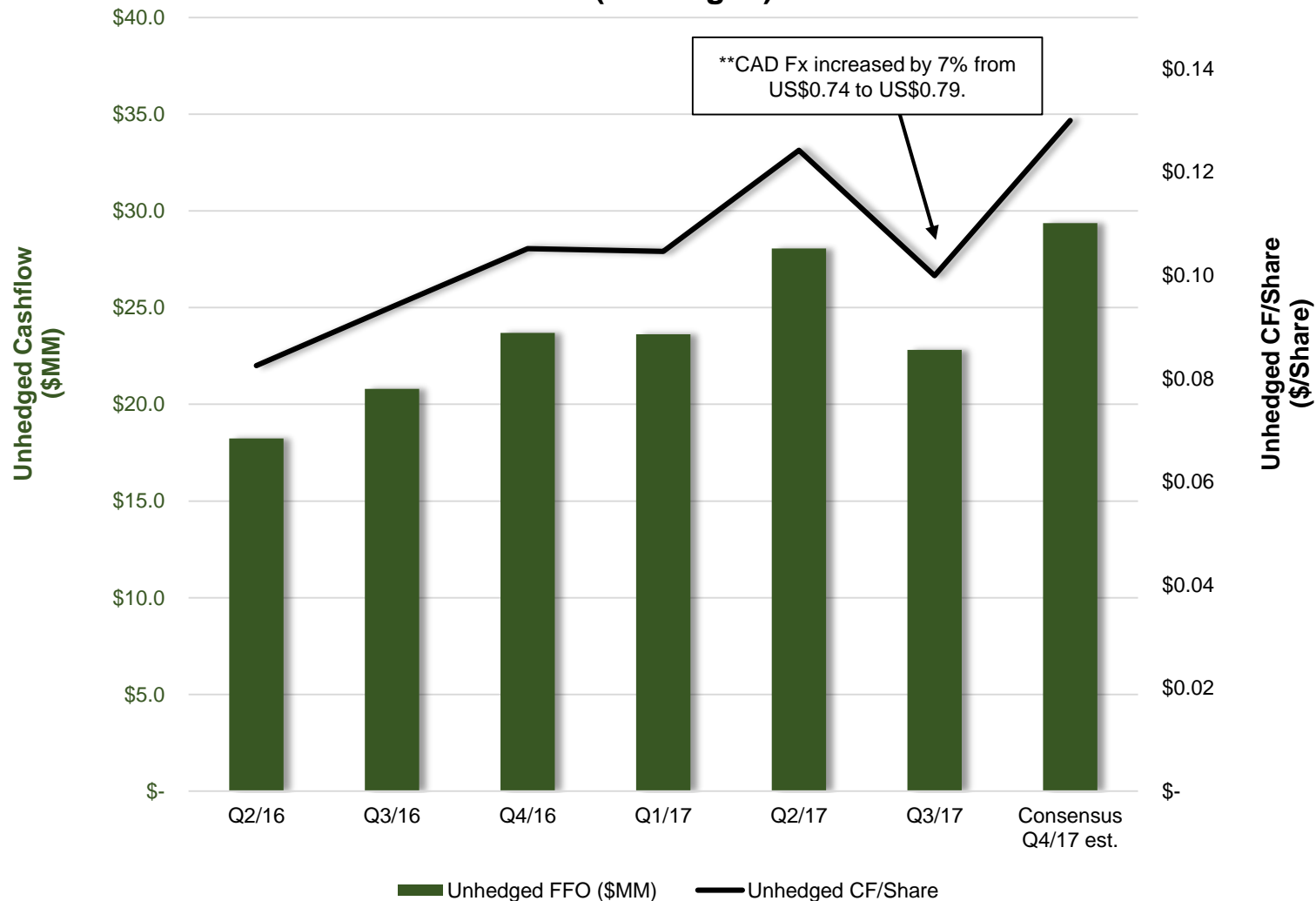




***DALLAS ENERCOM
CONFERENCE PRESENTATION
FEBRUARY 21 – 22***

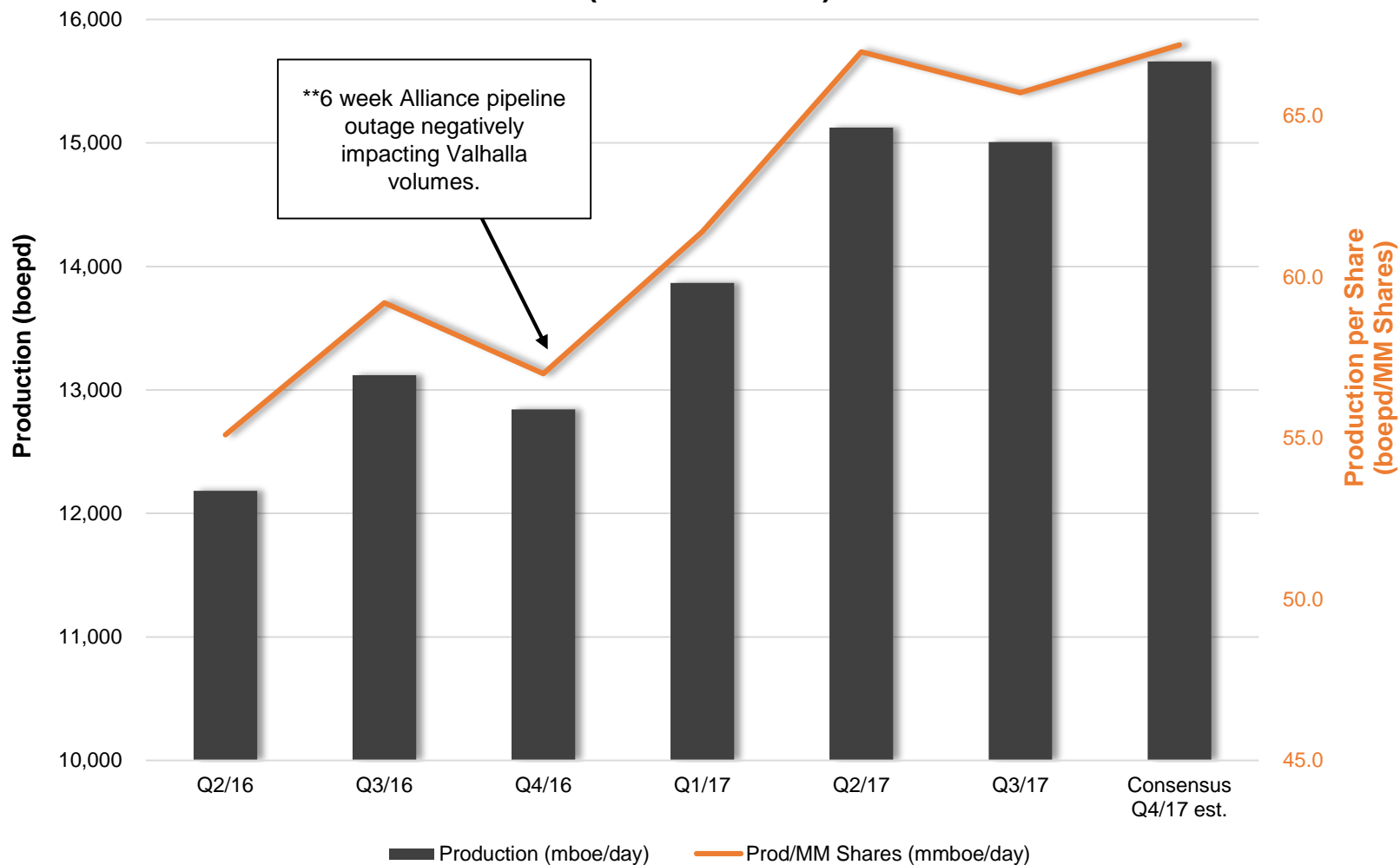
58% UNHEDGED CASHFLOW PER SHARE GROWTH

58% Cashflow Per Share Growth in 18 Months (Unhedged)



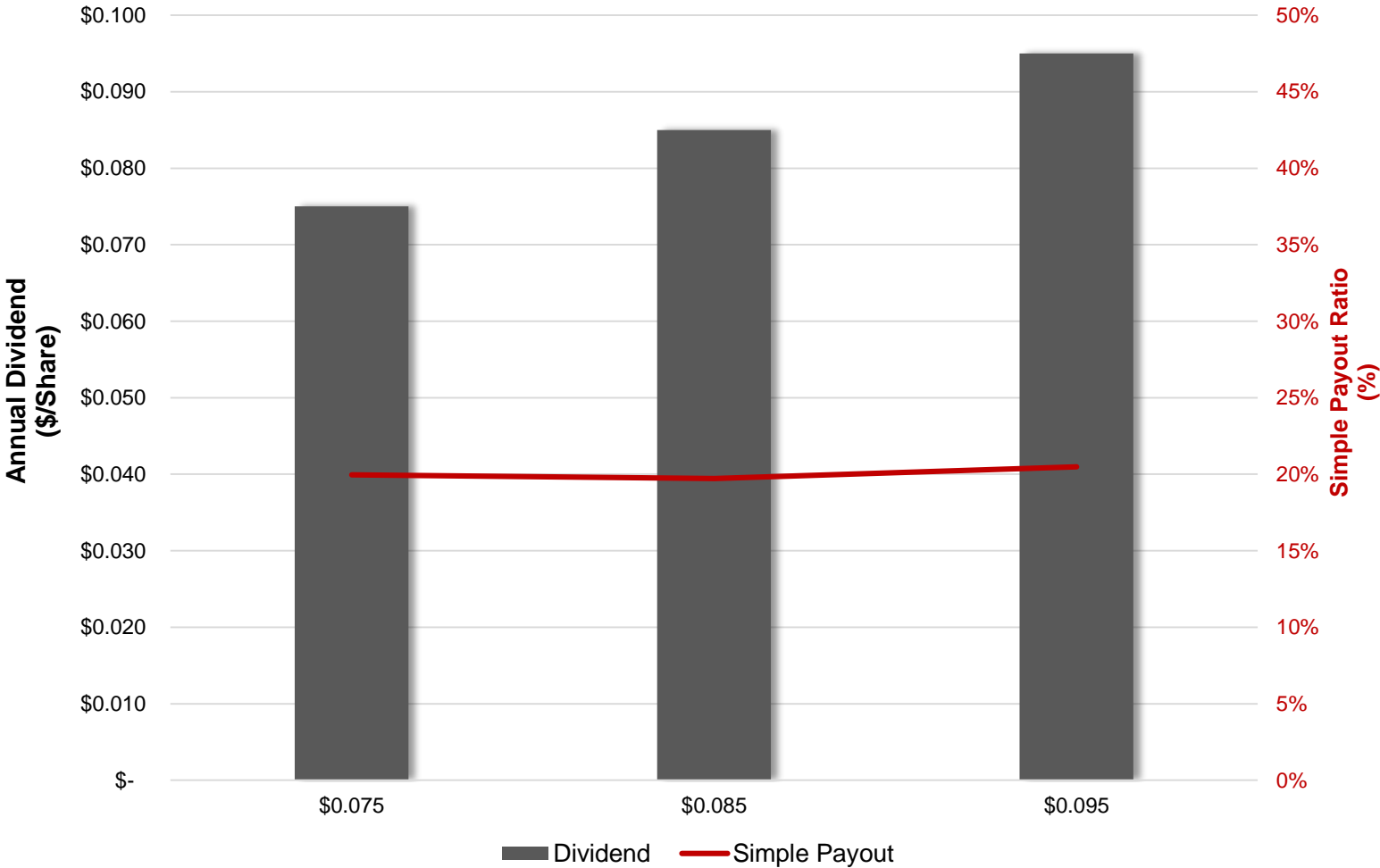
STABLE PRODUCTION GROWTH

Over 28% Production Growth in 18 Months
(22% Per Share)



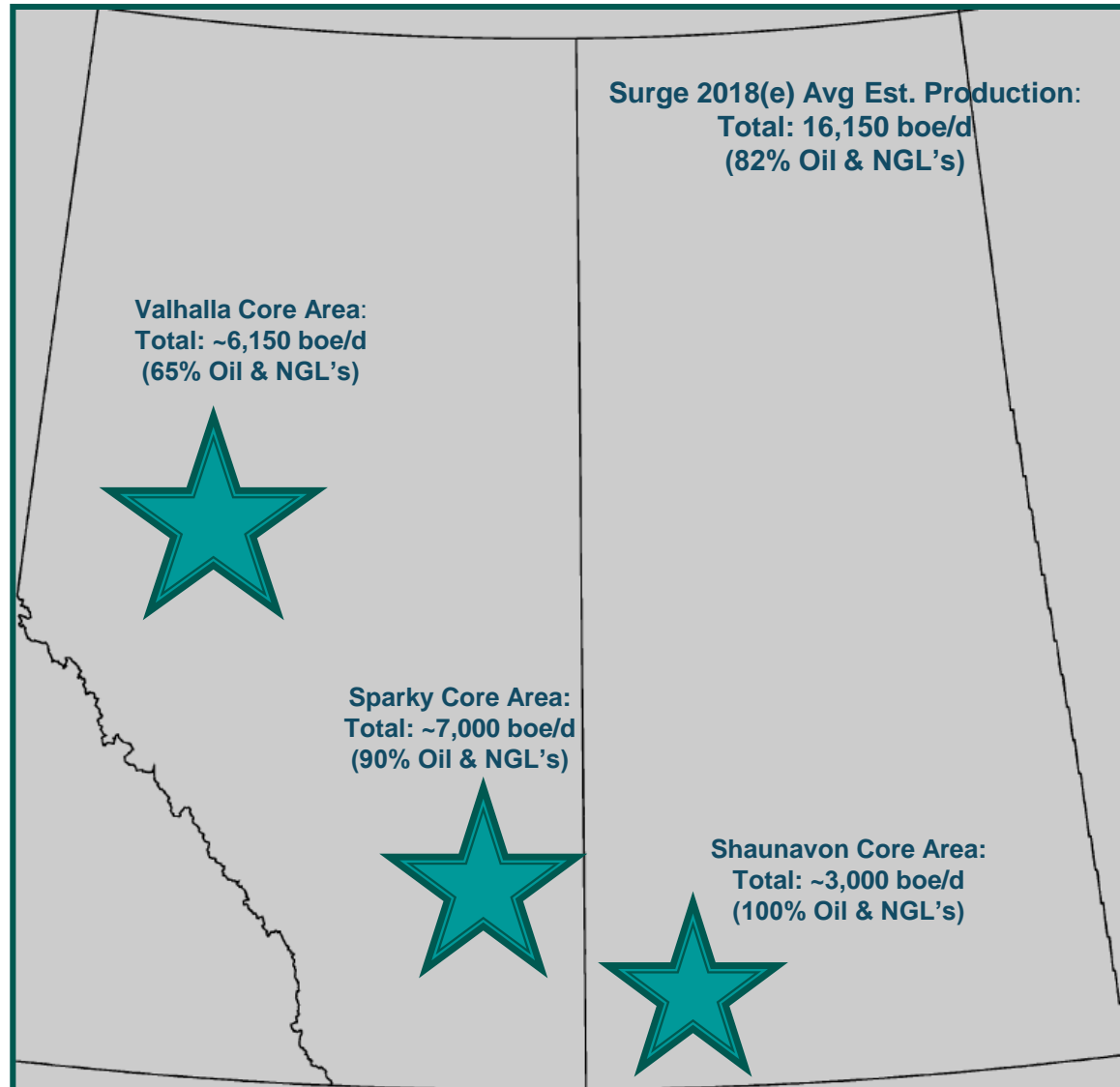
GROWING DIVIDEND AND MAINTAINING PAYOUT RATIO

27% Dividend Growth over 18 Months - Maintaining a Simple Payout of ~20%



ELITE ASSETS FOCUSED IN THREE CORE AREAS

Large OOIP pools in established conventional reservoir trends



LARGE OOIP, LOW RECOVERY FACTORS

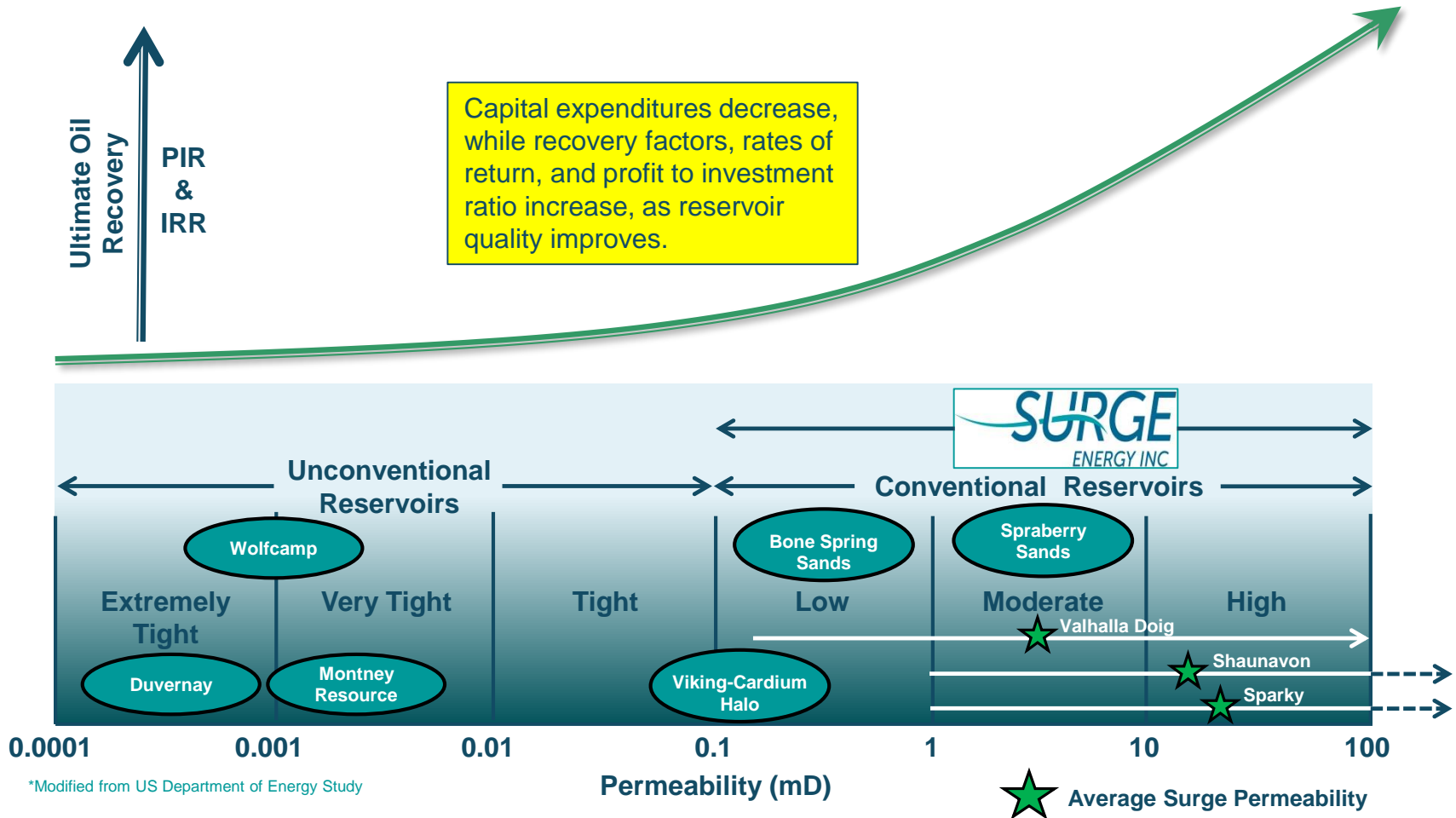
>1.77 Billion bbl's net OOIP with up to >235 Million net barrels remaining recoverable

Core Area	Formations	Estimated OOIP (MMbbls)	Drilling Locations Gross/Net	Avg. WI	CTD Oil Recovery Factor ⁽¹⁾	Total Booked Independent Recovery Factor P+P ⁽¹⁾	Internally Estimated Ultimate Recovery Net (Waterflood with Development Drilling)
		Gross/Net	(Booked) ⁽²⁾			(% OOIP)	
Valhalla	Doig/ Montney/ Slave Point/ Banff/ Doe Creek/ Wabamun	727/595	153/140 (107/96)	82%	6.0%	10.2%	23%
Sparky	Mannville Group	805/707	316/309 (100/97)	88%	12.8%	16.9%	25%
Shaunavon	Shaunavon (Upper & Lower)	483/472	243/230 (85/83)	98%	1.7%	5.4%	15%
TOTALS:		2,016/1,774	712/679 (292/276)	88%	7.6%	11.6%	21%

>2.0B (>1.77B net) barrels of estimated OOIP under management;
Current RF 7.6%

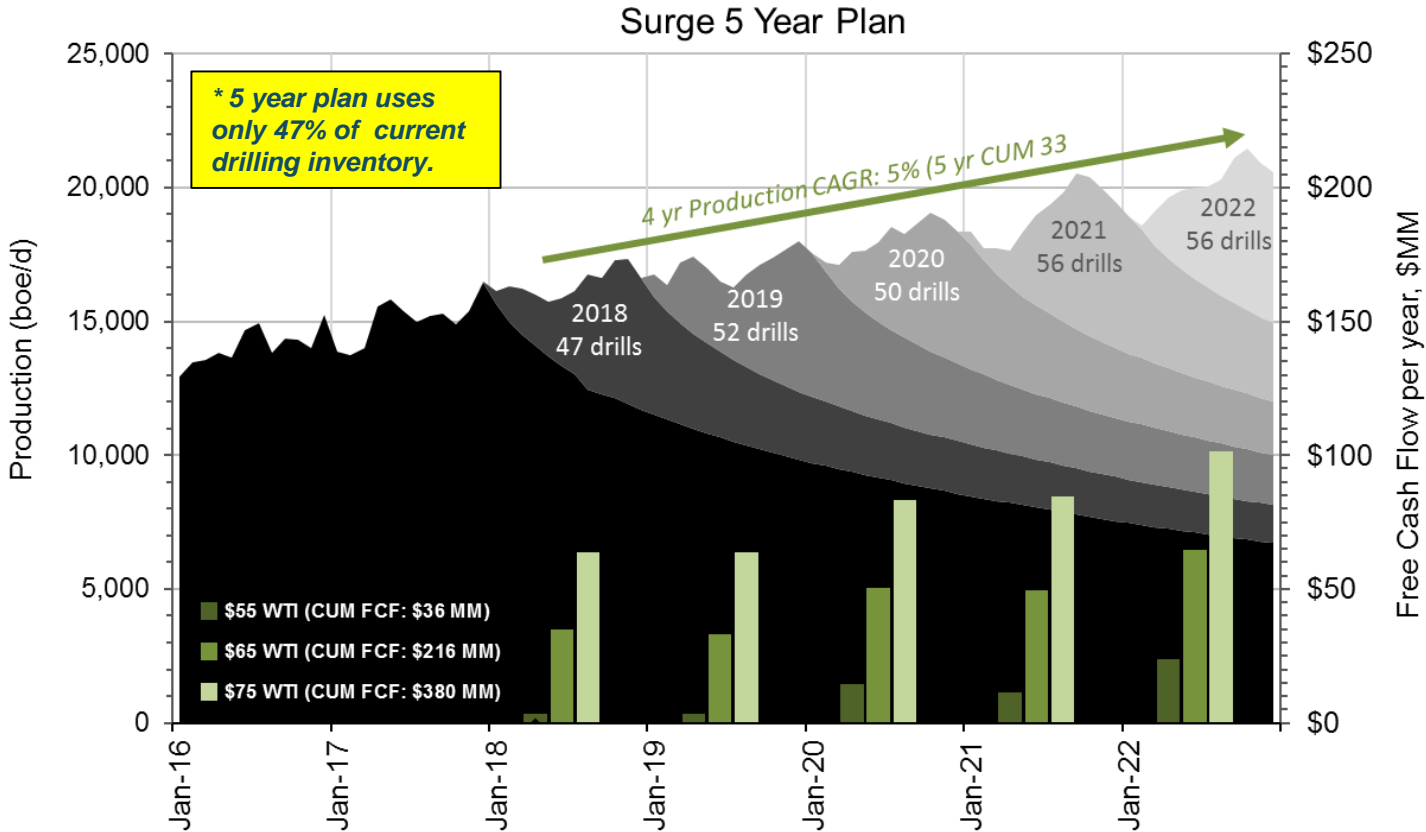
TARGETING CONVENTIONAL RESERVOIRS

Surge focuses on reservoirs in the conventional end of the permeability spectrum



SURGE 5 YEAR PLAN

Surge can grow organically to 20,000 boe/d in 5 years while generating FCF of \$36 MM to \$380 MM above its current dividend

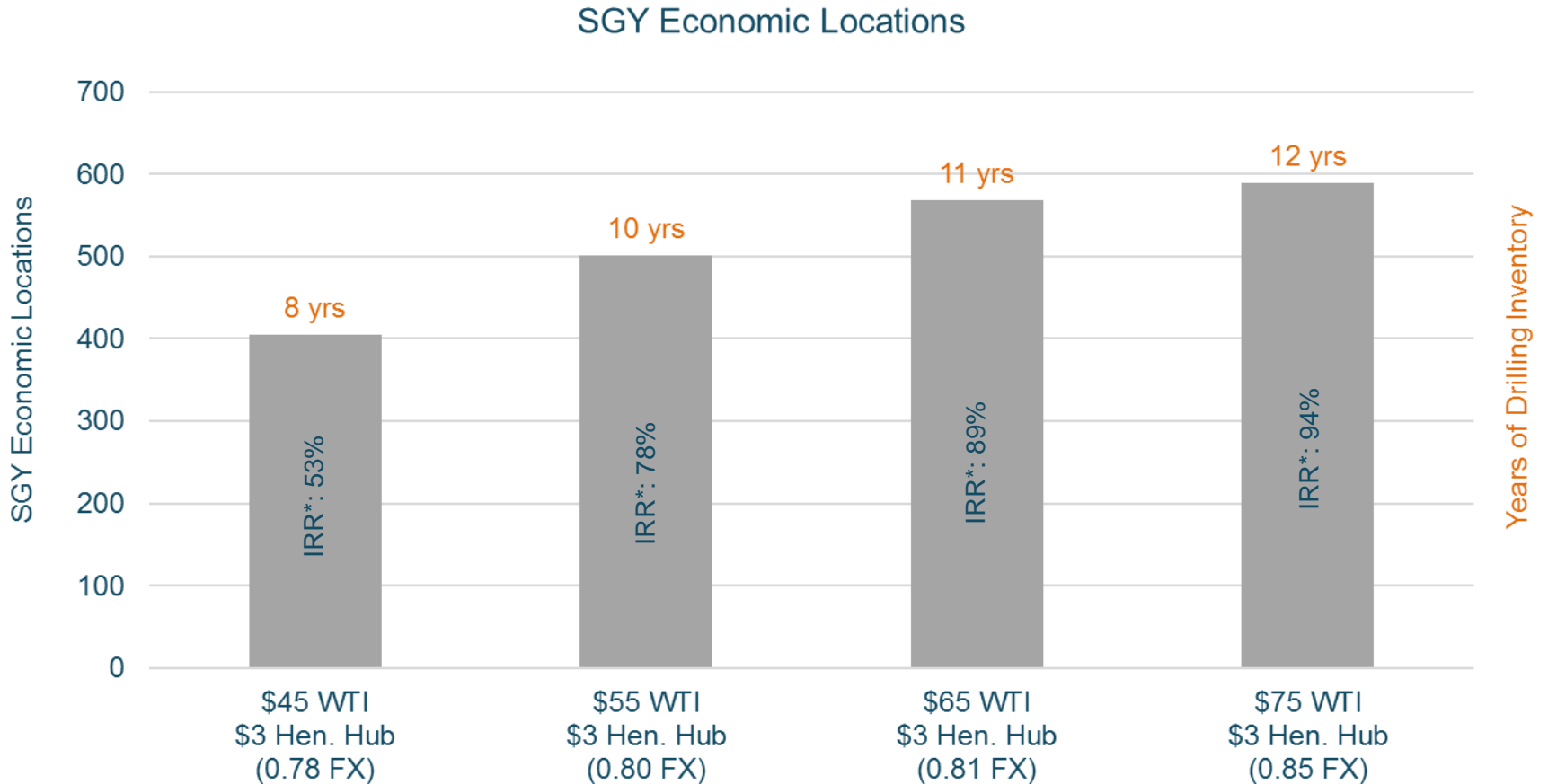


Price Assumptions:

	Inflation/year	Fx	WCS Diff		EDMN Diff		AECO	
			2018	2022	2018	2022	2018	2022
\$55 WTI	1.50%	\$0.780	\$14.00	\$14.86	\$3.00	\$3.18	\$1.95	\$2.07
\$65 WTI	1.50%	\$0.800	\$16.50	\$17.51	\$3.50	\$3.71	\$1.95	\$2.07
\$75 WTI	1.50%	\$0.820	\$19.00	\$20.17	\$4.00	\$4.25	\$1.95	\$2.07

“FULL CYCLE” ECONOMIC DRILLING INVENTORY

8 years of drilling locations with an average 53% risked IRR @ \$45 WTI & \$3 Henry Hub



**NOTE: Waterflood upside not included.*

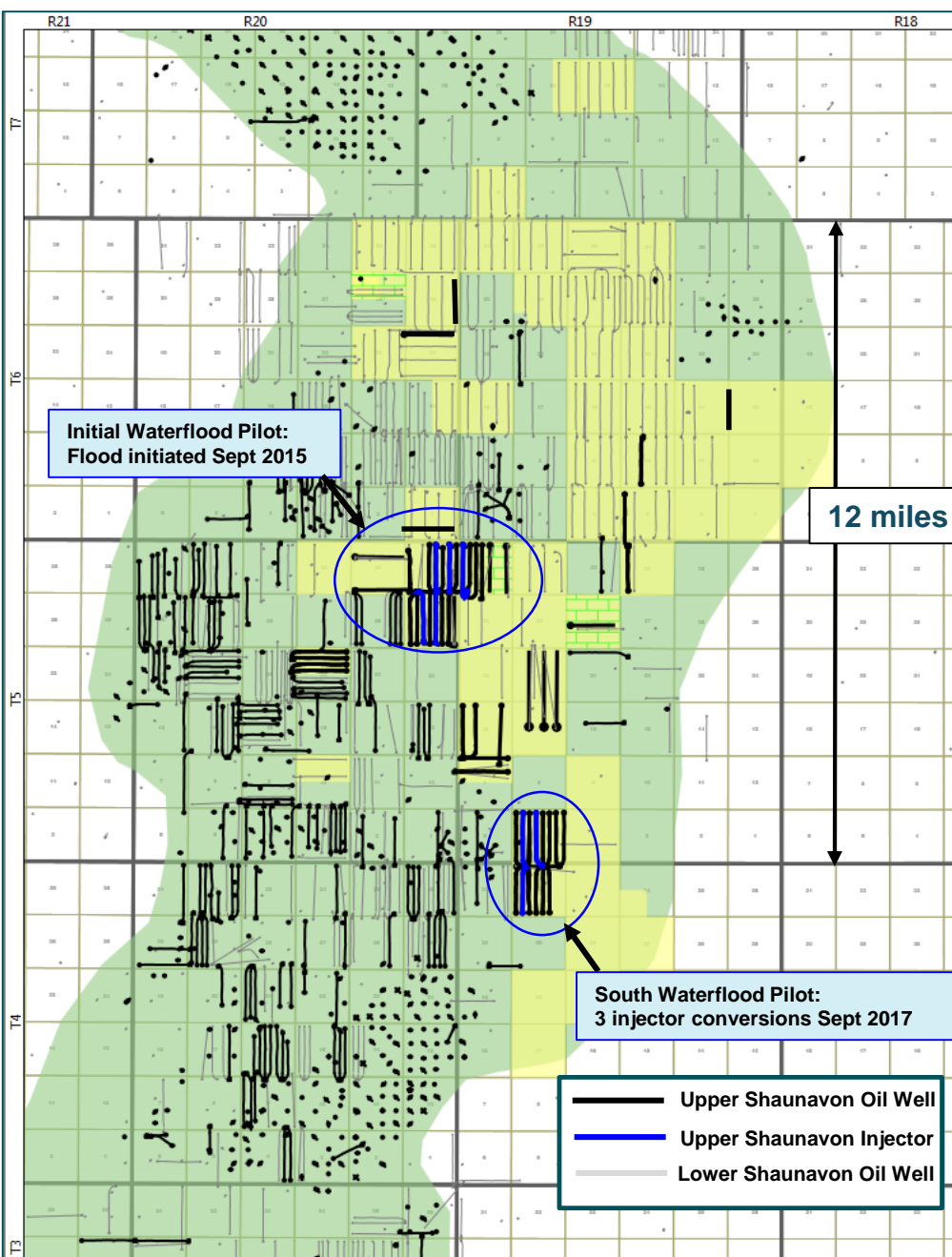
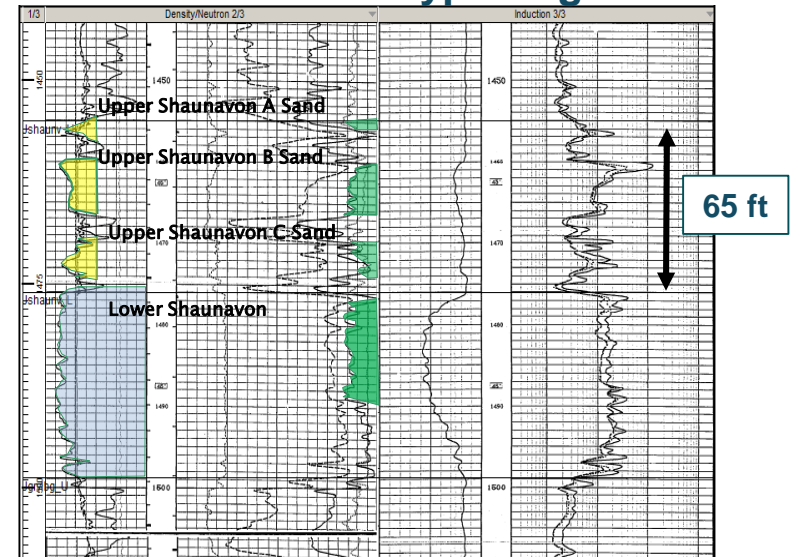
SHAUNAVON OIL FAIRWAY

450 MM BBLs OOIP, over 200 drilling locations (8 year inventory)

Play Attributes:

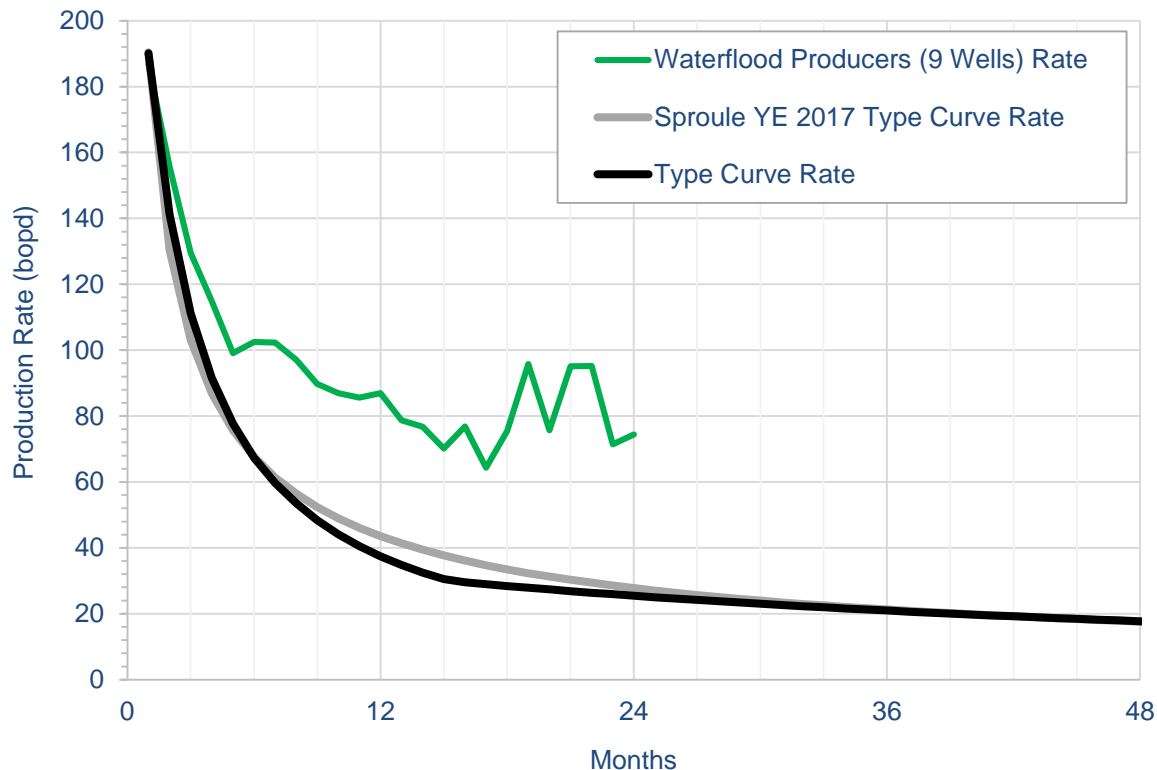
- Upper Shaunavon is a 65 foot thick sandstone/shale sequence (net pay up to 42 feet)
- Shallow marine shoreface sandstone
- Depth 4,200 feet (8 hz wells per sq mile)
- Porosity: 12-18%, Perm Ave 10-12 md
- Upper and Lower Shaunavon are developed separately (>10 year inventory)
- Lower Shaunavon deposited in as a shallow marine carbonate bank, up to 50 feet thick
- Frac: Cemented Liner, 24 stages, 10 tons/stage

Shaunavon Type Log



UPPER SHAUNAVON WELL TYPES AND ECONOMICS

U. Shaunavon Primary Type Curve vs Waterflood Production



2018 Type curve and economics (CAD\$)

Primary

- Well cost - \$1.35M
- EUR = 105 MBOE (100% Oil)
- 12% RF
- NPV8/well = \$1.7M
- IRR = 106%
- PIR0 = 2.2x

Waterflood

- Conversion cost - \$450K
- EUR = 353 MBOE (well pair)
- 100% Oil

20% RF Case:

- NPV8/well = \$2.3M
- IRR = 85%
- PIR0 = 3.6x

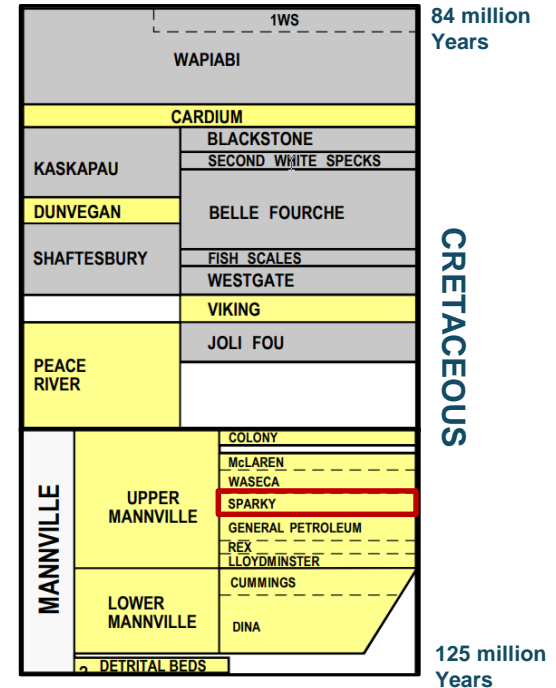
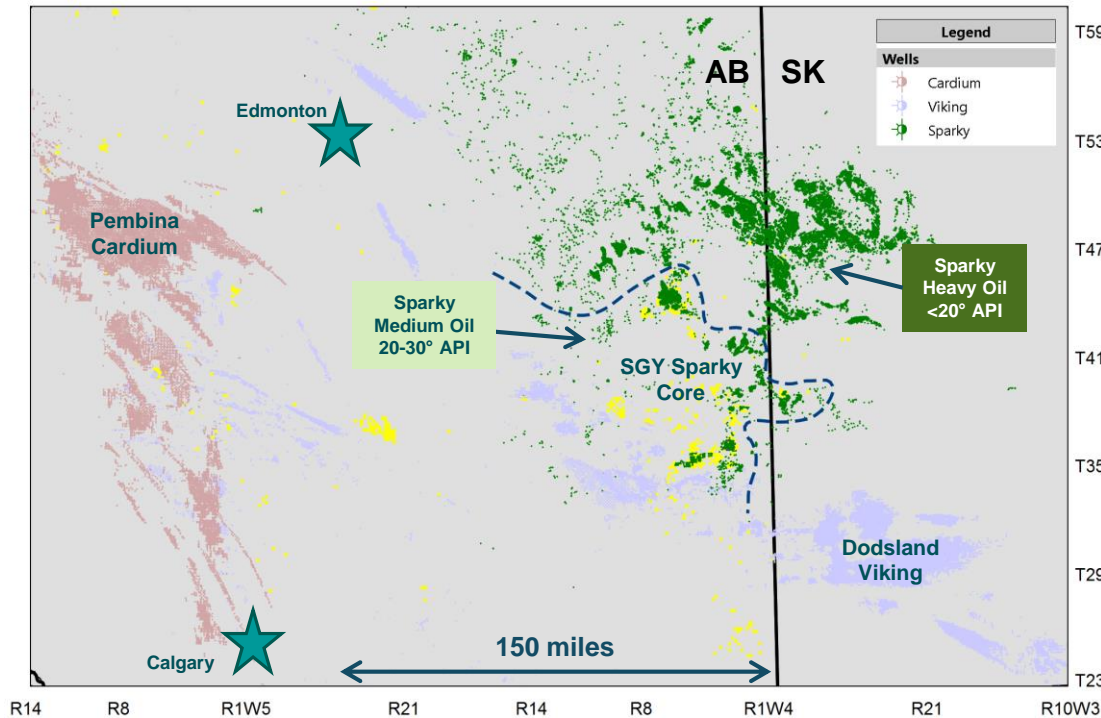
30% RF Case:

- NPV8/well = \$2.7M
- IRR = 86%
- PIR0 = 6.2x

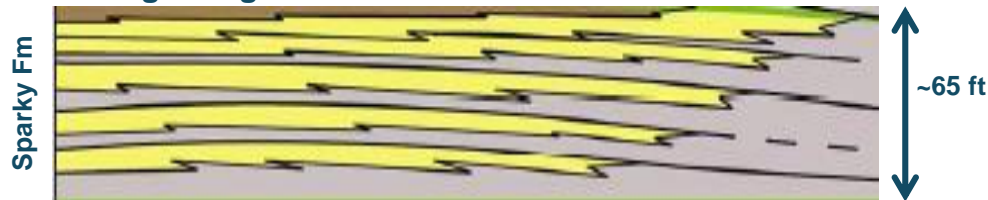
* SGY Guidance pricing:
 2018 - US\$57.50/bbl WTI, US\$42.00/bbl WCS, US\$54.50/bbl EDMN,
 AECO: C\$1.85/MMBtu; a 1.5% per year inflation rate was applied.
 An inflating CAD/USD exchange rate of \$0.77 (to max of \$0.90 by
 2034) was assumed.

SPARKY: CRETACEOUS UPPER MANNVILLE (11 BBOE IN PLACE)

Shallow, Conventional Marine Sandstone Reservoir



Sparky Formation Prograding Shorefaces & Wave Dominated Deltas

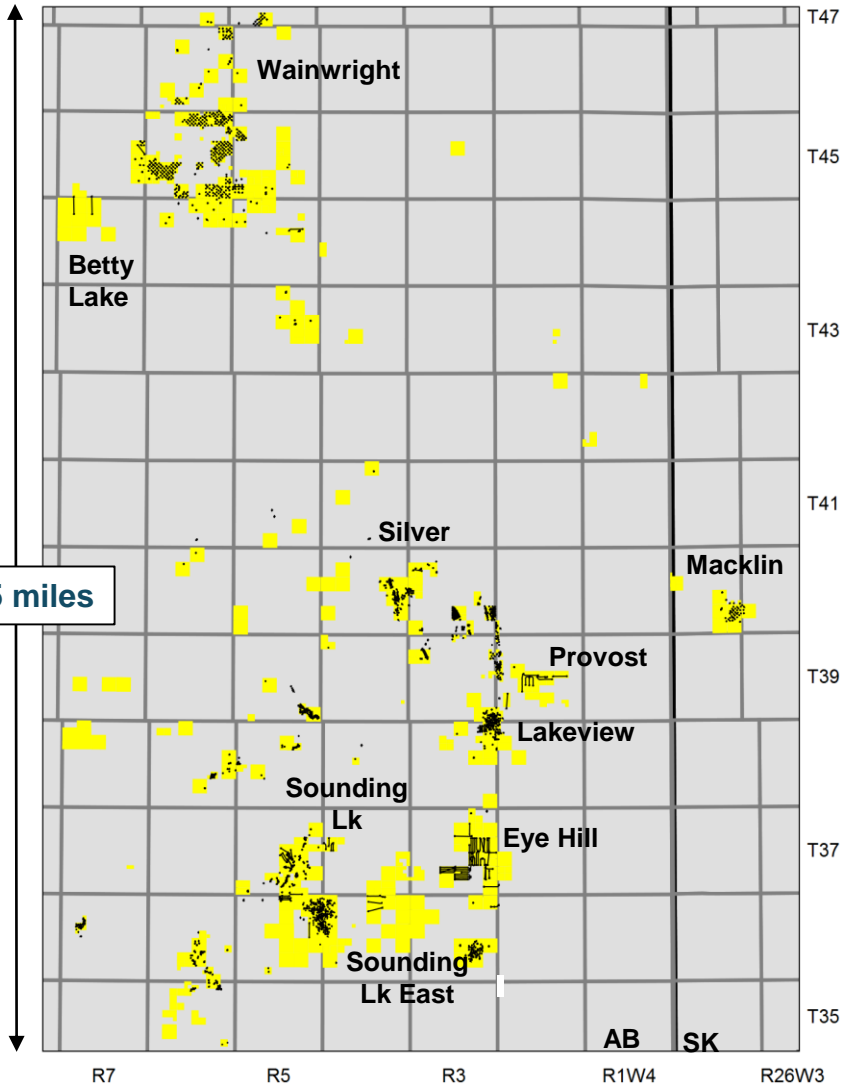


~105 Million Years Old at a Depth of ~2400 ft

- Surge's Sparky core area is dominated by conventional shallow marine sandstone reservoirs and resides in the light to medium oil window

SOUTHEAST ALBERTA

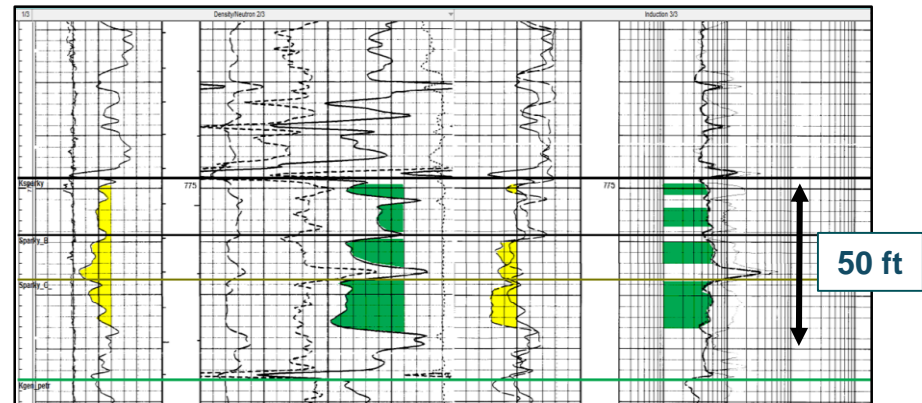
650 MMBLS NET OOIP (23-31° API), over 300 drilling locations, 10 year inventory



Play Attributes:

- Sparky: Delta and Shoreface Sands with pay up to 60 feet
- Depth: 2,400 feet (8 hz wells per sq mile)
- Porosity: 18-30%, Perm Ave 20-40 md
- Over 10 year drilling Inventory
- Frac: Cemented Liner, 24 stages, 12 tons/stage

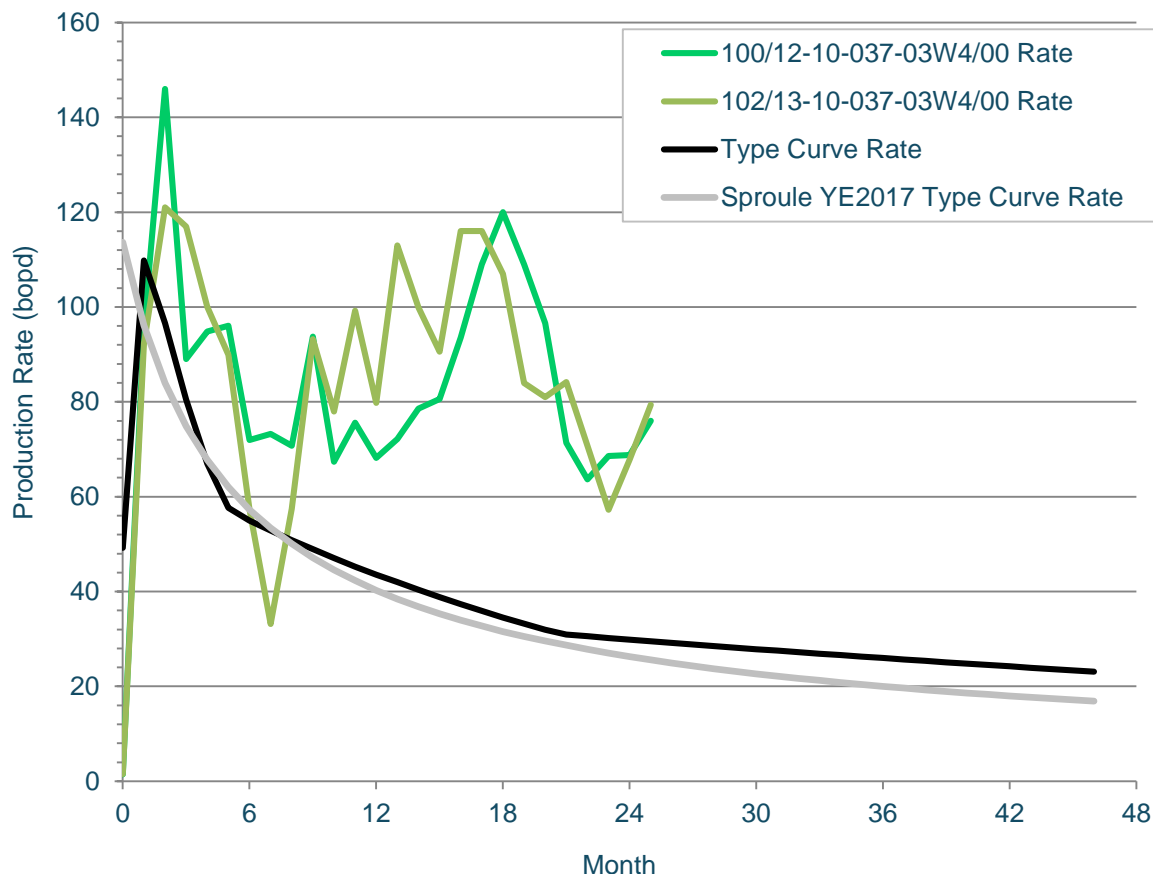
Sparky Type Log



- Surge Land
- Surge Wells

SPARKY WELL TYPES AND ECONOMICS

Eyehill SPKY - SGY Results vs Type Curve



2018 Type curve and economics (CAD\$)

Primary

- Well cost - \$1.15M
- EUR = 140 MBOE (85% Oil)
- 9.5% RF
- NPV8/well = \$2.5M
- IRR = 154%
- PIR0 = 3.2x

Waterflood

- Conversion cost - \$750K
- EUR = 450 MBOE (well pair)
- 85% Oil

18% RF Case:

- NPV8/well = \$4.0M
- IRR = 133%
- PIR0 = 5.7x

30% RF Case:

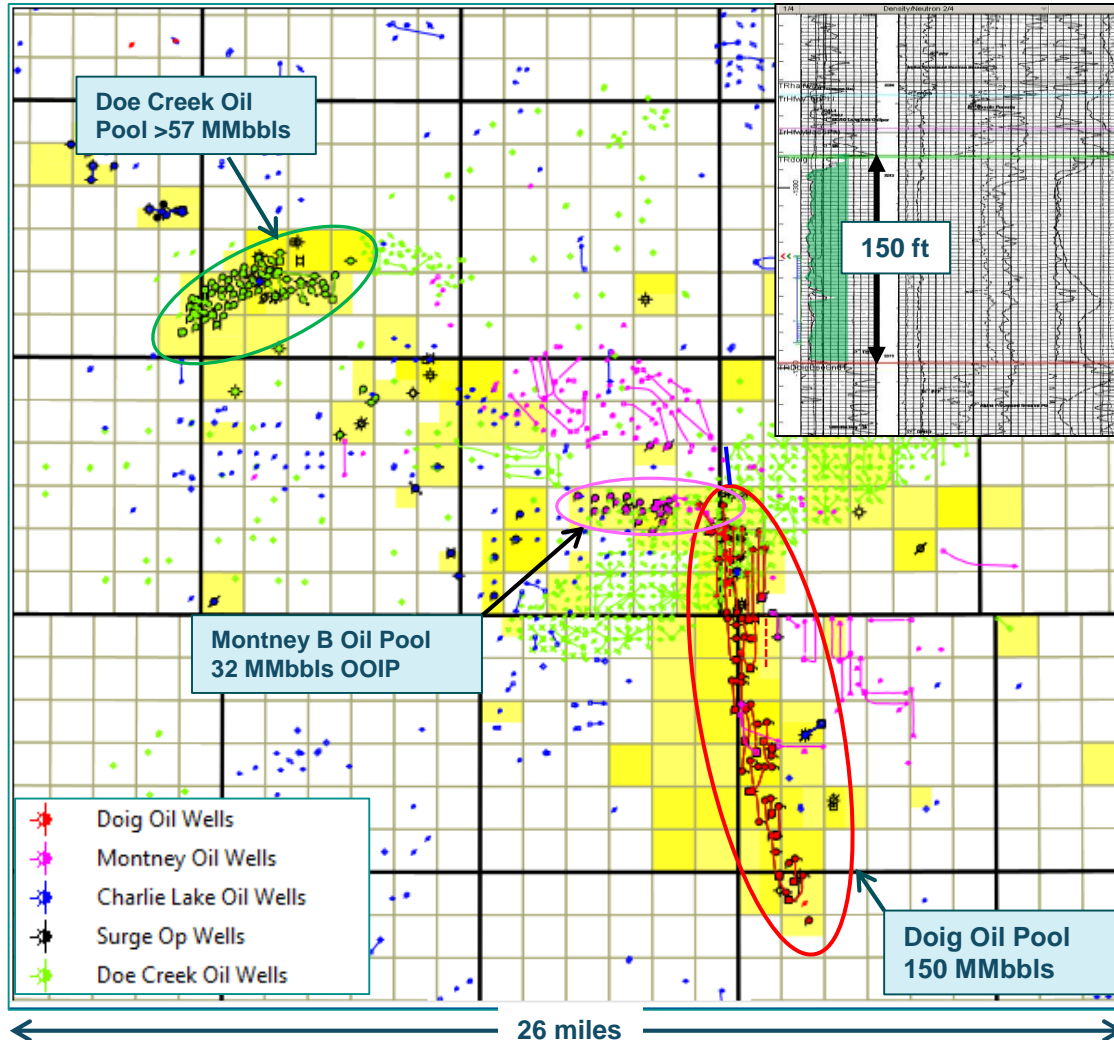
- NPV8/well = \$5.8M
- IRR = 137%
- PIR0 = 10.3x

* SGY Guidance pricing:
 2018 - US\$57.50/bbl WTI, US\$42.00/bbl WCS, US\$54.50/bbl EDMN,
 AECO: C\$1.85/MMBtu; a 1.5% per year inflation rate was applied.
 An inflating CAD/USD exchange rate of \$0.77 (to max of \$0.90 by
 2034) was assumed.

STACKED LIGHT OIL PAY - VALHALLA

Multi Zone, Light Oil Prone Area: Doe Creek, Charlie Lake, Doig and Montney: >258 mmbbbls ooiip, 10 year drilling inventory

Doig Type Log



Valhalla Area Attributes

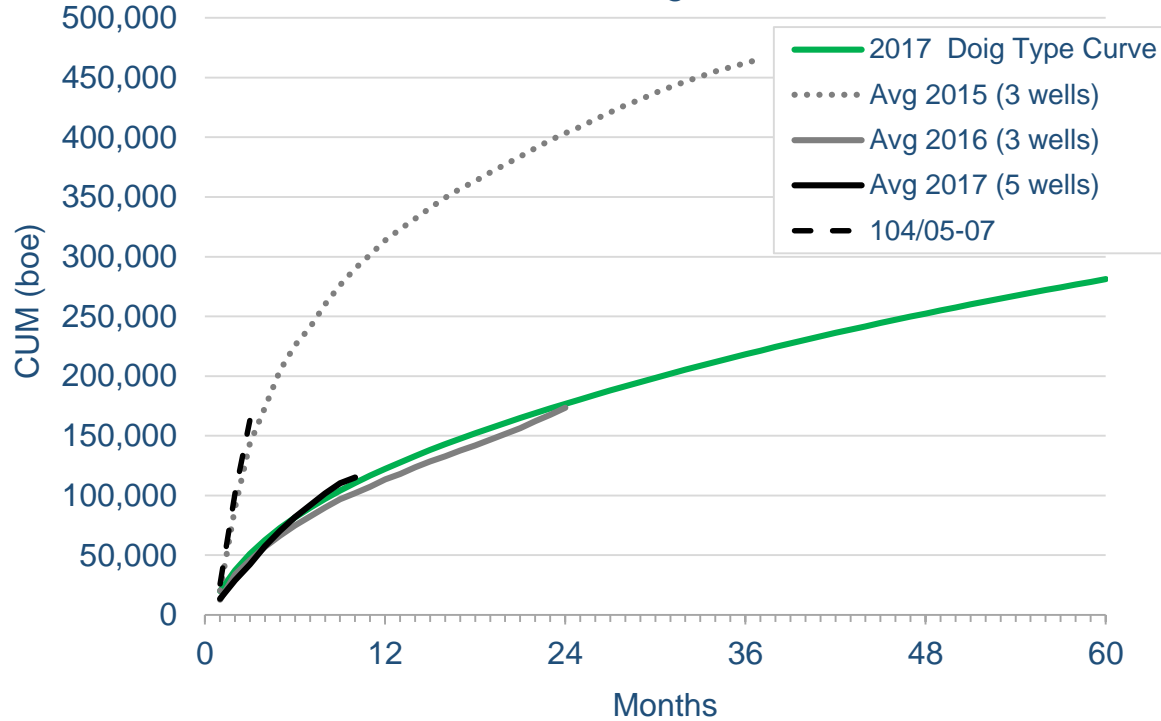
- Triassic Near Shore, Shelf Margin and Turbidite Deposits
- Doig: Porosity 5-9%, Perm: 0.1 -100 md
Net pay up to 165 feet
Coquina and Dolomitic Sandstones
Frac: Ball drop, 24 stages, 35 tons/stage
- Montney: Porosity: 9-14%, Perm: 0.1 to 10 md
Net Pay up to 60 feet

Stacked OOIP:

Formation	Depth (ft)	Net OOIP (MMbbl)	Current Recovery
Doe Creek	2,300	57	26.9%
Charlie Lk.	6,200	>20	0%
Doig (Shelf Margin)	6,700	150	3.6%
Montney (Turbidite)	7,200	32	8.8%
Totals	-	>258	9.1%

DOIG WELL TYPES AND ECONOMICS

SGY Doig: 2015 - 2017



2018 Type curve and economics (CAD\$)

Primary

- Well cost - \$3.8M
- EUR = 577 MBOE
- 45% Oil (55% Oil & NGL)
- 16.3% RF
- IRR = 139%
- PIR0 = 2.4x

* SGY Guidance pricing:
 2018 - US\$57.50/bbl WTI, US\$42.00/bbl WCS, US\$54.50/bbl EDMN,
 AECO: C\$1.85/MMBtu; a 1.5% per year inflation rate was applied.
 An inflating CAD/USD exchange rate of \$0.77 (to max of \$0.90 by
 2034) was assumed.