CALGARY, ALBERTA--(Marketwired - Mar 10, 2016) - Spartan Energy Corp. ("Spartan" or the "Company") (TSX:SPE) is pleased to report its financial and operating results for the fourth quarter and year ended December 31, 2015. Selected financial and operational information is set out below and should be read in conjunction with Spartan's December 31, 2015 audited annual financial statements and the related management's discussion and analysis ("MD&A"). The financial statements and MD&A are available for review at www.sedar.com or on the Company's website at www.spartanenergy.ca.

FINANCIAL AND OPERATIONAL RESULTS

| | Three Months Ended | | Year ended | |
|---|---|---|---|---|
| (Cdn$000s except per boe and per share amounts) | December 31, 2015 | December 31, 2014 | December 31, 2015 | December 31, 2014 |
| Operational | | | | |
| Average daily production (boe/d) | 9,319 | 8,844 | 8,866 | 5,899 |
| Oil and gas sales ($/boe) | 43.30 | 65.98 | 47.80 | 80.76 |
| Realized hedging gain (loss) ($/boe) | - | 4.34 | - | (4.08) |
| Net realized oil and gas sales ($/boe) | 43.30 | 70.32 | 47.80 | 76.68 |
| Production costs ($/boe)(1) | 16.48 | 19.23 | 17.23 | 19.27 |
| Royalties ($/boe)(2) | 6.44 | 11.10 | 7.39 | 13.61 |
| Operating netback ($/boe)(3) | 20.38 | 39.99 | 23.18 | 43.80 |
| Financial | | | | |
| Funds flow from operations(3)(4) | 16,166 | 29,823 | 66,288 | 85,793 |
| per share - basic | 0.06 | 0.11 | 0.25 | 0.40 |
| per share - diluted | 0.06 | 0.10 | 0.23 | 0.36 |
| Net income (loss)(5) | (26,120) | 1,855 | (77,778) | 24,335 |
| per share - basic | (0.10) | 0.01 | (0.29) | 0.11 |
| per share - diluted | (0.10) | 0.01 | (0.29) | 0.10 |
| Capital expenditures(6) | 17,687 | 42,219 | 66,623 | 87,417 |
| Net debt(3) | 86,328 | 86,343 | 86,328 | 86,343 |
| Bank Facility | 150,000 | 250,000 | 150,000 | 250,000 |
| Weighted average shares outstanding | | | | |
| basic | 264,438 | 264,002 | 264,312 | 213,666 |
| diluted | 285,649 | 286,628 | 286,799 | 236,703 |

Notes:

(1) Including transportation costs.

(2) Royalties include Saskatchewan resource surcharge.

(3) Funds flow from operations, operating netback and net debt are non-IFRS measures. See "Non-IFRS Measures".

(4) Excluding transaction costs.

(5) Net loss for the three months ended December 31, 2015 includes a non-cash impairment charge of $24 million in Spartan's Alberta-Alexander and West Central Saskatchewan - Viking CGUs due to lower forecasted prices for oil and natural gas. Net loss for the year ended December 31, 2015 includes total non-cash impairment charges of $58 million in the Alberta-Alexander and West Central Saskatchewan CGUs. These non-cash charges have no impact on the Company's cash flow or credit facilitie and the impairment charges can be reversed in future periods if commodity prices increase.

(6) Excluding acquisitions.

FOURTH QUARTER 2015 HIGHLIGHTS

- Achieved average production of 9,319 boe/d (95% liquids), a per share increase of 16% over the previous quarter and 6% ove the fourth quarter of 2014.
- Realized continued improvements in operational efficiencies and cost reductions across all aspects of our business:
  - Delivered operating and transportation costs of $16.48 per boe, a reduction of 6% from the third quarter of 2015 and 14% from the fourth quarter of 2014.
  - Reduced average drill, complete and equip ("DC&E") costs for single leg open-hole horizontal wells to approximately $750,000 in the fourth quarter of 2015 compared to approximately $1.1 million in the fourth quarter of 2014.
- Increased funds flow from operations by 13% over the third quarter to $16.2 million, despite an 8% decrease in the Company's realized oil and liquids price over the same time period.
- Drilled 11.6 net open-hole wells in the fourth quarter, with a 93% success rate. These wells delivered an average first 30 days of production ("IP 30") of 136 bbls/d, approximately 25% above our internal type well of 109 bbls/d.
- Maintained balance sheet strength, with net debt at the end of the quarter of approximately $86.3 million, or 1.3 times trailing 12 months cash flow.

2015 ANNUAL HIGHLIGHTS

- Increased average production to 8,866 boe/d, representing a per share increase of 24% over 2014. This production growth was delivered organically through the execution of our drilling program on our Saskatchewan focused asset base while spending within cash flow.
- Capital expenditures exclusive of acquisitions were $66.6 million in 2015. Due to cost saving initiatives, drilling efficiencies and the outperformance of our wells, Spartan was able to meet production targets despite reducing capital expenditures by 20% from initially budgeted levels.
- Reduced annual production costs by 11% to $17.23 per boe and net G&A expense by 34% to $1.72 per boe.
- Increased 2P reserves per share by 6% to 42 MMboe (97% oil and liquids) with reserve additions resulting primarily from our 2015 drilling program.
- Achieved record finding and development costs, including changes to future development capital, of $6.76 per boe on a proved basis and $9.80 per boe on a proved plus probable basis.

HIGHLIGHTS SUBSEQUENT TO YEAR END 2015

- On February 24, 2016, Spartan announced a bought deal financing to issue 35,270,000 common shares at a price of $2.41 per common share for gross proceeds of $85 million. The underwriters have an over-allotment option to purchase an additional 4,668,375 common shares at a price of $2.41 per common share any time until 30 days after the closing date. The offering is anticipated to close on March 16, 2016.
- Spartan has recently completed its first quarter drilling program, drilling 10 (8.5 net) open-hole wells and 5 (3.6 net) frac Midale wells in south east Saskatchewan. In west central Saskatchewan, the Company also completed and put on production 6 net Viking wells that were drilled in 2015.
- Spartan drilled the best well in our corporate history in the first quarter of 2016, which was drilled in our greater Winmore area with an IP 30 of 472 bbls/d.
- Continued to deliver cost reductions, with field estimated DC&E costs for our single leg open-hole wells drilled in the quarter averaging approximately $650,000, down over 10% from the fourth quarter.

OUTLOOK

Spartan intends to continue to take a disciplined approach to capital spending, and we will monitor the commodity price environment and adjust our annual capital expenditures to approximate our annual cash flow. Following completion of the bought deal financing and assuming the underwriters' option is exercised in full, Spartan anticipates being undrawn on its $150 million syndicated credit facility. This financial flexibility leaves Spartan well positioned to take advantage of acquisition opportunities afforded by the currently challenged commodity price environment.

APPOINTMENT OF OFFICER

Spartan is pleased to announce that Mr. Randy Berg has been appointed as the Company's Vice-President, Land. Mr. Berg has served as Land Manager of Spartan since April 2014 and previously served as Vice-President, Land of Renegade Petroleum Ltd. prior to its acquisition by Spartan in March 2014.

READER ADVISORY

*BOE Disclosure. The term barrels of oil equivalent ("BOE") may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet per barrel (6mcf/bbl) of natural gas to barrels of oil equivalence is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. All BOE conversions in the report are derived from converting gas to oil in the ratio mix of six thousand cubic feet of gas to one barrel of oil.*

*Forward-Looking Statements. Certain information included in this press release constitutes forward-looking information under applicable securities legislation. Forward-looking information typically contains statements with words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose", "project" or similar words suggesting future outcomes or statements regarding an outlook. Forward-looking information in this press release may include, but is not limited to, planned drilling and completion activities, future production levels and future production growth rates, future acquisition opportunities, capital spending levels, the anticipated terms and timing for closing the proposed share issuance (the "Offering"), the use of proceeds of the Offering, anticipated credit facility draw following completion of the Offering and the expectation that increased financial flexibility achieved with the Offering will allow us to be opportunistic on incremental acquisition opportunities..*

*The forward-looking statements contained in this press release are based on certain key expectations and assumptions made by Spartan, including expectations and assumptions concerning the 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 application of drilling, completion and seismic technology, prevailing weather and break-up conditions, commodity prices, royalty regimes and exchange rates, the application of regulatory and licensing requirements, the availability of capital, labour and services, the creditworthiness of industry partners and our ability to acquire additional assets, as well as expectations and assumptions that the Offering will close on the terms and at the time expected and that all regulatory approvals and other conditions will be received or satisfied for closing the Offering.*

*Although Spartan believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Spartan can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), constraint in the availability of services, commodity price and exchange rate fluctuations, adverse weather or break-up conditions and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures, as well as risks that the conditions for the Offering will not be satisfied or that the Offering will not close when expected and risks that acquisition opportunities will not become available or that the Corporation will not be able to complete any potential acquisition. These and other risks are set out in more detail in Spartan's Annual Information Form for the year ended December 31, 2014.*

*The forward-looking information contained in this press release is made as of the date hereof and Spartan undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless required by applicable securities laws. The forward looking information contained in this press release is expressly qualified by this cautionary statement.*

*Non-IFRS Measures. This press release provides certain financial measures that do not have a standardized meaning prescribed by IFRS. These non-IFRS financial measures may not be comparable to similar measures presented by other issuers. Funds flow from operations, operating netback and net debt are not recognized measures under IFRS. Management believes that in addition to net income (loss), funds flow from operations, operating netback and net debt are useful supplemental measures that demonstrate the Company's ability to generate the cash necessary to repay debt or fund future capital investment. Investors are cautioned, however, that these measures should not be construed as an alternative to net income (loss) determined in accordance with IFRS as an indication of Spartan's performance. Spartan's method of calculating these measures may differ from other companies and accordingly, they may not be comparable to measures used by other companies. Cash flow from operations is calculated by adjusting net income (loss) for other income, unrealized gains or losses on financial derivative instruments, transaction costs, accretion, share based compensation, impairment and depletion and depreciation. Operating netback is calculated based on oil and gas revenue less royalties and operating expenses. Net debt is the total of cash plus accounts receivable, plus prepaids and deposits, less accounts payable and bank debt.*

*Oil and Gas Advisories*

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*Reserves Disclosure. All reserve references in this press release are "Company share reserves". Company share reserves are the Company's total working interest reserves before the deduction of any royalties and including any royalty interests of the Company.*

Oil and Gas Metrics. This press release contains metrics commonly used in the oil and natural gas industry, such as "finding and development" ("F&D") costs. These terms do not have a standardized meaning and may not be comparable to similar measures presented by other companies, and therefore should not be used to make such comparisons.

"Finding and development costs" are calculated as the sum of development capital plus the change in future development capital for the period divided by the change in reserves that are characterized as development for the period. Finding and development costs take into account reserves revisions during the year on a per boe basis. The aggregate of the exploration and development costs incurred in the financial year and changes during that year in estimated future development costs generally will not reflect total finding and development costs related to reserves additions for that year.

"Development capital" means the aggregate exploration and development costs incurred in the financial year on reserves that are categorized as development. Development capital excludes land, acquisition and capitalized administration costs.

Management uses these oil and gas metrics for its own performance measurements and to provide shareholders with measures to compare Spartan's operations over time. Readers are cautioned that the information provided by these metrics, or that can be derived from the metrics presented in this press release, should not be relied upon for investment or other purposes.

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