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SPARTAN ENERGY CORP. ANNOUNCES FIRST QUARTER FINANCIAL AND OPERATING RESULTS

CALGARY, ALBERTA (May 10, 2018) – Spartan Energy Corp. ("Spartan" or the "Company") (TSX: SPE) is pleased to report its financial and operating results for the three months ended March 31, 2018. Selected financial and operational information is set out below and should be read in conjunction with Spartan's March 31, 2018 interim consolidated financial statements and the related management's discussion and analysis, which are available for review at www.sedar.com or on the Company's website at www.spartanenergy.ca.

FIRST QUARTER FINANCIAL AND OPERATIONAL HIGHLIGHTS

Spartan's highlights for the first quarter include:

- Achieved average production of 22,736 boe/d, comprised of 91% oil and liquids, representing an increase of 6% (5% per share) over the first quarter of 2017.
- Generated adjusted funds flow from operations of $65.7 million ($0.37 per basic and $0.35 per diluted share), representing an increase of 34% (32% per share) over the first quarter of 2017.
- Delivered excess funds flow (funds flow from operations less capital expenditures exclusive of acquisitions, land and seismic) in the quarter of approximately $12.2 million.
- Drilled 52 (39.6 net) development wells and brought 50 (40.9 net) wells on production in the quarter, with 6 (2.4 net) wells remaining to be brought on production at the end of the quarter.
- Applied a portion of our excess funds flow to long term value creation, investing a total of $10.8 million to advance our Oungre waterflood project, acquire additional land and seismic and complete a tuck-in acquisition of a long life, low decline light oil asset.
- Continued our focus on cost reduction, delivering production expenses of $16.82 per boe (a decrease of 4% from the Q1 2017) and net general and administrative expenses of $0.43 per boe (a 60% decrease from Q1 2017).
- Maintained our balance sheet strength, with net debt (exclusive of finance lease obligations) at the end of the quarter of approximately $199 million, down from $215 million at the end of the first quarter of 2017 and representing only 0.7x annualized first quarter adjusted funds flow from operations. Available liquidity and the end of the first quarter was $151 million.

FINANCIAL RESULTS

(Cdn$000s except per boe and per share amounts)	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
Average daily production (boe/d)	22,736	21,455
Net realized oil and gas sales price (excluding derivatives) ($/boe)	60.49	53.82
Production costs ($/boe)(1)	16.82	17.56
Royalties ($/boe)(2)	9.97	8.42
Operating netback ($/boe)(3)	33.70	27.84
Net general and administrative expenses ($/boe)	0.43	1.07
Interest expense ($/boe)	1.17	1.38
Adjusted funds flow from operations(3)(4)	65,685	49,023
per share – basic(7)	0.37	0.28
per share – diluted(7)	0.35	0.27
Net income (loss)	(133,749)	244
per share – basic(7)	(0.76)	0.00
per share – diluted(7)	(0.76)	0.00
Total development capital expenditures(3)(5)	53,516	42,335
Total capital expenditures(5)	64,293	49,892
Net debt(3)	224,421	245,386
Net debt exclusive of finance lease obligations(3)	199,021	215,290
Bank Facility	350,000	350,000
Weighted average shares outstanding		
basic(7)	176,620,663	175,302,938
diluted(7)	185,050,997	183,721,370

Notes:

(1) Including transportation costs.
(2) Royalties include Saskatchewan resource surcharge.
(3) Adjusted funds flow from operations, operating netback, net debt and net debt excluding finance lease obligations are non-IFRS measures. See "Non-IFRS Measures".
(4) Excluding transaction costs.
(5) Total development capital expenditures calculated as total capital expenditures less land, seismic, waterflood capital and acquisitions.
(6) Includes acquisitions.
(7) Prior period numbers restated on a 3 for 1 basis to reflect share consolidation that occurred on June 20, 2017.

OPERATIONAL UPDATE

Spartan remained active in the field in the first quarter of 2017, drilling 52 (39.6 net) development wells in the quarter. We brought 50 (40.9 net) wells on production in the quarter, including 4 (3.6 net) wells that were drilled in the fourth quarter of 2017, and had 6 (2.4 net) wells that were drilled but not yet on production at the end of the quarter. Our southeast Saskatchewan drilling program consisted of 27 (20.1 net) open-hole Mississippian wells, 10 (8.3 net) frac Midale wells and 12 (8.7 net) open-hole Ratcliffe wells. In addition, we drilled 3 (2.5 net) Detrital wells on our Alberta properties. Spring break-up conditions have been relatively mild in southeast Saskatchewan to date and Spartan anticipates resuming drilling ahead of schedule in mid to late May.

Spartan has consistently demonstrated an ability to deliver production per share growth while spending less than cash flow. This continued in the first quarter of 2018, as we generated adjusted funds flow from operations of $65.7 million on development capital spending of $53.5 million. Consistent with our business plan, we applied a portion of our excess funds flow toward projects designed to generate additional long term shareholder value. We invested $4.7 million in waterflood projects, primarily related to the commencement of water injection at our Oungre unit waterflood project. We also spent $2.1 million to acquire additional land and seismic and completed a small acquisition of long life light oil assets for consideration fo $4.0 million.

BUSINESS COMBINATION WITH VERMILION ENERGY INC.

As previously announced, Spartan entered into an arrangement agreement with Vermilion Energy Inc. (“Vermilion”) on April 16, 2018 providing for a business combination between Spartan and Vermilion (the “Arrangement”). Pursuant to the Arrangement, Spartan shareholders will receive 0.1476 of a Vermilion share for each of their Spartan shares. The special shareholder meeting to vote upon the Arrangement will be held on May 25, 2018 at the offices of McCarthy Tétrault LLP, Suite 4000, 421 7th Avenue S.W., Calgary, Alberta, T2P 4K9, at 9:00 a.m. (Calgary time). All Shareholders entitled to vote are encouraged to vote in person or by proxy at the meeting. Assuming receipt of shareholder approval and the satisfaction of all other conditions to the Arrangement, Spartan expects the Arrangement to be completed on May 28, 2018.

FURTHER INFORMATION

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READER ADVISORY

BOE Disclosure. *The term barrels of oil equivalent ("BOE") may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet per barrel (6mcf/bbl) of natural gas to barrels of oil equivalence is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. All BOE conversions in the report are derived from converting gas to oil in the ratio mix of six thousand cubic feet of gas to one barrel of oil.*

Forward Looking Statements. *This press release contains forward-looking statements within the meaning of applicable securities laws. More particularly and without limitation, this press release contains forward-looking statements regarding the proposed acquisition of Spartan by Vermilion pursuant to a plan or arrangement, the* *mailing of the information circular regarding the Arrangement, the date of the Meeting and the completion of the Arrangement. All statements, other than statements of historical facts, that address activities that Spartan assumes, anticipates, plans, expects, believes, projects, aims, estimates or anticipates (and other similar expressions) will, should or may occur in the future are forward-looking statements. All of the forward-looking statements in this release are qualified by the assumptions that are stated or inherent in such forward-looking statements. Although Spartan believes these assumptions are reasonable, they are not exhaustive of the factors that may affect any of the forward-looking statements and the reader should not place undue reliance on these assumptions and such forward-looking statements. The key assumptions that have been made in connection with the forward-looking statements include: that the business of the Meeting concludes as anticipated; the timing and receipt of the necessary shareholder, regulatory, court and other approvals; and the timely satisfaction of all other conditions to the closing of the Arrangement. Spartan believes the material factors, expectations and assumptions reflected in the forward-looking statements are reasonable, but no assurance can be given that these factors, expectations and assumptions will prove to be correct.*

The forward-looking statements provided in this press release are based on management's current belief, based on currently available information, as to the outcome and timing of future events. Spartan cautions that its intention to proceed with the Arrangement and other forward-looking statements relating to Spartan are subject to all of the risks and uncertainties normally incident to such endeavors. These risks relating to Spartan include, but are not limited to, that the Arrangement is not completed on the announced terms or at all. Furthermore, the forward-looking statements contained herein are made as at the date hereof and Spartan does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect Spartan's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com) or the Company's website (www.spartanenergy.ca).

Non-IFRS Measures

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

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

	For the three months ended March 31,		
($ thousands)	*2018*	*2017*	*% change*
Adjusted funds flow from operations	*65,685*	*49,023*	*34*
Transaction costs	*(142)*	*(167)*	*(15)*
Changes in non-cash working capital	*(1,314)*	*(3,576)*	*(63)*
Cash flow from operating activities	*64,229*	*45,280*	*(42)*

The following table reconciles adjusted funds flow from operations (a non-IFRS measure) to excess adjusted funds flow from operations (a non-IFRS measure):

	For the three months ended March 31,		
($ thousands)	*2018*	*2017*	*% change*
Adjusted funds flow from operations	*65,685*	*49,023*	*34*
Total development capital expenditures	*(53,516)*	*(42,335)*	*26*
Excess adjusted funds flow from operations	*12,169*	*6,688*	*82*

Total development capital expenditures is calculated as total capital expenditures less land and seismic, waterflood capital and acquisitions.

The following table reconciles total development capital expenditures (a non-IFRS measure) to total capital expenditures, which is the most directly comparable measure calculated in accordance with IFRS:

	For the three months ended March 31,		
($ thousands)	*2018*	*2017*	*% change*
Total development capital expenditures	*53,516*	*42,335*	*26*
Land and seismic	*2,082*	*1,099*	*89*
Waterflood capital	*4,680*	*-*	*n/a*
Acquisitions	*4,015*	*6,458*	*(38)*
Total capital expenditures	*64,293*	*49,892*	*29*

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

($ thousands)	*March 31, 2018*	*December 31, 2017*
Net debt	*224,421*	*226,034*
Trade and other liabilities	*(89,101)*	*(69,943)*
Finance lease obligations	*(25,401)*	*(26,830)*
Current assets	*58,646*	*51,407*
Bank debt	*168,565*	*180,668*

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

($ thousands)	*March 31, 2018*	*December 31, 2017*
Net debt	*224,421*	*226,034*
Finance lease obligations	*(25,401)*	*(26,830)*
Net debt excluding finance lease obligations	*199,020*	*199,204*

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