CALGARY, ALBERTA--(Marketwired - Aug. 3, 2016) -

NOT FOR DISTRIBUTION IN THE UNITED STATES. ANY FAILURE TO COMPLY WITH THIS RESTRICTION MAY CONSTITUTE A VIOLATION OF U.S. SECURITIES LAW.

Spartan Energy Corp. ("Spartan" or the "Company") (TSX:SPE) is pleased to announce that it has completed the acquisition of approximately 450 boe/d (93% oil and liquids) of production in southeast Saskatchewan for a cash purchase price of $24 million (the "Acquisition").

Spartan is also pleased to announce that it has entered into a bought deal financing agreement with a syndicate of underwriters co-led by Peters & Co. Limited, GMP Securities L.P. and TD Securities Inc. (collectively, the "Underwriters") pursuant to which the Underwriters have agreed to purchase for resale to the public, on a bought deal basis, 22,100,000 common shares of Spartan ("Shares") at a price of $3.18 per Share for total gross proceeds of $70,278,000 (the "Offering"). The Underwriters will have an option (the "Underwriters' Option") to purchase up to an additional 3,315,000 Shares at a price of $3.18 per Share to cover over-allotments, if any, exercisable in whole or in part at any time until 30 days after the closing date.

ASSET ACQUISITION

The assets acquired pursuant to the Acquisition (the "Assets") are comprised of approximately 450 boe/d (93% oil and liquids) of low-decline production and 29.2 net sections of land, primarily focused in the Midale fairway of southeast Saskatchewan. The Assets include approximately 21.4 net sections of land complementary to Spartan's existing acreage at Pinto and Alameda which are prospective for drilling open-hole and fracture stimulated wells in the Midale formation. Spartan has identified 79.5 net frac Midale and open-hole Midale and Frobisher drilling locations on the Assets.

FINANCING

Spartan has entered into an agreement on a "bought-deal" basis with the Underwriters for an offering of 22,100,000 Shares at a price of $3.18 per Share. The Underwriters have been granted the Underwriters' Option to purchase up to an additional 3,315,000 Shares at a price of $3.18 per Share, exercisable in whole or in part at any time up until 30 days after the closing of the Offering. The net proceeds from the Offering will be used to reduce indebtedness under the Company's credit facility, which has been drawn on to fund recent acquisitions, and for general corporate purposes.

The Offering will be completed by way of short form prospectus in certain of the provinces of Canada (excluding Québec) and on a private placement basis in the United States pursuant to exemptions from the registration requirements of the U.S securities laws. The Offering is subject to customary conditions including receipt of applicable regulatory approvals and is expected to close on or about August 24, 2016.

UPDATED 2016 CAPITAL BUDGET

Spartan's 2016 corporate strategy has focused on maintaining balance sheet strength by spending within cash flow and furthering per share production and reserves growth by executing on acquisition opportunities afforded by the downturn in the commodity cycle. Spartan has delivered on this strategy in the first half of the year, executing a cash flow budget while completing four accretive acquisitions within our southeast Saskatchewan core area.

Spartan's strategy remains unchanged in the second half of the year. Our board of directors has approved a 2016 capital budget of $68 million, which is expected to be approximately cash flow neutral assuming an average WTI oil price of $46.83 over the second half of 2016. We anticipate this spending level will yield average production of approximately 10,700 boe/d (92% oil and liquids) and exit production of approximately 12,500 boe/d (89% oil and liquids), representing debt adjusted per share growth of approximately 8% and 13%, respectively, over 2015. Projected net debt at the end of 2016 is approximately $58 million ($48 million in the event the Underwriters' Option is exercised in full) with a revolving credit facility of $150 million.

We commenced drilling operations in June following the completion of spring break-up conditions in the field, and we currently have two rigs operating in our southeast Saskatchewan core area. In the first quarter, we drilled 10 (8.5 net) open-hole Mississippian wells and 5 (3.6 net) frac Midale wells, and completed an additional 7 (5.9 net) previously drilled Viking wells. Our capital budget contemplates drilling an additional 46 (38.2 net) open-hole wells and 7 (6.8 net) frac Midale wells. Open-hole wells will primarily target our greater Winmore and Queensdale areas and will focus on infill drilling and pool extensions. Our frac Midale wells will be focused in the Alameda area on lands recently acquired pursuant to the purchase of Wyatt Oil + Gas Inc. Spartan's capital program remains flexible and we will adjust capital expenditures in the second half of the year depending upon prevailing commodity prices.

2016 Updated Guidance

Annual production	10,700 boe/d (92% oil and liquids)
Exit Production	12,500 boe/d
Capital expenditures	$68 million
Funds from operations	$68 million
2016 year-end net debt	$58 million(1)
Credit facility limit	$150 million

Pricing Assumptions - Second Half of 2016

Crude oil (US$WTI)	$46.83/bbl
Natural gas (Cdn AECO)	$2.50/Mcf
Exchange rate (US/Cdn)	$0.77
Cdn. Light Sweet Oil (Cdn$)	$56.30

Note:

(1) $48 million in the event the Underwriters' Option is exercised in full.

OUTLOOK

Following the completion of our recent acquisitions and the Offering, Spartan remains well positioned to deliver per share growth in a variable commodity price environment. The majority of our drilling locations remain economic in a depressed price scenario, allowing us to sustain production while using our strong cost of capital and balance sheet flexibility to pursue additional accretive acquisitions. In a rising price environment, the torque to oil prices provided by our light oil production base, together with our deep drilling inventory, provide the ability to deliver significant organic production growth within cash flow.

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 production and cash flow related to the Acquisition, expected number of future drilling locations related to the Acquisition, the anticipated closing date of the Offering, the use of proceeds from the Offering, future capital spending levels, the number and type of wells to be drilled in 2016, future production levels, future cash flows, 2016 net debt, future balance sheet flexibility and future 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 conditions, prevailing legislation affecting the oil and gas industry, 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, changes in legislation impacting the oil and gas industry, 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.

Future Oriented Financial Information: Any financial outlook or future oriented financial information in this press release, as defined by applicable securities legislation, has been approved by management of Spartan. Readers are cautioned that any such future-oriented financial information contained herein should not be used for purposes other than those for which it is disclosed herein. The Company and its management believe that the prospective financial information has been prepared on a reasonable basis, reflecting management's best estimates and judgments, and represent, to the best of management's knowledge and opinion, the Company's expected course of action. However, because this information is highly subjective, it should not be relied on as necessarily indicative of future results.

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 in three categories: (i) proved locations; (ii) probable locations; and (iii) unbooked locations. Proved locations and probable locations are derived from Spartan's internal evaluation prepared by a qualified reserves evaluator in accordance with NI 51-101 and the COGE Handbook 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 79.5 total net drilling locations identified within the Assets, *28.1* are net proved locations, 3.0 are net probable locations and *48.4* are net 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 the Company 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.*

This press release is not an offer of the securities for sale in the United States. The securities have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an exemption from registration. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful.

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