

Modern Slavery Report 2024 Southern Energy Corp.

This Modern Slavery Report (the “**Report**”) has been prepared in compliance with Section 11 of Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “**Act**”). This Report is made as a joint report on behalf of Southern Energy Corp. (“**Southern**” or the “**Company**”) and our subsidiaries listed on Schedule “A” hereto (collectively, the “**Subsidiaries**”) and outlines the actions we have taken during the year ended December 31, 2024 to prevent and reduce the risks of forced labour and child labour occurring in our business. The use of the words “**we**”, “**us**” and “**our**” refers to Southern.

This Report has not been prepared as financial or investment advice or to provide any guidance in relation to our future performance. Readers should review the disclaimers beginning on page 5 of the Report.

Introduction

Southern and its Subsidiaries are committed to preventing the occurrence and reducing the risk of forced labour and child labour, each as defined in the Act, in our operations and supply chains. As a Canadian oil and gas company operating in the United States, we recognize our responsibility to ensure that modern slavery is not used at any level of our business, whether within Canada, the United States or abroad, by our entity or within our supply chains. Southern and its Subsidiaries do not tolerate child labour, forced labour or any other form of exploitation and we expect that our stakeholders share our commitment to ethical and responsible business practices and support our values. Since the promulgation of the Act, Southern has undertaken several initiatives to address and mitigate the risks of forced labour and child labour in our supply chains, including the following:

- mapping our supply chains, inclusive of the supply chains of our Subsidiaries;
- developing and implementing due diligence policies and processes for identifying, addressing, and prohibiting the use of forced labour and/or child labour in the organization’s activities and supply chains; and
- encouraging employees and stakeholders of Southern and its Subsidiaries to report any concerns or suspicions of modern slavery.

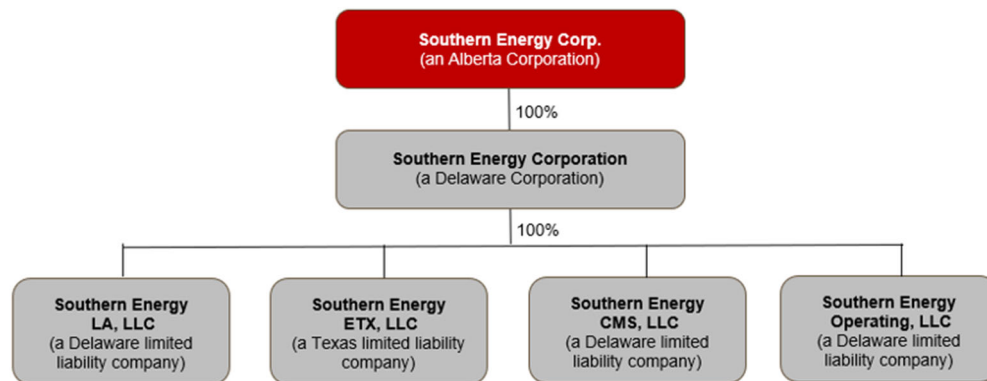
Our Structure and Business

Southern is a petroleum and natural gas exploration and production company. The business of the Company is focused on building value through the consolidation, development and exploration of oil and gas assets in the southeastern United States. Southern’s principal properties are the Central Mississippi Assets (approximately 38,000 acres). The Central Mississippi Assets contain oil and gas production at Gwinville, Mechanicsburg, Williamsburg, Greens Creek, Magee and Mount Olive, Mississippi. As at December 31, 2024, Southern had approximately 13 employees in Canada and 6 employees and 8 contractors in the United States working in professional office and field operations roles. Southern strives to create a diverse, inclusive and respectful culture across our business operations and projects.

Southern is incorporated under the *Business Corporations Act* (Alberta), and our head office is located in Calgary, Alberta. The Common Shares of Southern trade on the TSX Venture Exchange under the trading symbol “SOU” and the AIM market of the London Stock Exchange under the trading symbol “SOUK”.

Additional information regarding Southern's corporate structure, operations and industry conditions is available in the Company's Annual Information Form for the year ended December 31, 2024, which can be accessed on our website at www.southernenergycorp.com or on our SEDAR+ profile at www.sedarplus.ca.

The following organizational chart describes the inter-corporate relationships among Southern and its Subsidiaries as of December 31, 2024:



Our Supply Chains

Our supply chain consists of businesses that supply goods and services to our organization, inclusive of Southern and its Subsidiaries, primarily in connection with the purchase of goods and services in relation to our upstream oil and natural gas business. These goods and services include well drilling and completion services, as well as operations and maintenance of our wells. Southern, directly and indirectly through its Subsidiaries, also purchases manufactured goods such as valves, pipes, pumps, compressors, tanks, fuel and other engineered equipment.

In 2024, Southern and its Subsidiaries procured goods and services from approximately 220 suppliers, predominantly from suppliers based in the United States. Southern has operated as an upstream oil and natural gas business for many years and has built a strong foundation with many of its suppliers. Any supplier that is physically on a lease by Southern or one of its Subsidiaries is governed by a negotiated supply contract. These contracts consider health, safety, environmental, technical compliance and supply chain management criteria.

Our Policies

Through our organizational and governance policies we communicate our values and expectations, setting a high bar for the Company and its Subsidiaries, as well as directors, officers, employees, consultants and contractors of Southern and its Subsidiaries. We do not tolerate forced labour or child labour in any of our operations, and expect our stakeholders to share our commitment to responsible business practices. Our relevant policies are discussed in further detail below, however we are committed to consistently evolving and improving our approach towards preventing and reducing the risk of forced labour or child labour occurring in our business.

- **Code of Business Conduct and Ethics**
Southern's Code of Business Conduct and Ethics (the "**Code**") applies to all of Southern's directors, officers, employees, consultants and contractors, as well as employees of the Subsidiaries of Southern. The Code addresses ethical conduct in our work environment, business practices and relationships with our stakeholders. The principles set out in the Code reflect Southern's belief that

honesty, high ethical standards and compliance with laws, rules and regulations foster a positive work environment, foster trust with stakeholders, and lead to overall improved business performance. The Code details the requirements of all Southern's directors, officers, employees, consultants and contractors, as well as employees of the Subsidiaries of Southern, in their daily activities and dealings with others on behalf of Southern. Our Code specifically addresses concerns regarding forced labour and child labour. All directors, officers, employees, consultants and contractors of Southern are required to acknowledge receipt and review of the Code on commencement of their relationship with the Company and when changes are made to the Code.

- **Whistleblowing Policy**

The Company's Whistleblowing Policy provides a mechanism for employees or other parties to report concerns regarding wrongdoing without fear of victimization, subsequent discrimination or disadvantage. The Whistleblowing Policy is intended to encourage and enable employees to raise serious concerns within Southern rather than overlooking a problem or seeking a resolution for the problem outside Southern. The Whistleblowing Policy applies to all employees and consultants of Southern and its Subsidiaries. It is also intended to provide a method for other stakeholders (suppliers, customers, shareholders etc.) to voice their concerns regarding the business conduct of Southern and its Subsidiaries. The policy forbids retaliation for the act of good faith whistleblowing regardless of the determination of any follow-up investigation.

The Code and the Whistleblowing Policy may be accessed on our website at the following link: <https://southernenergycorp.com/corporate-governance/>.

Assessing Our Risk and Due Diligence Processes

Southern engages in various activities to assess and manage our risk of forced labour and/or child labour. We expect third parties with which we work to adhere to responsible business practices and to comply with all applicable laws and regulations, including those in respect of forced labour and child labour. Our methodology to identify risks in our supply chain (inclusive of our Subsidiaries) is set out below, and helps us determine the level of due diligence to be performed, including with respect to forced labour and child labour, and the extent of ongoing monitoring and frequency of review required.

- **Jurisdiction.** Whether the supplier is headquartered in, or its manufacturing sites are located in, countries with a high score on the corruption perception index.
- **Products.** Whether the supplier poses a high degree of risk according to the global slavery index based on the products supplied to Southern or its Subsidiaries.
- **Raw Materials.** Whether the products offered by the supplier to Southern or its Subsidiaries include raw materials that originate from countries or regions where forced labour or child labour are known to occur.

Based on a review of our direct operations, we consider the risks of forced labour or child labour in the operations of Southern and its Subsidiaries to be low. All employees, consultants and contractors in the United States and Canada are hired in accordance with applicable laws and regulations. Southern and its Subsidiaries ensure compliance with applicable working conditions, wages and benefits, including those relating to employment, labour and occupational health and safety. If a service provider is identified as high-risk, Southern will conduct further investigations to ensure compliance with our standards and the Act.

Our Commitments

Southern and its Subsidiaries are committed to upholding the highest standards of ethical conduct, including the prevention of forced labour and child labour in all aspects of our operations.

Southern and its Subsidiaries have not identified any instances of forced labour or child labour in their activities and supply chains; therefore, no measures were taken to remediate the loss of income to the most vulnerable families that results from measures taken to eliminate the use of forced labour and child labour. If a situation of non-compliance or high risk is identified, the Company will work to develop and implement a corrective plan to try to improve and remedy the situation.

Employee Training

Southern personnel at all levels are required to adhere to our governance policies, including the Code and the Whistleblowing Policy. Every new employee of Southern and its Subsidiaries must acknowledge receipt and review of our governance policies, including the Code, and is informed of how to report wrongdoing under our Whistleblowing Policy. We provide employees with ongoing and periodic training opportunities to ensure that all employees have current knowledge of applicable laws. We may decide to extend training at our discretion, should the need arise, to further reinforce understanding and compliance across the Company.

Our Progress and Effectiveness

Southern has in place a number of measures to prevent and reduce the risk that forced labour or child labour is used in the activities and supply chains of Southern or its Subsidiaries, such as investigating all grievance received pursuant to the Whistleblowing Policy, setting up regular review of our governance policies and evaluating our supply chain processes. While we have not yet taken any actions to assess the effectiveness of those actions, Southern intends to assess its effectiveness in preventing and reducing risks of forced labour and child labour in its activities and supply chains at a later stage. Southern and its Subsidiaries acknowledge the importance of vigilance and ongoing monitoring to ensure that risks of forced labour and child labour remain mitigated within their operations and supply chains. We are committed to regularly reviewing our risk assessments and implementing any necessary remediation measures in respect of Southern or its Subsidiaries should the need arise in the future.

Approval & Signature

This Report was approved pursuant to subparagraph 11(4)(a) of the Act by Southern's Board of Directors effective May 28, 2025, and has been submitted to the Minister of Public Safety and Emergency Preparedness in Canada. This Report is also available on our website at www.southernenergycorp.com.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in this Report for the Company. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this Report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above. In my capacity as a Director of Southern, and not in my personal capacity, I make this attestation in accordance with the requirements of the Act.

(signed) "Ian Atkinson"

Ian Atkinson

Director, President & Chief Executive Officer

May 28, 2025

I have the authority to bind Southern Energy Corp. and the entities listed on Schedule "A" hereto.

Disclaimers

Certain statements contained in this report include statements which contain words such as "anticipate", "could", "should", "expect", "seek", "may", "intend", "likely", "will", "believe" and similar expressions (including grammatical variations and negatives thereof), statements relating to matters that are not historical facts, and such statements of our beliefs, intentions and expectations about development, results and events which will or may occur in the future, constitute "forward-looking information" within the meaning of applicable Canadian securities legislation and are based on certain assumptions and analysis made by us derived from our experience and perceptions. Forward-looking information in this report includes, but is not limited to: the steps taken to prevent and reduce risks of forced and child labour; the implementation of policies in relation to forced labour and child labour; business strategy and outlook; remediation measures in respect of forced labour or child labour; supply channels; and other such matters. All such forward-looking information is based on certain assumptions and analyses made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the circumstances.

The risks, uncertainties, and assumptions are difficult to predict and may affect operations, and may include, without limitation: foreign exchange fluctuations; equipment and labour shortages and inflationary costs; general economic conditions; industry conditions; changes in applicable environmental, taxation and other laws and regulations as well as how such laws and regulations are interpreted and enforced; the existence of operating risks; volatility of oil and natural gas prices; oil and gas product supply and demand; political uncertainty and wars; changes in existing supply chains in response to the recent implementation of tariffs and other trade restrictions by the United States, Canada and globally (including the risk of changes to the Company's supply chain); increased competition; access to information regarding subcontractors; stock market volatility; opportunities available to or pursued by us; and other factors, many of which are beyond our control. The foregoing factors are not exhaustive. Actual results, performance or achievements could differ materially from those expressed in, or implied by, this forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits will be derived there from. Except as required by law, Southern disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise. The forward-looking information contained herein is expressly qualified by this cautionary statement.

SCHEDULE "A"

Subsidiaries of Southern Energy Corp.

Wholly owned subsidiaries of Southern Energy Corp.:

- Southern Energy Corporation
- Southern Energy Operating, LLC
- Southern Energy CMS, LLC
- Southern Energy LA, LLC
- Southern Energy ETX, LLC