

SOUTHERN ENERGY CORP.



WHISTLEBLOWING POLICY

Audit Committee Board Policy Regarding Complaints and Concerns Procedures

Corporate Policies & Procedures

Regulatory authorities in the United States and Canada have adopted investor confidence rules aimed at avoiding accounting scandals that shook the integrity of financial markets at the beginning of the new millennium. In such regard, all public companies must establish a “whistle blowing” policy that allows an interested party such as an employee to alert persons in authority of any improper accounting or financial practices, without fear of retribution. Since the integrity of Southern Energy Corp. (“**Southern**” or the “**Corporation**”) as a public company can be negatively affected by improper accounting or financial practices the board of directors of Southern wishes to establish a formal whistle blowing policy. This policy sets out the guidelines to be followed by any interested party who wishes to report any impropriety of an accounting or financial nature observed in the course of the exercise of their duties, without fear of loss of employment, prejudice or other form of undesirable reprimand.

1. Purpose of Policy

The Corporation has established accounting policies and procedures and an internal control process to ensure the accuracy and integrity of the Corporation’s financial statements. It is recognized that there may be situations from time to time where employees or other parties believe that these policies and procedures have not been followed or that information has been intentionally or unintentionally misstated or omitted which may impair the integrity or accuracy of the Corporation’s financial statements.

This policy sets out procedures to address the receipt, retention and treatment of complaints received by the Corporation in respect of matters relating to fraud, accounting, internal accounting controls or auditing. This policy also sets up means to protect the confidentiality and anonymity of any submission by employees or consultants of the Corporation.

In the case of questions relating to fraud, accounting, accounting procedures or control procedures, questions or comments may be directed to the Chair of the Audit Committee at the following address:

Chair of the Audit Committee
Southern Energy Corp.
4200 Bankers Hall West
888 – 3rd Street S.W.
Calgary, Alberta, T2P 5C5
auditchair@southernenergycorp.com

2. Procedures for Receiving and Addressing Complaints and Concerns

Complaints regarding fraud, accounting, internal accounting controls or auditing matters and concerns regarding questionable accounting or auditing matters should be reported to the Chair of the Audit Committee or raised by sending a written communication to the Chair of the Audit Committee in an envelope marked “**Private and Confidential – Audit Committee Policy Regarding Complaints and Concerns Procedures**”. If the complaint or concern is anonymous, there must be clear, accurate and sufficient details, as there will be no opportunity to have the information clarified.

2.1. General Complaints and Concerns

Upon receipt of a complaint, the Chair of the Audit Committee will record the complaint or concern and act to resolve any issue by offering to meet with the complainant or communicating with that person through another appropriate means. Each of the complaints and concerns will be thoroughly investigated and appropriate action taken. All complaints and concerns and their disposition will be advised to the Audit Committee at the next meeting following the date of the complaint or concern. The Chair of the Audit Committee may elect, if thought fit, to call a special meeting sooner to deal with the complaint or concern.

2.2. Confidentiality

Each complaint or concern will be treated as confidential and the anonymity of the complainant or filer, if requested, will be preserved.

2.3. Prohibition Against Retaliation

The Corporation will not discharge, threaten, harass, discipline, withhold or suspend payment of salary or benefits, demote, transfer or otherwise take any disciplinary or retaliatory action against any employee or consultant of the Corporation who in good faith raises a concern, files a complaint, reports any suspected wrongdoing, or discloses or provides information or assistance in connection with any internal investigation or governmental proceeding or inquiry.

3. Logs

Complaints and Concerns Logs: The Chair of the Audit Committee will ask the Corporate Secretary to supervise the maintenance of a log (the “**Logs**”) of all complaints and concerns received from any source.

3.1. Complaints and Submission of Concerns Reports

Each complaint and concern will be separately documented by the Chair of the Audit Committee. Such documentation shall include a report that contains a complete description of the allegation(s), the action taken (including investigative and disciplinary action), the status of the file as pending or closed and, if closed, a statement describing the final disposition of the case. All documentation with respect to a complaint or a concern shall be retained by the Corporate Secretary.

3.2. Audit Committee Oversight

The Audit Committee will have full access to respective Logs, complaints and concerns reports and related documentation at all times, except for any information that may be used to identify a complainant or filer who has requested anonymity.