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SOUTHERN ENERGY CORP. ANNOUNCES THIRD QUARTER 2024 FINANCIAL AND OPERATING RESULTS

Calgary, Alberta - November 29, 2024 - Southern Energy Corp.("**Southern**" or the "**Company**") (TSXV:SOU) (AIM:SOUC) (OTCQX:SOUTF), 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, 2024. 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, 2024, 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 2024 HIGHLIGHTS

- Petroleum and natural gas sales of 3.5 million in Q3 2024, a decrease of 34% compared to the same period in 2023
- Average production of 14,018[1] Mcfe/d (2,336 boe/d) (97% natural gas) during Q3 2024, a decrease of 17% from the same period in 2023
- Generated 0.6 million of adjusted funds flow from operations[2] in Q3 2024 (0.00 per share - basic and fully diluted)
- Net loss of 2.1 million in Q3 2024 (0.01 net loss per share - basic and fully diluted), compared to a net loss of 2.4 million in Q3 2023
- Average realized natural gas and oil prices for Q3 2024 of 2.40/Mcf and 73.78/bbl compared to 2.83/Mcf and 82.65/bbl in Q3 2023 and a Q3 2024 natural gas benchmark price of 2.16/Mcf
- Monetized excess inventory equipment in the first nine months of 2024 for net proceeds of 3.4 million
- Reduced net debt[2] by 1.4 million from Q2 2024 and 3.9 million from Q4 2023

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

"Southern remains steadfast in preserving its balance sheet amid the challenging natural gas price environment of 2024. With natural gas prices on track to be the second-lowest in 24 years, we have proactively focused on optimizing our value chain. This includes generating 3.4 million in proceeds through the sale of excess equipment inventory in 2024 and reducing our abandonment liabilities by divesting non-core, non-producing wellbores during Q3.

"Despite the market challenges, Southern has leveraged the strategic locations of its assets and sales points, achieving a 0.24/Mcf premium (~11% basis premium) over Henry Hub benchmark pricing in Q3 2024. Additionally, our financial hedge of 5,000 MMBtu/d at 3.40, which was initiated in Q2 2024, has provided stable cash flows, enabling us to navigate ongoing volatility.

"Looking ahead, there are encouraging signs of price improvement as we enter winter and progress into 2025. Increased feed gas demand from Corpus Christi and Plaquemines LNG export facilities, coupled with rising domestic consumption driven by gas-fired power demand for artificial intelligence data centers and vehicle electrification, are expected to tighten the supply-demand balance. The longer-term structural case for natural gas also looks promising, as the lack of new storage capacity built will continue to tighten markets and geo-political events in Europe are expected to make US LNG more attractive.

"We remain committed to leveraging our strategic advantages and maintaining operational efficiencies to drive growth and shareholder value."

Financial Highlights

(000s, except per share)	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Petroleum and natural gas sales	**3,480**	5,285	**12,163**	14,215
Net loss	**(2,062)**	(2,367)	**(7,805)**	(7,254)
Net loss per share				
Basic	**(0.01)**	(0.02)	**(0.05)**	(0.05)
Fully diluted	**(0.01)**	(0.02)	**(0.05)**	(0.05)
Adjusted funds flow from operations (1)	**552**	1,071	**3,484**	2,450
Adjusted funds flow from operations per share (1)				
Basic	**0.00**	0.01	**0.02**	0.02
Fully diluted	**0.00**	0.01	**0.02**	0.02
Capital expenditures and acquisitions	**487**	1,734	**816**	41,918
Weighted average shares outstanding				

Weighted average shares outstanding				
Basic	**167,227**	139,086	**166,737**	138,907
Fully diluted	**167,227**	139,086	**166,737**	138,907
As at period end				
Common shares outstanding	**167,243**	139,088	**167,243**	139,088
Total assets	**56,970**	102,401	**56,970**	102,401
Non-current liabilities	**9,036**	21,373	**9,036**	21,373
Net debt [1]	**(22,710)**	(27,603)	**(22,710)**	(27,603)

Note:

(1) See "Reader Advisories - Specified Financial Measures".

Subsequent Events

On October 30, 2024, Southern entered into the eighth amendment (the "**Eighth Amendment**") with the Company's senior secured term loan (the "**Credit Facility**"), which includes an extension to the pause of monthly repayment of principal to December 31, 2024 and a condition that Southern shall repay 1.7 million of the outstanding principal at January 31, 2025 in the absence of a use of proceeds acceptable to the lender (see "*Liquidity, Capital Resources and Going Concern - Credit Facility*" in the September 30, 2024 MD&A for full details of the amendment)

Outlook

In response to continued low natural gas prices, Southern has been actively reducing and optimizing both operating costs and maintenance capital to maximize its field netbacks. In Q3 2024, Southern sold excess equipment inventory for net proceeds of 2.0 million. The Company expects to continue these initiatives for the remainder of 2024 and into 2025, in order to preserve its balance sheet.

Southern has 10.0 million in unused capacity on its Credit Facility, which can be utilized to complete the three remaining Gwinville drilled but uncompleted wells when natural gas prices improve or for counter-cyclical inorganic growth opportunities.

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 has taken advantage of the contango in the natural gas future strip 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. Southern's current commodity hedge program includes:

Natural Gas	Volume	Pricing
Fixed Price Swap		
May 1, 2024 - December 31, 2026	5,000 MMBtu/d	NYMEX - HH 3.400/MMBtu
Costless Collar		
November 1, 2024 - March 31, 2025	1,000 MMBtu/d	NYMEX - HH 3.50 - 5.20/MMBtu

Southern will continue to monitor NYMEX prices and the basis differential prices and is prepared to hedge additional volumes strategically as needed.

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.

Short Form Base Shelf Prospectus

On November 28, 2024, Southern filed and obtained a final receipt for a final base shelf prospectus (the "**Prospectus**") in each of the provinces of Canada. The Prospectus enables Southern to qualify the distribution of up to C 150 million of any combination of ordinary shares, warrants, subscription receipts, debt securities and units during the 25-month period that the Prospectus remains effective. In connection with the receipt for the Prospectus, Southern will cease any distributions under its prior base shelf prospectus dated November 18, 2022. The specific terms of any future offerings of securities, including the use of proceeds from an offering, will be established in a prospectus supplement filed with the applicable Canadian regulatory authorities. The Prospectus provides the Company, as a dual listed entity, with future flexibility with respect to the issuance of various securities. Copies of the Prospectus may be obtained on request without charge from the Company and can be found under Southern's SEDAR+ profile at www.sedarplus.ca. Southern currently has no contemplated plan to raise capital.

Qualified Person's Statement

Gary McMurren, Chief Operating Officer, who has over 23 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 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 (Mcfe) 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.*

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

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*

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 including that expectations of price improvement in the winter and moving into 2025, Southern's ability to re-initiate growth in completing one of the there remaining Gwinville drilled and uncompleted wells ("DUCs"), capital expenditures, Southern's plans to delay the completion timing of the remaining three DUCs until natural gas pricing improves (or their potential for counter-cyclical inorganic growth* *opportunities)and the anticipated timing thereof, repayment of principal under the Credit Facility and timing thereof, 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 (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.*

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 recently acquired assets into the Company's operations, the Company's ability to comply with ongoing obligations under the senior term loan and its convertible debentures and other sources of financing, the Company's ability to find a use of proceeds acceptable to the lender, 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, 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 September 30, 2024 and AIF for the year ended December 31, 2023, 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, 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 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, and the current portion of lease liabilities.*

[1] Comprised of 66 bbl/d light and medium crude oil, 9 bbl/d NGLs and 13,568 Mcf/d conventional natural gas

[2] See "Reader Advisories - Specified Financial Measures"

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