciation and reserves

The Company calculates depletion based on total proved plus probable reserves as determined in accordance with the Canadian Oil and Gas Evaluation Handbook. The process of determining reserves is complex. Significant judgments are based on available geological, geophysical, engineering, and economic data. These judgments are based on estimates and assumptions that may change substantially as additional data from ongoing development activities and production performance becomes available and as economic conditions impacting oil and gas prices and costs change. The reserve estimates are based on 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 can be impacted by subjective decisions, new geological or production information and a changing environment. In addition, revisions to reserve estimates can arise from changes in forecast oil and gas prices and reservoir performance. Such revisions can be either positive or negative.

Changes in reserve estimates impact the financial results of the Company as reserves and estimated future development costs are used to calculate depletion. Reserves are used in measuring the FVLCD of PP&E for impairment calculations. Reserves also impact the Company's assessment of the commercial viability and technical feasibility of an exploration project and the decision to transfer exploration and evaluation assets to PP&E.

Exploration and evaluation assets ("E&E")

Judgment is required to determine the level at which E&E is assessed for impairment. For Return, the carrying value of E&E assets is assessed for overall impairment at the operating segment level and on a specific identification basis prior to transferring E&E assets to PP&E.

Determination of Cash Generating Units ("CGUs")

The determination of CGUs requires judgment in defining a group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. CGUs are determined by similar geological structure, shared infrastructure, geographical proximity, commodity type, similar exposure to market risks and materiality. As at December 31, 2019, the Company has three CGUs for its assets located in the province of Alberta, compared to four CGUs as at December 31, 2018. The decision to combine two CGUs comprised of minor properties was primarily because the reserves of the assets in those CGUs were evaluated by the Company's independent reserve engineer as one property as at December 31, 2019. The fields share similar characteristics and are geographically located in close proximity in northwest Alberta.

Impairment of non-financial assets

Significant judgment is required to assess the Company's non-financial assets, namely E&E and PP&E, for impairment or potential reversals of previously recorded impairment. Management must first determine whether indicators of impairment exist that suggest the carrying value may not be recoverable through the asset's continued use or sale. In addition, judgment is required to assess whether a previously recognized impairment for an asset no longer exists or has decreased.

An indication of potential impairment was identified as a result of a decrease in forecast oil and natural gas prices as at December 31, 2019 compared to forecast prices as at December 31, 2018. An impairment test was performed as at December 31, 2019 and the results of the calculation are provided under the heading of "Depletion, depreciation and impairment" in this MD&A. The Company also concluded there is no indication of impairment for its E&E assets at the operating segment level.

Significant judgment and estimates are required to calculate the recoverable amount of PP&E in an impairment test. Management calculated the recoverable amount of each CGU based on its FVLCD, using a pre-tax discounted cash flow analysis derived from proved plus probable reserves. Reserve estimates and expected future cash flows from production of reserves are subject to measurement uncertainty as discussed above and are subject to variability due to changes in forecasted commodity prices. In addition, the present value of forecast future cash flows is highly sensitive to the discount rate. Judgment is required to determine an appropriate discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Refer to additional information under the heading of "Depletion, depreciation and impairment" for a discussion of the specific estimates and assumptions applied in the calculation of the recoverable amount as at December 31, 2019.

Decommissioning liabilities

The Company estimates the decommissioning obligations for oil and gas wells and their associated production facilities and infrastructure. In most instances, dismantling of assets and remediation occurs many years into the future. The value of the ultimate decommissioning obligation can fluctuate in response to many factors including changes to relevant legal requirements, the emergence of new restoration techniques, experience at other production sites, and changes to the risk-free discount rate. The expected timing and amount of expenditure can also change, for example, in response to changes in reserves or changes in laws and regulations or their interpretation. Judgments include the most appropriate discount rate to use, which management has determined to be a risk-free rate. Key assumptions are disclosed in note 9 of consolidated annual financial statements as at December 31, 2019.

Return estimates abandonment and reclamation costs based on a combination of publicly available industry benchmarks and internal site specific information. For producing wells and facilities, the expected timing of settlement is estimated based on the proved plus probable period to abandonment for each field, as per the independent reserve report. For non-producing wells, the expected timing of settlement is estimated to be 10 years, unless the timing to abandon and reclaim a specific well site or facility is known based on budgeted expenditures.

Valuation of warrants

The fair value of warrants is estimated using the Black-Scholes option pricing model. The model requires that management make assumptions for the following: the expected life or period in which the warrants will be held prior to exercise; the anticipated volatility of the share price over the expected life; the risk-free interest rate for the life of the warrant; and the number of warrants that will ultimately vest.

The Recap Warrants issued in connection with the Private Placement were allocated a value of $9,965,150. The assumption applied in the Black-Scholes model were as follows: expected life of five years; volatility of 75%; risk-free interest rate of 1.7%; and a dividend yield of 0%. Management estimates that 100% of warrants issued will ultimately vest and be exercised.

The fair value of the Recap Warrants is highly sensitive to estimates of the expected life and volatility. Management's estimate for the expected life assumes that the majority of Recap Warrants will be held for the maximum term prior to expiry. The expected volatility was estimated based on a peer group historical volatility over a five-year period, a term commensurate with the expected life. Holding all other assumptions constant:

- a 5% increase or decrease in the expected volatility would increase or decrease the fair value of the Recap Warrants by approximately $0.5 million; or
- if the expected life used in the Black-Scholes model was decreased by one year to a period of four years, the fair value of the Recap Warrants would decrease by approximately $0.9 million.

CHANGES IN ACCOUNTING POLICIES

Adoption of IFRS 16

The Company adopted IFRS 16 *Leases* ("IFRS 16") effective January 1, 2019. The standard supersedes IAS 17 *Leases*, International Financial Reporting Interpretations Committee 4 *Determining whether an arrangement contains a lease*, and related interpretations. IFRS 16 requires a lessee recognize a right-of-use asset and lease liability in the statement of financial position for most leases. Prior to January 1, 2019, all of the Company's leases were accounted for as operating leases and the payments were recognized as an expense on a straight-line basis over the lease term.

Return elected to apply IFRS 16 using the modified retrospective approach with prospective application, which did not require restatement of prior period financial information. The Company also applied the optional practical expedients permitted under the standard and did not recognize short term leases and leases of low-value assets on the consolidated statements of financial position. Lease payments for short term and low dollar value assets are instead recognized in the consolidated statements of profit (loss) and comprehensive income (loss) as incurred. The adoption of IFRS 16 did not impact Return's financial statements for 2019 due to the nature of the Company's lease agreements in place as of the January 1, 2019 transition date. Refer to additional information under the heading of "Commitments and Contingencies" in this MD&A.

Effective January 1, 2019, the Company's new accounting policy for leases is as follows:

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At the commencement date, the lease liability is recognized at the present value of the future lease payments and discounted using the interest rate implicit in the lease or the Company's incremental borrowing rate. A corresponding right-of-use ("ROU") asset will be recognized at the amount of the lease liability, adjusted for any lease incentives received and initial direct costs incurred. Over the term of the lease, financing expense is recognized on the lease liability using the effective interest rate method and charged to net income, lease payments are applied against the lease liability and depreciation on the ROU asset is recorded by class of underlying asset.

The lease term is the non-cancellable period of a lease and includes periods covered by an optional lease extension option if reasonably certain the Company will exercise the option to extend. Conversely, periods covered by an option to terminate are included if the Company does not expect to end the lease during that time frame. Leases with a term of less than twelve months or leases for underlying low value assets are recognized as an expense in net income on a straight-line basis over the lease term.

A lease modification will be accounted for as a separate lease if it materially changes the scope of the lease. For a modification that is not a separate lease, on the effective date of the lease modification, the Company will remeasure the lease liability and corresponding ROU asset using the interest rate implicit in the lease or the Company's incremental borrowing rate. Any variance between the remeasured ROU asset and lease liability will be recognized as a gain or loss in net income to reflect the change in scope.

RISKS AND UNCERTAINTIES

The business of exploring for, developing and producing oil and natural gas reserves is inherently risky. The following information is a summary only of certain risk factors relating to the Company and should be read in conjunction with the Company's AIF, which can be found at www.sedar.com. Prospective investors should carefully consider the risk factors set out below and consider all other information contained in this MD&A and in the Company's other public filings before making an investment decision. The risks set out below are not an exhaustive list, nor should be taken as a complete summary or description of all the risks associated with the Company's business and the oil and natural gas business generally.

Public Health Crises

Return's business, operations and financial condition could be materially adversely affected by the outbreak of epidemics or pandemics or other health crises. In December 2019, COVID-19 was reported to have surfaced in Wuhan, China. On January 30, 2020, the World Health Organization declared the outbreak a global health emergency and on March 11, 2020, the World Health Organization declared the outbreak a pandemic. In China, reactions to the spread of COVID-19 have led to, among other things, significant restrictions on travel within China, temporary business closures, quarantines and a general reduction in consumer activity. The outbreak has spread throughout Europe, the Middle East, Canada and the United States, causing companies and various international jurisdictions to impose restrictions such as quarantines, business closures, restrictions on public gatherings and travel restrictions. While these effects are expected to be temporary, the duration of the business disruptions internationally and related financial impact cannot be reasonably estimated at this time. Similarly, Return cannot estimate whether, or to what extent, this outbreak and the potential financial impact may extend to countries outside of those currently impacted.

Such public health crises can result in volatility and disruptions in the supply and demand for oil and natural gas, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk and inflation. In particular, oil prices have significantly weakened in response to the outbreak of COVID-19. See "Subsequent Events", above. The risks to Return of such public health crises also include risks to employee health and safety and a slowdown or temporary suspension of operations in geographic locations impacted by an outbreak. At this point, the extent to which COVID-19 may impact Return is uncertain; however, it is possible that COVID-19 may have a material adverse effect on the Return's business, results of operations and financial condition.

Market Risks

As at December 31, 2019, there are no derivative financial assets or liabilities currently outstanding, however the Company may use derivative financial instruments in the future in order to manage market risks associated with commodity prices, interest rates, foreign exchange rates and other risks. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing long-term returns. All such transactions are conducted in accordance with the Company's established risk management policies.

Price Risks

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatility. The ability of the Company to explore its resource properties and future profitability of the Company are directly related to the market price of commodities. The Company monitors commodity and equity prices to determine appropriate actions to be undertaken.

Commodity Price Risk

Further to the discussion under "Price Risks" and "Subsequent Events" above, commodity price risk is the risk that future cash flows will fluctuate as a result of changes in commodity prices. Inherent to the business of producing oil and gas, the Company's cash provided by operating activities is subject to commodity price risk. Commodity prices are impacted by world economic events that dictate the levels of supply and demand as well as the currency exchange rate relationship between the Canadian and U.S. dollar. As at December 31, 2019, there are no commodity price risk management contracts outstanding.

Refer to "Subsequent Events" for information regarding a material decrease in global oil prices subsequent to December 31, 2019. In March 2020, the Company entered into risk management contracts to fix the price of 750 GJ per day of natural gas production at CA$1.54 per GJ from April 1 to October 31, 2020.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. As the Company did not have interest bearing debt during 2019, its exposure to interest rate risk was not significant. The majority of the balance of cash and cash equivalents is from the proceeds of the Private Placement which closed December 19, 2019, is held on deposit in an interest bearing savings account. Given the current environment of low interest rates, interest income in future periods is not expected to be material but will nonetheless be impacted by changes in market interest rates. As at December 31, 2019, there are no interest rate risk management contracts outstanding.

Currency Risk

Currency risk is the risk that future cash flows will fluctuate as a result of changes in foreign exchange rates. All of the Company's petroleum and natural gas sales are currently conducted in Canada and are denominated in Canadian dollars. Return is exposed to fluctuations of the Canadian to U.S. dollar exchange rate given the Company's realized pricing in Canadian dollars is directly influenced by U.S. dollar denominated benchmark pricing. As at December 31, 2019, there were no foreign exchange risk management contracts outstanding.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Return significantly strengthened its liquidity and financial position following completion of the Recapitalization Transaction on December 19, 2019. The Company had net working capital of $23.5 million (including $24.7

million of cash) as of December 31, 2019, compared to working capital of $0.8 million as of December 31, 2018. The Company prepares and regularly updates its capital and operating budget to forecast future cash flows to ensure, to the extent possible, that it will have sufficient liquidity to meet its obligations. As at December 31, 2019, the Company has no bank debt and its total financial liabilities are $0.9 million of accounts payable and accrued liabilities. Of this total, approximately $0.2 million are trade payables expected to be paid within 30 to 60 days and $0.7 million are accrued liabilities expected to be settled in three to six months.

The Company is early in its life cycle and its growth strategy is capital intensive. As such, Return will be dependent on obtaining regular financings in order to continue its exploration, development and acquisition plans. Despite the Company's recent success raising $25.0 million upon completing the Recapitalization Transaction, there is no guarantee of obtaining future financings. The Company's cash is invested in high-interest business savings accounts and is available on demand to the Company (it is not invested in any asset backed commercial paper).

Credit Risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's financial assets include cash, accounts receivable and deposits. Cash and cash equivalents are held on deposit with a Canadian chartered bank. The Company's credit risk exposure arises primarily from receivables from oil and gas marketers and joint venture partners. The oil and gas industry has a pre-arranged monthly clearing day for payment of revenues from all buyers of oil and natural gas; this occurs on the 25th day following the month of sale. As a result, the Company's production revenues are current. All other accounts receivable are generally contractually due within 30 days, however the collection period is typically between 60 to 90 days. Amounts outstanding for more than 90 days are generally considered "past due" and relate primarily to receivables from the Company's joint venture partners. When determining whether amounts that are past due are collectible, management assesses the creditworthiness and past payment history of the counterparty, as well as the nature of the past due amount. Due to the current business environment and low commodity prices, many oil and gas companies, including some of Return's partners, are facing significant financial challenges. Management has reviewed past due accounts receivable balances as at December 31, 2019 and expects the accounts to be collectible, except for approximately $31,605 of accounts receivable which are provided for in the expected credit loss provision.

Factors beyond Company's control may determine whether any oil and gas reserves the Company discovers are sufficiently economic to be developed.

The determination of whether oil and gas deposits are economic is affected by numerous factors beyond Company's control. These factors include market fluctuations for oil and gas; the costs of access and surface rights; and government regulations governing prices, taxes, royalties, land tenure, land use, importing and exporting of resources and environmental protection.

Land reclamation requirements for exploration and development properties may be burdensome.

Although variable depending on location and the governing authority, land reclamation requirements are generally imposed on companies in extractive industries such as oil and gas or mining in order to minimize long-term effects of land disturbance. Reclamation may include requirements to control dispersion of potentially deleterious effluents and reasonably re-establish pre-disturbance landforms and vegetation. In order to carry out reclamation obligations imposed on the Company in connection with ongoing exploration and development, Company must allocate financial resources that might otherwise be spent on further exploration and development programs.

Company faces industry competition for the acquisition of exploration and development properties and the recruitment and retention of qualified personnel.

Company competes with other exploration companies, many of which have greater financial resources or are further along in their development, for the acquisition of oil and gas leases and as well as for the recruitment and retention of qualified employees and other personnel. If Company requires and is unsuccessful in acquiring additional properties or personnel, the Company will not be able to grow at the rate desired.

Environmental Risk

The Canadian crude oil and natural gas industry is currently subject to environmental regulation under a variety of Canadian federal, provincial, territorial and municipal laws and regulations, all of which are subject to governmental review and revision from time to time. These regulations are some of the most stringent and progressive in the world. Such regulations provide for, among other things, restrictions and prohibitions on the spill, release or emission of various substances produced in association with certain crude oil and natural gas industry operations, including the abandonment and reclamation of well, facility and pipeline sites. Compliance with such regulations can require significant expenditures by the businesses operating and a breach of such requirements may result in suspension or revocation of necessary licenses and authorizations, civil liability and the imposition of material fines and penalties. Further to these specific, known requirements, future changes to environmental legislation, including legislation for air pollution and greenhouse gas emissions, may impose further requirements on operators and other companies in the crude oil and natural gas industry. The Company works with applicable federal, provincial and municipal regulators to ensure compliance.

Climate change policy is evolving at regional, national and international levels, and political and economic events may significantly affect the scope and timing of climate measures that are ultimately put in place. Lessees and third-party operators of the properties are responsible for the costs associated with environmental regulation and adherence to regulation. Given the evolving nature of the debate related to climate change and the control of greenhouse gases and resulting requirements, it is not possible to predict the impact of those requirements on the Company's operations and financial condition. Additional specific risk factors related to the environment and climate change are included in the Company's AIF and readers are encouraged to review such material.

Information Technology Systems and Cyber-Security

The Company relies heavily on information technology, such as computer hardware and software systems, in order to properly operate its business. In the event the Company is unable to regularly deploy software and hardware, effectively upgrade systems and network infrastructure, and take other steps to maintain or improve the efficiency and efficacy of systems, the operation of such systems could be interrupted or result in the loss, corruption, or release of data, compromise confidential customer or employee information, result in the disruption of business, theft or extortion of funds, regulatory infractions, loss of competitive advantage and reputational damage. In addition, information systems could be damaged or interrupted by natural disasters, force majeure events, telecommunications failures, power loss, acts of war or terrorism, computer viruses, malicious code, physical or electronic security breaches, intentional or inadvertent user misuse or error, or similar events or disruptions. Any of these or other events could cause interruptions, delays, loss of critical and/or sensitive data or similar effects, which could have a material adverse impact on the protection of intellectual property, and confidential and proprietary information, and on the Company's business, financial condition, results of operations and cash flows.

In the ordinary course of business, the Company collects, uses and stores sensitive data, including intellectual property, proprietary business information and personal information of the Company's employees and third parties. Despite the Company's security measures, its information systems, technology and infrastructure may be vulnerable to attacks by hackers and/or cyberterrorists or breaches due to employee error, malfeasance or other disruptions. Any such breach could compromise information used or stored on the Company's systems and/or networks and, as a result, the information could be accessed, publicly disclosed, lost or stolen.

To date the Company has not experienced any material losses relating to cyber-attacks or other information security breaches. However, there can be no assurance that the Company will not incur such losses in the future. Any such access, disclosure or other loss of information could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties or other negative consequences, including disruption to the Company's operations and damage to its reputation, which could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows. Although the Company maintains a risk management program, which includes an insurance component that may provide coverage for the operational impacts from an attack to, or breach of, Return's information technology and infrastructure, including process control systems, the Company does not maintain stand-alone cyber insurance. Furthermore, not all cyber risks are insurable. As a result, Return's existing insurance may not provide adequate coverage for losses stemming from a cyber-attack to, or breach of, its information technology and infrastructure.

NON-IFRS MEASURES

This MD&A contains certain financial measures, as described below, which do not have standardized meanings prescribed by IFRS. As these non-IFRS financial measures are commonly used in the oil and gas industry, the Company believes that their inclusion is useful to investors. The reader is cautioned that these amounts may not be directly comparable to measures for other companies where similar terminology is used.

"Operating income (loss)" is calculated by deducting operating expenses from total revenue, which is comprised of oil and gas sales, net of royalties, and processing and other revenue. The Company refers to operating income expressed per unit of production as an "operating netback (loss)". The operating netback (loss) disclosed in this MD&A for comparative periods differs from the amounts previously reported for the fourth quarter and year ended December 31, 2018 because processing and other revenue was previously omitted from the calculation. As the fee income from processing third-party volumes at the Company's facility directly offsets a portion of its own expenses for operating the gas plant, the New Management Team believes that the inclusion of processing and other revenue provides a more accurate and complete representation of the Company's netback from field operations.

"Funds used in operations" is calculated as cash used in operating activities before changes in non-cash operating working capital. Refer to reconciliation provided under the heading "Cash Used in Operating Activities".

Funds used in operations, operating income (loss), and operating netback (loss) are used by Return as key measures of performance and are not intended to represent operating profits nor should they be viewed as an alternative to cash provided by operating activities, profit or other measures of financial performance calculated in accordance with IFRS.

OTHER MEASUREMENTS

All dollar amounts are referenced in Canadian dollars, except when noted otherwise. This MD&A contains various references to the abbreviation BOE which means barrels of oil equivalent. Where amounts are expressed on a BOE basis, natural gas volumes have been converted to oil equivalence at six thousand cubic feet per barrel. The term BOE may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet per barrel is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead and is significantly different than the value ratio based on the current price of crude oil and natural gas. This conversion factor is an industry accepted norm and is not based on either energy content or current prices. Such abbreviation may be misleading, particularly if used in isolation. References to "oil" in this MD&A include crude oil and field condensate. References to "natural gas liquids" or "NGLs" include pentane, butane, propane, and ethane. References to "gas" in this discussion include natural gas.

OTHER ABBREVIATIONS

AECO	Natural gas storage facility located at Suffield, Alberta
API	American Petroleum Institute gravity
bbl	barrel
bbls/d	barrels per day
BOE	barrels of oil equivalent
BOE/d	barrels of oil equivalent per day
GJ	gigajoule
mbbls	one thousand barrels

mBOE	one thousands barrels of oil equivalent
mcf	one thousand cubic feet
mcf/d	one thousand cubic feet per day
MMBtu	one million British thermal units
mmcf	one million cubic feet
NGL	natural gas liquids
NYMEX	New York Mercantile Exchange
TSX	Toronto Stock Exchange
US$	United States dollar
WTI	West Texas Intermediate

FORWARD-LOOKING STATEMENTS

Certain statements contained within this MD&A constitute forward-looking statements within the meaning of applicable Canadian securities legislation. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "budget", "plan", "endeavour", "continue", "estimate", "evaluate", "expect", "forecast", "monitor", "may", "will", "can", "able", "potential", "target", "intend", "consider", "focus", "identify", "use", "utilize", "manage", "maintain", "remain", "result", "cultivate", "could", "should", "believe" and similar expressions. The Company believes that the expectations reflected in such forward-looking statements are reasonable, but no assurance can be given that such expectations will prove to be correct and such forward-looking statements should not be unduly relied upon.

Without limitation, this MD&A contains forward-looking statements pertaining to:

- the intentions of management and the Company;
- Return's intention to maintain a flexible capital structure;
- Return's intentions to maintain balance sheet flexibility to allow the Company to take advantage of opportunities;
- future drilling plans;
- investment and capital allocation strategies;
- deferred tax assets;
- estimates used to value outstanding warrants;
- Return's position to withstand future crude oil price volatility;
- estimates used to calculate the decommissioning obligations, depletion and impairment of PP&E;
- Return's expectations of challenging long-term market conditions;
- the completion of the name change to “Spartan Delta Corp.” and timing thereof;
- the expected completion of the Share Consolidation and the ratio and timing thereof;
- commitments and contingencies; and
- expectations for realized commodity prices in 2020 and beyond.

With respect to the forward-looking statements contained in this MD&A, Return has made assumptions regarding, among other things:

- future commodity prices, price differentials and the actual prices received for the Company's products;
- delays in the optimization of operations at the Company's properties;
- operating costs and expenditures;
- future production and recovery;
- anticipated fluctuations in foreign exchange rates;
- deterioration in general economic conditions, including from the actions of oil and gas producing countries and the impact of COVID-19;
- expected net production and transportation expenses and operating costs;
- estimated reserves of oil and natural gas;
- the ability to obtain equipment and services in the field in a timely and efficient manner;
- the ability to add production and reserves through acquisition and/or drilling at competitive prices;
- the ability to explore diversified gas markets;
- the timing of anticipated future production additions from the Company's properties and acquisitions;

- the continued availability of capital and skilled personnel;
- the ability to obtain financing on acceptable terms;
- the impact of increasing competition;
- the ability of the Company to secure adequate product transportation; and
- the continuation of the current tax, royalty and regulatory regime.

Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated or implied by such forward-looking statements due to a number of factors and risks. These include:

- adverse effects on general economic conditions in Canada, the United States and globally, including due to the recent outbreak of COVID-19;
- the material uncertainties and risks described under the headings "Risks and Uncertainties" and "Non-IFRS Measures";
- 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;
- volatility in market prices for oil and natural gas;
- uncertainties associated with estimating oil and natural gas reserves and the ability of the Company to realize value from its properties;
- geological, technical, drilling and processing problems;
- facility and pipeline capacity constraints and access to processing facilities and to markets for production;
- fluctuations in foreign exchange or interest rates and stock market volatility;
- marketing and transportation;
- prevailing weather and break-up conditions;
- environmental risks;
- competition for, among other things, capital, acquisition of reserves, undeveloped lands and skilled personnel;
- net production and transportation costs and future development costs;
- the ability to access sufficient capital from internal and external sources; and
- changes in tax, royalty and environmental legislation.

Readers are cautioned that the foregoing list of risk factors is not exhaustive. The risk factors above should be considered in the context of current economic conditions, increased supply resulting from evolving exploitation methods, the attitude of lenders and investors towards corporations in the energy industry, potential changes to royalty and taxation regimes and to environmental and other government regulations, the condition of financial markets generally, as well as the stability of joint venture and other business partners, all of which are outside the control of the Company. Also to be considered are increased levels of political uncertainty and possible changes to existing international trading agreements and relationships. Legal challenges to asset ownership, limitations to rights of access and adequacy of pipelines or alternative methods of getting production to market may also have a significant effect on the Company's business. Additional information on these and other factors that could affect the business, operations or financial results of Return are included in reports on file with applicable securities regulatory authorities, including (but not limited to) the AIF, which may be accessed on Return's SEDAR profile at www.sedar.com or on the Company's website at www.spartandeltacorp.com.

This MD&A contains future-oriented financial information and financial outlook information (collectively, "FOFI"), including about Return's prospective results of operations, capital expenditures and operating netbacks, all of which are subject to the same assumptions, risk factors, limitations and qualifications as set forth in the above paragraphs and outlined under "Non-IFRS Measures".

The forward-looking statements and FOFI contained in this MD&A are made as of the date hereof and Return undertakes no obligation to update publicly or revise any forward-looking statements, forward-looking information or FOFI whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. The forward-looking statements and FOFI contained herein are expressly qualified by this cautionary statement.