SOUTHERN ENERGY CORP. ANNOUNCES 2023 CAPITAL BUDGET AND GWINVILLE OPERATIONAL UPDATE, YEAR END RESERVES UPDATE AND JOINT BROKER APPOINTMENTS

Calgary, Alberta – March 29, 2023 – Southern Energy Corp. ("**Southern**" or the "**Company**") (TSXV:SOU) (AIM:SOUC) (OTCQX:SOUTF) is pleased to announce its:

- 2022 Year End Reserves Upgrade:
  - Highlights of the Company's year end independent oil and gas reserves evaluation as at December 31, 2022 (the "**NSAI Report**") include:
    - an increase in proved developed producing ("**PDP**") reserves of 25% to 6.2 MMboe
    - an increase in total proved ("**1P**") reserves of 44% to 14.1 MMboe
    - an increase in total proved plus probable ("**2P**") reserves by 31% to 25.5 MMboe in 2022
    - before-tax net present value ("**NPV**") of 2P reserves, discounted at 10% ("**NPV10**"), of $142.5 million (an increase of 61% on year end 2021)
- Gwinville Operational Update:
  - The Company announces the completion of its current drilling campaign of seven horizontal wells
  - Through technical improvements, Southern has reduced the average time from spud to total depth of its Gwinville wells from approximately 21 days to between 9-12 days and averaging 80-100% lateral placement in the high-graded porosity interval
- Capital Budget Update:
  - In response to the current low natural gas prices, Southern plans to moderate the Gwinville organic growth program from the planned capital budget of US$101.0 million announced in November 2022 to approximately US$55.0 million
  - Under its revised capital plan, Southern will have drilled seven horizontal wells at the Gwinville asset, completed three wells and have four wells remain as drilled but uncompleted ("**DUCs**") to be brought on in the future once natural gas prices are more supportive
- Broker Appointments:
  - Stifel Nicolaus Europe Limited and Tennyson Securities have both been appointed as the Company's joint corporate brokers with immediate effect

Ian Atkinson, President & Chief Executive Officer of Southern, commented:

"*Although the drop in natural gas prices has brought us to the decision to moderate our Gwinville capital program, the overall impact of the applied learnings from the 2022 appraisal program have paid off and we are happy with the early results. In the current program we have drilled seven horizontal wells with longer laterals than the original appraisal wells in half the time on a per well basis and proven that the re-interpretation of our 3D seismic has improved our overall ability to stay within the targeted zone. We have positioned ourselves for the inevitable rebound in natural gas prices and look forward to moving equipment and manpower back into the Gwinville field quickly as price recovery occurs to re-initiate our organic growth plans and take advantage of maximising cashflows at the opportune time.*"

Gary McMurren, Chief Operating Officer, commented:

"*We are excited to report another year of material reserves growth in all major categories for the Company, highlighted by conservative additions to our Gwinville horizontal Selma Chalk inventory following our successful appraisal program in 2022. In our current development program, we will be testing two Lower Selma Chalk and two City Bank horizontal laterals with our modern completion design. The Lower Selma Chalk has only minimal* *reserve bookings in this year's report, and we have yet to book any City Bank development reserves, so upon completion of these horizons over the next few months, we expect to continue to add significant and predictable reserves growth in Gwinville for years to come.*

The NSAI Report highlights the extensive running room and future development potential of only one of our existing core assets which will deliver long term sustainable free funds flow and organic growth. Further work is expected to unlock additional value for Southern shareholders, with the potential to significantly grow reserves in our portfolio in a short time frame.

With an average operating cost in 2022 of under $0.80/Mcfe, Southern has some of the highest margin natural gas assets in North America, which continues to benefit the business model and provide strong cashflow for the Company."

Gwinville Operational Update

The Company is pleased to summarize the results of the current capital program to date as compared to the 19-3 padsite appraisal program:

Well Name	Zone	Spud to TD (days)	Lateral Length (ft)	% in zone	Frac Stages	Total Proppant (million lbs)	Proppant Loading (lb/ft)	IP30 (MMcf/d)
Historic Appraisal Drilling								
19-3 #2	Upper Selma	20.2	3,498	**90**	41	6.6	1,884	6.5
19-3 #3	Upper Selma	18.5	4,146	**50**	44	7.0	1,700	3.6
19-3 #4	Upper Selma	22.2	4,623	**50**	50	8.0	1,650	4.0
Current Drilling Campaign								
18-10 #1	City Bank	14.4	5,744	**100**	50	10.0	1,747	TBD
18-10-#2	Upper Selma	12.0	4,699	**50**	43	8.6	1,830	3.3
18-10 #3	Upper Selma	11.6	5,091	**80**	44	9.0	1,771	TBD
14-6 #3	Upper Selma	10.4	5,525	**85**	*Not yet completed*			
14-6 #4	Lower Selma	9.4	5,521	**100**	*Not yet completed*			
13-13 #2	Lower Selma	9.3	5,302	**96**	*Not yet completed*			
13-13 #3	City Bank	12.9	5,118	**100**	*Not yet completed*			

Gwinville 18-10 Padsite

The Company is pleased to report the initial 30-day production rate ("**IP30**") on the first well of the 18-10 pad out of a total of seven wells drilled to date in the capital program. The 18-10 #2 Upper Selma Chalk well recently reached an IP30 of 3.3 MMcf/d, which is similar to the 19-3 #3 and #4 appraisal wells, and below early type curve expectations for these Generation 3 well designs. The well encountered some unpredicted faulting and was drilled with only 50% of that lateral length within the high-grade porosity interval. Although below Generation 3 type curve estimates, the result is representative of a well with an effective lateral length in the high-graded porosity interval of less than 2,600 feet.

The 18-10 #3 Upper Selma Chalk well achieved approximately 80% of the lateral within the high-grade porosity interval and was completed with a 44-stage stimulation. The Company experienced a mechanical wellbore integrity issue during the completion and plans to perform remedial work on the well and establish production in Q2 or Q3 of this year.

The 18-10 #1 City Bank well was drilled to a lateral length of approximately 5,744 feet with 100% of the lateral drilled in the target interval. The well was successfully stimulated with a 50-stage completion operation and is in early stages of completion flowback currently producing flowback water at 5% of load recovery. Southern does not expect to see peak gas rates until the well has recovered approximately 20% of load fluid based on historically stimulated vertical and Generation 1 horizontal wells in the City Bank reservoir at which time the Company will report on initial production. The Company is encouraged by the early results and looks to add significant net asset value to the reserve books in 2023 as no proven undeveloped or probable locations have been attributed to the City Bank zone to-date.

Gwinville Drilling Efficiencies

As a follow-up to the three well Upper Selma Chalk appraisal program from Q2 2022, which has recovered approximately 55% of upfront capital in less than nine months of production, Southern identified two major technical improvements to be employed on future activity. The re-interpretation of the 3D seismic to provide a higher resolution assessment of the reservoir, coupled with the utilization of a rotary steerable downhole drilling assembly that allows for immediate and more responsive corrections, has resulted in a significant improvement to the lateral length drilled in the high porosity interval and a significant reduction in overall drilling times. Utilizing these changes, Southern has reduced the average time from spud to total depth of these wells from approximately 21 days to between 9-12 days and averaging 80-100% lateral placement in the high-graded porosity interval. The learnings and cost savings achieved early in this program are expected to translate into all future Gwinville drilling.

The Company's first padsite in the winter program was the 18-10 pad, which has two Upper Selma Chalk laterals and the first City Bank lateral. Next, the rig drilled the 14-06 pad that contained one Upper Selma Chalk lateral, and the first Lower Selma Chalk lateral. The rig has recently finished drilling the 13-13 pad with the second City Bank and Lower Selma Chalk laterals. The drilling rig has been released and the final four laterals will remain as DUCs until natural gas prices are more supportive of capital spending on organic growth.

Capital Budget Update

In response to the current low natural gas prices and guided by principles focused on full-cycle value creation, Southern plans to moderate the Gwinville organic growth program from the planned capital budget of US$101.0 million announced in November 2022 to approximately US$55.0 million. Under its revised capital plan, Southern will have drilled seven horizontal wells at the Gwinville asset, completed three wells and have four wells remain as DUCs to be brought online in a higher natural gas price environment. These changes to the program at Gwinville will preserve capital, allow Southern the optionality to bring on high volume natural gas production at opportune natural gas prices and retain an inventory of high value development targets.

Year End Reserves Upgrade

Southern is pleased to announce selected highlights of the Company's year end independent oil and gas reserves evaluation as at December 31, 2022. The NSAI Report was prepared by independent qualified reserves evaluator, Netherland, Sewell and Associates, Inc. ("**NSAI**"). All currency amounts are in United States dollars (unless otherwise stated) and comparisons refer to December 31, 2021. Financial information contained herein is based on the Company's unaudited results for the year ended December 31, 2022 and is subject to change. The Company anticipates announcing its fourth quarter and audited year end 2022 financial results and filing an annual information form ("**AIF**") for the year ended December 31, 2022, in April 2023.

Highlights:

- Relative to year-end 2021, and accounting for 2022 production volumes, the NSAI Report states
    - an increase in PDP reserves of 25% to 6.2 MMboe
    - an increase in 1P reserves of 44% to 14.1 MMboe
    - an increase in 2P reserves by 31% to 25.5 MMboe in 2022
    - a reserve life index ("**RLI**") of more than 8 years for PDP reserves and 15 years for 2P reserves, based on the 2023 production forecast

- Successful organic growth and appraisal drilling resulted in strong reserves replacement (relative to 2022 production) in all reserve categories:
    - PDP replacement of 153%
    - 1P replacement of 484%
    - 2P replacement of 656%

- At year end 2022, achieved record before-tax NPV10, evaluated using the average forecast pricing of four independent reserve evaluators as at January 1, 2023;
    - PDP: $51.6 million (59% increase on year end 2021)
    - 1P: $85.3 million (59% increase on year end 2021)
    - 2P: $142.5 million (61% increase on year end 2021)

- Additional drilling locations identified at Gwinville, based on 2022 Selma Chalk horizontal drilling success, which are expected to add material levels of production.

In addition, *inter alia*, to the summary information disclosed in this press release, more detailed information regarding Southern's oil and gas reserves will be included in the Company's AIF to be filed on SEDAR (www.sedar.com).

2022 Independent Qualified Reserve Evaluation

The following tables highlight the findings of the NSAI Report, which was prepared in accordance with definitions, standards and procedures contained in National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* ("**NI 51-101**") and the most recent publication of the Canadian Oil and Gas Evaluation ("**COGEH**"). 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 estimated future capital expenditures. The NSAI Report was based on the average forecast pricing of the following four independent external reserves evaluators: GLJ Ltd, Sproule Associates Limited, McDaniel & Associates Consultants Ltd and Deloitte LLP. Additional reserves information as required under NI 51-101 will be included in Southern's AIF, which will be filed on SEDAR in April 2023. The numbers in the tables below may not add due to rounding.

Summary of Reserves Volumes as at December 31, 2022

The Company's reserve volumes and undiscounted future development capital costs are summarized below as at December 31, 2022:

SUMMARY OF RESERVE VOLUMES [1]	Light and Medium Oil (Mbbls)	Condensate (Mbbls)	NGL (Mbbsl)	Conventional Natural Gas (MMcf)	Total Mboe	FDC Costs ($M)
Proved Developed Producing	79	203	49	35,281	6,211	-
Proved Developed Non-Producing	55	65	5	9,793	1,757	8,136
Proved Undeveloped	-	369	113	34,010	6,150	71,567
Total Proved	**134**	**637**	**166**	**79,084**	**14,117**	**79,702**
Probable	41	188	13	66,579	11,338	84,832
Total Proved Plus Probable	**175**	**825**	**178**	**145,663**	**25,456**	**164,533**

(1) *Gross working interest reserves before royalty deductions.*

The following table outlines the changes in Southern's reserves and reserve life index as at December 31, 2022 compared to December 31, 2021:

CHANGE IN RESERVES AND RESERVE LIFE INDEX[1,2]	2022	2021	% Change
Reserves (Mboe)			
Proved Developed Producing	**6,211**	5,707	25%
Total Proved	**14,117**	10,479	44%
Total Proved Plus Probable	**25,456**	20,178	31%
PDP as % of 2P	**24%**	28%	(14%)
1P as % of 2P	**55%**	52%	7%
Reserve Life Index (years)			
Proved Developed Producing	**8.2**	8.5	(4%)
Total Proved	**11.5**	15.6	(26%)
Total Proved Plus Probable	**15.1**	18.1	(17%)

(1) *Percent change includes 2022 actual production of 948.4 Mboe*
(2) *The RLI as at December 31, 2022 is calculated as gross working interest reserves divided by the projected annual production forecast in each reserve category for 2023. See "Disclosure of Oil and Gas Information"*

Southern's total 2P reserves increased by 31% to 25.5 MMboe resulting in a 2P reserve life index of 15.1 years on projected annual 2P production for 2023. Southern's 2022 Selma Chalk horizontal well appraisal program helped the Company achieve a 25% increase in PDP reserves to 6.2 MMboe.

Net Present Value of Future Net Revenue as at December 31, 2022

The following table summarizes the net present value, at varying discount rates, of the Company's reserves (before-tax) as at December 31, 2022. The reserves value on a $/boe basis, discounted at 10% per year, is also summarized for each category.

NET PRESENT VALUE BEFORE-TAX	0% (M$)	10% (M$)	20% (M$)	Unit Value[1] Before Income Tax, Discounted at 10%/year ($/boe)
Proved Developed Producing	84,730	51,617	38,860	10.61
Proved Developed Non-Producing	29,510	11,376	6,587	8.42
Proved Undeveloped	73,834	22,343	4,400	4.51
Total Proved	**188,074**	**85,336**	**49,847**	**7.64**
Probable	180,679	57,191	24,546	6.36
Total Proved Plus Probable	**368,753**	**142,528**	**74,393**	**7.07**

(1) *Unit values are based on net reserves. Net reserves are the Company's working interest reserves after deduction of royalties*

Forecast Prices Used in Estimates

The following table outlines the forecasted future prices used by NSAI in its evaluation of the Company's reserves at December 31, 2022, for the NSAI Report, which are based on a four-consultant average price forecast, as detailed above. The forecast cost and price assumptions assume increases in wellhead selling prices and consider inflation with respect to future operating and capital costs.

FUTURE COMMODITY PRICE FORECAST	WTI Cushing Oklahoma $/bbl	NYMEX Henry Hub $/MMBtu
2023	80.25	4.93
2024	78.19	4.66
2025	76.10	4.42
2026	76.96	4.50
2027	78.50	4.59
2028	80.07	4.68
2029	81.67	4.78
2030	83.30	4.87
2031	84.96	4.97
2032	86.67	5.08
Thereafter	+ 2.0%/year	+ 2.0%/year

Reserves Reconciliation

The following table sets out the reconciliation of Southern's gross reserves based on forecast prices and costs by principal product type as at December 31, 2022 relative to December 31, 2021. The majority of 1P and 2P reserves increases, year-on-year, came from recognition of the Gwinville Selma Chalk horizontal locations from infill drilling.

RESERVES(1) RECONCILIATION	**PDP (Mboe)**	**1P (Mboe)**	**Probable (Mboe)**	**2P (Mboe)**
December 31, 2021	5,707	10,479	9,699	20,178
Discoveries	-	-	-	-
Extensions	-	-	-	-
Infill Drilling	624	3,747	1,281	5,028
Improved Recovery	-	-	-	-
Technical Revisions(2)	(34)	(30)	259	229
Acquisitions	43	55	1	56
Dispositions	(40)	(40)	(22)	(62)
Economic Factors	860	856	120	976
Production(3)	(948)	(948)	-	(948)
December 31, 2022	**6,211**	**14,117**	**11,338**	**25,456**

(1) Gross working interest reserves before royalty deductions
(2) Technical revisions also include reserves associated with changes in operating costs and commodity price offsets
(3) Produced volumes for the year ended December 31, 2022 are internally estimated

Appointment of Joint Broker

Southern is pleased to report that Stifel Nicolaus Europe Limited and Tennyson Securities have both been appointed as the Company's joint corporate brokers with immediate effect, alongside Canaccord Genuity. Strand Hanson remain the Company's Nominated and Financial Adviser.

Corporate Presentation

A new corporate presentation dated March 2023 is now available on the Company website at www.southernenergycorp.com.

For further information, please contact:

Southern Energy Corp.
Ian Atkinson (President and CEO) +1 587 287 5401
Calvin Yau (CFO) +1 587 287 5402

Strand Hanson Limited - Nominated & Financial Adviser +44 (0) 20 7409 3494
James Spinney / James Bellman

Canaccord Genuity - Joint Broker +44 (0) 20 7523 8000
Henry Fitzgerald-O'Connor / James Asensio

Stifel Nicolaus Europe Limited – Joint Broker +44 (0) 20 7710 7600
Callum Stewart / Ashton Clanfield

Tennyson Securities – Joint Broker +44 (0) 20 7186 9033
Peter Krens / Pav Sanghera

Camarco +44 (0) 20 3757 4980
Owen Roberts / Billy Clegg / Hugo Liddy

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 Union (Withdrawal) Act 2018, as amended.

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.

Qualified Person's Statement

Gary McMurren, Chief Operating Officer, who has over 23 years of relevant experience in the oil industry and has approved the technical information contained in this announcement. Mr. McMurren is registered as a Professional 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.

Disclosure of Oil and Gas Information

AIF. The reserves information and data provided in this press release presents only a portion of the disclosure required under NI 51-101. Southern's Statement of Reserves Data and Other Oil and Gas Information on Form 51-101F1 dated effective as at December 31, 2022, which will include further disclosure of Southern's oil and gas reserves and other oil and gas information in accordance with NI 51-101 and COGEH forming the basis of this press release, will be included in the AIF which will be available on SEDAR at www.sedar.com in April 2023.

Unit Cost Calculation. 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.

Product Types. Throughout this press release, "crude oil" or "oil" refers to light and medium crude oil product types as defined by 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.

Short-Term Production. References in this press release to peak 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 of Southern.

Reserves and Future Net Revenue Disclosure. All reserves values, future net revenue and ancillary information contained in this press release are derived from the NSAI Report unless otherwise noted. All reserve references in this press release are "Company gross reserves". Company gross reserves are the Company's total working interest reserves before the deduction of any royalties payable by the Company. Estimates of reserves and future net revenue for individual properties may not reflect the same level of confidence as estimates of reserves and future net revenue for all properties, due to the effect of aggregation. There is no assurance that the forecast price and cost assumptions applied by NSAI in evaluating Southern's reserves will be attained and variances could be material. All reserves assigned in the NSAI Report are located in the State of Mississippi and presented on a consolidated basis.

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 estimated future capital expenditures. It should not be assumed that the estimates of future net revenues presented in the tables below represent the fair market value of the reserves. The recovery and reserve estimates of Southern's crude oil, natural gas liquids and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, natural gas and natural gas liquids reserves may be greater than or less than the estimates provided herein. There are numerous uncertainties inherent in estimating quantities of crude oil, reserves and the future cash flows attributed to such reserves. The reserve and associated cash flow information set forth herein are estimates only.

Proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves. Probable reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves. Proved developed producing reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty. Undeveloped reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves category (proved, probable, possible) to which they are assigned. Certain terms used in this press release but not defined are defined in NI 51-101, CSA Staff Notice 51-324 – Revised Glossary to NI 51-101, Revised Glossary to NI 51-101, Standards of Disclosure for Oil and Gas Activities ("**CSA Staff Notice 51-324**") and/or the COGEH and, unless the context otherwise requires, shall have the same meanings herein as in NI 51-101, CSA Staff Notice 51-324 and the COGEH, as the case may be.

Oil and Gas Metrics. This press release contains metrics commonly used in the oil and natural gas industry, such as development capital.

"Development capital" means the aggregate exploration and development costs incurred in the financial year on reserves that are categorized as development. Development capital presented herein excludes land and capitalized administration costs but includes the cost of acquisitions and capital associated with acquisitions where reserve additions are attributed to the acquisitions. These terms have been calculated by management and do not have a standardized meaning and may not be comparable to similar measures presented by other companies, and therefore should not be used to make such comparisons. Management uses these oil and gas metrics for its own performance measurements and to provide shareholders with measures to compare Southern's operations over time. Readers are cautioned that the information provided by these metrics, or that can be derived from the metrics presented in this press release, should not be relied upon for investment or other purposes.

Abbreviations

bbl	barrels
Mbbls	thousand barrels
bbls/d	barrels per day
$M	thousands of US dollars
boe	barrels of oil equivalent
Mboe	thousand barrels of oil equivalent
MMboe	million barrels of oil equivalent
boe/d	barrels of oil equivalent per day
Bcfe	billion cubic feet equivalent

Mcfe	million cubic feet equivalent
GJ	gigajoule
Mcf	thousand cubic feet
Mcf/d	thousand cubic feet per day
MMcf/d	million cubic feet per day
MMBtu	million British Thermal Units
NYMEX – HH	New York Mercantile Exchange – Henry Hub
WTI	West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma for the crude oil standard grade
FDC	future development costs

Forward Looking Information

This press release contains certain forward-looking information (collectively referred to herein as "**forward-looking statements**") within the meaning of applicable Canadian securities laws. Forward-looking statements are often, but not always, identified by the use of words such as "guidance", "outlook", "anticipate", "target", "plan", "continue", "intend", "consider", "estimate", "expect", "may", "will", "should", "could" or similar words suggesting future outcomes. More particularly, this press release contains statements concerning: Southern's business strategy, objectives, strength and focus; future consolidation activity and organic growth; future intentions with respect to return of capital; oil and natural gas production levels, decline rates, free funds flow; anticipated operational results for 2023 including, but not limited to, estimated or anticipated production levels, capital expenditures and drilling plans and locations; expectations regarding commodity prices; the performance characteristics of the Company's oil and natural gas properties; the ability of the Company to achieve drilling success consistent with management's expectations; risk management activities; estimates as to preliminary unaudited financial information for December 31, 2022; and the source of funding for the Company's activities including development costs. Statements relating to production, reserves, recovery, replacement, costs and valuation 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 document are based on certain key expectations and assumptions made by Southern, including those relating to: the business plan of Southern; the timing of and success of future drilling, development and completion activities; the geological characteristics of Southern's properties; prevailing commodity prices, price volatility, price differentials and the actual prices received for the Company's products; the availability and performance of drilling rigs, facilities, pipelines and other oilfield services; the timing of past operations and activities in the planned areas of focus; the drilling, completion and tie-in of wells being completed as planned; the performance of new and existing wells; the application of existing drilling and fracturing techniques; prevailing weather and break-up conditions; royalty regimes and exchange rates; the application of regulatory and licensing requirements; the continued availability of capital and skilled personnel; the ability to maintain or grow the banking facilities; the accuracy of Southern's geological interpretation of its drilling and land opportunities, including the ability of seismic activity to enhance such interpretation; and Southern's ability to execute its plans and strategies.

Although management considers these assumptions to be reasonable based on information currently available, undue reliance should not be placed on the forward-looking statements because Southern can give no assurances that they may prove to be correct. By their very nature, forward-looking statements are subject to certain risks and uncertainties (both general and specific) that could cause actual events or outcomes to differ materially from those anticipated or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to: incorrect assessments of the value of benefits to be obtained from exploration and development programs; changes in the financial landscape both domestically and abroad, including volatility in the stock market and financial system; wars (including Russia's war in Ukraine); risks associated with the oil and gas industry in general (e.g. operational risks in development, exploration and production; and delays or changes in plans with respect to exploration or development projects or capital expenditures); commodity prices; increased operating and capital costs due to inflationary pressures; the uncertainty of estimates and projections relating to production, cash generation, costs and expenses; health, safety, litigation and environmental risks; inflationary risks; access to capital; and the COVID-19 pandemic. Due to the nature of the oil and natural gas industry, drilling plans and operational activities may be delayed or modified to react to market conditions, results of past operations, regulatory approvals or availability of services causing results to be delayed. Please refer to the annual information form for the year ended December 31, 2021, the management's discussion and analysis for the period ended September 30, 2022 (the "**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 or under the Company's profile on www.sedar.com.

The forward-looking statements contained in this press release are made as of the date hereof and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, except as required by applicable law. The forward-looking statements contained herein are expressly qualified by this cautionary statement.

This press release contains future-oriented financial information and financial outlook information (collectively, "**FOFI**") about Southern's prospective results of operations, operating costs and margins, free funds flow and expectations regarding continued significant and predictable reserves growth, 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.

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. Operating netback is not a recognized measure under IFRS. Readers are cautioned that 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.

"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.