SPARTAN DELTA CORP. ANNOUNCES PRO FORMA BUDGET, UPDATED GUIDANCE FOR 2023 AND ANNUAL MEETING VOTING RESULTS

Calgary, Alberta – May 17, 2023 – Spartan Delta Corp. ("**Spartan**" or the "**Company**") (TSX:SDE) is pleased to announce that its Board of Directors (the "**Board**") has approved the pro forma capital expenditure budget and updated guidance for 2023, following the recent sale of the Company's Gold Creek and Karr Montney assets (the "**Asset Sale**"). The Company also announces the voting results from its annual general and special meeting of shareholders held on May 16, 2023 (the "**Meeting**").

2023 BUDGET AND UPDATED GUIDANCE

Spartan is pleased to provide its updated financial and operating guidance for 2023.

The Company's capital expenditure budget and guidance for 2023 is presented on a pro forma basis, accounting for the forthcoming distribution of the cash proceeds of the Asset Sale and the shares and warrants of Logan Energy Corp. ("**Logan**") to Spartan's shareholders.

Based on forecast annual 2023 average production of between 52,000 to 54,000 BOE/d and commodity price assumptions of US$74/bbl for WTI crude oil and $2.75/GJ for AECO natural gas average for the year, Spartan expects to generate approximately $398 million of Adjusted Funds Flow in 2023. Free Funds Flow is forecast to be $118 million on a capital expenditure budget of $280 million.

As part of the Company's 2023 capital budget, Spartan plans to drill a total of 16.0 net wells targeting both light oil and liquids-rich gas in the Spirit River, Cardium, and Rock Creek horizons within the Deep Basin. Spartan is also on track to have drilled a total of 14.7 wells in the Montney core area in the first half of 2023 that were divested pursuant to the Asset Sale.

Spartan's 2023 guidance is summarized below:

GUIDANCE Year ending December 31, 2023	H1 2023 Guidance	H2 2023 Guidance	Full Year 2023 Guidance
Average Production (BOE/d) (a)(b)	**68,000 to 70,000**	**36,000 to 38,000**	**52,000 to 54,000**
% Liquids	**37%**	**30%**	**35%**
Benchmark Average Commodity Prices			
WTI crude oil price (US$/bbl)	**76**	**72**	**74**
NYMEX Henry Hub natural gas price (US$/mmbtu)	**2.80**	**2.99**	**2.89**
AECO natural gas price ($/GJ)	**3.20**	**2.30**	**2.75**
Average exchange rate (US$/CA$)	**1.35**	**1.34**	**1.34**
Operating Netback, before hedging ($/BOE) (b)(c)	**24.48**	**12.18**	**20.14**
Operating Netback, after hedging ($/BOE) (b)(c)	**25.98**	**19.89**	**23.83**
Adjusted Funds Flow ($MM) (b)(c)	**306**	**93**	**398**
Capital Expenditures, before A&D ($MM) (c)	**233**	**47**	**280**
Free Funds Flow ($MM) (c)	**72**	**46**	**118**
Net Debt, end of period ($MM) (c)	**110**	**62**	**62**
Common shares outstanding, end of period (MM) (d)	**173**	**173**	**173**

a) The financial performance measures included in the Company's guidance for 2023 is based on the midpoint of the average production forecast; 69,000, 37,000, 53,000 BOE/d respectively.

b) Additional information regarding the assumptions used in the forecasted Average Production, Operating Netbacks and Adjusted Funds Flow for 2023 are provided in the Reader Advisories section of this press release.

c) "Operating Netback", "Adjusted Funds Flow", "Capital Expenditures, before A&D", "Free Funds Flow" and "Net Debt (Surplus)" do not have standardized meanings under IFRS, see "Non-GAAP Measures and Ratios".

d) The forecast of common shares outstanding at the end of 2023 includes common shares issuable in respect of the net effect of accelerated vesting of stock options associated with the Asset Sale but does not include shares associated with outstanding restricted share awards that are not anticipated to vest in kind (refer to "Share Capital" section of this press release for additional information regarding dilutive securities).

OUTLOOK

With a robust inventory and numerous drilling opportunities, Spartan's management team and Board look forward to the delivery of a repositioned business model focused on highly capital efficient, liquids rich gas development to sustain annual production levels of ~39,100 boe/d into its owned and operated deep cut gas processing infrastructure in the Deep Basin.

With over 70% of Spartan's gas hedged at attractive levels well above prevailing strip pricing through the balance of the year, the Company expects to deliver meaningful Free Funds Flow in 2023.

Maintaining a strong balance sheet continues to be a core aspect of Spartan's sustainable business model and the Company is targeting a leverage ratio of approximately 0.5x debt to Adjusted Fund Flow into the future.

SHAREHOLDER MEETING

A total of 110,834,450 common shares, representing approximately 64.65% of Spartan's issued and outstanding shares, were represented at the Meeting.

The following nominees were elected as directors of Spartan for the ensuing year, with the specific voting results being as follows:

	Votes For		Votes Withheld	
Director	**#**	**%**	**#**	**%**
Fotis Kalantzis	108,448,058	99.55%	495,121	0.45%
Richard F. McHardy	107,174,884	98.38%	1,768,295	1.62%
Donald Archibald	104,235,622	95.68%	4,707,557	4.32%
Reginald J. Greenslade	105,408,563	96.76%	3,534,616	3.24%
Kevin Overstrom	103,850,036	95.32%	5,093,143	4.68%
Tamara MacDonald	91,975,706	84.43%	16,967,473	15.57%

For voting results on the other matters considered at the Meeting, all of which were approved, please see the Company's report of voting results dated May 16, 2023 available on SEDAR at www.sedar.com.

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 of Alberta. 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 with flexibility to continue pursuing immediate production optimization, sustainable growth with organic drilling, opportunistic acquisitions and a focus on the generation of Free Funds Flow and periodic special dividends to shareholders.

Spartan's corporate presentation dated May 17, 2023 can be accessed on the Company's website at www.spartandeltacorp.com.

FOR ADDITIONAL INFORMATION PLEASE CONTACT:

Fotis Kalantzis
President and Chief Executive Officer

Richard F. McHardy
Executive Chairman

Spartan Delta Corp.
1500, 308 – 4th Avenue SW
Calgary, Alberta, Canada T2P 0H7
Email: ir@spartandeltacorp.com
www.spartandeltacorp.com

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 May 12, 2023, which includes discussion of the purpose and composition of the specified financial measures and detailed reconciliations to the most directly comparable GAAP financial measures as at March 31, 2023.

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 or dispositions, 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.

"**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.

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.

Net Debt (Surplus) and Adjusted Working Capital

References to "**Net Debt (Surplus)**" includes debt outstanding, if any, under Spartan's revolving credit facility and second lien term facility, net of Adjusted Working Capital. Net Debt (Surplus) and Adjusted Working Capital are both non-GAAP financial measures. "**Adjusted Working Capital**" is calculated as current assets less current liabilities, excluding lease liabilities, derivative financial instrument assets and liabilities, liabilities related to assets held for sale and current debt.

Spartan uses Net Debt (Surplus) as a key performance measure to manage the Company's targeted debt levels. The Company believes its presentation of Net Debt (Surplus) is 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.

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, medium crude oil, heavy oil and tight 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 2023 Guidance

The significant assumptions used in the forecast of Operating Netbacks and Adjusted Funds Flow for 2023 are summarized below. These key performance measures expressed per BOE are based on the midpoint of calendar year average production guidance for 2023 of 53,000 BOE/d.

2023 PRODUCTION GUIDANCE	H1 Guidance	H2 Guidance	Full Year Guidance
Crude oil (bbls/d)	**11,300**	**800**	**6,000**
Condensate (bbls/d)	**2,600**	**1,500**	**2,100**
Crude oil and condensate (bbls/d)	**13,900**	**2,300**	**8,100**
NGLs (bbls/d)	**11,900**	**8,600**	**10,200**
Natural gas (mcf/d)	**259,200**	**157,200**	**207,800**
Combined average (BOE/d)	**69,000**	**37,000**	**53,000**
% Liquids	**37%**	**30%**	**35%**

2023 FINANCIAL GUIDANCE *($/BOE)*	H1 Guidance	H2 Guidance	Full Year Guidance
Oil and gas sales	**39.44**	**23.27**	**33.73**
Processing and other revenue	**0.43**	**0.28**	**0.37**
Royalties	**(4.70)**	**(3.94)**	**(4.43)**
Operating expenses	**(8.01)**	**(5.70)**	**(7.20)**
Transportation expenses	**(2.67)**	**(1.73)**	**(2.34)**
Operating Netback, before hedging	**24.48**	**12.18**	**20.14**
Settlements on Commodity Derivative Contracts	**1.50**	**7.72**	**3.69**
Operating Netback, after hedging	**25.98**	**19.89**	**23.83**
General and administrative expenses	**(1.00)**	**(1.49)**	**(1.17)**
Cash financing expenses	**0.15**	**(3.48)**	**(1.14)**
Settlements of decommissioning obligations	**(0.22)**	**(0.48)**	**(0.31)**
Lease payments	**(0.48)**	**(0.86)**	**(0.62)**
Adjusted Funds Flow	**24.45**	**13.58**	**20.61**

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 average WTI crude oil price for 2023 would increase Adjusted Funds Flow by approximately $12.5 million (decrease by $12.5 million). An increase (decrease) of CA$1.00/GJ in the forecasted average AECO natural gas price for 2023, holding the NYMEX-AECO basis differential and all other assumptions constant, would increase Adjusted Funds Flow by approximately $10.5 million (decrease by $10.5 million). Holding U.S. dollar benchmark commodity prices and all other assumptions constant, an increase (decrease) of $0.10 in the US$/CA$ exchange rate would increase Adjusted Funds Flow by approximately $7.0 million (decrease by $7.0 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).

Share Capital

Spartan's common shares are listed on the Toronto Stock Exchange ("TSX") and trade under the symbol "SDE". As of the date hereof, there are 171.4 MM 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: 3.7 MM restricted share awards; and 3.3 MM stock options outstanding with an average exercise price of $4.56 per common share.

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 Company's 2023 capital budget and updated guidance; Spartan's anticipated operational results for 2023 including, but not limited to, estimated or anticipated production levels, capital expenditures and drilling plans; Spartan plans to deliver strong operational performance and to generate long term sustainable Free Funds Flow, organic growth and periodic special dividends. All statements other than statements of historical fact may be forward-looking statements. Future dividend payments, if any, and the level thereof, are uncertain, as the Company's return of capital framework and the funds available for such activities from time to time is dependent upon, among other things, free funds flow financial requirements for the Company's operations and the execution of its growth strategy, fluctuations in working capital and the timing and amount of capital expenditures, debt service requirements and other factors beyond the Company's control. Further, the ability of Spartan to pay dividends will be subject to applicable laws (including the satisfaction of the solvency test contained in applicable corporate legislation) and contractual restrictions contained in the instruments governing its indebtedness, including its credit facility.

The forward-looking statements and information are based on certain key expectations and assumptions made in respect of Spartan or Logan, as the case may be, including expectations and assumptions concerning the completion of the spin-out and the distribution, the business plan of Spartan and Logan, 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), volatility in the stock market and financial system, impacts of the current COVID-19 pandemic, the retention of key management and employees, risks with respect to unplanned third-party pipeline outages and risks relating to the Alberta wildfires, including in respect of safety, asset integrity and shutting in production. 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. The foregoing list is not exhaustive. Additional information on these and other risks that could affect completion of the spin-out and the distribution are set forth in the information circular, which is available on SEDAR at www.sedar.com.

Please refer to Spartan's MD&A for the period ended March 31, 2023 and AIF for the year ended December 31, 2022 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, organic growth, operating costs, capital expenditures, Adjusted Funds Flow, Free Funds Flow, Net Debt (Surplus), Operating Netbacks, and Spartan's corporate outlook and guidance for 2023 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 proposed business activities in 2023. 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
AFF	Adjusted Funds Flow
AIF	refers to the Company's Annual Information Form dated March 31, 2023
bbl	barrel
bbls/d	barrels per day
BOE	barrels of oil equivalent
BOE/d	barrels of oil equivalent per day
CA$	Canadian Dollars
COVID-19	refers to the outbreak of the novel coronavirus, a public health crisis
ESG	Environment, Social and Governance
G&A	general and administrative expenses
GJ	gigajoule
mcf	one thousand cubic feet
mmbtu	one million British thermal units
mmcf	one million cubic feet
mcf/d	one thousand cubic feet per day
mmcf/d	one million cubic feet per day
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
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