RELENTLESS RESOURCES LTD

MANAGEMENT'S DISCUSSION & ANALYSIS
MARCH 31, 2013

President's Message:

As reported in my year end message, the results from the two new wells drilled on the Loverna property, were not up to expectations. Notwithstanding, the geological model for the Viking formation remains intact and Relentless intends to continue to work towards full development of the Loverna Viking oil pool. Relentless has two additional licensed horizontal drilling locations and a minimum of six unlicensed drilling locations identified to develop the Loverna property with a drilling density of eight horizontal wells per section.

During 2013, we remain committed to maintaining financial strength, and plan to use free cash flow to pay down the Company’s operating line.

Management will continue to enhance shareholder value by remaining receptive to possible business combinations, reducing the cost structure where possible and, looking for new opportunities to build production and cash flow. In this regard, the Company has been evaluating a plethora of asset acquisition opportunities. To assist our objectives, the Company is looking to expand the current Board of Directors in the near future.

The management and Board of Directors would like to thank all shareholders for their continued support.

Yours truly,
Dan Wilson
President and CEO

Nature of Business and Basis of Presentation

Corporate Profile

Relentless Resources Ltd. ("Relentless" or the "Company") is a Calgary, Alberta based junior oil and natural gas corporation, engaged in the exploration, development, acquisition and production of natural gas and medium to light gravity crude oil reserves in Alberta and Saskatchewan.

Relentless' common shares trade on the TSX Venture Exchange under the symbol RRL.

The Company's primary corporate objective is to achieve non-dilutive growth and enhance shareholder value through internal prospect development, strategic production acquisitions, and prudent financial management.

Relentless was incorporated as Open Range Capital Corp. under the *Business Corporations Act* (Alberta) on April 7, 2004. On March 30, 2006, a plan of arrangement involving Open Range Capital Corp., Siga Resources Limited and Open Range Resources Ltd. was consummated and marked the commencement of oil and natural gas operations for New Range Resources Ltd. ("New Range"), the amalgamated company. Under the plan of arrangement, Open Range Resources Ltd. acquired all the issued and outstanding shares of Siga Resources Limited in exchange for cash, and immediately thereafter, New Range acquired all the issued and outstanding shares of Open Range Resources Ltd. in exchange for shares of New Range.

Effective September 9, 2010, New Range changed its name to Relentless Resources Ltd. and consolidated its' share capital on a two for one basis. On September 11, 2010 the common shares began trading under the symbol RRL on the TSX Venture Exchange.

ADVISORIES

Management's discussion and analysis ("MD&A") of Relentless Resources Ltd. ("Relentless", the "Company", "we" or "our"), provided as of May 29, 2013, should be read in conjunction with the unaudited financial statements and related notes for the three months ended March 31, 2013 of the Company and the Audited financial statements and related notes and MD&A for the year ended December 31, 2012.

Basis of Presentation - The financial data presented below has been prepared in accordance with International Financial Reporting Standards (IFRS). The reporting and the measurement currency is the Canadian dollar.

Non-GAAP Measurements - The MD&A contains the term 'funds generated by operations' and 'funds generated by operations per share', which should not be considered an alternative to, or more meaningful than, net earnings or cash flow from operating activities as determined in accordance with GAAP as an indicator of the Company's performance. Relentless' determination of funds generated by operations and funds generated by operations per share may not be comparable to that reported by other companies. Management uses funds generated by operations to analyze operating performance and leverage and considers funds generated by operations to be a key measure as it demonstrates the Company's ability to generate the cash necessary to fund future capital investments and to repay debt. Funds generated by operations is calculated using cash flow from operating activities as presented in the statement of cash flows before settlement of asset retirement costs and non-cash working capital. Relentless presents funds generated by operations per share, which is also a non-GAAP measure. Per share amounts are calculated using weighted average shares outstanding consistent with the calculation of earnings per share. The following table reconciles funds generated by operations to cash flow from operating activities which is the most directly comparable measure calculated in accordance with GAAP.

($ thousands)	2013	Periods ended March 31, 2012
Cash from operating activities	264	$ 384
Changes in non-cash working capital	(235)	(137)
Funds generated (used) by operations	29	$ 247

Relentless uses certain industry benchmarks such as operating netback to analyze financial and operating performance. The benchmark as presented does not have any standardized meaning prescribed by IFRS and therefore may not be comparable with the calculation of similar measures for other entities.

Working capital, which is defined as current assets less current liabilities, is used to assess efficiency and financial strength.

Presentation of boe – Relentless bases calculations of barrels of oil equivalent ("boe") on a conversion rate of six thousand cubic feet ("mcf") of natural gas to one barrel ("bbl") of crude oil. The boe unit may be misleading, particularly if used in isolation. A boe conversion ratio of 6 mcf equals 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Forward-Looking Information – This MD&A contains forward-looking or outlook information with regard to Relentless. These statements relate to future events or our future performance and are based on Relentless' current internal estimates, plans, budgets, expectation, forecasts, guidance or other statements that are not statements of fact. In some cases, words such as "plan", "expect", "project", "continue", "believe", "anticipate", "may", "will", "potential", "estimate" and other similar words, or statements are intended to identify forward-looking statements. Such statements represent Relentless' internal projections, estimates and beliefs concerning, among other things, an outlook on the estimated amounts and timing of capital spending, anticipated future debt, revenues or other expectations, beliefs, plans, objectives assumptions, intentions or statements about future events or performance. Relentless believes the expectations reflected in such forward-looking statements are reasonable. However, no assurance can be given that such expectations will prove to be correct. These statements are subject to certain risks and uncertainties and may be based on assumptions that could cause actual results to differ materially from those anticipated or implied in the forward-looking statements. Relentless cannot guarantee future results, levels of activity, performance or achievements.

Forward-looking statements in this MD&A include, but are not limited to, statements with respect to size of, and future net revenues from, crude oil and natural gas reserves; the focus of capital expenditures; expectations regarding the ability to raise capital and to continually add to reserves through acquisitions and development; the allocation and timing of capital spending and the Company's ability to maintain flexibility in its capital program; land expiries; projections of market prices and costs; the performance characteristics of the Company's crude oil and natural gas properties, including production levels and product mix.; Relentless' future operating and financial results; available tax pools; supply and demand for crude oil and natural gas; expected royalty rates; governmental regulations and tax laws; accounting policies and adoption of new policies; and timing of implementation of International Financial Reporting Standards. Statements relating to "reserves" or "resources" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves and resources described can be profitably produced in the future.

These statements are subject to certain risks and uncertainties and may be based on assumptions that could cause actual results to differ materially from those anticipated or implied in the forward-looking statements. These risks include but are not limited to: crude oil and natural gas price volatility; exchange rate and interest rate fluctuations; availability of services and supplies; market competition; to employ and retain qualified personnel; uncertainties in the estimates of reserves; the timing of development expenditures; production levels and the timing of achieving such levels; Relentless' ability to replace and expand oil and natural gas reserves; the sources and adequacy of funding for capital investments; the Company's future growth prospects and current and expected financial requirements; the cost of future reclamation and site restoration; Relentless' ability to enter into or renew leases and to secure adequate product transportation; changes in environmental and other regulations; general economic conditions and the ability to access capital from internal and external sources.

Management has included the above summary of assumptions and risks related to forward-looking information provided in this MD&A in order to provide Shareholders with a more complete perspective on Relentless' future operations and such forward-looking information may not be appropriate for other purposes. Relentless' actual results or performance could differ materially from those expressed in these forward-looking statements and accordingly, no assurance can be given that any of the anticipated events will occur, and if they do occur, what benefits the Company will receive. These statements speak only as of the date of this MD&A and Relentless does not undertake an obligation to update or revise its forward-looking statements as a result of new information, future events or otherwise.

Corporate Financial and Operational Summary

	Three months Ended March 31	
	2013	**2012**
Financial *($thousands, except shares and per share amounts)*		
Total revenue	298	524
Funds Generated (used) by operations	29	247
per share – basic	0.00	0.01
Net income (loss)	(305)	252
per share – basic	(0.01)	0.01
Property, plant and equipment		
Capital additions – property, plant and equipment	695	162
Capital additions – exploration and evaluation		-
Working capital (deficit)	(242)	(492)
Total assets	3,327	3,531
Weighted average common shares outstanding	30,025,085	26,825,085
Production		
Gas (mcf/d)	222	235
Oil & NGL (bbl/d)	32	59
Total (boe/d)	68	98
Product Prices		
Gas ($/mcf)	3.62	2.42
Oil ($/bbl)	81.47	88.44
NGL ($/bbl)	70.17	74.21

Overview

For the three months ended March 31, 2013, production rates were 68 boe/d compared to 98 boe/d in the same period of 2012. The decrease was due to lower oil and natural gas production, than first quarter of 2012. However, the overall production rates have increased over third and fourth quarter of 2012.

Overall, the average natural gas prices received were better in 2013 compared to the prior year, but the Oil and NGL prices were lower.

Revenue from Oil and Natural Gas Operations

For the three months ended March 31, 2013, Relentless' production revenues were comprised of 24 percent (2012 – 10 percent) natural gas, 68 percent (2012 – 86 percent) oil and 8 percent (2012 – 4 percent) NGLs.

	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011
Revenue ($)								
Oil	203,645	171,764	207,721	335,334	449,332	448,642	596,039	105,503
Natural gas	72,218	67,501	39,857	45,187	51,689	70,759	81,224	86,998
NGL	22,475	17,861	13,614	21,737	23,033	24,022	18,355	18,320
Sulphur				-	-	-		-
Other				-	-	317	27	-
Total revenue	298,338	257,126	261,192	402,258	524,054	543,740	695,645	210,821
Production								
Oil (bbl/d)	28	24	29	47	56	53	71	18
Natural gas (mcf/d)	222	195	169	234	236	214	212	228
NGL (bbl/d)	6	3	3	3	3	3	4	3
Boe/d	68	60	60	89	98	91	111	59
Average Prices								
Oil ($/bbl)	81.47	75.88	78.93	79.18	88.44	94.62	90.48	65.93
Natural gas ($/mcf)	3.62	3.76	2.56	2.12	2.42	3.60	4.14	4.19
NGL ($/bbl)	70.17	70.25	51.39	73.18	74.21	85.04	50.99	65.66
Rev $/boe	68.32	46.69	47.55	49.79	58.53	65.62	68.16	39.49

Petroleum and natural gas revenues for the three months ended March 31, 2013, were $298,338 compared to $524,054 for the same period last year, a decrease of 43.1 percent due to lower production of oil and natural gas. The year to date natural gas versus liquids production ratio for 2013 is 54 percent natural gas compared to 40 percent for 2012.

During the quarter, oil, natural gas and natural gas liquids ("NGL") production averaged 68 boe/d compared to 98 boe/d during the same period of 2012.

During the first quarter of 2013, average commodity prices received were $81.47 per bbl of oil (2012 - $88.44), $70.17 per bbl of NGL (2012 - $74.21) and $3.62 per mcf of natural gas (2012 - $2.42).

Royalties

	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011
Royalties ($)	7,689	22,243	7,817	19,587	33,345	61,898	37,456	54,927
Royalties ($/boe)	1.25	4.03	1.42	2.42	3.72	7.47	3.67	10.29
Royalties Rate (% of revenue)	2.58	8.65	2.99	4.87	6.36	11.38	5.38	26.0

Royalties are paid to various government entities and other land, mineral rights and interest holders in respect of the Company's natural gas, NGLs and oil production. The decrease for 2013 is due to a royalty credits from Provinces.

Alberta Royalty Framework

The Government of Alberta has implemented a new royalty structure effective on January 1, 2009 that applies to all of the Company's wells in Alberta. Royalties calculated pursuant to the proposal are sensitive to well production rates and commodity prices for oil and natural gas. The objective, generally, is to increase the level of royalties collected from industry, particularly at higher commodity price levels and from higher productivity wells.

Operating Costs

Operating costs can vary significantly depending on such factors as production rates, reservoir quality, water content and available infrastructure.

	Q1 2013	**Q4 2012**	**Q3 2012**	**Q2 2012**	**Q1 2012**	**Q4 2011**	**Q3 2011**	**Q2 2011**
Operating expense ($)	160,221	140,744	122,007	119,081	149,585	167,554	122,603	68,101
$/boe	26.06	25.55	22.21	14.74	16.71	20.22	12.02	12.75
Percent of revenue (%)	54	54	47	30	29	31	17	32

Operating costs averaged $26.06 per boe for the first quarter 2013 as compared to $16.71 in 2012. The increase is a result of participation in two new wells at Loverna .

General Administration ("G & A") Expenses

	Q1 2013	**Q4 2012**	**Q3 2012**	**Q2 2012**	**Q1 2012**	**Q4 2011**	**Q3 2011**	**Q2 2011**
G&A Expenses ($)	59,249	109,172	65,389	113,546	81,513	141,864	80,095	156,905
$/boe	9.64	19.82	11.90	14.05	9.10	21.95	7.82	29.96

Interest Expenses and Bank Charges

In the third quarter 2012, the Company established a new credit facility available up to $700,000 with a Canadian commercial bank. As at March 31, 2013, the Company had a Nil balance drawn from the available credit facility.

Netbacks

($/boe except for production)	**Q1 2013**	**Q4 2012**	**Q3 2012**	**Q2 2012**	**Q1 2012**	**Q4 2011**	**Q3 2011**	**Q2 2011**
Production *(boe/d)*	68	60	60	89	98	91	111	59
Revenue	48.52	46.69	47.55	49.79	58.53	65.62	68.65	39.49
Royalties	(2.58)	(3.45)	(1.42)	(2.42)	(3.72)	(7.7)	(5.85)	(10.29)
Operating Expense	(26.06)	(25.55)	(22.21)	(14.74)	(16.71)	(21.95)	(11.68)	(12.75)
Operating Netback	19.88	17.69	23.92	32.63	38.10	35.97	51.12	16.45
G & A Expense	(9.64)	(19.82)	(11.90)	(14.05)	(9.10)	(17.12)	(7.82)	(29.96)
Interest and other	(0.07)	(0.97)	(2.18)	(0.58)	(0.07)	(0.03)	(0.02)	0.30
Corporate Netback	10.17	(3.10)	9.84	18.00	28.93	18.82	43.28	(13.21)

Share Based Compensation Expense

On August 31, 2012, the Company granted 75,000 stock options to an officer of the Company. The options are exercisable into common shares of the Company at an exercise price of $0.16 per share, vest immediately and have a five-year term to expiry.

On December 20, 2012, the Company granted 66,750 warrants to an Agent, as finder's fee. The warrants are exercisable into common shares of the Company at an exercise price of $0.16 per share, vest immediately and have a one-year term to expiry.

As a result of the stock option grants, stock-based compensation expense of $10,210 was recorded in 2012 based on the use of the Black-Scholes economic model.

Depletion and Depreciation Expense

The Quarterly rate of depletion and depreciation expense, was $15.95 per boe (2012 - $14.54) up 10 percent as a result of higher carrying values of property and equipment after the drilling of two new wells during 2013 and an impairment charge against the remaining cash generating units at three months ended March 31, 2013, of $470,777

Three Months Ended March 31,

	2013	**2012**
Depletion & depreciation ($)	98,068	130,278
$/boe	15.95	14.54

Income Taxes

As at March 31, 2013, the Company had approximately $3,230,000 (2012 - $3,400,000) of Canadian tax pools available for deduction against future taxable income. The Company also has non-capital tax losses of approximately $1,359,000 (2012 - $1,312,000) available for deduction against future taxable income that expire between 2028 and 2032.

Cash Flow and Earnings

Net Loss for the three months ended March 31, 2013 was $ 305,116 (2012 – Profit of $252,441) on resource revenues of $298,338 (2012 - $524,054).

	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011
Funds generated by (used for) operations	28,667	33,481	92,595	1,600,850	(1,238,218)	631,039	453,959	(67,432)
Per Share - basic	0.00	0.00	0.00	0.06	(0.05)	0.03	0.02	0.00
Net income (loss)	(305,116)	(750,944)	(29,833)	(345)	252,441	(1,339,860)	400,038	(278,351)
Per Share - basic	(0.01)	(0.03)	0.00	0.00	0.01	(0.05)	0.02	(0.01)

Capital Expenditures

During the period ended March 31, 2013, the Company incurred exploration and development expenditures of $ 694,562 for the completion of the 2 horizontal wells (1.02 net wells) on the Loverna prospect.

Liquidity and Capital Resources

Relentless has a bank revolving loan facility of $700,000 to fund future activities. The borrowing base of the facility is determined by Relentless' latest reserves assessment, results of operations, current and forecasted commodity prices and the prevailing economic market. The facility is reviewed annually with the next scheduled review as at May 31, 2013. As at March 31, 2013, no amounts were drawn on the facility. As at the date the board of directors approved the MD&A, the facility agreement is under review with the bank.

The seasonal and capital intensive nature of our activities can create a negative working capital position in quarters with high levels of exploration and development capital spending.

The industry has a pre-arranged monthly settlement day for payment of revenues from all buyers of crude oil and natural gas. This occurs on the 25th day following the month in which the production is sold. As a result Relentless collects sales revenues in an organized manner. Management monitors purchaser credit positions to mitigate any potential credit losses. To the extent Relentless has joint interest activities with industry partners we must collect, on a monthly basis, partners' share of capital and operating expenses. These collections are subject to normal industry risk. Relentless collects in advance for significant amounts related to partners' share of capital expenditures in accordance with the industry operating procedures. At March 31, 2013, Relentless had no material accounts receivable deemed uncollectible.

Accounts payable consists of invoices payable to trade suppliers relating to office and field operating activities and our capital spending program. Relentless processes invoices within a normal payment period.

Management continually manages Relentless' capital spending program by monitoring forecasted production, commodity prices and anticipated cash flow. Should circumstances arise that negatively affect cash flow, Relentless is capable of reducing the level of future capital spending.

Relentless' investing activities, which consist primarily of capital expenditures on oil and natural gas activities, will be funded with a combination of working capital, funds generated by operations and bank debt.

Related Party Transactions

During the three months ended March 31, 2013, $20,000 (2012 - $79,000) was paid for management consulting services to companies controlled by directors, and officers.

During the three months ended March 31, 2013 the Company paid $4,500 (2012 - $3,600) to a company related by a common member of management for shared office costs.

Share Information

On April 12, 2010, the Company issued 6,000,000 common shares at a price of five cents per share for gross proceeds of $300,000.

Effective June 9, 2010, the Company consolidated its share capital on a two for one basis. On June 11, 2010 the common shares began trading under the symbol "RRL" on the TSX Venture Exchange.

On November 19, 2010, the Company closed on the acquisition of undeveloped lands for a total consideration of $550,000. The acquisition was paid with $500,000 of cash and the issuance of 500,000 common shares at a value of $0.10 per share.

In conjunction with the closing of the acquisition, Relentless completed a private placement of 5,500,000 common shares at a price of $0.20 per share for total proceeds of $1,100,000.

On December 22, 2010, the Company completed a private placement of 3,333,335 common shares on a "flow-through basis" at a price of $0.30 per share for total proceeds of $1,000,000.

On September 15, 2010 the Company approved the grant of a total of 932,500 stock options to directors, officers, employees and consultants of the company. The options are exercisable into common shares of the company at an exercise price of $0.10 per share, vest immediately and have a five-year term to expiry.

On February 8, 2011, the Company granted 100,000 stock options to an officer of the Company. The options are exercisable into common shares of the Company at an exercise price of $0.31 per share, vest immediately and have a five-year term to expiry.

On May 3, 2011 the Company approved the grant of a total of 800,000 stock options to directors and officers of the Company. The options are exercisable into common shares of the company at an exercise price of $0.30 per share, vest immediately and have a five-year term to expiry.

In conjunction with the common shares issued on a "flow-through basis" issued on December 22, 2010, the Company issued a total of 58,578 finders' warrants exercisable into common shares at a price of $0.30 per Share for a term of one year.

During the first half of 2011, a total of 145,000 stock options were exercised for cash proceeds of $14,500.

	March 31, 2013	**March 31, 2012**
Common shares issued and outstanding	30,025,085	26,025,085

On October 6, 2011, the Company completed a private placement of 2,500,000 common shares on a "flow-through basis" at a price of $0.40 per share for total proceeds of $1,000,000. The Company paid an arm's-length party a finder's fee of $22,125 and issued finders warrants exercisable into 22,125 common shares at a price of $0.40 per share for a period of 12 months after closing date.

On December 10, 2012, the Company completed a private placement of 3,200,000 common shares on a "flow-through basis" at a price of $0.25 per share for total proceeds of $800,000. The Company paid an arm's-length party a finder's fee of $44,500 and issued finders warrants exercisable into 66,750 common shares at a price of $0.25 per share for a period of 12 months after closing date.

Critical Accounting Estimates

The significant accounting policies of Relentless are disclosed in Note 3 to the unaudited financial statements. Certain accounting policies require that management make appropriate decisions with respect to the formulation of estimates and assumptions that affect the reported amounts of assets, liabilities, and revenues and expenses. Relentless' management reviews its estimates regularly.

There are a number of critical estimates underlying the accounting policies employed in preparing the financial statements including cost estimates for services received but not yet billed which are estimated based on original quotes and historical cost information. Management is required to make estimates, judgments and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

Management reviews these estimates, judgments and assumptions on an ongoing basis including those related to the determination of cash generating units, depreciation, depletion and amortization, decommissioning obligations, fair values of financial statements, recoverability of assets, income taxes and share-based payments. Actual results may differ from these estimates.

The Company's financial statements have been prepared on a going concern basis which contemplates the realization of certain assets and the payment of liabilities in the ordinary course of business. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due. The financial statements do not include any adjustments relating to the recoverability and the classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

The determination of the Company's income and other tax liabilities requires interpretation of complex laws and regulations. All tax filings are subject to audit and potential reassessment after the lapse of considerable time. Accordingly, the actual income tax liability may differ significantly from estimated and recorded in the Company's financial statements.

Changes in Accounting Policy

As of January 1, 2013, the Company adopted the following IFRS standards and amendments:

IFRS 10 Consolidated Financial Statements. IFRS 10 revises the definition of control and introduces a single consolidation model for all entities based on control. Under IFRS, control is determined where an investor has power over an investee; exposure or rights to variable returns from its involvement with the investee; and the ability to exercise its power to affect the amount of returns. The adoption of this standard does not have any impact on the Company's financial statements.

IFRS 11, Joint Arrangements. IFRS 11 defines joint operations and joint ventures and requires the joint operations be proportionately consolidated and joint ventures be equity accounted. The adoption of this standard does not have any impact on the Company's financial statements.

IFRS 12, Disclosure of Interests in Other Entities. IFRS 12 sets out extensive disclosure requirements relating to interests in subsidiaries, joint arrangements, associates, and unconsolidated structured entities. The adoption of this standard does not have any impact on the Company's financial statements.

IFRS 13, Fair Value Measurement. IFRS 13 provides a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The adoption of this standard does not have any impact on the Company's financial statements. The Company's financial statements as at and for the periods ended March 31, 2013 and 2012 have been prepared in accordance with IFRS 1 – First time Adoption of International Financial Reporting Standards under IFRS as issued by the International Accounting Standards Board.

RISK FACTORS & RISK MANAGEMENT

Commodity Price Risk

Relentless' liquidity and cash flow are largely impacted by petroleum and natural gas commodity prices. Currently, Relentless has not hedged any of its oil and natural gas production at the date hereof and although it does monitor the hedge market, its strategy is to continue and to sell its oil and natural gas production at the spot market rate. Management remains bullish about future commodity prices and believes Relentless is well positioned to take advantage of a rising oil and natural gas price environment. If there is a significant deterioration in the price it receives for oil and natural gas, Relentless will consider reducing its capital spending or access alternate sources of capital.

Foreign Currency Exchange Risk

The Company is exposed to foreign currency fluctuations because its Canadian revenues are strongly linked to United States dollar denominated benchmark prices.

Production Risk

Relentless believes it has a stable production base from a large number of producing wells and that an adverse event affecting production at any single well would not cause a liquidity issue. Nonetheless, Relentless remains subject to the risk that production rates of its most significant wells may decrease in an unpredictable and uncontrollable manner, which could result in a material decrease in the Company's overall production and associated cash flows.

The majority of Relentless' production passes through owned or third party infrastructure prior to it being ready for transfer at designated commodity sales points. There is a risk that should this infrastructure fail and cause a significant portion of Relentless' production to be shut-in and unable to be sold, this could have a material adverse effect on Relentless' available cash flow. The Company mitigates this risk by purchasing business interruption insurance policies for its significant owned infrastructure and contingent business interruption insurance policies for its significant third party infrastructure.

Reserve Replacement Risk

Oil and natural gas reserves naturally deplete as they are produced over time. The success of the Company's business is highly dependent on its ability to acquire and/or discover new reserves in a cost efficient manner. Substantially all of the Company's cash flow is derived from the sale of the petroleum and natural gas reserves it accumulates and develops. In order to remain financially viable, the Company must be able to replace reserves over time at a lesser cost on a per unit basis than its cash flow on a per unit basis. The reserves and costs used in this determination are estimated each year based on numerous assumptions and these estimates and costs may vary materially from the actual reserves produced or from the costs required to produce those reserves. In order to mitigate this risk, the Company employs a competent and experienced team of petroleum and natural gas professionals and closely monitors the capital expenditures made for the purposes of increasing its petroleum and natural gas reserves.

Health, Safety & Environmental Risk

Health, safety and environment risks influence the workforce, operating costs and the establishment of regulatory standards. Relentless provides staff with the training and resources need to complete work safely and effectively; incorporates hazard assessment and risk management as an integral part of everyday operations; monitors performance to ensure its operations comply with legal obligations and internal standards; and identifies and manages environmental liabilities associated with its existing asset base. The Company has a site inspections program and a corrosion risk management program designed to ensure compliance with environmental laws and regulations. Relentless carries insurance to cover a portion of property losses, liability to others and business interruption resulting from unusual events.

Relentless is subject to the risk that the unexpected failure of its equipment used in drilling, completing or producing wells or in transporting production could result in releases of fluids substances that pollute or contaminate lands at or near its facilities which could result in significant liability to the Company for costs of clean up, remediation and reclamation of contaminated lands. Relentless' policy with regards to the environment is to conduct all operations with due regard for the potential impact on the environment. This policy is implemented by hiring skilled personnel and reminding staff involved with operations of their responsibilities in this regard and by retaining expert environment advice and assistance to deal with environmental releases and remediation and reclamation work where such expertise is needed.

Regulatory Risk

Government royalties, income tax laws, environmental laws and regulatory requirements can have a significant financial and operational impact on the Company. As an oil and natural gas producer, Relentless is subject to a broad range of regulatory requirements. Relentless does its best to remain knowledgeable regarding changes to the regulatory regime under which it operates.

All of Relentless' properties are currently located within the provinces of Alberta and Saskatchewan. There is a risk that although the Company believes it is making an economic investment at the time all of the upfront capital is invested in facilities or drilling, completing and equipping an oil or natural gas well, the Government may at any point in the economic life of that project, expropriate without compensation a portion of the expected profit under a new royalty/tax regulation or regime with no grandfathering provisions. Without grandfathering provisions this may cause that particular project to become uneconomic once the new royalties or taxes take effect. This type of possible future government action is unpredictable and cannot be forecast by the Company.

Counterparty Risk

Relentless assumes customer credit risk associated with oil and gas sales and joint venture participants. To mitigate this risk, the Company performs regular reviews of receivables to minimize default or non-payment and takes the majority of its production in kind. The Company also puts in place security arrangements with respect to amounts owed to it by others when reviews indicate it is appropriate to do so.

Access to Credit Markets

Due to the nature of the Company's business it is necessary from time to time for the Company to access other sources of capital beyond its internally generated cash flow in order to fund the development and acquisition of its long term asset base. As part of this strategy the Company obtains some of this necessary capital by incurring debt and therefore the Company is dependent to a certain extent on continued availability of the credit markets.

The continued availability of the credit markets for Relentless is primarily dependent on the state of the economies and the health of the banking industry in Canada and United States. There is risk that should these economies and banking industry see unexpected and/or prolonged deterioration, then Relentless' access to credit markets may contract or disappear all together. The Company tries to mitigate this risk by dealing with reputable lenders and tries to structure its lending agreements to give it the most flexibility possible should these situations arise. However, the situations that may give rise to credit markets tightening or disappearing are ultimately uncontrollable by Relentless.

Relentless is also dependent to a certain extent on continued access to equity capital markets. The Company is listed on the Toronto Stock Exchange and maintains an active investor relations program. Continued access to capital is dependent on Relentless' ability to continue to perform at a level that meets market expectations.

Climate Change Risks

North American climate change policy is evolving at both regional and national levels and recent political and economic events may significantly affect the scope and timing of new climate change measures that are ultimately put in place. Although it is not the case today, the Company expects that some of its significant facilities may ultimately be subject to future regional, provincial and/or federal climate change regulations to manage greenhouse gas ("GHG") emissions.

The Specified Gas Emitters Regulation, which came into effect in Alberta in 2007, requires large industrial facility emitters of GHG to reduce GHG emissions intensities by 12 per cent. Each of Relentless' facilities is below the 100,000 tonnes per year threshold that this regulation applies to.

The Government of Alberta released its climate change strategy which sets a target to reduce GHG emissions in Alberta by 50% by 2050. Implementing carbon capture and storage technology across industrial sectors is a large component of the strategy, along with energy-efficiency measures, clean energy technologies, and expanding the use of renewable sources of energy. In July 2009, the Alberta government announced that it will commit to $2 billion in capital investments to fund the carbon capture and storage technology.

The Canadian government has expressed interest in pursuing the development of a North American cap and trade system for GHG emissions. In April 2007, the Government of Canada released the Regulatory Framework for Air Emissions ("Framework"). The Framework outlines short, medium and long-term objectives for managing both GHG emissions and air pollutants in Canada. It is uncertain how the Framework will fit within a North American cap and trade system and what the specific requirements for industrial emitters such as Relentless will be. Proposed regulations have not yet been released and therefore it is uncertain whether the impacts from such future regulations will be material to the Company.

In addition there are a number of regional initiatives being pursued by various provinces and US states such as the Western Climate Initiative which involves seven western US states and Alberta and three other Canadian provinces which are focused on the implementation of a cap and trade program. The Company anticipates a number of its facilities may be affected by these initiatives however, the level of impact is uncertain as key details remain unknown.

CORPORATE INFORMATION

Directors

Daniel T. Wilson, Chairman (1)
Calgary, Alberta

Thomas W. Robinson (1)
Calgary, Alberta

William C. Macdonald (1)
Calgary, Alberta

(1) Audit Committee

Officers

Daniel T. Wilson
President & Chief Executive Officer

Pradeep Nathwani
VP, Finance & Chief Financial Officer

Thomas W. Robinson
Corporate Secretary

Stock Exchange Listing

TSX Venture Exchange

Trading Symbol: RRL

Head Office

Suite 320, McFarlane Tower
700- 4th Avenue SW
Calgary, Alberta T2P 3J4

Telephone: (403) 532-4466
Fax: (403) 303-2503
E-mail: dwilson@relentless-resources.com
www.relentless-resources.com

Auditors

MNP LLP
1500, 640 – 5th Avenue SW
Calgary, Alberta T2P 3G4

Register and Transfer Agent

Olympia Trust Company
2300, 125 – 9th Avenue SE
Calgary, Alberta T2G 0P6

Legal Counsel

Davis LLP
1000, 250 – 2nd Street SW
Calgary, Alberta T2P 4V5

Banker

ATB Financial
239 – 8th Avenue SW
Calgary, Alberta T2P 1B9

Reserves Evaluator

Sproule Associates Limited
900, 140 – 4 Ave SW
Calgary, Alberta T2P 3N3

Abbreviations

bbl	barrels
bbl/d	barrels of oil per day
mcf	thousand cubic feet
mmcf	million cubic feet
mcf/d	thousand cubic feet per day
NGL	natural gas liquids
boe	barrel of oil equivalent (6:1)
boe/d	barrel of oil equivalent per day

All sums of money are expressed in Canadian Dollars