



**SPARTAN**  
DELTA CORP.

# INVESTOR PRESENTATION

*Spartan Delta Corp. (SDE: TSX) (as of September 1, 2021)*

**August 31, 2021**

# SPARTAN DELTA - THE VALUE PROPOSITION

Building a Sustainable Energy Company With Industry Leading Returns

## Experienced Leadership

record of efficient capital discipline and value creation

## First Class Assets

Montney and Deep Basin, two of Canada's most prolific plays

## Sustainable Platform

with a top decile liability rating and newly constructed facilities

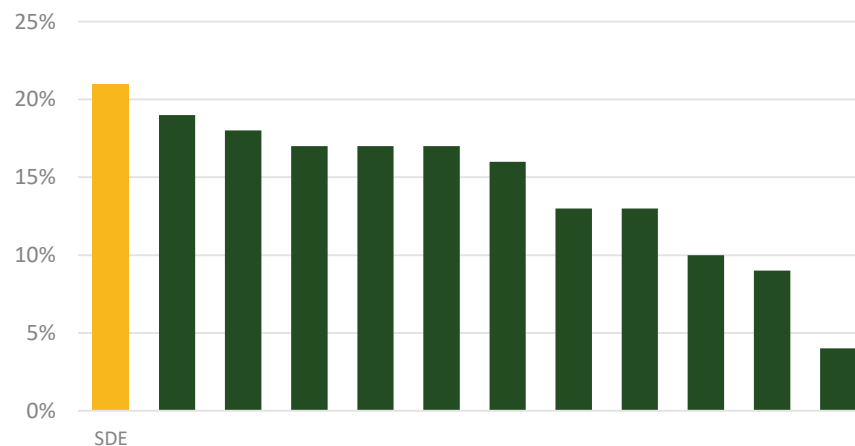
## Two Core Operating Areas

yielding consistently improving economies of scale

## Acquisitions have built the platform; Focus is now on integration and execution

- Double digit organic growth
- Double digit Free Funds Flow Yield<sup>(1)</sup>
- Best in class Return on Average Capital Employed<sup>(1)</sup>
- Corporate Payout Ratio<sup>(1)</sup> < 70%
- 25+ years of inventory in two of Canada's most economic plays
- \$350MM+ of owned infrastructure with capacity to grow

## 2022E Return On Average Capital Employed<sup>(1)</sup>



Source: Peters & Co. "E&P Overview Tables" as of August 31, 2021. Peers include AAV, ARX, BIR, CPG, ERF, NVA, PEY, POU, TOU, TVE and WCP.

# SPARTAN DELTA CORPORATE STRATEGY

Building a Sustainable Energy Company

## CONCENTRATED ASSET BASE

### DEEP BASIN

- Highly economic development within a wide range of commodity prices
- Dominant deep cut infrastructure position
- Material Free Funds Flow<sup>(1)</sup> generation

### MONTNEY

- Largest producer and acreage holder in the oil window of the Montney
- Organically funded growth engine
- Drill ready inventory with scale and repeatability



### SUSTAINABLE ENERGY COMPANY

- Strong Indigenous partnerships
- Gender diverse leadership and workforce
- Top-decile liability ratio with a proactive approach to environmental responsibilities

### SHAREHOLDER RETURN DRIVEN

- Building a diversified Free Funds Flow<sup>(1)</sup> stream to return value to shareholders
- Organic growth supplemented by opportunistic acquisitions
- Disciplined use of leverage

## ESG LEADERSHIP

## ROI

# STRATEGIC EXECUTION

*"We are what we repeatedly do. Excellence, then, is not an act, but a habit." - Aristotle*

STRATEGIC OBJECTIVES	SINCE JUNE 2020	LOOKING FORWARD
Capitalize on generational acquisition opportunities	Deep Basin portfolio was acquired for less than 1x realized NOI <sup>(1)</sup>	Focus on select tuck-in opportunities within our two core development areas
Grow to 100,000 BOE/d in 2-3 years	250 BOE/d <sup>(2)</sup> to 62,500 BOE/d <sup>(3)</sup> in 14 months	Organic growth through scale and repeatability of the Montney
Build a diversified but concentrated portfolio	Concentrated development in the Deep Basin and the Montney	Capitalize on development and operating synergies to drive down costs
Total Return Model: FCF <sup>(1)</sup> plus >10% organic growth	~28% organic growth while generating ~\$75 million of Free Funds Flow <sup>(1)</sup>	2022: Org growth ~12%, FCF yield 18% <sup>(1)</sup> 2023: Org growth ~11%, FCF yield 28% <sup>(1)</sup>
Build a sustainable energy company	Proactive ARO program, strong First Nation partnerships and ESG targets	Evaluate technologies and implement practices to augment current targets

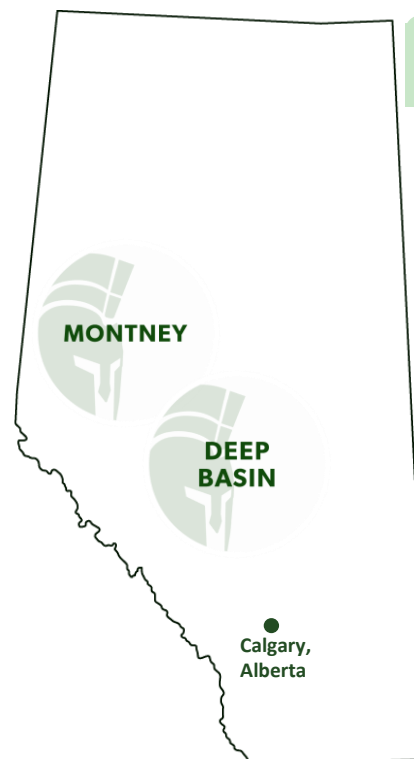
1) See Non-GAAP Measures in Disclaimers  
 2) 12% crude oil, 7% NGLs, and 82% natural gas  
 3) 17% oil, 3% condensate, 18% NGLs and 62% natural gas

# COMPANY OVERVIEW

Spartan Delta Corp. (SDE:TSX)<sup>(3)</sup>

## Capitalization (as at August 30, 2021)

Spartan Delta Corp.	TSX <sup>(3)</sup>	SDE
Share Price <sup>(1)</sup>	\$/sh	4.36
Market Capitalization (basic) <sup>(1)</sup>	\$MM	641.7
Common Shares Outstanding (basic)	MM	147.2
Net Debt (pro forma Sep. 2, 2021) <sup>(2)</sup>	\$MM	492
Estimated YE 2021 Net Debt (Surplus) <sup>(2)</sup>	\$MM	483
Management & Board Ownership (basic)	%	10
Dilutive Instruments		
Warrants, ITM Options and Share Awards	MM	22.1
Zero Coupon Convertible Note (maximum issuance) <sup>(4)</sup>	MM	6.5
Dilutive Proceeds	\$MM	30.1
Fully Diluted Shares Outstanding	MM	175.8



**62,500 boe/d<sup>(10)</sup>**  
from two core development areas

### MONTNEY:

- Largest producer and land holder in the Montney oil window
- Deep inventory of development opportunities
- Growth engine for the next decade

### DEEP BASIN:

- Cretaceous Oil and Liquids-Rich Gas focus
- Low decline and material free cash flow generation
- Dominant infrastructure position

## MAJOR CORPORATE MILESTONES

### Fourth Quarter, 2019

Recapitalization of Return Energy Inc., with production of 250 boe/d in Alberta<sup>(5)</sup>

### Second Quarter, 2020

Acquisition of Deep Basin core area, adding ~25,000 boe/d of production<sup>(6)</sup>

### Fourth Quarter, 2020

Commenced drilling in the Deep Basin, adding over 10,000 boe/d of initial production<sup>(7)</sup>

### First Half, 2021

5 strategic acquisitions established our Montney core area adding 10,000 boe/d of production<sup>(8)</sup>

### Third Quarter, 2021

Acquisition of Velvet Energy Inc., in the oil-weighted Montney, adding ~20,600 boe/d of production<sup>(9)</sup>



August 31, 2021

1) Share price as at closing on August 30, 2021  
2) See "Non-GAAP Measures" in Disclaimers  
3) As of September 1, 2021

4) Assumes maximum issuance at conversion of \$7.67/sh  
5) 12% crude oil, 7% NGLs, and 82% natural gas  
6) 7% condensate, 23% NGLs, and 70% natural gas

7) 6% condensate, 23% NGLs, and 71% natural gas  
8) 23% crude oil, 4% condensate, 8% NGLs, and 65% natural gas  
9) 42% crude oil, 14% NGLs, and 44% natural gas

10) 17% crude oil, 3% condensate, 18% NGLs, and 62% natural gas

# VELVET ACQUISITION SUMMARY

## Acquisition Positions Spartan as the Dominant Player in Canada's Montney Oil Window

### ASSET FEATURES

**20,600 boe/d<sup>(1)</sup>**  
(44% Liquids)

**>280,000**  
Net Montney acres

**>700**  
Net Montney locations<sup>(3)</sup>

**140.0 MMBoe**  
1P Reserves<sup>(2)(3)</sup>

**\$1.15 BN**  
1P NPV10<sup>(3)</sup>

**\$1.2 BN of tax pools**  
(>\$600MM NCLs<sup>(5)</sup>)

- Pro forma Spartan will have **450,000 net Montney acres (703 sections)<sup>(6)</sup>**
- Montney oil development economics drive corporate level **returns in excess of 30%** at strip pricing
- Wells drilled to date in Karr are amongst the top 5 Montney oil wells<sup>(8)</sup> in the basin since 2015
- Spartan will benefit from Velvet's delineation, well design experimentation and operational learning curve
- Full infrastructure solution in place in Gold Creek and Karr through a land dedication with no take or pay commitments
- Development plan supported by over \$30 million of geoscience data

### ACCRETIVE METRICS

**\$751.5 Million**  
Total consideration

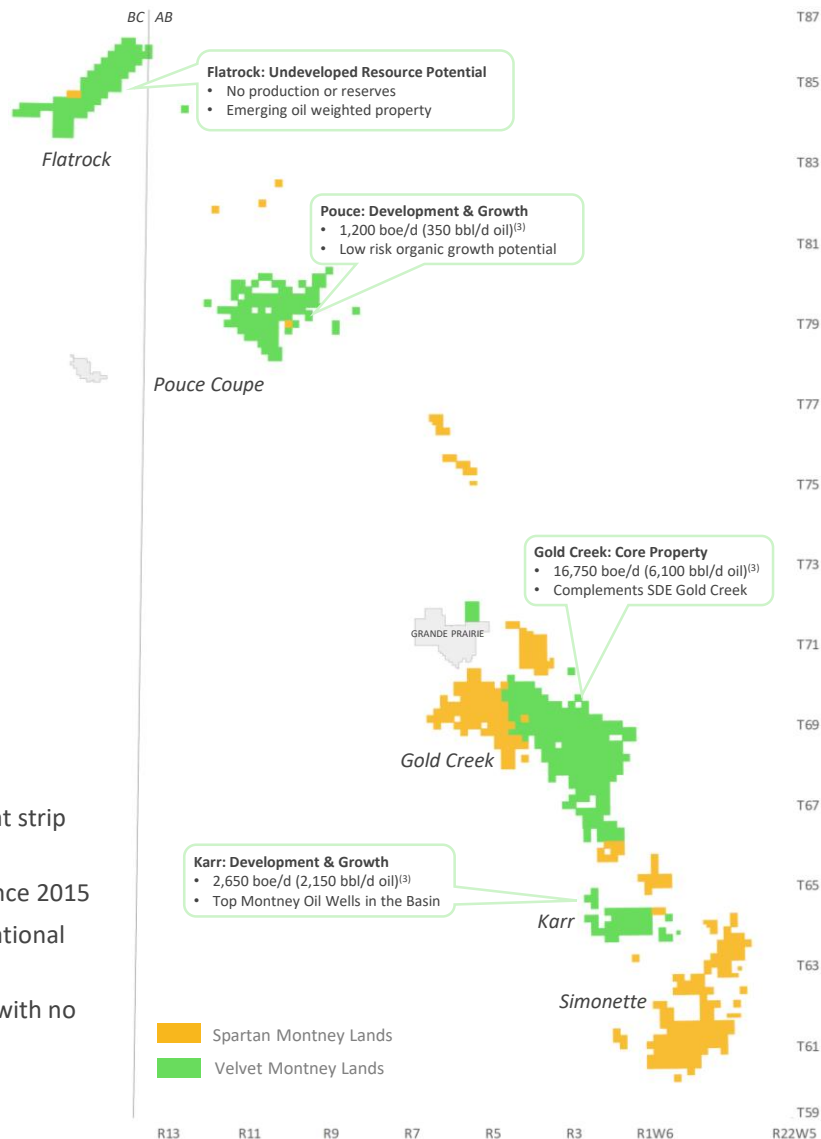
**2.8x**  
2022 Net Operating Income<sup>(4)(7)</sup>

**\$36,083**  
Per flowing boe

**\$14.47**  
1P F&D (incl FDC)<sup>(3)</sup>

**2022 >35%, 2023 ~50%**  
CFPS<sup>(4)</sup> accretion

**2023 ~20%**  
FCFPS<sup>(4)</sup> accretion



# SPARTAN PRO FORMA

Enhancing the Value Proposition for Spartan Shareholders

## PRO FORMA ATTRIBUTES

<p><b>~\$0.7 B</b></p> <p>Market Capitalization<sup>(2)</sup></p>	<p><b>~\$1.2 B</b></p> <p>Enterprise Value<sup>(2)</sup></p>	<p><b>70 mboe/d</b></p> <p>2022E Production<sup>(1)</sup></p>
<p><b>\$434 mm</b></p> <p>2022E Adjusted Funds Flow<sup>(1)(3)</sup></p>	<p><b>\$134 mm</b></p> <p>2022E Free Funds Flow<sup>(1)(3)</sup></p>	<p><b>&lt;70%</b></p> <p>2022E Payout Ratio<sup>(3)</sup></p>
<p><b>12%</b></p> <p>2022E Organic Growth<sup>(1)(6)</sup></p>	<p><b>18%</b></p> <p>2022E FCF Yield<sup>(1)(2)(3)</sup></p>	<p><b>30%</b></p> <p>2022E Total Return<sup>(2)(3)</sup></p>

### Asset Quality

- Pro Forma Spartan will hold a dominant position in two core areas with industry leading economics; land 580,000 net acres; >1,500 drilling locations<sup>(4)</sup>

### Value Proposition

- Spartan maintains an attractive valuation while delivering peer leading organic growth, a robust free cash flow yield and a sustainable, ESG conscious operating platform

### Enhanced Size & Scale

- Improved market relevance:
  - ~62,500 boe/d<sup>(5)</sup> (current)
  - ~70,000 boe/d<sup>(1)</sup> by 2022E
  - >\$1.0 billion enterprise value
  - Larger free float enhancing share liquidity

### Accretion & Sustainability

- Accretive on 2022 CFPS<sup>(3)</sup> (35%) and 2023 CFPS<sup>(3)</sup> (50%) and FCFPS<sup>(3)</sup> (20%)
- Creates a pro forma asset portfolio capable of delivering sustainable Total Shareholder Return<sup>(3)</sup> ≥30%

# DEEP BASIN OVERVIEW

## Robust Economics and Infrastructure Footprint Underpin Free Funds Flow Engine

### Deep Basin Asset Characteristics:

- Top quality resource of delineated liquids-rich Spirit River and condensate-rich Cardium gas development
- Significant owned and operated strategic infrastructure in place to grow production with minimal incremental capital
- Attractive netback driven by low operating costs and deep-cut liquid recovery

**~34,500 boe/d**

Current production<sup>(1)</sup>

**~45,000 boe/d**

Drill to fill infrastructure capacity<sup>(1)</sup>

**6 mo. Payout<sup>(5)</sup>**

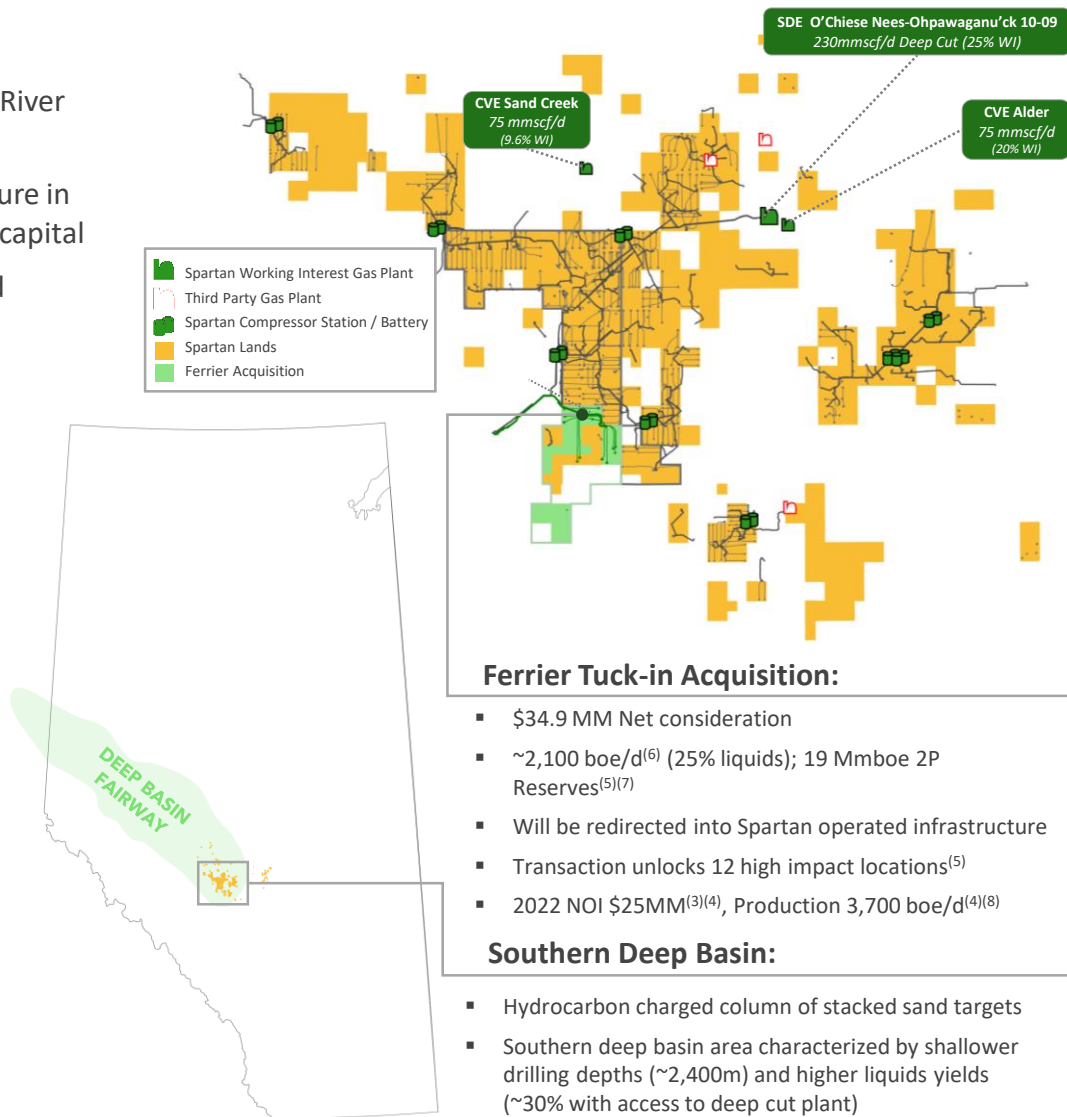
Average actual payout of winter '20/21 drilling campaign

**~\$1 Bln<sup>(2)(5)</sup>**

Total Proved NPV10

**~\$130MM<sup>(3)</sup>**

2022 Asset level FCF



# MID-YEAR RESERVE EVALUATION (PRE-VELVET)

Completed to Incorporate H1 2021 Acquisitions

- Spartan completed an independent qualified reserves evaluation effective July 1, 2021
- Excludes Velvet reserves which can be found in the prospectus and the appendix
- Completed six acquisitions in H1 2021 prior to Velvet which have been incorporated into a Spartan mid-year reserves update
- **Reserve book is in line with Spartan current business plan**; manageable capital expenditures and development with **significant free cash flow**



Reserves Category	Oil (MMbbl)	Natural Gas (Bcf)	NGL's (MMbbl)	Total (MMboe)	NPV10 (\$MM)
Proved Developed Producing	2.8	338	22.7	81.9	\$547
Total Proved	18.1	774	49.4	196.5	\$1,249
Total Proved + Probable	28.8	1,100	69.5	281.8	\$1,758

# 2021 & 2022 DEVELOPMENT OUTLOOK

Maintaining Strong Free Funds Flow while Advancing Selected Growth Projects

## MONTNEY

28,000 boe/d (current)<sup>(1)</sup>

\$290 – \$340 MM 2021 & 2022 capital

28-36 wells to be drilled

- 450,000 net acres
- > 1,075 net drilling locations identified (28% booked)<sup>(3)(4)</sup>
- Self-Funding Growth Core Area
- Development drilling focus with selected growth and step out projects
- Integration and optimization across Montney portfolio

### FLATROCK

Emerging oil asset awaiting resolution of the BC Supreme Court cumulative impacts judgment prior to delineation.

### POUCE COUPE

3-4 wells  
Modest growth via development drilling. Gradual buildout of additional Spartan owned infrastructure.

### GOLD CREEK

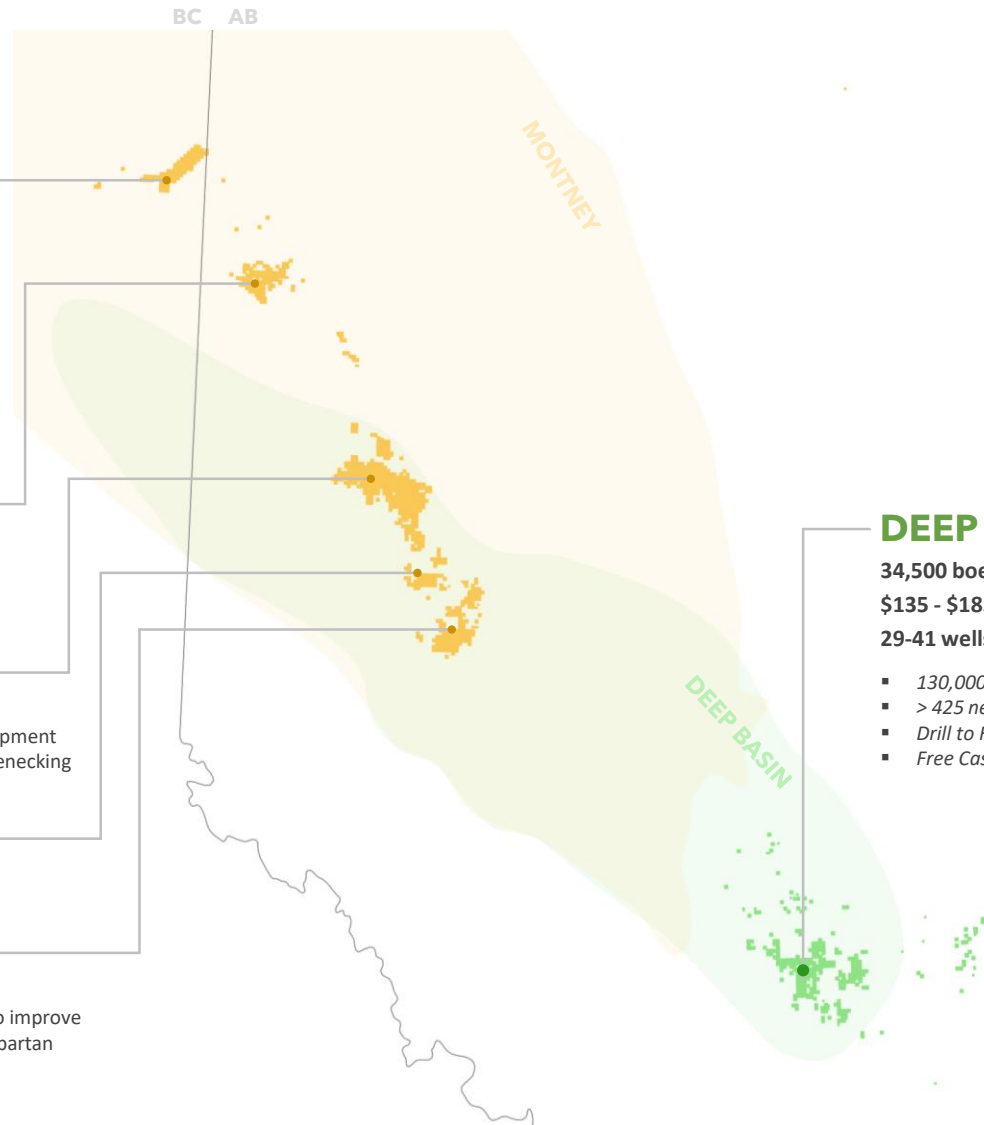
22-27 wells  
Grow into existing infrastructure with development pads. Infrastructure optimization via debottlenecking projects. Maximize free funds flow.

### KARR

3-4 wells  
Grow asset via development drilling.

### SIMONETTE

1-2 wells  
Test optimized well design and placement to improve economics while increasing throughput of Spartan infrastructure.



## DEEP BASIN

34,500 boe/d (current)<sup>(2)</sup>

\$135 - \$185MM 2021 & 2022 capital

29-41 wells to be drilled

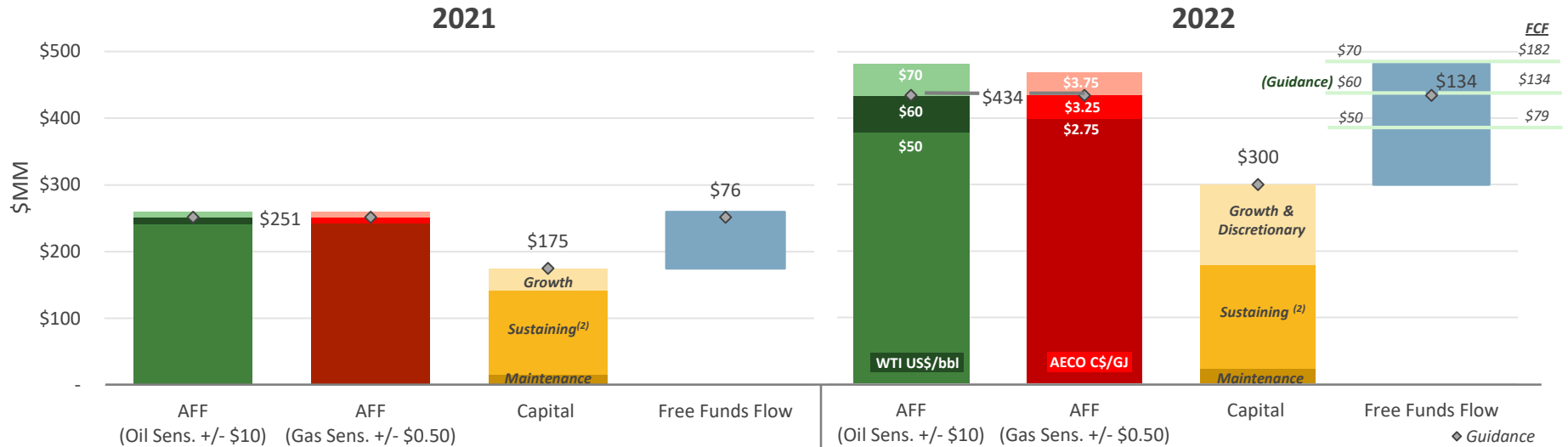
- 130,000 net acres
- > 425 net drilling locations (21% booked)<sup>(4)</sup>
- Drill to Fill Spartan 10-9 Deep Cut
- Free Cash Flow Engine

1) Consisting of 35% oil, 15% NGLs, and 50% natural gas  
2) Consisting of 1% oil, 4% condensate, 25% NGLs, and 70% natural gas

3) All wells extended reach (≥ 2500m HZ), booked wells as per IQRE well spacing, unbooked wells at 350m well spacing  
4) See Oil and Gas Advisories in Disclaimers

# FINANCIAL SUSTAINABILITY

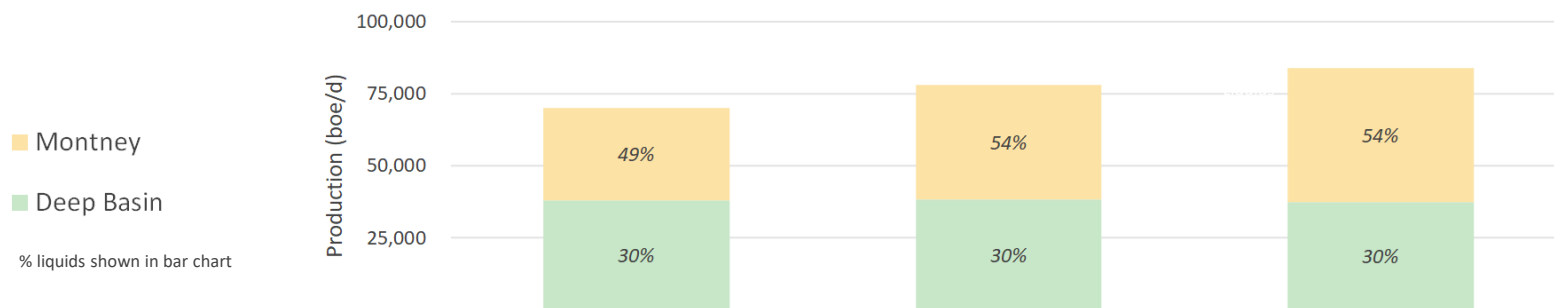
## Low Leverage and Strong Funds Flow Across a Range of Commodity Prices



		OIL PRICE SENSITIVITIES				GUIDANCE <sup>(3)</sup>		GAS PRICE SENSITIVITIES			
		LOW OIL - US\$10/bbl		HIGH OIL + US\$10/bbl				LOW GAS - \$0.50/GJ		HIGH GAS + \$0.50/GJ	
Benchmark Prices		2021 <sup>(1)</sup>	2022	2021 <sup>(1)</sup>	2022	2021 <sup>(1)</sup>	2022	2021 <sup>(1)</sup>	2022	2021 <sup>(1)</sup>	2022
WTI	US\$/bbl	\$62	\$50	\$70	\$70	\$66	\$60	\$66	\$60	\$66	\$60
AECO	C\$/GJ	\$3.45	\$3.25	\$3.45	\$3.25	\$3.45	\$3.25	\$3.24	\$2.75	\$3.66	\$3.75
Metrics <sup>(5)</sup>											
AFF Change	\$MM	(\$10)	(\$56)	\$8	\$47	\$251	\$434	(\$8)	(\$35)	\$8	\$33
Payout	%	72%	79%	67%	62%	70%	69%	72%	75%	68%	64%
Free Funds Flow	\$MM	\$67	\$79	\$85	\$182	\$76	\$134	\$68	\$99	\$84	\$168
FCF Yield <sup>(4)</sup>	%	9%	11%	12%	25%	10%	18%	9%	14%	12%	23%
Exit Net Debt	\$MM	\$493	\$414	\$475	\$293	\$483	\$349	\$491	\$392	\$475	\$308
D/AFF	x	<i>nmf</i>	1.1x	<i>nmf</i>	0.6x	<i>nmf</i>	0.8x	<i>nmf</i>	1.0x	<i>nmf</i>	0.7x

# THREE YEAR DEVELOPMENT PLAN

## Total Return Focused Model of Organic Growth and Free Funds Flow Generation



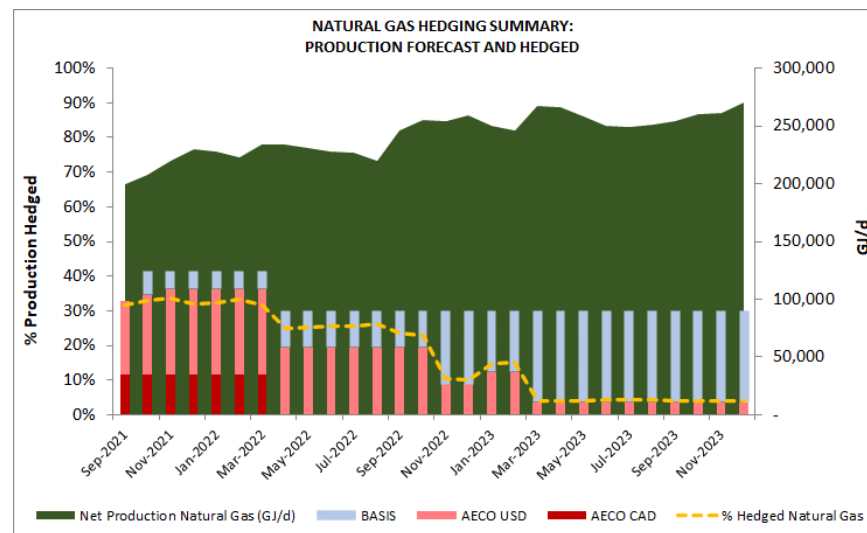
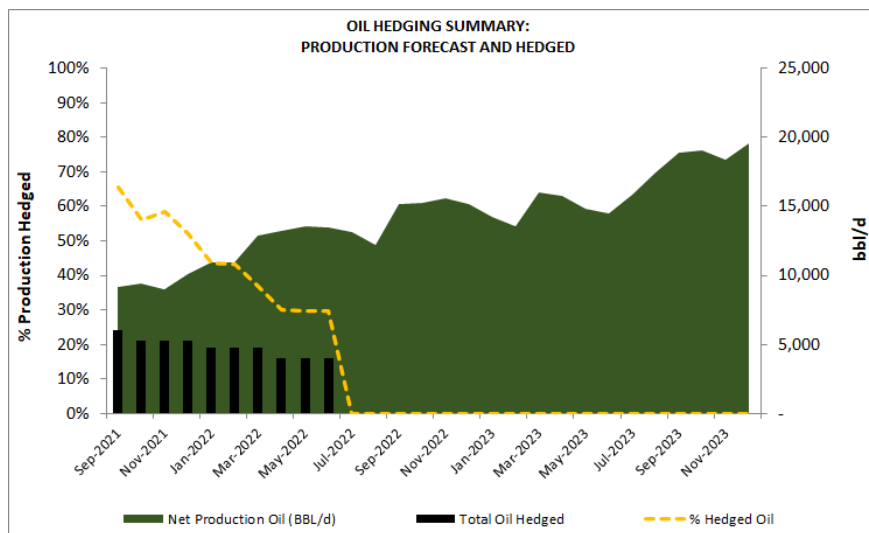
		2022	2023	2024
Production	boe/d	70,000	78,000	84,000
Liquids	%	41%	42%	44%
Hedging Gain (Loss)	\$MM	(\$45)	(\$17)	-
Adjusted Funds Flow <sup>(1)</sup>	\$MM	\$434	\$506	\$607
Capital Expenditure <sup>(1)</sup>	\$MM	\$300	\$300	\$300
<b>Free Funds Flow<sup>(1)</sup></b>	<b>\$MM</b>	<b>\$134</b>	<b>\$206</b>	<b>\$307</b>
Net Debt (YE) <sup>(1)</sup>	\$MM	\$349	\$143	(\$164)
<b>Ending Debt/AFF</b>	<b>x</b>	<b>0.8x</b>	<b>0.3x</b>	<b>(0.3x)</b>
Free Funds Flow Yield <sup>(1)(2)</sup>	%	18%	28%	42%
YoY Production Growth <sup>(3)</sup>	%	12%	11%	8%
<b>Total Return<sup>(1)</sup></b>	<b>%</b>	<b>30%</b>	<b>39%</b>	<b>50%</b>

### Benchmark Prices<sup>(4)</sup>

WTI	US\$/bbl	\$60	\$60	\$60
AECO	C\$/GJ	\$3.25	\$2.75	\$2.75

# RISK MANAGEMENT

## Velvet Acquisition Adds a Diversified Risk Management Portfolio<sup>(1)</sup>



Downside protection on a portion of crude production for the next 10 months provides insulation against possible 4th wave of COVID-19 demand recovery delays

Crude upside fully unlocked in H2 2022 as balance sheet normalizes to management target of 0.5x - 1.0x D/CF

AECO Basis positions provide diversification to Henry Hub natural gas prices, safeguarding against structural or supply-led push back of Canadian exports to the United States

Consistent with acquisition of the Deep Basin, a percentage of the acquired volumes have hedges in place to mitigate risk of the near-term use of the balance sheet

# INDIGENOUS PARTNERSHIPS

Committed to Sustainable and Responsible Resource Development

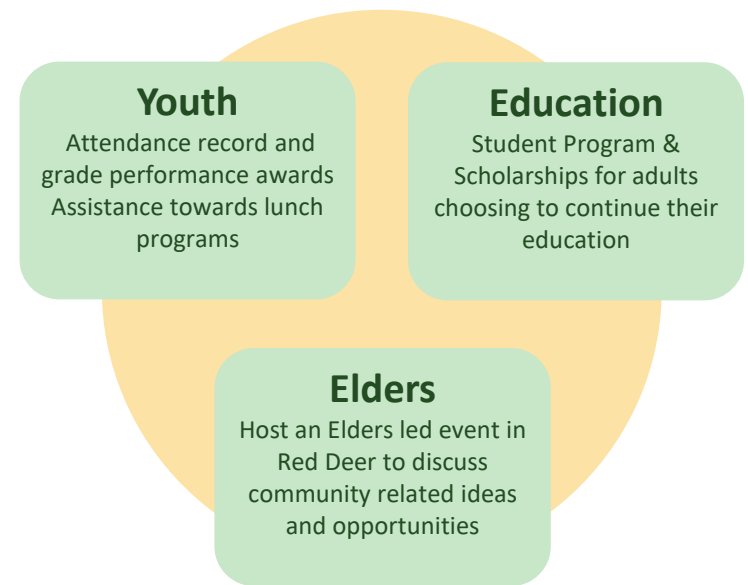
## O'Chiese and Sunchild First Nations

- Spartan has a partnership with the O'Chiese and Sunchild First Nations based on responsible development of oil & gas resources on First Nation lands
  - Spartan prioritizes First Nation owned and operated business with respect to its operations
  - Spartan has created a socio-economic plan for First Nation Partners focused on youth, education and elders

## Leading Environmental Stewardship on First Nation Lands

- Spartan, together with the O'Chiese First Nation, have created an industry leading Abandonment & Reclamation Program to protect Indigenous lands for future generations
  - The ARO program outlines and commits Spartan to timely abandonment & reclamation of all wells on the O'Chiese First Nation lands
  - Spartan has targeted to abandon 80% of inactive wells on the O'Chiese First Nation lands by the end of 2023

## Spartan Supported Community Programs



# SPARTAN'S SUSTAINABLE DEVELOPMENT GOALS

Spartan is Committed to Meeting the Needs of the Present, While Protecting the Future

## Focus Since Inception in 2020

### Environmental Stewardship

Top Decile Liability Ratio  
88 Wells Abandoned  
Carbon Credit Generation

### Gender Diversity

Female Workforce:  
22% Senior Management  
46% Workforce

### Management & Board Ownership

10% of Common Shares  
Top Decile in Peer Group

Acquired Velvet assets include an industry leading water recycling project

Water reuse percentage (2019)  
53% vs. peer average of 10%

## New Targets Set in 2021

### 50% Reduction

Vented Methane Emissions by 2025

### 80% of inactive wells

abandoned on First Nations land by 2025

2020 WINNER OF PROJECT EXCELLENCE

Daily Oil Bulletin Energy Excellence Awards



Spartan Inaugural ESG Report

<http://esg.spartandeltacorp.com>

Spartan supports the 17 Sustainable Development Goals adopted by Canada and all United Nations members to create a more sustainable future. Spartan will continue to identify ways to support the UN SDGs as we grow our ESG program.

# INVESTOR HIGHLIGHTS

## Platform for Sustainable Organic Growth and Free Funds Flow<sup>(1)</sup> Generation

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Experienced team with a record of **efficient capital discipline and value creation** through consolidation

Dominant position in two core areas, the **Montney and Deep Basin**, yielding some of Canada's most prolific economics

The Deep Basin with robust economics and infrastructure footprint is Spartan's **Free Funds Flow<sup>(1)</sup> engine**

Post Velvet Acquisition, Spartan is the **dominant player in Canada's Montney oil window** providing growth for the next decade

**Financial sustainability** with prudent leverage and strong Adjusted Funds Flow<sup>(1)</sup> across a range in commodity prices

Three-Year development Plan focused on **organic growth and Free Funds Flow<sup>(1)</sup> generation**

Sustainable company with a **clean operating platform and no liability overhang**

**Indigenous partnerships** for sustainable and responsible resource development

**Best in class 2022E ROACE (21%)<sup>(1)(2)</sup>**

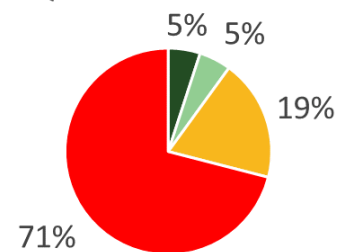
# APPENDIX

# SECOND QUARTER 2021 HIGHLIGHTS

Optimization of Production and Cost Reductions Generate Material Free Funds Flow

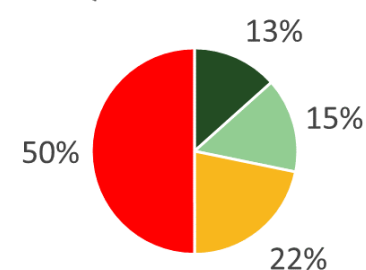
Actuals		Q2 2021	Q1 2021	FY 2020
Crude Oil	%	5%	2%	1%
Condensate	%	5%	4%	4%
Natural Gas Liquids (NGLs) <sup>(1)</sup>	%	19%	22%	26%
Natural Gas	%	71%	72%	69%
<b>Average Production</b>	<b>boe/d</b>	<b>39,638</b>	<b>31,914</b>	<b>15,421</b>
Operating Expenses	\$/boe	5.56	5.06	6.11
Transportation	\$/boe	1.62	1.34	1.36
Royalties	%	10.8%	12.6%	9.0%
<b>Operating Netback</b>	<b>\$/boe</b>	<b>16.89</b>	<b>14.28</b>	<b>8.46</b>
G&A	\$/boe	1.33	1.22	1.64
Interest	\$/boe	0.01	0.12	0.21
<b>Adjusted Funds Flow <sup>(2)</sup></b>	<b>\$MM</b>	<b>53.0</b>	<b>34.6</b>	<b>32.5</b>
Capital Expenditure (before A&D)	\$MM	9.4	19.3	16.8
Well Count	#	-	4	4
<b>Free Funds Flow <sup>(2)</sup></b>	<b>\$MM</b>	<b>43.6</b>	<b>15.3</b>	<b>15.7</b>
Exit Net Debt (Surplus) <sup>(2)</sup>	\$MM	(131.7)	(98.3)	12.3

Q2 2021 Production



■ Crude Oil ■ Condensate ■ NGLs ■ Gas

Q2 2021 Revenue



■ Crude Oil ■ Condensate ■ NGLs ■ Gas

# DEEP BASIN DEVELOPMENT

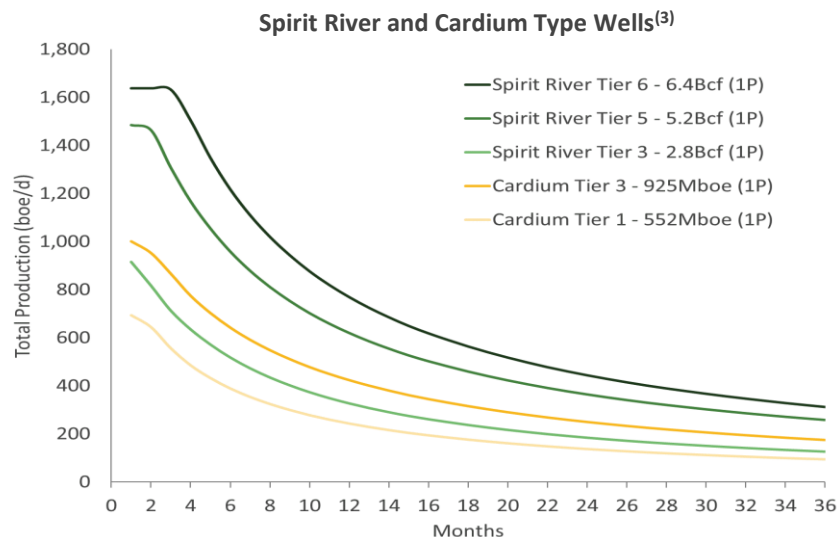
## Re-emerging as an Industry Leading Play

### Material Free Funds Flow Driven by Low Sustaining Capital:

- Existing infrastructure drives attractive full cycle economics while the asset remains in drill to fill mode
- Low sustaining capital<sup>(2)</sup> of \$40-45MM at 34,500 boe/d<sup>(4)</sup> driven by decline rate of ~24% and capital efficiency of ~\$5,000/boe/d
- <25% of Asset NOI<sup>(2)</sup> required for sustaining capital

### Winter Drilling Program Outperforms Expectations:

- Average realized payout<sup>(3)</sup> of first campaign was 6 months

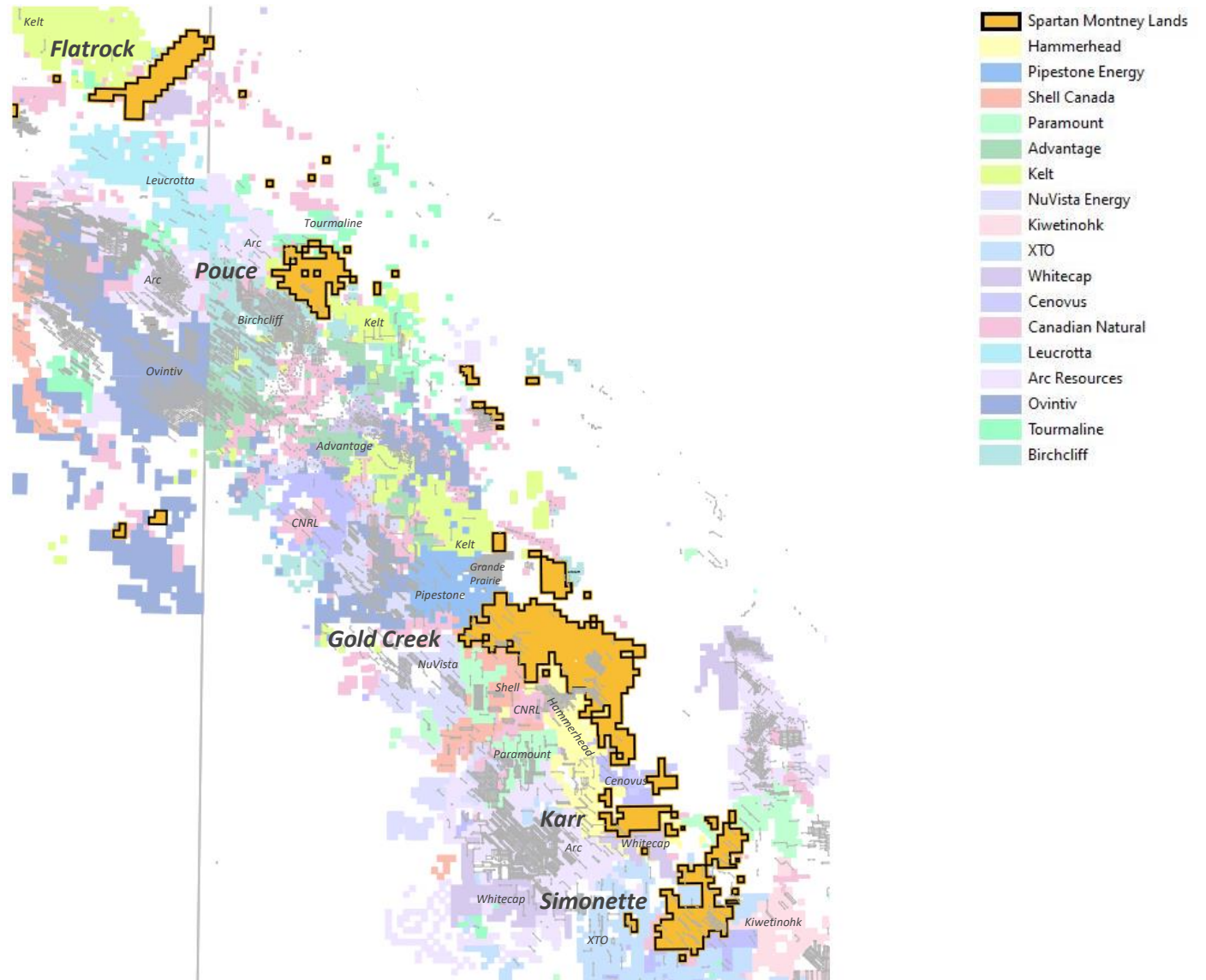


### Single Well 1P Economics <sup>(2)(3)</sup>

Inputs		Spirit River			Cardium	
		Tier 6+	Tier 5	Tier 3-4	Tier 3	Tier 1
1P Reserves	Mboe	1,503	1,040	654	926	550
Oil	Mbbl	nmf	nmf	nmf	62	67
Gas	MMcf	6,657	4,620	2,841	3,154	1,764
Cond	Mbbl	52	36	22	37	21
NGL	Mbbl	341	179	117	301	168
% Liquids	%	26%	21%	21%	43%	47%
DCET	C\$M	\$4,465	\$3,912	\$3,454	\$4,188	\$3,554
Average Lateral Length	mi	2.0	1.5	1.1	1.8	1.2
Outputs		Spirit River			Cardium	
NPV10	C\$M	\$8,991	\$6,235	\$3,575	\$7,001	\$4,118
<b>IRR</b>	<b>%</b>	<b>509%</b>	<b>433%</b>	<b>231%</b>	<b>366%</b>	<b>229%</b>
<b>Payout</b>	<b>Years</b>	<b>0.5</b>	<b>0.5</b>	<b>0.8</b>	<b>0.5</b>	<b>0.6</b>
Capital Efficiency	\$/boepd	\$3,044	\$4,098	\$5,611	\$5,313	\$6,761

# AREA MONTNEY MAP

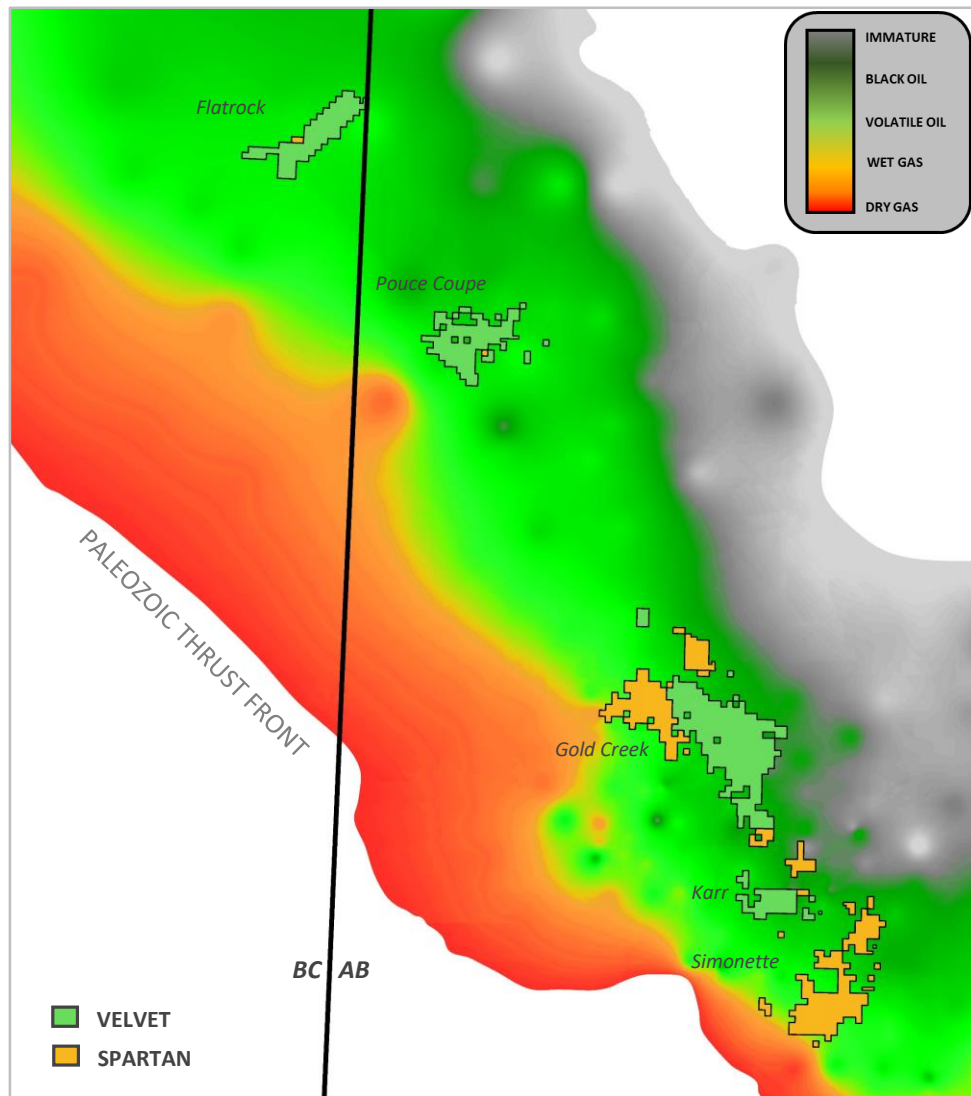
## Spartan's Positioning in the Montney Fairway



# THE MONTNEY OIL WINDOW

## Largest Semi-Contiguous Position in the Up-Dip Light Oil Montney Fairway

- ~450,000 net acres (703 sections)<sup>(2)</sup> of ~95% WI Crown Montney lands
- Lands reside within the **volatile oil to black oil window** and exhibit light oil characteristics with an average of ~40° API
- Over **1,075 net identified drilling locations** with **281 net locations currently booked** by McDaniels in Spartan plus the Velvet reserves<sup>(1)</sup>
- Recent activity at Gold Creek and Karr **demonstrate industry leading results**
- Pouce Coupe **low risk development drilling** with room to expand Spartan owned infrastructure
- Simonette asset has existing base production and infrastructure; **opportunity to test optimized well design** to improve economics
- Flatrock presents **compelling future development potential** with advantageous surface conditions and proximity to existing infrastructure



# VELVET RESERVES SUMMARY

## Mid-Year Reserve Update By Velvet Energy (July 1, 2021)<sup>(1)</sup>

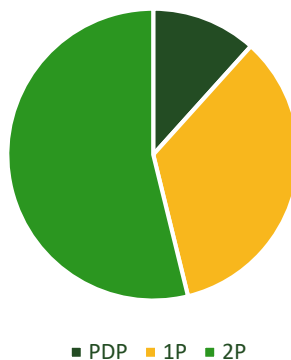
- Velvet completed an independent qualified reserves evaluation effective July 1, 2021 (McDaniel)
- Spartan FDC model will be applied in YE 2021 Reserves update

Reserves Category	Oil (MMbbl)	Natural Gas (bcf)	NGL's (MMbbl)	Total (MMboe)	NPV10 (\$MM)
Proved Developed Producing	8.8	80	4.8	26.9	\$388
Total Proved	52.7	409	19.2	140.0	\$1,147
Total Proved + Probable	79.4	685	31.1	224.6	\$1,790

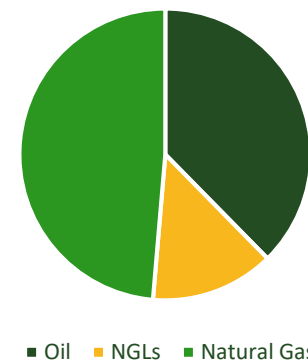
Volumes



Values



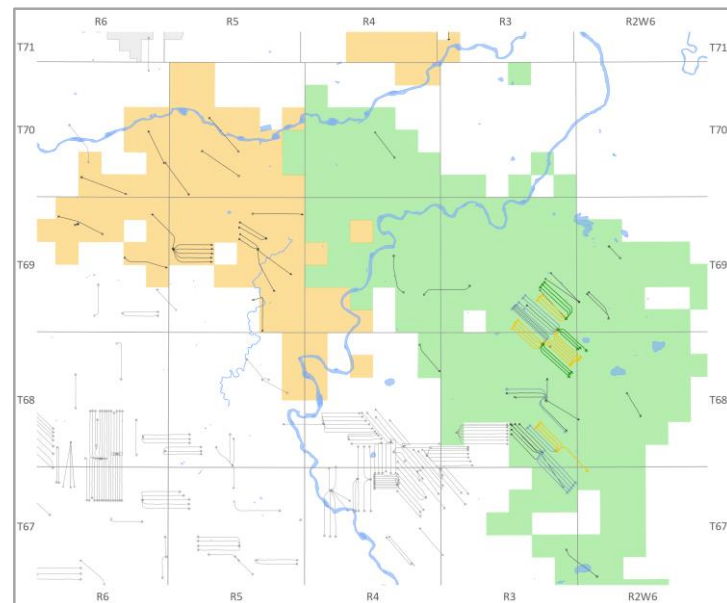
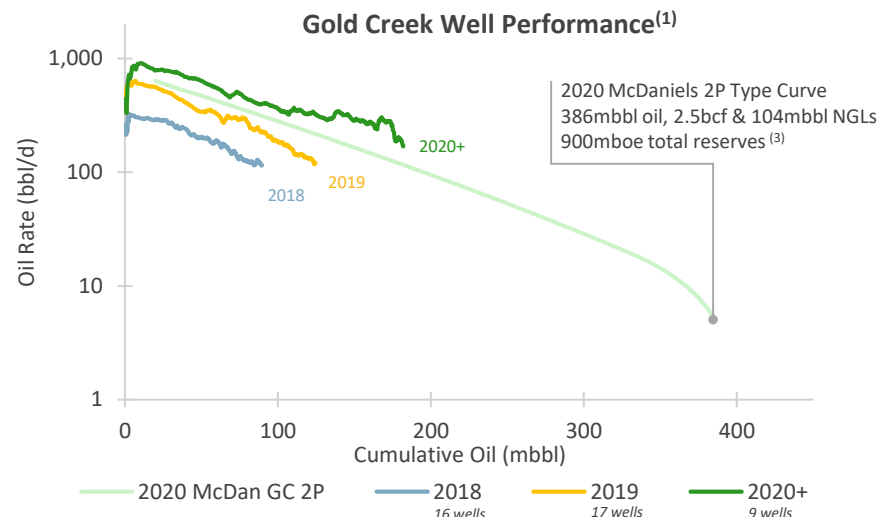
1P by Product Type



# VELVET ASSET QUALITY: GOLD CREEK

## Sustainable Development - YoY Improvement in Well Results

- Asset base delineated at Velvet's expense starting in 2015
- Consistent improvement in costs and performance
- 2020+ wells averaged 1.2 year payout<sup>(3)</sup> at average oil price of US\$56/bbl WTI on 2,350m HZ length
- Spartan identified improvement opportunities:
  - Increase horizontal lengths (target of 3300m from historical ~2500m)
  - Evaluate wider well spacing to further improve single well returns
  - Leverage Velvet's historical execution learning curve to deliver reduced well cost



### Realized Actuals from 2020 & 2021 YTD Drilling Campaign

Average well payout  
**1.2 years**  
 at US\$56/bbl WTI  
 Weighted Average price to Payout

Average IP30  
**690 bbl/d**  
 2,350m HZ length

**132% IRR &  
 \$7.3MM NPV10<sup>(2)</sup>**

**\$7.1MM DCET**

1) Performance normalized to 2500m horizontal length for all wells  
 2) Based on realized actuals to date and then August 23, 2021 strip pricing go forward; See Non-GAAP Measures in Disclaimers

3) See Oil and Gas Advisories in Disclaimers

# VELVET ASSET QUALITY: KARR AND POUCE COUPE

## Additional Development Assets

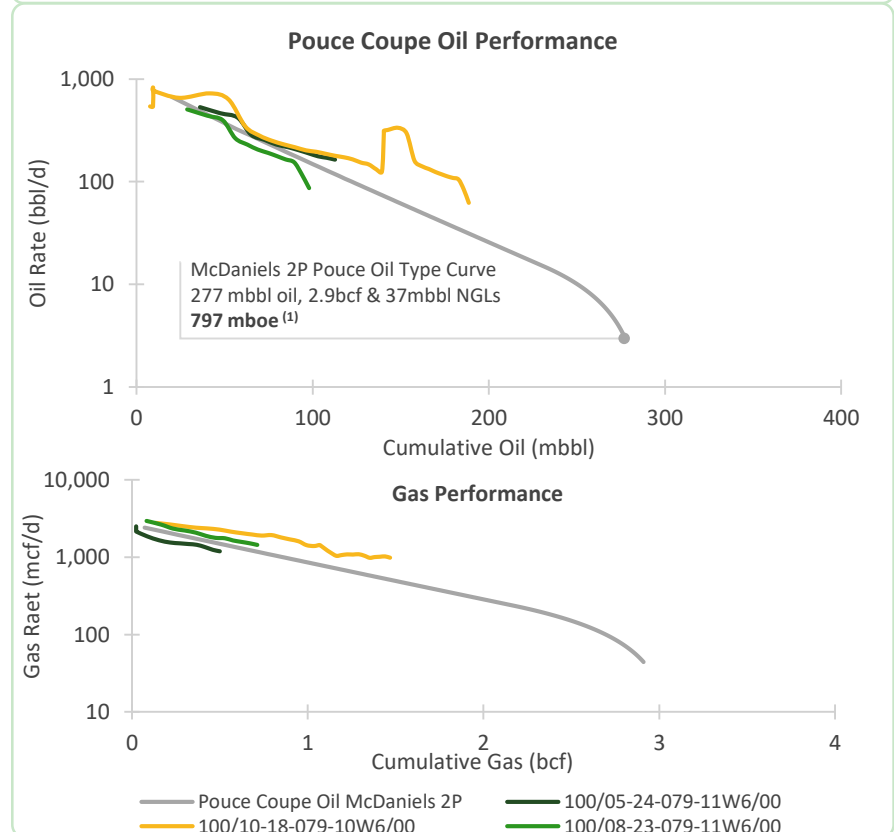
### KARR

- Two wells with long term production data; currently flowing back three new wells
- Both producing wells are amongst the top five Montney oils wells drilled in the basin since 2015 (2-year cum.)
- High oil weighting and low decline rate for Montney development



### POUCE COUPE

- Proven development drilling with low-cost structure (both opex and capex)
- Ability to gradually expand Spartan infrastructure with moderate asset growth



# MARKETING & RISK MANAGEMENT

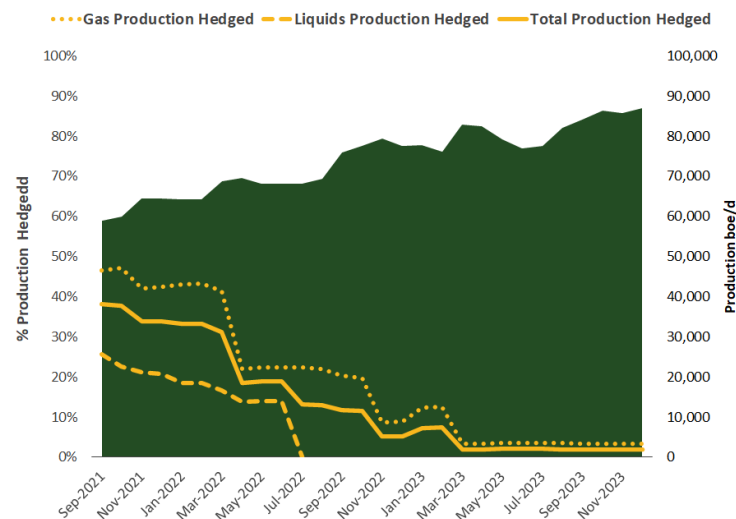
## High Torque To Improving Fundamentals of Both Oil and Natural Gas

### Summary of Net Positions<sup>(1)</sup>

Period	Oil and Condensates					
	US\$ WTI Swaps		US\$ MSW - WTI Swaps		US\$ C5 - WTI Swaps	
	Volume (Bbl/d)	US\$/bbl	Volume (Bbl/d)	US\$/bbl	Volume (Bbl/d)	US\$/bbl
Q3 2021	6,337	\$47.74	4,000	(\$4.71)	1,000	(\$2.26)
Q4 2021	5,250	\$49.69	4,000	(\$4.71)	1,000	(\$2.26)
Q1 2022	4,750	\$49.71	-	-	-	-
Q2 2022	4,000	\$49.74	-	-	-	-

Period	Natural Gas					
	US\$ NYMEX - AECO 7A Basis Swaps - Short		US\$ NYMEX Swaps - Short		US\$ NYMEX Swaps - Collar	
	Volume (Mmbtu/d)	US\$/Mmbtu	Volume (Mmbtu/d)	US\$/Mmbtu	Volume (Mmbtu/d)	Floor - Ceiling (US\$/Mmbtu)
Q3 2021	56,630	(\$1.09)	26,630	\$2.66	30,000	\$2.70 - \$2.90
Q4 2021	85,000	(\$1.09)	28,370	\$2.82	39,946	\$2.65 - \$3.09
Q1 2022	85,000	(\$1.13)	25,000	\$2.94	45,000	\$2.63 - \$3.16
Q2 2022	85,000	(\$1.13)	25,000	\$2.70	30,000	\$2.70 - \$2.90
Q3 2022	85,000	(\$1.13)	25,000	\$2.70	30,000	\$2.70 - \$2.90
Q4 2022	85,000	(\$1.15)	25,000	\$2.86	10,109	\$2.70 - \$2.90
Q1 2023	85,000	(\$1.13)	26,389	\$2.83	-	-
Q2 2023	85,000	(\$1.09)	10,000	\$2.65	-	-
Q3 2023	85,000	(\$1.08)	10,000	\$2.65	-	-
Q4 2023	85,000	(\$1.08)	10,000	\$2.65	-	-



- Percentages hedged, excludes AECO Basis positions – which represent diversification to NYMEX Henry Hub on approximately 30-40% of natural gas production

# ANALYST COVERAGE & CONTACT INFORMATION

Institution	Analyst
ATB Capital Markets	Patrick O'Rourke
BMO Capital Markets	Ray Kwan
Cormark Securities	Garett Ursu
Desjardins Capital Markets	Chris MacCulloch
Eight Capital	Phil Skolnick
Haywood Capital Markets	Christopher Jones
National Bank Financial	Dan Payne
Paradigm Capital	Adam Gill
Peters & Co. Limited	Dan Grager
Raymond James	Jeremy McCrea
Scotia Capital	Cameron Bean
Stifel - FirstEnergy	Cody Kwong
TD Securities	Aaron Bilkoski

## EXECUTIVE OFFICE

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 500, 207 – 9<sup>th</sup> Avenue SW  
 Calgary, Alberta T2P 1K3  
**P:** 403 265 8011  
**W:** www.spartandeltacorp.com

## TRANSFER AGENT

**Odyssey Trust Inc.**  
 1230 – 300 - 5<sup>th</sup> Avenue SW  
 Calgary, Alberta T2P 3C4  
**P:** 587 885 0960

## AUDITORS

**PricewaterhouseCoopers LLP**  
 Calgary, Alberta

## ENGINEERING CONSULTANTS

**McDaniel & Associates Consultants Ltd.**  
 Calgary, Alberta

## LEGAL COUNSEL

**Stikeman Elliott LLP**  
 Calgary, Alberta

## STOCK EXCHANGE LISTING<sup>(1)</sup>

The TSX Exchange  
 Trading Symbol: **SDE**

## INVESTOR INFORMATION

Visit our website  
**W:** www.spartandeltacorp.com  
 or contact  
**Investor Relations**  
**E:** IR@spartandeltacorp.com

## CORPORATE CALENDAR

**November 9, 2021**  
 Third Quarter 2021 Results

# MANAGEMENT TEAM & BOARD OF DIRECTORS

## MANAGEMENT TEAM

<b>Richard McHardy</b> Executive Chairman & Director	➤ Former President, CEO and co-founder of Spartan Energy, Spartan Oil and Spartan Exploration
<b>Fotis Kalantzis</b> President, CEO & Director	➤ Former SVP and co-founder of Spartan Energy, Spartan Oil and Spartan Exploration
<b>Geri Greenall</b> CFO	➤ Former CFO and co-founder, Camber Capital Corp., former Portfolio Manager & Chief Compliance Officer, Canoe Financial
<b>Thanos Natras</b> VP Exploration	➤ Former Geoscience Manager, Spartan Energy, former VP Exploration, Arcan Resources
<b>Craig Martin</b> VP Operations	➤ Former Manager D&C, Spartan Energy and Spartan Oil
<b>Randy Berg</b> VP Land	➤ Former VP Land, Spartan Energy, former VP Business Development & Land, Renegade Petroleum
<b>Mark Hodgson</b> VP Corporate Development	➤ Former VP Operations, Obsidian Energy, former VP New Ventures & Country Manager, Bankers Petroleum
<b>Brendan Paton</b> VP Engineering	➤ Former Manager Engineering, Spartan Delta, former Production Engineer, Shell Canada
<b>Ashley Hohm</b> VP Finance & Controller	➤ Former VP Finance, Kelt Exploration, former Manager Financial Reporting, Celtic Exploration

## INDEPENDENT BOARD OF DIRECTORS

<b>Donald Archibald</b>	➤ Former Director of Spartan Energy, Spartan Oil, and Spartan Exploration · former President, Cypress Energy; Chairman & CEO, Cequel Energy; President & CEO, Cyries Energy
<b>Reg Greenslade</b>	➤ Former Director of Spartan Energy, Spartan Oil and Spartan Exploration · former Chairman, President & CEO, Big Horn Resources, Enterra Energy, Enterra Energy Trust, JED Oil; President & CEO, Tuscany International Drilling
<b>Kevin Overstrom</b>	➤ Founder and a principal of KO Capital Advisors · former Vice Chairman & Co-Head Energy Investment Banking, GMP FirstEnergy
<b>Tamara MacDonald</b>	➤ Former SVP, Corporate and Business Development, Crescent Point Energy · Director of Southern Energy Corp., and Equinor Canada
<b>Steve Lowden</b>	➤ Former Chairman & CEO, New Age (African Global Energy) Ltd. · former Executive Director & Officer, Marathon Oil and Premier Oil
<b>Elliot S. Weissbluth</b>	➤ Former Chairman, Hightower Inc. · former Founder, Director & President, U.S. Fiduciary

# DISCLAIMER

## Forward Looking Statements

- Certain information included in this presentation 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 presentation may include, but is not limited to, statements about: corporate strategy, objectives, strengths and focus of Spartan; the intentions of management and Spartan with respect to its growth strategy and business plan, including production increases and the timing thereof; Spartan's expectations regarding its 2021/2022 drilling program, including the location of wells, scheduled drilling dates and the timing of expected pay out from such wells; the scale and repeatability of Spartan's drilling inventory; Spartan's intentions to maintain balance sheet flexibility to allow Spartan to take advantage of future opportunities; Spartan's acquisition and consolidation strategy and targets; expected benefits from recent acquisitions, including the Velvet Acquisition; Spartan plans to deliver strong operational performance and reduce debt; Spartan's production forecasts; Spartan 2021-2022 guidance and budget, Spartan's 2022-2024 Three Year Plan including anticipated capital expenditures and Spartan's ability to fund capital expenditures through operating activities; Spartan's cost-cutting measures and the results thereof; Spartan's use of new technologies; Spartan's ESG initiatives, including sustainability targets and Spartan's ability to meet such targets; predictions regarding commodities pricing and industry fundamentals, including natural gas demand and supply, and the effectiveness of Spartan's risk management strategies in respect thereof; the availability and quantity of tax pools; the continuation of Spartan's strategic partnerships, and expected benefits therefrom. 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 presentation are based on certain key expectations and assumptions made by Spartan, including expectations and assumptions concerning the performance of Spartan's management team and board, 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 drilling locations, commodity prices, price volatility, price differentials and the actual prices received for products, royalty regimes and exchange rates, the application of regulatory and licensing requirements, the availability of capital, labour and services, Spartan's ability to complete planned capital expenditures within budgeted cost estimates, the ability to market oil and gas successfully, Spartan's ability to integrate assets and employees acquired through acquisitions and the creditworthiness of industry partners.
- 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, stock market volatility, 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 complete or realize the benefits of acquisitions, constraint in the availability of services, commodity price and exchange rate fluctuations, actions of OPEC and OPEC+ members, 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. In addition, Spartan cautions that current global uncertainty with respect to the spread of the COVID-19 virus and COVID-19 variant viruses and their effect on the broader global economy may have a significant negative effect on Spartan. While the precise impact of the COVID-19 virus and associated variant viruses on Spartan remains unknown, rapid spread of the COVID-19 virus and associated variant viruses may have a material adverse effect on global economic activity, and can result in volatility and disruption to global supply chains, operations, mobility of people and the financial markets, which could affect interest rates, credit ratings, credit risk, inflation, business, financial conditions, results of operations and other factors relevant to Spartan. Please refer to the Spartan's most recent Annual Information Form and MD&A for additional risk factors relating to Spartan, which can be accessed either on Spartan's website at [www.spartandeltacorp.com](http://www.spartandeltacorp.com) or under the Company's profile on [www.sedar.com](http://www.sedar.com). Readers are cautioned not to place undue reliance on this forward-looking information, which is given as of the date hereof, and to not use such forward-looking information for anything other than its intended purpose. Spartan undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.

- The forward-looking information contained in this presentation 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 presentation is expressly qualified by this cautionary statement.
- **FOFI.** This presentation contains future-oriented financial information and financial outlook information (collectively, "FOFI") about Spartan's prospective results of operations, production, working capital, capital efficiency, sustaining capital, capital expenditures, enterprise value, recycle ratio, payout, operating netback, share price, investment yield, net debt (surplus), adjusted free funds flow, free funds flow, NPV10, NOI, IRR, return of capital, operating costs, cost reductions and components thereof, all of which are subject to the same assumptions, risk factors, limitations and qualifications as set forth in the above paragraphs. FOFI contained in this presentation was approved by management of the date of this presentation 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 presentation, 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 presentation should not be used for purposes other than for which it is disclosed herein.
- **Third Party Information.** Certain information contained herein has been obtained from published sources prepared by independent industry analysts and third-party sources (including industry publications, surveys and forecasts). While such information is believed to be reliable for the purpose used herein, none of the directors, officers, owners, managers, partners, consultants, shareholders, employees, affiliates or representatives assumes any responsibility for the accuracy of such information. Some of the sources cited in this presentation have not consented to the inclusion of any data from their reports, nor has Spartan sought their consent.

# DISCLAIMER CONT'D

## 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 this presentation are derived from converting gas to oil in the ratio mix of six thousand cubic feet of gas to one barrel of oil.
- **Product Types.** Throughout this presentation, "crude oil" or "oil" refers to light and medium crude oil product types as defined by NI 51-101. Condensate is a natural gas liquid as defined by National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* ("**NI 51-101**"). References to "natural gas liquids" or "NGLs" throughout this presentation comprise pentane, butane, propane, and ethane, being all NGLs as defined by NI 51-101 other than condensate, which is disclosed separately because the value equivalency of condensate is more closely aligned with crude oil. References to "natural gas" or "gas" relates to conventional natural gas.
- **Reserves Disclosure.** All reserves information in this press release relating to: (i) Spartan's mid-year reserves update were prepared by McDaniel & Associates Consultants Ltd. ("**McDaniel**") effective as of July 1, 2021 (the "**Spartan Mid-Year Report**"); and (ii) the Velvet Assets were prepared by McDaniel for Velvet, effective July 1, 2021 (the "**Velvet Report**"), in accordance with NI 51-101 and the COGE Handbook. The estimates of reserves for the Ferrier Acquisition is an internal estimate made by the Company and may not reflect the same confidence level as estimates of reserves and future net revenue for all of Spartan's properties. All reserve references in this presentation are "Company share reserves". Company share reserves are the applicable company's total working interest reserves before the deduction of any royalties and including any royalty interests payable to the company. It should not be assumed that the present worth of estimated future amounts presented in the tables above represents the fair market value of the reserves. There is no assurance that the forecast prices and costs assumptions will be attained, and variances could be material. The recovery and reserve estimates of the 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. All evaluations and summaries of future net revenue are stated prior to the provision for interest, debt service charges or general and administrative expenses and after deduction of royalties, operating costs, estimated well abandonment and reclamation costs and estimate future capital expenditures.
- **Oil and Gas Metrics.** This presentation contains metrics commonly used in the oil and natural gas industry which have been prepared by management, such as "development capital", "F&D costs", "operating netback", "recycle ratio", "payout", "F&D costs" and "NPV10". These terms do not have a standardized meaning and may not be comparable to similar measures presented by other companies, and therefore should not be used to make such comparisons. Management uses these oil and gas metrics for its own performance measurements and to provide shareholders with measures to compare our operations over time. Readers are cautioned that the information provided by these metrics, or that can be derived from the metrics presented in this presentation, should not be relied upon for investment or other purposes.
- "**Development capital**" means the aggregate exploration and development costs incurred in the financial year on reserves that are categorized as development. Development capital excludes capitalized administration costs.
- "**Undeveloped F&D costs**" are calculated as the sum of development capital, divided by the undeveloped reserves at the proved undeveloped and proved plus probable undeveloped levels.
- "**Operating netback**" see "*Non-GAAP Measures*".
- "**Recycle ratio**" is measured by dividing operating netback by F&D cost per boe for the year.
- "**Payout**" is achieved when revenues, less royalties, production and transportation costs are equal to the total capital costs associated with drilling, completing, equipping and tying in a well. Management considers payout an important measure to evaluate its operational performance and capital allocation processes. It demonstrates the return of cash flow and allows Spartan to understand how a capital program is funded under different operating

scenarios, which helps assess Spartan's ability to generate value.

- "**Finding and development (F&D) cost**" is the sum of capital expenditures incurred in the period and the change in future development capital ("**FDC**") required to develop reserves. F&D cost per BOE is determined by dividing current period net reserve additions into the corresponding period's F&D cost. Readers are cautioned that the aggregate of capital expenditures incurred in the year, comprised of exploration and development costs and acquisition costs, and the change in estimated FDC generally will not reflect total F&A costs related to reserves additions in the year.
- "**NPV10**" is the anticipated net present value of the future net operating income after capital expenditures, discounted at a rate of 10% (before tax).
- **Type Curves.** The reservoir engineering and statistical analysis methods utilized is broad and can include various methods of technical decline analyses, and reservoir simulation all of which are generally prescribed and accepted by the COGE Handbook and widely accepted reservoir engineering practices. These type curves were generated by McDaniel, an independent qualified reserves evaluator. These type curves incorporate the most recent data from actual well results and would only be representative of the specific drilled locations. There is no guarantee that Spartan will achieve the estimated or similar results derived therefrom.
- **Drilling Locations / Inventory.** This presentation 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 Spartan Mid-Year Report and the Velvet Report 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. 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 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.

	Total Locations	Proved Locations	Probable Locations	Unbooked Locations
Ferrier Acquisition	12	3	3	6
Spartan Deep Basin (spirit river + cardium)	419	62	20	337
Spartan Montney	353	60	17	275
Velvet Montney (Vendor bookings)	732	159	45	528
Total Montney *	1085	60	17	1007

\* Note: Spartan has not updated reserves since the Velvet acquisition and thus wells booked by the vendor have not been included in Spartans Proved or Probable location count and are included in the unbooked category until a reserves update has been complete.

# DISCLAIMER CONT'D

## Non-GAAP Measures

- This presentation contains certain financial measures, as described below, which do not have standardized meanings prescribed by IFRS or Generally Accepted Accounting Principles ("GAAP"). As these non-GAAP financial measures are commonly used in the oil and gas industry, the Company believes that their inclusion is useful to investors. The reader is cautioned that these amounts may not be directly comparable to measures for other companies where similar terminology is used. The non-GAAP measures used in this presentation, represented by the capitalized and defined terms outlined below, are used by Spartan as key measures of financial performance and are not intended to represent operating profits nor should they be viewed as an alternative to cash provided by operating activities, net income or other measures of financial performance calculated in accordance with IFRS.
- **"Operating Income (Loss)"** abbreviated as **"NOI"** is calculated by deducting operating and transportation expenses from total revenue, after realized gains or losses on commodity price derivative financial instruments. Total revenue is comprised of oil and gas sales, net of royalties, plus processing and other revenue. The Company refers to Operating Income (Loss) expressed per unit of production as an **"Operating Netback"**. **"Run Rate NOI"** is calculated based on annualized production and Operating Netback figures. Where a non-IFRS or IFRS measure in this presentation is qualified by the words "run rate", it represents the "pro forma" figure as adjusted to give effect to the Acquisitions. Spartan considers Run Rate NOI as an important measure to illustrate how the Corporation would have performed if the Acquisitions had been consummated at the start of the period.
- **"Funds from Operations"** is calculated as cash provided by (used in) operating activities before changes in non-cash working capital.
- **"Adjusted Funds from Operations"** is calculated by adding back transaction costs on acquisitions and settlements of decommissioning obligations to Funds from Operations. Adjusted Funds from Operations can also be calculated by deducting general and administrative and interest expenses (net of interest income) from Operating Income (Loss). Spartan's **"Corporate Netback"** is equal to Adjusted Funds from Operations expressed per unit of production.
- **"Adjusted Funds Flow (AFF)"** is calculated by deducting settlements of decommissioning obligations and lease payments from Adjusted Funds from Operations. The Company believes Adjusted Funds Flow is an appropriate metric to compare relative to Net Debt because it reflects the net cash flow generated from routine business operations and because Spartan does not include lease liabilities in its definition of Net Debt (Surplus).
- **"Free Funds Flow (FCF)"** is calculated as Adjusted Funds Flow less total net capital expenditures, excluding acquisitions. Spartan believes Free Funds Flow provides an indication to investors and Spartan shareholders of the amount of funds the Company has available for future capital allocation decisions.
- **"Asset Level FCF"** is calculated as the NOI generated by a specific asset less the total net capital expenditures allocated to the specific asset.
- **"Free Funds Flow (FCF) Yield"** is calculated as Adjusted Funds Flow less total net capital expenditures, excluding acquisitions divided by the Company's Market Capitalization using 167 million treasury stock fully diluted shares outstanding.
- **"Adjusted Funds Flow Per Share (CFPS)"** and **"Free Funds Flow Per Share (FCFPS)"** is used to estimate accretion on Adjusted Funds Flow(CF) and Free Funds Flow(FCF) and are calculated based on 167 million treasury stock fully diluted shares outstanding at the end of the period.
- **"Net Debt (Surplus)"** includes bank debt, net of Adjusted Working Capital. **"Adjusted Working Capital"** is calculated as current assets less current liabilities, excluding derivative financial instrument assets and liabilities and lease liabilities. As at December 31, 2020 and 2019, the Adjusted Working Capital deficit (surplus) includes cash and cash equivalents, accounts receivable, prepaid expenses and deposits, accounts payable and accrued liabilities and the current portion of decommissioning obligations. Spartan uses Net Debt (Surplus) as a measure of the Company's financial position and liquidity, however it is not intended to be viewed as an alternative to other measures calculated in accordance with IFRS.
- **"Enterprise value"** is calculated as the Market Capitalization of the Company plus Net Debt,

where **"Market Capitalization"** is defined as the total number of common shares outstanding multiplied by the price per share at a given point in time.

- **"EV/DACF"** is the enterprise value divided by the debt adjusted cash flow and is used as a measurement of the value of the company.
- **"Sustaining / maintenance capital"** is the estimated capital required to bring on new production which offsets the natural decline of the existing production and keeps the year-over-year production flat.
- **"Capital efficiency"** is the amount spent to add an additional barrel a day of production to a company's annual exit production.
- **"Internal rate of return (IRR)"** is the discount rate required to arrive at an NPV equal to zero. Rates of return set forth in this presentation are for illustrative purposes. There is no guarantee that such rates of return will be achieved in the future.
- **"Payout Ratio"** is the ratio derived from total capital expenditures net of acquisitions and divestitures divided by Adjusted Funds Flow.
- **"Total Return"** or **"Total Shareholder Return"** is calculated as the sum of Free Funds Flow Yield and YoY Production Growth.
- **"Return On Average Capital Employed"** is calculated as unhedged cash flow less Peters estimate of required capital spending to maintain flat production volumes YoY, expressed as a percentage of capital employed. Capital employed is defined as average shareholder's equity excluding impairment plus net debt.
- **US Disclaimer.** This presentation is not an offer of the securities for sale in the United States. The securities have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an exemption from registration. This presentation shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful.

# PRICE DECK DETAILS

August 31, 2021 guidance update pricing & 3-year plan pricing

All guidance, forecasts and economics are based on the following budget price deck (unless otherwise stated):

		H2 2021	2021	2022	2023	2024
<b>Benchmark Prices</b>						
AECO Gas	<i>C\$/GJ</i>	\$3.98	\$3.45	\$3.25	\$2.75	\$2.75
WTI	<i>US\$/bbl</i>	\$70.62	\$66.21	\$60.00	\$60.00	\$60.00
Edmonton Cond Differential	<i>US\$/bbl</i>	(\$0.80)	(\$0.22)	\$1.00	\$1.00	\$1.00
Edmonton Cond.	<i>C\$/bbl</i>	\$89.52	\$83.14	\$75.52	\$75.52	\$75.52
Edmonton Oil Differential	<i>US\$/bbl</i>	\$3.91	\$4.03	\$4.00	\$4.00	\$4.00
Edmonton Oil	<i>C\$/bbl</i>	\$83.61	\$77.82	\$71.68	\$71.68	\$71.68
Conway Propane	<i>US\$/Gal</i>	\$1.10	\$0.99	\$0.90	\$0.90	\$0.90
FX	<i>US\$/C\$</i>	1.253	1.251	1.280	1.280	1.280
NYMEX Gas	<i>US\$/MMBTu</i>	\$4.07	\$3.86	\$3.42	\$2.97	\$2.92
NYMEX AECO Basis	<i>US\$/MMBTu</i>	0.72	0.85	0.74	0.71	0.66

# ABBREVIATIONS

AECO	Alberta Energy Company “C” Meter Station of the NOVA Pipeline System
ARO	Asset Retirement Obligations
b	Basic shares outstanding
bbl; bbl/d	barrel; barrels per day
bcf; bcf/d	Billion cubic feet of natural gas; billion cubic feet per day of natural gas
boe; boe/d	Barrels of oil equivalent; barrels of oil equivalent per day
cf/d	cubic feet per day of natural gas
DCET	Drill, complete, equip and tie-in capital cost
ESG	Environmental, Social and Governance
EUR	Estimated ultimate recovery (see disclaimers)
EV/DACF	Enterprise value divided by the debt adjusted cash flow (see disclaimers)
F&D	Finding and development cost per barrel of oil equivalent (see disclaimers)
f.d.	Fully diluted shares outstanding
FCF	Free Cash Flow (see disclaimers)
FX	Exchange rate: US Dollars divided by Canadian Dollars
G&A	General and administrative expense
GJ	Gigajoules
IFRS	International Financial Reporting Standards as issued by the International Accounting Standards Board (“IASB”)
IRR	Internal rate of return percentage (see disclaimers)
LMR	Liability Management Rating (Alberta)
M or m	Thousand
MM or mm	Million
NGLs	Natural Gas Liquids
NOI	Net Operating Income (see disclaimers)
NPV10	Net Present Value with a discount rate of 10% (see disclaimers)
PDP	Proved Developed Producing Reserves
SDE	Trading symbol for Spartan Delta Corp. common shares on the TSX Venture Exchange
TP	Total Proved Reserves
TV	Total Value or Total Net Consideration
WTI	West Texas Intermediate Oil Price (US\$/bbl)



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