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SPARTAN DELTA CORP. ANNOUNCES 2023 YEAR-END RESULTS, RESERVES AND UPDATED GUIDANCE FOR 2024

Calgary, Alberta – February 26, 2024 – Spartan Delta Corp. ("**Spartan**" or the "**Company**") (TSX:SDE) is pleased to report its financial and operating results for the fourth quarter and year ended December 31, 2023, highlights of the Company's year-end reserves evaluation, as well as updated guidance for 2024.

Selected financial and operational information is set out below and should be read in conjunction with Spartan's audited consolidated annual financial statements and related management's discussion and analysis ("**MD&A**") for the years ended December 31, 2023 and 2022, which are filed on SEDAR+ at www.sedarplus.ca 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; please refer to additional information under the heading "Reader Advisories – Non-GAAP Measures and Ratios".

MESSAGE TO SHAREHOLDERS

"2023 was a transformational year for Spartan strategically executing on the opportunity to crystalize outsized shareholder returns.

From growing the Company to over 80,000 BOE/d in Q1 2023, to divesting its Montney assets in Q2 2023, Spartan has created tremendous value for its shareholders by having declared, since our initial recapitalization transaction in 2019, $1.8 billion in dividends and distributions, after only having raised $537 million in equity. As a result of the Montney divestitures, certain metrics year over year in the reported year-end financials and reserves may not be comparable.

Spartan continues to demonstrate the underlying strength of its foundational Deep Basin asset by executing on a successful second half 2023. We are excited to continue building value for Spartan's shareholders in 2024 through the optimization and development of its Deep Basin asset, participating in the consolidation of the Deep Basin, and leveraging the strength of the Company's balance sheet and Free Funds Flow to continue advancing our Duvernay strategy," commented Fotis Kalantzis, President and CEO of Spartan.

2023 FINANCIAL AND OPERATING HIGHLIGHTS

- Spartan successfully closed the sale of its Gold Creek and Karr Montney assets on May 10, 2023, to Crescent Point Energy Corp. for cash consideration of $1.7 billion (the "**Asset Sale**").
- The Company declared $1.7 billion, or $9.60 per share, in dividends and distributions to its shareholders during the year ended December 31, 2023. Since inception Spartan has raised $537 million of equity at an average cost of $3.16 per share.
- On June 20, 2023, Spartan successfully completed the spin-out of its early stage Montney assets (the "**Spin-Out**") to Logan Energy Corp. ("**Logan**") at a net asset value of $0.35 per share by distributing 1.0 Logan Share and 1.0 Logan Warrant per Spartan Share, with each warrant entitling the holder to acquire 1.0 Logan Share at an exercise price of $0.35 per share.
- The Company reported production of 53,179 BOE/d in 2023, a decrease from 73,084 BOE/d in 2022. The decrease in production volume year over year is a result of the Asset Sale and the Spin-Out.
- Fourth quarter 2023 production averaged 37,664 BOE/d (31% liquids), reflecting a slight increase in production and an 8% increase in liquids production from the third quarter of 2023.
- As a result of the Asset Sale, the Spin-Out, and reduced commodity prices, Spartan reported oil and gas sales of $652.8 million in 2023 compared to $1.5 billion in 2022.

- Fourth quarter 2023 oil and gas sales increased to $85.8 million, up 5% from the third of quarter 2023.
- The Company's operations generated Adjusted Funds Flow of $425.2 million ($2.45 per share, diluted) in 2023, 7% higher than 2023 guidance. In H2 2023, Spartan generated Adjusted Funds Flow of $119.6 million, 29% higher than H2 2023 guidance.
- Spartan successfully executed a capital program of $295.0 million in 2023, of which $31.9 million was in the fourth quarter.
- Spartan generated Free Funds Flow of $130.1 million in 2023, 10% higher than 2023 guidance. In H2 2023, Spartan generated Free Funds Flow of $60.2 million, 32% higher than H2 2023 guidance.
- In the fourth quarter of 2023, Spartan closed acquisitions in the West Shale Basin Duvernay (the "**Duvernay**") for aggregate cash consideration of approximately $32.5 million. The acquisitions included undeveloped acreage, 3D seismic, and approximately 400 BOE/d of Duvernay production. To date, Spartan has accumulated greater than 170,000 net acres in the Duvernay.
- On December 29, 2023, the Company fully repaid its term facility of $150 million and exited 2023 with Net Debt of $75.3 million resulting in a 0.3X Net Debt to Annualized AFF ratio.
- As at December 31, 2023, Spartan had $641.3 million tax pools, of which $398.0 million are non-capital losses.
- Subsequent to December 31, 2023, Spartan increased its 2024 AECO 7A hedge position to 41% of net natural gas production at an average price of $2.79/GJ and has hedged 21% of its net oil and condensate production at an average price of $101.06/bbl.

The table below summarizes the Company's financial and operating results for the fourth quarters and years ended December 31, 2023, and December 31, 2022:

	Three months ended December 31			Year ended December 31		
(CA$ thousands, except as otherwise noted)	**2023**	2022	%	**2023**	2022	%
FINANCIAL HIGHLIGHTS						
Oil and gas sales	**85,832**	357,126	(76)	**652,769**	1,464,467	(55)
Net income and comprehensive income	**110,584**	152,919	(28)	**663,107**	681,086	(3)
$ per share, basic [(a)]	**0.64**	0.95	(33)	**3.84**	4.36	(12)
$ per share, diluted [(a)]	**0.64**	0.87	(26)	**3.82**	3.88	(2)
Cash provided by operating activities	**51,289**	200,363	(74)	**475,669**	795,371	(40)
Adjusted Funds Flow [(b)]	**55,722**	232,839	(76)	**425,173**	825,667	(49)
$ per share, basic [(a)(b)]	**0.32**	1.45	(78)	**2.46**	5.29	(53)
$ per share, diluted [(a)(b)]	**0.32**	1.31	(76)	**2.45**	4.66	(47)
Free Funds Flow [(b)]	**23,798**	73,689	(68)	**130,128**	391,510	(67)
Cash (provided by) used in investing activities	**68,457**	134,048	(49)	**(1,324,930)**	442,303	(400)
Capital Expenditures before A&D [(b)]	**31,924**	159,150	(80)	**295,045**	434,157	(32)
Adjusted Net Capital A&D [(b)]	**32,661**	231	nm	**(1,670,197)**	5,183	nm
Total assets	**819,524**	2,099,475	(61)	**819,524**	2,099,475	(61)
Long-term debt	**44,476**	145,180	(69)	**44,476**	145,180	(69)
Net Debt [(b)]	**75,296**	138,376	(46)	**75,296**	138,376	(46)
Net Debt to Annualized AFF Ratio [(b)]	**0.3X**	0.2X	50	**0.3X**	0.2X	50
Shareholders' equity	**429,717**	1,516,821	(72)	**429,717**	1,516,821	(72)
Common shares outstanding (000s), end of period [(a)]	**173,201**	171,410	1	**173,201**	171,410	1

	Three months ended December 31			Year ended December 31		
	2023	2022	%	**2023**	2022	%
OPERATING HIGHLIGHTS AND NETBACKS [(e)]						
Average daily production						
Crude oil (bbls/d)	**570**	13,714	(96)	**5,838**	12,976	(55)
Condensate (bbls/d) [(c)]	**1,870**	2,549	(27)	**2,192**	2,328	(6)
Natural gas liquids (bbls/d) [(c)]	**9,196**	12,757	(28)	**10,541**	12,612	(16)
Natural gas (mcf/d)	**156,170**	273,716	(43)	**207,645**	271,010	(23)
BOE/d	**37,664**	74,639	(50)	**53,179**	73,084	(27)
% Liquids [(d)]	**31%**	39%	(21)	**35%**	38%	(8)
Average realized prices, before financial instruments						
Crude oil ($/bbl)	**95.93**	109.76	(13)	**100.07**	119.94	(17)
Condensate ($/bbl) [(c)]	**100.76**	111.19	(9)	**100.81**	119.70	(16)
Natural gas liquids ($/bbl) [(c)]	**31.22**	44.94	(31)	**34.00**	50.45	(33)
Natural gas ($/mcf)	**2.58**	5.55	(54)	**3.01**	5.69	(47)
Combined average ($/BOE)	**24.77**	52.01	(52)	**33.63**	54.90	(39)
Netbacks ($/BOE) [(e)]						
Oil and gas sales	**24.77**	52.01	(52)	**33.63**	54.90	(39)
Processing and other revenue	**0.59**	0.39	51	**0.49**	0.35	40
Royalties	**(3.05)**	(5.53)	(45)	**(3.58)**	(5.99)	(40)
Operating expenses	**(5.32)**	(8.64)	(38)	**(7.08)**	(8.75)	(19)
Transportation expenses	**(1.70)**	(2.76)	(38)	**(2.36)**	(2.80)	(16)
Operating Netback, before hedging ($/BOE) [(e)]	**15.29**	35.47	(57)	**21.10**	37.71	(44)
Settlements on Commodity Derivative Contracts[(e)(f)]	**5.41**	(1.19)	(555)	**3.52**	(4.81)	(173)
Net Pipeline Transportation Margin [(e)(g)]	**-**	-	-	**-**	(0.01)	(100)
Operating Netback, after hedging ($/BOE) [(e)]	**20.70**	34.28	(40)	**24.62**	32.89	(25)
General and administrative expenses	**(1.37)**	(0.98)	40	**(1.04)**	(0.95)	9
Cash Financing Expenses [(e)(h)]	**(1.82)**	(0.76)	139	**(0.72)**	(0.94)	(23)
Realized foreign exchange gain (loss)	**0.05**	(0.01)	(600)	**(0.02)**	0.03	(167)
Other income	**-**	2.08	(100)	**-**	0.56	(100)
Settlement of decommissioning obligations	**(0.66)**	(0.28)	136	**(0.33)**	(0.19)	74
Lease payments [(i)]	**(0.82)**	(0.42)	95	**(0.61)**	(0.45)	(36)
Adjusted Funds Flow Netback ($/BOE) [(e)]	**16.08**	33.91	(53)	**21.90**	30.95	(29)

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 A&D", "Net Debt" and "Net Debt to Annualized AFF Ratio" do not have standardized meanings under IFRS Accounting Standards, refer to "Reader Advisories – Non-GAAP Measures and Ratios" section of this press release.

c) Condensate is a natural gas liquid ("**NGL**") as defined by NI 51-101 (as defined herein). 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 Accounting Standards, 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.

2023 CAPITAL ACTIVITY

In 2023, Spartan successfully executed a $295.0 million capital program focusing on continued development across multiple horizons in the Deep Basin and completed a pre-disposition development program of its Gold Creek and Karr assets located in the Montney.

- In the Deep Basin, Spartan drilled 20.2 net wells, completed 22.9 net wells, and brought 23.9 net wells on production.
- In the Montney, Spartan drilled 14.6 net wells, completed 9.0 net wells, and brought 7.3 net wells on production.

Spartan's 2023 capital program was $15.0 million higher than guidance, as a result of higher than anticipated activity related to the divested Montney assets, 3D seismic, land sales, and modifications to the Deep Basin drilling program to ensure continuous and efficient rig operations.

2023 RESERVES INFORMATION

Spartan is pleased to provide select highlights from the results of its year end independent oil and gas reserves evaluation as of December 31, 2023 (the "**McDaniel Report**"), as prepared by its independent qualified reserves evaluator, McDaniel & Associates Consultants Ltd. ("**McDaniel**"). The evaluation of Spartan's properties was prepared in accordance with the definitions, standards and procedures contained in the most recent publication of the Canadian Oil and Gas Evaluation Handbook ("**COGEH**") and National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* ("**NI 51-101**").

The following tables highlight the findings of the McDaniel Report. The McDaniel Report was based on the published average forecast pricing of McDaniel, GLJ Ltd. and Sproule Associates Limited. See "O&G Reader Advisories – Reserves Disclosure" for more information. Additional reserves information as required under NI 51-101 will be included in Spartan's Annual Information Form for the year ended December 31, 2023, which will be filed on or before March 31, 2024, on SEDAR+ at www.sedarplus.ca. The numbers in the tables below may not add due to rounding.

Summary of Reserves Volumes as at December 31, 2023

The Company's reserves volumes and undiscounted Future Development Costs ("**FDC**") as at December 31, 2023 are summarized below:

SUMMARY OF RESERVE VOLUMES [a]	Crude Oil (Mbbls)	NGL [b] (Mbbls)	Natural Gas (MMcf)	Combined (MBOE)	FDC Costs ($MM)
Proved developed producing	1,491	22,949	346,989	82,271	15.4
Proved developed non-producing	-	189	2,802	656	1.8
Proved undeveloped	6,127	20,694	268,607	71,589	783.0
Total Proved	**7,618**	**43,831**	**618,397**	**154,516**	**800.2**
Probable	8,719	30,097	407,151	106,674	628.6
Total Proved plus Probable	**16,337**	**73,928**	**1,025,548**	**261,190**	**1,428.8**

a) Gross working interest reserves before royalty deductions.
b) Natural gas liquids include condensate volumes.

Net Present Value of Future Net Revenue as at December 31, 2023 (Before-Tax)

The following table summarizes the Net Present Value ("**NPV**") of the Company's reserves (before-tax) as at December 31, 2023. The reserves value on a $/BOE basis, discounted at 10% per year, is also summarized for each category.

NET PRESENT VALUE BEFORE-TAX	0% ($MM)	5% ($MM)	10% ($MM)	15% ($MM)	20% ($MM)	Unit Value [(a)] Before Tax Discounted at 10%/Year ($/BOE)
Developed Producing	794.8	702.5	591.4	504.3	438.7	8.27
Developed Non-Producing	9.6	7.5	6.1	5.1	4.4	11.80
Undeveloped	981.8	621.6	413.7	283.2	196.4	6.75
Total Proved	**1,786.1**	**1,331.5**	**1,011.2**	**792.6**	**639.5**	**7.58**
Probable	1,852.7	1,014.7	617.1	408.2	288.2	6.97
Total Proved plus Probable	**3,638.8**	**2,346.2**	**1,628.3**	**1,200.8**	**927.8**	**7.34**

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

Forecast Costs

The following table outlines estimated annual future development capital expenditures required to bring total proved ("**TP**") and total proved plus probable ("**TPP**") reserves on production per the McDaniel Report:

FUTURE DEVELOPMENT CAPITAL	TP Reserves ($MM)	TPP Reserves ($MM)
2024	112.1	112.1
2025	117.6	117.6
2026	221.0	221.0
2027	223.1	223.1
2028	109.4	210.5
Thereafter	17.0	544.5
Total FDC, undiscounted	**800.2**	**1,428.8**
Total FDC, discounted at 10%	**624.8**	**968.8**

UPDATED 2024 GUIDANCE

Spartan is encouraged by the initial results of its Deep Basin asset optimization campaign and drilling improvements, and is pleased to announce that it is reducing its 2024 forecast operating costs by 9% to $6.07/BOE and reducing its Capital Expenditures, before A&D, by $5 million to $125 million, exclusive of Duvernay activity, while production guidance remains unchanged at 38,500 – 40,500 BOE/d.

As a result of the significant decrease in natural gas prices due to high North American supply growth and challenging weather conditions impacting demand, Spartan has increased its 2024 AECO 7A hedge position to 41% of net natural gas production at an average price of $2.79/GJ and has hedged 21% of its net oil and condensate production at an average price of $101.06/bbl. Despite a drastic decrease in natural gas prices, Spartan expects to generate Adjusted Funds Flow of $170 million and Free Funds Flow of $45 million in 2024.

In 2024, Spartan is focused on optimizing its foundational Deep Basin asset, participating in the consolidation of the Deep Basin, and leveraging the Company's strong balance sheet and Free Funds Flow to progress its Duvernay strategy. Spartan believes it is well positioned to continue generating shareholders significant return on investment through optimization, consolidation, and development.

ANNUAL GUIDANCE Year ending December 31, 2024	Updated Guidance	Previous Guidance	Variance [a] Amount	 %
Average Production (BOE/d) [a][c]	**38,500 – 40,500**	38,500 – 40,500	-	-
% Liquids	**31%**	31%	-	-
Benchmark Average Commodity Prices				
WTI crude oil price (US$/bbl)	**75.00**	75.00	-	-
AECO 7A natural gas price ($/GJ)	**2.00**	2.75	(0.75)	(27)
Average exchange rate (US$/CA$)	**1.35**	1.37	(0.02)	(1)
Operating Netback, before hedging ($/BOE) [b][c]	**13.05**	14.78	(1.73)	(12)
Operating Netback, after hedging ($/BOE) [b][c]	**14.20**	14.97	(0.77)	(5)
Adjusted Funds Flow ($MM) [b][c]	**170**	177	(7)	(4)
Capital Expenditures, before A&D ($MM) [b]	**125**	130	(5)	(4)
Free Funds Flow ($MM) [b]	**45**	47	(2)	(4)
Net Debt, end of year ($MM) [b]	**30**	19	11	58
Common shares outstanding, end of year (MM)	**174**	174	-	-

a) The financial performance measures included in the Company's preliminary guidance for 2024 is based on the midpoint of the average production forecast.

b) "Operating Netback", "Adjusted Funds Flow", "Capital Expenditures, before A&D", "Free Funds Flow" and "Net Debt" do not have standardized meanings under IFRS Accounting Standards, see "Readers Advisories – Non-GAAP Measures and Ratios".

c) Additional information regarding the assumptions used in the forecasted Average Production, Operating Netbacks and Adjusted Funds Flow for 2024 are provided in the Reader Advisories section of this press release.

ABOUT SPARTAN DELTA CORP.

Spartan is committed to creating value for its shareholders, 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 the Duvernay. Spartan will continue to focus on the execution of the Company's organic drilling program in the Deep Basin, 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 growth in the Deep Basin, participate in the consolidation of the Deep Basin fairway, and continue advancing its Duvernay strategy by leveraging Spartan's balance sheet and Free Funds Flow.

Spartan's corporate presentation as of February 26, 2024, 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 Accounting Standards**") 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 Accounting Standards.

The definitions below should be read in conjunction with the "Non-GAAP Measures and Ratios" section of the Company's MD&A dated February 26, 2024, 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 a non-GAAP financial measure 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 and 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 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 a non-GAAP financial measure calculated by Spartan as Adjusted Funds Flow less Capital Expenditures before A&D. 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 current and 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 Company 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 Accounting Standards 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 (see also, "Share Capital").

Capital Expenditures, before A&D

"**Capital Expenditures before A&D**" is a non-GAAP financial measure 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 before A&D is cash provided by (used in) investing activities.

Adjusted Net Capital A&D

"**Adjusted Net Capital A&D**" 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 Accounting Standards. The most directly comparable GAAP measures are acquisition costs and disposition proceeds included as components of cash used in investing activities.

Net Debt and Adjusted Working Capital

References to "**Net Debt**" includes current and 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 derivative financial instrument assets and liabilities, lease liabilities and current debt (if applicable). The Adjusted Working Capital deficit includes cash and cash equivalents, restricted cash, accounts receivable, prepaid expenses and deposits, other current assets, accounts payable and accrued liabilities, dividends payable, 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 current and 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 Accounting Standards.

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, normalized for significant non-recurring items, by a factor of four (4).

O&G READER ADVISORIES

Reserves Disclosure

The reserves information and data provided in this press release presents only a portion of the disclosure required under NI 51-101. Spartan's Form 51-101F1 – *Statement of Reserves Data and Other Oil and Gas Information* dated effective as at December 31, 2023, which includes further disclosure of Spartan's oil and gas reserves and other oil and gas information in accordance with NI 51-101 and COGEH, forming the basis of this press release, will be included in the Company's Annual Information Form for the year ended December 31, 2023, which will be available on or before March 31, 2024 on SEDAR+ at www.sedarplus.ca.

All reserves values, future net revenue and ancillary information contained in this press release are derived from the McDaniel Report unless otherwise noted. All reserve references in this press release are "company gross reserves". Company gross reserves are the Company's total working interest reserves before the deduction of any royalties payable by the Company. Estimates of reserves and future net revenue for individual properties may not reflect the same level of confidence as estimates of reserves and future net revenue for all properties, due to the effect of aggregation. There is no assurance that the forecast price and cost assumptions applied by McDaniel in evaluating Spartan's reserves will be attained and variances could be material. All reserves assigned in the McDaniel Report are located in the Province of Alberta and presented on a consolidated basis.

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 estimated future capital expenditures. It should not be assumed that the estimates of future net revenues presented represent the fair market value of the reserves. The recovery and reserve estimates of Spartan's oil, NGLs and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual oil, natural gas and NGL reserves may be greater than or less than the estimates provided herein. There are numerous uncertainties inherent in estimating quantities of crude oil, reserves and the future cash flows attributed to such reserves. The reserve and associated cash flow information set forth herein are estimates only.

Proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves. Probable reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves. Proved developed producing reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty. Undeveloped reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves category (proved, probable, possible) to which they are assigned. Certain terms used in this press release but not defined are defined in NI 51-101, CSA Staff Notice 51-324 – *Revised Glossary to NI 51-101, Revised Glossary to NI 51-101, Standards of Disclosure for Oil and Gas Activities* ("**CSA Staff Notice 51-324**") and/or the COGEH and, unless the context otherwise requires, shall have the same meanings herein as in NI 51-101, CSA Staff Notice 51-324 and the COGEH, as the case may be.

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.

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 2024 GUIDANCE

The significant assumptions used in the forecast of Operating Netbacks and Adjusted Funds Flow for 2024 are summarized below. These key performance measures expressed per BOE are based on the midpoint of calendar year average production guidance for 2024 of 39,500 BOE/d.

2024 FINANCIAL GUIDANCE *($/BOE)*	**Updated Guidance**	Previous Guidance	% Change
Oil and gas sales	**23.59**	26.59	(11)
Processing and other revenue	**0.35**	0.33	6
Royalties	**(3.13)**	(3.70)	(15)
Operating expenses	**(6.07)**	(6.68)	(9)
Transportation expenses	**(1.69)**	(1.76)	(4)
Operating Netback, before hedging	**13.05**	14.78	(12)
Settlements on Commodity Derivative Contracts	**1.15**	0.19	505
Operating Netback, after hedging	**14.20**	14.97	(5)
General and administrative expenses	**(1.33)**	(1.39)	(4)
Cash financing expenses	**(0.27)**	(0.31)	(13)
Other income	**0.21**	-	nm
Settlements of decommissioning obligations	**(0.25)**	(0.24)	4
Lease payments	**(0.78)**	(0.78)	-
Adjusted Funds Flow	**11.78**	12.25	(4)

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$5/bbl increase (decrease) in the forecasted average WTI crude oil price for 2024 would increase Adjusted Funds Flow by approximately $6.5 million (decrease by $6.5 million). An increase (decrease) of CA$0.25/GJ in the forecasted average AECO natural gas price for 2024, holding the NYMEX-AECO basis differential and all other assumptions constant, would increase Adjusted Funds Flow by approximately $8.0 million (decrease by $8.0 million). Holding U.S. dollar benchmark commodity prices and all other assumptions constant, an increase (decrease) of $0.05 in the US$/CA$ exchange rate would increase Adjusted Funds Flow by approximately $5.5 million (decrease by $5.5 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". The volume weighted average trading price of Spartan's common shares on the TSX was $3.55 in the fourth quarter and averaged $9.54 per common share for the year ended December 31, 2023. Spartan's closing share price was $2.98 on December 31, 2023, compared to $14.95 on December 31, 2022. The decrease in share price can be attributed to the Asset Sale, the Spin-Out, Spartan's declaration of $1.7 billion in dividends and distributions in 2023, and commodity volatility.

As at December 31, 2023, and as of the date hereof, there are 173.2 million common shares outstanding. There are no preferred shares or special preferred shares outstanding. The following securities are outstanding as of the date of this press release: 1.3 million restricted share awards; and 0.1 million stock options outstanding with an average exercise price of $4.32 per common share and average remaining term of 4.6 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 December 31			Year ended December 31		
(000s)	**2023**	2022	%	**2023**	2022	%
WA Shares outstanding, basic	**173,201**	160,807	8	**172,529**	156,136	10
Dilutive effect of outstanding securities	**202**	15,046	(99)	**965**	19,347	(95)
WA Shares, diluted – for EPS	**173,403**	175,853	(1)	**173,494**	175,483	(1)
Incremental dilution for AFF [(a)]	**1,072**	1,340	(20)	**231**	1,537	(85)
WA Shares, diluted – for AFF [(a)]	**174,475**	177,193	(2)	**173,725**	177,020	(2)

a) AFF per share does not have a standardized meaning under IFRS Accounting Standards, 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, objectives, cost model and strategy of Spartan, including commodity diversification, oil weighted production, continued optimization of its Deep Basin asset, participation in the consolidation of the Deep Basin fairway and advancing its Duvernay strategy; the Company's capital program and guidance for 2024, including anticipated production results, Adjusted Funds Flow, Free Funds Flow and Capital Expenditures; Spartan's strategies to deliver strong operational performance and to generate long term sustainable Free Funds Flow, organic growth and enhanced returns; the ability of the Company to achieve drilling success consistent with management's expectations; the estimated amount of available tax pools; being well positioned to take advantage of opportunities in the current business environment; to continue pursuing immediate production optimization and responsible future growth with organic drilling; and opportunistic acquisitions. Statements relating to "reserves" are also deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and that the reserves 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 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 and the Israel-Hamas conflict in Gaza), hostilities, civil insurrections, foreign exchange or interest rates, increased operating and capital costs due to inflationary pressures (actual and anticipated), risks associated with the oil and gas industry in general, stock market and financial system volatility, impacts of pandemics, the retention of key management and employees, risks with respect to unplanned third-party pipeline outages and risks relating to inclement and severe weather events and natural disasters, including fire, drought, and flooding, including in respect of safety, asset integrity and shutting-in production.

Please refer to Spartan's MD&A for the year ended December 31, 2023 and annual information form for the year ended December 31, 2022 for discussion of additional risk factors relating to the Company, which can be accessed either on Spartan's website at www.spartandeltacorp.com or under Spartan's SEDAR+ profile on www.sedarplus.ca. 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, 2024 guidance, Free Funds Flow, Adjusted Funds Flow, operating costs, Capital Expenditures before A&D, Net Debt, organic growth, capital efficiency improvements 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
bbl	barrel
bbls/d	barrels per day
BOE	barrels of oil equivalent
BOE/d	barrels of oil equivalent per day
CA$ or CAD	Canadian dollar
ESG	Environment, Social and Governance
GJ	gigajoule
H2	Second half
mcf	one thousand cubic feet
mcf/d	one thousand cubic feet per day
Mbbls	thousand barrels
MBOE	thousand barrels of oil equivalent
MMbtu	one million British thermal units
MMcf	one million cubic feet
MM	millions
$MM	millions of dollars
US$ or USD	United States dollar
WTI	West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma for crude oil of standard grade