CALGARY, ALBERTA--(Marketwired - Nov 12, 2015) - Spartan Energy Corp. ("Spartan" or the "Company") (TSX:SPE) is pleased to report its financial and operating results for the three and nine months ended September 30, 2015. Selected financial and operational information is set out below and should be read in conjunction with Spartan's September 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.

THIRD QUARTER FINANCIAL AND OPERATIONAL HIGHLIGHTS

Spartan's highlights for the third quarter include:

- Averaged production of 8,042 boe/d, comprised of 95% oil and liquids, a 9 percent increase over the third quarter of 2014. Average production was impacted by approximately 100 boe/d in the quarter due to third party facilities constraints at our Alexander property which were resolved late in the third quarter.
- Realized continued improvements in operational efficiencies and cost reductions across all aspects of our business.
- Delivered operating and transportation costs of $17.44 per boe, a reduction of 16% from the third quarter of 2014.
- Reduced net G&A costs to $1.93 per boe in the third quarter, a reduction of 21% from the second quarter of 2015 and 8% from the third quarter of 2014.
- Continued to reduce drilling costs, with drill, complete and equip costs for open-hole horizontal wells drilled after the first quarter averaging approximately $800,000.
- Realized an operating netback of $22.29 per boe, resulting in quarterly funds flow from operations of $14.3 million ($0.05 per basic and diluted share).
- Drilled 19 (16.9 net) wells in the quarter and brought 18 (15.2 net) wells on production.
- Maintained our balance sheet strength, with net debt at the end of the quarter of approximately $86.9 million.

FINANCIAL RESULTS

(Cdn$000s except per boe and per share amounts)	Three Months Ended September 30		Nine Months Ended September 30	
	2015	2014	2015	2014
Average daily production (boe/d)	8,042	7,399	8,712	4,906
Net realized oil and gas sales price (excluding derivatives) ($/boe)	47.40	87.09	49.43	89.75
Royalties ($/boe)(2)	7.67	13.78	7.74	15.14
Production costs ($/boe)(1)	17.44	20.67	17.49	19.31
Operating netback ($/boe)(3)	22.29	45.40	24.20	46.10
Net general and administrative expenses ($/boe)	1.93	2.09	2.09	2.75
Interest expense ($/boe)	0.97	1.42	1.03	1.56
Funds flow from operations(3)(4)	14,341	28,507	50,122	55,971
per share - basic	0.05	0.11	0.19	0.28
per share - diluted	0.05	0.10	0.17	0.25
Net income (loss) (5)	(33,388)	6,123	(51,658)	22,480
per share - basic	(0.13)	0.02	(0.20)	0.11
per share - diluted	(0.13)	0.02	(0.20)	0.10
Capital expenditures(6)	19,376	34,614	48,936	45,198
Net debt(3)	86,884	78,784	86,884	78,784
Bank Facility(7)	150,000	250,000	150,000	250,000
Weighted average shares outstanding				
basic	264,277,846	262,420,942	264,270,046	196,702,861
diluted	285,637,309	287,939,818	286,853,924	221,767,007

(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 and nine months ended September 30, 2015 includes a non-cash impairment charge of $34 million in Spartan's Alberta-Alexander and West Central Saskatchewan - Viking CGUs due to lower forecasted prices for oil and natural gas. This non-cash charge has no impact on the Company's cash flow or credit facilities and the impairment charges can be reversed in future periods if commodity prices increase.

(6) Excluding acquisitions.

(7) 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

During the third quarter of 2015, Spartan focused on delivering meaningful cost reductions and efficiency gains. As part of this initiative, Spartan elected to delay capital spending early in the third quarter following completion of spring break up in anticipation of further improvements in capital costs. Spartan had a single rig drilling in Southeast Saskatchewan at the start of the third quarter and did not add a second rig until the middle part of the third quarter. In addition, the Company deferred its Viking drilling program in west central Saskatchewan to late September, with one well drilled prior to the end of the quarter.

Spartan's strategy of weighting its capital to later in the year has proved to be correct as the Company benefitted from continual reductions in service costs and improved drilling efficiencies throughout the quarter. Costs to drill, complete and equip ("DC&E") our open-hole wells in Southeast Saskatchewan have averaged approximately $800,000 subsequent to the end of the first quarter of 2015. This represents a 20% reduction in costs as compared to the first quarter of 2015 and a more than 30% reduction to average 2014 DC&E costs.

Lower costs and increased drilling efficiencies further improve the economics of Spartan's conventional, light oil asset base which is characterized by its low risk, repeatable nature and high rates of return. Spartan's open-hole horizontal wells continue to deliver best of class returns in the current low commodity price environment. At current costs and US$45 WTI constant pricing, our open-hole horizontal type well on Crown land generates a rate of return in excess of 130%.

We continue to demonstrate the repeatability of our asset base, as our open-hole wells drilled following spring-breakup are currently outperforming our internal type curve, further enhancing the already attractive capital efficiencies and economics of our drilling prospects. With more than 500 net open-hole horizontal drilling locations in southeast Saskatchewan, representing over 11 years of inventory at our current pace of drilling, our asset base provides a strong foundation for multi-year sustainable growth.

In total, we drilled a total of 19 (16.9 net) wells in the quarter, comprised of 12.9 open-hole wells, 3.0 frac Midale wells and 1.0 Viking well. A summary of Spartan's 2015 drilling activity to September 30, 2015 is provided below.

2015 Drilling Program	Spud		On Production	
	Gross	Net	Gross	Net
Southeast Saskatchewan - Conventional Mississippian	36	29.8	32	26.0
Southeast Saskatchewan - Frac Midale	5	4.9	5	4.9
West Central Saskatchewan - Frac Viking	1	1.0	-	-
Total	42	35.7	37	30.9

Third quarter production averaged 8,042 boe/d. Production in the quarter was negatively impacted by approximately 100 boe/d due to facilities constraints at our Alexander, Alberta property. These constraints were alleviated late in the third quarter and the production is back on line. Production in the third quarter of 2015 was down from the second quarter primarily as a result of the Company's decision to defer capital spending in order to realize on cost savings, which resulted in minimal production adds until late in the third quarter. However, strong results from new wells have delivered steady growth early in the fourth quarter, with field estimated October production exceeding 9,000 boe/d.

2015 GUIDANCE

Spartan has elected to defer a portion of our 2015 drilling and completion capital in order to continue to maintain our balance sheet strength. As a result of this deferral, together with lower than anticipated well costs, we are revising our 2015 capital expenditure guidance downward by 15% from $85 million to $72 million. Due to the outperformance of our wells versus budget, our annual production guidance of 8,700 boe/d and exit guidance of 9,100 boe/d remain unchanged. Based on a fourth quarter oil price of $46 WTI, we now anticipate exit net debt of approximately $93 million, representing 1.4 times trailing 12 months cash flow.

CREDIT FACILITY UPDATE

As part of our ongoing cost reduction initiatives, Spartan voluntarily elected to reduce its credit facility to $150 million on July 29, 2015. By reducing the credit 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. Subsequent to the end of the third quarter, the Company completed its mid-year borrowing base review with its syndicate of lenders and agreed to maintain the credit facility at $150 million. Spartan is comfortable that incremental lending value will be made available by our lenders should the Company require an additional source of financing for acquisitions or capital expenditures.

OUTLOOK

Spartan remains committed to preserving our balance sheet flexibility in the current commodity price environment through cost control and disciplined capital spending. As compared to the third quarter of 2014, we have reduced production expenses by 16% and net G&A expenses by 8%. In addition, the reduction in our drill costs and outperformance of our wells has allowed us to reduce capital spending while maintaining our production targets.

Spartan intends to continue our business plan of measured, sustainable growth and prudent balance sheet management. Our open-hole wells remain highly economic at current prices, and we anticipate that we can maintain our estimated 2015 annual average production of 8,700 boe/d in 2016 within cash flow at a WTI oil price of approximately US$45.

We continue to believe that the prolonged commodity price weakness will create acquisition opportunities in the coming months and that Spartan is well positioned to take advantage. We will continue to actively seek out accretive acquisitions while maintaining the discipline to pursue high quality assets that provide long-term value creation for our shareholders.

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 and capital spending levels, year-end debt levels and the completion of potential 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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