SPYGLASS RESOURCES CORP. ANNOUNCES 2014 FIRST QUARTER RESULTS, PROVIDES OPERATIONAL UPDATE AND DECLARES MAY 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 – May 6, 2014. Spyglass Resources Corp. ("Spyglass", or the "Company") (TSX: SGL, OTCQX: SGLRF) announces unaudited interim financial and operating results for the quarter ended March 31, 2014. Selected financial and operational information for the first quarter of 2014 is outlined below and should be read in conjunction with Spyglass' interim Consolidated Financial Statements and Management's Discussion and Analysis on www.sedar.com and also available at www.spyglassresources.com.

First Quarter Summary

- Funds flow from operations for the first quarter of 2014 of $16.0 million ($0.13 per share), represents a 40 percent increase over fourth quarter 2013 funds flow from operations of $11.4 million ($0.09 per share), reflecting higher commodity prices and improved operating and cash netbacks.
- Capital expenditures (prior to dispositions) for the first quarter of 2014 were $17.8 million, with $13.5 million directed towards the drilling and completion of 8 (4.3 net) light oil wells.
- Drilled and completed 1 (1.0 net) Glauconite light oil well at Cessford in Southern Alberta that tested in excess of 1,000 boe/d over a 24-hour period. The well is expected to be tied-in and placed on production late in the second quarter. The Company advises that although these initial test rates are encouraging, production test results are not necessarily indicative of performance or ultimate recovery.
- Production for the first quarter of 2014 averaged 14,560 boe/d, compared to 15,873 boe/d in the fourth quarter of 2013 reflecting the impact of extreme cold weather and non-core asset sales. The Company's low base decline rate coupled with continued success in the 2014 drilling program is expected to result in 2014 average production of approximately 14,750 boe/d.
- Spyglass has successfully renegotiated its farm-in agreement in the Halkirk-Provost core area in the Company's Viking light-oil play and will commence a 10 well horizontal drilling program in the third quarter.
- Non-core property dispositions of $5.3 million (net of adjustments) closed in the quarter while, an additional $4.5 million (prior to closing adjustments) closed subsequent to quarter end. Minor property sales year to date involve primarily undeveloped acreage and approximately 200 boe/d of primarily natural gas production.

- Net debt at the end of the first quarter of $307.2 million incorporates approximately 30 percent of planned 2014 capital expenditures and is comprised of $294.9 million of long-term bank debt and a $12.3 million working capital deficit.

Selected Financial and Operating Information

Operating	**Q1 2014**	**Q1 2013**(1)
Average daily production		
Oil (bbls/d)	6,784	5,876
NGLs (bbls/d)	391	279
Natural Gas (Mcf/d)	44,312	35,840
Total (boe/d)	14,560	12,128
Realized prices		
Oil ($/bbl)	90.02	71.72
NGLs ($/bbl)	76.59	60.81
Natural Gas ($/mcf)	5.08	3.22
Total Revenue ($/boe)	59.46	45.66
Netback ($/boe)		
Revenue	59.46	45.66
Royalties	(10.70)	(9.62)
Operating expense	(22.31)	(22.06)
Transportation expense	(2.35)	(2.31)
Operating Netback(2)	**24.10**	**11.67**
Cash General & Administrative Expense	(3.41)	(2.84)
Realized hedging gain (loss)	(5.74)	(0.12)
Interest & Financing & Other	(2.71)	(2.25)
Cash netback(2)	12.24	6.46

Financial *($000)(except per share figures)*	**Q1 2014**	**Q1 2013**(1)
Funds Flow from Operations(2)	16,026	7,053
per share	0.13	0.11
Net Income (Loss)	(11,697)	61,353
per share	(0.09)	0.97
Dividends	8,645	-
per share(3)	0.0675	-
Capital Expenditures	17,847	11,820
Capital Expenditures (net of dispositions)	12,519	11,820
All-in Payout Ratio (%)(2)	132%	-
Net Debt(2)	307,150	300,253

Share Information (000's)	**Q1 2014**	**Q1 2013**(1)
Common shares outstanding, end of period	128,077	128,077
Weighted average shares outstanding	128,077	63,227

(1) First quarter of 2013 results reflect Pace Oil & Gas as a standalone entity up to March 28, 2013.
(2) See Non-GAAP measures.
(3) First quarter 2014 dividends are calculated based on 128,076,720 shares outstanding.

Operations Update and Outlook

Halkirk-Provost Activity

Spyglass has successfully renegotiated its farm-in agreement which results in a more favourable royalty. The Company plans to commence a 10 well horizontal drilling program, targeting Viking light oil, in the third quarter.

Noel Activity

In mid-April, Spyglass commenced drilling a Cadomin natural gas well. The horizontal Cadomin well is expected to reach a measured depth of 4,400 meters with a 1,600 meter horizontal leg and will be drilled over a 40 day period. Completion and tie-in will occur after spring break-up and production is expected to come on stream in the middle of the third quarter. The Company has an extensive drilling inventory at Noel, with over 85 Cadomin horizontal locations identified.

Southern Alberta Activity

Spyglass has successfully drilled, completed and tested, 1 (1.0 net) Glauconite light oil well at Cessford with 24-hour test rates in excess of 1,000 boe/d (65 percent liquids). Given these test rates, facilities are being upsized to accommodate this location as well as potential follow up locations, with production from this well expected to be tied-in during the second quarter. The Company advises that although these initial test rates are encouraging, production test results are not necessarily indicative of performance or ultimate recovery.

Also during the first quarter the Company drilled 2 (1.3 net) vertical wells targeting the Glauconite zone at Retlaw/Enchant, 1 (1.0 net) horizontal Glauconite oil well in Enchant/Retlaw and 1 (1.0 net) horizontal Pekisko oil well at Matziwin. All of these new wells will be on production in the second quarter of 2014.

Dixonville Pipeline Incident

On April 30th and May 1st two separate pipeline leaks occurred in the Company's Dixonville area of Northern Alberta on emulsion pipelines that carry a mixture of oil and water. The leaks were quickly detected by Spyglass personnel based on a pressure drop at a central facility which monitors the gathering system and the Company immediately shut-in the pipelines and activated its emergency response plan.

As a result, an estimated 60 cubic meters of fluid with approximately 23 percent crude oil and the remainder produced water was released. Regulators and stakeholders were notified including the Alberta Energy Regulator ("AER"), Alberta Environment, First Nations, landowners and the local Municipal District. The AER has been onsite and Spyglass has been cooperating to ensure proper response and communication. On May 2nd, the Company in conjunction with the AER shut-in the entire Dixonville field pending assessment of the incident. On May 4th, the AER and the Company agreed that approximately 80 percent of the Dixonville field could be safely brought back on production. Currently, approximately 20 percent (600 boe/d) of the field remains shut-in and Spyglass continues to work with the AER to return the balance of the field to production in a safe and appropriate manner. There are no known wild life impacts related to the incident.

The Company estimates that the financial impact of these incidents will be a decrease to the 2014 second quarter operating cash flow and net income of approximately $2.5 million and $1.9 million respectively, including the insurance deductible, operating costs related to the cleanup, reduced revenues, royalties and deferred income taxes.

Outlook

The 2014 capital program is expected to total approximately $60 million (net of property dispositions) and will include approximately $40 million for drilling. With the addition of a Noel well, the 2014 capital program will include 19 gross (18.3 net) development wells, primarily in Southern and Central Alberta. Capital activity will be weighted towards the first and third quarters of 2014.

2014 Drilling Locations	Gross	Net
Halkirk-Provost Viking	10	10.0
Southern Alberta Pekisko	3	3.0
Southern Alberta Glauconite	5	4.3
Noel	1	1.0
Total	**19**	**18.3**

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 14,750 boe/d, taking into account year-to-date dispositions and the recent incident at Dixonville. Operating expenses in the first quarter reflect higher fuel and power costs and annual maintenance programs completed in winter access areas. Management anticipates 2014 average operating costs of $19.00 to $20.00 per boe, incorporating the impact of the Dixonville incident. 2014 Cash general and administrative expenses are expected to be approximately $3.00 per boe.

The current outlook for commodity prices coupled with Spyglass' net capital program, hedging position and current dividend level 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 $9.9 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.

May Dividend

The Board has approved the May cash dividend of $0.0225 per share payable on June 16, 2014 to shareholders of record on May 28, 2014. The ex-dividend date will be May 26, 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.

The below table reflects a summary of our current hedge positions:

Risk Management		
Crude Oil May. – Dec. 2014	Avg. fixed price C$/WTI/bbl	45% at $94.79
Crude Oil 2015	Avg. fixed price C$/WTI/bbl	18% at $99.23
Western Canadian Select May. – Dec. 2014[(1)]	Avg. fixed price C$/bbl	20% at $22.58
Western Canadian Select 2015[(1)]	Avg. fixed price C$/bbl	7% at $22.80
Natural Gas May. – Dec. 2014	Avg. fixed price $/Mcf	53% at $3.79
Natural Gas 2015	Avg. fixed price $/Mcf	7% at $4.33
Power May. – Dec. 2014	Avg. fixed price $/MWh	50% at $54.12
Power 2015	Avg. fixed price $/MWh	40% at $51.33

(1) Fixed $ WCS vs. WTI

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.

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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 2013 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.