

## Management

**Paul Colborne**, President & CEO  
**Jared Ducs**, Chief Financial Officer  
**Murray Bye**, Chief Operating Officer  
**Derek Christie**, SVP, Exploration  
**Margaret Elekes**, SVP, Land & Bus. Dev.

www.surgeenergy.ca

## EPG Commentary by Dan Steffens

**Surge Energy (SGY.TO / ZPTAF)** is a Canadian upstream company in our High Yield Income Portfolio. Production increased by 20.5% year-over-year in 2022 and another 14.9% in 2023. In 2024 the Company's focus was on using free cash flow to shore up their balance sheet. Surge increased their dividend after meeting a debt reduction goal in Q2 2024.

*The Company's production will be down ~7% in 2025, primarily due to non-core asset sales.*

During 2024 Surge closed non-core asset sales in Q2 and Q4. All of the cash proceeds were used to pay down debt. **Surge reached Phase Two of their debt repayment goals and their monthly dividends increased in August 2024 to \$0.043333/share for annualized yield of 11.7% based on the current share price..** Most of their free cash flow in Q4 2024 also went toward debt repayments & stock buybacks. *If WTI bounces back to \$70US/bbl, Surge should reach Phase Three of their debt repayment goals in 2025 and raise dividends again.*

**Oil Discovery adds "Running Room":** In early 2024 Surge announced a significant, new Sparky oil discovery at **Hope Valley**, where it holds 32.5 net sections of contiguous leases in the play. Surge now estimates that the Company has over 80 multi-lateral drilling locations at Hope Valley. The Company is encouraged by the consistency of its ongoing drilling results as it moves into the full development phase of this new Sparky discovery.

## Recent Highlights



### During 2024, Surge:

- Achieved **average production of 24,319 boepd** (88 percent liquids) in Q4/24, exceeding 2024 guidance exit rate of 24,000 boepd;
- Disposed of non-core assets at Shaunavon, Westeros, and Valhalla, with total associated production of 2,350 boepd;
- Announced revised 2025 average production guidance of **22,500 boepd (91% liquids)** following the disposal at Valhalla in Q4/24;
- Reduced net debt<sup>1</sup> by \$43 million in 2024, AND strategically repositioned Surge's **debt capital structure** by:
  - Closing a \$175 million senior unsecured 5-year term (8.5%) note offering, and increasing its first-lien credit facility by \$40 million, which now stands undrawn at \$250 million;
- Returned \$61.2 million to shareholders in 2024** (only 21% of 2024 adjusted funds flow ("AFF")<sup>1</sup>) by way of:
  - An attractive (~9.0% yield<sup>2</sup>) annual cash dividend (\$50 million returned to shareholders in 2024); and
  - Normal Course Issuer Bid ("NCIB") share buybacks (\$11.2 million returned to shareholders in 2024);
- Continued to expand the exciting new Sparky crude oil discovery at **Hope Valley**, drilling 8 wells with repeatable and consistent results; and
- Per the Company's independent Sproule reserves report, Surge:
  - Achieved a **113% Proved Developed Producing ("PDP") organic reserves replacement<sup>3</sup>** in the Sparky and SE Saskatchewan core areas; AND
  - Reported a PDP NAV of \$5.42 per share, **a Total Proved ("TP") NAV of \$9.33 per share**, and a Total Proved & Probable ("TPP") NAV of \$14.39 per share.

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Completion of the **Trans Mountain Pipeline (TMX)** in 2024 has lowered oil price differentials in Western Canada, increasing realized oil prices for all of our Canadian upstream companies.

## Surge's revenues are heavily weighted to crude oil sales.

I have adjusted my forecast for the recent decline in the WTI crude oil prices. If WTI were to average \$60US/bbl for the remainder of 2025, Surge may have to reduce its monthly dividend. However, the Company did layer on additional oil hedges for Q2 and Q3 2025 at \$73.76US and \$72.85US, which reduces this risk. I also anticipate that Surge will halt stock buybacks in an effort to maintain the current monthly dividends at \$0.043333Cdn/share.

## Corporate Guidance for 2025

### Key Guidance & Assumptions<sup>1</sup>

US\$70 WTI<sup>6</sup>

2025 Adjusted Funds Flow <sup>2</sup>	\$275 MM
2025 Cash Flow From Operating Activities <sup>3</sup>	\$255 MM
2025 Free Cash Flow <sup>2</sup> Before Dividends	\$85 MM
2025 Free Cash Flow Margin <sup>2</sup>	31%
2025 Exit Net Debt To Cash Flow From Operating Activities <sup>2,3</sup>	0.8x

### Market Snapshot

Basic Shares Outstanding <sup>4</sup>	100.4 MM
Average Daily Volume	0.6 MM Shares
Market Capitalization / Debt / Enterprise Value <sup>5</sup>	\$552 MM / \$247 MM / \$799 MM

**22,500** BOEPD

2025 Average  
Production (est.)  
(91% liquids)

**\$170** MILLION

Sustainably-Oriented  
2025 Capital Budget (est.)

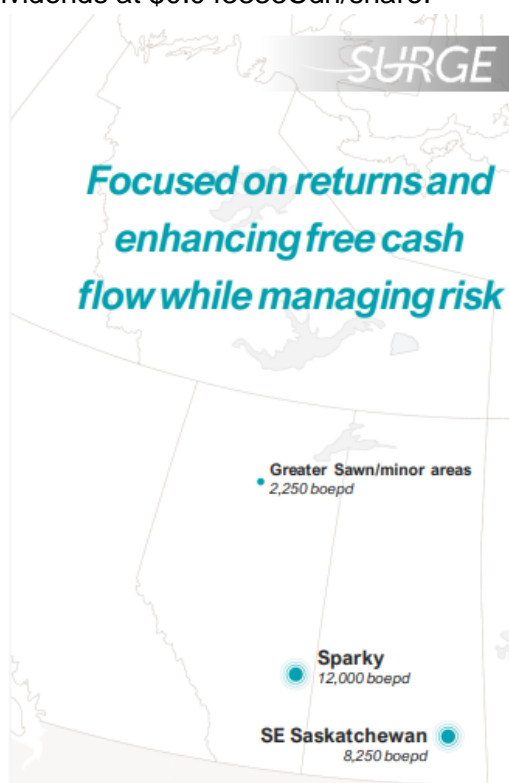
**\$0.52**

Annual Per Share  
Dividend<sup>3</sup>

**~\$1.3B**

Tax Pools<sup>7</sup>

<sup>1</sup> Based on the following pricing assumptions: US\$70 WTI, US\$13.50 WCS differential, US\$3.50 EDM differential, \$0.725 CAD/USD FX and \$2.50 AECO.  
<sup>2</sup> Non-GAAP financial measure. See the Non-GAAP & Other Financial Measures Advisory at the back of this presentation for further details regarding Non-GAAP financial measures.  
<sup>3</sup> Assumes no change in non-cash working capital.  
<sup>4</sup> As at December 31, 2024.  
<sup>5</sup> Market Capitalization and Enterprise Value were based on a 52-52 stock price as at December 31, 2024, and not diluted of \$74.75/bbl.



**TipRanks 4-10-2025:** "Raymond James downgraded Surge Energy (SGY.V) to Market Perform from Outperform with a price target of C\$6.00, down from C\$8.50. The firm lowered production estimates 4% in 2026 alongside trimming its capital spending outlook beyond 2025, adding that its cash flow per share estimates drop 19% and 35%, respectively, for this year and next. The firm notes it has not factored in a reduction to the base dividend, but believes it "could be at risk" in the event that prices remain weak for an extended period."

## My Fair Value Estimate for SGY.TO is \$9.28Cdn/share

Translates to a valuation of \$6.50US for ZPTAF

**Disclosure:** I have a long position in ZPTAF. I do not intend on buying or selling any shares in the next 72 hours. I wrote this profile myself, and it expresses my own opinions. I am not receiving compensation for it from the company. I have no business relationship with any company whose stock is mentioned in this article.

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## Company Overview

**Surge Energy Inc. (SGY and ZPTAF)** is an independent oil and gas company based in Calgary, Alberta and operating in Alberta, Saskatchewan, and Manitoba. The Common Shares are listed on the TSX under the symbol "SGY." Surge Energy is an oil focused energy company with a sustainable strategy to enhance returns and free cash flow. Their simple, repeatable business strategy is based on developing high-quality, conventional oil reservoirs using proven technology to enhance recovery through waterflood.

The Surge strategy is based on three core pillars:

- **Disciplined Capital Allocation** – The Company undertakes low cost, high impact projects that support long-term sustainability
- **Financial Flexibility** – By focusing on high return strategic opportunities, the Company seeks to maximize free cash flow and enhance liquidity *< 2024 free cash flow should exceed \$95Cdn million.*
- **Responsible ESG Principles** – Surge deploys ongoing abandonment programs to reduce corporate decommissioning liability

## The Surge Value Proposition

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



### High Quality Conventional Assets

- Light/medium oil asset base
- Large OOIP (>2.7 billion barrels)
- High operating netbacks<sup>1</sup> (\$39/boe)
- Low recoveries (6.7%)
- Low declines (25%)
- 12-year drilling inventory



### Disciplined Capital Allocation

- Drilling capital is focused on two of the top crude oil plays in Canada (Sparky and SE Saskatchewan)<sup>2</sup>
- Returning free cash flow<sup>1</sup> to shareholders through a sustainable base dividend and NCIB share repurchases



### Proven Management and Board

- Seasoned management team with a proven track record
- 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 enhanced free cash flow<sup>1</sup> and financial flexibility
- A shareholder returns-based model with an increasing, compounding dividend
- ~\$1.3 billion in tax pools allows for maximum distribution of free cash flow<sup>1</sup> on a tax-efficient basis<sup>3</sup>

<sup>1</sup> Non-GAAP financial measure. See the Non-GAAP & Other Financial Measures Advisory at the back of this presentation for further details regarding Non-GAAP financial measures.

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## Fourth Quarter and Full-Year 2024 Financial and Operational Highlights

- Generated After Tax Funds Flow (AFF) of \$76.1 million in Q4/24.
- Generated cash flow from operating activities of \$64.8 million in Q4/24.
- Reduced net debt by \$42.9 million in 2024 to \$247.1 million, a decrease of 15 percent.
- Completed the strategic repositioning of the Company's debt capital structure with the closing of a \$175 million, 5 year term, senior unsecured note financing ("Senior Unsecured Notes"), which matures in September 2029.
- Further strengthened Surge's financial position with an increase of \$40 million to the Company's first-lien revolving credit facility in Q3/24, which now stands undrawn at \$250 million.
- Distributed cash dividends to shareholders in the amount of \$50.0 million in 2024 and returned an additional \$11.2 million to shareholders through the Company's ongoing NCIB, repurchasing over 1.82 million shares in 2024.
- On a combined basis, Surge provided direct returns of approximately \$61.2 million to shareholders in 2024 through the base dividend and the NCIB share repurchases.
- Reduced net operating expenses by \$2.69 per boe over the course of 2024, from \$21.81 per boe in Q1/24 to \$19.12 per boe in Q4/24. This represents a decrease in net operating expenses of more than 10 percent over the year.
- In 2024, the Company continued to validate and expand Surge's exciting new Sparky crude oil discovery at Hope Valley ("Hope Valley"), drilling 8 gross (8.0 net) additional wells at the property. Surge now estimates that the Company has over 80 multi-lateral drilling locations<sup>3</sup> at Hope Valley, and is increasingly encouraged by the consistency of its ongoing drilling results as it moves into the full development phase of this new Sparky discovery.
- On December 19, 2024, Surge disposed of its gas weighted non-core assets in the Valhalla area of Alberta for cash proceeds of \$9.5 million.

### Sparky

## Long-Term Growth Potential

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



**~1.4 billion bbls**

OOIP net to SGY (internally estimated)

**>490 net**

>140 Multi-Lateral Locations

\* As of Jan. 1, 2025

**>12,000 boepd**

Production (>90% liquids)

**>12 year**

Drilling Inventory (based on 38 wells per year)

**34 net wells**

To be drilled in 2025

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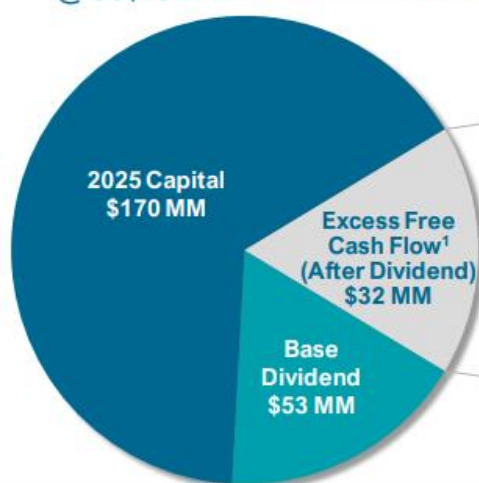
## Commencement of Phase 2 Return of Capital Framework: Share Buy Backs & Increase to Base Dividend

- The Company has now reduced its net debt below Management's previously stated \$250 million target and has reached Phase 2 of its Return of Capital Framework.
- With the commencement of Phase 2 of the Return of Capital Framework, the Company now forecasts having \$52 million of excess free cash flow ("FCF") (after base dividends) annually to allocate, based on US\$75 WTI per barrel oil pricing. *< If WTI averages \$60US/bbl after Q1 2024, Surge may need to reduce its dividends. Surge recently increase the volume of oil it has hedged for Q2 and Q3 2025 to reduce oil price risk.*
- Surge's Board and Management anticipate allocating the \$52 million of excess FCF as follows:
  - \$48 million is forecast to be directed to share buybacks and continued net debt reduction. Within Phase 2 of Surge's Return of Capital Framework, the Company is now targeting a return of up to 50% of excess FCF to its shareholders by way of share buybacks, with the remainder directed to further reductions to Surge's net debt; and
  - **\$4 million will be allocated to Surge's base dividend; raising the dividend per share from \$0.48 annually to an anticipated \$0.52 annually (an 8% increase)**
  - On March 31, 2025 Surge paid a monthly dividend of \$0.043333 per share.

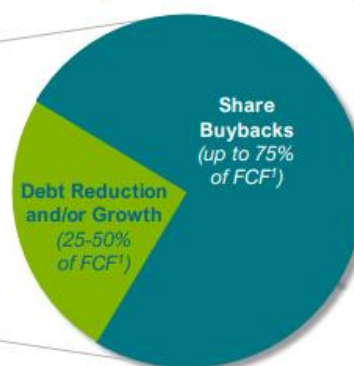
## Return of Capital Framework

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

2025 Guidance Cash Flow  
@ US\$70 WTI: **\$255 MM**



Allocation of Excess Free Cash Flow<sup>1</sup> (After Base Dividend)



Surge returned **\$61.2 million to shareholders in 2024** by way of:

- Base cash dividend (\$50 million)
- NCIB share buybacks (\$11.2 million)

## **Operations Update: Continued Drilling Success in Sparky and Se Saskatchewan Core Areas**

In 2024 Surge successfully drilled a total of 83 gross (73.1 net) wells, spending a total of \$195.1 million including expenditures on facilities, equipment, land, and capitalized G&A. Drilling operations were focused entirely on the Company's medium and light gravity crude oil assets in its core Sparky and SE Saskatchewan areas, where 40 gross (40.0 net) and 43 gross (33.1 net) wells were drilled, respectively.

In 2024 Surge drilled 12 gross (12.0 net) multi-lateral wells utilizing the application of modern open hole drilling technology in its Sparky core area, including 8 gross (8.0 net) multi-lateral wells drilled at the Company's recent Hope Valley discovery.

**Several milestones were achieved in 2024 with respect to the development of Hope Valley.** Six of the eight Hope Valley wells were drilled with a 12-leg, open hole design, accessing an average of 15,530 meters of Sparky reservoir per well. All six of these wells are currently on production, with an average initial 60 day production rate of 210 bopd per well. Two of the wells drilled were step-out wells, drilled seven miles to the Northwest of the initial discovery wells, utilizing an 8-leg, open hole design. These two step-out wells are now on production with an average 60 day production rate of 191 bopd, which compares favorably to the initial discovery wells.

Surge Management is increasingly encouraged by the repeatability and consistency of the drilling results at Hope Valley as the Company continues to move this core oil asset into the development phase. In 2024, Surge successfully completed the construction of a multi-well battery and conducted a 42-square-kilometer 3D seismic survey. This complemented the Company's existing 3D seismic dataset, further mitigating risks for future locations and setting the stage for future development. Surge currently owns 32.5 sections of land in Hope Valley, the majority of which is covered by proprietary 3D seismic data. With the integration of seismic data and geological mapping, the Company now internally estimates over 80 net multi-lateral Sparky drilling locations remaining on these lands.

The 2024 SE Saskatchewan drilling program focused primarily on the Frobisher formation, with a total of 43 gross (33.1 net) wells drilled. This included the use of modern open-hole multi-lateral drilling techniques, with 18 gross (15.1 net) wells drilled as stacked multi-lateral wells, each consisting of two to three open-hole legs. Additionally, the program included 5 gross (4.8 net) single-leg Frobisher wells and 3 gross (2.3 net) Frobisher re-entries. Over the last three years, Surge has achieved industry leading results with average 90 day production rates of 195 bopd for all Frobisher wells drilled in the Province of Saskatchewan between January 1, 2022 and December 31, 2024.

In the Fourth Quarter, Surge achieved an average production rate of 24,319 Boepd (88 percent liquids), exceeding the Company's 2024 public guidance production exit rate of 24,000 Boepd.

Surge also achieved record annual production volumes in both its Sparky and SE Saskatchewan core operating areas in 2024. Sparky annual volumes grew 3% to average approximately 11,250 Boepd in 2024, and SE Saskatchewan annual volumes increased more than 8% to an average 2024 production level of greater than 8,000 Boepd.

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## Sparky

### A One-of-a-Kind Position

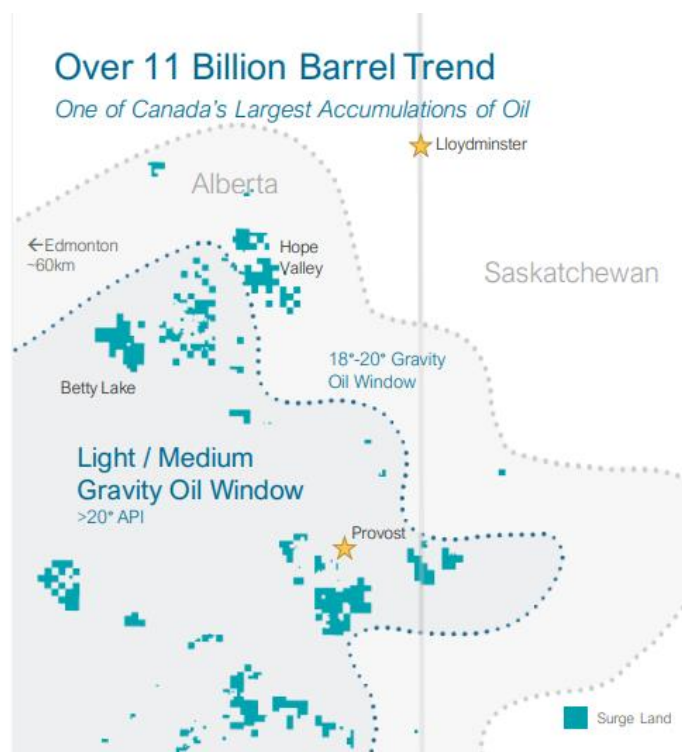
Surge holds a dominant land position and is drilling a mix of horizontal multi-frac and horizontal multi-lateral wells in the Sparky area

#### Sparky Formation Facts

First Production	May 1922
Original Oil In Place	>11 Bbbls
Cumulative Production	~1.35 Bbbls
Recovery Factor to date	~12%
Producing Wells	~23,400
H2 Wells	~1,480
Multi-Frac H2 Wells	~460
Surge Drilled Multi-Frac H2	>250
Multi-Leg H2 Wells	~470
Surge Drilled Multi-Leg H2	26

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



## SE Saskatchewan

### A Light Oil Balance

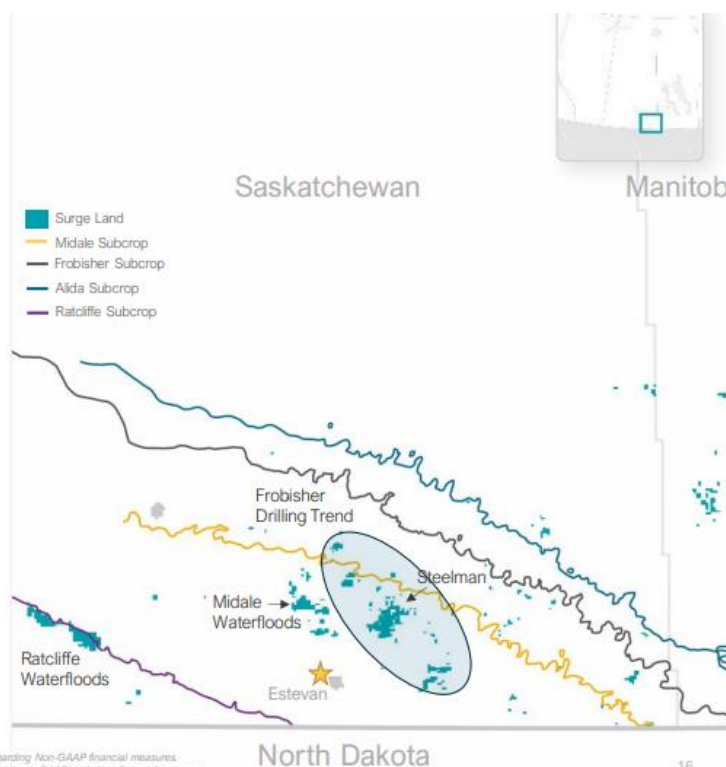
Surge's operational track record of success in SE Saskatchewan makes this an exciting growth area

#### Area Benefits

- Organic growth opportunities
- Strategic acquisitions or tuck-in consolidation opportunities
- Cost-efficient drilling
- Extremely quick turnaround from spud to on production (under two weeks)
- High operating netback<sup>1</sup> (\$47.50 at \$70 WTI)
- Mix of low decline waterfloods & highly economic drilling
- Assets have low liabilities; minimal inactive ARO
- Year-round access

Data sourced from Canadian Discovery and Geoscout

<sup>1</sup> Non-GAAP financial measure. See the Non-GAAP & Other Financial Measures Advisory at the back of this presentation for further details regarding Non-GAAP financial measures. Please see Additions section at the back of this presentation for further detail regarding forward-looking statements, oil and gas information, and non-GAAP and other financial measures.



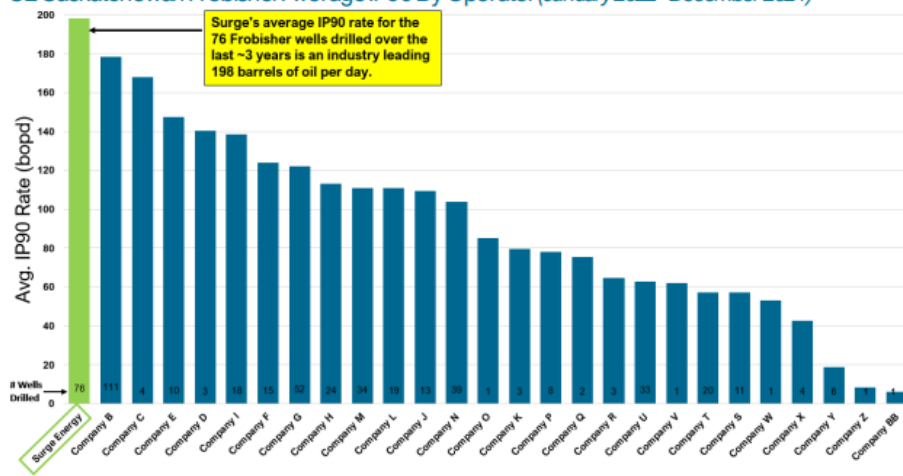
## SE Saskatchewan



## Key Growth Driver

High operating netback<sup>1</sup> light oil production and reserves from low risk, proven conventional reservoirs

SE Saskatchewan Frobisher Average IP90 By Operator (January 2022 - December 2024)



>500 million bbls

OOIP net to SGY (internally estimated)

>290 net

SE Saskatchewan drilling locations

\* Internally estimated as of Jan. 1, 2025

>8,250 boepd

Production (90% liquids)

~8 year

Drilling Inventory (based on ~30 wells per year)

31 net wells

To be drilled in 2025  
17 multi-lateral and 14 single-leg wells

## Core Area Focused



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

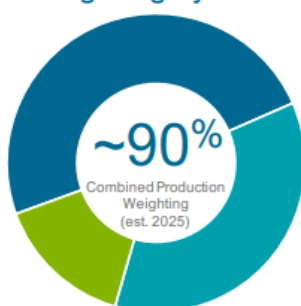
### Sparky

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.

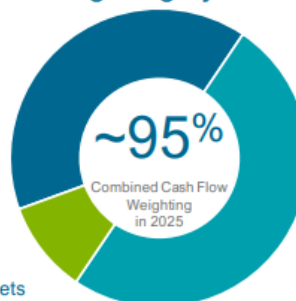
2025 Production Weighting by Area



2025 Capital Weighting by Area



2025 Cash Flow Weighting by Area



● Sparky ● SE Saskatchewan ● Other Surge Assets

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## Debt Update

Given the early achievement of Surge's Phase 2 net debt target, the Company now forecasts having \$48 million of excess FCF annually to allocate after paying its current base dividend of \$0.52 per share per annum to shareholders, at US\$75 WTI pricing. The Company has allocated the full \$48 million of this excess FCF to share buybacks and continued net debt reduction.

As Surge reaches its Phase 3 "terminal" net debt target of \$170 million, the Company's Management and Board will consider adding an annual production per share growth target (3 to 5 percent per year), as well as assess the efficacy of additional share buybacks and/or special dividends to further enhance shareholder returns.

## Hedging Details

In early January 2025, Surge Management strategically locked in attractive crude oil fixed price hedges well above Surge's budget price of US\$70 WTI, in order to protect the Company's 2025 free cash flow profile. These fixed price oil hedges are set forth below:

- 7,000bbl/d at an average price of US\$75.65/bbl for February and March 2025; and
- 5,500bbl/d at an average price of US\$73.76/bbl for Q2/25; and
- 4,000bbl/d at an average price of US\$72.85/bbl for Q3/25.

Additionally, Surge strategically hedged approximately 60 percent of its net (after royalty) Western Canadian Select ("WCS") differential exposure at an average of US\$13.92 per barrel for all of 2025. The Company also hedged approximately 40 percent of its 2025 Edmonton light oil differential ("MSW") exposure at US\$3.70 per barrel.

### WTI Crude Oil Derivative Contracts

Period	Swaps		Collars			Bought Put		Sold Put	
	Volumes	Avg. Price	Volumes	Avg. Bought Put	Avg. Sold Call	Volumes	Avg. Price	Volumes	Avg. Price
Q1 2025	5,622	\$75.72	947	\$65.00	\$82.73	4,204	\$65.00	-	\$ -
Q2 2025	5,500	\$73.76	3,500	\$66.43	\$93.21	1,500	\$75.00	1,500	\$61.00
Q3 2025	4,000	\$72.85	4,500	\$70.00	\$80.00	-	\$ -	-	\$ -
Q4 2025	1,000	\$71.78	-	\$ -	\$ -	-	\$ -	-	\$ -
Q1 2026	500	\$71.78	-	\$ -	\$ -	-	\$ -	-	\$ -

## Outlook: Asset Quality Drives Superior Returns

Surge has continued the Company's operational momentum into early 2025, with three drilling rigs active in its Sparky and SE Saskatchewan core areas. Surge plans to drill 65 net wells in 2025, with 100 percent of the 2025 drilling budget expected to be allocated to these two core areas. The 2025 drilling program is comprised of 34 gross (34.0 net) Sparky wells and 35 gross (31.0 net) SE Saskatchewan wells, with total capital expenditures budgeted at \$170 million.

**In the Sparky core area**, Surge's 2025 capital program will consist of 19 gross (19.0 net) single-leg multi-frac horizontal wells and 15 gross (15.0 net) multi-lateral wells. Management's focus in 2025 is on the continued growth of Surge's multi-lateral well footprint in the Mannville stack, with approximately 50 percent of the Sparky core area drilling capital directed to Mannville multi-lateral development. In 2025, Surge intends to have a dedicated rig drilling multi-lateral wells in Hope Valley throughout the entire year, including drilling through spring breakup.

**In the SE Saskatchewan core area**, Surge is currently budgeting to drill 35 gross (31.0 net) conventional Mississippian horizontal wells, with 23.0 net wells targeting the Frobisher formation, and 8.0 net wells targeting the Midale and Lodgepole formations. Over the past several years, Surge has successfully optimized reservoir contact by drilling two and three leg, vertically stacked multi-lateral wells targeting discrete pay zones within the Frobisher formation. In 2025, 20 gross (17.0 net) wells, representing 74 percent of planned Frobisher drills for the year, will be drilled as stacked multi-lateral horizontal wells. The Company commenced its winter drilling program in late December of 2024, and has now completed the drilling of 9 gross (9.0 net) Sparky locations and 7 gross (6.8 net) operated wells in SE Saskatchewan. All wells are anticipated to be completed and on production by early Q2/25.

## SGY.TO currently trades below PV10 Net Asset Value based only on Proved Reserves

Dec. 31, 2024 Sproule Reserves			
Gross Reserves <sup>1</sup>	Oil Equivalent Total Reserves (Mboe)	Oil & Liquids (%)	BTax NPV10 (\$MM) <sup>2,3</sup>
Proved Developed Producing (PDP)	38,186	91%	\$791
Total Proved (1P) (284 net locations)	65,445	92%	\$1,184
Total Proved Plus Probable (2P) (367 net locations)	90,174	91%	\$1,692
Dec. 31, 2024 Net Asset Value on YE2024 Sproule Reserves			
	Proved Producing	Total Proved (1P)	Proved + Probable (2P)
BTax NPV10 (\$MM)	\$791	\$1,184	\$1,692
Net Debt (\$MM)	(\$247)	(\$247)	(\$247)
Total Net Assets (\$MM)	\$544	\$936	\$1,444
Basic Shares Outstanding (MM)	100.4	100.4	100.4
Estimated NAV per Basic Share	\$5.42/share	\$9.33/share	\$14.39/share

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Surge Energy Inc. (SGY.TO and ZPTAF)		Enerplus Asset Acquisition closed 12-19-2022		Non-Core Asset Sales closed 12/19/24 lowered production by ~1,250 Boepd		< \$9.5 Million cash proceeds									
Net Income and Cash Flow 2022 - 2026 (last updated 4/11/2025)															
(\$Thousands)				Canadian Dollars		Canadian Dollars									
		Actual 2022	Actual 2022	Actual Qtr1 2024	Actual Qtr2 2024	Actual Qtr3 2024	Actual Qtr4 2024	Actual Year 2024	Forecast Qtr1 2025	Forecast Qtr2 2025	Forecast Qtr3 2025	Forecast Qtr4 2025	Forecast Year 2025	Forecast 2026	
REVENUES:															
Oil, NGL and natural gas sales		\$727,228	\$670,375	\$158,167	\$173,173	\$162,191	\$163,172	\$656,703	\$155,907	\$126,057	\$147,486	\$154,460	\$583,910	\$624,084	< Forecast Revenues include effect of hedges which are broken out below when actuals are reported < 19%
Processing and other income		7,242	7,780	2,504	2,254	2,054	1,780	8,592	2,500	2,500	2,500	2,500	10,000	10,000	
Less: Royalties		(127,548)	(119,513)	(30,144)	(27,501)	(32,581)	(29,693)	(119,919)	(29,622)	(23,951)	(28,022)	(29,347)	(110,943)	(118,576)	
Commodity derivatives - cash settlements		(98,145)	(3,164)	137	(3,149)	(217)	(264)	(3,493)	0	0	0	0	0	0	
Commodity derivatives - Non-cash MTM		27,913	5,256	(15,054)	9,587	12,339	(7,033)	(161)	0	0	0	0	0	0	
Total Revenues		536,690	560,734	115,610	154,364	143,786	127,962	541,722	128,785	104,606	121,964	127,613	482,967	515,508	
EXPENSES:															
Operating expenses		160,133	196,256	51,937	45,896	43,242	44,563	185,638	40,500	40,677	41,400	41,676	164,253	167,900	< \$20.00 / boe
Gathering, processing & transportation		11,272	13,755	2,663	2,630	3,035	3,101	11,429	2,835	2,847	2,898	2,917	11,498	11,753	< \$1.40 / boe
G&A		16,626	19,158	5,126	5,157	5,154	5,216	20,653	5,400	5,400	5,500	5,700	22,000	24,000	
Transaction and other costs		3,679	1,423	775	702	5,655	630	7,762	500	500	500	500	2,000	2,000	
Share based compensation		4,925	8,773	1,646	1,940	2,758	2,662	9,006	2,500	2,500	2,500	2,500	10,000	10,000	
DD&A		142,316	197,474	46,837	44,831	46,786	50,026	188,480	42,525	42,711	43,470	43,760	172,466	176,295	< \$21/boe
Impairment		0	59,150	0	96,495	0	0	96,495	0	0	0	0	0	0	
Financing expense		35,097	48,152	11,866	11,834	11,862	8,692	44,254	11,500	11,500	11,500	11,500	46,000	43,000	Total debt going down but interest rate increased
(Gain) loss on disposal of assets		3,240	(4,028)	0	29,764	0	18,621	48,385	0	0	0	0	0	0	
TOTAL EXPENSES		377,288	540,113	120,850	239,249	118,492	133,511	612,102	105,760	106,135	107,768	108,553	428,216	434,948	
NET INCOME BEFORE TAXES		159,402	20,621	(5,240)	(84,885)	25,294	(5,549)	(70,380)	23,025	(1,529)	14,196	19,060	54,751	80,560	
INCOME TAXES															
Current		0	0	0	0	0	0	0	0	0	0	0	0	0	< Large "Tax Pools" eliminate all current taxes
Deferred		(72,316)	4,870	(1,610)	(20,192)	8,031	(2,893)	(16,664)	5,756	(382)	3,549	4,765	13,688	20,140	< 25%
NET INCOME		\$231,718	\$15,751	(\$3,630)	(\$64,693)	\$17,263	(\$2,656)	(\$53,716)	\$17,268	(\$1,147)	\$10,647	\$14,295	\$41,063	\$60,420	2025 EBITDA #####
Common Stock outstanding (thousands)		96,477	100,314	100,382	100,382	100,382	100,382	100,382	101,400	101,400	101,400	101,400	101,400	101,400	< 2024 is stock o/s on 9/30/2024
Earnings per share		\$2.40	\$0.16	(\$0.04)	(\$0.64)	\$0.17	(\$0.03)	(\$0.54)	\$0.17	(\$0.01)	\$0.10	\$0.14	\$0.40	\$0.60	Stock Buyback starting in 2H 2024
NOTE: Current First Call Estimated EPS		\$ 280,396	\$ 275,491	\$ 57,832	\$ 80,420	\$ 63,063	\$ 70,141	\$ 271,456	\$ 65,050	\$ 38,682	\$ 52,166	\$ 55,320	\$ 211,217	\$ 244,855	< First Call's EPS forecasts in Cdn dollars
Cashflow per share (before CapEx)		\$2.91	\$2.75	\$0.58	\$0.80	\$0.63	\$0.70	\$2.70	\$0.64	\$0.38	\$0.51	\$0.55	\$2.08	\$2.41	< 2025 CapEx estimate is \$170Cdn million
PRODUCTION									N/A	N/A	N/A	N/A	N/A	N/A	< Valuation of 4 X 2023 to 2026 CFPS = \$ 9.28 < Cdn
Crude Oil (bbls/d)		17,413	20,436	20,620	19,628	19,988	20,675	20,228	19,575	19,445	19,575	19,706	19,575	20,010	< Velocity Trade Cap EPG PT in US dollars \$ 6.50 < \$US @70%
NGLs (bbls/d)		708	702	860	856	779	777	818	675	671	675	680	675	690	< 87% First Call Price Target \$ 10.17 < \$Cdn
Natural Gas (Mcf/d)		18,846	19,800	20,539	18,805	18,168	17,199	18,678	13,500	13,410	13,500	13,590	13,500	13,800	< 03% 10 Analysts shown > \$ 10.55 < \$Cdn
boepd		21,262	24,438	24,903	23,618	23,795	24,319	24,159	22,500	22,350	22,500	22,650	22,500	23,000	< 10% Raymond James 4/10 \$6.00 < \$Cdn
PRODUCT PRICES		20.5%	14.9%	Commodity Prices in \$Cdn net of hedges				-1.1%	Commodity Prices in \$Cdn net of hedges				-6.9%	2.2%	< Guidance for 2025 is 22,500 Boepd
Crude Oil		90.48	85.60	80.36	91.84	85.21	83.14	85.14	84.35	68.31	78.79	82.13	78.40	\$ 82.00	< YOY production growth
NGLs		64.89	50.74	50.25	45.85	46.50	47.26	47.47	48.00	48.00	50.00	52.00	49.50	\$ 50.00	< See impact of hedges below less \$18 Differential
Natural Gas		5.41	2.20	1.92	1.41	1.16	0.88	1.34	2.21	1.85	2.00	1.85	1.98	\$ 2.50	< See impact of hedges below less \$2Cdn differentials
Gross Revenue check (prod * ave price)		629,051	667,403	158,304	170,024	161,974	162,908	651,906	155,907	126,057	147,486	154,460	582,057	624,084	Natural Gas prices should improve in 2H 2025
									158,500	153,900	N/A	N/A	615,270	586,750	< First Call's Revenue Estimates in \$Cdn