Surge Energy

SURGE ENERGY INC. ANNOUNCES CLOSING OF PREVIOUSLY ANNOUNCED UPSIZED EQUITY FINANCING

CALGARY, AB, Nov. 22, 2022 /CNW/ - Surge Energy Inc. ("Surge", "SGY", or the "Company") (TSX: SGY) is pleased to announce the closing of the previously announced upsized, bought-deal equity financing (the "Financing") of 7,568,000 common shares of Surge ("Common Shares") at a price of $9.25 per Common Share, for gross proceeds of approximately $70.0 million.



The Company has also granted to the Underwriters an over-allotment option to purchase 1,135,200 additional Common Shares, representing 15% of the size of the Financing. The over-allotment option may be exercised until 30 days following the closing of the Financing.

The net proceeds from the Financing are expected to be used to partially fund the previously announced acquisition of core area assets from Enerplus Canada. The Financing was underwritten by a syndicate led by National Bank Financial Inc. and Peters & Co. Limited (together with the syndicate members the "Underwriters").

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 management's expectations regarding the anticipated use of the net proceeds from the Offering; the timing of various matters in connection with the Acquisition and the Offering. The forward-looking statements are based on certain key expectations and assumptions made by Surge, including the Acquisition being completed on the timelines and on the terms currently anticipated; all necessary regulatory approvals being obtained on the timelines and in the manner currently anticipated; the anticipated increases to the Company's syndicated first lien credit facility and second lien term loans, and any consents or approvals required in connection therewith; expectations.

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, the risks associated with the Acquisition and Offering, including timing of closing, if closing is completed, that the benefits thereof will not be as anticipated, the conditions to closing are not satisfied or waived and receipt of any regulatory approvals; 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 Annual Information Form dated March 9, 2022 and in Surge's Management Discussion & Analysis for the year ended December 31, 2021, both of which have been filed on SEDAR and can be accessed atwww.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.

For more information about Surge, visit our website atwww.surgeenergy.ca

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.

For more information about Surge, visit our website atwww.surgeenergy.ca

SOURCE Surge Energy Inc.

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