DRAFT

FIRST SUPPLEMENTAL DEBENTURE INDENTURE

between

SURGE ENERGY INC.

and

COMPUTERSHARE TRUST COMPANY OF CANADA

Providing for the Issue of

Series 2 Debentures

Dated as of May 8, 2019

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FIRST SUPPLEMENTAL DEBENTURE INDENTURE

THIS INDENTURE made as of the 8th day of May, 2019.

BETWEEN:

> **SURGE ENERGY INC.**, a corporation formed under the laws of the Province of Alberta and having its head office in the City of Calgary, in the Province of Alberta (hereinafter called "**Surge**" or the "**Corporation**")

AND

> **COMPUTERSHARE TRUST COMPANY OF CANADA**, a trust company incorporated under the federal laws of Canada (hereinafter called the "**Trustee**")

WITNESSETH THAT:

WHEREAS the Corporation and the Trustee entered into a debenture indenture dated as of November 15, 2017, as amended June 30, 2018 (the "**Principal Indenture**"), providing for the creation and issuance of a first series of 5.75% convertible unsecured subordinated debentures due December 31, 2022 (the "**Initial Debentures**");

AND WHEREAS the Board of Directors of Surge has resolved to create and issue a second series of debentures being 6.75% unsecured subordinated debentures due June 30, 2024 (the "**Series 2 Debentures**");

AND WHEREAS Section 16.1 of the Principal Indenture provides that the Trustee and Surge may enter into indentures supplemental to the Principal Indenture;

AND WHEREAS pursuant to Section 2.2 of the Principal Indenture, the creation of an additional series of Debentures (as defined in the Principal Indenture) requires Surge to enter into this first supplemental indenture (this "**First Supplemental Indenture**") with the Trustee to provide for such creation and issuance of the Series 2 Debentures and for the purpose of establishing the terms of the Series 2 Debentures and the form and denomination in which the Series 2 Debentures may be issued;

AND WHEREAS all necessary acts and proceedings have been done and taken and all necessary resolutions have been passed to authorize the execution and delivery of this First Supplemental Indenture, to make the same effective and binding upon Surge and the Trustee, and to make the Series 2 Debentures, when authenticated or certified by the Trustee and issued as provided in the Principal Indenture and this First Supplemental Indenture, valid, binding and legal obligations of Surge with the benefit and subject to the terms of the Principal Indenture and this First Supplemental Indenture.

NOW THEREFORE THIS INDENTURE WITNESSES that in consideration of the respective covenants and agreements contained herein and for other good and valuable consideration (the receipt and sufficiency of which are acknowledged), the Corporation and the Trustee covenant and agree, for the benefit of each other and for the equal and rateable benefit of the holders, as follows:

ARTICLE 1
DEFINITIONS, INTERPRETATION AND RULES OF CONSTRUCTION

1.1 Definitions

All terms used but not defined in this First Supplemental Indenture have the meanings ascribed to them in the Principal Indenture; provided that for purposes of this First Supplemental Indenture and the Form of Debenture attached as Schedule A to this Supplemental Indenture only:

(a) the definitions attributable to "Initial Debentures"; “Offered Initial Debentures”; “Prospectus”; “Underwriters” and “Underwriting Agreement” contained in Section 1.1 of the Principal Indenture shall be deleted in their entirety and replaced with the following:

(i) “**Offered Series 2 Debentures**” means the $30,000,000 principal amount of Series 2 Debentures offered pursuant to the Prospectus in connection with the Series 2 Debenture Offering, but, for greater certainty, does not include the Over-Allotment Series 2 Debentures;

(ii) “**Prospectus**” means the (final) short form prospectus of the Corporation dated May 1, 2019 relating to the distribution in each of the Provinces of Canada of the Offered Series 2 Debentures and the Over-Allotment Series 2 Debentures, and unless the context otherwise requires, includes all documents incorporated therein by reference and any amendments thereto;

(iii) “**Series 2 Debentures**” means the Debentures designated as “6.75% Convertible Unsecured Subordinated Debentures” and described in Section 2.1 of the first supplemental debenture indenture to this Indenture, dated May 8, 2019;

(iv) “**Underwriters**” means, collectively, National Bank Financial Inc., BMO Nesbitt Burns Inc., Scotia Capital Inc., TD Securities Inc., Cormark Securities Inc., CIBC World Markets Inc., GMP Securities L.P., Macquarie Capital Markets Canada Ltd., Canaccord Genuity Corp., Peters & Co. Limited, Raymond James Ltd. and Laurentian Bank Securities Inc.; and

(v) “**Underwriting Agreement**” means the agreement dated effective as of April 17, 2019 among the Corporation and the Underwriters in respect of the Series 2 Debenture Offering;

(b) for purposes of Article 12 of the Principal Indenture, as supplemented by the Supplemental Indenture, only, the definitions of "**Debentures**", “**Debentureholders**” and “**holders**” shall mean the series of Debentures subject to the Offer and the Persons for the time being entered in the register of Debentureholders as registered holders of such series of Debentures or any transferees of such Persons by endorsement or delivery;

(c) other than as set forth in Section 1.1(a) hereof, reference in any definition contained in Section 1.1 of the Principal Indenture to “Initial” shall be deleted and replaced with “Series 2”; and

(d) a reference in any definition contained in Section 1.1 of the Principal Indenture to “Section 2.4” (or any subjection thereof) of the Principal Indenture shall be deleted and replaced with “Section 2.1” (or the equivalent subsection thereof) of this First Supplemental Indenture.

1.2 Interpretation

This First Supplemental Indenture shall, unless otherwise required, be subject to the interpretation provisions contained in Article 1 of the Principal Indenture. When entered into by the parties, this First Supplemental Indenture shall be supplemental to, form part of and be read together with the Principal Indenture as a single instrument, and all of the provisions of the Principal Indenture, as supplemented by this First Supplemental Indenture, shall apply to the Series 2 Debentures. The Principal Indenture is and shall remain in full force and effect with regards to all matters governing the Initial Debentures and with regards to all matters governing the Series 2 Debentures, except as the Principal Indenture is amended, superseded, modified or supplemented by this First Supplemental Indenture. If any term or provision contained in this First Supplemental Indenture shall conflict or be inconsistent with any term or provision of the Principal Indenture, the terms and provisions of this First Supplemental Indenture shall govern; provided, however, that the terms and provisions of this First Supplemental Indenture may modify or amend the terms of the Principal Indenture solely as applied to the Series 2 Debentures. Any references in the text of this First Supplemental Indenture to section numbers, article numbers, "hereto", "herein", "hereby", "hereunder", "hereof" and similar expressions refer to the Principal Indenture unless otherwise qualified.

1.3 Other Amendments to Principal Indenture

For purposes of this First Supplemental Indenture only:

(a) each reference in the Principal Indenture to Section 2.16 shall be deemed to be a reference to Section 2.2 of this Supplemental Indenture;

(b) Section 6.5(e) of the Principal Indenture shall be amended by the deletion of each occurrence of "$0.007917" contained therein and replacing it with "$0.008333"; and

(c) the notices contained in Schedule B, Schedule C and Schedule D to the Principal Indenture shall apply equally in respect of the Series 2 Debentures, except that all references in such notices to "5.75% Convertible Unsecured Subordinated Debentures" shall be deemed to be amended to read "6.75% Series 2 Convertible Unsecured Subordinated Debentures" in respect of any such notices to be delivered in respect of the Series 2 Debentures.

1.4 Schedules

The following Schedules are incorporated into and form part of this First Supplemental Indenture:

Schedule A - Form of Series 2 Debenture

In the event of any inconsistency between the provisions of any Section of this First Supplemental Indenture and the provisions of the Schedules which form a part hereof, the provisions of this First Supplemental Indenture shall prevail to the extent of the inconsistency.

ARTICLE 2
THE SERIES 2 DEBENTURES

2.1 Form and Terms of Series 2 Debentures

(a) The second series of Debentures (the "**Series 2 Debentures**") authorized for issue immediately is limited to an aggregate principal amount of up to $34,500,000 with $30,000,000 to be issued upon the execution hereof with a further principal amount of $4,500,000 issuable when, and if, the Over-Allotment Option is exercised. The Series 2

Debentures shall be designated as "6.75% Series 2 Convertible Unsecured Subordinated Debentures".

(b) The Series 2 Debentures shall be dated as of May 8, 2019 and shall have a Maturity Date of June 30, 2024.

(c) The Series 2 Debentures shall bear interest from the date of the Series 2 Debentures at the rate of 6.75% per annum, payable semi-annually in arrears on December 31 and June 30 in each year (computed on the basis of a 365-day year and payable in equal semi-annual amounts; except that interest in respect of any period that is longer or shorter than a full semi-annual interest period will be computed on the basis of a 365 day year and the actual number of days elapsed in the relevant period and will accrue from day to day), the first such payment to fall due on December 31, 2019 and the last such payment (representing interest payable from the Interest Payment Date immediately prior to the Maturity Date to, but excluding, the Maturity Date of the Series 2 Debentures) to fall due on June 30, 2024, payable after as well as before maturity and after as well as before default, with interest on amounts in default at the same rate, compounded semi-annually. For certainty, the first interest payment will include interest accrued from and including May 8, 2019, to, but excluding, December 31, 2019, which will be equal to $43.83 for each $1,000 principal amount of Series 2 Debentures. Any payment required to be made on any day that is not a Business Day will be made on the next succeeding Business Day. The record dates for the payment of interest on the Series 2 Debentures will be the day that is five Business Days prior to June 30 and the day that is five Business Days prior to December 31 in each year.

(d) The Series 2 Debentures will be redeemable in accordance with the terms of Article 4 of the Principal Indenture, provided that the Series 2 Debentures will not be redeemable before June 30, 2022, except in the event of the satisfaction of certain conditions after a Change of Control has occurred as outlined herein. On and after June 30, 2022 and at any time prior to June 30, 2023, provided that the Current Market Price at the time of the Redemption Notice is at least 125% of the Conversion Price, the Series 2 Debentures may be redeemed at the option of the Corporation in whole or in part from time to time on notice as provided for in Section 4.3 of the Principal Indenture at a Redemption Price equal to their principal amount plus accrued and unpaid interest thereon up to (but excluding) the Redemption Date. On or after June 30, 2023 and prior to the Maturity Date, the Series 2 Debentures may be redeemed by the Corporation, in whole or in part from time to time, at the option of the Corporation on notice as provided for in Section 4.3 of the Principal Indenture at a Redemption Price equal to their principal amount plus accrued and unpaid interest thereon up to (but excluding) the Redemption Date. Subject to Section 1.3(c), the Redemption Notice for the Series 2 Debentures shall be substantially in the form of Schedule B to the Principal Indenture. In connection with the redemption of the Series 2 Debentures, the Corporation may, at its option and subject to the provisions of Section 4.6 of the Principal Indenture and subject to regulatory approval, elect to satisfy its obligation to pay all or a portion of the aggregate principal portion of the Redemption Price of the Series 2 Debentures to be redeemed by issuing and delivering to the holders of such Series 2 Debentures, such number of Freely Tradeable Common Shares as is obtained by dividing the aggregate principal portion of the Redemption Price by 95% of the Current Market Price in effect on the Redemption Date. If the Corporation elects to exercise such option, it shall so specify and provide details in the Redemption Notice. Any accrued and unpaid interest will be paid in cash.

(e) The Series 2 Debentures will be direct, unsecured obligations of the Corporation and will be subordinated to all existing and future Senior Indebtedness of the Corporation in accordance with the provisions of Article 5 of the Principal Indenture. In accordance with Section 2.12 of the Principal Indenture, the Series 2 Debentures will rank *pari passu* with one another and with each other series of Debentures, including the Initial Debentures, issued under the Principal Indenture or under indentures supplemental to the Principal Indenture (regardless of their actual date or terms of issue) and, except as prescribed by law, with all other existing and future subordinated unsecured indebtedness of the Corporation other than, for certainty, Senior Indebtedness, to the extent that such other existing and future subordinated unsecured indebtedness of the Corporation is subordinated on the same terms.

(f) Upon and subject to the provisions and conditions of Article 6 of the Principal Indenture and Section 3.6 of the Principal Indenture, the holder of each Series 2 Debenture shall have the right at such holder's option, prior to 5:00 p.m. (Calgary time) on the earliest of (i) the Business Day immediately preceding the Maturity Date; (ii) if the Series 2 Debentures are called for redemption, on the Business Day immediately preceding the date specified by the Corporation for redemption of the Series 2 Debentures; (iii) if called for repurchase pursuant to the exercise by the Corporation of the 90% Redemption Right, on the Business Day immediately preceding the payment date; or (iv) if subject to compulsory acquisition as provided for in Article 12 of the Principal Indenture, on the Business Day immediately prior to the day on which such acquisition becomes effective, subject to the satisfaction of certain conditions, by notice to the holders of Series 2 Debentures in accordance with Section 2.1(d) hereof and Sections 4.3 and 12.3 of the Principal Indenture, as applicable (the earliest of which will be the "**Time of Expiry**" for the purposes of Article 6 of the Principal Indenture in respect of the Series 2 Debentures), to convert any part, being $1,000 or an integral multiple thereof, of the principal amount of a Debenture into Common Shares at the Conversion Price in effect on the Date of Conversion. To the extent a redemption is a redemption in part only of the Series 2 Debentures, such right to convert, if not exercised prior to the applicable Time of Expiry, shall survive as to any Series 2 Debentures not redeemed or converted and be applicable to the next succeeding Time of Expiry.

The Conversion Price in effect on the date hereof for each Common Share to be issued upon the conversion of Series 2 Debentures shall be equal to $2.25 such that approximately 444.4444 Common Shares shall be issued for each $1,000 principal amount of Series 2 Debentures so converted, subject to the terms of Article 6 of the Principal Indenture. Except as provided below, no adjustment in the number of Common Shares to be issued upon conversion will be made for dividends or distributions on Common Shares issuable upon conversion, the record date for the payment of which precedes the date upon which the holder becomes a holder of Common Shares in accordance with Article 6 of the Principal Indenture, or for interest accrued on Series 2 Debentures surrendered. No fractional Common Shares will be issued, and holders will receive a cash payment in satisfaction of any fractional interest based on the Current Market Price as of the Date of Conversion. The Conversion Price applicable to, and the Common Shares, securities or other property receivable on the conversion of, the Series 2 Debentures is subject to adjustment pursuant to the provisions of Section 2.1(k) and Section 6.5 of the Principal Indenture.

Holders converting their Series 2 Debentures will receive, in addition to the applicable number of Common Shares, accrued and unpaid interest (less any taxes required to be deducted) in respect of the Series 2 Debentures surrendered for conversion up to but excluding the Date of Conversion from, and including, the most recent Interest Payment Date in accordance with Section 6.4(j) of the Principal Indenture. For clarity, payment of such interest, whether in cash or by delivery of Freely Tradeable Common Shares pursuant to the exercise of the Common Share Interest Payment Election, may, at the option of the Corporation, be paid on the next regularly scheduled Interest Payment Date following the Date of Conversion.

The Conversion Price will not be adjusted for accrued interest.

Notwithstanding any other provisions of the Principal Indenture, as supplemented by this First Supplemental Indenture, if a Series 2 Debenture is surrendered for conversion on an Interest Payment Date or during the five preceding Business Days, the person or persons entitled to receive Common Shares in respect of the Series 2 Debenture so surrendered for conversion shall not become the holder or holders of record of such Common Shares until the Business Day following such Interest Payment Date.

A Series 2 Debenture in respect of which a holder has accepted a notice in respect of a Debenture Offer pursuant to the provisions of Section 2.1(j) may be surrendered for conversion only if such notice is withdrawn in accordance with the Principal Indenture.

(g) On redemption or maturity of the Series 2 Debentures, the Corporation may, at its option and subject to the provisions of Sections 4.6 and 4.10 of the Principal Indenture of the Principal Indenture, as applicable, and subject to regulatory approval, elect to satisfy its obligation to pay all or a portion of the aggregate principal amount of the Series 2 Debentures due on redemption or maturity by issuing and delivering to such holders of Series 2 Debentures Freely Tradeable Common Shares pursuant to the provisions of Sections 4.6 and 4.10 of the Principal Indenture, as applicable. If the Corporation elects to exercise such option, it shall provide details in the Redemption Notice or deliver a maturity notice (the "**Maturity Notice**") to the holders of the Series 2 Debentures in, subject to Section 1.2, substantially the form of Schedule C to the Principal Indenture and provide the necessary details. Any accrued and unpaid interest will be paid in cash.

(h) The Series 2 Debentures shall be issued in denominations of $1,000 and integral multiples of $1,000 and the Trustee is hereby appointed as registrar and transfer agent for the Series 2 Debentures at its offices in Calgary, Alberta or Toronto, Ontario. Each Series 2 Debenture issued as a Debenture Certificate and the certificate of the Trustee endorsed thereon shall be issued in substantially the form set out in Schedule A, with such insertions, omissions, substitutions or other variations as shall be required or permitted by this Principal Indenture, and may have imprinted or otherwise reproduced thereon such legend or legends or endorsements, not inconsistent with the provisions of this Principal Indenture, as may be required to comply with any law or with any rules or regulations pursuant thereto or with any rules or regulations of any securities exchange or securities regulatory authority or to conform with general usage, all as may be determined by the director or officer of the Corporation executing such Series 2 Debenture in accordance with Section 2.7 of the Principal Indenture, as conclusively evidenced by their execution of an Series 2 Debenture. Each Series 2 Debenture issued as a Debenture Certificate shall additionally bear such distinguishing letters and numbers as the Trustee shall approve. Notwithstanding the foregoing, an Series 2 Debenture may be in such other form or forms as may, from time to time, be approved by a resolution of the Board of Directors, or as specified in an Officers' Certificate or in one or more indentures supplemental hereto. The Series 2 Debentures may be engraved, lithographed, printed, mimeographed or typewritten or partly in one form and partly in another, including book entry only electronic form.

The Series 2 Debentures issued pursuant to the Series 2 Debenture Offering shall initially be issued as Uncertificated Debentures, evidenced by a book position on the register of the Debentureholders to be maintained by the Trustee.

(i) Upon and subject to the provisions of Article 10 of the Principal Indenture, the Corporation may elect, from time to time, to satisfy its Interest Obligation on the Series 2 Debentures on any Interest Payment Date (including, for greater certainty, following conversion or upon maturity or redemption) by delivering: (i) cash; (ii) Freely Tradeable Common Shares; or (iii) a combination of (i) and (ii) to the Trustee pursuant to the Common Share Interest Payment Election.

(j) Within 30 days following the occurrence of a Change of Control, the Corporation shall be obligated to offer to purchase all Series 2 Debentures then outstanding. The terms and conditions of such obligation (in addition to complying with Applicable Securities Legislation) are set forth below:

(i) At least 15 days prior to the anticipated effective date of an occurrence of a Change of Control, the Corporation shall deliver to the Trustee a notice in writing stating that a Change of Control is anticipated and specifying the date on which such Change of Control is anticipated to be effective and the circumstances or events giving rise to such Change of Control together with a cash offer in writing (the "**Debenture Offer**") to purchase all (or any portion actually tendered to such offer) of the Series 2 Debentures then outstanding from the holders thereof at a price per Series 2 Debenture equal to 100% of the principal amount thereof together with accrued and unpaid interest thereon up to but excluding the Change of Control Purchase Date (as defined below) (the "**Offer Price**"). The Trustee will promptly thereafter deliver, by prepaid courier or mail, the Debenture Offer to the holders of all Series 2 Debentures then outstanding, at their addresses appearing in the registers of holders of Series 2 Debentures maintained by the Trustee.

(ii) The Debenture Offer shall specify the date (the "**Expiry Date**") and time (the "**Expiry Time**") on which the Debenture Offer shall expire which date and time shall not, unless otherwise required by Applicable Securities Legislation, be earlier than the close of business on the 35th day and not later than the close of business on the 60th day following the date on which such Debenture Offer is made.

(iii) The Debenture Offer shall specify that the Debenture Offer may be accepted by the holders of Series 2 Debentures by tendering the Series 2 Debentures so held by them to the Trustee at its offices in Calgary, Alberta or Toronto, Ontario at or before the Expiry Time together with an acceptance notice (the "**Acceptance Notice**") in form and substance acceptable to the Trustee.

(iv) The Debenture Offer shall state that holders of Series 2 Debentures may accept the Debenture Offer in respect of all or a portion (in a minimum amount of $1,000 principal amount and multiples thereof) of their Series 2 Debentures.

(v) The Debenture Offer shall specify a date (the "**Change of Control Purchase Date**") no later than the third Business Day following the Expiry Date on which the Corporation shall take up and pay for all Series 2 Debentures duly tendered in acceptance of the Debenture Offer.

(vi) The Corporation shall, on or before 11:00 a.m. (Calgary time), on the Business Day immediately prior to the Change of Control Purchase Date pay to the Trustee by wire transfer or such other means as may be acceptable to the Trustee, an amount of money sufficient to pay the aggregate Offer Price in respect of all Series 2 Debentures duly tendered to the Debenture Offer (less any tax required by law to be deducted). The Trustee, on behalf of the Corporation, will pay the Offer Price to the holders of Series 2 Debentures in the respective amounts to which they are entitled in accordance with the Debenture Offer as aforesaid.

(vii) If holders of 90% or more of the aggregate principal amount of Series 2 Debentures outstanding on the date the Corporation delivers the Debenture Offer to the Trustee (other than Series 2 Debentures held at such date by or on behalf of the Corporation, associates or affiliates of the Corporation or anyone acting jointly or in concert with the Corporation) accept the Debenture Offer, the Corporation shall have the right (the "**90% Redemption Right**"), upon written notice (the "**90% Redemption Right Notice**") provided to the Trustee within ten Business Days following the Expiry Date, to redeem on the purchase date specified in the 90% Redemption Right Notice all the Series 2 Debentures remaining outstanding at the Offer Price and on the other terms and conditions provided herein. Upon receipt of such notice by the Trustee, the Trustee shall promptly provide written notice to each holder of outstanding Series 2 Debentures (other than those that have accepted the Debenture Offer) that:

(A) the Corporation has exercised the 90% Redemption Right and is purchasing all outstanding Series 2 Debentures effective as at the Change of Control Purchase Date at the Offer Price;

(B) such holder must surrender its Series 2 Debentures to the Trustee on the same terms as those holders that accepted the Debenture Offer within ten days after the sending of such notice; and

(C) the rights of such holder under the terms of the Series 2 Debentures and this Principal Indenture shall cease to be effective as of the Change of Control Purchase Date provided the Corporation has, on or before the date on which the Corporation delivers the 90% Redemption Right Notice to the Trustee, paid the aggregate Offer Price to, or to the order of, the Trustee and thereafter such holder's Series 2 Debentures shall not be considered to be outstanding and such holder shall not have any rights hereunder except to receive such Offer Price to which such holder is entitled upon surrender and delivery of such holder's Series 2 Debentures in accordance with the Principal Indenture.

(viii) The Corporation shall on or before 11:00 a.m. (Calgary time) on the Business Day immediately prior to the date on which the Corporation delivers the 90% Redemption Right Notice pay to the Trustee by wire transfer or such other means as may be acceptable to the Trustee an amount of money sufficient to pay the aggregate Offer Price in respect of all Series 2 Debentures to be redeemed pursuant to the 90% Redemption Right (less any tax required by law to be deducted). The Trustee, on behalf of the Corporation, will pay the Offer Price to the holders of Series 2 Debentures in the respective amounts to which they are entitled in accordance with the exercise of the 90% Redemption Right as aforesaid upon surrender and delivery of such holders' Series 2 Debentures.

(ix) The Series 2 Debentures in respect of which the Corporation has made payment to the Trustee in accordance with the terms of this Section 2.1(j) (or the portion thereof tendered in acceptance of the Debenture Offer) shall thereafter no longer be considered to be outstanding under this Principal Indenture. The Corporation shall also deposit with the Trustee a sum of money sufficient to pay any charges or expenses which may be incurred by the Trustee in connection with the Debenture Offer and the exercise of the 90% Redemption Right, if applicable. All Series 2 Debentures in respect of which payment of the Offer Price has been so made shall be cancelled by the Trustee.

(x) In the event only a portion of the principal amount of an Series 2 Debenture is tendered by a holder thereof in acceptance of the Debenture Offer, the Corporation shall execute and deliver to the Trustee and the Trustee shall authenticate , without charge to such holder, a certificate (if applicable) or such other evidence of ownership representing the principal amount of the Series 2 Debenture not so tendered in acceptance of the Debenture Offer.

(xi) Series 2 Debentures for which holders have accepted the Debenture Offer and Series 2 Debentures which the Corporation has elected to redeem in accordance with this Section 2.1(j) shall become due and payable at the Offer Price on the Change of Control Purchase Date, in the same manner and with the same effect as if it were the date of maturity specified in such Series 2 Debentures, anything therein or herein to the contrary notwithstanding, and from and after the Change of Control Purchase Date, if the money necessary to purchase or redeem, or the Common Shares necessary to purchase or redeem, the Series 2 Debentures shall have been deposited as provided in this Section 2.1(j) and affidavits or other proofs satisfactory to the

Trustee as to the publication and/or mailing of such notices shall have been lodged with it, interest on the Series 2 Debentures shall cease. If any question shall arise as to whether any notice has been given as above provided and such deposit made, such question shall be decided by the Trustee whose decision shall be final and binding upon all parties in interest.

(xii) In case the holder of any Series 2 Debenture to be purchased or redeemed in accordance with this Section 2.1(j) shall fail on or before the Change of Control Purchase Date to so surrender such holder's Series 2 Debenture or shall not within such time accept payment of the monies payable, to take delivery of such Common Shares issuable in respect thereof, or give such receipt therefor, if any, as the Trustee may require, such monies may be set aside in trust, or such Common Shares may be held in trust, without interest, either in the deposit department of the Trustee or in a chartered bank, and such setting aside shall for all purposes be deemed a payment to the Debentureholder of the sum or the Common Shares so set aside and the Debentureholder shall have no other right except to receive payment of the monies so paid and deposited, or take delivery of the Common Shares so deposited, or both, upon surrender and delivery of such holder's Series 2 Debenture. In the event that any money or Common Shares required to be deposited hereunder with the Trustee or any depository or paying agent on account of principal, premium, if any, or interest, if any, on Series 2 Debentures issued hereunder shall remain so deposited for a period of three years less a day from the Change of Control Purchase Date (the "**Unclaimed Funds Return Date**"), then such monies, or Common Shares, together with any accumulated interest thereon, or any distributions paid thereon, shall at the end of such period be paid over or delivered over by the Trustee or such depository or paying agent to the Corporation and the Trustee shall not be responsible to Debentureholders for any amounts owing to them.

(xiii) Subject to the provisions above related to Series 2 Debentures purchased in part, all Series 2 Debentures redeemed and paid under this Section 2.1(j) shall forthwith be delivered to the Trustee and cancelled and no Series 2 Debentures shall be issued in substitution therefor.

(k) In addition to the requirements of Section 2.1(j) in respect of a Change of Control and subject to regulatory approval, the following provisions shall apply in respect of the occurrence of a Cash Change of Control occurring on or before the Maturity Date:

(i) During the period beginning ten trading days before the anticipated date on which the Cash Change of Control becomes effective and ending on the date that is 30 days after the Debenture Offer is delivered to holders of Series 2 Debentures in accordance with Section 2.1(j)(i) (the "**Cash Change of Control Conversion Period**"), holders of Series 2 Debentures will be entitled to convert their Series 2 Debentures, in whole or in part, and receive, in addition to the number of Common Shares (or cash or other property or securities in substitution therefor) they would otherwise be entitled to receive in accordance with the provisions and conditions of Section 2.1(f) hereof and Article 6 of the Principal Indenture, an additional number of Common Shares (or cash or other property or securities in substitution therefor) per $1,000 principal amount of Series 2 Debentures as set forth in this Section 2.1(k) (the "**Make Whole Premium**").

(ii) The number of additional Common Shares per $1,000 principal amount of Series 2 Debentures constituting the Make Whole Premium (the "**Make Whole Premium Shares**") will be determined by reference to the table following subsection 2.1(k)(iii) and is based on the date on which the Cash Change of Control becomes effective (the "**Effective Date**") and the price (the "**Cash Offer Price**") paid per Common Share in the transaction constituting the Change of Control. If holders of Common Shares receive (or are entitled and able in all circumstances to receive) only cash in the transaction constituting the Change of Control, the Cash Offer Price shall be the cash amount paid per Share. Otherwise, the Cash Offer Price shall be equal to the Current Market Price of the Common Shares on the day immediately preceding the Effective Date; provided that for the purposes of this Section 2.1(k)(ii) and the determination of the Current Market Price, the applicable period shall be calculated based on the 20 consecutive trading days ending five trading days preceding the applicable date. Notwithstanding the foregoing, in no circumstances can the effective Conversion Price (calculated by dividing $1,000 by the number of Common Shares issuable upon conversion, including the maximum number of Make Whole Premium Shares hereunder) be less than the maximum permitted discounted price permitted by the TSX (or such other recognized exchange on which the Debentures are then listed) at the time of announcement of the Debenture Offering, prior to any adjustments that may be made to the Cash Offer Price to correspond to an adjustment to the Conversion Price under this Principal Indenture.

(iii) The following table shows the number of Make Whole Premium Shares for each hypothetical Cash Offer Price and Effective Date set forth below, expressed as additional Common Shares per $1,000 principal amount of Series 2 Debentures. For the avoidance of doubt, the Corporation shall not be obliged to pay the Make Whole Premium otherwise than by issuance of the applicable number of Common Shares in excess of the number of Common Shares to which holders would otherwise have been entitled at the Conversion Price (the "**Base Shares**") upon conversion of the Series 2 Debentures in accordance with the provisions and conditions of Section 2.1(f) hereof and Article 6 of the Principal Indenture.

Make-Whole Premium Upon a Change of Control
(Number of Additional Common Shares per $1,000 Debenture)

Change of Control Offer Price	Effective Date					
	8-May-19	30-June-19	30-June-20	30-June-21	30-June-22	30-June-23
$1.61	176.6736	176.6736	176.6736	176.6736	176.6736	176.6736
$1.75	152.1314	152.0057	149.9943	142.2800	131.4171	127.9713
$2.00	117.5100	117.1450	111.5400	100.1050	82.6500	65.5160
$2.50	73.8520	73.2480	64.1960	49.9240	27.8560	-
$3.00	48.9800	48.3133	38.3833	24.8533	-	-
$4.00	24.2775	23.6625	14.6900	5.6475	-	-
$5.00	13.5520	13.0520	5.8360	0.4560	-	-

(iv) The actual Cash Offer Price and Effective Date may not be set forth on the table above, in which case:

(A) if the actual Cash Offer Price on the Effective Date is between two Cash Offer Prices on the table and/or the actual Effective Date is between two Effective Dates on the table, the number of Make Whole Premium Shares will be determined by a straight-line interpolation between the Make Whole Premium set forth for the two Cash Offer Prices and/or the two Effective Dates on the table based on a 365-day year, as applicable;

(B) if the Cash Offer Price on the Effective Date exceeds $5.00 per Common Share, subject to adjustment as described below, the Make Whole Premium and the number of Make Whole Premium Shares to be issued will be zero; and

(C) if the Cash Offer Price on the Effective Date is less than $1.61 per Common Share, subject to adjustment as described below, the Make Whole Premium and the number of Make Whole Premium Shares to be issued will be zero.

(v) The Cash Offer Prices set forth in the table above will be adjusted as of any date on which the Conversion Price of the Series 2 Debentures is adjusted. The adjusted Cash Offer Prices will equal the Cash Offer Prices applicable immediately prior to such adjustment multiplied by a fraction, the numerator of which is the Conversion Price as so adjusted and the denominator of which is the

Conversion Price immediately prior to the adjustment giving rise to the Cash Offer Price adjustment. The number of Make Whole Premium Shares set forth in the table above will be adjusted in the manner that is inversely proportional to the adjustment of the Conversion Price as set forth under Section 6.5 of the Principal Indenture, other than as a result of an adjustment to the Conversion Price by adding the Make Whole Premium as described above. The provisions of Section 6.11 of the Principal Indenture shall be applicable in connection with determinations under this Section 2.1(k).

(vi) Notwithstanding the foregoing, if the Date of Conversion of any Series 2 Debentures occurs during the period beginning on the tenth trading day prior to the Effective Date and ending at the close of business on the Effective Date, the holders of such Series 2 Debentures shall, on conversion of their Series 2 Debentures, only be entitled to receive that number of Make Whole Premium Shares as may be adjusted pursuant to Section 6.5 of the Principal Indenture on the Business Day immediately following the Effective Date and, for greater certainty, only if the Change of Control occurs. The Base Shares shall be issued in accordance with the terms of this Principal Indenture applicable to a conversion of Series 2 Debentures otherwise than during the Cash Change of Control Conversion Period, including at the then applicable Conversion Price.

(vii) The Make Whole Premium Shares shall be deemed to have been issued upon conversion of Series 2 Debentures effective as of the Business Day immediately following the Effective Date. Section 6.5 of the Principal Indenture shall apply to such conversion and, for greater certainty, the former holders of Series 2 Debentures in respect of which the Make Whole Premium Shares are issuable shall be entitled to receive and shall accept, in lieu of the Make Whole Premium Shares, the number of shares or other securities or property of the Corporation or of the Person or other entity resulting from the transaction that constitutes the Cash Change of Control that such holders would have been entitled to receive if such holders had been the registered holders of the applicable number of Make Whole Premium Shares on the Effective Date.

(viii) Except as otherwise provided in this Section 2.1(k), all other provisions of this Principal Indenture applicable to a conversion of Series 2 Debentures shall apply to a conversion of Series 2 Debentures during the Cash Change of Control Conversion Period.

(l) The Trustee shall be provided with the documents and instruments referred to in Sections 2.5(b), 2.5(c) and 2.5(d) of the Principal Indenture with respect to the Series 2 Debentures prior to the issuance of the Series 2 Debentures.

2.2 Right of Rescission

(a) Upon the conversion of the principal amount of a Series 2 Debenture into Common Shares pursuant to Article 6 of the Principal Indenture, original purchasers of Series 2 Debentures under the Debenture Offering (the "**Original Purchasers**") shall have a right of action against the Corporation for rescission to receive the purchase price of the Series 2 Debentures, exercisable on notice given to the Corporation not more than 180 days subsequent to the date hereof, if the Prospectus, together with any amendment thereto, contains a misrepresentation (as such term is defined in the *Securities Act* (Alberta)). The foregoing right of action for rescission is only available to an Original Purchaser while he or she is a holder of the Common Shares issued upon the conversion of Series 2 Debentures pursuant to Article 6 of the Principal Indenture.

(b) In no event shall the Corporation be liable under this Section 2.2 if the Original Purchaser purchased the Series 2 Debentures with knowledge of the misrepresentation.

ARTICLE 3
ADDITIONAL MATTERS

3.1 Confirmation of Principal Indenture

On the date hereof, the Principal Indenture shall be supplemented in accordance with this First Supplemental Indenture, and this First Supplemental Indenture shall form part of the Principal Indenture for all purposes, and the holder of every Debenture heretofore or hereafter authenticated and delivered under the Principal Indenture shall be bound thereby. The Principal Indenture, as supplemented by this First Supplemental Indenture, shall remain in full force and effect as supplemented by this First Supplemental Indenture and is in all respects confirmed.

3.2 Acceptance of Trusts

The Trustee hereby accepts the trusts in the Principal Indenture, as amended and supplemented by this First Supplemental Indenture, and agrees to perform the same upon the terms and conditions and subject to the provisions set forth in the Principal Indenture as supplemented by this First Supplemental Indenture.

3.3 Governing Law

This First Supplemental Indenture shall be construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein and shall be treated, in all respects, as an Alberta contract.

3.4 Further Assurances

The parties shall, with reasonable diligence, do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this First Supplemental Indenture, and each party shall provide such further documents or instruments required by the other party as may be reasonably necessary or desirable to effect the purpose of this First Supplemental Indenture and carry out its provisions.

3.5 Counterparts

This First Supplemental Indenture may be executed by the parties in separate counterparts each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

IN WITNESS whereof the parties hereto have executed these presents under their respective corporate seals and the hands of their proper officers in that behalf.

SURGE ENERGY INC.

By: *"/s/ Paul Colborne"*
Name: Paul Colborne
Title: President and Chief Executive Officer

By: *"/s/ Jared Ducs"*
Name: Jared Ducs
Title: Vice President, Finance

COMPUTERSHARE TRUST COMPANY OF CANADA

By: *"/s/ Angela Fletcher"*
Name: Angela Fletcher
Title: Corporate Trust Officer

By: *"/s/ Beatriz Fedozzi"*
Name: Beatriz Fedozzi
Title: Corporate Trust Officer

SCHEDULE A
TO THE DEBENTURE INDENTURE BETWEEN

SURGE ENERGY INC.

AND

COMPUTERSHARE TRUST COMPANY OF Canada
FORM OF SERIES 2 DEBENTURE

CUSIP – ●
ISIN – ●

No. ● **$●**

SURGE ENERGY INC.

(A corporation incorporated under the laws of Alberta)

6.75% SERIES 2 CONVERTIBLE UNSECURED SUBORDINATED DEBENTURE

Surge Energy Inc. (the "**Corporation**" or the "**Issuer**") for value received hereby acknowledges itself indebted and, subject to the provisions of the debenture indenture (the "**Indenture**") dated as of November 15, 2017, as amended June 30, 2018 and as supplemented on May 8, 2019, between the Corporation and Computershare Trust Company of Canada (the "**Trustee**"), promises to pay to the registered holder hereof on June 30, 2024 (the "**Maturity Date**"), or on such earlier date as the principal amount hereof may become due in accordance with the provisions of the Indenture the principal sum of ● Dollars ($●) in lawful money of Canada on presentation and surrender of this Series 2 Debenture at the main branch of the Trustee in Calgary, Alberta or in Toronto, Ontario in accordance with the terms of the Indenture and, subject as hereinafter provided, to pay interest on the principal amount hereof from the date hereof, or from the last Interest Payment Date to which interest shall have been paid or made available for payment hereon, whichever is later, at the rate of 6.75% per annum (based on a year of 365 days), in like money, in arrears in (with the exception of the first interest payment which will include interest from May 8, 2019 as set forth below) semi-annual installments (less any tax required by law to be deducted) on June 30 and December 31 in each year commencing on December 31, 2019 and the last payment (representing interest payable from the Interest Payment Date immediately prior to the Maturity Date to, but excluding, the Maturity Date) to fall due on the Maturity Date and, should the Corporation at any time make default in the payment of any principal, premium, if any, or interest, to pay interest on the amount in default at the same rate, in like money and on the same dates. For certainty, the first interest payment will include interest accrued from and including the date of closing of the Debenture Offering to, but excluding, May 8, 2019, which will be equal to $43.83 for each $1,000 principal amount of Series 2 Debentures. Any payment required to be made on any day that is not a Business Day will be made on the next succeeding Business Day.

The Corporation may elect, from time to time, to satisfy interest hereon by delivering: (i) cash; (ii) freely tradeable Common Shares; or (iii) a combination of (i) and (ii), to the Trustee pursuant to the Common Share Interest Payment Election and delivery of such cash or freely tradeable Common Shares, or any combination thereof less the amount of any tax required to be withheld, shall satisfy and discharge all liability for interest on this Series 2 Debenture to the extent of the sum represented thereby plus any tax withheld as aforesaid.

This Series 2 Debenture is one of the 6.75% Series 2 Convertible Unsecured Subordinated Debentures (referred to herein as the "**Series 2 Debentures**") of the Corporation issued or issuable in one or more series under the provisions of the First Supplemental Indenture. The Series 2 Debentures authorized for issue immediately are limited to an aggregate principal amount of $34,500,000 in lawful money of

Canada. Reference is hereby expressly made to the Indenture for a description of the terms and conditions upon which the Series 2 Debentures are or are to be issued and held and the rights and remedies of the holders of the Series 2 Debentures and of the Corporation and of the Trustee, all to the same effect as if the provisions of the Indenture were herein set forth to all of which provisions the holder of this Series 2 Debenture by acceptance hereof assents.

The Series 2 Debentures are issuable only in denominations of $1,000 and integral multiples thereof. Upon compliance with the provisions of the Indenture, Debentures of any denomination may be exchanged for an equal aggregate principal amount of Debentures in any other authorized denomination or denominations.

Any part, being $1,000 or an integral multiple thereof, of the principal of this Series 2 Debenture, provided that the principal amount of this Series 2 Debenture is in a denomination in excess of $1,000, is convertible, at the option of the holder hereof, upon surrender of this Series 2 Debenture at the principal office of the Trustee in Calgary, Alberta or in Toronto, Ontario, at any time prior to the close of business on the last Business Day immediately preceding the Maturity Date or, if this Series 2 Debenture is called for redemption on or prior to such date, then, to the extent so called for redemption, up to but not after the close of business on the last Business Day immediately preceding the date specified for redemption of this Series 2 Debenture or, if called for repurchase pursuant to the 90% Redemption Right on the Business Day immediately prior to the payment date, or, if subject to compulsory acquisition as provided for in the Indenture, on the Business Day immediately prior to the day on which such acquisition becomes effective, into Common Shares (without adjustment for interest accrued hereon or for dividends or distributions on Common Shares issuable upon conversion) at a conversion price of $2.25 (the "**Conversion Price**") per Common Share, being a rate of approximately 444.4444 Common Shares for each $1,000 principal amount of Series 2 Debentures, all subject to the terms and conditions and in the manner set forth in the Indenture. No Series 2 Debentures may be converted during the five Business Days preceding and including June 30 and December 31 in each year, commencing December 31, 2019, as the registers of the Trustee will be closed during such periods. The Indenture makes provision for the adjustment of the Conversion Price in the events therein specified. No fractional Common Shares will be issued on any conversion but in lieu thereof, the Corporation will satisfy such fractional interest by a cash payment equal to the market price of such fractional interest determined in accordance with the Indenture. Holders converting their Debentures will receive accrued and unpaid interest thereon. If a Debenture is surrendered for conversion on an Interest Payment Date or during the five preceding Business Days, the person or persons entitled to receive Common Shares in respect of the Debentures so surrendered for conversion shall not become the holder or holders of record of such Common Shares until the Business Day following such Interest Payment Date.

This Series 2 Debenture may be redeemed at the option of the Corporation on the terms and conditions set out in the Indenture at the Redemption Price therein and herein set out provided that this Series 2 Debenture is not redeemable before June 30, 2022, except in the event of the satisfaction of certain conditions after a Change of Control has occurred. On and after June 30, 2022 and prior to June 30, 2023, and provided that the Current Market Price of the Common Shares is at least 125% of the Conversion Price of the Series 2 Debentures, the Series 2 Debentures are redeemable at the option of the Corporation at a price equal to $1,000 per Series 2 Debenture (the "**Redemption Price**") plus accrued and unpaid interest and otherwise on the terms and conditions described in the Indenture. On or after June 30, 2023 and prior to the Maturity Date, the Debentures may be redeemed by the Corporation, in whole or in part, from time to time at the Redemption Price plus accrued and unpaid interest and otherwise on the terms and conditions described in the Indenture. The Corporation may, on notice as provided in the Indenture, at its option and subject to any applicable regulatory approval, elect to satisfy its obligation to pay all or any portion of the applicable principal portion of the Redemption Price by the issue of that number of Common Shares obtained by dividing the applicable principal portion of the Redemption Price by 95% of the volume weighted average trading price of the Common Shares on the TSX (or such other stock exchange on which the Series 2 Debentures may be listed) for the 20 consecutive trading days ending five trading days before the Redemption Date.

Upon the occurrence of a Change of Control of the Corporation, the Corporation is required to make an offer to purchase all of the Series 2 Debentures at a price equal to 100% of the principal amount of such Series 2 Debentures plus accrued and unpaid interest (if any) up to, but excluding, the date the Series 2 Debentures are so repurchased (the "**Debenture Offer**"). If 90% or more of the principal amount of all Debentures outstanding on the date the Corporation provides notice of the Change of Control to the Trustee have been tendered for purchase pursuant to the Debenture Offer, the Corporation has the right to redeem all the remaining outstanding Series 2 Debentures on the same date and at the same price.

In addition to the requirement for the Corporation to make a Debenture Offer in the event of a Change of Control, if 10% or more of the consideration for the Common Shares in the transaction or transactions constituting the Change of Control consists of:

(i) cash, other than cash payments for fractional Common Shares and cash payments made in respect of dissenter's appraisal rights;

(ii) equity securities that are not traded or intended to be traded immediately following such transactions on a recognized stock exchange; or

(iii) other property that is not traded or intended to be traded immediately following such transactions on a recognized stock exchange,

then subject to regulatory approvals, during the period beginning 10 trading days before the anticipated date on which the Change of Control becomes effective and ending 30 days after the Debenture Offer is delivered, holders of Debentures will be entitled to convert their Debentures, subject to certain limitations, and receive, in addition to the number of Common Shares they would otherwise be entitled to receive, an additional number of Common Shares per $1,000 principal amount of Debentures calculated in accordance with the terms of the Indenture.

If an Offer for all of the outstanding Series 2 Debentures (other than the Offeror's Debentures) is made and 90% or more of the principal amount of all the Series 2 Debentures (other than Series 2 Debentures held at the date of the offer by or on behalf of the Offeror, associates or affiliates of the Offeror or anyone acting jointly or in concert with the Offeror) are taken up and paid for by the Offeror, the Offeror will be entitled to acquire the Series 2 Debentures of those holders who did not accept the offer on the same terms as the Offeror acquired the first 90% of the principal amount of the Series 2 Debentures.

Subject to the receipt of any required regulatory approvals and to the restrictions on the Common Share Redemption Right and the Common Share Repayment Right, the Corporation may, on notice as provided in the Indenture, at its option and subject to any applicable regulatory approval, elect to satisfy the obligation to repay all or any portion of the principal amount of this Series 2 Debenture due on the final Maturity Date by the issue of that number of Freely Tradeable Common Shares obtained by dividing the principal amount of this Series 2 Debenture (or that portion to be paid for in Common Shares pursuant to the exercise by the Corporation of the Common Share Repayment Right) by 95% of the volume weighted average trading price of the Common Shares on the Toronto Stock Exchange (or such other exchange on which the Debentures are then listed) for the 20 consecutive trading days ending five trading days before the Maturity Date.

The Corporation shall not, directly or indirectly (through a Subsidiary or otherwise) undertake or announce any rights offering, issuance of securities, subdivision of the Common Shares, dividend or other distribution on the Common Shares or any other securities, capital reorganization, reclassification or any similar type of transaction in which:

(a) the number of securities to be issued;

(b) the price at which securities are to be issued, converted or exchanged; or

(c) any property or cash that is to be distributed or allocated,

is in whole or in part based upon, determined in reference to, related to or a function of, directly or indirectly, (i) the exercise or potential exercise of the Common Share Redemption Right or the Common Share Repayment Right, or (ii) the Current Market Price determined in connection with the exercise or potential exercise of the Common Share Redemption Right or the Common Share Repayment Right.

The indebtedness evidenced by this Series 2 Debenture, and by all other Series 2 Debentures now or hereafter certified and delivered under the Indenture, is a direct unsecured obligation of the Corporation, and is subordinated in right of payment, to the extent and in the manner provided in the Indenture, to the prior payment in full of all Senior Indebtedness, whether outstanding at the date of the Indenture or thereafter created, incurred, assumed or guaranteed.

The principal hereof may become or be declared due and payable before the stated maturity in the events, in the manner, with the effect and at the times provided in the Indenture.

The Indenture contains provisions making binding upon all holders of Debentures outstanding thereunder (or in certain circumstances specific series of Debentures) resolutions passed at meetings of such holders held in accordance with such provisions and instruments signed by the holders of a specified majority of Debentures outstanding (or specific series), which resolutions or instruments may have the effect of amending the terms of this Series 2 Debenture or the Indenture.

The Indenture contains provisions disclaiming any personal liability on the part of holders of Common Shares and officers, directors and employees of the Corporation in respect of any obligation or claim arising out of the Indenture or this Debenture.

This Series 2 Debenture may only be transferred, upon compliance with the conditions prescribed in the Indenture, in one of the registers to be kept at the principal office of the Trustee in the City of Calgary or the City of Toronto and in such other place or places and/or by such other registrars (if any) as the Corporation with the approval of the Trustee may designate. No transfer of this Series 2 Debenture shall be valid unless made on the register by the registered holder hereof or his executors or administrators or other legal representatives, or his or their attorney duly appointed by an instrument in form and substance satisfactory to the Trustee or other registrar, and upon compliance with such reasonable requirements as the Trustee and/or other registrar may prescribe and upon surrender of this Series 2 Debenture for cancellation. Thereupon a new Series 2 Debenture or Series 2 Debentures in the same aggregate principal amount shall be issued to the transferee in exchange hereof.

This Series 2 Debenture shall not become obligatory for any purpose until it shall have been certified by the Trustee under the Indenture.

If any of the provisions of this Series 2 Debenture are inconsistent with the provisions of the Indenture, the provisions of the Indenture shall take precedence and shall govern. Capitalized words or expressions used in this Series 2 Debenture shall, unless otherwise defined herein, have the meaning ascribed thereto in the Indenture.

The Indenture and this Debenture shall be governed by, and construed in accordance with, the laws of the Province of Alberta and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF SURGE ENERGY INC. has caused this Debenture to be signed by its authorized representatives as of the 8th day of May, 2019.

SURGE ENERGY INC.

By: ______________________________

(FORM OF TRUSTEE'S CERTIFICATE)

This Series 2 Debenture is one of the 6.75% Series 2 Convertible Unsecured Subordinated Debentures referred to in the Indenture within mentioned.

COMPUTERSHARE TRUST COMPANY OF CANADA

By: ______________________________
(Authorized Officer)

(Form of Registration Panel)

(No writing hereon except by Trustee or other registrar)

Date of Registration	**In Whose Name Registered**	**Signature of Trustee or Registrar**

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto ___________________, whose address and social insurance number, if applicable, are set forth below, this Series 2 Debenture (or $__________________ principal amount hereof*) of **SURGE ENERGY INC.** standing in the name(s) of the undersigned in the register maintained by the Corporation with respect to such Series 2 Debenture and does hereby irrevocably authorize and direct the Trustee to transfer such Series 2 Debenture in such register, with full power of substitution in the premises.

Dated: ____

Address of Transferee ____

(Street Address, City, Province and Postal Code)

Social Insurance Number of Transferee, if applicable: ________________________

*If less than the full principal amount of the within Series 2 Debenture is to be transferred, indicate in the space provided the principal amount (which must be $1,000 or an integral multiple thereof, unless you hold an Series 2 Debenture in a non-integral multiple of $1,000 by reason of your having exercised your right to exchange upon the making of a Debenture Offer, in which case such Series 2 Debenture is transferable only in its entirety) to be transferred.

1. The signature(s) to this assignment must correspond with the name(s) as written upon the face of this Series 2 Debenture in every particular without alteration or any change whatsoever. The signature(s) must be guaranteed by a Canadian chartered bank or trust company or by a member of an acceptable Medallion Guarantee Program. Notarized or witnessed signatures are not acceptable as guaranteed signatures. The Guarantor must affix a stamp bearing the actual words: "**SIGNATURE GUARANTEED**".

2. The registered holder of this Series 2 Debenture is responsible for the payment of any documentary, stamp or other transfer taxes that may be payable in respect of the transfer of this Debenture.

Signature of Guarantor:

______________________________ ______________________________

Authorized Officer Signature of transferring registered holder

____

Name of Institution

EXHIBIT 1
SURGE ENERGY INC.

6.75% SERIES 2 CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES

Initial Principal Amount: $● **CUSIP – ●**
ISIN – ●

Authorization:

ADJUSTMENTS

Date	Amount of Increase	Amount of Decrease	New Principal Amount	Authorization