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SPARTAN DELTA CORP. ANNOUNCES RECORD SECOND QUARTER 2022 RESULTS, CLOSING OF STRATEGIC ACQUISITION AND UPDATED GUIDANCE FOR 2022

Calgary, Alberta – August 9, 2022 – Spartan Delta Corp. ("**Spartan**" or the "**Company**") (TSX:SDE) is pleased to report its unaudited financial and operating results for the three and six month periods ended June 30, 2022, details of a strategic acquisition, as well as an update to the Company's guidance for the remainder of 2022.

Selected financial and operational information is set out below and should be read in conjunction with Spartan's unaudited interim financial statements and related management's discussion and analysis ("**MD&A**") for the three and six months ended June 30, 2022, which are filed on SEDAR at www.sedar.com and are available on the Company's website at www.spartandeltacorp.com. The highlights reported in this press release include certain non-GAAP financial measures and ratios which have been identified using capital letters. The reader is cautioned that these measures may not be directly comparable to other issuers; refer to additional information under the heading "Reader Advisories – Non-GAAP Measures and Ratios".

SECOND QUARTER 2022 HIGHLIGHTS

- Spartan's Q2 2022 production averaged 72,966 BOE/d (38% liquids), up 84% compared to 39,638 BOE/d (29% liquids) in Q2 2021 and exceeded the upper range of previous guidance of 68,500 to 72,500 BOE/d. This was achieved despite of unplanned downtime from third party facilities and planned downtime from our major facility turnaround operations completed during the second quarter of 2022.
- The Company continues to see strong results from its drilling program and brought 9.0 new wells on production during the second quarter, of which 7.0 net wells were in the Montney driving the 15% increase in crude oil production compared to Q1 2022.
- Global crude oil and natural gas prices reached their highest levels seen over the last decade driving record oil and gas sales, before royalties, of $438 million in Q2 2022. The Company's average selling price of $65.92 per BOE increased by 34% from $49.35 per BOE in Q1 2022 and by 147% from $26.71 per BOE in Q2 2021. The increase in average realized prices highlights the Company's oil-weighted production growth which has compounded the benefit of higher benchmark prices on revenues and cash flow.
- The Company's Q2 2022 Operating Netback increased to $45.56 per BOE before hedging ($37.47 per BOE after hedging), up 35% from $33.73 per BOE ($26.94 per BOE after hedging) in Q1 2022 and up 161% from $17.43 per BOE ($16.89 per BOE after hedging) in Q2 2021.
- Spartan achieved record Adjusted Funds Flow of $232 million ($1.33 per share, diluted), an increase of 45% compared to $160 million ($0.92 per share, diluted) in Q1 2022 and an increase of 339% from $53 million ($0.39 per share, diluted) in Q2 2021.
- Net income increased to $182 million in Q2 2022, up from $61 million in Q1 2022 and compared to $20 million in Q2 2021.
- Capital Expenditures before A&D were $91 million for the three months ended June 30, 2022, of which approximately 90% was spent in the Montney as activity slowed in the Deep Basin through spring break-up. During the second quarter, Spartan completed and brought on production a 4.0 well pad at Karr, drilled and completed a 5.0 (4.9 net) well pad in West Gold Creek which was subsequently brought on production in late July, and a 3.0 well pad in East Gold Creek that was completed in the first quarter was tied-in and brought on production in April. The Company also brought 2.0 Cardium wells in the Deep Basin on production in April that were completed in the first quarter and commenced drilling its first well into the Viking formation in June.
- Free Funds Flow of $142 million generated in Q2 2022 was used to reduce the Company's Net Debt to $262 million as at June 30, 2022; Spartan's quarter-end Net Debt represents approximately 0.3 times its Q2 Annualized Adjusted Funds Flow.

FINANCIAL AND OPERATING HIGHLIGHTS

The table below summarizes the Company's financial and operating results for the three and six month periods ended June 30, 2022 and June 30, 2021:

(CA$ thousands, except as otherwise noted)	Three months ended June 30			Six months ended June 30		
	2022	2021	%	**2022**	2021	%
FINANCIAL HIGHLIGHTS						
Oil and gas sales	**437,699**	96,356	354	**760,123**	165,639	359
Net income and comprehensive income	**181,740**	19,664	824	**242,917**	78,828	208
$ per share, basic [(a)]	**1.17**	0.17	588	**1.58**	0.86	84
$ per share, diluted [(a)]	**1.05**	0.15	600	**1.41**	0.75	88
Cash provided by operating activities	**236,007**	48,028	391	**373,847**	80,135	367
Adjusted Funds Flow [(b)]	**232,374**	52,957	339	**392,095**	87,574	348
$ per share, basic [(a)]	**1.50**	0.46	226	**2.54**	0.96	165
$ per share, diluted [(a)]	**1.33**	0.39	241	**2.26**	0.79	186
Free Funds Flow [(b)]	**141,738**	43,555	225	**193,475**	58,890	229
Cash used in investing activities	**103,185**	26,744	286	**207,547**	69,682	198
Capital Expenditures before A&D [(b)]	**90,636**	9,402	864	**198,620**	28,684	592
Adjusted Net Capital Acquisitions [(b)]	**(374)**	11,828	(103)	**(941)**	166,887	(101)
Total assets	**1,811,725**	729,966	148	**1,811,725**	729,966	148
Long-term debt	**226,762**	-	-	**226,762**	-	-
Net Debt (Surplus) [(b)]	**261,655**	(131,696)	(299)	**261,655**	(131,696)	(299)
Net Debt to Annualized AFF Ratio [(b)]	**0.3x**	n/a		**0.3x**	n/a	
Shareholders' equity	**1,139,794**	437,730	160	**1,139,794**	437,730	160
Common shares outstanding (000s), end of period [(a)]	**155,390**	114,476	36	**155,390**	114,476	36
OPERATING HIGHLIGHTS AND NETBACKS [(e)]						
Average daily production						
Crude oil (bbls/d)	**13,009**	1,969	561	**12,145**	1,290	841
Condensate (bbls/d) [(c)]	**2,365**	1,989	19	**2,389**	1,666	43
Natural gas liquids (bbls/d) [(c)]	**12,373**	7,627	62	**12,670**	7,372	72
Natural gas (mcf/d)	**271,313**	168,319	61	**273,443**	152,819	79
BOE/d	**72,966**	39,638	84	**72,778**	35,798	103
% Liquids [(d)]	**38%**	29%	31	**37%**	29%	28
Average realized prices, before financial instruments						
Crude oil ($/bbl)	**137.94**	71.98	92	**127.98**	70.72	81
Condensate ($/bbl) [(c)]	**135.63**	79.00	72	**127.87**	76.21	68
Natural gas liquids ($/bbl) [(c)]	**57.88**	30.21	92	**53.66**	29.33	83
Natural gas ($/mcf)	**7.29**	3.15	131	**6.07**	3.15	93
Combined average ($/BOE)	**65.92**	26.71	147	**57.70**	25.56	126
Netbacks ($/BOE) [(e)]						
Oil and gas sales	**65.92**	26.71	147	**57.70**	25.56	126
Processing and other revenue	**0.30**	0.80	(63)	**0.33**	0.72	(54)
Royalties	**(8.69)**	(2.90)	200	**(6.79)**	(2.96)	129
Operating expenses	**(9.18)**	(5.56)	65	**(8.78)**	(5.34)	64
Transportation expenses	**(2.79)**	(1.62)	72	**(2.77)**	(1.49)	86

Netbacks continued from previous page	Three months ended June 30 **2022**	2021	%	Six months ended June 30 **2022**	2021	%
Operating Netback, before hedging ($/BOE) [(e)]	**45.56**	17.43	161	**39.69**	16.49	141
Settlements on Commodity Derivative Contracts[(e)(f)]	**(8.09)**	(0.54)	nm	**(7.42)**	(0.76)	876
Net Pipeline Transportation Margin [(e)(g)]	**-**	-	-	**(0.02)**	-	-
Operating Netback, after hedging ($/BOE) [(e)]	**37.47**	16.89	122	**32.25**	15.73	105
General and administrative expenses	**(0.99)**	(1.33)	(26)	**(0.94)**	(1.28)	(27)
Cash Financing Expenses [(e)(h)]	**(1.05)**	(0.01)	nm	**(1.04)**	(0.06)	nm
Realized foreign exchange and other	**0.12**	-	-	**0.11**	0.08	38
Settlement of decommissioning obligations	**(0.10)**	(0.16)	(38)	**(0.15)**	(0.19)	(21)
Lease payments [(i)]	**(0.45)**	(0.71)	(37)	**(0.46)**	(0.76)	(39)
Adjusted Funds Flow Netback ($/BOE) [(e)]	**35.00**	14.68	138	**29.77**	13.52	120

a) Refer to “Share Capital” section of this press release.
b) “Adjusted Funds Flow”, “Free Funds Flow”, “Capital Expenditures before A&D”, “Adjusted Net Capital Acquisitions”, “Net Debt” and “Net Debt to Annualized AFF Ratio” do not have standardized meanings under IFRS, refer to "Non-GAAP Measures and Ratios" section of this press release.
c) Condensate is a natural gas liquid (“**NGL**”) as defined by NI 51-101. See “Other Measurements”.
d) “Liquids” includes crude oil, condensate and NGLs.
e) “Netbacks” are non-GAAP financial ratios calculated per unit of production. "Operating Netback", “Settlements on Commodity Derivative Contracts”, “Net Pipeline Transportation Margin”, “Cash Financing Expenses” and “Adjusted Funds Flow Netback” do not have standardized meanings under IFRS, refer to "Non-GAAP Measures and Ratios" section of this press release.
f) Includes realized gains or losses on derivative financial instruments plus settlements of acquired derivative liabilities.
g) Pipeline transportation revenue, net of pipeline transportation expense.
h) Includes interest and fees on long-term debt, net of interest income.
i) Includes total lease payments comprised of the principal portion and financing cost of lease liabilities.

UPDATED 2022 GUIDANCE

Average production volumes of 72,778 BOE/d in the first half of 2022 reflect the strong Montney drilling results achieved to date and, in tandem with rising commodity prices, have led to outperformance of the Company’s forecast for the first half of the year. Free Funds Flow of $193 million generated in the first six months of 2022 exceeded the Company’s previous H1 forecast of $65 million by 200%, allowing Spartan to reduce its bank debt at an accelerated pace.

Spartan is encouraged by the results of its 2022 drilling program, which has consistently delivered highly accretive returns in excess of our budgeted type curves. Although our short-term priority for Free Funds Flow continues to focus on debt repayment, Spartan’s Board of Directors has approved a $90 million increase to our 2022 capital program. Of this amount, approximately one-half relates to added activity which will deliver incremental Montney production in early 2023. This accelerated development plan is an efficient allocation of capital that allows Spartan to fully utilize one of our Montney rigs year-round, reducing the risk of timely procurement of key services. In addition, incremental long-lead inventory has also been procured and select infrastructure and construction activities are being accelerated into 2022 to reduce execution risk in the 2023 operating plan.

The remainder of the increase to the 2022 capital budget is to address historical and anticipated cost inflation which has been seen across virtually every aspect of our business. This additional inflation amount represents an overall increase of approximately 14% over our original 2022 capital estimates.

Based on forecast commodity prices for the second half of 2022 of US$90/bbl for WTI crude oil and $5.75/GJ for AECO 7A natural gas, Spartan expects to generate Adjusted Funds Flow of $840 million (previously $589 million) and Free Funds Flow of $420 million (previously $259 million) for the 2022 calendar year.

Spartan’s updated 2022 guidance is summarized below along with a comparison to previous guidance published as of February 15, 2022:

ANNUAL GUIDANCE **Year ending December 31, 2022**	**Updated Guidance**	Previous Guidance	Variance [a] Amount	 %
Average Production (BOE/d) [a][c]	**71,000 – 73,000**	68,500 – 72,500	1,500	2
% Liquids	**38%**	40%	(2%)	(4)
Benchmark Average Commodity Prices [d]				
WTI crude oil price (US$/bbl)	**95.67**	80.00	15.67	20
NYMEX Henry Hub natural gas price (US$/mmbtu)	**6.97**	4.38	2.59	59
AECO 7A natural gas price ($/GJ)	**5.45**	3.75	1.70	45
Average exchange rate (CA$/US$)	**1.28**	1.26	0.02	2
Operating Netback, before hedging ($/BOE) [b][c]	**38.69**	27.73	10.96	40
Operating Netback, after hedging ($/BOE) [b][c]	**33.94**	25.58	8.36	33
Settlements on Commodity Derivative Contracts ($MM) [b]	**(124)**	(55)	(69)	125
Adjusted Funds Flow ($MM) [b][c]	**840**	589	251	43
Capital Expenditures, before A&D ($MM) [b]	**420**	330	90	27
Free Funds Flow ($MM) [b]	**420**	259	161	62
Adjusted Net Capital Acquisitions ($MM) [b]	**5**	-	5	-
Net Debt, end of year ($MM) [b][e]	**41**	199	(158)	(79)
Common shares outstanding, end of year (MM) [f]	**155**	154	1	1

a) The financial performance measures included in the Company's updated guidance for 2022 is based on the midpoint of the average production forecast of 72,000 BOE/d (previously 70,500 BOE/d).

b) "Operating Netback", "Settlements on Commodity Derivative Contracts", "Adjusted Funds Flow", "Capital Expenditures, before A&D", "Free Funds Flow", "Adjusted Net Capital Acquisitions" and "Net Debt" do not have standardized meanings under IFRS, see "Non-GAAP Measures and Ratios".

c) Additional information regarding the assumptions used in the forecasted Average Production, Operating Netbacks and Adjusted Funds Flow for 2022 are provided in the Reader Advisories section of this press release.

d) The forecast of benchmark average prices for the 2022 calendar year is based on actual prices for the period ended June 30, 2022 and the following forecast prices for the second half of 2022: WTI US$90/bbl; NYMEX US$7.88/mmbtu; AECO 7A $5.75/GJ; and a CA$/US$ exchange rate of 1.29.

e) The change in forecast Net Debt at December 31, 2022 compared to previous guidance primarily relates to the $161 million increase in forecasted Free Funds Flow for 2022, $4 million of proceeds received from stock options and warrants exercised in H1, and $6 million of acquisition costs, net of approximately $1 million of proceeds from dispositions.

f) The forecast of common shares outstanding at the end of 2022 includes restricted share awards expected to be released upon vesting, but does not include common shares potentially issuable in respect of stock options and warrants for which the exercise is discretionary on behalf of the holder (refer to "Share Capital" for additional information regarding dilutive securities).

Changes in forecast commodity prices, exchange rates, differences in the amount and 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. The Company's actual results may differ materially from these estimates. Holding all other assumptions constant, a US$10/bbl increase (decrease) in the forecasted WTI crude oil price for the second half of 2022 would increase Adjusted Funds Flow by approximately $39 million (decrease by $40 million). An increase (decrease) of CA$1.00/GJ in the forecasted AECO 7A natural gas price for the second half of 2022, holding the NYMEX-AECO basis differential and all other assumptions constant, would increase Adjusted Funds Flow by approximately $27 million (decrease by $30 million). Holding U.S. dollar benchmark commodity prices and all other assumptions constant, an increase (decrease) of $0.10 in the CA$/US$ exchange rate would increase Adjusted Funds Flow by approximately $41 million (decrease by $42 million). 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).

STRATEGIC ACQUISITION

On August 9, 2022, Spartan closed the corporate acquisition of Bellatrix Exploration Ltd. ("**Bellatrix**") through a court supervised process under the *Companies' Creditors Arrangement Act* (the "**CCAA**") for a cash purchase price of $6 million (the "**Acquisition**"). Pursuant to the Acquisition, Spartan acquired 1,000 new common shares issued by Bellatrix and all other existing equity securities of Bellatrix were cancelled for no consideration, resulting in Spartan holding 100% of the aggregate issued and outstanding equity securities of Bellatrix. Spartan previously acquired substantially all of Bellatrix's assets for total consideration of $109 million in June 2020, which established the Company's core operating area in the Alberta Deep Basin. Following the Acquisition and reorganization under the CCAA, Bellatrix will not have any significant assets or liabilities remaining except for approximately $600 million of non-capital loss tax pools estimated to be available for use by Spartan as of the closing date. Together with Spartan's existing tax pools of $1.6 billion as of June 30, 2022, the Company's total tax pools are estimated to be in excess of $2.2 billion (~60% non-capital losses) pro forma the Acquisition. Based on commodity strip pricing and current expectations of future capital expenditures and production levels, among other significant assumptions, Spartan expects its future tax horizon to be extended beyond 2025.

Pursuant to the early warning requirements of applicable Canadian securities laws, an early warning report with additional information in respect of the foregoing matters will be filed and made available on the SEDAR profile of Bellatrix at www.sedar.com. To obtain a copy of the early warning report, you may also contact Geri Greenall, Chief Financial Officer of Spartan, by emailing info@spartandeltacorp.com.

ESG Report

Spartan is proud to present its updated environment, social and governance ("**ESG**") reporting and strategy. Reflecting our continuous commitment to ESG, Spartan will be updating ESG information regularly (versus annually) via the Company's ESG website which can be accessed at https://esg.spartandeltacorp.com/. Spartan's performance data will continue to be updated annually and we will provide an Annual ESG Snapshot to capture Spartan's annual goals, targets and achievements.

ABOUT SPARTAN DELTA CORP.

Spartan is committed to creating a modern energy company, focused on sustainability both in operations and financial performance. The Company's ESG-focused culture is centered on generating 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, future growth with organic drilling, opportunistic acquisitions and the delivery of Free Funds Flow.

Spartan's corporate presentation as of August 9, 2022 can be accessed on the Company's website at www.spartandeltacorp.com.

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READER ADVISORIES

Non-GAAP Measures and Ratios

This press release contains certain financial measures and ratios 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 and ratios 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 and ratios used in this press 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.

The definitions below should be read in conjunction with the “Non-GAAP Measures and Ratios” section of the Company’s MD&A dated August 9, 2022, which includes discussion of the purpose and composition of the specified financial measures and detailed reconciliations to the most directly comparable GAAP financial measures.

Operating Income and Operating Netback

Operating Income, a non-GAAP financial measure, is a useful supplemental measure that provides an indication of the Company's ability to generate cash from field operations, prior to administrative overhead, financing and other business expenses. “**Operating Income, before hedging**” is calculated by Spartan as oil and gas sales, net of royalties, plus processing and other revenue, less operating and transportation expenses. “**Operating Income, after hedging**” is calculated by adjusting Operating Income for: (i) realized gains or losses on derivative financial instruments including settlements on acquired derivative financial instrument liabilities (together a non-GAAP financial measure “**Settlements on Commodity Derivative Contracts**”), and (ii) pipeline transportation revenue, net of pipeline transportation expense (the “**Net Pipeline Transportation Margin**”). The Company refers to Operating Income expressed per unit of production as an “**Operating Netback**” and reports the Operating Netback before and after hedging, both of which are non-GAAP financial ratios. Spartan considers Operating Netback an important measure to evaluate its operational performance as it demonstrates its field level profitability relative to current commodity prices.

Adjusted Funds Flow and Free Funds Flow

Cash provided by operating activities is the most directly comparable measure to Adjusted Funds Flow. “**Adjusted Funds Flow**” is reconciled to cash provided by operating activities by excluding changes in non-cash working capital, adding back transaction costs on acquisitions, and deducting the principal portion of lease payments. Spartan utilizes Adjusted Funds Flow as a key performance measure in the Company’s annual financial forecasts and public guidance. Transaction costs, which primarily include legal and financial advisory fees, regulatory and other expenses directly attributable to execution of acquisitions, are added back because the Company’s definition of Free Funds Flow excludes capital expenditures related to acquisitions and dispositions. For greater clarity, incremental overhead expenses related to ongoing integration and restructuring post-acquisition are not adjusted and are included in Spartan’s general and administrative expenses. Lease liabilities are not included in Spartan’s definition of Net Debt (non-GAAP measure defined herein) therefore lease payments are deducted in the period incurred to determine Adjusted Funds Flow.

The Company refers to Adjusted Funds Flow expressed per unit of production as an “**Adjusted Funds Flow Netback**”.

“**Free Funds Flow**” is calculated by Spartan as Adjusted Funds Flow less Capital Expenditures before A&D, which is also a non-GAAP financial measure (defined herein). Spartan believes Free Funds Flow provides an indication of the amount of funds the Company has available for future capital allocation decisions such as to repay long-term debt, reinvest in the business or return capital to shareholders.

Adjusted Funds Flow per share

Adjusted Funds Flow ("**AFF**") per share is a non-GAAP financial ratio used by the Spartan as a key performance indicator. AFF per share is calculated using the same methodology as net income per share ("**EPS**"), however the diluted weighted average common shares ("**WA Shares**") outstanding for AFF may differ from the diluted weighted average determined in accordance with IFRS for purposes of calculating EPS due to non-cash items that impact net income only. The dilutive impact of stock options and share awards is more dilutive to AFF than EPS because the number of shares deemed to be repurchased under the treasury stock method is not adjusted for unrecognized share based compensation expense as it is non-cash. For periods in which the convertible promissory note was outstanding, it was always dilutive to AFF per share but could be antidilutive to EPS because of the non-cash change in fair value recognized through net income (see also, "Share Capital").

Capital Expenditures, before A&D

"**Capital Expenditures before A&D**" is used by Spartan to measure its capital investment level compared to the Company's annual budgeted capital expenditures for its organic drilling program. It includes capital expenditures on exploration and evaluation assets and property, plant and equipment, before acquisitions and dispositions. The directly comparable GAAP measure to capital expenditures is cash used in investing activities.

Adjusted Net Capital Acquisitions

"**Adjusted Net Capital Acquisitions**" is a supplemental measure disclosed by Spartan which aggregates the total amount of cash, debt and share consideration used to acquire crude oil and natural gas assets during the period, net of cash proceeds received on dispositions. The Company believes this is useful information because it is more representative of the total transaction value than the cash acquisition costs or total cash used in investing activities, determined in accordance with IFRS.

Net Debt (Surplus) and Adjusted Working Capital

References to "**Net Debt**" includes long-term debt under Spartan's revolving credit facility and second lien term facility, net of Adjusted Working Capital. Net Debt and Adjusted Working Capital are both non-GAAP financial measures. "**Adjusted Working Capital**" is calculated as current assets less current liabilities, excluding lease liabilities and derivative financial instrument assets and liabilities. As at June 30, 2022 and at December 31, 2021, the Adjusted Working Capital deficit includes cash and cash equivalents, accounts receivable, prepaid expenses and deposits, other current assets, accounts payable and accrued liabilities and the current portion of decommissioning obligations.

Spartan uses Net Debt as a key performance measure to manage the Company's targeted debt levels. The Company believes its presentation of Adjusted Working Capital and Net Debt are useful as supplemental measures because lease liabilities and derivative financial instrument assets and liabilities relate to contractual obligations for future production periods. Lease payments and cash receipts or settlements on derivative financial instruments are included in Spartan's reported Adjusted Funds Flow in the production month to which the obligation relates.

References to "**Cash Financing Expenses**" includes interest and fees on long-term debt, net of interest income, and excludes financing costs related to lease liabilities and accretion of decommissioning obligations. Cash Financing Expenses is a non-GAAP financial measure used by Spartan in its budget and guidance as it corresponds to the Company's definition of Net Debt, however it should not be viewed as an alternative to total financing expenses presented in accordance with IFRS.

Net Debt to Annualized AFF Ratio

The Company monitors its capital structure using a "**Net Debt to Annualized AFF Ratio**", which is a non-GAAP financial ratio calculated as the ratio of the Company's "Net Debt" to its "Annualized Adjusted Funds Flow" which is calculated by multiplying Adjusted Funds Flow for the most recent quarter by a factor of 4.

(CA$ thousands, except as noted)	**June 30, 2022**	March 31, 2022	December 31, 2021
Working capital deficit	**79,773**	142,346	133,416
Adjusted for current portion of:			
Derivative financial instrument assets	**10,693**	6,889	268
Derivative financial instrument liabilities	**(46,479)**	(89,833)	(52,783)
Lease liabilities	**(9,094)**	(10,281)	(10,206)
Adjusted Working Capital deficit	**34,893**	49,121	70,695
Long-term debt	**226,762**	356,570	387,564
Net Debt	**261,655**	405,691	458,259
Annualized Adjusted Funds Flow (1)	**929,496**	638,884	548,104
Net Debt to Annualized AFF Ratio (1)	**0.3x**	0.6x	0.8x

(1) As at December 31, 2021, Spartan previously referred to this capital management measure as the “Net Debt to Trailing AFF Ratio” based on “Trailing Adjusted Funds Flow”. In 2022, the name of this measure was changed to “Net Debt to Annualized AFF Ratio” based on “Annualized Adjusted Funds Flow”, however there is no change to the calculation methodology and the resulting ratio is unchanged.

The Company’s total lease liability is approximately $50 million as at June 30, 2022 (December 31, 2021 – $55 MM), of which $9 million is expected to be settled within the next twelve months.

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 and ethane. References to "gas" or "natural gas" relates to conventional natural gas. References to “liquids” includes crude oil, condensate and NGLs.

Assumptions for 2022 Guidance

The significant assumptions used in the forecast of Operating Netbacks and Adjusted Funds Flow for 2022 are summarized below. These key performance measures expressed per BOE are based on the midpoint of calendar year average production guidance for 2022 of 72,000 BOE/d (previously 70,500 BOE/d).

2022 PRODUCTION GUIDANCE	**Updated Guidance**	Previous Guidance	% Change
Crude oil (bbls/d)	**12,900**	12,700	2
Condensate (bbls/d)	**2,200**	2,200	-
Crude oil and condensate (bbls/d)	**15,100**	14,900	1
NGLs (bbls/d)	**12,550**	13,200	(5)
Natural gas (mcf/d)	**266,100**	254,400	5
Combined average (BOE/d)	**72,000**	70,500	2
% Liquids	**38%**	40%	(4)

2022 FINANCIAL GUIDANCE *($/BOE)*	**Updated Guidance**	Previous Guidance	% Change
Oil and gas sales	**56.96**	43.17	32
Processing and other revenue	**0.33**	0.32	3
Royalties	**(7.17)**	(5.17)	39
Operating expenses	**(8.66)**	(7.91)	9
Transportation expenses	**(2.77)**	(2.68)	3
Operating Netback, before hedging	**38.69**	27.73	40
Settlements on Commodity Derivative Contracts	**(4.73)**	(2.13)	122
Net Pipeline Transportation Margin	**(0.02)**	(0.02)	-
Operating Netback, after hedging	**33.94**	25.58	33
General and administrative expenses	**(1.01)**	(1.09)	(7)
Cash financing expenses	**(0.96)**	(0.92)	4
Realized foreign exchange	**0.03**	-	-
Other income (1)	**0.59**	-	-
Settlements of decommissioning obligations	**(0.18)**	(0.14)	29
Lease payments	**(0.46)**	(0.47)	(2)
Adjusted Funds Flow	**31.95**	22.96	39

(1) The forecast of other income includes $14.8 million ($0.56 per BOE) of expected profit on an infrastructure construction contract, in addition to $0.6 million ($0.03 per BOE) of cash proceeds received on the disposition of certain pipeline commitments in the first half of 2022.

Share Capital

Spartan's common shares are listed on the Toronto Stock Exchange ("**TSX**") and trade under the symbol "SDE". The volume weighted average trading price of Spartan's common shares on the TSX was $12.85 in the second quarter and averaged $11.39 per common share for the first six months of 2022. Spartan's closing share price was $12.37 on June 30, 2022, compared to $5.97 on December 31, 2021.

As at June 30, 2022 and as of the date hereof, there are 155.4 million common shares outstanding. There are no preferred shares or special shares outstanding. The following securities are outstanding as of the date of this press release: 15.4 million common share purchase warrants with an exercise price of $1.00 per common share; 3.1 million restricted share awards; and 3.9 million stock options outstanding with an average exercise price of $4.30 per common share and average remaining term of 3.4 years.

The table below summarizes the weighted average number of common shares outstanding (000s) used in the calculation of diluted EPS and diluted AFF per share:

	Three months ended June 30			Six months ended June 30		
(000s)	**2022**	2021	%	**2022**	2021	%
WA Shares outstanding, basic	**154,960**	114,129	36	**154,131**	91,337	69
Dilutive effect of outstanding securities	**18,432**	13,836	33	**17,923**	13,290	35
WA Shares, diluted – for EPS	**173,392**	127,965	35	**172,054**	104,627	64
Incremental dilution for AFF (a)	**1,468**	8,275	(82)	**1,656**	5,589	(70)
WA Shares, diluted – for AFF (a)	**174,860**	136,240	28	**173,710**	110,216	58

a) AFF per share does not have a standardized meaning under IFRS, refer to "Non-GAAP Measures and Ratios".

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 business plan, cost model and strategy of Spartan, including commodity diversification and oil weighted production; Spartan's anticipated operational results, guidance and the updated capital expenditure budget for 2022; the impact of inflation on cost estimates; the expectation that the accelerated development plan will allow Spartan to fully utilize one of our Montney rigs year-round and reduce certain execution risks in the 2023 operating plan; expectations regarding the Acquisition of Bellatrix, including the estimated amount of available tax pools and the anticipated impact to Spartan's tax horizon; Spartan plans to deliver strong operational performance and to generate long term sustainable Free Funds Flow and organic growth; future intentions with respect to debt repayment; the Company's hedging strategy; management's expectations regarding encouraging drilling results and ability to replicate past performance; being well positioned to take advantage of opportunities in the current business environment, and to continue pursuing immediate production optimization, responsible future growth with organic drilling, and opportunistic acquisitions.

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 successful integration of the recently acquired 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, prevailing commodity prices, price volatility, price differentials and the actual prices received for the Company's products, impact of inflation on costs, 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, wars (including Russia's military actions in Ukraine), hostilities, civil insurrections, foreign exchange or interest rates, increased operating and capital costs due to inflationary pressures (actual and anticipated), stock market volatility, impacts of the current COVID-19 pandemic and the retention of key management and employees. Ongoing military actions between Russia and Ukraine have the potential to threaten the supply of oil and gas from the region. The long-term impacts of the actions between these nations remains uncertain.

Please refer to Spartan's MD&A and AIF for the year ended December 31, 2021 for discussion of additional risk factors relating to Spartan, which can be accessed either on Spartan's website at www.spartandeltacorp.com or under Spartan's SEDAR 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.

This press release contains future-oriented financial information and financial outlook information (collectively, "**FOFI**") about Spartan's prospective results of operations and production, generating Free Funds Flow and organic growth, H2 2022 capital budget, expenditures and guidance, tax horizon and components thereof, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraphs. FOFI contained in this document was approved by management as of the date of this document and was provided for the purpose of providing further information about Spartan's future business operations. Spartan and its management believe that FOFI 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 results. Spartan disclaims any intention or obligation to update or revise any FOFI contained in this document, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law. Readers are cautioned that the FOFI contained in this document should not be used for purposes other than for which it is disclosed herein. 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. The Company's actual results may differ materially from these estimates.

Abbreviations

A&D	acquisitions and dispositions
AECO	Alberta Energy Company "C" Meter Station of the NOVA Pipeline System
AECO 7A	NGX AB-NIT Month Ahead (7A) per the Canadian Gas Price Reporter
AFF	Adjusted Funds Flow
AIF	refers to the Company’s Annual Information Form dated March 8, 2022
bbl	barrel
bbls/d	barrels per day
BOE	barrels of oil equivalent
BOE/d	barrels of oil equivalent per day
COVID-19	refers to the outbreak of the novel coronavirus, a public health crisis
ESG	Environment, Social and Governance
G&A	general and administrative expenses
GJ	gigajoule
H1	first six months of the year
H2	last six months of the year
mcf	one thousand cubic feet
mmcf	one million cubic feet
mcf/d	one thousand cubic feet per day
mmcf/d	one million cubic feet per day
MD&A	refers to Management’s Discussion and Analysis of the Company dated August 9, 2022
MM	millions
NI 51-101	National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities*
NGL(s)	natural gas liquids
NYMEX	New York Mercantile Exchange, with reference to the U.S. dollar “Henry Hub” natural gas price index
Q1 2022	first quarter of 2022
Q2 2022	second quarter of 2022
Q1 2021	first quarter of 2021
Q2 2021	second quarter of 2021
TSX	Toronto Stock Exchange
US$	United States dollar
WTI	West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma for crude oil of standard grade