



## Positioned for Growth

Corporate Presentation

November 2022



# Positioned for Significant Growth



Southern Energy is a growing, cash generative, conventional gas producer in the southeast United States



## High quality assets attracting premium North American pricing

- Production receives essentially undiscounted NYMEX (Henry Hub), LLS pricing
- Low risk, high return drilling inventory across existing assets
- Stable base production and cashflow with long reserves life



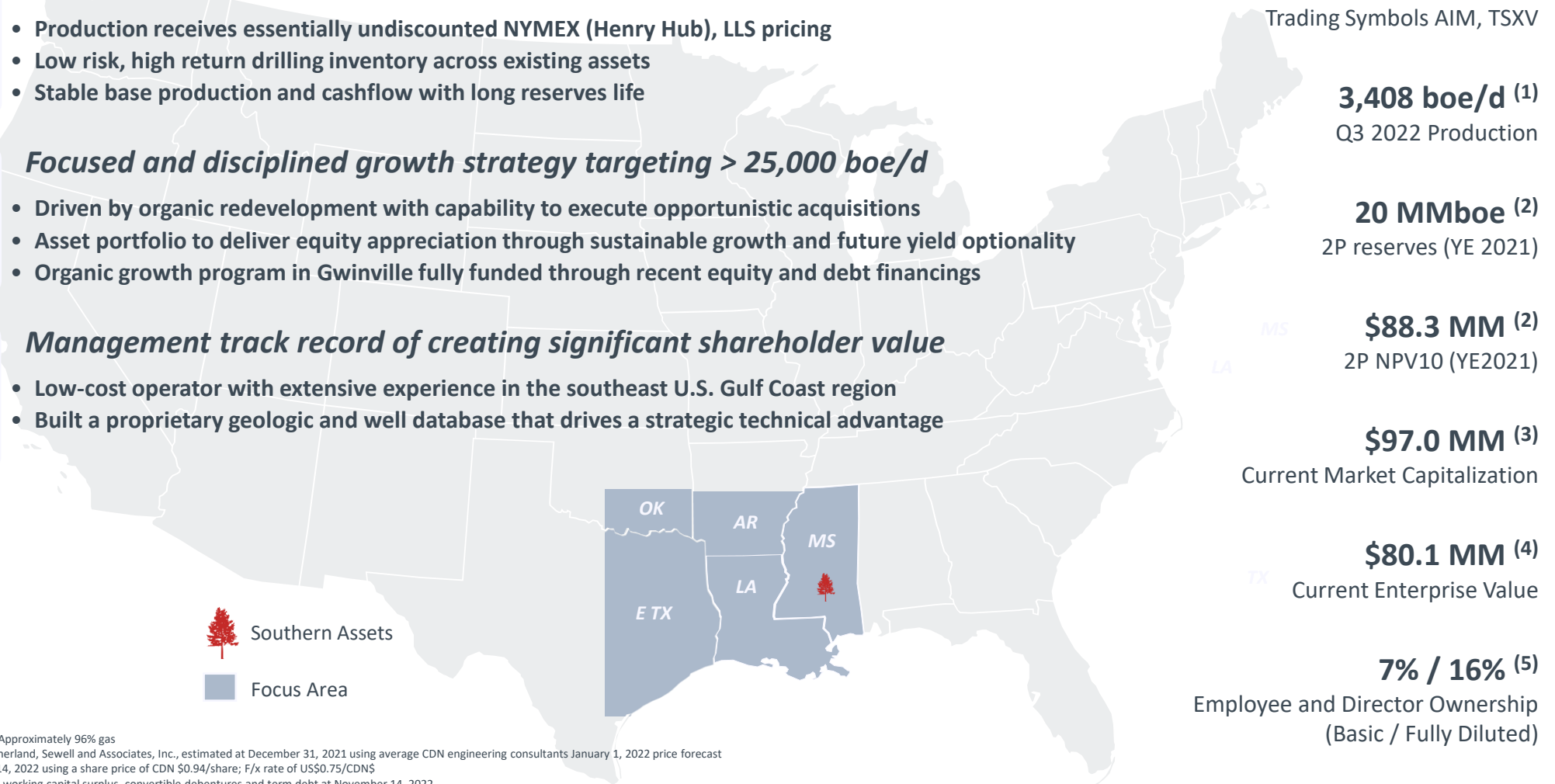
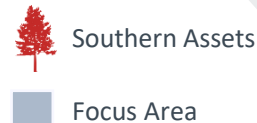
## Focused and disciplined growth strategy targeting > 25,000 boe/d

- Driven by organic redevelopment with capability to execute opportunistic acquisitions
- Asset portfolio to deliver equity appreciation through sustainable growth and future yield optionality
- Organic growth program in Gwinville fully funded through recent equity and debt financings



## Management track record of creating significant shareholder value

- Low-cost operator with extensive experience in the southeast U.S. Gulf Coast region
- Built a proprietary geologic and well database that drives a strategic technical advantage



**SOUC, SOU.V**

Trading Symbols AIM, TSXV

**3,408 boe/d** (1)

Q3 2022 Production

**20 MMboe** (2)

2P reserves (YE 2021)

**\$88.3 MM** (2)

2P NPV10 (YE2021)

**\$97.0 MM** (3)

Current Market Capitalization

**\$80.1 MM** (4)

Current Enterprise Value

**7% / 16%** (5)

Employee and Director Ownership  
(Basic / Fully Diluted)

1) Working interest production estimate for Q3 2022; Approximately 96% gas

2) Company Gross Reserves, based on a report by Netherland, Sewell and Associates, Inc., estimated at December 31, 2021 using average CDN engineering consultants January 1, 2022 price forecast

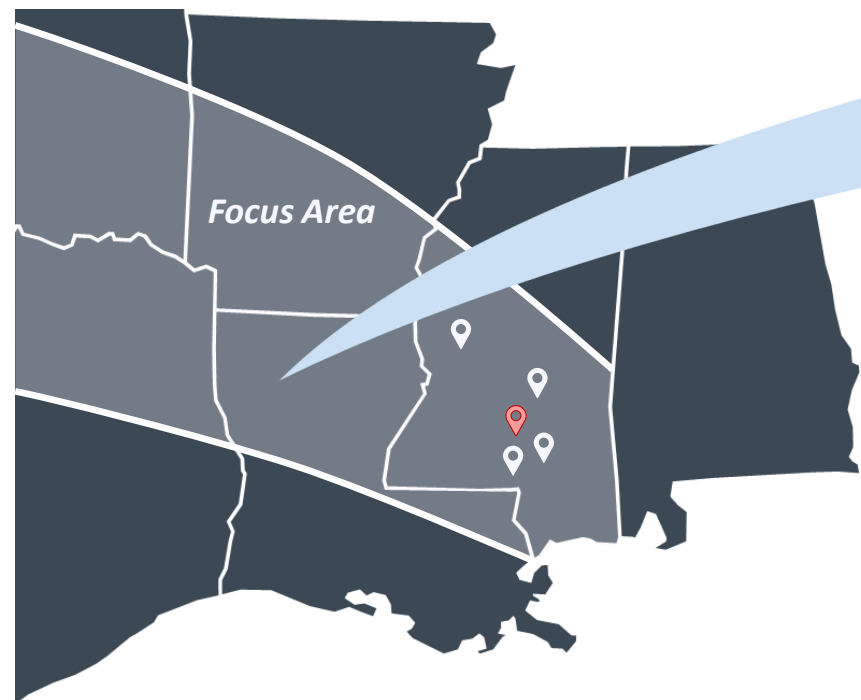
3) Market capitalization is calculated as of November 14, 2022 using a share price of CDN \$0.94/share; F/x rate of US\$0.75/CDNS

4) Enterprise value is the sum of market capitalization, working capital surplus, convertible debentures and term debt at November 14, 2022

5) Basic shares outstanding of 137,572,535 and 178,035,735 Fully diluted at November 14, 2022

All figures in USD unless otherwise specified

# Southern Energy Business Plan – Focused on Value Creation



*Price Dependent*

**Current Company**

*Focus Area*

-  Core Areas
-  Gwinville Development

### Strong Base & Asset Optimization

- ✓ Low risk, stable base cash flow
- ✓ History of class-leading operating cost reductions and value enhancements
- ✓ **With strong gas pricing, commenced organic development – Gwinville 3-well HZ appraisal program completed in summer 2022**
- ✓ Long term Gwinville 2022/23 drilling program has been kicked off; First multi-well padsite spud on Nov. 20

### Accretive PDP Acquisitions

- ✓ Disciplined consolidation strategy utilizing management’s proprietary database and technical advantage
- ✓ Discounted PDP valuations that contain organic growth potential
- ✓ Management implementation of proven cost saving and optimization strategies
- ✓ Hedging strategy for acquisitions
- ✓ **Actively evaluating and negotiating target acquisitions in the 1,000 – 15,000 boe/d range**
- ✓ Natural gas futures pricing is backwardated, presenting an opportune time to acquire strategic assets

### Low-Risk Organic Development Drilling & Reserves Growth

- ✓ Large scale, under-developed assets with low historic recovery from vertical wells
- ✓ Creation of large-scale reserve additions and multi-year drilling inventory
- ✓ Differentiating from peers with optionality for low risk, low cost growth of gas or liquids
- ✓ **Pace of proposed development driven by commodity pricing**
- ✓ Long term equity appreciation and yield optionality

***Build a large scale, sustainable cash flow platform through developing and consolidating conventional assets in the U.S. Gulf Coast area, providing future yield and low risk growth to shareholders in an environmentally responsible manner***

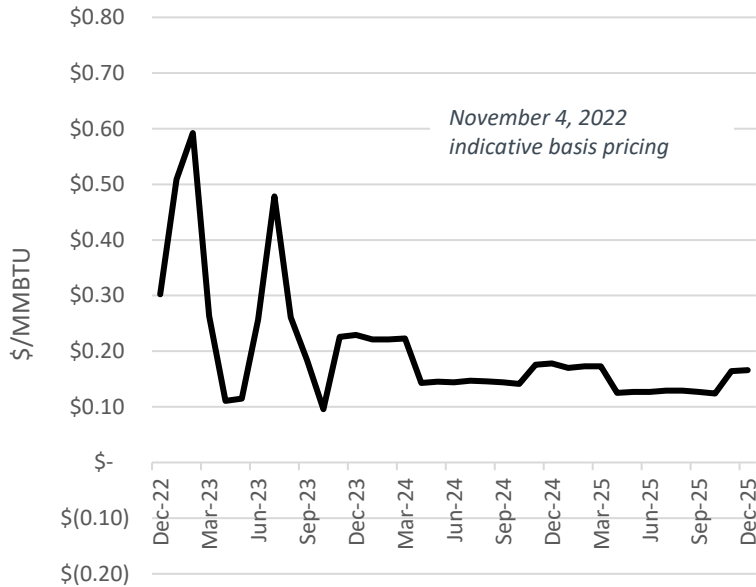
# Q4 2022 Activity Update



## Continued Premium to NYMEX

Transco Zone 4 sales point at Gwinville continues to see a premium to Henry Hub pricing

*Transco Zone 4 - Premium to NYMEX (Henry Hub)*



Transco Zone 4 basis premium is extending out into the futures market 24+ months; Southern could lock-in a portion of this upside

## Next Phase of Gwinville Development

Preparations for multi-well (13+) HZ drilling program being executed

Five multi-well padsites being constructed, along with the necessary in-field pipeline tie-ins; 18-10 three-well padsite spud on November 20, 2022



All major equipment and services have been secured

## Approved \$101 MM Program Budget

Internally funded by cash flow, cash on hand, and conservative expansion of the Company's credit facility

Long term development and growth program at Gwinville is self-funded at current Strip pricing



Expect to drill our first Lower Selma Chalk and City Bank horizontal wells in Phase 1 of the program

# Building our Business in the Right Place, at the Right Time

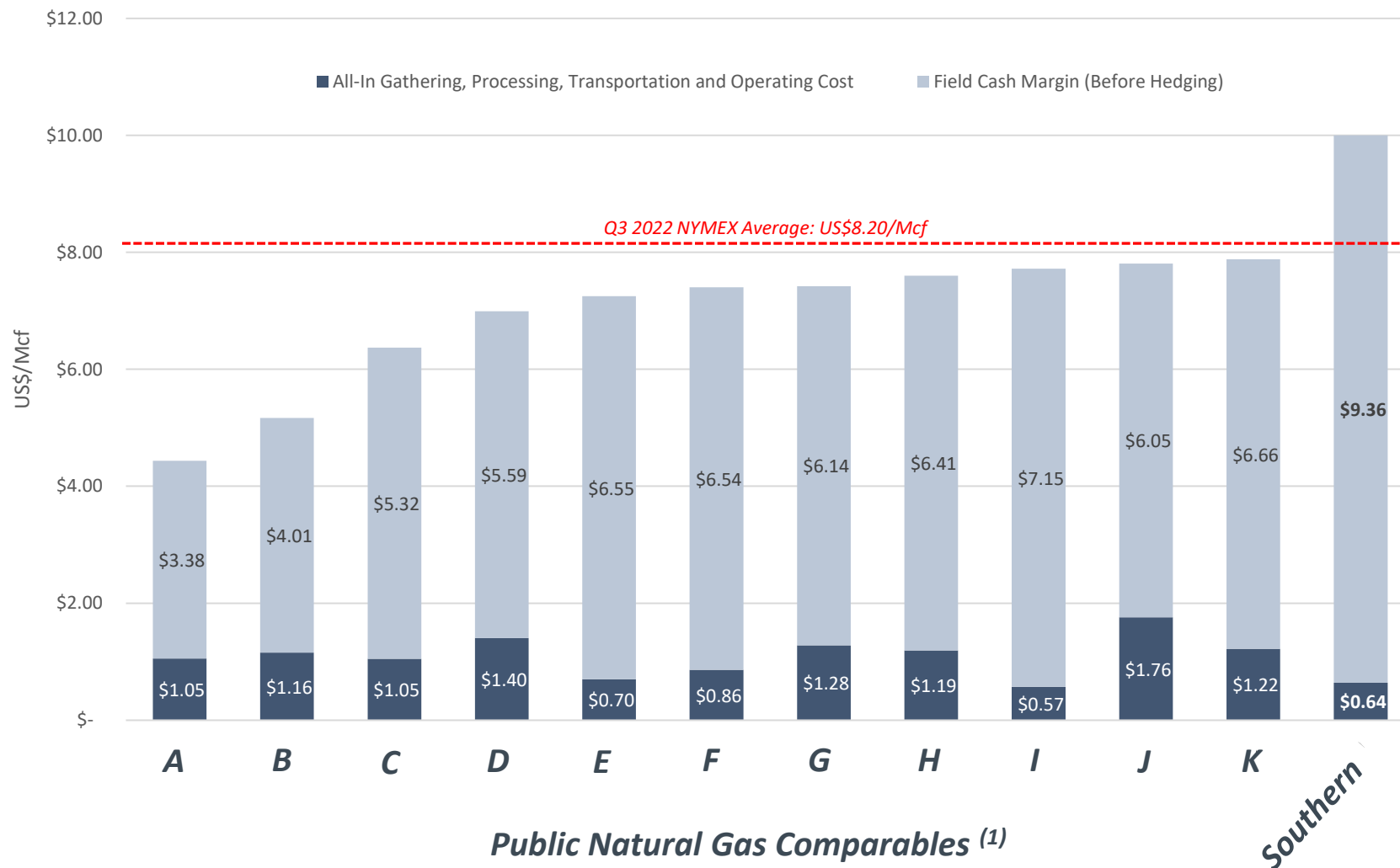


## Low-Cost Operations

- Southern has minimal transportation costs because the Company owns its own infrastructure and sells gas directly to sales points at our operated facilities
- With the first full quarter of production adds from the three-well Gwinville appraisal program, **the Company's all-in per unit operating costs were lowered to \$0.64/Mcfe**
- The current Gwinville multi-well development program will **further lower Southern's per unit operating costs to < \$0.50/Mcfe**

***Our history of class-leading operating costs, coupled with the current premium to Henry Hub pricing, makes Southern one of the highest margin natural gas producers in North America***

Public Gas Producers - Q3 2022 Field Cash Margins



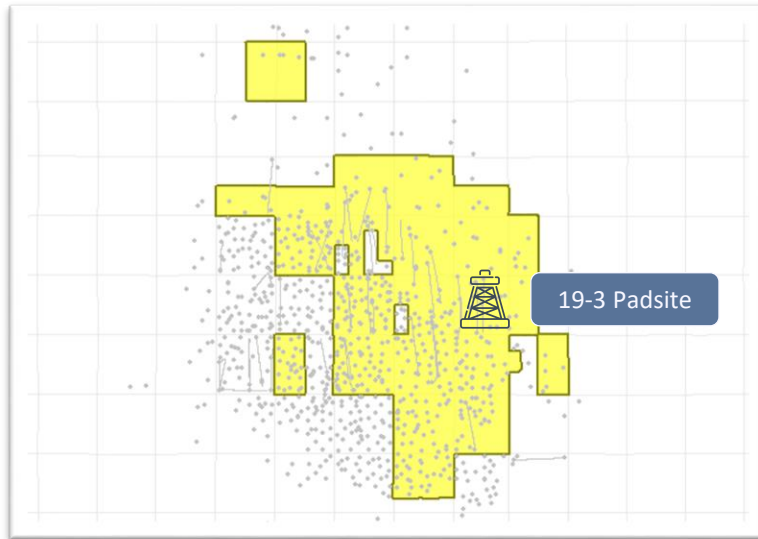
1) Peer data sourced from Company Q3 2022 Financial Statements. Peers include: Advantage, Amplify, ARC, Chesapeake (Haynesville and Marcellus), Comstock, Coterra, EQT, Range, Southwestern, and Tourmaline.

# Gwinville – Large Scale Natural Gas Redevelopment



## Significant Underdeveloped Gas Resource

- **1+ Tcf OGIP in Selma Chalk**, current recovery ~ 15%
- Multi-zone production of 1.5 Tcf, 12 MMbbl, historical decline < 10%, with additional upside potential
- At least 2 stacked horizons to be accessed with horizontal drilling and modern completion designs, following on the early success of previous operator
- Significant potential below the Tuscaloosa from zones which have produced more than 750 Bcf and 80 MMbbl from immediately offsetting fields
- **Owned and operated infrastructure** with expandable capacity



\*Data from IHS and MSOGB  
 \*MSOGB data used for pre-1976 production that is not reported or allocated in IHS

Multi Tcf Gas in Place

Large Location Inventory

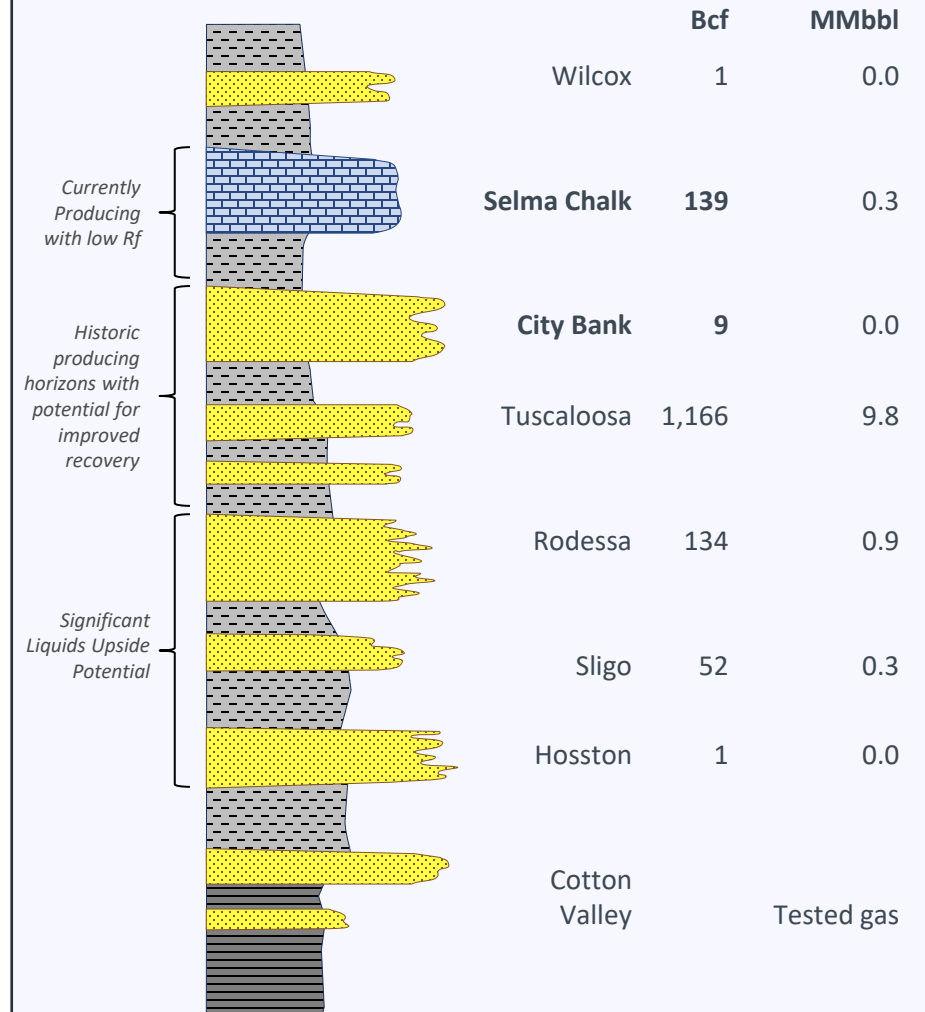
Multi-Zone HZ Potential



## Low Risk Redevelopment

- Field is covered by proprietary 3D seismic
- Delineated from vintage vertical wells
- EOG and Penn Virginia drilled 24 Gen-1 HZ's between 2005 – 2010 which targeted the Upper Selma, Lower Selma and the City Bank across the entire field
- First three well pad is a direct offset to one of the best under-stimulated Gen-1 Upper Selma Chalk HZ

## Gwinville Field – Jefferson Davis County, MS

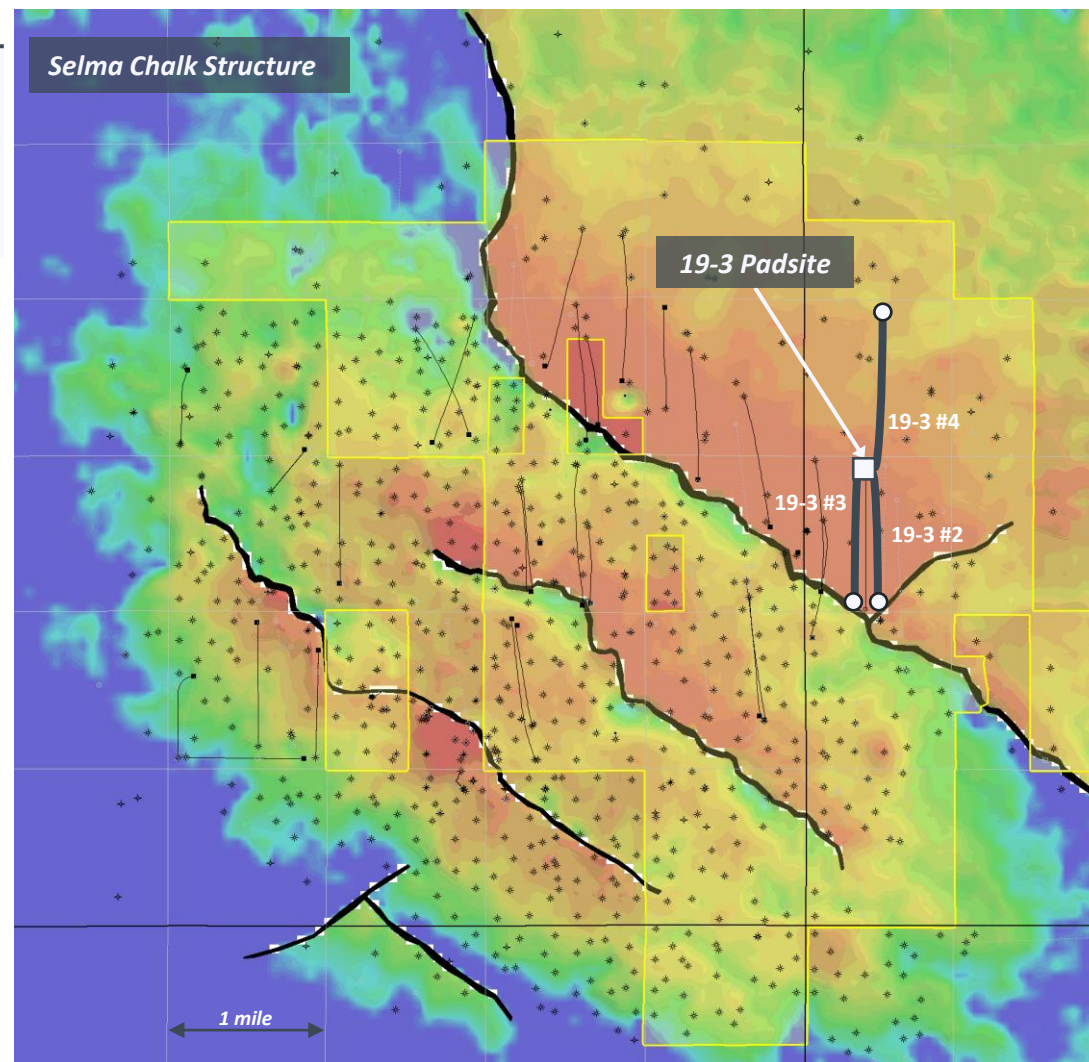
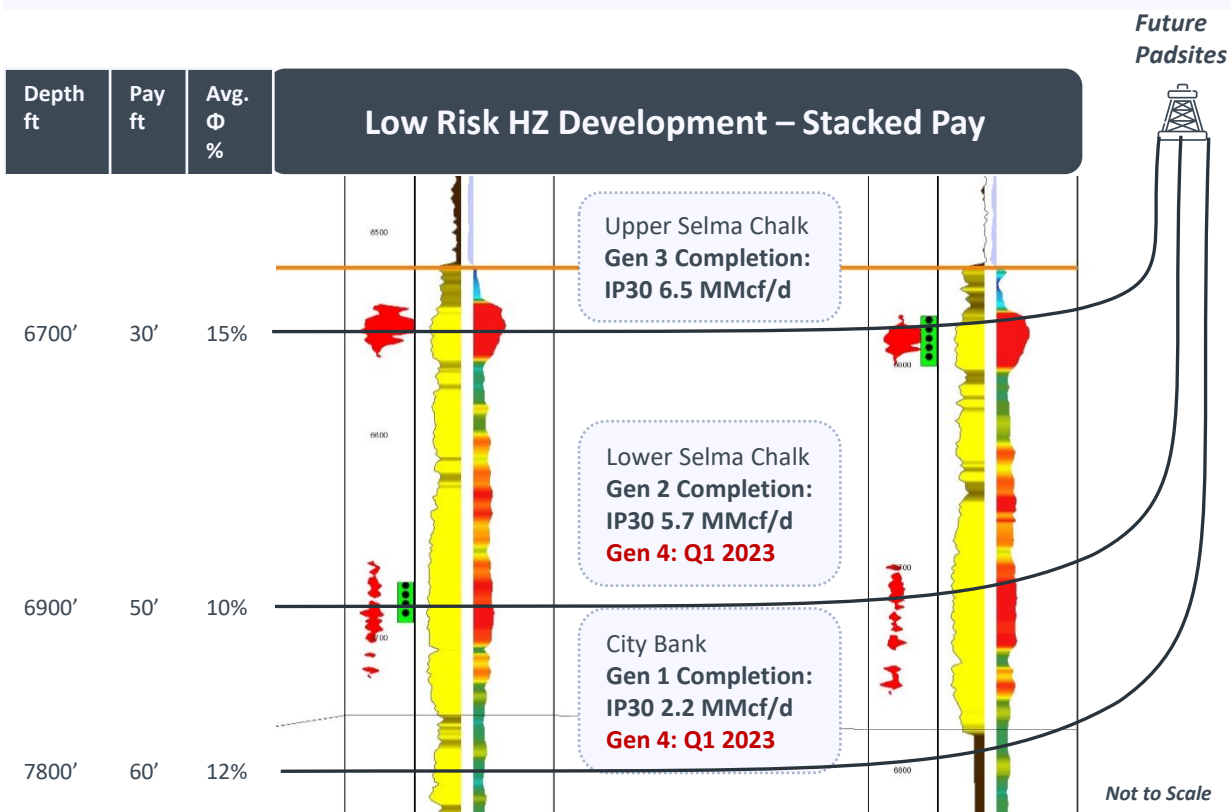


# Successful Gwinville Selma Chalk Appraisal Program



## Appraisal Program Results

- Successfully drilled and completed 3 economic HZ Upper Selma Chalk wells in H1 2022
- Costs executed within 20% of budget estimate, despite higher inflationary pressures
- Gathered key reservoir, geology and operational data to optimize and improve future results
- New D & C strategies provide line of sight to improved results on future program



**GH 19-3 #2 successfully proved superior deliverability compared to the Gen 2 type curve**

# Initiating Long Term Development at Gwinville



## Program Planning

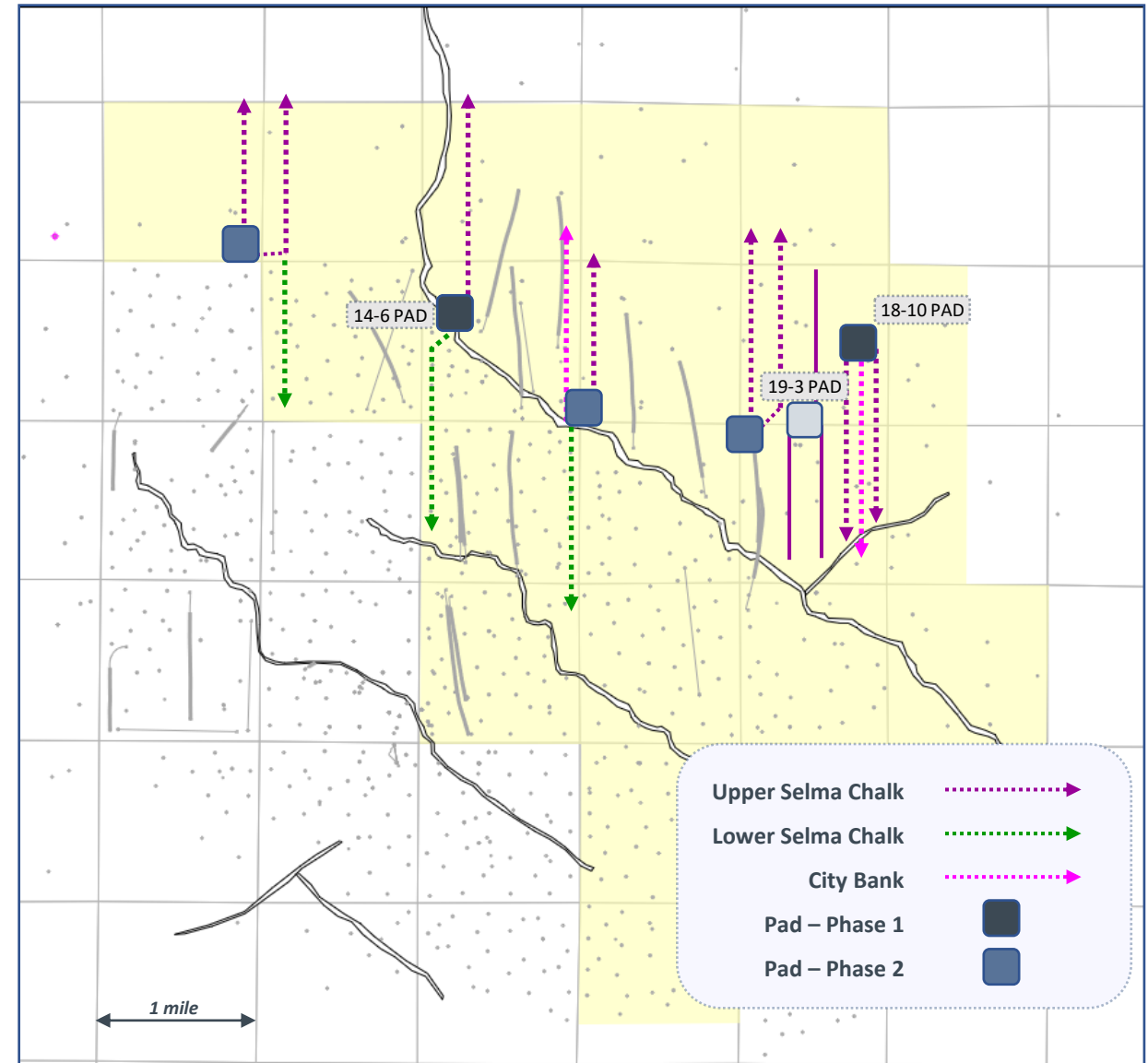
- Program designed with the goal of obtaining key well results to aid in future planning and new horizon reserves booking
- Key services and tangible equipment secured for both phases of program
  - Drilling Rig | Casing | Completion Services | Proppant

## Phase 1: 5 Wells

- Follow up on 19-3 Pad Upper Selma Chalk appraisal results
- Optimize stimulated lateral length in high grade porosity target
- Test City Bank horizon early in program
- Test Lower Selma Chalk early in program

## Phase 2: 8+ Wells

- Flexibility to target multiple horizons to maximize profitability
- Excess inventory planned for future expansion or continuation



**18-10 Pad spud on November 20, 2022**

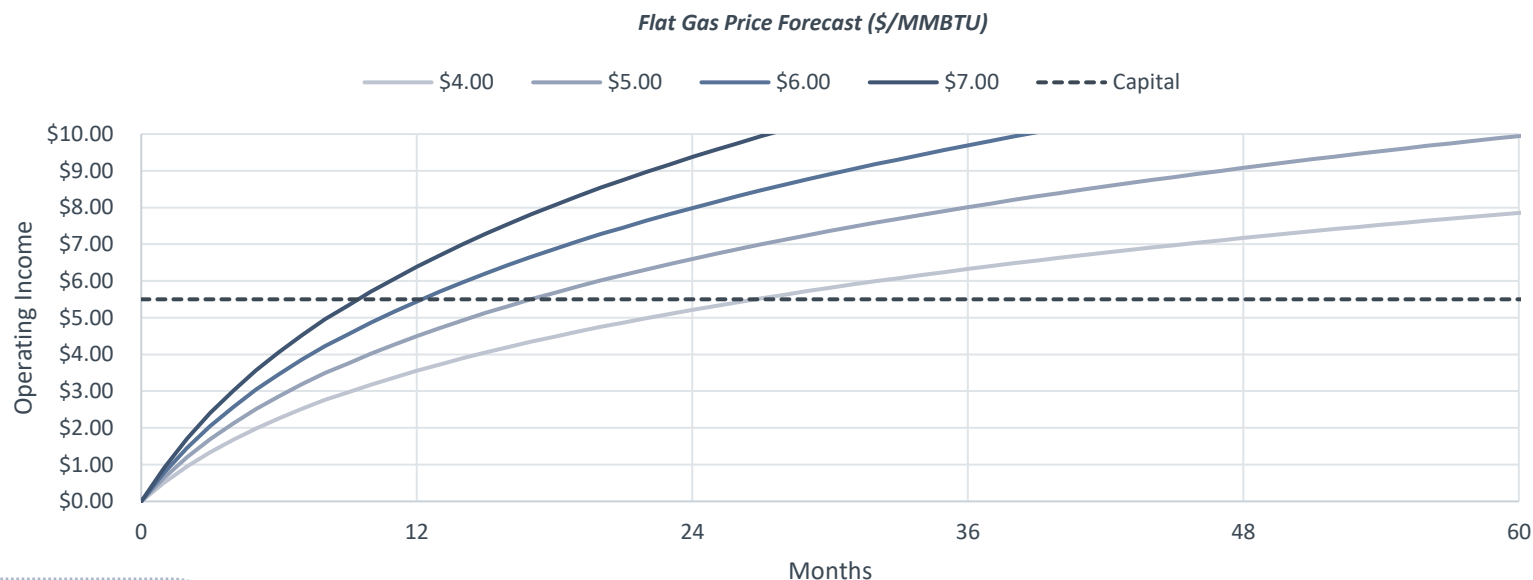


# Gwinville Type Well Economics



## Base Case – Gen 2 Type Well

Assumes Gen 2 Type Well (4,500' lateral, 5.7 MMcf/d IP30 and 4.3 Bcf EUR) and \$5.5 MM per well



*Southern Energy is building a Gen 3+ type curve with the results of the early appraisal program and is confident that these wells will be superior to the older Gen 2 wells, as evidenced by the GH 19-3 #2 well results*

NYMEX Gas:	\$4.00	\$5.00	\$6.00	\$7.00
PV <sub>10</sub> (\$MM)	\$2.76	\$4.96	\$7.15	\$9.35
IRR (%)	33%	59%	95%	141%
Payout (mths)	28	18	13	10

*Current Gwinville Transco Zone 4 pricing is > \$6.50/MMBTU*

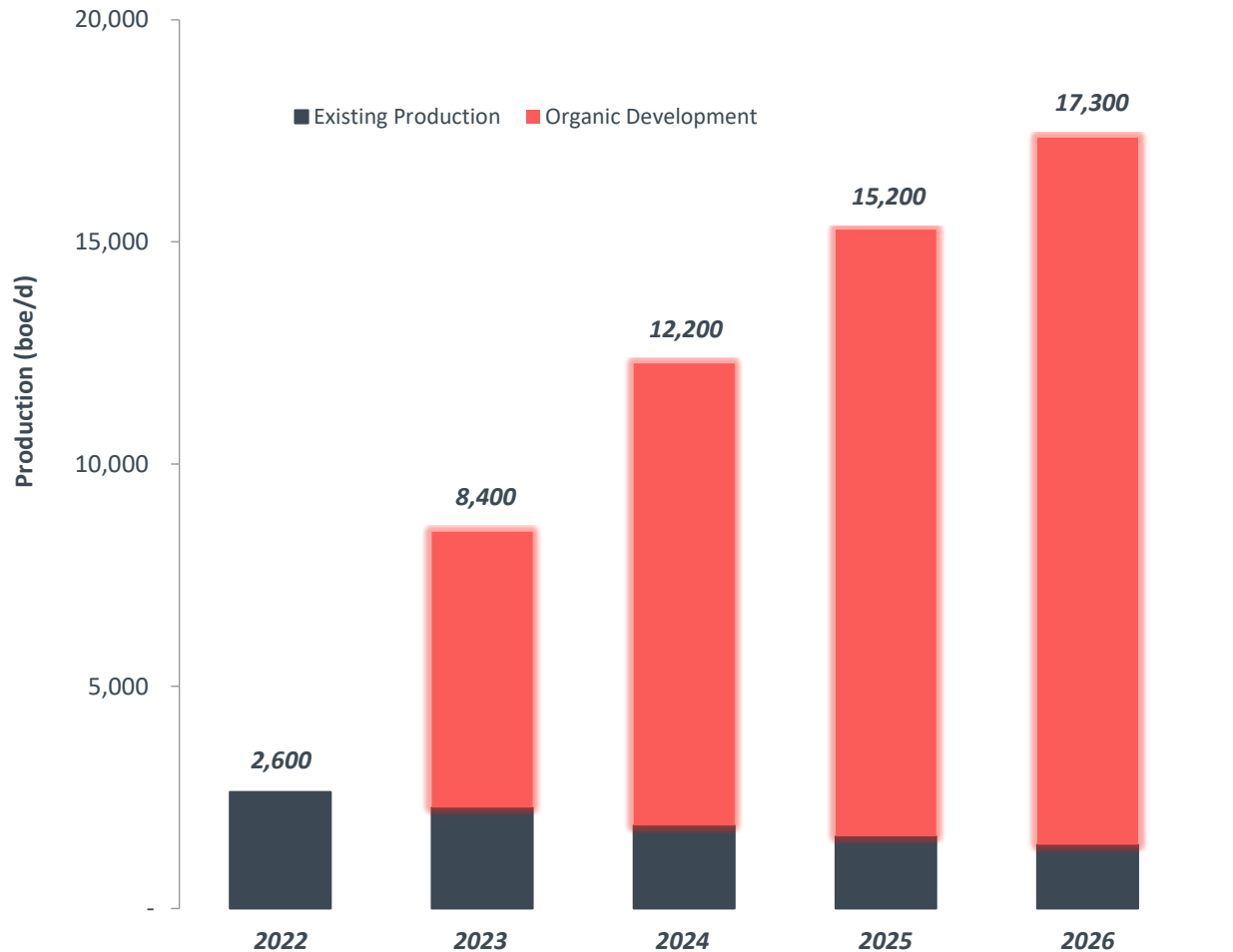
# Organic Development Activity Driving Growth



## Significant Gwinville Growth Model – *Selma Chalk Only*

Based on Generation 2 type curve results

Conservative single rig program < 8 months/year (15 wells)



## Significant Growth Opportunities

Southern has multiple development opportunities across the Mississippi assets

### Current Development

📍 Gwinville Selma Chalk

### Expansion Opportunities

📍 Gwinville City Bank

📍 Gwinville Hosston/CV

📍 Williamsburg Cotton Valley

📍 Mechanicsburg Cotton Valley



1) Management projections. Subject to available funding.

# Eight Years of Operating History Has Formed Strategic Advantage



## Strategic Advantage

- Self-generated opportunities utilizing proprietary database
- Digital workflow has proven management successful in previous companies
- Allows for a significant amount of work to be completed in advance
- Assets in a specific geological fairway are technically evaluated and ranked for potential acquisition
- Technical ranking then overlaid with corporate drivers for final assessment

## Asset Acquisition Criteria

- Current commodity pricing environment conducive to a significant consolidation in the area – focused on accretive per share growth
- Operated, high WI assets with control of infrastructure – asset optimization
- Low decline, low risk assets, with a stable production base
- Quality under-developed conventional & quasi-conventional assets containing a significant inventory of drilling locations
- Pipeline of organic growth opportunities when long term strip pricing rises

## Consolidation & Development Focus Area



# Tightening of the U.S. Gas Supply / Demand Balance



## Positioning Southern for the Future of Natural Gas

### The Short Term: Winter 2023



- Re-start of the Freeport LNG facility will increase U.S. demand by > 2 Bcf/d
- With Freeport offline for 6 months, U.S. gas storage still below 5-year average
- U.S. production growth of 4 Bcf/d in 2022 showing signs of slow down
- Historically mild Fall weather has helped U.S. and Europe rebuild storage
- High coal prices and low inventory levels prevent gas to coal power switch
- NYMEX pricing likely to be volatile and driven by short term weather

### The Medium Term: 2023/2024



- Continued power shift from coal to gas could add 2 - 6 Bcf/d of demand
- Additional 4+ Bcf/d of LNG export capacity added by YE 2024
- Permian and Appalachia basins face significant pipeline takeaway constraints
- Haynesville growth may be over-estimated (SWN and Comstock forecasts)
- Cost of labour, services, steel, power, etc. continues to climb
- Natural gas fundamentals return to under-supply conditions

### The Long Term: 2025+

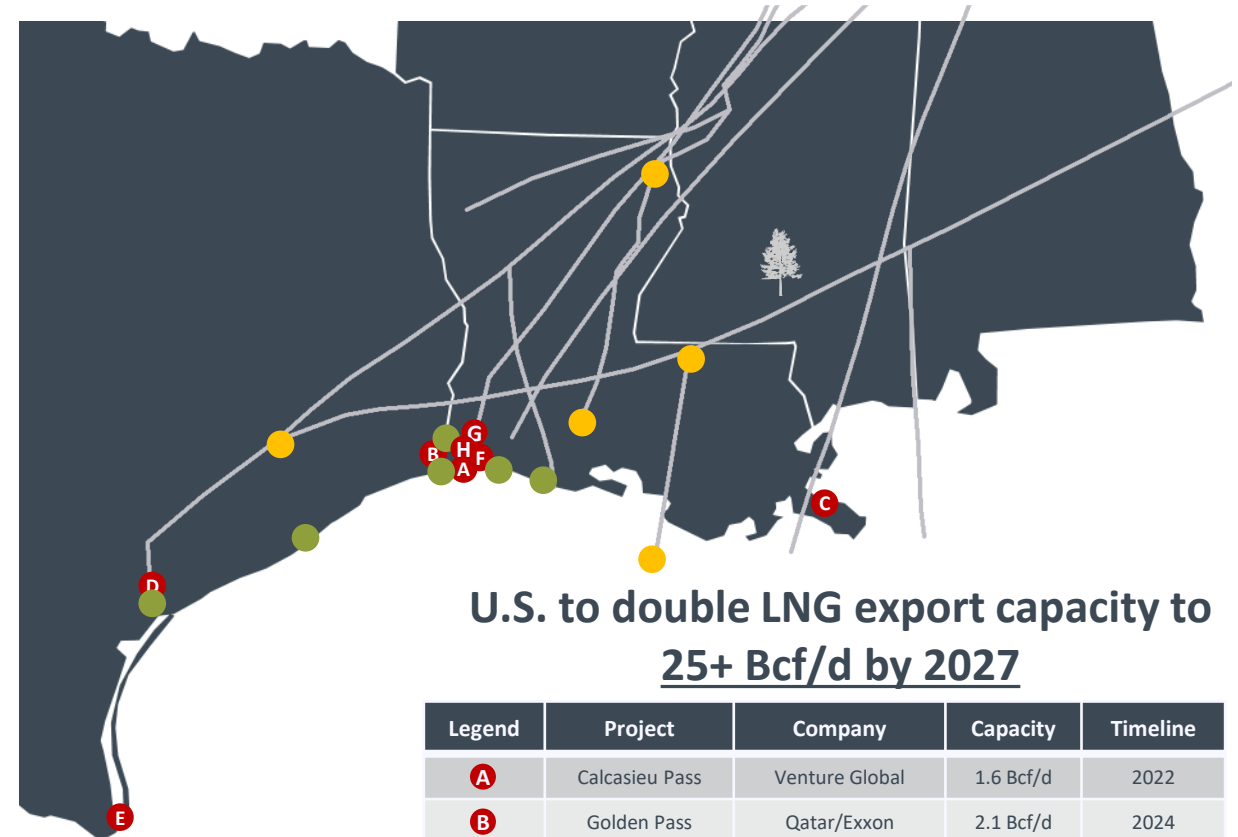


- Sweet spot exhaustion in major gas shale basins = impaired supply growth
- U.S. will be exporting > 25 Bcf/d LNG by 2027 (currently 14 Bcf/d of capacity)
- Lack of global storage capacity growth creating a tighter natural gas balance
- U.S. conversion to electric vehicles creating increased power demand
- Continued global conversion of coal to natural gas power (Europe & China)
- U.S. and global gas prices converge as LNG becomes a universal commodity

***Future natural gas fundamentals are very bullish, without even considering the effects of geopolitical risks with Russia***

Sources: Cheniere, Platts, EIA, TSI, BMO, Jefferies, Morgan Stanley

## Southern Proximity to expanding LNG Export Markets



**U.S. to double LNG export capacity to 25+ Bcf/d by 2027**

Legend	Project	Company	Capacity	Timeline
<b>A</b>	Calcasieu Pass	Venture Global	1.6 Bcf/d	2022
<b>B</b>	Golden Pass	Qatar/Exxon	2.1 Bcf/d	2024
<b>C</b>	Plaquemines	Venture Global	1.6 Bcf/d	2024
<b>D</b>	Corpus Christi #3	Cheniere	1.5 Bcf/d	2025
<b>E</b>	Rio Grande	NextDecade	1.4 Bcf/d	2026
<b>F</b>	CP2	Venture Global	2.6 Bcf/d	2026
<b>G</b>	Lake Charles	Energy Transfer	1.4 Bcf/d	2026
<b>H</b>	Cameron 2	Sempra LNG	0.9 Bcf/d	2027

- Southern Assets
- Operating LNG Terminal
- Planned LNG Terminal
- Primary Sales Point
- Existing Pipelines



**Immediate, meaningful growth in production and cash flow from recent drilling program realized in Q3 2022**

**Medium to long term growth in cash flow, reserves & production through fully funded organic development**

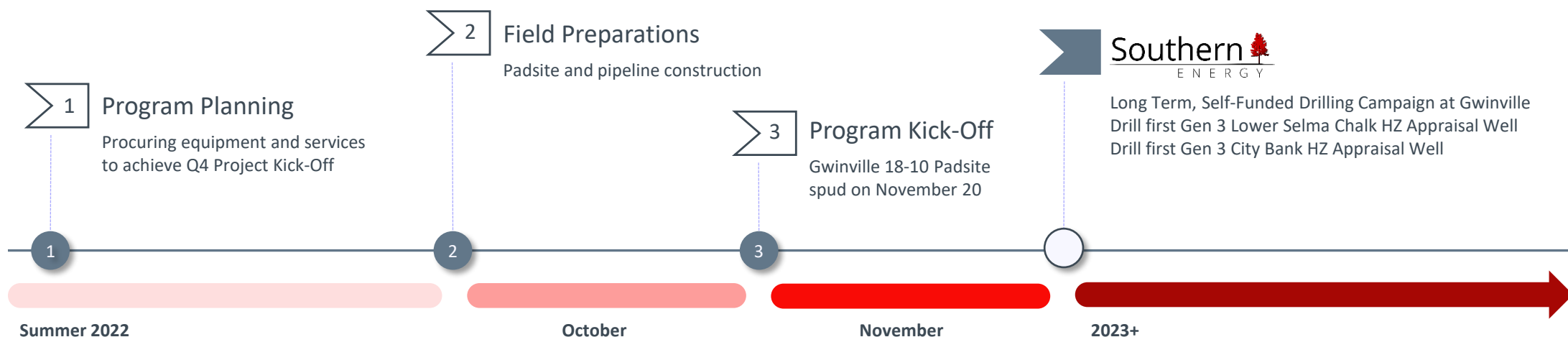
- Initiate long term, self-funded organic growth in Q4 2022
- Value proposition focused on equity appreciation with sustainable yield at the right time

**Focused approach to acquisition opportunities in specific fairway**

- Competitive advantage with proprietary geological and well database
- Targeting conventional assets with significant remaining development upside

**Location receives premium North American natural gas pricing (currently above Henry Hub)**

**Assets proximal to growing U.S. LNG exports from the Gulf of Mexico (Henry Hub) to Europe (TTF) and Asia (JKM)**





# Appendix

# Mississippi Oil & Gas History – Home of Core Assets



## Mississippi Oil & Gas Highlights

> 2.0

Billion bbl cumulative oil

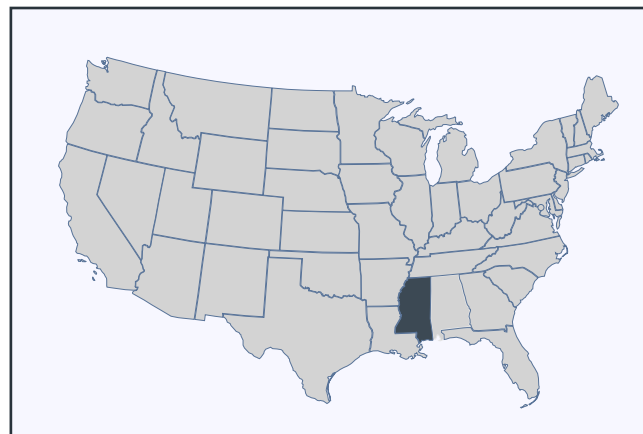
> 10

Tcf cumulative gas

> 34,000

Wells drilled to date

- Significant hydrocarbon recovery – Superior production on a per well basis than Texas or Louisiana
- First commercial oil well at Tinsley Field in 1939



### Intense exploration activity from the world's super majors in the 1930-60's

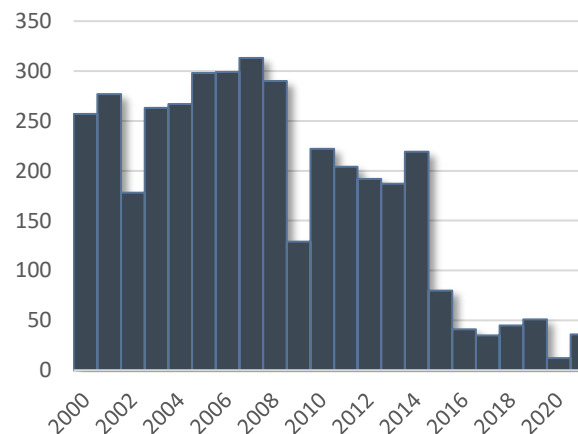
- Salt domes could be found using gravity and magnetic data
- Modern seismic hadn't been invented yet
- Humble Oil was very active in the Gulf and would become the largest domestic producer from 1940's into the 60's before becoming Exxon
- Gulf Oil moved east into the Gulf States after discovering Spindle Top in Texas

### Lack of recent activity in the area has resulted in a development opportunity

- Without a commercial shale play the larger companies, and their technical expertise, have not returned until recently with ConocoPhillips, EOG and Marathon extending the Austin Chalk play into Mississippi
- Southern brings a modern, data-driven analytical approach to optimization and development in these areas that has been absent for a long time
- Competitive advantage when looking at consolidation strategy in the right geological trends



MS - Wells Drilled by Year



Woodruff #1 discovery well 1939;  
Tinsley Field CTD 250 MMbbl

All data sourced from IHS Energy

# Core Southern Energy Asset Base



> 29,000 Acres

(> 97% HBP)

~ 3,408 boe/d

Daily Production <sup>(1)</sup>

\$88.3 MM

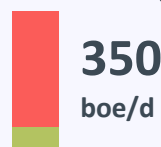
2P PV10 <sup>(2)</sup>

< \$4.00/boe

All-In Lifting/Processing Cost

## Mechanicsburg

- Liquids rich (> 25 bbl/MMcf oil & NGL)
- Field covered by 53 mi<sup>2</sup> 3D
- Large gas resource; OGIP: > 200 Bcf
- **6 PUD infill Cotton Valley locations**



## Magee

- Field production > 10 MMbbl
- High quality oil - 40° API
- Vertical Hosston / Cotton Valley locations



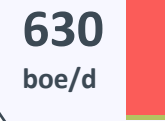
## Gwinville

- Multi-zone development upside
- Field covered by 48 mi<sup>2</sup> 3D
- **Infill horizontal Selma Chalk locations (OGIP: > 1 Tcf)**
- **Significant proven City Bank horizontal drilling potential**



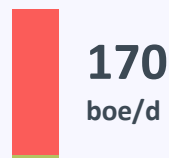
## Mount Olive

- High deliverability gas wells
- Infill Eutaw drilling opportunities



## Greens Creek

- Infill Hosston drilling opportunities
- Cotton Valley potential



## Williamsburg

- Infill Hosston/Sligo drilling locations
- Recent large oil discoveries on trend
- **Significant proven Cotton Valley development drilling potential**



Southern Field Office



Field Location

**Base decline ~ 12% <sup>(3)</sup>**

**All core lands are Held By Production**

1) Working interest production estimate for Q3 2022; Approximately 96% gas

2) Company Gross Reserves, based on a report by Netherland, Sewell and Associates, Inc., estimated at December 31, 2021 using average CDN engineering consultants January 1, 2022 price forecast

3) Excluding the three Gwinville horizontal appraisal wells

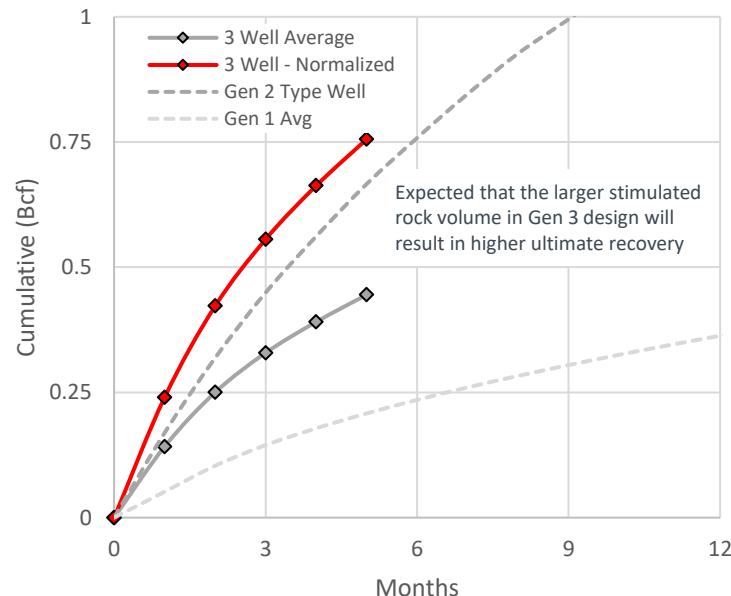
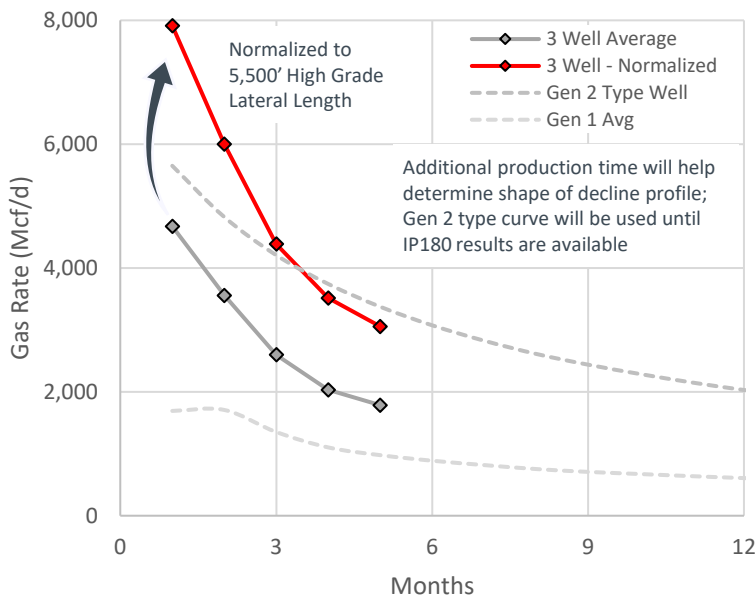


# Appraisal Program Results – Proof of Concept



- Successfully drilled and completed 3 HZ Selma Chalk wells with planned frac intensity
- Costs executed within 20% of budget estimate, despite higher industry inflationary pressures
- Gathered key reservoir, geology, and operational data to optimize and improve future drilling
- New D&C strategies provide line of sight to improved results on future program

## Initial Appraisal Results Confirm Reservoir Deliverability



### GH 19-3 #2

**IP30 6.5 MMcf/d**

3,498' Lateral Length      41 Frac Stages

**90% In Target Window**      1,900 lb/ft frac intensity

### GH 19-3 #3

**IP30 3.6 MMcf/d**

4,146' Lateral Length      44 Frac Stages

**~ 50% In Target Window**      1,700 lb/ft frac intensity

### GH 19-3 #4

**IP30 4.0 MMcf/d**

4,623' Lateral Length      50 Frac Stages

**~ 50% In Target Window**      1,650 lb/ft frac intensity

# Effect of Enhanced Seismic and Directional Technology



New D&C strategies provide line of sight to improved results on future program

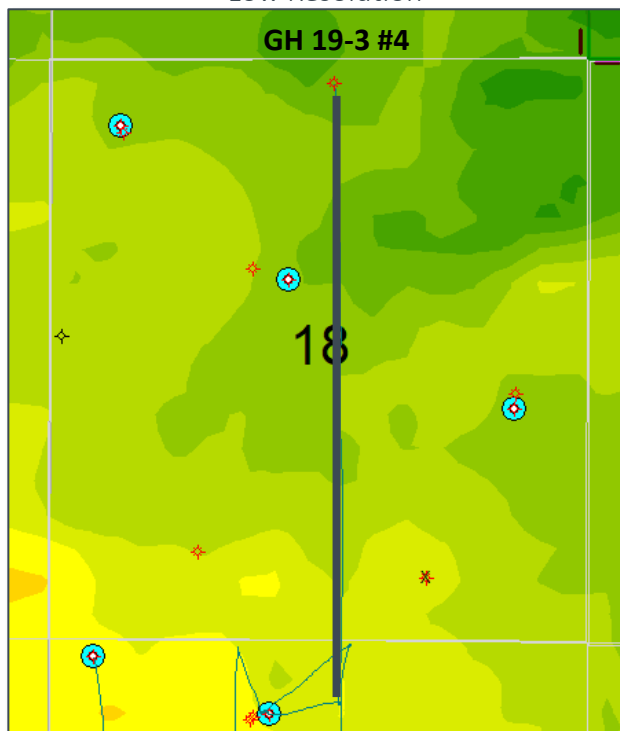


Proprietary 3D Seismic has been re-interpreted to improve target window identification

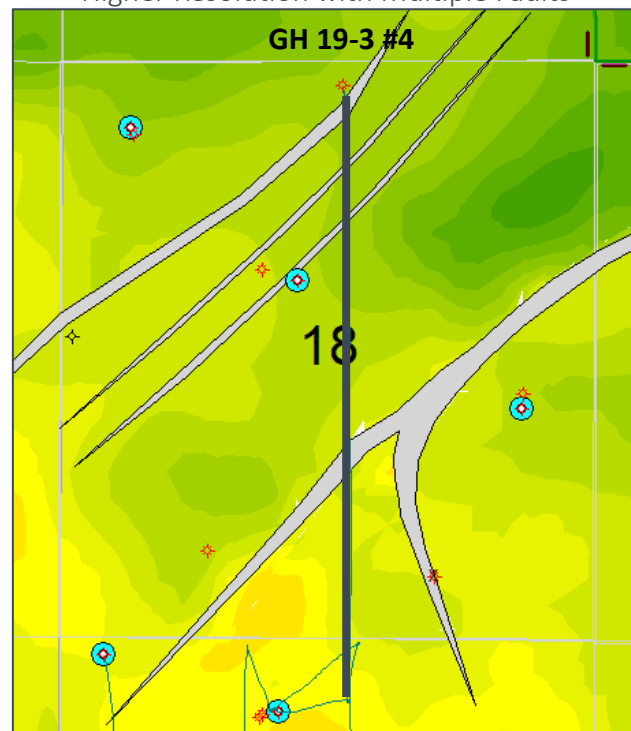


Planning to implement Rotary Steerable (RSS) directional drilling on future wells

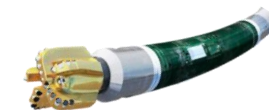
Original Seismic Interpretation  
Low Resolution



Seismic Re-Interpretation  
Higher Resolution with Multiple Faults



## Rotary Steerable System



Southern is replacing a conventional mud motor with a specialized Rotary Steerable System (RSS) in its Q4 2022 drilling program. This technology will allow us to drill further, faster and stay in the target window longer.

### Key advantages:

- Bit rotates continuously, eliminating the need to “slide”
- Direction can be changed almost instantaneously
- Reduced wellbore tortuosity resulting in a smoother wellbore
- Real-time well and log data transmitted back to the surface
- Ability to react faster to faulting and stay in zone longer

### Example – GH 19-3 #4

#### Traditional mud motor

- Delayed log and data transmission
- Significant need to “slide” up and down due to complex faulting
- Slowed reaction time & inability to get back into zone quickly
- Increasingly more difficult to steer further out in lateral
- **Resulted in almost 50% outside target window**



# Leadership Team



Experienced and successful management team with a history of creating shareholder value together

Strong technical expertise combined with a modern approach to data and workflow **creates proven early mover advantage**



**Ian Atkinson**  
*President & CEO*

Mr. Atkinson has been the founder of several private and public oil and gas companies, with over 28 years of technical, executive and board of director experience. Mr. Atkinson was a founder, President and CEO of Gulf Pine Energy Partners LP (“Gulf Pine”) since 2014 (which was acquired by Southern in December 2018). Prior thereto, Mr. Atkinson was a founder and Senior Executive Officer of Athabasca Oil Corporation (“Athabasca”).

Holds a Master of Science in Engineering Degree and an Institute of Corporate Directors (ICD.D) designation.



**Calvin Yau**  
*Chief Financial Officer*

Mr. Yau began his career at Grant Thornton LLP and has over 20 years of financial and management experience in the oil and gas industry. Mr. Yau was a co-founder, VP Finance and CFO of Gulf Pine. Mr. Yau has served as a Financial Controller for a number of public companies since 2007, including Bronco Energy Ltd., Waldron Energy Corporation and Molopo Energy Limited.

Holds a Bachelor of Commerce Degree in Accounting and a CA designation.



**Gary McMurren**  
*Chief Operating Officer*

Mr. McMurren has over 22 years of engineering, operational and management experience in the oil and gas industry and was a co-founder and VP Engineering of Gulf Pine. Mr. McMurren was formerly the Director of Light Oil at Athabasca. Prior thereto, he has held senior engineering positions at Galleon Energy Inc., ARC Resources Ltd., and Talisman Energy Inc.

Holds a Bachelor of Science in Chemical Engineering Degree and a Professional Engineer designation.



**Erin Buschert**  
*VP Land*

Ms. Buschert has over 22 years of land, legal, negotiating and management experience in the oil and gas industry. Ms. Buschert was a co-founder and VP Land of Gulf Pine. Prior thereto, she was the Manager, Land – East at Crescent Point Energy where she helped complete over 45 acquisitions in three years totalling over CAD\$1.4 Bn. Ms. Buschert previously held senior land positions at TriStar Oil & Gas Ltd., ARC Resources Ltd., and Talisman Energy Inc.

Holds a Bachelor of Science Degree in Anthropology and has been a member of CAPL since 2003.



**Jim McFadyen**  
*VP Operations*

Mr. McFadyen has over 25 years of operational, drilling and completions, and management experience in the oil and gas industry and was a co-founder and VP Operations of Gulf Pine. Mr. McFadyen was formerly the Operations Manager at Athabasca, with direct oversight of more than 50 dedicated field staff. Prior thereto, he has held senior operational positions at Fairborne Energy Ltd., Galleon Energy Inc., and Renaissance Energy Ltd.

Holds a Diploma in Mechanical Engineering Technology.

# Board of Directors



Experienced and talented leadership to guide the Execution of Southern Energy's Business Plan

## Board of Directors

### Ian Atkinson, P. Eng., ICD.D

Former founder and EVP of Athabasca Oil  
Former VP Engineering of Morpheus  
Director of Chronos Resources  
Previous technical positions at Renaissance Energy and Talisman Energy  
Master of Science Degree in Engineering

### R. Steven Smith, CA, CPA

Former Director and Chief Financial Officer of Broadview Energy Inc.  
Director of Karve Energy, Journey Energy, and Jasper Brewing  
Former CFO and Portfolio Manager with Norrep Capital Management  
Previous positions at Canadian Pioneer, Poco Petroleum, and Renaissance Energy  
Business Degree in Accounting, Bachelor of Arts Degree in English

### C. Neil Smith, P.Eng., MBA, ICD.D

Former Chief Operating Officer of Crescent Point Energy  
Previous positions with PrimeWest Energy, Coles Gilbert & Associates, Amoco Canada Petroleum and Dome Petroleum Company  
Bachelor of Applied Science – Geologic Engineering Degree  
Master of Business Administration Degree with Finance Major

### Andrew McCreath, CFA

Portfolio Manager at Forge First Asset Management  
The Market Commentator on BNN Bloomberg TV and host of "Weekly with Andrew McCreath"  
Bachelor of Business Administration Degree in Finance  
Master of Business Administration Degree in Economics

### Paul Baay, ICD.D

President & CEO of Touchstone Exploration  
Director of Octavia Energy and the Alberta Foundation for the Arts  
Trustee National Gallery of Canada  
Former Managing Director of Abacus Energy, part of Abacus Private Equity  
Former President & CEO of Remington Energy  
Bachelor of Arts Degree in Administrative and Commercial Studies

### Bruce Beynon, P. Geol. (Chairman)

Former EVP, Exploration and Corporate Development of Baytex Energy  
Former President of Raging River Exploration  
Previous Executive positions at Compass Petroleum, Peloton Exploration, Espoir Exploration, and Keywest Energy  
Master of Science Degree in Geology

### Tamara MacDonald, ICD.D

Former SVP Corporate and Business Development of Crescent Point Energy  
Director of Equinor Canada, Rubellite Energy, and Spartan Delta  
Previous positions at NCE Petrofund, Merit Energy, Tarragon Oil & Gas and Northstar Energy  
Bachelor of Commerce Degree, with Petroleum Land Management Major

### Michael Kohut

CFO of Hammerhead Resources  
Former Chairman/Director of Big Rock Brewery and Director of Chronos Resources  
Former Executive positions at Paramount Resources and Trilogy Energy  
Bachelor of Commerce Degree

### Joe Nally

Former Founder, Executive Director and Head of Natural Resources at Cenkos Securities PLC in London  
Former Partner, Director and Founder of Institutional Corporate Finance Department at Williams de Broe  
Graduate from the London School of Economics

### Sony Gill

Corporate Secretary, Stikeman Elliott

## Special Advisor

### Jay D. Haber

U.S. independent exploration and production, restructuring and M&A consultant

# Modern Energy Company - Environment, Social & Governance



*Southern's near term mission is to support the U.S. transition to cleaner sources of electricity generation by delivering low cost, conventional natural gas*



*Central Mississippi Operations Team*

## Core Values at Southern – Not Buzz Words



### Environment

- Actively engaged with Mississippi state regulators to help design best practices and policies for air emissions and freshwater usage
- **Meet or exceed recent EPA Standards to reduce gas emissions**
- Maintain a thorough asset integrity program designed to mitigate risk of environmental damage



### Safety

- Strong corporate safety culture with highly experienced and trained field personnel
- **No lost time incidents for employees since Management began operations in the southeastern U.S. in 2013**



### Social

- Southern supports employees who are active in their communities in the form of time or financial resources and encourages ongoing community involvement
- **Gender diversity with 45% of head office staff female**



### Governance

- Southern maintains clear controls and oversight with a diverse and independent board that is well aligned with shareholders
- All Board Committees and Chairs are independent
- Regular engagement with shareholders, employees and stakeholders



*Southern Energy is preparing our Corporate Sustainability Plan, incorporating the United Nations Sustainable Development Goals that we will focus our efforts towards*

# Disclaimers



## General

The information contained herein has been provided solely for information purposes and does not purport to be comprehensive or contain all the information that may be required by recipients to evaluate Southern Energy Corp. ("Southern" or the "Company"). This Presentation and the information contained in it has not been independently verified and no reliance should be placed on it or the opinions contained within it. In furnishing this Presentation, the Company reserves the right to amend or replace this Presentation at any time and undertakes no obligation to provide the recipient with access to any additional information. The Company may, but shall not be obliged to, update or correct the information set forth in this Presentation or to provide, update or correct any additional information.

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This Presentation has not been approved (for the purposes of section 21 of the Financial Services and Markets Act 2000 ("FSMA")). Reliance on this Presentation for the purpose of engaging in any investment activity may expose an individual to a significant risk of losing all of the property or other assets invested. Any person who is in any doubt about the subject matter to which this Presentation relates should consult a person duly authorized for the purposes of FSMA who specializes in the acquisition of shares and other securities. Recipients of this Presentation outside the United Kingdom should inform themselves about and observe any applicable legal restrictions in their jurisdiction which may be relevant to the distribution, possession or use of this Presentation and recognize that the Company does not accept any responsibility for contravention of any legal restrictions in such jurisdiction. The Company's securities have not been registered under the United States Securities Act of 1933, as amended, nor under the applicable securities laws of any state of the United States, nor have they been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or any other regulatory authority in the United States. The Company's securities have not been and will not be registered under the applicable securities laws of Australia, New Zealand, the Republic of South Africa or Japan.

## Forward-Looking Statements

Certain information contained herein constitutes "forward-looking statements," which can be identified by the use of terms such as "forecast", "may", "will", "likely," "should", "expect", "anticipate", "project", "estimate", "intend", "continue", "target," "plan," "potential," "model," "positioned for," "becoming," or "believe" (or the negatives thereof) or other variations thereon or comparable terminology. Forward-looking information in this Presentation may include, but is not limited to, statements about: growth within the oil and natural gas sector; our business strategy, plan, including objectives, strengths and focus; our growth and acquisition and consolidation strategies, including targets, metrics, planned investments, and allocation of funds; our intention to operate in an environmentally-responsible manner; ESG initiatives; future workovers and recompletions, including anticipated effects on corporate decline rates; anticipated abandonment and reclamation obligations; cost-cutting measures and the results thereof; our ability to deliver equity appreciation, a return of capital to investors, projected per-share accretive growth, the sustainability of any such appreciation or return, as well as the risks associated with investments; expectations, predictions, estimates, outlooks, models, and forecasts regarding: performance characteristics of oil and natural gas properties, oil and natural gas production levels, including the objective of achieving production of 25,000 boe/d, capital expenditure programs and estimated costs, the quantity of oil and natural gas proved and probable reserves, market prices and operating costs, supply and demand for oil and natural gas, our ability to raise capital and continually add to reserves/assets (including through acquisitions, exploration, and development of new and undeveloped sites), our ability to achieve drilling success consistent with expectations, royalty rates, operating costs, operating returns, general/administrative costs, costs of services, expected uses of credit facility funds, treatment under regulatory and royalty regimes, treatment under applicable tax regimes, organic growth in the oil and natural gas market, commodity pricing (including premium commodity pricing in the North American market), the market for clean gas-fired power generation; our cashflow and hedging positions; the availability, and execution of, future service contracts; the ability to transport our product to appropriate markets; our ability to successfully implement new technologies, systems, developments, including enhanced seismic and directional technology, and methods in carrying out activities in the future, and obtain expected advantage and efficiencies from such advancements (including but not limited to the implementation of rotary steerable (RSS) directional drilling); and, public and political perceptions towards fossil fuels. 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. Readers are cautioned not to place undue reliance on this forward-looking information, which is given as of the date hereof, and to not use such forward-looking information for anything other than its intended purpose. Southern undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.

Forward-looking information is based on a number of factors and assumptions which have been used to develop such information, but which may prove to be incorrect. In addition to other factors and assumptions which may be identified in this Presentation, assumptions have been made regarding, and may be implicit in, among other things: the price of oil and natural gas; price volatility; price differentials and the actual prices received for products; the impacts of increasing competition; royalty regimes and exchange rates; strip prices; growth in the oil and natural gas market; the performance of existing wells; the performance of new wells; the impacts of new technologies and developments on our operations; the availability and performance of facilities and transportation networks; the geological characteristics of our properties and potential future properties; prevailing weather conditions and access to drilling locations; the application of regulatory and licensing requirements on our operations; the availability of capital, labour and services; the ability to market our products successfully; and, that costs related to exploration, drilling, seismic, and the development of oil and natural gas properties will remain consistent with historical experience. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which have been used. 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.

Due to various risks and uncertainties, actual events or results or actual performance of the Company may differ materially from those reflected or contemplated in such forward-looking statements. As a result, any potential investor should not rely on such forward-looking statements in making their investment decisions. No representation or warranty is made as to the achievement or reasonableness of, and no reliance should be placed on, such forward-looking statements. Risk factors that may materially impact our results include: the ability of management to execute its business and strategic plans; risks and liabilities inherent in oil and natural gas industry (including environmental regulations); fluctuations in foreign exchange and interest rates; changes to supply and demand for oil and natural gas; volatility in the market prices for oil and natural gas; unanticipated changes in applicable regulatory or royalty regimes; increased operating and capital costs and expenses due to inflationary pressures; uncertainties associated with estimating oil and natural gas reserves and production; geological, technical, drilling and processing problems; incorrect assessments of the value of acquisitions; unanticipated results of exploration and development drilling and related activities; hazards such as fire, explosion, blowouts, cratering, and spills; competition for skilled labour, capital, acquisitions of reserves, and undeveloped lands; unpredictable weather conditions; the impact of general economic and political conditions including the Russia-Ukraine war; insufficient storage or transportation capacity; the effects of pandemics and other public health events (including but not limited to COVID-19); the availability of future financings and divestitures; expectations regarding future production levels; public and political sentiment towards the use of fossil fuels; failure to obtain industry partner and other third party consents/approvals; and, the ability to obtain required approvals and licenses from regulatory authorities. Please refer to Southern's most recent Annual Information Form ("AIF"), Management Discussion and Analysis ("MD&A"), and other continuous disclosure documents for additional risk factors relating to Southern, which can be accessed either on Southern's website at [www.southernenergycorp.com](http://www.southernenergycorp.com) or under the Company's profile on [www.sedar.com](http://www.sedar.com).

All figures in USD unless otherwise specified

# Disclaimers



## FOFI

This Presentation contains future-oriented financial information and financial outlook information (collectively, "FOFI") about Southern's prospective results of operations, production, investor yields, working capital, capital expenditures, enterprise value, share price, investment yield, debt, free cash flow, NPV10, IRR, return of capital, operating costs, cost reductions and components thereof, 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 Presentation was approved by management of the date of this Presentation and was provided for the purpose of providing further information about Southern's anticipated 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 Presentation, 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 Presentation should not be used for purposes other than for which it is disclosed herein.

## Oil and Gas Advisories

Throughout this presentation, "crude oil" or "oil" refers to light and medium crude oil product types as defined by NI 51-101. References to "Natural Gas Liquids" ("NGLs") throughout this Presentation 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.

## 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 per barrel (6Mcf/bbl) 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.

## Type Curves

Type curve disclosure presented herein represents estimates of the production decline and ultimate volumes expected to be recovered from wells over the life of the well. The reservoir engineering and statistical analysis methods utilized are broad and can include various methods of technical decline analyses, and reservoir simulation all of which are generally prescribed and accepted by the most recent publication of the Canadian Oil and Gas Evaluation Handbook (the "COGEH") and widely accepted reservoir engineering practices. These type curves incorporate the most recent data from actual well results and would only be representative of the specific drilled locations. There is no guarantee that Southern will achieve the estimated or similar results derived therefrom. Individual wells may be higher or lower but over a larger number of wells, management expects the average to come out to the type curve. Over time type curves can and will change based on achieving more production history on older wells or more recent completion information on newer wells.

## Information Regarding Disclosure on Reserves and Resources

All reserves information in this Presentation was prepared by Netherland, Sewell & Associates, Inc. ("NSAI") effective December 31, 2021 (also referred to as a "Competent Person's Report" or "CPR") using average forecast pricing of the following four independent external firms: GLJ Ltd, Sproule Associates Limited, McDaniel & Associates Consultants Ltd and Deloitte in accordance with National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities ("NI 51-101") and the COGEH. Additional reserves information is available on either on Southern's website at [www.southernenergycorp.com](http://www.southernenergycorp.com) or under the Company's profile on [www.sedar.com](http://www.sedar.com). Specifically, the company's AIF for the year ended December 31, 2021 (dated April 18, 2022) includes further disclosure of Southern's oil and gas reserves and other oil and gas information in accordance with NI 51-101 and the COGEH (including Forms 51-101F2 and 51-101F3). The Company's March 2, 2022 news release and Form 51-101F1 also provide additional information, and are available on [www.sedar.com](http://www.sedar.com). In line with the requirements of the AIM Rules for Companies published by the London Stock Exchange (the "AIM Rules"), including the requirement to have a CPR prepared within six months of any admission document, the CPR is included in the 2021 AIF.

All reserve references in this Presentation are "Company Share Reserves." Company Share Reserves are the applicable company's total working interest reserves before the deduction of any royalties and including any royalty interests payable to the company. It should not be assumed that the present worth of estimated future amounts presented in this Presentation represent 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 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 evaluations and summaries of future net revenue are stated prior to the provision for interest, debt service charges or general and administrative expenses and after deduction of royalties, operating costs, estimated well abandonment and reclamation costs and estimate future capital expenditures. The reserves estimates contained in this Presentation are estimates only and there is no guarantee that the estimated reserves or resources will be recovered.

## Analogous Information

This Presentation provides certain information relating to properties in close proximity to the Company's properties, which is "Analogous Information" as defined by applicable securities laws. This analogous information is derived from publicly available information sources, which the Company believes are independent in nature. Estimates by engineering and geotechnical practitioners may vary and the differences may be significant. The Company believes that the provision of this analogous information is relevant to its activities and forecasting, given its interest in properties in the area; however, readers are cautioned that there is no certainty that any forecasts provided herein based on analogous information will be accurate.

# Disclaimers



## Specified Financial Measures

In this Presentation, certain key metrics, performance indicators, and industry benchmarks are used to analyze financial and operating performance. These performance indicators and benchmarks are used by Southern as key measures of profitability, and provide investors with information that is commonly used by other oil and gas companies. These terms do not have any standardized meaning prescribed by generally accepted accounting principles ("GAAP") in the United Kingdom or Canada, and therefore, may not be comparable with the calculation of similar measures for other entities. A list of these terms is listed below:

"**Enterprise Value**" is calculated as the market capitalization of the Company plus outstanding debt (convertible debentures and term debt), where "Market Capitalization" is defined as the total number of common shares outstanding multiplied by the price per share at a given point in time.

"**IP30**" is the initial production from a well for the first 720 hours (30 days) based on operating/producing hours.

"**IRR**" is the discount rate required to arrive at an NPV equal to zero. Rates of return set forth in this Presentation are for illustrative purposes. There is no guarantee that such rates of return will be achieved in the future.

"**NPV10**" represents the net present value (net of capex) of net income discounted at 10%, with net income reflecting the indicated oil, liquids and natural gas prices and IP rate, less internal estimates of operating costs and royalties.

"**OGIP**" or "**Original Gas in Place**," is equivalent to Total Petroleum Initially In Place ("TPIIP") for the purposes of this Presentation. TPIIP, as defined in the COGEH, is that quantity of petroleum that is estimated to exist originally in naturally occurring accumulations. It includes that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations, prior to production, plus those estimated quantities in accumulations yet to be discovered (equivalent to "total resources"). There is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources. The OGIP estimates quoted in this Presentation are unaudited Internal Estimates effective December 31, 2021 prepared by a qualified reserves evaluator in accordance with the COGEH. "Internal Estimate" means an estimate that is derived by the Company's internal APEGA certified engineer(s), and geologist(s) and prepared in accordance with NI 51-101.

References in this Presentation to "production test rates," "initial test production rates," IP30 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.

## Advisors

Strand Hanson, which is authorised and regulated by the FCA, is the Company's nominated adviser for the purposes of the AIM Rules and as such, its responsibilities are owed solely to the London Stock Exchange and are not owed to the Company, any Director or any other entity or persons. Strand Hanson will not be responsible to anyone other than the Company for providing the protection afforded to clients of Strand Hanson or for advising any other person in connection with Admission. Any other person attending this Presentation should seek their own independent legal, investment and tax advice as they see fit.

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## Important notice regarding track record and certain financial information

Past performance is not a reliable indicator or guide to future performance. Potential investors should be aware that any investment in the Company is speculative, involves a high degree of risk, and could result in the loss of all or substantially all of their investment.

## Third Party Information

Certain information contained in this Presentation has been obtained from published and non-published sources prepared by other parties, which in certain cases have not been updated through the date hereof. While such information is believed to be reliable for the purpose used in this Presentation, none of the Company, Strand Hanson, Hannam & Partners and Canaccord Genuity assumes any responsibility for the accuracy or completeness of such information and such information has not been independently verified by the Company, Strand Hanson, Hannam & Partners or Canaccord Genuity. Except where otherwise indicated herein, the information provided in this Presentation is based on matters as they exist as of the date of preparation and not as of any future date, and will not be updated or otherwise revised to reflect information that subsequently becomes available, or circumstances existing or changes occurring after the date hereof.

## Abbreviations

1P	proved reserves	ESG	Environmental, Social and Governance	IRR	internal rate of return percentage	NPV	net present value
2P	proved plus probable reserves	EUR	estimated ultimate recovery	lb	pound	NPV10	net present value with a discount rate of 10%
Bbl	barrel	FD	fully diluted	mi <sup>2</sup>	square miles	OGIP	original gas in place
bbl/d	barrels per day	ft	foot	MMbbl	million barrels	OPEX	operational expenditures
Bcf	billion cubic feet of natural gas	GJ	Gigajoules	MMbtu	million British thermal units	PDP	proved developed producing reserves
Bcf/d	billion cubic feet per day of natural gas	HBP	held by production	MMcf	million cubic feet of natural gas	PUD	proved undeveloped reserves
boe	barrels of oil equivalent	HZ	horizontal	MMcf/d	million cubic feet per day of natural gas	Tcf	trillion cubic feet of natural gas
boe/d	barrels of oil equivalent per day	IP30	average hydrocarbon production rate for the first 30 days of a well's life	NGLs	natural gas liquids	YoY	year over year