

2018 Guidance
As of May 15, 2018 Press Release

Surge's upwardly revised guidance for 2018 is set forth below:

<u>OPERATIONAL</u>	US \$65 WTI 2018 GUIDANCE⁵	US \$75 WTI 2018 GUIDANCE⁶
2018 Average Production (boe/d)	16,585	16,585
2018 Exit Production (boe/d) (82 percent oil)	17,175	17,175
Total 2018 Capital Spending	\$105 million	\$105 million
Operating Expenses - 2H 2018 (\$/boe)	\$13.95/boe	\$13.95/boe
Transportation Expenses - 2H 2018 (\$/boe)	\$1.50/boe	\$1.50/boe
Royalties as a % of Revenue - 2H 2018	14-15%	15-16%
<u>FINANCIAL</u>		
Estimated 2H 2018 Annualized Adjusted Funds Flow	\$149 million	\$190 million
Estimated 2H 2018 Annualized Adjusted Funds Flow per Share	\$0.65	\$0.82
Estimated Q4 2018 Net Debt to Adjusted Funds Flow	1.66x	1.2x
Annualized Dividend	\$23.1 million	\$23.1 million
Sustainability Ratio - 2H 2018 Annualized	86%	67%
Simple Payout Ratio - 2H 2018 Annualized	16%	12%

***Note: In 2017 Surge budgeted WCS differentials at US\$12.75 per bbl. Surge has now increased its WCS differential assumption by 41 percent in 2018, to US\$18 per bbl in its US\$65 WTI budget on a go forward basis.**

⁵ 2018 guidance and Acquisition metrics are based off of US\$65/bbl WTI, US\$47/bbl WCS, 0.78 CAD/USD FX, \$1.40/GJ AECO.

⁶ 2018 guidance and Acquisition metrics are based off of US\$75/bbl WTI, US\$56/bbl WCS, 0.79 CAD/USD FX, \$1.40/GJ AECO.