



RETURN ENERGY ANNOUNCES ACQUISITION OF RYCROFT AREA GAS PRODUCTION

Calgary, Alberta, April 21, 2017 – Return Energy Inc. (“Return” or the “Company”) (TSX-V: “RTN”) has today acquired, through its wholly-owned subsidiary, Winslow Resources Inc., certain partner interests in its core area of Rycroft, north of Grande Prairie, Alberta, for cash consideration of \$750,000 (subject to final adjustments), effective February 1, 2017.

The interests acquired include production of approximately 60 BOE/day (80% natural gas), and the non-operated 50% interest in the Company’s operated Rycroft gathering system and gas plant (Return’s ownership is now 100%). All of the acquired production is processed through the Rycroft gas plant. Based on the Company’s existing independent reserve report prepared by Sproule Associates Limited (“Sproule”), dated effective December 31, 2016 (the “Reserve Report”), the acquisition includes prorated proved developed producing reserves of 171,600 BOE and proved plus probable reserves of 228,400 BOE. Before tax net present value of future net revenue discounted at 10% equals \$989,000 for proved developed producing reserves and \$1,266,000 for proved plus probable reserves.

Ken Tompson, Return’s President & CEO, commented, “This consolidation of interests at Rycroft has been a key part of the development plan put in place since acquiring our Peace River Arch assets in October 2016. Sole ownership of the gas plant will give us greater flexibility and control over plant through-put, in addition to allowing for potential increased revenue derived from future processing of third-party volumes.”

A copy of this news release can also be found on Return’s website at www.returnenergyinc.com and on SEDAR at www.sedar.com. For further information about Return please visit the website or contact Ken Tompson (President & CEO) at 403-265-8011 ext. 224.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Reader Advisories

BOE Presentation. References herein to "BOE" mean barrels of oil equivalent derived by converting gas to oil in the ratio of six thousand cubic feet (Mcf) of gas to one barrel (bbl) of oil. BOE may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1 bbl is based on an energy conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. In addition, given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

Information Regarding Disclosure on Oil and Gas Reserves. The Reserve Report has been prepared by Sproule Associates Limited in accordance with National Instrument 51-101 and COGEH reserve

definitions. Actual crude oil, natural gas and natural gas liquids reserves may be greater than or less than the estimates provided herein. The forecast cost and price assumptions used in the Reserve Report assume increases in wellhead selling prices and take into account inflation with respect to future operating and capital costs and are net of the associated royalties, operating costs, development costs, and abandonment and reclamation costs and are stated prior to provision for interest and general and administrative expenses. Light crude oil, conventional natural gas and natural gas liquids benchmark reference pricing, inflation and exchange rates utilized by Sproule in the Reserve Report were Sproule's forecast as at December 31, 2016. Net present values have been presented on a before tax basis. Net present value of reserves do not represent fair market value.

Forward-Looking Statements and Information. This news release contains certain statements which constitute forward-looking statements or information ("forward-looking statements"). These statements relate to future events or Return's future performance. All statements other than statements of historical fact may be forward-looking statements or information. Forward-looking statements or information is often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. 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 particular, this news release contains forward-looking statements pertaining to the following: projections of market prices and costs, supply and demand for oil and natural gas, the quantity of reserves and oil and natural gas production levels. Such forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond the Company's control. Although the Company believes that the expectations in its forward-looking statements are reasonable, they are based on factors and assumptions concerning future events which may prove to be inaccurate. Those factors and assumptions are based upon currently available information. Such statements are subject to known and unknown risks, uncertainties and other factors that could influence actual results or events and cause actual results or events to differ materially from those stated, anticipated or implied in the forward looking statements. As such, readers are cautioned not to place undue reliance on the forward looking statements, as no assurance can be provided as to future results, levels of activity or achievements. The forward-looking statements contained in this document are made as of the date of this document and, except as required by applicable law, the Company does not undertake any obligation to publicly update or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this document are expressly qualified by this cautionary statement.