SURGE ENERGY INC. ANNOUNCES THIRD QUARTER FINANCIAL & OPERATING RESULTS; OPERATIONS UPDATE; 2027 CAPITAL AND OPERATING BUDGET; BASE DIVIDEND INCREASE

CALGARY, ALBERTA (November 4, 2026) – Surge Energy Inc. ("Surge" or the "Company") (TSX: SGY) announces its financial and operating results for the quarter ended September 30, 2026, an operations update, and the Company's board of directors (the "Board") approved 2027 capital and operating budget guidance. Surge also anticipates increasing the Company's annual base dividend by approximately six percent, from $0.52 to $0.55 per share, effective for the November 15, 2026 dividend announcement, and payable on December 15, 2026.

Select financial and operating information is outlined below and should be read in conjunction with the Company's unaudited condensed interim financial statements and management's discussion and analysis for the three and nine months ended September 30, 2026, available at www.sedarplus.ca and on Surge's website at www.surgeenergy.ca.

Q3/26 MESSAGE TO SHAREHOLDERS

Ongoing geopolitical conflicts in the Middle East and Russia/Ukraine have created worldwide crude oil supply disruptions that continued to support elevated oil prices over the course of the third quarter of 2026. Oil prices averaged US$85.68 WTI per barrel in Q3/26, ranging from a low of US$68.55 on July 6, 2026 to a high of US$105.83 on September 15, 2026. Based on these macroeconomic developments, many market participants are now projecting a sustained 'higher for longer' crude oil price environment going forward.

As a Canadian oil producer, Surge benefits from oil revenues that are based on crude oil prices in US dollars, while incurring operating and capital costs in Canadian dollars. In Q3/26, after applying Canadian crude oil differentials to WTI and converting to Canadian dollars, Surge realized an average oil price of more than C$103 per barrel, compared with an average WTI crude oil price of US$85.68 per barrel.

With WTI crude oil prices averaging more than US$89 per barrel on a combined basis over the past two quarters, the Company's free cash flow ("FCF")[1] is much higher than Management's initial US$65 WTI per barrel budget price level assumption for 2026. Every US$1 per barrel increase in WTI crude oil prices provides Surge with an estimated C$7 million of additional FCF in 2027.

On this basis, on June 1, 2026 Surge announced an upward revision to the Company's 2026 capital expenditure program, including an increase to the Company's 2026 production exit rate guidance from 23,000 boepd to 24,000 boepd (89 percent liquids).

In addition, Surge's Board and Management are announcing additional organic production growth in conjunction with the Company's 2027 capital and operating budget forecast, highlights of which include:

- Additional production growth from 24,000 boepd exit 2026, to 25,000 boepd exit 2027;
- Adjusted Funds Flow ("AFF")[1] of $370 million at US$80 WTI[2];
- Cash flow from operating activities of $355 million at US$80 WTI[2];
- FCF of $145 million at US$80 WTI[2]; and
- Capital expenditures of $210 million.

Surge also intends to increase the Company's annual base dividend by approximately six percent, from $0.52 per share to $0.55 per share, effective for the November 15, 2026 dividend announcement, and payable on December 15, 2026. Inclusive of the proposed dividend increase, Surge will have increased its base cash dividend three times since 2023; a total increase of 31 percent (from $0.42 per share in December 2022, to $0.55 per share as of November 2026).

Furthermore, based on Surge's 2027 capital and operating budget, the Company forecasts allocating up to $60 million towards share repurchases in 2027 at US$80 WTI[2]. This represents an increase of more than 180 percent compared to the $21.2 million repurchased over the first nine months of 2026.

With forecasted FCF in 2027 of $145 million at US$80 WTI per barrel pricing, the Company will continue pursuing a disciplined, balanced allocation of FCF between production per share growth, the base dividend, share buybacks, further debt reduction, and special dividends.

With regards to Q3/26 operations, extremely wet conditions throughout July and August delayed production from the Company's Q3 drilling program, with more than 40 lost drilling days. As field conditions improved, drilling operations resumed, and Surge now has three rigs active in its Sparky (Mannville) and SE Saskatchewan core areas.

Based on excellent 2H/26 drilling results to date, the Company's October monthly average production rate exceeded Surge's upwardly revised 2026 production exit rate guidance of 24,000 boepd, with three rigs operating until year end 2026.

Strong drilling and waterflood results in the Company's Sparky (Mannville) and SE Saskatchewan core areas continue to underpin Surge's shareholder returns-based business plan. Highlights of the Company's recent operational developments include:

- Single-leg, multi-frac wells in Provost/Cadogan in the Sparky area, continue to deliver better than type-curve well results[3], supported by the successful application of high-density frac and high-volume lift technology. The initial three Provost/Cadogan wells drilled in Q3/26 achieved an average IP30 rate of more than 350 bopd per well;

- Surge continues to expand into and develop new Frobisher horizons in SE Saskatchewan. In Q3/26, the Company brought on production its third open hole multi-lateral ("OHML") State A well at Steelman, achieving an IP30 rate of more than 300 bopd. Surge has now internally identified more than 26 net follow-up drilling locations[3] in the State A formation;

- Surge's first OHML well at Freda Lake in SE Saskatchewan (09-23-004-18W2) continues to perform strongly, with an IP90 rate of more than 300 bopd and cumulative production of over 63,000 barrels over the first 10 months. The Company has now internally identified more than 25 net follow-up locations[3] at its Freda Lake (Ratcliffe) light oil property; and

- Surge has significantly increased the Company's waterflood budget over the past two years, from $2 million in 2024 to $21 million budgeted for 2026. This increase in waterflood capital will improve oil recoveries and reduce corporate decline rates. By year end 2026, approximately 57 percent of the Company's oil production is expected to be supported by waterflood initiatives or natural aquifer drive.

Q3/26 FINANCIAL & OPERATING HIGHLIGHTS

In Q3/26, Surge's production averaged 22,736 boepd (89 percent liquids) as a result of significant delays in the planned 2H/26 drilling program, stemming from extremely wet conditions in both the Sparky (Mannville) and SE Saskatchewan core areas. With the 2H/26 drilling program now well underway, the Company's October monthly average production rate exceeded Surge's upwardly revised 2026 exit production guidance of 24,000 boepd - with three rigs drilling until year end.

During the third quarter, Surge generated AFF of $80.0 million and cash flow from operating activities of $73.5 million. In Q3/26, the Company spent $60.7 million on property, plant, and equipment and $3.7 million on decommissioning expenditures, resulting in FCF of $15.6 million.

Q3/26 was Surge's most active drilling quarter of 2026, with 28 gross (20.2 net) wells drilled, including 15.0 net wells in the Sparky core area and an additional 5.2 net wells in SE Saskatchewan. Of the 20.2 net wells drilled, 15.2 were on stream by September 30, with the remainder expected to be brought on production in the fourth quarter.

During the third quarter, Surge returned a total of $18.9 million to shareholders through its monthly base dividend and share buybacks. Over the course of Q3/26, Surge distributed $12.9 million in dividends to shareholders, representing 16 percent of AFF generated during the period. In addition, Surge repurchased $6.0 million of common shares (569,400 shares) in Q3/26, maintained an undrawn $250 million first-lien credit facility, and reported $50.6 million of cash on hand at the end of the

period.

On this basis, as at September 30, 2026, Surge's net debt[1] of $200.3 million represented 0.6 times annualized Q3/26 AFF.

FINANCIAL AND OPERATING HIGHLIGHTS

FINANCIAL AND OPERATING HIGHLIGHTS	Three Months Ended September 30,			Nine Months Ended September 30,		
($000s except per share and per boe)	**2026**	**2025**	**% Change**	**2026**	**2025**	**% Change**
Financial highlights						
Oil sales	186,955	140,788	33 %	543,195	435,139	25 %
NGL sales	3,613	2,238	61 %	10,428	5,549	88 %
Natural gas sales	1,733	275	530 %	5,402	4,550	19 %
Total petroleum and natural gas revenue	192,301	143,301	34 %	559,025	445,238	26 %
Cash flow from operating activities	73,528	66,392	11 %	228,791	206,206	11 %
Per share - basic ($)	0.74	0.67	10 %	2.31	2.07	12 %
Per share diluted ($)	0.72	0.66	9 %	2.24	2.05	9 %
Adjusted funds flow[a]	79,961	70,050	14 %	242,383	222,913	9 %
Per share - basic ($)[a]	0.81	0.71	14 %	2.44	2.24	9 %
Per share diluted ($)[a]	0.78	0.69	13 %	2.37	2.21	7 %
Net income	4,048	7,199	(44)%	48,725	47,352	3 %
Per share basic ($)	0.04	0.07	(43)%	0.49	0.48	2 %
Per share diluted ($)	0.04	0.07	(43)%	0.48	0.47	2 %
Expenditures on property, plant and equipment	60,666	32,805	85 %	138,107	118,034	17 %
Net acquisitions and dispositions	2,488	5,677	(56)%	3,573	5,661	(37)%
Net capital expenditures	63,154	38,482	64 %	141,680	123,695	15 %
Net debt[a], end of period	200,338	217,393	(8)%	200,338	217,393	(8)%
Operating highlights						
Production:						
Oil (bbls per day)	19,561	20,223	(3)%	19,955	20,408	(2)%
NGLs (bbls per day)	699	606	15 %	701	471	49 %
Natural gas (mcf per day)	14,858	16,759	(11)%	15,024	16,288	(8)%
Total (boe per day) (6:1)	22,736	23,622	(4)%	23,160	23,594	(2)%
Average realized price (excluding hedges):						
Oil ($ per bbl)	103.89	75.67	37 %	99.71	78.10	28 %
NGL ($ per bbl)	56.23	40.15	40 %	54.51	43.19	26 %
Natural gas ($ per mcf)	1.27	0.18	606 %	1.32	1.02	29 %
Netback ($ per boe)						
Petroleum and natural gas revenue	91.94	65.94	39 %	88.42	69.13	28 %
Realized gain (loss) on commodity and FX contracts	(8.40)	1.70	nm[b]	(8.41)	1.74	nm
Royalties	(19.06)	(11.60)	64 %	(16.47)	(12.08)	36 %
Net operating expenses[a]	(19.89)	(17.69)	12 %	(18.70)	(17.85)	5 %
Transportation expenses	(1.35)	(0.94)	44 %	(1.19)	(1.03)	16 %
Operating netback[a]	43.24	37.41	16 %	43.65	39.91	9 %
G&A expense	(2.50)	(2.46)	2 %	(2.68)	(2.57)	4 %
Interest expense	(2.50)	(2.72)	(8)%	(2.64)	(2.73)	(3)%
Adjusted funds flow[a]	38.24	32.23	19 %	38.33	34.61	11 %
Common shares outstanding, end of period	98,619	98,984	— %	98,619	98,984	— %
Weighted average basic shares outstanding	98,986	99,055	— %	99,223	99,448	— %
Stock based compensation dilution	2,975	2,105	41 %	2,889	1,289	124 %
Weighted average diluted shares outstanding	101,961	101,160	1 %	102,112	100,737	1 %

[a] This is a non-GAAP and other financial measure which is defined in the Non-GAAP and Other Financial Measures section of this document.

[b] The Company views this change calculation as not meaningful, or "nm".

OPERATIONS UPDATE: CONTINUED DRILLING AND WATERFLOOD SUCCESS IN SPARKY AND SE SASKATCHEWAN CORE AREAS DRIVES PRODUCTION OUTPERFORMANCE

Sparky (Mannville) Waterflood and Operations Update

Surge has continued to meaningfully expand the Company's waterflood capital program over the past several years, increasing waterflood spending from $2 million in 2024, to $8 million in 2025, to an initial budget of $12 million in 2026. On June 1, 2026, Surge further increased its 2026 waterflood capital program by an additional $9 million to $21 million. This commitment to waterflood initiatives underscores the importance of enhanced oil recovery across the Company's asset base.

The development and delineation of Surge's Hope Valley discovery continued in Q3/26, with the Company beginning injection into five dedicated water injector wells in section 19, which will provide support to offsetting producing OHML wells. These injectors are in addition to the two dedicated injectors drilled in Q1/26, and the Company's first dedicated injector which was drilled in December 2025. As a result, Surge has now expanded the waterflood pilot in the greater Hope Valley area to include 8 dedicated water injection wells and plans to continue expansion with four additional dedicated injectors planned for Q4/26.

Surge's initial pilot injection well, brought on in December 2025, is demonstrating encouraging initial results, with production rates increasing and gas-oil ratios declining - both positive indicators of effective reservoir support and improved sweep efficiency.

Building on these results, the Company is now piloting four ‘double barrel’ water injectors in section 19 at Hope Valley, consisting of a two-leg injection well supporting an eight-leg OHML producing well. Management believes the ‘double-barrel’ injector design will further accelerate waterflood response, voidage replacement, and offset oil production rates. Management currently anticipates having production results from this pilot over the next nine to twelve months.

Additionally, Surge has now successfully converted seven single-leg horizontal wells to water injection in the Sparky formation at the Company's Provost/Cadogan, Sounding Lake, and Betty Lake fields during the first nine months of 2026, with four additional conversions planned for Q4/26.

At Provost/Cadogan and Sounding Lake, Surge continues to deliver better than type-curve Sparky well results[3] through the application of single-leg multi-frac drilling technology (utilizing additional frac stages), combined with high-volume lift.

SE Saskatchewan Operations Update

During Q3/26, Surge drilled 5.2 net wells in SE Saskatchewan and continued to expand into and develop new Frobisher horizons. In Q3/26, the Company brought on production its third OHML State A well at Steelman, achieving an IP30 rate of more than 300 bopd. The Company plans to drill a follow-up well in the State A formation in Q4/26.

Surge’s first OHML well at Freda Lake in the Ratcliffe formation in SE Saskatchewan (09-23-004-18W2) continues to perform strongly, with an IP90 rate of more than 300 bopd and cumulative oil production of over 63,000 barrels over the first 10 months. The Company intends to drill two follow-up, light oil wells at Freda Lake in Q4/26.

2027 CAPITAL AND OPERATING BUDGET: CONTINUING TO MAXIMIZE FREE CASH FLOW

Given the ongoing volatility of world crude oil prices, Management has elected to utilize an US$80 WTI crude oil price assumption for the Company’s 2027 capital and operating budget, while also providing sensitivities at US$75 and US$85 WTI crude oil prices (see chart below).

In 2027, Surge will continue to implement the Company’s disciplined capital allocation business model, with cash flow strategically allocated between focused capital projects and returns to shareholders. Following the anticipated increase to Surge’s base dividend, the Company forecasts returning $54 million annually to shareholders through the Company’s newly

increased $0.55 per share per annum base dividend (paid monthly). Management currently anticipates allocating the majority of the Company's FCF (after dividends) in 2027 to share repurchases under its existing normal course issuer bid ("NCIB") program, as well as continued reduction of net debt.

It is expected that Surge's 2027 capital budget will see more than 95 percent of the Company's development expenditures directed towards two of the top five crude oil plays in Canada[4] in its Sparky (~15,000 boepd; 90 percent liquids) and SE Saskatchewan (~8,000 boepd; 91 percent liquids) core areas, which now comprise over 90 percent of the Company's current production.

Surge continues to experience improved production efficiencies as a result of the Company's successful application of modern OHML drilling technologies, and the application of high-density fracking, in both the Sparky and SE Saskatchewan core areas.

Based on Surge's 2027 capital budget, the Company anticipates delivering additional production growth to 25,000 boepd (90 percent liquids), generating AFF of $370 million, and FCF of $145 million, at US$80 WTI crude oil pricing[2].

Surge's Management and Board closely monitor market conditions for commodity prices, Canadian oil price differentials, and interest and foreign exchange rates. The pace of the Company's capital expenditure budget is strategically adjusted by Management based on market conditions.

2027 BUDGET HIGHLIGHTS

Surge's disciplined 2027 capital and operating budget is designed to maximize FCF, while also providing continued annual production growth, as follows:

- Forecasted AFF of approximately $370 million ($3.75 per share) at US$80 WTI crude oil pricing[2];
- Estimated annual cash flow from operating activities of $355 million ($3.60 per share) at US$80 WTI crude oil pricing[2];
- Forecasted FCF of $145 million ($1.47 per share) at US$80 WTI crude oil pricing[2];
- A focused $210 million capital expenditure program;
    - Including approximately $25 million of capital allocated to waterflood development;
- Drilling 76.0 of the Company's most capital efficient net drilling locations, focused predominately in the Sparky and SE Saskatchewan core areas; and
- Utilizing less than 9 percent of the Company's internally estimated drilling location inventory (i.e. over 900 net total estimated locations currently in inventory)[3].

Further details relating to the 2027 budget are set forth below:

Guidance	**@ US $75 WTI[2]**	**@ US $80 WTI[2]**	**@ US $85 WTI[2]**
Exit 2027 production	25,000 boepd (90% liquids)	25,000 boepd (90% liquids)	25,000 boepd (90% liquids)
Average 2027 production	24,500 boepd (90% liquids)	24,500 boepd (90% liquids)	24,500 boepd (90% liquids)
2027(e) Exploration and development capital expenditures	$210 million	$210 million	$210 million
2027(e) Adjusted Funds Flow	**$335 million**	**$370 million**	**$405 million**
Per share	*$3.40 per share*	*$3.75 per share*	*$4.11 per share*
2027(e) Cash flow from operating activities*	$320 million	$355 million	$390 million
Per share	*$3.25 per share*	*$3.60 per share*	*$3.96 per share*
2027(e) Free cash flow	**$110 million**	**$145 million**	**$180 million**
Per share	*$1.12 per share*	*$1.47 per share*	*$1.83 per share*

2027(e) Base dividend	$54 million	$54 million	$54 million
Per share	*$0.55 per share*	*$0.55 per share*	*$0.55 per share*
2027(e) Royalties as a % of revenue	19.0%	19.5%	20.0%
2027(e) Net operating expenses	$18.75 to $19.50 per boe	$18.75 to $19.50 per boe	$18.75 to $19.50 per boe
2027(e) Transportation expenses	$1.25 to $1.50 per boe	$1.25 to $1.50 per boe	$1.25 to $1.50 per boe
2027(e) General & administrative expenses	$2.50 to $2.75 per boe	$2.50 to $2.75 per boe	$2.50 to $2.75 per boe
2027(e) Interest expenses	$2.25 to $2.50 per boe	$2.25 to $2.50 per boe	$2.25 to $2.50 per boe
$1.1 billion in tax pools (providing an estimated 4-year tax horizon)			

** Cash flow from operating activities assumes a nil change in non-cash working capital. Per share metrics based on 98.6 million basic shares outstanding*

2027 DRILLING PROGRAM: FOCUSED ON SPARKY (MANNVILLE) AND SE SASKATCHEWAN

Surge's 2027 capital program is focused in the Company's Sparky and SE Saskatchewan core areas, with over 95 percent of the 2027 development expenditures allocated to these two areas. A total of 76.0 net (86 gross) wells are planned to be drilled across Surge's core areas, with 51.0 net (51 gross) wells planned in Sparky, including 14.0 dedicated injector wells to be drilled in Hope Valley, and 25.0 net (35 gross) wells planned in SE Saskatchewan.

Sparky (Mannville)

Surge's 2027 capital program in the Sparky core area (90 percent liquids; 23° API average crude oil gravity) is directed to development drilling, consisting of 21.0 net (21 gross) single-leg fracked Sparky horizontal wells, 16.0 net (16 gross) multi-leg Mannville stack wells, and 14.0 dedicated single leg injectors.

SE Saskatchewan

In the Company's SE Saskatchewan light oil core area, Surge is currently budgeting the drilling of 25.0 net (35 gross) conventional Mississippian horizontal wells, with 17.2 of these net (20 gross) wells targeting the Frobisher light oil formation, and 7.8 net (15 gross) wells targeting the Ratcliffe, Midale, and Bakken formations.

Over the past number of years, the Company has endeavored to optimize reservoir contact by drilling two and three leg vertically stacked multi-lateral wells within the Frobisher formation, and eight to nine leg multi-lateral wells within the Frobisher State A formation. In 2027, 13.2 net (16 gross) wells of Surge's planned 17.2 net (20 gross) Frobisher wells (77 percent) will be drilled as multi-lateral horizontal wells.

OUTLOOK: PREMIUM CRUDE OIL ASSET BASE DRIVES SUPERIOR RETURNS

Surge's conventional crude oil asset base is now 92 percent focused in two of the top five crude oil plays in Canada[4] based on per well payout economics, in the Company's Sparky (~15,000 boepd; 90 percent medium gravity oil and liquids) and SE Saskatchewan (~8,000 boepd; 91 percent light oil and liquids) core areas.

Surge is focused on delivering shareholder returns in 2027 based on the key corporate fundamentals set forth below:

- Estimated 2026 exit production of 24,000 boepd (89 percent liquids);
- Estimated 2027 exit production of 25,000 boepd (90 percent liquids);
- Estimated 2027 AFF of $370 million at US$80 WTI[2];
- Estimated 2027 cash flow from operating activities of $355 million at US$80 WTI[2];
- A $54 million annual base cash dividend (anticipated to be increased to $0.55 per share annual dividend, paid monthly), which represents approximately 15 percent of the Company's forecasted 2027 AFF of $370 million;
- An independently engineered total proved and probable YE2025 NAV per share of $17.10[5], based on a US$75 WTI flat price forecast;
- An undrawn, 2-year $225 million revolving credit facility and an uncommitted $25 million accordion, which provides up to $250 million in total available credit facilities;
- A low, 25 percent annual corporate production decline rate[5];
- More than 900 (net) internally estimated drilling locations, providing a 12-year drilling inventory[3] and
- $1.1 billion in tax pools (representing an estimated 4-year tax horizon)[2].

1. This is a non-GAAP and other financial measure. See the Non-GAAP and Other Financial Measures advisory herein. "GAAP" is defined as generally accepted accounting principles.
2. Based on the following pricing assumptions: US$16.00 WCS differential, US$3.00 EDM differential, $0.71 CAD/USD FX and $2.00 AECO. Sensitivities are inclusive of the Company's existing hedge positions as at the date of this release.
3. See Drilling Inventory.
4. Source: Peters & Co. (September 2026 North American Crude Oil and Natural Gas Plays). Based on the following pricing assumptions: US$70.00/B WTI, US$15/B WCS Diff, US$3.50/B PAR Diff, US$3.75/Mcf NYMEX, and C$3.00/Mcf AECO prices.
5. See Oil and Gas Advisories.

FORWARD LOOKING STATEMENTS

This press release contains forward-looking statements. The use of any of the words "anticipate", "continue", "could", "estimate", "expect", "may", "will", "project", "should", "believe", "potential" 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 press release contains statements concerning: Surge's anticipated increase to the Company's annual dividend; the estimated amount of additional FCF from increases in WTI crude oil prices; Surge's 2027 capital and operating budget and the forecasts, estimates and expectations related thereto; the Company's anticipated allocation towards share repurchases and return of capital to shareholders in 2027; Surge's 2027 guidance including, exit 2027 production, average 2027 production, 2027(e) exploration and development expenditures, 2027(e) AFF, 2027(e) AFF per share, 2027(e) cash flow from operating activities, 2027(e) cash flow from operating activities per share, 2027(e) free cash flow, 2027(e) free cash flow per share, 2027(e) base dividend, 2027(e) base dividend per share, 2027(e) royalties as a % of revenue, 2027(e) net operating expenses, 2027(e) general & administrative expenses, 2027(e) interest expenses and tax pools; the expectation that an increase in waterflood capital will improve oil recoveries and reduce corporate decline rates; Surge's expectations regarding its drilling program and budget for the remainder of 2026 and in 2027 including the areas of focus; the Company's expectation that wells will be brought on production in the fourth quarter; that Surge continues to expand the Company's capital waterflood capital program; Management's expectations regarding its pilot 'double barrel' water injectors and anticipated timing for production; the planned conversion of additional single-

leg horizontal wells to water injection in the fourth quarter; the continued implementation by the Company of a disciplined capital allocation business model, with cash flow strategically allocated between focused capital projects and returns to shareholders in 2027; Management's expectation it will allocate the majority of the Company's remaining FCF in 2027 to share repurchases under its existing NCIB, as well as continued reduction of net debt; the Company's anticipated production growth, AFF and FCF; Surge's 2027 budget highlights including forecasted AFF, estimated annual cash flow from operating activities, forecasted FCF, the Company's capital expenditure program, drilling at capital efficient net drilling locations; utilization with respect to the Company's internally estimated drilling location inventory; that Surge's 2027 capital program will be focused in the Company's Sparky and SE Saskatchewan core areas; projections with respect to the Company's capital efficiencies; Surge's planned 2026 drilling program and focus for the remainder of 2026, including expectations regarding the number of wells to be drilled and the types thereof; Surge's expectations with respect to well conversions in the Sparky area for the remainder of 2026; expectations with respect to Surge's application of single-leg multi-frac drilling technology, utilizing additional frac stages combined with high-volume lift; Surge's 2026 capital program and focus; expectations with respect to Surge's allocation of FCF, and similar statements.

The forward-looking statements are based on certain key expectations and assumptions made by Surge, including: expectations that the Board will approve the dividend increase; the assumption that the Company will continue to be able to make share repurchases under its NCIB; oil and natural gas production levels and the timing of new wells coming on-stream; the success of the Company's operations and exploration and development activities; expectations and assumptions concerning the performance of existing wells and success obtained in drilling new wells; the Company's critical accounting estimates; the size of Surge's oil, natural gas and natural gas liquid reserves and the recoverability of its reserves; prevailing weather conditions, commodity prices and exchange rates; the availability of labour, services and drilling equipment; the availability of capital to fund planned expenditures; ability of Surge to meet its objectives; anticipated expenses; cash flow and capital expenditures; recoverable and carrying value of certain assets; underlying causes of the fluctuations in Surge's revenue and net income (loss) from quarter to quarter; Surge's ability to fund future capital requirements and the nature and source of such funding; timing and amount of capital expenditures; timing of production curtailments; future operating costs and future cash flow; the Company's future debt levels; general economic and financial market conditions; compliance with and application of regulatory and royalty regimes; prevailing commodity prices and economic conditions; the Company's expectations regarding well production rates, production decline of existing wells and performance and geographic location of new wells drilled; the Company's ability to market production of oil and natural gas successfully to customers; the applicability of technologies for recovery and production of the Company's reserves; the success, nature and timing of waterflood activities; the impact of any new pandemic or epidemic and other international or geopolitical events, including government responses related thereto and their impact on global energy pricing, oil and gas industry exploration and development activity levels and production volumes; the financial assumptions used by Surge's reserve evaluators in assessing potential impairment of Surge assets; Surge's belief that the majority of cash flows associated with its proved and probable oil and gas reserves will be realized prior to the elimination of carbon based energy; the Company's belief in the uncertainty regarding the ultimate period in which global energy markets can transition from carbon based sources to alternative energy; management's expectations as to the cause of fluctuation in corporate royalty rates; management's beliefs regarding the estimates of the future values for certain assets and liabilities of the Company; the Company's estimates with respect to incremental borrowing rates and lease terms; development and completion activities and the costs relating thereto; the performance of new wells and ability of the Company to bring new wells on-stream; the successful implementation of waterflood programs; the availability of and performance of facilities and pipelines; the geological characteristics of Surge's properties and any acquired assets; the successful application of drilling, completion and seismic technology; the determination of decommissioning obligations; the ability of the Company to return capital to its shareholders through the payment of its dividend including timing thereof; the ability to obtain approval from the syndicate to increase or maintain its credit facilities; the ability to continue borrowing under the Company's credit facilities and the syndicate's interpretation of the Company's obligations thereunder; ability of the Company to meet its obligations under its credit facilities; ability of the Company to continue to make repurchases under its NCIB and the timing thereof; ability of the Company to obtain alternative forms of debt and equity financing on terms acceptable to the Company to meet its capital requirements;

prevailing weather conditions; exchange rates; licensing requirements; the impact of completed facilities on operating costs; that prevailing regulatory, tax and environmental laws and regulations apply or are introduced as expected, and the timing of such introduction; the availability, costs of capital, labour and services, and the creditworthiness of industry partners; and the ability of the Company to secure necessary capital, personnel, equipment and services.

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, international conflict and other geopolitical tensions and events (including war, military action, terrorism, trade disputes, and international responses thereto); foreign and domestic relations including government responses related thereto; risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production; changes with respect to foreign and domestic trade policy; the imposition or expansion of tariffs imposed by domestic and foreign governments or the imposition of other restrictive trade measures, retaliatory or countermeasures implemented by such governments, including the introduction of regulatory barriers to trade and the potential effect on the demand and/or market price for Surge's products and/or otherwise adversely affects Surge; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks); uncertainty surrounding the amount that will be available under the credit facilities in the future and the ability to obtain approval from the syndicate to increase or maintain its credit facilities; delays or changes in plans with respect to exploration or development projects or capital expenditures; inability to secure labour, services or equipment on a timely basis or on favourable terms; failure to obtain industry partner, regulatory or other third-party consents and approvals, when and if required; competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel; fluctuations in the cost of borrowing; the marketability of production and demand of Surge's products; the inability to access sufficient capital from internal and external sources; inability of Surge to fund its future capital requirements and business plan; uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures; changes in general economic, market and business conditions; a decrease or elimination of the payment of dividends by the Company as a result of the Board's determination or restrictions under applicable agreements or corporate laws; unanticipated operating events which can reduce production or cause production to be shut in or delayed; commodity price and exchange rate fluctuations and constraint in the availability of services, adverse weather or break-up conditions; unfavourable weather conditions; a failure of the Company to hire or retain key personnel; incorrect assessments of the value of acquisitions, dispositions and exploration and development programs; geological, technical, drilling, completion and processing problems; results of waterflood responses; the outcome of litigation or regulatory proceedings brought against the Company or other disputes involving the Company; changes in legislation, including changes in tax laws, environmental laws and incentive programs relating to the oil and gas industry; the impact of natural disasters including earthquakes, typhoons, floods and fires; cyber-security issues; failure to realize the anticipated benefits of acquisitions and dispositions; changes in laws and regulations that affect the Company; risks related to decommissioning obligations including as a result of changes to laws or regulations, reserves estimates, costs and technology; failure to obtain the continued support of the lenders under Surge's current credit; potential decrease in the available lending limits under Surge's credit as a result of the syndicate's interpretation of the Company's reserves, commodity prices and decommissioning obligations; or the inability to obtain consent of lenders to increase or maintain the Facilities. Certain of these risks are set out in more detail in Surge's Annual Information Form dated March 4, 2026 and in Surge's Management's Discussion & Analysis for the year ended December 31, 2025, both of which have been filed on SEDAR+ and can be accessed on Surge's profile at www.sedarplus.ca.

The guidance in respect of the Company's expectations of AFF, FCF and Net Operating Expense in 2027 herein, and other financial metrics of a forward-looking nature (as may be identified herein by "2027e" or otherwise), may be considered to be a financial outlook for the purposes of applicable Canadian securities laws. Such information is based

on assumptions about future events, including economic conditions and proposed courses of action, based on Management's assessment of the relevant information currently available, and which may become available in the future. These projections constitute forward-looking statements and are based on several material factors and assumptions set out above. Actual results may differ significantly from such projections. See above for a discussion of certain risks that could cause actual results to vary. The financial outlook contained herein has been approved by Management as of the date of this press release. Readers are cautioned that any such financial outlook contained herein should not be used for purposes other than those for which it is disclosed herein. Surge and its Management believe that the financial outlook contained herein has been prepared based on assumptions that are reasonable in the circumstances, reflecting Management's best estimates and judgments, and represents, to the best of Management's knowledge and opinion, expected and targeted financial results. However, because this information is highly subjective, it should not be relied on as necessarily indicative of future results.

The forward-looking statements contained in this press release 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 Canadian securities laws.

Oil and Gas Advisories

Barrel of Oil Equivalency

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.

Oil and Gas Metrics

This press release 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)**" refers to the initial volume of oil present in the reservoir at the time of its formation.

"**Capital payout**" or "**payout per well**", is the time period for the operating netback of a well to equate to the individual cost of drilling, completing and equipping the well. Management uses capital payout and payout per well as a measure of capital efficiency of a well to make capital allocation decisions.

"**Decline**" is the amount existing production decreases year over year (March 2025 to March 2026), without new drilling. GLJ Ltd. ("GLJ") 2025YE reserves have a PDP decline of 25 percent and a P+PDP decline of 23 percent.

"**Net Asset Value (NAV)**" is calculated as reserve value discounted at 10 percent on a BTax basis, less the Company's net debt, a capital management measure, at December 31, 2025 of $220.6 million and is divided by 98.9 million shares outstanding as at December 31, 2025.

Management uses these oil and gas metrics for its own performance measurements and to provide shareholders with measures to compare our operations over time. Readers are cautioned that the information provided by these metrics, or that can be derived from the metrics presented in this press release, should not be relied upon for investment or other

purposes.

Drilling Inventory

This press release discloses drilling locations in two categories: (i) booked locations; and (ii) unbooked locations. Booked locations are proved locations and probable locations derived from an external 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 Engineers and Geologists (and have been reviewed by Surge's 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, 2026 reference date, the Company will have over >1,000 gross (>900 net) drilling locations identified herein; of these >600 gross (>525 net) are unbooked locations. Of the 360.6 net booked locations identified herein, 282.3 net are Proved locations and 78.3 net are Probable locations based on GLJ's 2025YE reserves. Assuming an average number of net producing wells drilled per year of 65, Surge's >900 net locations provide 12 years of drilling.

Assuming a January 1, 2026 reference date, the Company will have over >500 gross (>500 net) Sparky Core area drilling locations identified herein; of these >300 gross (>300 net) are unbooked locations. Of the 191.4 net booked locations identified herein, 141.8 net are Proved locations and 49.6 net are Probable locations based on GLJ's 2025YE reserves. Assuming an average number of wells drilled per year of 35, Surge's >500 net locations provide >14 years of drilling.

Assuming a January 1, 2026 reference date, the Company will have over >350 gross (>300 net) SE Saskatchewan & Manitoba drilling locations identified herein; of these >185 gross (>160 net) are unbooked locations. Of the 143.2 net booked locations identified herein, 114.6 net are Proved locations and 28.6 net are Probable locations based on GLJ's 2025YE reserves. Assuming an average number of wells drilled per year of 30, Surge's >300 net locations provide >10 years of drilling.

Included in the total SE Saskatchewan & Manitoba location counts and assuming a January 1, 2026 reference date, the Company will have 20 gross (17 net) State A SE Saskatchewan drilling locations identified herein; of these 9 gross (8.5 net) are booked locations. Proved locations are 7 gross (7.0 net) and Probable locations are 2 gross (1.5 net) based on GLJ's 2025YE reserves.

Included in the total SE Saskatchewan & Manitoba location counts assuming a January 1, 2026 reference date, the Company will have 22 gross (21.5 net) Ratcliffe SE Saskatchewan drilling locations identified herein; of these 18 gross (17.5 net) are unbooked locations. Of the 4.0 net booked locations identified herein, 2.0 net are Proved locations and 2.0 net are Probable locations based on GLJ's 2025YE reserves.

Surge's internally used type curves were constructed using a representative, factual and balanced analog data set, as of January 1, 2026. All locations were risked appropriately, and EUR's 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 (and reviewed by Surge's Qualified Reserve Evaluators). All type curves fully comply with Part 5.8 of the Companion Policy 51 – 101CP.

Over the past >2 years the Company has successfully implemented high-density frac technology (doubling the stages per well), drilling 45 gross (45 net) single lateral multi-frac wells in the Sparky core area. In Provost, this strategic modification to Surge's frac design has resulted in a >65 percent increase in IP90 average production rates (from 94 bopd to 158 bopd on a 1P basis, and from 118 bopd to 207 bopd on a 2P basis) and a >20 percent increase in average oil EUR bookings (from 82 Mstb to 107 Mstb on a 1P basis, and from 110 Mstb to 148 Mstb on a 2P basis). The cost increase associated with this is approximately 15 percent ($0.3 million per well) in the Company's independent reserve auditor type curve as compared to the standard stage spacing bookings.

The Company's initial well drilled in Q4/25 at Freda Lake in the Ratcliffe formation (103/09-23-004-18W2/00) had an IP180 production rate of 244 bblpd. These IP results are >400 percent better than the Company's independent reserve auditor IP180 Proved Undeveloped (PUD) type curve expectations of 47 bblpd (137 mbbl EUR).

Surge's internal Provost type curve profile of 240 bopd (IP30) and 123 mbbl (145 mboe) EUR reserves per well, with assumed $2.05 MM per well capital, has a payout of approximately 6 months at US$75/bbl WTI (C$79.06/bbl WCS) and an approximate 367 percent IRR.

Non-GAAP and Other Financial Measures

This press release 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 capital management measures, non-GAAP financial measures and non-GAAP ratios and are not defined by IFRS Accounting Standards ("IFRS") and therefore are referred to as non-GAAP and other financial measures. 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 September 30, 2026, have been provided to demonstrate the calculation of these measures:

Adjusted Funds Flow & Adjusted Funds Flow Per Share

AFF is a capital management measure. The Company adjusts cash flow from operating activities in calculating AFF for changes in non-cash working capital, decommissioning expenditures, and cash-settled transaction and other costs (income). 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 (income) represent expenditures associated with property acquisitions and dispositions, debt restructuring and employee severance costs as well as other income, 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.

AFF per share is a supplementary financial measure, calculated using the same weighted average basic and diluted shares used in calculating income (loss) per share.

	Three Months Ended September 30,		Nine Months Ended September 30,	
($000s except per share)	**2026**	**2025**	**2026**	**2025**
Cash flow from operating activities	73,528	66,392	228,791	206,206
Change in non-cash working capital	6,330	(441)	9,993	7,158
Decommissioning expenditures	3,670	4,025	8,688	9,636
Cash settled transaction and other costs (income)	(3,567)	74	(5,089)	(87)
Adjusted funds flow	79,961	70,050	242,383	222,913
Per share - basic ($)	0.81	0.71	2.44	2.24
Per share - diluted ($)	0.78	0.69	2.37	2.21

Free Cash Flow

FCF is a non-GAAP financial measure. FCF is calculated as cash flow from operating activities, adjusted for changes in non-cash working capital, decommissioning expenditures, and cash settled transaction and other costs (income), less expenditures on property, plant and equipment and decommissioning expenditures. During the period, Management changed the composition of free cash flow by reducing adjusted funds flow by decommissioning expenditures. This change was made as Management uses free cash flow to assess how much cash was generated in excess of the Company's capital investment and settlement of decommissioning obligations, which is used to make future capital allocation decisions and fund available investing and financing activities. Prior period calculations of free cash flow have been restated in the table below to reflect this change.

	Three Months Ended September 30,		Nine Months Ended September 30,	
($000s)	**2026**	**2025**	**2026**	**2025**
Cash flow from operating activities	73,528	66,392	228,791	206,206
Change in non-cash working capital	6,330	(441)	9,993	7,158
Decommissioning expenditures	3,670	4,025	8,688	9,636
Cash settled transaction and other costs (income)	(3,567)	74	(5,089)	(87)
Adjusted funds flow	79,961	70,050	242,383	222,913
Less: expenditures on property, plant and equipment	(60,666)	(32,805)	(138,107)	(118,034)
Less: decommissioning expenditures	(3,670)	(4,025)	(8,688)	(9,636)
Free cash flow	15,625	33,220	95,588	95,243

Net Debt

Net debt is a capital management measure, calculated as current assets, less bank debt, senior unsecured notes, term debt, the liability component of the convertible debentures and 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.

($000s)	As at September 30, 2026	As at June 30, 2026	As at September 30, 2025
Cash	50,625	45,697	20,494
Accounts receivable	79,235	64,465	52,305
Prepaid expenses and deposits	4,858	5,587	4,572
Accounts payable and accrued liabilities	(111,814)	(89,868)	(72,373)
Dividends payable	(4,273)	(4,298)	(4,289)
Senior unsecured notes	(172,403)	(172,184)	(171,526)
Term debt	(3,891)	(3,813)	(5,872)
Convertible debentures	(42,675)	(42,155)	(40,704)
Net Debt	(200,338)	(196,569)	(217,393)

Net Operating Expenses & Net Operating Expenses per boe

Net operating expenses is a non-GAAP financial measure, determined by deducting processing income, primarily generated by processing third party volumes at processing facilities where the Company has an ownership interest. It is common in the industry to earn third party processing revenue on facilities where the entity has a working interest in the infrastructure asset. Under IFRS, this source of funds is required to be reported as revenue. However, the Company's principal business is not that of a midstream entity whose activities are dedicated to earning processing and other infrastructure payments. Where the Company has excess capacity at one of its facilities, it will look to process third party volumes as a means to reduce the cost of operating/owning the facility. As such, third party processing revenue is netted against operating costs when analyzed by Management.

Net operating expenses per boe is a non-GAAP ratio, calculated as net operating expenses divided by total barrels of oil equivalent produced during a specific period of time.

	Three Months Ended September 30,		Nine Months Ended September 30,	
($000s)	2026	2025	2026	2025
Operating expenses	43,299	40,340	124,130	120,909
Less: processing income	(1,696)	(1,905)	(5,925)	(5,967)
Net operating expenses	41,603	38,435	118,205	114,942
$ per boe	19.89	17.69	18.70	17.85

Operating Netback, Operating Netback per boe & 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. This metric is used by Management to evaluate the Company's ability to generate cash margin on a unit of production basis.

AFF 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 and AFF are calculated on a per unit basis as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
($000s)	**2026**	**2025**	**2026**	**2025**
Petroleum and natural gas revenue	192,301	143,301	559,025	445,238
Processing and other income	1,696	1,905	5,925	5,967
Royalties	(39,872)	(25,212)	(104,156)	(77,808)
Realized gain (loss) on commodity and FX contracts	(17,575)	3,701	(53,155)	11,194
Operating expenses	(43,299)	(40,340)	(124,130)	(120,909)
Transportation expenses	(2,834)	(2,045)	(7,528)	(6,658)
Operating netback	90,417	81,310	275,981	257,024
G&A expense	(5,227)	(5,344)	(16,928)	(16,539)
Interest expense	(5,229)	(5,916)	(16,670)	(17,572)
Adjusted funds flow	79,961	70,050	242,383	222,913
Barrels of oil equivalent (boe)	2,091,667	2,173,225	6,322,727	6,440,909
Operating netback ($ per boe)	43.24	37.41	43.65	39.91
Adjusted funds flow ($ per boe)	38.24	32.23	38.33	34.61

For more information about Surge, please visit our website at www.surgeenergy.ca.

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