Form 51-102F4
Business Acquisition Report

ARTICLE 1 - IDENTITY OF COMPANY

1.1 Name and address of Company

Spartan Energy Corp. ("**Spartan**" or the "**Corporation**")
Suite 500, 850 – 2nd Street S.W.
Calgary, Alberta, T2P 0R8

1.2 Executive Officer

Mr. Adam MacDonald, Chief Financial Officer of the Corporation, is knowledgeable about the acquisition in respect of which this business acquisition report ("**Report**") has been filed. Mr. MacDonald may be reached by writing to the address noted in section 1.1 above, or by telephone at (403) 355-8920.

ARTICLE 2 - DETAILS OF THE ACQUISITION

2.1 Nature of the Business Acquired

On December 8, 2016, the Corporation completed the acquisition (the "**Acquisition**") of certain petroleum and natural gas properties, interests, rights and related assets located in southeast Saskatchewan (the "**Assets**") from an arm's length vendor (the "**Vendor**"). The purchase price for the Acquisition was $700 million, prior to closing adjustments. The Acquisition has an effective date of October 1, 2016.

The Assets include an average working interest of approximately 87% in 35,007 gross (30,595 net) acres of undeveloped land as at August 31, 2016. Production from the Assets is weighted 98% to crude oil and natural gas liquids and 2% to natural gas. The properties include approximately 2,030 gross (1,624 net) producing oil wells and 749 gross (599 net) non-producing oil wells as at November 17, 2016. Major facilities include 30 light oil batteries, a 99% working interest in the Lougheed sour gas plant and an extensive network of field gathering infrastructure, as well as a working interest ownership in the Weyburn Unit and Midale Unit, two CO2 enhanced recovery projects located in southeast Saskatchewan.

The Assets include an operated land position consisting of approximately 132,000 (98,000 net) acres of land.

Additionally, the Acquisition significantly increases the Corporation's drilling inventory as management has identified 404 net undrilled development locations on the Assets, 85.6 of which are booked in the independent engineering evaluation of the crude oil, natural gas liquids and natural gas reserves attributable to the Assets prepared by GLJ Petroleum Consultants Ltd. ("**GLJ**") dated September 30, 2016 and effective August 31, 2016 (the "**Assets Reserves Report**").

Asset Summary

Total purchase price[1]	$700 million
Land	132,000 (98,000 net) acres
Net locations	404 (318 unbooked)
Reserves (Gross)	
Proved developed producing reserves[2]	22.5 MMboe
Total proved reserves[2]	26.9 MMboe
Total proved plus probable reserves[2]	39.3 MMboe
Total proved plus probable RLI[3]	14.3 years

Notes:

1. Subject to normal adjustments for a transaction of this nature.
2. Gross Company Reserves. Reserves based on the Assets Reserves Report. Gross Company Reserves means Spartan's working interest reserves assuming completion of the Acquisition before the calculation of royalties, and before the consideration of the Corporation's royalty interests.
3. The reserve life index ("**RLI**") is calculated by dividing total proved plus probable reserves estimated at August 31, 2016 with estimated production of the Assets of 7,500 boe/d.

Crude Oil, Natural Gas Liquids and Natural Gas Reserves

All reserves associated with the Assets are located in the province of Saskatchewan. There are no heavy oil reserves associated with the Assets.

Reserves Information

In accordance with NI 51-101, GLJ prepared the Assets Reserves Report with an effective date of August 31, 2016. The following reserves estimates and future net revenue forecasts have been prepared and presented in accordance with the Canadian standards set out in the Canadian Oil and Gas Evaluation Handbook (the "**COGE Handbook**") and National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* of the Canadian Securities Administrators ("**NI 51-101**"), except that income tax calculations have been excluded.

The tables below are a consolidated summary of the crude oil, NGL and natural gas reserves attributable to the Assets as of August 31, 2016 and the net present value of future net revenue attributable to such reserves as evaluated in the Assets Reserves Report based on forecast price and cost assumptions.

The Assets Reserves Report was prepared for the Vendor and the Corporation is unable to assess the Vendor's procedures for providing information to GLJ or for assembling and reporting other information to GLJ associated with the Assets.

Summary of Reserves (Forecast Prices and Costs)

**SUMMARY OF OIL AND GAS RESERVES
AND NET PRESENT VALUES OF FUTURE NET REVENUE
AS OF AUGUST 31, 2016**

	Light and Medium Crude Oil		Conventional Natural Gas (associated & non-associated)		Natural Gas Liquids		Barrels of Oil Equivalent	
	Gross (Mbbls)	Net (Mbbls)	Gross (MMcf)	Net (MMcf)	Gross (Mbbls)	Net (Mbbls)	Gross (Mboe)	Net (Mboe)
Proved								
Developed Producing	21,928	19,047	1,670	1,525	258	244	22,465	19,546
Developed Non-Producing	290	248	12	11	1	1	292	250
Undeveloped	4,029	3,738	534	518	6	6	4,124	3,830
Total Proved	**26,247**	**23,033**	**2,216**	**2,054**	**265**	**250**	**26,881**	**23,626**
Probable	11,987	10,562	1,498	1,402	108	100	12,345	10,896
Total Proved plus Probable	**38,235**	**33,595**	**3,714**	**3,456**	**373**	**350**	**39,226**	**34,521**

Notes:

1. Columns may not add due to rounding.
2. Conventional natural gas volumes include solution gas volumes associated with the Assets' light and medium crude oil reserves.
3. Conventional natural gas is converted to a boe at a ratio of six thousand standard cubic feet to one barrel of oil.

	Net Present Value of Future Net Revenue					
	Before Income Tax Discounted at Various Rates					BT Unit Value
Entity Description	**0% M$**	**5% M$**	**10% M$**	**15% M$**	**20% M$**	**$ /boe**
Proved						
Producing	664,901	476,091	367,724	299,659	253,554	18.81
Developed Nonproducing	10,937	7,283	5,059	3,664	2,754	20.21
Undeveloped	108,175	64,729	39,201	24,011	14,505	10.24
Total Proved	**784,013**	**548,103**	**411,984**	**327,334**	**270,813**	**17.44**
Total Probable	531,186	289,363	182,385	126,071	92,683	16.74
Total Proved plus Probable	**1,315,198**	**837,466**	**594,369**	**453,405**	**363,496**	**17.22**

Notes:

1. Utilizes GLJ's price forecast as of August 31, 2016 as detailed below.
2. Values are net of abandonment liabilities.
3. Columns may not add due to rounding.
4. BT Unit Value is the unit value before income tax discounted at 10% per year based upon net reserves.
5. Estimates of future net revenue do not represent fair market value.

TOTAL FUTURE NET REVENUE (UNDISCOUNTED) AS OF AUGUST 31, 2016

RESERVES CATEGORY	REVENUE (MM$)	ROYALTIES (MM$)	OPERATING COSTS (MM$)	CAPITAL DEVELOPMENT COSTS (MM$)	ABANDONMENT/ RECLAMATION/ OTHER COSTS (MM$)	FUTURE NET REVENUE BEFORE INCOME TAXES (MM$)
Proved	2,085	256	730	199	116	784
Proved Plus Probable	3,180	387	1,046	279	153	1,315

Forecast Costs and Price Assumptions

GLJ employed the following pricing and inflation rate assumptions as of August 31, 2016 in its evaluations contained in the Assets Reserves Report in estimating reserves data using forecast prices and costs.

SUMMARY OF PRICING AND INFLATION RATE ASSUMPTIONS
FORECAST PRICES AND COSTS

Year	WTI Cushing Oklahoma 40^0 API ($US/Bbl)	Canadian Light Sweet ($Cdn/Bbl)	Natural Gas AECO ($Cdn/Mbtu)	Edmonton Pentanes Plus ($Cdn/Bbl)	Edmonton Butane ($Cdn/Bbl)	Operating Cost Inflation Rate %/year	Capital Cost Inflation Rate %/year	Exchange Rate ($US/$CDN)
2016(1)	51.00	63.33	2.65	67.77	39.62	2.0	2.0	0.75
2017	55.00	66.45	3.18	71.10	46.52	2.0	2.0	0.78
2018	58.00	67.50	3.20	72.23	50.63	2.0	2.0	0.80
2019	63.00	70.30	3.40	75.22	52.73	2.0	2.0	0.83
2020	67.00	72.94	3.60	78.05	54.71	2.0	2.0	0.85
2021	71.00	77.65	3.80	83.08	58.24	2.0	2.0	0.85
2022	75.00	82.35	4.00	88.12	61.76	2.0	2.0	0.85
2023	79.00	87.06	4.20	93.15	65.29	2.0	2.0	0.85
2024	83.00	91.76	4.39	98.19	68.82	2.0	2.0	0.85
2025	86.05	94.20	4.48	100.79	70.65	2.0	2.0	0.85
2026	87.77	96.08	4.57	102.81	72.06	2.0	2.0	0.85
Thereafter	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	2.0	2.0	0.85

Note:

1. Utilizes GLJ's price forecast Q3-Q4 2016.

Weighted average historical prices realized by the Vendor in respect of the Assets for the 12 month period ended August 31, 2016, were $0.43/Mcf for natural gas $45.42/Bbl for crude oil and $14.80/Bbl for NGLs.

Additional Information Relating to Reserves Data

Undeveloped Reserves

Undeveloped reserves are attributed by GLJ in accordance with standards and procedures contained in the COGE Handbook. Proved undeveloped reserves are those reserves that can be estimated with a high degree of certainty and are expected to be recovered from known accumulations where a significant expenditure is required to render them capable of production. Probable undeveloped reserves are those reserves that are less certain to be recovered than proved reserves and are expected to be recovered from known accumulations where a significant expenditure is required to render them capable of production. Proved and probable undeveloped reserves have been assigned in accordance with engineering and geological practices as defined under NI 51-101. The majority of the undeveloped reserves are currently expected to be developed by the Corporation in the next five years.

In some cases, it will take longer than five years to develop these reserves. There are a number of factors that could result in delayed or cancelled development, including the following: (a) changing economic conditions (due to pricing, operating and capital expenditure fluctuations); (b) changing technical conditions (including production anomalies, such as water breakthrough or accelerated depletion); (c) multi-zone developments (for instance, a prospective formation completion may be delayed until the initial completion formation is no longer economic); (d) a larger development program may need to be spread out over several years to optimize capital allocation and facility utilization; and (e) surface access issues (including those relating to land owners, weather conditions and regulatory approvals).

Proved Undeveloped Reserves

Proved undeveloped reserves have been assigned in known accumulations where the reserves can be estimated with a high degree of certainty. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves. GLJ has assigned 4,124 Mboe of proved undeveloped reserves in the Assets Reserves Report with $93.0 million of associated undiscounted capital, of which $6.0 million is forecast to be spent in the first year.

Probable Undeveloped Reserves

Probable undeveloped reserves have been assigned in known accumulations where the reserves can be estimated with less certainty. It is equally likely that that the actual remaining quantities recovered will be greater or less than the proved plus probable reserves. In most instances, probable undeveloped reserves have been assigned on lands in the area with existing producing wells but there is some uncertainty as to whether they are directly analogous to the producing accumulation or pool. GLJ has assigned 5,031 Mboe of probable undeveloped reserves in the Assets Reserves Report with $70.0 million of incremental capital over and above the proved undeveloped capital.

Significant Factors or Uncertainties

The Corporation does not anticipate any significant economic factors or significant uncertainties that will affect any particular components of the reserves data for the Assets. However, reserves can be affected significantly by fluctuations in product pricing, capital expenditures, operating costs, royalty regimes and well performance that are beyond the Corporation’s control. The effects can be either positive or negative.

The evaluated oil and gas properties of the Assets have no material extraordinary risks or uncertainties beyond those that are inherent in oil and gas exploration and production operations.

Future Development Costs

The following table sets forth development costs deducted in the estimation of the future net revenue in the Assets Reserves Report attributable to the reserve categories noted below for the Assets.

	Forecast Prices and Costs (M$)	
Year	**Proved Reserves**	**Proved Plus Probable Reserves**
2016	12,042	12,149
2017	33,684	48,938
2018	31,850	42,321
2019	17,736	35,999
2020	15,168	28,646
Thereafter	88,873	110,970
Total Undiscounted	**199,353**	**279,023**
Total Discounted at 10%	**121,413**	**175,840**

The future development costs are capital expenditures required in the future for Spartan to convert proved undeveloped reserves and probable reserves to proved developed producing reserves. The undiscounted development costs are $199.4 million for proved reserves and $279.0 million for proved plus probable reserves (in each case based on forecast prices).

The Corporation expects to fund the development costs of these reserves through a combination of internally generated cash flow from operations and, if necessary, equity issuances and debt. There can be no guarantee that funds will be available or that the board of directors of the Corporation will allocate funding to develop all of the reserves attributed to the Assets in the Assets Reserves Report. Failure to develop those reserves could have a negative impact on the Corporation’s future cash flows.

The interest or other costs of external funding are not included in the reserves and future net revenue estimates set forth above and would reduce reserves and future net revenue to some degree depending upon the funding sources utilized. The Corporation does not anticipate that interest or other funding costs would make development of any of the Assets uneconomic.

Other Oil and Natural Gas Information

Oil and Natural Gas Wells

The following table sets forth the approximate number and status of oil and gas wells in which Spartan acquired a working interest pursuant to the Acquisition.

	Producing				**Non Producing[(1)]**			
	Oil		**Gas**		**Oil**		**Gas**	
	Gross	**Net**	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**
Total	2,030	1,624	28	23	749	599	53	42

Note:

1. "**Non-Producing**" means wells that may or may not have been previously on production and the date production will be obtained from these wells is uncertain.

Developed and Undeveloped Lands

The following table sets out, for the Assets, the developed and undeveloped land holdings as at August 31, 2016, in which Spartan acquired a working interest pursuant to the Acquisition.

	Developed Acres		**Undeveloped Acres**		**Total Acres**	
	Gross	Net	Gross	Net	Gross	Net
Total[(1)]	88,853	68,465	35,007	30,595	123,860	99,060

Note:

1. All developed and undeveloped land holdings are in Saskatchewan.

Forward Contracts

Spartan did not assume any hedging commitments in connection with the Acquisition.

Additional Information Concerning Abandonment and Reclamation Costs

The Assets Reserves Report included abandonment costs for wells included in the Assets Reserves Report and assigned reserves. In the Assets Reserves Report, $103.4 million (undiscounted) and $13.6 million (discounted at 10%), collectively, for the forecast prices and costs case for abandonment costs of wells with proved and probable reserves were deducted as abandonment costs in estimating the future net revenue.

Production Estimates

The following table sets out the volumes of working interest production before royalties estimated for the period of September 1, 2016 to December 31, 2016 in the Assets Reserves Report which is reflected in the estimate of future net revenue disclosed in the tables above. Actual results may differ significantly from the information below.

	Light and Medium Crude Oil (including C5+)	**Conventional Natural Gas**	**Natural Gas Liquids**	**boe**
	(Bbls/d)	***(Mcf/d)***	***(Bbls/d)***	***(boe/d)***
Total Proved	7,407	847	85	7,633
Total Probable	173	21	5	182
Total Proved plus Probable	7,580	868	90	7,815

Production History

The following table indicates the average daily net production from the Assets for the year ended December 31, 2015 and the nine month period ended September 30, 2016.

	Year Ended December 31, 2015	**Nine Month Period Ended September 30, 2016**
Average Daily Production		
Crude Oil & NGL (Bbls/d)	8,184	7,662
Natural Gas (Mcf/d)	995	843
Oil Equivalent (boe/d)	8,350	7,803

Date of Acquisition

Spartan completed the Acquisition on December 8, 2016.

2.2 Consideration

The total consideration for the Acquisition was $700.0 million, prior to adjustments.

The Corporation paid a $35.0 million deposit to an escrow agent for the benefit of the Vendor in connection with the Acquisition. The remaining cash required to fund the Acquisition was financed by the aggregate net proceeds of the bought deal financing of 95,852,500 subscription receipts of the Corporation ("**Subscription Receipts**") at a price of $3.00 per Subscription Receipt for gross proceeds of $287,557,500 (the "**Public Offering**") and a non-brokered private placement of 85,000,000 Subscription Receipts at a price of $3.00 per Subscription Receipt for gross proceeds of $255,000,000 (the "**Non-Brokered Private Placement**"), as well as funds drawn on the Corporation's extendible revolving credit facilities (the "**Credit Facilities**").

Each Subscription Receipt entitled the holder to receive, without payment of additional consideration or further action on the part of the holder, one common share of the Corporation on December 8, 2016, the closing date of the Acquisition.

2.3 Effect on Financial Position

In connection with the Acquisition, the Corporation completed the Offering and the Non-Brokered Private Placement as disclosed under Item 2.2 – *Consideration*. In addition, in connection with the closing of the Acquisition, the Credit Facilities were amended to increase the borrowing base to $350 million from $150 million.

Except as otherwise publicly disclosed and in the ordinary course of business and other than in respect of changes that occurred as a result of the Acquisition, the Corporation does not presently have any plans or proposals for material changes in the business affairs of the Corporation or with respect to the Assets that may have a significant effect on the financial performance and financial position of the Corporation, including any proposal to liquidate the business or to sell, lease or exchange all or a substantial portion of the Assets.

Please see the pro forma operating statements attached to this Report as Schedule "B".

2.4 Prior Valuations

No valuation opinions were obtained in association with the Acquisition by Spartan and Spartan is not aware of any valuation opinions obtained within the last 12 months by the Vendor in respect of the Assets.

2.5 Parties to the Transaction

The parties to the Acquisition were Spartan and the Vendor.

No informed person, associate or affiliate of Spartan, as those terms are defined under applicable securities legislation, was a party to the Acquisition.

2.6 Date of Report

February 21, 2017.

ARTICLE 3 - FINANCIAL STATEMENTS AND OTHER INFORMATION

Operating Statements

Schedule "A" attached hereto contains: (i) an audited operating statement of the Assets for the year ended December 31, 2015 and an unaudited operating statement of the Assets for the year ended December 31, 2014; and (ii) an unaudited operating statement of the Assets for the nine months ended September 30, 2016 and September 30, 2015.

Pro Forma Operating Statements

Schedule "B" attached hereto contains unaudited pro forma operating statements of the Corporation for the year ended December 31, 2015 and for the nine months ended September 30, 2016 after giving effect to the Acquisition.

Abbreviations

Oil and Natural Gas Liquids		**Natural Gas**	
Bbl	barrel	Mcf	thousand cubic feet
Bbls	barrels	MMcf	million cubic feet
Bbls/d	barrels per day	Mcf/d	thousand cubic feet per day
Mbbls	thousand barrels		
NGLs	natural gas liquids		

Other

AECO	the natural gas storage facility located at Suffield, Alberta, connected to TransCanada's Alberta System
API	American Petroleum Institute
°API	an indication of the specific gravity of crude oil measured on the API gravity scale
BOE or boe	barrel or barrels of oil equivalent, using the conversion factor of 6 Mcf of natural gas being equivalent to one barrel of oil
boe/d	barrels of oil equivalent per day
$US	United States dollars
Mboe	thousand barrels of oil equivalent.

MMboe	million barrels of oil equivalent
RLI	reserve life index
WTI	West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma for the crude oil standard grade
M$	thousands of dollars
MM$	millions of dollars

Conversions

The following table sets forth certain conversions between Standard Imperial Units and the International System of Units (or metric units).

To Convert From	To	Multiply By
Mcf	cubic metres	28.317
cubic metres	cubic feet	35.315
Bbls	cubic metres	0.159
cubic metres	Bbls	6.289
Acres	hectares	0.405
Hectares	Acres	2.471

Barrel of Oil Equivalency

The term “boe” means a barrel of oil equivalent on the basis of 6 Mcf of natural gas to 1 Bbl of oil. The term boe may be misleading, particularly if used in isolation. A boe conversation ratio of 6 Mcf: 1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6 Mcf: 1Bbl, utilizing a conversion ratio at 6 Mcf: 1 Bbl may be misleading as an indication of value.

Certain Reserves Data Information

The discounted and undiscounted net present value of future net revenues attributable to the reserves of the Assets do not represent the fair market value of the reserves of the Assets. There is no assurance that the forecast prices and costs assumptions applied by GLJ in evaluating the reserves attributable to the Assets will be attained and variances could be material. The estimates of light and medium oil, NGLs and conventional natural gas provided in this Report or otherwise referred to in this Report are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual light and medium oil, NGLs and conventional natural gas reserves may be greater than or less than the estimates provided in this Report or otherwise referred to in this Report, and the difference may be material.

The determination of light and medium oil, NGLs and conventional natural gas reserves involves the preparation of estimates that have an inherent degree of associated risk and uncertainty. The estimation and classification of reserves is a complex process involving the application of professional judgment combined with geological and engineering knowledge to assess whether specific classification criteria have been satisfied. Knowledge of concepts including uncertainty and risk, probability and statistics, and deterministic and probabilistic estimation methods is required to properly use and apply reserves and resources definitions. In addition, rules set forth in the COGE Handbook and NI 51-101 override professional judgments as to volumes of recovery, well productivity and other factors.

The information set forth in this Report relating to the reserves and future net revenues of the Assets constitutes forward-looking statements which are subject to certain risks and uncertainties.

Unless otherwise specified, the NGLs reported by GLJ, in its capacity as the independent qualified reserves evaluator for the Assets Reserves Report, that are referred to in this Report are reported on a combined basis with any condensate as required under NI 51-101.

The estimates of reserves for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation.

Drilling Locations

This Report discloses drilling locations with respect to the Assets in three categories: (i) proved locations; (ii) probable locations; and (iii) unbooked locations. Proved locations and probable locations are derived from the Assets Reserves Report and account for drilling locations that have associated proved and/or probable reserves, as applicable. Unbooked locations are internal estimates based on Corporation's assumptions 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 404 net drilling locations identified herein, 40.2 are proved locations, 45.4 are probable locations and 318.4 are unbooked locations. Unbooked locations have been identified by management as an estimation of Corporation's multi-year drilling activities with respect to the Assets based on evaluation of applicable geologic, seismic, engineering, production and reserves information. Assuming completion of the Acquisition, there is no certainty that the Corporation 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 the Corporation 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 derisked by the drilling of existing wells by the Vendor 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.

Definitions

Certain terms used in this Report in describing reserves and other oil and natural gas information are defined below. Certain other terms and abbreviations used in this Report, but not defined or described, are defined in NI 51-101 or the COGE Handbook and, unless the context otherwise requires, shall have the same meanings herein as in NI 51-101 or the COGE Handbook.

Reserve Categories

Reserves are estimated remaining quantities of crude oil and conventional natural gas and related substances anticipated to be recoverable from known accumulations, from a given date forward, based on:

- analysis of drilling, geological, geophysical and engineering data;
- the use of established technology; and
- specified economic conditions, specifically the forecast prices and costs.

Reserves are classified according to the degree of certainty associated with the estimates.

(a) Proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

(b) Probable reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

Other criteria that must also be met for the categorization of reserves are provided in the COGE Handbook.

Each of the reserve categories (proved and probable) may be divided into developed and undeveloped categories:

(a) Developed reserves are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (for example, when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing.

(i) Developed producing reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

(ii) Developed non-producing reserves are those reserves that either have not been on production, or have previously been on production, but are shut-in, and the date of resumption of production is unknown.

(b) Undeveloped reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable) to which they are assigned.

In multi-well pools it may be appropriate to allocate total pool reserves between the developed and undeveloped categories or to subdivide the developed reserves for the pool between developed producing and developed non-producing. This allocation should be based on the estimator’s assessment as to the reserves that will be recovered from specific wells, facilities and completion intervals in the pool and their respective development and production status.

Levels of Certainty for Reported Reserves

The qualitative certainty levels referred to in the definitions above are applicable to individual reserve entities (which refers to the lowest level at which reserves calculations are performed) and to reported reserves (which refers to the highest level sum of individual entity estimates for which reserve estimates are prepared). Reported reserves should target the following levels of certainty under a specific set of economic conditions:

(a) at least a 90 percent probability that the quantities actually recovered will equal or exceed the estimated proved reserves; and

(b) at least a 50 percent probability that the quantities actually recovered will equal or exceed the estimated proved plus probable reserves.

A qualitative measure of the certainty levels pertaining to estimates prepared for the various reserves categories is desirable to provide a clearer understanding of the associated risks and uncertainties. However, the majority of reserves estimates will be prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

Additional clarification of certainty levels associated with reserves estimates and the effect of aggregation is provided in the COGE Handbook.

Interests in Reserves, Production, Wells and Properties

An issuer’s interest in reserves, production, wells and properties can be reported in a number of ways:

(a) “**gross**” means: (i) in relation to an issuer’s interest in production or reserves, its “company gross reserves”, which are its working interest (operating or non-operating) share before deduction of royalties and without including any royalty interests of the issuer; (ii) in relation to wells, the total number of wells in which an issuer has an interest; and (iii) in relation to properties, the total area of properties in which an issuer has an interest.

(b) “**net**” means: (i) in relation to an issuer’s interest in production or reserves its working interest (operating or non-operating) share after deduction of royalty obligations, plus its royalty interests in production or reserves; (ii) in relation to an issuer’s interest in wells, the number of wells obtained by aggregating the issuer’s working interest in each of its gross wells; and (iii) in relation to an issuer’s interest in a property, the total area in which the issuer has an interest multiplied by the working interest owned by the issuer.

(c) “**working interest**” means the percentage of undivided interest held by an issuer in the oil and/or natural gas or mineral lease granted by the mineral owner, Crown or freehold, which interest gives the issuer the right to “work” the property (lease) to explore for, develop, produce and market the leased substances.

Description of Exploration and Development Wells and Costs

“**development costs**” means costs incurred to obtain access to reserves and to provide facilities for extracting, treating, gathering and storing the crude oil and natural gas from the reserves. More specifically, development costs, including applicable operating costs of support equipment and facilities and other costs of development activities, are costs incurred to: (i) gain access to and prepare well locations for drilling, including surveying well locations for the purpose of determining specific development drilling sites, clearing ground, draining, road building, and relocating public roads, gas lines and power lines, to the extent necessary in developing the reserves; (ii) drill and equip development wells, development type stratigraphic test wells and service wells, including the costs of platforms and of well equipment such as casing, tubing, pumping equipment and wellhead assembly; (iii) acquire, construct and install production facilities such as flow lines, separators, treaters, heaters, manifolds, measuring devices and production storage tanks, natural gas cycling and processing plants, and central utility and waste disposal systems; and (iv) provide improved recovery systems.

“**development well**” means a well drilled inside the established limits of an oil or gas reservoir, or in close proximity to the edge of the reservoir, to the depth of a stratigraphic horizon known to be productive.

“**exploration costs**” means costs incurred in identifying areas that may warrant examination and in examining specific areas that are considered to have prospects that may contain oil and natural gas reserves, including costs of drilling exploratory wells and exploratory type stratigraphic test wells. Exploration costs may be incurred both before acquiring the related property (sometimes referred to in part as “prospecting costs”) and after acquiring the property. Exploration costs, which include applicable operating costs of support equipment and facilities and other costs of exploration activities, are: (i) costs of topographical, geochemical, geological and geophysical studies, rights of access to properties to conduct those studies, and salaries and other expenses of geologists, geophysical crews and others conducting those studies (collectively sometimes referred to as “geological and geophysical costs”); (ii) costs of carrying and retaining unproved properties, such as delay rentals, taxes (other than income and capital taxes) on properties, legal costs for title defence, and the maintenance of land and lease records; (iii) dry hole contributions and bottom hole contributions; (iv) costs of drilling and equipping exploratory wells; and (v) costs of drilling exploratory type stratigraphic test wells.

“**exploration well**” means a well that is not a development well, a service well or a stratigraphic test well.

“**service well**” means a well drilled or completed for the purpose of supporting production in an existing field. Wells in this class are drilled for the following specific purposes: gas injection (natural gas, propane, butane or flue gas), water injection, steam injection, air injection, salt water disposal, water supply for injection, observation or injection for combustion.

Special Note Regarding Forward-Looking Statements

Certain statements contained in this Report constitute forward looking statements. All forward-looking statements are based on the Corporation's belief and assumptions based on information available at the time the assumption was made. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward looking statements. By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward looking statements. The Corporation believes the expectations reflected in those forward looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this Report should not be unduly relied upon.

In particular, this Report contains forward-looking statements pertaining to, but not limited to, the following:

- the impact of the Acquisition on the Corporation's operations, reserves, inventory and opportunities, financial condition, access to capital and overall strategy;
- the drilling locations associated with the Assets;
- capacity of infrastructure;
- reserve life indexes;
- the performance characteristics of the oil and natural gas properties comprising part of the Assets;
- the estimated quantity of the oil and gas reserves associated with the Assets and anticipated future cash flows from such reserves;
- the amount of closing adjustments to the purchase price of the Assets;
- the source of funding for the Corporation's activities including development costs;
- projections of commodity prices and costs;
- supply and demand for oil and natural gas;
- treatment under governmental regulatory regimes and tax laws;
- expected production rates;
- fluctuations in depletion, depreciation, and accretion rates; and
- expected changes in regulatory regimes in respect of royalty curves and regulatory improvements and the effects of such changes.

The actual results could differ materially from those anticipated in these forward looking statements as a result of the material risk factors set forth below:

- failure to realize the anticipated benefits of acquisitions, including the Acquisition;
- unforeseen difficulties in integrating assets (including the Assets) acquired through acquisitions into the Corporation's operations;
- volatility in market prices for oil and natural gas;
- operational risks and liabilities inherent in oil and natural gas operations;
- uncertainties associated with estimating oil and natural gas reserves;
- changes in royalty regimes;
- competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel;

- incorrect assessments of the value of benefits to be obtained from acquisitions and exploration and development programs (including the Acquisition);
- geological, technical, drilling and processing problems;
- fluctuations in foreign exchange or interest rates and stock market volatility;
- general business and market conditions;
- the accuracy of oil and gas reserves estimates and estimated production levels as they are affected by exploration and development drilling and estimated decline rates;
- the uncertainties in regard to the timing of Spartan's exploration and development program;
- fluctuations in the costs of borrowing;
- political or economic developments;
- ability to obtain regulatory approvals;
- the results of litigation or regulatory proceedings that may be brought against the Corporation; and
- changes in income tax laws or changes in tax laws and incentive programs relating to the oil and gas industry.

In addition, statements relating to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the reserves described can be profitably produced in the future.

With respect to forward-looking statements contained in this Report, the Corporation has made assumptions regarding, among other things: that commodity prices will be consistent with the current forecasts of its engineers; field netbacks; average production rates; costs to drill, complete and tie-in wells; ultimate recovery of reserves; royalty regimes will not be subject to material modification; that the Corporation will be able to obtain skilled labour and other industry services at reasonable rates; that the timing and amount of capital expenditures and the benefits therefrom will be consistent with the Corporation's expectations; the impact of increasing competition; that the conditions in general economic and financial markets will not vary materially; that the Corporation will be able to access capital, including debt, on acceptable terms; that drilling, completion and other equipment will be available on acceptable terms; that government regulations and laws will not change materially; that royalty rates will not change in any material respect; and that future operating costs will be consistent with the Corporation's expectations.

The Corporation has included the above summary of assumptions and risks related to forward-looking statements provided in this Report in order to provide investors with a more complete perspective on the Corporation's current and future operations and such information may not be appropriate for other purposes. The reader is cautioned that such assumptions, although considered reasonable by the Corporation at the time of preparation, may prove to be incorrect.

These factors should not be construed as exhaustive. The forward-looking statement disclosure contained in this Report is expressly qualified by this cautionary statement. These forward-looking statements are made as of the date of this Report. Unless required by law, the Corporation does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

SCHEDULE “A”
OPERATING STATEMENTS

November 22, 2016

Independent Auditor's Report

To the Directors of Spartan Energy Corp.

We have audited the accompanying operating statement containing oil, natural gas and natural gas liquid sales, royalties, operating and transportation costs and operating income for certain oil and gas assets located in the Southeastern Saskatchewan area (the "Saskatchewan Properties") for the year ended December 31, 2015, and the related notes, which comprise a summary of significant accounting policies and other explanatory information (together the "Operating Statement").

Management's responsibility for the operating statement

Management of Spartan Energy Corp. is responsible for the preparation of the Operating Statement of the Saskatchewan Properties in accordance with the financial reporting framework specified in subsection 3.11(5) of National Instrument 52-107, Acceptable Accounting Principles and Auditing Standards, for operating statements of an acquired oil and gas property, and for such internal control as management determines is necessary to enable the preparation of the operating statement that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the Operating Statement based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Operating Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the operating statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the operating statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the Operating Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the operating statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers LLP
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T: +1 403 509 7500, F: +1 403 781 1825

Opinion
In our opinion, the Operating Statement of the Saskatchewan Properties for the year ended December 31, 2015 is prepared in all material respects in accordance with the financial reporting framework specified in subsection 3.11(5) of National Instrument 52-107, Acceptable Accounting Principles and Auditing Standards, for operating statements of an acquired oil and gas property.

Other matter
The Operating Statement of the Saskatchewan Properties for the year ended December 31, 2014 and for the nine–month periods ended September 30, 2016 and September 30, 2015 are unaudited.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Operating Statements for certain oil and gas assets located in Southeast Saskatchewan (the "Assets")

Containing Schedules of Revenues, Royalties and Operating Expenses
($000s)

	For the year ended December 31, 2015 (audited)	For the year ended December 31, 2014 (unaudited)
Revenue		
Oil, Natural Gas and Natural Gas Liquid Sales	153,823	283,162
Royalties	(25,339)	(52,297)
Revenues	128,484	230,865
Operating and Transportation expenses	54,363	58,012
Operating Income	74,121	172,853

	For the nine months ended September 30, 2016 (unaudited)	For the nine months ended September 30, 2015 (unaudited)
Revenue		
Oil, Natural Gas and Natural Gas Liquid Sales	94,345	118,621
Royalties	(15,831)	(19,491)
Revenues	78,514	99,130
Operating and Transportation expenses	36,824	42,066
Operating Income	41,690	57,064

The accompanying notes are an integral part of these statements.

Notes to Operating Statements Containing Schedules of Revenues, Royalties and Operating and Transportation Expenses (Canadian dollars)

For the years ended December 31, 2015 and 2014 and nine months ended September 30, 2016 and 2015

1. Basis of Presentation

The Operating Statements containing schedules of Revenues, Royalties and Operating and Transportation Expenses (the "Operating Statements") include the operating results relating to the operations of certain oil and natural gas properties in southeast Saskatchewan (the "Assets") expected to be acquired by Spartan Energy Corp. ("Spartan") pursuant to a purchase and sale agreement dated November 17, 2016. The line items in the Operating Statements have been prepared in all material respects using accounting policies that are permitted by International Financial Reporting Standards applicable to publicly accountable enterprises, with such accounting policies applying to those line items as if such line items were presented as part of a complete set of financial statements. This operating statement is prepared in accordance with the financial reporting framework specified in subsection 3.11(5) of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards for an operating statement. Accordingly, the Operating Statements include the following line items: oil, natural gas and natural gas liquid sales, royalties and operating and transportation expenses related to the Assets and do not include any provision for depletion and depreciation, asset retirement obligations, capital costs, impairment of properties, general and administrative expenses or income taxes as these amounts are based on the operations of the Operator of which the Assets form only a part.

2. Summary of Significant Accounting Policies

Revenue Recognition

Revenue associated with sales of crude oil, natural gas and natural gas liquids is recognized upon transfer of title, which is when the risk of ownership passes to the purchaser and physical delivery occurs, and when collectability of the revenue is probable.

Royalties

Royalties are recorded at the time the product is produced and sold. Royalties are calculated in accordance with the applicable provincial regulations and/or the terms of individual royalty agreements.

Operating and Transportation Expenses

Operating and transportation expenses include amounts incurred on extraction of the product to the surface, field storage, operating and maintaining wells and related equipment and facilities. Operating and transportation expenses relating to equipment, facilities and material furnished by the operator are recorded at cost. Operating and transportation expenses also include field labour, insurance, maintenance, repairs, property taxes, utilities, supplies and allocated overhead on certain wells in accordance with the joint operating agreement.

Joint Interest Operations

The Operating Statements only reflect the proportionate interest expected to be acquired by Spartan for those properties operated through joint operations.

SCHEDULE “B”
***PRO FORMA* OPERATING STATEMENTS**

Pro Forma Operating Statement for the Nine Months Ended September 30, 2016
(unaudited - in thousands of Canadian dollars)

	Spartan Energy Corp.	**Assets**	**Pro Forma**
Revenue			
Oil, Natural Gas and Natural Gas Liquid Sales	114,745	94,345	209,090
Royalties	(17,205)	(15,831)	(33,036)
Revenues	97,540	78,514	176,054
Operating and Transportation expenses	46,274	36,824	83,098
Operating Income	51,266	41,690	92,956

Pro Forma Operating Statement for the Year Ended December 31, 2015
(unaudited - in thousands of Canadian dollars)

	Spartan Energy Corp.	**Assets**	**Pro Forma**
Revenue			
Oil, Natural Gas and Natural Gas Liquid Sales	154,686	153,823	308,509
Royalties	(23,919)	(25,339)	(49,258)
Revenues	130,767	128,484	259,251
Operating and Transportation expenses	55,742	54,363	110,105
Operating Income	75,025	74,121	149,146

The accompanying notes are an integral part of these pro forma statements.

Notes to the Pro Forma Operating Statements (Canadian Dollars)

1. Basis of Presentation

On November 17, 2016, Spartan Energy Corp. ("Spartan") entered into a definitive purchase and sale agreement with the vendor to acquire certain petroleum and natural gas properties principally situated in southeast Saskatchewan. The acquisition is scheduled to close on December 8, 2016.

The pro forma operating statements containing schedules of revenues, royalties and operating and transportation expenses include the operating results relating to the operations of certain oil and natural gas properties in southeast Saskatchewan (the "Assets") expected to be acquired by Spartan. The unaudited pro forma operating statements have been prepared from information derived from the following:

- The audited financial statements of Spartan for the year ended December 31, 2015;
- The audited operating statements of the Assets for the year ended December 31, 2015
- The unaudited financial statements of Spartan for the nine months ended September 30, 2016;
- The unaudited operating statements of the Assets for the nine months ended September 30, 2016.

The unaudited pro forma operating statements have been prepared in all respects using accounting policies that are permitted by International Financial Reporting Standards ("IFRS") applicable to publicly accountable enterprises, with such accounting policies applying to those line items as if such line items were presented as part of a complete set of financial statements. This operating statement is prepared in accordance with the financial reporting framework specified in subsection 3.11(5) of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards for an operating statement.

Accordingly, the unaudited pro forma operating statements do not include any provisions for depletion and depreciation, accretion of decommissioning obligations, capital costs, impairment of properties, general and administrative expenses or income taxes as these amounts are based on the consolidated operations of Spartan.

The unaudited pro forma operating statements give effect to the transaction as if it occurred on January 1, 2015. The unaudited pro forma operating statements may not be indicative of the results that actually would have occurred if the events reflected therein had been in effect on the dates indicated or of the results which may be obtained in the future.

These unaudited pro forma operating statements have been prepared by management in accordance with the principles of International Financial Reporting Standards ("IFRS") issued and outstanding as of November 23, 2016, the date these pro forma operating statements were compiled.

2. Significant Accounting Policies

Revenue Recognition

Revenue associated with sales of crude oil, natural gas and natural gas liquids is recognized upon transfer of title, which is when the risk of ownership passes to the purchaser and physical delivery occurs, and when collectability of the revenue is probable.

Royalties

Royalties are recorded at the time the product is produced and sold. Royalties are calculated in accordance with the applicable provincial regulations and/or the terms of individual royalty agreements.

Operating and Transportation Expenses

Operating and transportation expenses include amounts incurred on extraction of the product to the surface, field storage, operating and maintaining wells and related equipment and facilities. Operating and transportation expenses relating to equipment, facilities and material furnished by the operator are recorded at cost. Operating and transportation expenses also include field labour, insurance, maintenance, repairs, property taxes, utilities, supplies and allocated overhead on certain wells in accordance with the joint operating agreement.

Joint Interest Operations

The Operating Statements only reflect the proportionate interest expected to be acquired by Spartan for those properties operated through joint operations.