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CALGARY, Oct. 12, 2011 /CNW/ - **Surge Energy Inc.** ("**Surge**" or the "**Company**") (TSX-V: SGY) has completed the previously announced \$60 million bought deal financing. A total of 6,897,000 Surge common shares have been issued at a price of \$8.70 per share for gross proceeds of approximately \$60 million ("**the Offering**"). The syndicate of underwriters was led by National Bank Financial Inc. and included: 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. The Offering was completed by way of a short form prospectus.

Net proceeds from the Offering will be used to temporarily reduce bank indebtedness owing under the existing credit facility, and to use the availability created thereunder to fund: ongoing exploration and development activities, potential land and asset acquisitions and general corporate purposes.

Surge is an oil focused oil and gas company with operations throughout Alberta, Manitoba and North Dakota. Surge's common shares trade on the TSX Venture Exchange under the symbol SGY and the Company currently has 63.0 million basic and 70.0 million fully diluted common shares outstanding.

FORWARD LOOKING STATEMENTS:

This press release contains forward looking statements. More particularly, this press release contains statements concerning the anticipated use of the net proceeds of the Offering and use of the available credit facility. 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 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. 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.

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.

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.

For further information:

Dan O'Neil, President and CEO

Surge Energy Inc.
Phone: (403) 930-1020
Fax: (403) 930-1011
Email: doneil@surgeenergy.ca

Max Lof, CFO

Surge Energy Inc.
Phone: (403) 930-1021
Fax: (403) 930-1011
Email: mllof@surgeenergy.ca

 [**Surge Energy Inc. Completes \\$60 Million Bought Deal Financing**](#)

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