CALGARY, ALBERTA--(Marketwired - May 19, 2016) - Spartan Energy Corp. ("Spartan" or the "Company") (TSX:SPE) is pleased to announce that it has entered into a definitive agreement (the "Acquisition Agreement") providing for the acquisition by Spartan of Wyatt Oil + Gas Inc. ("Wyatt"), a privately held corporation with light oil assets in southeast Saskatchewan (the "Acquisition"). Based on the five day weighted average trading price of Spartan's common shares ("Spartan Shares") of $3.06 per share, the total consideration for the Acquisition is approximately $77 million. The total consideration is comprised of the issuance of approximately 11.4 million Spartan Shares and the assumption of approximately $42 million of net debt. Subject to the completion of certain conditions, including the approval of the Wyatt shareholders and the approval of the Toronto Stock Exchange, the Acquisition is anticipated to be completed prior to June 30, 2016.

National Bank Financial Inc. is acting as financial advisor to Wyatt and has provided its verbal opinion that, subject to the review of the final form of the documentation effecting the Acquisition, the consideration to be received by Wyatt shareholders pursuant to the Acquisition is fair, from a financial point of view, to the Wyatt shareholders. Certain Wyatt shareholders, including all senior officers and directors of Wyatt, who collectively hold over 58% of the issued and outstanding voting shares of Wyatt, have entered into agreements with Spartan pursuant to which they have agreed to vote their shares in favor of the Acquisition.

Strategic Rationale

The Acquisition includes approximately 1,330 boe/d (76% light oil and liquids) of production focused in the Alameda and Elcott areas of southeast Saskatchewan. An additional 2,300 Mcf/d of natural gas and 130 bbls/d of natural gas liquids are anticipated to be added in October once currently flared gas volumes are tied-in to infrastructure. The assets are comprised of approximately 45 net sections of land prospective for both Midale and Frobisher light oil and are complementary to Spartan's existing southeast Saskatchewan core areas. Spartan has initially identified over 177 (162 net) Mississippian drilling locations across the asset base comprised of 79 (75 net) frac Midale locations and 98 (87 net) open-hole Midale and Frobisher locations.

The Alameda asset includes 29 net contiguous sections of operated lands with a 97% working interest. The Alameda property has large original oil in place with a current recovery factor of approximately 1.3%. Wyatt has commenced a 3.5 section waterflood project on the lands. Early results are encouraging and Spartan believes that there is significant unbooked waterflood upside associated with the assets. Spartan anticipates that primary recovery factors of 9% can be achieved in the Alameda pool with up to 18% recovery through the implementation of waterflood. The Acquisition includes all infrastructure required to accommodate future production growth, as Wyatt has invested over $22 million in facilities for the Alameda property, including 16,000 bbls/d of fluid capacity, field headers and 75 km of emulsion, gas and injection flowlines.

Acquisition Summary

Purchase Price	$77 million
Current Production(1)	1,330 boe/d (76% oil and NGLs)
Proved Reserves(2)	8,847 Mboe
Proved Reserves NPV10(2)	$131.3 million
Proved plus Probable Reserves(2)	14,629 Mboe
Proved plus Probable Reserves NPV10(2)	$223.2 million
12 Month Cash Flow(3)	$11.3 million
Total Land	~29,500 net acres
Total Drilling Locations	177 (162 net) locations

Acquisition Metrics

Current Production(1)	$57,895 per boe/d
Proved Reserves(2)	$8.70 per boe
Proved plus Probable Reserves(2)	$5.26 per boe
Proved Reserves NPV10(2)	0.59x
Proved plus Probable Reserves NPV10(2)	0.34x
12 Month Cash Flow from Operations(3)	6.8x
12 Month Production Accretion(3)	13%
12 Month Cash Flow Accretion(3)	5%
1P Reserves Accretion(3)	26%
2P Reserves Accretion(3)	25%

Notes:

1. Does not include an additional 2,300 MMcf of natural gas and 130 boe/d of natural gas liquids anticipated in October 2016 upon tie-in of currently flared gas volumes.

2. Gross Company Reserves. Reserves were prepared by Sproule Associates Limited ("Sproule") effective December 31, 2015 using the Sproule December 31, 2015 forecast prices and costs in accordance with National Instrument 51-101 - Standards of Disclosure of Oil and Gas Activities and the Canadian Oil and Gas Evaluation Handbook (the "Sproule Report"). Gross Company Reserves means the company's working interest reserves before the calculation of royalties, and before the consideration of the company's royalty interests.
3. Projected cash flows from operations, cash flow accretion and production accretion based on 12 month forecast production and cash flows at strip pricing (WTI US$49 2H 2016 and US$50 1H 2017), assuming cash flow from the applicable asset is reinvested in drilling during the period.

OUTLOOK

Spartan has maintained a disciplined approach to acquisitions through the recent downturn in the commodity cycle, protecting our balance sheet flexibility while seeking out acquisition opportunities that deliver high quality assets at an attractive valuation. The acquisition of Wyatt meets these criteria, providing a deep inventory of economic drilling locations that fit strategically with our existing asset base at a purchase price that delivers meaningful production, cash flow and reserves accretion for our shareholders.

Spartan continues to believe that the current commodity price environment will present attractive acquisition opportunities during the second half of 2016 and that Spartan is well positioned to take advantage. Our corporate strategy remains unchanged - we intend to continue to maintain our financial flexibility by spending within cash flow, while seeking to deliver additional per share growth through accretive acquisitions. Spartan will provide second half capital budget guidance upon completion of the Acquisition in June.

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, statements concerning expected terms of the Acquisition, expected closing date of the Acquisition, expected production and cash flow related to the Acquisition, expected number of future drilling locations related to the Acquisition, future capital spending levels, future balance sheet flexibility and future acquisition opportunities. 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. Actual reserve values may be greater than or less than the estimates provided herein.

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 ability to complete the Acquisition on the terms and on the timing as contemplated by management, the assumption that all necessary conditions will be met for the Acquisition including that all third party, regulatory and shareholder approvals will be received, 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 ability to source and complete 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, 2015.

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. Cash flow from operations is not a recognized measure under IFRS. Management believes that in addition to net income (loss), cash flow from operations is a useful supplemental measures that demonstrates the Company's ability to generate the cash necessary to repay debt or fund future capital investment. Investors are cautioned, however, that this measure 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 this measure 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.

Drilling Locations. *This press release discloses drilling inventory which can be subdivided in three categories: (i) proved locations; (ii) probable locations; and (iii) unbooked locations. Proved locations and probable locations are derived from the Sproule Report and account for drilling locations that have associated proved and/or probable reserves, as applicable. Unbooked locations are internal estimates based on our prospective acreage and an assumption as to the number of wells that can be drilled per section based on industry practice and internal review. Unbooked locations do not have attributed reserves or resources. Of the 177 total drilling locations identified in this press release, 47 are proved locations, 26 are probable locations and 104 are unbooked locations. Unbooked locations have been identified by management as an estimation of our multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that we 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 we actually drill wells will ultimately 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 drilling 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.*

Original Oil in Place. Original oil in place (OOIP) is the equivalent to Discovered Petroleum Initially In Place (DPIIP) for the purposes of this press release. DPIIP is defined as quantity of hydrocarbons that are estimated to be in place within a known accumulation, plus those estimated quantities in accumulations yet to be discovered. There is no certainty that it will be commercially viable to produce any portion of the resources.

Contact

Spartan Energy Corp.
Richard (Rick) McHardy
President and Chief Executive Officer
Spartan Energy Corp.
Tim Sweeney
Manager, Business Development
Spartan Energy Corp.
Suite 500, 850 - 2nd Street S.W.
Calgary, Alberta T2P 0R8
(403) 355-8920
403.355.2779
info@spartanenergy.ca
www.spartanenergy.ca