CALGARY, ALBERTA--(Marketwired - Aug 12, 2015) - Spartan Energy Corp. ("Spartan" or the "Company") (TSX:SPE) is pleased to report its financial and operating results for the three and six months ended June 30, 2015. Selected financial and operational information is set out below and should be read in conjunction with Spartan's June 30, 2015 interim financial statements and the related management's discussion and analysis, which are available for review at www.sedar.com or on the Company's website at www.spartanenergy.ca.

SECOND QUARTER FINANCIAL AND OPERATIONAL HIGHLIGHTS

Spartan's highlights for the second quarter include:

- Achieved average production of 8,710 boe/d, comprised of 94% oil and liquids, a 36 % increase over the second quarter of 2014.
- Reduced production costs to $16.13 per boe from $18.23 in the second quarter of 2014 and $18.82 in the first quarter of 2015
- Realized an operating netback of $31.66 per boe, resulting in quarterly funds flow from operations of $22.3 million ($0.08 per basic and diluted share).
- Following the completion of spring break-up, drilled 4 (3.1 net) wells, 1 (1.0 net) of which was on production prior to the end of the quarter.
- Maintained our balance sheet strength, with net debt at the end of the quarter of approximately $80.6 million, down from $96.1 million at the end of the first quarter.

FINANCIAL RESULTS

(Cdn$000s except per boe and per share amounts)	Three Months Ended June 30		Six Months Ended June 30	
	2015	2014	2015	2014
Average daily production (boe/d)	8,710	6,396	9,055	3,638
Net realized oil and gas sales price (excluding derivatives) ($/boe)	56.56	94.59	50.34	92.49
Production costs ($/boe)(1)	16.13	18.23	17.52	17.90
Royalties ($/boe)(2)	8.77	16.75	7.76	16.54
Operating netback ($/boe)(3)	31.66	47.12	25.06	46.83
Net general and administrative expenses ($/boe)	2.45	3.11	2.16	3.42
Interest expense ($/boe)	1.11	2.15	1.06	1.71
Funds flow from operations(3)(4)	22,266	24,371	35,781	27,464
per share - basic	0.08	0.11	0.14	0.17
per share - diluted	0.08	0.09	0.12	0.10
Net income (loss)	(6,387)	1,357	(18,270)	16,357
per share - basic	(0.02)	0.01	(0.07)	0.10
per share - diluted	(0.02)	0.01	(0.07)	0.09
Capital expenditures(5)	6,828	6,578	29,560	10,584
Working capital surplus (Net debt)(3)	(80,629)	56,406	(80,629)	56,406
Bank Facility(6)	250,000,000	250,000,000	250,000,000	250,000,000
Weighted average shares outstanding				
basic	264,268,660	228,194,381	264,266,082	163,299,190
diluted	286,951,191	253,496,841	286,624,756	187,531,409

(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) Excluding acquisitions.

(6) Spartan voluntarily reduced its credit facility to $150,000,000 effective July 29, 2015 as part of its continued focus on reduction of corporate overhead costs. See below under the heading "Credit Facility Update".

OPERATIONAL UPDATE

Spartan's second quarter was relatively quiet operationally due to spring break-up conditions in the field. We re-commenced our drilling program by activating one rig in early June and drilled 4 (3.1 net) wells prior to the end of the quarter. The wells drilled in the second quarter consisted of 2 (1.2 net) open-hole wells in the Winmore area of southeast Saskatchewan, of which 1 (1.0 net) was on production prior to the end of the quarter. In addition, we drilled 2 (1.9 net) frac Midale wells on our Pinto lands, both of which were brought on production early in the third quarter. Spartan has recently activated a second rig in southeast Saskatchewan, with both rigs scheduled to drill continuously through the remainder of the year.

CREDIT FACILITY UPDATE

Subsequent to the end of the second quarter, the Company completed an annual borrowing base review with its lending syndicate of six Canadian Chartered banks. Based on this review the syndicate confirmed that the Company's lending value remained unchanged at $250 million. However, as part of our ongoing cost reduction initiatives, Spartan has voluntarily elected to reduce the credit facility to $150 million effective July 29, 2015. Spartan continues to focus on prudent and conservative management of our balance sheet, and we are of the view that the $250 million limit provided excess capacity that is not currently required by the Company. By reducing the facility to $150 million, which continues to provide sufficient liquidity for the execution of our business plan, Spartan will save excess standby and commitment fees in the amount of approximately $600,000 per year. Spartan is comfortable that the incremental lending value up to the $250 million limit will be made available by our lenders should the Company require an additional source of financing for acquisitions or capital expenditures.

REVISED CAPITAL PLAN AND GUIDANCE

Spartan's 2015 capital budget, which was released early in the first quarter, contemplated a capital program of $105 million. This program was designed to be cash flow neutral based on a WTI oil price of $65 US, with flexibility to reduce or increase spending levels depending on commodity prices. Since the release of this budget, commodity prices have decreased significantly and forward strip pricing remains well below the budget price. Spartan remains focused on prudently managing our balance sheet in this lower price environment. Although our wells continue to deliver economic returns at current prices, rates of return on our open-hole type well improve dramatically as prices recover, from approximately 45% at a realized price of $50 Cdn to 120% at a realized price of $70 Cdn. We therefore intend to take a disciplined approach to the development of our asset base, which will allow us to preserve locations and reserves during this period of low commodity prices while maintaining liquidity to take advantage of acquisition opportunities that may arise due to current economic conditions.

In response to the prolonged commodity price downturn, the Company has therefore elected to amend our 2015 capital expenditures from $105 million to $85 million. The amended capital program results in a revision to our annual production guidance from 9,200 boe/d to 8,700 boe/d and in our exit rate production guidance from 9,900 boe/d to 9,100 boe/d. Our oil weighted production is highly leveraged to oil prices, and we anticipate that a five dollar change to the WTI price would impact annualized cash flow by approximately $15 million. Our capital program remains flexible with the ability to quickly respond to changes in commodity prices.

Our capital program in the second half of the year will continue to focus on our low risk, high return conventional open-hole wells in southeast Saskatchewan. We intend to drill an additional 27.9 net open-hole wells in the third and fourth quarters, bringing our annual total to 44.8 net wells. In addition, we plan to drill 2.9 net additional frac Midale wells at Pinto, for a 2015 total of 4.8 net wells, and 12.0 net Viking wells in the Dodsland area of west central Saskatchewan. Spartan reduced drilling costs in the first half of the year through efficiency gains and service cost deflation, and we will pursue additional savings throughout our second half program.

OUTLOOK

Spartan's business plan of measured, sustainable growth and prudent balance sheet management has left the Company in a position of relative strength in the current economic conditions. The reduction in our 2015 capital plan reflects the balance of continuing to develop our extensive asset portfolio while maintaining a conservative balance sheet and preserving our ability to seek out acquisition opportunities. Although the Company actively pursued a number of acquisition opportunities through the first half of the year, we have remained disciplined in our valuation of assets in the context of the current commodity market. We believe this discipline has proven to be prudent in light of a prolonged weakness in commodity prices and that additional high quality acquisition opportunities will become available if low prices continue to persist. Spartan remains well positioned to capitalize on these opportunities to provide long-term value creation for our shareholders.

REPORT OF ANNUAL MEETING VOTING RESULTS

Spartan's annual meeting of shareholders was held on June 12, 2015 and the following six director nominees were elected:

	Votes For		Votes Withheld	
Name of Director Nominee	Number	Percent	Number	Percent
Donald Archibald	151,459,630	98.55	2,235,257	1.45
Thomas Budd	151,676,873	98.69	2,018,014	1.31
Grant W. Greenslade	141,780,026	92.25	11,914,861	7.75
Reginald J. Greenslade	151,892,882	98.83	1,802,005	1.17
Richard F. McHardy	153,655,987	99.97	38,900	0.03
Michael J. Stark	151,459,252	98.55	2,235,635	1.45

In addition, the shareholders approved the appointment of PricewaterhouseCoopers LLP as the auditors for the ensuing year.

For complete voting results, please see our Report of Voting Results available through SEDAR at www.sedar.com.

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 the completion of asset acquisitions.

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 the satisfaction of all conditions to the closing of the asset acquisitions.

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. These and other risks are set out in more detail in Spartan's Annual Information Form for the year ended December 31, 2014.

Forward-looking information is based on a number of factors and assumptions which have been used to develop such information but which may prove to be incorrect. Although Spartan believes that the expectations reflected in its forward-looking information are reasonable, undue reliance should not be placed on forward-looking information because Spartan can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified in this press release, assumptions have been made regarding and are implicit in, among other things, the timely receipt of any required regulatory approvals (including Court and shareholder approvals) and the satisfaction of all conditions to the completion of the transaction. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which have been used.

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 surplus (debt) are not recognized measures under IFRS. Management believes that in addition to net income (loss), funds flow from operations, operating netback and net surplus (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 surplus (debt) is the total of cash plus accounts receivable, prepaids and deposits, less accounts payable plus bank debt.

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