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SPARTAN DELTA CORP. ANNOUNCES STRATEGIC DUVERNAY ACQUISITION, FIRST QUARTER 2024 RESULTS, AND UPDATED GUIDANCE FOR 2024

Calgary, Alberta – May 7, 2024 – Spartan Delta Corp. ("**Spartan**" or the "**Company**") (TSX:SDE) is pleased to report its unaudited financial and operating results for the three months ended March 31, 2024, as well as announce the completion of a strategic acquisition (the "**Willesden Green North Acquisition**") in West Shale Basin Duvernay (the "**Duvernay**"), advancing on its stated growth strategy. Total consideration for the Willesden Green North Acquisition is approximately $53.1 million in cash, subject to certain closing adjustments effective March 1, 2024. As a result of the Willesden Green North Acquisition, the Company has updated its guidance for 2024.

Selected financial and operational information is set out below and should be read in conjunction with Spartan's unaudited consolidated interim financial statements and related management's discussion and analysis ("**MD&A**") for the three months ended March 31, 2024 and 2023, 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".

WILLESDEN GREEN NORTH ACQUISITION HIGHLIGHTS

The Willesden Green North Acquisition includes approximately 38,000 net acres (59.5 net sections) of Duvernay rights and approximately 1,600 BOE/d (70% liquids) of production and associated infrastructure. Additionally, it includes more than 50 internally estimated net Duvernay locations in the oil and condensate rich fairway. Total consideration for the Willesden Green North Acquisition is approximately $53.1 million or 2.8 times estimated second quarter 2024 annualized net operating income (US$80/bbl WTI crude oil and $1.75/GJ AECO natural gas). In 2024, Spartan anticipates drilling and completing a minimum of one horizontal well on the newly acquired acreage.

Spartan continues to execute on building an extensive position in the oil and condensate rich fairway within the Duvernay shale play and has identified significant growth opportunities on its acreage. To date, the Company has established one of the largest positions in the Duvernay, accumulating approximately 240,000 net acres (375 net sections) of Duvernay rights and acquiring approximately 2,000 BOE/d of production (68% liquids). Spartan's delineated Duvernay acreage in the Willesden Green and Pembina core development area supports approximately 300 internally estimated net locations at 400 meter well spacing across approximately 162,000 net acres (253 net sections).

Throughout 2024, Spartan anticipates providing additional details on its Duvernay strategy and operating budget as it continues to execute on Duvernay consolidation and begins drilling on its Duvernay acreage. Spartan believes its Duvernay acreage is poised to offer repeatable and economic results presenting the opportunity to generate significant shareholder returns.

FIRST QUARTER 2024 HIGHLIGHTS

- Spartan reported production of 38,533 BOE/d (32% liquids) during the first quarter of 2024, an increase from 37,664 (31% liquids) in the fourth quarter of 2023.
    - During the quarter, the Company experienced a loss of approximately 750 BOE/d of production as a result of extreme cold weather impacting the month of January 2024.
    - Despite the impact, Spartan achieved 2% growth in production and 6% growth in liquids production as compared to the fourth quarter of 2023.

- First quarter 2024 oil and gas sales totaled $84.1 million, generating Adjusted Funds Flow of $45.7 million ($0.26 per share, diluted).
- The Company successfully executed a $45.0 million capital program in the first quarter of 2024, continuing to focus on developing liquids-rich targets in the Deep Basin.
  - In the Deep Basin, Spartan drilled 7.0 net wells, completed 6.0 net wells, and brought 5.2 net wells on production.
- Spartan continued to generate positive Free Funds Flow in the first quarter of 2024, exiting the quarter with Net Debt of $92.7 million resulting in a 0.5X Net Debt to Annualized AFF Ratio.
- Spartan acquired additional undeveloped acreage in the Duvernay totaling greater than 21,000 net acres for aggregate cash consideration of approximately $17.9 million.
- In the first quarter of 2024, Spartan rebalanced its hedging position, increasing the remainder of its 2024 AECO 7A hedge position to approximately 50% of net natural gas production at an average price of $2.77/GJ and hedging approximately 20% of its net oil and condensate production at an average price of $101.06/bbl.
- As at March 31, 2024, Spartan had $659 million tax pools, of which $375 million are non-capital losses.

The following table summarizes the Company's financial and operating results for the three months ended March 31, 2024, December 31, 2023, and March 31, 2023. As a result of the Montney divestitures, certain metrics in the reported three months ended financials may not be comparable year over year.

(CA$ thousands, except as otherwise noted)	**Q1 2024**	Q4 2023	%	**Q1 2024**	Q1 2023	%
FINANCIAL HIGHLIGHTS						
Oil and gas sales	**84,148**	85,832	(2)	**84,148**	316,212	(73)
Net income and comprehensive income	**11,195**	110,584	(90)	**11,195**	86,449	(87)
$ per share, basic [a]	**0.06**	0.64	(91)	**0.06**	0.50	(88)
$ per share, diluted [a]	**0.06**	0.64	(91)	**0.06**	0.49	(88)
Cash provided by operating activities	**48,151**	51,289	(6)	**48,151**	214,718	(78)
Adjusted Funds Flow [b]	**45,673**	55,722	(18)	**45,673**	182,276	(75)
$ per share, basic [a][b]	**0.26**	0.32	(19)	**0.26**	1.06	(75)
$ per share, diluted [a][b]	**0.26**	0.32	(19)	**0.26**	1.03	(75)
Free Funds Flow [b]	**638**	23,798	(97)	**638**	42,443	(98)
Cash (provided by) used in investing activities	**51,136**	68,457	(25)	**51,136**	127,352	(60)
Capital Expenditures before A&D [b]	**45,035**	31,924	41	**45,035**	139,833	(68)
Adjusted Net Capital A&D [b]	**18,067**	32,661	(45)	**18,067**	769	nm
Total assets	**833,574**	819,524	2	**833,574**	2,155,052	(61)
Long-term debt	**49,571**	44,476	11	**49,571**	145,752	(66)
Net Debt [b]	**92,668**	75,296	23	**92,668**	138,706	(33)
Net Debt to Annualized AFF Ratio [b]	**0.5X**	0.3X	67	**0.5X**	0.2X	150
Shareholders' equity	**442,249**	429,717	3	**442,249**	1,582,999	(72)
Common shares outstanding (000s), end of period [a]	**173,201**	173,201	-	**173,201**	171,426	1

	Q1 2024	Q4 2023	%	Q1 2024	Q1 2023	%
OPERATING HIGHLIGHTS AND NETBACKS [e]						
Average daily production						
Crude oil (bbls/d)	**748**	570	31	**748**	15,034	(95)
Condensate (bbls/d) [c]	**2,111**	1,870	13	**2,111**	2,994	(29)
Natural gas liquids (bbls/d) [c]	**9,442**	9,196	3	**9,442**	13,202	(28)
Natural gas (mcf/d)	**157,393**	156,170	1	**157,393**	293,822	(46)
BOE/d	**38,533**	37,664	2	**38,533**	80,200	(52)
% Liquids [d]	**32**	31	3	**32**	39	(18)
Average realized prices, before financial instruments						
Crude oil ($/bbl)	**92.29**	95.93	(4)	**92.29**	99.94	(8)
Condensate ($/bbl) [c]	**96.09**	100.76	(5)	**96.09**	104.65	(8)
Natural gas liquids ($/bbl) [c]	**31.04**	31.22	(1)	**31.04**	41.91	(26)
Natural gas ($/mcf)	**2.29**	2.58	(11)	**2.29**	3.89	(41)
Combined average ($/BOE)	**24.00**	24.77	(3)	**24.00**	43.81	(45)
Netbacks ($/BOE) [e]						
Oil and gas sales	**24.00**	24.77	(3)	**24.00**	43.81	(45)
Processing and other revenue	**0.45**	0.59	(24)	**0.45**	0.46	(2)
Royalties	**(3.30)**	(3.05)	8	**(3.30)**	(4.65)	(29)
Operating expenses	**(5.65)**	(5.32)	6	**(5.65)**	(8.26)	(32)
Transportation expenses	**(1.58)**	(1.70)	(7)	**(1.58)**	(2.83)	(44)
Operating Netback, before hedging ($/BOE) [e]	**13.92**	15.29	(9)	**13.92**	28.53	(51)
Settlements on Commodity Derivative Contracts[e][f]	**0.45**	5.41	(92)	**0.45**	(1.36)	(133)
Operating Netback, after hedging ($/BOE) [e]	**14.37**	20.70	(31)	**14.37**	27.17	(47)
General and administrative expenses	**(1.33)**	(1.37)	(3)	**(1.33)**	(0.67)	99
Cash Financing Expenses [e][g]	**(0.01)**	(1.97)	(99)	**(0.01)**	(0.79)	(99)
Realized foreign exchange gain	**-**	0.05	(100)	**-**	0.04	(100)
Other income	**0.74**	-	nm	**0.74**	-	nm
Settlement of decommissioning obligations	**(0.08)**	(0.66)	(88)	**(0.08)**	(0.16)	(50)
Lease payments [h]	**(0.66)**	(0.67)	(1)	**(0.66)**	(0.34)	94
Adjusted Funds Flow Netback ($/BOE) [e]	**13.03**	16.08	(19)	**13.03**	25.25	(48)

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) Includes interest and fees on long-term debt, net of interest income.

h) Includes total lease payments comprised of the principal portion and financing cost of lease liabilities.

UPDATED 2024 GUIDANCE

Spartan is encouraged by the first quarter results of its Deep Basin drilling campaign and is eager to begin drilling in the Duvernay. Due to the continued depressed prices of natural gas and the increase in the price of crude oil, the Company believes it is prudent to begin allocating capital to the oil and condensate rich Duvernay shale play. Spartan has therefore strategically decided to increase capital by $25.0 million to $150.0 million, inclusive of Duvernay activity, thereby enhancing the rate of return of its 2024 capital program. Spartan anticipates deploying $25.0 to $50.0 million in the Duvernay and $100.0 to $125.0 million in the Deep Basin, resulting in a $150.0 million capital program for 2024. The increase in capital provides Spartan the opportunity to continue selectively drilling in the Deep Basin to capture the contango forward curve in natural gas prices, while simultaneously initiating the commercialization of its Duvernay acreage.

In the Duvernay, Spartan intends to drill and complete a minimum of one horizontal well, completing a previously drilled and uncompleted well ("**DUC**"), and a vertical stratigraphic well in 2024. Additionally, Spartan has the optionality to drill and complete an additional two horizontal wells. Spartan maintains the optionality to reallocate capital from the Deep Basin to further accelerate the Duvernay drilling program dependent on surface conditions and commodity prices.

In 2024, Spartan anticipates annualized production of 39,500 to 41,500 BOE/d, an increase of 1,000 BOE/d from the previous guidance, inclusive of approximately 200 BOE/d of annualized production loss associated with cold weather impacts in January. Spartan's 2024 development plan includes the continued development of liquids weighted drilling targets in the Deep Basin supplemented by the commencing of activity in the Duvernay, growing liquids production by approximately 15% from 11,636 BOE/d (31% liquids) in the fourth quarter of 2023 to approximately 13,400 BOE/d (33% liquids) in 2024. Additionally, Spartan's high value oil and condensate production is expected to grow by approximately 35% as compared to the fourth quarter of 2023.

Based on forecast average production of 40,500 BOE/d, 33% liquids, and commodity price assumptions of US$80/bbl for WTI crude oil and $1.75/GJ for AECO natural gas, Spartan expects to generate approximately $176 million of Adjusted Funds Flow in 2024. Free Funds Flow is forecasted to be $26 million on a capital expenditure budget of $150 million, exiting 2024 with Net Debt of $127 million resulting in a 0.7X Net Debt to 2024 AFF ratio.

Spartan continues to focus 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	**Updated**	Previous	Variance [a]	
Year ending December 31, 2024	**Guidance**	Guidance	Amount	%
Average Production (BOE/d) [a][c]	**39,500 – 41,500**	38,500 – 40,500	1,000	3
% Liquids	**33%**	31%	2%	6
Benchmark Average Commodity Prices				
WTI crude oil price (US$/bbl)	**80.00**	75.00	5.00	7
AECO 7A natural gas price ($/GJ)	**1.75**	2.00	(0.25)	(13)
Average exchange rate (US$/CA$)	**1.36**	1.35	0.01	1
Operating Netback, before hedging ($/BOE) [b][c]	**13.12**	13.05	0.07	1
Operating Netback, after hedging ($/BOE) [b][c]	**14.60**	14.20	0.40	3
Adjusted Funds Flow ($MM) [b][c]	**176**	170	6	4
Capital Expenditures, before A&D ($MM) [b]	**150**	125	25	20
Free Funds Flow ($MM) [b]	**26**	45	(19)	(42)
Net Debt, end of year ($MM) [b]	**127**	30	97	323
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.

MANAGEMENT RETIREMENT AND PROMOTIONS

Spartan announces the retirement of Mr. Thanos Natras, Vice President, Exploration, effective June 15, 2024. Mr. Natras has been instrumental in the Company’s success and value creation since inception and has been a part of the Spartan franchise for a decade. The Board and management wish to express their gratitude for his contributions and wish him well in retirement.

Effectively immediately, Spartan announces:

- Mr. Rob Day, Manager Geoscience Exploration, is promoted to the role of Director, Exploration. Mr. Day has been with Spartan since June 2020, leading the development of the Deep Basin and leading the geotechnical assessment of the Duvernay. Mr. Day brings more than 20 years of geotechnical experience in the Western Canadian Sedimentary Basin, including Foothills exploration, new ventures prospecting, green field delineation, and brown field development.
- Mr. OJay Platt, Director, Operations, is promoted to the role of Vice President, Production. Mr. Platt has been with Spartan since June 2020, leading the operations in the Deep Basin, as well as managing Spartan’s previously divested Montney assets. Mr. Platt brings more than 25 years of operational and production experience.
- Mr. Martin Malek, Vice President, Engineering and Business Development, is promoted to the role of Chief Operating Officer. Mr. Malek has been with Spartan since June 2023, leading the optimization of the Deep Basin and co-leading the implementation and execution of the Duvernay strategy. Mr. Malek brings more than 16 years of experience in engineering, operations, and business development, both in Canada and the United States.

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 May 7, 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 May 7, 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 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**"). 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 dispositions, 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 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 and debt 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

All reserves information in this press release are internally estimated by the Company's internal qualified reserves evaluator effective December 31, 2023, in accordance with National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities ("**NI 51-101**") and the most recent publication of the Canadian Oil and Gas Evaluation Handbook (the "**COGE Handbook**"). Reserves values are based on working interest reserves before deduction of royalties and without any of royalty interest reserves.

Drilling Locations

This press release discloses drilling locations in two categories: (i) booked locations and (ii) unbooked locations. Booked locations are proved and probable locations derived from an internal evaluation using standard practices as prescribed in the most recent publication of the Canadian Oil and Gas Evaluation Handbook and account for drilling locations that have associated proved and/or probable reserves, as applicable. Unbooked locations have been identified by management as an estimation of its multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production, and reserves information. Unbooked locations do not have attributed reserves or resources. Of the approximately 300 net drilling locations identified herein, including in respect of the Willesden Green North Acquisition, 20.0 are net proved locations, 16.5 are net probable locations, and 263.5 are net unbooked locations. There is no certainty that the Company will drill all unbooked drilling locations and if drilled there is no certainty that such locations will result in additional oil and gas reserves, resources, or production. The drilling locations on which the Company drills wells will depend upon the availability of capital, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While certain of the unbooked drilling locations have been de-risked by existing wells in relative close proximity to such unbooked drilling locations, other unbooked drilling locations are farther away from existing wells where management has less information about the characteristics of the reservoir and therefore there is more uncertainty whether wells will be drilled in such locations and if drilled there is more uncertainty that such wells will result in additional oil and gas reserves, resources, or production.

OTHER MEASUREMENTS

All dollar figures included herein are presented in Canadian dollars, unless otherwise noted.

This press release contains various references to the abbreviation "**BOE**" which means barrels of oil equivalent. Where amounts are expressed on a BOE basis, natural gas volumes have been converted to oil equivalence at six thousand cubic feet (Mcf) per barrel (bbl). The term BOE may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet per barrel is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead and is significantly different than the value ratio based on the current price of crude oil and natural gas. This conversion factor is an industry accepted norm and is not based on either energy content or current prices.

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 40,500 BOE/d.

2024 FINANCIAL GUIDANCE *($/BOE)*	**Updated Guidance**	Previous Guidance	% Change
Oil and gas sales	**23.83**	23.59	1
Processing and other revenue	**0.34**	0.35	(3)
Royalties	**(3.27)**	(3.13)	4
Operating expenses	**(6.15)**	(6.07)	1
Transportation expenses	**(1.63)**	(1.69)	(4)
Operating Netback, before hedging	**13.12**	13.05	1
Settlements on Commodity Derivative Contracts	**1.48**	1.15	29
Operating Netback, after hedging	**14.60**	14.20	3
General and administrative expenses	**(1.29)**	(1.33)	(3)
Cash financing expenses	**(0.56)**	(0.27)	107
Other income	**0.17**	0.21	(19)
Settlements of decommissioning obligations	**(0.25)**	(0.25)	-
Lease payments	**(0.76)**	(0.78)	(3)
Adjusted Funds Flow	**11.91**	11.78	1

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 the remainder of 2024 would increase Adjusted Funds Flow by approximately $5.5 million (decrease by $5.5 million). An increase (decrease) of CA$0.25/GJ in the forecasted average AECO natural gas price for the remainder of 2024, holding the NYMEX-AECO basis differential and all other assumptions constant, would increase Adjusted Funds Flow by approximately $5.5 million (decrease by $5.5 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 for the remainder of 2024 would increase Adjusted Funds Flow by approximately $4.5 million (decrease by $4.5 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 $3.17 for the three months ended March 31, 2024. Spartan's closing share price was $3.79 on March 31, 2024, compared to $2.98 on December 31, 2023.

As at March 31, 2024, 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: 3.9 million restricted share awards; and 1.5 million stock options outstanding with an average exercise price of $3.21 per common share and average remaining term of 4.9 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:

(000s)	**Q1 2024**	Q4 2023	%	**Q1 2024**	Q1 2023	%
WA Shares outstanding, basic	**173,201**	173,201	-	**173,201**	171,422	1
Dilutive effect of outstanding securities	**616**	202	205	**616**	4,985	(88)
WA Shares, diluted – for EPS	**173,817**	173,403	-	**173,817**	176,407	(1)
Incremental dilution for AFF [(a)]	**3,348**	1,072	212	**3,348**	881	280
WA Shares, diluted – for AFF [(a)]	**177,165**	174,475	2	**177,165**	177,288	-

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; expected drilling and completions in the Duvernay, the prospective drilling locations in the Duvernay, the Company’s capital program and guidance for 2024, including anticipated production results, expected production and financial results of the acquisitions, Adjusted Funds Flow, Free Funds Flow and Capital Expenditures; anticipated benefits of the Willesden Green North Acquisition, including the impact of the Willesden Green North Acquisition on the Company’s operations, inventory, opportunities and corporate strategy; Spartan’s strategies to deliver strong operational performance and to generate long term sustainable Free Funds Flow, organic growth and enhanced returns, and offer repeatable and economic results in the Duvernay to provide significant shareholder 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; Spartan’s ability to leverage its balance sheet and Free Funds Flow to progress its Duvernay strategy, to continue pursuing immediate production optimization and responsible future growth with organic drilling, to continue to execute on building an extensive position in the Duvernay; 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, but not limited to expectations and assumptions concerning the business plan of Spartan, the timing of and success of future drilling, development and completion activities, the growth opportunities of Spartan’s Duvernay acreage, 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, future commodity prices, price differentials and the actual prices received for the Company’s products, anticipated fluctuations in foreign exchange and interest rates, 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, general economic conditions, 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, unforeseen difficulties in integrating the assets acquired pursuant to the Willesden Green North Acquisition into the Company's operations; 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 period ended March 31, 2024, and annual information form for the year ended December 31, 2023, 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, updated 2024 guidance, Free Funds Flow, Adjusted Funds Flow, operating costs, Capital Expenditures before A&D, Operating Netback, Net Debt, Net Debt to Annualized AFF ratio, production, annualized production, 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
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
$MM	millions of dollars
Q1 2023	first quarter of 2023
Q4 2023	fourth quarter of 2023
Q1 2024	first quarter of 2024
US$ 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