



Surge Energy Company Overview

May 31, 2017



Disclaimer

Forward Looking Statements

This presentation contains forward-looking statements within the meaning of applicable securities legislation. All statements, other than statements of historical fact, included in this presentation that address activities, events or developments that Moss Creek Resources, LLC and its affiliates (collectively, the "Company") expects, believes or anticipates will or may occur in the future are forward-looking statements. The words "believe," "expect," "may," "estimates," "will," "anticipate," "plan," "intend," "foresee," "should," "would," "could," or other similar expressions are intended to identify forward-looking statements, which are generally not historical in nature. However, the absence of these words does not mean that the statements are not forward-looking. Without limiting the generality of the foregoing, forward-looking statements contained in this presentation specifically include the expectations of plans, strategies, objectives and anticipated financial and operating results of the Company, including as to the Company's drilling program, production, hedging activities, capital expenditure levels and other guidance included in this presentation. These statements are based on certain assumptions made by the Company based on management's expectations and perception of historical trends, current conditions, anticipated future developments and other factors believed to be appropriate. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company, which may cause actual results to differ materially from those implied or expressed by the forward-looking statements. These include risks relating to financial performance and results, current economic conditions and resulting capital restraints, prices and demand for oil and natural gas, availability of drilling equipment and personnel, availability of sufficient capital to execute the Company's business plan, impact of compliance with legislation and regulations, successful results from the Company's identified drilling locations, the Company's ability to replace reserves and efficiently develop and exploit its current reserves, the Company's ability to successfully identify, complete and integrate acquisitions of properties or businesses and other important factors that could cause actual results to differ materially from those projected.

Any forward-looking statement speaks only as of the date on which such statement is made and the Company undertakes no obligation to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by applicable law.

The presentation contains the Company's estimated 2017 and future production, capital expenditures, expenses and other matters. The actual levels of production, capital expenditures and expenses may be higher or lower than these estimates due to, among other things, uncertainty in drilling schedules, changes in market demand and unanticipated delays in production. These estimates are based on numerous assumptions, including assumptions related to number of wells drilled, average spud to release times, rig count, and production rates for wells placed on production. All or any of these assumptions may not prove to be accurate, which could result in actual results differing materially from estimates. If any of the rigs currently being utilized or intended to be utilized becomes unavailable for any reason, and the Company is not able to secure a replacement on a timely basis, we may not be able to drill, complete and place on production the expected number of wells. Similarly, average spud to release times may not be maintained in 2016. No assurance can be made that new wells will produce in line with historic performance, or that existing wells will continue to produce in line with expectations. Our ability to finance our 2016 capital budget and future capital budgets is subject to numerous risks and uncertainties, including volatility in commodity prices and the potential for unanticipated increases in costs associated with drilling, production and transportation. In addition, our production estimate assumes there will not be any new federal, state or local regulation of portions of the energy industry in which we operate, or an interpretation of existing regulation, that will be materially adverse to our business. We do not undertake any obligation to release publicly the results of any future revisions we may make to this prospective data or to update this prospective data to reflect events or circumstances after the date of this presentation. Therefore, you are cautioned not to place any reliance on this information.

Disclaimer

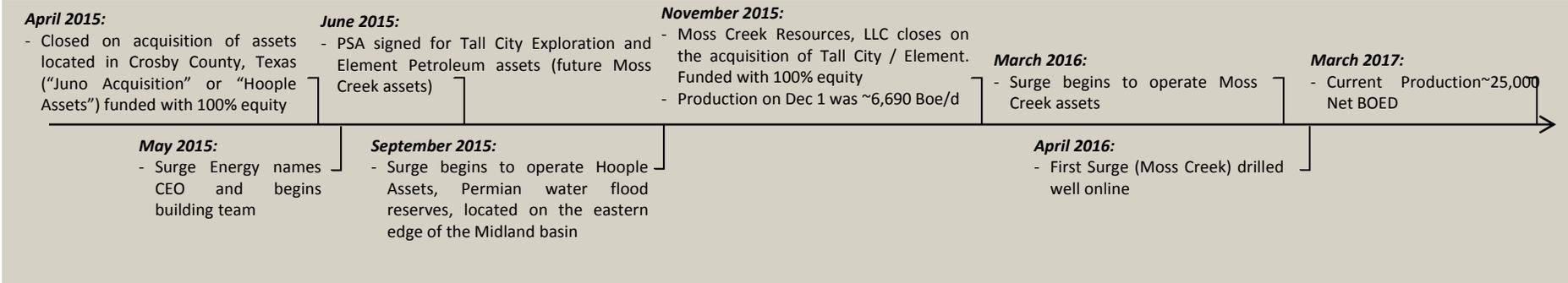
This presentation may not be copied, referred to or disclosed in whole or in part to any person or persons (including, affiliates of potential lenders or third parties) without the Company's prior written consent.

The Company does not, in providing this presentation, accept or assume responsibility for any purpose or to any person to whom this presentation is shown or into whose hands it may come except where expressly agreed with the Company's prior written consent. The information provided in this presentation has not been independently verified. No representation or warranty, expressed or implied is made as to the fairness, accuracy or completeness of the information, opinions or the reasonableness of any assumption contained in this presentation, and no responsibility is taken under any circumstances for any loss or damage suffered as a result of any omission, inadequacy, or inaccuracy in this presentation. The reader of this presentation agrees that the Company, its affiliates, and their respective directors, managers, partners, officers, employees, representatives, counsel, and advisors neither owe nor accept any duty or responsibility to the reader, whether in contract or in tort. To the maximum extent permitted by law, the reader of this presentation releases the Company, its affiliates, and their respective directors, managers, partners, officers, employees, representatives, counsel, and advisors from any liability whatsoever (including, without limitation, in respect of direct, indirect or consequential loss or damage or loss or damage) arising in relation to any reader relying on anything contained in or omitted from this document. Any forward looking statements included in this presentation involve subjective judgment and analysis and are subject to significant uncertainties and risks, many of which are outside the control of and are unknown to the Company, including significant business, economic and competitive uncertainties and contingencies. Actual future events may vary materially from forward looking statements and assumptions on which those statements are based and such variations may be material. Readers of this presentation are cautioned not to place reliance on any forward looking statement. Past performance is not a reliable indication of future performance of the Company.



Surge Energy: A Brief Company History

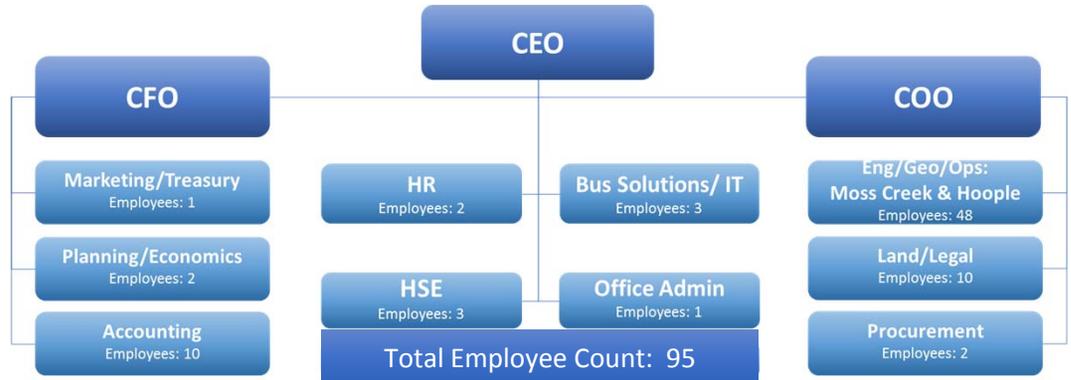
Company Timeline



Commentary

- Surge Energy is a U.S. subsidiary of Shandong Xinchao Energy Corporation, a Chinese corporation with a strategy to make significant oil and gas investments in U.S. and Canada
- Surge Energy was created to provide strong oil industry technical, operating and business capabilities for these acquisitions
- Since inception, Surge Energy has built an organization of 95 employees with decades of experience, including technical expertise in Permian development and operations
- Planning to add 5-10 additional employees in 2017

Organization Chart ⁽¹⁾



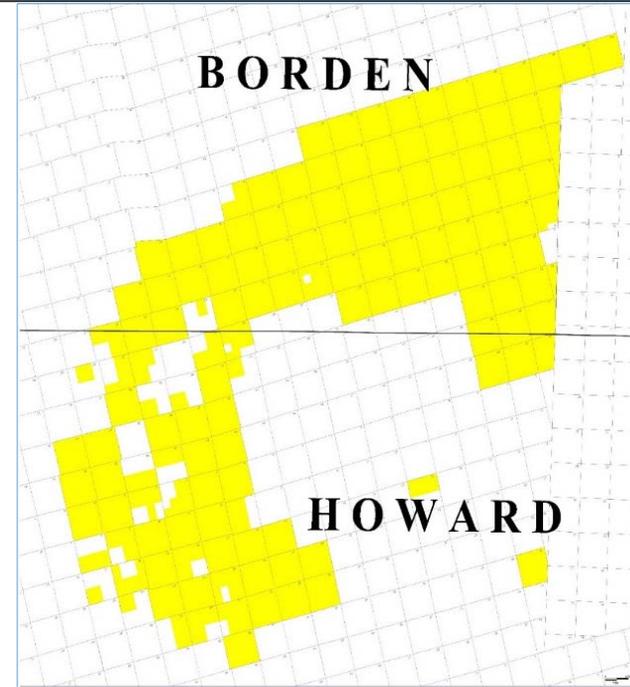
(1) Organization chart represents all Surge employees

Moss Creek Asset Overview

Asset Highlights

- YTD 2017 Production: 19,972 BOED
- Proved Reserves: 197.1 MMBOE ⁽¹⁾
- Active Wolfcamp/Spraberry horizontal program
- Land
 - Largely operated contiguous position
 - 76,000+/- net mineral acres (“nma”)
 - Borden County = ~44,000
 - Howard County = ~32,000
 - Avg. Working Interest: 88%
 - Avg. Net Revenue Interest: 66%
- Geology
 - Wolfcamp A depth is ~7,500’ TVD
 - Primary zones are Wolfcamp A, B and Lower Spraberry
 - Further potential in additional Spraberry benches, Clearfork and Wolfcamp D (Cline)
 - Borden County largely unproven but results encouraging

Asset Map



Production and Wells Drilled

Boe/d



(1) YE 2016 Ryder Scott Reserve Report at SEC prices

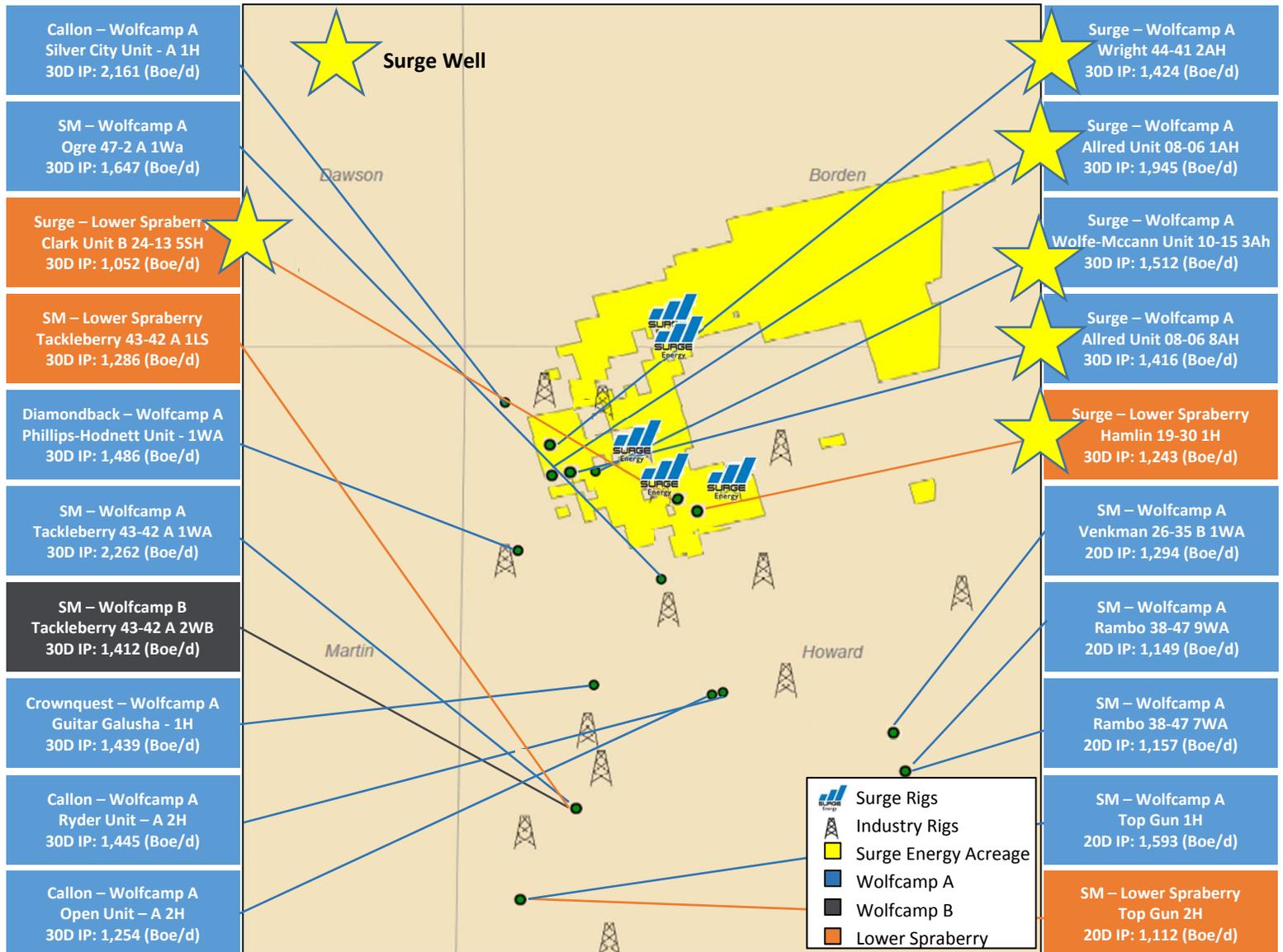


Tremendous Assets in Emerging Core Area

- Multiple formations delineated by industry activity, including Lower Spraberry, Wolfcamp A and Wolfcamp B

- Encouraging recent Surge performance – IP 30D ~1,500+ BOED and IP 90D ~1,000+ BOED

- Contiguous acreage set up for long lateral development and efficient infrastructure buildout



Source: Company information, IHS and public data