SPARTAN DELTA CORP.

MANAGEMENT'S DISCUSSION & ANALYSIS

AS AT AND FOR THE THREE AND SIX MONTHS ENDED

JUNE 30, 2025 AND 2024

FINANCIAL AND OPERATING HIGHLIGHTS

(CA$ thousands, unless otherwise indicated)	Three months ended June 30 2025	2024	%	Six months ended June 30 2025	2024	%
FINANCIAL HIGHLIGHTS						
Oil and gas sales	**81,004**	73,451	10	**172,245**	157,599	9
Net income and comprehensive income	**33,531**	14,371	133	**28,362**	25,566	11
$ per share, basic (1)	**0.17**	0.09	89	**0.14**	0.15	(7)
$ per share, diluted (1)	**0.17**	0.09	89	**0.14**	0.15	(7)
Cash provided by operating activities	**43,627**	44,674	(2)	**99,895**	92,825	8
Adjusted Funds Flow (2)	**47,949**	37,177	29	**93,514**	82,850	13
$ per share, basic (1)(2)	**0.24**	0.22	9	**0.48**	0.48	-
$ per share, diluted (1)(2)	**0.23**	0.21	10	**0.46**	0.47	(2)
Free Funds Flow (deficit) (2)	**(35,581)**	14,623	nm	**(62,769)**	15,261	nm
Cash used in investing activities	**84,393**	101,377	(17)	**134,576**	152,513	(12)
Capital Expenditures before A&D (2)	**83,530**	22,554	270	**156,283**	67,589	131
Adjusted Net Capital A&D (2)	**6,067**	54,401	(89)	**6,020**	72,468	(92)
Total assets	**1,037,524**	884,244	17	**1,037,524**	884,244	17
Debt	**66,476**	109,040	(39)	**66,476**	109,040	(39)
Net Debt (2)	**123,739**	132,449	(7)	**123,739**	132,449	(7)
Shareholders' equity	**600,077**	458,802	31	**600,077**	458,802	31
Common shares outstanding, end of period (000s) (1)	**200,060**	173,201	16	**200,060**	173,201	16
OPERATING HIGHLIGHTS						
Average daily production						
Crude oil (bbls/d)	**2,485**	992	151	**2,349**	870	170
Condensate (bbls/d) (3)	**2,056**	2,198	(6)	**2,021**	2,154	(6)
NGLs (bbls/d) (3)	**9,304**	9,084	2	**9,460**	9,263	2
Natural gas (mcf/d)	**148,010**	157,853	(6)	**147,549**	157,623	(6)
BOE/d	**38,513**	38,583	(0)	**38,422**	38,558	(0)
Average realized prices, before financial instruments						
Crude oil ($/bbl)	**87.33**	102.04	(14)	**90.63**	97.85	(7)
Condensate ($/bbl) (3)	**86.61**	100.29	(14)	**92.31**	98.23	(6)
NGLs ($/bbl) (3)	**23.78**	29.96	(21)	**27.17**	30.51	(11)
Natural gas ($/mcf)	**1.85**	1.35	37	**2.00**	1.82	10
Combined average ($/BOE)	**23.11**	20.92	10	**24.77**	22.46	10
Operating Netbacks ($/BOE) (2)						
Oil and gas sales	**23.11**	20.92	10	**24.77**	22.46	10
Processing and other revenue	**1.19**	0.52	129	**0.77**	0.48	60
Net commodities purchased margin	**0.09**	-	-	**0.04**	-	-
Royalties	**(2.98)**	(2.89)	3	**(3.38)**	(3.09)	9
Operating expenses	**(6.02)**	(6.38)	(6)	**(6.26)**	(6.01)	4
Transportation expenses	**(1.73)**	(1.50)	15	**(1.73)**	(1.54)	12
Operating Netback, before hedging ($/BOE) (2)	**13.66**	10.67	28	**14.21**	12.30	16
Operating Netback, after hedging ($/BOE) (2)	**14.70**	12.91	14	**15.14**	13.64	11
Adjusted Funds Flow Netback ($/BOE) (2)	**13.68**	10.59	29	**13.45**	11.81	14

(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 August 6, 2025, 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 interim financial statements and related notes as at and for the three and six months ended June 30, 2025 (the "**Interim Financial Statements**") and the audited consolidated annual financial statements and related notes for the years ended December 31, 2024 and 2023 (the **"2024 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, 2024 (the "**AIF**"), can be found on SEDAR+ at www.sedarplus.ca and the Company's website at www.spartandeltacorp.com.

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"). 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 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 supplemental metric 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 and net commodities purchased margin, less operating and transportation expenses. "**Operating Income, after hedging**" is calculated by adjusting Operating Income for realized gains or losses on derivative financial instruments. 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 June 30			Six months ended June 30		
(CA$ thousands, unless otherwise indicated)	**2025**	2024	%	**2025**	2024	%
Oil and gas sales	**81,004**	73,451	10	**172,245**	157,599	9
Processing and other revenue	**4,154**	1,817	129	**5,325**	3,378	58
Net commodities purchased margin	**295**	-	-	**295**	-	-
Royalties	**(10,450)**	(10,134)	3	**(23,484)**	(21,699)	8
Operating expenses	**(21,098)**	(22,418)	(6)	**(43,433)**	(42,200)	3
Transportation expenses	**(6,040)**	(5,239)	15	**(12,093)**	(10,792)	12
Operating Income, before hedging	**47,865**	37,477	28	**98,855**	86,286	15
Realized gain on derivative financial instruments	**3,658**	7,860	(53)	**6,466**	9,436	(31)
Operating Income, after hedging	**51,523**	45,337	14	**105,321**	95,722	10
Production (BOE)	**3,504,767**	3,511,072	(0)	**6,954,266**	7,017,614	(1)
Operating Netback, before hedging ($/BOE)	**13.66**	10.67	28	**14.21**	12.30	16
Operating Netback, after hedging ($/BOE)	**14.70**	12.91	14	**15.14**	13.64	11

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 restructuring following significant acquisitions or divestitures 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 including repayment of long-term debt, reinvestment in the business or return of 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 June 30			Six months ended June 30		
(CA$ thousands)	**2025**	2024	%	**2025**	2024	%
Cash provided by operating activities	**43,627**	44,674	(2)	**99,895**	92,825	8
Change in non-cash operating working capital	**6,812**	(5,146)	(232)	**(1,448)**	(5,303)	(73)
Funds from Operations	**50,439**	39,528	28	**98,447**	87,522	12
Deduct: lease payments	**(2,490)**	(2,351)	6	**(4,933)**	(4,672)	6
Adjusted Funds Flow	**47,949**	37,177	29	**93,514**	82,850	13
Deduct: Capital Expenditures before A&D (1)	**(83,530)**	(22,554)	270	**(156,283)**	(67,589)	131
Free Funds Flow (deficit)	**(35,581)**	14,623	nm	**(62,769)**	15,261	nm

(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 impact of stock options and share awards is more dilutive to AFF per share than EPS because the number of shares deemed to be repurchased under the treasury stock method used in determining AFF per share 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 June 30			Six months ended June 30		
(CA$ thousands, except for share amounts)	**2025**	2024	%	**2025**	2024	%
Adjusted Funds Flow	**47,949**	37,177	29	**93,514**	82,850	13
WA Shares outstanding (000s) – basic	**200,052**	173,201	16	**195,669**	173,201	13
WA Shares outstanding (000s) – diluted AFF	**206,065**	177,305	16	**201,771**	177,203	14
AFF per share						
Basic ($ per common share)	**0.24**	0.22	9	**0.48**	0.48	-
Diluted ($ per common share)	**0.23**	0.21	10	**0.46**	0.47	(2)

Net Debt and Adjusted Working Capital

Throughout this MD&A, references to “**Net Debt**” includes 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 June 30, 2025 and December 31, 2024, 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 the 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)	**June 30, 2025**	December 31, 2024
Current assets	**(223,785)**	(211,122)
Current liabilities	**280,025**	242,371
Working capital deficit	**56,240**	31,249
Adjusted for current portion of:		
Derivative financial instrument assets	**10,591**	5,810
Derivative financial instrument liabilities	**-**	(143)
Lease liabilities	**(9,568)**	(9,721)
Adjusted Working Capital deficit	**57,263**	27,195
Long-term debt	**66,476**	120,912
Net Debt	**123,739**	148,107

In addition, Spartan has various lease contracts in place for compression equipment, facilities, office buildings and vehicles. The Company's total lease liability is $21.3 million as at June 30, 2025 (December 31, 2024 – $25.8 million), of which $9.6 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, its ability to repay long-term debt and fund future capital expenditures (see also, "Capital Resources and Liquidity").

(CA$ thousands, unless otherwise indicated)	**June 30, 2025**	December 31, 2024
Adjusted Funds Flow for the quarter	**47,949**	50,469
Less: Other income (1)	**(3,705)**	-
Adjusted Funds Flow for the quarter - normalized	**44,244**	50,469
Factor to Annualize	**4**	4
Annualized Adjusted Funds Flow (2)	**176,976**	201,876
Net Debt	**123,739**	148,107
Annualized Adjusted Funds Flow (2)	**176,976**	201,876
Net Debt to Annualized AFF Ratio	**0.7X**	0.7X

(1) The calculation of Annualized Adjusted Funds Flow has been normalized for the financial settlement of $3.7 million during the second quarter of 2025 in connection with an infrastructure construction project.

(2) The Annualized Adjusted Funds Flow reflects ongoing operations for the three months ended June 30, 2025 and December 31, 2024, respectively, 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 exploration and drilling program, excluding acquisitions and dispositions. "**Capital Expenditures"** 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 investing activities. The following table details the composition of Capital Expenditures and its reconciliation to cash used in investing activities:

	Three months ended June 30		Six months ended June 30	
(CA$ thousands)	**2025**	2024	**2025**	2024
Exploration and evaluation assets	**8,107**	2,953	**19,498**	4,876
Property, plant and equipment	**75,423**	19,601	**136,785**	62,713
Capital Expenditures before A&D	**83,530**	22,554	**156,283**	67,589
Acquisitions	**6,067**	54,425	**6,067**	72,433
Dispositions	**-**	(24)	**(47)**	35
Capital Expenditures	**89,597**	76,955	**162,303**	140,057
Change in non-cash investing working capital	**(5,204)**	24,422	**(27,727)**	12,456
Cash used in investing activities	**84,393**	101,377	**134,576**	152,513

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 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 June 30		Six months ended June 30	
(CA$ thousands)	**2025**	2024	**2025**	2024
Acquisitions (1)	**6,067**	54,425	**6,067**	72,433
Less: Dispositions (2)	**-**	(24)	**(47)**	35
Adjusted Net Capital A&D	**6,067**	54,401	**6,020**	72,468

(1) Acquisition amounts recorded for the three and six months ended June 30, 2025 relate to freehold land acquisitions. Acquisition amounts recorded for the three and six months ended June 30, 2024 primarily relate to the Willesden Green North acquisition (defined herein) and crown land sales. Refer to "2024 Acquisitions Summary" for further details on the acquisitions completed.

(2) Disposition amounts recorded for the first half of 2025 relate to minor dispositions in non-core areas. Disposition amounts recorded for the first half of 2024 relate to purchase price adjustments on acquisitions completed in 2023.

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.

2025 FINANCIAL AND OPERATING HIGHLIGHTS

Spartan is pleased to report its financial and operating results for the second quarter of 2025.

- Spartan reported production of 38,513 BOE/d (36% liquids) during the second quarter of 2025.
    - Spartan achieved a 151% increase in crude oil production as compared to the second quarter of 2024 and a 12% increase as compared to the first quarter of 2025.
- The Company's operations generated oil and gas sales of $81.0 million and Adjusted Funds Flow of $47.9 million ($0.23 per share, diluted) in the second quarter of 2025, an increase in oil and gas sales of 10% from the second quarter of 2024.
- The Company successfully executed a capital program of $83.5 million in the second quarter of 2025, of which approximately 85% was spent on drilling, completing, equipping, and tie-ins.
    - In the Duvernay, Spartan drilled 6 (5.4 net) wells, completed 7 (4.9 net) wells and brought on-stream 3 (2.1 net) wells.
    - In the Deep Basin, Spartan drilled 2 (1.9 net) wells and completed and brought on-stream 3 (2.6 net) wells.
- Spartan has accumulated greater than 365,000 net acres (570 net sections) in the Duvernay, a 52% increase from the second quarter of 2024 and a 14% increase from the first quarter of 2025.
- Spartan continues to maintain a strong balance sheet with Net Debt of $123.7 million resulting in a 0.7X Net Debt to Annualized Adjusted Funds Flow ratio.
- Despite volatile commodity prices, Spartan has hedges in place for the remainder of 2025 greater than strip. As at June 30, 2025, the Company has hedged 91,065 GJ/d of its natural gas production at an average price of $2.25/GJ and has hedged 2,700 bbl/d of its crude oil and condensate production at an average price of $99.75/bbl for the remainder of 2025.
- Spartan reported net income of $33.5 million ($0.17 per share, diluted) for the second quarter of 2025, up 133% from a net income of $14.4 million ($0.09 per share, diluted) for the second quarter of 2024. The change in net income from the comparative period is primarily due to the change of $23.0 million in the mark-to-market position of derivative financial instruments mainly a result of softening AECO benchmark pricing in future periods, increase in operating income, after hedging, and an increase in other income, partially offset by an increase in depletion expense as a result of Duvernay assets that carry a higher depletion rate and an increase in deferred tax expense.
- As at June 30, 2025, Spartan had $792.8 million tax pools, of which $361.2 million are non-capital losses.

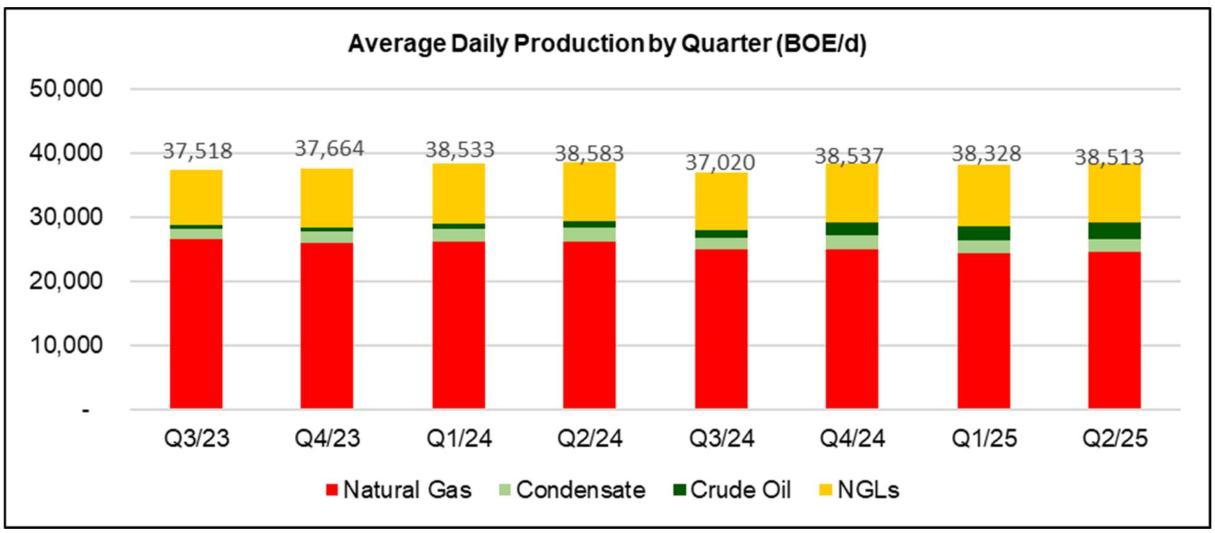
RESULTS OF OPERATIONS

PRODUCTION

	Three months ended June 30			Six months ended June 30		
Average daily production	**2025**	2024	%	**2025**	2024	%
Crude oil (bbls/d)	**2,485**	992	151	**2,349**	870	170
Condensate (bbls/d)	**2,056**	2,198	(6)	**2,021**	2,154	(6)
NGLs (bbls/d)	**9,304**	9,084	2	**9,460**	9,263	2
Natural gas (mcf/d)	**148,010**	157,853	(6)	**147,549**	157,623	(6)
Combined average (BOE/d)	**38,513**	38,583	(0)	**38,422**	38,558	(0)
% Liquids	**36%**	32%	13	**36%**	32%	13

Production averaged 38,513 BOE/d and 38,422 BOE/d during the three and six months ended June 30, 2025, which was relatively consistent with the average production of 38,583 BOE/d and 38,558 BOE/d during the three and six months ended June 30, 2024. Duvernay wells drilled in the fourth quarter of 2024 and first half of 2025 continue to increase the proportionate crude oil and condensate production increasing the liquid production to 36% in the first half of 2025, as compared to the first half of 2024 of 32% liquids.

In the three months ended June 30, 2025, Spartan brought 3 (2.6 net) wells on production in the Deep Basin targeting both light oil and liquids-rich gas in the Cardium and Spirit River Formations and brought 3 (2.1 net) wells on production in the West Shale Basin targeting light oil and condensate in the Duvernay Formation.

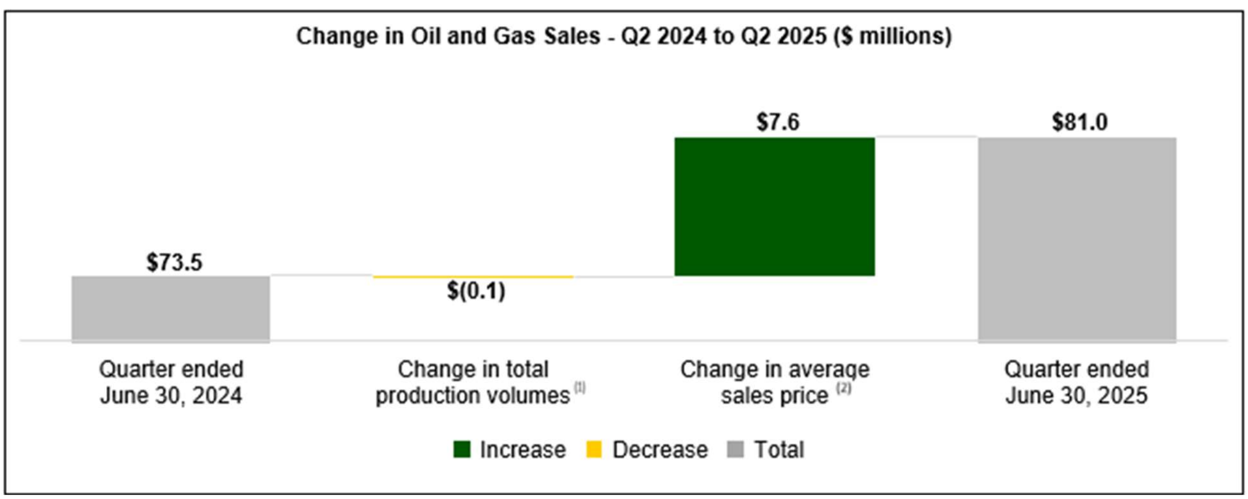


OIL AND GAS SALES

(CA$ thousands, unless otherwise indicated)	Three months ended June 30 **2025**	2024	%	Six months ended June 30 **2025**	2024	%
Oil and gas sales, before royalties						
Crude oil	**19,750**	9,211	114	**38,537**	15,495	149
Condensate	**16,209**	20,060	(19)	**33,765**	38,515	(12)
NGLs	**20,137**	24,765	(19)	**46,524**	51,440	(10)
Natural gas	**24,908**	19,415	28	**53,419**	52,149	2
Oil and gas sales, before royalties	**81,004**	73,451	10	**172,245**	157,599	9
Average realized prices, before financial instruments						
Crude oil ($/bbl)	**87.33**	102.04	(14)	**90.63**	97.85	(7)
Condensate ($/bbl)	**86.61**	100.29	(14)	**92.31**	98.23	(6)
NGLs ($/bbl)	**23.78**	29.96	(21)	**27.17**	30.51	(11)
Natural gas ($/mcf)	**1.85**	1.35	37	**2.00**	1.82	10
Combined average ($/BOE)	**23.11**	20.92	10	**24.77**	22.46	10
Average realized prices, after financial instruments(1)						
Crude oil ($/bbl)	**99.39**	96.51	3	**95.61**	93.78	2
Condensate ($/bbl)	**86.61**	100.29	(14)	**92.31**	98.23	(6)
NGLs ($/bbl)	**23.78**	29.96	(21)	**27.17**	30.51	(11)
Natural gas ($/mcf)	**1.92**	1.93	(1)	**2.16**	2.17	(0)
Combined average ($/BOE)	**24.15**	23.16	4	**25.70**	23.80	8

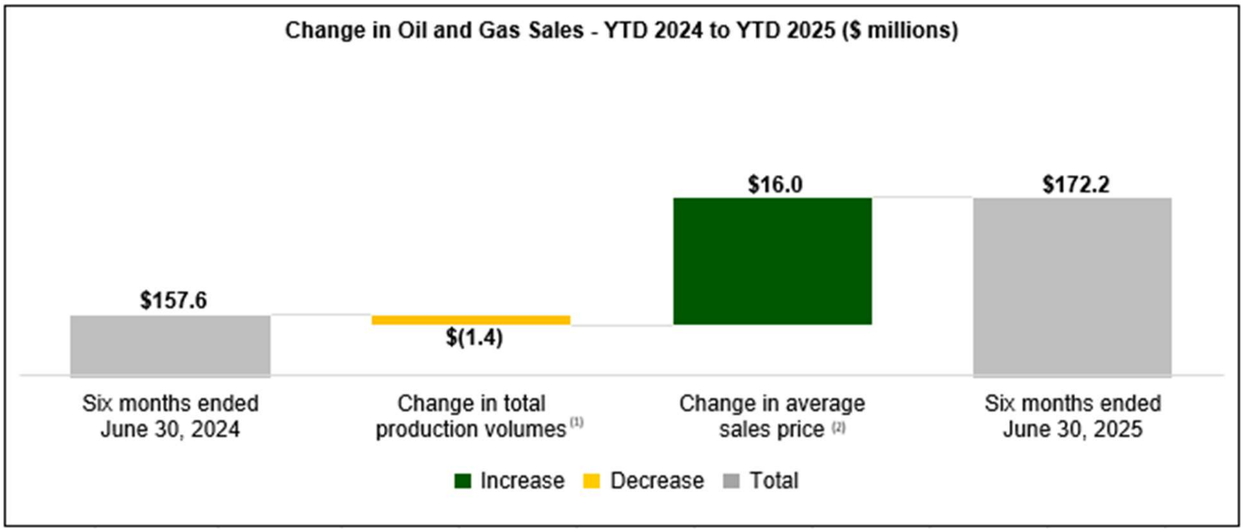
(1) "Average realized prices, after financial instruments" are calculated as oil and gas sales, before royalties, after Realized gains on derivative financial instruments, divided by total production by product type. Additional information is provided under the heading "Commodity Price Risk Management".

Oil and gas sales for the second quarter of 2025 were $81.0 million, an increase from $73.5 million in the second quarter of 2024 as a result of the increase in crude oil production and an increase in AECO 5A and 7A benchmark prices, which more than offset the lower gas volumes and decrease in the WTI benchmark pricing. Spartan's combined average realized price of $23.11 per BOE ($24.15 per BOE after financial instruments) for the second quarter of 2025 was 10% higher than the average price of $20.92 per BOE ($23.16 per BOE after financial instruments) for the second quarter of 2024, mainly a result of the higher liquids production weighting in 2025 increasing the weighted average sales price.



(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 six months ended June 30, 2025 were $172.2 million, up 9% from $157.6 million for the six months ended June 30, 2024. Spartan's combined average realized price of $24.77 per BOE ($25.70 per BOE after financial instruments) for the six months ended June 30, 2025 was 10% higher than the average price of $22.46 per BOE ($23.80 per BOE after financial instruments) for the six months ended June 30, 2024. The increase in oil and gas sales and the average realized price was primarily driven by the increase in liquids production weighting in 2025.



(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.

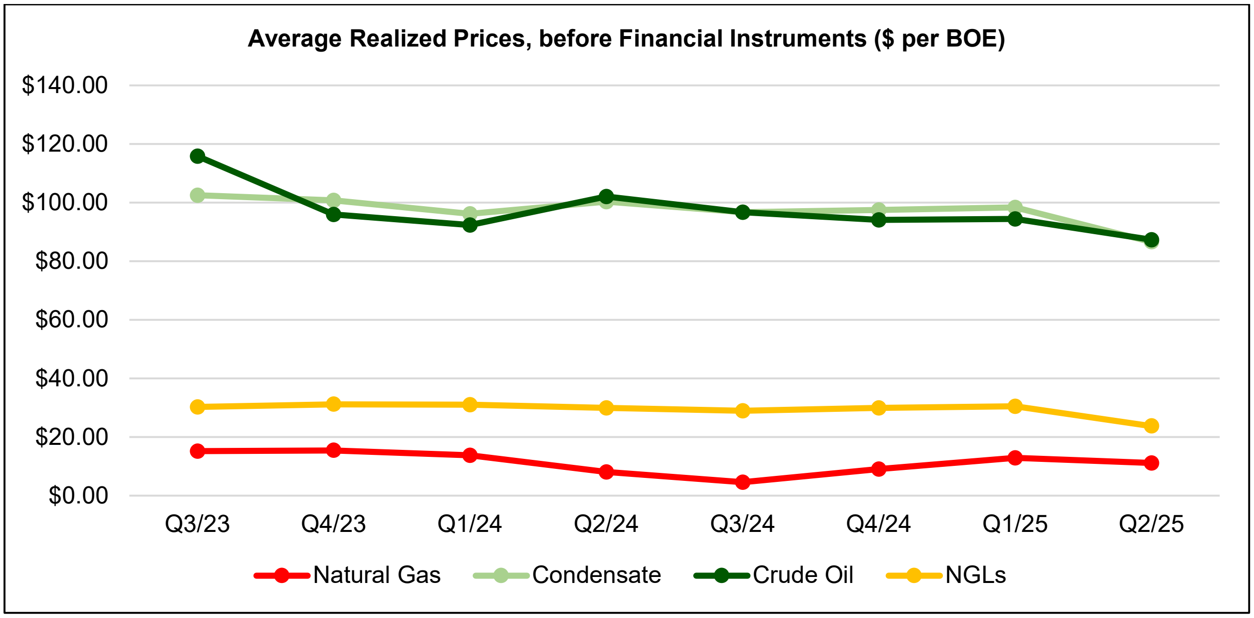
Spartan realized a gain of $3.7 million ($1.04 per BOE) and gain of $6.5 million ($0.93 per BOE), respectively, on commodity derivative contracts for the three and six months ended June 30, 2025 in comparison to a gain of $7.9 million ($2.24 per BOE) and $9.4 million ($1.34 per BOE), respectively, for the three and six months ended June 30, 2024. The gains recognized for the three and six months ended June 30, 2025 and the three and six months ended June 30, 2024 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 June 30			Six months ended June 30		
Benchmark commodity prices	**2025**	2024	%	**2025**	2024	%
WTI Cushing Oklahoma (US$/bbl) (1)	**63.74**	80.56	(21)	**67.58**	78.76	(14)
WTI Cushing Oklahoma (CA$/bbl) (2)	**88.18**	110.23	(20)	**95.31**	107.00	(11)
Mixed Sweet Blend ("MSW") (CA$/bbl) (3)	**84.24**	105.27	(20)	**89.77**	98.69	(9)
Conway propane (US$/gallon) (4)	**0.72**	0.74	(3)	**0.78**	0.76	3
NYMEX Henry Hub (US$/mmbtu) (5)	**3.45**	1.90	82	**3.55**	2.07	71
NYMEX - AECO 7A Basis (US$/mmbtu)	**(1.97)**	(0.85)	132	**(2.11)**	(0.78)	171
AECO 7A (CA$/GJ) (6)	**1.96**	1.36	44	**1.94**	1.65	18
AECO 5A (CA$/GJ) (7)	**1.61**	1.12	44	**1.83**	1.74	5
Exchange rate (US$/CA$) (1)	**1.39**	1.37	1	**1.41**	1.36	4

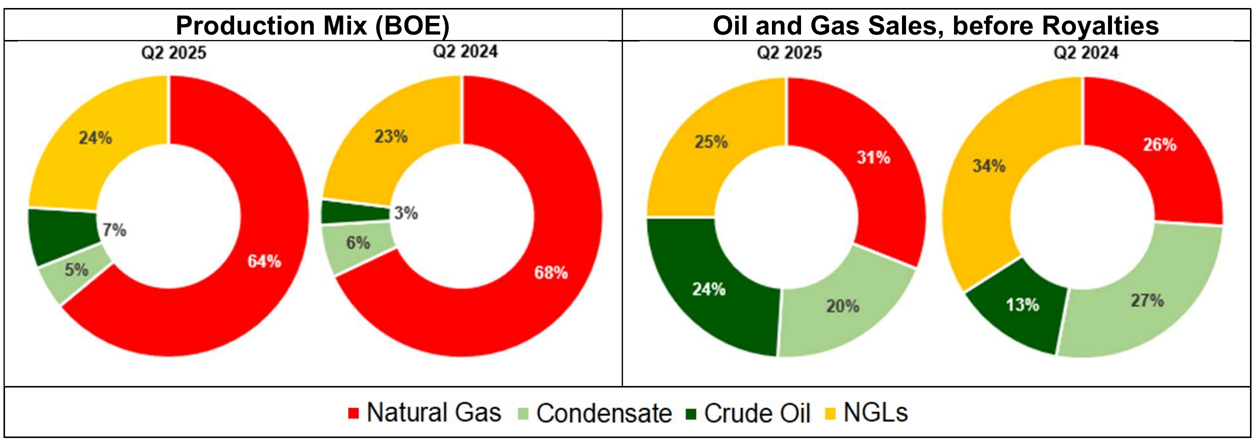
(1) Source: Sproule Associates Limited.
(2) Calculated based the US$ WTI price multiplied by the average US$/CA$ exchange rate for the month.
(3) Source: Weighted average trade volume and price per Net Energy and NGX.
(4) Source: Service Conway C3 in-well simple average.
(5) Source: Canadian Gas Price 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 the last eight quarters:



(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 second quarter of 2025 relative to the second quarter of 2024:

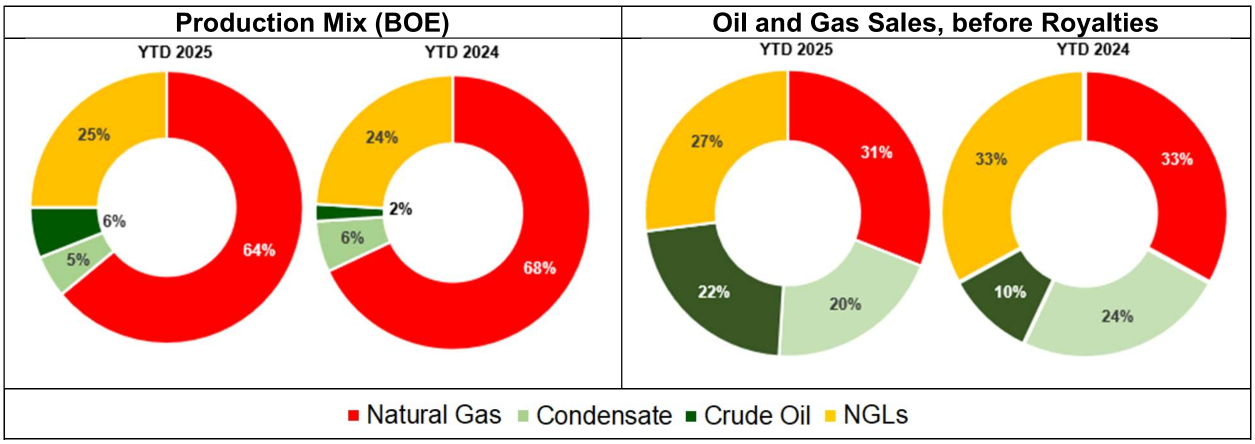


For the second quarter of 2025, natural gas represented 64% of total production volumes and contributed to $24.9 million (31%) of total sales revenue. Spartan's realized natural gas price for the second quarter of 2025 of $1.85 per mcf increased by 37% from $1.35 per mcf in the second quarter of 2024. The increase in the Company's realized natural gas price from the comparative quarter is consistent with the weighted average change in AECO 5A and 7A reference prices, offset slightly by the increase in 5A weighting in the quarter (sales were approximately 63%/37% weighted to AECO 5A/7A pricing in the second quarter of 2025 and approximately 56%/44% weighted to AECO 5A/7A pricing in the second quarter of 2024).

Together, crude oil and condensate represented 12% of production and contributed to $36.0 million (44%) of Spartan's total sales revenue during the second quarter of 2025. Spartan realized a combined average price for crude oil and condensate of $87.01 per barrel during the second quarter of 2025, down 14% compared to the average price of $100.83 per barrel in the second quarter of 2024. The 14% decrease in realized pricing was less than the 20% decrease in MSW benchmark pricing over the comparative period. This deviation from the change in benchmark pricing was due to the tightening of the discount of MSW to WTI in the second quarter of 2025 compared to the second quarter of 2024.

NGLs (excluding condensate) were 24% of Spartan's total production volumes in the second quarter of 2025 and contributed $20.1 million (25%) of Spartan's total sales revenue. The Company reported an average NGL sales price of $23.78 per barrel in the second quarter of 2025, down 21% compared to the average price of $29.96 per barrel in the second quarter of 2024. Realized NGL prices declined over the comparative period as a result of the decrease in WTI and C5+ benchmark pricing as well as an increase in ethane in the NGL production mix from the Duvernay operations, partially offset by the increase in ethane sales prices which are priced at a premium to AECO 7A which increased by 44% over the comparative period.

The charts below highlight Spartan's production mix and the relative contribution to total oil and gas sales revenue in the six months ended June 30, 2025 relative to the six months ended June 30, 2024:



For the six months ended June 30, 2025 natural gas represented 64% of total production volumes and contributed to $53.4 million (31%) of total sales revenue. Spartan's realized natural gas price for the six months ended June 30, 2025 of $2.00 per mcf increased by 10% from $1.82 per mcf for the six months ended June 30, 2024. The increase 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 58%/42% weighted to AECO 5A/7A pricing for the six months ended June 30, 2025 and approximately 51%/49% weighted to 5A/7A pricing for the six months ended June 30, 2024).

Together, crude oil and condensate represented 11% of production and contributed to $72.3 million (42%) of Spartan's total sales revenue during the six months ended June 30, 2025. Spartan realized an average price for crude oil and condensate sales of $91.41 per barrel for the six months ended June 30, 2025, down 7% compared to the average price of $98.12 per barrel for the six months ended June 30, 2024. Spartan's decrease in realized pricing is relatively consistent with the 9% decrease in MSW benchmark pricing over the comparative period.

NGLs (excluding condensate) were 25% of Spartan's total production volumes in the first half of 2025 and contributed $46.5 million (27%) of Spartan's total sales revenue. The Company reported an average NGL sales price of $27.17 per barrel for the six months ended June 30, 2025, down 11% from $30.51 per barrel for the six months ended June 30, 2024. Realized NGL prices declined over the comparative period due to a decrease in butane and pentane realized pricing consistent with the decline in benchmark pricing for WTI and C5+, respectively, partially offset by ethane sales prices which are priced at a premium to AECO 7A which increased by 18% over the comparative period.

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 June 30, 2025:

	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**
Q3 2025	2,700	$99.75	83,250	$2.13
Q4 2025	2,700	$99.75	98,880	$2.35
Q1 2026	1,100	$91.72	75,500	$2.83
Q2 2026	1,100	$91.72	45,500	$2.60
Q3 2026	1,100	$91.72	41,000	$2.59
Q4 2026	1,100	$91.72	57,424	$2.96
Q1 2027	650	$85.75	46,000	$3.31
Q2 2027	250	$84.00	6,000	$3.10
Q3 2027	-	-	3,000	$3.19
Q4 2027	-	-	3,000	$3.19
Asset/ (Liability)	**$11.0 million**		**($0.5 million)**	

(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 $10.5 million at June 30, 2025, compared to a net asset of $2.9 million at December 31, 2024. The fair values and gains or losses by contract type are summarized below for the six months ended June 30, 2025:

Derivative Financial Instruments (1)

	Nature of contract		
(CA$ thousands)	AECO 7A	WTI Cushing	Total
Fair value asset (liability) at June 30, 2025	**(551)**	**11,012**	**10,461**
Fair value asset (liability) at December 31, 2024	3,352	(407)	2,945
Unrealized gain (loss)	(3,903)	11,419	7,516
Realized gain	4,347	2,119	6,466
Gain on derivative financial instruments	**444**	**13,538**	**13,982**

(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 $14.0 million during the six months ended June 30, 2025, comprised of $6.5 million of realized gains and $7.5 million of unrealized gains on the change in fair value of outstanding contracts during the period. The unrealized gains and losses in the current period were primarily caused by a weakening of WTI prices and a strengthening of natural gas prices, respectively.

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

	Three months end June 30			Six months ended June 30		
(CA$ thousands)	**2025**	2024	%	**2025**	2024	%
Settlement of Crude Oil Contracts	**2,728**	(500)	nm	**2,119**	(645)	nm
Settlement of Natural Gas Contracts	**930**	8,360	(89)	**4,347**	10,081	(57)
Realized gain	**3,658**	7,860	(53)	**6,466**	9,436	(31)
Unrealized gain (loss)	**29,195**	6,161	nm	**7,516**	(304)	nm
Gain on derivative financial instruments	**32,853**	14,021	134	**13,982**	9,132	53
Realized gain ($ per BOE)	**1.04**	2.24	(54)	**0.93**	1.34	(31)

ROYALTIES

	Three months end June 30			Six months ended June 30		
(CA$ thousands, unless otherwise indicated)	**2025**	2024	%	**2025**	2024	%
Gross royalties, before GCA	**14,896**	13,975	7	**31,396**	29,572	6
Gas cost allowance ("GCA")	**(4,446)**	(3,841)	16	**(7,912)**	(7,873)	0
Royalties	**10,450**	10,134	3	**23,484**	21,699	8
$ per BOE	**2.98**	2.89	3	**3.38**	3.09	9
Average royalty rate (% of sales)	**12.9%**	13.8%	(7)	**13.6%**	13.8%	(1)

Total royalties, net of GCA, of $10.5 million and $23.5 million, respectively, for the three and six months ended June 30, 2025 increased in comparison to the $10.1 million and $21.7 million, respectively, for the three and six months ended June 30, 2024 primarily as a result of increased liquids volumes in Spartan's production mix which has a higher associated royalty cost than natural gas volumes, partially offset by a higher GCA recovery.

Royalties are reported net of GCA credits which are determined based on the Company's allowable prior year capital and operating costs. The Company's GCA for the three and six months ended June 30, 2025 increased in comparison to the same periods in 2024 due to an escalation of certain facility operating costs allowing for a higher credit to be claimed.

Spartan's royalty rate averaged 12.9% and 13.6% of oil and gas sales for the three and six months ended June 30, 2025, respectively. Royalty rates decreased relative to comparative periods due to lower realized liquids prices in the first two quarters of 2025 as compared to 2024.

PROCESSING AND OTHER REVENUE

	Three months end June 30			Six months ended June 30		
(CA$ thousands, unless otherwise indicated)	**2025**	2024	%	**2025**	2024	%
Processing and other	**4,154**	1,817	129	**5,325**	3,378	58
$ per BOE	**1.19**	0.52	129	**0.77**	0.48	60

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 and the related dollar per BOE for three and six months ended June 30, 2025, increased in comparison to the three and six months ended June 30, 2024 as a result of additional processing fees related to the West Shale Basin operations.

NET COMMODITIES PURCHASED MARGIN

(CA$ thousands, unless otherwise indicated)	Three months end June 30			Six months ended June 30		
	2025	2024	%	**2025**	2024	%
Sales of commodities purchased from third parties	**4,717**	1,088	334	**7,374**	3,066	141
Cost of commodities purchased from third parties	**(4,422)**	(1,088)	306	**(7,079)**	(3,066)	131
Net commodities purchased margin (1)	**295**	-	-	**295**	-	-
Net commodities purchased margin $ per BOE	**0.09**	-	-	**0.04**	-	-

(1) The subtotal of "Net commodities purchased margin" provided in this table is 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 commodities purchased margin relates to commodities purchased from third parties and subsequently sold by Spartan.

Net commodities purchased margin for the three and six months ended June 30, 2025, increased in comparison to the three and six months ended June 30, 2024 where contracted sales prices exceeded the average purchase cost pursuant to a new NGL contract entered into in the second quarter of 2025.

OPERATING EXPENSES

(CA$ thousands, unless otherwise indicated)	Three months end June 30			Six months ended June 30		
	2025	2024	%	**2025**	2024	%
Operating expenses	**21,098**	22,418	(6)	**43,433**	42,200	3
$ per BOE	**6.02**	6.38	(6)	**6.26**	6.01	4

Operating expenses were $21.1 million ($6.02 per BOE) for the three months ended June 30, 2025, down from $22.4 million ($6.38 per BOE) for the three months ended June 30, 2024 as a result of operated turnarounds and road use fees in the second quarter of 2024, partially offset by an increase in gathering and processing fees in the second quarter of 2025 as a result of ramping up the West Shale Basin operations.

Operating expenses were $43.4 million ($6.26 per BOE) for the six months ended June 30, 2025, up from $42.2 million ($6.01 per BOE) for the six months ended June 30, 2024 primarily driven by the increased liquids volumes in Spartan's production mix which has a higher associated operating cost than natural gas volumes.

TRANSPORTATION EXPENSES

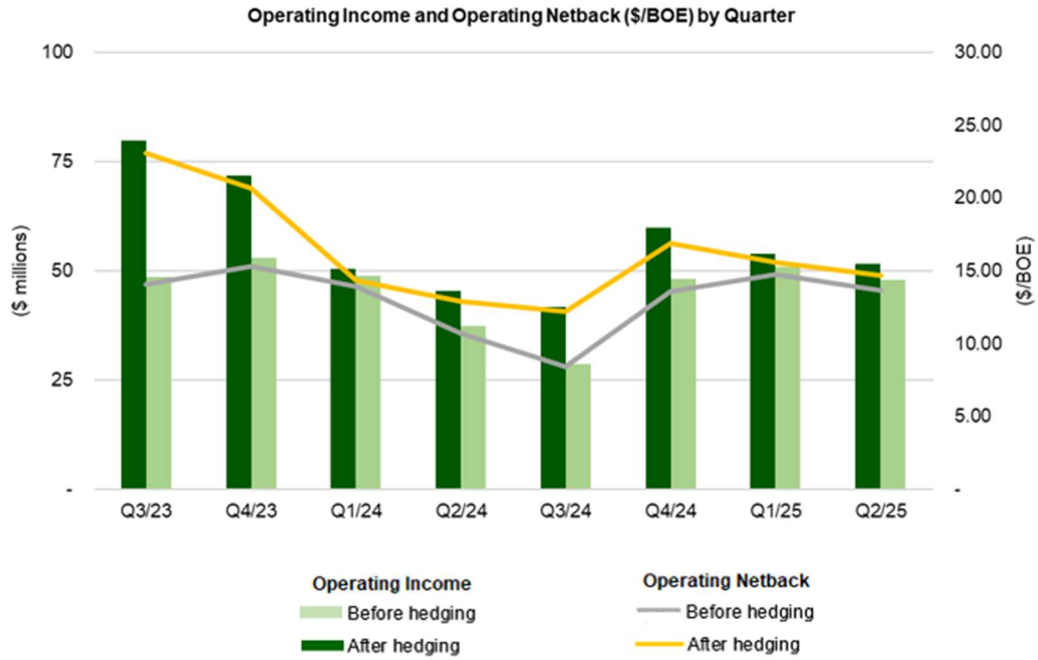
(CA$ thousands, unless otherwise indicated)	Three months end June 30			Six months ended June 30		
	2025	2024	%	**2025**	2024	%
Transportation expenses	**6,040**	5,239	15	**12,093**	10,792	12
$ per BOE	**1.73**	1.50	15	**1.73**	1.54	12

Transportation expenses were $6.0 million ($1.73 per BOE) and $12.1 million ($1.73 per BOE), respectively, for the three and six months ended June 30, 2025, an increase from $5.2 million ($1.50 per BOE) and $10.8 million ($1.54 per BOE), respectively, for the three and six months ended June 30, 2024. Transportation expenses and transportation expenses per BOE have increased due to higher transportation costs associated with the Duvernay, as well as a new gas transportation contract with higher rates and a favorable prior period adjustment in the first half of 2024.

OPERATING INCOME AND OPERATING NETBACKS

The Company's field operations generated $47.9 million of Operating Income before hedging for the second quarter of 2025, up 28% from $37.5 million in the second quarter of 2024. The primary driver of the increase in Operating Income from the comparative quarter was higher liquids production receiving a higher average price, partially offset by higher cost structure associated with the increased liquids production.

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



Spartan believes Operating Netbacks to be an important metric for evaluating operational performance and profitability relative to current commodity prices. The components of Spartan's Operating Netbacks, expressed on a BOE equivalent basis, are summarized below:

	Three months ended June 30			Six months ended June 30		
($ per BOE)	**2025**	2024	%	**2025**	2024	%
Oil and gas sales	**23.11**	20.92	10	**24.77**	22.46	10
Processing and other revenue	**1.19**	0.52	129	**0.77**	0.48	60
Net commodities purchased margin	**0.09**	-	-	**0.04**	-	-
Royalties	**(2.98)**	(2.89)	3	**(3.38)**	(3.09)	9
Operating expenses	**(6.02)**	(6.38)	(6)	**(6.26)**	(6.01)	4
Transportation expenses	**(1.73)**	(1.50)	15	**(1.73)**	(1.54)	12
Operating Netback, before hedging	**13.66**	10.67	28	**14.21**	12.30	16
Realized gain on derivative financial instruments	**1.04**	2.24	(54)	**0.93**	1.34	(31)
Operating Netback, after hedging	**14.70**	12.91	14	**15.14**	13.64	11

For the three months ended June 30, 2025, Spartan's Operating Netback, before hedging increased to $13.66 per BOE ($14.70 per BOE after hedging) from $10.67 per BOE ($12.91 per BOE after hedging) in the same comparative period. The increase in Operating Netback, before hedging for the three months ended June 30, 2025 was primarily driven by an increase in realized natural gas prices, increase in proportionate liquids production, increase in processing income and lower operating expenses, partially offset by higher royalties and transportation expenses.

For the six months ended June 30, 2025, Spartan's Operating Netback, before hedging increased to $14.21 per BOE ($15.14 per BOE after hedging) from $12.30 per BOE ($13.64 per BOE after hedging) in the same comparative period. The increase in Operating Netback, before hedging for the six months ended June 30, 2025 was primarily driven by an increase in realized natural gas prices, increase in proportionate liquids production and increase in processing income, partially offset by higher royalties, operating and transportation expenses.

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

GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended June 30			Six months ended June 30		
(CA$ thousands, unless otherwise indicated)	**2025**	2024	%	**2025**	2024	%
Salaries and benefits	**4,560**	4,233	8	**9,285**	8,658	7
Other G&A expenses	**2,858**	2,527	13	**5,543**	4,879	14
Change in expected credit loss provision	**(125)**	(19)	nm	**(95)**	48	(298)
Subtotal, before recoveries ("**Gross G&A**") (1)	**7,293**	6,741	8	**14,733**	13,585	8
Overhead recoveries	**(3,196)**	(1,444)	121	**(5,153)**	(2,938)	75
Capitalized G&A	**(352)**	(675)	(48)	**(1,297)**	(1,350)	(4)
G&A expenses ("**Net G&A**") (1)	**3,745**	4,622	(19)	**8,283**	9,297	(11)
Gross G&A ($ per BOE)	**2.08**	1.92	8	**2.12**	1.94	9
Net G&A ($ per BOE)	**1.07**	1.32	(19)	**1.19**	1.32	(10)

(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 $3.7 million ($1.07 per BOE) and $8.3 million ($1.19 per BOE), respectively, during the three and six months ended June 30, 2025, which was down from $4.6 million ($1.32 per BOE) and $9.3 million ($1.32 per BOE), respectively, for the three and six months ended June 30, 2024. Net G&A expenses decreased comparatively due to higher overhead recoveries, partially offset by higher business expenses and increased technical staff in the current year.

G&A expenses are reported net of operating and capital overhead recoveries and capitalized G&A. Together, overhead recoveries and capitalized G&A total $3.5 million and $6.5 million, respectively, for the three and six months ended June 30, 2025, which increased from the $2.1 million and $4.3 million, respectively, for the three and six months ended June 30, 2024. The change in overhead recoveries from the comparative periods is consistent with the change in capital spending between periods.

SHARE-BASED COMPENSATION

	Three months ended June 30			Six months ended June 30		
(CA$ thousands, unless otherwise indicated)	**2025**	2024	%	**2025**	2024	%
Stock options	**803**	218	268	**1,254**	319	293
Share awards ("RSAs")	**2,733**	1,964	39	**4,810**	3,200	50
Share-based compensation expense	**3,536**	2,182	62	**6,064**	3,519	72
$ per BOE	**1.01**	0.62	63	**0.87**	0.50	74

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 first half of 2025, Spartan granted 3.5 million RSAs and 4.5 million stock options with an average exercise price of $3.63. During the first half of 2024, Spartan granted 2.7 million RSAs and 1.4 million stock options with an average exercise price of $3.16. As at June 30, 2025, there are 5.8 million stock options outstanding and 6.0 million RSAs outstanding.

Share-based compensation ("**SBC**") expense is recognized over the three-year vesting period using graded accelerated amortization. SBC expense was $3.5 million and $6.1 million, respectively, for the three and six months ended June 30, 2025, an increase from the $2.2 million and $3.5 million, respectively, for the three and six months ended June 30, 2024. The increase in share-based compensation for the three and six months ended June 30, 2025 from the comparative periods were primarily due to the increased number of options and RSAs outstanding in the current period.

FINANCING

(CA$ thousands, unless otherwise indicated)	Three months ended June 30 2025	2024	%	Six months ended June 30 2025	2024	%
Interest and fees on debt	**1,413**	2,488	(43)	**3,022**	4,082	(26)
Interest income	**(1,241)**	(2,057)	(40)	**(2,598)**	(4,124)	(37)
Cash Financing Expense (Income)(1)	**172**	431	(60)	**424**	(42)	nm
Financing cost of lease liabilities	**331**	464	(29)	**695**	962	(28)
Accretion of decommissioning obligations	**650**	549	18	**1,304**	1,070	22
Financing expense	**1,153**	1,444	(20)	**2,423**	1,990	22
Cash Financing Expense (Income) ($ per BOE) (1)	**0.05**	0.12	(58)	**0.06**	(0.01)	nm
Financing expense ($ per BOE)	**0.33**	0.41	(20)	**0.35**	0.28	25
Average debt outstanding in period (2)	**50,195**	90,514	(45)	**57,032**	72,519	(21)

(1) References to "Cash Financing Expense (Income)" in this MD&A refers to "interest expense, net of interest income". See "Non-GAAP Measures and Ratios".

(2) Average of the actual daily balances of the Credit Facility (defined herein) borrowed during the respective periods.

Cash Financing Expense was $0.2 million ($0.05 per BOE) and $0.4 million ($0.06 per BOE), respectively, for the three and six months ended June 30, 2025 as compared to an expense of $0.4 million ($0.12 per BOE) and income of $42 thousand ($0.01 per BOE), respectively, for the three and six months ended June 30, 2024. Cash Financing Expense in 2025 were lower than the three and six month comparative periods due to lower average debt and lower interest rates in 2025.

The interest earned on the Company's cash deposits and the interest paid on the Credit Facility draws is based on the Canadian prime lending rate adjusted by an applicable margin. Canadian benchmark interest rates rose sharply in response to high inflation in 2022 and 2023 when the Bank of Canada increased its benchmark interest rate by 475 basis points. Interest dropped by 125 basis points during 2024. There have been two additional rate cuts in 2025 for a total reduction of 50 basis points with a potential for further reductions in the next twelve months with the ease of inflationary pressures (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 $21.3 million as at June 30, 2025 (December 31, 2024 - $25.8 million). The financing cost of lease liabilities for the three and six months ended June 30, 2025 were $0.3 million and $0.7 million, respectively, which declined as compared to the three and six months ended June 30, 2024 with financing costs on lease liabilities of $0.5 million and $1.0 million, respectively. The decrease in financing cost reflects the reduction of the principal balance of the Company's total lease liability from the comparative periods.

Financing expense also includes non-cash accretion of decommissioning obligations. Accretion for the three and six months ended June 30, 2025 increased relative to the three and six months ended June 30, 2024 due to the increase in estimated decommissioning obligations in the third quarter of 2024 following the *Directive 011 – Estimated Liability* update issued by the Alberta Energy Regulator.

EXPLORATION AND EVALUATION (“E&E” expense)

(CA$ thousands, unless otherwise indicated)	Three months ended June 30 2025	2024	%	Six months ended June 30 2025	2024	%
Expired mineral leases	**11**	-	-	**68**	-	-
Total E&E expense	**11**	-	-	**68**	-	-
Total E&E expense ($ per BOE)	**0.00**	-	-	**0.01**	-	-

Minor voluntary surrenders in the first half of 2025 have been recorded to E&E expense. There were no E&E expenses incurred during the first half of 2024.

DEPLETION, DEPRECIATION AND IMPAIRMENT (“DD&I”)

(CA$ thousands, unless otherwise indicated)	Three months ended June 30 2025	2024	%	Six months ended June 30 2025	2024	%
Depletion and depreciation of PP&E	**29,097**	24,155	20	**57,426**	47,262	22
Depreciation of ROU Assets	**2,164**	2,140	1	**4,313**	4,277	1
Depletion and depreciation (“D&D”)	**31,261**	26,295	19	**61,739**	51,539	20
Impairment of PP&E	**-**	-	-	**-**	-	-
Total DD&I expense	**31,261**	26,295	19	**61,739**	51,539	20
D&D ($ per BOE)	**8.92**	7.49	19	**8.88**	7.34	21
Total DD&I expense ($ per BOE)	**8.92**	7.49	19	**8.88**	7.34	21

The Company reported D&D expense of $31.3 million ($8.92 per BOE) and $61.7 million ($8.88 per BOE) for the three and six months ended June 30, 2025 which increased by 19% and 20%, respectively, as compared to the three and six months ended June 30, 2024. The increase in both periods were attributable to a higher cost to acquire and develop oil weighted Duvernay reserves as compared to the legacy Deep Basin assets.

Impairment

As at June 30, 2025 and June 30, 2024, there were no indicators of impairment or reversals of previously recognized impairments.

OTHER INCOME (EXPENSES)

(CA$ thousands)	Three months ended June 30 2025	2024	Six months ended June 30 2025	2024
Gain on sale of assets	**-**	10	**23**	141
Other income	**3,705**	-	**3,705**	2,673
Foreign exchange gain (loss)	**(123)**	30	**(124)**	48
Other income, net of other expenses	**3,582**	40	**3,604**	2,862

INCOME TAXES

(CA$ thousands, unless otherwise indicated)	Three months ended June 30 **2025**	2024	Six months ended June 30 **2025**	2024
Current income tax	**-**	-	**-**	-
Deferred income tax expense	**11,063**	2,624	**9,502**	6,369
Effective tax rate	**24.8%**	15.4%	**25.1%**	19.9%

The Company reported a deferred income tax expense of $11.1 million and $9.5 million, respectively, during the three and six months ended June 30, 2025 compared to $2.6 million and $6.4 million, respectively, for the three and six months ended June 30, 2024.

Spartan's effective tax rate was 24.8% and 25.1%, respectively, for the three and six months ended June 30, 2025. Spartan's effective tax rate differs from the combined federal and Alberta provincial statutory rate of 23% primarily due to non-deductible expenses relating to share-based compensation expense offset by 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 June 30, 2025, Spartan has a deferred income tax asset of $22.5 million, a decrease from an asset of $30.9 million at December 31, 2024.

As at June 30, 2025, total available tax pools are estimated to be approximately $792.8 million as summarized in the table below:

(CA$ millions, unless otherwise indicated)	Rate (1)	**June 30, 2025**	December 31, 2024
Canadian oil and gas property expenses (COGPE)	10%	**96.3**	82.2
Canadian development expenses (CDE)	30%	**289.2**	229.7
Undepreciated capital cost (UCC) (2)	25%	**40.4**	25.6
Share issue costs (SIC)	5 years	**5.7**	3.1
Non-capital losses (NCL) and other (3)	100%	**361.2**	376.2
Total available tax pools (estimate) (4)		**792.8**	716.8

(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.

Uncertain Tax Positions

On February 14, 2025, the Company received a reassessment from the Canada Revenue Agency (the "CRA") for a previously amalgamated subsidiary that restricts the deductibility of non-capital losses relevant to the calculation of income taxes. The reassessment seeks to disallow the carry forward of approximately $217.8 million of these non-capital losses under the Income Tax Act (Canada). Spartan remains confident in the appropriateness of its tax filing position and intends to vigorously defend it. As such, Spartan has not recognized any provision in its Interim Financial Statements with respect to the reassessment.

During the second quarter of 2025, Spartan filed a notice of objection for the CRA reassessment and, if necessary, will subsequently file an appeal directly to the Tax Court of Canada. If Spartan is unsuccessful in this matter, then the Company would derecognize the corresponding deferred tax asset resulting in an ending deferred tax liability position, shortening its estimated tax horizon.

NET INCOME AND COMPREHENSIVE INCOME

(CA$ thousands, unless otherwise indicated)	Three months ended June 30 **2025**	2024	%	Six months ended June 30 **2025**	2024	%
Revenue (1)	**79,425**	66,222	20	**161,460**	142,345	13
Expenses (1)	**(71,266)**	(63,288)	13	**(141,182)**	(122,404)	15
Income before derivatives, other items and taxes (2)	**8,159**	2,934	178	**20,278**	19,941	2
Gain on derivative financial instruments	**32,853**	14,021	134	**13,982**	9,132	53
Other income, net of other expenses (3)	**3,582**	40	nm	**3,604**	2,862	26
Income before income taxes	**44,594**	16,995	162	**37,864**	31,935	19
Deferred income tax expense	**11,063**	2,624	nm	**9,502**	6,369	49
Net income and comprehensive income	**33,531**	14,371	133	**28,362**	25,566	11
WA Shares outstanding – basic (000s)	**200,052**	173,201	16	**195,669**	173,201	13
WA Shares outstanding – diluted (000s)	**202,116**	174,966	16	**198,027**	174,738	13
Net income $ per share – basic	**0.17**	0.09	89	**0.14**	0.15	(7)
Net income $ per share – diluted	**0.17**	0.09	89	**0.14**	0.15	(7)

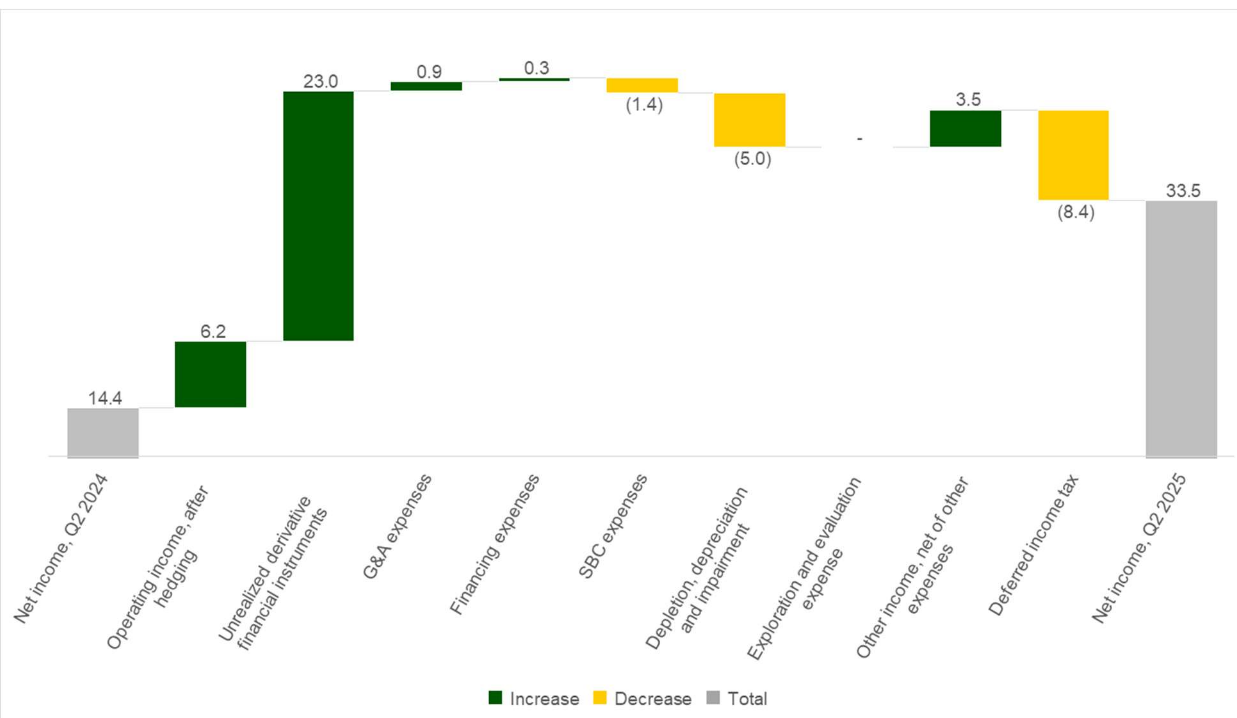
(1) Comparative prior periods have been updated to include sales of commodities purchased from third parties within revenue and cost of commodities purchased from third parties within expenses.

(2) The subtotal "income 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.

(3) 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 second quarter of 2024 to the second quarter of 2025:

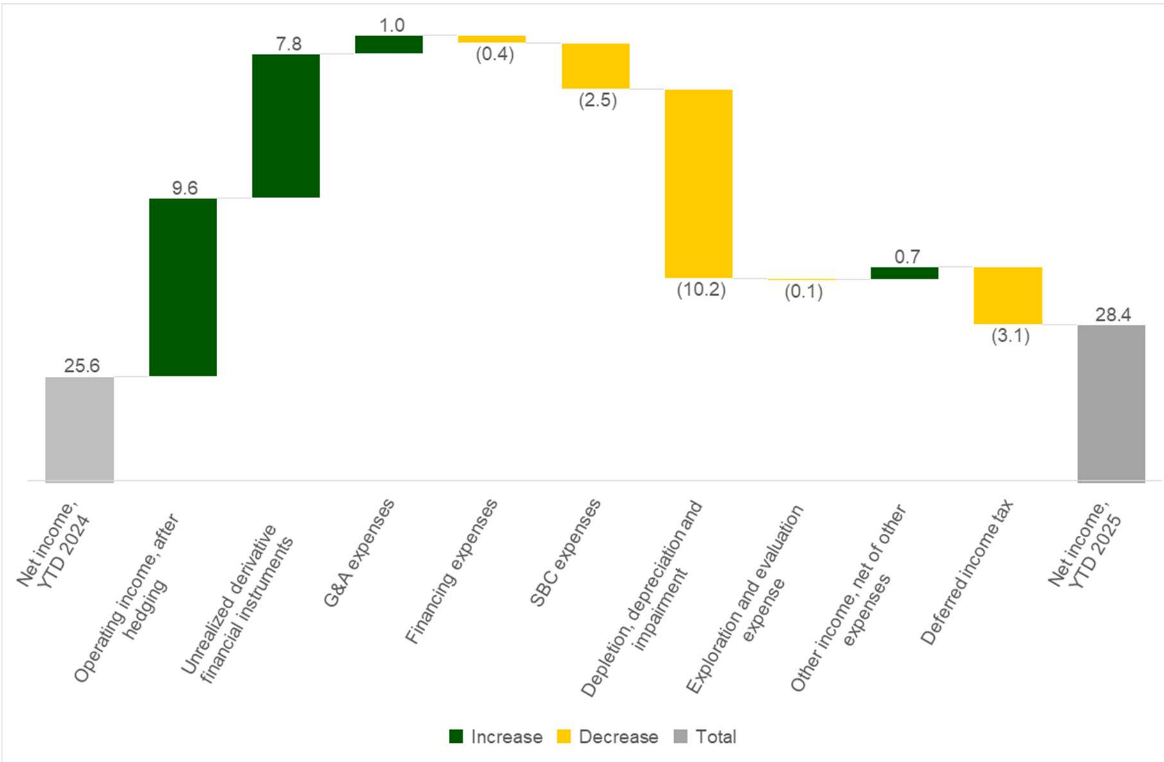
Change in Net Income – Q2 2024 to Q2 2025 ($ millions)



Spartan reported net income of $33.5 million ($0.17 per share, diluted) for the second quarter of 2025, up 133% from net income of $14.4 million ($0.09 per share, diluted) for the second quarter of 2024. The change in net income from the comparative period is primarily due to the change of $23.0 million in the mark-to-market position of derivative financial instruments mainly a result of softening AECO benchmark pricing in future periods, increase in operating income, after hedging, and an increase in other income, partially offset by an increase in depletion expense as a result of Duvernay assets that carry a higher depletion rate and an increase in deferred tax expense.

The chart below summarizes the components of the change in net income from the six months ended June 30, 2024 to the six months ended June 30, 2025:

Change in Net Income – H1 2024 to H1 2025 ($ millions)



Spartan reported net income of $28.4 million ($0.14 per share, diluted) for the six months ended June 30, 2025, up 11% from $25.6 million ($0.15 per share, diluted) in the comparative six months. The increase in net income is primarily the result of increased operating income, after hedging and the change in the unrealized gains on derivative financial instruments, partially offset by an increase in share-based compensation, depletion expense as a result of Duvernay assets that carry a higher depletion rate and an increase in deferred tax expense.

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".

Second quarter of 2025 compared to second quarter of 2024 (1)

Amounts are CA$ millions ($MM), except as noted	**Q2/25**	Q2/24	Change (1)		**Q2/25**	Q2/24	
	$MM	$MM	$MM	%	**$/BOE**	$/BOE	%
Oil and gas sales, net of royalties	**70.6**	63.3	7.2	11	**20.13**	18.03	12
Processing and other revenue	**4.2**	1.8	2.3	129	**1.19**	0.52	129
Net commodities purchased margin	**0.3**	-	0.3	-	**0.09**	-	-
Operating expenses	**(21.1)**	(22.4)	1.3	(6)	**(6.02)**	(6.38)	(6)
Transportation expenses	**(6.0)**	(5.2)	(0.8)	15	**(1.73)**	(1.50)	15
Operating Income / Netback, before hedging (2)	**47.9**	37.5	10.4	28	**13.66**	10.67	28
Realized gain on derivative financial instruments	**3.7**	7.9	(4.2)	(53)	**1.04**	2.24	(54)
Operating Income / Netback, after hedging (2)	**51.5**	45.3	6.2	14	**14.70**	12.91	14
G&A expenses	**(3.7)**	(4.6)	0.9	(19)	**(1.07)**	(1.32)	(19)
Interest expenses	**(0.2)**	(0.4)	0.3	(60)	**(0.05)**	(0.12)	(58)
Financing cost of lease liabilities	**(0.3)**	(0.5)	0.2	(29)	**(0.09)**	(0.13)	(31)
Realized foreign exchange gain (loss)	**(0.1)**	-	(0.1)	nm	**(0.03)**	0.01	nm
Other income	**3.7**	-	3.7	-	**1.06**	-	-
Settlement of decommissioning obligations	**(0.4)**	(0.3)	(0.1)	29	**(0.13)**	(0.09)	44
Funds from Operations (2)	**50.4**	39.5	10.9	28	**14.39**	11.26	28
Change in non-cash working capital	**(6.8)**	5.1	(12.0)	nm	**(1.94)**	1.47	nm
Cash provided by operating activities	**43.6**	44.7	(1.0)	(2)	**12.45**	12.73	(2)
Funds from Operations (2)	**50.4**	39.5	10.9	28	**14.39**	11.26	28
Deduct: lease payments	**(2.5)**	(2.4)	(0.1)	6	**(0.71)**	(0.67)	6
Adjusted Funds Flow (2)	**47.9**	37.2	10.8	29	**13.68**	10.59	29
Adjusted Funds Flow per share (2)							
Basic ($ per common share)	**0.24**	0.22					
Diluted ($ per common share)	**0.23**	0.21					

(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 and Ratios" section of this MD&A.

Spartan generated $51.5 million of Operating Income, after hedging for the second quarter of 2025, up $6.2 million, or 14% compared to the second quarter of 2024. The increase in Operating Income was primarily driven by the increase in realized natural gas pricing, increase in proportionate liquids production, increase in processing income and decrease in operating expenses, partially offset by increased transportation expense.

Spartan generated $50.4 million of Funds from Operations for the second quarter of 2025, an increase of $10.9 million or 28% as compared to the second quarter of 2024. Higher Operating Income, after hedging, other income, and lower G&A expenses in the second quarter of 2025 contributed to the increase in Funds from Operations. Cash expenditures to settle decommissioning obligations of $0.4 million in the second quarter of 2025 was relatively consistent with $0.3 million incurred in the comparative quarter.

Spartan's cash provided by operating activities was $43.6 million for the second quarter of 2025, which was lower 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 fluctuations in corporate activity levels, production levels and commodity prices in relation to accrued revenue receivables and the timing of payment processing, among other factors. In the three months ended June 30, 2025, the net decrease of $12.0 million in non-cash working capital compared to the prior quarter is primarily due to fluctuations in accounts receivable owing from joint venture partners and accounts payable balances.

Adjusted Funds Flow was $47.9 million for the second quarter of 2025 after deducting $2.5 million of lease payments from Funds from Operations, resulting in Adjusted Funds Flow of $0.23 per share on a diluted basis.

First Half of 2025 compared to First Half of 2024 (1)

Amounts are CA$ millions ($MM), except as noted	**H1/25**	H1/24	Change (1)		**H1/25**	H1/24	
	$MM	$MM	$MM	%	**$/BOE**	$/BOE	%
Oil and gas sales, net of royalties	**148.8**	135.9	12.9	9	**21.39**	19.37	10
Processing and other revenue	**5.3**	3.4	1.9	58	**0.77**	0.48	60
Net commodities purchased margin	**0.3**	-	0.3	-	**0.04**	-	-
Operating expenses	**(43.4)**	(42.2)	(1.2)	3	**(6.26)**	(6.01)	4
Transportation expenses	**(12.1)**	(10.8)	(1.3)	12	**(1.73)**	(1.54)	12
Operating Income / Netback, before hedging (2)	**98.9**	86.3	12.6	15	**14.21**	12.30	16
Realized gain on derivative financial instruments	**6.5**	9.4	(3.0)	(31)	**0.93**	1.34	(31)
Operating Income / Netback, after hedging (2)	**105.3**	95.7	9.6	10	**15.14**	13.64	11
G&A expenses	**(8.3)**	(9.3)	1.0	(11)	**(1.19)**	(1.32)	(10)
Interest income (expenses)	**(0.4)**	-	(0.5)	nm	**(0.06)**	0.01	nm
Financing cost of lease liabilities	**(0.7)**	(1.0)	0.3	(28)	**(0.10)**	(0.14)	(29)
Realized foreign exchange gain (loss)	**(0.1)**	-	(0.1)	nm	**(0.02)**	0.01	nm
Other income	**3.7**	2.6	1.1	42	**0.53**	0.37	43
Settlement of decommissioning obligations	**(1.1)**	(0.6)	(0.4)	68	**(0.14)**	(0.09)	56
Funds from Operations (2)	**98.4**	87.5	10.9	12	**14.16**	12.48	13
Change in non-cash working capital	**1.4**	5.3	(3.9)	(73)	**0.21**	0.76	(72)
Cash provided by operating activities	**99.9**	92.8	7.1	8	**14.37**	13.24	9
Funds from Operations (2)	**98.4**	87.5	10.9	12	**14.16**	12.48	13
Deduct: lease payments	**(4.9)**	(4.7)	(0.3)	6	**(0.71)**	(0.67)	6
Adjusted Funds Flow (2)	**93.5**	82.9	10.7	13	**13.45**	11.81	14
Adjusted Funds Flow per share (2)							
Basic ($ per common share)	**0.48**	0.48					
Diluted ($ per common share)	**0.46**	0.47					

(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 and Ratios" section of this MD&A.

Spartan generated $105.3 million of Operating Income, after hedging during the six months ended June 30, 2025, up $9.6 million or 10%, compared to the first half of 2024. The increase in operating income was primarily driven by the increase in realized natural gas pricing and an increase in proportionate liquids production in the first half of 2025, partially offset by increased royalty, operating and transportation expense.

Spartan generated $98.4 million of Funds from Operations during the six months ended June 30, 2025, up $10.9 million or 12%, compared to the first half of 2024. The increase in Funds from Operations was primarily driven by higher Operating Income, after hedging, lower G&A expenses and higher other income in the first half of 2025 was partially offset by increased interest expense. Cash expenditures to settle decommissioning obligations of $1.1 million in the first half of 2025 was higher than the $0.6 million incurred in the comparative period.

Spartan's cash provided by operating activities was $99.9 million for the first half of 2025, which was higher than Funds from Operations due to the net change in non-cash working capital during the first six months. The change in non-cash working capital varies each period based on fluctuations in corporate activity levels, production levels and commodity prices in relation to accrued revenue receivables and the timing of payment processing, among other factors. In the six months ended June 30, 2025, the net decrease of $3.9 million in non-cash working capital compared to the prior period is primarily due to fluctuations in accounts receivable owing from joint venture partners and accounts payable balances.

Adjusted Funds Flow was $93.5 million for the first half of 2025 after deducting $4.9 million of lease payments from Funds from Operations, resulting in Adjusted Funds Flow of $0.46 per share on a diluted basis.

CASH USED IN INVESTING ACTIVITIES AND CAPITAL EXPENDITURES

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 six months ended June 30, 2025 and 2024. 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 $84.4 million and $134.6 million, respectively, for the three and six months ended June 30, 2025 (refer to reconciliation provided under the heading "Non-GAAP Measures and Ratios").

CAPITAL EXPENDITURES

	Three months ended June 30			Six months ended June 30		
(CA$ thousands)	**2025**	2024	%	**2025**	2024	%
Land and seismic	**8,107**	2,953	175	**19,498**	4,876	300
Drilling and completion	**66,215**	14,982	342	**114,402**	51,708	121
Facilities, pipeline and well equipment	**7,727**	3,399	127	**19,253**	8,729	121
Production optimization and other assets	**1,129**	545	107	**1,833**	926	98
Capitalized G&A	**352**	675	(48)	**1,297**	1,350	(4)
Capital Expenditures before A&D (1)	**83,530**	22,554	270	**156,283**	67,589	131
Acquisitions	**6,067**	54,425	(89)	**6,067**	72,433	(92)
Dispositions (2)	**-**	(24)	(100)	**(47)**	35	(234)
Capital Expenditures (1)	**89,597**	76,955	16	**162,303**	140,057	16

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

(2) Disposition amounts recorded for the six months ended June 30, 2025 relate to a minor disposition in a non-core area. Disposition amounts recorded for the three and six months ended June 30, 2024 relate to minor final statements of adjustments from prior transactions.

Capital Expenditures before A&D were $83.5 million and $156.3 million, respectively, for the three and six months ended June 30, 2025. The majority of capital expenditures in the period were incurred to drill, complete and equip new wells in the Deep Basin and Duvernay areas. 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 second quarter drilling program included drilling 2 (1.9 net) wells which were drilled in the Cardium and Spirit River Formations. A total of 3 (2.6 net) Deep Basin wells were completed in the quarter and 3 (2.6 net) wells were brought on production.

West Shale Basin drilling activity in the quarter included drilling 6 (5.4 net) wells targeting light oil and condensate in the Duvernay Formation. A total of 7 (4.9 net) West Shale Basin wells were completed in the quarter and 3 (2.1 net) wells were brought on production.

DRILLING ACTIVITY

	Three months ended June 30		Six months ended June 30	
Number of Net Wells	**2025**	2024	**2025**	2024
Drilled (1)	**7.3**	2.0	**17.1**	9.0
Completed	**7.5**	3.8	**11.4**	9.8
On production	**4.7**	4.6	**8.6**	9.8

(1) Net wells drilled is based on the rig release date.

2025 ACQUISITIONS SUMMARY

Spartan acquired $6.1 million of freehold land during the six months ended June 30, 2025.

2024 ACQUISITIONS SUMMARY

During the six months ended June 30, 2024, the Company acquired additional Duvernay land of $22.6 million as part of its Duvernay growth strategy.

For the year ended December 31, 2024, the Company's acquisitions of $76.5 million are comprised of undeveloped land and approximately 1,600 BOE/d of production in the Duvernay area. The following table summarizes the aggregate consideration paid for these acquisitions and the estimated fair value of the identifiable assets and assumed liabilities:

(CA$ thousands)	**Willesden Green North**	**Other Various**	**Total**
Consideration, after adjustments	**48,625**	**27,918**	**76,543**
Exploration and evaluation assets	19,199	27,887	47,086
Property, plant and equipment (1)	29,688	430	30,118
Decommissioning obligations (2)	(262)	(399)	(661)
Fair value of net assets acquired (1)	**48,625**	**27,918**	**76,543**
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 assumed liabilities on acquisition are based on management's best estimates using information available at the time of the relevant reporting period and may be subsequently adjusted over the measurement period as new information becomes available. 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 $0.7 million was estimated by discounting the inflated cost estimates using a "credit-adjusted risk-free rate" ranging from 7.72% to 8.77% on the respective closing dates of the acquisitions. Subsequent remeasurement of the decommissioning obligations acquired at the risk-free rate, under Spartan's accounting policy, resulted in an increase in the present value of decommissioning obligations acquired by $0.8 million to $1.5 million in aggregate.

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

DECOMMISSIONING OBLIGATIONS

As at June 30, 2025, the Company's total decommissioning obligations are estimated to be $79.7 million, of which $2.7 million are expected to be settled over the next twelve months. During the six months ended June 30, 2025, the total carrying amount of decommissioning obligations decreased by $2.6 million from $82.3 million at December 31, 2024. This change is primarily attributed to an increase in the discount rate resulting in a decrease in the carrying amount of decommissioning obligations by $3.7 million, with a minor change in estimates and obligations settled in the period. The decrease was partially offset by new liabilities related to Spartan's current drilling program and accretion of the liabilities.

Spartan is committed to environmental stewardship and has a proactive program to address its decommissioning obligations. The Company seeks to obtain a strong Licensee Capability Assessment ("**LCA**") rating as the industry transitions to the LCA system. The Company spent $1.1 million on the settlement of decommissioning obligations during the six months ended June 30, 2025.

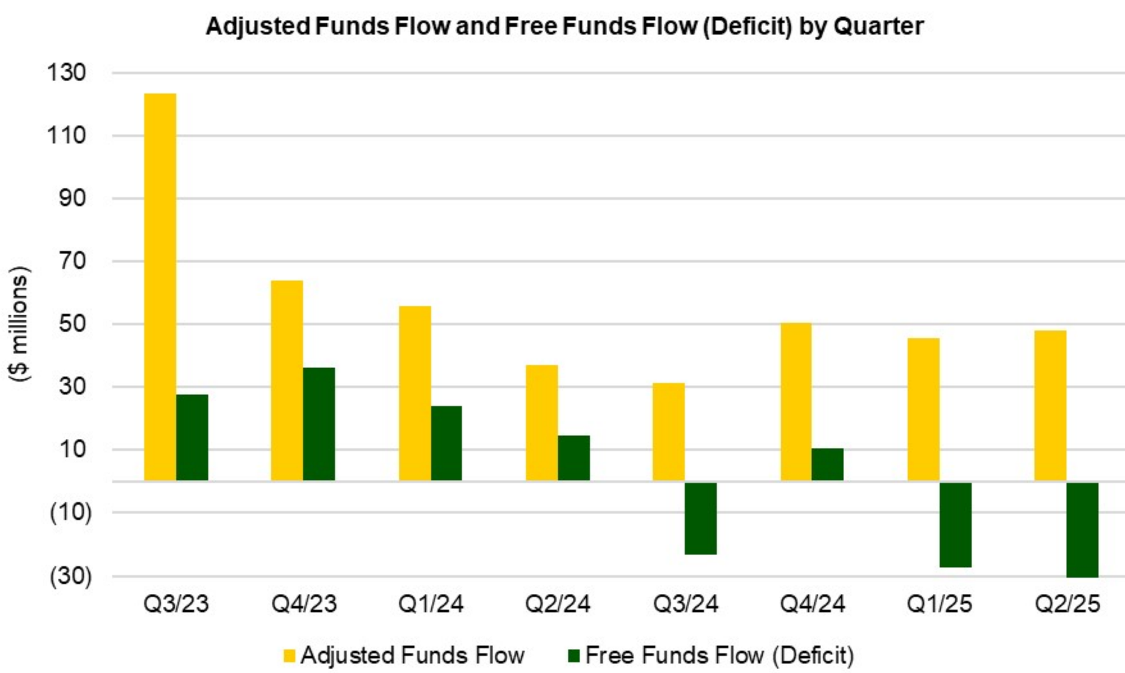
CAPITAL RESOURCES AND LIQUIDITY

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 six months ended June 30, 2025, the Company's primary sources of funds were $99.9 million of cash provided by operating activities, $93.2 million from the Prospectus Offering (defined herein) and a change of $27.7 million of non-cash working capital in investing activities. Spartan used its cash provided by operating activities, the Prospectus Offering and the change in non-cash working capital to fund the Company's exploration and development capital expenditures of $156.3 million, $54.4 million of Credit Facility repayments, $6.1 million of acquisitions and $4.9 million of lease principal payments.

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 (deficit) 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 (deficit) during the past eight quarters:



Spartan's Free Funds Flow deficit was $35.6 million for the second quarter of 2025, as compared to a surplus of $14.6 million for the second quarter of 2024. This change was primarily as a result of increased capital expenditures in 2025 as the Company develops its Duvernay asset. The amount of Free Funds Flow reported each quarter is impacted significantly by periods of high capital activity and market fluctuations including volatility of commodity prices.

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

CAPITALIZATION	June 30, 2025	December 31, 2024	% Change
Common shares outstanding (000s)	**200,060**	173,624	15
Share price (last price traded in the quarter)	**$3.81**	$3.45	10
Market capitalization of common shares [(1)(2)]	**762,229**	599,003	27
Current assets	**(223,785)**	(211,122)	6
Current liabilities	**280,025**	242,371	16
Working capital deficit	**56,240**	31,249	80
Long-term debt	**66,476**	120,912	(45)
Long-term portion of:			
Derivative financial instruments	**2,214**	2,722	(19)
Lease liabilities	**11,731**	16,114	(27)
Decommissioning obligations	**77,001**	79,598	(3)
Total capitalization [(2)]	**975,891**	849,598	15

(1) The carrying value of Spartan's shareholders' equity was $600.1 million at June 30, 2025 and $471.4 million at December 31, 2024.

(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 $56.2 million at June 30, 2025, compared to a deficit of $31.2 million at December 31, 2024. The change in working capital is primarily due to an increase in the accounts payable balances associated with the 2025 capital program offset by an increase in accounts receivable, prepaids and current asset position for the derivative financial instruments.

As at June 30, 2025 and December 31 2024, the Company's capital structure is comprised of working capital, long-term debt and shareholders' equity. As of June 30, 2025, Spartan's total capitalization was $975.9 million, an increase of $126.3 million (15%) from December 31, 2024. This change was primarily driven by an increase in total shares outstanding, a higher share price and increased working capital deficit, partially offset by lower long-term debt. As at June 30, 2025, the market value of Spartan's common shares represented 78% 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)*	June 30, 2025	December 31, 2024
Cash	**(194)**	(924)
Restricted cash	**(150,811)**	(150,811)
Accounts receivable	**(52,205)**	(47,150)
Prepaid expenses and deposits	**(9,984)**	(6,427)
Accounts payable and accrued liabilities	**116,946**	78,996
Dividends payable	**150,811**	150,811
Current portion of decommissioning obligations	**2,700**	2,700
Adjusted Working Capital deficit	**57,263**	27,195
Long-term debt	**66,476**	120,912
Net Debt	**123,739**	148,107
Annualized Adjusted Funds Flow [(1)]	**176,976**	201,876
Net Debt to Annualized AFF Ratio	**0.7X**	0.7X

(1) The Annualized Adjusted Funds Flow reflects ongoing operations for the three months ended June 30, 2025 and December 31, 2024 multiplied by a factor of four (4).

Excluding derivative financial instruments and lease liabilities, Spartan's Adjusted Working Capital deficit is $57.3 million at June 30, 2025, which increased from the Adjusted Working Capital deficit of $27.2 million at December 31, 2024 primarily due to increased accounts payable balances in connection with Spartan's active capital program. This was offset by an increase in accounts receivable owing from joint venture partners and a rise in prepaid expenses and deposits.

As at June 30, 2025, Spartan had Net Debt of $123.7 million which includes $66.5 million of long-term debt outstanding on its Credit Facility (defined herein) and $57.3 million of Adjusted Working Capital deficit. Net Debt decreased from the prior year primarily as a result of the Prospectus Offering completed in January 2025, partially offset by the Free Funds Flow deficit.

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 June 30, 2025, the Company's $250.0 million Credit Facility was drawn $67.4 million with the remaining amount of $182.6 million as available capacity.

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" divided by "Annualized Adjusted Funds Flow". As at June 30, 2025, the Company's Net Debt to Annualized AFF ratio was approximately 0.7 times, remaining unchanged from December 31, 2024.

Spartan is well positioned to fund its financial liabilities and to execute on its business strategy. The Company's exploration and development capital expenditures for 2025 are expected to be funded by a combination of cash provided by operating activities and may be supplemented by the unutilized Credit Facility during periods of high capital investment.

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 for future attestations. Refer to note 11 of the 2024 Annual Financial Statements for further information on dividends.

The following table outlines a contractual maturity analysis for the Company's financial liabilities and undiscounted lease liabilities as at June 30, 2025:

(CA$ thousands)	1 year	2 to 3 years	4 to 5 years	> 5 years	Total
Accounts payable and accrued liabilities	116,946	-	-	-	116,946
Dividends payable	150,811	-	-	-	150,811
Derivative financial instrument liabilities	-	2,214	-	-	2,214
Credit Facility (1)	5,768	72,628	-	-	78,396
Undiscounted lease liabilities (2)	10,550	10,174	1,558	813	23,095
Total	**284,075**	**85,016**	**1,558**	**813**	**371,462**

(1) The Credit Facility (as defined below in the Long-Term Debt section) was drawn $67.4 million as at June 30, 2025. The table above includes estimated interest to be incurred on the $67.4 million drawn balance and standby charges on the undrawn balance, up to May 31, 2026 (being the end of the current revolving period) plus estimated interest to be incurred up to May 31, 2027, repayable one year after the expiry of the revolving period, if not extended.

(2) As at June 30, 2025, the present value of the Company's total lease liability is $21.3 million, of which $9.6 million in principal repayments are expected to be settled in the next twelve months.

LONG-TERM DEBT

As at June 30, 2025, 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)	**June 30, 2025**	December 31, 2024	% Change
Revolving credit facility	**67,350**	121,500	(45)
Unamortized issue costs	**(874)**	(588)	49
Long-term debt	**66,476**	120,912	(45)

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 June 30, 2025, the Credit Facility was $67.4 million drawn.

The Credit Facility has a revolving period until May 2026, 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 May 29, 2025 with no changes to the Credit Facility. The next borrowing base redetermination is anticipated to be completed on or before November 30, 2025.

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 does include other standard business operating covenants, including but not limited to limitations on acquisitions and dispositions, distributions and hedging arrangements. As at June 30, 2025, 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 June 30, 2025, there was $1.7 million of issued but undrawn letters of credit under the LC Facility (December 31, 2024 - $1.7 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 June 30, 2025 and as of the date of this MD&A, there were 200.1 million common shares outstanding (173.6 million as at December 31, 2024). 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 $3.12 for the three months ended June 30, 2025 ($3.43 per share for the three months ended December 31, 2024). Spartan's closing share price was $3.81 on June 30, 2025 compared to $3.45 on December 31, 2024.

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 June 30			Six months ended June 30		
(000s)	**2025**	2024	%	**2025**	2024	%
WA Shares outstanding, basic	**200,052**	173,201	16	**195,669**	173,201	13
Dilutive effect of outstanding securities	**2,064**	1,765	17	**2,358**	1,537	53
WA Shares, diluted – for EPS	**202,116**	174,966	16	**198,027**	174,738	13
Incremental dilution for AFF (1)	**3,949**	2,339	69	**3,744**	2,465	52
WA Shares, diluted – for AFF (1)	**206,065**	177,305	16	**201,771**	177,203	14

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

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

Number of securities outstanding (000s)	December 31, 2024	June 30, 2025	**August 6, 2025**
Common shares	173,624	200,060	**200,080**
Stock options (1)	1,354	5,844	**5,844**
Share awards	3,483	6,022	**6,032**
Total securities outstanding (2)	178,461	211,926	**211,956**

(1) The stock options outstanding as at June 30, 2025 have an average exercise price of $3.55 per common share with an average remaining contractual life of 4.4 years.

(2) The total number of securities outstanding is provided for information purposes only. This calculation does not consider 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.

January 2025 Financing

On January 30, 2025, the Company completed a bought deal public offering for gross proceeds of $97.8 million. The offering was underwritten by a syndicate led by National Bank Financial Inc. by way of a short-form prospectus, pursuant to which the Company issued 25,589,800 common shares of Spartan at a price of $3.82 per common share (the "Prospectus Offering"). Net proceeds of the Prospectus Offering were $93.2 million after underwriting commissions and other expenses.

The net proceeds of the Prospectus Offering were applied to amounts drawn on the Credit Facility. The additional liquidity will be used to fund the Corporation's accelerated development program in the Duvernay and for general corporate purposes. The use of net proceeds of the Prospectus Offering by the Corporation is consistent with its stated business objectives and strategic goals of the exploration for, and development and acquisition of, oil and natural gas reserves.

COMMITMENTS AND CONTINGENCIES

The following table summarizes the Company's contractual commitments as of June 30, 2025:

(CA$ thousands)	2025	2026	2027	2028	2029	Thereafter
Gas transportation (1)	5,192	9,877	5,187	4,421	1,517	14
Liquids transportation (2)	1,507	753	-	-	-	-
Total commitments (3)	**6,699**	**10,630**	**5,187**	**4,421**	**1,517**	**14**

(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) The commitments table does not include lease liabilities. A contingent termination feature exists based on a net debt to cash flow ratio requiring Spartan to acquire the leased processing facilities in which Spartan has sufficient liquidity to cover this termination feature. The exercise window begins on the filing date of the March 31, 2026 interim financial statements and concludes on June 30, 2026. This feature has been excluded from the right-of-use asset and lease liability calculations being a variable lease payment beyond the control of each party (refer to note 8 in the Interim Financial Statements for more information). A contractual maturity of the Company's financial liabilities and undiscounted lease payments is provided in "Capital Resources and Liquidity".

During the second quarter of 2025, Spartan entered into a new office lease agreement, commencing on September 1, 2025 and ending on May 31, 2031. The undiscounted value of future lease payments is $2.3 million and will be recorded as a right-of-use asset and lease liability upon commencement of the lease.

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 June 30, 2025.

OFF-BALANCE SHEET ARRANGEMENTS

Except for the commitments and contingencies disclosed herein, the Company does not have 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 June 30, 2025 and December 31, 2024, Spartan had no subsidiaries.

b) Related party transactions

During the six months ended June 30, 2025, the Company incurred $1.1 million of legal fees to a law firm where the corporate secretary of the Company is a partner (six months ended June 30, 2024 – $0.5 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 June 30, 2025 (December 31, 2024 – $0.2 million).

SUBSEQUENT EVENTS

Derivative Financial Instruments

Subsequent to June 30, 2025, Spartan entered into additional WTI swaps for 2026 and 2027. The table below summarizes average prices and notional volumes contracted under the Company's outstanding financial derivative contracts as of August 6, 2025:

	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
Q3 2025	2,700	$99.75	83,250	$2.13
Q4 2025	2,700	$99.75	98,880	$2.35
Q1 2026	1,650	$89.95	75,500	$2.83
Q2 2026	1,350	$91.24	45,500	$2.60
Q3 2026	1,350	$91.24	41,000	$2.59
Q4 2026	1,350	$91.24	57,424	$2.96
Q1 2027	900	$86.09	46,000	$3.31
Q2 2027	500	$85.48	6,000	$3.10
Q3 2027	250	$86.95	3,000	$3.19
Q4 2027	-	-	3,000	$3.19

(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)	**Q2 2025**	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023[5]
Revenue [1]	**79.4**	82.0	76.3	56.4	66.2	76.1	85.0	79.1
Net income (loss) and comprehensive income (loss)	**33.5**	(5.2)	5.2	3.5	14.4	11.2	110.6	9.0
$ per share, basic	**0.17**	(0.03)	0.03	0.02	0.09	0.06	0.64	0.05
$ per share, diluted	**0.17**	(0.03)	0.03	0.02	0.09	0.06	0.64	0.05
Funds from Operations [2]	**50.4**	48.0	52.9	33.7	39.5	48.0	58.5	66.3
Capital Expenditures [2][3]	**89.6**	72.7	39.4	58.9	77.0	63.1	64.6	28.3
Total assets	**1,037.5**	972.6	933.1	921.7	884.2	833.6	819.5	862.2
Working capital deficit	**56.2**	82.5	31.2	49.3	15.4	41.1	28.4	56.6
Long-term liabilities [4]	**155.2**	118.6	216.6	205.4	195.9	138.1	139.6	117.0
Shareholders' equity	**600.1**	563.2	471.4	464.4	458.8	442.2	429.7	318.3
Average daily production (BOE/d)	**38,513**	38,328	38,537	37,020	38,583	38,533	37,664	37,518
% Liquids	**36%**	36%	35%	32%	32%	32%	31%	29%
Average realized price ($ per BOE)	**23.11**	26.45	23.55	17.78	20.92	24.00	24.77	23.72
Operating Netbacks [2]								
Before hedging ($ per BOE) [2]	**13.66**	14.78	13.60	8.42	10.67	13.92	15.29	14.08
After hedging ($ per BOE) [2]	**14.70**	15.60	16.86	12.22	12.91	14.37	20.70	23.10

(1) Prior reporting periods have been adjusted to conform with the current period presentation of including sales of commodities purchased from third parties within Revenue. Refer to Note 2 in the Interim Financial Statements for additional information.
(2) "Funds from Operations", "Capital Expenditures" and "Operating Netbacks" do not have standardized meanings under IFRS Accounting Standards, refer to "Non-GAAP Measures and Ratios".
(3) Excludes non-cash consideration for acquisitions. Refer to "Cash Used in Investing Activities and Capital Expenditures" section of this MD&A for additional information.
(4) Long-term liabilities exclude the long-term liability portion of derivative financial instruments.
(5) Q3 2023 represents consolidated figures as Spartan had subsidiaries that were disposed of on July 6, 2023.

In the second and third quarter of 2023, the Company completed the 2023 Transactions (as defined in the 2024 Annual Financial Statements). 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. Revenues increased in the fourth quarter of 2024 and first two quarters of 2025 as a result of a proportionate increase in liquids production.

Changes in net income (loss) over the last eight quarters primarily fluctuated with changes in revenue, one-time gains and losses and unrealized gains and losses on derivatives. In Q4 2023, the Company recognized a deferred tax recovery of $79.6 million resulting from a 66.7 election. Net income fluctuated in 2024 with movements in natural gas benchmark prices. A net loss in Q1 2025 was the result of an increase in non-cash items such as unrealized losses on derivative financial instruments, share-based compensation and depletion and depreciation expense. Net income in Q2 2025 was primarily driven by unrealized gains on derivative financial instruments, partially offset by the decrease in revenue as a result of benchmark pricing declining in Q2 2025.

Operating Netbacks softened in certain quarters with benchmark pricing, partly offset by lower royalties and operating expenses. Netbacks for the third and fourth quarters of 2023 also reflect a change in product sales mix with the Company's gas producing assets remaining. Netbacks in the fourth quarter of 2024 and first two quarters of 2025 increased with the change in product sales mix from the Duvernay to a more liquids weighted production. Natural gas prices declined 2023 and have resulted in reduced netbacks from the third quarter of 2023 to the third quarter of 2024. However, natural gas prices have started to strengthen since the fourth quarter of 2024, continuing into 2025.

In Q4 2023, the Company began its growth strategy entering the Duvernay as a new core area. In 2023, Spartan completed $32.5 million of acquisitions in the Duvernay and in 2024, Spartan added $74.8 million of producing properties and undeveloped land to its Duvernay position. In Q4 2024 and H1 2025, corresponding with the increased Duvernay activity, Spartan's production mix increased in liquids content and there was a slight recovery in natural gas prices resulting in improved netbacks compared to the previous quarters in 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 paid dividends and made distributions totalling $1.7 billion to distribute the proceeds of the Asset Sale, and the shares and warrants in Logan, inclusive of an additional $0.10 per share special distribution.

SELECTED ANNUAL INFORMATION

The following table summarizes key annual financial and operating information over the two most recently completed financial years and the first half of 2025:

(CA$ thousands, except as noted)	**H1 2025**	2024	2023(5)
Revenue (1)	**161,460**	275,061	620,333
Expenses (1)	**141,182**	252,815	449,483
Net income and comprehensive income	**28,362**	34,283	663,107
$ per share, basic	**0.14**	0.20	3.84
$ per share, diluted	**0.14**	0.20	3.82
Funds from Operations (2)	**98,447**	174,101	416,474
Capital Expenditures (Dispositions) (2)(3)	**162,303**	238,317	(1,375,152)
Total assets	**1,037,524**	933,144	819,524
Working capital deficit	**56,240**	31,249	28,400
Long-term liabilities (4)	**155,208**	216,624	139,559
Shareholders' equity	**600,077**	471,427	429,717
Average daily production (BOE/d)	**38,422**	38,166	53,179
% Liquids	**36%**	33%	35%
Average realized price ($ per BOE)	**24.77**	21.59	33.63
Operating Netback, before hedging ($ per BOE) (2)	**14.21**	11.68	21.10
Operating Netback, after hedging ($ per BOE) (2)	**15.14**	14.11	24.62

(1) Prior reporting periods have been adjusted to conform with the current period presentation of including sales of commodities purchased from third parties within revenue and cost of commodities purchased from third parties within the expenses line. Refer to Note 2 in the Interim Financial Statements for additional information.
(2) "Funds from Operations", "Capital Expenditures (Dispositions)" and "Operating Netback" do not have standardized meanings under IFRS Accounting Standards, refer to "Non-GAAP Measures and Ratios".
(3) Excludes non-cash consideration for acquisitions. Refer to "Cash Used in Investing Activities and Capital Expenditures" section of this MD&A for additional information.
(4) Long-term liabilities exclude the long-term liability portion of derivative financial instruments.
(5) The year ended December 31, 2023 represents consolidated figures as Spartan had subsidiaries that were disposed of on May 10, 2023 and July 6, 2023.

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 June 30, 2025.

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.

IFRS 7, Financial Instruments: Disclosures and IFRS 9, Financial Instruments

In May 2024, the International Accounting Standards Board issued amendments to IFRS 7 *Financial Instruments: Disclosures* and IFRS *9 Financial Instruments* relating to settling financial liabilities using electronic payment system and assessing contractual cash flow characteristics of financial assets. The amendments will be effective on January 1, 2026 and 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.

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 June 30, 2025 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 six months ended June 30, 2025.

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 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 speculative purposes; the aggregate quantity hedged, at the time of entering into the contract, does not exceed 75% of future forecasted average daily production (net of royalties); 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 June 30, 2025:

(CA$ thousands)	Change in price	Positive movement	Negative movement
AECO 7A	+/- CA$ 0.25 per GJ	(10,496)	10,496
CA$ WTI Swaps - Short	+/- CA$ 5.00 per bbl	(4,898)	4,898

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 June 30, 2025, an increase (decrease) in the market rate of interest by 50 basis points would increase (decrease) annualized interest expense by approximately $0.3 million.

Canadian benchmark interest rates rose sharply in response to high inflation in 2022 and 2023 when the Bank of Canada increased its benchmark interest rate by 475 basis points. Interest dropped by 125 basis points during 2024. There were two additional rate cuts in 2025 for a total reduction of 50 basis points with a potential for further reductions in the next twelve months with the ease of inflationary pressures. 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 June 30, 2025.

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 6% of Spartan's oil and gas sales during the second quarter of 2025. 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 $1.36 on June 30, 2025, as compared to $1.44 on December 31, 2024. The US$/CA$ exchange rate is typically negatively correlated to the movement in WTI crude oil prices. During the six months ended June 30, 2025, the Canadian dollar strengthened 6% in value relative to the U.S. dollar while WTI US$/bbl decreased by 3% since year-end. A weaker Canadian dollar has a positive impact on the Canadian dollar equivalent price Spartan receives, which mitigates 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 has not entered into any foreign exchange contracts during 2024 or the first half of 2025.

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 June 30, 2025, Spartan's expected credit loss provision is $1.2 million ($1.3 million at December 31, 2024).

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 June 30, 2025, 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 2024 Annual Information Form dated March 27, 2025
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
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
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
Q4 2024	fourth quarter of 2024
Q1 2025	first quarter of 2025
Q2 2025	second quarter of 2025
H1 2024	Six months ended June 30, 2024
H1 2025	Six months ended June 30, 2025
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 "outlook", "guidance", "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 (or grammatical variations or negatives thereof). 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;
- 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 performance;
- 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 2025 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, including pursuant to commodity price risk management activities;
- 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 and liabilities 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, including pursuant to the actions of OPEC and OPEC+ members;
- 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;
- risks relating to inclement and severe weather events and natural disasters, including fire, drought and flooding and corresponding effects, including in respect of safety, asset integrity, shutting in production;
- the Company's ability to secure sufficient amounts of water;
- 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;
- 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 Corporation's products and/or otherwise adversely affects the Corporation;
- 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 conflicts in Eastern Europe and the Middle East. 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.