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SPARTAN ENERGY CORP. ANNOUNCES 2018 CORPORATE BUDGET AND GUIDANCE

CALGARY, ALBERTA (January 11, 2018) – Spartan Energy Corp. ("Spartan" or the "Company") (TSX: SPE) is pleased to announce that its Board of Directors has approved a development capital budget of $183 million for 2018. This capital budget reflects Spartan's continuing commitment to our business plan of delivering attractive, sustainable per share production growth through our drilling program, while managing our declines and generating excess funds flow to be deployed in projects that further enhance value for our shareholders.

2017 Capital Budget

For 2018, Spartan's Board of Directors has approved a total development capital budget of $183 million. This program includes the drilling of approximately 140 net development oil wells and is anticipated to deliver annual average production of 23,400 boe/d and 2018 exit production of 25,000 boe/d, representing average production growth of 6% and exit production growth of 11% over 2017.

Based upon a WTI price assumption of US$60.00 and a Cdn/US exchange rate of $0.80, we expect to generate funds flow from operations of approximately $267 million in 2018, yielding excess funds flow (funds flow from operations less total development capital expenditures) of approximately $84 million. Consistent with our business strategy, we intend to invest a portion of our excess funds flow in projects that add incremental growth and long term value for Spartan shareholders, including waterflood projects, land and seismic and strategic acquisitions.

Drilling and Maintenance Capital

Spartan's 2018 drilling program will be primarily focused on our high rate of return, low risk open-hole Mississippian wells in southeast Saskatchewan. Greater than 80% of our budget will be directed to drilling, completions, equipping and tie-ins, with the remainder allocated to facilities, environmental, workovers, capitalized G&A and costs associated with non-operated interests in the Weyburn and Midale CO_2 units.

We plan to spend approximately 35% of our drilling budget to drill 64 net open-hole wells. These wells deliver top tier economics, with our internal type curve well delivering a half cycle rate of return of 135% – 227% and paying out in 8-11 months (Sproule December 2017 pricing with return and payout ranges based on whether well is drilled on Crown or freehold acreage). Spartan has brought approximately 200 net open-hole wells on production since 2014, with average production rates on these wells exceeding our internal type curve. In 2017, IP90 production rates on open-hole wells with greater than 90 days of production history exceeded our type curve by greater than 15%. Spartan continues to have a multi-year inventory of open-hole locations, as our 64 net wells planned for 2018 represent approximately 5% of our open-hole drilling inventory.

In addition to our open-hole program, Spartan's 2018 program will advance the development of our conventional Ratcliffe opportunity at Oungre, where we commenced drilling in the second half of 2017. We will allocate approximately 22% of our 2018 drilling budget to drill 29 net Ratcliffe wells, including 1 net single leg and 11 net dual leg wells in the Oungre unit. These unit wells will provide long term value to Spartan shareholders as part of our waterflood project at Oungre, which is further detailed below.

Spartan will also continue to develop our frac Midale unconventional resource play in 2018, with approximately 33% of our drilling budget allocated to drill 30 net wells on our lands at Alameda, Pinto and Elcott. Our internal type curve well delivers a half cycle rate of return of 55% – 82% and pays out in 13 - 17 months (type well at Alameda using Sproule December 2017 pricing with return and payout ranges based on whether well is drilled on Crown or freehold acreage). Spartan's frac Midale wells drilled in 2017 delivered IP90 oil rates in excess of 20% above our type curve. Our 2018 budget represents approximately 11% of our net identified frac Midale inventory.

The remaining 10% of our drilling budget will be directed to the continued development of our newly discovered Viking play at Plato. Due to spring breakup, our budget is weighted towards the second half of the year. The timing of our capital spend and our investment in waterflood projects will contribute to our strong exit to exit growth rate and leave Spartan well positioned to deliver attractive growth rates again in 2019.

Investment of Excess Funds Flow

Waterflood Projects

In 2018, Spartan intends to invest a significant portion of our excess funds flow to advance waterflood projects on our southeast Saskatchewan asset base. We are budgeting to spend approximately $17 million on waterflood, with the majority allocated to injector conversions and pipelines on our core Oungre property.

Our Oungre unit total development plan includes 25 dual and 26 single leg horizontal wells, 53 injector conversions and 10 new injection wells, for total capital of $87 million. Based on internal management estimates and certain timing assumptions, the project is forecasted to yield F&D costs of less than $5.00 per boe and a net present value in excess of $300 million (before tax discounted at 10% and based on Sproule December 2017 pricing). Inclusive of the drilling of horizontal wells, Spartan will invest approximately $30 million in the Oungre unit in 2018, with the majority of the production response to be realized in 2019 and beyond.

Land and Seismic

Spartan has budgeted $5 million on land and seismic acquisitions for 2018. These investments will allow Spartan to continue to add to and refine our deep inventory of highly economic drilling locations on our southeast Saskatchewan asset base.

Strategic Acquisitions

Spartan was successful in completing tuck-in acquisitions in 2017, as we spent approximately $34 million to further consolidate our core Oungre and Winmore areas. In the first quarter we added approximately 30 boe/d and 13.2 net sections of land prospective for Ratcliffe and Torquay drilling in the Oungre area for consideration of $6.5 million. In the third quarter we increased our working interest in the Oungre unit to 100% for consideration of $4.4 million, adding production and reserves while strategically facilitating the implementation of our Oungre waterflood project. More recently, late in the fourth quarter we completed a strategic acquisition in our core Winmore area for total consideration of approximately $22.8 million, comprised of $15.8 million in cash and 1.1 million Spartan shares. This acquisition added approximately 250 bopd of low decline production and 45 net open-hole drilling locations at Winmore. Our Winmore property has consistently delivered the best results in the Company, with average IP90 rates on wells drilled to date exceeding our internal open-hole type curve by greater than 100%.

For 2018, based on our budget price assumptions, Spartan will have approximately $62 million of excess funds flow after investments made in waterflood, land and seismic. Assuming this excess funds flow is applied to repay debt, Spartan's forecast 2018 year-end net debt (exclusive of finance lease obligations) is approximately 0.6 times our 2018 forecast funds flow from operations. This provides significant financial flexibility to deliver incremental per share growth to our shareholders through additional tuck-in acquisitions in southeast Saskatchewan or, depending on market conditions, share repurchases under our normal course issuer bid.

Outlook

Since our inception in 2013, Spartan has continually executed on our strategy of delivering attractive, sustainable growth while prudently managing our balance sheet and supplementing our growth with accretive acquisitions. Over the past 3 years, we have delivered a compound annual production per share growth rate of 15% while significantly upgrading the quality of our asset base and expanding our suite of opportunities. Our assets are characterized by a low decline production base, a deep inventory of highly economic drilling locations in southeast Saskatchewan and a roster of impactful waterflood projects. Together with the financial flexibility provided by our strong balance sheet, Spartan remains well positioned to deliver both near term growth and long term value creation for our shareholders.

2018 Financial and Operating Guidance Summary

Production	
Average (boe/d)	23,400
Exit (boe/d)	25,000
Financial	
Funds flow from operations ($MM)(1)	$267
Per share – basic(1)	$1.51
Total development capital expenditures ($MM) (1)	$183
Excess funds flow ($MM)(1)	$84
2018 exit net debt to 2018 funds flow from operations (1)(2)	0.6x

Pricing	
Crude oil – WTI (US$/bbl)	$60.00
Exchange rate ($Cdn/$US)	$0.80
Cromer ($Cdn/bbl)	$69.50

Netbacks ($/boe)	
Oil and gas sales	$59.53
Royalties	$9.52
Production expense	$16.65
Operating netback(1)	$33.36
G&A (cash portion)	$1.09
Interest	$1.05
Corporate netback(1)	$31.22

Notes:

1) Funds flow from operations, excess funds flow, total development capital expenditures, operating netback and net debt are non-IFRS measures. See "Non-IFRS Measures".

2) Estimated net debt as at December 31, 2018, including 2018 principal repayments in respect of outstanding finance lease obligations but excluding the outstanding principal amount of such obligations as at December 31, 2018 of $22.3 million. Estimated net debt as at December 31, 2018 includes $22.2 million of capital spending on waterflood, land and seismic investments.

Updated Corporate Presentation

Spartan is pleased to announce that an updated corporate presentation is available on the Company's website at www.spartanenergy.ca.

FURTHER INFORMATION

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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 about our corporate strategy, timing and level of 2018 capital expenditures, future acquisition opportunities, future production levels, 2018 netbacks, funds flow from operations and excess funds flow, 2018 exit net debt* *and net debt to funds flow ratio, potential finding and development costs and net present value of our Oungre waterflood project, future drilling locations, economics and payouts of our wells, future waterflood, land and seismic investments and future commodity prices and exchange rates.*

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 performance of enhanced oil recovery projects, 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 and access to our drilling locations, commodity prices, royalty regimes and exchange rates, the application of regulatory and licensing requirements, the availability of capital, labour and services, our ability to complete planned capital expenditures within budgeted cost estimates, the ability to market our and gas successfully, our ability to integrate assets and employees acquired through acquisitions, the creditworthiness of industry partners and our ability to acquire additional assets.

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), incorrect assessment of the value of acquisitions, failure to realize the benefits of acquisitions, constraint in the availability of services, commodity price and exchange rate fluctuations, changes in legislation (including but not limited to tax laws, royalty regimes and environmental legislation), 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. Production forecasts are directly impacted by commodity prices and the actual timing of our capital expenditures. Actual results may vary materially from forecasts due to changes in interest rates, oil differentials, exchange rates and the timing of expenditures and production additions. These and other risks are set out in more detail in Spartan's Annual Information Form for the year ended December 31, 2016.

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.

This press release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about Spartan's prospective results of operations, cash flow, free cash flow, operating and cash netbacks, net debt, operating costs and components thereof, all of which are subject to the same assumptions, risk factors, limitations and qualifications as set forth in the above paragraphs and the assumption outlined in the Non-IFRS measures section below. FOFI contained in this press release was made as of the date of this press release and was provided for the purpose of providing further information about Spartan's anticipated future business operations. Spartan disclaims any intention or obligation to update or revise any FOFI contained in this press release, whether as a result of new *information, future events or otherwise, unless required pursuant to applicable law. Readers are cautioned that the FOFI contained in this press release should not be used for purposes other than for which it is disclosed herein.*

Oil and Gas Advisories

<u>BOE Disclosure.</u> The term barrels of oil equivalent ("BOE") may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet 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.

Non-IFRS Measures. *Non-IFRS Measures. Certain financial measures referred to in this press release, such as adjusted funds flow from operations, funds flow from operations per share, excess funds flow, total development capital expenditures, net debt and net debt excluding finance lease obligations are not prescribed by IFRS. Funds flow from operations is calculated based on cash flows from operating activities before changes in non-cash working capital, transaction costs and decommissioning obligation expenditures incurred. Funds flow from operations per share is calculated using weighted average shares outstanding consistent with the calculation of net income (loss) per share. Excess funds flow is calculated based on funds flow operations less total development capital expenditures. Total development capital expenditures is calculated as total capital expenditures less land and seismic, waterflood capital and acquisitions. Spartan uses funds flow from operations and excess funds flow to analyze operating performance and leverage, and considers funds flow from operations and excess funds flow to be key measures as they demonstrate the Company's ability to generate cash necessary to fund future capital investments and repay debt. Spartan's determination of funds flow from operations, on an absolute and per share basis, and excess funds flow may not be comparable to that reported by other companies. Net debt is calculated as bank debt plus trade and other liabilities less current assets and includes 2018 principal repayments in respect of outstanding finance lease obligations but excludes the outstanding principal amount of such obligations as at December 31, 2018 of $22.3 million. Spartan management considers net debt to funds flow from operations ratio to be a meaningful measure of the Company's leverage and ability to repay debt.*

This press release also contains other industry benchmarks and terms, including operating netbacks (calculated on a per unit basis as oil, gas and natural gas liquids revenues, plus/minus realized derivative contracts, less royalties and less operating and transportation costs), and corporate netbacks (calculated on a per unit basis as oil, gas and natural gas liquids revenues, plus/minus realized derivative contracts, less royalties, less operating and transportation costs, less general and administrative expenses and less interest expense), which are not recognized measures under IFRS. Management believes that in addition to net income (loss) and cash flow from (used in) operating activities, adjusted funds flow from operations, excess funds flow, net debt and operating and corporate netbacks are useful supplemental measures as they provide an indication of Spartan's operating performance, leverage and liquidity. Investors should be cautioned, however, that these measures should not be construed as an alternative to both net income (loss) and cash flow from (used in) operating activities, which are determined in accordance with IFRS, as indicators of Spartan's performance.