Spartan Oil Corp. Announces Terms of Unsolicited Acquisition Proposal and Determination of the Board of Directors

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CALGARY, Dec. 11, 2012 - Spartan Oil Corp. ("Spartan" or the "Company") (TSX:STO) is pleased to provide an update to the news release that the Company issued on December 10, 2012 wherein Spartan reported that it had received an unsolicited offer from a third-party to acquire all of the issued and outstanding common shares of the Company ("Spartan Shares").

The Pinecrest Offer

On November 21, 2012, Spartan announced that it had entered into an arrangement agreement (the "Pinecrest Arrangement Agreement") with Pinecrest Energy Inc. ("Pinecrest") pursuant to which Pinecrest proposed to acquire all the issued and outstanding Spartan Shares on the basis of 2.738 common shares of Pinecrest (the "Pinecrest Shares") for each outstanding Spartan Share (the "Pinecrest Offer"). At the date of the announcement of the Pinecrest Offer, the exchange ratio represented a deemed price of $5.12 per Spartan Share and a deemed price of $1.87 per Pinecrest Share. Since the date of the announcement of the Pinecrest Offer, the Pinecrest Shares have traded between $1.81 to $1.56 per share. The weighted average trading price of the Pinecrest Shares for the 5 day period ending on December 10, 2012 is $1.60 and the closing price on December 10, 2012 was $1.62 per share.

The Bonterra Offer

Bonterra Energy Corp. ("Bonterra") has made an offer to acquire all of the issued and outstanding common shares of the Company (the "Bonterra Offer"). Pursuant to the terms of the Bonterra Offer, the shareholders of Spartan will receive 0.1169 of a common share of Bonterra ("Bonterra Share") for each Spartan Share. In addition, subject to the execution of a definitive agreement and completion of the transaction, Bonterra has covenanted to increase its dividend to $0.28 from $0.26 per month commencing March, 2013. Based on a closing price of $42.46 per Bonterra Share on December 10, 2012, the Bonterra Offer represents a deemed price of $4.96 per Spartan Share. Based on a closing price of $1.62 per Pinecrest Share on December 10, 2012, this represents a 12% premium to the implied trading price of the Spartan Shares of $4.44 per share under the Pinecrest Offer. In addition, to the extent that the Bonterra Shares continue to trade at the same effective yield as they are currently trading (7.35%) following the increase in the monthly dividend to $0.28 from $0.26, this represents an incremental $0.39 of value to Spartan shareholders, for a total potential value (based on Bonterra's December 10, 2012 closing price) of $5.35 per Spartan Share. This amount represents a 20% premium over the current implied trading price of the Spartan Shares under the Pinecrest Offer.

Spartan has carefully reviewed, in consultation with its financial, strategic and legal advisors, the terms of the Bonterra Offer, including the consideration payable to the Spartan shareholders, and has taken the time necessary to conduct due diligence on Bonterra in order to satisfy itself of the nature of the Bonterra Offer. The Board of Directors of Spartan has determined, after receiving the advice of its financial advisors and legal counsel, that the Bonterra Offer represents a "Superior Proposal" as defined in the Pinecrest Arrangement Agreement.

Pursuant to the Pinecrest Arrangement Agreement, Spartan has provided Pinecrest with a notice of the Superior Proposal. Under the terms of the Pinecrest Arrangement Agreement, Spartan has agreed to negotiate in good faith with Pinecrest for a period of three business days ending on Thursday, December 13, 2012, to make such adjustments in the terms and conditions of the Pinecrest Offer as would enable Spartan to proceed with the Pinecrest Offer, as amended, rather than the Bonterra Offer. Pinecrest is under no obligation to make any amendments to the current Pinecrest Offer, in which case Spartan intends to accept the Bonterra Offer. Under this scenario, Pinecrest would be entitled to a $12.5 million non-completion fee payable by Spartan.

The Company is engaged in the business of acquiring crude oil and natural gas properties and exploring for, developing and producing oil and natural gas in western Canada. Spartan is uniquely positioned with a significant position in two of the leading oil resource plays in western Canada, being the Cardium light oil play in central Alberta and the Bakken light oil resource play in southeast Saskatchewan.

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