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SPARTAN DELTA CORP. ANNOUNCES THIRD QUARTER 2020 RESULTS AND PROVIDES GUIDANCE FOR 2021

Calgary, Alberta – November 5, 2020 – Spartan Delta Corp. ("Spartan" or the "Company") (TSXV:SDE) is pleased to announce its financial and operating results for the three and nine month periods ended September 30, 2020. Selected financial and operational information is set out below and should be read in conjunction with Spartan's September 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

Spartan's results for the three months ended September 30, 2020, reflect the first full quarter of operations following completion of a transformational asset acquisition on June 1, 2020, for total consideration of \$108.8 million (the "**Acquisition**"). In the third quarter, Spartan delivered Free Funds Flow of \$13.2 million (see "*Reader Advisories – Non-GAAP Measures*", below), highlighting the robust economics of the Company's operations under current AECO pricing and lower baseline operating expenses.

Average production for the third quarter was maintained inline with June production levels despite a base decline of 19% on its asset base through the Company's production optimization activities in the field. Spartan has realized a marked improvement in operating costs which are down 12% quarter over quarter as the focus on cost reduction initiatives over the first four months of operating the Acquisition assets begins to be reflected in operating results.

Third Quarter 2020 Highlights

- **Stable base production:** Spartan reported average production of 26,282 BOE per day (69% gas) for the three months ended September 30, 2020.
- **Strong cash flows:** The Company generated Adjusted Funds from Operations of \$15.9 million (\$0.23 per share, diluted) during the third quarter of 2020, resulting in a Corporate Netback of \$6.56 per BOE. Free Funds Flow was \$13.2 million after leases, decommissioning and capital expenditures. See "*Reader Advisories – Non-GAAP Measures*", below.
- **Operational excellence:** As a result of cost reduction initiatives across the organization, operating expenses averaged \$6.10 per BOE for the quarter ended September 30, 2020, down 12% from \$6.96 per BOE during the previous quarter.
- **Prudent risk management:** To mitigate ongoing volatility in commodity markets and to satisfy the one-time minimum hedging requirements under the Company's credit facility, Spartan has hedged approximately 52% of its forecasted natural gas volumes for the remainder of 2020 and approximately 35% of forecasted natural gas volumes for 2021.
- **Focus on sustainability:** As of September 30, 2020, Spartan's Liability Management Rating (LMR) was 5.5 in Alberta, reflecting the high quality of its asset base versus an industry average of 4.8.
- **Balance sheet strength:** Spartan exited the third quarter with \$10.0 million drawn on its credit facility with an authorized borrowing amount of \$100.0 million and had Net Debt of \$14.5 million at September 30, 2020 (see "*Reader Advisories – Non-GAAP Measures*", below). The Company is well positioned to execute on its capital expenditure program and has sufficient financial flexibility to take advantage of future opportunities.

The Company's financial and operating results for the three and nine month periods ended September 30, 2020, are summarized in the table below.

Financial and Operating Highlights

	Three months ended September 30		Nine months ended September 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)	1,431	24	646	26
NGLs (bbls/d)	6,811	12	3,037	14
Natural gas (mcf/d)	108,237	1,077	49,091	1,112
BOE/d	26,282	215	11,865	225
Average realized prices, before financial instruments				
Crude oil and condensate (\$/bbl)	48.90	63.23	48.01	64.19
NGLs (\$/bbl)	15.65	49.41	15.55	54.50
Natural gas (\$/mcf)	2.30	0.63	2.21	1.29
Combined average (\$/BOE)	16.19	12.94	15.72	17.13
Operating and Corporate Netbacks (\$/BOE) ⁽¹⁾				
Oil and gas sales, before financial instruments	16.19	12.94	15.72	17.13
Realized gain on financial instruments	0.44	-	0.37	-
Oil and gas sales, after financial instruments	16.63	12.94	16.09	17.13
Processing and other revenue	0.50	1.89	0.56	1.62
Royalties	(1.37)	(0.12)	(1.25)	0.40
Operating expenses	(6.10)	(23.51)	(6.43)	(22.47)
Transportation expenses	(1.34)	-	(1.34)	-
Operating Netback ⁽¹⁾	8.32	(8.80)	7.63	(3.32)
General and administrative expenses	(1.50)	(11.19)	(1.75)	(13.78)
Interest expense, net of interest income	(0.26)	-	(0.23)	-
Corporate Netback ⁽¹⁾	6.56	(19.99)	5.65	(17.10)
FINANCIAL				
Oil and gas sales	39,149	257	51,118	1,054
Cash provided by (used in) operating activities	22,724	(247)	16,145	(699)
Adjusted Funds from Operations ⁽¹⁾	15,854	(394)	18,369	(1,049)
\$ per share, basic	0.27	(0.36)	0.46	(0.95)
\$ per share, diluted	0.23	(0.36)	0.36	(0.95)
Net income (loss) and comprehensive income (loss)	(7,281)	(691)	35,305	(1,938)
\$ per share, basic	(0.13)	(0.62)	0.87	(1.75)
\$ per share, diluted	(0.13)	(0.62)	0.69	(1.75)
Capital expenditures, net of dispositions	1,178	1	111,523	(260)
Total assets	331,730	11,227	331,730	11,227
Net Debt (Surplus) ⁽¹⁾	14,477	(29)	14,477	(29)
Shareholders' equity	124,413	1,190	124,413	1,190
Common shares outstanding (000s) ⁽²⁾				
Weighted average, basic	58,118	1,106	40,358	1,106
Weighted average, diluted ⁽²⁾	68,231	1,106	50,823	1,106
End of period	58,126	1,106	58,126	1,106

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

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

Outlook and Guidance

In late October 2020, the Company spud the first well of its six well winter drilling program targeting Spirit River liquids-rich natural gas. Five wells will target the Falher B formation and one well will target the Notikewin formation. Six additional wells are anticipated to be drilled in the second half of 2021 for a total of twelve wells in the 2020/2021 drilling campaign. 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.

Spartan's capital expenditures are estimated to be \$15.0 – 18.0 million for the fourth quarter of 2020 and production is forecast to average between 24,300 to 25,300 BOE per day. Capital expenditures are budgeted to be \$40.0 – 43.0 million in 2021 and are expected to be fully funded by cash provided by operating activities. The range in budget is driven by timing of drilling; total capital expenditures are not expected to exceed \$58.0 million in aggregate for the remainder of 2020 and 2021. Operational efficiencies remain a core focus with approximately \$4.0 million of the capital program budgeted for optimization projects designed to offset base production declines and reduce operating costs.

The Company's capital program is expected to deliver 13% production growth in 2021 compared to average production forecast for the fourth quarter of 2020. Spartan expects to generate approximately \$66.0 million of Adjusted Funds Flow in 2021 (see "Reader Advisories – Non-GAAP Measures", below) based on average commodity price assumptions of \$2.75 per GJ for AECO, US\$45 per barrel for WTI, and an exchange rate of 1.32 USD/CAD.

Below is a summary of corporate guidance for 2021:

<i>(CA\$ millions, except as otherwise noted)</i>	2021 Guidance
Average Production	
Crude oil and condensate	5%
NGLs	25%
Natural gas	70%
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Combined (BOE/d)	27,000 – 29,000
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Key Assumptions	
Average royalty rate (% of oil and gas sales)	11%
Operating expenses (\$/BOE)	6.00
Transportation expenses (\$/BOE)	1.45
G&A expenses (\$/BOE)	1.50
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Capital expenditures	40.0 – 43.0
Well count (# gross = net)	8 – 9
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Adjusted Funds Flow ⁽¹⁾⁽²⁾	66.0
Free Funds Flow ⁽¹⁾	23.0 – 26.0
Net Debt (Surplus), end of period ⁽¹⁾	(8.5)

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

(2) Based on the midpoint of 2021 average production guidance of 28,000 BOE/d.

Industry Leading Abandonment and Reclamation Program

As part of its ongoing partnership and commitment to sustainability, Spartan and the O'Chiese First Nation have established an industry leading abandonment and reclamation program. The program was implemented to demonstrate the Company's dedication to proactively manage future liabilities and to preserve the environment for future generations.

Updated Corporate Presentation

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

About Spartan Delta Corp.

Spartan is a differentiated energy company whose ESG-focused culture is centred on generating sustainable free funds 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 November 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". The volume weighted average trading price of the Company's common shares on the TSXV for the three and nine months ended September 30, 2020 was \$2.67 and \$2.83, respectively.

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. For the three months ended September 30, 2020, the outstanding stock options and common share purchase warrants were antidilutive to the net loss per share. In computing diluted net income per share and Adjusted Funds from Operations per share for the period ended September 30, 2020, the effect of stock options was excluded as they were anti-dilutive because they were not in-the-money based on the volume weighted average trading price of the Company's common shares during the period.

As of the date hereof, the Company has 58.2 million common shares outstanding, 16.1 million common share purchase warrants outstanding with an exercise price of \$1.00 per share, and 3.4 million stock options outstanding with an average 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".

Adjusted Funds from Operations and Corporate Netback

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

"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 Flow and Free Funds Flow

"Adjusted Funds Flow" is calculated by deducting settlements of decommissioning obligations and lease payments from "Adjusted Funds from Operations". The Company believes Adjusted Funds Flow is an appropriate metric to compare relative to Net Debt because it reflects the net cash flow generated from routine business operations and because Spartan does not include lease liabilities in its definition of Net Debt (Surplus).

"Free Funds Flow" is calculated as Adjusted Funds Flow less total net capital expenditures, excluding acquisitions.

Net Debt (Surplus)

Throughout this release, references to "Net Debt (Surplus)" 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 September 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 (Surplus)" 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; Spartan's expectations regarding its 2020/2021 drilling program, including the location of wells, scheduled drilling dates and the timing of expected pay out from such wells; 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 funds flow generation; Spartan's production forecasts; Spartan's cost-cutting measures and the results thereof; Spartan's ESG initiatives; Spartan's capital expenditure budget and plans, and its ability to fund capital expenditures through operating activities; Spartan's position to withstand future commodity price volatility and expectations regarding challenging long-term market conditions; the continuation of Spartan's strategic partnerships, and expected benefits therefrom; and the estimated total purchase price of the Acquisition of \$108.8 million, which includes an estimate of certain assumed liabilities of \$21.3 million.

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 Acquisition and the Company's strategic partnerships. 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 the Company's "Outlook and Guidance" for the remainder of 2020 and 2021, 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

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

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.

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
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.