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SPARTAN DELTA CORP. ANNOUNCES STRATEGIC MONTNEY ACQUISITION, $150 MILLION EQUITY FINANCING, $450 MILLION CREDIT FACILITY AND $150 MILLION TERM FACILITY

NOT FOR DISTRIBUTION TO U.S. NEWS SERVICES OR DISSEMINATION IN THE UNITED STATES

Calgary, Alberta – July 28, 2021 – Spartan Delta Corp. ("**Spartan**" or the "**Company**") (TSXV:SDE) is pleased to announce that it has entered into a definitive agreement (the "**Agreement**") to acquire Velvet Energy Ltd. ("**Velvet**"), a privately held light-oil Montney producer with operations primarily in the Gold Creek, Karr and Pouce Coupe areas of north-west Alberta (the "**Velvet Assets**") for total consideration of approximately $743.3 million(1) (the "**Acquisition**").

The Acquisition will be funded by a combination of cash on hand, a $150.0 million bought deal equity financing led by National Bank Financial Inc., as sole bookrunner, together with CIBC World Markets Inc. as co-lead underwriters (the "**Financing**"), a five year $150.0 million 7.7% senior unsecured term facility (the "**Term Facility**") and the Company's revolving credit facility (the "**Credit Facility**"). Spartan has received confirmation with respect to an increase in the available capacity under the Credit Facility from $100.0 million to $450.0 million concurrent with the completion of the Acquisition.

Acquisition Highlights

- Positions Spartan as the largest producer and acreage holder in the oil window of Canada's Montney fairway
- Average production from the Velvet Assets is expected to be approximately 20,600 boe/d(2) at close
- Pro forma completion of the Acquisition, Spartan expects 2022 production to average between 66,000 to 71,000 boe/d (see "*2021 and 2022 Corporate Guidance*" for further details)
- Includes approximately 281,700 net acres of high working interest (98%) Montney Crown land across four development areas (Gold Creek, Karr, Pouce Coupe and Flatrock)
- Proved plus probable reserves of 224.6 million boe(3), including 204 booked drilling locations(4)
- 732 net identified Montney locations(4) are expected to provide over 20 years of drilling inventory
- The Acquisition is expected to be 35% accretive to Adjusted Funds Flow per share(8) in 2022 (see "*2021 and 2022 Corporate Guidance*" for further details)
- Further extends the Company's tax horizon with $1.2 billion of estimated tax pools
- Award winning(11) integrated water recycling infrastructure at Gold Creek minimizes freshwater usage in completion operations, providing a solid foundation for long-term sustainable development
- Top decile liability management rating of 27.0 as at July 3, 2021

Summary of the Acquisition and Velvet Assets

Total consideration[1]	$743.3 million
2022E annual average production[2]	23,750 boe/d
Montney land[5]	281,700 net acres
Net Montney drilling locations[4]	204 booked (528 unbooked)
Reserves	
Proved reserves[6][7]	140.0 MMboe
Proved plus probable reserves[6][7]	224.6 MMboe
2022E Operating Netback[8][9]	$30.54/boe ($25.12/boe after financial instruments)
2022E Operating Income[8][9][10]	$264.8MM ($217.8MM after financial instruments)
Acquisition Metrics	
Multiple of 2022E Operating Income[8][9][10]	2.8x (3.4x after financial instruments)
Proved reserves[6][7]	$5.31/boe
Proved plus probable reserves[6][7]	$3.31/boe

Fotis Kalantzis, President and Chief Executive Officer of Spartan, said: *"The Acquisition will be a major milestone in Spartan's Montney consolidation strategy and brings the Company closer to achieving its previously stated objective of growing production to 100,000 boe/d. Velvet has been the dominant player in the Montney oil fairway and their team has built a tremendous portfolio of assets concentrated in large contiguous blocks. The Acquisition further consolidates and adds material scale to the Company's Montney focused core development area in northwest Alberta, building on the position acquired during the first half of 2021. Spartan will benefit from Velvet's Montney technical expertise. The Oil weighted production and development of the Velvet Assets will provide further commodity diversification to the Spartan portfolio, complimenting the Company's liquids-rich natural gas properties in the central Alberta Deep Basin."*

Ken Woolner, President and Chief Executive Officer of Velvet, said: *"I'm extremely excited to be merging Velvet's top-tier Montney oil assets with such a high quality business. Spartan has the management, balance sheet and business plan to fully realize the value we have built our company towards capturing."*

Spartan is also pleased to announce it has received conditional approval from the Toronto Stock Exchange ("**TSX**") to list its common shares ("**Common Shares**") on the TSX. In connection with its graduation, the Common Shares will delist from the TSX Venture Exchange ("**TSXV**"). Final approval for TSX listing is subject to Spartan fulfilling certain standard and customary conditions. The trading symbol for the Common Shares on the TSX will remain unchanged as "SDE".

Benefits of the Acquisition

Production from the Velvet Assets is expected to be approximately 20,600 boe/d at close, consisting of 8,600 bbl/d of oil (42%), 3,000 bbl/d of NGLs (14%) and 54.0 MMcf/d of natural gas (44%). Significant growth opportunities have been identified on the 286,700 gross (281,700 net) acres of Montney lands associated with the Velvet Assets, including 732 net identified Montney drilling locations.[4]

The Acquisition will represent a major milestone in the Company's Montney consolidation strategy, positioning Spartan as the largest producer and acreage holder in the oil window of Canada's Montney fairway. The core assets to be acquired at Gold Creek represent more than 80% of Velvet's current production and include approximately 138,800 net acres (217 sections) of contiguous Montney rights directly offsetting the Spartan assets acquired pursuant to the acquisition of Inception Exploration Ltd. The majority of the Velvet Gold Creek lands have been approved under Alberta's Emerging Resource Program, under which 42 existing wells and 34 future locations will qualify for a 5% Crown royalty until the benefits expire in 2029. The Velvet Assets at Karr are located between the Gold Creek and Simonette areas and will add to Spartan's existing land position at Karr, which was recently acquired through the acquisition of Canoe Point Energy Ltd. Karr will be a focus area for continued development and growth as the wells drilled to date are some of the most prolific Montney oil wells in the Deep Basin. In addition, the Velvet Assets provide further organic growth opportunities through low-risk Montney oil development at Pouce Coupe as well as significant undeveloped upside potential at Flatrock, an emerging resource property located in northeastern British Columbia. The production profile characteristics of the Velvet Assets compliment Spartan's current suite of assets in the Alberta Montney, increasing oil-weighted production and drilling inventory while also providing further commodity diversification to the Company's portfolio.

The Velvet Acquisition includes an estimated $1.2 billion of available tax pools, including $0.6 billion of non-capital losses, which are expected to further enhance Spartan's future tax position by extending the Company's tax horizon.

Details of the Acquisition

Pursuant to the Agreement, Spartan will acquire all issued and outstanding shares of Velvet (the "**Velvet Shares**") from the holders thereof (the "**Velvet Shareholders**") in consideration for: (a) the payment of an aggregate of $355.9 million in cash; and (b) the issuance of an aggregate of approximately 2,962,264 Common Shares at a deemed issuance price of $5.30 per Common Share. In addition, Spartan will assume Velvet's Net Debt[(8)] (estimated to be a maximum of $371.7 million at closing), inclusive of Velvet's transaction costs. The Common Shares issuable pursuant to the Acquisition will be subject to escrow, releasable in one-sixth increments beginning on the date that is one month following the closing date and continuing every month thereafter.

Concurrent with the execution of the Agreement, holders of more than 90% of the issued and outstanding Velvet Shares have executed letters of transmittal irrevocably accepting Spartan's offer and tendering Velvet Shares under the Acquisition (the "**Letters of Transmittal**"). Upon all of the conditions of the Acquisition having been satisfied or waived, Spartan will take up and pay for the Velvet Shares deposited under the Acquisition in accordance with the terms of the Agreement and the Letters of Transmittal. The Agreement provides for, among other things, a non-solicitation covenant on the part of Velvet. Closing of the Acquisition is expected to occur on or about August 31, 2021, subject to usual closing conditions and regulatory approvals, including the approval of the TSXV and the approval of the Commissioner of Competition pursuant to the *Competition Act* (Canada).

2021 and 2022 Corporate Guidance

The following table summarizes Spartan's pro forma operating and financial guidance for 2021 and preliminary outlook for 2022. The pro forma guidance for 2021 includes the Velvet Assets for the four-month period following the anticipated closing of the Acquisition on August 31, 2021. The forecasted financial guidance is based on the midpoint of production guidance of 44,000 boe/d and 68,500 boe/d, respectively, for 2021 and 2022.

Based on the Company's preliminary guidance for 2022, Spartan is forecasting Adjusted Funds Flow of approximately $444.0 million on a capital expenditure budget of $300.0 million. Free Funds Flow of $144.0 million forecast for 2022 is expected to be used to reduce Net Debt (Surplus) to approximately $302.0 million at December 31, 2022. Spartan's forecasted 2022 year-end Net Debt (Surplus) is estimated to be 0.7 times trailing Adjusted Funds Flow for 2022.[(8)]

	2021 Post-Acquisition[10]	**2022 Post-Acquisition**
Average production (boe/d)[12]	43,000 - 45,000	66,000 - 71,000
% Oil and NGLs	34%	41%
Operating Netback ($/boe)[8]	$18.19	$20.62
Adjusted Funds Flow ($MM)[8]	$249	$444
Capital expenditures ($MM)[13]	$175	$300
Free Funds Flow ($MM)[8]	$74	$144
Net Debt (Surplus) ($MM)[8]	$446	$302
Common Shares outstanding, end of year (MM)	147.1	147.1

The Financing

Spartan has entered into an agreement with a syndicate of underwriters led by National Bank Financial Inc. and CIBC World Markets Inc. (the "**Underwriters**"), pursuant to which the Underwriters have agreed to purchase for resale to the public, on a bought deal basis, 29,703,000 subscription receipts ("**Subscription Receipts**") of Spartan at a price of $5.05 per Subscription Receipt for aggregate gross proceeds of approximately $150 million. The Underwriters will have an option to purchase up to an additional 15% of the Subscription Receipts issued under the Financing at a price of $5.05 per Subscription Receipt to cover over allotments exercisable in whole or in part at any time until 30 days after the closing of the Financing. The gross proceeds from the sale of Subscription Receipts pursuant to the Financing will be held in escrow pending the completion of the Acquisition. If the Underwriters are satisfied, acting reasonably, that there is no impediment to the completion of the Acquisition in all material respects in accordance with the terms of the Agreement (other than funding the portion of the purchase price therefor to be paid with the net proceeds of the Financing) before 5:00 p.m. (Calgary time) on November 15, 2021, the net proceeds from the sale of the Subscription Receipts will be released from escrow to Spartan and each Subscription Receipt will automatically be exchanged for one Common Share for no additional consideration and without any action on the part of the holder. If the Acquisition is not completed at or before 5:00 p.m. (Calgary time) on November 15, 2021, then the purchase price for the Subscription Receipts will be returned pro rata to subscribers, together with a pro rata portion of interest earned on the escrowed funds.

The Subscription Receipts issued pursuant to the Financing will be distributed by way of a short form prospectus in all provinces of Canada (excluding Québec) and may also be placed privately in the United States to Qualified Institutional Buyers (as defined under Rule 144A under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**")) pursuant to an exemption under Rule 144A, and may be distributed outside Canada and the United States on a basis which does not require the qualification or registration of any of the Company's securities under domestic or foreign securities laws. Completion of the Financing is subject to customary closing conditions, including the receipt of all necessary regulatory approvals, including the approval of the TSXV. Closing of the Financing is expected to occur on August 18, 2021.

The net proceeds from the Financing will be used to fund part of the cash portion of the purchase price under the Acquisition.

Advisors

National Bank Financial Inc. and CIBC World Markets Inc. are acting as financial advisors to Spartan in respect of the Acquisition and the Financing. Eight Capital is acting as strategic advisor to Spartan with respect to the Acquisition. Stikeman Elliott LLP is acting as legal counsel to Spartan in respect of the Acquisition, the Financing, the Term Facility and the Credit Facility.

About Spartan Delta Corp.

Spartan is committed to creating a modern energy company, focused on sustainability both in operations and financial performance. Spartan is focused on building an asset base that will generate sustainable free funds flow and sustainable development. Spartan's strategy is to identify, acquire and develop diversified assets that can be restructured, optimized and rebranded, financially or operationally, yielding accretion to shareholder value. With excess infrastructure capacity, Spartan is well positioned to continue pursuing immediate production optimization and responsible future growth. Further detail is available in Spartan's June corporate presentation, which can be accessed on its website at www.spartandeltacorp.com.

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READER ADVISORIES

This press release is not an offer of the securities for sale in the United States. The securities offered have not been, and will not be, registered under the U.S. Securities Act or any U.S. state securities laws and may not be offered or sold in the United States absent registration or an available exemption from the registration requirement of the U.S. Securities Act and applicable U.S. state securities laws. This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Notes to the Press Release:

1. The aggregate consideration to be paid by Spartan in respect of the Acquisition is estimated to be $743.3 million, comprised of approximately $355.9 million of cash consideration and the issuance of 2,962,264 Common Shares at a deemed issuance price of approximately $5.30 per Common Share. The Net Debt(8) of Velvet being assumed or paid out by Spartan upon closing of the Acquisition is estimated to be $371.7 million, inclusive of Velvet's transaction costs. See "*Reader Advisories – Non-GAAP Financial Measures*" for additional details.
2. Production from the Velvet Assets is estimated to be approximately 20,600 boe/d at close, consisting of 8,600 bbl/d of oil (42%), 3,000 bbl/d of NGLs (14%) and 54.0 MMcf/d of natural gas (44%). The 2022 average production estimate of 23,750 boe/d is comprised 10,500 bbl/d of oil (44%), 3,080 bbl/d of NGLs (13%) and 61.0 MMcf/d of natural gas (43%).
3. See "*Reader Advisories – Reserves Disclosure*" for additional details regarding reserves estimates.
4. See "*Reader Advisories – Drilling Locations*" for additional details regarding drilling locations.
5. Total land holdings to be acquired is 384,700 net acres, of which approximately 281,700 net acres represent lands in the Montney formation.
6. Based on working interest reserves of the Velvet Assets before deduction of royalties and without including any of royalty interest reserves. See "*Reader Advisories – Reserves Disclosure*", below.
7. Proved reserves consisting of 52.7 MMbbl of oil (38%), 19.2 MMbbl of NGLs (14%) and 409 MMcf of natural gas (48%). Proved plus probable reserves consisting of 79.4 MMbbl of oil (35%), 31.1 MMbbl of NGLs (14%) and 694.6 MMcf of natural gas (51%). See "*Reader Advisories – Reserves Disclosure*" for additional details.
8. See "*Reader Advisories – Non-GAAP Financial Measures*" for additional details.

9. The estimated Operating Income and Operating Netback for the Velvet Assets in 2022 is based on strip pricing as of July 26, 2021, specifically: US$65.24/bbl WTI; C$3.22/GJ AECO; C$80.54/bbl Edmonton Condensate; C$76.48/bbl Edmonton Oil; US$0.89/Gal Conway; and an exchange of CA$/US$1.26. See "*Reader Advisories – Non-GAAP Financial Measures*" and "*Reader Advisories – Forward-Looking and Cautionary Statements*" for additional details.
10. Assumes an August 31, 2021 closing date for the Acquisition.
11. Daily Oil Bulletin Energy Excellence Awards, 2020 Winner of Project Excellence.
12. Production guidance following the completion of the Acquisition shown under "*2021 Post-Acquisition*" and "*2022 Post-Acquisition*" consists of approximately 10% oil, 4% condensate, 20% NGLs and 66% natural gas for 2021, and 21% oil, 2% condensate, 19% NGLs and 58% natural gas for 2022.
13. Capital expenditures exclude acquisitions.

Reserves Disclosure

All reserves information in this press release relating to the Velvet Assets was prepared by McDaniel & Associates Consultants Ltd., for Velvet, effective July 1, 2021 (the "**Velvet Report**"), in accordance with National Instrument 51-101 – *Standards of Disclosure of Oil and Gas Activities* ("**NI 51-101**") and the most recent publication of the Canadian Oil and Gas Evaluation Handbook (the "**COGE Handbook**"). The estimates of reserves and future net revenue for the Acquisition may not reflect the same confidence level as estimates of reserves and future net revenue for all of Spartan's properties, due to the effects of aggregation.

All reserve references in this press release are "gross reserves". Gross reserves are a company's total working interest reserves before the deduction of any royalties payable by such company and before the consideration of such company's royalty interests. It should not be assumed that the present worth of estimated future cash flow of net revenue presented herein 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 Spartan's oil, NGLs and natural gas reserves, including those of the Velvet Assets, provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual oil, natural gas and NGLs reserves may be greater than or less than the estimates provided herein.

Drilling Locations

This press release discloses drilling inventory in three categories: (a) proved locations; (b) probable locations; and (c) unbooked/potential locations. Proved locations and probable locations are derived from the Velvet Report and account for drilling locations that have associated proved and/or probable reserves, as applicable. Unbooked locations are internal estimates based on the prospective acreage of the Velvet Assets 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 732 net drilling locations identified herein, 159 are proved locations, 45 are probable locations and 528 are unbooked locations. Unbooked locations have been identified by management as an estimation of Spartan's multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that Spartan 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 considered for future development 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 being 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. If these wells are drilled, there is more uncertainty that such wells will result in additional oil and gas reserves, resources or production.

Non-GAAP Measures

This press 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, Spartan 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.

<u>Adjusted Funds Flow and Free Funds Flow</u>

"**Adjusted Funds Flow**" is calculated as Fund From Operations, adjusted to add back transaction costs on acquisitions and to deduct cash lease payments. Spartan believes Adjusted Funds Flow is an appropriate metric to compare relative to Net Debt (Surplus) 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).

"**Adjusted Funds Flow per share**" and **"Free Funds Flow per share"** used to estimate accretion are calculated based on the number of common shares forecast to be outstanding at the end of the period.

"**Adjusted Working Capital**" is calculated as current assets less current liabilities, excluding derivative financial instrument assets and liabilities and lease liabilities.

"**Funds From Operations**" represents cash flow provided by operating activities determined in accordance with IFRS, adjusted to add back changes in non-cash working capital.

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

"**Net Debt (Surplus)**" includes the Term Facility and indebtedness under the Credit Facility, net of Adjusted Working Capital.

"**Net Debt**" to be assumed or paid out in connection with the Acquisition is defined as bank debt, senior secured notes (adjusted for the fair value of foreign exchange financial instruments) plus working capital and excludes commodity hedging.

"**Operating Income**" is calculated by deducting operating and transportation expenses from total revenue, after realized gains or losses on commodity price derivative financial instruments. "**Operating Netback**" refers to Operating Income expressed per unit of production on a boe basis. Total revenue is comprised of oil and gas sales, net of royalties, plus processing and other revenue. Spartan believes Operating Income and Operating Netback are useful supplemental measures that demonstrates Spartan's ability to generate the cash necessary to repay debt or fund future capital investment. Spartan considers Operating Income and Operating Netback as important measures to evaluate its operational performance as it demonstrates its field level profitability relative to current commodity prices.

The assumptions used in the forecast Operating Netback ($/boe) for the Velvet Assets are as follows:

Velvet Assets *($/boe)*	**2021 (4 months)**	**2022**
Oil and gas sales	51.35	47.32
Processing and other revenue	-	-
Royalties	(3.54)	(3.07)
Operating expenses	(10.48)	(9.95)
Transportation expenses	(4.65)	(3.76)
Operating Netback, before financial instruments	**32.68**	**32.54**
Loss on commodity price derivative contracts	(15.19)	(5.42)
Operating Netback, after financial instruments	**17.49**	**25.12**

The pro forma Operating Netback ($/boe) assumptions used under the heading *"2021 and 2022 Corporate Guidance*" are as follows:

Pro forma Guidance *($/boe)*	**2021 Post-Acquisition**	**2022 Post-Acquisition**
Oil and gas sales	33.61	35.80
Processing and other revenue	-	-
Royalties	(3.49)	(3.29)
Operating expenses	(6.41)	(7.28)
Transportation expenses	(2.05)	(2.50)
Operating Netback, before financial instruments	**21.65**	**22.73**
Loss on commodity price derivative contracts	(3.46)	(2.11)
Operating Netback, after financial instruments	**18.19**	**20.62**

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. Spartan 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: timing of the Acquisition; the terms of the Acquisition, including the portion of the purchase price payable in cash and Common Shares; satisfaction or waiver of the closing conditions to the Acquisition; receipt of required legal and regulatory approvals for the completion of the Acquisition (including approval of the TSXV and the Commissioner of Competition pursuant to the Competition Act (Canada)); anticipated take-up of Velvet Shares under the Acquisition; funding and payment of the purchase price in respect of the Acquisition; expected net det assumed by Spartan pursuant to the Acquisition; expected production and cash flow related to the Velvet Assets; expected number of future drilling locations related to the Velvet Assets; reserve estimates; estimated tax pools associated with the Velvet Assets; future production levels; future operational and technical synergies resulting from the Acquisition; management's ability to replicate past performance; the ability of Spartan to optimize production from the Velvet Assets; future consolidation opportunities and acquisition targets; the business plan, cost model and strategy of Spartan; future cash flows; expectations regarding the Montney formation, including potential benefits from the Velvet Assets located in the Gold Creek, Karr, Pouce Coupe and Flatrock areas; expectations regarding the reduction of the Company's Net Debt (Surplus) using Free

Funds Flow; the anticipated closing date of the Financing; the use of proceeds from the Financing; the anticipated increase to the Credit Facility; the graduation of the Common Shares to the TSX, including the timing of final approval from the TSX and delisting from the TSXV; and future commodities prices and exchange rates.

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 Spartan, the receipt of all approvals and satisfaction of all conditions to the completion of the Acquisition and the Financing, the receipt of all approvals to the graduation of the Common Shares, the timing of and success of future drilling, development and completion activities, the performance of existing wells, the performance of new wells, the availability and performance of facilities and pipelines, the geological characteristics of Spartan's properties, the characteristics of the Velvet Assets, the successful integration of the Velvet Assets into Spartan's operations, the successful application of drilling, completion and seismic technology, prevailing weather conditions, prevailing legislation affecting the oil and gas industry, commodity prices, royalty regimes and exchange rates, the application of regulatory and licensing requirements, the availability of capital, labour and services, the creditworthiness of industry partners and the ability to source and complete 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, counterparty risk to closing each of the Acquisition and the Financing, 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 Spartan'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 Spartan'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 prospective results of operations, operating costs, Funds From Operations, Adjusted Funds Flow, Free Funds Flow, Net Debt (Surplus), and Operating Netbacks and Spartan's corporate outlook and guidance for 2021 and 2022, generally, should not be used for purposes other than those for which it is disclosed herein. Spartan 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, Spartan'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 (Mcf) per barrel (bbl). 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 light crude oil and medium crude oil, combined. NI 51-101 includes condensate within the product type of "natural gas liquids". References to "natural gas liquids" or "NGLs" include pentane, butane, propane, ethane and condensate. References to "gas" or "natural gas" relates to conventional natural gas.

Abbreviations

2022E	Estimate for the year ending December 31, 2022
AECO	Alberta Energy Company "C" Meter Station of the NOVA Pipeline System
bbl	barrels of oil
boe	barrels of oil equivalent
boe/d	barrels of oil equivalent per day
GJ	gigajoule
$MM	millions of Canadian dollars
Mboe	thousand barrels of oil equivalent
MMbbl	million barrels of oil
MMcf	million cubic feet
MMcf/d	million cubic feet per day
NGL	natural gas liquids
WTI	West Texas Intermediate, the reference price paid in U.S. dollars 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.