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SPARTAN DELTA CORP. ANNOUNCES YEAR-END 2020 FINANCIAL RESULTS AND RESERVES AND PROVIDES UPDATED 2021 GUIDANCE

Calgary, Alberta – March 12, 2021 – Spartan Delta Corp. ("Spartan" or the "Company") (TSXV: SDE; SDE.R) is pleased to announce its financial and operating results for the fourth quarter and year ended December 31, 2020, as well as its independent oil and gas reserves evaluation as of December 31, 2020, prepared by McDaniel & Associates Consultants Ltd. (the "**McDaniel Report**").

Corporate Milestones Achieved Since the Recapitalization of Spartan Delta Corp. in December 2019

- Completed a transformational Spirit River and Cardium asset acquisition in June 2020, which included ~25,000 boe/d of production in west central Alberta, consisting of ~250 bbls/d of crude oil, ~1,000 bbls/d of condensate, ~6,500 bbls/d of NGLs and ~103.5 MMcf/d of conventional natural gas.
- Maintained production at 26,141 boe/d on average during the second half of 2020, consisting of ~330 bbls/d of crude oil, ~1,100 bbls/d of condensate, ~6,800 bbls/d of NGLs and ~107.5 MMcf/d of conventional natural gas, through low-cost field optimization, which more than offset normal corporate declines.
- Reduced operating costs by 18% in less than three quarters of operating the properties acquired in June 2020.
- Established a \$100 million syndicated credit facility and successfully accessed capital markets raising aggregate gross proceeds of \$213 million from equity financings since the inception in December 2019, inclusive of a \$124 million financing expected to be completed in March 2021.
- Recently closed three small acquisitions and executed definitive agreements for two additional acquisitions which are collectively expected to add ~9,500 boe/d of run-rate production, consisting of ~2,090 bbls/d of crude oil, ~475 bbls/d of condensate, ~760 bbls/d of NGLs and ~37.05 MMcf/d of conventional natural gas.
- Added a new core development and consolidation area with a material entry into the Alberta Montney.

Selected Financial and Operational Information

Selected financial and operational information is set out below and should be read in conjunction with Spartan's audited annual consolidated financial statements and related management's discussion and analysis ("**MD&A**") for the years ended December 31, 2020 and 2019, which are available on the Company's website at www.spartandeltacorp.com and filed on SEDAR at www.sedar.com.

<i>(CA\$ thousands, except as otherwise indicated)</i>	Three months ended December 31		Year ended December 31	
	2020	2019	2020	2019
OPERATING				
Average daily production				
Crude oil (bbls/d)	332	25	196	26
Condensate (bbls/d) ⁽¹⁾	1,131	-	656	-
NGLs (bbls/d) ⁽¹⁾	6,728	20	3,965	15
Natural gas (Mcf/d)	106,912	1,070	63,625	1,102
Combined (boe/d)	26,010	223	15,421	225
Average realized prices, before financial instruments				
Crude oil (\$/bbl)	47.95	54.14	46.03	61.76
Condensate (\$/bbl) ⁽¹⁾	54.46	-	51.39	-
NGLs (\$/bbl) ⁽¹⁾	18.35	53.39	16.74	54.13

(CA\$ thousands, except as otherwise indicated)	Three months ended December 31		Year ended December 31	
	2020	2019	2020	2019
Natural gas (\$/Mcf)	2.72	2.20	2.42	1.51
Combined average (\$/boe)	18.89	21.33	17.07	18.18
Operating and Corporate Netbacks (\$/boe) ⁽²⁾				
Oil and gas sales, before financial instruments	18.89	21.33	17.07	18.18
Realized loss on financial instruments	(0.90)	-	(0.17)	-
Oil and gas sales, after financial instruments	17.99	21.33	16.90	18.18
Processing and other revenue	0.66	1.78	0.60	1.66
Royalties	(2.01)	(0.15)	(1.57)	0.26
Operating expenses	(5.68)	(30.91)	(6.11)	(24.58)
Transportation expenses	(1.37)	-	(1.36)	-
Operating Netback ⁽²⁾	9.59	(7.95)	8.46	(4.48)
General and administrative expenses	(1.48)	(27.19)	(1.64)	(17.13)
Interest expense, net of interest income	(0.19)	-	(0.21)	-
Corporate Netback ⁽²⁾	7.92	(35.14)	6.61	(21.61)
FINANCIAL				
Oil and gas sales	45,206	437	96,324	1,491
Cash provided by (used in) operating activities	16,064	(599)	32,209	(1,298)
Adjusted Funds from Operations ⁽²⁾	18,939	(723)	37,308	(1,772)
\$ per share, basic	0.33	(0.16)	0.83	(0.89)
\$ per share, diluted	0.28	(0.16)	0.67	(0.89)
Net income (loss) and comprehensive income (loss)	12,358	(60)	47,663	(1,998)
\$ per share, basic	0.21	(0.01)	1.06	(1.00)
\$ per share, diluted	0.18	(0.01)	0.86	(1.00)
Capital expenditures, net of dispositions	14,346	29	125,869	(231)
Total assets	331,430	34,245	331,430	34,245
Net Debt (Surplus) ⁽²⁾	12,292	(23,538)	12,292	(23,538)
Shareholders' equity	137,540	25,640	137,540	25,640
Common shares outstanding (000s) ⁽³⁾				
Weighted average, basic	58,220	4,638	44,848	1,996
Weighted average, diluted	68,859	4,638	55,403	1,996
End of period	58,226	26,106	58,226	26,106

(1) Condensate is a natural gas liquid as defined by NI 51-101. See "Reader Advisories – Other Measurements".

(2) "Operating Netback", "Corporate Netback", "Adjusted Funds from Operations" and "Net Debt (Surplus)" do not have standardized meanings under IFRS. See "Reader Advisories – Non-GAAP Measures".

(3) See "Reader Advisories – Share Capital".

Fourth Quarter 2020 Financial and Operational Highlights

- Development Execution:** Spartan drilled four and brought on production two extended reach horizontal Spirit River wells at Ferrier, Alberta during the fourth quarter and subsequently drilled and completed the remainder of the eight-well winter program in the first quarter of 2021. The winter drilling program was delivered ahead of schedule and below budget with six wells having produced, on restricted production for operational efficiencies and decline management purposes, at an average IP30 of 1,580 boe/d, consisting of 93 bbls/d condensate, 370 bbls/d NGLs and 6.85 MMcf/d conventional natural gas. Two of these wells have produced for more than two months at an average IP60 of 1,526 boe/d, consisting of 82 bbls/d condensate, 345 bbls/d NGLs and 6.53 MMcf/d conventional natural gas.
- Production Optimization:** Maintained fourth quarter 2020 production volumes of 26,010 boe/d, in-line with third quarter 2020 volumes, primarily through production optimization as the Company's first two new wells

were brought onstream in mid-December. (See "Selected Financial and Operational Information" for breakdown by product type)

- **Improved Operating Netback:** Spartan's Operating Netback increased by 15% and averaged \$9.59/boe for the fourth quarter of 2020, up from \$8.32/boe in the third quarter of 2020. The improved operating netback reflects the decrease in per unit operating costs in conjunction with stronger commodity prices, partly offset by higher royalties. (See "Reader Advisories – Non-GAAP Measures", below)
- **Strong Cash Flows:** The Company generated Adjusted Funds from Operations of \$18.9 million (\$0.33 per share, basic and \$0.28 per share, diluted) during the fourth quarter of 2020, resulting in a Corporate Netback of \$7.92/boe. Free Funds Flow was \$2.8 million after leases, decommissioning and \$14.0 million of capital expenditures. (See "Reader Advisories – Non-GAAP Measures", below)
- **Operational Excellence:** Spartan generated meaningful cost savings and reduced its operating expenses each consecutive quarter during 2020, highlighting the successful integration of the acquired assets and impact of the Company's strategic initiatives. Operating expenses averaged \$5.68/boe for the quarter ended December 31, 2020, down 7% from \$6.10/boe during the previous quarter and down 18% since the acquisition of the Company's west central Alberta assets in the second quarter of 2020.
- **Balance Sheet Strength:** Spartan exited the fourth quarter with its credit facility undrawn and an authorized borrowing amount of \$100.0 million. Spartan had Net Debt of \$12.3 million as at December 31, 2020. (See "Reader Advisories – Non-GAAP Measures", below)

2020 Reserve Evaluation Highlights

Spartan is pleased to provide highlights of the Company's December 31, 2020 reserves from the McDaniel Report, below. The results of the McDaniel Report are reflective of Spartan's significant acquisition in West Central Alberta, making up a majority of the Company's reserves in 2020. The West Central reserves were reconfigured in 2020 to capitalize on extended reach horizontal drilling techniques ("**ERH**") and to adjust booked locations to more accurately reflect the near-term development plans of the Company post-acquisition.

- 72% of the 101 booked locations and 56% of the total inventory are ERH.
- Reconfiguring to ERH has made booked locations more efficient, economic and reduced the environmental impact of the development:
 - Approximately a 70% increase in IRR, while only increasing capital cost by 25% when compared to conventional bookings of one-mile horizontals; (See "Reader Advisories – Non-GAAP Measures")
 - Go-forward estimated undeveloped finding and development ("**F&D**") costs has been decreased considerably with proved undeveloped F&D costs equal to \$3.94 and proved plus probable undeveloped F&D costs equal to \$3.35; and
 - Go-forward proved undeveloped recycle ratio of 2.4x and proved plus probable undeveloped recycle ratio of 2.9x.
- Future development capital ("**FDC**") totaled \$266.5 million in the total proved category with 63 net locations and \$417.3 million in the total proved plus probable category with 101 net locations.
- The Company has over 425 Spirit River and Cardium locations in inventory (>75% unbooked).
- Before-tax net present value ("**NPV**") of reserves, discounted at 10%, is \$375.9 million on a proved developed producing basis, \$777.3 million on a total proved basis, and \$1.1 billion on a total proved plus probable basis.
- Approximately 33% of the Company's reserves are in the proved developed producing category and 65% of the reserves are in the total proved category.

See "Reader Advisories – Oil and Gas Advisories".

2020 Independent Qualified Reserve Evaluation

The following tables highlight the findings of the McDaniel Report, which has been prepared in accordance with the definitions, standards and procedures contained in National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101") and the most recent publication of the Canadian Oil and Gas Evaluation Handbook. The McDaniel Report was based on the average forecast pricing of McDaniel, GLJ Ltd. and Sproule Associates Limited. See "Reader Advisories – Oil and Gas Advisories" for more information. Additional reserves information as required under NI 51-101 will be included in Spartan's Annual Information Form, which will be filed on SEDAR on or before March 30, 2021. The numbers in the tables below may not add due to rounding.

Summary of Oil and Natural Gas Reserves as at December 31, 2020

Reserves Categories	Crude Oil Lt. & Med.		Conventional Natural Gas		Coal Bed Methane		Natural Gas Liquids		Total	
	Gross (Mbbbl)	Net (Mbbbl)	Gross (MMcf)	Net (MMcf)	Gross (MMcf)	Gross (MMcf)	Gross (Mbbbl)	Net (Mbbbl)	Gross (Mboe)	Net (Mboe)
Proved:										
Developed Producing	878	806	276,731	242,510	559	473	20,196	16,205	67,289	57,508
Developed Non-Producing	1	1	177	144	-	-	7	4	37	29
Undeveloped	1,719	1,440	279,507	259,265	-	-	19,348	16,354	67,651	61,005
Total Proved	2,598	2,247	556,414	501,919	559	473	39,551	32,563	134,977	118,542
Probable	2,451	1,965	290,631	264,176	151	128	21,051	17,416	71,965	63,432
Total Proved plus Probable	5,048	4,212	847,045	766,095	710	601	60,601	49,979	206,942	181,974

	% CHANGE	2020	2019	2018
Reserves (Mboe)				
Proved Developed Producing ("PDP")	>1,000%	67,289	507	604
Total Proved ("1P")	>1,000%	134,977	1,671	1,112
Total Proved plus Probable ("2P")	>1,000%	206,942	3,314	2,353
PDP as % of 2P	120%	33%	15%	26%
1P as % of 2P	30%	65%	50%	47%
Reserve Life Index ⁽¹⁾ (years)				
PDP		15%	7.1	6.2
1P		(31%)	14.2	20.5
2P		(46%)	21.8	40.7

(1) RLI is calculated as total Company share reserves divided by the annualized fourth quarter actual production of 26,010 boe/d. See "Reader Advisories – Oil and Gas Advisories".

Net Present Value of Future Net Revenue as at December 31, 2020 (Before Income Tax)

Reserves Category	0% (\$M)	5% (\$M)	10% (\$M)	15% (\$M)	20% (\$M)	Unit Value ⁽¹⁾	Unit Value ⁽¹⁾
						Before Tax Discounted at 10%/Year (\$/boe)	Before Tax Discounted at 10%/Year (\$/Mcf)
Proved:							
Developed Producing	440,816	440,426	375,938	324,359	286,270	6.54	1.09
Developed Non-Producing	112	96	83	73	64	2.88	0.48
Undeveloped	835,220	558,130	401,286	303,493	237,920	6.58	1.10
Total Proved	1,276,147	998,652	777,307	627,926	524,254	6.56	1.09
Probable	1,001,067	512,426	300,803	194,061	133,645	4.74	0.79
Total Proved plus Probable	2,277,214	1,511,078	1,078,110	821,986	657,899	5.92	0.99

(1) Unit values are based on net reserves. Net reserves means the Corporation's working interest reserves after deduction of royalties, plus its royalty interests in reserves.

Forecast Prices Used in Estimates

The forecast cost and price assumptions assume increases in wellhead selling prices and take into account inflation with respect to future operating and capital costs. Crude oil and natural gas benchmark reference pricing, inflation and exchange rates utilized in the McDaniel Report were McDaniel's forecasts, as at December 31, 2020, as follows:

Year	Crude Oil WTI Cushing Oklahoma (US\$/bbl)	Edmonton Light Crude Oil (C\$/bbl)	Western Canadian Select (C\$/bbl)	Edmonton Ethane (C\$/bbl)	Edmonton Propane (C\$/bbl)	Edmonton Butane (C\$/bbl)	Edmonton Cond. & Natural gasoline (C\$/bbl)	Alberta AECO Spot Price (C\$/MMBtu)	Inflation Rate (%/Year)	Exchange Rate (US\$/C\$)
2021	47.17	55.76	44.63	8.91	18.18	26.36	59.24	2.78	0.00	0.7680
2022	50.17	59.89	48.18	8.65	21.91	32.85	63.19	2.70	1.30	0.7650
2023	53.17	63.48	52.10	8.35	24.57	39.20	67.34	2.61	2.00	0.7630
2024	54.97	65.76	54.10	8.46	25.47	40.65	69.77	2.65	2.00	0.7630
2025	56.07	67.13	55.19	8.63	26.00	41.50	71.18	2.70	2.00	0.7630

Reserves Reconciliation

The following sets out the reconciliation of Spartan's gross reserves ⁽¹⁾ based on forecast prices and costs by principal product type as at December 31, 2020.

	Lt & Med Crude Oil			Heavy Crude Oil			Total Crude Oil		
	Proved (MBbl)	Probable (MBbl)	Proved and Probable (MBbl)	Proved (MBbl)	Probable (MBbl)	Proved and Probable (MBbl)	Proved (MBbl)	Probable (MBbl)	Proved and Probable (MBbl)
December 31, 2019	656	801	1,457	-	-	-	656	801	1,457
Extensions & Improved Recovery	-	-	-	-	-	-	-	-	-
Technical Revisions ⁽²⁾	(592)	166	(426)	-	-	-	(592)	166	(426)
Acquisitions	2,605	1,483	4,088	-	-	-	2,605	1,483	4,088
Dispositions	-	-	-	-	-	-	-	-	-
Economic Factors	-	-	-	-	-	-	-	-	-
Production	(72)	-	(72)	-	-	-	(72)	-	(72)
December 31, 2020	2,597	2,450	5,048	-	-	-	2,597	2,450	5,048

	NGL			Conventional Natural Gas			Total		
	Proved (Mbbbl)	Probable (Mbbbl)	Proved + Probable (MBbl)	Proved (MMcf)	Probable (MMcf)	Proved + Probable (MMcf)	Proved (Mboe)	Probable (Mboe)	Proved + Probable (Mboe)
December 31, 2019	76	61	137	5,631	4,689	10,320	1,670	1,644	3,314
Extensions & Improved Recovery	1,354	339	1,693	12,859	3,216	16,075	3,497	875	4,372
Technical Revisions ⁽²⁾	77	44	121	(2,575)	1,637	(938)	(944)	483	(461)
Acquisitions	39,735	20,606	60,342	564,345	281,239	845,584	136,398	68,963	205,361
Dispositions	-	-	-	-	-	-	-	-	-
Economic Factors	-	-	-	-	-	-	-	-	-
Production	(1,691)	-	(1,691)	(23,287)	-	(23,287)	(5,644)	-	(5,644)
December 31, 2020	39,551	21,050	60,601	556,973	290,781	847,754	134,977	71,965	206,942

(1) Gross Reserves means the Corporation's working interest reserves before calculation of royalties and before consideration of the Corporation's royalty interests.

(2) Technical Revisions also include changes in reserves associated with changes in operating costs, capital costs and commodity price offsets.

Future Development Capital Costs

The following table is McDaniel estimated future development capital required to bring total proved and total proved plus probable reserves on production.

Year	Total Proved Reserves (\$M)	Total Proved Plus Probable Reserves (\$M)
2021	44,921	44,892
2022	44,519	44,519
2023	47,335	47,335
2024	68,581	68,581
2025	61,122	61,122
Thereafter	-	150,856
Total	266,478	417,305
10% Discounted	209,496	296,124

Performance Measures (Including FDC)

The following table highlights our 1P/2P Future Undeveloped F&D costs and associated recycle ratios, including FDC, based on the evaluation of our petroleum and natural gas reserves prepared by McDaniel.

Future Undeveloped F&D Costs		
Proved Undeveloped		
Future Development Capital	\$M	266,478
Undeveloped Reserves	Mboe	67,651
1P F&D⁽¹⁾	\$/boe	3.94
Recycle Ratio⁽²⁾		2.4x
Proved plus Probable Undeveloped		
Future Development Capital	\$M	417,305
Undeveloped Reserves	Mboe	124,400
2P F&D⁽¹⁾	\$/boe	3.35
Recycle Ratio⁽²⁾		2.9x

(1) Undeveloped F&D costs are calculated as the sum of FDC divided by undeveloped reserves. See "Reader Advisories – Oil and Gas Advisories".

(2) Recycle ratio is calculated as the fourth quarter 2020 operating netback of \$9.59/boe divided by 1P or 2P F&D costs, as applicable. See the selected financial and operational information table, above, for the assumptions used to calculate Q4 2020 operating netback and "Reader Advisories – Non-GAAP Measures" for more information.

Outlook and Guidance

On February 16, 2021, Spartan announced that the Company entered into definitive agreements with respect to three strategic acquisitions (the "**Acquisitions**"), the completion of which will create a new core development and consolidation area for the Company and a material entry in the Alberta Montney. The Acquisitions include: (a) assets in the Alberta Montney fairway, including the corporate acquisition of Inception Exploration Ltd. (the "**Inception Acquisition**") and the purchase of assets located primarily in the Simonette area of northwest Alberta (the "**Simonette Acquisition**"); and (b) the acquisition of a tuck-in asset in the Company's West Central core area, which closed on March 5, 2021 (the "**Willesden Green Acquisition**"). The Inception Acquisition and Simonette Acquisition are expected to close on or about March 18, 2021.

As part of the Company's press release dated February 16, 2021, Spartan also announced intentions to complete an \$80.0 million equity financing and provided revised corporate guidance for 2021 which reflected the Company's preliminary operating and financial forecast after giving effect to the proposed Acquisitions and financing. The initial equity financing was comprised of a \$50.0 million non-brokered private placement and a \$30.0 million bought deal prospectus offering. Subsequent to the initial announcement, the equity financings were upsized by 55% to aggregate gross proceeds of \$124.0 million, comprised of a \$79.0 million non-brokered private placement and a

\$45.0 million bought deal prospectus offering (together, the "**2021 Financings**"). The 2021 Financings are expected to be completed concurrently with, and are conditional upon, the successful completion of the Inception Acquisition.

Based on the recent rise in crude oil and NGL prices, additional proceeds from the upsized 2021 Financings and minor revisions to the expected timing and allocation of budgeted capital expenditures, the Company has further revised its operating and financial guidance for 2021. The revised guidance outlined below was approved by the Company's board of directors on March 11, 2021.

Spartan's 2021 capital expenditures are estimated to be approximately \$101.0 million (unchanged from previous guidance). Leveraging Spartan's strategic infrastructure position including the infrastructure to be acquired with the Acquisitions, the capital expenditure program will be focused on the execution and acceleration of drill-ready development across the Company's core properties targeting the Montney, Spirit River, and Cardium formations.

Spartan expects 2021 production to average between 35,500 to 37,500 boe/d (previous guidance 35,000 to 37,000 BOE per day, see notes to below table for a breakdown by product type). The Company's organic development program, supplemented with production from the Acquisitions, is expected to deliver approximately 40% production growth in 2021 compared to average production of 26,010 boe/d during the fourth quarter of 2020 (see table under "*Selected Financial and Operational Information*", above, for a breakdown by product type).

The Company expects to generate approximately \$139.0 million of Adjusted Funds Flow in 2021, up from previous guidance of \$122.0 million (see "*Reader Advisories - Non-GAAP Measures*"). The increase in forecasted Adjusted Funds Flow is primarily driven by the increase in forecast oil prices to US\$55.00 per barrel for WTI (previously US\$50.00 per barrel) as well as the corresponding impact on NGL pricing. Spartan's forecast of \$2.75 per GJ for AECO natural gas is unchanged. Reallocation of capital within the budget as well as minor changes in expected "on-stream" dates also contributed to the increase in forecasted Adjusted Funds Flow.

Spartan is now forecasting its Net Surplus to be approximately \$115.0 million at the end of 2021 compared to previous guidance of \$54.0 million. The increase in forecasted Net Surplus reflects the \$17.0 million increase in forecast Adjusted Funds Flow and \$44.0 million of additional proceeds from the upsized 2021 Financings. Spartan expects to use its cash surplus to continue executing on the Company's targeted acquisition and consolidation strategy. (See "*Reader Advisories - Non-GAAP Measures*")

The table below outlines Spartan's revised 2021 guidance compared to previous guidance published in the Company's press release dated February 16, 2021:

2021 GUIDANCE	Revised Guidance	Previous Guidance	% Change
Average Production (BOE/d) ⁽¹⁾⁽³⁾	35,500 – 37,500	35,000 – 37,000	1
% Oil and NGLs	31%	31%	-
Forecast Average Commodity Prices			
WTI oil price (US\$/bbl)	55.00	50.00	10
Edmonton condensate (\$/bbl)	67.93	60.96	11
Conway propane (US\$/gal)	0.71	0.65	9
AECO 5A natural gas price (\$/GJ)	2.75	2.75	-
Average exchange rate (CA\$/US\$)	1.26	1.27	(1)
Operating Netback (\$/BOE) ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	12.74	11.59	10
Adjusted Funds Flow (\$MM) ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	139	122	14
Capital expenditures, excluding A&D (\$MM) ⁽⁵⁾	101	101	-
Free Funds Flow (\$MM) ⁽⁴⁾	38	20	90
Net Debt (Surplus), end of year (\$MM) ⁽⁴⁾⁽⁶⁾	(115)	(54)	113
Common shares outstanding, end of 2021 (MM) ⁽⁷⁾	114	104	10

- (1) Production guidance is post-completion of the Acquisitions and consists of approximately 4% crude oil, 4% condensate, 23% NGLs and 69% natural gas (product weighting is unchanged from previous guidance). The forecasted financial guidance and percentage change is based on the midpoint of revised production guidance of 36,500 boe/d (previously 36,000 boe/d).
- (2) In addition to the forecast of benchmark commodity prices outlined above, the guidance includes the following significant assumptions for 2021: royalties are expected to average 11% of oil and gas sales; budgeted operating and transportation expenses are expected to average \$6.09/boe and \$1.53/boe, respectively; G&A is budgeted to average \$1.35/boe; and cash interest expense is budgeted to average \$0.07/boe (unchanged from previous guidance in all material respects, minor differences in per unit estimates due to higher volumes).
- (3) Assumes the Inception Acquisition and Simonette Acquisition close on March 18, 2021.
- (4) Operating Netback, Adjusted Funds Flow, Free Funds Flow and Net Debt (Surplus) do not have a prescribed meaning under IFRS. Refer to "*Reader Advisories - Non-GAAP Measures*".
- (5) The forecast of capital expenditures excludes acquisitions. The aggregate amount of cash consideration related to acquisitions completed to-date and expected to be completed in 2021 is estimated to be approximately \$26.3 million, net of closing adjustments and working capital.
- (6) Net Debt (Surplus) does not include a \$50.0 million unsecured non-interest bearing convertible promissory note (the "**Convertible Note**") to be issued in connection with the Inception Acquisition. The Convertible Note will mature five years from the closing of the Inception Acquisition, and will be convertible in whole or in part beginning on the day that is two years following the closing of the Inception Acquisition, at the Company's election, for such number of common shares calculated based on the greater of: (i) the volume weighted average trading price of the common shares for the 10 trading days immediately preceding the delivery by the Company of a notice of conversion to the Inception Shareholder; and (ii) \$7.67, being two times the deemed issuance price of the common shares under the Inception Acquisition. The Convertible Note will be "in-the-money" during all periods in which Spartan's share price is less than \$7.67. Spartan intends to settle the Convertible Note in the future by exercising the Company's conversion option and the maximum number of Spartan common shares issuable on conversion is 6,518,905 common shares.
- (7) The forecast number of common shares outstanding assumes the Acquisitions and 2021 Financings close and does not include common shares potentially issuable in respect of dilutive securities (see "*Reader Advisories - Share Capital*").

Spartan's guidance is contingent upon the successful completion of the Inception Acquisition, Simonette Acquisition and the 2021 Financings (see "*Reader Advisories - Forward-Looking Statements*"). In addition, changes in forecast commodity prices, differences in the timing of capital expenditures, and variances in average production estimates can have a significant impact on the key performance measures included in the budget. The Company's actual results may differ materially from these estimates. Holding all other assumptions constant for 2021: if the forecast for AECO natural gas increased (decreased) by \$0.25/GJ, the Adjusted Funds Flow forecast for 2021 would increase (decrease) by approximately \$7.0 million; or, if the WTI crude oil reference price forecast increased (decreased) by US\$5.00/bbl, the Adjusted Funds Flow forecast for 2021 would increase (decrease) by approximately \$9.0 million. Assuming capital expenditures are unchanged, the impact on Free Funds Flow and resulting Net Debt (Surplus) would be equivalent to the increase or decrease in Adjusted Funds Flow.

Share Award Grants

On August 19, 2020, the Board of Directors of the Company approved a Share Award Incentive Plan (the "**Plan**"). The Plan is intended to assist in retaining and engaging the directors, officers and any future employees of the Company and to provide additional incentive to these individuals for their efforts on behalf of the Company. The Plan allows the Company to issue restricted share awards ("**RSAs**") and performance share awards ("**PSAs**"), provided that the aggregate number of common shares that may be issuable pursuant to the Plan does not exceed 2,900,000. The Plan is subject to the approval of the TSX Venture Exchange and the formal approval of the Plan by the shareholders of the Company at the next annual general meeting.

Effective March 11, 2021, the Company has issued a total of 984,100 options under its existing stock option plan and 1,180,800 RSAs under the Plan to officers and directors of the Company. The options each have an exercise price of \$4.08 per share, are exercisable for a period of 5 years and vest in one third increments on the first, second and third anniversaries from the date of grant. The RSAs each vest in one third increments on the first, second and third anniversaries from the date of grant. Each RSA was valued at \$4.08 per share. The grant of the RSAs is subject to final regulatory and shareholder approval of the Plan.

Promotions

In recognition of their continued strong contributions to operations in their respective disciplines, Spartan is pleased to announce the promotion of Brendan Paton, from Manager, Engineering to Vice President, Engineering and Ashley Hohm, from Manager, Finance and Controller to Vice President, Finance and Controller.

Updated Corporate Presentation

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

About Spartan Delta Corp.

Spartan is a differentiated energy company whose ESG-focused culture is centered 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 and Alberta Montney, 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 March corporate presentation, which can be accessed on its website at www.spartandeltacorp.com.

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READER ADVISORIES

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 twelve month periods ended December 31, 2020 was \$2.95 and \$2.91, 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. In computing diluted net income per share and Adjusted Funds from Operations per share for the fourth quarter and year ended December 31, 2020, the effect of stock options was excluded because they were not in-the-money based on the volume weighted average trading price of the Company's common shares during the periods.

As of the date hereof, the Company has 60.2 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. For a reconciliation of Adjusted Funds Flow, Free Funds Flow, Adjusted Funds from Operations, Operating Income, Operating Netback, Corporate Netback and Net Debt (Surplus), see the MD&A, which is available under the Company's SEDAR profile at www.sedar.com.

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 "*Reader Advisories – Share Capital*").

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. Spartan believes Free Funds Flow provides an indication to investors and Spartan shareholders of the amount of funds the Company has available for future capital allocation decisions.

Net Debt (Surplus)

"**Net Debt (Surplus)**" includes 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 December 31, 2020 and 2019, the Adjusted Working Capital deficit (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.

IRR

"**Internal rate of return**" of "IRR" is a rate of return measure used to compare the profitability of an investment and represents the discount rate at which the net present value of costs equals the net present value of the benefits. The higher a project's IRR, the more desirable the project.

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 closing of the Acquisitions and the concurrent financings, and the timing thereof; the use of the proceeds from the concurrent financings; anticipated synergies created from the Acquisitions and Spartan's ability to capitalizing thereon; the implementation of the Company's consolidation strategy; Spartan's expectations regarding its 2021 drilling program; Spartan's expectations regarding Net Debt (Surplus) levels; Spartan plans to deliver strong operational performance and to generate free funds flow; Spartan's production forecasts; Spartan's cost-cutting measures and the results thereof; and Spartan's 2021 budget and financial/operational guidance.

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, receipt of regulatory and other approvals for the Acquisitions and the concurrent financings and benefits and synergies arising from the Acquisitions. 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 Net Debt (Surplus) levels, Adjusted Funds Flow and the Company's "Outlook and Guidance" for 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.

Oil and Gas Advisories

All reserve references in this press release are "Company share reserves". Company share reserves are the applicable company's total working interest reserves before the deduction of any royalties and including any royalty interests payable to the company.

It should not be assumed that the present worth of estimated future amounts presented in the tables above represents the fair market value of the reserves. There is no assurance that the forecast prices and costs assumptions will be attained, and variances could be material. The recovery and reserve estimates of the crude oil, natural gas liquids and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, natural gas and natural gas liquids reserves may be greater than or less than the estimates provided herein. All evaluations and summaries of future net revenue are stated prior to the provision for interest, debt service charges or general and administrative expenses and after deduction of royalties, operating costs, estimated well abandonment and reclamation costs and estimate future capital expenditures.

This press release contains metrics commonly used in the oil and natural gas industry which have been prepared by management, such as "development capital", "F&D costs", "operating netback", "recycle ratio" and "reserve life index". These terms do not have a standardized meaning and may not be comparable to similar measures presented by other companies, and therefore should not be used to make such comparisons.

"**Development capital**" means the aggregate exploration and development costs incurred in the financial year on reserves that are categorized as development. Development capital excludes capitalized administration costs.

"**Undeveloped F&D costs**" are calculated as the sum of development capital, divided by the undeveloped reserves at the proved undeveloped and proved plus probable undeveloped levels.

"**Operating netback**" see "*Reader Advisories – Non-GAAP Measures*".

"**Recycle ratio**" is measured by dividing operating netback by F&D cost per boe for the year.

"**Reserve life index**" or "**RLI**" is calculated as total Company share reserves divided by annualized fourth quarter actual production.

Management uses these oil and gas metrics for its own performance measurements and to provide shareholders with measures to compare our operations over time. Readers are cautioned that the information provided by these metrics, or that can be derived from the metrics presented in this press release, should not be relied upon for investment or other purposes.

Drilling Locations

This press release discloses drilling inventory in three categories: (i) proved locations; (ii) probable locations; and (iii) unbooked locations. Proved locations and probable locations are derived from the McDaniel Report and account for drilling locations that have associated proved and/or probable reserves, as applicable. Unbooked locations are internal estimates based on our prospective acreage and an assumption as to the number of wells that can be drilled per section based on industry practice and internal review. Unbooked locations do not have attributed reserves or resources.

- Of the 864 (590 net) total drilling locations identified herein, 75 (63 net) are proved locations, 43 (38 net) are probable locations and 746 (489 net) are unbooked locations.

- Of the 118 (101 net) FDC drilling locations identified herein, 75 (63 net) are proved locations, and 43 (38 net) are probable locations.

Unbooked locations have been identified by management as an estimation of our multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that we will drill all unbooked drilling locations and if drilled there is no certainty that such locations will result in additional oil and gas reserves, resources, or production. The drilling locations on which we drill wells will ultimately depend upon the availability of capital, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While certain of the unbooked drilling locations have been de-risked by drilling existing wells in relative close proximity to such unbooked drilling locations, other unbooked drilling locations are farther away from existing wells where management has less information about the characteristics of the reservoir and therefore there is more uncertainty whether wells will be drilled in such locations and if drilled there is more uncertainty that such wells will result in additional oil and gas reserves, resources or production.

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. 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.

Throughout this press release, "crude oil" or "oil" refers to light and medium crude oil product types as defined by NI 51-101. Condensate is a natural gas liquid as defined by NI 51-101. References to "natural gas liquids" or "NGLs" throughout this press release comprise pentane, butane, propane, and ethane, being all NGLs as defined by NI 51-101 other than condensate, which is disclosed separately because the value equivalency of condensate is more closely aligned with crude oil. References to "natural gas" or "gas" relates to conventional natural gas.

Other Abbreviations

AECO	Alberta Energy Company "C" Meter Station of the NOVA Pipeline System, the Canadian benchmark price for natural gas
bbI	barrel
bbIs/d	barrels per day
boe	barrels of oil equivalent
boe/d	barrels of oil equivalent per day
CA\$	Canadian dollars
GJ	gigajoule
IP30	initial 30-day production
IP60	initial 60-day production
\$M	thousands of dollars
Mbbls	one million barrels
Mboe	one million barrels of oil equivalent
Mcf	one thousand cubic feet
Mcf/d	one thousand cubic feet per day
MMbtu	one million British thermal units
MMcf	one million cubic feet
NGL	natural gas liquids
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.