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SPARTAN DELTA CORP. ANNOUNCES CLOSING OF PREVIOUSLY ANNOUNCED ACQUISITION AND FINANCING, THREE-YEAR PLAN, AND INAUGURAL ESG REPORT

Calgary, Alberta – August 31, 2021 – Spartan Delta Corp. ("**Spartan**" or the "**Company**") (TSXV:SDE) is pleased to announce the closing of its previously announced acquisition (the "**Acquisition**") of Velvet Energy Ltd. ("**Velvet**"), a privately held light-oil Montney producer with operations primarily in the Gold Creek, Karr and Pouce Coupe areas of northwest Alberta (the "**Velvet Assets**").

Total consideration for the Acquisition is approximately $751.5 million(20), comprised of $355.9 million of cash, the issuance of 2,986,787 common shares (the "**Common Shares**") of Spartan, and the assumption of Velvet's net debt estimated to be $382.6 million. The Acquisition was funded by a combination of cash on hand, net proceeds released to Spartan pursuant to its previously announced $150.0 million bought deal equity financing (the "**Financing**"), a new $150.0 million five-year term facility and advances under the Company's revolving credit facility with increased borrowing capacity of up to $450.0 million.

Post completion of the Financing and the Acquisition, Spartan has 147,169,390 Common Shares issued and outstanding, inclusive of the 29,703,000 Common Shares issued in connection with the Financing at a subscription price of $5.05 per Common Share and 2,986,787 Common Shares issued in connection with the Acquisition at a deemed issuance price of $5.30 per Common Share.

In accordance with their terms, each subscription receipt issued pursuant to the Financing was exchanged for one Common Share contemporaneous with the completion of the Acquisition, and the net proceeds of $144.3 million were released to Spartan from escrow. Holders of subscription receipts are not required to take any action in order to receive the underlying Common Shares.

ACQUISITION OF VELVET ENERGY LTD.

The Acquisition represents a major milestone in Spartan's Montney business strategy, positioning Spartan as the largest producer and acreage holder in the oil window of Canada's Montney fairway. Current production from the Velvet Assets is approximately 20,600 boe/d, 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 Acquisition includes proved plus probable reserves of 224.6 million boe(1)(2)(3). Significant growth opportunities have been identified on the 286,700 gross (281,700 net) acres of Montney lands, including 732 net identified Montney drilling locations(4). For further details on the Acquisition, see Spartan's press release dated July 28, 2021, and short form prospectus dated August 10, 2021.

GRADUATION TO THE TORONTO STOCK EXCHANGE

Spartan is pleased to announce that it has received final approval to list the Common Shares on the Toronto Stock Exchange (the "**TSX**"). Effective at market open on Wednesday, September 1, 2021, the Common Shares will commence trading on the TSX under the existing symbol "**SDE**" and will concurrently be delisted from the TSX Venture Exchange.

STRATEGY UPDATE AND THREE-YEAR DEVELOPMENT PLAN

The fourth iteration of the Spartan franchise was launched less than two years ago with a clear and consistent message to investors. Through a targeted consolidation strategy, Spartan set out to create a strong intermediate energy company focused on: (i) Free Funds Flow growth; (ii) generating compelling returns for shareholders; and (iii) a forward-thinking approach to ESG.

Spartan embarked on a series of acquisitions, anchored by an initial acquisition of assets in the Deep Basin in June 2020, and culminating in the acquisition of Velvet which adds material scale to the Company's Montney oil operations in northwest Alberta.

The acquisition of Velvet completes the strategic platform that Spartan has been building and marks the beginning of the next phase of the Company's development. While Spartan will continue to take advantage of select acquisition opportunities as they may arise, the near-term focus will shift to the integration of Velvet as well as the execution of the Company's organic drilling program. The significant Free Funds Flow that the Company's assets generate will be principally directed to debt repayment through 2022.

The Company believes its focused asset base offers investors a unique combination of Free Funds Flow, scale, and repeatability in the Deep Basin and Montney. Spartan's two core areas provide a diversified mix of high-quality development with torque to both oil and gas prices (sensitivities to commodity prices can be found in "*Future Oriented Financial Information*").

To reflect the shift in the Company's strategy, Spartan has introduced a Three-Year Development Plan for 2022 through 2024 (the "**Plan**"). The Plan is estimated to grow production by an annualized rate of 11% to 84,000 boe per day(7) from the current 62,500 boe per day(16) and generate over $656.0 million of Free Funds Flow from the closing of the Velvet Acquisition to the end 2024. The Company intends to use Free Funds Flow to reduce its current Net Debt, estimated to be approximately $492.0 million(21), and is forecasting a Net Surplus of approximately $164.0 million by the end of 2024(10).

Three-Year Development Plan(19)	**2022**	**2023**	**2024**
Average production (boe/d)(9)	70,000	78,000	84,000
% Oil and NGLs	41%	42%	44%
Organic production growth (%)(18)	12%	11%	8%
Operating Netback, before hedging ($/boe)(10)	21.68	20.81	21.47
Loss on commodity price derivative contracts ($MM)	(45)	(17)	-
Adjusted Funds Flow ($MM)(10)	434	506	607
Capital expenditures ($MM)(11)	300	300	300
Free Funds Flow ($MM)(10)	134	206	307
Free Funds Flow Yield (%)(8)(10)	18%	28%	42%
Net Debt (Surplus), end of year ($MM)(10)	349	143	(164)
Net Debt to Adjusted Funds Flow(10)	0.8x	0.3x	nm
Key Assumptions:			
WTI oil price (US$/bbl)	60.00	60.00	60.00
AECO natural gas price (C$/GJ)	3.25	2.75	2.75
Average exchange rate (CAD/USD)	1.28	1.28	1.28

DEEP BASIN TUCK-IN ACQUISTION

Spartan has entered into a definitive agreement to acquire the issued and outstanding securities of an arms-length private entity in connection with a court supervised restructuring process for cash consideration of $34.9 million, net of positive working capital (the "**Ferrier Acquisition**"). The Ferrier Acquisition is anticipated to be completed on or about September 2, 2021.

The assets to be acquired (the "**Ferrier Assets**") are adjacent to the Company's core properties in the Ferrier area of Alberta and include current production of approximately 2,100 boe per day(12) and 19.0 MMboe of 2P reserves(1). The Ferrier Assets unlock 12.0 top tier Spirit River drilling locations(1) expected to achieve IRRs(10) in excess of 300% on current strip pricing, which have been layered into the Company's near-term development plan.

Current and future volumes from the Ferrier Acquisition will be re-routed to flow through Spartan's infrastructure, benefiting from Spartan's low operating cost structure. After pooling with one section of Spartan's undeveloped and previously sterilized land, the Company expects to drill two net wells in 2021 contributing to total production of 3,700 boe per day(13) and $25.0 million of forecasted Operating Income in 2022 from the Ferrier Assets and pooled section.

UPDATES TO CORPORATE GUIDANCE FOR 2021 AND 2022

As part of the Company's press release dated July 28, 2021, relating to the initial announcement of the Velvet Acquisition, Spartan provided pro forma post-acquisition guidance for 2021 and 2022 incorporating the preliminary forecasts for the Velvet Assets ("**Previous Guidance**"). Based on the anticipated closing of the Ferrier Acquisition, reallocation of certain capital expenditures within the budget, and other refinements to preliminary estimates, Spartan has provided revised operating and financial guidance for 2021 and 2022 below ("**Revised Guidance**").

The Revised Guidance for 2021 includes the Ferrier Assets and the Velvet Assets for the four-month period from September to December 2021. The forecasted commodity price assumptions used in the Revised Guidance for the remainder of 2021 are unchanged from the forecasts used in the Previous Guidance to isolate the impact of other changes in estimates.

2021 Guidance	Revised Guidance	Previous Guidance	Change
Average production (boe/d)(5)	44,000 - 46,000	43,000 - 45,000	1,000
% Oil and NGLs	33%	34%	(1%)
Operating Netback, before hedging ($/boe)(5)(10)	21.43	21.65	(0.22)
Loss on commodity derivative contracts ($MM)	(56)	(56)	-
Adjusted Funds Flow ($MM)(5)(10)	251	249	2
Capital expenditures, before A&D ($MM)(11)	175	175	-
Free Funds Flow ($MM)(5)(10)	76	74	2
Net Debt (Surplus), end of year ($MM)(5)(10)(14)	483	446	37
Common Shares outstanding, end of year (MM)	147	147	-

The Company's revised guidance for 2022 is based on calendar year average forecasts of US$60.00 per barrel for WTI crude oil and $3.25 per GJ for AECO natural gas. Compared to Previous Guidance, the forecast for WTI decreased by 8% from US$65.24 per barrel (based on strip pricing as of July 26, 2021). The forecasted AECO natural gas price is substantially unchanged for 2022 (previously $3.22 per GJ).

2022 Guidance	Revised Guidance	Previous Guidance	Change
Average production (boe/d)(6)	67,500 - 72,500	66,000 - 71,000	1,500
% Oil and NGLs	41%	41%	-
Operating Netback, before hedging ($/boe)(6)(10)	21.68	22.73	(1.05)
Loss on commodity derivative contracts ($MM)	(45)	(53)	8
Adjusted Funds Flow ($MM)(6)(10)	434	444	(10)
Capital expenditures, before A&D ($MM)(11)	300	300	-
Free Funds Flow ($MM)(6)(10)	134	144	(10)
Net Debt (Surplus), end of year ($MM)(6)(10)(14)	349	302	47
Common Shares outstanding, end of year (MM)	147	147	-

MID-YEAR 2021 INDEPENDENT QUALIFIED RESERVE EVALUATION HIGHLIGHTS

Spartan is pleased to provide highlights of its mid-year reserves evaluation prepared by McDaniel & Associates Consultants Ltd. ("**McDaniel**") effective July 1, 2021 (the "**Spartan Mid-Year Report**"). The results of the Spartan Mid-Year Report do not include the Velvet Assets(15) or the Ferrier Assets and are reflective of the acquisitions completed by Spartan during the first six months of 2021, including: the Inception Acquisition, the purchase of assets located primarily in the Simonette area of Alberta, and other acquisitions of assets located in the Willesden Green, Gold Creek and Simonette core areas (collectively, the "**Acquired Assets**").

- Relative to year-end 2020, Spartan's mid-year 2021 proved plus probable ("**2P**") reserves increased by 36% to 282 MMboe, total proved ("**1P**") reserves increased by 46% to 197 MMboe, and proved developed producing ("**PDP**") reserves increased by 22% to 82 MMboe.
- Future development capital ("**FDC**") totaled $852.0 million in the total proved category with 128 net booked locations and $1.111 billion in the total proved plus probable category with 170 net booked locations(4)(17).
- Go-forward estimated undeveloped finding and development ("**F&D**") costs of $7.45 per boe for 1P reserves and $6.13 per boe for 2P reserves resulting in an undeveloped recycle ratio of 2.3x 1P and 2.8x 2P based on Spartan's Operating Netback of $16.89 per boe in the second quarter of 2021(10)(17).

The following table summarizes reserves volumes by category and product type, as well as the before-tax net present value discounted at 10%. The Spartan Mid-Year Report 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 "**COGE Handbook**"). The NPV10 values are based on the average forecast July 1, 2021 pricing of McDaniel, GLJ Ltd. and Sproule Associates Limited. See "*Reader Advisories – Reserves Disclosure*" for more information.

Reserves Category	Crude Oil (MMbbl)	Natural Gas (Bcf)	NGLs (MMbbl)	Total (MMboe)	NPV10 ($MM)
Proved Developed Producing	2.8	338	22.7	81.9	$547
Total Proved	18.1	774	49.4	196.5	$1,249
Total Proved + Probable	28.8	1,100	69.5	281.8	$1,758

ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

Spartan is pleased to release its inaugural Environment, Social and Governance Report (the "**ESG Report**") which outlines the Company's performance in 2020 and vision for its evolving ESG program. As a relatively new and growing organization, Spartan has identified sustainability as a cornerstone of its corporate strategy.

The Company has accumulated a suite of assets with an industry leading Alberta Liability Management Rating ("**LMR**") of 8.26 and has created a proactive approach to reclamation and abandonment obligations through a unique program with Indigenous partners. As the Company continues to grow, its ESG practices will also expand and evolve, driven by a focus on assessing material ESG factors in the coming years.

Spartan recognizes the importance of providing transparent ESG reporting to its investors, community members and the public, and has utilized globally recognized frameworks to provide this data, including the framework of the Sustainability Accounting Standards Board and the United Nations Sustainable Development Goals. The ESG report is presented in an innovative and environmentally friendly online format and may be accessed at **esg.spartandeltacorp.com**.

ADVISORS

National Bank Financial Inc. and CIBC World Markets Inc. acted as financial advisors to Spartan in respect of the Acquisition and the Financing. Eight Capital acted as strategic advisor to Spartan with respect to the Acquisition. Stikeman Elliott LLP acted as legal counsel to Spartan in respect of the Velvet Acquisition, the Ferrier Acquisiiton, the Financing, the term facility and the credit facility.

ABOUT SPARTAN DELTA CORP.

Spartan is building a sustainable energy company whose ESG-focused culture is centered on generating sustainable Free Funds Flow through responsible oil and gas exploration and development. The Company has established a portfolio of high-quality production and development opportunities in the Deep Basin and Montney. Spartan is focused on the execution of the Company's organic drilling program, delivering operational synergies in a respectful and responsible manner to the environment and communities it operates in. The Company is well positioned to continue pursuing immediate production optimization, responsible future growth with organic drilling, opportunistic acquisitions and the delivery of Free Funds Flow. Further detail is available in Spartan's corporate presentation, which can be accessed on its website at www.spartandeltacorp.com.

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READER ADVISORIES

Notes to the Press Release:

1. See "*Reader Advisories – Oil and Gas Measures*" for additional details regarding reserves estimates and drilling locations.
2. 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.
3. Proved plus probable reserves consisting of 79.4 MMbbl of oil (35%), 31.1 MMbbl of NGLs (14%) and 684.6 Bcf of natural gas (51%). See "*Reader Advisories – Reserves Disclosure*" for additional details.
4. See "*Reader Advisories – Reserves Disclosure – Drilling Locations*" for additional details regarding drilling locations.
5. Production guidance for 2021 consists of approximately 9% oil, 4% condensate, 20% NGLs and 67% natural gas.
6. Production guidance for 2022 consists of approximately 20% oil, 2% condensate, 19% NGLs and 59% natural gas.
7. Plan production for 2024 consists of approximately 24% oil, 2% condensate, 18% NGLs and 56% natural gas.
8. Calculated using a market capitalization of $**730** million, based on 167.3MM fully diluted shares (treasury stock method) and a common share price of $4.36/share.
9. Production for the the Plan consists of approximately 20% oil, 2% condensate, 19% NGLs and 59% natural gas in 2022, 22% oil, 2% condensate, 18% NGLs and 58% natural gas in 2023, and 24% oil, 2% condensate, 18% NGLs and 56% natural gas in 2024.
10. See "*Reader Advisories – Non-GAAP Measures*" for additional details.
11. Capital expenditures exclude acquisitions.
12. Current Production for the Ferrier Assets consists of approximately 5% condensate, 24% NGLs and 71% natural gas.
13. Production guidance for the Ferrier Assets in 2022 consists of approximately 4% condensate, 23% NGLs and 73% natural gas.
14. Revised guidance of Net Debt includes the consideration of $34.9 million for the Ferrier Acquisition.
15. For further details on the Velvet reserves, see Spartan's final short form prospectus dated August 10, 2021.
16. Production on close of the Velvet Acquisition and the Ferrier Acquisition consists of approximately 17% oil, 3% condensate, 18% NGLs and 62% natural gas.
17. See "*Reader Advisories – Oil and Gas Measures*".
18. Organic growth in 2022 is calculated based off current production of 62,500 boe/d and the midpoint of 2022 guidance.
19. The Plan includes formal guidance for 2022 and management outlook for 2023 and 2024.
20. The estimated total consideration for the Acquisition of $751.5 million is comprised of $355.9 million of cash, the issuance of 2,986,787 Common Shares, and the assumption of Velvet's net debt estimated to be $382.6 million. The estimated value of Common Share consideration is $13.0 million based on the closing price of the Common Shares on the TSXV of $4.36 on August 30, 2021.
21. The estimate of current Net Debt of $492.0 million includes net cash consideration of $34.9 million in respect of the Ferrier Acquisition which is expected to close on or about September 2, 2021.

Non-GAAP Measures

This press release contains certain financial measures, as described below, which do not have standardized meanings prescribed by International Financial Reporting Standards ("**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 Working Capital**" is calculated as current assets less current liabilities, excluding derivative financial instrument assets and liabilities, lease liabilities and deferred premiums on flow-through shares (if applicable at the reporting date).

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

"**Free Funds Flow Yield**" is calculated as Free Funds Flow divided by the market capitalization of the fully diluted share count, which calculated using the treasury stock method.

Net Debt (Surplus)

"**Net Debt (Surplus)**" includes indebtedness under Spartan's five-year term facility and the revolving credit facility, net of Adjusted Working Capital.

IRR

"**Internal rate of return**" or "**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.

Operating Income and Operating Netback

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

2021 Guidance *($/boe)*	**Revised Guidance**	**Previous Guidance**
Oil and gas sales	32.53	33.10
Processing and other revenue	0.51	0.50
Royalties	(3.90)	(3.49)
Operating expenses	(5.71)	(6.41)
Transportation expenses	(2.00)	(2.05)
Operating Netback, before financial instruments	**21.43**	**21.65**
Loss on commodity price derivative contracts	(3.38)	(3.46)
Operating Netback, after financial instruments	**18.05**	**18.19**

2022 Guidance *($/boe)*	**Revised Guidance**	**Previous Guidance**
Oil and gas sales	33.67	35.57
Processing and other revenue	0.24	0.23
Royalties	(3.34)	(3.29)
Operating expenses	(6.47)	(7.28)
Transportation expenses	(2.42)	(2.50)
Operating Netback, before financial instruments	**21.68**	**22.73**
Loss on commodity price derivative contracts	(1.74)	(2.11)
Operating Netback, after financial instruments	**19.94**	**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 as of the date hereof, 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 benefits of the Acquisition and the Ferrier Acquisition; Velvet's expected net debt being assumed by Spartan; expected post-Acquisition and post-Ferrier Acquisition production of Spartan; expected future drilling inventory; future operational and technical synergies resulting from the Acquisition and the Ferrier Acquisition; capital requirements; management's ability to replicate past performance; the ability of Spartan to optimize production from the Velvet Assets and the Ferrier 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; Spartan's planned ESG initiatives; the Plan and other aspects of the Company's future financial operations and performance; the expected benefits of the Plan; the Company's outlook for commodity prices; future commodities prices and exchange rates; and the performance and other characteristics of the Company's oil and natural gas properties and expected results from its assets. In addition, statements relating to expected production, reserves, recovery, costs and valuation are deemed to be forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions that the reserves described can be profitably produced in the future.

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 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 characteristics of the Ferrier Assets, the successful integration of the Ferrier Assets into Spartan's operations, that the Plan will be carried out as anticipated; 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, 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, capital expenditures, Adjusted Funds Flow, Free Funds Flow, Net Debt (Surplus), Operating Netbacks, the Plan, and Spartan's official corporate outlook and guidance for 2021 and 2022, generally, should not be used for purposes other than those for which it is disclosed herein. The estimates included in the Plan for 2023 and 2024 are provided for illustration only and are based on budgets and forecasts that have not been finalized and are subject to a variety of contingencies, including actual results for the preceding years. 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.

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 Spartan's guidance and the Plan. The Company's actual results may differ materially from these estimates. The following table provides a sensitivity of Spartan's forecasted Adjusted Funds Flow, holding all other assumptions constant, to changes in the forecasted benchmark oil and gas prices. Assuming capital expenditures are unchanged, the impact on Free Funds Flow would be equivalent to the increase or decrease in Adjusted Funds Flow. An increase (decrease) in Free Funds Flow will result in an equivalent decrease (increase) in the forecasted Net Debt (Surplus) in a given calendar year period and would accumulate in subsequent periods.

	Impact on Forecasted Adjusted Funds Flow (CA$ millions)			
	Increase WTI	Increase AECO	Decrease WTI	Decrease AECO
Year	US$10.00/bbl	CA$0.50/GJ	US$10.00/bbl	CA$0.50/GJ
2021	8	8	(10)	(8)
2022	47	33	(56)	(35)
2023	68	50	(78)	(51)
2024	69	51	(85)	(54)

Oil and Gas Measures

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", and "recycle ratio". 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.

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.

Reserves Disclosure

All reserves information in this press release relating to: (i) Spartan's mid-year reserves update were prepared by McDaniel effective as of July 1, 2021 (i.e. the Spartan Mid-Year Report); and (ii) the Velvet Assets were prepared by McDaniel for Velvet, effective July 1, 2021 (the "**Velvet Report**"), in accordance with NI 51-101 and the COGE Handbook. The estimate of reserves for the Ferrier Acquisition is an internal estimate made by the Company and may not reflect the same confidence level as estimate of reserves and future net revenue for all of Spartan's properties.

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. 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.

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 Spartan Mid-Year Report or 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 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.

Spartan Mid-Year Reserves Update

- Of the 170 net total drilling locations identified herein, 128 are net proved locations and 42 are net probable locations.

Velvet Acquisition

- Of the 732 net total drilling locations identified herein, 159 are net proved locations, 45 are net probable locations and 528 are net unbooked locations.

Ferrier Acquisition

- Of the 12 net total drilling locations identified herein, 12 are net 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 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 (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

AECO	Alberta Energy Company "C" Meter Station of the NOVA Pipeline System
bbl	barrels of oil
Bcf	billion cubic feet
boe	barrels of oil equivalent
boe/d	barrels of oil equivalent per day
ESG	Environment, Social and Governance
GJ	gigajoule
$MM	millions of Canadian dollars
MM	millions
Mboe	thousand barrels of oil equivalent
MMboe	million 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

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