# SPYGLASS RESOURCES CORP. ANNOUNCES 2013 RESERVES, 2013 FULL YEAR AND FOURTH QUARTER RESULTS, 2014 GUIDANCE AND MARCH MONTHLY DIVIDEND

*All values are in Canadian dollars unless otherwise indicated. Conversion of natural gas volumes to barrels of oil equivalent (boe) are at 6:1.*

**Calgary, Alberta – March 11, 2014. Spyglass Resources Corp. ("Spyglass", or the "Company") (TSX: SGL, OTCQX: SGLRF)** is pleased to announce annual financial and operating results for the year ended December 31, 2013. Selected financial and operational information for the full year and fourth quarter of 2013 is outlined below along with 2013 reserves evaluated in accordance with National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities ("NI 51-101") and should be read in conjunction with Spyglass' Audited Consolidated Financial Statements and Management's Discussion and Analysis for the years ended December 31, 2013 and 2012 on www.sedar.com and also available at www.spyglassresources.com.

The first quarter of 2013 was highlighted by the completion of a Plan of Arrangement (the "Arrangement") combining Pace Oil and Gas Ltd. ("Pace"), AvenEx Energy Corp. ("AvenEx") and Charger Energy Corp. ("Charger"). For the following three quarters of the year, Spyglass made substantial progress towards its objectives with the successful execution of its low risk, high netback light oil drilling and optimization program, completing key non-core dispositions and ongoing initiatives to reduce operating and administrative costs.

**Fourth Quarter and 2013 Summary**

- 2013 funds flow from operations was $60.6 million ($0.54 per share).
- Funds flow from operations for the fourth quarter of 2013 was $11.4 million ($0.09 per share), primarily reflecting wider Canadian crude oil price differentials during the quarter.
- Capital expenditures (prior to dispositions) for 2013 were $59.7 million which included successfully drilling 14 (10.9 net) horizontal and 2 (2.0 net) vertical light oil wells in Southern and Central Alberta.
- During the fourth quarter of 2013, capital expenditures (prior to dispositions) were $15.0 million. In addition to other capital activity, Spyglass drilled and completed 2 (2.0 net) Pekisko light oil wells at Matziwin which came on production in December 2013. On a combined basis, the 30 day initial production rates for these two most recent wells was 450 boe/d, with current stabilized combined production rates of approximately 420 boe/d.
- Production for 2013 increased by 15 percent to 15,215 boe/d from 13,223 boe/d in 2012 as a result of the Arrangement and the successful light oil drilling and optimization program.

- Production for the fourth quarter of 2013 averaged 15,873 boe/d, 49 percent oil and liquids. The quarter incorporates the impact of successful non-core asset dispositions (approximately 275 boe/d), the shut in of uneconomic natural gas production (approximately 200 boe/d) and a planned turn around at Dixonville (approximately 140 boe/d). Severe winter weather and shut-ins related to gas conservation also affected the Company's production volumes in the fourth quarter and into the first quarter of 2014.
- Spyglass generated $22.7 million in net proceeds from non-core property dispositions and $1.4 million from seismic sales in 2013.
- During 2013 Spyglass declared dividends of $0.2025 per share resulting in an all-in payout ratio of 104% for the year.
- Operating costs for the fourth quarter of 2013 were $18.33 per boe, in line with guidance, while cash general and administrative expenses were $2.45 per boe, which was better than guidance.
- Net debt at December 31, 2013 was $300.5 million, comprised of $287.0 million in long-term bank debt and a $13.5 million working capital deficit.

### Selected Financial and Operating Information

| **Operating** | **Q4 2013** | **2013**[(1)] | **2012**[(2)] |
|---|---|---|---|
| Average daily production | | | |
| Oil (bbls/d) | 7,198 | 7,000 | 6,050 |
| NGLs (bbls/d) | 647 | 450 | 324 |
| Natural Gas (Mcf/d) | 48,164 | 46,588 | 41,093 |
| Total (boe/d) | 15,873 | 15,215 | 13,223 |
| Realized prices | | | |
| Oil ($/bbl) | 72.89 | 82.09 | 76.28 |
| NGLs ($/bbl) | 43.46 | 50.96 | 58.36 |
| Natural Gas ($/mcf) | 3.40 | 3.23 | 2.43 |
| Total Revenue ($/boe) | 45.13 | 49.16 | 43.88 |
| Netback ($/boe) | | | |
| Revenue | 45.13 | 49.16 | 43.88 |
| Royalties | (9.42) | (10.21) | (9.70) |
| Operating expense | (18.33) | (18.89) | (16.15) |
| Transportation expense | (2.29) | (2.20) | (2.09) |
| Operating Netback[(3)] | 15.09 | 17.86 | 15.94 |
| Cash General & Administrative Expense | (2.45) | (3.01) | (3.69) |
| Realized hedging gain (loss) | (2.01) | (1.77) | 1.51 |
| Interest & Financing & Other | (2.80) | (2.17) | (1.60) |
| Cash Netback[(3)] | 7.83 | 10.91 | 12.16 |

| **Financial** *($000)(except per share figures)* | **Q4 2013** | **2013**[(1)] | **2012**[(2)] |
|---|---|---|---|

| | | | |
|---|---|---|---|
| Funds Flow from Operations[3] | 11,426 | 60,584 | 58,849 |
| *per share* | 0.09 | 0.54 | 0.96 |
| Net Income (Loss) | (16,866) | 43,331 | (152,991) |
| *per share* | (0.13) | 0.39 | (2.50) |
| Dividends | 8,645 | 25,934 | - |
| *per share*[4] | 0.0675 | 0.2025 | - |
| Capital Expenditures | 14,991 | 59,654 | 83,217 |
| Capital Expenditures (net of dispositions) | 2,476 | 36,940 | 83,217 |
| All-in Payout Ratio (%)[3] | 97% | 104% | - |
| Net Debt[3] | 300,508 | 300,508 | 215,817 |

| **Share Information (000's)** | **Q4 2013** | **2013[1]** | **2012[2]** |
|---|---|---|---|
| Common shares outstanding, end of period | 128,077 | 128,077 | 60,991 |
| Weighted average shares outstanding | 128,077 | 112,086 | 61,157 |

(1) Year to date results for 2013 are presented as Pace standalone from January 1 to March 28, 2013 and incorporate the Arrangement and the combined financial and operating results for the three companies from March 29 to December 31, 2013.

(2) 2012 results reflect Pace as a standalone entity.

(3) See Non-GAAP measures.

(4) 2013 YTD dividends are calculated based on 128,076,720 shares outstanding on the initial record date of April 26, 2013.

## 2013 Oil and Natural Gas Reserves

Spyglass' year ending December 31, 2013 reserves were evaluated by independent reserves evaluator McDaniel & Associates Consultants Ltd. ("McDaniel"). Reserves are stated on a gross company working interest basis unless otherwise noted. The evaluation of Spyglass' oil and gas properties was done in accordance with the definitions, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook") and National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities ("NI 51-101"). In addition to the information disclosed below more detailed information will be included in Spyglass' AIF.

**Highlights of the 2013 reserve evaluation include:**

- December 31, 2013 proved plus probable reserves ("2P") increased by 35 percent to 82.4 MMboe from 61.2 MMboe at December 31, 2012.
- December 31, 2013 total proved reserves ("TP") increased by 33 percent to 54.7 MMboe from 41.1 MMboe at December 31, 2012.
- Maintained a reserve life index of 14.2 years for 2P reserves and 9.4 years for TP reserves, based on fourth quarter 2013 production of 15,873 boe/d.
- Finding, development and acquisition ("FD&A") costs were $17.02 per 2P boe and $21.14 per TP boe, including technical revisions and changes in FDC.
- Present value of reserves at a 10 percent discount rate ("PV10") was $868.5 million on a 2P basis, $642.5 million on a TP basis and $555.8 million on a proved developed producing basis.
- Net asset value on a 2P basis is approximately $626.4 million or $4.89 per share.

## Summary of Reserves

**Working Interest Reserves [(1)(2)]**

| Category | Oil (Mbbl) | Natural Gas (MMcf) | NGL (Mbbl) | Total (Mboe) |
|---|---|---|---|---|
| Proved producing | 22,801 | 90,565 | 763 | 38,658 |
| Proved non-producing | 530 | 17,813 | 118 | 3,617 |
| Proved Undeveloped | 5,737 | 38,582 | 233 | 12,400 |
| **Total Proved[(3)]** | **29,068** | **146,960** | **1,114** | **54,675** |
| Probable | 13,540 | 81,268 | 687 | 27,771 |
| **Total proved plus probable[(3)]** | **42,607** | **228,228** | **1,801** | **82,447** |

(1) Based on the McDaniel January 1, 2014 forecast prices.
(2) Working interest reserves are total working interest before the deduction of any royalties.
(3) Numbers may not add due to rounding.

**Summary of Before Tax Net Present Values ($MM)[(1)]**

| Category | 0% | 5% | 10% | 15% | 20% |
|---|---|---|---|---|---|
| Proved producing | $1,049.9 | $721.0 | $555.8 | $458.5 | $394.4 |
| Proved non-producing | 63.2 | 44.2 | 33.4 | 26.5 | 21.7 |
| Proved Undeveloped | 181.6 | 99.2 | 53.3 | 25.5 | 7.7 |
| **Total Proved** | **1,294.7** | **864.4** | **642.5** | **510.5** | **423.8** |
| Probable | 787.2 | 374.5 | 226.0 | 154.5 | 113.2 |
| **Total proved plus probable** | **$2,081.9** | **$1,238.9** | **$868.5** | **$665.0** | **$537.0** |

**Summary of After Tax Net Present Values ($MM)[(1)]**

| Category | 0% | 5% | 10% | 15% | 20% |
|---|---|---|---|---|---|
| Proved producing | $1,043.4 | $719.5 | $555.4 | $458.4 | $394.4 |
| Proved non-producing | 47.4 | 39.7 | 32.0 | 26.0 | 21.6 |
| Proved Undeveloped | 136.3 | 80.6 | 45.3 | 21.8 | 5.9 |
| **Total Proved** | **1,227.0** | **839.8** | **632.7** | **506.3** | **421.9** |
| Probable | 590.7 | 289.8 | 181.6 | 128.7 | 97.3 |
| **Total proved plus probable** | **$1,817.7** | **$1,129.6** | **$814.3** | **$635.0** | **$519.2** |

(1) Based on the McDaniel January 1, 2014 forecast prices.

**Reconciliation of Gross (Working Interest) Reserves by Product**

| Proved Developed Producing | Light & Medium Oil (Mstb) | Heavy Oil (Mstb) | Assoc & Non Assoc Gas (MMcf) | NGL (Mstb) | Total Oil Equivalent (Mboe) |
|---|---|---|---|---|---|
| **Opening balance as of Dec. 31, 2012[(1)]** | **20,198** | **913** | **66,843** | **498** | **32,749** |
| Production | (2,155) | (400) | (17,005) | (164) | (5,554) |
| Technical revisions | 254 | 137 | 3,263 | 62 | 996 |
| Extensions and Improved Recovery[(2)] | 621 | 3 | 1,313 | 6 | 849 |
| Acquisitions[(3)] | 2,295 | 1,093 | 36,609 | 387 | 9,876 |
| Dispositions | (103) | 0 | (1,186) | (26) | (327) |
| Economic factors | (55) | 0 | 728 | 2 | 69 |
| **Closing Balance as of Dec. 31, 2013** | **21,055** | **1,746** | **90,565** | **763** | **38,658** |

| Total Proved | Light & Medium Oil (Mstb) | Heavy Oil (Mstb) | Assoc & Non Assoc Gas (MMcf) | NGL (Mstb) | Total Oil Equivalent (Mboe) |
|---|---|---|---|---|---|
| **Opening balance as of Dec. 31, 2012[(1)]** | **22,489** | **985** | **101,809** | **635** | **41,077** |
| Production | (2,155) | (400) | (17,005) | (164) | (5,554) |
| Technical revisions | 173 | 138 | 3,084 | 61 | 886 |
| Extensions and Improved Recovery[(2)] | 603 | 64 | 1,544 | 23 | 947 |
| Acquisitions[(3)] | 6,019 | 1,309 | 58,843 | 597 | 17,731 |
| Dispositions | (103) | 0 | (2,418) | (52) | (558) |
| Economic factors | (55) | 1 | 1,103 | 15 | 145 |
| **Closing Balance as of Dec. 31, 2013** | **26,971** | **2,097** | **146,960** | **1,114** | **54,675** |

| Total Proved plus Probable | Light & Medium Oil (Mstb) | Heavy Oil (Mstb) | Assoc & Non Assoc Gas (MMcf) | NGL (Mstb) | Total Oil Equivalent (Mboe) |
|---|---|---|---|---|---|
| **Opening balance as of Dec. 31, 2012[(1)]** | **31,507** | **1,337** | **164,598** | **942** | **61,220** |
| Production | (2,155) | (400) | (17,005) | (164) | (5,554) |
| Technical revisions | (330) | 67 | 2,212 | 54 | (578) |
| Extensions and Improved Recovery[(2)] | 728 | 81 | 1,963 | 32 | 1,169 |
| Acquisitions[(3)] | 10,175 | 1,682 | 89,215 | 992 | 27,719 |
| Dispositions | (145) | 0 | (3,332) | (70) | (770) |
| Economic factors | 58 | 1 | (4,999) | 15 | (759) |
| **Closing Balance as of Dec. 31, 2013** | **39,838** | **2,769** | **228,228** | **1,801** | **82,447** |

(1) Opening balance at December 31, 2012 represents reserves of Pace, the continuing reporting issuer following the Arrangement.

(2) Extensions: Reserves added as a result of the development of an oil or gas pool by drilling wells which extend the pool boundaries. Improved Recovery: Reserves added by improving the recovery from a pool by infill drilling, installation of a secondary or tertiary recovery scheme or installation of field facilities such as compression, line looping, etc.

(3) Reserve additions from wells drilled on acquired lands are included in Acquisitions volumes.

### Finding and Development Costs

Finding and development costs (F&D costs) include all costs to develop reserves, including land and seismic costs. The methodology to calculate F&D costs under NI 51-101 requires that F&D costs incorporate changes in the future development capital (FDC), which is included in the reserve evaluation. This development capital is part of the ongoing development process to bring production on stream and generate cash flow. Since the major business activity of the Company during 2013 was the Arrangement, finding, development and acquisition (FD&A) costs are more representative metric of the Company's 2013 activity. The reserves of AvenEx and Charger are reported as acquisitions in the reserves reconciliation table. FD&A costs for 2013 were $22.17/boe proved and $16.67/boe proved plus probable. Including technical revisions, FD&A costs were $21.14/boe proved and $17.02/boe proved plus probable. The following table presents the details of the 2013 FD&A cost calculations.

**2013 FD&A Costs:**

| **Working Interest Reserves Changes, Mboe** | Total Proved | Total Proved plus Probable |
|---|---|---|
| Drilling Extensions & Improved Recovery | 947 | 1,169 |
| Acquisitions | 17,731 | 27,718 |
| Dispositions | (558) | (770) |
| Total Reserve Additions, Acquisitions & Dispositions | 18,120 | 28,117 |
| | | |
| Capital (000s) | | |
| 2013 Capital | $248,877 | $248,877 |
| Change in FDC | 152,834 | 219,892 |
| Total Capital | $401,711 | $468,769 |
| **FD&A ($/boe)** | **$22.17** | **$16.67** |

| **FD&A including Technical Revisions**<br>**Working Interest Reserve Changes, Mboe** | | |
|---|---|---|
| Drilling Extensions & Improved Recovery | 947 | 1,169 |
| Acquisitions | 17,731 | 27,718 |
| Dispositions | (558) | (770) |
| Technical Revisions | 886 | (578) |
| Total Reserve Additions, Acquisitions, Dispositions & Technical Revisions | 19,006 | 27,539 |
| | | |
| Capital (000s) | | |
| 2013 Capital | $248,877 | $248,877 |
| Change in FDC | 152,834 | 219,892 |
| Total Capital | $401,711 | $468,769 |
| **FD&A including Technical Revisions ($/boe)** | **$21.14** | **$17.02** |

Notes:

1. The 2013 capital expenditures include the announced purchase price of corporate acquisitions rather than the amounts allocated to property, plant and equipment for accounting purposes. The capital expenditures also exclude capitalized administration and office costs.
2. The aggregate of the exploration and development costs incurred during the most recent financial year and the change during that year in estimated future development costs generally will not reflect total finding and development costs related to reserve additions for that year.
3. Finding and development costs are calculated on the basis of barrels of oil equivalent. BOEs may be misleading particularly if used in isolation. A boe conversion ratio of 6 Mcf:1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

| **Net Asset Value as at Dec. 31, 2013** | TP | 2P |
|---|---|---|
| BTAX NPV10 | $ 642.5 | $ 868.5 |
| Net Debt[(1)] | (300.5) | (300.5) |
| Undeveloped Land[(2)] | 58.4 | 58.4 |
| NAV | $ 400.4 | $ 626.4 |
| per Share | $ 3.13 | $ 4.89 |

(1) Net debt at December 31, 2013.
(2) Undeveloped land value is based on an internally generated estimate of $100 / acre.

**2014 Capital Program and Outlook**

The capital program continues to focus on low risk development opportunities intended to increase overall liquids weighting and improve netbacks. Management anticipates the 2014 capital program will total approximately $60 million (prior to property dispositions) and will include approximately $40 million for drilling 21 gross (19.6 net) development wells, primarily in Southern and Central Alberta. In 2014, Spyglass plans to direct additional capital towards the Viking play at Halkirk-Provost while also following up on its successful southern Alberta drilling program targeting the Pekisko and Glauconite zones at Matziwin, Cessford and Retlaw/Enchant. Capital activity will be weighted towards the first and third quarters of 2014.

Further detail on the 2014 capital program is presented in the below table:

| **2014 Drilling Locations** | Gross | Net |
|---|---|---|
| Halkirk-Provost Viking | 10 | 10.0 |
| Southern Alberta Pekisko | 5 | 4.3 |
| Southern Alberta Glauconite | 6 | 5.3 |
| **Total** | **21** | **19.6** |

The drilling program for the year is underway with 2 (1.3 net) vertical wells targeting the Glauconite zone at Retlaw/Enchant, 1 (1 net) horizontal Glauconite oil well in Enchant/Retlaw, 1 (1 net) horizontal Glauconite oil well in Cessford and 1 (1 net) horizontal Pekisko oil well at Matziwin drilled to date in 2014 in southern Alberta. These new wells are expected to be put on production late in the first quarter of 2014.

With continued improvement and stability in forward natural gas prices, Spyglass' Cadomin resource play at Noel has become economically competitive with the Company's light oil opportunities. Should natural gas pricing remain strong, the Company may add one or more Noel locations to the 2014 drilling program. Spyglass has an extensive drilling inventory at Noel, with over 90 Cadomin horizontal locations identified.

Management anticipates that the planned level of development activity coupled with the Company's 20 percent base decline rate is expected to result in 2014 average production of approximately 15,000 boe/d. Management continues to anticipate operating expenses of $17.00 to $18.50 per boe and cash general and administrative expenses of approximately $3.00 per boe.

Spyglass' capital program is expected to result in a target all-in payout ratio of approximately 100 percent.

The Company will continue to pursue non-core asset dispositions throughout 2014 to reduce debt, accelerate capital spending and further focus operations. To date in 2014, Spyglass has completed dispositions totaling approximately $3.9 million (prior to closing adjustments).

Management continues to evaluate opportunities that would improve financial flexibility and allow the Company to accelerate the development of its large inventory of low risk light oil and natural gas drilling locations.

**March Dividend**

The Board has approved the March cash dividend of $0.0225 per share payable on April 15, 2014 to shareholders of record on March 27, 2014. The ex-dividend date will be March 25, 2014.

The dividend policy of Spyglass is at the discretion of the Board and is reviewed monthly in the context of a number of factors including current and forecast commodity prices, foreign exchange rates, an active commodity price risk management program, status of current operations and future investment opportunities.

**Risk Management Update**

Spyglass uses a commodity price risk management program to mitigate the impact of crude oil and natural gas price volatility on cash flow which is intended to support the dividend and capital program. Spyglass hedges production up to 24 months forward, using a combination of fixed price and participating products. Please refer to the Company's website at www.spyglassresources.com under Investors for a detailed list of the Company's risk management contracts.

For calendar 2014, Spyglass has approximately 47 percent of its estimated crude oil production hedged at an average fixed price of WTI CDN$94.50/bbl. In addition, Spyglass has hedged the Western Canadian Select ("WCS") oil differential at CDN$23.35/bbl for 2014 on 1,000 bbls/day. The company has hedged approximately 56 percent of its estimated natural gas production at an average fixed price of $3.79/Mcf. Spyglass has protected an additional 4 percent of its estimated natural gas production by purchasing put options with an average floor price of $3.59/Mcf.

For calendar 2015, Spyglass currently has approximately 12 percent of its estimated crude oil production hedged at an average fixed price of WTI CDN$98.12/bbl. In addition, the Company has hedged WCS at CDN$22.80/bbl for 2015 on 500 bbls/day. The Company has hedged approximately 4 percent of its estimated natural gas production at an average fixed price of $4.24/Mcf.

Power costs are a significant driver of operating costs and as a result, the Company has hedged power usage in order to reduce operating cost volatility. Currently, 50 percent of 2014 power requirements are hedged at $54.12 per Megawatt hour ("MWH") and 40 percent of 2015 power requirements are hedged at $51.33/MWH.

The Company's mature, low decline producing assets coupled with its extensive capital efficient light oil development opportunities provide the scale, stability and diversification to support a sustainable monthly cash dividend to shareholders.

**Non-GAAP Measures**

This press release includes terms commonly referred to in the oil and gas industry that are considered non-GAAP measures. These non-GAAP measures do not have a standardized meaning prescribed by International Financial Reporting Standards ("IFRS" or, alternatively, "GAAP") and therefore may not be comparable with the calculation of similar measures by other companies.

"**Funds from operations**" represents cash flow from operating activities adjusted for changes in non-cash working capital, transaction costs and decommissioning expenditures.

"**Operating netbacks**" are determined by deducting royalties, operating and transportation expenses from oil and gas revenue, calculated on a per boe basis.

"**Cash netbacks**" are determined by deducting cash general and administrative, realized hedging losses, interest expense and other income from Operating netbacks, calculated on a per boe basis.

"**Cash dividends per share**" represents cash dividends declared per share by Spyglass.

"**Basic Payout ratio**" is calculated as cash dividends declared divided by funds from operations.

"**All-in payout ratio**" is calculated as cash dividends declared plus capital expenditures (net of dispositions) divided by funds from operations.

"**Net debt**" is calculated as bank debt plus working capital deficiency excluding current portion of risk management contracts and liabilities associated with assets held for sale.

**For more information, please contact:**

**Tom Buchanan**, *CEO*
**Dan O'Byrne**, *President*
**Dallas McConnell**, *VP Corporate Development & Investor Relations*

IR# 403.930.3524
investor.relations@spyglassresources.com
www.spyglassresources.com

**Information Regarding Disclosure on Oil and Gas Reserves, Resources and Operational Information**
In accordance with NI 51-101, McDaniel evaluated, as at December 31, 2013, the oil, natural gas and NGL reserves attributable to the properties of Spyglass. The tables contained in this press release are a summary of the oil, natural gas and NGL reserves attributable to the properties of Spyglass and the net present value of future net revenue attributable to such reserves as evaluated by McDaniel based on forecast price and cost assumptions. The tables summarize the data contained in the McDaniel Report and, as a result, may contain slightly different numbers than such report due to rounding. Also due to rounding, certain columns may not add exactly. The net present value of future net revenue attributable to reserves is stated without provision for interest costs and general and administrative costs, but after providing for estimated royalties, production costs, development costs, other income, future capital expenditures and well abandonment costs for only those wells assigned reserves by McDaniel. It should not be assumed that the undiscounted or discounted net present value of future net revenue attributable to reserves estimated by McDaniel represent the fair market value of those

reserves. The recovery and reserve estimates of oil, NGL and natural gas reserves provided herein are estimates only. Actual reserves may be greater than or less than the estimates provided herein.

All amounts in this news release are stated in Canadian dollars unless otherwise specified. Where applicable, natural gas has been converted to barrels of oil equivalent ("BOE") based on 6 Mcf:1 BOE. The BOE rate is based on an energy equivalent conversion method primarily applicable at the burner tip and does not represent a value equivalent at the wellhead. Use of BOE in isolation may be misleading. All reserves volumes in this press release (and all information derived therefrom) are based on company gross reserves, before deduction of Crown and other royalties, unless otherwise stated. Spyglass' oil and gas reserves statement for the year-ended December 31, 2013, which will include complete disclosure of our oil and gas reserves and other oil and gas information in accordance with NI 51-101, will be contained within our Annual Information Form which will be available on our SEDAR profile at www.sedar.com.

**Reader Advisory and Note Regarding Forward Looking Information**

Certain statements contained within this press release, and in certain documents incorporated by reference into this document constitute forward looking statements. These statements relate to future events or future performance. 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 "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward looking statements.

In particular, this press release contains the following forward looking statements pertaining to, without limitation, the following: Spyglass' (i) future production volumes and the timing of when additional production volumes will come on stream; Spyglass' (ii) realized price of commodities in relation to reference prices; (iii) future commodity mix; (iv) future commodity prices; (v) expectations regarding future royalty rates and the realization of royalty incentives; (vi) expectation of future operating costs on a per unit basis; (vii) the relationship of Spyglass' interest expense and the Bank of Canada interest rates; (viii) future general and administrative expenses; future development and exploration activities and the timing thereof; (ix) deferred tax liability; (x) estimated future contractual obligations; (xi) future liquidity and financial capacity of the Company; (xii) ability to raise capital and to add to reserves through exploration and development; (xiii) ability to obtain equipment in a timely manner to carry out exploration and development activities; (xiv) ability to obtain financing on acceptable terms, and (xv) ability to fund working capital and forecasted capital expenditures. In addition, statements relating to "reserves" or "resources" are deemed to be forward looking statements, as they involve assessments based on certain estimates and assumptions that the resources and reserves described can be profitably produced in the future.

We believe the expectations reflected in the forward looking statements are reasonable but no assurance can be given that our expectations will prove to be correct and consequently, such forward looking statements included in, or incorporated by reference into, this press release should not be unduly relied upon. These statements speak only as of the date of this press release or as of the date specified in the documents incorporated by reference in this press release. The actual results could differ materially from those anticipated as a result of the risk factors set forth below and elsewhere in this press release which include: (i) volatility in market prices for oil and natural gas; (ii) counterparty credit risk; (iii) access to capital; (iv) changes or fluctuations in production levels; (v) liabilities inherent in oil and natural gas operations; (vi) uncertainties associated with estimating oil and natural gas reserves; (vii) competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel; (viii) stock market volatility and market valuation of Spyglass' stock; (ix)geological, technical, drilling and processing capabilities; (x) limitations on insurance; (xi) changes in environmental or legislation applicable to our operations, (xii) our ability to comply with current and future environmental and other laws; (xiii) changes in tax laws and incentive programs relating to the oil and gas industry, and (xiv) the other factors discussed under "Risk Factors" in the Company's 2012 Annual Information Form.

Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward looking statements contained in this press release and the documents incorporated by reference herein are expressly qualified by this cautionary statement. The forward looking statements contained in this press release speak only as of the date thereof and Spyglass does not assume any obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable securities laws.

Barrel of oil equivalents or BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. As the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

This press release shall not constitute an offer to sell, nor the solicitation of an offer to buy, any securities in the United States, nor shall there be any sale of securities mentioned in this press release in any State in the United States in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities law of any such State.