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SPARTAN ENERGY CORP. ANNOUNCES CLOSING OF PREVIOUSLY ANNOUNCED STRATEGIC LIGHT OIL ACQUISITION, 2017 CORPORATE BUDGET AND INCREASE IN BORROWING BASE TO $350 MILLION

CALGARY, ALBERTA (December 8, 2016) – Spartan Energy Corp. ("Spartan" or the "Company") (TSX: SPE) is pleased to announce the closing of its previously announced strategic light oil acquisition in southeast Saskatchewan from ARC Resources Ltd. (the "Acquisition"). The Acquisition includes high quality, low decline, operated production and a large land base which is highly complementary to Spartan's existing operations in southeast Saskatchewan.

In addition, the Company is pleased to announce that its Board of Directors has approved a $145 million capital budget for 2017 that is anticipated to deliver annual average production per share growth of 11%. The 2017 budget is expected to be fully funded by internally generated cash flow.

The Acquisition

The purchase price for the Acquisition was $700 million, prior to closing adjustments (the "Purchase Price"). The Purchase Price was partially funded through a bought deal financing of 95,852,500 subscription receipts of the Company ("Subscription Receipts") at a price of $3.00 per Subscription Receipt (the "Prospectus Offering") and a private placement of 85,000,000 Subscription Receipts to certain institutional investors at a price of $3.00 per Subscription Receipt (the "Private Placement").

In accordance with their terms, each Subscription Receipt was exchanged for one common share of the Company (an "Underlying Share") upon closing of the Acquisition and the aggregate gross proceeds of $542.6 million from the Prospectus Offering and the Private Placement were released from escrow. Holders of Subscription Receipts are not required to take any action in order to receive the Underlying Shares.

The Acquisition results in Spartan becoming one of the largest light oil producing companies in southeast Saskatchewan and furthers Spartan's strategy of developing an asset base that is capable of delivering repeatable, low risk growth while generating free cash flow in a variety of commodity price environments. With the closing of the Acquisition, Spartan is now producing over 20,000 boe/d (93% oil and liquids). The acquired assets are characterized by a low base decline of approximately 12% and include a large suite of opportunities including over 400 drilling locations, recompletions and waterflood expansion across an extensive landbase spanning the conventional Mississippian fairway. The assets also include working interest ownership in two world class CO_2 enhanced oil recovery ("EOR") projects, as well as ownership in strategic infrastructure across the asset base that supports both current and future volumes.

The Acquisition is accretive on all key operational and financial measures and the low decline assets provide additional production stability, enhancing our ability to grow production and cash flow per share.

Peters & Co. Limited and TD Securities Inc. acted as financial advisors to Spartan in respect of the Acquisition.

2016 – Year in Review

The following paragraph is a quote from our February 24, 2016 news release.

> *The environment is ripe for acquisitions. There are times in the oil and gas business when drilling generates better returns than acquisitions and there are times when acquisitions generate better returns than drilling. Spartan remained disciplined in respect of acquisitions in 2015 as asset quality proved elusive and vendor expectations did not align with current valuations. However, we believe that this prolonged period of severely challenged crude oil prices will create unique opportunities for growth through acquisition in 2016. We believe Spartan is well positioned to profit from this environment due to the strength of our balance sheet and our attractive cost of capital.*

At the time we made that statement, we were convinced that 2016 was shaping up to be a year of unprecedented opportunity and during the course of the year we acted upon that conviction. Spartan closed five separate acquisitions during 2016, all for complementary light oil assets in our southeast Saskatchewan core area. Although 2016 was a year in which many companies struggled to maintain production, Spartan was able to add significant per share value through our acquisition program. We increased our exit production per share by 13% from 2015 to 2016, while maintaining the strength of our balance sheet, improving the quality of our asset base and materially lowering our corporate decline rate.

In total, Spartan acquired almost 11,000 boe/d of production, 223,000 net acres of land in southeast Saskatchewan and 718 net drilling locations in the Frobisher, Midale, Tilston and Ratcliffe light oil plays. We also added approximately 32.5 mmboe of proved developed producing ("PDP") reserves, 42.3 mmboe of total proved ("TP") reserves and 63.6 mmboe of proved plus probable ("P+P") reserves through the five acquisitions. While the quantum of the increase in reserves was itself material, the 2016 acquisitions also significantly improved the makeup of our reserve base as PDP reserves now represent 45% of our total reserve base, an increase of 29% over Spartan's December 31, 2015 reserves.

Spartan was able to execute the 2016 acquisitions at attractive metrics and the acquisitions were accretive on all key operational and financial measures. Key metrics derived from the five acquisitions are as follows:

Aggregate purchase price[1]	$872.7 million
Current production[2]	$79,844 per boe/d
PDP reserves[3]	$26.85 per boe
Total proved reserves[3]	$20.63 per boe

P+P reserves[3]	$13.73 per boe
Run rate cash flow from operations[4]	7.7x

Notes:

1) Subject to normal closing adjustments for transactions of this nature.
2) Based on estimated current production from the acquired assets as at the date such assets were acquired of 10,930 boe/d.
3) Includes (i) reserves acquired pursuant to the Acquisition as evaluated by GLJ Petroleum Consultants ("GLJ") effective August 31, 2016 using GLJ July 2016 pricing (ii) reserves acquired pursuant to the acquisitions of Wyatt Oil + Gas Inc., and the Winmore assets as evaluated by Sproule Associates Limited effective December 31, 2015, (iii) reserves acquired pursuant to the Corning Manor acquisition as each evaluated by GLJ effective December 31, 2015, and (iv) internally evaluated proved developed producing reserves associated with the Kinwest acquisition effective December 31, 2015.
4) Run rate cash flow is based on annualized current production of 10,930 boe/d and the combined estimated weighted average operating netback for the acquired assets of $28.41. Operating netback does not have any standard meaning prescribed by IFRS and therefore may not be comparable with the calculation of similar measures for other entities. Operating netback equals total oil and gas sales less royalties and operating and transportation costs calculated on a boe basis. Spartan considers operating netback as an important measure to evaluate its operational performance as it demonstrates its field level profitability relative to current commodity prices. The estimated operating netback was derived using the Company's 2017 commodity price forecast of USD$50.00/bbl WTI, CAD$2.85/GJ AECO, and a Canadian/US dollar exchange rate of $0.75.

2017 Capital Budget

Our corporate strategy has remained unchanged since the inception of Spartan in late 2013. Our business plan revolves around measured, sustainable growth and prudent balance sheet management. We have been consistent in the communication of our strategy to shareholders, and the execution of that strategy forms the foundation of our 2017 capital budget.

For 2017, Spartan's Board of Directors has approved a 2017 capital budget of $145 million. The 2017 capital program includes the drilling of 125.8 net development oil wells and is anticipated to deliver annual average production of 21,080 boe/d compared to estimated 2016 average production of approximately 11,700 boe/d, an increase of 80% (11% per share). 2017 exit production is forecast to be 23,000 boe/d. We plan to allocate $114 million of our capital program towards drilling, completion, equipping and tie-in of new wells, $13 million for CO_2 and maintenance costs associated with our recently acquired EOR projects and $18 million on facilities, workovers environmental and other costs.

Based upon a WTI price assumption of US$50.00, we expect to generate free cash flow of approximately $42 million in 2017. It is expected that up to $15 million of this free cash flow will be allocated during the year to discretionary projects such as the acquisition of additional land and seismic data and the initiation and expansion of waterflood projects across our extensive asset base.

Spartan's 2017 drilling program will be primarily focused on high rate of return, low risk open-hole Mississippian wells in southeast Saskatchewan. We plan on spending approximately $60 million or 53% of our drilling budget to drill 81 net open-hole wells. These wells are highly economic at a variety of commodity prices, with our internal type curve well delivering a half cycle rate of return of 121% – 205% and paying out in 8-12 months (GLJ Q1 pricing with return and payout ranges based on whether well is drilled on Crown or freehold acreage).

Continued exploitation and delineation of the frac Midale play at Alameda and Pinto also figures prominently in our 2017 capital program. Spartan plans to allocate approximately $27 million or 24% of our $114 million drilling budget to drill 17.8 net wells targeting the frac Midale play in southeast Saskatchewan. Our internal type curve well delivers a half cycle rate of return of 75% – 106% and pays out in 13 - 17 months (type well at Alameda using GLJ Q1 pricing with return and payout ranges based on whether well is drilled on Crown or freehold acreage).

Finally, we expect to spend the remaining $27 million or 24% of our drilling budget to drill 10 net wells targeting Ratcliffe light oil at our recently acquired Oungre property, 3 net wells targeting the Torquay/Three Forks unconventional light oil play and 14 net light oil Viking wells in west central Saskatchewan.

2017 Financial and Operating Guidance

Average Daily Production	
Crude oil and NGLs (bbl/d)	19,427
Natural gas (mcf/d)	9,920
Barrels of oil equivalent (boe/d)	21,080
Financial	
Cash flow ($MM)(1)	$187
Per share – basic(1)	$0.36
Development capital ($MM)	$145
Free cash flow ($MM)(1)	$42
2017 exit net debt ($MM)(1)(2)	$183
2017 exit net debt to 2017 cash flow (1)(2)	1.0x
Pricing	
Crude oil – WTI (US$/bbl)	$50.00
Exchange rate ($Cdn/$US)	1.33
Natural gas – AECO ($/mcf)	$3.25
Cdn Light Sweet ($Cdn/bbl)	$62.17
Netbacks ($/boe)	
Oil and gas sales	$52.20
Royalties	$8.14
Production expense	$17.20
Operating netback(1)	$26.86
G&A (cash portion)	$1.31
Interest	$1.27
Corporate netback	$24.28

Notes:

1) Cash flow, free cash flow, operating netback and net debt are non-IFRS measures. See “Non-IFRS Measures”.
2) Estimated net debt as at December 31, 2017, including 2017 principal repayments in respect of outstanding finance lease obligations but excluding the outstanding principal amount of such obligations as at December 31, 2017 of $26.9 million. Estimated net debt as at December 31, 2017 does not include discretionary land, seismic or EOR spending.

2017 Budget Sensitivities

Spartan’s 2017 capital program is designed with significant financial and operational flexibility in mind. Our goal is to deliver a minimum of 10% organic production per share growth within cash flow while maintaining a strong balance sheet that provides flexibility to continue to pursue additional growth through accretive acquisitions. We are able to achieve this goal in a variety of commodity price environments. Sensitivities to our 2017 capital program are presented in the table below.

WTI Price (US$/bbl)	**$45.00**	**$50.00**	**$55.00**
Capital ($MM)	$145	$145	$145
Cash flow ($MM)[(1)]	$148	$187	$227
Free cash flow ($MM)[(1)]	$3	$42	$82
2017 exit net debt ($MM)[(1)(2)]	$222	$183	$143
2017 exit net debt to 2017 cash flow[(1)(2)]	1.5x	1.0x	0.6x

Notes:

1) Cash flow, free cash flow and net debt are non-IFRS measures. See “Non-IFRS Measures”.
2) Estimated net debt as at December 31, 2017, including 2017 principal repayments in respect of outstanding finance lease obligations but excluding the outstanding principal amount of such obligations as at December 31, 2017 of $26.9 million. Estimated net debt as at December 31, 2017 does not include discretionary land, seismic or EOR spending.

Increase to Credit Facilities

The Company is also pleased to announce that, in connection with the closing of the Acquisition, its extendible revolving credit facilities (the “Credit Facilities”) have been amended to increase the borrowing base to $350 million from $150 million. After giving effect to the increase in the borrowing base, the Credit Facilities are comprised of: (i) an extendible revolving syndicated term credit facility of $320 million (increased from $130 million); and (ii) an extendible revolving working capital credit facility of $30 million (increased from $20 million). The Credit Facilities were drawn from to pay the balance of the Purchase Price.

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 2017 capital expenditures, future acquisition opportunities, future production levels, 2017 netbacks and cash flows, 2017 exit net debt, exit production and net debt to funds flow ratio, unutilized liquidity, drilling location, Spartan's ability to reduce or accelerate spending, economics and payouts of our wells, future waterflood, land and seismic investments and future commodity prices and exchange rates. Statements relating to "reserves" are also deemed to be forward looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and that the reserves can be profitably produced in the future.*

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 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, 2015.*

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

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 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.

Reserves Disclosure. All reserve references in this press release are to gross reserves as at the effective date of the applicable evaluation. Gross reserves are the Company's total working interest reserves before the deduction of any royalties and including any royalty interests of the Company. The recovery and reserve estimates of Spartan's crude oil, natural gas liquids and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, natural gas and natural gas liquids reserves may be greater than or less than the estimates provided herein.

<u>Drilling Locations.</u> 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 the applicable engineering evaluation 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 718 net drilling locations identified as being acquired by Spartan pursuant to our 2016 acquisitions, 118 are proved locations, 88 are probable locations and 512 are unbooked locations. Of the over 400 drilling locations disclosed in respect of the Acquisition, 40 are proved locations, 45 are probable locations and the remainder 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.

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, free cash flow, operating netback, net debt and net debt exclusive of finance lease obligations are not recognized measures under IFRS. Management believes that in addition to net income (loss), funds flow from operations, operating netback, net debt and net debt exclusive of finance lease obligations 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 operating activities is calculated by adjusting net income (loss) for other income, unrealized gains or losses, accretion expense, stock-based compensation, exploration and evaluation expenses, deferred income taxes, impairment and depletion and depreciation. Cash Flow is calculated based on cash flows from operating activities before changes in non-cash working capital, transaction costs and decommissioning obligation expenditures incurred. Operating netback is calculated based on oil and gas revenue less royalties and operating and transportation expenses. Free cash flow is calculated as cash flow less planned capital expenditures. Net debt is calculated as bank debt plus trade and other liabilities plus finance lease obligations less current assets. Net debt has been presented exclusive of finance lease obligations, as Spartan believes that such measure is useful to evaluate Spartan's financial liquidity.*

Type Curves. *Certain type curves disclosure presented herein represent estimates of the production decline and ultimate volumes expected to be recovered from wells over the life of the well. The type curves represent what management thinks an average well will achieve. Individual wells may be higher or lower but over a larger number of wells ,management expects the average to come out to the type curve. Over time type curves can and will change based on achieving more production history on older wells or more recent completion information on newer wells.*