

Premier Oil Assets Driving Free Cash Flow and Shareholder Returns

CORPORATE PRESENTATION

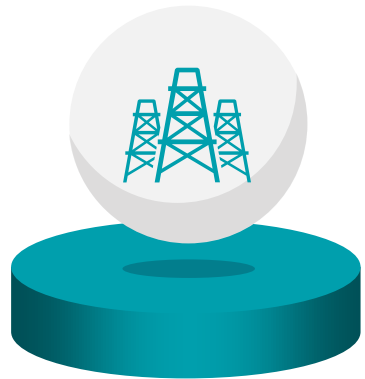
SUMMER 2024

SURGE
ENERGY INC

The Surge Value Proposition



High quality assets and strategic capital allocation maximize shareholder value and returns



High Quality Conventional Assets

- Dominant positions in conventional Sparky and SE Saskatchewan oil plays
- Light/medium oil asset base with large OOIP, high netbacks, and low recoveries
- Multi-year development drilling inventory



Disciplined Capital Allocation

- Targeting low net debt and leverage metrics
- Low declines underpinned by current and future waterflood operations
- High porosity and permeability low-cost conventional reservoirs provide better PEs, IRRs, and PIRs



Proven Track Record of Execution

- Seasoned management team with a proven track record of execution
- Strong governance with significant insider ownership = shareholder alignment and commitment to long-term sustainability and success



Maximize Free Cash Flow and Shareholder Returns

- Focus on operational execution drives enhanced free cash flow and financial flexibility
- A shareholder returns-based model with an increasing, compounding dividend
- Significant tax pools allow for maximum distribution of free cash flow on a tax-efficient basis

¹ Surge has \$1.4 billion in tax pools, representing a 4-year tax horizon at US\$75 WTI pricing.

Please see the Advisories section at the back of this presentation for further details regarding forward-looking statements, oil and gas information, and non-GAAP and other financial measures.

Proven Business Strategy

Focused on sustainable returns and enhancing free cash flow

Surge executes on a simple, repeatable business strategy:

- Develop high quality conventional oil reservoirs with proven technology, and further enhance recovery through waterflood;
- Strategically allocate capital to highest return opportunities to maximize free cash flow generation; and
- Positively impact the communities in which we operate through our commitment to strong environment, social, and governance (ESG) principles.



Q1 2024 Highlights



In Q1 2024, Surge:

- Achieved average daily production of **24,903 boepd** (86% liquids);
- Delivered **\$66.8 million of cash flow from operating activities** and \$62.5 million of adjusted funds flow (“AFF”);
- Returned over \$12 million of cash dividends to shareholders;
- Executed a successful drilling program of **24 gross (21.4 net) wells** in its Sparky and SE Saskatchewan core areas;
- Acquired a 50% working interest and operatorship of the 6-8 gas plant in its core Betty Lake operating area for \$3.7 million in April 2024, reducing asset opex by ~\$1.50/boe; and
- Subsequent to the quarter, increased its revolving first lien credit facilities by \$60 million (a 40% increase) from \$150 million to \$210 million.

Corporate Guidance for 2024

Key Guidance & Assumptions¹

US\$75 WTI

2024 Annualized cash flow from operating activities ²	\$295 MM
2024 Annualized free cash flow ³ before dividends	\$105 MM
2024 All-in payout ratio ³ (including \$0.48/share annual dividend)	81%
2024 Exit net debt to exit cash flow from operating activities ³	0.7x

Market Snapshot

Basic Shares Outstanding ⁴	100.3 MM
Average Daily Volume	0.5 MM Shares
Market Capitalization / Debt / Enterprise Value ⁵	\$700MM / \$290MM / \$990 MM

25,000 BOEPD

2024 Production Forecast
(est.)

\$190 MILLION

Sustainably-Oriented
2024 Capital Budget (est.)

\$0.48

Annual per share
dividend³

¹ Based on the following pricing assumptions: US\$75 WTI/bbl (WCS: US\$16.00, EDM US\$3.50 differentials), CAD/USD FX of \$0.725 and AECO of \$2.95 per mcf

² Assumes nil change in non-cash working capital.

³ Please see the Advisories section at the back of this presentation for further details regarding forward-looking statements, oil & gas information, and non-GAAP and other financial measures.

⁴ As at December 31, 2023

⁵ Market Capitalization and Enterprise Value at \$7.00 per share SGY and based on net debt of \$290MM as at December 31, 2023.

SRGE

**Focused on returns and
enhancing free cash
flow while managing risk**

Greater Sawn

Valhalla

Sparky

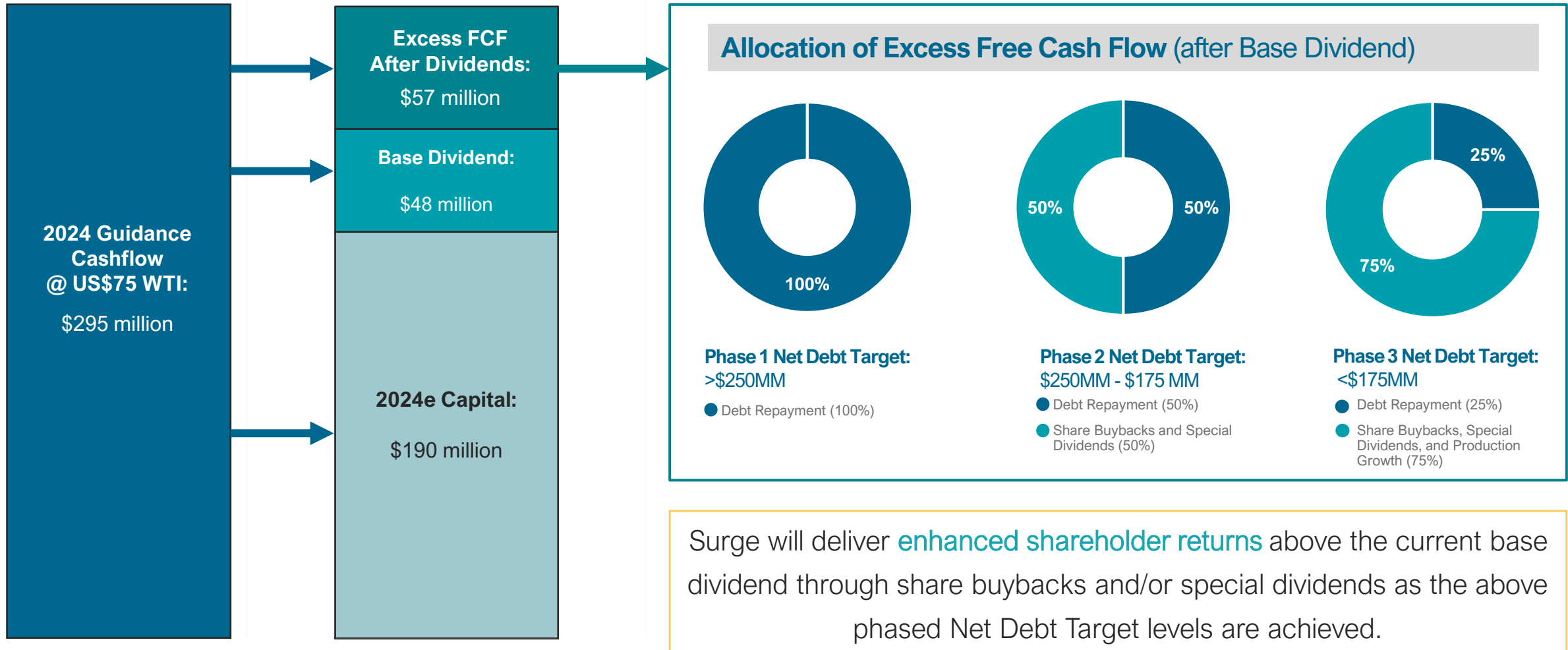
SE Saskatchewan

Shaunavon

Return of Capital Framework



Surge is well positioned to deliver returns to shareholders through its base dividend and excess Free Cash Flow



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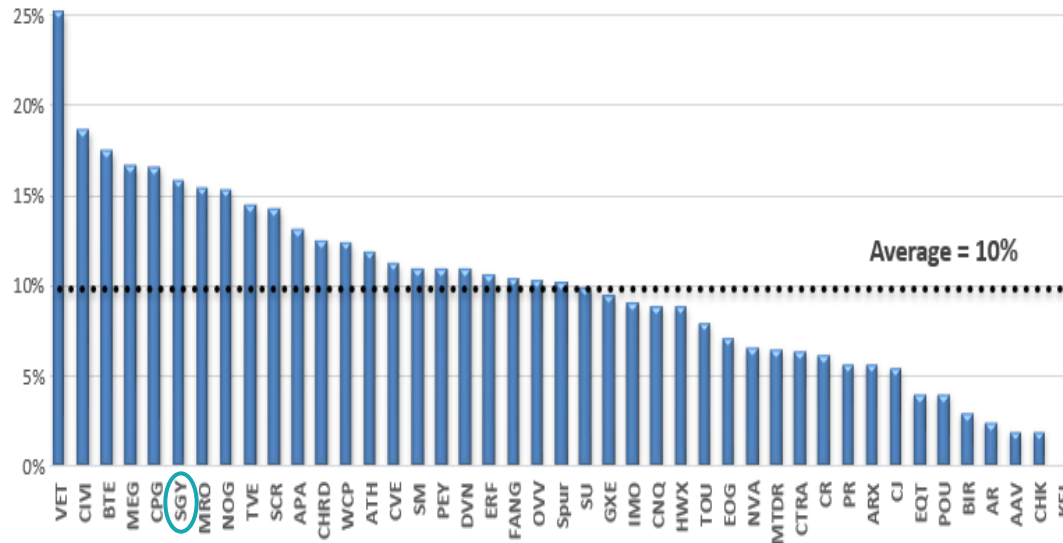
Positioned To Be A Top Performer



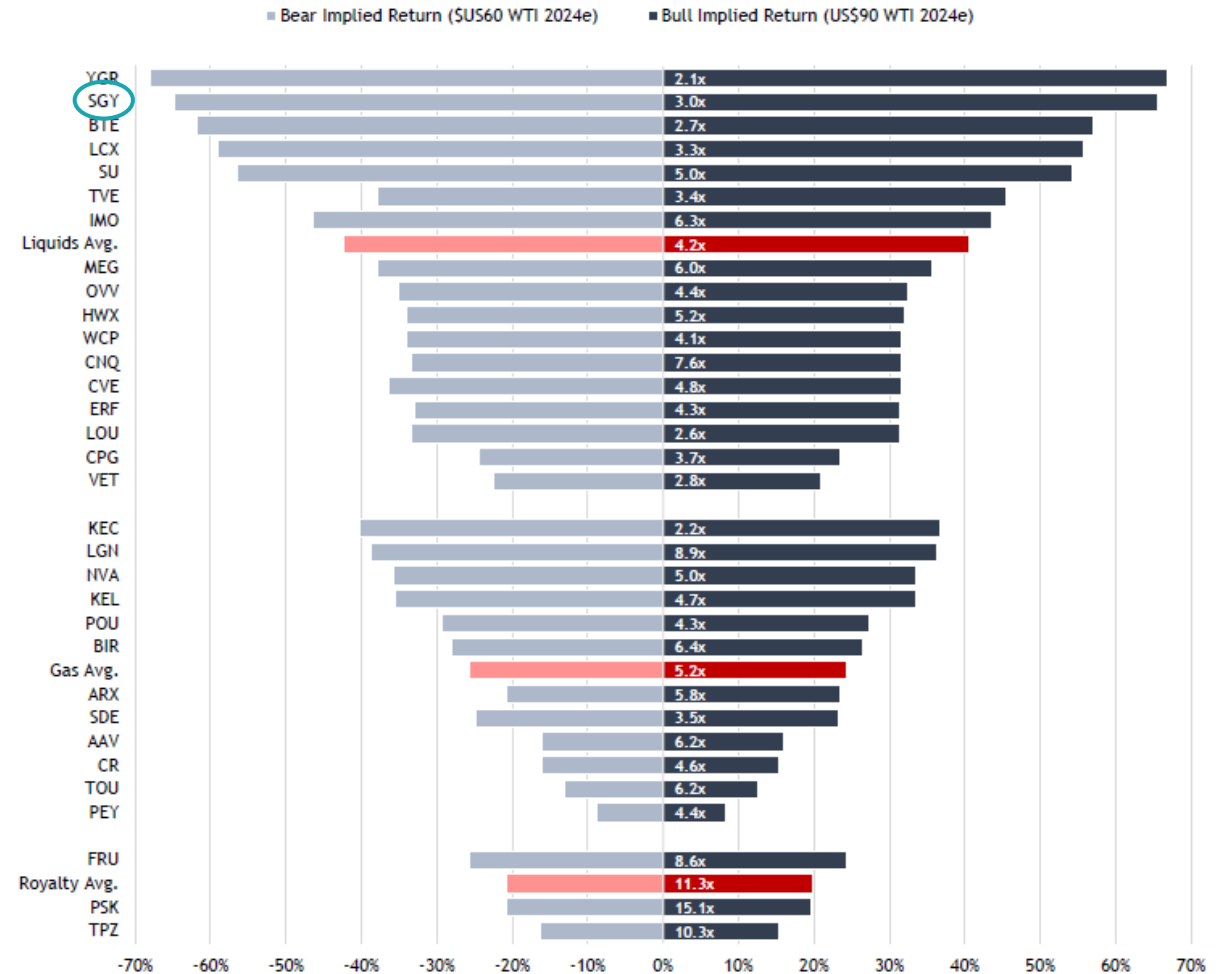
Surge has been independently recognized as having one of the best FCF yields in its intermediate peer group while trading at a very attractive NAV valuation.

Surge's top tier FCF yield takes into account its high netbacks (>\$40/boe), low annual corporate production decline (25%), and quick well payouts (<10 months) at Sparky and SE Saskatchewan.

2024 Free Cash Flow Yield at \$75 WTI



2024e Implied Share Price (US\$90 WTI & US\$60 WTI)



Source: Ninepoint Partners, February 8, 2024; Natural Gas strip, forex strip, and \$15.00 WCS Differential

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Note: Residuals ran on strip pricing as of 2024-02-28; Targets calculated using 2024e EV/DACF multiple at strip as of 2024-02-29 (shown as data labels)

Source: NBF, Company Reports, LSEG, Bloomberg

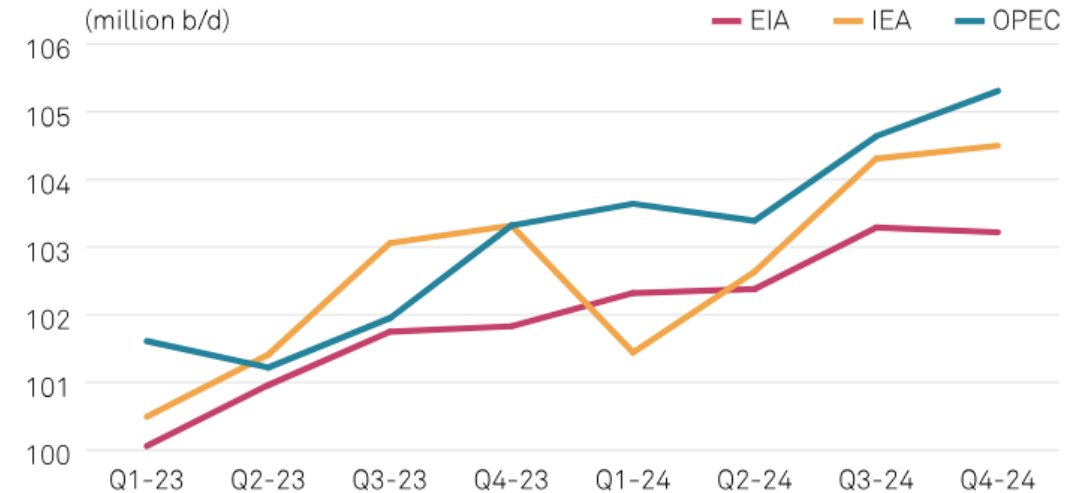
Compelling opportunity for energy investors

While upstream investment is recovering from the 2020-2021 downturn, annual investment will need to increase by a cumulative \$4.9 trillion between 2023 and 2030 to meet demand and stave off a worldwide supply shortfall this decade.

This investment imbalance will continue to have serious implications for the global economy and energy security.

Energy will continue to offer investors a highly attractive value proposition in 2024 and beyond

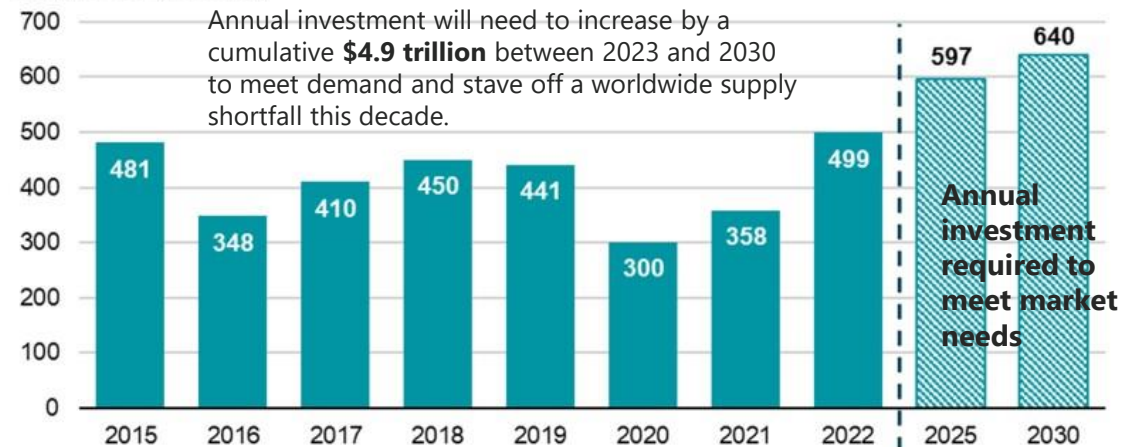
2024 oil demand growth



Source: OPEC, IEA, EIA

Global Oil & Gas Upstream Capex

Billion USD (nominal)

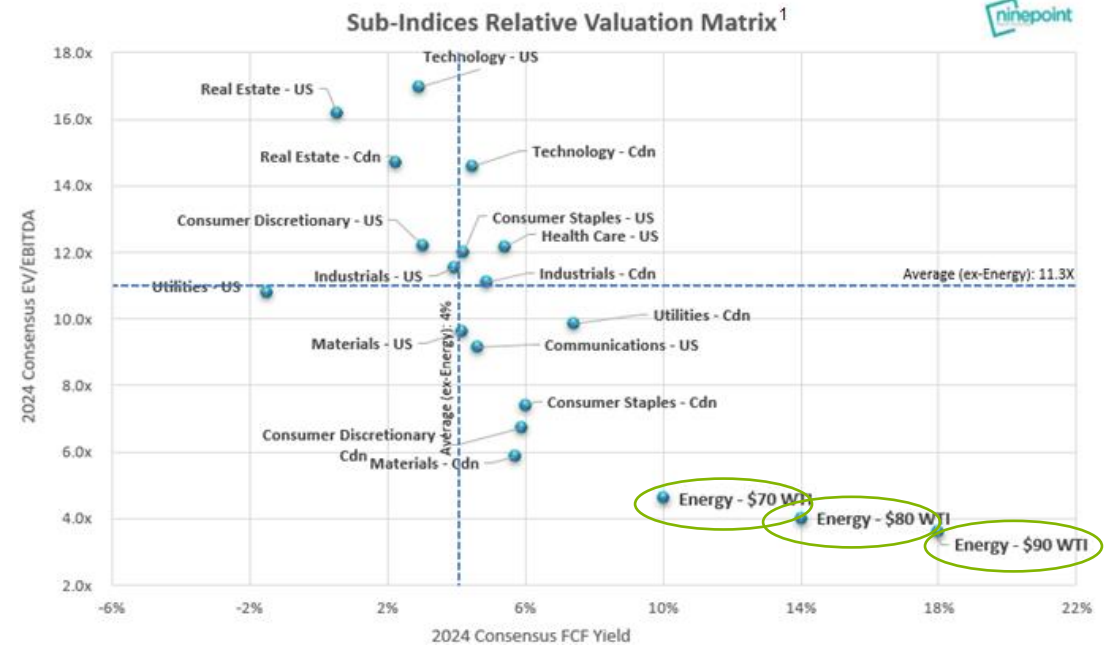


Source: IEF, S&P Global Commodity Insights

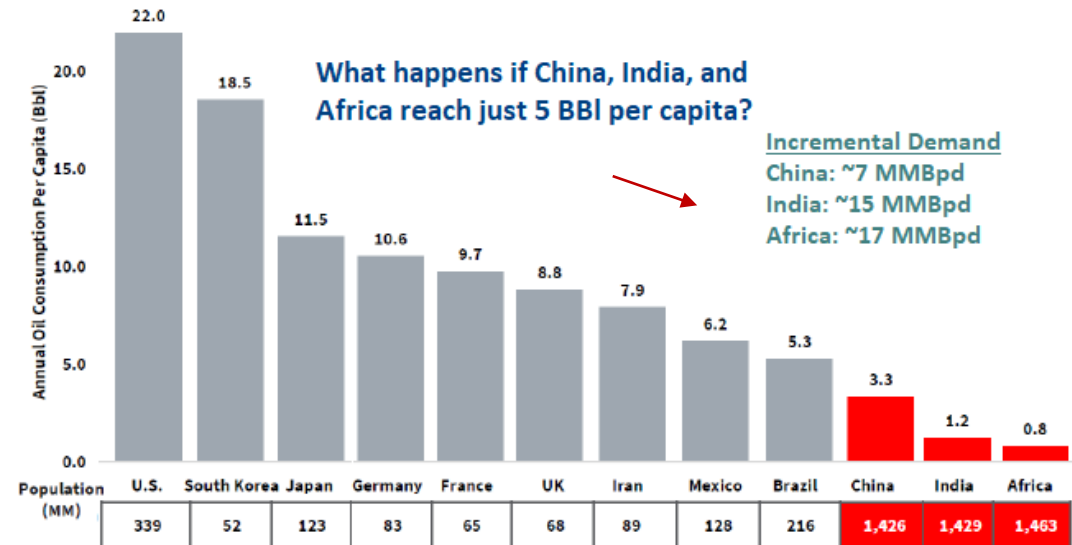
Compelling opportunity for energy investors

With historically low debt levels, excellent free cash flow yields, and low trading multiples, top oil companies offer more attractive returns to investors than any other industry sector today.

The forecast for oil prices in 2024 remains bullish, driven by chronic sector underinvestment and ever-increasing demand spurred by the industrialization of the world's fastest-growing major economies, China and India. This is expected to be the single biggest driver of global oil demand growth over the next two decades.



Annual Per Capita Oil Consumption (Select Countries & Continents)²



¹ Source: Bloomberg, Ninepoint Partners
Energy sub-index uses Ninepoint estimates and EV/CF vs. EV/EBITDA for other sub-indices.
² Source: EIA, BP Statistical Review of World Energy.

Sparky and SE Saskatchewan

*Surge offers exposure to **two of the top three**
conventional oil growth plays in Canada*



Advantages of Conventional Reservoirs

Surge proactively targets low risk conventional reservoirs. The Company currently has >3.0 billion barrels of net OOIP with a 7.7% recovery factor (cumulative to date).

- High permeability and conventional reservoirs lower capital risk and decline profiles.
- Potential for greatly improved ultimate oil recovery and greater IRR and PIR.
- Enhanced oil recovery from waterflood potential lowers decline rates and adds incremental barrels at a low cost.

Conventional reservoirs offer lower risk, predictable, repeatable development with opportunity to improve recovery factors



Increasing permeability = higher quality reservoir

Please see the Advisories section at the back of this presentation for further details regarding forward-looking statements, oil and gas information, and non-GAAP and other financial measures.

Sparky and SE Saskatchewan provide exceptional economics and a depth of drilling inventory

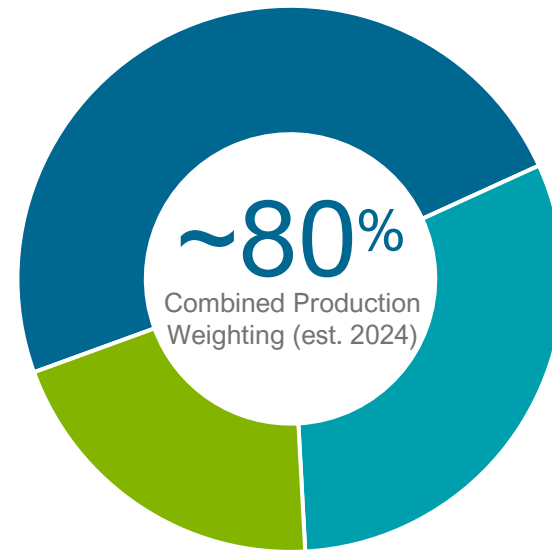
Sparky

Light/medium crude oil production with compelling returns. Low on-stream costs with extensive drilling and waterflood inventory provides excellent long term sustainable growth potential.

SE Saskatchewan

Highly focused, operated asset base with excellent light oil operating netbacks. Low-cost wells with short payouts. Potential for continued area consolidation.

Please see the Advisories section at the back of this presentation for further details regarding forward-looking statements, oil and gas information, and non-GAAP and other financial measures.

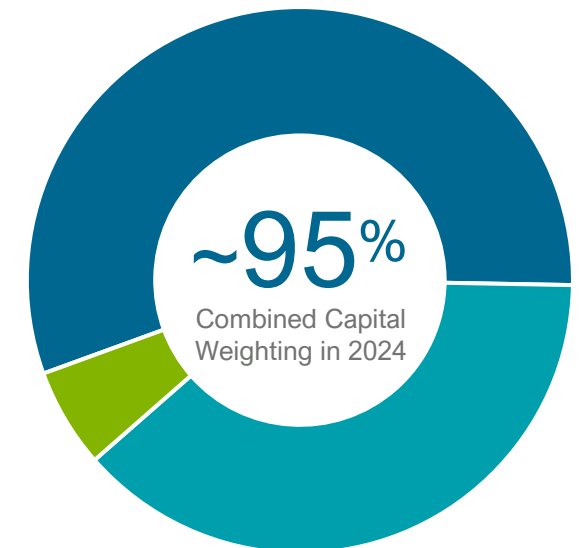


2024 Production Weighting by Area

- Sparky
- SE Saskatchewan
- Other Surge Assets

2024 Capital Weighting by Area

- Sparky
- SE Saskatchewan
- Other Surge Assets



Sparky

A One-of-a-Kind Position

Surge holds a dominant land position and is drilling a mix of horizontal multi-frac and horizontal multi-lateral wells in the Sparky area

Sparky Formation Facts

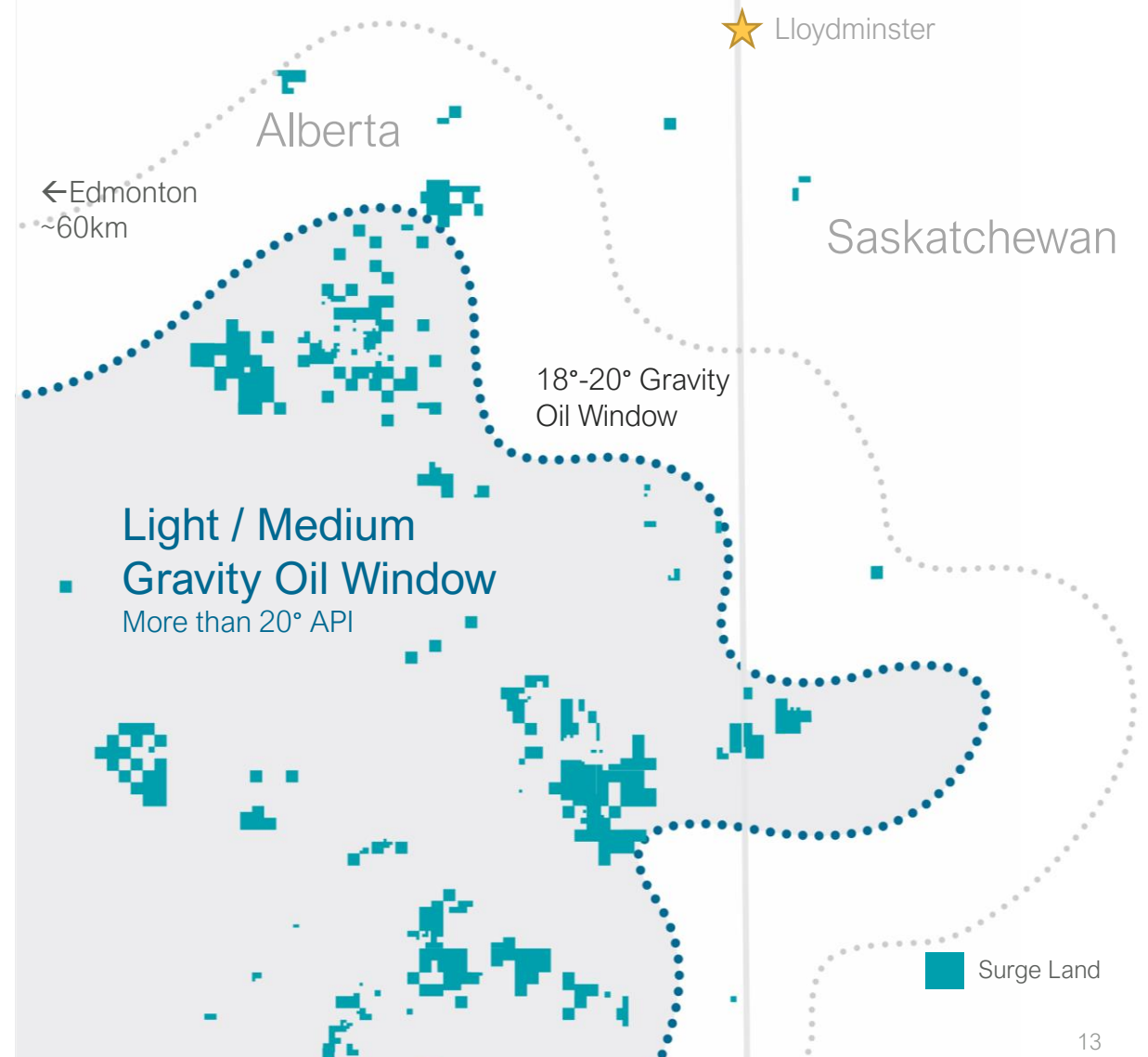
First Production	May 1922
Original Oil in Place	>11 Bbbls
Cum Production	~1.32 Bbbls
Recovery Factor to date	~12%
Producing Wells	~23,000
Hz Wells	~1,300
Multi-Frac Hz Wells	~420
Surge Drilled Multi-Frac Hz	>225
Multi-Leg Hz Wells	~475
Surge Drilled Multi-Leg Hz	18

Data sourced from Canadian Discovery and Geoscout

- Large, well established oil producing fairway in Western Canada
- Increased market focus with operators implementing multi-lateral horizontals in areas of higher oil viscosity; being compared to the Clearwater
- Per well economics with quick payouts and excellent rates
- Conventional sandstone reservoirs support top-tier capital efficiencies
- Shallow depth (700-900m)
- Low geological risk due to 3D seismic and thousands of vertical penetrations

Over 11 Billion Barrel Trend

One of Canada's Largest Accumulations of Oil



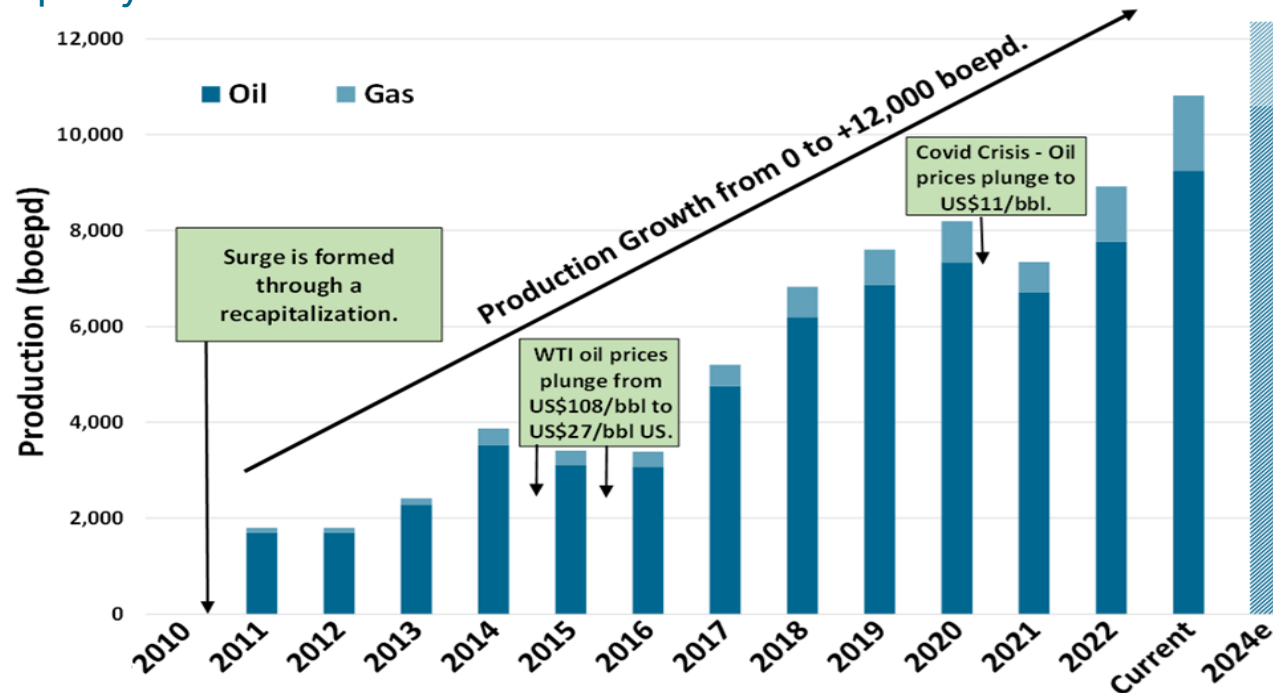
Sparky Core Area



Long-Term Growth Potential

Pad drilling, advanced horizontal multi-stage fracturing technology, and multi-lateral horizontal success has unlocked the potential of the Sparky play

Sparky Core Area Production Growth



- Production has grown by >500% from 1,800 boepd in 2011 to ~11,500 boepd today
- Low-cost drilling (DCET of ~\$1.6MM per well)
- Focus on lighter WCS oil gravity (18-31° API) = higher operating netbacks
- Proven waterflood potential (Wainwright pool at >30% recovery factor)

>1 billion bbls

OOIP net to SGY (internally estimated)

>470 net

>85 Multi-Lateral Locations

* As of Jan. 1, 2024

>11,500 boepd

Production (>85% liquids)

>\$190 million

Field level cash flow (at US\$80/bbl WTI)

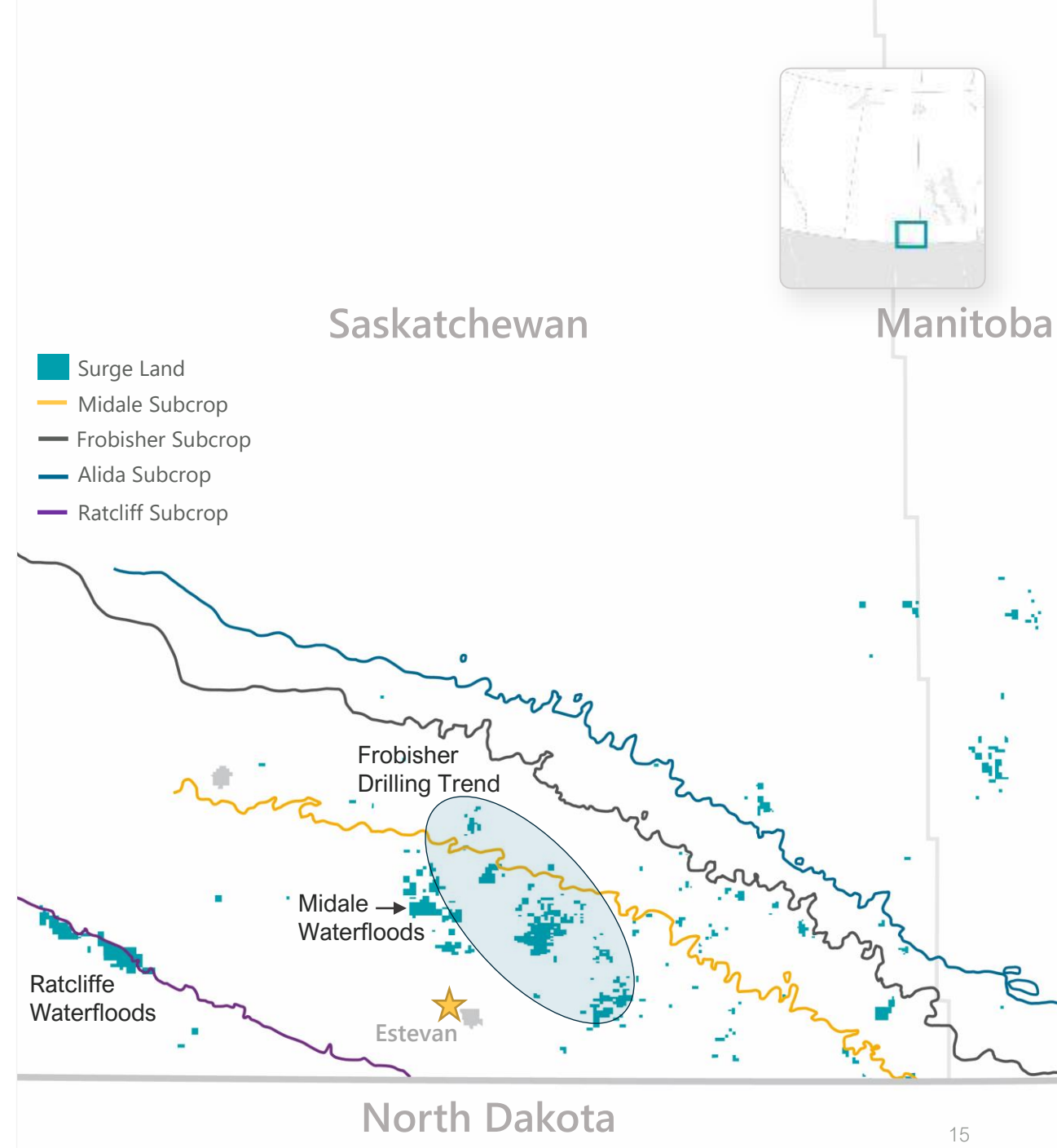
SE Saskatchewan

A Light Oil Balance

Surge's operational track record of success in SE Saskatchewan makes this an exciting growth area

Area Benefits

- Organic growth opportunities
- Strategic acquisitions or tuck-in consolidation opportunities
- Cost-efficient drilling (DCET of \$1.45MM per well)
- Extremely quick turnaround from spud to on production (under two weeks)
- High operating netback light oil production and reserves
- Mix of low decline waterfloods & highly economic drilling
- Assets have low liabilities; minimal inactive ARO
- Year-round access



Key Growth Driver



High operating netback light oil production and reserves from low risk, proven conventional reservoirs

Key Operational Areas

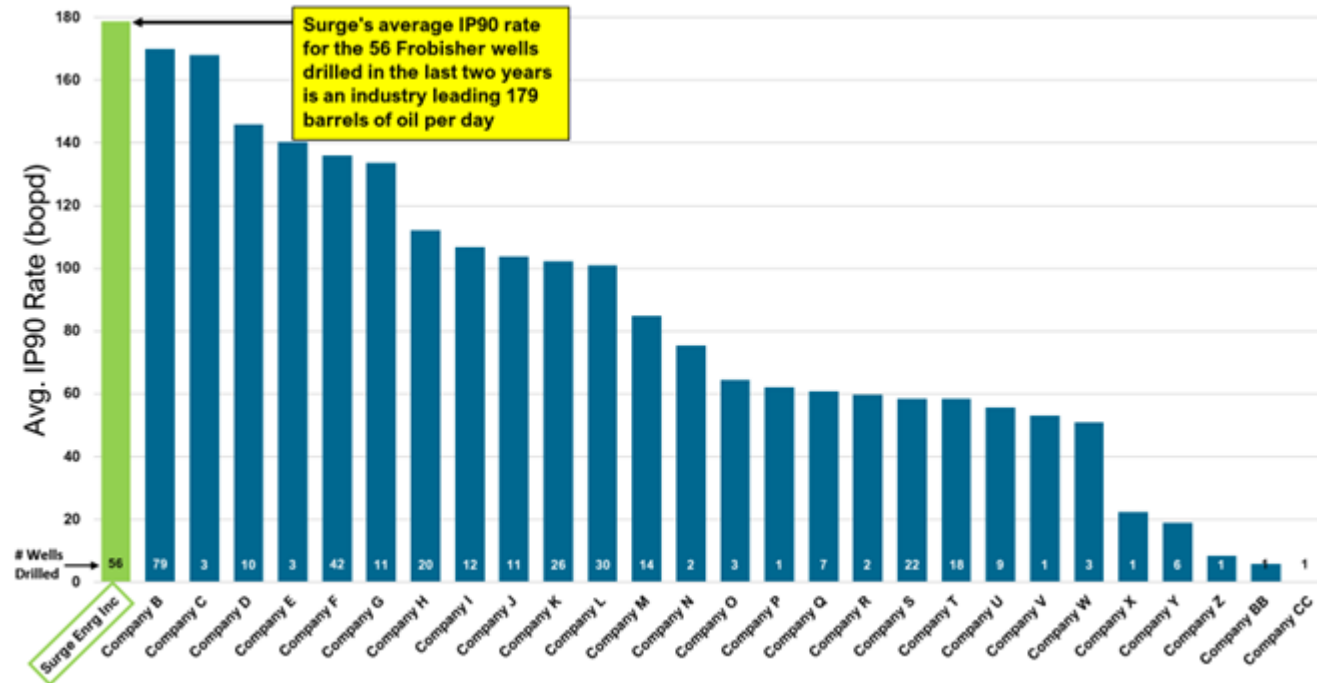
SE Saskatchewan ~7,600 boepd (>90% light oil)

Manitoba ~400 boepd (~99% light oil)

>400 million bbls

OOIP net to SGY (*internally estimated*)

SE Saskatchewan Frobisher Average IP90 By Operator (*January 2022 - December 2023*)



Surge's average IP90 rate for the 56 Frobisher wells drilled in the last two years is an industry leading 179 barrels of oil per day

>290 net

SE Saskatchewan drilling locations

** Internally estimated as of Jan. 1, 2024*

~8,000 boepd

Production (90% liquids)

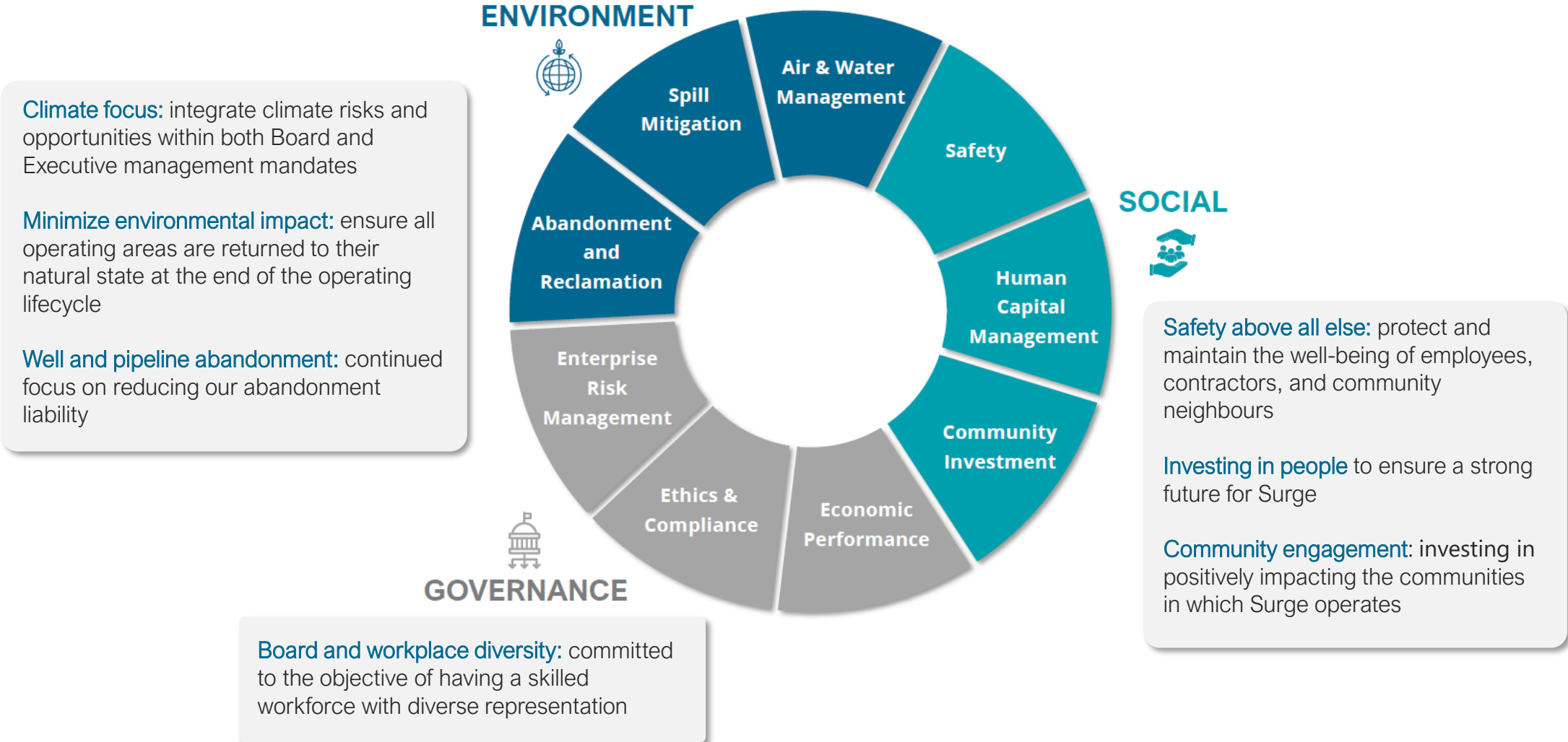
>\$150 million

Of field level cash flow (at US\$80/bbl WTI)

Committed to Sustainability



Surge is dedicated to responsible asset development and creating value for current and future generations



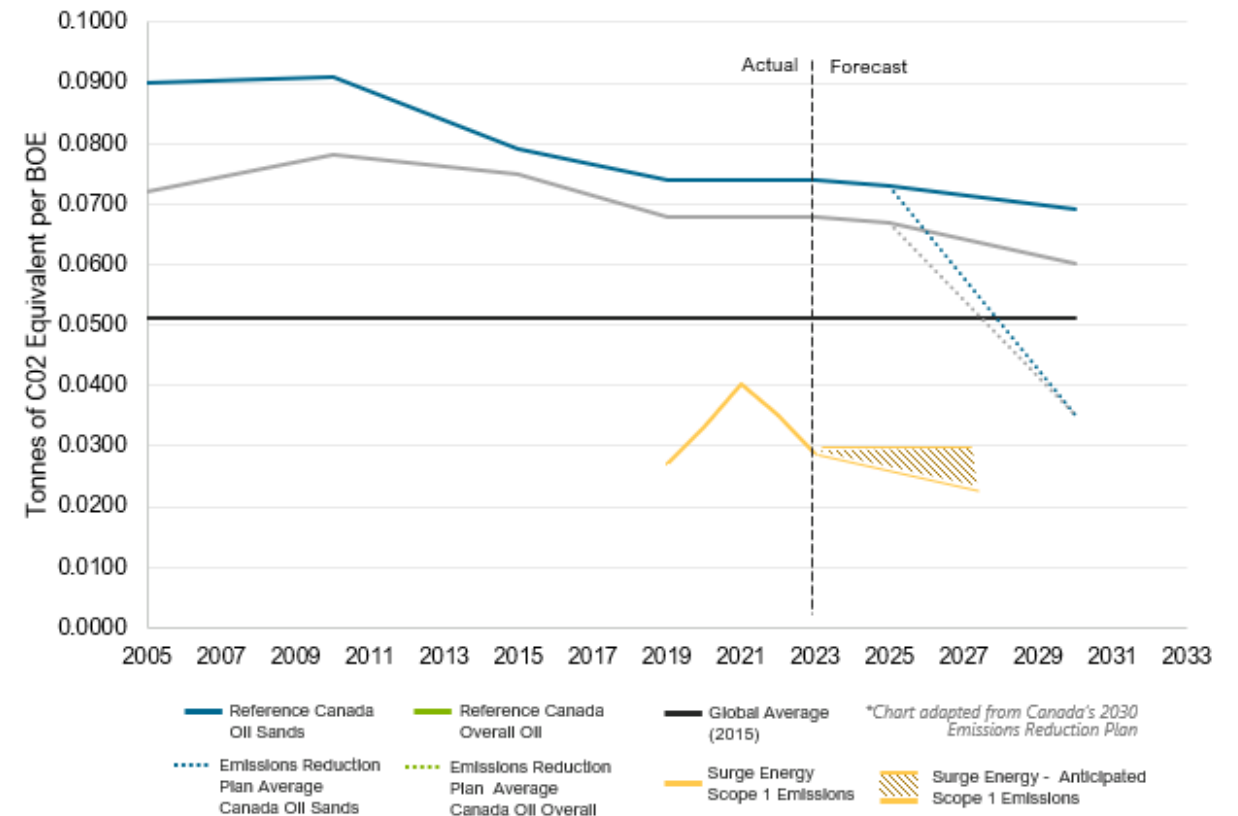
Sustainability in Action



Surge continues to execute on its focused sustainability priorities

- Surge maintains an active sustainability advisory committee focused on supporting emission reduction targets, water management, spill mitigation, and environmentally-focused projects.
- Reduced Scope 1 emissions intensity by **18%** in 2023 (28% since 2021).
- Reduced methane emissions by >27,000 tonnes CO₂e since 2021.
- Reduced fresh-water withdrawals by **50%** in 2023.
- Spent \$54 million on abandonment and reclamation activities since 2019, abandoning over 940 wells and 830 km of inactive pipeline.
- Won the United Way Community Impact Award of Excellence for outstanding commitment to the Calgary community.

CANADA OIL CARBON INTENSITY VS GLOBAL AVERAGE*



Leadership



Paul Colborne

President & CEO

Paul Colborne has over 25 years of experience in the oil and gas industry and has been involved in a leadership, executive, or director capacity with over 30 oil and gas and energy services companies.



Jared Ducs

CFO

Jared Ducs is a Chartered Accountant with more than 17 years of accounting and finance experience in the oil and gas industry. Mr. Ducs is a founding member of Surge, having held several progressively senior positions with the Company.



Murray Bye

COO

Murray Bye is a Professional Engineer with more than 24 years of engineering experience including development, production, and reservoir management in Western Canada.



Derek Christie

Senior VP, Exploration

Derek Christie is a Senior Energy Executive and Professional Geologist with over 28 years of wide-ranging experience across North American Basins in both Conventional and Unconventional Reservoir Exploration and Development.



Margaret Elekes

Senior VP, Land & BD

Margaret Elekes has more than 25 years of experience in the oil and gas industry focusing on negotiations, acquisitions, and divestitures in Canada and the United States.

Board of Directors



Paul Colborne
President & CEO



Jim Pasieka¹
Chairman



Marion Burnyeat^{2,3}
Independent Director



Daryl H. Gilbert^{3,4}
Independent Director



Michelle Gramatke^{2,4,5}
Independent Director



Robert Leach^{2,5,6}
Independent Director



Allison Maher^{2,4,5}
Independent Director



Dan O'Neil^{3,4}
Independent Director



Murray Smith^{2,3}
Independent Director

Board Committees

1. Chair of the Board
2. Member of the Compensation, Nominating and Corporate Governance Committee. Ms. Burnyeat serves as Chair.
3. Member of the Environment, Health and Safety Committee. Mr. Gilbert serves as Chair.
4. Member of the Reserves Committee. Mr. O'Neil serves as Chair.
5. Member of the Audit Committee. Ms. Maher serves as Chair.
6. Lead independent director of the Board.

Corporate Information



TSX

SGY.TO

Headquarters

Surge Energy Inc.
Centennial Place, East Tower
1200 520 3rd Ave SW
Calgary, AB T2P 0R3
T: (403) 930-1010
F: (403) 930-1011

First Lien Lending Syndicate

National Bank of Canada
ATB Financial
BDC Capital
Canadian Western Bank

Auditor

KPMG LLP

Legal Counsel

McCarthy Tétrault LLP

Evaluation Engineers

Sproule

Registrar & Transfer Agent

Odyssey Trust

Investor Contacts

Paul Colborne, President & CEO
Jared Ducs, CFO
invest@surgeenergy.ca

Appendix

2023 Reserves and Net Asset Value



Dec. 31, 2023 Sproule Reserves

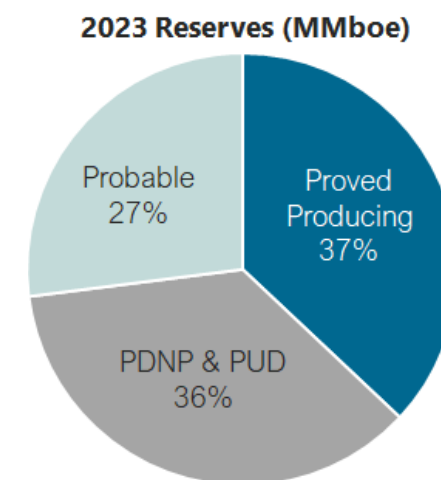
Gross Reserves ¹	Oil Equivalent Total Reserves (Mboe)	Oil & Liquids (%)	BTax NPV10 (\$MM) ^{2,3}
Proved Developed Producing (PDP)	42,814	88%	\$858
Total Proved (1P) <i>(397 net locations)</i>	84,924	87%	\$1,421
Total Proved Plus Probable (2P) <i>(489 net locations)</i>	116,683	86%	\$2,059

Dec. 31, 2023 Net Asset Value on YE2023 Sproule Reserves

	Proved Producing	Total Proved (1P)	Proved + Probable (2P)
BTax NPV10 (\$MM)	\$858	\$1,421	\$2,059
Net Debt (\$MM)	(\$290)	(\$290)	(\$290)
Total Net Assets (\$MM)	\$568	\$1,131	\$1,769
Basic Shares Outstanding (MM)	100.3	100.3	100.3
Estimated NAV per Basic Share	\$5.66/share	\$11.27/share	\$17.63/share

Surge provides an excellent value proposition, trading at just 39% of its 2P NAV per share, which includes only half of SGY's total drilling locations.

Surge's peer group leading Free Cash Flow yield (~15%) and \$17.63 2P NAV per share provide a significant runway for continued shareholder value creation.



¹ Amounts might not add due to rounding

² Before Tax Net Present Value of Future net Revenue discounted at 10%

³ Total ADR (Abandonment, Decommissioning, Reclamation) is included in the reserves report, as it is best practice stated in the COGE Handbook.

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Supporting Assets

Production

Greater Sawn / Carbonates	~2,900 boepd
Valhalla	~2,000 boepd
Shaunavon	~1,150 boepd
Minors	~300 boepd
TOTAL	~6,350 boepd

Greater Sawn

Concentrated Light Oil

>600 MMbbls net OOIP in concentrated, conventional Slave Point reefs

Valhalla

Stacked pay multi-zone potential

Light oil (~40° API) with extensive area infrastructure and access to multiple egress options = attractive operating netbacks

Shaunavon

Producing low decline, medium gravity crude oil with high operating netbacks

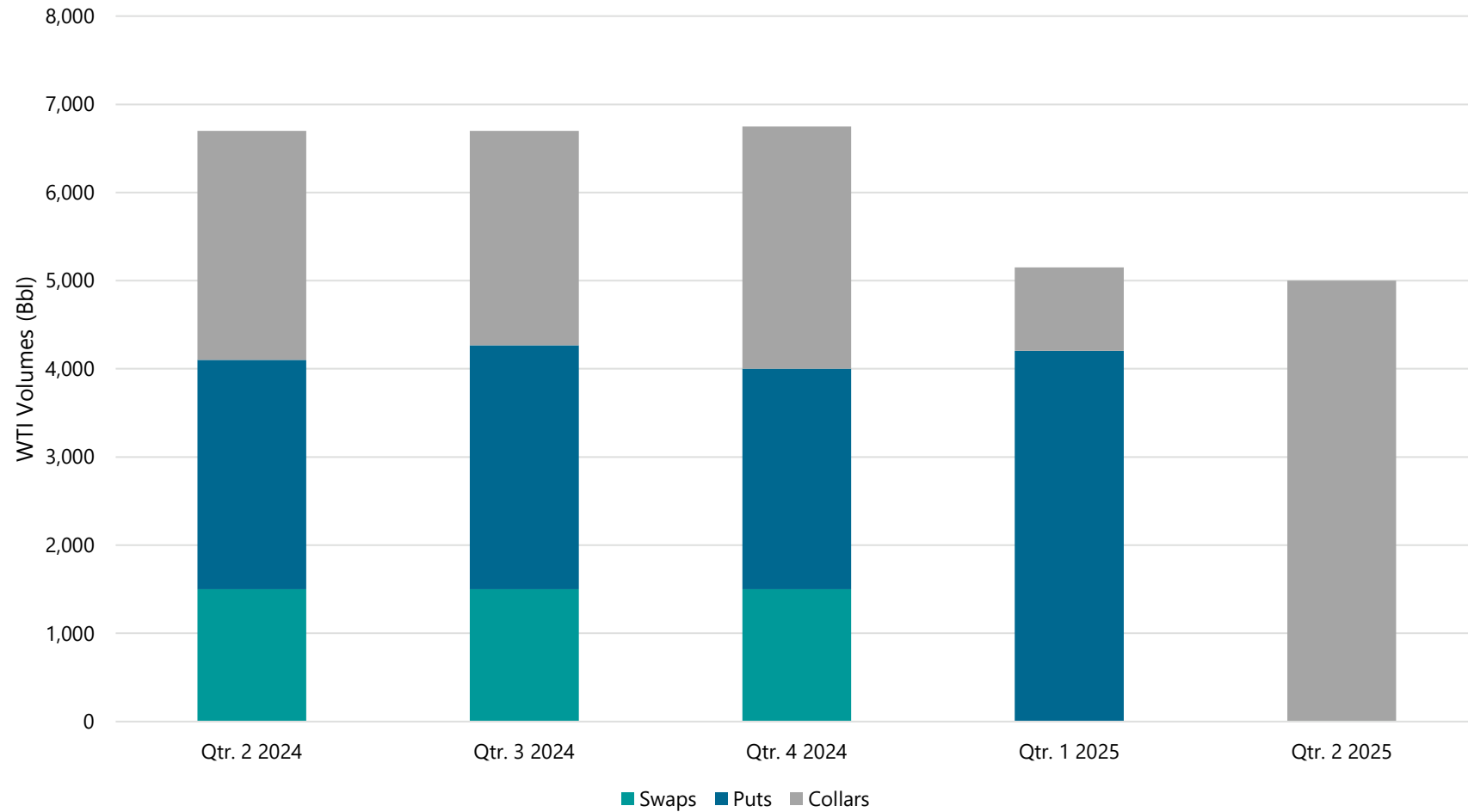
★ Edmonton

★ Calgary

★ Regina

★ Winnipeg

WTI Hedging Summary



Hedging Detail



WTI Crude Oil Derivative Contracts

Period	Swaps		Puts		Collars		
	Volumes	Avg. Price	Volumes	Average Bought Put	Volumes	Average Bought Put	Average Sold Call
Qtr. 2 2024	1,500	\$ 80.59	2,600	\$62.71	2,600	\$62.71	\$87.50
Qtr. 3 2024	1,500	\$ 80.38	2,766	\$61.69	2,433	\$61.71	\$91.71
Qtr. 4 2024	1,500	\$ 80.22	2,500	\$65.00	2,750	\$65.00	\$100.00
Qtr. 1 2025	-	\$ -	4,204	\$65.00	947	\$65.00	\$82.73
Qtr. 2 2025	-	\$ -	-	\$ -	5,000	\$67.50	\$92.57

Natural Gas Derivative Contracts

Period	Swaps			Collars	
	Vol.	Avg. Price	Vol	Average Bought Put	Average Sold Call
Q2 2024	-	\$ -	5,000	\$ 2.47	\$ 5.11
Q3 2024	-	\$ -	5,000	\$ 2.47	\$ 5.11
Q4 2024	1,326	\$ 4.00	3,674	\$ 2.87	\$ 5.61
Q1 2025	2,000	\$ 4.00	3,000	\$ 3.18	\$ 6.03
Q2 2025	1,700	\$ 2.97	3,300	\$ 2.65	\$ 3.33
Q3 2025	1,700	\$ 2.97	3,300	\$ 2.65	\$ 3.33
Q4 2025	573	\$ 2.97	1,112	\$ 2.65	\$ 3.33

WCS and MSW Derivative Contracts

Period	WCS: Swaps		WCS: Collars			MSW: Swaps	
	Volumes	Avg. Price	Volumes	Average Bought Put	Average Sold Call	Volumes	Avg. Price
Qtr. 2 2024	3,400	-\$ 14.35	1,000	-\$ 11.00	-\$ 17.80	4,000	-\$ 3.00
Qtr. 3 2024	4,400	-\$ 13.38	1,000	-\$ 11.00	-\$ 17.80	4,000	-\$ 3.00
Qtr. 4 2024	2,000	-\$ 13.55	1,000	-\$ 11.00	-\$ 17.80	4,000	-\$ 3.00
2025	500	-\$ 13.85	-	\$ -	\$ -	-	\$ -

Hedging Detail

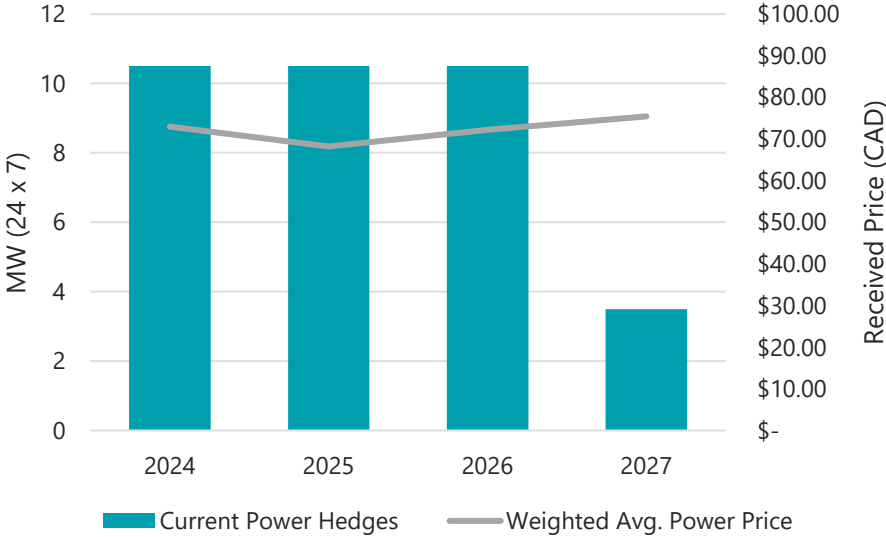


Interest Rate & Power

Interest Rate Hedges

Type	Term	Notional Amount (CAD)	Surge Receives	Surge Pays	Fixed Rate Surge Pays
Fixed-to-Floating Rate Swap	July 2019 – June 2024	\$50,000,000	Floating Rate	Fixed Rate	1.785%

Surge Power Hedges



As power prices fluctuate significantly in winter months, power hedges protect against extreme price volatility.

Advisories - Forward-Looking Statements



This presentation contains forward-looking statements. The use of any of the words “anticipate”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “should”, “believe” and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements.

More particularly, this presentation contains statements concerning: Surge's expectations regarding crude oil prices; its defined operating strategy; Surge's planned drilling program; Surge's drilling inventory; estimated 2024 average and exit production; and its forecast for achievement of its Phase 2 return to capital net debt target.

The forward-looking statements are based on certain key expectations and assumptions made by Surge, including expectations and assumptions around the performance of existing wells and success obtained in drilling new wells; anticipated expenses, cash flow and capital expenditures; the application of regulatory and royalty regimes; prevailing commodity prices and economic conditions; development and completion activities; the performance of new wells; the successful implementation of waterflood programs; the availability of and performance of facilities and pipelines; the geological characteristics of Surge's properties; the successful application of drilling, completion and seismic technology; the determination of decommissioning liabilities; prevailing weather conditions; exchange rates; licensing requirements; the impact of completed facilities on operating costs; the availability and costs of capital, labour and services; and the creditworthiness of industry partners.

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 condition of the global economy, including trade, public health and other geopolitical risks; 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 constraint in the

availability of services, adverse weather or break-up conditions; uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures; and failure to obtain the continued support of the lenders under Surge's bank line. Certain of these risks are set out in more detail in Surge's AIF dated March 6, 2024 and in Surge's MD&A for the period ended December 31, 2023, both of which have been filed on SEDAR+ and can be accessed at www.sedarplus.ca.

The forward-looking statements contained in this presentation 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.

Advisories - Oil and Gas Advisories



The term “boe” means barrel of oil equivalent on the basis of 1 boe to 6,000 cubic feet of natural gas. Boe 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. “Boe/d” and “boepd” mean barrel of oil equivalent per day. Bbl means barrel of oil and “bopd” means barrels of oil per day. NGLs means natural gas liquids.

This presentation contains certain oil and gas metrics and defined terms which do not have standardized meanings or standard methods of calculation and therefore such measures may not be comparable to similar metrics/terms presented by other issuers and may differ by definition and application. All oil and gas metrics/terms used in this document are defined below:

Original Oil in Place (“OOIP”) means Discovered Petroleum Initially In Place (“DPIIP”). DPIIP is derived by Surge’s internal Qualified Reserve Evaluators (“QRE”) and prepared in accordance with National Instrument 51-101 and the Canadian Oil and Gas Evaluations Handbook (“COGEH”). DPIIP, as defined in COGEH, is that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production. The recoverable portion of DPIIP includes production, reserves and Resources Other Than Reserves (ROTR). OOIP/DPIIP and potential recovery rate estimates are based on current recovery technologies. There is significant uncertainty as to the ultimate recoverability and commercial viability of any of the resource associated with OOIP/DPIIP, and as such a recovery project cannot be defined for a volume of OOIP/DPIIP at this time. “Internally estimated” means an estimate that is derived by Surge’s internal QRE’s and prepared in accordance with National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities*. All internal estimates contained in this news release have been prepared effective as of January 1, 2024.

As of January 1, 2024, Surge’s internally estimated OOIP of the Sparky Core area is 1.1 billion barrels of oil, with a total estimate of 127 million barrels of oil produced (a recovery factor of 11.5% to date). Similarly, Surge’s internally estimated OOIP of the Betty Lake area is 150 million barrels of oil, with a total estimate of 1.85 million barrels of oil produced (a recovery factor of 1.2 Shou% to date). In SE Sask, Surge’s internally estimated OOIP is >400 million barrels of oil, with a total estimate of 39 million barrels of oil produced (a recovery factor of 9.8% to date).

Surge’s TPP (BTax) NPV10 value of its Sparky Core and SE Sask assets is \$1,567 MM (run on Sproule’s 2023 Year End price deck: First year prices of US\$81/bbl WTI, C\$104/bbl EDM, C\$88/bbl WCS & C\$3.67/mmbtu AECO), which is 75% of the total corporate TPP (BTax) NPV10 value of \$2,059 MM.

Surge’s 2023 year-end Proved Developed Producing reserves have a decline of 29 percent and a Proved plus Probable Developed Producing decline of 26 percent. Surge’s internally estimated declines are based off March-to-March monthly data to flush out impacts of December drilling.

Surge’s Net Asset Value is calculated as reserve value discounted at 10% on a before tax basis (Total Proved plus Probable: \$2,059 MM; Total Proved: \$1,421 MM) (each as set forth in the Sproule Report), less Surge’s net debt at December 31, 2023 of \$290.1 million, and divided by 100.3 million basic shares outstanding as at December 31, 2023.

Drilling Inventory

This presentation discloses drilling locations in two categories: (i) booked locations; and (ii) unbooked locations. Booked locations are proved locations and probable locations derived from an internal evaluation using standard practices as prescribed in the Canadian Oil and Gas Evaluations Handbook and account for drilling locations that have associated proved and/or probable reserves, as applicable.

Unbooked locations are internal estimates based on prospective acreage and assumptions as to the number of wells that can be drilled per section based on industry practice and internal review. Unbooked locations do not have attributed reserves or resources. Unbooked locations have been identified by Surge’s internal certified Engineers and Geologists (who are also Qualified Reserve Evaluators) as an estimation of our multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that the Company will drill all unbooked drilling locations and if drilled there is no certainty that such locations will result in additional oil and gas reserves, resources or production. The drilling locations on which the Company actually drills wells will ultimately depend upon the availability of capital, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While certain of the unbooked drilling locations have been de-risked by drilling existing wells in relative close proximity to such unbooked drilling locations, the majority of other unbooked drilling locations are farther away from existing wells where management has less information about the characteristics of the reservoir and therefore there is more uncertainty whether wells will be drilled in such locations and if drilled there is more uncertainty that such wells will result in additional oil and gas reserves, resources or production.

Assuming a January 1, 2024 reference date, the Company will have over >1,150 gross

(>1,050 net) drilling locations identified herein; of these >615 gross (>575 net) are unbooked locations. Of the 489 net booked locations identified herein, 397 net are Proved locations and 92 net are Probable locations based on Sproule’s 2023 year-end reserves. Assuming an average number of net wells drilled per year of 80, Surge’s >1,050 net locations provide 13 years of drilling.

Surge’s internally used type curves were constructed using a representative, factual and balanced analog data set, as of January 1, 2024. All locations were risked appropriately and estimated ultimate recoverable (“EUR”) reserves were measured against OOIP estimates to ensure a reasonable recovery factor was being achieved based on the respective spacing assumption. Other assumptions, such as capital, operating expenses, wellhead offsets, land encumbrances, working interests and NGL yields were all reviewed, updated and accounted for on a well-by-well basis by Surge’s Qualified Reserve Evaluators. All type curves fully comply with Part 5.8 of the Companion Policy 51 – 101CP.

Surge’s internal average Frobisher type curve profile of 240 boe/d (IP30), 185 boe/d (IP90) and 89 mboe (69 mbbbl Oil + 10 mbbbl NGL’s) EUR reserves per well, with assumed \$1.36 MM per well capital, has a payout of ~12 weeks @ US\$80/bbl WTI (C\$105/bbl LSB) and a >450% IRR.

Assuming a January 1, 2024 reference date, the Company will have over >475 gross (>470 net) Sparky Core area drilling locations identified herein; of these >285 gross (>285 net) are unbooked locations. Of the 186 net booked locations identified herein, 140 net are Proved locations and 46 net are Probable locations based on Sproule’s 2023 year-end reserves. Assuming an average number of net wells drilled per year of 40, Surge’s >470 net locations provide >11 years of drilling.

Assuming a January 1, 2024 reference date, the Company will have over >340 gross (>290 net) SE Saskatchewan drilling locations identified herein; of these >160 gross (>140 net) are unbooked locations. Of the 153 net booked locations identified herein, 122 net are Proved locations and 31 net are Probable locations based on Sproule’s 2023 year-end reserves. Assuming an average number of net wells drilled per year of 40, Surge’s >290 net locations provide >7 years of drilling.

Advisories - Non-GAAP & Other Financial Measures



This presentation includes references to non-GAAP and other financial measures used by the Company to evaluate its financial performance, financial position or cash flow. These specified financial measures include non-GAAP financial measures and non-GAAP ratios, are not defined by IFRS and therefore are referred to as non-GAAP and other financial measures. Certain secondary financial measures in this presentation – namely, "adjusted funds flow", "adjusted funds flow per share", "adjusted funds flow per boe", "free cash flow", "free cash flow per share", "free cash flow yield", "net debt", "net debt to cash flow from operating activities", "all-in payout ratio", "operating netback", and "operating netback per boe" are not prescribed by GAAP. These non-GAAP and other financial measures are included because management uses the information to analyze business performance, cash flow generated from the business, leverage and liquidity, resulting from the Company's principal business activities and it may be useful to investors on the same basis. None of these measures are used to enhance the Company's reported financial performance or position. The non-GAAP and other financial measures do not have a standardized meaning prescribed by IFRS and therefore are unlikely to be comparable to similar measures presented by other issuers. They are common in the reports of other companies but may differ by definition and application. All non-GAAP and other financial measures used in this document are defined below, and as applicable, reconciliations to the most directly comparable GAAP measure for the period ended March 31, 2024, have been provided to demonstrate the calculation of these measures:

Adjusted Funds Flow and Adjusted Funds Flow Per Share

Adjusted funds flow is a non-GAAP financial measure. The Company adjusts cash flow from operating activities in calculating adjusted funds flow for changes in non-cash working capital, decommissioning expenditures, and cash settled transaction and other costs. Management believes the timing of collection, payment or incurrence of these items involves a high degree of discretion and as such may not be useful for evaluating Surge's cash flows.

Changes in non-cash working capital are a result of the timing of cash flows related to accounts receivable and accounts payable, which management believes reduces comparability between periods. Management views decommissioning expenditures

predominately as a discretionary allocation of capital, with flexibility to determine the size and timing of decommissioning programs to achieve greater capital efficiencies and as such, costs may vary between periods. Transaction and other costs represent expenditures associated with property acquisitions and dispositions, debt restructuring and employee severance costs, which management believes do not reflect the ongoing cash flows of the business, and as such reduces comparability. Each of these expenditures, due to their nature, are not considered principal business activities and vary between periods, which management believes reduces comparability.

Adjusted funds flow per share is a non-GAAP ratio, calculated using the same weighted average basic and diluted shares used in calculating income per share.

The following table reconciles cash flow from operating activities to adjusted funds flow and adjusted funds flow per share:

	Three Months Ended March 31,	
<i>(\$000s except per share amounts)</i>	2024	2023
Cash flow from operating activities	66,785	54,506
Change in non-cash working capital	(8,953)	5,445
Decommissioning expenditures	3,928	3,249
Cash settled transaction and other costs	727	131
Adjusted funds flow	62,487	63,331
Per share - basic	\$ 0.62	\$ 0.65

Free Cash Flow, Free Cash Flow per Share, and Free Cash Flow Yield

Free cash flow is a non-GAAP financial measure, calculated as cash flow from operating activities, before changes in non-cash working capital, less expenditures on property, plant, equipment, and dividends paid. Management uses free cash flow to determine the amount of funds available to the Company for future capital allocation decisions.

Free cash flow per share is a non-GAAP ratio, calculated using the same weighted average basic and diluted shares used in calculating income per share.

Free cash flow yield is a non-GAAP ratio, calculated as free cash flow divided by the number of basic shares outstanding, divided by the Company's share price at the date indicated herein. Management uses this measure as an indication of the cash flow available for return to shareholders based on current share prices.

Net Debt and Net Debt to Cash Flow from Operating Activities

Net debt is a non-GAAP financial measure, calculated as bank debt, term debt, plus the liability component of the convertible debentures plus current assets, less current liabilities, however, excluding the fair value of financial contracts, decommissioning obligations, and lease and other obligations. This metric is used by management to analyze the level of debt in the Company including the impact of working capital, which varies with the timing of settlement of these balances.

<i>(\$000s)</i>	As at Mar 31, 2024	As at Dec 31, 2023	As at Mar 31, 2023
Accounts receivable	62,676	53,354	64,642
Prepaid expenses and deposits	5,525	5,355	4,340
Accounts payable and accrued liabilities	(98,715)	(85,390)	(89,094)
Dividends payable	(4,023)	(4,013)	(3,933)
Bank debt	(52,501)	(42,797)	(27,345)
Term debt	(170,675)	(178,731)	(247,724)
Convertible debentures	(38,211)	(37,848)	(32,803)
Net Debt	(295,924)	(290,070)	(331,917)

Net debt to cash flow from operating activities is a non-GAAP ratio, calculated as exit net debt divided by cash flow from operating activities. Management uses this ratio to measure the Company's overall debt position and to measure the strength of the Company's balance sheet. Surge monitors this ratio and uses this as a key measure in making decisions regarding financing, capital expenditures and dividend levels.

Advisories - Non-GAAP & Other Financial Measures



Operating Netback, Operating Netback per boe, and Adjusted Funds Flow per boe

Operating netback is a non-GAAP financial measure, calculated as petroleum and natural gas revenue and processing and other income, less royalties, realized gain (loss) on commodity and FX contracts, operating expenses, and transportation expenses. Operating netback per boe is a non-GAAP ratio, calculated as operating netback divided by total barrels of oil equivalent produced during a specific period of time. There is no comparable measure in accordance with IFRS. This metric is used by management to evaluate the Company's ability to generate cash margin on a unit of production basis.

Adjusted funds flow per boe is a non-GAAP ratio, calculated as adjusted funds flow divided by total barrels of oil equivalent produced during a specific period of time.

Operating netback & adjusted funds flow are calculated on a per unit basis as follows:

	Three Months Ended March 31,	
<i>(\$000s)</i>	2024	2023
Petroleum and natural gas revenue	158,167	161,970
Processing and other income	2,504	2,534
Royalties	(30,144)	(29,042)
Realized gain (loss) on commodity and FX contracts	137	(1,995)
Operating expenses	(51,937)	(52,892)
Transportation expenses	(2,663)	(4,047)
Operating netback	76,064	76,528
G&A expense	(5,126)	(4,610)
Interest expense	(8,451)	(8,587)
Adjusted funds flow	62,487	63,331
Barrels of oil equivalent (boe)	2,266,221	2,262,361
Operating netback (\$ per boe)	33.56	33.82
Adjusted funds flow (\$ per boe)	27.57	27.98

All-in Payout Ratio

All-in payout ratio is a non-GAAP ratio, calculated as expenditures on property, plant, and equipment divided by cashflow from operating activities. Management uses this measure to determine the amount of cash from operating activities that is used to reinvest in the exploration and development of its asset base.

This measure is provided to allow readers to quantify the amount of cash from operating activities that is being used to deploy into the Company's exploration and development program. A ratio of less than 100% indicates that a portion of the cash is being retained by the Company and can be used to fund items such as asset abandonment, repayment of debt, fund acquisitions or the costs related thereto, withholding tax obligations on stock-based compensation or other items.