SOUTHERN ENERGY CORP. ANNOUNCES 2018 YEAR-END RESERVES

Calgary, Alberta – March 19, 2019 – Southern Energy Corp. ("**Southern**" or the "**Corporation**") (SOU: TSXV) is pleased to provide a summary of our 2018 year-end reserves. Reserve numbers presented herein were derived from an independent reserves report (the "**NSAI Report**") prepared by Netherland, Sewell & Associates, Inc. ("**NSAI**"), effective December 31, 2018.

"I am very pleased with our year-end reserves update", said Ian Atkinson, president and CEO. "It highlights the quality of the assets we have acquired in the U.S. Gulf Coast region and supports our strategy to grow through consolidation and organic growth in this area of premium commodity prices."

"Although Southern is relatively new to the Canadian public market space," added Mr. Atkinson, "we have years of operating experience in these areas and look forward to unlocking value for our shareholder's"

HIGHLIGHTS

- Proved developed producing ("**PDP**") net present value of $37.1 MM on a before tax basis, discounted at 10%. Total Proved ("**TP**") net present value of $73.4 MM.
- Year over year PDP reserve increase of 5.2 MMboe, primarily associated with the acquisition of the Gulf Pine Energy U.S. assets in December 2018; represents a PDP Finding, Development and Acquisition ("**FD&A**") cost of $6.45/boe.
- Year over year TP reserve increase of 11.0 MMboe, representing a TP FD&A cost of $3.03/boe.
- Based on a management-estimated current operating netback of $12.50/boe, the TP FD&A recycle ratio for 2018 is 4.1.
- Base PDP decline on Southern's U.S. assets estimated at less than 13% for 2019.

2018 YEAR-END RESERVES SUMMARY

The summary below sets forth Southern's gross and net reserves as at December 31, 2018, as evaluated in the NSAI Report. The figures in the following tables have been prepared in accordance with the standards contained in the Canadian Oil and Gas Evaluation Handbook and the reserve definitions contained in National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*.

Summary of Gross Oil and Gas Reserves as of December 31, 2018 (1), (2), (3), (4)

Reserves										
Reserves Category	**Heavy Oil (Mbbl)**		**Light and Medium Oil (Mbbl)**		**Condensate (Mbbl)**		**NGL (Mbbl)**		**Conventional Natural Gas (MMcf)**	
	Gross	**Net**	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**
Proved Developed Producing	138.5	118.4	175.9	135.8	231.8	186.4	129.1	103.8	27,528.7	21,918.9
Proved Developed Non-Producing	-	-	67.5	52.7	100.1	77.9	22.4	18.2	12,387.9	9,575.9
Proved Undeveloped	-	-	-	-	343.9	279.2	156.5	127.6	18,564.6	15,053.8
Total Proved	**138.5**	**118.4**	**243.4**	**188.5**	**675.9**	**543.5**	**307.9**	**249.6**	**58,481.2**	**46,548.6**
Probable	35.3	31.9	30.1	24.1	70.1	56.5	23.4	18.9	3,519.7	2,814.6
Total Proved Plus Probable	**173.9**	**150.2**	**273.4**	**212.6**	**746.0**	**600.0**	**331.3**	**268.5**	**62,000.9**	**49,363.2**

Summary of Net Present Values of Future Net Revenue as of December 31, 2018 [(1), (2), (3), (4)]

Net Present Value of Future Net Revenue					
	Before Income Taxes, Discounted at (%/year)				
Reserves Category	**0% (M$)**	**5% (M$)**	**10% (M$)**	**15% (M$)**	**20% (M$)**
Proved Developed Producing	64,968	47,135	37,118	30,797	26,466
Proved Developed Non-Producing	26,539	15,709	10,631	7,717	5,850
Proved Undeveloped	54,523	36,577	25,687	18,461	13,426
Total Proved	**146,030**	**99,421**	**73,436**	**56,974**	**45,741**
Probable	17,398	9,366	5,684	3,797	2,741
Total Proved Plus Probable	**163,428**	**108,787**	**79,120**	**60,771**	**48,482**

Notes:

(1) The tables summarize the data contained in the NSAI Report and as a result may contain slightly different numbers due to rounding.
(2) Gross reserves means the total working interest (operating or non-operating) share before deduction of royalties and without including any royalty interests of the Corporation. Net reserves means the total working interest (operating or non-operating) share after deduction of royalty obligations, plus royalty interests.
(3) Based on GLJ Petroleum Consultants Ltd.'s ("**GLJ**") January 1, 2019 price forecast.
(4) The net present value of future net revenue attributable to the Corporation's reserves is stated without provision for interest costs and general and administrative costs, but after providing for estimated royalties, production costs, development costs, other income, future capital expenditures, and well abandonment costs for only those wells assigned reserves by NSAI. It should not be assumed that the undiscounted or discounted net present value of future net revenue attributable to the Corporation's reserves estimated by NSAI represent the fair market value of those reserves. Other assumptions and qualifications relating to costs, prices for future production and other matters are summarized herein. The recovery and reserve estimates of the Corporation's oil, NGL and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual reserves may be greater than or less than the estimates provided herein.

Future Development Costs

The following table sets forth development costs deducted in the estimation of Southern's future net revenue attributable to the reserve categories noted below:

	Year				
Reserves Category	**2019 (M$)**	**2020 (M$)**	**2021 (M$)**	**2022 (M$)**	**2023 (M$)**
Proved Developed Producing	-	-	-	-	-
Proved Developed Non-Producing	583	3,137	2,612	-	324
Proved Undeveloped	8,704	17,295	3,748	-	-
Total Proved	**9,287**	**20,432**	**6,360**	**-**	**324**
Probable	**-**	**-**	**-**	**-**	**-**
Total Proved Plus Probable	**9,287**	**20,432**	**6,360**	**-**	**324**

The future development costs are estimates of capital expenditures required in the future for Southern to convert proved undeveloped reserves to proved developed producing reserves.

NET ASSET VALUE

Based on the NSAI Report and GLJ's January 1, 2019 forecast pricing, Southern's net asset value calculation is as follows:

As at December 31, 2018 (M$)	PDP	Total Proved	Proved + Probable
Present Value Reserves, before tax (discounted at 10%)	37,118	73,436	79,120
Total Net Debt (unaudited)	(12,685)	(12,685)	(12,685)
Net Asset Value	**24,433**	**60,751**	**66,435**
Common Shares Outstanding (000's)	204,357	204,357	204,357
Estimated Net Asset Value Per Basic Common Share	**$ 0.12**	**$ 0.30**	**$ 0.33**

Notes:

(1) The preceding table shows what is customarily referred to as a "produced out" net asset value calculation under which the current value of Southern's reserves would be produced at the NSAI forecast future prices and costs. The value is a snapshot in time as at December 31, 2018 and is based on various assumptions including commodity prices and foreign exchange rates that vary over time. In this analysis, the present value of the proved and probable reserves is calculated at a before tax 10 percent discount rate.

(2) Net debt or adjusted working capital (deficit), which represent current assets less current liabilities, excluding current derivative financial instruments, are used to assess efficiency, liquidity and the general financial strength of the Corporation. There is no IFRS measure that is reasonably comparable to net debt or adjusted working capital (deficit).

About Southern Energy Corp.

Southern Energy Corp. is an oil and natural gas exploration and production company. Southern has a primary focus on developing conventional and unconventional light oil and liquids rich natural gas resources in the SE Gulf States of Mississippi, Alabama, and Louisiana. Our management team has extensive experience with developing assets through the utilization of horizontal drilling and multi-staged fracture completion techniques. We have a long and successful history of working together as a team and have created significant shareholder value through high quality engineering and geoscience work.

Additional Information

For further information, please contact:

Ian Atkinson
President and CEO
T: (587) 287-5401
iatkinson@southernenergy.ca

Calvin Yau
VP Finance and CFO
T: (587) 287-5402
cyau@southernenergy.ca

Southern Energy Corp.
Suite 2400, 333 – 7th Avenue S.W.
Calgary, Alberta T2P 2Z1

Forward Looking and Cautionary Statements

Forward Looking Statements. *Certain information included in this press release constitutes forward-looking information under applicable securities legislation. Forward-looking information typically contains statements with words such as "anticipate", "believe", "will", "expect", "plan", "intend", "estimate", "propose", "project" or similar words suggesting future outcomes or statements regarding an outlook. Forward-looking information in this press release may include, but is not limited to, statements about our corporate strategy, timing and level of capital expenditures, anticipated cost savings, future acquisition opportunities, future production levels, drilling locations, estimated net asset value and future development costs associated with oil and gas reserves. Statements relating to "reserves" are also deemed to be forward looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and that the reserves can be profitably produced in the future.*

The forward-looking statements contained in this press release are based on certain key expectations and assumptions made by the Corporation, including expectations and assumptions concerning the success of future drilling, development and completion activities, the performance of existing wells, the performance of new wells, the availability and performance of facilities and pipelines, the geological characteristics of the Corporation's properties, the successful application of drilling, completion and seismic technology, prevailing weather and break-up conditions, commodity prices, royalty regimes and exchange rates, the application of regulatory and licensing requirements, the availability of capital, labour and services, the creditworthiness of industry partners and our ability to acquire additional assets.

Although Southern believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Corporation can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), constraint in the availability of services, commodity price and exchange rate fluctuations, adverse weather or break-up conditions and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures. Production forecasts are directly impacted by commodity prices and the actual timing of our capital expenditures. Actual results may vary materially from forecasts due to changes in interest rates, oil differentials, exchange rates and the timing of expenditures and production additions. These and other risks are set out in more detail in our continuous disclosure.

The forward-looking information contained in this press release is made as of the date hereof and the Corporation undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless required by applicable securities laws. The forward looking information contained in this press release is expressly qualified by this cautionary statement.

Oil and Gas Advisories

BOE Disclosure. *The term barrels of oil equivalent ("**BOE**") may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet of natural gas to barrels of oil equivalence is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. All BOE conversions in the report are derived from converting gas to oil in the ratio mix of six thousand cubic feet of gas to one barrel of oil.*

Reserves Disclosure. *It should not be assumed that the present worth of estimated future cash flow presented in the tables above represents the fair market value of the reserves. There is no assurance that the forecast prices and costs assumptions will be attained and variances could be material. The recovery and reserve estimates of the Corporation's crude oil, natural gas liquids and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual* *crude oil, natural gas and natural gas liquids reserves may be greater than or less than the estimates provided herein. All future net revenues are estimated using forecast prices, arising from the anticipated development and production of our reserves, net of the associated royalties, operating costs, development costs, and abandonment and reclamation costs and are stated prior to provision for interest and general and administrative expenses. Future net revenues have been presented on a before tax basis. Estimated values of future net revenue disclosed herein do not represent fair market value.*

Oil and Gas Metrics. This press release contains metrics commonly used in the oil and natural gas industry, such as finding, development and acquisition costs, recycle ratio and operating netback. These terms do not have a standardized meaning and may not be comparable to similar measures presented by other companies, and therefore should not be used to make such comparisons. Management uses these oil and gas metrics for its own performance measurements and to provide shareholders with measures to compare Southern's operations over time. Readers are cautioned that the information provided by these metrics, or that can be derived from the metrics presented in this press release, should not be relied upon for investment or other purposes.

Finding, development and acquisition costs are derived by dividing the sum of total net capital expenditures by the sum of total additions and revisions for the relevant reserves category. The Corporation considers FD&A costs a key measure in evaluating its performance as it provides an understanding of the Corporation's ability to effectively find and develop reserves and add to the Corporation's reserve base.

Recycle ratio is derived by dividing the operating netback by the FD&A cost for the relevant reserves category. Operating netback is derived as product sales net of blending costs, less royalties, transportation and production expenses, calculated on a per BOE basis. The Corporation considers recycle ratio a key measure in evaluating the Corporation's ability to generate profitability on its capital investment.

Non-IFRS Measures. This press release provides certain financial measures that do not have a standardized meaning prescribed by IFRS, such as net asset value and net debt. These non-IFRS financial measures may not be comparable to similar measures presented by other issuers.

Net asset value is derived by subtracting the Corporation's net debt from the net present values of estimated future net revenues (before tax and discounted at 10%). Net debt represents current assets less current liabilities, excluding current derivative financial instruments, and is used to assess efficiency, liquidity and the general financial strength of the Corporation. The Corporation considers net asset value a key measure of the Corporation's oil and gas asset value.