

CALGARY, ALBERTA--(Marketwired - Aug 11, 2016) - 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, 2016. Selected financial and operational information is set out below and should be read in conjunction with Spartan's June 30, 2016 interim financial statements and the related management's discussion and analysis, which are available for review at [www.sedar.com](http://www.sedar.com) or on the Company's website at [www.spartanenergy.ca](http://www.spartanenergy.ca).

## SECOND QUARTER FINANCIAL AND OPERATIONAL HIGHLIGHTS

Spartan's highlights for the second quarter include:

- Successfully closed three light oil acquisitions in the quarter consolidating the Company's position in its southeast Saskatchewan core area.
- Achieved average production of 9,080 boe/d, comprised of 94% oil and liquids, a 4 % increase over the second quarter of 2015.
- Reduced production costs to \$15.04 per boe from \$16.13 per boe in the second quarter of 2015.
- Realized an operating netback of \$22.23 per boe, resulting in quarterly funds flow from operations of \$16.3 million (\$0.05 per basic and diluted share).
- Maintained our balance sheet strength, with net debt at the end of the quarter of approximately \$100.4 million and available liquidity of approximately \$49.6 million.

## FINANCIAL RESULTS

(Cdn\$000s except per boe and per share amounts)	Three Months Ended June 30		Six Months Ended June 30	
	2016	2015	2016	2015
Average daily production (boe/d)	9,080	8,710	9,381	9,055
Realized oil and gas sales price (excluding derivatives) (\$/boe)	43.83	56.56	37.61	50.34
Production costs (\$/boe) <sup>(1)</sup>	15.04	16.13	14.86	17.52
Royalties (\$/boe) <sup>(2)</sup>	6.55	8.77	5.51	7.76
Operating netback (\$/boe) <sup>(3)</sup>	22.23	31.66	17.23	25.06
Net general and administrative expenses (\$/boe)	2.23	2.45	2.11	2.16
Interest expense (\$/boe)	0.32	1.11	0.57	1.06
Funds flow from operations <sup>(3)(4)</sup>	16,265	22,266	24,869	35,781
per share - basic	0.05	0.08	0.09	0.14
per share - diluted	0.05	0.08	0.08	0.12
Net loss	(6,659	) (6,387	) (19,540	) (18,270
per share - basic	(0.02	) (0.02	) (0.07	) (0.07
per share - diluted	(0.02	) (0.02	) (0.07	) (0.07
Capital expenditures <sup>(5)</sup>	6,869	6,828	23,986	29,560
Net debt <sup>(3)</sup>	(100,359	) (80,629	) (100,359	) (80,629
Bank Facility <sup>(6)</sup>	150,000,000	250,000,000	150,000,000	250,000,000
Weighted average shares outstanding				
basic	306,961,841	264,268,660	289,549,204	264,266,082
diluted	330,645,588	286,951,191	312,018,839	286,624,756

(1) Including transportation costs.

(2) Royalties include the 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.

## 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 two rigs in June and drilled 4 (3.5 net) wells prior to the end of the quarter. The wells drilled in the second quarter were all open-hole wells drilled in our Winmore, Hastings and Pinto areas, 2 (2.0 net) of which were on production prior to the end of the quarter. We continue to have two rigs active in southeast Saskatchewan, with both rigs scheduled to drill continuously through the remainder of the year.

## OUTLOOK

Subsequent to the end of the quarter, Spartan announced the acquisition of light oil assets in southeast Saskatchewan producing approximately 450 boe/d for a cash purchase price of \$24 million and a \$70.3 million bought deal equity financing (the "Financing"). As a result of the Financing not having yet closed, Spartan is considered to be "in distribution" and is therefore unable to provide forward looking guidance other than what has previously been disclosed.

Following the completion of our recent acquisitions and the Financing, 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, planned drilling and completion activities and the completion of the Financing.*

*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, 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 satisfaction of all conditions to the completion of the Financing. 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, stock-based compensation, impairment and depletion and depreciation. Operating netback is calculated based on oil and gas revenue plus (minus) realized gain (loss) on financial derivative contracts, less royalties and operating expenses. Net surplus (debt) is the total of cash plus accounts receivable, prepaids and deposits, less accounts payable and bank debt.*

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