



Surge Energy Inc. Qualifies Common Shares Underlying Previously Issued Subscription Receipts

Calgary, Alberta (November 22, 2010) Surge Energy Inc. (“**Surge**” or the “**Company**”) (TSXV: SGY) announces that it has obtained a receipt for a final short form prospectus qualifying for distribution the 8,001,000 common shares in the capital (the “**Receipt**”) of the Company (“**Common Shares**”) issuable pursuant to the exercise of the 8,001,000 outstanding subscription receipts of Surge (“**Subscription Receipts**”). Accordingly, each Subscription Receipt was converted into one Common Share for no additional consideration and without further action as of the date of the Receipt. The Subscription Receipts were originally issued pursuant to the private placement financing completed by Surge on October 20, 2010 with the funds from such financing being used to pay down a portion of the credit facility which was used to pay for the acquisition of assets in the Valhalla South area of Alberta on November 1, 2010. For further particulars regarding the private placement financing and the asset acquisition, see the press releases of Surge dated October 20, 2010 and November 1, 2010 and the Business Acquisition Report of Surge dated November 10, 2010.

Surge is an oil focused oil and gas company with operations throughout Alberta and southwest Manitoba. The Common Shares trade on the TSX Venture Exchange under the symbol SGY. Upon the issuance of the Common Shares upon the conversion of the Subscription Receipts, Surge will have approximately 55.8 million basic and 60.1 million fully diluted Common Shares outstanding.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**1933 Act**”), or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of U.S. persons (as defined in Regulation S under the 1933 Act) absent such registration or an applicable exemption from such registration requirements.

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