Surge Energy Inc. Announces Increase in Bank Line and Closing of Previously Announced Acquisition

CALGARY, July 20 /CNW/ - Surge Energy Inc. ("Surge" or the "Company") (TSXV: SGY) is pleased to announce that its bank line has been increased to $80 million from the previous $50 million. The increase in bank line positions Surge with the flexibility to execute its business strategy of growing through acquisitions with a focused exploitation, development and exploration plan.

Surge is also pleased to announce that it has now completed both private oil and gas company acquisitions as detailed in the press release dated June 22, 2010. The second acquisition resulted in the issuance of 288,639 common shares and the completion of the first acquisition was detailed in the press release dated July 12, 2010.

Surge now has production of more than 3,100 boe per day, 154 net oil drilling locations, more than 420,000 net undeveloped acres of land, no debt and an unutilized $80 million bank line.

Surge is an oil focused junior oil and gas production company operating in Western Canada. Surge's common shares trade on the TSX Venture Exchange under the symbol SGY. Upon closing of the acquisitions, Surge has 47.6 million basic and 51.8 million fully diluted shares outstanding.

Note: Boe means barrel of oil equivalent on the basis of 1 boe to 6,000 cubic feet of natural gas. Boe's may be misleading, particularly if used in isolation. A boe conversion ratio of 1 boe for 6,000 cubic feet of natural gas is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

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

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