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SPARTAN DELTA CORP. ANNOUNCES PRELIMINARY 2025 GUIDANCE, ACCELERATION OF DUVERNAY DEVELOPMENT PROGRAM, AND \$50 MILLION EQUITY OFFERING

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Calgary, Alberta – January 13, 2025 – Spartan Delta Corp. (“Spartan” or the “Company”) (TSX:SDE) is pleased to announce its preliminary guidance for 2025, an accelerated West Shale Basin Duvernay (the “Duvernay”) development program, and a \$50.0 million bought deal equity financing led by National Bank Financial Inc., as lead underwriter and sole bookrunner (the “Equity Offering”).

2025 BUDGET AND PRELIMINARY GUIDANCE

Spartan is pleased to provide its preliminary financial and operating guidance for 2025, focused on delivering significant growth in oil and liquids production and Adjusted Funds Flow per Share.

For 2025, Spartan’s Board has approved an initial capital budget of \$300 to \$325 million to drill 35 (32 net) wells, targeting estimated annualized production of approximately 40,000 BOE/d, a 5% increase compared to 2024 guidance. Additionally, Spartan forecasts its 2025 crude oil and condensate production to increase by approximately 75% compared to 2024 guidance.

DUVERNAY

In 2024, Spartan brought on-stream 4.0 (3.4 net) wells at an average peak IP30 rate of 1,132 BOE/d (87% liquids) in the Willesden Green Duvernay (“**Willesden Green**”), significantly exceeding internal expectations and exhibiting top tier regional performance. In December 2024, the Company’s Duvernay position exceeded 250,000 net acres and production exceeded 5,000 BOE/d (77% liquids).

Building off the success achieved in 2024, Spartan is allocating approximately \$200 to \$215 million of capital in the Duvernay in 2025, targeting an annualized production growth rate of 180%. Spartan anticipates drilling 16 (14 net) wells and completing and bringing on-stream 17 (15 net) wells in the Duvernay in 2025. Additionally, the Company continues to allocate capital to expand its water infrastructure to accommodate future growth as Spartan targets production growth to 25,000 BOE/d in the Duvernay.

DEEP BASIN

In 2025, Spartan is allocating approximately \$100 to \$110 million of capital, focusing on liquids-rich targets in the first half of 2025. The Company anticipates drilling, completing, and bringing on-stream 19 (18 net) wells in the Deep Basin in 2025. Additionally, Spartan is preserving the versatility to increase the capital budget in the second half of 2025 in response to improvements in natural gas prices.

2025 GUIDANCE

Based on forecast average commodity pricing of US\$72.00/bbl WTI crude oil and \$2.20/GJ AECO natural gas, Spartan expects to generate:

- Adjusted Funds Flow of approximately \$219 million in 2025, an increase of 37% compared to 2024 guidance.

- Adjusted Funds Flow per Share accretion of 27% in 2025 compared to 2024 guidance, inclusive of the Equity Offering.
- Operating Netback, before hedging of \$18.39/BOE, an increase of 61% compared to 2024 guidance, as a result of growing crude oil and condensate production by 75%.
- Spartan has hedged 78,362 GJ/d of its 2025 natural gas production at an average price of \$2.22/GJ and 2,450 bbl/d of its 2025 crude oil and condensate production at an average price of \$99.59/bbl.

ANNUAL GUIDANCE	2024	2025	Variance ⁽¹⁾	
	Guidance	Guidance ⁽¹⁾	Amount	%
Average Production (BOE/d)	38,000	39,000 – 41,000	2,000	5
% Liquids	33%	38%	5	15
Natural gas (mmcf/d)	154	148	(6)	(4)
NGLs (bbls/d)	9,200	9,700	500	5
Crude oil and condensate (bbls/d)	3,200	5,600	2,400	75
Benchmark Average Commodity Prices				
WTI crude oil price (US\$/bbl)	75.00	72.00	(3.00)	(4)
AECO 7A natural gas price (\$/GJ)	1.35	2.20	0.85	63
Average exchange rate (US\$/CA\$)	1.37	1.43	0.06	4
Operating Netback, before hedging (\$/BOE) ⁽²⁾	11.43	18.39	6.95	61
Adjusted Funds Flow (\$MM) ⁽²⁾	160	219	59	37
Adjusted Funds Flow per Share (\$/sh) ⁽²⁾	0.92	1.17	0.25	27
Capital Expenditures, before A&D (\$MM) ⁽²⁾	164	300 - 325	149	91
Net Debt, end of year (\$MM) ⁽²⁾	156	197	41	26
Common shares outstanding, end of year (MM)	174	187	13	7

(1) The financial performance measures included in the Company's preliminary guidance for 2025 is based on the midpoint of the average production and capital expenditure forecast.

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

EQUITY OFFERING

Spartan has entered into an agreement with a syndicate of underwriters (the "**Underwriters**") led by National Bank Financial Inc., as lead underwriter and sole bookrunner, pursuant to which the Underwriters have agreed to purchase for resale to the public, on a bought deal basis, 13,090,000 common shares ("**Common Shares**") of Spartan at a price of \$3.82 per Common Share for aggregate gross proceeds of approximately \$50.0 million. The Underwriters will have an option to purchase up to an additional 15% of the Common Shares issued under the Equity Offering at a price of \$3.82 per Common Share to cover over allotments exercisable in whole or in part at any time until 30 days after the closing of the Equity Offering. It is anticipated that certain directors, officers, and employees of the Company will subscribe for approximately \$5.4 million of the Equity Offering.

The Common Shares offered in the Equity Offering will be offered by way of short form prospectus in all provinces of Canada except Quebec. The Common Shares may also be placed privately in the United States to Qualified Institutional Buyers (as defined under Rule 144A under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**")), pursuant to an exemption under Rule 144A, and may be distributed outside Canada and the United States on a basis which does not require the qualification or registration of any of the Company's securities under domestic or foreign securities laws. The completion of the Equity Offering is subject to customary closing conditions, including the receipt of all necessary regulatory approvals, including approval of the Toronto Stock Exchange ("**TSX**"). Closing of the Equity Offering is expected to occur on or around January 30, 2025 (the "**Closing Date**").

Spartan will use the net proceeds from the Equity Offering to fund the acceleration of the development program in the Duvernay as the Company targets Duvernay production growth to 25,000 BOE/d and general corporate purposes. The acceleration of the Duvernay will deliver significant growth in oil and liquids production and material accretion to Adjusted Funds Flow per Share.

Stikeman Elliott LLP is acting as legal counsel to Spartan in respect of the Equity Offering. Burnet, Duckworth & Palmer LLP is acting as legal counsel to the Underwriters in respect of the Equity Offering.

ABOUT SPARTAN DELTA CORP.

Spartan is committed to creating value for its shareholders, focused on sustainability both in operations and financial performance. The Company's culture is centered on generating Free Funds Flow through responsible oil and gas exploration and development. The Company has established a portfolio of high-quality production and development opportunities in the Deep Basin and the Duvernay. Spartan will continue to focus on the execution of the Company's organic drilling program across its portfolio, delivering operational synergies in a respectful and responsible manner to the environment and communities it operates in. The Company is well positioned to continue pursuing optimization in the Deep Basin, participate in the consolidation of the Deep Basin fairway, and continue growing and developing its Duvernay asset.

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READER ADVISORIES

This press release is not an offer of the securities for sale in the United States. The securities offered have not been, and will not be, registered under the U.S. Securities Act or any U.S. state securities laws and may not be offered or sold in the United States absent registration or an available exemption from the registration requirement of the U.S. Securities Act and applicable U.S. state securities laws. This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Non-GAAP Measures and Ratios

This press release contains certain financial measures and ratios which do not have standardized meanings prescribed by International Financial Reporting Standards (“**IFRS Accounting Standards**”) or Generally Accepted Accounting Principles (“**GAAP**”). As these non-GAAP financial measures and ratios are commonly used in the oil and gas industry, Spartan believes that their inclusion is useful to investors. The reader is cautioned that these amounts may not be directly comparable to measures for other companies where similar terminology is used.

The non-GAAP measures and ratios used in this press release, represented by the capitalized and defined terms outlined below, are used by Spartan as key measures of financial performance, and are not intended to represent operating profits nor should they be viewed as an alternative to cash provided by operating activities, net income or other measures of financial performance calculated in accordance with IFRS Accounting Standards.

The definitions below should be read in conjunction with the “Non-GAAP Measures and Ratios” section of the Company’s Management’s Discussion and Analysis dated November 5, 2024, which includes discussion of the purpose and composition of the specified financial measures and detailed reconciliations to the most directly comparable GAAP financial measures.

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.

Adjusted Funds Flow and Free Funds Flow

Cash provided by operating activities is the most directly comparable measure to Adjusted Funds Flow. “**Adjusted Funds Flow**” is a non-GAAP financial measure reconciled to cash provided by operating activities by excluding changes in non-cash working capital, adding back transaction costs on acquisitions and dispositions, and deducting the principal portion of lease payments. 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 and dispositions, are added back because the Company’s definition of Free Funds Flow excludes capital expenditures related to acquisitions and dispositions. 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. Lease liabilities are not included in Spartan’s definition of Net Debt therefore lease payments are deducted in the period incurred to determine Adjusted Funds Flow.

“Free Funds Flow” is a non-GAAP financial measure calculated by Spartan as Adjusted Funds Flow less Capital Expenditures before A&D. 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 current and long-term debt, reinvest in the business or return capital to shareholders.

Adjusted Funds Flow per share

Adjusted Funds Flow (**“AFF”**) per share is a non-GAAP financial ratio used by the Company 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”).

Capital Expenditures, before A&D

“Capital Expenditures before A&D” is a non-GAAP financial measure used by Spartan to measure its capital investment level compared to the Company’s annual budgeted capital expenditures for its organic drilling program. It includes capital expenditures on exploration and evaluation assets and property, plant and equipment, before acquisitions and dispositions. The directly comparable GAAP measure to Capital Expenditures before A&D is cash used in investing activities.

Net Debt and Adjusted Working Capital

References to **“Net Debt”** includes long-term debt under Spartan’s revolving credit facility, 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). The 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.

Spartan uses Net Debt as a key performance measure to manage the Company’s targeted debt levels. 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 obligation relates to.

OTHER MEASUREMENTS

All dollar figures included herein are presented in Canadian dollars, unless otherwise noted.

This press release 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 (Mcf) per barrel (bbl). The term BOE may be misleading, particularly if used in isolation. 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.

References to “oil” in this press release include light crude oil and medium crude oil, combined. National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* (**“NI 51-101”**) includes condensate within the product type of “natural gas liquids”. References to “natural gas liquids” or “NGLs” include pentane, butane, propane, and ethane. References to “gas” or “natural gas” relates to conventional natural gas.

References to “liquids” includes crude oil, condensate and NGLs.

ASSUMPTIONS FOR 2025 GUIDANCE

The significant assumptions used in the forecast of Operating Netbacks and Adjusted Funds Flow for 2025 are summarized below. These key performance measures expressed per BOE are based on the calendar year average production guidance for 2025 of approximately 40,000 BOE/d.

2025 FINANCIAL GUIDANCE (\$/BOE)	Guidance
Oil and gas sales	30.57
Processing and other revenue	0.25
Royalties	(4.12)
Operating expenses	(6.20)
Transportation expenses	(2.11)
Operating Netback, before hedging	18.39
Settlements on Commodity Derivative Contracts	(0.10)
Operating Netback, after hedging	18.29
General and administrative expenses	(1.34)
Cash financing expenses	(0.95)
Settlements of decommissioning obligations	(0.18)
Lease payments	(0.79)
Adjusted Funds Flow	15.03

Changes in forecast commodity prices, exchange rates, differences in the amount and timing of capital expenditures, and variances in average production estimates can have a significant impact on the key performance measures included in Spartan's guidance. The Company's actual results may differ materially from these estimates. Holding all other assumptions constant, a US\$5/bbl increase (decrease) in the forecasted average WTI crude oil price for 2025 would increase Adjusted Funds Flow by approximately \$10 million (decrease by \$10 million). An increase (decrease) of CA\$0.25/GJ in the forecasted average AECO natural gas price for 2025, holding the NYMEX-AECO basis differential and all other assumptions constant, would increase Adjusted Funds Flow by approximately \$8 million (decrease by \$8 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 would increase Adjusted Funds Flow by approximately \$7 million (decrease by \$7 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).

SHARE CAPITAL

As of the date hereof, there are 174 million Common Shares outstanding. Pro forma completion of the Equity Offering, there will be 187 million Common Shares outstanding. There are no preferred shares or special preferred shares outstanding. The following securities are outstanding as of the date of this press release: 3.5 million restricted share awards; and 1.4 million stock options outstanding with an average exercise price of \$3.25 per Common Share and average remaining term of 4.1 years.

FORWARD-LOOKING AND CAUTIONARY STATEMENTS

Certain statements contained within this press release 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”, “endeavor”, “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. Spartan believes that the expectations reflected in such forward-looking statements are reasonable as of the date hereof, 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 press release contains forward-looking statements pertaining to: the business plan, objectives, cost model and strategy of Spartan; the completion of the Equity Offering, the anticipated use of proceeds of the Equity Offering and the timing of closing of the Equity Offering; the Company's 2025 capital program, budget and guidance; continued optimization of its Deep Basin asset, participation in the consolidation of the Deep Basin fairway and advancing and accelerating its Duvernay strategy; the Company's drilling strategy in the Deep Basin; expected drilling and completions in the Duvernay; Spartan's strategies to deliver strong operational performance and to generate significant shareholder returns; the ability of the Company to achieve drilling success consistent with management's expectations; being well positioned to take advantage of opportunities in the current business environment; risk management activities, including hedging; to continue pursuing immediate production optimization and responsible future growth with organic drilling, and to continue to execute on building an extensive position in the Duvernay.

The forward-looking statements and information are based on certain key expectations and assumptions made by Spartan, including, but not limited to, expectations and assumptions concerning the business plan of Spartan, the timing of and success of future drilling, development and completion activities, the growth opportunities of Spartan's Duvernay acreage, the performance of existing wells, the performance of new wells, the availability and performance of facilities and pipelines, the geological characteristics of Spartan's properties, the successful application of drilling, completion and seismic technology, prevailing weather conditions, prevailing legislation affecting the oil and gas industry, prevailing commodity prices, price volatility, future commodity prices, price differentials and the actual prices received for the Company's products, anticipated fluctuations in foreign exchange and interest rates, impact of inflation on costs, royalty regimes and exchange rates, the application of regulatory and licensing requirements, the availability of capital, labour and services, the creditworthiness of industry partners, general economic conditions, and the ability to source and complete acquisitions.

Although Spartan believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information because Spartan can give no assurance that they will prove to be correct. By its nature, such forward-looking information is subject to various risks and uncertainties, which could cause the actual results and expectations to differ materially from the anticipated results or expectations expressed. These risks and uncertainties include, but are not limited to, fluctuations in commodity prices; changes in industry regulations and legislation (including, but not limited to, tax laws, royalties, and environmental regulations); the risk that the new U.S. administration imposes tariffs on Canadian goods, including crude oil and natural gas, and that such tariffs (and/or the Canadian government's response to such tariffs) adversely affect the demand and/or market price for the Company's products and/or otherwise adversely affects the Company; changes in the political landscape both domestically and abroad, wars (including Russia's military actions in Ukraine and the Israel-Hamas conflict in Gaza), hostilities, civil insurrections, foreign exchange or interest rates, increased operating and capital costs due to inflationary pressures (actual and anticipated), risks associated with the oil and gas industry in general, stock market and financial system volatility, impacts of pandemics, the retention of key management and employees, risks with respect to unplanned third-party pipeline outages and risks relating to inclement and severe weather events and natural disasters, including fire, drought, and flooding, including in respect of safety, asset integrity and shutting-in production.

Please refer to Spartan's Management's Discussion and Analysis for the period ended September 30, 2024, and annual information form for the year ended December 31, 2023, for discussion of additional risk factors relating to the Company, which can be accessed either on Spartan's website at www.spartandeltacorp.com or under Spartan's SEDAR+ profile on www.sedarplus.ca. Readers are cautioned not to place undue reliance on this forward-looking information, which is given as of the date hereof, and to not use such forward-looking information for anything other than its intended purpose. Spartan undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.

This press release contains future-oriented financial information and financial outlook information (collectively, “FOFI”) about the Company's 2025 capital program, budget and guidance, Spartan's prospective results of operations and production (including 2025 annualized production of 40,000 BOE and targeted Duvernay

production of 25,000 BOE/d), Free Funds Flow, Adjusted Funds Flow, operating costs, Capital Expenditures before A&D, Operating Netback, Net Debt, annualized production, organic growth, capital efficiency improvements and components thereof, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraphs. FOFI contained in this document was approved by management as of the date of this document and was provided for the purpose of providing further information about Spartan's future business operations. Spartan and its management believe that FOFI has been prepared on a reasonable basis, reflecting management's best estimates and judgments, and represent, to the best of management's knowledge and opinion, the Company's expected course of action. However, because this information is highly subjective, it should not be relied on as necessarily indicative of future results. Spartan disclaims any intention or obligation to update or revise any FOFI contained in this document, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law. Readers are cautioned that the FOFI contained in this document should not be used for purposes other than for which it is disclosed herein. Changes in forecast commodity prices, differences in the timing of capital expenditures, and variances in average production estimates can have a significant impact on the key performance measures included in Spartan's 2025 guidance. The Company's actual results may differ materially from these estimates.

References in this press release to peak rates, initial production rates, test rates, average 30-day production and other short-term production rates are useful in confirming the presence of hydrocarbons, however such rates are not determinative of the rates at which such wells will commence production and decline thereafter and are not indicative of long-term performance or of ultimate recovery. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production of Spartan. The Company cautions that such results should be considered preliminary.

ABBREVIATIONS

A&D	acquisitions and dispositions
bbl	barrel
bbls/d	barrels per day
BOE/d	barrels of oil equivalent per day
CA\$ or CAD	Canadian dollar
GJ	gigajoule
GJ/d	gigajoule per day
mcf	one thousand cubic feet
mcf/d	one thousand cubic feet per day
Mbbls	thousand barrels
MBOE	thousand barrels of oil equivalent
MMbtu	one million British thermal units
MMcf	one million cubic feet
MM	millions
\$MM	millions of dollars
US\$ or USD	United States dollar