SOUTHERN ENERGY CORP. ANNOUNCES THIRD QUARTER 2022 FINANCIAL AND OPERATING RESULTS, FIRST HALF 2023 CAPITAL BUDGET AND SPUD OF THE FIRST PADSITE IN THE MULTI-WELL DEVELOPMENT PROGRAM AT GWINVILLE

Calgary, Alberta – November 22, 2022 – Southern Energy Corp. ("**Southern**" or the "**Company**") (TSXV:SOU) (AIM:SOUC)(OTCQX:SOUTF), an established producer with natural gas and light oil assets in Mississippi, today announces the release of its third quarter financial and operating results for the three and nine months ended September 30, 2022. Selected financial and operational information is outlined below and should be read in conjunction with the Company's unaudited consolidated financial statements (the "**Financial Statements**") and related management's discussion and analysis (the "**MD&A**") for the three and nine months ended September 30, 2022, which are available on the Company's website at www.southernenergycorp.com and have been filed on SEDAR.

All figures referred to in this news release are denominated in U.S. dollars, unless otherwise noted.

THIRD QUARTER 2022 HIGHLIGHTS

- $8.3 million of adjusted funds flow from operations[1] in Q3 2022 ($0.06 per share basic and diluted) compared to a loss of $0.2 million in Q3 2021 ($0.00 per share basic and diluted) and $14.1 million for the nine months ended September 30, 2022 ($0.14 per share basic and $0.13 per share diluted), an increase of 907% from the same period in 2021
- Net earnings of $6.6 million ($0.05 per share basic and $0.04 per share diluted) and $7.6 million ($0.08 per share basic and $0.07 per share diluted) for the three and nine months respectively ended September 30, 2022 as compared to net earnings of $4.3 million ($0.10 per share basic and $0.07 per share diluted) and $6.8 million ($0.18 per share basic and $0.15 per share diluted) in the same period of 2021, an increase of 53% and 12% as compared to the prior periods, respectively
- Petroleum and natural gas sales of $19.2 million in Q3 2022, an increase of 268% from the same period in 2021
- Q3 2022 average production of 20,449 Mcfe/d[2] (3,408 boe/d) (96% natural gas), an increase of 67% from the same period in 2021
- Average realized natural gas and oil prices for Q3 2022 of $10.00/Mcf and $91.93/bbl, respectively, reflecting the benefit of strategic access to premium-priced US sales hubs in a geographic region with strong industrial and power generation natural gas demand
- On July 7, 2022, successfully closed a $17.5 million bought deal prospectus offering in Canada and a $13.5 million placing in the UK, raising aggregate gross proceeds of $31.0 million
- Exited Q3 2022 with a Net Debt Surplus[1] of $20.4 million
- Successfully renegotiated an increase of $25.0 million borrowing capacity (currently undrawn) with its current lender in respect of its senior secured term loan (the "Credit Facility") to increase the total Credit

[1] See "Specified Financial Measures" under "Reader Advisory" below
[2] Comprised of 118 bbl/d light and medium crude oil, 16 bbl/d NGLs and 19,645 Mcf/d conventional natural gas

Facility to $35.0 million (details of which are provided within the MD&A and Financial Statements)

Ian Atkinson, President and CEO of Southern, commented:

"Our Q3 results have displayed that with a strong underlying production base and exposure to high prevailing commodity prices, and in particular the $10.00/Mcf our gas production has achieved, our business can provide significant cash flows and valuable capital to further our ambitious growth plans. Our recent equity financing and credit facility expansion will allow us to accelerate the organic growth strategy portion of our goal to reach 25,000 boe/d. The success of the first three wells at Gwinville has already increased our corporate production by over 100% and we remain truly excited at the future potential of this asset. We now look forward to beginning a long-term development drilling program, starting in Q4 2022, to unlock shareholder value due to the significant reserves, production and cashflow growth in Gwinville. This upcoming program will utilize the learnings from the three well program in Q2 as well as drill horizontal lateral lengths of up to 6,500 ft in length. The vast company owned infrastructure at Gwinville allows for quick conversion from capex to cashflow in this next phase of development which will support our fundamental strategy of both organic and inorganic growth of natural gas weighted assets in the Gulf Coast area of the United States in a timely fashion. We look forward to updating the market once we have results from the initial phase of our development plan which we expect will act as a significant catalyst to unlock the value in the current share price."

Financial Highlights

	Three months ended September 30,		Nine months ended September 30,	
(000s, except $ per share)	**2022**	**2021**	**2022**	**2021**
Petroleum and natural gas sales	**$ 19,151**	$ 5,198	**$ 35,387**	$ 12,791
Net earnings	**6,567**	4,314	**7,550**	6,782
Net earnings per share				
Basic	**0.05**	0.10	**0.08**	0.18
Fully diluted	**0.04**	0.07	**0.07**	0.15
Adjusted funds flow from operations [1]	**8,273**	(185)	**14,097**	1,434
Adjusted funds flow from operations per share [1]				
Basic	**0.06**	0.00	**0.14**	0.04
Fully diluted	**0.06**	0.00	**0.13**	0.03
Capital expenditures	**3,240**	714	**20,216**	807
Weighted average shares outstanding				
Basic	**132,822**	45,088	**98,293**	37,307
Fully diluted	**148,641**	64,694	**108,671**	49,896
As at period end				
Basic common shares outstanding	**135,909**	45,162	**135,909**	45,162
Total assets	**90,200**	36,969	**90,200**	36,969
Non-current liabilities	**9,613**	13,481	**9,613**	13,481
Net surplus (debt) [1]	**$ 20,435**	$ (15,106)	**$ 20,435**	$ (15,106)

Notes:
(1) See "Reader Advisories – Specified Financial Measures".

Capital Budget

Based on the success of the initial three well appraisal program at Gwinville, Southern's Board of Directors has approved a capital budget of $78.1 million for the first half of 2023. Due to a delay in receiving the drilling rig from the previous operator, resulting in a later start to the Q4 drilling program, $11.4 million of the previously approved $34.4 million second half 2022 capital budget has been deferred into 2023 and is included in the $78.1 million first half 2023 program. The current Gwinville development program will consist of the drilling, completion and equipping of up to 13 horizontal wells, as well as the necessary compression additions, pad construction, in-field pipelines and water disposal well conversions that will service the next few years of Gwinville development. Major services and equipment have been secured for the development program to optimize capital and operational efficiencies. The approved drilling program will target multi-zone horizontal potential in the Upper Selma, Lower Selma and City Bank formations.

Operations Update

Q3 2022 represented the first three months of full production addition from the three well appraisal program in the Gwinville field. The three well pad site contributed approximately 1,546 boe/d (9.3 MMcfe/d) – an increase of more than 80% to Southern's base production in the quarter. All three horizontal wellbores targeted the Upper Selma Chalk formation, highlighted by the 19-3 #2 well achieving an average initial production rate over the first 30 days ("IP30") of 6.5 MMcf/d. After the first 120 days of production ("IP120"), the wells have averaged 533 boe/d (3.2 MMcfe/d). When these appraisal rates are normalized for a horizontal lateral length of 5,500' – i.e. the length of the average lateral planned in the upcoming program – the IP120 rate per well is approximately 900 boe/d (5.4 MMcfe/d). The wells are continuing to perform as expected based on preliminary estimates, and Southern will likely be installing tubing strings into each of the laterals in the next few months to optimize flow efficiency.

Based on these successful production results and supported by the $31.0 million equity financing and $25.0 million increase to the Company's existing borrowing capacity, Southern began preparations for a multi-well, long-term re-development program in the Gwinville field. The drilling rig moved to the Company's 18-10 padsite and on November 20, 2022 spud the first of the three planned horizontal wells. The 18-10 padsite will feature two Upper Selma Chalk horizontal wells, along with Southern's first City Bank horizontal appraisal well. The program will also include the first horizontal evaluation of the Lower Selma Chalk formation. Southern is in the process of constructing five separate padsites for multi-well pad drilling to support a long-term drilling program.

Outlook

Southern has recently spud the first well in the next phase of the drilling program at Gwinville, with all major services and equipment procured for safe and efficient operations. Southern intends to strategically and efficiently deploy cash from the recent equity financing and increased borrowing capacity from the Credit Facility to capitalize on the strong natural gas pricing in the Southeastern U.S. and strong economics at the Gwinville field, to materially grow the Company organically over the coming years. As Southern refines its drilling techniques on subsequent Gwinville wells and increases its average horizontal wellbore length, management are confident that the economics of the wells will be further increased reducing payback time significantly.

Natural gas pricing has remained strong in the Southeastern U.S. spot and forward basis markets highlighted by the August 2022 settlement price where a portion of Southern's natural gas sold for approximately $5.00 per MMBtu premium to NYMEX. The futures markets continue to indicate premiums to NYMEX extending out to 2026. At current pricing the Company's average horizontal well at Gwinville is expected to payout in less than 12 months. The Company continues to monitor these premium prices and is prepared to hedge additional basis exposure at these elevated basis premiums.

Calvin Yau, Chief Financial Officer of Southern, commented:

"Q3 was a strong period for Southern with the quarter representing the first full period of cash flow from our successful Gwinville appraisal programme. Our strong production along with the continued strength of natural gas spot and basis pricing premiums to NYMEX in Southeastern U.S. has put the Company on a strong footing as we embark on further drilling. This long-term drilling program will add new unhedged production allowing Southern and its shareholders to realize significant additional value, from sales made at premiums to NYMEX. From a balance sheet perspective our $31.0 million equity financing and $25.0 million increase to the Company's existing borrowing capacity means that we are able to fund a capital programme that allows us a level of cashflow which we can recycle into further development of our asset base, increasing cashflows further."

The Company's long-term strategy remains consistent, with an unwavering commitment to environmental, social and governance ("**ESG**") principles that support the continued development and consolidation of prolific reservoirs that are outside of the more expensive shale basins. Cost savings and financial discipline will remain a priority through the continued enhancement of operations and the ongoing evaluation of opportunities to reduce operating and capital costs.

Southern thanks all of its stakeholders for their ongoing support and looks forward to providing future updates on operational activities.

Short Form Base Shelf Prospectus

On November18, 2022, Southern filed and obtained a final receipt for a final base shelf prospectus (the "**Prospectus**") in each of the territories and provinces of Canada, other than Quebec. The Prospectus enables Southern to qualify the distribution of up to C$150 million of any combination of ordinary shares, warrants, subscription receipts, debt securities and units during the 25-month period that the Prospectus remains effective. The specific terms of any future offerings of securities, including the use of proceeds from an offering, will be established in a prospectus supplement filed with the applicable Canadian regulatory authorities. The Prospectus provides the Company, as a dual listed entity, with future flexibility with respect to the issuance of various securities. Southern currently has no contemplated plan to raise capital.

Corporate Presentation

A new corporate presentation dated November 2022 is now available on the Company website at www.southernenergycorp.com.

Qualified Person's Statement

Gary McMurren, COO, who has over 22 years of relevant experience in the oil industry and has approved the technical information contained in this announcement. Mr. McMurren is registered as a Profession Engineer with the Association of Professional Engineers and Geoscientists of Alberta and received a Bachelor of Science degree in Chemical Engineering (with distinction) from the University of Alberta.

For further information about Southern, please visit our website at www.southernenergycorp.com or contact:

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About Southern Energy Corp.

Southern Energy Corp. is a natural gas exploration and production company characterized by a stable, low-decline production base, a significant low-risk drilling inventory and strategic access to premium commodity pricing in North America. 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.

READER ADVISORY

***MCFE Disclosure**. Natural gas liquids volumes are recorded in barrels of oil (bbl) and are converted to a thousand cubic feet equivalent (Mcfe) using a ratio of six (6) thousand cubic feet to one (1) barrel of oil (bbl). Natural gas volumes recorded in thousand cubic feet (Mcf) are converted to barrels of oil equivalent (boe) using the ratio of six (6) thousand cubic feet to one (1) barrel of oil (bbl). Mcfe and boe may be misleading, particularly if used in isolation. A boe conversion ratio of 6 mcf:1 bbl or a Mcfe conversion ratio of 1 bbl:6 Mcf is based in an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. In addition, given that the value ratio based on the current price of oil as compared with natural gas is significantly different from the energy equivalent of six to one, utilizing a boe conversion ratio of 6 Mcf:1 bbl or a Mcfe conversion ratio of 1 bbl:6 Mcf may be misleading as an indication of value.*

Throughout this press release, "crude oil" or "oil" refers to light and medium crude oil product types as defined by National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities ("NI 51-101"). References to "NGLs" throughout this press release comprise pentane, butane, propane, and ethane, being all NGLs as defined by NI 51-101. References to "natural gas" throughout this press release refers to conventional natural gas as defined by NI 51-101.

Unit Cost Calculation. For the purpose of calculating unit costs, natural gas volumes have been converted to a boe using six thousand cubic feet equal to one barrel unless otherwise stated. A boe conversion ratio of 6:1 is based upon an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. This conversion conforms with National Instrument 51 101 - Standards of Disclosure for Oil and Gas Activities. Boe may be misleading, particularly if used in isolation.

Short-Term Results. References in this press release to IP30, production test rates, initial test production rates, and other short - term production rates are useful in confirming the presence of hydrocarbons, however such rates are not determinative of the rates at which such wells will commence production and decline thereafter and are not indicative of long term performance or of ultimate recovery. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for Southern. A pressure transient analysis or well test interpretation has not been carried out in respect of all wells. Accordingly, the Company cautions that the test results should be considered to be preliminary.

***Abbreviations**. Please see below for a list of abbreviations used in this press release.*

bbl	*barrels*
bbl/d	*barrels per day*
boe	*barrels of oil*
boe/d	*barrels of oil per day*
IP30	*average production for the first 30 days that a well is onstream*
Mcf	*thousand cubic feet*
Mcf/d	*thousand cubic feet per day*
MMcf	*million cubic feet*
MMcf/d	*million cubic feet per day*
Mcfe	*thousand cubic feet equivalent*
Mcfe/d	*thousand cubic feet equivalent per day*
MMBtu	*million British thermal units*
MMBtu/d	*million British thermal units per day*

***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", "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 asset base including the development of the Company's assets, oil and natural gas production levels, including the objective of achieving production of 25,000 boe/d, the Company's capital budget, expectations regarding material reserves, anticipated operational results for Q4 2022 including, but not limited to, capital expenditures and drilling plans, expectations regarding commodity prices, the performance characteristics of the Company's oil and natural gas properties, the Company's hedging strategy, the ability of the Company to achieve drilling success consistent with management's expectations, the sources of funding for the Company's activities, the effectiveness of a final base shelf prospectus and potential future offerings of securities of the Company, the effect of market conditions and the COVID-19 pandemic on the Company's performance, Southern's planned ESG initiatives, expectations regarding site preparation and production from the Company's drilling operations in Gwinville and the timing thereof, including the Company's drilling plans in the Upper Selma, Lower Selma and City Bank formations, expectations regarding the use of proceeds from all sources, including the Company's credit facilities, the availability and renewal of the Credit Facility and future amendments thereto, future organic and inorganic growth and acquisition opportunities within the resource market, and costs/debt reducing activities. Statements relating to "reserves" and "recovery" 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 Southern, including the timing of and success of future drilling, development and completion activities, the performance of existing wells, the performance of new wells, the availability and performance of drilling rigs, facilities and pipelines, the geological characteristics of Southern's properties, the characteristics of the Company's assets, the successful application of drilling, completion and seismic technology, the benefits of current commodity pricing hedging arrangements, Southern's ability to enter into future derivative contracts on acceptable terms, Southern's ability to secure financing on acceptable terms, prevailing weather conditions, prevailing legislation, as well as regulatory and licensing requirements, affecting the oil and gas industry, the Company's ability to obtain all requisite permits and licences, prevailing commodity prices, price volatility, price differentials and the actual prices received for the Company's products, royalty regimes and exchange rates, the impact of inflation on costs, the application of regulatory and licensing requirements, the Company's ability to obtain all requisite permits and licences, the availability of capital, labour and services, the creditworthiness of industry partners, and the Company's ability to source and complete asset acquisitions.

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; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, regulatory risks, and health, safety and environmental risks), constraint in the availability of labour, supplies, or services, the impact of COVID-19 and variant strains of the virus, commodity price and exchange rate fluctuations, geo-political risks, political and economic instability abroad, wars (including the Russo-Ukrainian War), hostilities, civil insurrections, inflationary risks including potential increases to operating and capital costs, 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. The Russo-Ukrainian War is particularly noteworthy, as this conflict has the potential to disrupt the global supply of oil and gas, and its full impact remains uncertain.*

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.

***Future Oriented Financial Information**. This press release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about Southern's prospective results of operations, cash flow, increased capacity under the credit facility, capital expenditures and payout of wells, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraphs. FOFI contained in this document was approved by management as of the date of this document and was provided for the purpose of providing further information about Southern's future business operations. Southern and its management believe that FOFI has been prepared on a reasonable basis, reflecting management's best estimates and judgments, and represent, to the best of management's knowledge and opinion, the Company's expected course of action. However, because this information is highly subjective, it should not be relied on as necessarily indicative of future results. Southern disclaims any intention or obligation to update or revise any FOFI contained in this document, 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 document should not be used for purposes other than for which it is disclosed herein. Changes in forecast commodity prices, differences in the timing of capital expenditures, and variances in average production estimates can have a significant impact on the key performance measures included in Southern's guidance. The Company's actual results may differ materially from these estimates.*

***Specified Financial Measures.** This press release provides various financial measures that do not have a standardized meaning prescribed by IFRS, including non-IFRS financial measures, non-IFRS financial ratios and capital management measures. These specified financial measures may not be comparable to similar measures presented by other issuers. Southern's method of calculating these measures may differ from other companies and accordingly, they may not be comparable to measures used by other companies. Adjusted funds flow from operations, operating netback, adjusted working capital and net debt are not recognized measures under IFRS. Readers are cautioned that these specified financial measures should not be construed as alternatives to other measures of financial performance calculated in accordance with IFRS. These specified financial measures provide additional information that management believes is meaningful in describing the Company's operational performance, liquidity and capacity to fund capital expenditures and other activities. Please see below for a brief overview of all specified financial measures used in this release and refer to the Company's MD&A for additional information relating to specified financial measures, which is available on the Company's website at www.southernenergycorp.com and filed on SEDAR.*

> *"**Adjusted Funds Flow from Operations**" (non-IFRS financial measure) is calculated based on cash flow from operative activities before changes in non-cash working capital and cash decommissioning expenditures. Management uses adjusted funds flow from operations as a key measure to assess the ability of the Company to finance operating activities, capital expenditures and debt repayments.*
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> *"**Adjusted Funds Flow from Operations per Share**" (non-IFRS financial measure) is calculated by dividing Adjusted Funds Flow from Operations by the number of Southern shares issued and outstanding.*
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> *"**Operating Netback**" (non-IFRS financial measure) equals total oil and natural gas sales less royalties, production taxes, operating expenses, transportation costs and realized gain / (loss) on derivatives. Management considers*

operating netback an important measure to evaluate its operational performance, as it demonstrates field level profitability relative to current commodity prices.

*"**Net Debt Surplus**" (capital management measure) is monitored by Management, along with adjusted working capital, as part of its capital structure in order to fund current operations and future growth of the Company. Net debt is defined as long-term debt plus adjusted working capital surplus or deficit. Adjusted working capital is calculated as current assets less current liabilities, removing current derivative assets/liabilities, the current portion of bank debt, and the current portion of lease liabilities.*

Neither the 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.