SOUTHERN ENERGY CORP. ANNOUNCES SPUDDING OF COTTON VALLEY TEST WELL AT WILLIAMSBURG AND APPOINTMENT OF MARKET MAKER

Calgary, Alberta – August 12, 2026 – Southern Energy Corp. ("**Southern**" or the "**Company**") (TSXV:SOU) (AIM:SOUC), an established producer with natural gas and light oil assets in Mississippi, announces that, further to the announcement of the Joint Venture Wellbore Participation Agreement with a strategic partner on May 26, 2026, the Company has spudded the Terrible Creek 21-2 #2 Cotton Valley test well in the Williamsburg Field on August 11, 2026. This is the first of two farm-out commitment wells planned for drilling this year whereby Southern will pay roughly 50% of the gross drill and completion costs of US$3.9 million per well, corresponding to 50% working interest. The Company expects the well to be drilled to a planned total depth of approximately 19,000 feet. Completion and testing operations are expected to commence after the drilling rig has been moved off site.

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

"We are thrilled to break ground on the Cotton Valley test well at Williamsburg, marking an exciting next step in unlocking value across our core assets. Executing this farm-out allows us to efficiently evaluate high-impact prospective targets while maintaining disciplined capital allocation. Given the recent success of competitor drilling offsetting our acreage, we expect success at Williamsburg to initiate growth in the oil and liquids weighting at Southern."

Appointment of Automated Market Maker

Southern has engaged ICP Securities Inc. ("**ICP**") to provide automated market making services, including the use of its proprietary algorithm, ICP Premium® in compliance with the policies and guidelines of the TSX Venture Exchange and other applicable laws.

ICP will be paid a monthly fee of C$7,500, plus applicable taxes. The agreement between the Company and ICP is effective from August 10, 2026, and will continue for four (4) months (the "**Initial Term**") and shall be automatically renewed for subsequent one (1) month terms (each month called an "**Additional Term**") unless either party provides at least thirty (30) days written notice prior to the end of the Initial Term or an Additional Term, as applicable. There are no performance factors contained in the agreement and no stock options or other compensation in connection with the engagement. ICP and its clients may acquire an interest in the securities of the Company in the future.

ICP is an arm's length party to the Company. ICP's market making activity will be primarily to correct temporary imbalances in the supply and demand of the Company's shares. ICP will be responsible for the costs it incurs in buying and selling the Company's shares, and no third party will be providing funds or securities for the market making activities.

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

"*As Southern continues to advance its business plan to grow production and cash flow and to expand its shareholder base, we believe it is important that our market presence reflects the underlying progress being made by the Company. We have engaged ICP to take a proactive step to support trading for shareholders, improve quote quality, and help mitigate temporary imbalances in the supply and demand of our shares. This is part of our broader commitment to improving transparency, liquidity, and long-term value creation for Southern shareholders.*"

About ICP Securities Inc.

ICP Securities Inc. is a Toronto based CIRO dealer-member that specializes in automated market making and liquidity provision, as well as having a proprietary market making algorithm, ICP Premium®, that enhances liquidity and quote health. Established in 2023, with a focus on market structure, execution, and trading, ICP has leveraged its own proprietary technology to deliver high-quality liquidity provision and execution services to a broad array of public issuers and institutional investors.

Qualified Person's Statement

Gary McMurren, Chief Operating Officer, who has over 25 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 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 shareholder value through accretive acquisitions, optimization of existing oil and natural gas fields and re-development strategies including horizontal drilling and multi-staged fracture completion techniques.

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, the Company's anticipated operational results, Southern's growth strategy and the expectation that it will continue to enhance shareholder value, drilling and completion plans for the Terrible Creek 21-2 #2 Cotton Valley test well and related farm-out commitment wells, expected drilling depth, the timing and conduct of completion and testing operations, estimated drilling and completion costs and Southern's working interest, the potential results of the Williamsburg well and its potential impact on the Company's oil and liquids weighting, the anticipated benefits of the Company's engagement of ICP, including any improvement in market presence, quote quality, liquidity, transparency, trading support or long-term value creation, and the expected term, renewal and conduct of the market making services.

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 and success of drilling, development, completion and testing activities at Williamsburg, the performance of the Terrible Creek 21-2 #2 well, the availability and performance of drilling rigs, services, facilities and pipelines, the geological characteristics of Southern's properties, the successful application of drilling, completion and seismic technology, estimated drilling and completion costs, the continued participation and creditworthiness of the Company's strategic partner, prevailing legislation, as well as regulatory and licensing requirements affecting the oil and gas industry, the Company's ability to obtain and maintain all requisite permits and licences, the availability of capital, labour and services, the performance of ICP and the continued provision of market making services in compliance with applicable securities laws, Exchange requirements, CIRO rules and policies, 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), risks that drilling, completion or testing activities are delayed, unsuccessful or more costly than expected, risks that the Terrible Creek 21-2 #2 well does not achieve anticipated production or liquids weighting, risks relating to the availability of rigs, equipment, labour, supplies, services, facilities, pipelines, capital and industry partners, commodity price and exchange rate fluctuations, credit risk, risk of default, geo-political risks, political and economic instability, hostilities, wars, 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, environmental regulations and regulatory requirements, risks related to the Company's ability to meet its financial obligations and covenants, adverse weather or break-up conditions, risks that ICP's market making services do not have the anticipated effect on trading activity, liquidity, quote quality, market presence or the market price of the Company's shares, risks arising from trading halts, trading restrictions, market volatility or changes in Exchange, CIRO or other regulatory requirements, 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 March 31, 2026 and the Company's annual information form for the year ended December 31, 2025, 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.