Surge Energy

Surge Energy Inc. Announces Inaugural Sustainability Report

CALGARY, AB, Dec. 21, 2021 /CNW/ - Surge Energy Inc. ("Surge" or the "Company") (TSX: SGY) is pleased to announce that it has published its inaugural Sustainability Report.

INAUGURAL SUSTAINABILITY REPORT

Surge is pleased to present its inaugural Sustainability Report, outlining the Company's progress on environmental, social and governance ("ESG") practices and their impact on Surge's business and operating strategy. This Sustainability Report reaffirms the Company's commitment to be a leader in reducing the impact of oil and gas operations on the environment.

SUSTAINABILITY REPORT HIGHLIGHTS

- Surge abandoned nearly 550 inactive wells from 2018 through 2020; more than 4 times the number of wells the Company drilled during that period;
- Abandoned over 21 percent of the Company's inactive wells in 2020 alone;
- Surge's 2019 and 2020 Vapor Recovery Unit installation program has reduced CO2 equivalent emissions by 25,000 tonnes;
- Surge's focus on conventional reservoirs allows the Company to use significantly less fresh water than its peers. Surge estimates that it uses less than five percent of the water used by its peers to develop unconventional reservoirs; and
- Surge's commitment to safety is highlighted by a zero lost time incident frequency from 2016 through 2020.

Surge's Sustainability Report covers performance metrics for the 2019 and 2020 calendar years and aligns with guidance set forth by the Task Force on Climate-related Financial Disclosure (TCFD).

The Sustainability Report was approved by Surge's Management Team, as well as the Company's Board of Directors. The report is intended to allow all Surge stakeholders to better understand our commitment to being a leader in sustainable, responsible oil and gas operations.

The inaugural Sustainability Report can be accessed through the Company's website.

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 with respect to Surge's declared focus and primary goals, including its commitment to being a leader in sustainable, responsible oil and gas operations.

The forward-looking statements are based on certain key expectations and assumptions made by Surge. 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 condition of the global economy, including trade, public health (including the impact of COVID-19) and other geopolitical risks; 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; and 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 AIF dated March 9, 2021 and in Surge's MD&A for the period endedDecember 31, 2020, 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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