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CALGARY, Sept. 20, 2011 /CNW/ - **Surge Energy Inc.** ("**Surge**" or the "**Company**") (TSX-V: SGY) is pleased to announce that, in connection with its previously announced offering of common shares ("Common Shares"), the Corporation and the syndicate of underwriters led by National Bank Financial Inc. and including FirstEnergy Capital Corp., GMP Securities L.P., Scotia Capital Inc., CIBC World Markets Inc., Dundee Securities Ltd., Cormark Securities Inc. and Macquarie Capital Markets Canada Ltd. has agreed to increase the size of the offering to an aggregate of 6,897,000 common shares ("Common Shares") at a price of \$8.70 per Common Share for aggregate gross proceeds of approximately \$60,003,900 (the "Offering").

Surge has also granted the underwriters an option (the "Over-Allotment Option") to purchase up to an additional 345,000 Common Shares to cover over-allotments, if any, at a price of \$8.70 per Common Share for additional gross proceeds of approximately \$3,001,500. The Over-Allotment Option is exercisable in whole or in part for a period of 30 days following closing of the Offering.

Proceeds of the Offering will be used for repayment of existing credit facilities, and thereafter to fund ongoing exploration and development activities, potential land and asset acquisitions and for general corporate purposes. The Common Shares will be offered by way of short form prospectus in all provinces of Canada and by way of private placement in the United States pursuant to exemptions from the registration requirements pursuant to Rule 144A and/or Regulation D of the United States Securities Act of 1933.

Closing is expected to occur on or about October 12, 2011 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the TSX Venture Exchange.

**FORWARD LOOKING STATEMENTS:**

This press release contains forward looking statements. More particularly, this press release contains statements concerning the anticipated closing date of the Offering and the anticipated use of the net proceeds of the Offering. Although Surge believes that the expectations reflected in these forward looking statements are reasonable, undue reliance should not be placed on them 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. The closing of the Offering could be delayed if Surge is not able to obtain the necessary regulatory and stock exchange approvals on the timelines it has planned. The Offering will not be completed at all if these approvals are not obtained or some other condition to the closing is not satisfied. Accordingly, there is a risk that the Offering will not be completed within the anticipated time or at all. The intended use of the net proceeds of the Offering by Surge might change if the board of directors of Surge determines that it would be in the best interests of Surge to deploy the proceeds for some other purpose, such as an acquisition. The forward looking statements contained in this press release are made as of the date hereof and Surge undertakes no obligations 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.

The forward-looking statements are based on certain key expectations and assumptions made by Surge, including expectations and assumptions concerning the performance of existing wells and success obtained in drilling new wells, anticipated expenses, cash flow and capital expenditures and the application of regulatory and royalty regimes.

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 uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures. Certain of these risks are set out in more detail in Surge's Annual Information Form which has been filed on SEDAR and can be accessed at [www.sedar.com](http://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 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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 **[Surge Energy Inc. Announces Increase in Bought Deal Financing from \\$40 Million to \\$60 Million](#)**

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