SPARTAN DELTA CORP.

MANAGEMENT'S DISCUSSION & ANALYSIS

AS AT AND FOR THE THREE AND NINE MONTHS ENDED

SEPTEMBER 30, 2024 AND 2023

FINANCIAL AND OPERATING HIGHLIGHTS

(CA$ thousands, unless otherwise indicated)	Three months ended September 30 2024	2023	%	Nine months ended September 30 2024	2023	%
FINANCIAL HIGHLIGHTS						
Oil and gas sales	**60,551**	81,878	(26)	**218,150**	566,937	(62)
Net income and comprehensive income	**3,528**	9,005	(61)	**29,094**	552,523	(95)
$ per share, basic (1)	**0.02**	0.05	(60)	**0.17**	3.21	(95)
$ per share, diluted (1)	**0.02**	0.05	(60)	**0.17**	3.19	(95)
Cash provided by operating activities	**35,025**	63,180	(45)	**127,850**	424,380	(70)
Adjusted Funds Flow (2)	**31,300**	63,875	(51)	**114,150**	369,451	(69)
$ per share, basic (1)(2)	**0.18**	0.37	(51)	**0.66**	2.14	(69)
$ per share, diluted (1)(2)	**0.18**	0.37	(51)	**0.64**	2.12	(70)
Free Funds Flow (2)	**(23,238)**	36,380	(164)	**(7,977)**	106,330	(108)
Cash used in (provided by) investing activities	**27,984**	42,501	(34)	**180,497**	(1,393,387)	(113)
Capital Expenditures before A&D (2)	**54,538**	27,495	98	**122,127**	263,121	(54)
Adjusted Net Capital A&D (2)	**4,358**	837	421	**76,826**	(1,702,858)	(105)
Total assets	**921,710**	862,245	7	**921,710**	862,245	7
Debt	**104,130**	148,197	(30)	**104,130**	148,197	(30)
Net Debt (2)	**159,223**	64,513	147	**159,223**	64,513	147
Shareholders' equity	**464,366**	318,328	46	**464,366**	318,328	46
Common shares outstanding, end of period (000s) (1)	**173,603**	173,201	-	**173,603**	173,201	-
OPERATING HIGHLIGHTS						
Average daily production						
Crude oil (bbls/d)	**1,140**	478	138	**961**	7,614	(87)
Condensate (bbls/d) (3)	**1,799**	1,653	9	**2,035**	2,300	(12)
NGLs (bbls/d) (3)	**8,989**	8,670	4	**9,171**	10,994	(17)
Natural gas (mcf/d)	**150,553**	160,301	(6)	**155,249**	224,992	(31)
BOE/d	**37,020**	37,518	(1)	**38,042**	58,407	(35)
Average realized prices, before financial instruments						
Crude oil ($/bbl)	**96.64**	115.85	(17)	**97.37**	100.18	(3)
Condensate ($/bbl) (3)	**96.64**	102.52	(6)	**97.76**	100.82	(3)
NGLs ($/bbl) (3)	**28.92**	30.21	(4)	**29.99**	34.78	(14)
Natural gas ($/mcf)	**0.76**	2.52	(70)	**1.47**	3.11	(53)
Combined average ($/BOE)	**17.78**	23.72	(25)	**20.93**	35.56	(41)
Operating Netbacks ($/BOE) (2)						
Oil and gas sales	**17.78**	23.72	(25)	**20.93**	35.56	(41)
Processing and other revenue	**0.35**	0.48	(27)	**0.44**	0.47	(6)
Royalties	**(2.33)**	(3.02)	(23)	**(2.84)**	(3.70)	(23)
Operating expenses	**(5.88)**	(5.39)	9	**(5.97)**	(7.46)	(20)
Transportation expenses	**(1.50)**	(1.71)	(12)	**(1.53)**	(2.50)	(39)
Operating Netback, before hedging ($/BOE) (2)	**8.42**	14.08	(40)	**11.03**	22.37	(51)
Operating Netback, after hedging ($/BOE) (2)	**12.22**	23.10	(47)	**13.18**	25.47	(48)
Adjusted Funds Flow Netback ($/BOE) (2)	**9.19**	18.51	(50)	**10.95**	23.17	(53)

(1) Refer to "Share Capital" section of this MD&A.

(2) "Adjusted Funds Flow", "Free Funds Flow", "Capital Expenditures before A&D", "Adjusted Net Capital A&D", "Net Debt" and "Operating Netbacks" do not have standardized meanings under IFRS Accounting Standards, refer to "Non-GAAP Measures and Ratios" section of this MD&A.

(3) Condensate is a natural gas liquid as defined by NI 51-101. See "Other Measurements".

INTRODUCTION

Spartan Delta Corp. ("Spartan" or the "Company") was incorporated under the *Business Corporations Act* (Alberta) on March 20, 2006. The Company is engaged in exploration, development and production of crude oil and natural gas properties in western Canada. Common shares of Spartan are listed on the Toronto Stock Exchange ("TSX") and trade under the symbol "SDE". The Company's head office is located at 1600, 308 – 4th Avenue S.W., Calgary, Alberta T2P 0H7. The registered office is located at 4200 Bankers Hall West, 888 – 3rd Street S.W., Calgary, Alberta T2P 5C5.

The following Management's Discussion and Analysis ("**MD&A**") has been prepared by management as of November 5, 2024, in accordance with the requirements of National Instrument 51-102 - *Continuous Disclosure Requirements* ("**NI 51-102**"). This MD&A should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements and related notes as at and for the three and nine months ended September 30, 2024 (the **"Interim Financial Statements"**) and the audited consolidated annual financial statements and related notes for the years ended December 31, 2023 and 2022 (the "**Annual Financial Statements**"). The information provided in this MD&A is not intended to be a comprehensive review of all matters and developments concerning the Company and is not a substitute for detailed investigation or analysis on any particular issue. Additional information relevant to the Company's activities, including Spartan's Annual Information Form for the year ended December 31, 2023 (the "**AIF**"), can be found on SEDAR+ at www.sedarplus.ca and the Company's website at www.spartandeltacorp.com.

Background on 2023 Corporate Transactions

On March 28, 2023, Spartan announced a definitive purchase and sale agreement (the "**Agreement**") with Veren Inc. (formerly Crescent Point Energy Corp., now "Veren"), providing for the sale of the Company's Gold Creek and Karr Montney assets and associated liabilities for cash consideration of $1.7 billion, subject to customary adjustments as provided for in the Agreement (the "**Asset Sale**"). The Asset Sale closed on May 10, 2023, with an effective date of May 1, 2023.

Concurrent with the Asset Sale, Spartan also announced a spin-out transaction (the "**Spin-Out**") of certain assets and associated liabilities (the "**Logan Assets**") predominantly in the Pouce Coupe, Simonette and Flatrock areas to a wholly owned subsidiary, Logan Energy Corp. ("**Logan**"). The Logan Assets were transferred and conveyed to Logan from Spartan in consideration for one (1) common share of Logan (each, a "**Logan Share**") and (1) purchase warrant of Logan per common share of Spartan ("**Spartan Share**") and were subsequently distributed to eligible Spartan shareholders on July 6, 2023. On this date, Logan ceased to be a wholly-owned subsidiary. The purchase warrants distributed to Spartan shareholders entitled the holder to purchase one (1) Logan Share at an exercise price of $0.35 at any time on or before the close of business on August 14, 2023 (the "**Transaction Warrants**").

In aggregate with the Asset Sale and the Spin-Out (together, the "**2023 Transactions**"), the Company distributed $9.50 per Spartan Share from the proceeds of the Asset Sale, one Logan Share per Spartan Share, and one Transaction Warrant per Spartan Share (the "**Distribution**") to eligible Spartan shareholders.

In connection with the closing of the Asset Sale, the Company amended its Credit Facility (defined herein) pursuant to which the authorized borrowing amount was reduced to $250.0 million. The Company also amended its Term Facility and agreed with the lender to an early repayment on December 29, 2023 of the outstanding Term Facility. Spartan paid $163.5 million to the lender inclusive of the principal amount owing, all accrued and unpaid interest and fees, the applicable make-whole premium and all other obligations owing to such lender under the Term Facility. The make-whole premium was equal to (i) all future interest payments and (ii) all payments of annual review fees, that would otherwise have been paid had the Term Facility matured on August 31, 2024.

Contemporaneous with the Asset Sale and Spin-Out, the Spartan Board approved the accelerated vesting of all outstanding restricted share awards ("**RSAs**") and outstanding options, conditional upon the closing of the Asset Sale. The Board also announced its intention to cash settle all RSAs granted under the share award incentive plan. As a result, all RSAs as at May 10, 2023 became cash-settled awards and were fully repaid as of December 31, 2023. All subsequent RSA issuances are intended to be equity-settled.

Unless otherwise noted, the financial information in this MD&A has been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") up to November 5, 2024. This MD&A contains forward-looking statements, non-GAAP measures and other non-financial measures. Readers are cautioned that the MD&A should be read in conjunction with the Company's disclosures under the headings "Non-GAAP Measures and Ratios", "Other Measurements", "Risk and Uncertainties" and "Forward-Looking Statements" included in this MD&A. All dollar amounts are quoted in thousands of Canadian dollars (CA$), the reporting and functional currency of the Company, unless otherwise indicated.

NON-GAAP MEASURES AND RATIOS

This MD&A contains certain financial measures and ratios, as described below, which do not have standardized meanings prescribed by IFRS Accounting Standards or GAAP. As these non-GAAP financial measures and ratios 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 financial measures and ratios used in this MD&A, represented by the bolded, 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 Accounting Standards.

Operating Income and Operating Netback

Operating Income, a non-GAAP financial measure, is a useful supplemental measure that provides an indication of the Company's ability to generate cash from field operations, prior to administrative overhead, financing and other business expenses. "**Operating Income, before hedging**" is calculated by Spartan as oil and gas sales, net of royalties, plus processing and other revenue, less operating and transportation expenses. "**Operating Income, after hedging**" is calculated by adjusting Operating Income for realized gains or losses on derivative financial instruments including settlements on acquired derivative financial instrument liabilities (together a non-GAAP financial measure "**Settlements on Commodity Derivative Contracts**"). The Company refers to Operating Income expressed per unit of production as an "**Operating Netback**" and reports the Operating Netback before and after hedging, both of which are non-GAAP financial ratios. Spartan considers Operating Netback an important measure to evaluate its operational performance as it demonstrates its field level profitability relative to current commodity prices.

The components of Spartan's Operating Income and Operating Netbacks are outlined below:

	Three months ended September 30			Nine months ended September 30		
(CA$ thousands, unless otherwise indicated)	**2024**	2023	%	**2024**	2023	%
Oil and gas sales	**60,551**	81,878	(26)	**218,150**	566,937	(62)
Processing and other revenue	**1,190**	1,647	(28)	**4,568**	7,531	(39)
Royalties	**(7,942)**	(10,425)	(24)	**(29,641)**	(58,997)	(50)
Operating expenses	**(20,009)**	(18,601)	8	**(62,209)**	(119,015)	(48)
Transportation expenses	**(5,113)**	(5,886)	(13)	**(15,905)**	(39,840)	(60)
Operating Income, before hedging	**28,677**	48,613	(41)	**114,963**	356,616	(68)
Settlements on Commodity Derivative Contracts	**12,936**	31,111	(58)	**22,372**	49,581	(55)
Operating Income, after hedging	**41,613**	79,724	(48)	**137,335**	406,197	(66)
Production (BOE)	**3,405,798**	3,451,539	(1)	**10,423,412**	15,944,984	(35)
Operating Netback, before hedging ($/BOE)	**8.42**	14.08	(40)	**11.03**	22.37	(51)
Operating Netback, after hedging ($/BOE)	**12.22**	23.10	(47)	**13.18**	25.47	(48)

A reconciliation of Settlements on Commodity Derivative Contracts to the realized gain (loss) and settlements of acquired liabilities is provided under the heading "Results of Operations – Commodity Price Risk Management" in this MD&A.

Funds from Operations, Adjusted Funds Flow and Free Funds Flow

"**Funds from Operations**" is calculated by Spartan as cash provided by operating activities before changes in non-cash working capital. Spartan believes Funds from Operations provides useful information to understand the cash flows generated by the Company's operations during the current production period excluding the impact of timing of payments and cash receipts.

"**Adjusted Funds Flow**" is calculated by Spartan by adding back transaction costs on acquisitions and dispositions and deducting lease payments from Funds from Operations. Spartan utilizes Adjusted Funds Flow as a key performance measure in the Company's annual financial forecasts and public guidance. Transaction costs, which primarily include legal and financial advisory fees, regulatory and other expenses directly attributable to execution of acquisitions or dispositions, are added back because the Company's definition of Free Funds Flow excludes capital expenditures related to acquisitions and dispositions ("**A&D**"). For greater clarity, incremental overhead expenses related to ongoing integration and restructuring post-acquisition are not adjusted and are included in Spartan's general and administrative expenses. Spartan does not include lease liabilities in its definition of Net Debt (defined herein) therefore lease payments are deducted in the period incurred to determine Adjusted Funds Flow. The Company refers to Adjusted Funds Flow expressed per unit of production as an "**Adjusted Funds Flow Netback**".

"**Free Funds Flow**" is calculated by Spartan as Adjusted Funds Flow less Capital Expenditures before A&D (defined herein), which is also a non-GAAP financial measure. Spartan believes Free Funds Flow provides an indication of the amount of funds the Company has available for future capital allocation decisions such as to repay long-term debt, reinvest in the business or return capital to shareholders.

The following table reconciles cash provided by operating activities, as determined in accordance with IFRS Accounting Standards, to Funds from Operations, Adjusted Funds Flow and Free Funds Flow:

	Three months ended September 30			Nine months ended September 30		
(CA$ thousands)	**2024**	2023	%	**2024**	2023	%
Cash provided by operating activities	**35,025**	63,180	(45)	**127,850**	424,380	(70)
Change in non-cash operating working capital	**(1,335)**	3,097	(143)	**(6,638)**	(66,433)	(90)
Funds from Operations	**33,690**	66,277	(49)	**121,212**	357,947	(66)
Add back: transaction costs	**-**	-	-	**-**	18,804	(100)
Deduct: lease payments	**(2,390)**	(2,402)	-	**(7,062)**	(7,300)	(3)
Adjusted Funds Flow	**31,300**	63,875	(51)	**114,150**	369,451	(69)
Deduct: Capital Expenditures before A&D (1)	**(54,538)**	(27,495)	98	**(122,127)**	(263,121)	(54)
Free Funds Flow	**(23,238)**	36,380	(164)	**(7,977)**	106,330	(108)

(1) Includes capital expenditures on exploration and evaluation assets and property, plant and equipment, see also "Capital Expenditures".

Adjusted Funds Flow per share ("**AFF per share**")

AFF per share is a non-GAAP financial ratio used by Spartan as a key performance indicator. AFF per share is calculated using the same methodology as net income per share ("**EPS**"), however the diluted weighted average common shares ("**WA Shares**") outstanding for AFF may differ from the diluted weighted average determined in accordance with IFRS Accounting Standards for purposes of calculating EPS, due to non-cash items that impact net income only. The dilutive impact of stock options and share awards is more dilutive to AFF than EPS because the number of shares deemed to be repurchased under the treasury stock method is not adjusted for unrecognized share-based compensation expense as it is non-cash (see also, "Share Capital").

The table below outlines the calculation of AFF per share:

	Three months ended September 30			Nine months ended September 30		
(CA$ thousands, except for share amounts)	**2024**	2023	%	**2024**	2023	%
Adjusted Funds Flow	**31,300**	63,875	(51)	**114,150**	369,451	(69)
WA Shares outstanding (000s) – basic	**173,415**	173,201	-	**173,273**	172,302	1
WA Shares outstanding (000s) – diluted AFF	**177,193**	174,301	2	**177,003**	174,423	1
AFF per share						
Basic ($ per common share)	**0.18**	0.37	(51)	**0.66**	2.14	(69)
Diluted ($ per common share)	**0.18**	0.37	(51)	**0.64**	2.12	(70)

Net Debt and Adjusted Working Capital

Throughout this MD&A, references to "**Net Debt**" includes current and long-term debt, net of Adjusted Working Capital. Net Debt and Adjusted Working Capital are both non-GAAP financial measures. "**Adjusted Working Capital**" is calculated as current assets less current liabilities, excluding derivative financial instrument assets and liabilities, lease liabilities and current debt (if applicable). As at September 30, 2024 and December 31, 2023, Adjusted Working Capital deficit includes cash and cash equivalents, restricted cash, accounts receivable, prepaid expenses and deposits, accounts payable and accrued liabilities, dividends payable, and the current portion of decommissioning obligations (see also, "Capital Resources and Liquidity").

The Company believes its presentation of Adjusted Working Capital and Net Debt are useful as supplemental measures because lease liabilities and derivative financial instrument assets and liabilities relate to contractual obligations for future production periods. Lease payments and cash receipts or settlements on derivative financial instruments are included in Spartan's reported Adjusted Funds Flow in the production month to which the asset or obligation relates to.

Spartan uses Net Debt as a key performance measure in its "Outlook and Guidance" to manage the Company's targeted debt levels. Net Debt is used by the Company as a measure of its financial position and liquidity, however it is not intended to be viewed as an alternative to other measures calculated in accordance with IFRS Accounting Standards – refer to "Capital Resources and Liquidity".

(CA$ thousands)	**September 30, 2024**	December 31, 2023
Current assets	**(201,767)**	(221,848)
Current liabilities	**251,071**	250,248
Working capital deficit	**49,304**	28,400
Adjusted for current portion of:		
Derivative financial instrument assets	**15,576**	11,889
Lease liabilities	**(9,787)**	(9,469)
Adjusted Working Capital deficit	**55,093**	30,820
Long-term debt	**104,130**	44,476
Net Debt	**159,223**	75,296

In addition, Spartan has various lease contracts in place for compression equipment, facilities, office buildings and vehicles. The Company's total lease liability is $28.2 million as at September 30, 2024 (December 31, 2023 – $35.2 million), of which $9.8 million of the principal amount is expected to be settled within the next twelve months.

References to "**Cash Financing Expense (Income)**" includes interest and fees on long-term debt, net of interest income, and excludes non-cash financing costs related to lease liabilities and accretion of decommissioning obligations. Cash Financing Expense (Income) is a non-GAAP financial measure used by Spartan in its budget and public guidance as it corresponds to the Company's definition of Net Debt, however, it should not be viewed as an alternative to total financing expense presented in accordance with IFRS Accounting Standards.

Net Debt to Annualized AFF Ratio

The Company monitors its capital structure and short-term financing requirements using a "**Net Debt to Annualized AFF Ratio"**, which is a non-GAAP financial ratio calculated as the Company's Net Debt relative to its Annualized Adjusted Funds Flow. "**Annualized Adjusted Funds Flow**" is calculated by multiplying Adjusted Funds Flow for the most recently completed quarter, normalized for significant non-recurring items, by a factor of 4. The Company's definition of Adjusted Funds Flow is reported net of cash lease payments in the period, therefore, Spartan believes Adjusted Funds Flow is an appropriate comparative metric to Net Debt which does not include lease liabilities.

Management believes that this ratio provides investors with information to understand the Company's liquidity risk and its ability to repay long-term debt and fund future capital expenditures (see also, "Capital Resources and Liquidity").

(CA$ thousands, unless otherwise indicated)	**September 30, 2024**	December 31, 2023
Adjusted Funds Flow for the quarter	**31,300**	55,722
Factor to Annualize	**4**	4
Annualized Adjusted Funds Flow [(1)]	**125,200**	222,888
Net Debt	**159,223**	75,296
Annualized Adjusted Funds Flow [(1)]	**125,200**	222,888
Net Debt to Annualized AFF Ratio	**1.3X**	0.3X

(1) The Annualized Adjusted Funds Flow reflects ongoing operations for the three months ended September 30, 2024 and December 31, 2023 multiplied by a factor of four (4).

Capital Expenditures

Spartan uses "**Capital Expenditures before A&D**" to measure its capital investment level compared to the Company's annual budgeted capital expenditures for its organic drilling program, excluding acquisitions or dispositions. "**Capital Expenditures (Dispositions)**" is calculated by adding cash acquisition costs, net of proceeds from dispositions, to Capital Expenditures before A&D. The directly comparable GAAP measure is cash used in (provided by) investing activities. The following table details the composition of Capital Expenditures (Dispositions) and its reconciliation to cash used in (provided by) investing activities:

	Three months ended September 30		Nine months ended September 30	
(CA$ thousands)	**2024**	2023	**2024**	2023
Exploration and evaluation assets	**3,320**	349	**8,196**	11,036
Property, plant and equipment	**51,218**	27,146	**113,931**	252,085
Capital Expenditures before A&D	**54,538**	27,495	**122,127**	263,121
Acquisitions	**4,486**	951	**76,919**	1,876
Dispositions	**(128)**	(114)	**(93)**	(1,704,734)
Capital Expenditures (Dispositions)	**58,896**	28,332	**198,953**	(1,439,737)
Change in non-cash investing working capital	**(30,912)**	14,169	**(18,456)**	46,350
Cash used in (provided by) investing activities	**27,984**	42,501	**180,497**	(1,393,387)

Adjusted Net Capital A&D

"**Adjusted Net Capital A&D**" provides a measure of cash and debt used to acquire crude oil and natural gas assets during the period, net of cash proceeds received on dispositions.

The most directly comparable GAAP measures are acquisition costs and disposition proceeds included as components of cash used in (provided by) investing activities, as outlined above.

The following table details the calculations of Adjusted Net Capital A&D, using acquisition costs as the starting point:

	Three months ended September 30		Nine months ended September 30	
(CA$ thousands)	**2024**	2023	**2024**	2023
Acquisitions [(1)]	**4,486**	951	**76,919**	1,876
Less: Dispositions [(2)]	**(128)**	(114)	**(93)**	(1,704,734)
Adjusted Net Capital A&D	**4,358**	837	**76,826**	(1,702,858)

(1) Acquisition amounts recorded for the three months ended September 30, 2024 primarily relate to land acquisitions. Acquisition amounts recorded for the nine months ended September 30, 2024 primarily relate to Willesden Green North Acquisition (defined herein), crown land sales and land acquisitions. Refer to "2024 Acquisition Summary" for further details on the acquisitions completed.

(2) Disposition amounts recorded for the third quarter of 2023 and nine months ended September 30, 2023 relate to the Asset Sale.

OTHER MEASUREMENTS

All dollar amounts are referenced in Canadian dollars, except when noted otherwise. This MD&A contains various references to the abbreviation "**BOE**" which means barrels of oil equivalent. Where amounts are expressed on a BOE basis, natural gas volumes have been converted to oil equivalence at six thousand cubic feet per barrel. A BOE conversion ratio of six thousand cubic feet per barrel is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead and is significantly different than the value ratio based on the current price of crude oil and natural gas. This conversion factor is an industry accepted norm and is not based on either energy content or current prices. Such abbreviation may be misleading, particularly if used in isolation.

Throughout this MD&A, "crude oil" or "oil" refers to light and medium crude oil product types as defined by National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("**NI 51-101**"). Condensate is a natural gas liquid as defined by NI 51-101. References to "natural gas liquids" or "NGLs" throughout this MD&A comprise pentane, butane, propane and ethane, being all NGLs as defined by NI 51-101 other than condensate, which is disclosed separately by Spartan due to the significant difference in value per barrel. References to "liquids" includes crude oil, condensate and NGLs. References to "gas" relate to natural gas.

COMPARATIVE INFORMATION

As a result of the 2023 Transactions, certain metrics reported for the nine months ended September 30, 2024 are not comparable to the nine months ended September 30, 2023. Declines in production, revenues, Adjusted Funds Flow, Free Funds Flow, capital expenditures, and net income are all influenced by the assets divested in the 2023 Transactions.

THIRD QUARTER 2024 FINANCIAL AND OPERATING HIGHLIGHTS

Spartan is pleased to report its financial and operating results for the third quarter of 2024.

- Spartan reported production of 37,020 BOE/d (32% liquids) during the third quarter of 2024, a 1% decrease from 37,518 BOE/d (29% liquids) in the third quarter of 2023 due to delay of drilling activity in the Deep Basin, as well as multiple production impediments and facility outages.
    - The Company's third quarter volumes were impacted by the voluntary intermittent shut-in of a recently completed well due to depressed natural gas prices resulting in a reduction of approximately 3,300 BOE/d of production during the quarter.
    - During the third quarter, the Company experienced a loss of approximately 900 BOE/d of production as a result of third-party natural gas liquids force majeures and facility outages. The force majeures have since been rescinded.
    - Despite these impediments, Spartan achieved a 138% increase in crude oil production and 9% increase in condensate production over the comparative period.
- Oil and gas sales decreased by 26% to $60.6 million for the third quarter of 2024, as compared to $81.9 million for the third quarter of 2023 primarily due to reduced commodity pricing.
- The Company's operations generated Adjusted Funds Flow of $31.3 million ($0.18 per share, diluted) for the third quarter of 2024, 51% lower than $63.9 million ($0.37 per share, diluted) for the third quarter of 2023. The change in Adjusted Funds Flow was primarily driven by reduced commodity prices and a decrease in Settlements on Commodity Derivative Contracts due to changes in commodity prices and changes to Spartan's hedging program over the comparative period, partially offset by a decrease in interest expense.
- Spartan successfully executed a $54.5 million capital program for the third quarter of 2024, continuing to focus on developing liquids-rich targets in the Deep Basin and commencing development in the Duvernay.
    - In the Duvernay, Spartan rig released 2 (2.0 net) wells, inclusive of a vertical stratigraphic well, completed 2 (2.0 net) wells and brought on-stream 1 (1.0 net) well.
    - In the Deep Basin, Spartan rig released 4 (4.0 net) wells, completed 4 (4.0 net) wells, and brought on-stream 2 (2.0 net) wells, continuing to target the liquids-rich Cardium and Wilrich formations.
- Spartan's Free Funds Flow was a deficit of $23.2 million for the third quarter of 2024.
- To date, Spartan has hedged approximately 78,315 GJ/d of AECO 7A at an average price of $2.98/GJ for the fourth quarter of 2024 and 27,745 GJ/d of AECO 7A at an average price of $2.50/GJ for 2025. Additionally, the Company has hedged approximately 600 BBL/d of its oil production at an average price of $101.06/BBL for the fourth quarter of 2024 and 1,900 BBL/d at an average price of $99.16/BBL for 2025.
- Spartan continued to accumulate Duvernay acreage, successfully acquiring approximately 8,364 net acres in the third quarter for cash consideration of $4.5 million. To date, Spartan has acquired approximately 250,000 net acres of Duvernay rights.
- Spartan exited the quarter with Net Debt of $159.2 million.
- Spartan reported net income of $3.5 million ($0.02 per share, diluted) for the third quarter of 2024, down 61% from $9.0 million ($0.05 per share, diluted) for the third quarter of 2023. The change in net income from the comparative period is primarily the result of decreased operating income, after hedging, and increased depletion, depreciation and impairment expense, partially offset by an increased unrealized gain on financial instruments, decreased financing expenses and increased other income.
- As at September 30, 2024, Spartan had $728 million in tax pools, of which $382 million are non-capital losses.

2024 OUTLOOK AND GUIDANCE

On November 5, 2024, the Company issued updated 2024 financial and operating guidance. This guidance is summarized below reflecting lower forecast natural gas prices resulting in the tactical delay and voluntary shut-in of new natural gas production, as well as production impacts due to third-party natural gas liquids force majeures and facility outages.

Spartan's revised 2024 production guidance includes reductions reflecting curtailed natural gas production resulting from depressed natural gas pricing which included the intermittent shut-in of a newly completed natural gas well and the delayed continuation of its drilling program in the Deep Basin. The Company will continue to monitor natural gas prices and intermittently curtail natural gas production in the fourth quarter in response. Spartan also experienced a loss of annualized production due to third-party natural gas liquids force majeures and facility outages. As a result, Spartan anticipates total impact to annualized production of approximately 2,500 BOE/d.

Based on forecast average production of 38,000 BOE/d, 33% liquids, and commodity price assumptions of US$75/bbl for WTI crude oil and $1.35/GJ for AECO natural gas, Spartan expects to generate approximately $160 million of Adjusted Funds Flow in 2024 on a capital expenditure budget of $164 million, exiting 2024 with Net Debt of $156 million.

Year ending December 31, 2024	**Updated 2024 Guidance**	Previous 2024 Guidance	Variance (1) Amount	%
Average Production (BOE/d) (1)	**38,000**	39,500 – 41,500	(2,500)	(6)
% Liquids	**33%**	33%	-	-
Benchmark Average Commodity Prices				
WTI oil price (US$/bbl)	**75.00**	80.00	(5.00)	(6)
AECO natural gas price ($/GJ)	**1.35**	1.75	(0.40)	(23)
Average exchange rate (US$/CA$)	**1.37**	1.36	0.01	1
Operating Netback, before hedging ($/BOE) (2)(3)	**11.43**	13.12	(1.69)	(13)
Operating Netback, after hedging ($/BOE) (2)(3)	**13.93**	14.60	(0.67)	(5)
Adjusted Funds Flow ($MM) (2)(3)	**160**	176	(16)	(9)
Capital Expenditures, before A&D ($MM) (2)(4)	**164**	150	14	9
Free Funds Flow ($MM) (2)(5)	**(4)**	26	(30)	(115)
Net Debt, end of year ($MM) (2)(6)	**156**	127	29	23
Common shares outstanding, end of year (MM) (7)	**174**	174	-	-

(1) The financial performance measures included in the Company's previous 2024 guidance was based on the midpoint of the average production forecast of 40,500 BOE/d. The decrease in budgeted production is a result of the voluntary shut-in of a newly completed natural gas well and delaying the continuation of Spartan's natural gas drilling program as a result of depressed natural gas prices, and the loss of production due to third-party natural gas liquids force majeures and facility outages.

(2) "Operating Netback", "Adjusted Funds Flow", "Capital Expenditures, before A&D", "Free Funds Flow", and "Net Debt" do not have standardized meanings under IFRS Accounting Standards, see "Non-GAAP Measures and Ratios".

(3) Refer to "Assumptions in 2024 Guidance" for additional information regarding the assumptions used in the forecasted Operating Netbacks, Settlements on Commodity Derivative Contracts, and Adjusted Funds Flow for 2024.

(4) The increase in Capital Expenditures, before A&D is a result of a $14 million capital allocation to the Company's new Duvernay drilling program which was allocated to accelerate the Company's Duvernay strategy by acquiring additional Duvernay acreage and constructing water infrastructure to reduce future completion costs.

(5) The decrease in Free Funds Flow is primarily due to increased capital expenditures and reduced Adjusted Funds Flow resulting from reduced production and commodity prices.

(6) The change in forecasted Net Debt at December 31, 2024 primarily reflects decreased Free Funds Flow, partially offset by a decrease in the short-term portion of decommissioning liabilities.

(7) The forecast of common shares outstanding at the end of 2024 includes RSAs expected to be released upon vesting but does not include common shares potentially issuable in respect of stock options for which the exercise is discretionary on behalf of the holder (refer to "Share Capital" for additional information regarding dilutive securities).

Assumptions for 2024 Guidance

2024 PRODUCTION GUIDANCE	Updated 2024 Guidance	Previous 2024 Guidance	% Change
Crude oil (bbls/d)	**1,300**	1,400	(7)
Condensate (bbls/d)	**1,900**	1,900	-
Crude oil and condensate (bbls/d)	**3,200**	3,300	(3)
NGLs (bbls/d)	**9,200**	10,100	(9)
Natural gas (mcf/d)	**153,500**	162,500	(6)
Combined average (BOE/d)	**38,000**	40,500	(6)
% Liquids	**33%**	33%	-

In 2024, Spartan anticipates annualized production of 38,000 BOE/d, a decrease of 2,500 BOE/d from the previous guidance. Throughout the second and third quarter, the Company intermittently shut-in a newly completed natural gas well due to depressed natural gas prices, with testing rates of approximately 24.0 MMcf/d (4,000 BOE/d). Additionally, in the second half of 2024, Spartan delayed the continuation of its drilling program in the Deep Basin. The Company will continue to monitor natural gas prices and intermittently curtail natural gas production in the fourth quarter in response. Spartan also experienced a loss of annualized production due to third-party natural gas liquids force majeures and facility outages.

2024 FINANCIAL GUIDANCE *($/BOE)*	Updated 2024 Guidance	Previous 2024 Guidance	% Change
Oil and gas sales	**21.13**	23.83	(11)
Processing and other revenue	**0.40**	0.34	18
Royalties	**(2.82)**	(3.27)	(14)
Operating expenses	**(5.70)**	(6.15)	(7)
Transportation expenses	**(1.58)**	(1.63)	(3)
Operating Netback, before hedging	**11.43**	13.12	(13)
Settlements on Commodity Derivative Contracts	**2.50**	1.48	69
Operating Netback, after hedging	**13.93**	14.60	(5)
General and administrative expenses	**(1.32)**	(1.29)	2
Cash financing expenses	**(0.27)**	(0.56)	(52)
Other income	**0.19**	0.17	12
Settlements of decommissioning obligations	**(0.26)**	(0.25)	4
Lease payments	**(0.81)**	(0.76)	7
Adjusted Funds Flow	**11.46**	11.91	(4)

Decreased forecast commodity prices led to a decrease in oil and gas sales and royalties as well as an increase in Settlements on Commodity Derivative Contracts. Adjusted Funds Flow was also impacted by increased other income and reduced cash financing expenses due to increased interest income. Overall Adjusted Funds Flow on a per BOE basis decreased by 4% as compared to previous guidance.

Holding all other assumptions constant, a US$5/bbl increase (decrease) in the forecasted average WTI crude oil price for the remainder of 2024 would increase Adjusted Funds Flow by approximately $2.3 million (decrease by $2.3 million). An increase (decrease) of CA$0.25/GJ in the forecasted average AECO natural gas price for the remainder of 2024, holding the NYMEX-AECO basis differential and all other assumptions constant, would increase Adjusted Funds Flow by approximately $2.0 million (decrease by $2.0 million). Holding U.S. dollar benchmark commodity prices and all other assumptions constant, an increase (decrease) of $0.05 in the US$/CA$ exchange rate for the remainder of 2024 would increase Adjusted Funds Flow by approximately $1.5 million (decrease by $1.5 million). Assuming capital expenditures are unchanged, the impact on Free Funds Flow would be equivalent to the increase or decrease in Adjusted Funds

Flow. An increase (decrease) in Free Funds Flow will result in an equivalent decrease (increase) in the forecasted Net Debt (Surplus).

RESULTS OF OPERATIONS

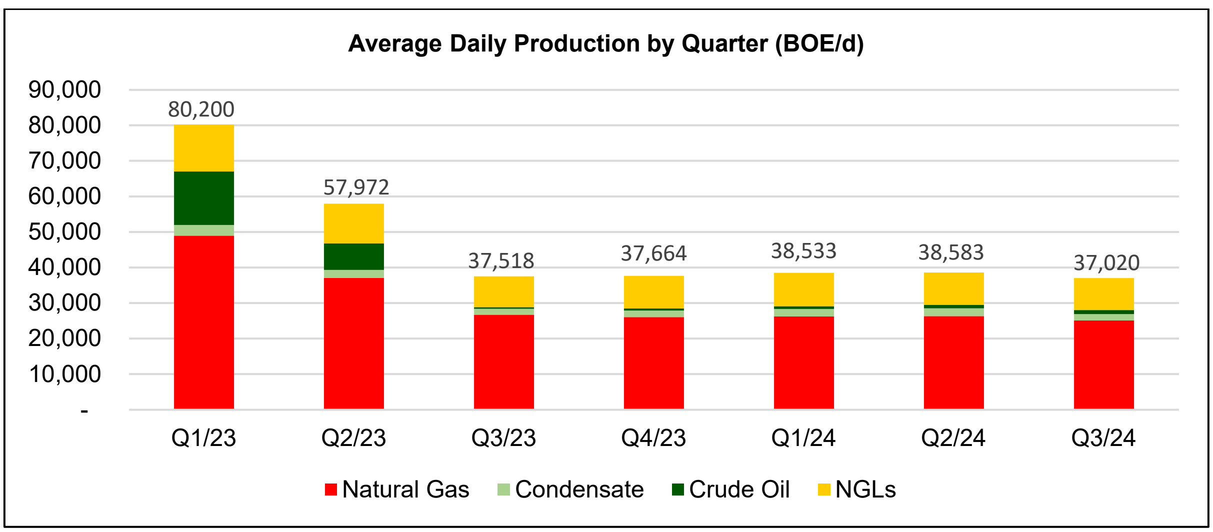
PRODUCTION

	Three months ended September 30			Nine months ended September 30		
Average daily production	**2024**	2023	%	**2024**	2023	%
Crude oil (bbls/d)	**1,140**	478	138	**961**	7,614	(87)
Condensate (bbls/d)	**1,799**	1,653	9	**2,035**	2,300	(12)
NGLs (bbls/d)	**8,989**	8,670	4	**9,171**	10,994	(17)
Natural gas (mcf/d)	**150,553**	160,301	(6)	**155,249**	224,992	(31)
Combined average (BOE/d)	**37,020**	37,518	(1)	**38,042**	58,407	(35)
% Liquids	**32%**	29%	10	**32%**	36%	(11)

Production averaged 37,020 BOE per day during the third quarter of 2024, a 1% decrease from the average production of 37,518 BOE per day in the third quarter of 2023. Production from new wells were more than offset by third-party force majeures and facility outages that reduced production by 900 BOE/d and the Company continued to delay the tie-in of a well drilled in the prior quarter as a result of depressed natural gas prices resulting in a reduction of 3,300 BOE/d.

In the three months ended September 30, 2024, Spartan brought on production 2 (2.0 net) wells in the Deep Basin targeting both light oil and liquids-rich gas in the Cardium Formation and, on September 30, 2024, Spartan brought on production 1 (1.0 net) well in the Duvernay targeting light oil and condensate.

For the nine months ended September 30, 2024, production reduced to 38,042 BOE per day from 58,407 BOE per day for the nine months ended September 30, 2023 primarily due to the 2023 Transactions. The Company's production was also affected by third-party force majeures and shut-ins related to facility turnarounds in the second and third quarters of 2024, and the continued voluntary shut-in of one well.

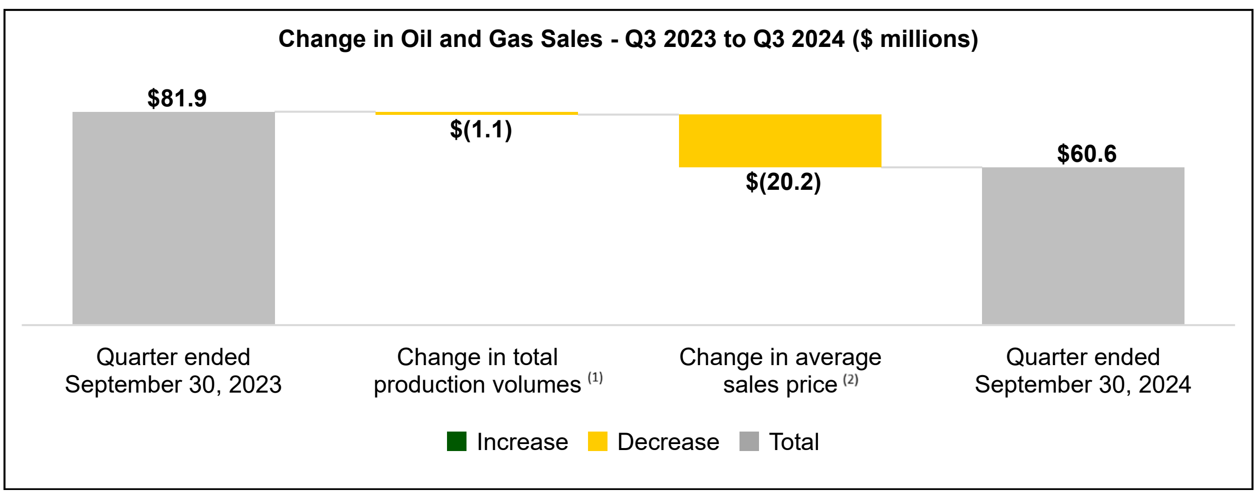


OIL AND GAS SALES

	Three months ended September 30			Nine months ended September 30		
(CA$ thousands, unless otherwise indicated)	**2024**	2023	%	**2024**	2023	%
Oil and gas sales, before royalties						
Crude oil	**10,138**	5,092	99	**25,633**	208,225	(88)
Condensate	**15,985**	15,586	3	**54,500**	63,310	(14)
NGLs	**23,915**	24,093	(1)	**75,355**	104,397	(28)
Natural gas	**10,513**	37,107	(72)	**62,662**	191,005	(67)
Oil and gas sales, before royalties	**60,551**	81,878	(26)	**218,150**	566,937	(62)
Average realized prices, before financial instruments						
Crude oil ($/bbl)	**96.64**	115.85	(17)	**97.37**	100.18	(3)
Condensate ($/bbl)	**96.64**	102.52	(6)	**97.76**	100.82	(3)
NGLs ($/bbl)	**28.92**	30.21	(4)	**29.99**	34.78	(14)
Natural gas ($/mcf)	**0.76**	2.52	(70)	**1.47**	3.11	(53)
Combined average ($/BOE)	**17.78**	23.72	(25)	**20.93**	35.56	(41)
Average realized prices, after financial instruments(1)						
Crude oil ($/bbl)	**95.86**	115.85	(17)	**94.61**	100.18	(6)
Condensate ($/bbl)	**96.64**	102.52	(6)	**97.76**	100.82	(3)
NGLs ($/bbl)	**28.92**	30.21	(4)	**29.99**	34.78	(14)
Natural gas ($/mcf)	**1.70**	4.63	(63)	**2.01**	3.92	(49)
Combined average ($/BOE)	**21.58**	32.73	(34)	**23.08**	38.67	(40)

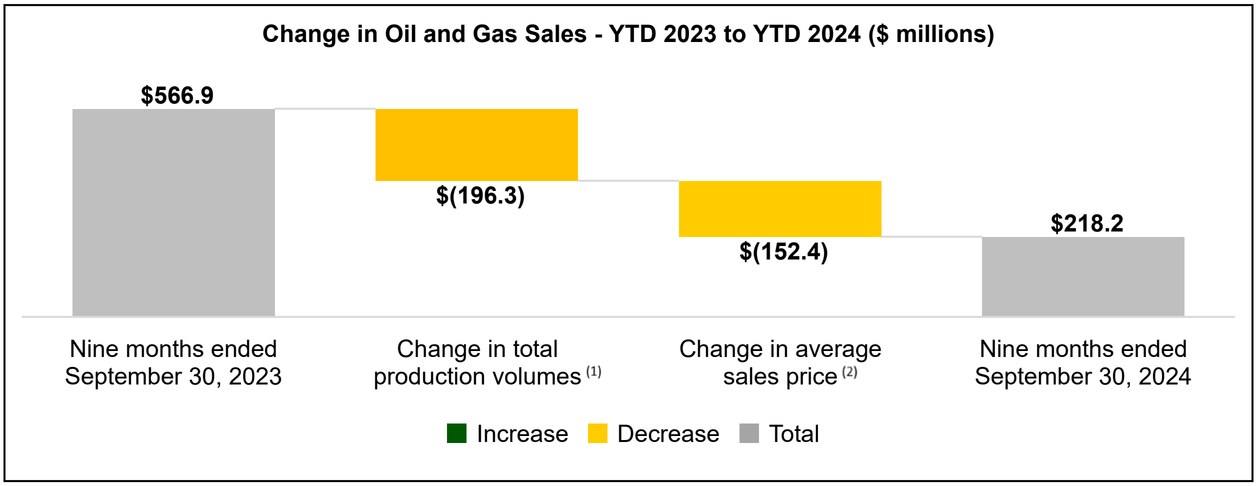
(1) "Average realized prices, after financial instruments" are calculated as oil and gas sales, before royalties, after Settlements on Commodity Derivative Contracts, divided by total production by product type. Additional information is provided under the heading "Commodity Price Risk Management".

Oil and gas sales for the third quarter of 2024 were $60.6 million, a decrease from the $81.9 million in the third quarter of 2023. This decrease in oil and gas sales was driven mainly by declining benchmark natural gas and crude oil prices. Spartan's combined average realized price of $17.78 per BOE ($21.58 per BOE after financial instruments) for the third quarter of 2024 was 25% lower than the average price of $23.72 per BOE ($32.73 per BOE after financial instruments) for the third quarter of 2023.



(1) Calculated as the change in volumes from the prior period to the current period multiplied by the prior period average selling price.
(2) Calculated as the change in average selling price from the prior period to the current period multiplied by the current period volumes.

Oil and gas sales for the nine months ended September 30, 2024 were $218.2 million, down 62% from $566.9 million for the nine months ended September 30, 2023. The decrease in oil and gas sales was driven by production disposed in the 2023 Transactions and lower commodity prices. Spartan's combined average realized price of $20.93 per BOE ($23.08 per BOE after financial instruments) for the nine months ended September 30, 2024 was 41% lower than the average price of $35.56 per BOE ($38.67 per BOE after financial instruments) for the nine months ended September 30, 2023.



(1) Calculated as the change in volumes from the prior period to the current period multiplied by the prior period average selling price.
(2) Calculated as the change in average selling price from the prior period to the current period multiplied by the current period volumes.

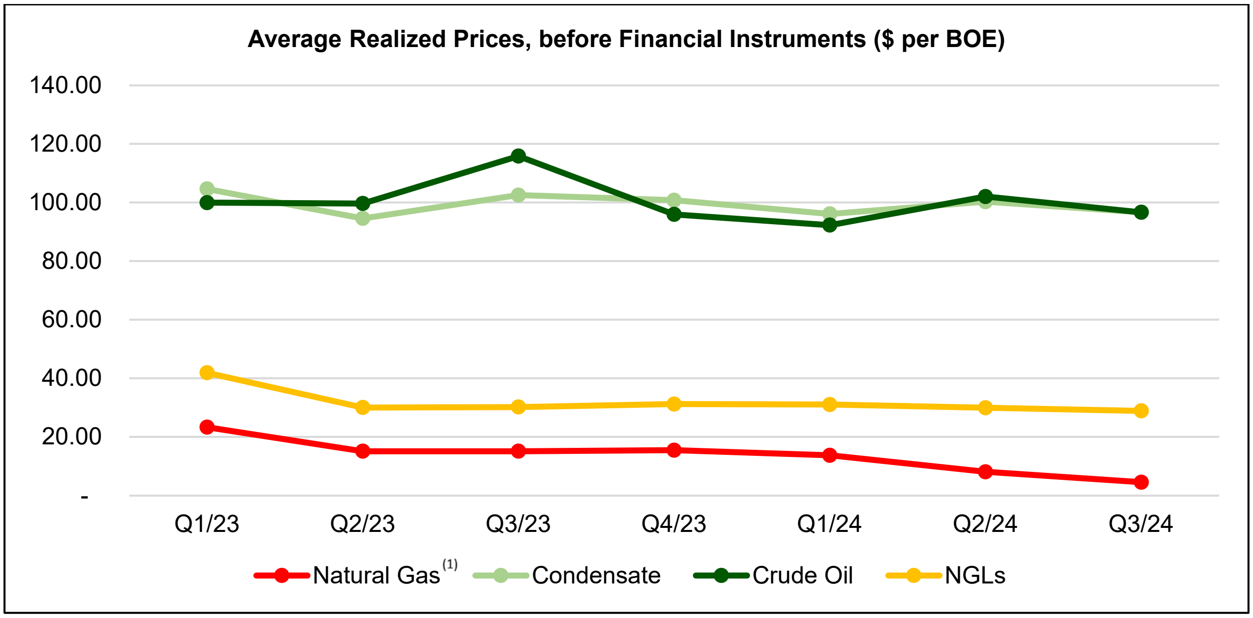
Additionally, cash settlements on commodity derivative contracts were a gain of $12.9 million ($3.80 per BOE) and $22.4 million ($2.15 per BOE), respectively, for the three and nine months ended September 30, 2024 in comparison to a gain of $31.1 million ($9.02 per BOE) and $49.6 million ($3.10 per BOE), respectively, for the three and nine months ended September 30, 2023. The gains recognized for the three and nine months ended September 30, 2024 and the three and nine months ended September 30, 2023 were driven by the softening of commodity prices in their respective periods compared to the Company's hedged positions (see also, "Commodity Price Risk Management").

The table below summarizes benchmark average commodity prices and exchange rates during the periods:

	Three months ended September 30			Nine months ended September 30		
Benchmark commodity prices	**2024**	2023	%	**2024**	2023	%
WTI Cushing Oklahoma (US$/bbl) (1)	**75.13**	82.26	(9)	**77.55**	77.40	-
WTI Cushing Oklahoma (CA$/bbl) (2)	**102.53**	110.41	(7)	**105.51**	104.14	1
Mixed Sweet Blend ("MSW") (CA$/bbl) (3)	**97.94**	107.92	(9)	**98.44**	100.68	(2)
Conway propane (US$/gallon) (4)	**0.73**	0.68	7	**0.75**	0.72	4
NYMEX Henry Hub (US$/mmbtu) (5)	**2.16**	2.55	(15)	**2.10**	2.69	(22)
NYMEX - AECO 7A Basis (US$/mmbtu)	**(1.56)**	(0.77)	103	**(1.04)**	(0.45)	131
AECO 7A (CA$/GJ) (6)	**0.78**	2.26	(65)	**1.36**	2.87	(53)
AECO 5A (CA$/GJ) (7)	**0.66**	2.46	(73)	**1.38**	2.61	(47)
Exchange rate (US$/CA$) (1)	**1.36**	1.34	1	**1.36**	1.35	1

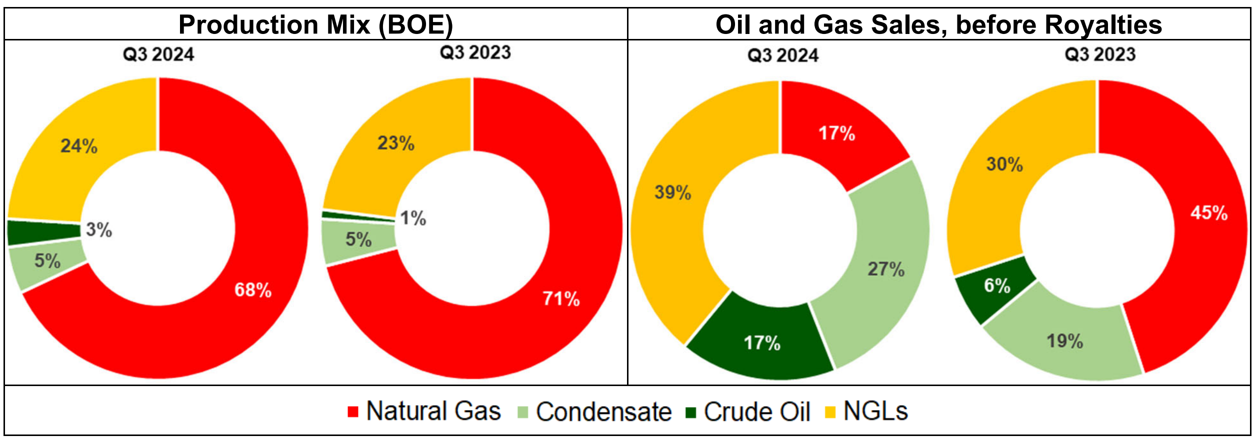
(1) Source: Sproule Associates Limited.
(2) Calculated based the US$ WTI price multiplied by the average US$/CA$ exchange rate for the month.
(3) Source: Weighted average trade volume and price per Net Energy and NGX.
(4) Source: Service Conway C3 in-well simple average.
(5) Source: Canadian Gas Price Reporter (NYMEX Settle).
(6) Source: Canadian Gas Price Reporter (NGX AB-NIT Month Ahead Index 7A).
(7) Source: Canadian Gas Price Reporter (NGX AB-NIT Same Day Index 5A).

The table below summarizes Spartan's average realized prices before financial instruments, by commodity type over 2023 and 2024:



(1) Natural gas pricing is converted from $/MCF to $/BOE at a 6:1 ratio based on an energy equivalency. Refer to "Other Measurements".

The charts below highlight Spartan's production mix and the relative contribution to total oil and gas sales revenue in the third quarter of 2024 relative to the third quarter of 2023.

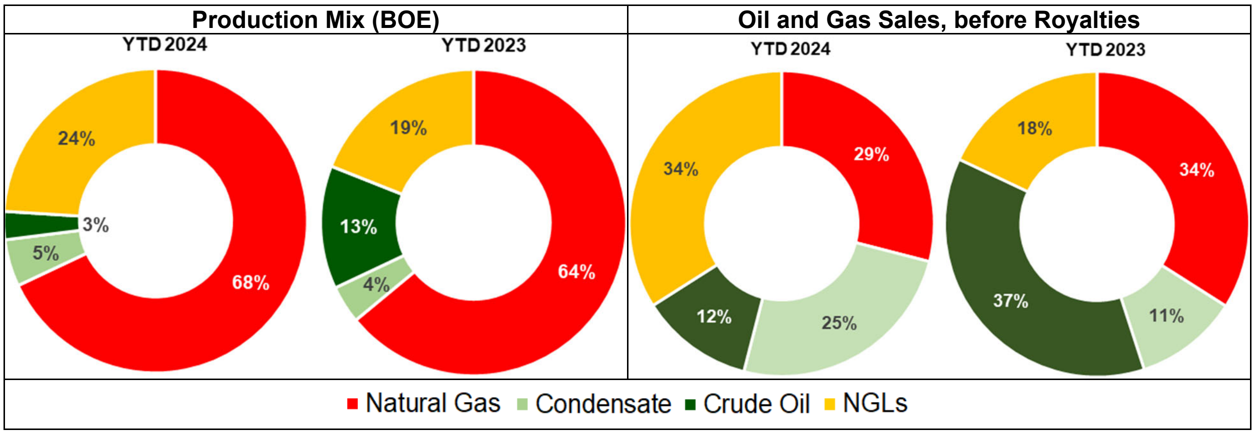


For the third quarter of 2024, natural gas represented 68% of total production volumes and contributed to $10.5 million (17%) of total sales revenue. Spartan's realized natural gas price for the third quarter of 2024 of $0.76 per mcf decreased by 70% from $2.52 per mcf in the third quarter of 2023. The decrease in the Company's realized natural gas price over the comparative quarter is relatively in line with the weighted average change in AECO 5A and 7A reference prices (sales were approximately 52%/48% weighted to AECO 5A/7A pricing in the third quarter of 2024 and approximately 40%/60% weighted to 5A/7A pricing in the third quarter of 2023).

Together, crude oil and condensate represented 8% of production and contributed to $26.1 million (44%) of Spartan's total sales revenue during the third quarter of 2024. Spartan realized a combined average price for crude oil and condensate of $96.64 per barrel during the third quarter of 2024, down 8% compared to the average price of $105.51 per barrel in the third quarter of 2023 which was relatively consistent with the 9% decrease in MSW benchmark pricing over the comparative period.

NGLs (excluding condensate) were 24% of Spartan's total production volumes in the third quarter of 2024 and contributed $23.9 million (39%) of Spartan's total sales revenue. The Company reported an average NGL sales price of $28.92 per barrel in the third quarter of 2024, down 4% compared to the average price of $30.21 per barrel in the third quarter of 2023. Realized NGL prices declined over the comparative period primarily due to a decrease in ethane sales prices which was driven by a 65% decrease in AECO 7A from the comparative period. The change in ethane pricing was further impacted by a new NGL marketing contract with a term of Q2 2024 to Q1 2025 that resulted in a greater differential to benchmark pricing. These impacts were partially offset by Conway propane benchmark prices which increased by 7% from US$0.68 per gallon in the third quarter of 2023 to US$0.73 per gallon in the third quarter of 2024.

The charts below highlight Spartan's production mix and the relative contribution to total oil and gas sales revenue in the nine months ended September 30, 2024 relative to the nine months ended September 30, 2023.



For the nine months ended September 30, 2024, natural gas represented 68% of total production volumes and contributed to $62.7 million (29%) of total sales revenue. Spartan's realized natural gas price for the nine months ended September 30, 2024 of $1.47 per mcf decreased by 53% from $3.11 per mcf for the nine months ended September 30, 2023. The decrease in the Company's realized natural gas price is relatively in line with the weighted average change in AECO 5A and 7A reference prices (sales were approximately 52%/48% weighted to AECO 5A/7A pricing for the nine months ended September 30, 2024 and approximately 45%/55% weighted to 5A/7A pricing for the nine months ended September 30, 2023).

Together, crude oil and condensate represented 8% of production and contributed to $80.1 million (37%) of Spartan's total sales revenue during the nine months ended September 30, 2024. Spartan realized an average price for crude oil and condensate sales of $97.63 per barrel for the nine months ended September 30, 2024, down 3% compared to the average price of $100.33 per barrel for the nine months ended September 30, 2023. Spartan's decrease in realized pricing was relatively consistent with the 2% decrease in MSW benchmark pricing over the comparative period.

NGLs (excluding condensate) were 24% of Spartan's total production volumes in the first nine months of 2024 and contributed $75.4 million (34%) of Spartan's total sales revenue. The Company reported an average NGL sales price of $29.99 per barrel for the nine months ended September 30, 2024, down 14% from $34.78 per barrel for the nine months ended September 30, 2023. Realized NGL prices declined over the comparative period due to a decrease in ethane sales prices which were driven by a 53% decrease in AECO 7A pricing over the comparative period. The change in ethane pricing was further impacted by a new NGL marketing contract with a term of Q2 2024 to Q1 2025 that resulted in a greater differential to benchmark pricing, and a higher ethane percentage in the product mix in the current period. These impacts were partially offset by Conway propane benchmark prices which increased by 4% from US$0.72 per gallon for the nine months ended September 30, 2023 to US$0.75 per gallon for the nine months ended September 30, 2024.

COMMODITY PRICE RISK MANAGEMENT

The Company has various commodity price risk management contracts in place to reduce volatility of cash flows in order to fund capital expenditures and protect project economics. The table below summarizes average prices and notional volumes contracted under the Company's outstanding financial derivative contracts as at September 30, 2024:

	Crude Oil (1)		Natural Gas (1)	
	CA$ WTI Swaps – Short (2)		AECO 7A Swaps (3)	
Period	Volume Bbl/d	CA$/ Bbl	Volume GJ/d	CA$/ GJ
Q4 2024	600	$101.06	78,315	$2.98
Q1 2025	900	$101.39	45,000	$2.71
Q2 2025	900	$101.39	18,250	$2.24
Q3 2025	900	$101.39	18,250	$2.24
Q4 2025	900	$101.39	29,750	$2.51

(1) The prices and volumes in this table represent averages for contracts represented in the respective periods.
(2) CA$ WTI swaps are translated at the average daily noon rate for the settlement month.
(3) AECO 7A swaps are settled the first day of the month based on a weighted average of the previous month's fixed price trades.

The fair value of outstanding risk management contracts resulted in a net derivative financial instrument asset of $15.7 million at September 30, 2024, compared to a net asset of $18.1 million at December 31, 2023. The fair values and gains or losses by contract type are summarized below for the nine months ended September 30, 2024:

Derivative Financial Instruments (1)

	Nature of contract			
(CA$ thousands)	AECO 7A	WTI Cushing	AECO Basis	Total
Fair value asset at September 30, 2024	**11,545**	**4,179**	**-**	**15,724**
Fair value asset at December 31, 2023	17,393	-	667	18,060
Unrealized gain (loss)	(5,848)	4,179	(667)	(2,336)
Realized gain (loss)	24,303	(727)	(1,204)	22,372
Gain (loss) on derivative financial instruments	**18,455**	**3,452**	**(1,871)**	**20,036**

(1) The fair value of the Company's risk management contracts is highly sensitive to forecast oil and gas prices and the US$/CA$ exchange rate. Refer to sensitivities under the heading "Risks and Uncertainties – Commodity Price Risk".

Spartan recognized a total gain on derivative financial instruments of $20.0 million during the nine months ended September 30, 2024, comprised of $22.4 million of realized gains and $2.3 million of unrealized losses on the change in fair value of outstanding contracts during the period. The realized gains in the current period were primarily caused by a softening of natural gas prices.

The following table summarizes the realized and unrealized components of the gain or loss on derivative financial instruments recognized in the Consolidated Statements of Net Income and Comprehensive Income during the periods:

	Three months ended September 30			Nine months ended September 30		
(CA$ thousands)	**2024**	2023	%	**2024**	2023	%
Realized gain	**12,936**	33,903	(62)	**22,372**	60,725	(63)
Unrealized loss	**(2,032)**	(31,132)	(93)	**(2,336)**	(26,418)	(91)
Gain on derivative financial instruments	**10,904**	2,771	294	**20,036**	34,307	(42)

The following table reconciles total cash Settlements on Commodity Derivative Contracts, which is a non-GAAP financial measure, to the realized gain reported:

	Three months ended September 30			Nine months ended September 30		
(CA$ thousands, unless otherwise noted)	**2024**	2023	%	**2024**	2023	%
Settlement of Crude Oil Contracts	**(82)**	-	nm	**(727)**	-	nm
Settlement of Natural Gas Contracts	**13,018**	31,111	(58)	**23,099**	49,581	(53)
Settlement of Commodity Derivative Contracts	**12,936**	31,111	(58)	**22,372**	49,581	(55)
Less: Settlement of acquired liabilities (1)	**-**	2,792	(100)	**-**	11,144	(100)
Realized gain	**12,936**	33,903	(62)	**22,372**	60,725	(63)
Settlement of Commodity Derivative Contracts ($ per BOE)	**3.80**	9.02	(58)	**2.15**	3.10	(31)
Realized gain ($ per BOE)	**3.80**	9.82	(61)	**2.15**	3.81	(44)

(1) The Company acquired a derivative financial instrument liability with a fair value of $94.2 million on August 31, 2021. The acquired derivative liabilities were fully settled as at December 31, 2023.

The "average realized prices, after financial instruments" disclosed in this MD&A are reported net of Settlement of Commodity Derivative Contracts.

ROYALTIES

	Three months ended September 30			Nine months ended September 30		
(CA$ thousands, unless otherwise indicated)	**2024**	2023	%	**2024**	2023	%
Gross royalties, before GCA	**11,526**	14,209	(19)	**41,098**	76,466	(46)
Gas cost allowance ("GCA")	**(3,584)**	(3,784)	(5)	**(11,457)**	(17,469)	(34)
Royalties	**7,942**	10,425	(24)	**29,641**	58,997	(50)
$ per BOE	**2.33**	3.02	(23)	**2.84**	3.70	(23)
Average royalty rate (% of sales)	**13.1%**	12.7%	3	**13.6%**	10.4%	31

Total royalties, net of GCA, of $7.9 million for the three months ended September 30, 2024 decreased relative to the three months ended September 30, 2023 primarily as a result of reduced natural gas and crude oil prices, partially offset by increased royalty rates. Spartan's average royalty rate of 13.1% for the three months ended September 30, 2024 was higher than the average royalty rate of 12.7% for the three months ended September 30, 2023 primarily due to royalty reworks related to prior periods of production and increased liquids production over the comparative period.

Total royalties, net of GCA, of $29.6 million for the nine months ended September 30, 2024 decreased relative to the nine months ended September 30, 2023 primarily as a result of reduced volumes from the 2023 Transactions and reduced gas prices, partially offset by increased royalty rates. Spartan's average royalty rate of 13.6% for the nine months ended September 30, 2024 was higher than the average royalty rate of 10.4% for the nine months ended September 30, 2023 primarily due to the 2023 Transactions and royalty reworks related to prior periods of production. In the nine months ended September 30, 2023, the majority of the Company's oil, condensate and NGL wells that were producing under lower incentive rates were disposed of in the 2023 Transactions, leading to an increase in average oil and condensate royalty rates on the Company's remaining legacy production.

The Company's GCA for the three months ended September 30, 2024 was relatively consistent with the comparative period.

The Company's GCA for the nine months ended September 30, 2024 decreased from the comparative period primarily as a result of lower production resulting from assets disposed in the 2023 Transactions.

PROCESSING AND OTHER REVENUE

	Three months ended September 30			Nine months ended September 30		
(CA$ thousands, unless otherwise indicated)	**2024**	2023	%	**2024**	2023	%
Processing and other	**1,190**	1,647	(28)	**4,568**	7,531	(39)
$ per BOE	**0.35**	0.48	(27)	**0.44**	0.47	(6)

Processing and other revenue primarily relates to gas processing and other fees earned on third party volumes processed through the Company's facilities.

Processing and other revenue for the three months ended September 30, 2024 decreased relative to the three months ended September 30, 2023 as a result of a favourable prior period adjustment in the comparative period related to properties disposed in the 2023 Transactions.

Processing and other revenue for the nine months ended September 30, 2024 decreased in comparison to the nine months ended September 30, 2023 primarily due to decreased volumes following the 2023 Transactions.

Processing and other revenue per BOE for the three months ended September 30, 2024 decreased in comparison to the three months ended September 30, 2023 as a result of a favourable prior period adjustment in the comparative period related to properties disposed in the 2023 Transactions. Processing and other revenue per BOE for the nine months ended September 30, 2024 were relatively consistent to the nine months ended September 30, 2023 as the reduction in processing revenues following the 2023 Transactions was partially offset by $0.7 million in adjustments booked in 2024 that were related to prior periods of production.

OPERATING EXPENSES

	Three months ended September 30			Nine months ended September 30		
(CA$ thousands, unless otherwise indicated)	**2024**	2023	%	**2024**	2023	%
Operating expenses	**20,009**	18,601	8	**62,209**	119,015	(48)
$ per BOE	**5.88**	5.39	9	**5.97**	7.46	(20)

Operating expenses were $20.0 million ($5.88 per BOE) for the three months ended September 30, 2024, up from $18.6 million ($5.39 per BOE) for the three months ended September 30, 2023. For the three months ended September 30, 2024, increased operating expenses were primarily the result of increased liquids volumes in Spartans' production mix which has a higher associated operating cost than natural gas volumes, and increased costs related to third-party turnarounds and operated compressor optimizations.

Operating expenses were $62.2 million ($5.97 per BOE) for the nine months ended September 30, 2024, down from $119.0 million ($7.46 per BOE) for the nine months ended September 30, 2023 primarily due to reduced volumes following the 2023 Transactions and lower operating expenses per BOE associated with Spartan's remaining assets. For the nine months ended September 30, 2024, operating expenses contained turnaround expenses of $4.0 million ($0.39 per BOE) related to planned facility turnarounds and unplanned third-party turnarounds, partially offset by $2.2 million ($0.21 per BOE) of recoveries related to prior period equalization payments.

TRANSPORTATION EXPENSES

	Three months ended September 30			Nine months ended September 30		
(CA$ thousands, unless otherwise indicated)	**2024**	2023	%	**2024**	2023	%
Transportation expenses	**5,113**	5,886	(13)	**15,905**	39,840	(60)
$ per BOE	**1.50**	1.71	(12)	**1.53**	2.50	(39)

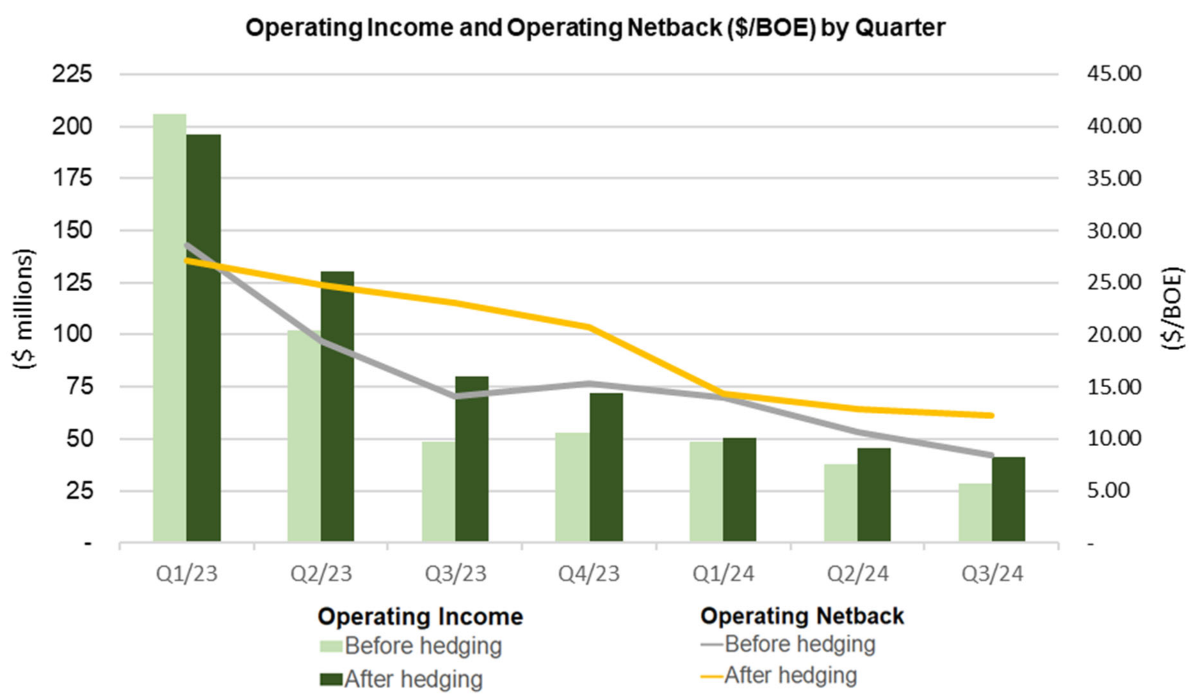
Transportation expenses were $5.1 million ($1.50 per BOE) for the three months ended September 30, 2024, a decrease from $5.9 million ($1.71 per BOE) for the three months ended September 30, 2023. Transportation expenses and transportation expenses per BOE were lower than the comparative periods primarily due to reduced NGL transportation costs following renegotiated NGL contracts in April 2024.

Transportation expenses were $15.9 million ($1.53 per BOE) for the nine months ended September 30, 2024, a decrease from $39.8 million ($2.50 per BOE) for the nine months ended September 30, 2023. Transportation expenses were lower than the comparative period primarily due to reduced volumes following the 2023 Transactions and reduced transportation rates. Transportation expense per BOE decreased over the comparative period due to the Company's production mix being more gas weighted after closing the 2023 Transactions, a favourable equalization payment received in the current period related to a prior period of production, and reduced NGL transportation costs following renegotiated NGL contracts in April 2024.

OPERATING INCOME AND OPERATING NETBACKS

The Company's field operations generated $28.7 million of Operating Income before hedging for the three months ended September 30, 2024, down 41% from $48.6 million in the third quarter of 2023. The primary driver of the reduction in Operating Income over the comparative quarter was softening commodity prices.

The chart below highlights the changes in Spartan's quarterly Operating Income and Operating Netbacks, before and after hedging, during 2023 and 2024:



The components of Spartan's Operating Netbacks are summarized below. All amounts expressed on a BOE equivalent basis are non-GAAP financial ratios.

	Three months ended September 30			Nine months ended September 30		
($ per BOE)	**2024**	2023	%	**2024**	2023	%
Oil and gas sales	**17.78**	23.72	(25)	**20.93**	35.56	(41)
Processing and other revenue	**0.35**	0.48	(27)	**0.44**	0.47	(6)
Royalties	**(2.33)**	(3.02)	(23)	**(2.84)**	(3.70)	(23)
Operating expenses	**(5.88)**	(5.39)	9	**(5.97)**	(7.46)	(20)
Transportation expenses	**(1.50)**	(1.71)	(12)	**(1.53)**	(2.50)	(39)
Operating Netback, before hedging	**8.42**	14.08	(40)	**11.03**	22.37	(51)
Settlements on Commodity Derivative Contracts	**3.80**	9.02	(58)	**2.15**	3.10	(31)
Operating Netback, after hedging	**12.22**	23.10	(47)	**13.18**	25.47	(48)

Spartan's Operating Netback before hedging decreased to $8.42 per BOE ($12.22 per BOE after hedging) for the three months ended September 30, 2024 from $14.08 per BOE ($23.10 per BOE after hedging) for the three months ended September 30, 2023. The reduction of Operating Netback before hedging over the comparative period was primarily driven by softening commodity prices and increased operating expenses resulting from increased liquids in the product mix resulting from the Company's 2024 drilling program, partially offset by reduced royalties resulting from softening commodity prices and reduced transportation expenses.

Spartan's Operating Netback before hedging decreased to $11.03 per BOE ($13.18 per BOE after hedging) for the nine months ended September 30, 2024 from $22.37 per BOE ($25.47 per BOE after hedging) for the nine months ended September 30, 2023. The reduction of Operating Netback before hedging over the comparative period was primarily driven by softening commodity prices which was partially offset by reduced operating, transportation and royalty expenses per BOE resulting from a revision to the product mix after the completion of the 2023 Transactions.

Refer to "Non-GAAP Measures" section of this MD&A for definition and disclosures related to operating income and operating netbacks before hedging and after hedging.

GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended September 30			Nine months ended September 30		
(CA$ thousands, unless otherwise indicated)	**2024**	2023	%	**2024**	2023	%
Salaries and benefits	**4,236**	4,607	(8)	**12,894**	18,240	(29)
Other G&A expenses	**2,406**	2,560	(6)	**7,285**	8,656	(16)
Change in expected credit loss provision	**(28)**	7	(500)	**20**	(95)	(121)
Subtotal, before recoveries ("**Gross G&A**") (1)	**6,614**	7,174	(8)	**20,199**	26,801	(25)
Overhead recoveries	**(1,343)**	(1,586)	(15)	**(4,281)**	(9,493)	(55)
Capitalized G&A	**(770)**	(400)	93	**(2,120)**	(1,872)	13
G&A expenses ("**Net G&A**") (1)	**4,501**	5,188	(13)	**13,798**	15,436	(11)
Gross G&A ($ per BOE)	**1.94**	2.08	(7)	**1.94**	1.68	15
Net G&A ($ per BOE)	**1.32**	1.50	(12)	**1.32**	0.97	36

(1) The subtotal of "Gross G&A" before recoveries and the term "Net G&A" are provided in this table to supplement the discussion below. The terms do not have a standardized meaning under IFRS Accounting Standards and may not be directly comparable to other issuers.

Net G&A expenses were $4.5 million ($1.32 per BOE) during the three months ended September 30, 2024, which was down from $5.2 million ($1.50 per BOE) for the three months ended September 30, 2023. Net G&A expenses per BOE for the three months ended September 30, 2024 were lower than the three months ended September 30, 2023 due to lower staffing costs in the current year.

Net G&A expenses were $13.8 million ($1.32 per BOE) during the nine months ended September 30, 2024, which was down from the $15.4 million ($0.97 per BOE), for the nine months ended September 30, 2023 primarily due to lower staffing costs following the 2023 Transactions, partially offset by decreased overhead recoveries due to a reduced drilling program. Net G&A expenses per BOE for the nine months ended September 30, 2024 were higher than the nine months ended September 30, 2023 due to decreased volumes following the 2023 Transactions and decreased capital and operating overhead recoveries, partially offset by decreased staffing costs.

G&A expenses are reported net of operating and capital overhead recoveries and capitalized G&A. Together, total overhead recoveries and capitalized G&A are $2.1 million and $6.4 million, respectively, for the three and nine months ended September 30, 2024, as compared to the $2.0 million and $11.4 million, respectively, for the three and nine months ended September 30, 2023. The change in overhead recoveries over the comparative periods is consistent with the change in capital spending in each period.

SHARE-BASED COMPENSATION

	Three months ended September 30			Nine months ended September 30		
(CA$ thousands, unless otherwise indicated)	**2024**	2023	%	**2024**	2023	%
Stock options	**227**	15	nm	**546**	2,128	(74)
Share awards	**1,809**	4,364	(59)	**5,009**	25,733	(81)
Capitalized share-based compensation (1)	**-**	-	-	**-**	(480)	(100)
Share-based compensation expense	**2,036**	4,379	(54)	**5,555**	27,381	(80)
$ per BOE	**0.60**	1.27	(53)	**0.53**	1.72	(69)

(1) A portion of SBC expense was previously capitalized on the same basis as the Company's policy for capitalized G&A.

As part of the Company's long-term incentive ("**LTI**") plans, stock options and share awards may be granted to officers, directors, employees and consultants. During the nine months ended September 30, 2024, Spartan granted 2.8 million RSAs which are expected to be equity settled ("Equity Settled RSAs") and 1.4 million stock options with an average exercise price of $3.16. As at September 30, 2023, there were 0.1 million stock options outstanding, 1.1 million outstanding RSAs which were cash settled awards ("Cash settled RSAs"), and 1.2 million outstanding Equity Settled RSAs. All Cash Settled RSAs were paid in full by December of 2023. As at September 30, 2024, there are 1.4 million stock options outstanding and 3.5 million Equity Settled RSAs outstanding.

Share-based compensation ("**SBC**") expense is recognized over the three-year vesting period using graded amortization. SBC expense was $2.0 million and $5.6 million for the three and nine months ended September 30, 2024, respectively, a decrease from the $4.4 million and $27.4 million for the three and nine months ended September 30, 2023, respectively. The decrease in SBC for the three and nine months ended September 30, 2024 from the comparative periods was primarily due to the decision to accelerate vesting of the Company's SBC to December 2023 which occurred contemporaneous with the 2023 Transactions. At that time all share awards became cash settled RSAs. In accordance with IFRS accounting standards, the cash settled awards were marked-to-market and subsequently reported at fair value until settlement. The accelerated vesting and revaluations resulted in an increased SBC expense for the three and nine months ended September 30, 2023.

FINANCING

(CA$ thousands, unless otherwise indicated)	Three months ended September 30 2024	2023	%	Nine months ended September 30 2024	2023	%
Interest and fees on debt	**2,549**	10,318	(75)	**6,631**	27,482	(76)
Interest income	**(1,907)**	(5,202)	(63)	**(6,031)**	(19,887)	(70)
Cash Financing Expense (1)	**642**	5,116	(87)	**600**	7,595	(92)
Financing cost of lease liabilities	**431**	573	(25)	**1,393**	1,850	(25)
Accretion of decommissioning obligations	**564**	474	19	**1,634**	2,254	(28)
Financing expense	**1,637**	6,163	(73)	**3,627**	11,699	(69)
Cash Financing Expenses ($ per BOE) (1)	**0.19**	1.48	(87)	**0.06**	0.48	(88)
Financing expense ($ per BOE)	**0.48**	1.79	(73)	**0.35**	0.73	(52)
Average debt outstanding in period (2)	**111,594**	150,000	(26)	**85,639**	150,082	(43)

(1) References to “Cash Financing Expenses” in this MD&A refer to "interest expense, net of interest income”. See “Non-GAAP Measures and Ratios”.

(2) Average of the actual daily balances of Credit Facility (defined herein) and Term Facility borrowed during the respective periods. Term Facility was paid in full in December 2023.

Cash Financing Expense was $0.6 million ($0.19 per BOE) and $0.6 million ($0.06 per BOE) for the three and nine months ended September 30, 2024, respectively, as compared to $5.1 million ($1.48 per BOE) and $7.6 million ($0.48 per BOE) for the three and nine months ended September 30, 2023, respectively. The change over the comparative periods was due to higher debt levels in 2023 that bore higher interest rates and the payment of the make-whole premium applied to the Company’s Term Facility in the comparative period, partially offset by interest income earned on the proceeds from the Asset Sale between the closing date and the date the additional cash was distributed to shareholders in the comparative period, and interest received on restricted cash.

The Company’s cash deposits and Credit Facility bear floating interest rates and Canadian benchmark interest rates rose sharply in response to high inflation in 2022 and 2023. Over the course of 2023, the Bank of Canada increased its benchmark interest rate by a total of 75 basis points. Over the course of 2022, the Bank of Canada increased its benchmark interest rate by a total of 400 basis points. Interest rates have dropped by 75 basis points in the first nine months of 2024, and another 50 basis points subsequent to quarter end with a potential of further fluctuations in interest rates in the next twelve months (see also, “Risks and Uncertainties – Interest Rate Risk”). Additional information regarding the Company’s debt and credit facilities is provided under the heading “Capital Resources and Liquidity”.

Spartan has various lease contracts in place for compression equipment, facilities, office buildings and vehicles. The Company’s total lease liability is $28.2 million as at September 30, 2024 (December 31, 2023 - $35.2 million). The financing cost of lease liabilities for the three and nine months ended September 30, 2024 was $0.4 million and $1.4 million, respectively, which declined as compared to the $0.6 million and $1.9 million, respectively, for the three and nine months ended September 30, 2023. The decrease in financing cost of lease liabilities reflect the pay down of the Company’s total lease liability over the comparative periods.

Financing expense also includes non-cash accretion of decommissioning obligations. Accretion for the three months ended September 30, 2024 increased relative to the three months ended September 30, 2023 due to new wells drilled and acquired in 2024. Accretion for the nine months ended September 30, 2024 decreased relative to the nine months ended September 30, 2023 as a result of assets disposed in the 2023 Transactions.

EXPLORATION AND EVALUATION ("E&E")

(CA$ thousands, unless otherwise indicated)	Three months ended September 30 2024	2023	%	Nine months ended September 30 2024	2023	%
Expired mineral leases	**17**	-	nm	**17**	13	31
Impairment of E&E	**-**	-	-	**-**	21,017	(100)
Total E&E expense	**17**	-	nm	**17**	21,030	(100)
Total E&E expense ($ per BOE)	**-**	-	-	**-**	1.32	(100)

E&E expense for the nine months ended September 30, 2023 includes an impairment loss of $21.0 million related to E&E assets associated with the Spin-Out. These assets were not a development focus of Spartan and were written down to fair value based on an independent third-party land valuation, combined with comparable land purchases.

DEPLETION, DEPRECIATION AND IMPAIRMENT ("DD&I")

(CA$ thousands, unless otherwise indicated)	Three months ended September 30 2024	2023	%	Nine months ended September 30 2024	2023	%
Depletion and depreciation of PP&E	**24,489**	19,128	28	**71,751**	105,831	(32)
Depreciation of ROU Assets	**2,141**	2,336	(8)	**6,418**	7,113	(10)
Depletion and depreciation ("D&D")	**26,630**	21,464	24	**78,169**	112,944	(31)
Impairment (recovery) of PP&E	**-**	(2,176)	(100)	**-**	10,746	(100)
Total DD&I expense	**26,630**	19,288	38	**78,169**	123,690	(37)
D&D ($ per BOE)	**7.82**	6.22	26	**7.50**	7.08	6
Total DD&I expense ($ per BOE)	**7.82**	5.59	40	**7.50**	7.76	(3)

The Company reported D&D expense of $26.6 million ($7.82 per BOE) for the three months ended September 30, 2024, which increased by 24% compared the three months ended September 30, 2023. D&D per BOE increased by 26% over the comparative period, which is attributable to a higher cost for oil weighted Duvernay reserves as compared to the legacy Deep Basin assets.

The Company reported D&D expense of $78.2 million ($7.50 per BOE) for the nine months ended September 30, 2024, which decreased by 31% from the nine months ended September 30, 2023. This decrease is primarily a result of the assets disposed in the 2023 Transactions. D&D per BOE increased by 6% over the prior period primarily a result of assets held for sale and distribution which were not subject to depletion in accordance with IFRS for a portion of the comparative period, and due to new Duvernay assets that carry a higher depletion rate than Deep Basin assets.

Impairment

As at September 30, 2024, there were no indicators of impairment or reversals of previously recognized impairments at the CGU level.

For the three and nine months ended September 30, 2023, Spartan recognized impairment recovery of $2.2 million and expense of $10.7 million, respectively, on PP&E triggered as a result of assets held for distribution in relation to the Spin-Out. The impairment reversal of $2.2 million for the three months ended September 30, 2023 was due to post-closing adjustments from the Spin-Out. Impairments for the nine months ended September 30, 2023 were the result of assets held for distribution in relation to the Spin-Out, which are required to be carried at fair value. The recoverable amounts were based on the assets fair value less costs of disposal ("**FVLCD**") calculated using the present value of the expected future cash flows discounted at 13% after tax. In addition, an impairment loss on E&E associated with the Spin-Out in the amount of $nil and $21.0 million, respectively, was recorded during the three and nine months ended September 30, 2023.

OTHER INCOME (EXPENSES)

(CA$ thousands)	Three months ended September 30 2024	Three months ended September 30 2023	Nine months ended September 30 2024	Nine months ended September 30 2023
Gain (loss) on sale of assets	**-**	(4,864)	**141**	544,477
Transaction costs	**-**	-	**-**	(18,804)
Other income	**-**	95	**2,673**	3,193
Foreign exchange gain (loss)	**(45)**	253	**3**	(228)
Other income, net of other expenses	**(45)**	(4,516)	**2,817**	528,638

Gain (loss) on sale of assets for the three and nine months ended September 30, 2023 primarily relates to the gain on sale and post-close purchase adjustments related to the Asset Sale in 2023.

Transaction costs for the nine months ended September 30, 2023 were related to the 2023 Transactions.

Other income for the nine months ended September 30, 2024 primarily relates to the sale of carbon emissions credits. Other income for the nine months ended September 30, 2023 primarily includes funding of $3.1 million earned through the Alberta provincial government Site Rehabilitation Program for certain abandonment and reclamation projects completed during 2023.

INCOME TAXES

(CA$ thousands, unless otherwise indicated)	Three months ended September 30 2024	Three months ended September 30 2023	Nine months ended September 30 2024	Nine months ended September 30 2023
Current income tax	**-**	-	**-**	-
Deferred income tax expense	**1,187**	2,845	**7,556**	167,802
Effective tax rate	**25.2%**	24.0%	**20.6%**	23.3%

The Company reported a deferred income tax expense of $1.2 million and $7.6 million during the three and nine months ended September 30, 2024, respectively, compared to $2.8 million and $167.8 million, respectively, for the three and nine months ended September 30, 2023.

Spartan's effective tax rate was 25.2% and 20.6% for the three and nine months ended September 30, 2024. Spartan's tax rate for the three months ended September 30, 2024 differs from the combined federal and Alberta provincial statutory rate of 23% primarily due to non-deductible expenses relating to share-based compensation expense and released share awards. Spartan's tax rate for the nine months ended September 30, 2024 differs from the combined federal and Alberta provincial statutory rate of 23% primarily due to an adjustment of Alberta tax pools in the second quarter of 2024, partially offset by non-deductible expenses relating to share-based compensation expense and released share awards. Spartan's tax rate for the three and nine months ended September 30, 2023 differs from the combined federal and Alberta provincial statutory rate of 23% primarily due to non-deductible expenses relating to share-based compensation expense and released share awards.

Spartan was not required to pay income taxes in the current or prior period as the Company had sufficient income tax deductions available to shelter taxable income. As at September 30, 2024, Spartan has a deferred income tax asset of $33.0 million, down from a $40.6 million asset at December 31, 2023.

As at September 30, 2024, total available tax pools are estimated to be approximately $727.8 million as summarized in the table below:

(CA$ millions, unless otherwise indicated)	Rate [1]	**September 30, 2024**	December 31, 2023
Canadian oil and gas property expenses (COGPE)	10%	**82.6**	19.1
Canadian development expenses (CDE)	30%	**238.0**	216.2
Undepreciated capital cost (UCC) [2]	25%	**20.8**	1.4
Share issue costs (SIC)	5 years	**4.0**	6.6
Non-capital losses (NCL) and other [3]	100%	**382.4**	398.0
Total available tax pools (estimate) [4]		**727.8**	641.3

(1) The deduction rates shown represent the maximum annual deduction permitted on a declining balance basis, except for share issue costs which are deductible on a straight-line basis over 5 years.

(2) The majority of the UCC balance relates to Class 41 assets which are deductible at 25% per year.

(3) NCLs expire in years 2039 to 2041.

(4) The estimate of "available" tax pools is net of valuation allowances and excludes certain successored resource deductions inherited through acquisitions which are not expected to be available for use by Spartan at this time.

NET INCOME AND COMPREHENSIVE INCOME

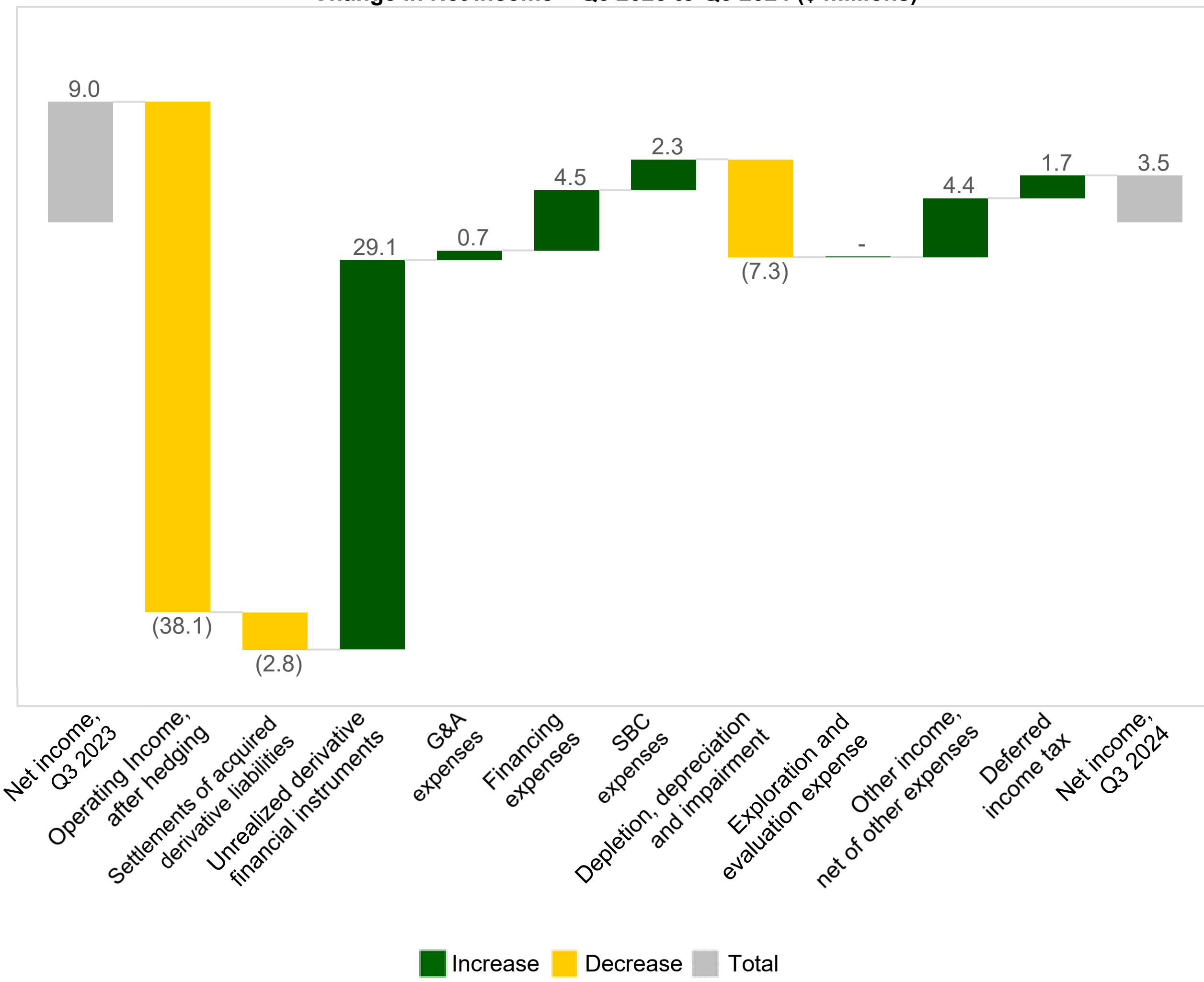
	Three months ended September 30			Nine months ended September 30		
(CA$ thousands, unless otherwise indicated)	**2024**	2023	%	**2024**	2023	%
Revenue	**53,799**	73,100	(26)	**193,077**	515,471	(63)
Expenses	**(59,943)**	(59,505)	1	**(179,280)**	(358,091)	(50)
Income (loss) before derivatives, other items and taxes [1]	**(6,144)**	13,595	(145)	**13,797**	157,380	(91)
Gain on derivative financial instruments	**10,904**	2,771	294	**20,036**	34,307	(42)
Other income, net of other expenses [2]	**(45)**	(4,516)	(99)	**2,817**	528,638	(99)
Income before income taxes	**4,715**	11,850	(60)	**36,650**	720,325	(95)
Deferred income tax expense	**1,187**	2,845	(58)	**7,556**	167,802	(95)
Net income and comprehensive income	**3,528**	9,005	(61)	**29,094**	552,523	(95)
WA Shares outstanding – basic (000s)	**173,415**	173,201	-	**173,273**	172,302	1
WA Shares outstanding – diluted (000s)	**175,190**	174,301	1	**174,932**	173,409	1
Net income $ per share – basic	**0.02**	0.05	(60)	**0.17**	3.21	(95)
Net income $ per share – diluted	**0.02**	0.05	(60)	**0.17**	3.19	(95)

(1) The subtotal "income (loss) before derivatives, other items and taxes" is provided to supplement the discussion below. It does not have a standardized meaning under IFRS Accounting Standards and may not be directly comparable to other issuers.

(2) Net income reported each period is impacted by other items in addition to the profit or loss generated by the Company's routine development and production operations. These other items primarily relate to A&D activities and are described under the heading "Other Income (Expenses)" in this MD&A.

The chart below summarizes the components of the change in net income from the three months ended September 30, 2023 to the three months ended September 30, 2024, using the change in Operating Income, after hedging as the starting point:

Change in Net Income – Q3 2023 to Q3 2024 ($ millions)

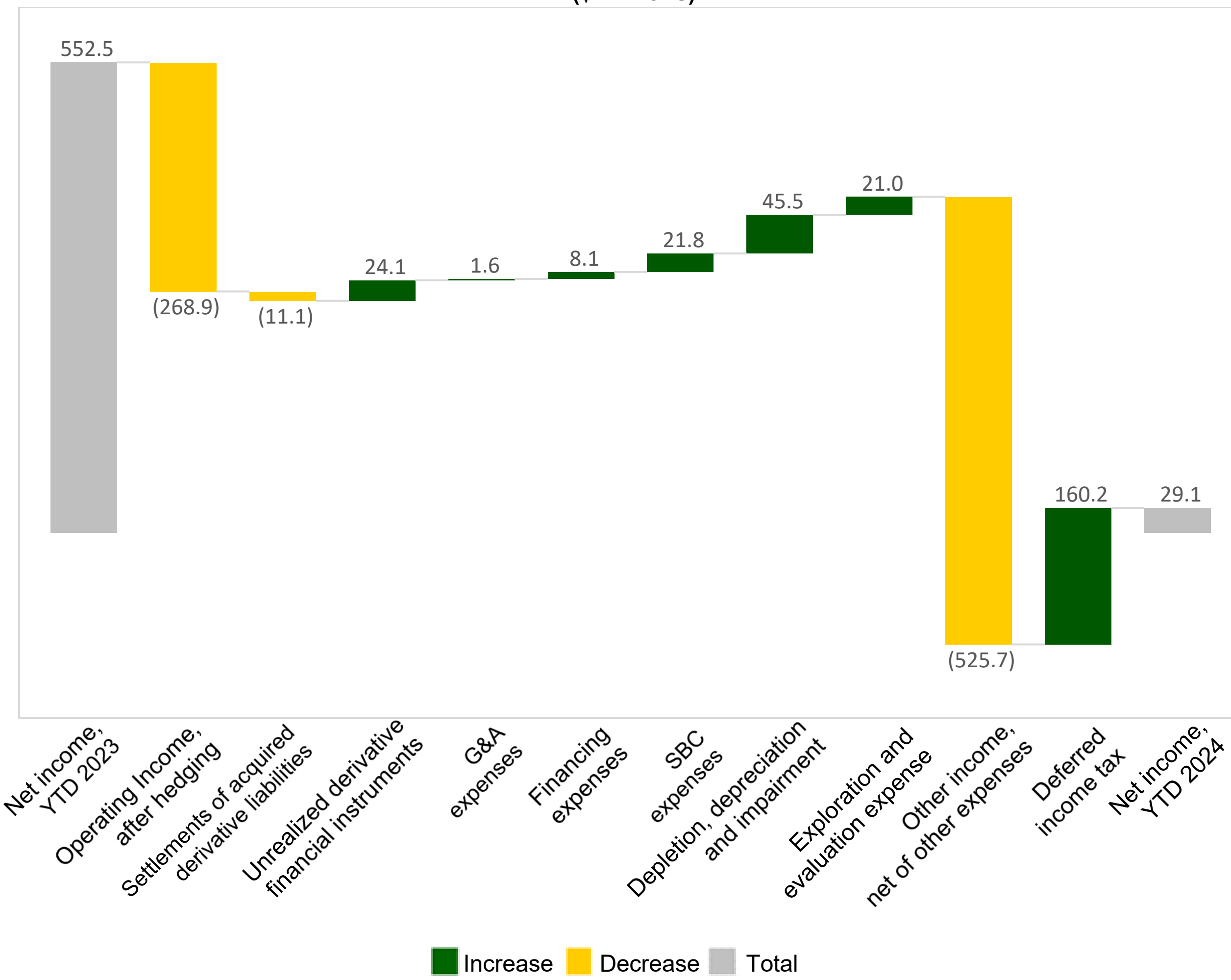


Spartan reported net income of $3.5 million ($0.02 per share, diluted) for the three months ended September 30, 2024, down 61% from $9.0 million ($0.05 per share, diluted) in the comparative period. The change in net income over the comparative period is primarily the result of decreased operating income, after hedging, and increased depletion, depreciation and impairment expense, partially offset by an increased unrealized gain on financial instruments, decreased financing expenses and increased other income. The decrease in operating income and increased unrealized gain on financial instruments over the comparative period is primarily the result of softening commodity prices. The increase in depletion expense was primarily a result of new Duvernay assets that carry a higher depletion rate than Deep Basin assets. Other income, net of other expenses increased over the comparative quarter due to a realized loss recorded in the comparative period relating to purchase price adjustments on the 2023 Transactions.

The chart below summarizes the components of the change in net income from the nine months ended September 30, 2023 to the nine months ended September 30, 2024, using the change in Operating Income, after hedging as the starting point:

Change in Net Income – YTD September 30, 2023 to YTD September 30, 2024

($ millions)



Spartan reported net income of $29.1 million ($0.17 per share, diluted) for the nine months ended September 30, 2024, down 95% from $552.5 million ($3.19 per share, diluted) in the comparative nine months. The decrease in net income is primarily the result of reduced other income, net of other expenses of $525.7 million which mainly resulted from the gain on sale from the Asset Sale in the comparative period and decreased operating income, after hedging, of $268.9 million resulting from the 2023 Transactions, partially offset by a change in deferred income taxes of $160.2 million from the comparative period.

CASH PROVIDED BY OPERATING ACTIVITIES AND ANALYSIS OF OTHER NON-GAAP MEASURES

The tables in this section outline the components of the Company's cash provided by operating activities as well as the average Netback ($ per BOE) for each component. The subtotals provided in the table for Operating Income, Funds from Operations and Adjusted Funds Flow are used by Spartan as key performance measures but are not intended to replace cash provided by operating activities, net income or other measures of financial performance calculated in accordance with IFRS Accounting Standards. Refer to advisories under "Non-GAAP Measures and Ratios".

Third quarter of 2024 compared to Third Quarter of 2023 (1)

Amounts are CA$ millions ($MM), except as noted	**Q3/24**	Q3/23	Change (1)		**Q3/24**	Q3/23	
	$MM	$MM	$MM	%	**$/BOE**	$/BOE	%
Oil and gas sales, net of royalties	**52.6**	71.5	(18.8)	(26)	**15.45**	20.70	(25)
Processing and other revenue	**1.2**	1.6	(0.5)	(28)	**0.35**	0.48	(27)
Operating expenses	**(20.0)**	(18.6)	(1.4)	8	**(5.88)**	(5.39)	9
Transportation expenses	**(5.1)**	(5.9)	0.8	(13)	**(1.50)**	(1.71)	(12)
Operating Income / Netback, before hedging (2)	**28.7**	48.6	(19.9)	(41)	**8.42**	14.08	(40)
Settlements on Commodity Derivative Contracts (2)(3)	**12.9**	31.1	(18.2)	(58)	**3.80**	9.02	(58)
Operating Income / Netback, after hedging (2)	**41.6**	79.7	(38.1)	(48)	**12.22**	23.10	(47)
G&A expenses	**(4.5)**	(5.2)	0.7	(13)	**(1.32)**	(1.50)	(12)
Interest expense	**(0.6)**	(5.1)	4.5	(87)	**(0.19)**	(1.48)	(87)
Financing cost of lease liabilities	**(0.4)**	(0.6)	0.1	(25)	**(0.13)**	(0.17)	(24)
Realized foreign exchange loss	**-**	(0.5)	0.4	(90)	**(0.01)**	(0.14)	(93)
Other income	**-**	0.1	(0.1)	(100)	**-**	0.03	(100)
Settlement of decommissioning obligations	**(2.3)**	(2.2)	(0.1)	5	**(0.68)**	(0.64)	6
Funds from Operations (2)	**33.7**	66.3	(32.6)	(49)	**9.89**	19.20	(48)
Change in non-cash working capital	**1.3**	(3.1)	4.4	(143)	**0.39**	(0.90)	(143)
Cash provided by operating activities	**35.0**	63.2	(28.2)	(45)	**10.28**	18.30	(44)
Funds from Operations (2)	**33.7**	66.3	(32.6)	(49)	**9.89**	19.20	(48)
Deduct: lease payments	**(2.4)**	(2.4)	-	-	**(0.70)**	(0.69)	1
Adjusted Funds Flow (2)	**31.3**	63.9	(32.6)	(51)	**9.19**	18.51	(50)
Adjusted Funds Flow per share (2)							
Basic ($ per common share)	**0.18**	0.37					
Diluted ($ per common share)	**0.18**	0.37					

(1) Table may not add due to rounding into millions of dollars. Changes are calculated based on unrounded amounts.

(2) Refer to "Non-GAAP Measures" section of this MD&A.

(3) For the three months ended September 30, 2023 the realized gain on derivative financial instruments was adjusted for a loss on settlements of $2.8 million on derivative liabilities acquired in connection with the Velvet Acquisition.

Spartan generated $41.6 million of operating income, after hedging for the three months ended September 30, 2024, down $38.1 million, or 48% compared to the third quarter of 2023. The decrease in operating income reflects reduced revenue due to declining commodity prices as well as lower settlements of commodity derivative contracts.

Spartan generated $33.7 million of Funds from Operations for the three months ended September 30, 2024, down $32.6 million or 49% compared to the third quarter of 2023. The decrease in Funds from Operations is primarily driven by lower Operating Income, partially offset by reduced interest expense. Cash expenditures to settle decommissioning obligations of $2.3 million in the three months ended September 30, 2024 was relatively consistent with the $2.2 million incurred in the comparative quarter.

Adjusted Funds Flow was $31.3 million for the third quarter of 2024 after deducting $2.4 million of lease payments from Funds from Operations, resulting in Adjusted Funds Flow of $0.18 per share on a diluted basis.

Spartan's cash provided by operating activities was $35.0 million for the three months ended September 30, 2024, which was more than Funds from Operations due to the net change in non-cash working capital during the quarter. The change in non-cash working capital varies each period based on seasonal changes in corporate activity levels, the impact of production levels and commodity prices on accrued revenue receivable, and timing of processing payments, among other factors. In the three months ended September 30, 2024, the net increase of $4.4 million in non-cash working capital compared to the prior quarter is primarily due to fluctuations in accounts receivable and accounts payable balances.

Nine Months Ended September 30, 2024 compared to the Nine Months Ended September 30, 2023 (1)

Amounts are CA$ millions ($MM), except as noted	**2024**	2023	Change (1)		**2024**	2023	
	$MM	$MM	$MM	%	**$/BOE**	$/BOE	%
Oil and gas sales, net of royalties	**188.5**	507.9	(319.4)	(63)	**18.09**	31.86	(43)
Processing and other revenue	**4.6**	7.5	(3.0)	(39)	**0.44**	0.47	(6)
Operating expenses	**(62.2)**	(119.0)	56.8	(48)	**(5.97)**	(7.46)	(20)
Transportation expenses	**(15.9)**	(39.8)	23.9	(60)	**(1.53)**	(2.50)	(39)
Operating Income / Netback, before hedging (2)	**115.0**	356.6	(241.7)	(68)	**11.03**	22.37	(51)
Settlements on Commodity Derivative Contracts (2)(3)	**22.4**	49.6	(27.2)	(55)	**2.15**	3.10	(31)
Operating Income / Netback, after hedging (2)	**137.3**	406.2	(268.9)	(66)	**13.18**	25.47	(48)
G&A expenses	**(13.8)**	(15.4)	1.6	(11)	**(1.32)**	(0.97)	36
Interest expense	**(0.6)**	(7.6)	7.0	(92)	**(0.06)**	(0.48)	(88)
Financing cost of lease liabilities	**(1.4)**	(1.9)	0.5	(25)	**(0.13)**	(0.12)	8
Realized foreign exchange loss	**-**	(0.6)	0.6	(101)	**-**	(0.04)	(100)
Other income	**2.6**	0.1	2.5	nm	**0.25**	0.02	nm
Settlement of decommissioning obligations	**(2.9)**	(4.1)	1.1	(28)	**(0.28)**	(0.25)	12
Transaction costs	**-**	(18.8)	18.8	(100)	**-**	(1.18)	(100)
Funds from Operations (2)	**121.2**	357.9	(236.7)	(66)	**11.64**	22.45	(48)
Change in non-cash working capital	**6.6**	66.4	(59.8)	(90)	**0.64**	4.17	(85)
Cash provided by operating activities	**127.9**	424.4	(296.5)	(70)	**12.28**	26.62	(54)
Funds from Operations (2)	**121.2**	357.9	(236.7)	(66)	**11.64**	22.45	(48)
Add back: transaction costs	**-**	18.8	(18.8)	(100)	**-**	1.18	(100)
Deduct: lease payments	**(7.1)**	(7.3)	0.2	(3)	**(0.69)**	(0.46)	50
Adjusted Funds Flow (2)	**114.2**	369.5	(255.3)	(69)	**10.95**	23.17	(53)
Adjusted Funds Flow per share (2)							
Basic ($ per common share)	**0.66**	2.14					
Diluted ($ per common share)	**0.64**	2.12					

(1) Table may not add due to rounding into millions of dollars. Changes are calculated based on unrounded amounts.

(2) Refer to "Non-GAAP Measures" section of this MD&A.

(3) For the nine months ended September 30, 2023 the realized gain on derivative financial instruments was adjusted for a loss on settlements of $11.1 million on derivative liabilities acquired in connection with the Velvet Acquisition.

Spartan's Adjusted Funds Flow of $114.2 million for the nine months ended September 30, 2024 decreased by 69% from $369.5 million in the same period of 2023 primarily as a result of decreased Funds from Operations. The decrease in Funds from Operations is primarily driven by lower Operating Income resulting from the 2023 Transactions and reduced commodity prices. The change in cash provided by operating activities was higher than funds from operations due to the change in non-cash working capital.

CASH USED IN (PROVIDED BY) INVESTING ACTIVITIES AND CAPITAL EXPENDITURES (DISPOSITIONS)

The Company's operational focus is on organic growth by investing in the development of its asset base.

The following table summarizes Spartan's Capital Expenditures during the three and nine months ended September 30, 2024, and the three and nine months ended September 30, 2023. The term Capital Expenditures does not have a standardized meaning under IFRS Accounting Standards and may not be directly comparable to measures used by other companies. The most directly comparable GAAP measure is cash used in investing activities which was $28.0 million and $180.5 million, respectively, for the three and nine months ended September 30, 2024 (refer to reconciliation provided under the heading "Non-GAAP Measures and Ratios").

CAPITAL EXPENDITURES (DISPOSITIONS)

	Three months ended September 30			Nine months ended September 30		
(CA$ thousands)	**2024**	2023	%	**2024**	2023	%
Land and seismic	**3,320**	349	851	**8,196**	11,036	(26)
Drilling and completion	**46,335**	21,666	114	**98,043**	185,308	(47)
Facilities, pipeline and well equipment	**3,849**	5,011	(23)	**12,578**	61,296	(79)
Production optimization and other assets	**264**	69	283	**1,190**	3,609	(67)
Capitalized G&A	**770**	400	93	**2,120**	1,872	13
Capital Expenditures before A&D (1)	**54,538**	27,495	98	**122,127**	263,121	(54)
Acquisitions	**4,486**	951	372	**76,919**	1,876	nm
Dispositions (2)	**(128)**	(114)	12	**(93)**	(1,704,734)	(100)
Capital Expenditures (Dispositions) (1)	**58,896**	28,332	108	**198,953**	(1,439,737)	(114)

(1) Refer to "Non-GAAP Measures and Ratios" for the reconciliation to cash used in (provided by) investing activities.

(2) Disposition amounts recorded for the three and nine months ended September 30, 2024 relate to purchase price adjustments on dispositions completed in 2023. Dispositions for the three and nine months ended September 30, 2023 relate to the 2023 Transactions.

Capital Expenditures before A&D were $54.5 million and $122.1 million for the three and nine months ended September 30, 2024, respectively. The majority of capital expenditures in the period were incurred to drill, complete and equip new wells in the Deep Basin and Duvernay. The Company also completed production optimization projects. The Company's exploration and development capital expenditures were funded by cash provided by operating activities and the Company's bank line during the current and prior periods.

In the Deep Basin, Spartan's third quarter drilling program included drilling 4 (4.0 net) wells which were drilled in the Cardium Formation. A total of 4 (4.0 net) Deep Basin wells were completed in the quarter and 2 (2.0 net) wells were brought on production.

In the Duvernay, Spartan's third quarter drilling program included drilling 1 (1.0 net) well which was drilled in the Duvernay Formation and 1 (1.0 net) stratigraphic test well. A total of 2 (2.0 net) Duvernay wells were completed in the quarter (including 1.0 net well that was drilled and uncompleted when acquired) and 1 (1.0 net) well was brought on production.

DRILLING ACTIVITY

Number of Net Wells	Three months ended September 30 2024	Three months ended September 30 2023	Nine months ended September 30 2024	Nine months ended September 30 2023
Drilled [(1)]	**5.0**	5.0	**14.0**	29.5
Completed	**6.0**	4.0	**15.8**	25.4
On production	**3.0**	6.0	**12.8**	24.8
Service/disposal/stratigraphic [(1)]	**1.0**	-	**1.0**	1.0

(1) Wells are counted as drilled based on the rig release date.

Other acquisitions and dispositions

The Company continuously seeks to optimize its asset base through strategic tuck-in acquisitions and non-core property dispositions. For the nine months ended September 30, 2024, the Company's acquisitions of $76.9 million are comprised of undeveloped land and approximately 1,600 BOE/d of production as part of the Company's Duvernay growth strategy. The following table summarizes the aggregate consideration paid for these acquisitions and the estimated fair value of the net identifiable assets acquired:

2024 ACQUISITIONS SUMMARY

(CA$ thousands)	**Willesden Green North**	**Other Various**	**Total**
Consideration, after adjustments	**49,951**	**26,968**	**76,919**
Exploration and evaluation assets	19,199	26,937	**46,136**
Property, plant and equipment [(1)]	31,014	31	**31,045**
Decommissioning obligations [(2)]	(262)	-	**(262)**
Fair value of net assets acquired	**49,951**	**26,968**	**76,919**
Acquisition closing date	May 1/24	Various	
Average production acquired (BOE/d) [(3)]	1,600	-	
% liquids [(4)]	70%	-	

(1) The fair values of identifiable assets and liabilities acquired on acquisition are based on management's best estimates based on information available at the time of preparing the Interim Financial Statements. The reader is cautioned that future revisions to these estimates over the measurement period (one year from the respective closing dates) could result in a material change from the amounts reported herein.

(2) The aggregate fair value of decommissioning obligations acquired of $0.3 million was estimated by discounting the inflated cost estimates using a "credit-adjusted risk-free rate" of 8.77% on the respective closing dates of the acquisitions. Subsequent remeasurement of the decommissioning obligations acquired at a risk-free rate under Spartan's accounting policy resulted in an increase in the present value of decommissioning obligations acquired by $0.5 million to $0.8 million in aggregate.

(3) Based on average production volumes at the time of closing of the respective acquisitions.

During the fourth quarter of 2023, Spartan completed a series of asset acquisitions (collectively, the "2023 Acquisitions") in the Duvernay. The 2023 Acquisitions include undeveloped land, 3D seismic, and approximately 400 BOE/d of Duvernay production. The following table summarizes the aggregate consideration paid for these acquisitions and the estimated fair value of the net identifiable assets acquired:

2023 ACQUISITIONS SUMMARY

(CA$ thousands)	**Gilby**	**Pembina**	**Other Various**	**Total**
Consideration, after adjustments	**17,702**	**7,595**	**9,056**	**34,353**
Exploration and evaluation assets	10,765	1,922	8,683	**21,370**
Property, plant and equipment (1)	8,218	7,126	373	**15,717**
Decommissioning obligations (2)	(1,281)	(1,453)	-	**(2,734)**
Fair value of net assets acquired	**17,702**	**7,595**	**9,056**	**34,353**
Acquisition closing date	November 1	November 28	Various	
Average production acquired (BOE/d) (3)	257	143	-	
% liquids (3)	63%	63%	-	

(1) The fair values of identifiable assets and liabilities acquired on acquisition are based on management's best estimates based on information available at the time of preparing the Interim Financial Statements. The reader is cautioned that future revisions to these estimates over the measurement period (one year from the respective closing dates) could result in a material change from the amounts reported herein.

(2) The aggregate fair value of decommissioning obligations acquired of $2.7 million was estimated by discounting the inflated cost estimates using "credit-adjusted risk-free rates" ranging from 8.35% to 8.71% on the respective closing dates of the acquisitions. Subsequent remeasurement of the decommissioning obligations acquired at a risk-free rate under Spartan's accounting policy resulted in an increase in the present value of decommissioning obligations acquired by $2.3 million to $5.0 million in aggregate.

(3) Based on average production volumes at the time of closing of the respective acquisitions.

DECOMMISSIONING OBLIGATIONS

As at September 30, 2024, the Company's total decommissioning obligations are estimated to be $85.6 million, of which $2.7 million are expected to be settled over the next twelve months. During the nine months ended September 30, 2024, the total carrying amount of decommissioning obligations increased by $12.6 million from $73.0 million at December 31, 2023. This change is primarily attributed to an increase in estimated abandonment costs of $13.5 million primarily resulting from new Directive 011 estimates from the Alberta Energy Regulator, new liabilities related to Spartan's current year acquisitions and drilling program and accretion, partially offset by an increase in the discount rate and liabilities settled in the period.

Spartan is committed to environmental stewardship and has a proactive program to address its decommissioning obligations. The Company seeks to maintain a strong Liability Management Rating ("**LMR**") and to obtain a strong Licensee Capability Assessment ("**LCA**") rating as the industry transitions to the LCA system. The Company spent $2.9 million on decommissioning during the nine months ended September 30, 2024.

CAPITAL RESOURCES AND LIQUIDITY

Spartan's capital management objectives are to maintain a flexible capital structure in order to respond to changes in economic conditions, execute on strategic opportunities throughout the business cycle, meet its financial obligations, and to fund current and future settlements of decommissioning obligations. The Company seeks to create long-term shareholder value by prioritizing profitability over production growth, as well as investing in projects that are expected to strengthen its overall asset portfolio and suite of internally generated prospects.

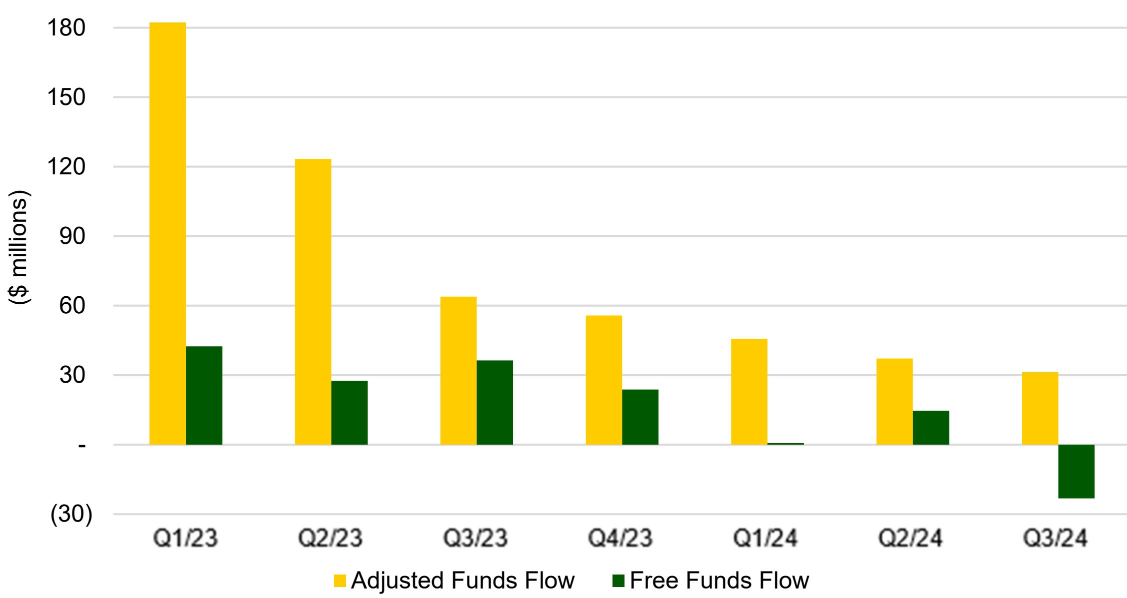
During the nine months ended September 30, 2024, the Company's primary sources of funds were $114.2 million of Adjusted Funds Flow and $59.7 million of advances on bank debt, net of costs.

Cash provided by operating activities of $127.9 million and $59.7 million advances on bank debt, net of costs, for the nine months ended September 30, 2024 were used to fund the Company's exploration and development capital expenditures of $122.1 million, acquisitions of $76.9 million and lease principal payments of $7.1 million, partially offset by $18.5 million of changes in non-cash working capital in investing activities.

Free Funds Flow is a non-GAAP financial measure calculated by Spartan as Adjusted Funds Flow less Capital Expenditures before A&D (refer to calculation under the heading "Non-GAAP Measures and Ratios"). Spartan uses Free Funds Flow as an indication of the amount of funds the Company has available for future capital allocation decisions such as to repay debt, reinvest in the business or return capital to shareholders.

The following chart summarizes Spartan's quarterly Adjusted Funds Flow and Free Funds Flow during 2023 and 2024:

Adjusted Funds Flow and Free Funds Flow by Quarter



Spartan's Free Funds Flow was a $23.2 million deficit for the three months ended September 30, 2024, as compared to a $36.4 million surplus for the three months ended September 30, 2023. This change was primarily as a result of decreased operating income, after hedging, and increased capital expenditures as the Company develops its Duvernay asset, partially offset by a lower interest expense. The amount of Free Funds Flow reported each quarter reflects the seasonality of the Company's oil and gas operations, market fluctuations including volatility of commodity prices, and the use of Adjusted Funds Flow to finance higher capital expenditures during the drilling programs.

The following table summarizes the Company's total capitalization based on the market value of Spartan's common shares on the TSX:

CAPITALIZATION	September 30, 2024	December 31, 2023	% Change
Common shares outstanding (000s)	**173,603**	173,201	-
Share price (last price traded in the quarter)	**$3.69**	$2.98	24
Market capitalization of common shares [(1)(2)]	**640,595**	516,139	24
Current assets	**(201,767)**	(221,848)	(9)
Current liabilities	**251,071**	250,248	-
Working capital deficit	**49,304**	28,400	74
Long-term debt	**104,130**	44,476	134
Long-term portion of:			
Derivative financial instruments	**828**	-	nm
Lease liabilities	**18,378**	25,763	(29)
Decommissioning obligations	**82,937**	69,320	20
Total capitalization [(2)]	**896,172**	684,098	31

(1) The carrying value of Spartan's shareholders' equity was $464.4 million at September 30, 2024 and $429.7 million at December 31, 2023.

(2) "Market capitalization" and "total capitalization" are supplementary financial measures which do not have standardized meanings under IFRS Accounting Standards. The reader is cautioned that these measures may not be directly comparable to other issuers where similar terminology is used.

The Company had a working capital deficit of $49.3 million at September 30, 2024, compared to a deficit of $28.4 million at December 31, 2023. The change in working capital is primarily due to the accounts receivable balance as a result of commodity prices, partially offset by the increased derivative financial instruments receivable resulting from softening natural gas and crude oil prices.

As at September 30, 2024 and December 31, 2023, the Company's capital structure is comprised of working capital, debt and shareholders' equity. Spartan's total capitalization increased by $212.1 million (31%) from December 31, 2023 to $896.2 million as of September 30, 2024, primarily driven by commodity and capital market volatilities. As at September 30, 2024, the market value of Spartan's common shares represented 71% of the Company's total capitalization.

The components of the Company's Adjusted Working Capital deficit, Net Debt, and the calculation of the Net Debt to Annualized AFF Ratio are provided in the following table:

(Assets) Liabilities *(CA$ thousands, except as noted)*	September 30, 2024	December 31, 2023
Cash	**(351)**	(406)
Restricted cash	**(150,811)**	(150,864)
Accounts receivable	**(25,022)**	(50,675)
Prepaid expenses and deposits	**(10,007)**	(8,014)
Accounts payable and accrued liabilities	**87,773**	86,265
Dividends payable	**150,811**	150,864
Current portion of decommissioning obligations	**2,700**	3,650
Adjusted Working Capital deficit	**55,093**	30,820
Long-term debt	**104,130**	44,476
Net Debt	**159,223**	75,296
Annualized Adjusted Funds Flow [(1)]	**125,200**	222,888
Net Debt to Annualized AFF Ratio	**1.3X**	0.3X

(1) The Annualized Adjusted Funds Flow reflects ongoing operations for the three months ended September 30, 2024 and December 31, 2023 multiplied by a factor of four (4).

Excluding derivative financial instruments and lease liabilities, Spartan's Adjusted Working Capital deficit is $55.1 million at September 30, 2024, which decreased compared to the Adjusted Working Capital deficit of $30.8 million at December 31, 2023 primarily due to decreased accounts receivable resulting from decreased commodity prices.

Spartan had Net Debt of $159.2 million at September 30, 2024, up from $75.3 million at December 31, 2023 and up from $64.5 million at September 30, 2023. The Company's Net Debt at September 30, 2024 includes $104.1 million of debt outstanding on its Credit Facility (defined herein) and a $55.1 million Adjusted Working Capital deficit. The increase in Net Debt at September 30, 2024 was mainly due to acquisitions completed in 2024 that were primarily financed with debt.

Depending on commodity prices, the capital-intensive nature of Spartan's operations may create a working capital deficiency during periods with high levels of capital investment. The Company maintains sufficient bank credit lines to satisfy such working capital deficiencies. As at September 30, 2024, the Company's $250.0 million Credit Facility has $104.9 million of the facility drawn and $145.1 million undrawn.

The Company monitors its capital structure and short-term financing requirements using a "Net Debt to Annualized AFF Ratio", which is a non-GAAP financial ratio calculated as the ratio of the Company's "Net Debt" to "Annualized Adjusted Funds Flow". As at September 30, 2024, Spartan had a Net Debt of $159.2 million, which is approximately 1.3 times the Company's Annualized Adjusted Funds Flow for the third quarter of 2024, which was higher than the 0.3 times at December 31, 2023 due to increased borrowings to fund the Duvernay acquisitions.

Spartan is well positioned to fund its financial liabilities and to execute on its business strategy. The Company's exploration and development capital expenditure program for 2024 is expected to be fully funded by a combination of cash provided by operating activities and utilization of the Company's remaining undrawn revolving credit facility, when required. Additional acquisition and development plans may be supplemented by new equity or debt offerings.

During 2022 and 2023, the Company declared multiple cash dividends to shareholders. All dividend payments are subject to shareholders providing an attestation to meeting certain eligibility requirements. The cash related to dividends that have not yet been attested to, totalling $150.8 million, have been recorded as dividends payable. The Company's restricted cash balance of $150.8 million is sufficient to meet the $150.8 million dividends payable should they be attested to in the next twelve months. Refer to note 11 of the Interim Financial Statements for further information on dividends.

The Company has sufficient liquidity for the next 12 months as Spartan's $145.1 million of unutilized capacity on its Credit Facility and future cash flow from operations is expected to be sufficient to fund the Company's financial obligations.

The following table outlines a contractual maturity analysis for the Company's financial liabilities and undiscounted lease liabilities as at September 30, 2024:

(CA$ thousands)	1 year	2 to 3 years	4 to 5 years	> 5 years	Total
Accounts payable and accrued liabilities	87,773	-	-	-	87,773
Dividends payable	150,811	-	-	-	150,811
Derivative financial instrument liabilities	-	828	-	-	828
Credit Facility (1)	9,260	110,550	-	-	119,810
Undiscounted lease liabilities (2)	11,164	16,205	2,442	1,188	30,999
Total	259,008	127,583	2,442	1,188	390,221

(1) The Credit Facility has $104.9 million drawn as at September 30, 2024. The table above includes estimated interest to be incurred on the $104.9 million drawn balance and standby charges on the undrawn balance, up to May 31, 2025, being the end of the current revolving period plus estimated interest to be incurred up to May 31, 2026, being the end of the expiry of the revolving period, if not extended.

(2) As at September 30, 2024, the present value of the Company's total lease liability is $28.2 million, of which $9.8 million is expected to be settled in the next twelve months.

LONG-TERM DEBT

As at September 30, 2024, total debt is comprised of bank debt drawn under the revolving credit facility. The balance of debt is presented net of unamortized issue costs.

(CA$ thousands)	**September 30, 2024**	December 31, 2023	% Change
Revolving credit facility	**104,850**	45,050	133
Unamortized issue costs	**(720)**	(574)	25
Long-term debt	**104,130**	44,476	134

Credit Facility

The Company has a senior secured revolving credit facility with a syndicate of financial institutions (the "Credit Facility"). The authorized borrowing base available under the Credit Facility is $250.0 million, comprised of a $50.0 million operating facility and a $200.0 million syndicated facility. As at September 30, 2024, the Credit Facility has $104.9 million drawn.

The Credit Facility has a revolving period until May 2025, extendible annually at the request of the Company, subject to approval of the Lenders. If not extended, the facilities will automatically convert to a term loan and all outstanding obligations will be repayable one year after the expiry of the revolving period. The borrowing base is subject to semi-annual reviews and the Credit Facility may also be subject to redetermination throughout the revolving period. The most recent semi-annual review was completed on June 26, 2024, at which time the existing Credit Facility was amended and restated without change to the borrowing base. The next borrowing base redetermination is anticipated to be completed on or before November 30, 2024.

Prior to the amendment and restatement of the Credit Facility on June 26, 2024, the Company was subject to certain financial covenants under the Credit Facility including the following:

> (A) the maximum funded debt to EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization, as defined in the credit agreement and below), calculated quarterly, shall not exceed 2.5 to 1.0; and
> (B) the asset coverage ratio of the Company shall not be less than 1.5 to 1.0, calculated annually.

As a result of the amendment and restatement of the Credit Facility on June 26, 2024, the Company is no longer subject to any financial covenants. The Credit Facility also includes other standard business operating covenants, including but not limited to limitations on acquisitions and dispositions, distributions and hedging arrangements. As at September 30, 2024, Spartan is in compliance with all covenants (refer to note 10 of the Interim Financial Statements).

Interest is payable monthly for borrowings through direct advances under the Credit Facility. Interest rates fluctuate based on bank prime rate plus an applicable margin. Under the Credit Facility, borrowings through the use of term Canadian Overnight Repo Rate Average ("CORRA") loans are available at the CORRA rate, plus applicable stamping fees. The Company incurs standby fees on the undrawn facility which also fluctuate based on the pricing grid.

LC Facility

The Company has a demand letter of credit facility (the "LC Facility") which provides Spartan with $10.0 million of additional credit capacity to issue letters of credit. The letters of credit may be issued for general corporate purposes and are limited to a term of one year from the date of issuance. Letter of credit obligations, when incurred, are repayable on demand. The LC Facility provides Spartan with additional access to capital as letters of credit issued under the LC Facility will not reduce the borrowing capacity under the operating facility. As at September 30, 2024, there was $1.7 million of issued but undrawn letters of credit under the LC Facility (December 31, 2023 - $1.5 million).

SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares, an unlimited number of preferred shares and an unlimited number of special shares, each without par value. As of September 30, 2024 and as of the date of this MD&A, there were 173.6 million common shares outstanding (173.2 million as at December 31, 2023). There are no preferred shares or special shares outstanding.

Spartan's common shares are listed on the TSX under the trading symbol "SDE". The volume weighted average trading price of Spartan's common shares on the TSX was $3.97 per common share for the three months ended September 30, 2024 ($3.55 per share for the three months ended December 31, 2023). Spartan's closing share price increased to $3.69 on September 30, 2024 compared to $2.98 on December 31, 2023, primarily due to commodity and capital market volatilities.

The table below summarizes the weighted average number of common shares outstanding (000s) used in the calculation of diluted EPS and diluted AFF per share:

	Three months ended September 30			Nine months ended September 30		
(000s)	**2024**	2023	%	**2024**	2023	%
WA Shares outstanding, basic	**173,415**	173,201	-	**173,273**	172,302	1
Dilutive effect of outstanding securities	**1,775**	1,100	61	**1,659**	1,107	50
WA Shares, diluted – for EPS	**175,190**	174,301	1	**174,932**	173,409	1
Incremental dilution for AFF (1)	**2,003**	-	nm	**2,071**	1,014	104
WA Shares, diluted – for AFF (1)	**177,193**	174,301	2	**177,003**	174,423	1

(1) AFF per share does not have a standardized meaning under IFRS Accounting Standards, refer to "Non-GAAP Measures".

The total number of outstanding securities of the Company is provided below:

Number of securities outstanding (000s)	December 31, 2023	September 30, 2024	**November 5, 2024**
Common shares	173,201	173,603	**173,603**
Stock options (1)	98	1,354	**1,354**
Share awards	1,274	3,522	**3,522**
Total securities outstanding (2)	174,573	178,479	**178,479**

(1) The stock options outstanding as at September 30, 2024 have an average exercise price of $3.25 per common share with an average remaining term of 4.4 years.

(2) The total number of securities outstanding is provided for information purposes only. This calculation does not factor in whether the securities are in-the-money or the number of shares deemed to be repurchased under the treasury stock method in accordance with IFRS Accounting Standards. As such it should not be viewed as an alternative to the diluted weighted average number of common shares outstanding determined in accordance with IFRS Accounting Standards for purposes of EPS, as presented in the table above.

COMMITMENTS AND CONTINGENCIES

The following table summarizes the Company's contractual commitments as of September 30, 2024:

(CA$ thousands)	2024	2025	2026	2027	2028	Thereafter
Gas transportation (1)	2,309	9,238	8,793	4,603	3,936	1,361
Liquids transportation (2)	148	4,165	1,339	-	-	-
Capital commitment (3)	-	750	-	-	-	-
Total commitments (4)	**2,457**	**14,153**	**10,132**	**4,603**	**3,936**	**1,361**

(1) Spartan has firm transportation commitments on natural gas pipelines in Alberta until April 2030.

(2) Liquids transportation commitment relates to a take-or-pay on NGL volumes at the Keyera Fort Saskatchewan Fractionation Facility until March 2026.

(3) Capital commitment relates to future purchase of seismic data.

(4) The commitments table does not include lease liabilities. A contractual maturity of the Company's financial liabilities and undiscounted lease payments is provided in "Capital Resources and Liquidity".

Litigation

In the normal course of the Company's operations, it may become involved in, named as a party to, or be the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions, related to personal injuries, property damage, property tax, land rights, the environment and contract disputes with partners or other stakeholders. The outcome of outstanding, pending or future proceedings cannot be predicted with certainty and may be determined to have an adverse affect on the Company's future operations or financial condition. As of the date of this MD&A, the Company has no material litigation or claims outstanding that have not already been reflected in the Interim Financial Statements as at September 30, 2024.

OFF-BALANCE SHEET ARRANGEMENTS

Except for the commitments and contingencies disclosed herein, the Company does not believe it has any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future impact of the Company's financial condition, results of operations, liquidity or capital expenditures.

RELATED PARTY DISCLOSURES

a) Inter-corporate relationships

As at September 30, 2024, Spartan has no subsidiaries. As at September 30, 2023, Spartan had no subsidiaries, however, during the third quarter of 2023, Spartan had one wholly owned subsidiary: Logan Energy Corp. and it ceased to be a subsidiary on July 6, 2023. Spartan previously had a second subsidiary, Inception General Partner Inc., however, it was disposed of through the Asset Sale on May 10, 2023. Transactions between Spartan and its subsidiaries were eliminated on consolidation.

b) Related party transactions

During the nine months ended September 30, 2024, the Company incurred $0.7 million of legal fees to a law firm where the corporate secretary of the Company is a partner (nine months ended September 30, 2023 – $3.8 million), with the fees primarily relating to ongoing legal support. Approximately $0.1 million of legal fees are included in the balance of accounts payable and accrued liabilities as at September 30, 2024 (December 31, 2023 – $0.1 million).

On July 6, 2023, the Distribution of Logan Shares and Transaction Warrants to eligible holders of common shares of Spartan was completed and Logan ceased to be a subsidiary of Spartan. Additionally, Spartan and Logan entered into an agreement (the "Transition Services Agreement") to support the transition of resources through the Spin-Out. Pursuant to the Transition Services Agreement, Spartan will provide certain administrative services to Logan and Logan will provide certain administrative services to Spartan. These services will be billed based on time incurred and will be included as part of G&A expenses.

Logan was classified as a related party up to July 6, 2023, in which the Company had an accounts receivable of $2.5 million due from Logan, primarily related to net operating income of the transferred assets for the period of June 20, 2023 to July 6, 2023, offset by capital expenditures, prepaid operating expenses and G&A incurred on behalf of Logan.

SUBSEQUENT EVENT

Derivative Financial Instruments

Subsequent to September 30, 2024, Spartan entered into CA$ WTI Swaps for 2025. The table below summarizes average prices and notional volumes contracted under the Company's outstanding financial derivative contracts as of November 5, 2024:

	Crude Oil (1)		Natural Gas (1)	
	CA$ WTI Swaps – Short (2)		AECO 7A Swaps (3)	
Period	Volume Bbl/d	CA$/ Bbl	Volume GJ/d	CA$/ GJ
Q4 2024	600	$101.06	78,315	$2.98
Q1 2025	1,900	$99.16	45,000	$2.71
Q2 2025	1,900	$99.16	18,250	$2.24
Q3 2025	1,900	$99.16	18,250	$2.24
Q4 2025	1,900	$99.16	29,750	$2.51

(1) The prices and volumes in this table represent averages for contracts represented in the respective periods.
(2) CA$ WTI swaps are translated at the average daily noon rate for the settlement month.
(3) AECO 7A swaps are settled the first day of the month based on a weighted average of the previous month's fixed price trades.

SUMMARY OF QUARTERLY INFORMATION

The table below summarizes selected financial and operational information over the past eight quarters. Refer to "Results of Operations" section of this MD&A and the Company's previously issued MD&A for detailed discussions of quarter-to-quarter variances in these key performance measures.

(CA$ millions, except as noted)	**Q3 2024**	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Revenue	**53.8**	65.1	74.1	77.3	73.1	156.4	286.0	321.9
Net income and comprehensive income	**3.5**	14.4	11.2	110.6	9.0	457.1	86.4	152.9
$ per share, basic	**0.02**	0.09	0.06	0.64	0.05	2.65	0.50	0.95
$ per share, diluted	**0.02**	0.09	0.06	0.64	0.05	2.64	0.49	0.87
Funds from Operations (1)	**33.7**	39.5	48.0	58.5	66.3	109.2	182.5	235.1
Capital Expenditures (Dispositions) (1)(2)	**58.9**	77.0	63.1	64.6	28.3	(1,608.7)	140.6	159.4
Total assets	**921.7**	884.2	833.6	819.5	862.2	2,500.4	2,155.1	2,099.5
Working capital deficit (surplus)	**49.3**	15.4	41.1	28.4	56.6	60.2	(1,082.2)	(30.4)
Long-term liabilities	**205.4**	195.9	138.1	139.6	117.0	126.3	91.1	304.0
Shareholders' equity	**464.4**	458.8	442.2	429.7	318.3	308.8	1,583.0	1,516.8
Average daily production (BOE/d)	**37,020**	38,583	38,533	37,664	37,518	57,972	80,200	74,639
% Liquids	**32%**	32%	32%	31%	29%	36%	39%	39%
Average realized price ($ per BOE)	**17.78**	20.92	24.00	24.77	23.72	32.01	43.81	52.01
Operating Netbacks (1)								
Before hedging ($ per BOE) (1)	**8.42**	10.67	13.92	15.29	14.08	19.36	28.53	35.47
After hedging ($ per BOE) (1)	**12.22**	12.91	14.37	20.70	23.10	24.72	27.17	34.28

(1) "Funds from Operations", "Capital Expenditures (Dispositions)" and "Operating Netbacks" do not have standardized meanings under IFRS Accounting Standards, refer to "Non-GAAP Measures and Ratios".
(2) Excludes non-cash consideration for acquisitions. Refer to "Cash Used in (Provided by) Investing Activities and Capital Expenditures (Dispositions)" section of this MD&A for additional information.

Spartan's primary focus since Q3 2022 was on organic growth, investing a total of $576.3 million into exploration and development capital expenditures across its core asset base over the past eight quarters. In addition, in Q4 2023 the Company completed $32.5 million of acquisitions in the Duvernay and in 2024 added $76.9 million of producing properties and undeveloped land to its Duvernay position.

Organic growth drove the majority of the increase in production volumes and revenues over 2022, in addition to strengthening commodity prices over the year. During 2022, global crude oil prices rose to the highest levels since 2014. Commodity prices softened in Q1 2023, reflecting a reduction in revenue over the quarter. In the second and third quarter of 2023, the Company completed the 2023 Transactions, leading to a reduction in revenues and production over these periods. Revenues remained relatively consistent from the third quarter of 2023 to the first quarter of 2024 with a decline in the second and third quarters of 2024 related to a reduction in natural gas pricing.

Changes in net income over the last eight quarters primarily fluctuated with changes in revenue and one-time gains and losses. 2023 primarily saw decreases resulting from the 2023 Transactions with a one-time loss in Q1 2023 and one-time gains in the Q2 2023 and Q4 2023. The fourth quarter of 2022 includes other income of $14.3 million related to an infrastructure construction project. The first quarter of 2023 includes impairments to E&E and PP&E of $21.0 million and $7.6 million, respectively. The third quarter of 2023 includes a gain on sale of $549.2 million related to the Asset Sale. The final resulting gain was $543.1 million after purchase price adjustments in the third and fourth quarter of 2023. In the fourth quarter of 2023, Spartan recorded a deferred tax recovery of $80.0 million resulting from a section 66.7 election. In addition, unrealized changes in the fair value of derivative financial instruments also contributed to significant fluctuations in net income each quarter. Spartan's net income includes an unrealized gain of $23.6 million for the fourth quarter of 2022, a $32.5 million gain for the first quarter of 2023, a $27.8 million loss in the third quarter of 2023, a $31.1 million loss in the third quarter of 2023, a $3.6 million loss in the fourth quarter of 2023, a $6.5 million loss in the first quarter 2024, a $6.2 million gain in the second quarter of 2024 and a $2.0 million loss in the third quarter of 2024.

Operating Netbacks softened over the last eight quarters as benchmark pricing has decreased from the peak seen in the fourth quarter of 2022, partly offset by lower royalties and operating expenses. Netbacks for the second, third and fourth quarters of 2023 also reflect a change in product sales mix with the majority of the Company's oil producing assets being sold in the 2023 Transactions and the Company's gas producing assets remaining. Natural gas prices declined starting in Q1 2023 and have resulted in reduced netbacks from the third quarter of 2023 to the third quarter of 2024.

In the fourth quarter of 2022, the Company declared a special cash dividend of $0.50 per common share payable on January 16, 2023, to eligible shareholders of record at the close of business on December 15, 2022. In the third quarter of 2023, Spartan declared dividends and distributions payable totalling $1.7 billion to distribute the proceeds of the Asset Sale, shares and warrants in Logan, inclusive of an additional $0.10 per share special distribution.

MATERIAL ACCOUNTING POLICIES

The significant accounting policies and newly adopted accounting policies applied by the Company are described in note 3 of the Interim Financial Statements as at September 30, 2024.

Future Accounting Changes

IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, the International Accounting Standards Board issued IFRS 18 *Presentation and Disclosure in Financial Statements* ("IFRS 18") to replace IAS 1 *Presentation of Financial Statements.* IFRS 18 sets out requirements for the presentation and disclosure of information in the financial statements including a new structure for the Statement of Profit and Loss, disclosure of Management-defined performance measures and enhanced principles on aggregation and disaggregation. In addition, interest paid will be classified under financing activities on the Statement of Cash Flows which could result in a material change under IFRS 18. This standard is effective for annual reporting periods beginning on or after January 1, 2027, including for interim financial statements. Spartan is still assessing the full impact of this amendment.

SIGNIFICANT ESTIMATES AND JUDGEMENTS

The timely preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ materially from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are reviewed and for any future years affected. The significant judgements, estimates and assumptions made by management are consistent with those outlined in note 2 of the Interim Financial Statements, unless otherwise noted below.

Determination of cash generating units (“CGUs”)

The determination of CGUs requires judgement in defining a group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. CGUs are determined by similar geological structure, shared infrastructure, geographical proximity, commodity type, similar exposure to market risks and materiality.

As at September 30, 2024, Spartan has two CGUs comprised of the Company’s assets located in west central Alberta, the “Deep Basin” CGU and the Company’s assets located in the Duvernay, the “Duvernay” CGU. As at December 31, 2023, Spartan had one CGU comprised of the Company’s assets located in the “Deep Basin” CGU.

CONTROL ENVIRONMENT

Spartan is required to comply with National Instrument 52-109 ("NI 52-109") Certification of Disclosure in Issuers’ Annual and Interim Filings. NI 52-109 for the interim period ended September 30, 2024 requires that Spartan disclose in its interim MD&A any material weaknesses or changes in Spartan’s Internal Controls over Financial Reporting (“ICFR”) and Disclosure Controls and Procedures (“DC&P”) that occurred during the period that have materially affected, or are reasonably likely to materially affect, Spartan’s ICFR and DC&P. Spartan confirms that no material weaknesses were identified or such changes were made to its ICFR and DC&P during the three and nine months ended September 30, 2024.

RISKS AND UNCERTAINTIES

The business of exploring for, developing and producing crude oil and natural gas reserves is inherently risky. The Company is subject to both risks that directly affect Spartan's business and operations, as well as indirect risks that impact third parties or the industry generally. The following information is a summary only of certain risk factors relating to the Company and should be read in conjunction with the Company’s 2023 AIF which can be found at www.sedarplus.ca. Prospective investors should carefully consider the risk factors set out below and consider all other information contained in this MD&A and in the Company’s other public filings before making an investment decision. The risks set out below are not an exhaustive list, nor should be taken as a complete summary or description of all the risks associated with the Company’s business and the oil and natural gas business generally.

Market Risks

Market risk is the risk that changes in market conditions, such as commodity prices, interest rates and foreign exchange rates, will affect the Company’s cash flows, net income or fair value of financial instruments. Spartan’s risk management objective is to manage and control market risk exposures within acceptable limits, while maximizing long-term returns.

The Company utilizes both derivative financial instruments and physical delivery sales contracts to manage market risks. All such transactions are conducted in accordance with the Company’s established risk management policies that permit management to enter into derivative financial contracts, provided that: the contracts are not entered into for solely speculative purposes; the aggregate quantity hedged, at the time of entering into the contract, does not exceed 75% of future forecasted average daily production; and the contracted term does not exceed 36 months.

a) Commodity Price Risk

Commodity price risk is the risk that future cash flows will fluctuate as a result of changes in commodity prices. Inherent to the business of producing oil and gas, the Company's revenue and cash provided by operating activities is subject to commodity price risk. Commodity prices are impacted by world economic events that dictate the levels of supply and demand as well as the currency exchange rate relationship between the Canadian and U.S. dollar. A strengthening in the Canadian dollar against the U.S. dollar could negatively impact the commodity prices realized by Spartan, even with no change in the underlying commodity U.S. benchmark.

From time to time, Spartan may enter into agreements to receive fixed prices on its oil and natural gas production to offset the risk of revenue losses if commodity prices decline. Similarly, the Company may enter into agreements to fix the differential or discount pricing gap which exists, and may fluctuate between different grades of crude oil, NGLs and natural gas and the various market prices received for such products. However, if commodity prices increase or differentials narrow beyond the levels set in such agreements, Spartan may be prevented from realizing the full benefits of price increases above the levels of the derivative instruments used to manage price risk and the Company may nevertheless be obligated to pay royalties on such higher prices, even though not received by it, after giving effect to such agreements. In addition, if the Company enters into hedging arrangements it may be exposed to the risk of financial loss in certain circumstances, including instances in which: production falls short of the hedged volumes or prices fall significantly lower than projected; there is a widening of price-basis differentials between delivery points for production and the delivery point assumed in the hedge arrangement; the counterparties to the hedging arrangements or other price risk management contracts fail to perform under those arrangements; and/or a sudden unexpected material event impacts crude oil and natural gas prices.

Details of outstanding commodity risk management contracts are provided under the heading "Commodity Price Risk Management" in this MD&A and in note 4 to the Interim Financial Statements. The fair values of these contracts are highly sensitive to changes in forecast crude oil and natural gas prices.

The following table illustrates the stand-alone impact of changes in specified benchmark prices on net income before income taxes, holding all other variables constant, of risk management contracts in place as at September 30, 2024:

(CA$ thousands)	Change in price	Positive movement	Negative movement
AECO 7A	+/- CA$ 0.25 per GJ	(4,333)	4,333
CA$ WTI Swaps - Short	+/- CA$ 5.00 per bbl	(1,919)	1,919

b) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is exposed to interest rate risk on long-term debt which bears floating rates of interest. Under the Credit Facility, interest rates fluctuate based on the bank prime rate plus an applicable margin, which varies based on the Company's net debt to cash flow ratio each quarter. Based on the balance of long-term debt outstanding at September 30, 2024, an increase (decrease) in the market rate of interest by 50 basis points would increase (decrease) annualized interest expense by approximately $0.5 million.

The global economic recovery and inflationary environment has resulted in rising interest rates. Over the course of 2022, the benchmark interest rate was increased by 400 basis points, and over 2023 the benchmark interest rate was increased by an additional 75 basis points. The benchmark rate was decreased by 75 basis points in the first nine months of 2024, and another 50 basis points subsequent to quarter end with a potential for further interest rate fluctuations over the next twelve months. The Company may use derivative financial instruments to manage interest rate risk, however there were no such contracts in place as at or during the period ended September 30, 2024.

c) Currency Risk

Currency risk is the risk that future cash flows will fluctuate as a result of changes in foreign exchange rates. All of the Company's crude oil and natural gas sales are conducted in Canada and the majority of Spartan's revenue is received in Canadian dollars. A portion of the Company's crude oil is marketed in U.S. dollars, however U.S. dollar revenues represented approximately 7% of Spartan's oil and gas sales during the third quarter of 2024. Spartan is exposed to fluctuations of the Canadian to U.S. dollar exchange rate given the Company's realized pricing in Canadian dollars is directly influenced by U.S. dollar denominated benchmark pricing.

The US$/CA$ exchange rate closed at $1.35 on September 30, 2024, as compared to $1.32 on December 31, 2023. The US$/CA$ exchange rate is typically negatively correlated to the movement in WTI crude oil prices, however, during the nine months ended September 30, 2024, the Canadian dollar weakened 2% in value relative to the U.S. dollar while WTI decreased by 4% since year-end. A weaker Canadian dollar has a positive impact on the Canadian dollar equivalent price Spartan receives, which mitigated impact on the Company's revenue due to decreasing benchmark oil prices. Should the Canadian dollar strengthen against the U.S. dollar, the impact of higher benchmark oil prices could be diminished, or alternatively a stronger Canadian dollar could heighten the impact of weakening benchmark oil prices.

Spartan may enter into foreign exchange risk management contracts from time-to-time to manage currency risk on the Company's U.S. dollar denominated cash flows. The Company had contracts which fixed the U.S. dollar exchange rate at $1.34 on a notional US$9.0 million per month from October 1, 2023 to December 31, 2023. The foreign exchange contract was completed in December 31, 2023, and the Company has not entered into any new foreign exchange contracts during the nine months ended September 30, 2024.

Credit Risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's financial assets include cash and cash equivalents, restricted cash, accounts receivable, deposits and derivative financial instrument assets. Cash and cash equivalents and restricted cash are held on deposit with a Canadian chartered bank. The Company's credit risk exposure arises primarily from receivables from oil and gas marketers and joint venture partners. The oil and gas industry has a pre-arranged monthly clearing day for payment of revenues from all buyers of oil and natural gas; this occurs on the 25th day following the month of sale. As a result, the Company's production receivables are current. All other accounts receivable are generally contractually due within 30 days, however the collection period is typically between 60 to 90 days. Amounts outstanding for more than 90 days are generally considered "past due" and relate primarily to receivables from the Company's joint venture partners. When determining whether amounts that are past due are collectible, management assesses the creditworthiness and past payment history of the counterparty, as well as the nature of the past due amount. As at September 30, 2024, Spartan's expected credit loss provision is $1.3 million ($1.3 million at December 31, 2023).

Liquidity Risk

Liquidity risk is the risk that a company will not be able to meet its financial obligations as they become due. The Company prepares and regularly updates its capital and operating budget to forecast future cash flows to ensure, to the extent possible, that it will have sufficient liquidity to meet its obligations. As at September 30, 2024, Spartan's financial liabilities include accounts payable, dividends payable, derivative financial instruments, long-term debt and lease liabilities. A contractual maturity analysis is provided in the "Capital Resources and Liquidity" section of this MD&A. The Company has sufficient liquidity for the next 12 months as current cash balances, future cash flow from operations and access to the remaining undrawn Credit Facility is expected to be sufficient to meet the Company's financial obligations.

The Company is early in its life cycle and its development program is capital intensive. From time to time, Spartan's cash flow from operating activities may not be sufficient to fund its growth objectives. As such, Spartan may be dependent on obtaining regular financings in order to continue its exploration, development and acquisition plans. Although the Company has been successful in establishing its credit facilities and accessing equity capital markets to date, there is no guarantee of obtaining future financings.

Forward-Looking Information May Prove Inaccurate

Current and prospective investors are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

Additional information on the risks, assumptions and uncertainties in this MD&A under the heading "Forward-Looking Statements".

ABBREVIATIONS

A&D	acquisitions and dispositions
AECO	Alberta Energy Company "C" Meter Station of the NOVA Pipeline System, the Canadian benchmark price for natural gas
AIF	refers to the Company's 2023 Annual Information Form dated March 28, 2024
API	American Petroleum Institute gravity
bbl	barrel
bbls/d	barrels per day
BOE	barrels of oil equivalent
BOE/d	barrels of oil equivalent per day
CA$	Canadian dollar
CA$ WTI	Canadian dollar WTI
C3	Propane
DCET	capital expenditures incurred to drill, complete, equip and tie-in a well
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
G&A	general and administrative expenses
G&G	geological and geophysical expenses
GAAP	refers to Canadian Generally Accepted Accounting Principles, which incorporate IFRS Accounting Standards for public companies
GJ	gigajoule
ICFR	internal controls over financial reporting
LCA	Licensee Capability Assessment
LMR	Liability Management Rating of the Alberta Energy Regulator
mbbls	one thousand barrels
mBOE	one thousand barrels of oil equivalent
mcf or MCF	one thousand cubic feet
mcf/d	one thousand cubic feet per day
MM	millions of dollars
mmbtu	one million British thermal units
mmcf	one million cubic feet
mmcf/d	one million cubic feet per day
nm	"not meaningful", generally with reference to a percentage change
NCLs	non-capital losses
NGLs	natural gas liquids
NYMEX	New York Mercantile Exchange
Q1 2023	first quarter of 2023
Q2 2023	second quarter of 2023
Q3 2023	third quarter of 2023
Q4 2023	fourth quarter of 2023
Q1 2024	first quarter of 2024
Q2 2024	second quarter of 2024
Q3 2024	third quarter of 2024
TSX	Toronto Stock Exchange
US$	United States dollar
WTI	West Texas Intermediate, price paid in US$ at Cushing, Oklahoma, for crude oil of standard grade

FORWARD-LOOKING STATEMENTS

Certain statements contained within this MD&A constitute forward-looking statements within the meaning of applicable Canadian securities legislation. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "budget", "plan", "endeavour", "continue", "estimate", "evaluate", "expect", "forecast", "monitor", "may", "will", "can", "able", "potential", "target", "intend", "consider", "focus", "identify", "use", "utilize", "manage", "maintain", "remain", "result", "cultivate", "could", "should", "believe" and similar expressions. The Company believes that the expectations reflected in such forward-looking statements are reasonable, but no assurance can be given that such expectations will prove to be correct and such forward-looking statements should not be unduly relied upon.

Without limitation, this MD&A contains forward-looking statements pertaining to:

- the intentions of management and the Company with respect to its growth strategy and business plan;
- Spartan's 2024 outlook, including anticipated production levels and capital expenditure budget for 2024;
- expected production and financial results of the acquisitions;
- Spartan's intentions with respect to the future return of capital;
- Spartan's intention to maintain a flexible capital structure;
- Spartan's intentions to maintain a strong balance sheet to allow the Company to take advantage of opportunities;
- Spartan's objective to maintain an industry leading Liability Management Rating;
- capital resources and liquidity, including Spartan's expectations regarding sources of funding for future development capital expenditures;
- estimates used to calculate the fair value of net assets acquired through business combinations, decommissioning obligations, and depletion and impairment of PP&E;
- expectations of generating future taxable profits in order to realize deferred tax assets by utilizing available tax pools in the future, as well as the estimated amount of available tax pools;
- expectations regarding Spartan's position to withstand future commodity price volatility;
- the expectation that interest rates and borrowing costs may increase or decrease over the next twelve months;
- commitments and contingencies; and
- expectations for forecast commodity prices in 2024 and beyond.

With respect to the forward-looking statements contained in this MD&A, Spartan has made assumptions regarding, among other things:

- future commodity prices, price differentials and the actual prices received for the Company's products;
- delays in the optimization of operations at the Company's properties;
- operating costs and expenditures;
- future production and recovery;
- anticipated fluctuations in foreign exchange and interest rates;
- general economic conditions, including from the actions of oil and gas producing countries and the continuing pressure of interest rate hikes following recent inflation;
- expected net production transportation expenses and operating costs;
- estimated reserves of oil and natural gas, including estimated future development capital expenditures required to develop total proved plus probable reserves;
- the ability to obtain equipment and services in the field in a timely and efficient manner;
- the ability to add production and reserves through acquisition and/or drilling at competitive prices;
- the ability to explore diversified gas markets;
- the timing of anticipated future production additions from the Company's properties and acquisitions;
- the continued availability of capital and skilled personnel and the impact of increasing competition;
- the ability to obtain financing on acceptable terms;
- the ability of the Company to secure adequate product transportation; and
- the continuation of the current tax, royalty and regulatory regime.

Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated or implied by such forward-looking statements due to a number of factors and risks. These include but are not limited to:

- adverse effects on general economic conditions in Canada, the United States and globally;
- the material uncertainties and risks described under the heading "Risks and Uncertainties" in this MD&A and in the Company's AIF;
- the risks associated with the oil and gas industry in general, such as operational risks in development, exploration and production;
- delays or changes in plans with respect to exploration or development projects or capital expenditures;
- incorrect assessments of the value of benefits to be obtained from the Company's exploration and development programs;
- volatility in market prices for oil and natural gas;
- uncertainties associated with estimating crude oil and natural gas reserves and the ability of the Company to realize value from its properties;
- geological, technical, drilling and processing problems;
- facility and pipeline capacity constraints and access to processing facilities and to markets for production;
- fluctuations in foreign exchange or interest rates and stock market volatility;
- fluctuations in the costs of borrowing;
- marketing and transportation;
- prevailing weather and break-up conditions;
- environmental risks;
- competition for, among other things, capital, acquisition of reserves, undeveloped lands and skilled personnel;
- net production and transportation costs and future development costs;
- the ability to access sufficient capital from internal and external sources;
- ability to obtain regulatory approvals;
- changes in tax, royalty and environmental legislation; and
- litigation or regulatory proceedings that may be brought against the Company.

Readers are cautioned that the foregoing list of risk factors is not exhaustive. The risk factors above should be considered in the context of current economic conditions, the attitude of lenders and investors towards corporations in the energy industry, potential changes to royalty and taxation regimes and to environmental and other government regulations, the condition of financial markets generally, as well as the stability of joint venture and other business partners, all of which are outside the control of the Company. Also to be considered are increased levels of political uncertainty both domestically and abroad, possible changes to existing international trading agreements and relationships, as well as geopolitical risks including Russia's military actions in Ukraine and Israeli-Hamas conflict in Gaza. Legal challenges to asset ownership, limitations to rights of access and adequacy of pipelines or alternative methods of getting production to market may also have a significant effect on the Company's business. Further, the ability of Spartan to pay dividends or execute share buybacks in the future, if any, will be subject to applicable laws (including the satisfaction of the solvency test contained in applicable corporate legislation) and contractual restrictions contained in the instruments governing its indebtedness, including its credit facility. Additional information on these and other factors that could affect the business, operations or financial results of Spartan are included in reports on file with applicable securities regulatory authorities, including (but not limited to) the AIF, which may be accessed on Spartan's SEDAR+ profile at www.sedarplus.ca or on the Company's website at www.spartandeltacorp.com.

The forward-looking statements and future orientated financial information ("**FOFI**") contained in this MD&A are made as of the date hereof and Spartan undertakes no obligation to update publicly or revise any forward-looking statements, forward-looking information or FOFI whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. The forward-looking statements and FOFI contained herein are expressly qualified by this cautionary statement.