



SOUTHERN ENERGY CORP. ANNOUNCES PAYMENT OF INTEREST IN-KIND TO ITS 8% CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES

Calgary, Alberta – December 27, 2023 – Southern Energy Corp. ("Southern" or the "Company") (SOU: TSXV) (AIM:SOU) (OTCQX:SOUTF) announces that the Company has agreed to issue, in aggregate, 779,273 new common shares of Southern (the "**Common Shares**") to holders of its 8% convertible unsecured subordinated debentures issued on June 14, 2019 and January 15, 2021 (collectively, the "**Debentures**") as payment in kind of accrued interest on the Debentures due on December 31, 2023 in the aggregate amount of CAD\$171,440 (the "**Interest Payment**"). The number of new Common Shares to be issued is equal to the amount of the interest, divided by the volume weighted average trading price per Common Share for the 20 consecutive trading days ending on the fifth trading day preceding December 31, 2023, being CAD\$0.22 per Common Share. Southern gave notice to Computershare Trust Company of Canada, as debenture trustee, effective December 31, 2023, that it exercised its right to make the Interest Payment by issuing Common Shares.

Director/PDMR Participation

It is noted that certain Directors and PDMRs of the Company hold Convertible Debentures, on the same terms as all other participants, and, accordingly, were issued, in aggregate, 9,455 Common Shares were issued. Further details regarding individual participation of the Company's Directors and PDMRs is set out in the PDMR notification forms below.

Admission and Total Voting Rights

The new Common Shares issued in respect of the Interest Payment will be credited as fully paid, rank *pari passu* in all respects with the existing Common Shares, and are expected to be admitted to trading on AIM on or around 8.00 a.m. (GMT) on or around 3 January 2024 ("**Admission**").

Following Admission, the total number of Common Shares in the Company in issue will be 166,497,433, and this figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company.

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

Southern Energy Corp.

Ian Atkinson (President & CEO)

+1 587 287 5401

Calvin Yau (CFO)

+1 587 287 5402

Strand Hanson Limited - Nominated & Financial Adviser

James Spinney / James Bellman

+44 (0) 20 7409 3494

Stifel Nicolaus Europe Limited – Joint Broker

Callum Stewart / Ashton Clanfield

+44 (0) 20 7710 7600

Tennyson Securities – Joint Broker

Peter Krens / Pav Sanghera

+44 (0) 20 7186 9033

Camarco

Owen Roberts / Billy Clegg / Hugo Liddy

+44 (0) 20 3757 4980

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.

READER ADVISORY

Forward Looking Statements. *Certain information included in this press release constitutes forward-looking information under applicable securities legislation. Forward-looking information typically contains statements with words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose", "project" or similar words suggesting future outcomes or statements regarding an outlook. The forward-looking statements contained in this press release are based on certain key expectations and assumptions made by Southern. Although Southern believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Southern can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to: risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production, the uncertainty of reserve estimates, the uncertainty of estimates and projections relating to production, costs and expenses, regulatory risks, and health, safety and environmental risks); the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks; the impact of pandemics; constraint in the availability of labour, supplies or services; commodity price and exchange rate fluctuations; geo-political risks, political and economic instability abroad and wars (including the Russo-Ukrainian war and the Israel-Palestinian conflict); changes in legislation impacting the oil and gas industry; inflationary risks, including potential increases to operating and capital costs; adverse weather or break-up conditions; and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures. The Russo-Ukrainian war and the Israel-Palestinian conflict are particularly noteworthy, as these conflicts have the potential to disrupt the global supply of oil and gas, and their full impact remains uncertain. Other risks faced by the Company are set out in more detail in Southern's Annual Information Form for the year ended December 31, 2022, which is available under the Company's SEDAR+ profile at www.sedarplus.ca. The forward-looking information contained in this press release is made as of the date hereof and Southern undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless required by applicable securities laws. The forward-looking information contained in this press release is expressly qualified by this cautionary statement.*

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

PDMR NOTIFICATION FORMS

1	Details of the person discharging managerial responsibilities / person closely associated	
a)	Name	Neil Smith
2	Reason for the notification	
a)	Position/status	Non-Executive Director
b)	Initial notification /Amendment	Initial notification
3	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor	
a)	Name	Southern Energy Corp.
b)	LEI	213800R25GL7J3EBJ698
4	Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted	
a)	Description of the financial instrument, type of instrument	Common shares in Southern Energy Corp.
	Identification code	CA8428131059
b)	Nature of the transaction	Issuance of new common shares
c)	Price(s) and volume(s)	9,455 common shares at a price of CAD\$0.22
d)	Aggregated information	N/A
e)	Date of the transaction	27 December 2023
f)	Place of the transaction	Outside of a trading venue