

Surge Energy Inc. Closes Previously Announced Light Oil Resource Play Asset Acquisition and Increase in Bank Line

Canada NewsWire
CALGARY

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CALGARY, Nov. 1 /CNW/ - Surge Energy Inc. ("Surge" or the "Company") (TSXV: SGY) is pleased to announce that it has completed the acquisition of the light oil resource play asset as detailed in its press release on September 23, 2010 from a major independent Canadian corporation for total consideration of \$75 million (the "Acquisition"). The Acquisition adds approximately 726 boe/d of production and a fourth early stage, high impact, light oil resource play to Surge's portfolio.

The subscription receipts of the Company (the "Subscription Receipts") issued in connection with the Acquisition entitle the holders thereof to one common share in the capital of Surge ("Common Share") for no additional consideration and without further action by such holder on the earlier of (a) four months and a day following the closing of the Subscription Receipt financing (being February 21, 2011), and (b) that day on which a receipt is issued by the securities regulatory authorities in all the applicable provinces for a final prospectus qualifying the Common Shares to be issued upon the exercise of the Subscription Receipts. Until a receipt is issued for such prospectus, the Subscription Receipts, as well as the Common Shares issuable upon exercise thereof, will be subject to a four-month hold period under applicable Canadian securities laws.

Surge is also pleased to announce that upon closing of the Acquisition, its bank line has increased to \$90 million.

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 exercise of the issued and outstanding Subscription Receipts, Surge will have approximately 55.5 million basic and 59.5 million fully diluted Common 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. In this press release, boe/d means boe per day.

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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