RENAISSANCE
OIL CORP

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is management's discussion and analysis ("MD&A"), dated August 23, 2019, of Renaissance Oil Corp.'s ("Renaissance" or the "Company") operating and financial results for the three and six months ended June 30, 2019, as well as information and expectations concerning the Company's outlook based on currently available information.

This MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2019 and the audited consolidated financial statements for the years ended December 31, 2018 and 2017, together with the accompanying notes. Additional information is available at www.sedar.com under the Company's profile. Unless otherwise indicated, in this MD&A, all references to "$" are to Canadian dollars.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking information including the Company's future plans. The use of any of the words "target", "plans", "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking information. Such forward-looking information includes, but is not limited to, statements pertaining to the Company's future plans and management's belief as to the Company's potential, the production of oil and gas from the Company's properties, the Company identifying additional drilling opportunities, the potential acquisition of additional properties, the approval and execution of the Appraisal Plans and the Company's plans in respect of Amatitlán, including migrating the contact into a contract of exploration and extraction. Forward looking information is based on management's expectations regarding future growth, results of operations, future capital and other expenditures (including the amount, nature and sources of funding for such expenditures), business prospects and opportunities. Forward looking information involves significant known and unknown risks and uncertainties, which could cause actual results to differ materially from those anticipated. These risks and uncertainties include, but are not limited to: the risks associated with the acquisition of oil and gas rights over properties which the Company has submitted applications and believes to be prospective, risks relating to oil and gas production, (including, but not limited to, operational risks with resource processing), delays or changes in plans with respect to concessions for oil and gas rights on such properties, costs and expenses, health, safety and environmental risks, reliance on key personnel, the absence of dividends, competition, market volatility, the risk of commodity price and foreign exchange rate fluctuations, risks and uncertainties associated with securing the necessary regulatory approvals and financing to proceed with any planned work programs, risks and uncertainties related to carrying on business in foreign countries, and risks and uncertainties regarding the existence of potential oil or gas reserves or the ability to economically extract any such reserves from exploration properties, as well as those additional risk factors described under the heading "Risk Management & Risk Factors" of this MD&A and the audited financial statements and MD&A for the year ended December 31, 2018. Although the Company has attempted to take into account important factors that could cause actual results to differ materially from those anticipated, there may be other factors that cause the results of the Company's business not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. The forward-looking information included in this MD&A is expressly qualified in its entirety by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking information.

1. DESCRIPTION OF BUSINESS

Renaissance is a Canadian domiciled energy company focused on developing a high quality, diversified shale and mature fields portfolio for development in Mexico. The Company's common shares trade on the TSX Venture Exchange under the symbol "ROE" and the Company's common share purchase warrants trade on the TSX Venture Exchange under the symbols "ROE.WT.A" and "ROE.WT.B".

Development of the Company's Business

Amatitlán

In February 2017, the Company partnered with Lukoil on the Amatitlán Contract located within the Tertiary aged Chicontepec paleochannel formation, in East Central Mexico. The Chicontepec formation, referred to as Aceite Terciario del Golfo in Mexico, covers approximately 3,800 km^2.

Chiapas

In December 2015, the Company was awarded three petroleum blocks (the "Chiapas Blocks") in the Call 3 of Round 1 auction of 25 on-shore "Mature Field" petroleum blocks (the "Mature Field Auction") administered by the CNH in Mexico. The Mature Field Auction was Mexico's first award of onshore petroleum blocks in 78 years to independent companies. Renaissance executed the license contracts for the awarded Chiapas Blocks on May 10, 2016, marking an important milestone of Renaissance becoming one of the first independent oil and gas operators in the liberalization of Mexico's energy industry. These blocks are all located in the state of Chiapas, in close proximity of each other and are expected to offer synergies in their field developments.

2. RESULTS OVERVIEW

	Three Months Ended		
	Jun 30, 2019	Mar 31, 2019	Jun 30, 2018
Production			
Crude oil (Bbl/d)	376	371	596
Natural gas (Mcf/d)	5,102	5,026	6,360
Total (Boe/d)	1,226	1,209	1,656
Prices			
Crude oil ($/Bbl)	82.83	76.13	80.68
Natural gas ($/Mcf)	4.54	5.03	4.51
Revenue	4,955,548	4,817,815	7,035,897
Royalties	(3,964,234)	(3,798,835)	(5,675,160)
Operating costs	(239,054)	(297,820)	(677,977)
Operating netback	752,260	721,160	682,760
Net income (loss)	(1,112,903)	(623,200)	(1,710,887)
Per share, basic & diluted	(0.00)	(0.00)	(0.01)
Funds flow from operations[1]	(478,491)	(54,259)	(284,033)
Per share, basic & diluted[1]	(0.00)	(0.00)	(0.00)

[1] See Non - GAAP Measures Section 12

Outlook and Recent Developments

Renaissance's long-term objective is to become a significant participant in the Mexican energy landscape as the country enters a new era of reform, resulting from legislative changes, allowing direct foreign investment. Renaissance has conducted comprehensive evaluations for the feasibility and profitability of mature fields, bypassed discoveries and shale prospects across Mexico and continues to pursue additional properties to be included in its portfolio of oil and gas development opportunities.

Renaissance, in conjunction with its partner LUKOIL, has completed the field evaluation program for the Amatitlán Contract and additionally, drilled and cored a 3,550 meter well to evaluate important deeper zones. Evaluation of the cores acquired from the Upper Jurassic formations confirms the presence of the critical characteristics of a commercial play.

Management is progressing the migration of the Amatitlán Contract from a service contract to a mutually beneficial contract structure for all partners.

Renaissance has received a 20-month extension to December 27, 2020 from the Comisión Nacional de Hidrocarburos ("CNH") to complete the work programs on the Company's 100% held producing properties in the state of Chiapas. The work programs, designed to significantly enhance production along with the exploration of new formations, comprise:

- Major workovers on three existing wells, one at Malva and two at Topén;
- Drilling up to four Cretaceous wells, two at Malva, one Mundo Nuevo and one at Topén; and
- Extensive coring in new zones of interest across the Chiapas Blocks.

Major workovers are scheduled to commence in the third and fourth quarter of 2019. The wells are tied into the existing pipeline infrastructure, allowing for immediate increases in production from current levels.

The four well drilling program is scheduled to follow workover operations. All three of the Chiapas Blocks have infrastructure in place with significant excess capacity to Pemex facilities, allowing for cost effective tie-ins and short cycle time to first production.

As the Company's near-term objectives are to complete the work programs on the producing Chiapas properties and to migrate and develop the 60,000-acre Amatitlán block, development of the Ponton property became less of a strategic priority. Therefore, Renaissance has entered into an agreement for the transfer of this license to a Mexico based oil and gas company for consideration of US$1,000,000, upon closing, plus a gross overriding royalty of 10% on future oil and gas revenue from Ponton, for maximum aggregate royalties of US$3,000,000. The Company has received a cash deposit of US$250,000 towards the closing amount of the Transaction.

3. REVIEW OF PRODUCTION AND FINANCIAL RESULTS

Production

Average Production by Product

	Three months ended June 30		Six months ended June 30	
	2019	2018	2019	2018
Crude oil (Bbl/d)	376	596	373	515
Natural gas (Mcf/d)	5,102	6,360	5,064	5,630
Total (Boe/d)	1,226	1,656	1,217	1,454

Crude oil production decreased in the second quarter of 2019 by 220 Bbl/d compared to the same period in 2018, while natural gas production decreased by 1,258 Mcf/d. The decrease in production of crude oil and natural gas resulted from the shut-in of the Topén well which was extended through the second quarter of 2019 and remains in effect as of the date of this MD&A while Renaissance prepares for the upcoming drilling and workover activities and negotiates further land access requirements for this work program.

Average Production by Area

	Q2 2019		
	Oil (Bbl/d)	Natural Gas (Mcf/d)	Total (Boe/d)
Mundo Nuevo	187	3,968	848
Malva	189	1,134	378
	376	5,102	1,226

	Q2 2018		
	Oil (Bbl/d)	Natural Gas (Mcf/d)	Total (Boe/d)
Mundo Nuevo	211	3,873	857
Topén	204	939	361
Malva	180	1,548	438
	596	6,360	1,656

Financial Results

Summary of Quarterly Results

	Three Months Ended							
	Jun-19	Mar-19	Dec-18	Sep-18	Jun-18	Mar-18	Dec-17	Sep-17
	$	$	$	$	$	$	$	$
Revenue	4,955,548	4,817,815	5,854,526	7,108,914	7,035,897	5,019,904	6,371,664	5,437,199
Net income (loss)	(1,112,903)	(623,200)	934,282	(136,928)	142,739	(1,845,088)	(3,343,355)	(500,824)
Income (loss) per share	(0.00)	(0.00)	0.00	(0.00)	0.00	(0.01)	(0.01)	(0.00)

Net Loss

Net loss for the three months ended June 30, 2019 was $1,112,903, compared to a net gain of $142,739 for the comparative period ended June 30, 2018, attributable to the following:

Revenue from Product Sales

	Three months ended June 30		Six months ended June 30	
	2019	2018	2019	2018
Crude oil	$ 2,839,838	$ 4,403,142	$ 5,382,169	$ 7,255,369
Natural gas	2,115,710	2,632,755	4,391,194	4,800,432
Total	$ 4,955,548	$ 7,035,897	$ 9,773,363	$ 12,055,801

Total revenue decreased by $2,080,349 in the second quarter of 2019 compared to the second quarter of 2018. This resulted from a decrease in production for the second quarter of 2019 as discussed above.

Royalties

	Three months ended June 30		Six months ended June 30	
	2019	2018	2019	2018
Charge for the period	$ 3,964,234	$ 5,675,160	$ 7,763,069	$ 9,542,306
Percentage of revenue	80.0%	80.7%	79.4%	79.2%
Per Boe	$ 35.53	$ 37.67	$ 35.23	$ 36.27

Royalties decreased in the three months ended June 30, 2019 compared to the same period in 2018 due to decreased revenue.

Operating Costs

	Three months ended June 30		Six months ended June 30	
	2019	2018	2019	2018
Charge for the period	$ 239,054	$ 677,977	$ 536,874	$ 1,119,653
Percentage of revenue	4.8%	9.6%	5.5%	9.3%
Per Boe	$ 2.14	$ 4.50	$ 2.44	$ 4.26

Total operating costs for the second quarter of 2019 decreased compared to the second quarter of 2018. The temporary halt on production at the Topén block resulted in lower costs than the comparative period.

Operating Netback and Funds Flow from Operations

	Q2 2019		Q2 2018	
	$	$/Boe	$	$/Boe
Revenues	4,955,548	44.42	7,035,897	46.70
Royalties	(3,964,234)	(35.53)	(5,675,160)	(37.67)
	991,314	8.89	1,360,737	9.03
Operating costs	(239,054)	(2.14)	(677,977)	(4.50)
Operating net back	752,260	6.74	682,760	4.53
General and adminstration	(1,230,751)	(11.03)	(966,793)	(6.42)
Funds flow from operations [1]	(478,491)	(4.29)	(284,033)	(1.89)

[1] See Non - GAAP Measures section

General and Administration

General and administrative expenses increased by $263,958 for the three months ended June 30, 2019 compared to the same period in 2018 as detailed in the following table:

	Three months ended June 30		Six months ended June 30	
	2019	**2018**	**2019**	**2018**
Advisory and consulting	**$ 724,770**	$ 383,268	**$ 1,168,837**	$ 729,752
Marketing and travel	**156,041**	277,504	**271,379**	524,024
Professional fees	**294,615**	236,757	**418,378**	444,670
Other	**42,161**	53,951	**93,731**	135,151
Regulatory and filing	**13,164**	15,313	**53,845**	33,212
General and administration	**$ 1,230,751**	$ 966,793	**$ 2,006,170**	$ 1,866,809

During the second quarter of 2019, the Company settled outstanding indebtedness in the amount of $292,500 (the "Debt") by the issuance of 1,950,000 Common Shares having a deemed price of $0.15 per share. The Debt included consulting amounts due to Renaissance's Head of Governmental Affairs in Mexico accrued in the second quarter of 2019.

Share-based Compensation

No share-based compensation was recorded in the second quarter of 2019 (Q2 2018: $Nil).

Finance and Other Income

Finance and other income in Q2, 2019 was $187,619 compared to $319,820 in Q2, 2018. These amounts include invoicing of administrative and technical services on a management agreement with a related party.

4. LIQUIDITY AND CAPITAL RESOURCES

Liquidity

As at June 30, 2019, the Company had working capital of $4,347,483 compared to $785,275 at December 31, 2018. The primary components of working capital include:

	Jun 30, 2019	Dec 31, 2018
Cash	$ 5,683,162	$ 1,245,938
Trade sales receivable	1,882,690	2,797,057
Input tax credits	175,740	152,118
Other receivables	347,791	1,271,168
Prepaid expenses	460,165	535,895
Royalty payable	(1,235,460)	(1,594,849)
Trade payable	(1,933,484)	(1,714,971)
VAT payable	(406,279)	(827,702)
Accrued liabilities	43,158	(79,379)
Promissory note payable	(670,000)	(1,000,000)
Working capital	**$ 4,347,483**	**$ 785,275**

The decrease in cash is discussed in the following sections of the MD&A. At June 30, 2019, prepaid expenses consisted mainly of surety bond premiums and insurance premiums.

There is no assurance that the Company's capital resources will be sufficient to cover all its activities. If its capital resources are insufficient, the Company's ability to continue as a going concern is dependent on management's ability to identify additional sources of capital and to raise sufficient resources in order to fund on-going operating expenses and the Company's future acquisition, development, exploration and production plans. Although management has been successful in raising capital in the past, there is no assurance these initiatives will be successful in the future.

In March 2019, the Company closed a non-brokered private placement of secured convertible debentures in the aggregate principal amount of $5.0 million. Please refer to the following section for further information.

Cash Flows

The following table summarizes Renaissance's cash flow activity:

	Six months ended June 30	
	2019	**2018**
Cash flow		
Used in operating activities	$ 48,883	$ (2,197,027)
Used in investing activies	(2,111,179)	(7,642,886)
Provided by financing activities	6,511,430	10,420,879
Increase (decrease) in cash and cash equivalents and restricted cash	4,449,134	580,966
Effect of exchange rate changes on cash	(11,910)	67,793
Cash and cash equivalents and restricted cash, beginning of period	1,245,938	8,151,779
Cash and cash equivalents and restricted cash, end of period	**$ 5,683,162**	**$ 8,800,538**

Cash flows from operations are discussed in the preceding sections of this MD&A.

Investing Activities for the Six Months Ended June 30, 2019

Investments in Associates

For the six months ended June 30, 2019, Renaissance increased its paid in capital in Petrolera a further $1,335,385. Renaissance and its partners signed an option deed agreement whereby a partner may fund the outstanding capital contributions of the Company and receive the corresponding pro-rata shares of Petrolera. Per the terms of the agreement, Renaissance is granted a three-month period to exercise the option and maintain its ownership interest at 25%. During this three-month period, the Company maintains all its shareholders rights consistent with an ownership interest of 25%. The option deed agreement is subject to a 5% fee and accrues interest at a rate of LIBOR plus 4%.

During the second quarter of 2019, Renaissance did not fully participate in its pro-rata share of capital contributions to Petrolera. The Company intends to contribute US$1,400,000 by September 25, 2019 to maintain its ownership interest at 25%.

Exploration and Evaluation Assets

For the six months ended June 30, 2019, exploration and evaluation costs for the Chiapas Blocks totalled $1,501,450 (2018: $2,921,250).

Decommissioning Liabilities on Mexico Properties

The Company has estimated the net present value of its decommissioning liabilities to be $725,582 as at June 30, 2019 (December 31, 2018 - $724,476) based on a total undiscounted future liability, after inflation adjustment, of $767,604 (December 31, 2018 - $783,631). Renaissance calculated the present value of the obligations using a discount rate of 8.8% (December 31, 2018 – 8.8%) to reflect the market assessment of the time value of money as well as risks specific to the liabilities that have not been included in the cash flow estimates. The inflation rate used in determining the cash flow estimates was 3.5% (December 31, 2018 – 3.5%). During the six months ended June 30, 2019, the Company recognized an accretion expense of $31,162.

Financing Activities for the Six Months Ended June 30, 2019

Debentures

In March 2019, the Company granted 5,000 debentures for total proceeds of $5,000,000. The debentures have a term of five years, maturing on March 6, 2024 and bear interest, payable on a quarterly basis at the Company's option (i) in cash at a rate of 8% per annum; (ii) in kind at a rate of 10% per annum by the issuance of common shares of the Company issued at the 30-day volume weighted average trading price of the common shares on the TSXV, prior to the issuance date; or (iii) a combination thereof.

The debentures are convertible at the holder's option into common shares of the Company at a price of $0.25 per share, being a ratio of 4,000 common shares per $1,000 principal amount of debentures. After March 6, 2021 and until the maturity date, the Company may force the conversion of any or all of the debentures at the conversion price if the 30-day volume weighted average trading price of the common shares on the TSXV has been at least $1.00 for at least 50 of the 60 consecutive trading days immediately preceding the exercise of such conversion right.

The debentures are not redeemable before the maturity date. Except in connection with a Company conversion, the Company may not prepay all or any part of the debentures prior to the maturity date without the prior written consent of the holders.

Private Placement

In June 2019, the Company issued 10,000,000 shares at a price of $0.20 per share, for proceeds of $2.0 million pursuant to a private placement. Share issue costs of $10,000 were incurred in relation to the private placement and deducted from share capital.

Promissory Note Payable

During the six months ended June 30, 2019, the Company made a payment of $330,000 on the promissory note previously issued to a related party. The outstanding balance is now $670,000. Interest does not accrue on the promissory note and it is payable ten days following the written demand by the lender.

Shareholders' Equity

As at the date of this MD&A, the Company had the following issued and outstanding common shares and unexercised stock options and warrants:

	Shares and Potential Shares
Common shares outstanding	292,778,511
Warrants (average exercise price $0.32)	173,605,869
Compensation warrants (average exercise price $0.38)	5,346,200
Convertible debenture (price $0.25)	20,000,000
Share options (average exercise price $0.28)	26,580,000
Total common shares and potential common shares	**518,310,580**

In March 2019, in connection with the granting of the convertible debentures, the Company paid a finder's fee of $250,000 equal to 5% of the aggregate gross proceeds, satisfied by the issuance of 1,724,137 common shares calculated using the closing price of the common shares on the TSXV on March 4, 2019.

Pursuant to the convertible debentures issued in March 2019, the Company elected to issue common shares of the Company in satisfaction of the aggregate accrued interest owing on the debenture. Under the terms of the convertible debentures, interest accrued at a rate of 10% per annum resulting in a total amount owing of $119,178 as at May 31, 2019. The Company satisfied the aggregate accrued interest owing by issuing 847,036 common shares having a deemed price of approximately $0.14 per share. The price per share was determined using the 30-day volume weighted average price of the common shares on the TSXV ending on May 30, 2019.

In June 2019, the Company settled outstanding indebtedness in the amount of $292,500 by issuing 1,950,000 common shares having a deemed price of $0.15 per share.

Commitments and Contingencies

The Company entered into three surety bond agreements with a global financial company in aggregate of approximately US$15,263,300, as required by the CNH, towards the guarantee of performance of the minimum work programs.

Related Party Transactions

In December 2018, the Company issued a promissory note to a related party in exchange for $1,000,000. Interest shall not accrue on the promissory note and it is payable ten days following the written demand by the lender. During the period, the Company made a payment of $330,000 on the promissory note. The outstanding balance is now $670,000.

Off-Balance Sheet Arrangements

The Company does not currently have any off-balance sheet arrangements.

Proposed Transactions

As is typical of the energy industry, Renaissance is continually reviewing potential merger, acquisition, investment and joint venture transactions and opportunities that could enhance shareholder value.

5. PROPERTIES

Amatitlán

In February 2017, the Company partnered with Lukoil on the Integrated Exploration and Production Contract for the 243 km^2 (60,000 acres) Amatitlán block, near Poza Rica Veracruz, Mexico (the "Amatitlán Contract"). Following this transaction, the balance of ownership in the Amatitlán Contract is 50% indirectly held by Lukoil, 25% by Marak Capital ("Marak") and 25% by Renaissance. As consideration for the acquisition, US$1,750,000 was paid by the Company on March 31, 2017.

Renaissance entered into separate option agreements to acquire a further 12.5% interest in the Amatitlán Contract from Marak and 25% from Lukoil. Upon exercise of all options, Renaissance will hold a participating interest of 62.5% in the Amatitlán Contract. The options are exercisable during a 60-day exclusivity period, commencing upon the migration of the Amatitlán Contract to a Contract of Exploration and Extraction. Renaissance will take the lead role in operations for Amatitlán and the Company is responsible for 25% of the related capital expenditures, pro-rata to its stake in the project.

Chiapas Blocks

Renaissance submitted the initial development plans (the "Appraisal Plans") for three properties, Mundo Nuevo, Topén and Malva, to the CNH for their approval which was received on April 28, 2017. The Company is required to undertake work programs at each of the three petroleum blocks that may include geological and geophysical surveys, repairs and work overs to existing wells, drilling of new development wells and other related studies. Under the terms of the licences, monetary penalties could result if the required work programs are not completed. Renaissance has received a 20-month extension from the CNH to complete the work programs which extends the completion deadline to December 2020.

The Company has progressed on several initiatives to meet its obligations under the work programs. These include the repair and maintenance of several access roads, topographic & geomechanical surveys and the repair of a communications tower servicing the nearby communities. Production has been temporarily shut-in at the Topén block while the Company prepares for the upcoming drilling and workover activities and negotiates further land access requirements.

In May 2019, Renaissance entered into an agreement for the transfer of the Ponton license to a Mexico based oil and gas company for consideration of US$1,000,000, upon closing, plus a gross overriding royalty of 10% on future oil and gas revenue from Ponton, for maximum aggregate royalties of US$3,000,000. Renaissance received a cash deposit of US$250,000 towards the closing amount of the transaction.

6. CRITICAL ACCOUNTING ESTIMATES

Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

The Company's financial and operating results incorporate certain estimates including:

- estimated revenues, royalties and operating expenses on production as at a specific reporting date but for which actual revenues and expenses have not yet been received;
- estimated recoverable amounts of the Company's long-lived assets, including its investments in Montero and Petrolera and its exploration and evaluation assets requires estimates of the amounts and timing of future cash flows as well as the discount rate applicable to these cash flows;
- estimated value of decommissioning liabilities that are dependent upon estimates of future costs, timing of expenditures and the risk-free rate;
- estimated income taxes and the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions;
- estimated fair value of the convertible debentures and any associated derivatives;
- estimated share-based compensation expense using the Black-Scholes option pricing model; and
- estimated recoverable amounts are based on estimated proved plus probable reserves, production rates, oil and gas prices, future costs, discount rates, and other relevant assumptions.

7. ADOPTION OF NEW ACCOUNTING STANDARDS

Leases

On January 1, 2019, the Company adopted IFRS 16 which replaced IAS 17. IFRS 16 applies to lessees, requiring the recognition of assets and liabilities for most leases and eliminates the distinction between operating and financing leases. IFRS 16 did not have a material impact on the Company's classification and measurement of financial assets and liabilities.

8. RISK MANAGEMENT & RISK FACTORS

The Company is engaged in the development, exploration and production of oil and natural gas in Mexico. The Company is exposed to a number of risks, both financial and operational, through the pursuit of its strategic objectives. Actively managing these risks improves the ability to effectively execute its business strategy. Financial risks associated with the petroleum industry include fluctuations in commodity prices, interest rates, currency exchange rates and the cost of goods and services. Financial risks also include third party credit risk, and liquidity risk. Operational risks include reservoir performance uncertainties, competition and regulatory, environment and safety concerns. Operating in multiple countries introduces legal, political and currency risks that must be thoroughly evaluated to ensure that the level of such risks is commensurate to the Company's assessment of a specific project subject to those risks.

For a detailed discussion of these and other risks, please see Renaissance's Management's Discussion and Analysis for the year ended December 31, 2018.

9. FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Financial assets and financial liabilities are measured at fair value on initial recognition, which is typically the transaction price unless a financial instrument contains a significant financing component. Subsequent measurement is dependent on the financial instrument's classification. Cash and cash equivalents, trade and other receivables, trade and other payables, promissory note payable and debentures are measured at amortized cost. The financial assets and financial liabilities are subsequently measured at amortized cost using the effective interest method.

The Company's financial derivatives are recorded and carried on the consolidated statements of financial position at fair value with actual amounts received or paid on the settlement of the financial derivative instrument recorded in the statements of comprehensive income. These instruments are further categorized using a three-level hierarchy that reflects the significance of the lowest level of inputs used in determining fair value:

- Level 1 - quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 - pricing inputs are other than quoted prices in active markets used in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs which can be substantially observed or corroborated in the marketplace.
- Level 3 - valuations in this level are those with inputs that are not based on observable market data.

10. DISCLOSURE OF INTERNAL CONTROLS

Management has established processes to provide sufficient knowledge to support representations that it has exercised reasonable diligence that (i) the audited consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements, and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures

("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with the issuer's GAAP.

11. NON-GAAP MEASURES

This MD&A contains terms commonly used in the oil and natural gas industry, such as funds flow from operations and funds flow from operations per share. These terms are not defined by IFRS and therefore may not be comparable to similar measures presented by other companies. They are measures commonly used in the oil and gas industry and by the Company to provide shareholders and potential investors with additional information regarding the Company's liquidity and its ability to generate funds to finance its operations. These terms should not be considered an alternative to, or more meaningful than, cash provided by operating activities or net earnings as determined in accordance with IFRS as indicators of the Company's performance.

The Company considers funds from operations to be a key measure of operating performance as it demonstrates the Company's ability to generate the necessary funds to fund sustaining capital and future growth through capital investment. Management believes that such a measure provides an insightful assessment of the Company's operations on a continuing basis by eliminating certain non-cash charges and charges that are nonrecurring. Funds from operations is not a standardized measure and therefore may not be comparable with the calculation of similar measures for other entities.

	Three months ended June 30		Six months ended June 30	
	2019	**2018**	**2019**	**2018**
Net loss	$ (1,112,903)	$ (1,710,887)	$ (1,736,103)	$ (3,555,975)
Adjustments				
Non cash items	443,248	1,926,340	907,493	4,016,169
Finance expense	166,414	40,357	233,195	66,582
Other items	24,750	(539,843)	62,665	(999,743)
Funds flow from operations	$ (478,491)	$ (284,033)	$ (532,750)	$ (472,967)
Weighted average outstanding shares				
Basic and diluted	282,794,183	278,257,338	280,694,214	262,485,183
Funds flow from operations				
Per share, basic and diluted	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)

12. ABBREVIATIONS

Oil and Natural Gas Liquids

Bbl	barrels
MBbl	thousand barrels
MMBbl	million barrels
Bbl/d	barrels per day
Mstb	thousand stock tank barrels
NGLs	natural gas liquids
Boe	barrels of oil equivalent (converted on the basis of on Boe for six Mcf of natural gas)
MBoe	thousand barrels of oil equivalent
Boe/d	barrels of oil equivalent per day
Liquids	light oil, heavy oil and NGLs

Natural Gas

Mcf	thousand cubic feet
MMcf	million cubic feet
Mcf/d	thousand cubic feet per day
MMcf/d	million cubic feet per day
MMbtu	million British Thermal Units

13. CORPORATE INFORMATION

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Gordon Keep
Eskandar Maleki
Allan Folk

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Carol Law, COO
Carlos Escribano, CFO
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