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SPARTAN DELTA CORP. ANNOUNCES SECOND QUARTER 2020 RESULTS AND PROVIDES AN OPERATIONAL UPDATE

Calgary, Alberta – August 20, 2020 – Spartan Delta Corp. ("Spartan" or the "Company") (TSXV:SDE) is pleased to announce its financial and operating results for the three and six month periods ended June 30, 2020. Selected financial and operational information is set out below and should be read in conjunction with Spartan's June 30, 2020 unaudited condensed consolidated interim financial statements and the related management's discussion and analysis ("**MD&A**") which are available on the Company's website at www.spartandeltacorp.com and filed on SEDAR at www.sedar.com.

Message to Shareholders

Structural changes to the market over the last two quarters have materially enhanced the opportunity set for Spartan's targeted acquisition and consolidation strategy. The Company is focused across multiple jurisdictions on rarely seen opportunities to acquire top tier assets at historically low valuations, while utilizing restructuring tools to reduce burdensome debt, legacy fixed cost commitments and unnecessary overhead. The Company's intent is to acquire a diversified portfolio of quality assets that can be restructured, optimized and rebranded, financially or operationally to yield lower payout ratios and generate material free cash flow. Simultaneously, the Company continues to focus on the expansion of its opportunity suite through internally generated prospects and strategic tuck-in acquisitions.

Consistent with Spartan's core values around environmental, social and governance ("**ESG**") stewardship of assets, and investor capital, Spartan is fostering a mutually beneficial relationship based on trust and mutual respect with the O'Chiese First Nation. Furthermore, the Company's focus remains on the health and safety of all our staff and communities in which we operate during the COVID-19 pandemic.

Despite the market volatility and physical challenges presented by COVID-19, on June 1, 2020, the Company closed a transformational asset acquisition for total consideration of \$108.8 million (the "**Transaction**") consisting of high-quality, multi-zone, oil and gas operated production in Alberta, a large land base and strategic infrastructure. This infrastructure, with an estimated \$200 million of replacement value net to the Company, ensures Spartan can capitalize on both organic growth and strategic acquisitions, positively impacting corporate operating efficiencies. The Transaction positions Spartan as an intermediate energy company whose growth strategy is focused on the acquisition and sustainable development of underexploited and undercapitalized assets.

Spartan recognized a gain of \$53.0 million on the Transaction, highlighting the strength of the acquisition metrics and quality of the underlying assets, as well as Spartan's ability to access capital in a challenging business environment. The Company raised gross proceeds of \$64.0 million through non-brokered equity private placements at a subscription price of \$2.00 per common share and established a \$100.0 million revolving credit facility with a syndicate of financial institutions (the "**Credit Facility**").

On June 1, 2020, the Company completed a name change from "Return Energy Inc." to "Spartan Delta Corp." and a consolidation of common shares on the basis of a ratio of one-hundred (100) pre-consolidation common shares for each post-consolidation common share.

The Consolidated Statements of Net Income (Loss) and Comprehensive Income (Loss) for the three and six months ended June 30, 2020 includes results of operations related to the acquired assets for the 30-day period from closing the Transaction on June 1, 2020.

Financial and Operating Highlights

	Three months ended June 30		Six months ended June 30	
<i>(CA\$ thousands, except as otherwise indicated)</i>	2020	2019	2020	2019
OPERATING				
Average daily production (BOE/d)				
Crude oil and condensate (bbls/d)	473	24	250	27
NGLs (bbls/d)	2,243	13	1,130	15
Natural gas (mcf/d)	37,140	1,199	19,194	1,130
BOE/d	8,906	237	4,579	230
Average realized prices, before financial instruments				
Crude oil and condensate (\$/bbl)	45.56	67.54	45.43	64.62
NGLs (\$/bbl)	15.02	56.31	15.22	56.59
Natural gas (\$/mcf)	1.94	0.75	1.94	1.61
Combined average (\$/BOE)	14.31	13.74	14.36	19.13
Operating and Corporate Netbacks (\$/BOE) ⁽¹⁾				
Oil and gas sales, before financial instruments	14.31	13.74	14.36	19.13
Realized gain on financial instruments	0.17	-	0.16	-
Oil and gas sales, after financial instruments	14.48	13.74	14.52	19.13
Processing and other revenue	0.69	1.53	0.72	1.49
Royalties	(0.93)	1.30	(0.91)	0.65
Operating expenses	(6.96)	(23.97)	(7.38)	(21.97)
Transportation expenses	(1.38)	-	(1.34)	-
Operating Netback ⁽¹⁾	5.90	(7.40)	5.61	(0.70)
General and administrative expenses	(1.48)	(15.97)	(2.47)	(15.01)
Interest expense, net of interest income	(0.23)	-	(0.13)	-
Corporate Netback ⁽¹⁾	4.19	(23.37)	3.01	(15.71)
FINANCIAL				
Oil and gas sales	11,596	296	11,969	797
Cash (used in) operating activities	(6,033)	(186)	(6,579)	(452)
Adjusted Funds from Operations ⁽¹⁾	3,395	(504)	2,515	(655)
\$ per share, basic	0.09	(0.46)	0.08	(0.59)
\$ per share, diluted	0.07	(0.46)	0.06	(0.59)
Net income (loss) and comprehensive income (loss)	47,406	(820)	42,586	(1,247)
\$ per share, basic	1.29	(0.74)	1.36	(1.13)
\$ per share, diluted	1.01	(0.74)	1.01	(1.13)
Capital expenditures, net of dispositions	109,969	1	110,345	(261)
Total assets	339,064	11,628	339,064	11,628
Net Debt (Surplus) ⁽¹⁾	26,177	(426)	26,177	(426)
Shareholders' equity	130,995	1,852	130,995	1,852
Common shares outstanding (000s) ⁽²⁾				
Weighted average, basic	36,655	1,106	31,380	1,106
Weighted average, diluted	47,113	1,106	42,183	1,106
End of period	58,106	1,106	58,106	1,106

(1) "Operating Netback", "Corporate Netback", "Adjusted Funds from Operations" and "Net Debt (Surplus)" do not have standardized meanings under IFRS, refer to "Non-GAAP Measures" advisories at the end of this release.

(2) Refer to "Share Capital" advisories at the end of this release.

Second Quarter 2020 Highlights

- Spartan closed the Transaction for total consideration of \$108.8 million on June 1, 2020. A gain on acquisition of \$53.0 million was recognized as the consideration was less than the estimated fair value of the net assets acquired.
- In connection with the Transaction, the Company raised gross proceeds of \$64.0 million through non-brokered equity private placements at a subscription price of \$2.00 per common share. Spartan also established the Credit Facility, which has an authorized borrowing amount of \$100.0 million.
- Spartan reported average production of 8,906 BOE/d (70% gas) for the three months ended June 30, 2020, with June production from the Transaction averaging 26,200 BOE/d.
- Oil and gas sales revenue (before royalties) was \$11.6 million. Spartan's combined average realized price was \$14.31 per BOE (\$14.48 per BOE after financial instruments).
- Spartan's natural gas production is 100% AECO linked and the Company has strategically hedged approximately 60% of its natural gas volumes for the second half of 2020 and approximately 45% of forecast natural gas volumes for 2021 to protect project economics and cash flows.
- Corporate royalty rates averaged 6.5% of oil and gas sales, \$0.93 per BOE. Operating and transportation expenses averaged \$6.96 per BOE and \$1.38 per BOE, respectively.
- Spartan reported an Operating Netback of \$5.90 per BOE (see "*Reader Advisories – Non-GAAP Measures*", below).
- The Company reported Adjusted Funds from Operations of \$3.4 million (\$0.07 per share, diluted), resulting in a Corporate Netback of \$4.19 per BOE after general and administrative and interest expenses of \$1.48 per BOE and \$0.23 per BOE, respectively (see "*Reader Advisories – Non-GAAP Measures*", below).
- Total capital expenditures were \$110.0 million inclusive of \$108.8 million incurred for the Transaction, and approximately \$1.0 million on seismic.
- As at June 30, 2020, Spartan's Liability Management Rating ("LMR") exceeded 6.0 in Alberta. Spartan is committed to environmental stewardship and seeks to maintain an industry leading LMR.
- As at June 30, 2020, Spartan had drawn \$26.9 million on its Credit Facility and had Net Debt of \$26.2 million (see "*Reader Advisories – Non-GAAP Measures*", below). The Company is well positioned to confront the challenges of the current business environment and has sufficient financial flexibility to take advantage of future opportunities.

Operational Update

In response to COVID-19, Spartan is following all applicable rules and regulations as set out by the relevant health authorities and has implemented health and safety protocols into its operations. Spartan and its staff have adapted to the new work environment without significant disruptions at any operated facility or in day-to-day operations and virtual corporate and operational integration of new staff and corporate objectives has been successful through the first months of operations.

While the second quarter of 2020 continued to present challenges for the broader energy industry, Spartan maintained its focus on acquiring, closing and integrating the assets acquired through the Transaction. The Spartan team continues to successfully execute on production and cost optimization opportunities.

Outlook

The Company is currently preparing a six (net) well Spirit River drilling program set to commence in the fourth quarter with the first of the wells expected to be online by year end. The program is expected to pay out in less than twelve months and deliver greater than 100% internal rate of return on current commodity strip pricing. Even after taking into account planned capital expenditures, Spartan will continue to generate significant free cash flow.

Looking forward through the remainder of 2020 and into 2021, Spartan plans to take advantage of the strength of its balance sheet, access to capital, shallow production decline rate, and strategic infrastructure to target future consolidation opportunities across the basin.

Spartan has demonstrated resilience in volatile markets and continues to execute the building of an ESG-focused business to generate sustainable free cash flow and shareholder returns.

Updated Corporate Presentation

An updated corporate presentation has been posted on the Company's website along with this morning's second quarter results release.

About Spartan Delta Corp.

Spartan Delta is a differentiated energy company whose ESG-focused culture is centered on generating sustainable free cash flow through oil and gas exploration and development. Building on its existing high-quality, low-decline operated production in the heart of the Alberta Deep Basin, Spartan intends to continue acquiring undervalued diversified assets that can be restructured, optimized and rebranded, financially or operationally, yielding accretion to shareholder value. With excess infrastructure capacity, the Company is well positioned to continue pursuing immediate production optimization and responsible future growth. Further detail is available in Spartan's August corporate presentation, which can be accessed on its website at www.spartandeltacorp.com.

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Share Capital

Spartan's common shares trade on the TSX Venture exchange ("**TSXV**") under the symbol "SDE" (formerly "RTN"). The volume weighted average trading price of the Company's common shares on the TSXV for the three and six months ended June 30, 2020 was \$2.82 and \$3.00, respectively.

The table below summarizes the weighted average ("**WA**") number of common shares outstanding (000s) used in the calculation of net income (loss) per share and Adjusted Funds from Operations per share for the three and six months ended June 30, 2020 and June 30, 2019:

(000s)	Three months ended June 30		Six months ended June 30	
	2020	2019	2020	2019
WA common shares outstanding, basic	36,655	1,106	31,380	1,106
Dilutive effect of stock options	-	-	-	-
Dilutive effect of warrants	10,458	-	10,803	-
WA common shares outstanding, diluted	47,113	1,106	42,183	1,106

The Company uses the treasury stock method to determine the impact of dilutive securities in accordance with International Financial Reporting Standards ("**IFRS**"). Under this method, only "in-the-money" dilutive instruments impact the calculation of the diluted shares outstanding. The treasury stock method assumes that the proceeds received from the exercise of all potentially dilutive instruments are used to repurchase common shares at the average market price during the period. In computing diluted net income per share and Adjusted Funds from Operations per share for the three and six months ended June 30, 2020, the effect of stock options was excluded as they were not in-the-money during the periods.

As at June 30, 2020 and as of the date hereof, the Company has 58.1 million common shares outstanding, 16.2 million common share purchase warrants outstanding with an exercise price of \$1.00 per share, and 3.4 million stock options outstanding with an exercise price of \$3.00 per share.

Non-GAAP Measures

This release contains certain financial measures, as described below, which do not have standardized meanings prescribed by IFRS or Generally Accepted Accounting Principles ("**GAAP**"). As these non-GAAP financial measures are commonly used in the oil and gas industry, the Company believes that their inclusion is useful to investors. The reader is cautioned that these amounts may not be directly comparable to measures for other companies where similar terminology is used. The non-GAAP measures used in this release, represented by the capitalized and defined terms outlined below, are used by Spartan as key measures of financial performance and are not intended to represent operating profits nor should they be viewed as an alternative to cash provided by operating activities, net income or other measures of financial performance calculated in accordance with IFRS.

Operating Income (Loss) and Operating Netback

"Operating Income (Loss)" is calculated by deducting operating and transportation expenses from total revenue, after realized gains or losses on commodity price derivative financial instruments. Total revenue is comprised of oil and gas sales, net of royalties, plus processing and other revenue. The Company refers to Operating Income (Loss) expressed per unit of production as an "Operating Netback".

Funds from Operations, Adjusted Funds from Operations, and Corporate Netback

"Funds from Operations" is calculated as cash provided by (used in) operating activities before changes in non-cash working capital. "Adjusted Funds from Operations" is calculated by adding back transaction costs on acquisitions and settlements of decommissioning obligations to Funds from Operations.

“Adjusted Funds from Operations per share” is calculated on a consistent basis with net income (loss) per share, using basic and diluted weighted average common shares as determined in accordance with IFRS (refer to additional information under the heading “Reader Advisories – Share Capital” of this press release).

Adjusted Funds from Operations can also be calculated by deducting general and administrative and interest expenses (net of interest income) from Operating Income (Loss). Spartan’s “Corporate Netback” is equal to Adjusted Funds from Operations expressed per unit of production.

Net Debt (Surplus)

Throughout this release, references to “Net Debt” include bank debt, net of Adjusted Working Capital. “Adjusted Working Capital” is calculated as current assets less current liabilities, excluding derivative financial instrument assets and liabilities and lease liabilities. As at June 30, 2020, the Adjusted Working Capital surplus includes cash and cash equivalents, accounts receivable, prepaid expenses and deposits, accounts payable and accrued liabilities and the current portion of decommissioning obligations. Spartan uses “Net Debt” as a measure of the Company’s financial position and liquidity, however it is not intended to be viewed as an alternative to other measures calculated in accordance with IFRS.

Forward-Looking and Cautionary Statements

Certain statements contained within this press release constitute forward-looking statements within the meaning of applicable Canadian securities legislation. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “anticipate”, “budget”, “plan”, “endeavor”, “continue”, “estimate”, “evaluate”, “expect”, “forecast”, “monitor”, “may”, “will”, “can”, “able”, “potential”, “target”, “intend”, “consider”, “focus”, “identify”, “use”, “utilize”, “manage”, “maintain”, “remain”, “result”, “cultivate”, “could”, “should”, “believe” and similar expressions. The Company believes that the expectations reflected in such forward-looking statements are reasonable, but no assurance can be given that such expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. Without limitation, this press release contains forward-looking statements pertaining to: the intentions of management and the Company with respect to its growth strategy and business plan; the amount and nature of acquisition opportunities available to Spartan; Spartan’s intentions to maintain balance sheet flexibility to allow the Company to take advantage of future opportunities; Spartan plans to deliver strong operational performance and reduce debt through free cash flow generation; Spartan’s cost-cutting measures and the results thereof; Spartan’s ESG initiatives and its objective to maintain an industry leading LMR rating; Spartan’s intention to update shareholders in the future with details of its capital expenditure program, once determined; Spartan’s position to withstand future commodity price volatility and expectations of challenging long-term market conditions; expected benefits from the Transaction; the estimated total purchase price of the Transaction of \$108.8 million, which includes an estimate of certain assumed liabilities of \$21.3 million; the estimated replacement value of the infrastructure acquired as part of the Transaction; and the amount of the gain recognized on the Transaction which was estimated based on information available at the time of preparing the June 30, 2020 interim financial statements.

The forward-looking statements and information are based on certain key expectations and assumptions made by Spartan, including expectations and assumptions concerning the business plan of the Company, expected production, market conditions and benefits and synergies arising from the Transaction. Although Spartan believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information because Spartan can give no assurance that they will prove to be correct. By its nature, such forward-looking information is subject to various risks and uncertainties, which could cause the actual results and expectations to differ materially from the anticipated results or expectations expressed. These risks and uncertainties include, but are not limited to, fluctuations in commodity prices, changes in industry regulations and political landscape both domestically and abroad, foreign exchange or interest rates, stock market volatility, impacts of the current COVID-19 pandemic and the retention of key management and employees. Please refer to the Company’s most recent Annual Information Form and

MD&A for additional risk factors relating to Spartan, which can be accessed either on Spartan's website at www.spartandeltacorp.com or under the Company's profile on www.sedar.com. Readers are cautioned not to place undue reliance on this forward-looking information, which is given as of the date hereof, and to not use such forward-looking information for anything other than its intended purpose. Spartan undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.

Future Oriented Financial Information

Any financial outlook or future oriented financial information in this press release, as defined by applicable Canadian securities legislation, has been approved by management of Spartan. Readers are cautioned that any such future-oriented financial information contained herein, including (but not limited to) references to pay-out ratios, free cash flow and replacement value, should not be used for purposes other than those for which it is disclosed herein. The Company and its management believe that the prospective financial information has been prepared on a reasonable basis, reflecting management's best estimates and judgments, and represent, to the best of management's knowledge and opinion, the Company's expected course of action. However, because this information is highly subjective, it should not be relied on as necessarily indicative of future activities or results.

Other Measurements

This press release contains various references to the abbreviation "BOE" which means barrels of oil equivalent. Where amounts are expressed on a BOE basis, natural gas volumes have been converted to oil equivalence at six thousand cubic feet per barrel. The term BOE may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet per barrel is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead and is significantly different than the value ratio based on the current price of crude oil and natural gas. This conversion factor is an industry accepted norm and is not based on either energy content or current prices. Such abbreviation may be misleading, particularly if used in isolation.

References to "oil" in this press release include crude oil and condensate. References to "natural gas liquids" or "NGLs" include pentane, butane, propane, and ethane. References to "gas" relates to natural gas.

National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* includes condensate within the product type of "natural gas liquids". Spartan has disclosed condensate sales separate from natural gas liquids because the value equivalency of condensate is more closely aligned with crude oil. The Company believes the presentation of condensate as disclosed herein provides a more accurate representation of operations and results therefrom.

All dollar figures included herein are presented in Canadian dollars, unless otherwise noted.

Other Abbreviations

AECO	Alberta Energy Company "C" Meter Station of the NOVA Pipeline System, the Canadian benchmark price for natural gas
bbbl	barrel
bbls/d	barrels per day
BOE	barrels of oil equivalent
BOE/d	barrels of oil equivalent per day
CA\$	Canadian dollars
COVID-19	refers to the outbreak of the novel coronavirus, a public health crisis
GJ	gigajoule
LMR	Liability Management Rating of the Alberta Energy Regulator
mcf	one thousand cubic feet

mcf/d	one thousand cubic feet per day
NGL	natural gas liquids
NYMEX	New York Mercantile Exchange
TSXV	Toronto Stock Exchange
US\$	United States dollar
WA	weighted average
WTI	West Texas Intermediate, price paid in US\$ at Cushing, Oklahoma, for crude oil of standard grade

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