Notice of Meeting and Management Information Circular

Annual General Meeting of Shareholders
to be held on May 14, 2025

March 31, 2025

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

March 31, 2025

Dear Surge Shareholder:

Important Notice regarding Participation in the Annual General Meeting of Shareholders on May 14, 2025

Surge Energy Inc. ("**Surge**") will hold this years' annual general meeting (the "**Meeting**") of its holders ("**Shareholders**") of common shares ("**Shares**") in a virtual-only format by means of a live audio webcast on Wednesday, May 14, 2025 at 3:00 p.m. (Calgary time) at https://web.lumiagm.com/259200021 password: **surge2025** (case sensitive).

While Shareholders and duly appointed proxyholders will not be able to attend the Meeting in person, regardless of geographic location and ownership, they will have an equal opportunity to participate at the Meeting and vote on the matters considered at the Meeting. Detailed instructions about how to participate in the Meeting can be found in the accompanying Notice of Annual General Meeting of Shareholders and Management Information Circular (the "**Circular**") in respect of the Meeting.

Registered Shareholders (who have not appointed a proxyholder) and duly appointed proxyholders (including non-registered Shareholders who have appointed themselves as proxyholders) will be able to virtually attend the Meeting, vote and ask questions, all in real-time, provided they are connected to the internet. Non-registered Shareholders who have not properly appointed themselves as proxyholder will be able to attend the Meeting as guests, but will not be able to vote or ask questions at the Meeting. Non-registered Shareholders who wish to vote and ask questions at the Meeting must appoint themselves as proxyholder and register with our transfer agent, Odyssey Trust Company as described under "*Appointment and Revocation of Proxies*" in the accompanying Circular.

Surge strongly encourages all Shareholders, whether or not they plan on virtually attending the Meeting, to vote by completing and submitting their proxies or by voting electronically, as applicable, well in advance of the Meeting. The deadline for voting or receiving proxies in relation to the Meeting is 3:00 p.m. (Calgary time) on Monday, May 12, 2025. Information on how to vote one's Shares by proxy is available in the accompanying Circular.

Registered Shareholders are those Shareholders who hold their Shares directly with Surge and therefore have their names and addresses recorded in Surge's Share registry. Most Shareholders are not registered Shareholders. If you purchased Shares through a broker or other intermediary and/or a broker or other intermediary holds your Shares in an account you have with them, you are a non-registered Shareholder. Refer to "*Voting Matters – Attending and Voting at the Meeting*" in the accompanying Circular for more information on how to attend and vote at the Meeting.

If changes to our plans for the Meeting are required, including an adjournment or postponement, Surge will provide an update by way of news release as promptly as practicable. Shareholders are encouraged to monitor Surge's website at www.surgeenergy.ca or Surge's SEDAR+ profile at www.sedarplus.com, where copies of such news releases, if any, will be posted.

Sincerely yours,

(signed) "Paul Colborne"
Paul Colborne
President and Chief Executive Officer

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SCHEDULE "A" BOARD OF DIRECTORS MANDATE 1

Notice of Annual General Meeting of Shareholders to be held on May 14, 2025

The annual general meeting (including any postponement or adjournment thereof, the "**Meeting**") of the holders (the "**Shareholders**") of common shares ("**Shares**") of Surge Energy Inc. (the "**Corporation**") will be held solely by means of a live audio webcast at 3:00 p.m. (Calgary time) on Wednesday, May 14, 2025 at https://web.lumiagm.com/259200021 password: **surge2025** (case sensitive) for the following purposes:

1. to receive and consider the financial statements of the Corporation as at and for the year ended December 31, 2024, together with the report of the auditors thereon;

2. to fix the number of directors to be elected at the Meeting at seven (7);

3. to elect directors to hold office for the ensuing year;

4. to appoint independent auditors for the ensuing year and to authorize the directors to fix the remuneration of the auditors; and

5. to transact such other business as may properly come before the Meeting.

The specific details of the matters proposed to be brought before the Meeting are set forth in the management information circular dated March 31, 2025 (the "**Circular**") accompanying this notice.

The Corporation has again decided to host the Meeting solely by means of a live audio webcast. All Shareholders are strongly encouraged to submit their vote by proxy ahead of the Meeting in accordance with the instructions described in the Circular.

Registered Shareholders and duly appointed proxyholders will be able to virtually attend the Meeting, submit questions and vote in real time, provided they are connected to the internet and follow the instructions in the attached Circular. Non-registered, or beneficial, Shareholders who have not duly appointed themselves as proxyholder will be able to attend the Meeting as guests but will not be able to vote or ask questions at the Meeting.

Shareholders who wish to appoint a person other than the management nominees identified in the form of proxy or voting instruction form (including a beneficial Shareholder who wishes to appoint themselves as proxyholder to attend the Meeting) must carefully follow the instructions in the Circular and on their form of proxy or voting instruction form. These instructions include the additional step of registering such proxyholder with our transfer agent, Odyssey Trust Company ("**Odyssey**") by sending an email to appointee@odysseytrust.com no later than 3:00 p.m. Calgary time on Monday, May 12, 2025 in accordance with the steps under "*Appointment and Revocation of Proxies*" in this Circular, in order for the proxyholder to receive a control number to attend the Meeting. The time limit for the deposit of proxies may be waived or extended by the Chair of the Meeting at his or her discretion without notice. If you wish for a person other than the management nominees identified on the form of proxy or voting instruction form attend and participate at the Meeting as your proxy and to vote your Shares, you **MUST** register such proxyholder after having submitted your form of proxy or voting instruction form identifying such proxyholder. Failure to register the proxyholder with Odyssey will result in the proxyholder not receiving a control number to participate in the Meeting and only being able to attend as a guest. Guests will be able to listen to the Meeting but will not be able to vote or ask questions.

If you have any questions or need any additional information, you should contact your professional advisors.

Calgary, Alberta
March 31, 2025

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "Paul Colborne"
Paul Colborne
President and Chief Executive Officer

Management Information Circular dated March 31, 2025

For the Annual General Meeting of Shareholders
to be held on May 14, 2025

VOTING MATTERS

Solicitation of Proxies

This management information circular (the "Circular") is furnished in connection with the solicitation of proxies by or on behalf of the management of Surge Energy Inc. ("Surge" or the "Corporation") for use at the annual general meeting (including any adjournment or postponement thereof, the "**Meeting**") of the holders (the "**Shareholders**") of common shares (the "**Shares**") of the Corporation to be held solely by a live audio webcast at 3:00 p.m. (Calgary time) on Wednesday, May 14, 2025 for the purposes set forth in the accompanying Notice of Annual General Meeting of Shareholders.

The Corporation has decided to host the Meeting solely by means of a live audio webcast. All Shareholders are strongly encouraged to submit their vote by proxy ahead of the Meeting in accordance with the instructions described in this Circular.

The information contained in this Circular is given as at March 31, 2025, unless otherwise stated.

Management of the Corporation is soliciting proxies from Shareholders for the Meeting. In addition to solicitation by mail, proxies may be solicited by personal interview, telephone or other means of communication and by directors, officers and employees of the Corporation, who will not be specifically remunerated therefor. The cost of solicitation will be borne by the Corporation.

Record Date

The record date (the "**Record Date**") for the Meeting is March 31, 2025. Only registered Shareholders at the close of business on the Record Date are entitled to notice of the Meeting and to vote thereat unless, after the Record Date, a registered Shareholder transfers its Shares and the transferee, upon producing properly endorsed certificates evidencing such Shares or otherwise establishing that it owns such Shares, requests not later than 10 days before the Meeting that the transferee's name be included in the list of Shareholders entitled to vote, in which case such transferee shall be entitled to vote such Shares at the Meeting.

Attending and Voting at the Meeting

Registered Shareholders (who have not appointed a proxyholder) and duly appointed proxyholders (including Beneficial Shareholders (as defined herein) who have appointed themselves as proxyholders) will be able to virtually attend the Meeting, vote and ask questions, all in real-time, provided they are connected to the internet. Beneficial Shareholders who have not properly appointed themselves as proxyholder will be able to attend the Meeting as guests, but will not be able to vote or ask questions at the Meeting. Beneficial Shareholders who wish to vote and ask questions at the Meeting must appoint themselves as proxyholder and register with our transfer agent Odyssey Trust Company ("**Odyssey**") as described under "*Appointment and Revocation of Proxies*".

Step 1: Log in online at: https://web.lumiagm.com/259200021. We recommend that Shareholders log in to the webcast as early as possible but not later than 15 minutes before the time of the Meeting to confirm that the browser they are using is compatible.
Step 2: Follow these instructions:

*Registered Shareholders***:**

- Click "I have a login"
- Enter the control number (the 12-digit control number provided on the form of proxy)
- Enter the password: **surge2025** (case sensitive)

Duly appointed proxyholders:

- Click "I have a login"
- Enter the control number (the 12-digit control number provided by Odyssey by email after the proxy voting deadline has passed and after following the steps under "*Appointment and Revocation of Proxies*")
- Enter the password: **surge2025** (case sensitive)

Beneficial Shareholders who have appointed themselves as proxyholders:

- Click "I have a login"
- Enter the control number (the 12-digit control number provided by Odyssey by email after the proxy voting deadline has passed and after following the steps under "*Appointment and Revocation of Proxies*")
- Enter the password: **surge2025** (case sensitive)

Guests

- Click "I am a Guest"
- Complete the online form

If you are a registered Shareholder and wish to vote at the Meeting rather than in advance by proxy, you do not need to complete or return your form of proxy. Registered Shareholders and their duly appointed proxyholders may vote at the Meeting by casting your vote by ballot online during the Meeting. If you use your control number to log into the Meeting, any vote you cast at the Meeting will revoke any proxy you previously submitted. If you do not wish to revoke a previously submitted proxy, you should not vote during the Meeting. If you are a Beneficial Shareholder (as defined herein) and do not appoint yourself as proxyholder, and wish to listen you will still be able to attend the Meeting as a guest. Guests will be able to attend and listen to the Meeting but cannot vote or ask questions.

If you attend the Meeting online and intend to vote at the Meeting, it is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the Meeting. You should allow ample time to check into the Meeting online and complete the related procedure. If you have any difficulties accessing the Meeting or are experiencing issues voting, please call 1-888-290-1175 or send an email to support-us@lumiglobal.com or helpdesk.us@lumiglobal.com.

Participating at the Meeting

The use of a virtual platform allows registered Shareholders and duly appointed proxyholders, including Beneficial Shareholders who have appointed themselves as proxyholder, to participate in and vote at the Meeting and ask questions, all in real time.

Questions relating to the business of the Meeting may be raised when the particular item of business is being considered at the Meeting and will be addressed at that time, prior to voting on such item of business. Following the completion of the business of the Meeting, the Chair will open the floor to questions, during which time registered Shareholders and duly appointed proxyholders will have an opportunity to ask questions relating to the Corporation, its performance and its operations. Registered Shareholders and duly appointed proxyholders attending virtually may submit questions through the online platform during the Meeting by selecting the “Messaging” tab at the top of the screen, and entering your comment or question in the “Ask a Question” box at the top of the messaging screen. Instructions will be available on the virtual Meeting site and technical assistance will be available. Questions can be submitted at any time during the Meeting. Questions relating to an item of business at the Meeting will be read aloud so that all persons in attendance, in person and virtually, may hear.

Appointment and Revocation of Proxies

A Shareholder submitting a proxy has the right to appoint a person or company to represent him or her at the Meeting other than the persons designated in the form of proxy furnished by the Corporation. The persons named in the accompanying form of proxy are the President and Chief Executive Officer and the Chief Financial Officer of the Corporation. To exercise this right, the Shareholder should insert the name of the desired representative in the blank space provided in the form of proxy and strike out the other names or submit another appropriate proxy. You must also provide Odyssey with the required information for your appointee so that Odyssey may provide your appointee with a control number. This control number will allow your appointee to log in to and vote at the Meeting. Without a control number, your proxyholder will only be able to log in to the Meeting as a guest and will not be able to vote or ask questions.

To register a proxyholder, registered and Beneficial Shareholders **MUST** send an email to appointee@odysseytrust.com no later than 3:00 p.m. (Calgary time) on Monday, May 12, 2025 or if the Meeting is adjourned or postponed at least 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) prior to the time of the adjourned or postponed Meeting and provide Odyssey with their proxyholder’s contact information including their email, amount of Shares appointed, name in which the Shares are registered if they are a registered holder, or the name of the broker where Shares are held if a Beneficial Shareholder, so that Odyssey may provide the proxyholder with a username and control number after the proxy deadline has passed.

In order to be valid, the proxy must be received not less than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays) before the time fixed for holding the Meeting or any adjournment or postponement thereof.

If you are a registered Shareholder, you may submit your proxy in one of the following ways:

(i) by mailing or delivering the signed proxy to Odyssey at Odyssey Trust Company, at Trader’s Bank Building, 702, 67 Yonge Street, Toronto, ON, M5E 1J8, Attention: Proxy Department or by fax at (800) 517-4553; or

(ii) by using the internet at https://vote.odysseytrust.com.

If you are a Beneficial Shareholder, you may submit your voting information form in one of the following ways:

(i) for Beneficial Shareholders in Canada, by mailing or delivering a signed voting instruction form to Broadridge Financial Solutions Inc. ("**Broadridge**") at Data Processing Centre, P.O. Box 3700, STN Industrial Park, Markham, Ontario, L3R 9Z9;

(ii) for Beneficial Shareholders not in Canada, by mailing or delivering a signed voting instruction form to Broadridge at Proxy Services, PO Box 9104, Farmingdale, New York, United States, 11735-9533;

(iii) by using the internet at www.proxyvote.com;

(iv) for Beneficial Shareholders in Canada, by calling the following toll-free number from a touch tone telephone: 1-800-474-7493; or

(v) for Beneficial Shareholders not in Canada, by calling the following toll-free number from a touch tone telephone: 1-800-454-8683.

Late proxies may be accepted or rejected by the Chair of the Meeting in his or her discretion, and the Chair is under no obligation to accept or reject any particular late proxy. The instrument appointing a proxy shall be in writing under the hand of the Shareholder or his or her attorney, or, if such Shareholder is a corporation, under its corporate seal, and executed by a duly authorized director, officer or attorney thereof.

A registered Shareholder who has submitted a proxy may revoke it prior to its use by instrument in writing executed by the Shareholder or his or her attorney authorized in writing, or, if the Shareholder is a corporation, under its corporate seal and executed by a duly authorized director, officer or attorney thereof, and deposited either: (i) at the office of the Corporation's transfer agent, Odyssey, Trader's Bank Building, 702, 67 Yonge Street, Toronto, ON, M5E 1J8; or (ii) at the Corporation's registered office, Suite 1200, 520-3rd Avenue SW, Calgary, AB, T2P 0R3 on or before the last business day preceding the day of the Meeting or with the Chair of the Meeting on the day of the Meeting, but prior to the commencement thereof, and upon such deposit the previous proxy is revoked. If you use your control number to log into the Meeting, any vote you cast at the Meeting will revoke any proxy you previously submitted. If you do not wish to revoke a previously submitted proxy, you should not vote during the Meeting.

Beneficial Shareholders should follow the instructions to revoke their previously submitted voting information form provided by their financial intermediary.

Exercise of Discretion by Proxy

All Shares represented at the Meeting by properly executed proxies or voting information forms will be voted. Where a choice with respect to any matter to be acted upon has been specified in the instrument of proxy or voting information form, the Shares represented by the proxy or voting information form will be voted or withheld from being voted in accordance with such specification. **IN THE ABSENCE OF SUCH SPECIFICATION, SUCH SHARES WILL BE VOTED "FOR" ALL OF THE MATTERS SET FORTH IN THE CIRCULAR.** The accompanying form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the time of printing of the Circular, management of the Corporation knows of no such amendment, variation, or other matter.

Advice to Beneficial Holders of Shares

The information set forth in this section is of significant importance to many Shareholders of the Corporation, as a substantial number of the Shareholders of the Corporation do not hold Shares in their own name.

Shareholders who do not hold their Shares in their own name (referred to in this Circular as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Shares can be recognized and acted upon at the Meeting. If Shares are held in an account with an intermediary, such as a broker or financial institution, then in almost all cases those Shares will not be registered in the Beneficial Shareholder's name on the records of the Corporation. Such Shares will more likely be registered under the name of the intermediary or its agent. In Canada, the vast majority of such Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Such Shares can only be voted upon the instructions of the Beneficial Shareholder. Without specific instructions the intermediary and its agents and nominees are prohibited from voting such Shares. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Shares are communicated to the appropriate person.**

Applicable regulatory policy requires intermediaries to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the applicable meeting. The voting instruction form supplied to a Beneficial Shareholder by its broker or other intermediary or agent is similar to the form of proxy provided to registered Shareholders by the Corporation. However, its purpose is limited to instructing the registered Shareholder (the broker or other intermediary or agent) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge. Broadridge typically asks Beneficial Shareholders to vote via the internet at https://central.proxyvote.com or by phone using the number listed on the voting instruction form or by returning the form to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the applicable meeting. **Surge may utilize the Broadridge QuickVote™ service to assist eligible Beneficial Shareholders with voting their Shares.**

A Beneficial Shareholder receiving a Broadridge voting instruction form cannot use that form to vote Shares directly at the Meeting. The voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have the Shares voted.

Voting Shares and Principal Holders of Voting Shares

The Corporation is authorized to issue an unlimited number of Shares and an unlimited number of preferred shares, issuable in series. As at March 31, 2025, there were 99,523,157 Shares and no preferred shares issued and outstanding. Holders of Shares are entitled to one vote for each Share held at the Meeting. To the best of the knowledge of the directors and officers of the Corporation based on publicly available information, no person beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the Shares.

MATTERS TO BE ACTED UPON AT THE MEETING

The following are the matters to be acted upon at the Meeting:

Item 1 – Receipt of Financial Statements

At the Meeting, the Shareholders will receive and consider Surge's financial statements for the year ended December 31, 2024, together with the report of the auditors. No formal action is required or proposed to be taken at the Meeting with respect to the financial statements.

Item 2 – Fixing Number of Directors

At the Meeting, it is proposed that the number of directors to be elected at the Meeting to hold office until the next annual meeting or until their successors are elected or appointed, subject to the articles of the Corporation, be set at seven (7).

Management recommends that Shareholders vote FOR setting the number of directors to be elected at the Meeting at seven (7). The persons named in the accompanying form of proxy intend to vote FOR setting the number of directors to be elected at the Meeting at seven (7) unless the Shareholder expressly specifies otherwise in the form of proxy.

Item 3 – Election of Directors

Proposed Nominees

The Shareholders will be asked to consider the election of the directors of Surge. Each director so elected will hold office until the next annual meeting of the Shareholders or until his or her successor is duly elected or appointed, unless his or her office be earlier vacated in accordance with Surge's articles or by-laws.

The seven (7) nominees proposed for election as directors are as follows:

James Pasieka	Robert Leach
Marion Burnyeat	Allison Maher
Paul Colborne	
Daryl Gilbert	
Michelle Gramatke	

Management does not contemplate that any of the proposed nominees will be unable to serve as a director. However, if for any reason any of the proposed nominees do not stand for election or is unable to serve as such, the management designees, if named as proxy, reserve the right to vote for any other nominee in their sole discretion unless the Shareholder has specified in its proxy that its Shares are to be withheld from voting on the election of directors.

Management recommends that Shareholders vote FOR the election of each of the seven (7) above-listed nominees. The persons named in the accompanying form of proxy intend to vote FOR the election of each of these nominees unless the Shareholder expressly specifies authority to do so in the form of proxy.

Voting for Election of Directors and Majority Voting Policy

Surge's directors are elected annually, individually and by majority vote. Each director so elected will hold office until the next annual meeting of the Shareholders or until his or her successor is duly elected or appointed.

The individual voting results will be published by news release, a copy of which will be available following the Meeting on Surge's website at www.surgeenergy.ca and under Surge's profile on SEDAR+ at www.sedarplus.com. The individual voting results will also be reviewed by Surge's Compensation, Nominating and Corporate Governance Committee and will be considered as part of the committee's overall review and assessment of the nominees recommended to Shareholders at our next annual meeting of Shareholders.

The Corporation has a Majority Voting Policy which requires that any nominee for director who receives a greater number of votes "withheld" than "for" his or her election shall tender his or her resignation to the Chair promptly following the meeting at which he or she is elected. The Compensation, Nominating and Corporate Governance Committee will consider the resignation offer and will make a recommendation to the board of directors of the Corporation (the "**Board**") whether to accept it. The Board shall meet within 90 days of the relevant Shareholders' meeting to determine whether or not it wishes to accept such resignation and shall promptly issue a news release following the Board's decision, including the reason for not accepting any resignation and shall provide a copy of that release to the Toronto Stock Exchange ("**TSX**"). The Board will generally accept such resignation, absent exceptional circumstances. The resignation will be effective when accepted by the Board. A director who tenders a resignation pursuant to this policy will not participate in any meeting of the Compensation, Nominating and Corporate Governance Committee or the Board at which the resignation is considered. Shareholders should note that, as a result of the Majority Voting Policy, a "withhold" vote is effectively a vote against a director nominee in an uncontested election. This policy applies only to uncontested elections, meaning elections where the number of nominees for directors is equal to the number of directors to be elected upon such election as determined by the Board.

Biographies of Nominees

The following table provides the names and cities of residence of all persons proposed to be nominated by management for election as directors, the position each currently holds with the Corporation, the principal occupations of such persons for the prior five years, the date on which each became a director of the Corporation and the number of Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by each as at March 31, 2025.

Name and Residence	Director Since	Principal Occupation During Previous Five Years	Share Ownership[1]
James Pasieka[2] Alberta, Canada	April, 2010	Professional director. Partner at national law firm McCarthy Tétrault LLP from September 1, 2013 until January 1, 2020, following which Mr. Pasieka was counsel to McCarthy Tétrault LLP until August 31, 2023. Prior to that, partner of the national law firm Heenan Blaikie LLP since January 1, 2001. Mr. Pasieka has served as an officer and director of a number of public energy companies, and chairman of the board of several oil and gas companies.	125,000
Marion Burnyeat[3][4][6] Alberta, Canada	July, 2018	Chair of the Compensation, Nominating, and Corporate Governance Committee for the Corporation. Director, Calgary Academy and Headwater Learning Group since June 2018. Prior thereto, Director, SECURE Energy Services Inc. from April 2020 to July 2021. A seasoned industry leader with nearly 30 years of experience in Midstream infrastructure development, her experience reflects focus is commercial negotiations, governance, environmental, health and safety, strategy and risk management. She held increasingly responsible roles with Spectra Energy Corporation, retiring as	33,960

Name and Residence	Director Since	Principal Occupation During Previous Five Years	Share Ownership[(1)]
		Vice President, Field Services and Strategy in 2017. Ms. Burnyeat holds the ICD.D designation from the Institute of Corporate Directors, a Bachelor of Commerce degree from the University of Alberta and a Master of Business Administration degree from Edinburgh University, Scotland. She has held positions on not-for-profit boards and is an active volunteer for several charitable organizations including Freestyle Alberta.	
Paul Colborne Alberta, Canada	April, 2010	President and Chief Executive Officer of the Corporation. He is also the President of StarValley Oil and Gas Ltd., a private, Calgary-based oil and gas company. In 1993, after nine years practicing securities, banking and oil and gas law, Mr. Colborne directed his focus to the oil and gas industry and founded an oil and gas company called Startech Energy Ltd. ("**Startech**"), a publicly traded company, which grew to 15,000 boe/d. In 2001, Startech was acquired by ARC Energy Trust for more than $500 million. From 2003 to 2005, Mr. Colborne was the President and Chief Executive Officer of StarPoint Energy Trust, a 36,000 boe/d publicly traded energy trust. From 1996 to 2013, Mr. Colborne was on the board of directors of Crescent Point Energy Corp., a 110,000 boe/d publicly traded oil and gas company. In 2014, Mr. Colborne stepped down from the Board of Legacy Oil & Gas Inc. and completed his term as Chairman of New Star Energy Ltd. He served as Chairman of Rising Star Resources Ltd. until its sale in 2023. He was also previously on the Board of Directors of Westfire Energy Ltd., Twin Butte Energy Ltd., Red River Oil Inc., Cequence Energy Ltd., Seaview Energy Ltd., Breaker Energy Ltd. ("**Breaker**"), Mission Oil and Gas Inc., and TriStar Oil & Gas Ltd.	1,036,605
Daryl Gilbert[(4)(5)] Alberta, Canada	June, 2014	Chair of the Environment and Safety Committee. Managing Director and Investment Committee member of Carbon Infrastructure Partners (formerly JOG Capital Inc.) ("**JOG**") since May 2008. Mr. Gilbert has also been an independent businessman and investor, and has served as a director for a number of public and private entities, since 2005. Mr. Gilbert has been active in the Western Canadian oil and natural gas sector for over 40 years, working in reserves evaluation with Gilbert Laustsen Jung Associates Ltd. (now GLJ Petroleum Consultants Ltd.) ("**GLJ**"), an engineering consulting firm, from 1979 to 2005. Mr. Gilbert served as President and Chief Executive Officer of GLJ from 1994 to 2005. Mr. Gilbert is currently a member of the Association of Petroleum Engineers and Geoscientists of Alberta.	41,513
Michelle Gramatke[(3)(5)(6)] Alberta, Canada	May 2019	Ms. Gramatke is a Chartered Professional Accountant with over 25 years of financial experience. She was most recently the Chief Financial Officer of JOG (a private equity investment firm based in Calgary) from 2004 until August 2020. Prior to working for JOG, Ms. Gramatke held several executive positions including Chief Financial Officer of PricewaterhouseCoopers Central Asia, Deputy Chief Financial Officer for an American NASDAQ-listed telecommunications company with operations in Russia and Manager with PricewaterhouseCoopers Moscow. Ms. Gramatke began her career with KPMG LLP in Calgary focusing on Canadian upstream oil and gas, construction and mining companies.	37,464
Robert Leach[(3)(6)] Arizona, United States	April, 2010	Lead independent director of the Board for the Corporation. Mr. Leach serves on the audit committee as well as the	620,481

Name and Residence	Director Since	Principal Occupation During Previous Five Years	Share Ownership[1]
		compensation committee of Surge. He currently is the Chief Executive Officer of Sonoma Valley LLC, an Arizona based real estate company. Mr. Leach served as the CEO and President of International Fitness Holdings, an operating arm of a New York based private equity firm which operated health clubs in Alberta. From 1998 until May 2001, Mr. Leach was a Director of Delany Energy Services Corporation, an Alberta based public company. Until its sale in December of 2009, he also served as Chairman of Breaker.	
Allison Maher[3][5][6] Alberta, Canada	July, 2018	Chair of the Audit Committee. Ms. Maher is the President, Director and Co-founder of Family Wealth Coach Planning Services since January 2009. Prior thereto, Ms. Maher worked at other financial-advisory and estate-planning companies such as Great-West Life (London Life) for a decade. Ms. Maher began her career at KPMG LLP in the areas of Tax and Corporate Audit. Ms. Maher has her Certified Corporate Director, Chartered Professional Accountant and Certified Financial Planner designations. Ms. Maher received her Bachelor of Commerce degree, with Distinction, from the University of Calgary. Ms. Maher is presently a member of the Chartered Professional Accountants of Alberta, as well as an active member of the Institute of Corporate Directors, Chair of TIGER21 Calgary's Chapter, a member of ROHIT's Advisory Board and currently holds board positions on several not for profit boards.	42,402

Notes:

(1) Reflects the number of Shares beneficially owned, controlled or directed by the nominee.
(2) Chair of the Board.
(3) Member of the Compensation, Nominating and Corporate Governance Committee. Ms. Burnyeat serves as Chair of the Compensation, Nominating and Corporate Governance Committee.
(4) Member of the Environment and Safety Committee. Mr. Gilbert serves as Chair of the Environment and Safety Committee.
(5) Member of the Reserves Committee. Mr.O'Neil, who is not standing for re-election as a director at the Meeting, currently serves as Chair of the Reserves Committee. Following the Meeting, the Corporation intends to identify and appoint a new Chair of the Reserves Committee.
(6) Member of the Audit Committee. Ms. Maher serves as Chair of the Audit Committee.

Additional Information Respecting the Nominees

Other than as set forth below, to the knowledge of management of the Corporation, no proposed director of the Corporation is, or within the 10 years before the date of this Circular has been, a director, chief executive officer or chief financial officer of any other issuer that: (i) was the subject of a cease trade or similar order or an order that denied the other issuer access to any exemptions under Canadian securities legislation that lasted for a period of more than 30 consecutive days that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to a cease trade order or an order that denied the relevant issuer access to any exemption under securities legislation that lasted for a period of more than 30 consecutive days that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer.

Other than as set forth below, to the knowledge of management of the Corporation, no proposed director of the Corporation: (i) is, at the date of this Circular or has been within the 10 years before the date of this Circular, a director or executive officer of any company that, while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Mr. Gilbert was a director of LGX Oil and Gas Inc. ("**LGX**"), a public oil and gas company, from August 2013 until June 2016. On June 7, 2016 a consent receivership order was granted by the Alberta Court of King's Bench (the "**Court**") upon an application by LGX's senior lender. LGX's stock was cease traded shortly thereafter and a receiver manager was appointed. Mr. Gilbert was a director of Connacher Oil & Gas Limited ("**Connacher**") from October 2014 until February 2019. On May 17, 2016, Connacher applied for and was granted protection from its creditors by the Court pursuant to the Companies' Creditors Arrangement Act (Canada), ("**CCAA**"). On February 16, 2019, Connacher announced that it was proceeding to close on a credit bid transaction with its supporting lenders. Mr. Gilbert resigned from the Board shortly thereafter. On July 16, 2019, Connacher announced a plan of compromise and arrangement under the CCAA had been sanctioned by order of the Court. Mr. Gilbert was a director of Trident Exploration Corp. ("**Trident**") from 2010 through year end 2018. On April 30, 2019, Trident announced it had ceased operations and had transferred all assets to the Alberta Energy Regulator. On May 3rd, 2019, PricewaterhouseCoopers LLP was appointed receiver. On April 14, 2023, Trident and Trident Limited Partnership were assigned into bankruptcy.

Mr. Pasieka was also a director of LGX. Mr. Pasieka resigned as a director of LGX in July 2015. LGX was placed into receivership nearly twelve months later in June 2016 and, in connection therewith, a receiver was appointed under the *Bankruptcy and Insolvency Act* (Canada). Cease trade orders in respect of LGX were issued shortly after the appointment of the receiver.

To the knowledge of management of the Corporation, no proposed director of the Corporation has: (i) been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with the Canadian securities regulatory authority; or (ii) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Item 4 – Appointment of Auditors

Shareholders will be asked to approve the appointment of the auditors of the Corporation to act until the next annual meeting of Shareholders and to authorize the directors to fix their remuneration. Management proposes the firm KPMG LLP, Chartered Accountants, of Calgary, Alberta be re-appointed as auditors of the Corporation. KPMG LLP, Chartered Accountants, have been the auditors of the Corporation since May 5, 2010.

Management recommends that Shareholders vote FOR the appointment of KPMG LLP as our auditors and to authorize the directors to fix their remuneration as such. The persons named in the accompanying form of proxy intend to vote FOR this resolution unless the Shareholder expressly specifies authority to do so is withheld on the form of proxy.

CORPORATE GOVERNANCE

The Board is responsible for the governance of the Corporation. The Board and senior management consider good governance to be central to the effective and efficient operation of the Corporation. As it relates to corporate governance, Surge and the Board have, during the last two years:

- reviewed Board membership;
- reviewed Board committee membership, resulting in changes to membership and Chair appointments, ensuring a refreshment of responsibility and perspective;

- conduct annual Board evaluation surveys;
- maintained 33% representation of females on the Board (expected to be increased to 37.5% following the Meeting), with a female director serving as Chair of each of the Audit Committee and the Compensation, Nominating and Governance Committee;
- reviewed management and Board succession planning, including completion of a comprehensive organizational depth review reviewed and assigned specific responsibility for environmental, social and governance ("**ESG**") reporting; and
- reviewed and approved Board Charters and mandates annually.

Board Mandate

The Board operates under a written mandate (the "**Board Mandate**"), a copy of which is attached as Schedule "A" to this Circular. Pursuant to the Board Mandate, the Board retains overall responsibility for the implementation and enforcement of an appropriate system of corporate governance.

The Board Mandate provides that the Corporation's professional advisors keep it apprised of developing corporate governance issues and shall, each year after the annual Shareholder meeting of the Corporation, review the sufficiency of the Corporation's corporate governance policies and procedures.

Board Independence

A director is considered to be independent of an issuer under applicable Canadian securities laws if the director is free of any relationship with the issuer which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of the director's independent judgment. Certain directors, such as current or former employees or officers of the issuer, are deemed not to be independent of the issuer.

As of the date of this Circular, the Board has nine (9) members, eight (8) of whom, including the Chair of the Board, are considered to be independent. The Board considers James Pasieka, Marion Burnyeat, Daryl Gilbert, Michelle Gramatke, Robert Leach, Allison Maher, P. Daniel O'Neil and Murray Smith to be independent as at the date of this Circular. Paul Colborne is not independent as he is the President and Chief Executive Officer of the Corporation. Of the seven (7) directors nominated for election at the Meeting, six (6) are considered to be independent.

The Board Mandate does not require that the Board hold regularly scheduled meetings of its independent members and no such meetings were held in the year ended December 31, 2024, however, the independent directors hold *in camera* sessions at each regularly scheduled Board meeting. The Board also ensures open and candid discussion among its independent directors by continuously monitoring situations where a conflict of interest or perceived conflict of interest with respect to a director may exist. In cases where such a conflict of interest or perceived conflict of interest is identified, it is addressed in accordance with the *Business Corporations Act* (Alberta) ("**ABCA**"), the Code of Conduct (as defined and described in more detail under the heading *"Corporate Governance – Ethical Business Conduct"*) and the Board Mandate. The Board may determine that it is appropriate to hold an *in camera* session excluding any director with a conflict of interest or perceived conflict of interest or such director may consider that it is appropriate to recuse himself or herself from considering and voting with respect to the matter under consideration.

Directors that are Directors of Other Reporting Issuers

The following directors of the Corporation are also currently directors of other reporting issuers or their equivalent in a domestic or foreign jurisdiction:

Director	Reporting Issuer
Paul Colborne	Priviti Oil & Gas Opportunities Limited Partnership 2013
Murray Smith	Williams Companies Inc.

The Corporation does not limit the number of public company boards on which its directors may serve but instead, through the Compensation, Nominating and Corporate Governance Committee, reviews on a periodic basis the involvement of directors as directors or officers of other issuers, and the contribution of individual directors to the Board.

Board Committees

The Board has four standing committees, being: (i) the Audit Committee; (ii) the Compensation, Nominating and Corporate Governance Committee; (iii) the Reserves Committee; and (iv) the Environment & Safety Committee. Each committee operates under a written mandate. The mandate of each committee delineates specific roles and responsibilities for the Chair of that committee. The charters of each of these committees have been made available on the Corporation's website at www.surgeenergy.ca under "*Investors – Corporate Governance*".

Audit Committee

The Audit Committee is currently comprised of Allison Maher (Chair), Michelle Gramatke and Robert Leach, each of whom is an independent director. Ms. Gramatke and Ms. Maher are also considered to be an Audit Financial Expert. For purposes of this Circular, a director will be considered to be an "**Audit Financial Expert**" if the director has experience as: (i) a chartered accountant; (ii) a certified public accountant; (iii) a former or current Chief Financial Officer of a public company or corporate controller of similar experience; (iv) a current or former partner of an audit company; or (v) having demonstrably meaningful audit experience.

The primary function of the Audit Committee is to assist the Board in fulfilling its responsibilities by reviewing: the financial reports and other financial information provided by the Corporation to any regulatory body or the public; Surge's systems of internal controls regarding preparation of those financial statements and related disclosures that management and the Board have established; and the Corporation's auditing, accounting and financial reporting processes generally.

Compensation, Nominating and Corporate Governance Committee

The Compensation, Nominating and Corporate Governance Committee is currently comprised of Marion Burnyeat (Chair), Michelle Gramatke, Robert Leach, Allison Maher and Murray Smith each of whom is an independent director. Mr. Smith is not standing for re-election as a director at the Meeting and, accordingly, will cease to be a member of the committee following the Meeting.

The primary functions of the Compensation, Nominating and Corporate Governance Committee are to: (i) assist the Board in fulfilling its responsibility by reviewing and evaluating matters relating to compensation of the directors, officers and employees of the Corporation in the context of the budget and business plan of the Corporation; and (ii) assisting the Board in the discharge of its duties and responsibilities respecting corporate governance as set out in the Board Mandate, including developing and recommending to the Board for approval, as appropriate, such corporate governance policies and procedures as are necessary to ensure that the Corporation is fully compliant with applicable securities laws and prevailing governance standards and that the Board functions independently of management.

For additional information in respect of the role of the Compensation, Nominating and Corporate Governance Committee as it relates to the compensation of directors, officers and employees of the Corporation, see "*Corporate Governance – Compensation*" and, as it relates to the nomination of directors and diversity, see "*Corporate Governance – Nomination of Directors and Diversity*".

Reserves Committee

The Reserves Committee is currently comprised of P. Daniel O'Neil (Chair), Daryl Gilbert, Michelle Gramatke and Allison Maher each of whom is an independent director. Following the Meeting, Mr. O'Neil is not standing for re-election as a director at the Meeting and, accordingly, will cease to be Chair or a member of the committee following the Meeting. Following the Meeting, the Corporation intends to identify and appoint a new Chair of the Reserves Committee.

The primary functions of the Reserves Committee are to: (i) assist the Board in the selection, engagement and instruction of an independent reserves evaluator for the Corporation and its affiliates; (ii) ensure there is a process in place to provide all relevant reserves data to the independent reserves evaluator; (iii) monitor the preparation of the independent reserves evaluation of the Corporation and its affiliates; and (iv) review the annual independent reserves evaluation of the Corporation and its affiliates and any other independent reserves evaluations prepared for the Corporation.

Environment and Safety Committee

The Environment and Safety Committee is currently comprised of Daryl Gilbert (Chair), Marion Burnyeat, P. Daniel O'Neil and Murray Smith, each of whom is an independent director. Following the Meeting, Messrs. O'Neil and Smith will no longer be a Board or committee member as they are not standing for re-election.

The primary functions of the Environment and Safety Committee are to review and monitor the environmental policies and activities of the Corporation on behalf of the Board and the activities of the Corporation as they relate to the health and safety of employees of the Corporation in the workplace.

Board and Committee Meeting Attendance

The following is a summary of attendance of the directors at meetings of the Board and its committees from January 1, 2024 to December 31, 2024.

Director	Board	Audit	Reserves	Compensation, Nominating and Corporate Governance	Environment and Safety	Total and Percentage
James Pasieka	5 of 5					5 of 5 (75%)
Marion Burnyeat	5 of 5			5 of 5	4 of 4	14 of 14 (100%)
Paul Colborne	5 of 5					5 of 5 (100%)
Daryl Gilbert[(1)]	4 of 5		1 of 1		4 of 4	9 of 10 (90%)
Michelle Gramatke	5 of 5	4 of 4	1 of 1	5 of 5		15 of 15 (100%)
Robert Leach	5 of 5	4 of 4		5 of 5		14 of 14 (100%)
Allison Maher	5 of 5	4 of 4	1 of 1	5 of 5		15 of 15 (100%)
P. Daniel O'Neil	5 of 5		1 of 1	5 of 5	4 of 4	15 of 15 (100%)
Murray Smith	5 of 5			5 of 5	4 of 4	14 of 14 (100%)

Note:

(1) Mr. Gilbert did not attend one *ad hoc* Board meeting due to a potential conflict of interest in respect of the subject matter of the Board meeting.

Compensation

The Board is responsible for determining the compensation of the Corporation's directors and officers. The Board has delegated certain responsibilities respecting compensation to the Compensation, Nominating and Corporate Governance Committee. Under its written mandate, a function of the Compensation, Nominating and Corporate Governance Committee is to assist the Board in carrying out its responsibilities by reviewing compensation and human resources issues and making recommendations to the Board as appropriate. Among other things, the Compensation, Nominating and Corporate Governance Committee:

(i) recommends to the Board human resources and compensation policies and guidelines for application to the Corporation and oversees the administration of such policies and guidelines as are approved by the Board; (ii) ensures that the Corporation has in place programs to attract and develop management of the highest caliber and a process to provide for the orderly succession of management; (iii) reviews the performance of the Chief Executive Officer relative to the goals and objectives of the Corporation for the purpose of determining the compensation of the Chief Executive Officer to be recommended to the Board for approval; (iv) recommends to the Board for approval the annual salary, bonus and other benefits, direct and indirect, of the Chief Executive Officer, and approves compensation for all other designated officers of the Corporation after considering the recommendations of the Chief Executive Officer, all within the human resources and compensation policies and guidelines approved by the Board; (v) periodically reviews, with the Chief Executive Officer, the Corporation's policies on compensation for all employees and overall human resources matters; and (vi) periodically reviews the adequacy and form of compensation of directors to ensure that the compensation realistically reflects the responsibility and risks involved in being an effective director and reports and makes recommendations to the Board accordingly.

The Board encourages objectivity in the compensation process by monitoring the criteria and methodology employed by the Compensation, Nominating and Corporate Governance Committee in arriving at its recommendations to the Board.

Assessment

The Board Mandate provides that the Board is responsible for annually assessing its overall performance and that of its committees. The objective of this review is to contribute to a process of continuous improvement in the Board's execution of its responsibilities. Each review will have regard to the Board Mandate or the mandate or charter of the applicable committee and identify any areas where the directors or management believe that the Board or committee could make a better collective contribution to overseeing the affairs of the Corporation. The written mandate of the Audit Committee also provides that the Audit Committee will, on an annual basis, assess its own performance.

The Board is also responsible for regularly assessing the effectiveness and contribution of the individual directors, having regard to the competencies and skills each director is expected to bring to the Board.

The matrix below demonstrates the skills and competencies each nominee as a director brings to the Board:

	Executive Leadership	Value Creation	Operations	Reserves and Resource Evaluation	Enterprise Risk Assessment	Health, Safety and Environment	Legal, Regulatory and Governmental	Audit Financial Expert	Accounting and Finance	Compensation and Human Resources	Corporate Governance
James Pasieka	✓	✓		✓	✓	✓	✓		✓	✓	✓
Marion Burnyeat	✓	✓	✓		✓	✓	✓		✓	✓	✓
Paul Colborne	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
Daryl Gilbert	✓	✓	✓	✓	✓	✓	✓			✓	✓
Michelle Gramatke	✓	✓			✓		✓	✓	✓	✓	✓
Robert Leach	✓	✓			✓	✓	✓		✓	✓	✓
Allison Maher	✓			✓	✓		✓	✓	✓	✓	✓

Nomination of Directors and Diversity

The identification of new candidates for Board nomination where a vacancy exists on the Board or the Board has determined that it is in the best interests of the Corporation for additional members to be added to the Board is the responsibility of the Compensation, Nominating and Corporate Governance Committee. The written mandate of the Compensation, Nominating and Corporate Governance Committee provides that, when so directed by the Board as a whole, it will identify and recommend suitable candidates for nomination for election as directors. In doing so, it will: (i) consider the competencies and skills and the diversity the Board should possess as a whole; (ii) formulate criteria for candidates after considering the competencies and skills of each existing director; (iii) consider the competencies and skills of each new nominee and whether or not each new nominee can devote sufficient time and resources to his or her duties as a Board member; (iv) establish the procedure for approaching prospective candidates; (v) canvas current Board members for suggestions as to candidates; and (vi) make a formal recommendation to the Board of proposed nominees for election.

The Board will encourage an objective nomination process by reviewing the criteria employed by the Compensation, Nominating and Corporate Governance Committee in conducting the nomination process and confirming the absence of any factors that might compromise the integrity of the process.

With the assistance of a nationally-recognized independent diversity consultant, the Board has developed and approved a written diversity policy (the "**Diversity Policy**") that broadly promotes diversity on the Board and expressly addresses the disclosure requirements of *National Instrument 58-101 – Disclosure of Corporate Governance Practices.* The Compensation, Nominating and Corporate Governance Committee is responsible for monitoring compliance with the Diversity Policy. As part of this mandate, the Compensation, Nominating and Corporate Governance Committee measures the representation of women on the Board and in executive officer positions on an annual basis, and reports to the Board with respect to the Corporation's annual and cumulative progress in achieving the key objectives of the Diversity Policy.

In adopting the Diversity Policy, the Board has made increasing the representation of women on the Board a priority for future Board member appointments. While the Diversity Policy does not include a target number or percentage of women on the Board, as the Board is of the view that it is in the Corporation's best interests to select candidates based on merit, the Board is, however, committed to a nomination process that will identify and short-list female candidates who possess the skills and other characteristics the Board considers necessary for directors. The Board currently includes three (3) female directors, representing 33% of the directors, and following the Meeting will represent 37.5% of the directors. Two (2) of the female directors, Alison Maher (Audit Committee) and Marion Burnyeat (Compensation, Nominating and Governance Committee) serve as Chair of a standing committee of the Board.

The Corporation is committed to equality of opportunity and has emphasized the importance of developing its internal pipeline of female talent at both the management and executive levels. Rather than instituting a target or quota for executive officers, the Corporation has emphasized the importance of developing its internal pipeline of female talent at both the management and executive levels over time. Currently, the Corporation's overall workforce is 51% female and the Corporation has developed an internal pipeline of female managers that account for 52% of the Corporation's managerial and supervisor positions. In addition currently 20% (one of five) of the Corporation's executive officers are female.

Position Descriptions

The Board has not developed written position descriptions for the Chair of the Board and the chairs of the committees of the Board. The Board Mandate outlines the role and specific responsibilities of the Chair of the Board as well as the committee chairs and committee members.

The Board has not developed a written position description for the President and Chief Executive Officer. The Board Mandate states that management is responsible for the maintenance and creation of an overall corporate strategic planning process. The Board Mandate specifies that the Board will review and approve management's strategic and operational plans to ensure that they are consistent with the corporate vision for the Corporation and monitor the Corporation's performance against short-term and strategic plans. The Board reviews and, if it sees fit, endorses the corporate strategy presented by management. The Board expects and ensures that such corporate strategy addresses the key executive personnel and their roles and responsibilities. The Board delineates the role and responsibilities of the President and Chief Executive

Officer through its direct and ongoing oversight and assessment of management's development and execution of corporate strategy. In addition, the Board Mandate provides for the annual review of the President and Chief Executive Officer by the Compensation, Nominating and Corporate Governance Committee.

Orientation and Continuing Education

The Board Mandate provides that any newly appointed or elected directors will be provided with an orientation which will include written information about the duties and obligations of directors and the business and operations of the Corporation, documents from recent Board meetings and opportunities for meetings and discussion with senior management and other directors.

All members of the Board are provided with copies of the Board Mandate, the charters of each committee of the Board and the Code of Conduct, Trading Policy, Whistleblower Policy and Corporate Disclosure and Confidentiality Policy. The Board relies on its legal counsel and other outside advisers to advise it as necessary of corporate governance developments. The Board also relies on management to keep it apprised of developments within the oil and natural gas industry that may affect the governance and management of the Corporation. In addition, the Board Mandate provides that any director who feels that he or she requires the services of an outside advisor to assist with discharging his or her responsibilities as a director may engage one at the expense of the Corporation with the authorization of the Chair.

Ethical Business Conduct

The Corporation has adopted a code of business conduct and ethics ("**Code of Conduct**"). The Code of Conduct has been filed on the Corporation's website and can be viewed at www.surgeenergy.ca. All staff and directors of the Corporation are made personally accountable for learning, endorsing and promoting the Code of Conduct and applying it to their own conduct and field of work. All staff and directors are asked to review the Code of Conduct and confirm, through written or electronic declaration, that they understand their individual responsibilities and will conform to the requirements of the Code of Conduct. Any breach of the Code of Conduct may be reported directly to the responsible officer or may be reported to the Chair of the Audit Committee in accordance with the Corporation's whistleblower policy ("**Whistleblower Policy**"). The application of the Whistleblower Policy is the primary means by which the Board monitors compliance with the Code of Conduct.

The Corporation has adopted the Whistleblower Policy. The Whistleblower Policy establishes procedures that allow employees of the Corporation to confidentially and anonymously submit any concerns regarding activity that may be considered ethically, morally or legally questionable to the Chair of the Audit Committee without fear of retaliation.

The Corporation has adopted a share trading policy ("**Trading Policy**"). The purpose of the Trading Policy is to promote investor confidence in the securities of the Corporation by ensuring that persons who have access to material, undisclosed information concerning the Corporation or its affiliates will not make use of it by trading in securities of the Corporation or tipping others before the information has been fully disclosed to the public.

Corporate Social Responsibility

The Corporation is committed to conducting its business in a safe and responsible manner to protect both the health and safety of employees, contractors, stakeholders, the public and the environment. Safeguarding the environment and the integrity of Surge's infrastructure are inherent in its day-to-day operations. Surge's culture promotes responsibility and accountability for health, safety and environmental performance throughout the entire organization.

Management continually reviews actual performance in these areas relative to corporate objectives, regulatory requirements and industry peers. Management reports to the Environment and Safety

Committee on a quarterly basis with respect to environmental policies and activities of the Corporation as they relate to the health and safety of employees of the Corporation and collaborates with the Environment and Safety Committee and Board on areas for continuous improvement.

The Corporation has policies and procedures in place to address health and safety management, environmental management and asset and infrastructure integrity management. These policies and procedures are reviewed annually by management and the Environment and Safety Committee and are revised when required for consistency with current best practices. Surge's health, safety and environment management system includes the monitoring of air emissions and other contaminants, greenhouse gases, spills and safety incidents, the investigation of all such events and comprehensive training and awareness for all employees as well as monitoring changes and updates with applicable legislation. All spills and incidents are recorded and reported as required by applicable law and the learnings from such incidents are applied to corrective and preventative action.

Conflicts of Interest

The directors and officers of the Corporation may participate in activities and investments in the oil and natural gas industry outside the scope of their engagement or employment as directors or officers of the Corporation. As a result, the directors and officers may become subject to conflicts of interest. In accordance with the ABCA, directors who are a party to or are a director or an officer of a person who is a party to a material contract or material transaction or a proposed material contract or proposed material transaction are required to disclose the nature and extent of their interest and not to vote on any resolution to approve the contract or transaction. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the ABCA, the Board Mandate and the Corporation's corporate governance policies.

Term Limits

The Corporation does not impose term limits on its directors as it views term limits as an arbitrary mechanism for removing directors that could result in valuable, experienced directors being forced to leave the Board solely because of length of service. Instead, the Corporation believes that directors should be assessed based on their ability to continue to make a meaningful contribution to the Corporation. The annual elections by the Shareholders are a more meaningful way to evaluate the performance of directors and to make determinations about whether a director should be removed from the Board.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Named Executive Officers

This Circular is required to contain certain disclosure concerning the compensation of individuals considered to be "Named Executive Officers" ("**NEOs**") of the Corporation under applicable securities laws. The NEOs for the purposes of this Circular are the following executive officers:

- Paul Colborne – President and Chief Executive Officer
- Jared Ducs – Chief Financial Officer
- Murray Bye – Chief Operating Officer
- Margaret Elekes – Senior Vice President, Land and Business Development
- Derek Christie – Senior Vice President, Exploration

Executive Compensation Philosophy

Surge's executive compensation philosophy is to align the interests of the NEOs with that of the Corporation and its Shareholders and to reward the NEOs for their contribution to the success of the Corporation. The key principles underlying Surge's compensation philosophy are to:

- attract, motivate and retain high quality, talented NEOs;
- create a strong link between the compensation of NEOs and the performance of the Corporation in both the short and long-term by using multiple forms of compensation in an appropriate proportionality;
- ensure compensation alignment with relative total shareholder return ("**TSR**");
- align the incentives of the NEOs with the objectives of the Corporation, primarily sustained shareholder value;
- structure compensation components to ensure appropriate risk management behaviour;
- provide transparent disclosure regarding the compensation received by the NEOs and the rationale therefor;
- ensure that the results achieved by the Corporation are reviewed twice annually, at year-end and after the second quarter, and that the individual contributions and performance of the NEOs are reviewed annually; and
- set total compensation in line with an industry peer group, which is comprised of other Canadian companies focused on the exploration and production of oil and gas in Western Canada, having similar production volumes and market capitalization profiles.

The three principle components of the Corporation's executive compensation program are: (i) base salary; (ii) amounts paid under the Corporation's short-term incentive program ("**STIP**"); and (iii) grants of RSAs and PSAs (collectively, "**Incentives**") under the Corporation's long-term incentive program ("**LTIP**"). In keeping with the Corporation's overall executive compensation philosophy and a means to align management with the long-term success and sustainability of the Corporation, the Corporation's approach has been to place a greater emphasis on LTIP than on base salaries or STIP awards. Compensation under the LTIP is generally targeted to comprise at least 60% of the total compensation paid to the NEOs. To further promote alignment between the executive compensation and the interests of Shareholders, 75% of the Incentives granted to NEOs are in the form of PSAs, the payout percentage ("**Payout Percentage**") of which is tied to the Corporation's achievements against certain approved performance metrics, including the Corporation's TSR relative to its industry peers.

Annual Executive Compensation Process

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

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

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

Commencing in 2025, the Board has approved moving the annual LTIP review process from August 15 to April 15 of each year to, among other things, better align the PSA performance metrics to the prior calendar year, to align the Corporation's compensation program with its peers and to reduce administrative burdens associated with the LTIP program.

Total Compensation Peer Group

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

For 2024, the Corporation's total compensation peer group is comprised of the following companies:

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

Summary of 2024 Executive Compensation

In 2024, the Compensation, Nominating and Corporate Governance Committee employed a combination of base salary, cash bonuses under the STIP and grants of Incentives under the LTIP to provide to the NEOs total compensation intended to be competitive with the total compensation paid to executives within the Corporation's peer group.

2024 Key Achievements

In assessing the Corporation's 2024 executive compensation, the Compensation, Nominating and Governance Committee and the Board considered, among other things, management's overall focus on:

- *Disciplined Capital Allocation* – deployed the Corporation's available cash resources on low cost, high impact and sustainable projects;
- *Outstanding Operational Success* – positioned the Corporation's asset base within two of the top oil plays in North America, Sparky and SE Saskatchewan[1];

[1] Source: Peters & Co. January 16, 2025 North American Crude Oil and Natural Gas Plays.

- *Ensuring Financial Flexibility* – executed on strategic business propositions to enhance the Corporation's balance sheet and further improve liquidity; and

- *Responsible ESG Behaviour* – continued focus on the Corporation's abandonment program driving a reduction in corporate decommissioning liability.

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

- generated cash flow from operating activities of $278.6 million with WTI averaging US$75.72 per barrel, representing a five percent increase over the $266.1 million of cash flow from operating activities generated in 2023 when WTI averaged US$77.62 per barrel;

- reduced the Corporation's net debt by $42.9 million to $247.1 million;

- completed the strategic repositioning of the Corporation's debt capital structure with the closing of a $175 million offering of five-year senior unsecured notes;

- strengthened Surge's financial position with an increase to $250 million of the Corporation's first-lien revolving credit facility in the third quarter of 2024;

- returned an aggregate of approximately $52 million to Shareholders annually through the Corporation's base dividend;

- commenced the Corporation's normal course issuer bid resulting in the repurchase for cancellation of over 1.8 million Shares, returning approximately $11.2 million to Shareholders;

- completed the disposition of the Corporation's Shaunavon, Westerose and Valhalla non-core assets;

- effectively maintained capital allocation flexibility in response to volatile commodity price fluctuations; and

- achieved organic proved developed producing reserves replacement of 94% of 2023 production, after taking into account the non-core asset sales completed in 2024.

In addition, with respect to ESG matters, the Corporation had the following significant achievements in 2024:

- expended a total of $15.2 million on abandonment and reclamation activities in 2024;

- expended a total of $2 million on emissions reduction projects, reducing emissions by approximately 35,500 tonnes;

- improved the process for identifying and remediating reportable spills year over year leading to a substantial reduction in spill intensity;

- continued its strong focus on employee and contractor safety, with a total recordable injury frequency of 0.54x; and

- 110% reduction in downhole deemed liability.

Base Salary

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

In February 2024, as part of its regular annual compensation review process, the Compensation, Nominating and Corporate Governance Committee reviewed the base salary levels of the NEOs. As part of its review, the committee considered, among other things, market data provided by Laulima respecting the base salary amounts paid to executives within the Corporation's total compensation peer group and the significant employee retention pressures being faced within the industry at that time. Following this review, the Compensation, Nominating and Corporate Governance Committee recommended, and the Board approved, increases to NEO salaries in a range of $11,000 to $17,000 over year-end 2023 base salaries. These increases were intended to provide base salaries to the NEOs at approximately the 50th percentile of base salaries paid to executives within the Corporation's total compensation peer group.

The annual base salaries for each of the NEOs as at December 31, 2024 were:

Named Executive Officer	**2024 Base Salary**
Paul Colborne *President and Chief Executive Officer*	$480,000
Jared Ducs *Chief Financial Officer*	$326,000
Murray Bye *Chief Operating Officer*	$326,000
Margaret Elekes *Senior Vice President, Land and Business Development*	$303,000
Derek Christie *Senior Vice President, Exploration*	$303,000

Short-Term Incentive Program (STIP)

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

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

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

In February 2025, the Compensation, Nominating and Governance Committee considered the Corporation's 2024 performance against its various performance metrics and determined the corporate performance factor for 2024 to be 155%, calculated as follows.

Metric	Components	Weighting	Score	Weighted Score
Corporate Initiatives	• Including but not limited to: A&D activities, organizational development, other financial achievements	30%	193	57.90
Reserves	• PDP growth relative to production growth • 1P Net Asset Value growth • Organic drilling location additions	15%	162	24.30
Operations	• Production • Operational capital expenditures	20%	99	19.80
Profitability	• Cash return on capital employed relative to historic 5 year average • Net operating costs and G&A costs relative to budget	20%	142	28.40
Health, Safety and Environment	• Total Recordable Incident Frequency • Hazard identification • Reportable spills • Abandonment and reclamation spending efficiency	15%	161	24.15
Total				**155.00[(1)]**

Note:

(1) Rounded to nearest whole number.

The Compensation, Nominating and Corporate Governance Committee also recommended to the Board a total STIP pool of $1,755,000 (with $1,316,250 tied to corporate performance and $438,750 tied to individual performance) for distribution among the NEOs in respect of 2024 performance. The individual amounts approved by the Board and awarded to the NEOs are as follows:

Named Executive Officer	2024 Total STIP Award
Paul Colborne *President and Chief Executive Officer*	$647,000
Jared Ducs *Chief Financial Officer*	$286,000
Murray Bye *Chief Operating Officer*	$286,000
Margaret Elekes *Senior Vice President, Land and Business Development*	$268,000
Derek Christie *Senior Vice President, Exploration*	$268,000
Total	**$1,755,000**

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

Long-Term Incentive Program (LTIP)

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

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

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

In July 2024, the Compensation, Nominating and Corporate Governance Committee assessed the performance of the Corporation and the individual NEOs in light of the above-referenced considerations and made a recommendation to the Board respecting the individual grant of Incentives to the NEOs under the LTIP. In July 2024, upon receiving the recommendation of the Compensation, Nominating and Corporate Governance Committee, the Board approved, and the Corporation granted, the following Incentives (allocated as to 75% in PSAs and 25% in RSAs) under the Stock Incentive Plan to its NEOs:

Named Executive Officer	**PSAs**(1)	**RSAs**(1)
Paul Colborne *President and Chief Executive Officer*	202,399 ($1,350,000)	67,466 ($450,000)
Jared Ducs *Chief Financial Officer*	91,642 ($611,250)	30,547 ($203,750)
Murray Bye *Chief Operating Officer*	91,642 ($611,250)	30,547 ($203,750)
Margaret Elekes *Senior Vice President, Land and Business Development*	85,120 ($567,750)	28,373 ($189,250)
Derek Christie *Senior Vice President, Exploration*	85,120 ($567,750)	28,373 ($189,250)

Notes:

(1) The number of PSAs and RSAs granted was calculated based on the grant date fair value of $6.67 per PSA and RSA, being the 5 trading day volume weight adjusted average price of the Shares determined as at August 15, 2024.

For purposes of calculating the Percentage Payout for PSAs granted to NEOs in 2024, the Compensation, Nominating and Governance Committee recommended, and the Board approved, certain performance criteria comprised of: TSR relative to its peer group (50%); achievement of strategic objectives (30%); achievement of recycle ratio targets (10%); and performance against its STIP performance criteria (10%). Upon the recommendation of the Compensation, Nominating and Governance Committee, having received the advice and market data of Laulima, the Board also approved a group of 20 industry peers[2] for purposes of measuring relative TSR performance. All companies comprising the PSA peer group are Canadian-based, TSX-listed companies with primarily Canadian operations; production, market capitalization and/or enterprise generally comparable to the Corporation; and all with meaningful oil/liquids production (i.e., not focused on thermal or oil sands production).

On August 15, 2024, the PSAs granted in 2021 vested. In determining the Payout Percentage applicable to these PSAs, the following formula was used: TSR relative to its peer group (50%); achievement of strategic objectives (30%); achievement of recycle ratio targets (10%); and performance against its STIP

[2] Athabasca Oil Corporation, Baytex Energy Corp., Bonterra Energy Corp., Cardinal Energy Ltd., Crew Energy Inc., Gear Energy Ltd., Headwater Exploration Inc., InPlay Oil Corp., Journey Energy Inc., Kelt Exploration Ltd., Lucero Energy Corp., NuVista Energy Ltd., Obsidian Energy Ltd., Paramount Resources Ltd., Saturn Oil & Gas Inc., Spartan Delta Corp., Tamarack Valley Energy Ltd., Veren Inc., Whitecap Resources Ltd. and Yangarra Resources Ltd.

performance criteria (10%). The results are as follows:

- STIP Scorecard (10%): 1.88x
- Recycle Ratio (10%): 1.8x
- Strategic Objectives (30%): 1.85x
- Relative Total Shareholder Return (50%): 0.7x

The Compensation, Nominating and Corporate Governance Committee considered the aforementioned results in the context of industry conditions during the three-year vesting period. As part of its review, the committee considered, among other things, reduction in turnover since 2023, the completion of a number of strategic acquisitions since 2021 and the integration of such assets into the Corporation's business, and proactive actions taken by management during the term, including securing financing and increasing the Corporation's credit facility, significant debt repayment and increased shareholder returns through the Corporation's regular dividend and normal course issuer bid. In light of these considerations and having received advice and market data from Laulima, the Compensation, Nominating and Corporate Governance Committee recommended, and the Board approved, a Payout Percentage of 127% for the PSAs vesting in August 2024.

Commencing in 2025, the Board has approved moving the annual LTIP grant and vesting of previously awarded LTIP awards from August 15 to April 15 of each year to, among other things, better align the PSA performance metrics to the prior calendar year, to align the Corporation's compensation program with its peers and to reduce administrative burdens associated with the LTIP program.

Additional Information

The following diagram illustrates the relative pay mix of the components for the President and Chief Executive Officer and the average of the other NEOs comparing the targets with the 2024 actual amounts received.

Stock Incentive Plan

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

Purpose of the Stock Incentive Plan

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

Grants of Incentives

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

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

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

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

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

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

Vesting of Incentives

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

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

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

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

Limitations on Grants

The Stock Incentive Plan includes the following restrictions:

- the aggregate number of Shares that may be issued from treasury by the Corporation pursuant to Incentives granted and outstanding under the Stock Incentive Plan at any time shall not exceed a number of Shares equal to 8.9% of the aggregate number of issued and outstanding Shares, subject to adjustment in certain circumstances;

- the aggregate number of Shares reserved for issuance pursuant to Incentives granted to any one person, when combined with any other share compensation arrangement, may not exceed 5% of the outstanding Shares (on a non-diluted basis);

- the aggregate number of Shares reserved for issuance pursuant to Incentives granted to insiders, when combined with any other share compensation arrangement, may not exceed 10% of the outstanding Shares (on a non-diluted basis);

- the aggregate number of Shares issued within any one year period to insiders pursuant to Incentives, when combined with any other share compensation arrangement, may not exceed 10% of the outstanding Shares (on a non-diluted basis); and

- the aggregate number of Shares reserved for issuance pursuant to RSAs granted to non-employee directors may not exceed 0.5% of the outstanding Shares (on a non-diluted basis), and the aggregate value of RSAs (as determined by the Corporation at the time of grant) granted to any non-employee director in any calendar year shall not exceed $150,000.

Anti-Dilution Provisions

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

Payment Upon Vesting of Incentives

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

Change of Control Provisions

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

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

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

Early Termination Events

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

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

Amendments to the Stock Incentive Plan

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

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

Compensation Advisors and Executive Compensation Related Fees

For the year ended December 31, 2024, the Compensation, Nominating and Corporate Governance Committee engaged Laulima to undertake a review of, and make recommendations to the Board on, the compensation and compensation procedures for the executive officers and directors, having regard to peer group data from similar companies, including performing a peer group review as well as performing certain compensation benchmarking. The Corporation retained Mercer (Canada) Limited ("**Mercer**") to provide such services for the year ended December 31, 2023.

The table below summarizes the fees related to determining compensation for the Corporation's directors and executives ("**Executive Compensation-Related Fees**") and the fees for these consultants for other services ("**All Other Fees**") for the financial years ended December 31, 2023 and 2024.

	Laulima 2024	**Mercer(1) 2024**	**Mercer 2023**
Executive Compensation-Related Fees(2)	$62,216	$35,515	$91,420
All Other Fees(3)	-	-	$10,710

Notes:

(1) The Corporation changed consultants in 2024. Fees paid to Mercer were in respect of services rendered up to the date in which the Corporation changed consultants.
(2) Executive Compensation-Related Fees include fees related to data, materials and analysis for executive and Board compensation.
(3) All Other Fees include fees related to obtaining compensation data for executive positions in the energy industry in Canada.

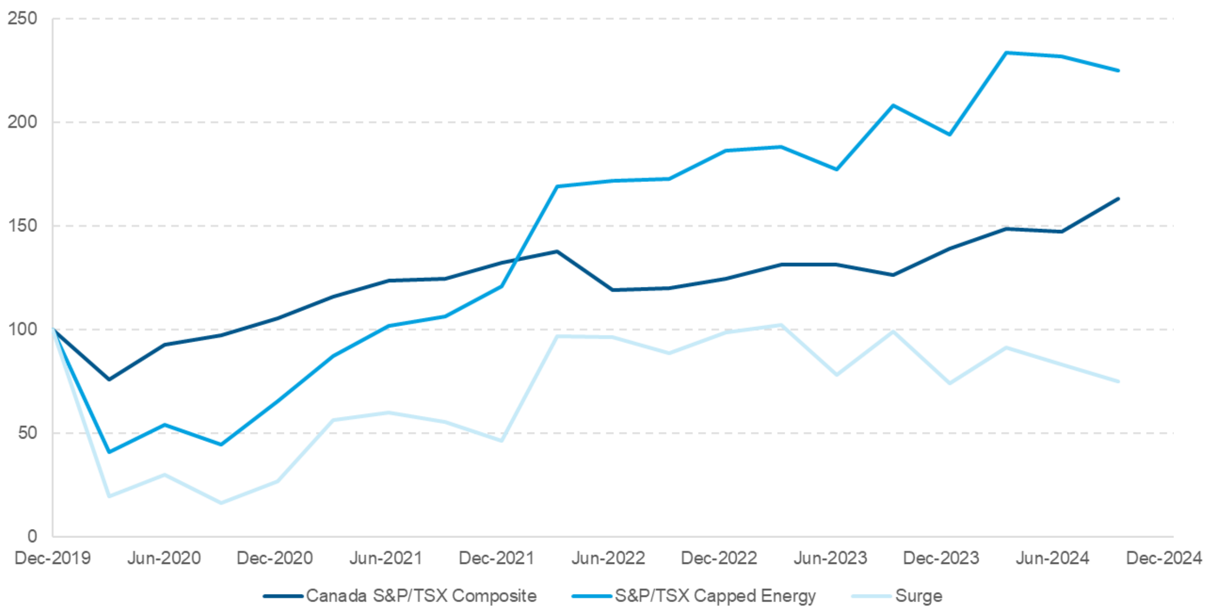
Risk Assessment and Oversight

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

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

Performance Graphs

The Shares began trading on the TSX under the symbol "SGY" on October 21, 2011. Prior to that date, the Shares traded on the TSX Venture Exchange beginning in May of 1998. The following graph compares the cumulative TSR of the Shares with the cumulative shareholder return of the S&P/TSX Composite Index and the S&P/TSX Capped Energy Index for the period commencing December 31, 2018 and ending December 31, 2024.



Note:

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

The market price of the Shares has generally tracked the S&P/TSC Capped/Energy fund trend since the start of the recent economic downturn in the oil and gas industry. The total compensation of the NEOs has followed the similar trend with a slight upward trend since 2020. The stronger weighting to share-based compensation under the LTIP, as opposed to cash compensation received as base salary or as cash awards under the STIP, facilitates alignment between total compensation and the market price of the Shares. Since the COVID-19 pandemic, the Corporation has focused on Shareholder returns, net debt reduction and focusing on its core-assets. As such, 2024 NEO compensation reflects a slight increase to ensure NEO compensation is reflective of market conditions, value to Shareholders and to ensure Surge is aligned with its peers.

Financial Instruments and Anti-Hedging Policy

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

Compensation Governance

The Corporation has a Compensation, Nominating and Corporate Governance Committee that determines the compensation of the directors and executive officers of the Corporation. For details concerning the composition of the Compensation, Nominating and Corporate Governance Committee and the responsibilities, powers and operation of the Compensation, Nominating and Corporate Governance

Committee, see "*Corporate Governance – Board Committees – Compensation, Nominating and Corporate Governance Committee*", and "*Corporate Governance – Compensation*" and "*Corporate Governance – Nomination of Directors and Diversity*".

The Compensation, Nominating and Corporate Governance Committee is chaired by Marion Burnyeat. Michelle Gramatke, Allison Maher, Murray Smith and Robert Leach are currently the other committee members. Each of these five (5) committee members is independent under applicable Canadian securities laws. Ms. Burnyeat brings extensive business perspective and management leadership to the compensation committee. Ms. Burnyeat draws on her executive roles in both the public and private sectors to provide relevant compensation and governance related insights. Ms. Burnyeat's wealth of management experience in the energy sector, including over a decade of experience in executive roles for Westcoast Energy Inc., assists in consideration of the issues that are relevant to the compensation committee mandate.

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

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

Mr. Smith's career of forty-five years has encompassed responsibility for executive compensation in many instances, including over six years with the Government of Alberta Treasury Board and serving as the Government of Alberta Minister of Labour from 1996 to 1999, where he was responsible for the administration of all Government of Alberta labour contracts. He has also previously served on the compensation committee of another publicly traded corporation and currently serves on the compensation committee of Williams Companies, Inc. Mr. Smith is not standing for re-election as a director at the Meeting and, accordingly, will cease to be a member of the committee following the Meeting.

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

Summary of Compensation of Named Executive Officers

The following table sets forth information concerning the total compensation paid for the years ended December 31, 2022 through 2024 to the NEOs of the Corporation.

Name and Position	Year	Salary ($)	Share-Based Awards ($)(1)(2)	Option-Based Awards ($)	Non-Equity Incentive Plan Compensation ($)		All Other Compensation ($)(5)	Total Compensation ($)
					Annual Incentive Plans(3)	Long-Term Incentive Plans(4)		
Paul Colborne(6) *President and Chief Executive Officer*	2024	480,000	1,800,000	Nil	647,000	Nil	43,242	2,970,242
	2023	465,000	1,745,000	Nil	630,000	495,000	44,318	3,379,318
	2022	430,000	1,711,865	Nil	520,000	Nil	34,624	2,696,489
Jared Ducs *Chief Financial Officer*	2024	326,000	815,000	Nil	286,000	Nil	39,083	1,466,083
	2023	315,000	795,000	Nil	280,000	225,000	35,935	1,650,935
	2022	290,000	770,265	Nil	231,000	Nil	27,624	1,318,889
Murray Bye *Chief Operating Officer*	2024	326,000	815,000	Nil	286,000	Nil	38,083	1,465,083
	2023	315,000	795,000	Nil	280,000	225,000	35,935	1,650,935
	2022	290,000	770,265	Nil	231,000	Nil	27,624	1,318,889
Margaret Elekes *Senior Vice President, Land and Business Development*	2024	303,000	757,000	Nil	268,000	Nil	36,933	1,364,933
	2023	292,000	740,000	Nil	260,000	207,000	34,935	1,533,935
	2022	270,000	734,893	Nil	217,000	Nil	26,624	1,248,607
Derek Christie *Senior Vice President, Exploration*	2024	303,000	757,000	Nil	268,000	Nil	36,883	1,364,883
	2023	286,000	730,000	Nil	260,000	207,000	35,559	1,518,559
	2022	265,000	709,985	Nil	213,000	Nil	26,374	1,214,359

Notes:

(1) For the year ended December 31, 2024, Share-Based Awards were comprised of PSAs and RSAs granted pursuant to the Stock Incentive Plan. All PSAs vest on the date three years from the date of grant. All RSAs vest as to one third on each anniversary of the date of grant. The value for PSAs and RSAs for the year ended December 31, 2024 is based on the grant date fair value of $6.67 per PSA and RSA, being the 5 trading day volume weight adjusted average price of the Shares calculated as at August 15, 2024. For the year ended December 31, 2023, Share-Based Awards was comprised of PSAs and RSAs granted pursuant to the Stock Incentive Plan. All RSAs vest as to one third on each anniversary of the date of grant. The value for PSAs and RSAs for the year ended December 31, 2023 is based on the grant date fair value of $8.25 per PSA and RSA, being the 20 trading day volume weight adjusted average price of the Shares calculated as at August 15, 2023. For the year ended December 31, 2022, Share-Based Awards was comprised of PSAs and RSAs granted pursuant to the Stock Incentive Plan. All PSAs vest on the date three years from the date of grant. All RSAs vest as to one third on each anniversary of the date of grant. The value for PSAs and RSAs for the year ended December 31, 2022 is based on the grant date fair value of $9.15 per PSA and RSA, being the 20 trading day volume weight adjusted average price of the Shares calculated as at August 15, 2022. For the year ended December 31, 2021, Share-Based Awards was comprised of PSAs and RSAs granted pursuant to the Stock Incentive Plan. All amounts for RSAs and PSAs are presented before giving effect to the dividend adjustment provisions contained in the Stock Incentive Plan and the Payout Percentage for all PSAs is assumed to be 100%.

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

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

(4) Amounts included for 2023 represent RSAs issued pursuant to a special one-time grant of RSAs to Surge employees including NEOs in February 2023 ("**Special Grant**"). The grants were based on the market price of the Shares at the time of the grant being $9.00, before giving effect to the dividend adjustment provisions contained in the Stock Incentive Plan. The RSAs issued pursuant to the Special Grant vested as to 50% in June 2023 and as to the remaining 50% in January 2024.

(5) Includes the Corporation's contribution to the employee stock savings plan on behalf of the NEO and amounts paid on behalf of

the NEO on account of parking, health and dental insurance, life insurance and accidental death and disability insurance.

(6) Mr. Colborne is also a director of the Corporation. Mr. Colborne received no compensation in the year ended December 31, 2024 in relation to his duties as a director of the Corporation.

Outstanding Incentive Plan Awards

The following table outlines for each NEO all PSAs and RSAs outstanding as at December 31, 2024.

Name	Number of Incentives that have not Vested[(1)] (#)	Market or payout value of Incentives that have not Vested[(1)] ($)
Paul Colborne *President and Chief Executive Officer*	501,371 PSAs 167,123 RSAs	2,897,924 965,971
Jared Ducs *Chief Financial Officer*	227,037 PSAs 75,678 RSAs	1,312,274 437,419
Murray Bye *Chief Operating Officer*	227,037 PSAs 75,678 RSAs	1,312,274 437,419
Margaret Elekes *Senior Vice President, Land and Business Development*	212,645 PSAs 70,881 RSAs	1,229,088 409,692
Derek Christie *Senior Vice President, Exploration*	209,687 PSAs 69,895 RSAs	1,211,991 403,993

Note:

(1) Calculated based on the closing price of $5.78 per Share on the TSX on December 31, 2024 multiplied by the number of Shares issuable upon the vesting of RSAs and PSAs, without giving effect to the dividend adjustment provisions in the Stock Incentive Plan. With respect to PSAs only, for the purposes of the calculations in this chart, the Payout Percentage is assumed to be 100%.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each NEO, the value of options and PSAs and RSAs which vested during the year ended December 31, 2024 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2024.

Name	Incentives – Value Vested During the Year 2024 ($)[(1)]	Non-Equity Incentive Plan Compensation – Value Earned During the Year 2024 ($)[(2)]
Paul Colborne *President and Chief Executive Officer*	3,374,795	647,000
Jared Ducs *Chief Financial Officer*	1,519,567	286,000
Murray Bye *Chief Operating Officer*	1,519,567	286,000
Margaret Elekes *Senior Vice President, Land and Business Development*	1,446,262	268,000
Derek Christie *Senior Vice President, Exploration*	1,400,772	268,000

Notes:

(1) Amounts represent the value of RSAs and PSAs that vested during 2024, after giving effect to the dividend adjustment provisions in the Stock Incentive Plan, applying a Payout Percentage of 127% on the PSAs and based on the fair market value of the Shares of $6.67 on the vesting date of August 15, 2024.

(2) Represents the cash bonus paid to each NEO in respect of the 2024 STIP.

Employment Agreements and Termination and Change of Control Benefits

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

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

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

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

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

The following chart illustrates the estimated payments that each NEO would receive in certain circumstances, in the event of their termination as at December 31, 2024.

Name and Position	Triggering Event	Payment Pursuant to Employment Agreement ($)	Total ($)
Paul Colborne *President and Chief Executive Officer*	Resignation	Nil	Nil
	Retirement	Nil	Nil
	Termination with cause	Nil	Nil
	Termination without cause	1,615,500	1,615,500
	Change of Control	1,615,500	1,615,500
	Double Trigger Event	1,615,500	1,615,500
Jared Ducs *Chief Financial Officer*	Resignation	Nil	Nil
	Retirement	Nil	Nil
	Termination with cause	Nil	Nil
	Termination without cause	796,400	796,400
	Change of Control	796,400	796,400
	Double Trigger Event	796,400	796,400
Murray Bye *Chief Operating Officer*	Resignation	Nil	Nil
	Retirement	Nil	Nil
	Termination with cause	Nil	Nil
	Termination without cause	796,400	796,400
	Change of Control	796,400	796,400
	Double Trigger Event	796,400	796,400

Name and Position	Triggering Event	Payment Pursuant to Employment Agreement ($)	Total ($)
Margaret Elekes *Senior Vice President, Land and Business Development*	Resignation	Nil	Nil
	Retirement	Nil	Nil
	Termination with cause	Nil	Nil
	Termination without cause	742,450	742,450
	Change of Control	742,450	742,450
	Double Trigger Event	742,450	742,450
Derek Christie *Senior Vice President, Exploration*	Resignation	Nil	Nil
	Retirement	Nil	Nil
	Termination with cause	Nil	Nil
	Termination without cause	740,450	740,450
	Change of Control	740,450	740,450
	Double Trigger Event	740,450	740,450

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

DIRECTOR COMPENSATION

Summary of Director Compensation

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

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

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

Non-Executive Director Share Ownership Guidelines

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

Failure to meet or show sustained progress toward meeting the ownership requirements set forth in the

Non-Executive Director Share Ownership Guidelines may result in a reduction in future Incentive grants to the non-executive director and/or the requirement to retain all Shares obtained through the vesting or exercise of equity grants.

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

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

The following table outlines information concerning the compensation paid to the non-executive directors for the year ended December 31, 2024.

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

Note:

(1) The number of RSAs granted to each non-executive director is based on the grant date fair value of $6.67 per RSA, being the 5 trading day volume weight adjusted average price of the Shares calculated as at August 15, 2024, before giving effect to the dividend adjustment provisions contained in the Stock Incentive Plan. All RSAs vest as to 1/3 per year for a period of 3 years from the date of grant.

Outstanding Incentives

The following table outlines, for each non-executive director, all RSAs outstanding as at December 31, 2024.

Name	Number of RSAs that have not Vested (#)	Market or payout value of RSAs that have not Vested ($)[(1)]
James Pasieka	46,178	266,909
Marion Burnyeat	36,667	211,935
Daryl Gilbert	36,667	211,935
Michelle Gramatke	36,667	211,935
Robert Leach	36,667	211,935
Allison Maher	36,667	211,935
P. Daniel O'Neil	36,667	211,935
Murray Smith	36,667	211,935

Note:

(1) Calculated based on the closing price of $5,78 per Share on the TSX on December 31, 2024 multiplied by the number of Shares issuable upon the vesting of RSAs, before giving effect to the dividend adjustment provisions contained in the Stock Incentive Plan.

Incentive Plan Awards – Value Vested

The following table sets forth for each director the value of Incentives which vested during the year ended December 31, 2024.

Name	RSAs – Value Vested During the Year 2023 ($)[1]	Non-Equity Incentive Plan Compensation – Value Earned During the Year 2023 ($)
James Pasieka	120,287	Nil
Marion Burnyeat	92,375	Nil
Daryl Gilbert	92,375	Nil
Michelle Gramatke	92,375	Nil
Robert Leach	92,375	Nil
Allison Maher	92,375	Nil
P. Daniel O'Neil	92,375	Nil
Murray Smith	92,375	Nil

Note:

(1) Represents the number of RSAs, after giving effect to the dividend adjustment provisions in the Stock Incentive Plan, which vested at the fair market value of $6.67 per Share on August 15, 2024.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Outstanding Incentives

As of March 31, 2025, 1,525,122 RSAs and 2,050,459 PSAs were outstanding under the Stock Incentive Plan, representing, in aggregate, approximately 3.6% of the number of Shares outstanding.

Additional information concerning the outstanding RSAs and PSAs and Shares available for issuance under the Stock Incentive Plan as at December 31, 2024 is set out in the table below.

	Number of Shares issuable upon exercise of outstanding PSAs and RSAs[1]	Weighted-average exercise price	Number of Shares remaining available for future issuance under the Stock Incentive Plan
Stock Incentive Plan (Approved by security holders)	3,488,715	N/A	5,445,279[2]

Notes:

(1) Before giving effect to the dividend adjustment provisions contained in the Stock Incentive Plan and assuming a 100% Payout Percentage on PSAs, as are more fully described under the heading "*Executive Compensation – Compensation Discussion and Analysis – Summary of 2024 Executive Compensation – Long Term Incentive Program (LTIP)*" herein.

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

Burn Rate

The Corporation's annual burn rate under the Stock Incentive Plan was 1.9% for the year ending December 31, 2024, 2.3% for the year ending December 31, 2023 and 1.5% for the year ending December 31, 2022.

For this purpose, the burn rate is calculated by dividing the total number of Incentives granted during the applicable fiscal year divided by the weighted average number of Shares outstanding for the applicable fiscal year. The burn rate is subject to change, from time to time, based on the number of Incentives granted and the total number of Shares issued and outstanding.

INDEBTEDNESS OF DIRECTORS, OFFICERS AND EMPLOYEES

No current or former director, officer or employee of the Corporation was indebted to the Corporation as at the date of this Circular. At no time since the beginning of the financial year ended December 31, 2024 did any director or officer, or any associate of any such director or officer, owe any indebtedness to the Corporation or owe any indebtedness to any other entity which is, or at any time has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

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

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

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set out below, since the beginning of the financial year ended December 31, 2024, no informed person of the Corporation, nominee for director of the Corporation, nor any affiliate or associate of any informed person or nominee for director, had any material interest, direct or indirect, in any transaction or proposed transaction which has materially affected or would materially affect the Corporation. For the purposes of this Circular, an "informed person" means: (i) a director or officer of the Corporation; (ii) a director or officer of a person or company that is itself an informed person; or (iii) any person or company who beneficially owns, directly or indirectly, and/or exercises control or direction over voting securities of the Corporation carrying more than 10% of the voting rights attaching to all outstanding voting securities of the Corporation.

ADDITIONAL INFORMATION AND AVAILABILITY OF FINANCIAL STATEMENTS

Additional information relating to the Corporation is available on SEDAR+ at www.sedarplus.com. Financial information concerning the Corporation is provided in its financial statements for the year ended December 31, 2024 and the accompanying management's discussion and analysis, which can be accessed under the Corporation's profile on SEDAR+ at www.sedarplus.com.

Further information concerning the Audit Committee, including the text of the Audit Committee Charter, is included in the Annual Information Form of the Corporation for the year ended December 31, 2024 dated March 5, 2025. A copy of the Annual Information Form is available on SEDAR+ at www.sedarplus.com.

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

AUDITORS OF THE CORPORATION

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

SCHEDULE "A"
BOARD OF DIRECTORS MANDATE

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

1. Duty of Oversight

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

2. Formulation of Corporate Strategy

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

3. Principal Risks

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

4. Internal Controls and Communication Systems

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

5. Financial Reporting, Operational Reporting and Review

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

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

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

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

6. Succession Planning and Management Development

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

7. Disclosure and Communication Policy

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

8. The Chair of the Board

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

9. Committees

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

10. Committee Chairs and Committee Members

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

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

11. Board Meetings and Agendas

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

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

12. Information for Board Meetings

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

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

13. Non-Directors at Board Meetings

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

14. Board Relations with Management

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

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

15. New Director Orientation

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

16. Assessing the Board’s Performance

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

17. Board Compensation

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

18. Annual Evaluation of the President and Chief Executive Officer

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

19. Outside Advisors for Individual Directors

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

20. Conflict of Interest

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

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

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

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

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

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

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

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

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

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

21. Corporate Governance

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

22. Terms of Reference Review

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