Notice of Meeting and Management Information Circular

Annual General Meeting of Shareholders
to be held on May 14, 2024

March 28, 2024

These materials are important and require your immediate attention. If you are in doubt as to how to deal with these documents or the matters to which they refer, please contact your financial, legal or other professional advisors.

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Annual Executive Compensation Process

The Compensation, Nominating and Corporate Governance Committee is responsible for formulating and recommending to the Board the compensation for the Corporation's executive officers, including the NEOs.

Each year, the Compensation, Nominating and Corporate Governance Committee meets prior to the end of the first quarter for purposes of, among other things, recommending base salaries for NEOs and amounts to be paid to NEOs under the Corporation's STIP. As part of this process, the committee reviews and considers recommendations from management of the Corporation, the performance of the Corporation against its various strategic objectives and established performance metrics and data and advice provided by the Corporation's executive compensation consultants, Mercer respecting the compensation paid to executives within the Corporation's approved total compensation peer group. Upon receiving the recommendations of the Compensation, Nominating and Corporate Governance Committee, the Board will then consider and approve any changes to NEO salaries as well as the amount of any STIP payments to be made to NEOs.

Following the end of the second quarter of each year, the Compensation, Nominating and Corporate Governance Committee meets for the purpose of, among other things, recommending the grants of Incentives to be made to NEOs under the Corporation's LTIP. As part of this process, the committee again reviews and considers recommendations from management of the Corporation, the performance of the Corporation against its various strategic objectives and established performance metrics and data and advice provided by Mercer. At this time, the Compensation, Nominating and Corporate Governance Committee also reviews the Corporation's achievements against the various criteria applicable to those previously granted PSAs which will vest during the year, generally in August, for purposes of calculating the Payout Percentage applicable to those PSAs. Upon receiving the recommendations of the Compensation, Nominating and Corporate Governance Committee, the Board will then consider and approve the grant of Incentives to be made to NEOs under the LTIP and the Payout Percentage applicable to PSAs which vest during the year.

Total Compensation Peer Group

Each year, for purposes of ensuring that NEO compensation remains competitive with that paid to executives by the Corporation's peers, the Compensation, Nominating and Corporate Governance Committee recommends to the Board, based on advice and market data received from Mercer, an industry peer group comprised of other Canadian companies focused on the exploration and production of oil and gas in Western Canada. Production volumes and market capitalization are generally the primary factors used to identify companies with similar business complexity to that of the Corporation.

For 2023, the Corporation's total compensation peer group is comprised of the following companies:

- *Athabasca Oil Corporation*
- *Bonterra Energy Corp.*
- *Cardinal Energy Ltd.*
- *Crew Energy Inc.*
- *Headwater Exploration Inc.*
- *Journey Energy Ltd.*
- *Kelt Exploration Ltd.*
- *NuVista Energy Ltd.*
- *Obsidian Energy Ltd.*
- *Paramount Resources Ltd.*
- *Saturn Oil and Gas Inc.*
- *Spartan Delta Corp.*
- *Tamarack Valley Energy Ltd.*
- *Yangarra Resources Ltd.*

Summary of 2023 Executive Compensation

In 2023, the Compensation, Nominating and Corporate Governance Committee employed a combination of base salary, cash bonuses under the STIP and grants of Incentives under the LTIP to provide to the NEOs total compensation intended to be competitive with the total compensation paid to executives within the Corporation's peer group.

2023 Key Achievements

In assessing the Corporation’s 2023 executive compensation, the Compensation, Nominating and Governance Committee and the Board considered, among other things, management’s overall focus on:

- *Disciplined Capital Allocation* – deployed the Corporation’s available cash resources on low cost, high impact and sustainable projects;
- *Ensuring Financial Flexibility* – executed on strategic business propositions to enhance the Corporation’s balance sheet and further improve liquidity; and
- *Responsible ESG Behaviour* – continued focus on the Corporation’s abandonment program driving a reduction in corporate decommissioning liability.

In particular, the Compensation, Nominating and Governance Committee and the Board considered the following key financial and operational accomplishments of the Corporation:

- delivered cash flow from operating activities of $266.1 million;
- increased Surge's annual base cash dividend from $0.42 per share in 2022 to $0.48 per share in 2023, returning an aggregate of approximately $48 million to Shareholders;
- reduced the Corporation’s net debt by over $62 million;
- completed a $48.3 million bought deal financing of 8.5 percent convertible unsecured subordinated debentures due 2028;
- fully integrated the assets acquired from Enerplus Corporation in December 2022;
- effectively maintained capital allocation flexibility in response to volatile commodity price fluctuations;
- achieved proved developed producing reserves replacement of 95% of 2023 production; and
- achieved cash returned on capital employed of 14.6% despite average WTI prices dropping by nearly U.S.$17 per barrel in 2023.

In addition, with respect to ESG matters, the Corporation had the following significant achievements in 2023:

- expended a total of $15.6 million on abandonment and reclamation activities in 2023 and abandoned more than three wells for each new well that was drilled by the Corporation in 2023;
- continued its strong focus on employee and contractor safety, with a total recordable injury frequency of 0.45X;
- published the Corporation's annual sustainability reports;
- approved a $2 million emissions reduction budget and reduced CO_2 equivalent emissions by nearly 33,000 tonnes; and
- achieved a year-over-year reduction of 40% in reportable spills.

Base Salary

Base salary provides an immediate cash incentive for the Corporation's executive officers, including the NEOs.

In February 2023, as part of its regular annual compensation review process, the Compensation, Nominating and Corporate Governance Committee reviewed the base salary levels of the NEOs. As part of its review, the committee considered, among other things, market data provided by Mercer respecting the base salary amounts paid to executives within the Corporation's total compensation peer group and the significant employee retention pressures being faced within the industry at that time. Following this review, the Compensation, Nominating and Corporate Governance Committee recommended, and the Board approved, increases to NEO salaries in a range of $11,000 to $17,000 over year-end 2022 base salaries. These increases were intended to provide base salaries to the NEOs at approximately the 50th percentile of base salaries paid to executives within the Corporation's total compensation peer group.

The annual base salaries for each of the NEOs as at December 31, 2023 were:

Named Executive Officer	2023 Base Salary
Paul Colborne *President and Chief Executive Officer*	$465,000
Jared Ducs *Chief Financial Officer*	$315,000
Murray Bye *Chief Operating Officer*	$315,000
Margaret Elekes *Senior Vice President, Land and Business Development*	$292,000
Derek Christie(1) *Senior Vice President, Exploration*	$286,000

Note:

(1) Mr. Christie was appointed as Senior Vice President, Exploration effective January 4, 2024. Throughout 2023, Mr. Christie served as Senior Vice President, Geosciences.

Short-Term Incentive Program (STIP)

The Compensation, Nominating and Corporate Governance Committee and the Board view short-term incentives for the NEOs as the primary method of tying cash compensation to the achievement of certain pre-approved performance metrics, described below.

Upon the recommendation of the Compensation, Nominating and Corporate Governance Committee, the Board annually approves performance measures designed to align the efforts of the NEOs with the Corporation's stated business objectives and certain industry-standard metrics. The grant of annual cash bonuses to the NEOs pursuant to the STIP is based on the Corporation's overall corporate performance relative to these approved performance measures as well as an assessment of each individual's contributions toward the achievement of those measures. For the NEOs, corporate performance constitutes 75% of the evaluation and individual performance constitutes the remaining 25%. A target STIP pool equal to 100% of the base salary of the President and Chief Executive Officer plus 60% of the base salaries of the other NEOs is established. The total STIP pool amount is adjusted based on overall corporate achievement against the approved performance measures and allocated among the NEOs based on individual performance, to a maximum of two times the target amount for each individual NEO.

As with base salaries, the Compensation, Nominating and Corporate Governance Committee makes annual recommendations to the Board regarding the grant of cash bonuses to NEOs under the STIP. Amounts payable to NEOs under the STIP are generally targeted to be at approximately the 50th percentile of cash bonuses paid to executives within the Corporation's total compensation peer group.

In March 2024, the Compensation, Nominating and Governance Committee considered the Corporation's 2023 performance against its various performance metrics and determined the corporate performance factor for 2023 to be 156%, as calculated as follows.

Metric	Components	Weighting	Score	Weighted Score
Corporate Initiatives	• Including but not limited to: A&D activities, organizational development, other financial achievements	30%	185	55.5
Reserves	• PDP growth relative to production growth • 1P Net Asset Value growth • Organic drilling location additions	15%	137	20.55
Operations	• Production • Operational capital expenditures	20%	125	25
Profitability	• Cash return on capital employed relative to historic 5 year average • Net operating costs and G&A costs relative to budget	20%	159	31.8
Health, Safety and Environment	• Total Recordable Incident Frequency • Hazard identification • Reportable spills • Abandonment and reclamation spending efficiency	15%	154	23.1
Total				**155.95**

The Compensation, Nominating and Corporate Governance Committee also recommended to the Board a total STIP pool of $1,710,000 (with $1,282,500 tied to corporate performance and $427,500 tied to individual performance) for distribution among the NEOs in respect of 2023 performance. The individual amounts approved by the Board and awarded to the NEOs are as follows:

Named Executive Officer	2023 Total STIP Award
Paul Colborne *President and Chief Executive Officer*	$630,000
Jared Ducs *Chief Financial Officer*	$280,000
Murray Bye *Chief Operating Officer*	$280,000
Margaret Elekes *Senior Vice President, Land and Business Development*	$260,000
Derek Christie(1) *Senior Vice President, Exploration*	$260,000
Total	**$1,710,000**

Note:

(1) Mr. Christie was appointed as Senior Vice President, Exploration effective January 4, 2024. Throughout 2023, Mr. Christie served as Senior Vice President, Geosciences.

A total STIP pool of $2,945,000 was approved for non-executive staff of the Corporation.

Long-Term Incentive Program (LTIP)

The Corporation's LTIP is primarily administered through the annual grant of Incentives under the Stock Incentive Plan. A summary of the Stock Incentive Plan is provided under the heading "*Executive Compensation – Stock Incentive Plan*", below.

Under the LTIP, the Compensation, Nominating and Corporate Governance Committee annually recommends to the Board the number of Incentives to be granted to each NEO. In making its recommendations, the committee considers both overall corporate and individual performance; market data in respect of the Corporation's industry peers; an assessment of the appropriate base level of RSA and PSA holdings by the NEOs, having regard to prior Incentive grants and the outstanding share capital of the Corporation; and advice from the Corporation's compensation advisors, Mercer.

As part of its analysis of corporate performance, the Compensation, Nominating and Governance Committee considers TSR as compared to its industry peers and the Corporation's overall achievement against its business objectives, including those contributing to sustainability of the Corporation such as engaging in disciplined capital allocation practices, maximizing financial flexibility and ensuring its operations are carried out in a responsible manner from an ESG perspective.

In July 2023, the Compensation, Nominating and Corporate Governance Committee assessed the performance of the Corporation and the individual NEOs in light of the above-referenced considerations and made a recommendation to the Board respecting the individual grant of Incentives to the NEOs under the LTIP. In August 2023, upon receiving the recommendation of the Compensation, Nominating and Corporate Governance Committee, the Board approved, and the Corporation granted, the following Incentives (allocated as to 75% in PSAs and 25% in RSAs) under the Stock Incentive Plan to its NEOs:

Named Executive Officer	**PSAs**(1)	**RSAs**(1)
Paul Colborne *President and Chief Executive Officer*	158,636 ($1,308,750)	52,879 ($436,251)
Jared Ducs *Chief Financial Officer*	72,273 ($596,252)	24,091 ($198,751)
Murray Bye *Chief Operating Officer*	72,273 ($596,252)	24,091 ($198,751)
Margaret Elekes *Senior Vice President, Land and Business Development*	67,273 ($555,002)	22,424 ($184, 9980)
Derek Christie(2) *Senior Vice President, Exploration*	66,364 ($547,503)	22,121 ($182,498)

Notes:

(1) The number of PSAs and RSAs granted was calculated based on the grant date fair value of $8.25 per PSA and RSA, being the 20 trading day volume weight adjusted average price of the Shares determined as at August 15, 2023.

(2) Mr. Christie was appointed as Senior Vice President, Exploration effective January 4, 2024. Throughout 2023, Mr. Christie served as Senior Vice President, Geosciences.

For purposes of calculating the Percentage Payout for PSAs granted to NEOs in 2023, the Compensation, Nominating and Governance Committee recommended, and the Board approved, certain performance criteria comprised of: total shareholder return relative to its peer group (50%); achievement of strategic objectives (30%); achievement of recycle ratio targets (10%); and performance against its STIP performance criteria (10%). Upon the recommendation of the Compensation, Nominating and Governance Committee, having received the advice of Mercer, the Board also approved a group of 20 industry peers[1]

[1] Athabasca Oil Corporation, Baytex Energy Corp., Bonterra Energy Corp., Cardinal Energy Ltd., Crescent Point Energy Corp., Crew Energy Inc., Gear Energy Ltd., Headwater Exploration Inc., Journey Energy Inc., Kelt Exploration Ltd., Lucero Energy Corp., NuVista Energy Ltd., Obsidian Energy Ltd., Paramount Resources Ltd., Saturn Oil & Gas Inc., Spartan Delta Corp., Tamarack Valley Energy Ltd., Whitecap Resources Ltd. and Yangarra Resources Ltd. Pipestone Energy Inc. was also initially included in the peer group prior to its combination with Strathcona Resources Ltd.

for purposes of measuring relative TSR performance. All companies comprising the PSA peer group are Canadian-based, TSX-listed companies with primarily Canadian operations; production, market capitalization and/or enterprise generally comparable to the Corporation; and all with meaningful oil/liquids production (i.e., not focused on thermal or oil sands production).

On August 15, 2023, the PSAs granted in 2020 vested. In determining the Payout Percentage applicable to these PSAs, the following formula was used: TSR relative to the group of industry peers approved at the time of the grant (six-ninths weighting); average of the recycle ratios achieved in each of the three years (two-ninths weighting); and the change in relative Net Asset Value over the period (one-ninth weighting). The performance scale and results were as follows:

	Total Shareholder Returns	Average Recycle Ratio	Change in Relative Net Asset Value
Threshold	25th Percentile	1.0X	25th Percentile
Target	50th Percentile	1.5X	50th Percentile
Maximum	75th Percentile	2.0X	75th Percentile
Actual	Below Target	Below Target	Below Target

The Compensation, Nominating and Corporate Governance Committee considered the aforementioned results in the context of industry conditions during the three-year vesting period. As part of its review, the committee considered, among other things, the reduced number of PSAs granted to NEOs in 2020; the potential impact of various Payout Percentages on retention and succession planning; the performance of the Corporation during the final 18-month period of the term of the PSAs following the transition out of the COVID-19 pandemic; and proactive actions taken by management during the term, including securing financing, significant debt repayment and re-instating and subsequently increasing the Corporation's regular dividend. In light of these considerations and having received advice from Mercer, the Compensation, Nominating and Corporate Governance Committee recommended, and the Board approved, a Payout Percentage of 135% for the PSAs vesting in August 2023.

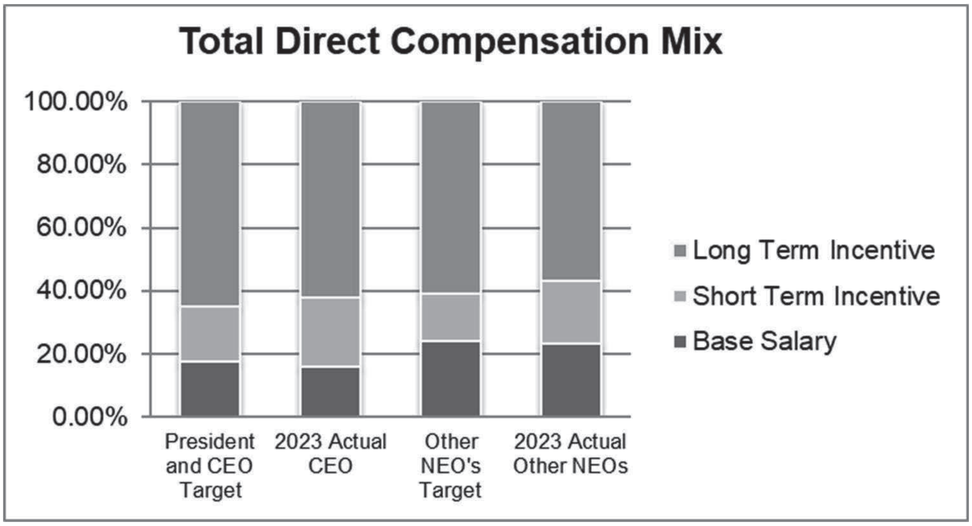
In February 2023, in light of the Corporation's strong performance in 2022 and in response to the significant employee retention pressures being faced within the industry at that time, the Compensation, Nominating and Governance Committee recommended, Board in consultation with Mercer, approved, a special one-time grant ("**Special Grant**") of RSAs to Surge employees, including NEOs. Pursuant to the Special Grant, each NEO received that number of RSAs equal to approximately 1.2 times the amount of the NEO's target STIP award and are based on the market price of the Shares at the time of the grant being $9.00, before giving effect to the dividend adjustment provisions contained in the Stock Incentive Plan. The Special Grant was intended to mitigate significant risk of attrition which had become rampant in the industry due to acquisitions, start-up opportunities and improved cashflow. These conditions created difficult labour market shortages, aggressive recruitment tactics and poaching from our peers. In addition, the RSAs issued pursuant to the Special Grant are an acknowledgement of staff's contribution to strong Corporation performance and overall success in meeting and exceeding targets coming out of the downturn, COVID-19 pandemic and through volatile market conditions and loyalty to the long-term success of the Corporation.

The RSAs issued pursuant to the Special Grant to NEOs vested as to 50% in June 2023 and as to the remaining 50% in January 2024 and are detailed in the following table.

Named Executive Officer	Number of RSAs
Paul Colborne *President and Chief Executive Officer*	55,000
Jared Ducs *Chief Financial Officer*	25,000
Murray Bye *Chief Operating Officer*	25,000
Margaret Elekes *Senior Vice President, Land and Business Development*	23,000
Derek Christie *Senior Vice President, Exploration*	23,000
Total RSAs Granted	**153,000**

Additional Information

The following diagram illustrates the relative pay mix of the components for the President and Chief Executive Officer and the average of the other NEOs comparing the targets with the 2023 actual amounts received.



Stock Incentive Plan

The Stock Incentive Plan was adopted by the Board on October 7, 2013 and most recently amended on May 12, 2021. A copy of the Stock Incentive Plan is available on the Corporation's profile on SEDAR+ at www.sedarplus.com.

Purpose of the Stock Incentive Plan

The principal purposes of the Stock Incentive Plan are to provide directors, officers and employees of, and consultants to, the Corporation or its subsidiaries (collectively, "**Participants**") with incentive bonus compensation in the form of Shares issuable after defined vesting periods. This is intended to provide an increased incentive for the Participants to contribute to the future success and prosperity of the Corporation, thus enhancing the value of the Shares for the benefit of all Shareholders and increasing the ability of the Corporation and its subsidiaries to attract and retain individuals of exceptional skill.

Grants of Incentives

Under the terms of the Stock Incentive Plan, Participants may be granted RSAs, and Participants other than non-employee directors may be granted PSAs, by the Board or a committee of the Board that has been delegated authority by the Board to administer the Stock Incentive Plan.

In determining the Participants to whom Incentives may be granted, the number of Incentives to be granted and the allocation of the Incentives between RSAs and PSAs, the Board may take into account factors that it determines in its sole discretion, such as the following:

- comparisons to peer group;
- the duties, responsibilities, position, seniority and contribution of the Participant; and
- the current value of the Shares and the overall compensation structure of Surge.

Upon vesting, each RSA is deemed to be redeemed for no further consideration for one Share, multiplied by the Adjustment Ratio (as defined below).

Upon vesting, each PSA is deemed to be redeemed for no further consideration for one Share, multiplied by a Payout Percentage and the Adjustment Ratio. The Payout Percentage is a percentage between zero and 200 calculated at the time of vesting of a PSA based on performance criteria established by the Board at the time of the grant of the PSA, which criteria may include, but need not be limited to, the TSR of the Shares compared to an index, subindex or identified group of peers and the Corporation's performance compared to identified operational or financial targets.

For purposes of the Stock Incentive Plan, the term "**Adjustment Ratio**" means, with respect to any Incentive, the ratio used to adjust the number of Shares to be issued on the applicable vesting dates pertaining to such Incentive determined in accordance with the terms of the Stock Incentive Plan; and, in respect of each Incentive, the Adjustment Ratio shall initially be equal to one, and shall be cumulatively adjusted thereafter by increasing the Adjustment Ratio on each dividend payment date, effective on the day following the dividend record date, by an amount, rounded to the nearest five decimal places, equal to a fraction having as its numerator the dividend, expressed as an amount per Share, paid on that dividend payment date, multiplied by the Adjustment Ratio immediately prior to the dividend record date for such dividend and having as its denominator the fair market value of the Shares on the trading day immediately preceding the dividend payment date (or, if Incentives are scheduled to vest prior to the applicable dividend payment date, on the trading day immediately preceding the vesting date of such Incentives).

Vesting of Incentives

Subject to earlier vesting in accordance with the terms of the Stock Incentive Plan and unless otherwise determined by the Board, RSAs granted under the Stock Incentive Plan vest as to one-third on each of the first, second and third anniversary dates of the date of grant.

Subject to earlier vesting in accordance with the terms of the Stock Incentive Plan and unless otherwise determined by the Board, PSAs granted under the Stock Incentive Plan vest on the third anniversary date of the date of grant.

The Stock Incentive Plan provides that the Board may, in its sole discretion, stipulate different vesting dates than those set forth above and may impose additional or different conditions to the determination of the vesting date(s) in respect of the redemption of Incentives including, without limitation, performance conditions and that the Board may, in its sole discretion, accelerate the vesting date for all or any Incentives at any time and from time to time.

In the event that Shares are to be issued upon the redemption of a RSA or a PSA on a date when the applicable Participant is subject to a black-out, the issuance of such Shares shall be moved to a date which is within three business days following the end of the applicable black-out.

Limitations on Grants

The Stock Incentive Plan includes the following restrictions:

- the aggregate number of Shares that may be issued from treasury by the Corporation pursuant to Incentives granted and outstanding under the Stock Incentive Plan at any time shall not exceed a number of Shares equal to 8.9% of the aggregate number of issued and outstanding Shares, subject to adjustment in certain circumstances;
- the aggregate number of Shares reserved for issuance pursuant to Incentives granted to any one person, when combined with any other share compensation arrangement, may not exceed 5% of the outstanding Shares (on a non-diluted basis);
- the aggregate number of Shares reserved for issuance pursuant to Incentives granted to insiders, when combined with any other share compensation arrangement, may not exceed 10% of the outstanding Shares (on a non-diluted basis);
- the aggregate number of Shares issued within any one year period to insiders pursuant to Incentives, when combined with any other share compensation arrangement, may not exceed 10% of the outstanding Shares (on a non-diluted basis); and
- the aggregate number of Shares reserved for issuance pursuant to RSAs granted to non-employee directors may not exceed 0.5% of the outstanding Shares (on a non-diluted basis), and the aggregate value of RSAs (as determined by the Corporation at the time of grant) granted to any non-employee director in any calendar year shall not exceed $150,000.

Anti-Dilution Provisions

In addition for adjustments for dividends paid on the Shares as described above, the Stock Incentive Plan provides that appropriate adjustments in the number of Shares subject to the Stock Incentive Plan and issuable upon the vesting of an Incentive shall be made by the Board to give effect to adjustments in the number of Shares resulting from subdivisions, consolidations or reclassifications of the Shares, the payment of stock dividends by the Corporation (other than dividends in the ordinary course) or other relevant changes in the authorized or issued capital of the Corporation, which changes occur subsequent to the approval of the Stock Incentive Plan by the Board.

Payment Upon Vesting of Incentives

The Stock Incentive Plan provides that, except in limited circumstances, in lieu of issuing from treasury a Share upon the redemption of a RSA or a PSA, the Corporation may instead, at its discretion, (i) make a cash payment equal to the fair market value of the Shares immediately prior to the date of redemption; or (ii) subject to the satisfaction of applicable securities laws, including the rules of the TSX (or, if the Shares are not then listed on the TSX, on such other exchange as the Shares are then listed), purchase a Share through the facilities of such exchange and deliver such Share.

Change of Control Provisions

The Stock Incentive Plan contains certain provisions that apply in the event of a Change of Control (as such term is defined in the Stock Incentive Plan) of the Corporation, including requiring the assumption by the successor entity of all of the covenants and obligations of the Corporation under the Stock Incentive Plan and the Incentive agreements outstanding on consummation of such transaction in a manner that substantially preserves and does not impair the rights of the Participants thereunder in any material respect and, if the Incentives (and the covenants and obligations of the Corporation under the Stock Incentive Plan and the Incentive agreements outstanding on consummation of such transaction) are not so assumed by the successor, then the vesting date for all such Incentives that have not yet been redeemed as of such time shall be the date which is immediately prior to the date upon which the Change of Control transaction is consummated.

The Stock Incentive Plan also provides that in the event a Double Trigger Event (as defined below) has occurred, all Incentives which have not otherwise vested in accordance with their terms shall become vested in full and redeemable in accordance. For purposes of the Stock Incentive Plan, the term "**Double Trigger Event**" means the Participant's service with the Corporation or a subsidiary or an affiliate is involuntarily terminated without cause or voluntarily terminated for Good Reason (as such term is defined in the Stock Incentive Plan) within one month prior to or 12 months following the effective date of a Change of Control.

In the event a Change of Control is contemplated or has occurred, all Incentives granted to non-employee directors which have not otherwise vested in accordance with their terms shall vest upon the occurrence of the Change of Control or such earlier or later time as is determined by the Board.

Early Termination Events

Under the Stock Incentive Plan, unless otherwise determined by the Board in its sole discretion, the following provisions apply in the event that a holder of Incentives ceases to be a Participant:

- Retirement - In the event of the retirement of a Participant, the Participant shall be entitled to receive a number of Shares equal to the number of Incentives held multiplied by a fraction (A) the numerator of which is the number of days from the grant date of the applicable Incentive to the retirement date; and (B) the denominator of which is the total number of days comprising the original vesting period of such Incentive. The vesting date for any Incentives held by the retiring Participant shall be the original vesting date of the Incentives and the Payout Percentage in respect of any PSAs held by a Participant shall be determined as of the vesting date;
- Resignation - In the event of the resignation of a Participant, the termination of the employment of a Participant, whether with or without cause or reasonable notice, the termination of a consulting agreement, or the failure to stand for or obtain re-election to the Board by a Participant that is a non-employee director, effective the day following the last active day of employment or service or services, all unvested Incentives held by the Participant shall immediately cease and terminate and thereafter shall be of no further force or effect whatsoever; and
- Death - In the event of the death of a Participant, all unvested Incentives held by the Participant at the time of death shall be deemed to immediately vest.

Amendments to the Stock Incentive Plan

The Board may amend the Stock Incentive Plan and any securities granted thereunder in any manner, or discontinue it at any time, without the approval of the holders of a majority of the Shares, provided that:

- the consent of the applicable Participants must be obtained for any amendment that would adversely affect any outstanding Incentives; and
- the approval of the holders of a majority of the Shares present and voting in person or by proxy at a meeting of holders of Shares must be obtained for any amendment that would have the effect of:
    - increasing the number of Shares that may be issued;
    - increasing the maximum percentage of Shares that may be reserved for issuance to non-employee directors, insiders or any one person;
    - increasing the maximum percentage of Shares that may be issued within any one year period to insiders;
    - changing the amendment provisions;
    - changing the terms of any Incentives held by insiders;

- amending the definition of Participants to expand the categories of individuals eligible for participation in the Stock Incentive Plan; or
- amending the Stock Incentive Plan to permit the transferability of Incentives.

Compensation Advisors and Executive Compensation Related Fees

The Compensation, Nominating and Corporate Governance Committee engaged Mercer to undertake a review of, and make recommendations to the Board on, the compensation and compensation procedures for the executive officers and directors, having regard to peer group data from similar companies, including performing a peer group review as well as performing certain compensation benchmarking.

The table below summarizes the fees related to determining compensation for the Corporation's directors and executives ("**Executive Compensation Related Fees**") and the fees for these consultants for other services ("**All Other Fees**") for the financial years ended December 31, 2022 and 2023.

	Mercer	
	2023	**2022**
Executive Compensation-Related Fees(1)	$91,420	$49,339
All Other Fees(2)	$10,710	$15,115

Notes:

(1) Executive Compensation-Related Fees include fees related to data, materials and analysis for executive and Board compensation.
(2) All Other Fees include fees related to compensation data for positions in the energy industry in Canada.

Risk Assessment and Oversight

The Compensation, Nominating and Corporate Governance Committee considers the implications of the risks associated with the Corporation's compensation policies and practices. The Compensation, Nominating and Corporate Governance Committee's role of approving the compensation policies and practices includes considering whether the compensation policies and practices could encourage a NEO to: (i) take inappropriate or excessive risks; (ii) focus on achieving short-term goals at the expense of returns to Shareholders; or (iii) excessively focus on financial and operational goals at the expense of environmental responsibility and health and safety. Based on the experience of the Compensation, Nominating and Corporate Governance Committee in compensation matters, it did not identify any risks arising from the Corporation's compensation policies and practices that would reasonably be likely to have a material adverse effect on the Corporation. This assessment was based on a number of considerations, including the following:

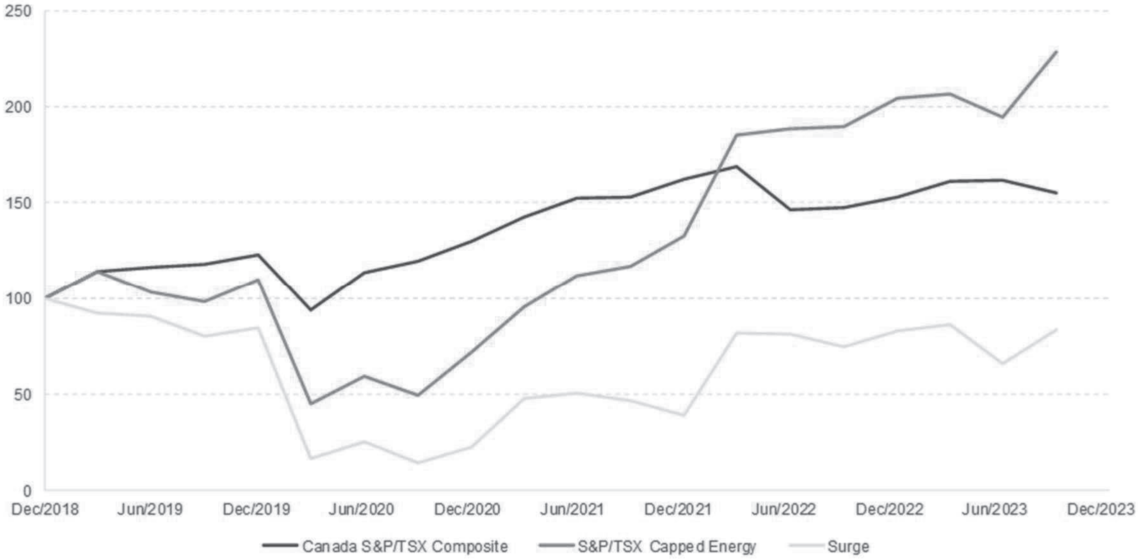
- base salaries provide a steady income regardless of share price performance, allowing executives and employees to focus on goals and objectives without undue reliance on short-term share price performance or market fluctuations;
- cash bonuses are based on performance measures designed to contribute to long-term value creation, the Corporation targets awarding cash bonuses of 60% (up to a maximum of 120%) of base salary for each of the NEOs and 75% and 150%, respectively, for the President and Chief Executive Officer. PSAs and RSAs typically vest over a number of years, motivating the achievement of long-term sustainable objectives and aligning executives with the interests of Shareholders; and
- although annual performance goals are established, the Compensation, Nominating and Corporate Governance Committee does not solely focus on achievement of narrow focus performance goals and retains adequate discretion to apply business judgment to assess the overall execution of the long-term business plan and adherence to the Corporation's corporate vision and values.

Performance Graphs

The Shares began trading on the TSX under the symbol "SGY" on October 21, 2011. Prior to that date, the Shares traded on the TSX Venture Exchange beginning in May 1998. The following graph compares the cumulative TSR of the Shares with the cumulative shareholder return of the S&P/TSX Composite Index and the S&P/TSX Capped Energy Index for the period commencing December 31, 2018 and ending December 31, 2023.

	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	30-Dec-22	29-Dec-23
TOTAL RETURN						
Canada S&P/TSX Composite	49,204	60,460	63,846	79,866	75,200	84,037
S&P/TSX Capped Energy	213	233	153	282	435	453

	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	30-Dec-22	29-Dec-23
S&P/TSX Composite Index	$100.00	$122.88	$129.76	$162.32	$152.83	$170.79
S&P/TSX Capped Energy Index	$100.00	$109.75	$71.73	$132.82	$204.58	$213.05
SGY Common Shares	$100.00	$84.15	$22.63	$39.14	$83.02	$62.58



Note:

(1) Compounded total return, with dividends reinvested on the ex-date. Source: FactSet.

The market price of the Shares has generally tracked the S&P/TSC Capped/Energy fund trend since the start of the recent economic downturn in the oil and gas industry. The total compensation of the NEOs has followed the similar trend with lower compensation in 2020 than 2019, a slight upward trend in 2021, generally flat in 2022 and a slight increase in 2023. The stronger weighting to share-based compensation under the LTIP, as opposed to cash compensation received as base salary or as cash awards under the STIP, facilitates alignment between total compensation and the market price of the Shares. As the market price of the Shares has increased significantly from their COVID-19 pandemic lows, the Corporation reinstated its dividend in 2022 and continued to improve its balance sheet in 2023. As such, 2023 NEO compensation reflects a slight increase to ensure NEO compensation is reflective of market conditions, value to Shareholders and to account for decreases to total realized NEO compensation through the COVID-19 pandemic, including a 2020 LTIP grant to NEOs that was issued at significantly higher than market pricing, to limit adverse impact to Shareholders.

Financial Instruments and Anti-Hedging Policy

Directors and officers of the Corporation, including the NEOs, are not permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in the market value of equity securities of the Corporation granted as compensation or held, directly or indirectly, by management.

Compensation Governance

The Corporation has a Compensation, Nominating and Corporate Governance Committee that determines the compensation of the directors and executive officers of the Corporation. For details concerning the composition of the Compensation, Nominating and Corporate Governance Committee and the responsibilities, powers and operation of the Compensation, Nominating and Corporate Governance Committee, see "*Corporate Governance – Board Committees – Compensation, Nominating and Corporate Governance Committee*", and "*Corporate Governance – Compensation*" and "*Corporate Governance – Nomination of Directors and Diversity*".

The Compensation, Nominating and Corporate Governance Committee is chaired by Marion Burnyeat. Michelle Gramatke, Allison Maher, Murray Smith and Robert Leach are the other committee members. Each of these five committee members is independent under applicable Canadian securities laws. Ms. Burnyeat brings extensive business perspective and management leadership to the compensation committee. Ms. Burnyeat draws on her executive roles in both the public and private sectors to provide relevant compensation and governance related insights. Ms. Burnyeat's wealth of management experience in the energy sector, including over a decade of experience in executive roles for Westcoast Energy Inc., assists in consideration of the issues that are relevant to the compensation committee mandate.

Ms. Gramatke has over 25 years of experience in professional accounting and financial consulting roles, both in the public and private sectors, serving in several executive positions. Through her prior experience, she brings with her management, business and financial experience that assists in the determination of matters brought before the Compensation, Nominating and Corporate Governance Committee.

Ms. Maher began her career at KPMG in the areas of tax and corporate audit and has her Certified Corporate Director, Chartered Professional Accountant and Certified Financial Planner designations. Ms. Maher's experience assists in her ability to review and analyze compensation plans and practices and other key data analyzed and brought before the Compensation, Nominating and Corporate Governance Committee to make decisions in fulfilling its mandate.

Mr. Smith's career of forty-five years has encompassed responsibility for executive compensation in many instances, including over six years with the Government of Alberta Treasury Board and serving as the Government of Alberta Minister of Labour from 1996 to 1999, where he was responsible for the administration of all Government of Alberta labour contracts. He has also previously served on the compensation committee of another publicly traded corporation and currently serves on the compensation committee of Williams Companies, Inc.

Mr. Leach has served on the compensation committees of two other publicly traded companies, namely, Breaker Energy and Delaney Energy Services. He has been instrumental in executive compensation design, implementation and administration in his own businesses in Western Canada. Mr. Leach is well connected to industry sources through his association with a major public accounting firm and the Young Presidents' Organization which both ensure his ability to access market data and ascertain reasonability of compensation plans and practices.

Summary of Compensation of Named Executive Officers

The following table sets forth information concerning the total compensation paid for the years ended December 31, 2021 through 2023 to the NEOs of the Corporation.

Name and Position	Year	Salary ($)	Share-Based Awards ($)(1)(2)	Option-Based Awards ($)	Non-Equity Incentive Plan Compensation ($) Annual Incentive Plans(3)	Non-Equity Incentive Plan Compensation ($) Long-Term Incentive Plans(4)	All Other Compensation ($)(5)	Total Compensation ($)
Paul Colborne(6) *President and Chief Executive Officer*	2023	465,000	1,745,000	Nil	630,000	495,000	44,318	3,379,318
	2022	430,000	1,711,865	Nil	520,000	Nil	34,624	2,696,489
	2021	415,000	1,711,875	Nil	395,000	Nil	32,570	2,554,445
Jared Ducs *Chief Financial Officer*	2023	315,000	795,000	Nil	280,000	225,000	35,935	1,650,935
	2022	290,000	770,265	Nil	231,000	Nil	27,624	1,318,889
	2021	271,000	770,000	Nil	212,500	Nil	25,445	1,278,945
Murray Bye *Chief Operating Officer*	2023	315,000	795,000	Nil	280,000	225,000	35,935	1,650,935
	2022	290,000	770,265	Nil	231,000	Nil	27,624	1,318,889
	2021	280,000	770,000	Nil	212,500	Nil	25,895	1,288,395
Margaret Elekes *Senior Vice President, Land and Business Development*	2023	292,000	740,000	Nil	260,000	207,000	34,935	1,533,935
	2022	270,000	734,893	Nil	217,000	Nil	26,624	1,248,607
	2021	258,000	735,000	Nil	210,000	Nil	24,795	1,227,795
Derek Christie(7) *Senior Vice President, Exploration*	2023	286,000	730,000	Nil	260,000	207,000	35,559	1,518,559
	2022	265,000	709,985	Nil	213,000	Nil	26,374	1,214,359
	2021	258,000	710,000	Nil	205,000	Nil	24,720	1,197,720

Notes:

(1) For the year ended December 31, 2023, Share-Based Awards were comprised of PSAs and RSAs granted pursuant to the Stock Incentive Plan. All PSAs vest on the date three years from the date of grant. All RSAs vest as to one third on each anniversary of the date of grant. The value for PSAs and RSAs for the year ended December 31, 2023 is based on the grant date fair value of $8.25 per PSA and RSA, being the 20 trading day volume weight adjusted average price of the Shares calculated as at August 15, 2023. For the year ended December 31, 2022, Share-Based Awards was comprised of PSAs and RSAs granted pursuant to the Stock Incentive Plan. All PSAs vest on the date three years from the date of grant. All RSAs vest as to one third on each anniversary of the date of grant. The value for PSAs and RSAs for the year ended December 31, 2022 is based on the grant date fair value of $9.15 per PSA and RSA, being the 20 trading day volume weight adjusted average price of the Shares calculated as at August 15, 2022. For the year ended December 31, 2021, Share-Based Awards was comprised of PSAs and RSAs granted pursuant to the Stock Incentive Plan. All PSAs vest on the date three years from the date of grant. All RSAs vest as to one third on each anniversary of the date of grant. The value for PSAs and RSAs for the year-ended December 31, 2021 is based on the grant date fair value of $4.548 per PSA and RSA, being the 20 trading day volume weighted adjusted average price of the Shares calculated as at August 15, 2021 (after giving effect to the consolidation of the common shares which occurred on August 20, 2021 on the basis of 8.5 pre-consolidation Shares for each one post-consolidation Share). All amounts for RSAs and PSAs are presented before giving effect to the dividend adjustment provisions contained in the Stock Incentive Plan and the Payout Percentage for all PSAs is assumed to be 100%.

(2) The method used for computing the grant date fair value of the PSAs and RSAs granted pursuant to the Stock Incentive Plan is in accordance with IFRS 2. Surge used IFRS 2 as its methodology for computing grant date fair value for purposes of consistency with its financial statements.

(3) Represents the short-term incentive paid to the NEO with respect to each of the years presented pursuant to the STIP.

(4) Amounts represent RSAs issued pursuant to the Special Grant and are based on the market price of the Shares at the time of the grant being $9.00, before giving effect to the dividend adjustment provisions contained in the Stock Incentive Plan. The RSAs issued pursuant to the Special Grant vested as to 50% in June 2023 and as to the remaining 50% in January 2024.

(5) Includes the Corporation's contribution to the employee stock savings plan on behalf of the NEO and amounts paid on behalf of the NEO on account of parking, health and dental insurance, life insurance and accidental death and disability insurance.

(6) Mr. Colborne is also a director of the Corporation. Mr. Colborne received no compensation in the year ended December 31, 2023 in relation to his duties as a director of the Corporation.

(7) Mr. Christie was appointed as Senior Vice President, Exploration, effective January 4, 2024. In each of 2021, 2022 and 2023, Mr. Christie served as Senior Vice President, Geosciences.

Outstanding Incentive Plan Awards

The following table outlines for each NEO all PSAs and RSAs outstanding as at December 31, 2023.

Name	Number of Incentives that have not Vested[(1)(2)] (#)	Market or payout value of Incentives that have not Vested[(1)(2)] ($)
Paul Colborne *President and Chief Executive Officer*	581,254 PSAs 142,927 RSAs	3,766,526 926,167
Jared Ducs *Chief Financial Officer*	262,365 PSAs 64,725 RSAs	1,700,125 419,418
Murray Bye *Chief Operating Officer*	262,365 PSAs 64,725 RSAs	1,700,125 419,418
Margaret Elekes *Senior Vice President, Land and Business Development*	248,725 PSAs 60,778 RSAs	1,611,738 393,841
Derek Christie[(3)] *Senior Vice President, Exploration*	241,644 PSAs 59,562 RSAs	1,565,853 385,962

Note:

(1) Calculated based on the closing price of $6.48 per Share on the TSX on December 29, 2023 multiplied by the number of Shares issuable upon the vesting of RSAs and PSAs, without giving effect to the dividend adjustment provisions in the Stock Incentive Plan. With respect to PSAs only, for the purposes of the calculations in this chart, the Payout Percentage is assumed to be 100%.

(2) Includes 50% of the RSAs issued pursuant to the Special Grant, being those RSAs that remained outstanding as at December 31, 2023 and vested on January 15, 2024, and based on the market price of the Shares at time of the grant being $9.00, before giving effect to the dividend adjustment provisions contained in the Stock Incentive Plan

(3) Mr. Christie was appointed as Senior Vice President, Exploration effective January 4, 2024. Throughout 2023, Mr. Christie served as Senior Vice President, Geosciences.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each NEO, the value of options and PSAs and RSAs which vested during the year ended December 31, 2023 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2023.

Name	Incentives – Value Vested During the Year 2023 ($)[(1)]	Non-Equity Incentive Plan Compensation – Value Earned During the Year 2023 ($)[(2)]
Paul Colborne *President and Chief Executive Officer*	3,079,404	630,000
Jared Ducs *Chief Financial Officer*	1,443,624	280,000
Murray Bye *Chief Operating Officer*	1,605,267	280,000
Margaret Elekes *Senior Vice President, Land and Business Development*	1,511,607	260,000
Derek Christie[(3)] *Senior Vice President, Exploration*	1,193,649	260,000

Notes:

(1) Amounts represent: (i) the value of RSAs and PSAs (excluding RSAs issued pursuant to the Special Grant) that vested during 2023, after giving effect to the dividend adjustment provisions in the Stock Incentive Plan, applying a Payout Percentage of 135% on the PSAs and based on the fair market value of the Common Shares of $8.67 on the vesting date of August 15, 2023; and (ii) the value of 50% of the RSAs issued pursuant to the Special Grant which vested June 2023, after giving effect to the dividend adjustment provisions in the Stock Incentive Plan, and based on the fair market value of the Shares on the vesting date of August 15, 2023 at $6.84 per Share. Does not include the value of 50% of the RSAs issued pursuant to the Special

Grant, which remained outstanding on December 31, 2023 and vested on January 15, 2024.

(2) Represents the cash bonus paid to each NEO in respect of the 2023 STIP.

(3) Mr. Christie was appointed as Senior Vice President, Exploration effective January 4, 2024. Throughout 2023, Mr. Christie served as Senior Vice President, Geosciences.

Employment Agreements and Termination and Change of Control Benefits

There are no employment contracts between either the Corporation or its subsidiaries and the NEOs except as set out below.

Surge currently has employment agreements in place with each of the NEOs.

Upon a change of control, or upon the election of Surge to terminate the employment agreement without cause, the NEO is entitled to payment in the amount equal to: (i) the product of the salary to which the NEO was entitled at such termination or change of control multiplied by: (A) 24 months in the case of Paul Colborne, (B) 18 months in the case of Jared Ducs; (C) 18 months in the case of Murray Bye; (D) 18 months in the case of Margaret Elekes; and (E) 18 months, in the case of Derek Christie; (ii) an additional 15% of the amount referred to in (i), as applicable, in lieu of lost benefits; and (iii) a bonus, that being the average of short-term incentive bonuses paid to the NEO over the preceding two years.

The Stock Incentive Plan provides for the accelerated vesting of outstanding Incentives in certain circumstances, including in connection with a Change of Control of the Corporation where the successor does not assume the PSAs or RSAs or the holder's service is involuntarily terminated without cause or voluntarily terminated for Good Reason (including material diminution of responsibilities) within one month prior to or 12 months following the Change of Control. See "*Executive Compensation – Stock Incentive Plan – Change of Control Provisions*".

The Stock Incentive Plan also provides for the accelerated vesting of a pro-rated number of outstanding Incentives held by a Participant upon the retirement of the Participant. See "*Executive Compensation – Stock Incentive Plan – Early Termination Events*".

The following chart illustrates the estimated payments that each NEO would receive in certain circumstances, in the event of their termination as at December 29, 2023.

Name and Position	Triggering Event	Payment Pursuant to Employment Agreement ($)	Total ($)
Paul Colborne *President and Chief Executive Officer*	Resignation	Nil	Nil
	Retirement	Nil	Nil
	Termination with cause	Nil	Nil
	Termination without cause	1,457,250	1,457,250
	Change of Control	1,457,250	1,457,250
	Double Trigger Event	1,457,250	1,457,250
Jared Ducs *Chief Financial Officer*	Resignation	Nil	Nil
	Retirement	Nil	Nil
	Termination with cause	Nil	Nil
	Termination without cause	741,500	741,500
	Change of Control	741,500	741,500
	Double Trigger Event	741,500	741,500
Murray Bye *Chief Operating Officer*	Resignation	Nil	Nil
	Retirement	Nil	Nil
	Termination with cause	Nil	Nil
	Termination without cause	741,500	741,500
	Change of Control	741,500	741,500
	Double Trigger Event	741,500	741,500

Name and Position	Triggering Event	Payment Pursuant to Employment Agreement ($)	Total ($)
Margaret Elekes *Senior Vice President, Land and Business Development*	Resignation	Nil	Nil
	Retirement	Nil	Nil
	Termination with cause	Nil	Nil
	Termination without cause	695,300	695,300
	Change of Control	695,300	695,300
	Double Trigger Event	695,300	695,300
Derek Christie(2) *Senior Vice President, Exploration*	Resignation	Nil	Nil
	Retirement	Nil	Nil
	Termination with cause	Nil	Nil
	Termination without cause	680,900	680,900
	Change of Control	680,900	680,900
	Double Trigger Event	680,900	680,900

Note:

(1) Mr. Christie was appointed as Senior Vice President, Exploration effective January 4, 2024. Throughout 2023, Mr. Christie served as Senior Vice President, Geosciences.

In addition to the amounts set forth in the foregoing table, each NEO will be entitled to receive Common Shares on the vesting of previously granted Incentives upon the NEO ceasing to be a Participant under the Stock Incentive Plan in certain circumstances. See "*Executive Compensation – Stock Incentive Plan*".

DIRECTOR COMPENSATION

Summary of Director Compensation

As of the date of this Circular, the directors of the Corporation are James Pasieka (Chair), Marion Burnyeat, Paul Colborne, Daryl Gilbert, Robert Leach, Michelle Gramatke, Allison Maher, P. Daniel O'Neil and Murray Smith.

Pursuant to recommendations of the Compensation, Nominating and Corporate Governance Committee, the non-executive Directors, being all of the directors other than Mr. Colborne, are paid a cash annual retainer of $54,000 ($64,000 for the non-executive Chair) as well as $105,000 of share-based compensation ($130,000 for the non-executive Chair), with additional cash retainers of $10,000 being paid to each Chair of a Board committee, other than the Chair of the Audit Committee, who will be paid an additional cash retainer of $15,000. Non-executive directors are not paid any additional fees for attendance at meetings of the Board or Board committees.

The Compensation, Nominating and Corporate Governance Committee primarily relies on market data as compiled and recommended by Mercer in establishing compensation for non-executive directors. Non-executive director compensation is targeted at the 50th percentile of the industry peers, ensuring an appropriate balance between cash and equity-based compensation. The industry peer group is as noted under the heading "*Executive Compensation – Compensation Discussion and Analysis - Total Compensation Peer Group*".

Non-Executive Director Share Ownership Guidelines

The Corporation has implemented certain requirements respecting the minimum ownership by non-executive directors of the Corporation of Shares (or RSAs) (the "**Non-Executive Director Share Ownership Guidelines**"). The Non-Executive Director Share Ownership Guidelines require that non-executive directors own Shares and hold unvested RSAs which in the aggregate have a value equal to three times their cash retainer, with such target to be achieved within five (5) years of the later of the date they are elected or appointed to the Board. The determination date of compliance with the guidelines is January 2nd of each year based on the closing price of the Shares as reported on the TSX for the fiscal year ended immediately prior to such date.

Failure to meet or show sustained progress toward meeting the ownership requirements set forth in the Non-Executive Director Share Ownership Guidelines may result in a reduction in future Incentive grants to the non-executive director and/or the requirement to retain all shares obtained through the vesting or exercise of equity grants.

The Non-Executive Director Share Ownership Guidelines also contains a provision that should there be a significant reduction in share value caused by market fluctuations that results in a previously met ownership criteria dropping below the ownership guideline, the subject director will have a reasonable opportunity to rectify the share position to conform to the guidelines, as reasonably determined by the Compensation, Nominating and Corporate Governance Committee.

All non-executive directors had met the minimum threshold as of December 31, 2023.

The following table outlines information concerning the compensation paid to the non-executive Directors for the year ended December 31, 2023.

Name	Fees Earned ($)	Share-Based Awards[(1)] ($)	Non-Equity Incentive Plan Compensation ($)	All Other Compensation ($)	Total ($)
James Pasieka	64,000	130,000	Nil	Nil	194,000
Marion Burnyeat	54,000	105,000	Nil	Nil	159,000
Daryl Gilbert	64,000	105,000	Nil	Nil	169,000
Robert Leach	54,000	105,000	Nil	Nil	159,000
Michelle Gramatke	54,000	105,000	Nil	Nil	159,000
Allison Maher	69,000	105,000	Nil	Nil	174,000
P. Daniel O'Neil	64,000	105,000	Nil	Nil	169,000
Murray Smith	64,000	105,000	Nil	Nil	169,000

Note:

(1) The number of RSAs granted to each non-executive director is based on the grant date fair value of $8.25 per RSA, being the 20 trading day volume weight adjusted average price of the Shares calculated as at August 15, 2023, before giving effect to the dividend adjustment provisions contained in the Stock Incentive Plan. All RSAs vest as to 1/3 per year for a period of 3 years from the date of grant.

Outstanding Incentives

The following table outlines, for each non-executive director, all RSAs outstanding as at December 31, 2023.

Name	Number of RSAs that have not Vested (#)	Market or payout value of RSAs that have not Vested ($)(1)
James Pasieka	30,372	196,811
Marion Burnyeat	23,688	153,498
Daryl Gilbert	23,688	153,498
Michelle Gramatke	23,688	153,498
Robert Leach	23,688	153,498
Allison Maher	23,688	153,498
P. Daniel O'Neil	23,688	153,498
Murray Smith	23,688	153,498

Note:

(1) Calculated based on the closing price of $6.48 per Share on the TSX on December 29, 2023 multiplied by the number of Shares issuable upon the vesting of RSAs, before giving effect to the dividend adjustment provisions contained in the Stock Incentive Plan.

Incentive Plan Awards – Value Vested

The following table sets forth for each director the value of Incentives which vested during the year ended December 31, 2023.

Name	RSAs – Value Vested During the Year 2023 ($)(1)	Non-Equity Incentive Plan Compensation – Value Earned During the Year 2023 ($)
James Pasieka	148,239	Nil
Marion Burnyeat	111,171	Nil
Daryl Gilbert	111,171	Nil
Michelle Gramatke	111,171	Nil
Robert Leach	111,171	Nil
Allison Maher	111,171	Nil
P. Daniel O'Neil	111,171	Nil
Murray Smith	111,171	Nil

Note:

(1) Represents the number of RSAs, after giving effect to the dividend adjustment provisions in the Stock Incentive Plan, which vested at the fair market value of $8.67 per Share on August 15, 2023.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Outstanding Incentives

As of March 28, 2024, 1,462,316 RSAs and 2,250,396 PSAs were outstanding under the Stock Incentive Plan, representing, in aggregate, approximately 3.7% of the number of Shares outstanding.

Additional information concerning the outstanding RSAs and PSAs and Shares available for issuance under the Stock Incentive Plan as at December 31, 2023 is set out in the table below.

	Number of Shares issuable upon exercise of outstanding PSAs and RSAs[(1)]	Weighted-average exercise price	Number of Shares remaining available for future issuance under the Stock Incentive Plan
Stock Incentive Plan (Approved by security holders)	3,712,712	N/A	5,238,999[(2)]

Notes:

(1) Before giving effect to the dividend adjustment provisions contained in the Stock Incentive Plan and assuming a 100% Payout Percentage on PSAs, as are more fully described under the heading "*Executive Compensation – Compensation Discussion and Analysis – Summary of 2023 Executive Compensation – Long Term Incentive Program (LTIP)*" herein.

(2) The maximum number of Shares reserved for issuance from time to time pursuant to Incentives shall not exceed a number equal to 8.9% of the aggregate number of issued and outstanding Shares, calculated on a non-diluted basis.

Burn Rate

The Corporation's annual burn rate under the Stock Incentive Plan was 2.3% for the year ending December 31, 2023, 1.5% for the year ending December 31, 2022, and 3.8% for the year ending December 31, 2021. For this purpose, the burn rate is calculated by dividing the total number of Incentives granted during the applicable fiscal year divided by the weighted average number of Shares outstanding for the applicable fiscal year. The burn rate is subject to change, from time to time, based on the number of Incentives granted and the total number of Shares issued and outstanding.

INDEBTEDNESS OF DIRECTORS, OFFICERS AND EMPLOYEES

No current or former director, officer or employee of the Corporation was indebted to the Corporation as at the date of this Circular. At no time since the beginning of the financial year ended December 31, 2023 did any director or officer, or any associate of any such director or officer, owe any indebtedness to the Corporation or owe any indebtedness to any other entity which is, or at any time has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Except as set forth herein, none of the directors or officers of the Corporation, the proposed nominees for election as a director of the Corporation, or any associate or affiliate of any of the foregoing has any material interest, direct or indirect, in any matter to be acted upon at the Meeting, other than the election of directors and the appointment of auditors.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set out below, since the beginning of the financial year ended December 31, 2023, no informed person of the Corporation, nominee for director of the Corporation, nor any affiliate or associate of any informed person or nominee for director, had any material interest, direct or indirect, in any transaction or proposed transaction which has materially affected or would materially affect the Corporation. For the purposes of this Circular, an "informed person" means: (i) a director or officer of the Corporation;

(ii) a director or officer of a person or company that is itself an informed person; or (iii) any person or company who beneficially owns, directly or indirectly, and/or exercises control or direction over voting securities of the Corporation carrying more than 10% of the voting rights attaching to all outstanding voting securities of the Corporation.

ADDITIONAL INFORMATION AND AVAILABILITY OF FINANCIAL STATEMENTS

Additional information relating to the Corporation is available on SEDAR+ at www.sedarplus.com. Financial information concerning the Corporation is provided in its financial statements for the year ended December 31, 2023 and the accompanying management's discussion and analysis, which can be accessed under the Corporation's profile on SEDAR+ at www.sedarplus.com.

Further information concerning the Audit Committee, including the text of the Audit Committee Charter, is included in the Annual Information Form of the Corporation for the year ended December 31, 2023 dated March 6, 2024. A copy of the Annual Information Form is available on SEDAR+ at www.sedarplus.com.

The Corporation will mail its annual and interim financial statements and accompanying management's discussion and analysis to any Shareholder who requests them by: (i) sending the accompanying return card to the Corporation's agent, Odyssey Trust Company, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, as directed; or (ii) contacting the Corporation at Suite 1200, 520 3rd Avenue S.W., Calgary, Alberta, T2P 0R3, telephone (403) 930-1010.

AUDITORS OF THE CORPORATION

The auditors of the Corporation are KPMG LLP, Chartered Accountants, of Calgary, Alberta. KPMG LLP, Chartered Accountants, have been the auditors of the Corporation since May 5, 2010.

SCHEDULE "A"
BOARD OF DIRECTORS MANDATE

These terms of reference define the role of the Board of Directors of the Corporation. The fundamental responsibilities of the Board of Directors of Surge Energy Inc. (the "**Corporation**") are to: (i) appoint and oversee a competent executive team to manage the business of the Corporation, with a view to maximizing shareholder value, (ii) identify and understand the risks associated with the business of the Corporation and (iii) ensure corporate conduct in an ethical and legal manner via an appropriate system of corporate governance, disclosure processes and internal controls. The following are the key guidelines governing how the Board will operate to carry out its duties.

1. Duty of Oversight

The Board is responsible for overseeing and supervising management's conduct of the business of the Corporation to ensure that such business is being conducted in the best interests of the Corporation and its Shareholders.

2. Formulation of Corporate Strategy

Management is responsible for the development of an overall corporate strategy to be presented to the Board. The Board shall ensure there is a formal strategic planning process in place and shall review and, if it sees fit, endorse the corporate strategy presented by management. The Board shall monitor the implementation and execution of the corporate strategy.

3. Principal Risks

The Board should have a continuing understanding of the principal risks associated with the business of the Corporation. It is the responsibility of management to ensure that the Board and its committees are kept well informed of changing risks. The principal mechanisms through which the Board reviews risks are the Audit Committee, the Reserves Committee, the Environmental, Health and Safety Committee and the strategic planning process. It is important that the Board understands and supports the key risk decisions of management.

4. Internal Controls and Communication Systems

The Board ensures that sufficient internal controls and communication systems are in place to allow it to conclude that management is discharging its responsibilities with a high degree of integrity and effectiveness. The confidence of the Board in the ability and integrity of management is the paramount control mechanism.

5. Financial Reporting, Operational Reporting and Review

(a) The Board ensures that processes are in place to address applicable regulatory, corporate, securities, environment, social and governance and other compliance matters, including applicable certification requirements regarding the financial, operational and other disclosure of the Corporation.

(b) The Board reviews and approves the financial statements, related MD&A, reserves evaluations and environment, social and governance reports of the Corporation.

(c) The Board approves annual operating and capital budgets and reviews and considers all amendments or departures proposed by management from established strategy, capital and operating budgets or matters of policy which diverge from the ordinary course of business.

(d) The Board reviews operating and financial performance results relative to established strategy, budgets and objectives.

6. Succession Planning and Management Development

The Board considers succession planning and management recruitment and development. The Chief Executive Officer and the Compensation, Nominating and Corporate Governance Committee shall periodically review succession planning and management recruitment and development.

7. Disclosure and Communication Policy

The Board will adopt a policy governing disclosure and communication concerning the affairs of the Corporation.

8. The Chair of the Board

The Board shall appoint a Chair from among its members. The role of the Chair is to act as the leader of the Board, to manage and co-ordinate the activities of the Board and to oversee execution by the Board of this written mandate.

9. Committees

The Board may appoint such committees as it sees fit. Each committee operates according to terms of reference approved by the Board and outlining its duties and responsibilities and the limits of authority delegated to it by the Board. The Board reviews and re-assesses the adequacy of the terms of reference of each committee on a regular basis and, with respect to the Audit Committee, at least once a year.

10. Committee Chairs and Committee Members

(a) The Chair shall annually propose the leadership and membership of each committee. In preparing recommendations, the Chair will take into account the preferences, skills and experience of each director. Committee Chairs and members are appointed by the Board at the first Board meeting after the annual shareholder meeting or as needed to fill vacancies during the year.

(b) Each committee's meeting schedule will be determined by its Chair and members based on the committee's work plan and terms of reference. The committee Chair will develop the agenda for each committee meeting. Each committee will report in a timely manner to the Board on the results of its meetings.

11. Board Meetings and Agendas

(a) The Board will meet a minimum of 5 times per year.

(b) The Chair, in consultation with the Chief Executive Officer, the Chief Financial Officer and the Corporate Secretary, will develop the agenda for each Board meeting. Under normal circumstances, management will use its best effort to distribute the agenda and related materials to directors not less than two business days before the meeting. All directors are free to suggest additions to the agenda.

12. Information for Board Meetings

(a) Material distributed to the directors in advance of Board meetings should be concise, yet complete, and prepared in a way that focuses attention on critical issues to be considered. Reports may be presented during Board meetings by directors, management or staff, or by invited outside advisors. Presentations on specific subjects at Board meetings should briefly summarize the material sent to directors, so as to maximize the time available for discussion on questions regarding the material.

(b) It is recognized that under some circumstances, due to the confidential nature of matters to be discussed at a meeting, it would not be prudent or appropriate to distribute written material in advance.

13. Non-Directors at Board Meetings

The Board appreciates the value of having management team members attend Board meetings to provide information and opinions to assist the directors in their deliberations. The Board, through the Chair, can determine management attendees at Board meetings.

14. Board Relations with Management

(a) Board policies and guidelines are issued to management for their adherence. Directors may direct questions or concerns on management performance to the Chair, to the President and Chief Executive Officer or through Board and committee meetings.

(b) While the Board establishes limits of authority delegated to management, directors must respect the organizational structure of management. A director has no authority to direct any staff member.

15. New Director Orientation

New directors will be provided with an orientation which will include written information about the duties and obligations of directors and the business and operations of the Corporation, documents from recent Board meetings and opportunities for meetings and discussion with senior management and other directors.

16. Assessing the Board’s Performance

The Board is responsible for annually assessing its overall performance and that of its committees. The objective of this review is to contribute to a process of continuous improvement in the Board’s execution of its responsibilities. The review should identify any areas where the directors or management believe that the Board could make a better collective contribution to overseeing the affairs of the Corporation.

17. Board Compensation

The Compensation and Nominating Committee will review director compensation annually in accordance with the terms of reference of the Compensation and Nominating Committee and will recommend changes in compensation to the Board when warranted and in light of the responsibilities and risks involved in being a director.

18. Annual Evaluation of the President and Chief Executive Officer

The Compensation and Nominating Committee will conduct an annual performance review of President and Chief Executive Officer in accordance with the terms of reference of the Compensation and Nominating Committee. The results of this performance review will be communicated to the President and Chief Executive Officer by the Chair.

19. Outside Advisors for Individual Directors

Occasionally, a director may need the services of an advisor to assist with matters involving responsibilities as a director. A director who wishes to engage an outside advisor at the expense of the Corporation may do so with the authorization of the Chair of the Board.

20. Conflict of Interest

(a) Directors have a duty to act honestly and in good faith with a view to the best interests of the Corporation and to exercise the care, diligence and skill a reasonably prudent person would exercise in comparable circumstances.

(b) Directors shall not allow personal interests to conflict with their duties to the Corporation and shall avoid and refrain from involvement in situations of conflict of interest.

(c) A director shall disclose promptly any circumstances such as an office, property, a duty or an interest, which might create a conflict with that director's duty to the Corporation.

(d) A director shall disclose promptly any interest that director may have in an existing or proposed contract or transaction of or with the Corporation.

(e) The disclosures contemplated in paragraphs (c) & (d) above shall be immediate if the perception of a possible conflict of interest arises during a meeting of the Board or any committee of the Board, or if the perception of a possible conflict arises at another time then the disclosure shall occur at the first Board meeting after the director becomes aware of the potential conflict of interest.

(f) A director's disclosure to the Board shall disclose the full nature and extent of that director's interest either in writing or by having the interest entered in the minutes of the meeting of the Board.

(g) A director with a conflict of interest or who is capable of being perceived as being in conflict of interest vis a vis the Corporation shall abstain from discussion and voting by the Board or committee of the Board on any motion to recommend or approve the relevant contract of transaction unless the contract or transaction is an arrangement by way of security for obligations undertaken by the director for the benefit of the Corporation or one relating primarily to the director's remuneration or benefits. If the conflict of interest is obvious and direct, the director shall withdraw while the item is being considered.

(h) Without limiting the generality of "conflict of interest" it shall be deemed a conflict of interest if a director, a director's relative, a member of the director's household in which any relative or member of the household is involved has a direct or indirect financial interest in, or obligation to, or a party to a proposed or existing contract or transaction with the Corporation.

(i) Directors shall not use information obtained as a result of acting as a director for personal benefit or for the benefit of others.

(j) Directors shall maintain the confidentiality of all information and records obtained as a result of acting as a director.

21. Corporate Governance

The Board retains overall responsibility for the implementation and enforcement of an appropriate system of corporate governance, including policies and procedures to ensure the Board functions independently of management. The Board shall establish and maintain such corporate governance policies and procedures as are necessary to ensure that the Corporation is fully compliant with applicable securities laws and prevailing governance standards. Such policies and procedures shall contain clear reporting, oversight and enforcement provisions that reserve the right to the Board to take appropriate remedial action in the event of a breach thereof. The Board shall mandate the Corporation's professional advisors to keep it apprised of developing corporate governance issues and shall, each year after the annual shareholder meeting of the Corporation, review the sufficiency of the Corporation's corporate governance policies and procedures.

22. Terms of Reference Review

These Terms of Reference shall be reviewed and approved by the Board each year after the annual general shareholder meeting of the Corporation.

TIME IS OF THE ESSENCE. PLEASE VOTE TODAY.

Shorecrest

Questions may be directed to:

North American Toll-Free **1-888-637-5789**
Banks and Brokers and collect calls outside North America **647-931-7454**

Email at **contact@shorecrestgroup.com** | **www.shorecrestgroup.com**