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# SPARTAN ENERGY CORP. ANNOUNCES COMPLETION OF BUSINESS COMBINATION WITH RENEGADE PETROLEUM LTD. AND 2014 CAPITAL BUDGET

**CALGARY, ALBERTA (March 31, 2014) –** Spartan Energy Corp. ("**Spartan**" or the "**Company**") (TSXV: SPE) is pleased to announce it has completed the previously announced business combination with Renegade Petroleum Ltd. ("**Renegade**") whereby Spartan has acquired all of the issued and outstanding common shares (the "**Renegade Shares**") of Renegade by way of a plan of arrangement under the *Business Corporations Act* (Alberta) (the "**Arrangement**").

On March 31, 2014, the Arrangement was approved at the special meeting of Renegade shareholders ("**Renegade Shareholders**") by 97.11% of the votes cast by the Renegade shareholders. The Arrangement was also approved by the Court of Queen's Bench of Alberta on March 31, 2014.

Pursuant to the Arrangement, Renegade shareholders received 0.5625 of a Spartan common share (the "**Spartan Shares**") for each Renegade Share held, resulting in the issuance of approximately 117.5 million Spartan Shares. Immediately prior to the completion of the Arrangement each of the former officers and directors of Renegade resigned. Following the completion of the Arrangement and the option grant set forth below, Spartan has a total of 221.4 million (264.3 million fully diluted) Spartan Shares issued and outstanding.

The total transaction value for the acquisition of Renegade by Spartan, including net debt of approximately $168 million, is approximately $495 million (based on a Spartan Share price of $2.76). Trading of the Renegade Shares has been halted and the Renegade Shares are expected to be de-listed from the TSX Venture Exchange.

In conjunction with the Arrangement, the Board of Directors of Spartan has approved the appointment of Thomas Budd, a former director of Renegade, as a director of Spartan effective March 31, 2014. Mr. Budd is an independent investor and has many years of experience providing strategic and financial advice on a significant number of Canada's oil & gas transactions. Mr. Budd has served as President and Vice Chairman, Head of Investment Banking at Griffiths McBurney & Partners and then GMP Capital Corp. following its IPO in December, 2003. Mr. Budd is currently a director of Toscana Energy Income Corporation and Waldron Energy Corporation.

Renegade Shareholders who have not already done so should submit their certificates representing Renegade Shares to Alliance Trust Company, the depositary pursuant to the Arrangement, together with the applicable letters of transmittal following the instructions set out in such letters of transmittal in order to receive the Spartan Shares that they are entitled to pursuant to the Arrangement. Letters of transmittal were sent to Renegade Shareholders and additional copies may be obtained by contacting Alliance Trust Company by telephone at 1-403-237-6111 or by e-mail at inquiries@alliancetrust.ca. Alternatively, copies of the letter of transmittal may be found on Renegade's website at www.renegadepetroleum.com under the heading "Investors - Shareholder Meeting Materials".

**2014 STRATEGY AND CAPITAL BUDGET**

Spartan's stated business plan is to focus on light oil opportunities in Western Canada, employing a targeted acquisition and consolidation strategy, complemented by development and exploration drilling. Our goal is to assemble a high quality asset base which exhibits strong cash flow netbacks, attractive capital efficiencies and manageable corporate declines. In 2014, Spartan's focus will be on spending within cash flow to deliver production per share growth of between 15% - 20%, while maintaining a corporate decline rate below 30%. Spartan will also work hard to optimize operations following the acquisition of Renegade. We have identified numerous opportunities to reduce operating and administrative expenses, which will translate into improved netbacks and cashflow. We will also continue to target acquisitions that increase our production and cash flow per share while expanding our asset portfolio.

Consistent with this corporate strategy, the Company is pleased to announce that our Board of Directors has approved a $74 million 2014 capital program, which will be funded entirely through internally generated cash flow. The budget will be reviewed, and potentially revised, on a quarterly basis depending on results and commodity prices.

The Company expects to spend a total of $66 million in 2014 to drill 58 (53 net) wells. The remaining $8 million will be spent on land, seismic and maintenance expenditures. During the first quarter of 2014, the Company drilled 3 (2.67 net) Detrital oil wells in central Alberta on the Company's Alexander property. The focus of Spartan's remaining 2014 capital program will be on the Company's Mississippian assets in southeast Saskatchewan and, to a lesser extent, on the Company's Viking prospects in the Dodsland area of west central Saskatchewan. Spartan expects to drill up to 44 (40 net) horizontal wells in southeast Saskatchewan targeting the Frobisher and Midale formations. For budgeting purposes, Spartan is using a first month average production rate (IP30) of 60 bbl/d for the Frobisher and an IP30 rate of 96 bbl/d for the Midale. In the Viking, the Company expects to drill 11 (10.5 net) horizontal wells.

The Company's 2014 capital budget includes operations for the Company (stand alone) for the first quarter and combined operations for the Company for the period April 1 through December 31. The budget does not include any capital spent by Renegade prior to the effective date of the Arrangement, as this amount is included in the Company's estimate of net debt. During the first quarter of 2014, Renegade executed on a capital budget of approximately $20 million, drilling 6 (5.3 net) horizontal wells in southeast Saskatchewan and 10 (9.5 net) Viking horizontal wells in west central Saskatchewan. Renegade's cash flow for the first quarter is estimated to be approximately $20 million.

Spartan expects its 2014 budget to yield full year average production of 5,100 boe/d (93% oil and liquids) and exit production of 7,300 boe/d (94% oil and liquids). Cash flow is anticipated to be approximately $80 million, after reflecting hedging losses estimated at $9.3 million for the period April through December. All of the Company's current hedges (on 4,000 bbl/d) expire at the end of 2014. Key budget assumptions for 2014 include:

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| Crude oil | = WTI US $90.00 per barrel (Cdn. $93.00 Edmonton light) |
| Natural gas | = Cdn. $4.00 per Mcf |
| Exchange rate | = US/Cdn. $0.90 |
| Operating netback | = $49.77per boe |
| Corporate netback | = $42.79 per boe |

Spartan anticipates that the proposed budget will allow us to exit 2014 well posititoned to continue to execute on our growth business plan. The Company's existing credit facility limit is $250 million, and we are forecasting year end net debt of approximately $102 million and a net debt to pro forma 2014 cash flow ratio of approximately 1.0x (0.77x based on annualized Q4 cash flow and excluding estimated hedging losses). As we enter 2015, we anticipate that the development of our extensive inventory of drilling locations in Saskatchewan, with a focus on maintaining a sustainable corporate decline rate and improving capital efficiencies, will allow us to continue deliver growth in production and cash flow per share while spending less than cash flow. In addition, the expiry of our hedges in 2014 will provide the opportunity for increased cash flows in the event of a strong pricing environment, and our balance sheet flexibility will allow us to continue to target accretive acquisitions to deliver further production and cash flow growth.

**STOCK OPTIONS**

The Company announces that pursuant to the terms and conditions of its incentive stock option plan, it has granted, in the aggregate, 6,890,000 incentive stock options to purchase Common Shares of Spartan to certain of its employees and consultants. The options vest over three years (1/3 on each of the first, second and third anniversary of the grant date). The options are exercisable at a price of $3.21 per Common Share. Except for 125,000 options granted to Mr. Thomas Budd in connection with his appointment as a director, none of the options were granted to any current directors or officers of the Company.

Prior to the completion fo the Arrangement, the board of directors of Renegade approved Renegade's audited annual consolidated financial statements and related management's discussion and analysis for the three months and year ended December 31, 2013. These documents are also available for review at www.sedar.com.

**FURTHER INFORMATION**

Richard (Rick) McHardy
President and Chief Executive Officer

OR

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**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 (6 Mcf/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.*** *In the interest of providing Spartan shareholders and potential investors with information regarding the Company, including management's assessment of Spartan's future plans and operation, certain statements throughout this press release constitute forward looking statements (forecasts) under applicable securities laws relating to future events or future performance. All forward-looking statements are based on the Company's beliefs and assumptions based on information available at the time the assumption was made. By its nature, such forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward looking statements. Forward-looking statements are necessarily based upon assumptions and judgements with respect to the future including, but not limited to, the outlook for commodity markets and capital markets, the performance of producing wells and reservoirs, well development and operating performance, general economic and business conditions, weather, the regulatory and legal environment and other risks associated with oil and gas operations. In some cases, forward- looking statements can be identified by terminology such as "may", "will", "should", "expect", "projects", "plans", "anticipates", "continue", "estimate", "believe" and similar expressions. These statements represent* *management's expectations or beliefs concerning, among other things, future operating results and various components thereof affecting the economic performance of Spartan. Undue reliance should not be placed on these forward-looking statements which are based upon management's assumptions and are subject to known and unknown risks and uncertainties, including the business risks discussed above, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Accordingly, readers are cautioned that events or circumstances could cause results to differ materially from those predicted. These statements speak only as of the date specified in the statements.*

*The estimates of net debt and funds from operations (cash flow) contained in this press release are financial outlooks within the meaning of applicable securities laws. These financial outlooks have been prepared by management of Spartan to provide an outlook of the Company's anticipated funds from operations based on management's expectations and assumptions as to a number of factors, including commodity pricing, production, operating expenses and royalties. Readers are cautioned that this information may not be appropriate for any other purpose. Management does not have firm commitments for all of the costs, expenditures, prices or other financial assumptions used to prepare the financial outlooks or assurance that such results will be achieved. The actual results of Spartan will likely vary from the amounts set forth in the financial outlooks and such variation may be material. Spartan and its management believe that the financial outlooks have been prepared on a reasonable basis, reflecting the best estimates and judgments, and represent, to the best of management's knowledge and opinion, the Company's expected expenditures and results of operations during 2014. However, because this information is highly subjective and subject to numerous risks, including the risks discussed under the note regarding Forward Looking Statements, it should not be relied on as necessarily indicative of future results.*

*Forward-looking information is based on current expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by Spartan and described in the forward-looking information. 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, operating netback and net surplus (debt) are not recognized measures under IFRS. Management believes that in addition to net income (loss), cash 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, 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.*