Surge Energy

Surge Energy Inc. Maintains Existing Dividend for November 2018

CALGARY, Nov. 15, 2018 /CNW/ - Surge Energy Inc. ("Surge" or the "Company") (TSX: SGY) confirms that a cash dividend to be paid on December 17, 2018 in respect of November 2018 production, for the shareholders of record on November 30, 2018 will be $0.008333 per share.

The Company had previously announced that it anticipated increasing its dividend by 25% (from $0.10 per share annually to $0.125 per share annually) following the completion of the Company's $320 million, accretive, light oil acquisition of Mount Bastion Oil & Gas Corp., which closed on October 25, 2018. However, during the extremely volatile period from the announcement of the Mount Bastion acquisition on September 5, 2018 until today: 1) US$ WTI prices have fallen from a high of US $76.24 to as low as US $56.85 per barrel, including 11 consecutive days of falling WTI prices; 2) the Canadian oil industry has experienced the unprecedented widening of Edmonton to WTI light oil differentials from US$10/bbl to as high as US $41/bbl; and 3) Canadian WCS crude oil differentials to WTI have widened from US$24.50/bbl, to as high as $46/bbl. On this basis, given Surge's disciplined approach to the dividend policy, the Company's Board of Directors and management have determined to maintain the dividend at its current level ($0.10 per share annually) until such time as market conditions warrant its reconsideration.

The dividend is an eligible dividend for the purposes of the *Income Tax Act* (Canada).

Surge Energy Inc. is an oil-weighted production and development company with high quality, large oil in place, crude oil reservoirs. Management is focused on delivering to its shareholders solid per share organic growth, sustainable monthly dividends, and further growth through accretive, high quality acquisitions.

FORWARD LOOKING STATEMENTS:

This press release contains forward-looking statements. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. 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.

More particularly, this press release contains statements concerning Surge's dividend policy, including Surge's policy respecting future changes to the dividend. The forward-looking statements are based on certain key expectations and assumptions made by Surge, including expectations and assumptions concerning the ability of Surge to execute and realize on the anticipated benefits of the Mount Bastion acquisition; the performance of existing wells and success obtained in drilling new wells; anticipated expenses, cash flow and capital expenditures; the application of regulatory and royalty regimes; prevailing commodity prices and economic conditions; development and completion activities; the performance of new wells; the successful implementation of waterflood programs; the availability of and performance of facilities and pipelines; the geological characteristics of Surge's properties; the successful application of drilling, completion and seismic technology; the determination of decommissioning liabilities; prevailing weather conditions; exchange rates; licensing requirements; the impact of completed facilities on operating costs; the ability of Surge to increase its dividend post-closing; the availability and costs of capital, labour and services; and the creditworthiness of industry partners.

Although Surge believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Surge can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), commodity price and exchange rate fluctuations and constraint in the availability of services, adverse weather or break-up conditions, uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures or failure to obtain the continued support of the lenders under Surge's bank line. Certain of these risks are set out in more detail in Surge's Annual Information Form dated March 14, 2018 and in Surge's MD&A for the period ended September 30, 2018, both of which have been filed on SEDAR and can be accessed at www.sedar.com.

The forward-looking statements contained in this press release are made as of the date hereof and Surge undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

Neither the TSX nor its Regulation Services Provider (as that term is defined in the policies of the TSX) accepts responsibility for the adequacy or accuracy of this release.

SOURCE Surge Energy Inc.

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