



*Upper Charlie Lake Horizontal Resource  
and Braeburn Conventional Vertical  
Light Sweet Oil Developments*

Rycroft Area,  
Peace River Arch,  
Alberta

April, 2018

## Forward-Looking Statements

This presentation contains certain forward-looking statements and forward-looking information (collectively referred to herein as “forward-looking statements”) within the meaning of applicable Canadian securities laws. All statements other than statements of present or historical fact are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “could”, “should”, “can”, “anticipate”, “expect”, “believe”, “will”, “may”, “projected”, “sustain”, “continues”, “strategy”, “potential”, “projects”, “grow”, “take advantage”, “estimate”, “well positioned” or similar words suggesting future outcomes. In particular, but without limiting the foregoing, this presentation contains forward-looking statements pertaining to future opportunities, business strategies, exploration and development activities, and competitive advantages. The forward-looking statements regarding the business and operations of Return Energy Inc. (“Return” or the “Company”) are based on certain key expectations and assumptions of Return concerning, among other things: the anticipated financial performance of the Company; performance of existing wells and success in drilling new wells; business prospects; strategies; regulatory developments; prevailing commodity prices; exchange rates; estimates of costs, including drilling and operating costs; tax laws; the sufficiency of budgeted capital expenditures in carrying out planned activities; the availability and cost of labour and services; the state of the economy and the exploration and production business; the legislative and regulatory environments of the jurisdictions where Return carries on business or has operations; the impact of increasing competition; the ability to obtain financing on acceptable terms; the actual results of exploration and development projects being equivalent to or better than estimated results, all of which are subject to change based on market conditions and potential timing delays. Although management of Return consider these assumptions to be reasonable based on information currently available to them, they may prove to be incorrect. By their very nature, forward-looking statements involve inherent risks and uncertainties (both general and specific), including the risk that forward-looking statements will not be achieved. Undue reliance should not be placed on forward-looking statements, as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations and anticipations, estimates and intentions expressed in the forward-looking statements, including among other things: inability to meet current and future obligations; inability to implement Return’s business strategy effectively; uncertainties associated with estimating reserves; general economic and market factors, including business competition, changes in government regulations; volatility in the market prices for oil and natural gas; fluctuation in commodity prices; the actual results of exploration, development or operational activities; geological, technical, drilling and processing problems; liabilities and risks, including environmental liabilities and risks, inherent in oil and natural gas operations; changes in project parameters as plans continue to be refined; access to capital markets; interest and currency exchange rates; technological developments; general political and social uncertainties; lack of insurance; delay or failure to receive board or regulatory approvals; changes in legislation; timing and availability of external financing on acceptable terms; and lack of qualified, skilled labour or loss of key individuals.

Readers are cautioned that the foregoing list is not exhaustive.

The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this presentation are made as of the date of this presentation and Return does not undertake and is not obligated to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise unless so required by applicable securities laws.

Any financial outlook or future-oriented financial information, as defined by applicable securities laws, has been approved by management of Return as of the date hereof. Such financial outlook or future-oriented financial information is provided for the purpose of providing information about management's current expectations and goals relating to the future of Return. Readers are cautioned that reliance on such information may not be appropriate for other purposes.

Any references in this presentation to initial, early and/or test or production/performance rates are useful in confirming the presence of hydrocarbons, however, such rates are not determinate of the rates at which such wells will produce or continue production and decline thereafter. Additionally, such rates may also include recovered "load oil" fluid used in well completion stimulation. Readers are cautioned not to place reliance on such rates in calculating the aggregate production for Return. The initial production rate may be estimated based on other third-party estimates or limited data available at this time. In all cases in this presentation, initial production or tests are not necessarily indicative of long-term performance of the relevant well or fields or of ultimate recovery of hydrocarbons.

Statements relating to "reserves" are also deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and that the reserves can be profitably produced in the future. In addition, and without limiting the generality of the foregoing, this presentation contains forward-looking statements pertaining to the following: Return's plans for 2018, Return's future production levels on wells proposed to be drilled on its Rycroft Charlie Lake project; the net present value, rate of return, payout term, profit to investment ratio, the quantity of reserves and recycle ratio of these wells; projections of market prices and costs; supply and demand for oil and natural gas; the effectiveness of a potential future water-flood scheme; capital expenditure programs; treatment under governmental regulatory and taxation regimes.

### **Future-Oriented Financial Information**

This presentation contains future-oriented financial information and financial outlook information (collectively, "FOFI") about Return's prospective results of operations and the components thereof, all of which are subject to the same assumptions, risk factors, limitations and qualifications as set forth in the above paragraphs. FOFI contained in this presentation was made as of the date of this presentation and was provided for the purpose of providing further information about Return's anticipated future business operations. Return disclaims any intention or obligation to update or revise any FOFI contained in this presentation, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law. Readers are cautioned that the FOFI contained in this presentation should not be used for purposes other than for which it is disclosed herein.

## **Non-GAAP Measurements**

This presentation includes non-GAAP measures as further described herein. These non-GAAP measures do not have a standardized meaning prescribed by International Financial Reporting Standards (“IFRS” or, alternatively, “GAAP”) and therefore may not be comparable with the calculation of similar measures by other companies.

This presentation contains the terms “rate of return”, “payout”, “profit to investment ratio” and “recycle ratio” in relation to certain performance measures. These terms do not have any standardized meaning under IFRS, and Return’s determination of such terms may not be comparable to that reported by other companies. Return defines “rate of return” as the gain or loss on an investment over a specified time period, expressed as a percentage of the investment’s cost. Return defines “payout” as the point at which all costs of leasing, exploring, drilling and operating have been recovered from production of a well or wells; “profit to investment ratio” is the ratio of payoff to investment of a proposed project; and “recycle ratio” is the profit per boe divided by the total cost of discovering and extracting.

## **Prospective Investors Should Consult with their Advisors**

The information contained in this presentation does not purport to be all-inclusive or to contain all information that a prospective investor may require. Prospective investors are encouraged to conduct their own analysis and review of Return and of the information contained in this presentation. Without limitation, prospective investors should consider the advice of their financial, legal, accounting, tax and other advisors and such other factors they consider appropriate in investigating and analyzing Return.

## **Canadian \$, BOE Equivalent**

All amounts are expressed in Canadian dollars unless otherwise noted. Oil, natural gas and natural gas liquids reserves and volumes are converted to a common unit of measure, referred to as a barrel of oil equivalent (boe), on the basis of 6,000 cubic feet of natural gas being equal to one barrel of oil. This conversion ratio is based on an energy equivalency conversion method, primarily applicable at the burner tip and does not necessarily represent a value equivalency at the wellhead. It should be noted that the use of boe might be misleading, particularly if used in isolation.

## Corporate Snapshot

Listing:	TSX-V: "RTN"
Common Shares Issued:	110,551,651
Management/Directors holdings:	3,210,439
Options outstanding:	7,100,000
Warrants <sup>(1)</sup> :	90,353,125
Fully diluted <sup>(1)</sup> :	208,004,776
Debt:	Zero
Cash:	\$5,785,000
Est. Working Capital (April 1, 2018):	\$2,750,000
Current Production (April 1, 2018):	~310 BOE/d

**Above figures as of Dec. 31, 2017 unless noted otherwise.**

<sup>(1)</sup> Exclusive of conversion of 2,000,000 Preferred Shares, which are variable and tied to market price at the time of conversion. By way of example, the number of Units issuable on conversion of the Preferred Shares, **assuming a market price of \$0.20**, would be 2,000,000 Preferred Shares X \$1.00/share ÷ \$0.20/share = 10,000,000 Units. The number of shares issuable on conversion of the Units would be 10,000,000 Common shares plus 5,000,000 warrants, each convertible to one Common Share. No more than 10% of the Preferred Shares can be exercised at any given time in a 30 day period and the holder can own no more than 10% of the issued shares at any given time.

## Highlights

Closed private placement financings for gross proceeds of over \$8 million (October 2016 – December 2017).

Initiated operations post-acquisition (October 2016) of Peace River Arch assets in NW Alberta, through its wholly-owned subsidiary Winslow Resources Inc.

Consolidated ownership at Rycroft through the acquisition of partner interests, resulting in 100% ownership of the Rycroft gas plant, and acquired additional P&NG rights.

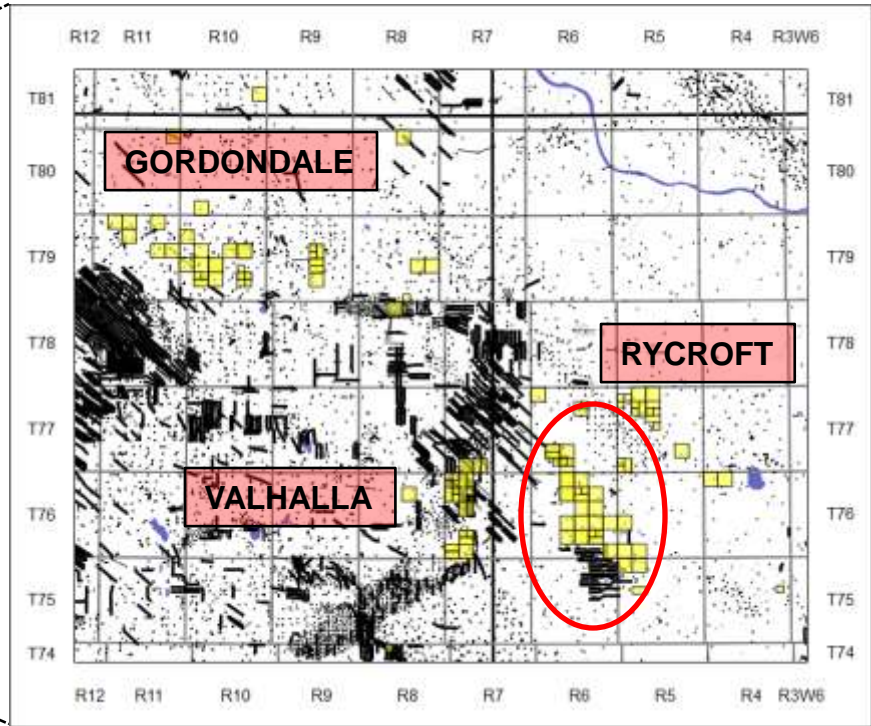
Discussions are ongoing with various parties with respect to rationalization of non-core assets and further consolidation and/or acquisition of additional interests in the Rycroft core area.

Assembled Charlie Lake light oil drilling projects.

Drilled two wells in Q1 2018 resulting in two oilwells, including a significant eastward extension to the Charlie Lake light oil resource play being developed regionally by Tourmaline Oil Corp.

Equipping and tie-in operations are planned for summer 2018 (post spring break-up).

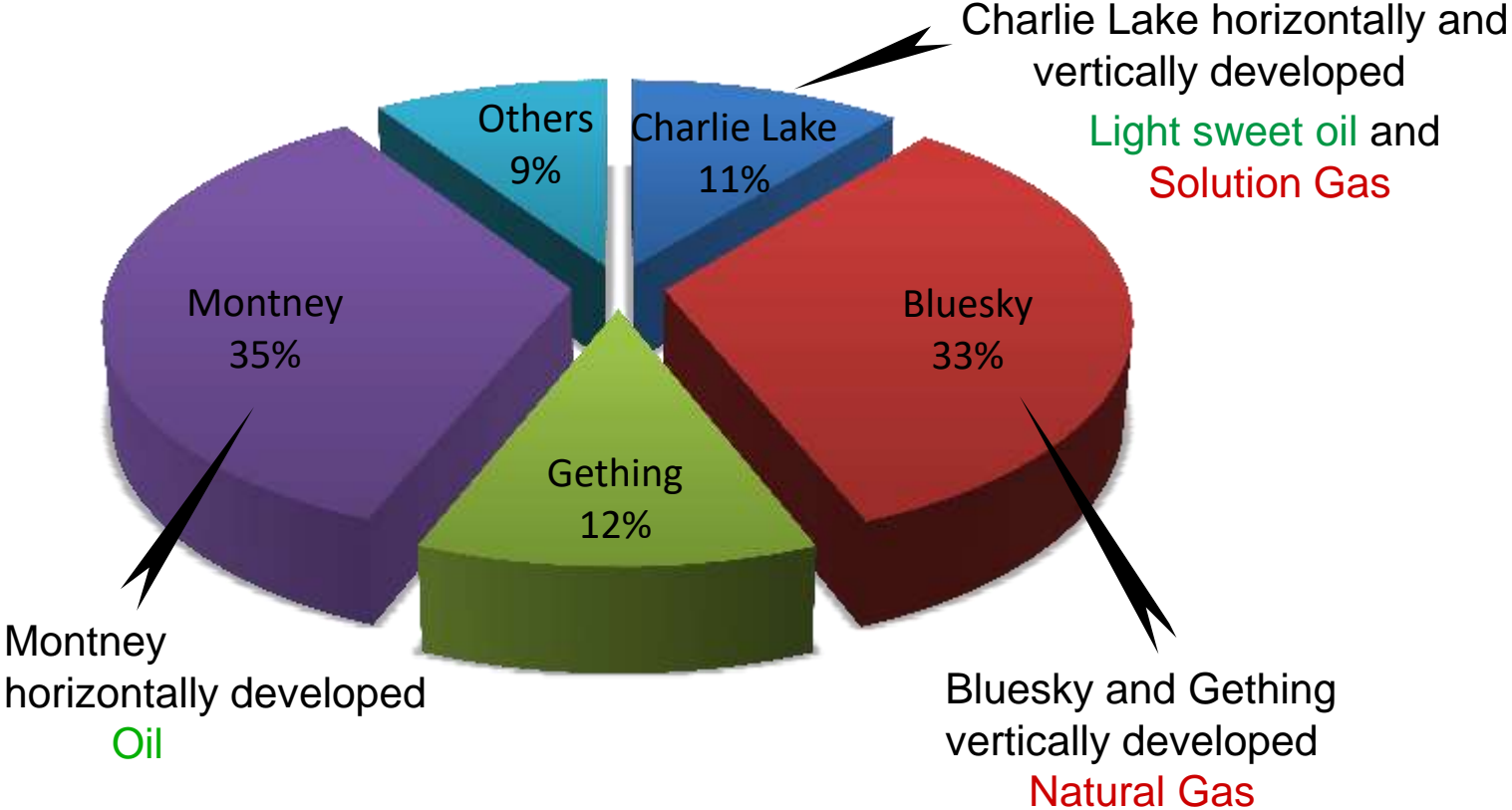
# Return's Peace River Arch Assets



Source: GeoScout

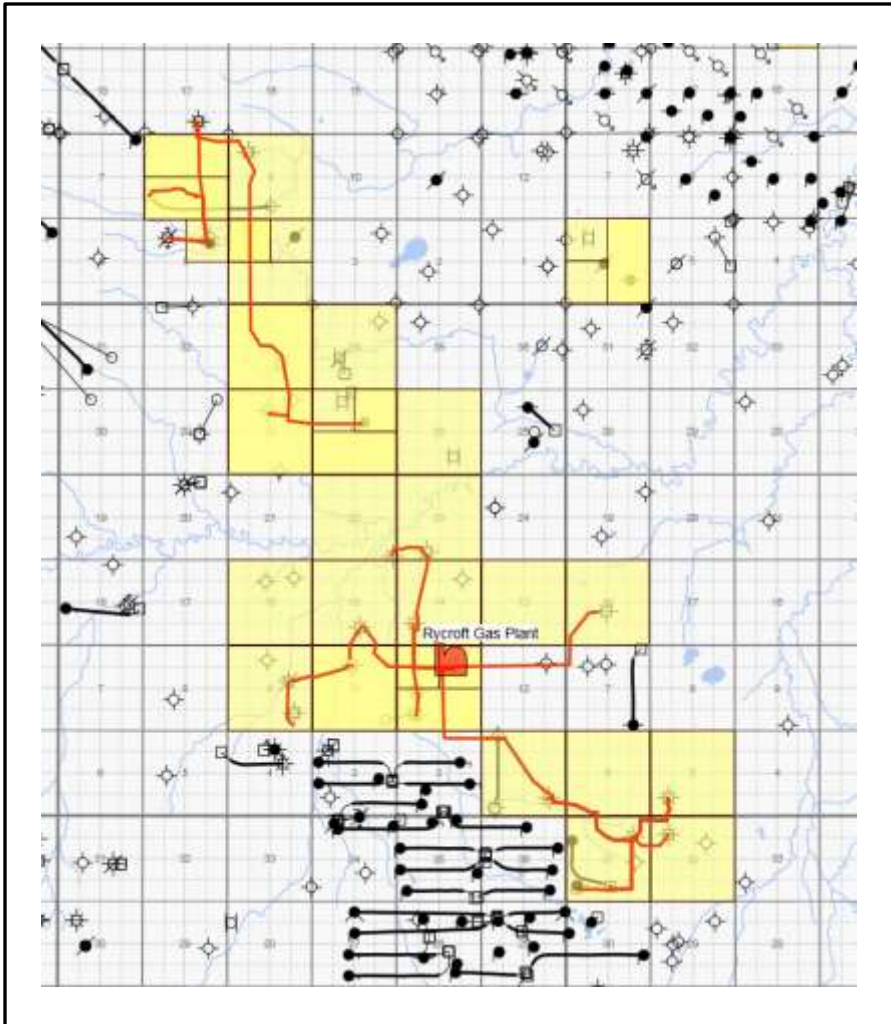
Approximately 40,000 net acres in Northern Alberta (not all shown) of which 13,000 are undeveloped.

# Rycroft Area – Existing Production Contributions





## Rycroft Core Area



24 sections gross (22 net).

Charlie Lake light (37<sup>o</sup>API) sweet oil Braeburn member development drilling project and Upper Charlie Lake light sweet (37<sup>o</sup> API) dolomitic siltstone horizontal play.

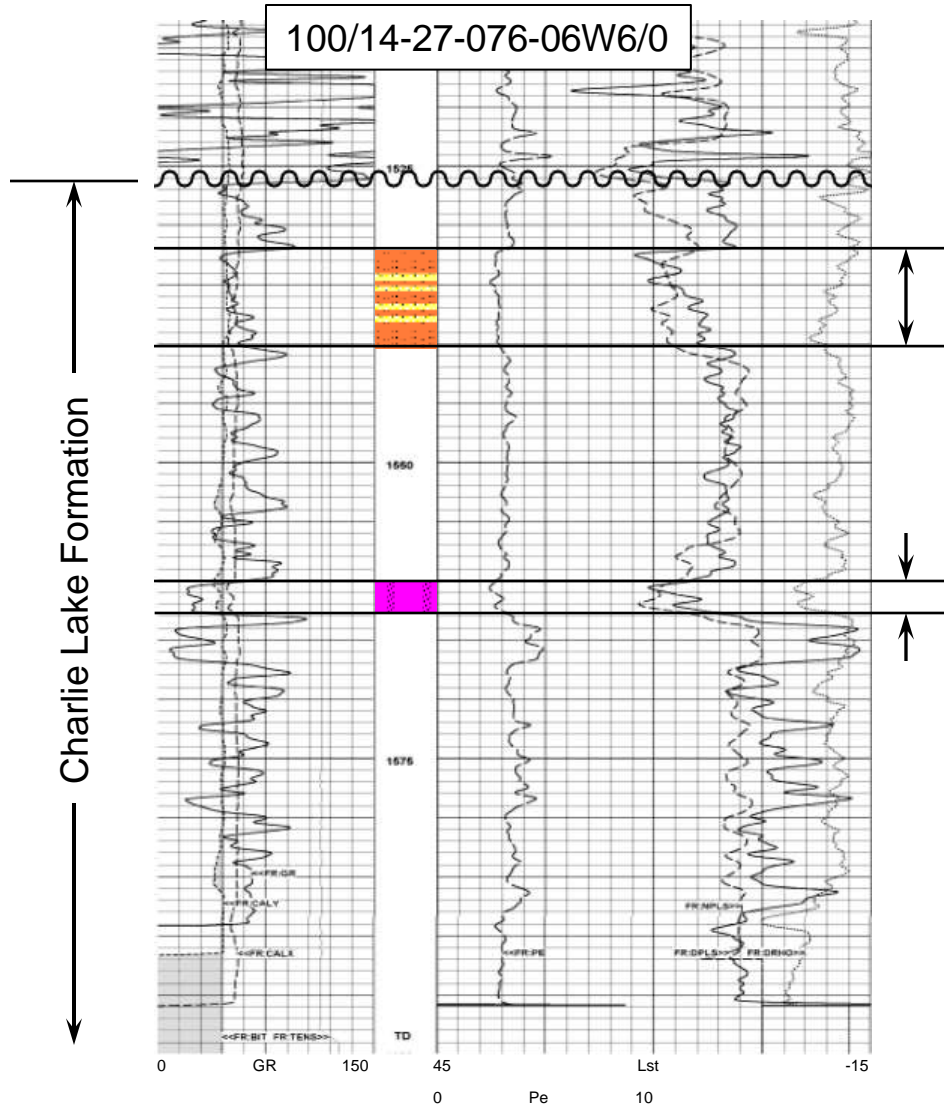
Potential for 13 additional Braeburn well locations and 22 horizontal wells in the dolomitic siltstone on existing landholdings.

100% ownership in the 15-11 gas plant and associated gathering system.

Processing third party volumes.

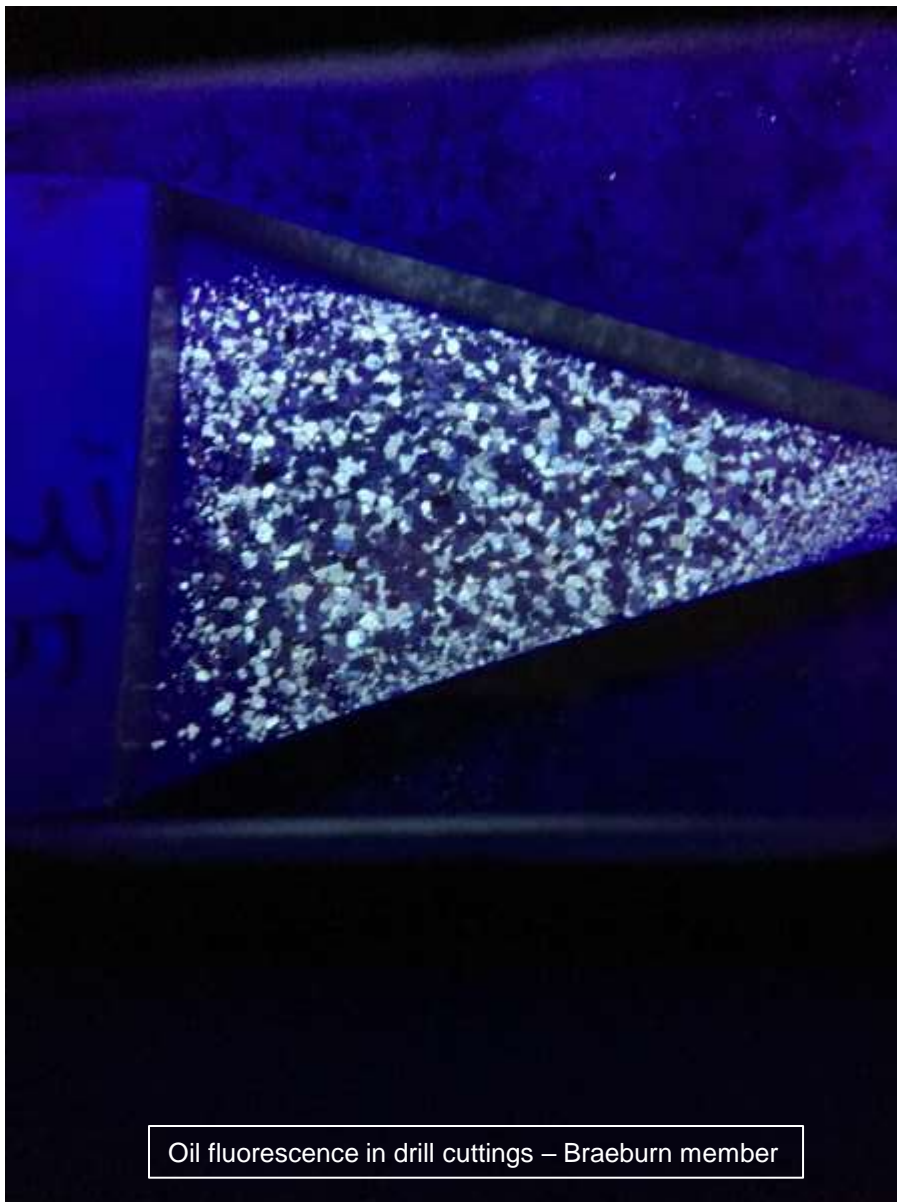
Available capacity in plant.

# Triassic Charlie Lake Formation – Stratigraphic Distribution of Members



Upper Charlie Lake Siltstone Member.  
Coarsening upward from siltstone to very fine-grained sandstone, cryptocrystalline dolomite.  
Developed utilizing horizontal wellbores and multi-stage fracture stimulations.

Charlie Lake Braeburn Member.  
Dolomitized algal mat facies reservoir.  
Developed through conventional vertical wellbores and simple fracture stimulation.

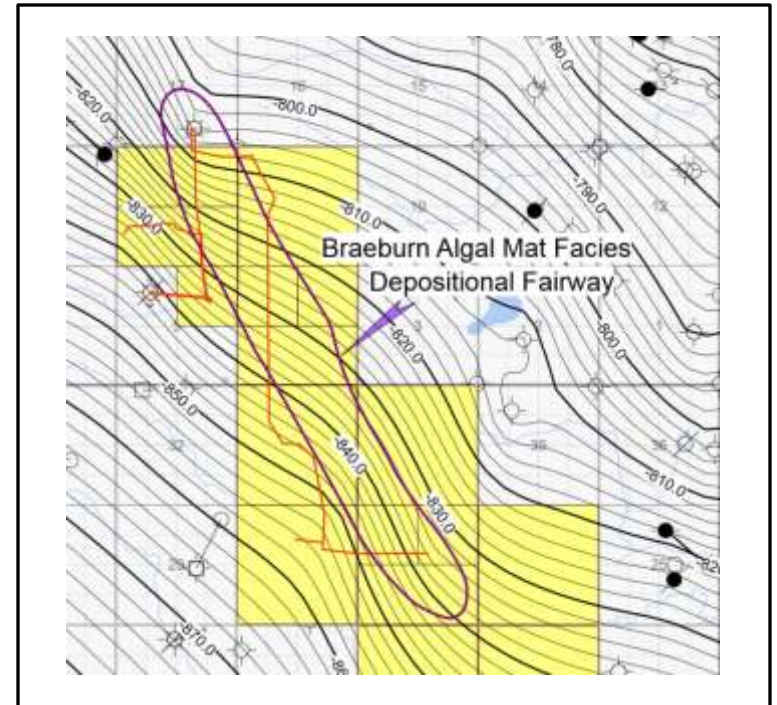
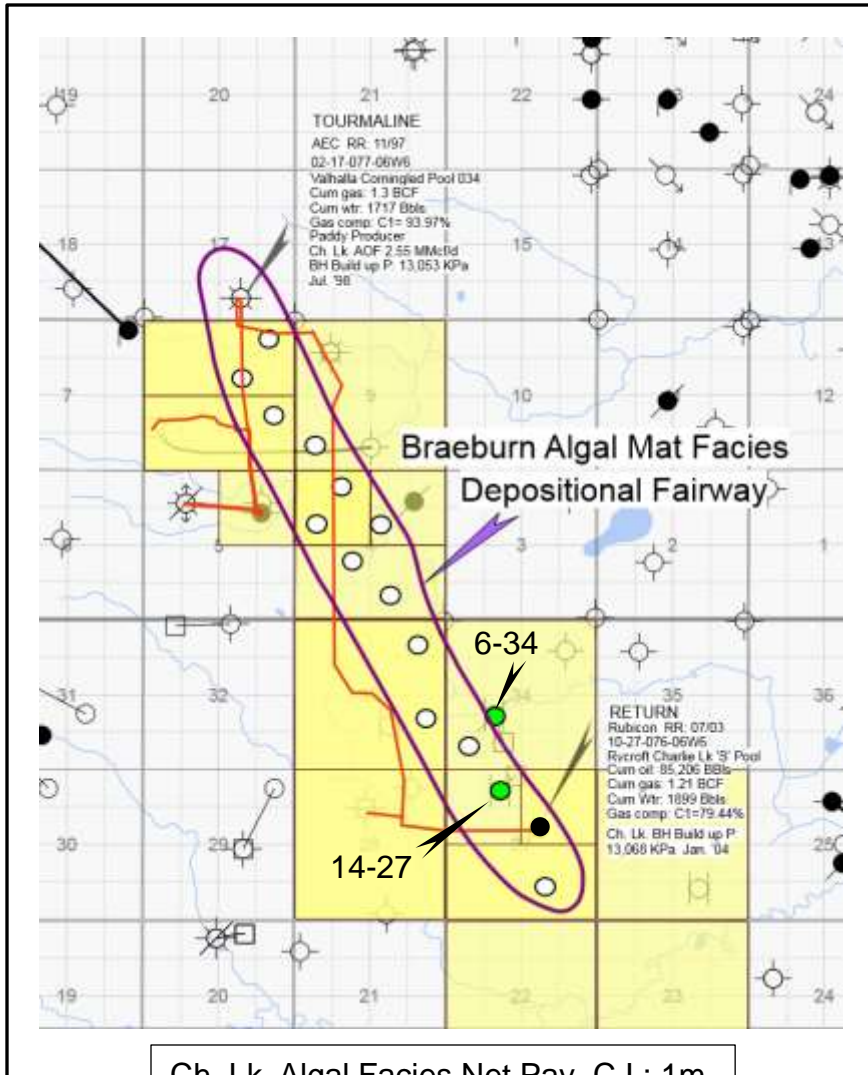


Oil fluorescence in drill cuttings – Braeburn member



*Charlie Lake Braeburn Member  
Light Sweet Oil Development  
Conventional Vertical Drilling*

# Braeburn Vertical Well Development



Depositional strike of the algal mat facies reservoir is sub-parallel to present-day structure. Strike length ~ 7km.

Good geometry and potential for secondary recovery (waterflood) with 30m+ structural elevation north-to-south across the pool.

## Charlie Lake (Braeburn) Individual Well Economics<sup>(1)</sup>

Utilizing the average well type curves from offsetting pools and matching them to existing Charlie Lake “S” Pool performance (10-27-76-6W6), we expect the following economic results on a **per well** basis assuming all-in capital costs of \$1 million per well:

- Net Present Value @ 10% discount rate (before tax) = \$2.1 million
- Rate of Return = 113%
- Payout = 1.1 years
- Profit to Investment Ratio (PIR) = 3.4
- Recycle Ratio = 3.9

(1) Calculated using Sproule Associates March 31, 2018 price deck for oil and \$2.00/mcf flat gas price.

Note: The terms “Net Present Value”, “Rate of Return”, “Payout”, “Profit to Investment Ratio”, and “Recycle Ratio” are non-GAAP measurements not recognized under IFRS reporting as having standardized meanings. The reader is directed to the “Non-GAAP Measurements” section within the Forward Looking Statements for a description of these terms.



*Upper Charlie Lake Dolomitic Siltstone  
Light Sweet Oil Development  
Horizontal drilling*

# Valhalla/Spirit River Charlie Lake Horizontal Well Development



Source: GeoScout

R. 8W6

R. 7W6

R. 6W6

R. 5W6M

175+ wells drilled horizontally through the Upper Charlie Lake dolomitic siltstone as highlighted in green on map.

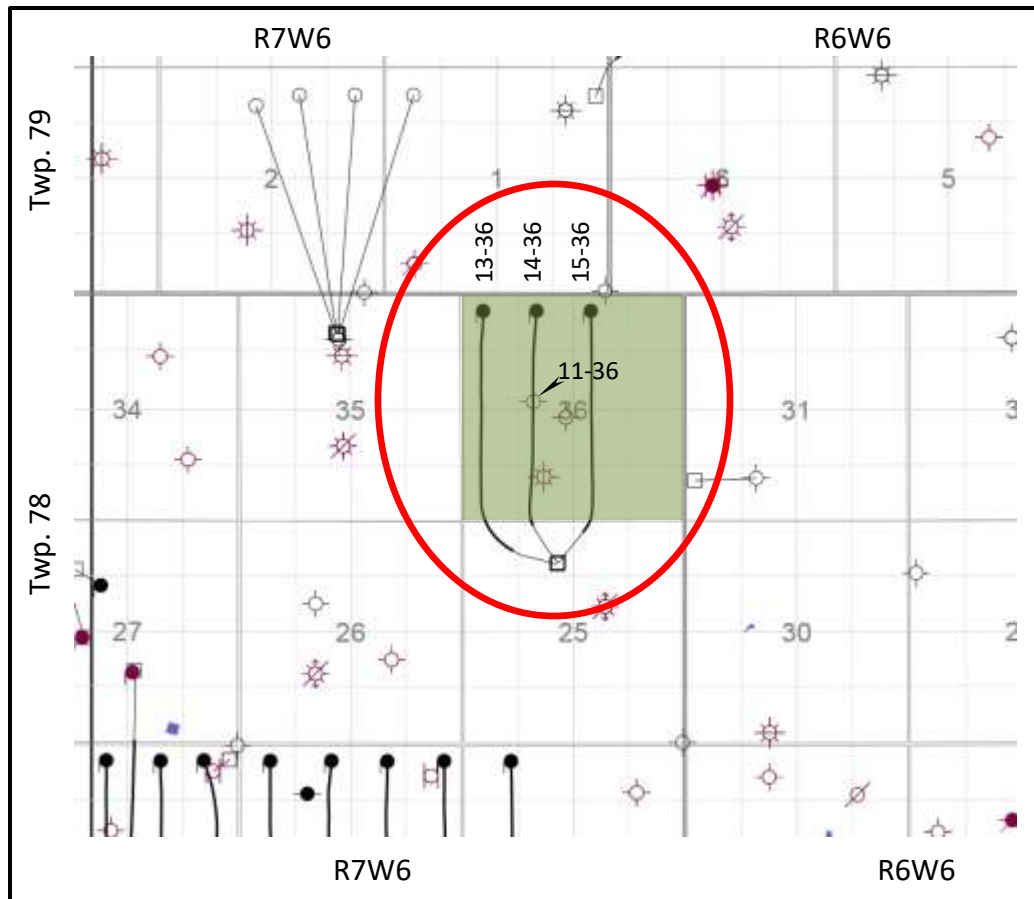
Earlier wells drilled diagonally on a NW-SE orientation.

More recent wells drilled at the north end of the currently-developed pool are oriented north-south.

Changes in frac stimulation protocol has resulted in shorter horizontal sections with smaller fracs having tighter spacing.

Tourmaline Oil Corp. is the dominant player.

# Exshaw (Tourmaline) Mirage Pool (Undef. 0999998 AB BT 0094887) Upper Charlie Lake Dolomitic Siltstone Horizontal Multi-stage Frac Development



Horizontal wellbore trajectory planned around deeper vertical wells drilled at 3-36, 6-36, and 11-36.

14-36 horizontal wellbore passes within 17m of the 11-36 vertical wellbore.

All three wells commenced production in August, 2017 with cumulative aggregate production up to and including Feb., 2018 (7 months) as follows:

Oil: 220,012 Bbls  
Gas: 589 MMcf (98,167 BOE)  
Water: 516,799 Bbls (includes load fluid)

Maximum oil rate attained in Sept., 2017 at 2486 BOPD.

Feb., 2018 prod: 328 BOPD, 340 BOE/d gas, 1531 BWPD.





## Upper Charlie Lake Siltstone Individual Horizontal Well Economics<sup>(1)</sup>

Utilizing the average well type curves from offsetting operators in the same formation, we expect the following economic results on a **per well** basis assuming all-in capital costs of \$3.5 million per well:

- Net Present Value @ 10% discount rate (before tax) = \$6.2 million
- Rate of Return = 95%
- Payout = 1.2 years
- Profit to Investment Ratio (PIR) = 4.2
- Recycle Ratio = 3.3

(1) Calculated using Sproule Associates March 31, 2018 price deck for oil and \$2.00/mcf flat gas price.

Note: The terms “Net Present Value”, “Rate of Return”, “Payout”, “Profit to Investment Ratio”, and “Recycle Ratio” are non-GAAP measurements not recognized under IFRS reporting as having standardized meanings. The reader is directed to the “Non-GAAP Measurements” section within the Forward Looking Statements for a description of these terms.

## Rycroft Comparative Individual Well Economics<sup>(1)</sup>

	Upper Charlie Lake Dolomitic Siltstone Horizontal Drilling	Braeburn Member Dolomite Vertical Drilling
<b>TOTAL WELL COSTS (\$ million)</b> (Drill, Complete & Equip)	3.5	1.0
<b>Average Reserves/Well (mBOE)</b>	360	137
<b>Year 1 Production Rate/Well (BOE/d)</b>	300	125
<b>Development Cost/BOE</b>	\$9.69	\$7.28
<b>Operating Expense/BOE (life of well)</b>	\$22.67	\$24.43
<b>Net Present Value @ 10% (000's)</b>	\$6,166	\$2,080
<b>Rate of Return</b>	95%	112%
<b>Payout (years)</b>	1.2	1.1
<b>Year 1 Oil Price (\$C/bbl)</b>	74.27	74.27
<b>Year 1 Gas Price (\$C/mcf)</b>	2.00	2.00
<b>PIR</b>	4.2	3.4
<b>Recycle Ratio</b>	3.3	3.9
<b>Future Locations</b>	22	13

(1) Calculated using Sproule Associates March 31, 2018 price deck for oil and \$2.00/mcf flat gas price.

Note: The terms "Net Present Value", "Rate of Return", "Payout", "Profit to Investment Ratio", and "Recycle Ratio" are non-GAAP measurements not recognized under IFRS reporting as having standardized meanings. The reader is directed to the "Non-GAAP Measurements" section within the Forward Looking Statements for a description of these terms.

## 2017 Year-end Reserves Summary<sup>(1)</sup>

<b>Reserves Category <sup>(2)</sup></b>	<b>NPV<sub>10</sub> (M\$)</b>
Proved Developed Producing	4.4
Total Proved	6.9
Probable	3.6
Total Proved + Probable	10.5

(1) Sproule Report: "Evaluation of the P&NG Reserves of Return Energy Inc.  
(As Of December 31, 2017)

(2) As per Canadian Oil and Gas Evaluation Handbook reserve definitions

**Note: The above figures do not include any value for the 14-27-76-6W6 and 6-34-76-6W6 wells drilled in February, 2018 as these were drilled beyond the end of the reporting period.**

## Upside Potential – Full Development <sup>(1)</sup>

	<b>Charlie Lake Dolomitic Siltstone</b>	<b>Braeburn Dolomite</b>
<b>Number of Wells</b>	22	13
<b>NPV10 per well (000's)</b>	\$6,166	\$2,080
<b>Total NPV10</b>	\$135,652,000	\$27,040,000

(1) Management estimates, unaudited, assuming Sproule March 31, 2018 price forecast. These figures are not reflected in Return's current reserves report for the period ending Dec. 31, 2017 but rather represent Management's estimate of potential future results.

## Go Forward Plans

Initiate tie-in of 14-27 oil well to the Rycroft gas plant (post spring break-up), and planning for follow-on vertical oil wells in the Braeburn dolomite.

Front-end engineering and design for horizontal drilling in the Charlie Lake dolomitic siltstone.

Further consolidations at Rycroft.

Continue with the divestment of non-core assets.

Continue evaluating acquisition opportunities in the Company's Rycroft core area.

## Summary

Return has completed the drilling of the first two of its Triassic Charlie Lake light sweet oil development wells at Rycroft, approximately 50 kilometres north of Grande Prairie, Alberta. Plans are underway to pipeline connect the first of these, located at 14-27-76-6W6, to Return's wholly-owned Rycroft gas plant to process solution gas produced in conjunction with the oil. The Company expects that an additional thirteen (13) wells could be drilled into this reservoir on Company lands.

In addition to the Braeburn member at its 14-27 location, Return encountered light sweet oil in the overlying Upper Charlie Lake dolomitic siltstone at 14-27 and its 6-34-76-6W6 location. This same zone is the target of a large-scale horizontal drilling campaign that has been advanced primarily by Tourmaline Oil Corp. and several other third parties over the last four to five years. The distribution of this zone is readily mapped in legacy vertical wellbores. On this basis, and the successful test results at 6-34, Return expects that 22 horizontal wells could be drilled on Company lands.

**Return is well-positioned for growth in the Triassic Charlie Lake fairway and, with 100% ownership in the Rycroft gas plant, has greater control in maximizing value for shareholders.**

## Management and Directors

**Ken Tompson, P. Geol., President, CEO and Director**

35+ years experience (DualEx, Dual, Devlan, Burlington, Petrobank, Chauvco, Norcen)

**Garry Hides, P.Land, Executive VP and Director**

30+ years experience (DualEx, Dual, Devlan, Petrobank, Chevron)

**Lorne Morozoff, C.A., VP Finance, CFO**

20+ years experience (DualEx, Stratic, Nexen, Qatar Petroleum, KPMG)

**Jason Schoenfeld, P.Eng., VP Engineering & COO**

20+ years experience (Westfire, Southpoint, Elk Point, Crestar)

**Robb Thompson, C.A., Independent Director**

30+ years experience (Bonterra, KPMG)

**Roy Hudson, LLB, Director**

30+ years experience (DLA Piper (Canada) LLP)

**Bradley Porter, Independent Director**

30+ years experience (Boulder, Granite, DeeThree, Dual, Devlan)