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SPARTAN ENERGY CORP. ANNOUNCES FIRST QUARTER FINANCIAL AND OPERATING RESULTS, HIGHLIGHTED BY RECORD QUARTERLY PRODUCTION OF 21,455 BOE/D

CALGARY, ALBERTA (May 10, 2017) – Spartan Energy Corp. ("Spartan" or the "Company") (TSX: SPE) is pleased to report its financial and operating results for the three months ended March 31, 2017. Selected financial and operational information is set out below and should be read in conjunction with Spartan's March 31, 2017 interim financial statements and the related management's discussion and analysis, which are available for review at www.sedar.com or on the Company's website at www.spartanenergy.ca.

FIRST QUARTER FINANCIAL AND OPERATIONAL HIGHLIGHTS

Spartan's highlights for the first quarter include:

- Achieved record average production of 21,455 boe/d, comprised of 93% oil and liquids, representing an increase of 122% (13% per share) over the first quarter of 2016.
- First quarter production was over 500 boe/d above our internal forecast despite 10.6 fewer net wells being brought on production in the quarter. Our production has continued to outperform in the second quarter, with field estimated April production of approximately 22,200 boe/d exceeding our internal forecast by more than 1,000 boe/d.
- Drilled 47 (39.8 net) development wells and brought 33 (28.4 net) wells on production in the quarter, with 13.3 net wells remaining to be brought on production at the end of the quarter.
- Generated funds flow from operations of $49.0 million ($0.09 per basic and diluted share), representing an increase of 470% (200% per share) over the first quarter of 2016.
- Delivered excess funds flow (funds flow from operations less capital expenditures exclusive of acquisitions, land and seismic) in the quarter of approximately $6.7 million.
- Reduced net general and administrative ("G&A") expenses to $1.07 per boe, a 46% decrease from the first quarter of 2016.
- Completed a tuck-in acquisition of approximately 30 boe/d and 13.2 net sections of land prospective for Ratcliffe and Torquay drilling in the Oungre area of southeast Saskatchewan for total consideration of approximately $6.5 million. With this acquisition, Spartan now has 34.5 net sections of land prospective for drilling unconventional Torquay wells with 138 net unrisked drilling locations.
- Successfully executed a first quarter drilling program that significantly outperformed expectations, with initial 30 day production ("IP30") rates for open-hole Frobisher wells brought on stream in the quarter exceeding our internal type curve by 71% and frac Midale wells exceeding type curve by 74%.
- Maintained our balance sheet strength, with net debt (exclusive of finance lease obligations) at the end of the quarter of approximately $215 million, representing 1.1x annualized first quarter adjusted funds flow from operations, and available liquidity of approximately $135 million.

FINANCIAL RESULTS

(Cdn$000s except per boe and per share amounts)	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Average daily production (boe/d)	21,455	9,683
Net realized oil and gas sales price (excluding derivatives) ($/boe)	53.82	31.77
Production costs ($/boe)(1)	17.56	14.69
Royalties ($/boe)(2)	8.42	4.52
Operating netback ($/boe)(3)	27.84	12.56
Net general and administrative expenses ($/boe)	1.07	1.99
Interest expense ($/boe)	1.38	0.79
Adjusted funds flow from operations(3)(4)	49,023	8,605
per share – basic	0.09	0.03
per share – diluted	0.09	0.03
Net income (loss)	244	(12,881)
per share – basic	-	(0.05)
per share – diluted	-	(0.05)
Capital expenditures(5)	43,434	17,117
Net debt(3)	245,386	3,067
Net debt exclusive of finance lease obligations(3)	215,290	3,067
Bank Facility	350,000	150,000
Weighted average shares outstanding		
basic	525,908,815	272,115,357
diluted	551,164,110	293,372,724

Notes:

(1) Including transportation costs.
(2) Royalties include Saskatchewan resource surcharge.
(3) Adjusted funds flow from operations, operating netback, net debt and net debt excluding finance lease obligations are non-IFRS measures. See "Non-IFRS Measures".
(4) Excluding transaction costs.
(5) Excluding acquisitions.

OPERATIONAL UPDATE

Spartan successfully executed one of the most active drilling programs in the Company's history in the first quarter of 2017, drilling 47 (39.8 net) development wells and 1.0 net strat test well. We brought 33 (28.4 net) wells on production in the quarter, 2.0 of which were drilled in 2016. Our drilling program consisted of 19 (16.5 net) open-hole Mississippian wells, 11 (8.0 net) frac Midale wells, 2 (0.8 net) Torquay wells and 15 (14.5 net) Viking wells. Of these, 5 (3.5 net) frac Midale, 2 (0.8 net) Torquay and 9 (9.0 net) Viking wells were drilled but not on production at the end of the quarter. The 3.0 net operated frac Midale wells were completed and brought on production in late April and the Viking wells are scheduled to be brought on production prior to the end of the second quarter. Total capital expenditures (excluding acquisitions, land and seismic) of $42.3 million in the quarter represented approximately 29% of our $145 million 2017 budget, in line with our internal forecast.

As previously reported, our first quarter drilling program delivered excellent results, with both open-hole and frac Midale wells significantly exceeding our internal type curves. Open-hole Frobisher wells brought on stream during the quarter had an average IP30 rate of 168 bbls/d and frac Midale wells had an average IP30 of 368 boe/d (238 bbls/d oil), each outperforming our internal type curves by greater than 70%. This outperformance, as well as the success of well workovers and optimizations on assets acquired in 2016, delivered production of 21,455 boe/d in the quarter, over 500 boe/d above our internal forecast despite 10.6 fewer net wells being brought on production in the quarter versus budget. Production has remained strong to begin the second quarter, with field estimated April production of approximately 22,200 boe/d exceeding our internal forecast by more than 1,000 boe/d.

Spartan reduced net G&A expenses to $1.07 per boe in the first quarter, a reduction of 46% from the first quarter of 2016. This reduction is a result of Spartan's continued emphasis on cost savings, as well as the strategic acquisition of assets focused in our southeast Saskatchewan core area which provide significant production additions with minimal incremental G&A expense. Operating costs in the quarter were $17.56 per boe, down from $17.96 per boe in the fourth quarter of 2016. Spartan proactively identified a number of well workovers and optimizations in respect of assets acquired in 2016 and completed several of these projects in the first quarter. These initiatives increased operating costs but also contributed to Spartan's production outperformance in the quarter. Spartan will continue to seek to drive operating costs lower through the remainder of the year as we complete fewer workovers and continue to integrate and reduce costs in respect of our acquired assets.

Spartan delivered record adjusted funds flow from operations in the quarter of $49.0 million ($0.09 per share), representing an increase of 470% (200% per share) over the first quarter of 2016. Adjusted funds flow from operations exceeded capital expenditures (excluding acquisitions, land and seismic) by approximately $6.7 million.

As previously stated, Spartan's intention is to utilize a portion of any excess funds flow to internally fund strategic acquisitions. To that end, in the first quarter we completed the acquisition of approximately 30 boe/d, 13.2 net sections of land prospective for drilling Ratcliffe and Torquay wells and 27.3 net sections of Ratcliffe/Torquay royalty acreage in the Oungre area of southeast Saskatchewan for total consideration of approximately $6.5 million. In addition to adding 13 net conventional Ratcliffe drilling locations in our core Oungre area, this acquisition included approximately 26 net unrisked Torquay drilling locations and increased our position in the emerging unconventional Torquay play to 34.5 net sections of land with 138 net unrisked drilling locations. There are no Torquay locations are booked in our year-end reserve report and we currently intend to drill 3 net Torquay wells in the second half of 2017.

Spring break-up conditions have been relatively mild in southeast Saskatchewan to date and Spartan anticipates resuming drilling ahead of schedule in mid to late May.

OUTLOOK

In 2016, Spartan took advantage of unique opportunities caused by the commodity price environment, completing five acquisitions that added almost 11,000 boe/d of production and created a light oil focused asset base capable of delivering attractive growth rates while generating excess cash flow. Our strategy in 2017 is to execute on the growth potential of our assets while deploying our free cash flow into value additive investments such as waterflood initiatives, land purchases and tuck-in acquisitions. Our current 2017 budget is designed to deliver 11% per share production growth while generating approximately $42 million of excess cash flow (assuming a US $50 WTI oil price). Spartan successfully executed on our strategy in the first quarter, as production and cash flow exceeded internal forecasts and generated excess cash flow that was invested in the acquisition of Ratcliffe and Torquay lands in our core Oungre area.

As we proceed with the execution of our business plan during the remainder of 2017, we maintain the flexibility to adjust our capital expenditures depending on the commodity price environment and the performance of our capital program. Production early in the second quarter has continued to exceed our budget and we intend to revisit our 2017 guidance following the completion of spring break-up conditions. We will also continue to seek out opportunities to increase shareholder returns through the investment of our excess cash flow.

Spartan has assembled a high quality asset base and has continually delivered superior operational results, however we believe that in the current environment our share price at times does not reflect the underlying value of our assets. As such, Spartan intends to make an application to implement a normal course issuer bid (“NCIB”) through the facilities of the Toronto Stock Exchange and alternate Canadian trading platforms, pursuant to which Spartan would have an option to repurchase its common shares for cancellation. The NCIB will provide an additional option for the reinvestment of our excess cash flow to increase long-term total shareholder returns. As with all of our expenditures, Spartan will remain vigilant in ensuring we retain flexibility and liquidity on our balance sheet. Our net debt (exclusive of finance lease obligations) at the end of the quarter was approximately $215 million, representing 1.1x annualized first quarter adjusted funds flow from operations, and we will continue to target a ratio of approximately 1.0 to 1.5 times.

Spartan continues to believe that the quality of our asset base, characterized by highly economic light oil drilling locations and a moderate decline profile, and our balance sheet flexibility leave us well positioned to deliver long term value to shareholders in a variable commodity price environment. We thank our shareholders for their support and look forward to continuing to deliver on our program through the remainder of 2017.

FURTHER INFORMATION

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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 (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.*

Drilling Locations. *This press release discloses unbooked Torquay drilling inventory. All of the 138 unrisked Torquay drilling locations 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.*

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, planned investment in waterflood projects and land acquisitions, number of drilling locations and years of drilling inventory, future production levels, future cash flows at various WTI oil prices, future capital expenditure levels, potential NCIB purchases and the completion of asset acquisitions.*

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 our ability to source and complete land and 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, 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.*

Non-IFRS Measures

Certain financial measures referred to in this press release, such as adjusted funds flow from operations, adjusted funds flow from operations per share, net debt and net debt excluding finance lease obligations are not prescribed by IFRS. Adjusted 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. Adjusted funds flow from operations per share is calculated using weighted average shares outstanding consistent with the calculation of net income (loss) per share. Spartan uses adjusted funds flow from operations to analyze operating performance and leverage, and considers adjusted funds flow from operations to be a key measure as it demonstrates the Company's ability to generate cash necessary to fund future capital investments and repay debt. Spartan's determination of adjusted funds flow from operations, on an absolute and per share basis, may not be comparable to that reported by other companies.

The following table reconciles adjusted funds flow from operations to cash flow from operating activities, which is the most directly comparable measure calculated in accordance with IFRS:

	For the three months ended March 31,		
($ thousands)	***2017***	*2016*	*% change*
Cash flow from (used in) operating activities	***45,280***	*(4,976)*	*(1010)*
Transaction costs	***167***	*-*	*N/A*
Changes in non-cash working capital	***3,576***	*13,581*	*(74)*
Adjusted funds flow from operations	***49,023***	*8,605*	*470*

Net debt is calculated as bank debt plus trade and other liabilities plus finance lease obligations less current assets. The following table reconciles bank debt (an IFRS measure) to net debt (a non-IFRS measure):

($ thousands)	***March 31, 2017***	*December 31, 2016*
Bank debt	***203,509***	*217,921*
Trade and other liabilities	***66,383***	*38,546*
Finance lease obligations	***30,096***	*31,124*
Current assets	***(54,602)***	*(41,906)*
Net debt	***245,386***	*245,685*

Spartan management considers net debt excluding finance lease obligations to be a meaningful measure of the Company's leverage and liquidity. The following table reconciles net debt (a non-IFRS measure) to net debt excluding finance lease obligations (a non-IFRS measure):

($ thousands)	***March 31, 2017***	*December 31, 2016*
Net debt	***245,386***	*245,685*
Finance lease obligations	***(30,096)***	*(31,124)*
Net debt excluding finance lease obligations	***215,290***	*214,561*

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), 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, net debt, net debt excluding finance lease obligations, total market capitalization and operating 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.*