



## **SOUTHERN ENERGY CORP. ANNOUNCES SCHEDULE 2(G) UPDATE AND INFORMATION REGARDING THE ANNUAL MEETING OF SHAREHOLDERS**

**Calgary, Alberta – May 18, 2023 – Southern Energy Corp.** (“Southern” or the “Company”) (TSXV:SOU) (AIM:SOU) (OTCQX:SOUTF) notes, pursuant to AIM Rule 17 and Schedule 2(g) of the AIM Rules for Companies, the announcement released by Touchstone Exploration Inc. in relation to Paul Baay, a Non-Executive Director of the Company.

The text of the announcement published by Touchstone yesterday is extracted in full below:

### **“TOUCHSTONE CONFIRMS CEO SETTLEMENT WITH THE ALBERTA SECURITIES COMMISSION**

CALGARY, ALBERTA (May 17, 2023) - Touchstone Exploration Inc. (TSX, LSE: TXP) ("Touchstone" or the "Company") announces that its President and Chief Executive Officer, Paul R. Baay, has entered into a Settlement Agreement with the Alberta Securities Commission (the "ASC") in relation to a breach of Section 147(4) of the *Securities Act* (Alberta) (the "Settlement Agreement").

Pursuant to the Settlement Agreement, Mr. Baay admits that he, on six occasions between December 2019 and April 2021, emailed draft Touchstone news releases to an employee of a regulated Canadian investment dealer firm, who was a registered dealing representative of Touchstone (the "Registrant"), and, in such capacity, was responsible for the Company's Employee Share Ownership Plan (the "ESOP"), prior to such news releases being broadly distributed to the public. Mr. Baay emailed the draft Touchstone news releases to the Registrant during the evenings or on the weekends when both the TSX and AIM markets were closed. The ASC noted that none of the Registrant, nor any persons with whom the Registrant might share the emails would have been able to transact in Touchstone securities with knowledge of the information contained in the releases. On each of the six occasions, Touchstone distributed the final versions of the news releases to the public before the TSX and AIM markets opened for regular trading on the next trading day. However, this conduct was determined by the ASC to be a breach of Section 147(4) of the *Securities Act* (Alberta), leading to the Settlement Agreement.

The Settlement Agreement states that Mr. Baay demonstrated exemplary cooperation with the ASC in concluding the Settlement Agreement. Mr. Baay has paid the ASC \$40,000 in settlement of the matter and will complete training in public company governance best practice. The ASC will ordinarily seek market access bans against directors and officers of public companies that engage in insider trading or tipping. However, due to the rather unique circumstances of this case including the early and significant degree of cooperation and acceptance of responsibility, as well as the absence of demonstrable harm to the capital market, bans have not been required by the ASC in this case. The ASC notes in the Settlement Agreement that its investigation did not identify any instances of trading on the material non public information.

Mr. Baay advised that he did not intend for the information contained in the draft news releases to be acted upon, nor did Mr. Baay obtain any personal benefit from this conduct. Mr. Baay advised that he was under the mistaken belief that he was permitted to provide the Registrant with the draft news releases in the course of business, and that he did so with the view to benefit from the Registrant's review to ensure that the final press releases could be properly and fully understood by the public.

John Wright, Chairman of the Board of Directors of Touchstone, commented “The Board takes compliance with regulatory obligations very seriously. After reviewing Paul's conduct in these events, we are confident that this was a genuine mistake; there was clearly no intention to gain financially, a view confirmed by the ASC's own enquiry. We note that Paul co-operated fully with the regulator and has accepted their findings. The Board regularly reviews Touchstone's disclosure and governance policies and we continue to make upgrades and enhancements as evidenced in this situation by the appointment of a new administrator

responsible for the Company's ESOP. We are committed to ensuring that the strongest governance arrangements are implemented across our business, in line with best practices.”

The Settlement Agreement will be available on the ASC's website ([www.asc.ca](http://www.asc.ca)).

The above information is disclosed pursuant to Rule 17 and Schedule 2(g) of the AIM Rules for Companies. This announcement contains inside information for the purposes of Article 7 of the UK version of the Market Abuse Regulation (EU) No.596/2014, which forms part of UK law by virtue of the European Union (Withdrawal) Act 2018.”

### **Annual Meeting of Shareholders**

Southern's Annual Meeting of Shareholders is to be held at the Company's offices located at Suite 2400, 333 - 7th Avenue S.W., Calgary, Alberta, T2P 2Z1, on Thursday, June 15, 2023 at 10:00 a.m. (Calgary time) and by webcast via Zoom, formal notice of which is available on the Company's website and on Sedar at [www.sedar.com](http://www.sedar.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

### **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.