



SOUTHERN ENERGY CORP. ANNOUNCES SPUDDING OF THREE WELL DRILLING PROGRAM

Calgary, Alberta – January 27, 2022 – Southern Energy Corp. ("Southern" or the "Company") (SOU: TSXV) (AIM:SOUC) announces the spudding of its three Selma Chalk horizontal wells in the Gwinville field targeting natural gas. The three wells will be drilled from the same surface pad site and batch drilled for operational and capital efficiencies. Subject to successful completion, first production from the wells is expected in April 2022. The Company has posted a short video under the Presentations and Events heading on batch drilling available on its website at www.southernenergycorp.com.

Ian Atkinson, President and CEO of Southern, commented:

"We are delighted to report that the team has commenced operations on the Gwinville Selma Chalk horizontal well program. These wells will have a short payback and are strategically located in proximity to the Henry Hub terminal which attracts premium regional gas pricing. The Gwinville program is expected to have an immediate positive impact for the Company and provide additional near-term cash flow to the business during a period of strong commodity prices, and we look forward to updating shareholders as the program progresses."

Credit Facility Update

Southern entered into a First Amendment of its US\$8.5 million senior secured term loan extending the US\$3.0 million Tranche B maturity to April 30, 2022, to further support the Gwinville program. The Company has US\$2.5 million available under the Tranche B portion of the credit facility.

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.

For further information, please contact:

Southern Energy Corp.

Ian Atkinson (President and CEO)

+1 587 287 5401

Calvin Yau (VP Finance and CFO)

+1 587 287 5402

Strand Hanson Limited - Nominated & Financial Adviser

+44 (0) 20 7409 3494

James Spinney / James Bellman

Hannam & Partners - Joint Broker

+44 (0) 20 7907 8500

Samuel Merlin / Ernest Bell

Canaccord Genuity - Joint Broker
Henry Fitzgerald-O'Connor / James Asensio

+44 (0) 20 7523 8000

Camarco
James Crothers, Billy Clegg, Daniel Sherwen

+44 (0) 20 3757 4980

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 as it forms part of United Kingdom domestic law by virtue of the European (Withdrawal) Act 2018 (as amended).

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. Forward-looking information in this press release may include, but is not limited to, statements concerning the Company's business strategy, objectives, strength and focus; the Company's capital program for 2022; drilling, completions and other activities and the anticipated costs, timing and results of such activities; the ability of the Company to achieve drilling success consistent with management's expectations; anticipated future production, revenue, cash flow and ability to receive premium regional gas pricing. The forward-looking statements contained in this press release are based on certain key expectations and assumptions made by Southern, including the timing of and success of future drilling, development and completion activities, the performance of new wells, the availability and performance of facilities and pipelines, the geological characteristics of Southern's properties, the characteristics of its assets, the successful application of drilling, completion and seismic technology, prevailing weather conditions, prevailing legislation affecting the oil and gas industry, commodity prices, price volatility and the actual prices received for the Company's products, royalty regimes and exchange rates, the application of regulatory and licensing requirements, the availability of capital, labour and services and the creditworthiness of industry partners. 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 most recent annual information form and management's discussion and analysis, which are available under the Company's SEDAR profile at 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.

This press release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about the prospective results of the Company's operations, production, revenue, cash flow, well payback, capital efficiencies and components thereof, which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraphs. FOFI contained in this press release was approved by management as of the date of this press release and was provided for the purpose of providing further information about Southern's future business operations. Southern disclaims any intention or obligation to update or revise any FOFI contained in this press release, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law. Readers are cautioned that the FOFI contained in this press release should not be used for purposes other than for which it is disclosed herein.

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.