



## **SOUTHERN ENERGY CORP. ANNOUNCES PAYMENT OF INTEREST IN-KIND TO ITS 8% CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES**

**Calgary, Alberta – December 31, 2021 – Southern Energy Corp. ("Southern" or the "Company")** (SOU: TSXV) (AIM:SOU) announces that the Company intends to issue 1,009,206 new common shares in Southern (the "**Common Shares**") to holders of its 8% convertible unsecured subordinated debentures issued on June 14, 2019 and January 15, 2021 (collectively, the "**Debentures**") as payment in kind of accrued interest on the Debentures due on December 31, 2021 in the aggregate amount of CAD\$335,560 (the "**Interest Payment**"), subject to final approval from the TSX Venture Exchange. The number of Common Shares issued is equal to the amount of the interest, divided by the volume weighted average trading price per Common Share for the 20 consecutive trading days ending on the fifth trading day preceding December 31, 2021, being CAD\$0.3325 per Common Share. Southern gave notice to Computershare Trust Company of Canada, as debenture trustee, effective December 31, 2021, that it exercised its right to make the Interest Payment by issuing Common Shares.

### **Director/PDMR Participation**

It is noted that certain Directors and PDMRs of the Company hold Convertible Debentures, on the same terms as all other participants, and, accordingly, were issued, in aggregate, 18,767 Common Shares were issued. Further details regarding individual participation of the Company's Directors and PDMRs is set out in the PDMR notification forms below.

### **Admission to AIM**

Application has been made to the London Stock Exchange to admit 1,009,206 new Common Shares to trading on AIM, which is expected to occur on or around 5 January 2022 ("**Admission**"). The new Common Shares will rank pari passu with the existing Common Shares.

Following Admission, the issued share capital of the Company will be 78,121,858 Common Shares and this figure may be used by shareholders as a denominator for the calculations by which they will determine if they are required to notify their interest in or change to their interest in the Company. There are no Common Shares held in treasury and each Common Share entitles the holder to a single vote at general meetings of the Company. Accordingly, on Admission, the total number of voting rights in the Company will be 78,121,858.

### **For further information, please contact:**

#### **Southern Energy Corp.**

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### **About Southern Energy Corp.**

Southern Energy Corp. is a natural gas exploration and production company. Southern has a primary focus on acquiring and developing conventional natural gas and light oil resources in the southeast Gulf States of Mississippi, Louisiana, and East Texas. Our management team has a long and successful history working together and have created significant shareholder value through accretive acquisitions, optimization of existing oil and natural gas fields and the utilization of re-development strategies utilizing horizontal drilling and multi-staged fracture completion techniques.

### **Forward-Looking Information**

*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", "expect", "plan", "intend", "estimate", "propose", "project" or similar words suggesting future outcomes or statements regarding an outlook. The forward-looking statements contained in this press release are based on certain key expectations and assumptions made by Southern. 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 Southern 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); continuing negative effects of the COVID-19 pandemic on general market conditions and commodity prices; continuing destabilizing action from OPEC+ members causing further decline in oil prices; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks, especially given public health concerns arising from the COVID-19 pandemic; constraint in the availability of services; commodity price and exchange rate fluctuations; changes in legislation impacting the oil and gas industry; 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. Other risks faced by the Company are set out in more detail in Southern's Annual Information Form for the year ended December 31, 2020, which is available under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).*

*The forward-looking information contained in this press release is made as of the date hereof and Southern 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.*

**Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.**

**PDMR NOTIFICATION FORMS**

|          |  |   |
|----------|--|---|
| <b>1</b> | <b>Details of the person discharging managerial responsibilities / person closely associated</b>   |   |
| a)       | Name   | Neil Smith                                  |
| <b>2</b> | <b>Reason for the notification</b>   |   |
| a)       | Position/status  | Director                                    |
| b)       | Initial notification /Amendment  | Initial notification                        |
| <b>3</b> | <b>Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor</b>   |   |
| a)       | Name   | Southern Energy Corp.                       |
| b)       | LEI  | 213800R25GL7J3EBJ698                        |
| <b>4</b> | <b>Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted</b> |   |
| a)       | Description of the financial instrument, type of instrument  | Common shares in Southern Energy Corp.      |
|          | Identification code  | CA8428133059                                |
| b)       | Nature of the transaction  | Issuance of new common shares               |
| c)       | Price(s) and volume(s)   | 6,256 common shares at a price of CAD0.3325 |
| d)       | Aggregated information   | N/A   |
| e)       | Date of the transaction  | 31 December 2021                            |
| f)       | Place of the transaction   | Outside of a trading venue                  |

|          |  |                       |
|----------|--|-----------------------|
| <b>1</b> | <b>Details of the person discharging managerial responsibilities / person closely associated</b>                     |                       |
| a)       | Name   | Mike Kohut            |
| <b>2</b> | <b>Reason for the notification</b>   |                       |
| a)       | Position/status  | Director              |
| b)       | Initial notification /Amendment  | Initial notification  |
| <b>3</b> | <b>Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor</b> |                       |
| a)       | Name   | Southern Energy Corp. |
| b)       | LEI  | 213800R25GL7J3EBJ698  |

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|----------|--|--|
| <b>4</b> | <b>Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted</b> |  |
| a)       | Description of the financial instrument, type of instrument<br><br>Identification code   | Common shares in Southern Energy Corp.<br><br>CA8428133059 |
| b)       | Nature of the transaction  | Issuance of new common shares                              |
| c)       | Price(s) and volume(s)   | 12,511 common shares at a price of CAD0.3325               |
| d)       | Aggregated information   | N/A  |
| e)       | Date of the transaction  | 31 December 2021   |
| f)       | Place of the transaction   | Outside of a trading venue                                 |