



SOUTHERN ENERGY CORP. ANNOUNCES THIRD QUARTER 2025 FINANCIAL AND OPERATING RESULTS

Calgary, Alberta – November 18, 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 third quarter financial and operating results for the three and nine months ended September 30, 2025. Selected financial and operational information is outlined below and should be read in conjunction with the Company’s unaudited consolidated financial statements and related management’s discussion and analysis (the “MD&A”) for the three and nine months ended September 30, 2025, which are available on the Company’s website at www.southernenergycorp.com and have been filed under the Company’s profile on SEDAR+ at www.sedarplus.ca.

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

THIRD QUARTER 2025 HIGHLIGHTS

- Petroleum and natural gas sales of \$4.3 million during Q3 2025, an increase of 25% from the same period in 2024, largely due to the 50% increase in Q3 2025 natural gas pricing over Q3 2024
- Average production of 12,457¹ Mcfe/d (2,076 boe/d) (97% natural gas) during Q3 2025, a decrease of 11% from the same period in 2024 and an increase of 10% from Q2 2025
- Average realized natural gas and oil prices for Q3 2025 of \$3.59/Mcf and \$63.53/bbl, compared to \$2.40/Mcf and \$73.78/bbl in Q3 2024. Southern achieved an average premium of \$0.52/Mcf (approximately 17%) above the NYMEX HH benchmark in Q3 2025
- Generated \$1.0 million of Adjusted Funds Flow from Operations² in Q3 2025 (\$0.00 per share basic and diluted)
- Net earnings of \$0.5 million (\$0.00 per share basic and diluted) in Q3 2025, compared to a net loss of \$2.1 million in Q3 2024

SUBSEQUENT EVENTS

- The Company successfully completed an oil well in the Magee Field at the end of September 2025. The well produced approximately 3,000 bbl of oil in the month of October and is currently producing at steady rates ~ 85 bbl/d of oil. The final costs for the completion were \$85,000, which resulted in a payout of less than three weeks on the project.

¹ Comprised of 23 bbl/d light and medium crude oil, 35 bbl/d of condensate, 0 bbl/d NGLs and 12,109 Mcf/d conventional natural gas

² See “Reader Advisories - Specified Financial Measures”

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

“Southern delivered another strong quarter, underpinned by a successful oil recompletion in the Magee Field and the continued strong performance of the GH LSC 13-13 #2 well. These achievements have enhanced our cash flow and reaffirmed the depth and quality of our development inventory. With realized natural gas pricing averaging a 17% premium to Henry Hub during the quarter, our strategic positioning and disciplined execution continue to drive meaningful value for shareholders.”

Financial Highlights

<i>(000s, except \$ per share)</i>	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Petroleum and natural gas sales	\$ 4,340	\$ 3,480	\$ 13,450	\$ 12,163
Net income (loss)	462	(2,062)	(3,828)	(7,805)
Net income (loss) per share				
Basic	0.00	(0.01)	(0.01)	(0.05)
Fully diluted	0.00	(0.01)	(0.01)	(0.05)
Adjusted funds flow from operations ⁽¹⁾	1,030	552	2,251	3,484
Adjusted funds flow from operations per share ⁽¹⁾				
Basic	0.00	0.00	0.01	0.02
Fully diluted	0.00	0.00	0.01	0.02
Capital expenditures and acquisitions	340	487	2,808	816
Weighted average shares outstanding				
Basic	336,255	167,227	276,353	166,737
Fully diluted	336,255	167,227	276,353	166,737
As at period end				
Common shares outstanding	336,255	167,243	336,255	167,243
Total assets	50,626	56,970	50,626	56,970
Non-current liabilities	19,826	9,036	19,826	9,036
Net debt ⁽¹⁾	\$ (19,739)	\$ (22,710)	\$ (19,739)	\$ (22,710)

Note:

⁽¹⁾ See “Reader Advisories – Specified Financial Measures”.

Operations Update

In late June 2025, Southern brought online the first of its three remaining drilled but uncompleted (“DUC”) horizontal wells from the Q1 2023 drilling program, and its first Lower Selma Chalk (“LSC”) lateral – the GH LSC 13-13 #2 wellbore. Over the first 30 days of production the well averaged natural gas rates of 3.6 MMcfe/d (99% gas), which is an increase of over 100% compared to the average of the original LSC horizontal wells in Gwinville that were drilled and completed by the previous operators. The well has continued to flow throughout the quarter as per expectations, achieving an IP90 rate of 2.9 MMcfe/d.

Southern implemented stimulation design changes that improved the predictability and speed of the fracture operations, and most importantly, reduced the Company’s overall expected completion cost for future horizontal wells down to ~ \$1.8 million per well. Incorporating planned design changes on the drilling side, Southern now expects the full drill, complete, equip and tie-in cost for future Gwinville horizontal wells (5,000’ lateral) to be ~ \$4.0 million, which is 20% lower than the current capital estimates in the Company’s third-party reserve report.

Southern will continue to monitor regional natural gas pricing over the upcoming months before making a decision on the completion timing of the remaining two DUC wells.

Southern continues to work with Federal Energy Regulatory Commission (“FERC”) staff to resolve the ongoing transportation dispute that resulted in the shut-in of approximately 400 boe/d of production from the Mechanicsburg and Greens Creek fields. In September 2025, FERC requested certain data from the pipeline operator. Based on prescribed FERC resolution timelines and past rate determination processes, the Company now expects this issue to be resolved sometime in Q4 2025, at which point these production volumes will come back on-line. The ongoing US government shutdown has contributed to further unforeseen delays in the process.

Outlook

With the recent operational success of the GH LSC 13-13 #2 well completion and the Magee oil recompletion, Southern plans to leverage the resulting increase in cash flow to further strengthen its balance sheet and advance additional oil focused projects and the two remaining DUCs at Gwinville.

The Company continues to benefit from a fixed-price natural gas swap of 5,000 MMBtu/d at \$3.40/MMBtu through December 2026, providing meaningful downside protection. Combined with improved regional pricing and a stronger financial position, Southern is well-positioned to execute a disciplined capital program focused on sustainable growth and long-term shareholder value creation.

Southern will continue to monitor NYMEX pricing and basis differentials and remains prepared to tactically hedge additional volumes as market conditions warrant. The Company appreciates the continued support of its stakeholders and looks forward to providing further updates as it advances its operational and financial objectives.

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.

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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.

Short Term Results. References in this press release to peak rates, production rates since inception, current production rates, initial 30-day production rates and other short-term production rates are useful in confirming the presence of hydrocarbons, however such rates are not determinative of the rates at which such wells will commence production and decline thereafter and are not indicative of long-term performance or of ultimate recovery. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production of Southern. The Company cautions that such results should be considered to be preliminary.

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.

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

bbl	barrels
bbl/d	barrels per day
boe	barrels of oil
boe/d	barrels of oil per day
Mcf	thousand cubic feet
Mcf/d	thousand cubic feet per day
Mcfe	thousand cubic feet equivalent
Mcfe/d	thousand cubic feet equivalent per day
MMcfe	million cubic feet equivalent
MMcfe/d	million cubic feet equivalent per day
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

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, Southern’s expectation that improved regional pricing and a strengthened financial foundation will support execution of its capital program, sustainable growth of the Company and long-term value creation, 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, expectations regarding commodity prices and service costs, expectations regarding the performance characteristics of the Company’s oil and natural gas properties, the Company’s hedging strategy and execution thereof (including its intention to continue monitoring commodity prices and basis differentials and to hedge additional volumes as deemed appropriate), the ability of the Company to achieve drilling success consistent with management’s expectations, the Company’s expectations regarding completion of the two remaining DUCs and the drilling operations and production volumes in the Mechanicsburg and Greens Creek fields (including the timing thereof and anticipated costs and funding as well as the evaluation of well performance and regional natural gas pricing to inform such decisions), the Company’s expectations regarding the resolution of regulatory disputes (including the anticipated timing thereof) and impact of FERC rate determinations on shut-in production volumes, the expected use of additional cash flow generated from the GH LSC 13-13 #2 well, the Company’s ability to realize sustained pricing premiums due to its strategic location in the Southeast U.S., 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 Company’s ability to comply with ongoing obligations under the senior term loan and other sources of financing, that the Company may seek waiver of certain financial covenants or amendments to the Company’s senior term loan, the Company’s ability to continue as a going concern, availability of alternative debt and equity financing opportunities, 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, that there is no assurance that the lender will grant waivers or amendments to the Company’s senior term loan, 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, credit risk, risk of default, 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)), risks related to 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 latest Management Discussion and Analysis for the period ended June 30, 2025 and the Company's annual information form for the year ended December 31, 2024, which are available on the Company's website at www.southernenergycorp.com and filed under the Company's profile on SEDAR+ 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.

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, hedging, natural gas pricing 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 and filed under the Company's profile on SEDAR+ at 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, the warrant liability, 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.