



## SOUTHERN ENERGY CORP. ANNOUNCES FOURTH QUARTER AND YEAR END 2024 FINANCIAL AND OPERATING RESULTS

Calgary, Alberta – April 29, 2025 – Southern Energy Corp. (“Southern” or the “Company”) (TSXV:SOU) (AIM:SOU), an established producer with natural gas and light oil assets in Mississippi, announces its fourth quarter and year end December 31, 2024 financial and operating results. Selected financial and operational information is outlined below and should be read in conjunction with the Company’s audited consolidated financial statements and related management’s discussion and analysis (the “MD&A”) for the three and twelve months ended December 31, 2024, as well as the Company’s annual information form for the year ended December 31, 2024, (the “AIF”), all of which are available on the Company’s website at [www.southernenergycorp.com](http://www.southernenergycorp.com) and have been filed under the Company’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

All figures referred to in this news release are denominated in U.S. dollars, unless otherwise noted.

### FOUTH QUARTER AND YEAR END 2024 HIGHLIGHTS

- Average production of 13,556<sup>1</sup> Mcfe/d (2,259 boe/d) (96% natural gas) during Q4 2024 and 15,264<sup>2</sup> Mcfe/d (2,544 boe/d) (96% natural gas) for the year ended December 31, 2024, a decrease of 19% and 6% from the same periods in 2023, respectively
- Petroleum and natural gas sales of \$3.9 million during Q4 2024 and \$16.1 million for the year ended December 31, 2024, a decrease of 23% and 17% from the same periods in 2023, respectively, largely due to a significant depreciation in commodity prices and initial decline from the new wells drilled
- Average realized natural gas and oil prices for Q4 2024 of \$2.78/Mcf and \$68.59/bbl, compared to \$2.95/Mcf and \$76.97/bbl in Q4 2023. Southern achieved an average premium of \$0.22/Mcf (approximately 10% above the NYMEX HH benchmark) throughout 2024
- Generated \$0.4 million of Adjusted Funds Flow from Operations<sup>3</sup> in Q4 2024 (\$0.00 per share basic and diluted), excluding \$1.1 million of one-time transaction costs, and generated \$4.1 million for the year ended December 31, 2024 (\$0.02 per share basic and diluted), excluding \$1.3 million of one-time transaction costs
- Net loss of \$3.7 million (\$0.02 per share basic and diluted) and \$11.5 million (\$0.07 per share basic and diluted) for the three and twelve months ended December 31, 2024, respectively
- Reduced Net Debt<sup>3</sup> for the year ended December 31, 2024 by \$2.7 million from December 31, 2023
- On October 30, 2024, entered into the eighth amendment to the Company’s senior secured term loan (the “Credit Facility”), which included an extension to the pause of monthly repayment of principal to December 31, 2024 and a condition that Southern would repay a portion of the outstanding principal at January 31, 2025
- Monetized excess inventory equipment in 2024 for net proceeds of \$3.4 million

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<sup>1</sup> Comprised of 87 bbl/d light and medium crude oil, 13 bbl/d NGLs and 12,956 Mcf/d conventional natural gas

<sup>2</sup> Comprised of 94 bbl/d light and medium crude oil, 10 bbl/d NGLs and 14,640 Mcf/d conventional natural gas

<sup>3</sup> See “Reader Advisories - Specified Financial Measures”

## SUBSEQUENT EVENTS

- Effective January 31, 2025, Southern entered into the ninth amendment to the Credit Facility which included an extension to the pause of monthly repayment of principal to January 31, 2025 and reduced the repayment required from the eighth amendment to \$1.45 million at January 31, 2025, which the Company paid (see “*Liquidity and Capital Resources – Credit Facility*” in the December 31, 2024 MD&A for full details of the amendment)
- Effective February 28, 2025, Southern entered into the tenth amendment to the Credit Facility, which amended the monthly repayment of the principal amount outstanding calculation beginning on February 28, 2025, to the aggregate principal amount then outstanding on all loans multiplied by 60% multiplied by the fraction  $1 / A$ , where A equals the sum of the number of whole or partial calendar months remaining to the maturity date plus 24 months (see “*Liquidity and Capital Resources – Credit Facility*” in the December 31, 2024 MD&A for full details of the amendment)
- Effective March 31, 2025, Southern entered into the eleventh amendment to the Credit Facility. This amendment amended the asset coverage ratio down to 1.5x from 1.75x in 2025 and reduced Tranche B capacity to \$5.0 million (see “*Liquidity and Capital Resources – Credit Facility*” in the December 31, 2024 MD&A for full details of the amendment)
- On April 8, 2025, Southern closed an equity financing raising aggregate gross proceeds of \$5.0 million through the issuance of a total of 102,482,673 new units (see “*Shareholders’ Equity – Share Capital*” in the December 31, 2024 MD&A for full details)
- On April 8, 2025, Southern converted the remaining convertible debentures in the amount of \$3.1 million into 62,759,286 new units and issued 1,627,170 new units for all accrued and unpaid interest (see “*Liquidity and Capital Resources – Debenture Financing*” in the December 31, 2024 MD&A for full details of the conversion)

### **Ian Atkinson, President and Chief Executive Officer of Southern, commented:**

*“Southern had a quiet year in the field in 2024 due to low natural gas pricing, which ended the year as the second-lowest in the past 24 years. The focus for Southern was balance sheet preservation, led by the monetization of excess inventory equipment for \$3.4 million, reducing our abandonment liabilities by divesting non-core, non-producing wellbores during Q3 2024 and working with our credit lender to amend the Credit Facility to support the Company. We ended the year having reduced net debt and substantially decreased the burden of short term liabilities on our balance sheet, which in light of the operating environment was a positive achievement.*”

*“Despite the market challenges, Southern has leveraged the strategic locations of its assets and sales points, achieving a \$0.22/Mcf premium (~10% basis premium) over Henry Hub benchmark pricing in 2024. This premium has increased in Q1 2025 to \$0.50/Mcf (~14%). Additionally, our financial hedge of 5,000 MMBtu/d at \$3.40/MMBtu, which was initiated in Q2 2024, provided stable cash flows, enabling us to navigate ongoing volatility. Importantly, we have remained steadfast in sensible capital allocation in the field and have been disciplined to allow us future flexibility as commodity prices improve.*”

*“As we enter 2025, market fundamentals continue to strengthen. Feed gas demand from LNG export facilities at Plaquemines and Corpus Christi are growing quickly with feed gas flows to Golden Pass LNG facility expected later this year. Domestic consumption is rising—driven by gas-fired electricity generation supporting data centers and transportation electrification as well as renewed growth in pipeline exports to Mexico. These dynamics are expected to tighten the U.S. natural gas balance in the coming quarters.*”

*“Longer-term, the structural case for U.S. natural gas pricing remains intact as the U.S. has become the world’s largest exporter of LNG in the past few years at the same time as production growth in the U.S has slowed with upstream producers focusing on fiscal conservatism ahead of growth.*

*“We remain focused on leveraging our strategic position and disciplined operations to deliver sustainable growth and enhance long-term shareholder value by using the net proceeds from the recently closed equity financing to re-ignite our growth plan. As we navigate the year with a strengthened financial position and several exciting operational growth catalysts coming up, we look forward to keeping the market updated and thank our shareholders for the support in the year.”*

## Financial Highlights

	Three months ended December 31,		Year ended December 31,	
<b>(000s, except \$ per share)</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Petroleum and natural gas sales	\$ 3,917	\$ 5,098	\$ 16,080	\$ 19,313
Net loss	(3,715)	(39,563)	(11,520)	(46,817)
Net loss per share				
Basic	(0.02)	(0.26)	(0.07)	(0.33)
Fully diluted	(0.02)	(0.26)	(0.07)	(0.33)
Adjusted Funds Flow from Operations <sup>(1)</sup>	(725)	777	2,759	3,227
Adjusted Funds Flow from Operations per Share <sup>(1)</sup>				
Basic	(0.00)	0.01	0.02	0.02
Fully diluted	(0.00)	0.01	0.02	0.02
Capital expenditures and acquisitions	68	3,212	884	45,130
Weighted average shares outstanding				
Basic	167,250	154,140	166,871	142,747
Fully diluted	167,250	154,140	166,871	142,747
<b>As at period end</b>				
Common shares outstanding	169,386	165,718	169,386	165,718
Total assets	53,801	67,305	53,801	67,305
Non-current liabilities	8,366	21,613	8,366	21,613
Net debt <sup>(1)</sup>	\$ (23,954)	\$ (26,667)	\$ (23,954)	\$ (26,667)

Note:

<sup>(1)</sup> See “Reader Advisories – Specified Financial Measures”.

## Operations Update

With the closing of the successful equity financing on April 8, 2025, the Company is preparing to execute the first of three completion operations on our previously drilled but uncompleted horizontal wells in the Gwinville Field. The Lower Selma Chalk completion is expected to cost approximately \$2.5 million gross, with operations anticipated before the end of the second quarter in 2025. Timing for the second and third horizontal completions (one Lower Selma Chalk and one City Bank) will depend on the results of the first completion operation, but the Company expects to have all three wells completed before the end of the year.

Planning of the drilling operations in the Mechanicsburg Field continue and drilling is expected to commence in the third quarter of 2025 subject to rig availability.

## 2024 Year End Reserves Update

The Company is pleased to announce selected highlights of Southern's year end independent oil and gas reserves evaluation as of December 31, 2024.

Estimates of the Company's reserves and related estimates of net present value of future net revenues as at December 31, 2024, are based upon reports (the "**NSAI Report**") prepared by Southern's 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, 2023.

### Reserve Highlights:

The NSAI Report states:

- PDP reserves of 6.2 MMboe,
- 1P reserves of 12.7 MMboe,
- 2P reserves of 27.9 MMboe, and
- a PDP reserve life index of nine years and 39 years for 2P reserves based on the 2025 PDP production forecast.

Before-tax net present value ("**NPV**") of reserves, discounted at 10% ("**NPV10**"), is \$33.0 million on a PDP basis, \$58.2 million on a 1P basis and \$110.1 million on a 2P basis evaluated using the average forecast pricing of four independent reserve evaluators as at January 1, 2025.

In addition to the summary information disclosed in this press release, more detailed information regarding Southern's oil and gas reserves can be found in the AIF, which is available on the Company website and has been filed on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)).

## 2024 Independent Qualified Reserve Evaluation

The following tables highlight the findings of the NSAI Report, which has been 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 Handbook ("**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. Additional reserves information as required under NI 51-101 is included in Southern's AIF, which has been filed on SEDAR+. The numbers in the tables below may not sum due to rounding.

### Summary of Reserves Volumes as at December 31, 2024

The Company's reserve volumes and undiscounted future development capital costs are summarized below as at December 31, 2024:

SUMMARY OF RESERVE VOLUMES <sup>(1)</sup>	Light and	Condensate	NGL	Conventional	Total	FDC Costs
	Medium Oil (Mbbbls)	(Mbbbls)	(Mbbbls)	Natural Gas (MMcf)		
Proved Developed Producing	12	165	32	35,938	6,198	-

Proved Developed Non-Producing	44	58	1	8,774	1,565	8,169
Proved Undeveloped	-	361	107	26,783	4,932	47,455
<b>Total Proved</b>	<b>56</b>	<b>583</b>	<b>139</b>	<b>71,494</b>	<b>12,695</b>	<b>55,625</b>
Probable	16	247	18	89,524	15,201	105,904
<b>Total Proved Plus Probable</b>	<b>72</b>	<b>830</b>	<b>157</b>	<b>161,018</b>	<b>27,896</b>	<b>161,529</b>

(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, 2024 compared to December 31, 2023:

<b>CHANGE IN RESERVES AND RESERVE LIFE INDEX<sup>(1)</sup></b>	<b>2024</b>	<b>2023</b>	<b>% Change</b>
<b>Reserves (Mboe)</b>			
Proved Developed Producing	<b>6,198</b>	7,496	(17%)
Total Proved	<b>12,695</b>	14,078	(10%)
Total Proved Plus Probable	<b>27,896</b>	29,635	(6%)
PDP as % of 2P	<b>22%</b>	25%	(12%)
1P as % of 2P	<b>46%</b>	48%	(4%)
<b>Reserve Life Index (years)</b>			
Proved Developed Producing	<b>8.6</b>	7.8	10%
Total Proved	<b>17.5</b>	14.7	19%
Total Proved Plus Probable	<b>38.5</b>	30.9	25%

(1) The Reserve Life Index as at December 31, 2024 is calculated as gross working interest reserves divided by the projected annual PDP production forecast for 2025. See "Reader advisories - Oil and Gas Advisories"

### Net Present Value of Future Net Revenue as at December 31, 2024

The following table summarizes the NPV of the Company's reserves (before-tax) as at December 31, 2024. The reserves value on a \$/boe basis, discounted at 10% per year, is also summarized for each category.

	<b>0%</b>	<b>10%</b>	<b>20%</b>	<b>Unit Value<sup>(1)</sup> Before Income Tax, Discounted at 10%/year (\$/boe)</b>
<b>NET PRESENT VALUE BEFORE-TAX</b>	<b>(M\$)</b>	<b>(M\$)</b>	<b>(M\$)</b>	
Proved Developed Producing	56,364	32,981	24,175	6.80
Proved Developed Non-Producing	21,436	9,389	6,026	7.79
Proved Undeveloped	49,241	15,875	4,280	4.00
<b>Total Proved</b>	<b>127,041</b>	<b>58,246</b>	<b>34,480</b>	<b>5.81</b>
Probable	194,939	51,816	15,000	4.29
<b>Total Proved Plus Probable</b>	<b>321,980</b>	<b>110,062</b>	<b>49,480</b>	<b>4.98</b>

(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 their evaluation of the Company's reserves at December 31, 2024, which are based on a four-consultant average price forecast. 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	NYMEX
	Oklahoma US\$/bbl	Henry Hub US\$/MMBtu
2025	71.19	3.30
2026	73.20	3.76
2027	74.54	3.93
2028	76.28	4.01
2029	77.81	4.10
2030	79.37	4.17
2031	80.96	4.25
2032	82.57	4.34
2033	84.22	4.43
2034	85.91	4.52
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, 2024 relative to December 31, 2023.

RESERVES <sup>(1)</sup> RECONCILIATION	PDP (Mboe)	1P (Mboe)	Probable (Mboe)	2P (Mboe)
<b>December 31, 2023</b>	<b>7,496</b>	<b>14,078</b>	<b>15,556</b>	<b>29,635</b>
Discoveries	-	-	-	-
Extensions	-	-	-	-
Infill Drilling	-	-	-	-
Improved Recovery	-	-	-	-
Technical Revisions <sup>(2)</sup>	(266)	(357)	(336)	(694)
Acquisitions	-	-	-	-
Dispositions	-	-	-	-
Economic Factors	(101)	(95)	(19)	(114)
Production	(931)	(931)	-	(931)
<b>December 31, 2024</b>	<b>6,198</b>	<b>12,695</b>	<b>15,201</b>	<b>27,896</b>

(1) Gross working interest reserves before royalty deductions

(2) Technical revisions also include reserves associated with changes in operating costs and commodity price offsets

### Convertible Debenture Conversion

Further to the April 8, 2025 press release, in accordance with the Company's third supplemental indenture dated effective April 7, 2025, Southern completed its previously announced conversion of its outstanding convertible unsecured subordinated debentures (the "**Debentures**"), in an amount equal to US\$3.1 million representing 102.5 per cent settlement of the principal amount of the Debentures effective April 7, 2025 (inclusive of all accrued and unpaid interest) into an aggregate 64,386,456 Units at a conversion price of \$0.07 per Unit. Each Unit is comprised of one (1) Common Share and one (1) Common Share purchase warrant (each, a "**Warrant**"), with each Warrant being exercisable for one (1) Common Share at an exercise price of \$0.09 per Common Share exercisable for three years from the issuance date.

## Outlook

As part of its risk management strategy, Southern continuously monitors NYMEX prices and basis differentials to mitigate some of the volatility of natural gas prices. The Company took advantage of the contango in the natural gas future strip in early 2024 by entering into a fixed price swap contract of 5,000 MMBtu/d for the period of May 2024 – December 2026 at a price of \$3.40/MMBtu. This contract resulted in realized derivative gains of \$1.3 million in 2024.

Southern thanks all of its stakeholders for their ongoing support and looks forward to providing future updates on operational activities while continuing to enhance shareholder value.

## Corporate Presentation

A new corporate presentation dated April 2025 is now available on the Company website at [www.southernenergycorp.com](http://www.southernenergycorp.com).

## Qualified Person's Statement

Gary McMurren, Chief Operating Officer, who has over 24 years of relevant experience in the oil industry, 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.

**For further information about Southern, please visit our website at [www.southernenergycorp.com](http://www.southernenergycorp.com) or contact:**

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## About Southern Energy Corp.

Southern Energy Corp. is a natural gas exploration and production company characterized by a stable, low-decline production base, a significant low-risk drilling inventory and strategic access to premium commodity pricing in North America. 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 ADVISORIES

**MCFE Disclosure.** Natural gas liquids volumes are recorded in barrels of oil (bbl) and are converted to a thousand cubic feet equivalent (Mcf) 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.

**Unit Cost Calculation.** For the purpose of calculating unit costs, natural gas volumes have been converted to a boe using six thousand cubic feet equal to one barrel unless otherwise stated. A boe conversion ratio of 6:1 is based upon an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. This conversion conforms with NI 51-101. Boe may be misleading, particularly if used in isolation.

**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.

**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 which have been prepared by management, such as "reserves life index" and "development capital". These terms do not have a standardized meaning and the Company's calculation of such metrics may not be comparable to the calculation method used or presented by other companies for the same or similar metrics, 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 metrics to compare the Company'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. "Reserve life index" is calculated as total company interest reserves divided by expected annual PDP production, for the year indicated. "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.

**Abbreviations.** Please see below for a list of abbreviations used in this press release.

1P	total proved
2P	proved plus probable
bbl	barrels
bbl/d	barrels per day
bcf/d	billion cubic feet per day
boe	barrels of oil
boe/d	barrels of oil per day
Mcf	thousand cubic feet
Mcf/d	thousand cubic feet per day
MMcf	million cubic feet
MMcf/d	million cubic feet per day
Mcfe	thousand cubic feet equivalent
Mcfe/d	thousand cubic feet equivalent per day
MMboe	million barrels of oil
MMBtu	million British thermal units
MMBtu/d	million British thermal units per day
NI 51-101	National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities
NYMEX	New York Mercantile Exchange
PDP	proved developed producing

**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", "continue", "evaluate", "forecast", "may", "will", "can", "target", "potential", "result", "could", "should" or similar words suggesting future outcomes or statements regarding an outlook (including negatives and variations thereof). Forward-looking information in this press release may include, but is not limited to statements concerning the Company's asset base including the development of the Company's assets, positioning, oil and natural gas production levels, the Company's anticipated operational results, Southern's growth strategy and the expectation that it will continue to enhance shareholder value, forecasted natural gas pricing, Southern's ability to re-initiate growth in deploying the net proceeds from the equity financing on capital expenditures, drilling and completion plans and casing remediation activities, expectations regarding commodity prices and service costs, expectations regarding increased demand for gas (including demand stemming from artificial intelligence data centers, vehicle electrification and certain export facilities) performance characteristics of the Company's oil and natural gas properties, the Company's expectation to continue actively reducing and optimizing operating costs, general and administrative expenses and maintenance capital to maximize netbacks, the Company's hedging strategy and execution thereof, the ability of the Company to achieve drilling success consistent with management's expectations, the Company's expectations regarding completion of the three remaining DUCs and the drilling operations in the Mechanicsburg Field (including the timing thereof and anticipated costs and funding), the

effect of market conditions on the Company's performance and expectations regarding the use of proceeds from all sources including the senior term loan. 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.

The forward-looking statements contained in this press release are based on certain key expectations and assumptions made by Southern, including, but not limited to, the timing of and success of future drilling, development and completion activities, the performance of existing wells, the performance of new wells, the availability and performance of drilling rigs, facilities and pipelines, the geological characteristics of Southern's properties, the characteristics of the Company's assets, the successful integration of acquired assets into the Company's operations, the Company's ability to comply with ongoing obligations under the senior term loan and other sources of financing, the successful application of drilling, completion and seismic technology, the benefits of current commodity pricing hedging arrangements, Southern's ability to enter into future derivative contracts on acceptable terms, Southern's ability to secure financing on acceptable terms, prevailing weather conditions, prevailing legislation, as well as regulatory and licensing requirements, affecting the oil and gas industry, the Company's ability to obtain all requisite permits and licences, prevailing commodity prices, price volatility, price differentials and the actual prices received for the Company's products, royalty regimes and exchange rates, the impact of inflation on costs, the application of regulatory and licensing requirements, the Company's ability to obtain all requisite permits and licences, the availability of capital, labour and services, the creditworthiness of industry partners, the Company's ability to source and complete asset acquisitions, and the Company's ability to execute its plans and strategies.

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), constraint in the availability of labour, supplies, or services, the impact of pandemics, commodity price and exchange rate fluctuations, geo-political risks, political and economic instability, the imposition or expansion of tariffs imposed by domestic and foreign governments or the imposition of other restrictive trade measures, retaliatory or countermeasures implemented by such governments, including the introduction of regulatory barriers to trade and the potential effect on the demand and/or market price for the Company's products and/or otherwise adversely affects the Company, wars (including the Russo-Ukrainian war and the Israel-Hamas conflict), hostilities, civil insurrections, inflationary risks including potential increases to operating and capital costs, changes in legislation impacting the oil and gas industry, including but not limited to tax laws, royalties and environmental regulations (including greenhouse gas emission reduction requirements and other decarbonization or social policies and including uncertainty with respect to the interpretation of omnibus Bill C-59 and the related amendments to the Competition Act (Canada)), the Company's ability to meet its financial obligations and covenants, 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. These and other risks are set out in more detail in Southern's MD&A for the period ended December 31, 2024 and AIF for the year ended December 31, 2024, which are available on the Company's website at [www.southernenergycorp.com](http://www.southernenergycorp.com) and filed under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://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.

**Future Oriented Financial Information.** This press release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about Southern's capital expenditures, general and administrative expenses, inorganic growth, hedging, natural gas pricing, netbacks, royalty rates and prospective results of operations and production, 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. Changes in forecast commodity prices, differences in the timing of capital expenditures, and variances in average production estimates can have a significant impact on the key performance measures included in Southern's guidance. The Company's actual results may differ materially from these estimates.

**Specified Financial Measures.** This press release provides various financial measures that do not have a standardized meaning prescribed by International Financial Reporting Standards ("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. Adjusted Funds Flow from Operations, adjusted working capital and net debt are not recognized measures under IFRS. Readers are cautioned that these 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](http://www.southernenergycorp.com) and filed under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

**"Adjusted Funds Flow from Operations"** (non-IFRS financial measure) is calculated based on cash flow from operative activities before changes in non-cash working capital and cash decommissioning expenditures. Management uses adjusted funds flow from operations as a key measure to assess the ability of the Company to finance operating activities, capital expenditures and debt repayments.

**"Adjusted Funds Flow from Operations per Share"** (non-IFRS financial measure) is calculated by dividing Adjusted Funds Flow from Operations by the number of Southern shares issued and outstanding.

**"Net Debt"** (capital management measure) is monitored by management, along with adjusted working capital, as part of its capital structure in order to fund current operations and future growth of the Company. Net debt is defined as long-term debt plus adjusted working capital surplus or deficit. Adjusted working capital is calculated as current assets less current liabilities, removing current derivative assets/liabilities, the current portion of bank debt, and the current portion of lease liabilities.

**Neither the 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.**