

## BASE SHELF PROSPECTUS

*A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in each of the provinces of Canada, except Québec, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.*

**No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.**

**This preliminary short form base shelf prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.** Unless otherwise specified in the applicable prospectus and/or pricing supplement, the securities to be offered hereunder have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or any state securities laws. Accordingly, these securities may not be offered or sold within the United States of America or to a U.S. Person (as such term is defined in Regulation S under the 1933 Act) unless registered under the 1933 Act and applicable state securities laws or an exemption from such registration is available. Unless otherwise specified in the applicable prospectus and/or pricing supplement, this short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States of America. See "Plan of Distribution".

*This preliminary short form base shelf prospectus has been filed under legislation in each of the provinces of Canada, except Québec, that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.*

**Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar authorities in Canada.** Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of the Corporation at 2400, 333 – 7th Avenue S.W., Calgary, Alberta, T2P 2Z1 (Telephone: (587) 287-5402) and are also available electronically at [www.sedar.com](http://www.sedar.com).

## PRELIMINARY SHORT FORM BASE SHELF PROSPECTUS

New Issue

October 28, 2022



**SOUTHERN ENERGY CORP.  
\$150,000,000**

**Common Shares  
Preferred Shares  
Warrants  
Debt Securities  
Subscription Receipts  
Units**

Southern Energy Corp. (the "**Corporation**") may from time to time offer and issue the following securities: (a) common shares in the capital of the Corporation (the "**Common Shares**"); (b) preferred shares in the capital of the Corporation (the "**Preferred Shares**"); (c) warrants to purchase securities of the Corporation (the "**Warrants**"); (d) bonds, debentures, notes or other evidence of indebtedness of any kind, nature or description of the Corporation (collectively, the "**Debt Securities**"); (e) subscription receipts of the Corporation (the "**Subscription Receipts**"); or (f) units comprising any combination of the foregoing (the "**Units**" and, together with the Common Shares, the Preferred Shares, the Warrants, the Debt Securities, and the Subscription Receipts, the "**Securities**"), up to an aggregate offering price of \$150.0 million (or

its equivalent in any other currency used to denominate the Securities) during the 25-month period that this short form base shelf prospectus (this "**Prospectus**"), including any amendments hereto, remains effective.

The Securities may be offered for sale separately or in combination with one or more other Securities, in amounts, at prices and on terms to be determined based on market conditions and other factors the Corporation may deem relevant at the time of sale and set forth in an accompanying shelf prospectus supplement (each, a "**Prospectus Supplement**").

The specific terms of any offering of Securities will be set forth in a Prospectus Supplement including, where applicable: (a) in the case of Common Shares, the number of Common Shares offered and the offering price; (b) in the case of the Preferred Shares, the designation of the particular series, the number of Preferred Shares offered, the offering price, any voting rights, the dividend rate, the dividend payment dates, and terms for redemption at the option of the Corporation or the holder, any exchange or conversion terms and any other specific terms; (c) in the case of Warrants, the exercise price, designation, number and terms of the securities purchasable upon exercise of the Warrants, any procedures that will result in the adjustment of the exercise price or number of securities, dates and periods of exercise, the currency in which the Warrants are issued and any other specific terms; (d) in the case of Debt Securities, the specific designation of the Debt Securities, any limit on the aggregate principal amount or number of the Debt Securities, the currency, the issue and delivery date, the maturity date, the offering price, whether the Debt Securities will bear interest, the interest rate or method of determining the interest rate, the interest payment date(s), any terms of redemption, any conversion or exchange terms, the repayment terms, the form (either global or definitive), the authorized denominations and any other specific terms; (e) in the case of Subscription Receipts, the number of Subscription Receipts offered, the currency (which may be Canadian dollars or any other currency), the offering price, the terms and procedures for the exchange of the Subscription Receipts and any other specific terms; and (f) in the case of Units, the designation, number and terms of the Units and of the Securities comprising the Units and any other specific terms. A Prospectus Supplement may include other specific terms pertaining to the Securities that are not prohibited by the parameters set forth in this Prospectus.

All shelf information permitted under applicable laws to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers of the applicable Securities together with this Prospectus. A Prospectus Supplement containing the specific terms of any offered Securities and other information relating to the offered Securities will be delivered to prospective purchasers of such offered Securities, together with this Prospectus, and will be deemed to be incorporated by reference into this Prospectus for the purpose of securities legislation as of the date of such Prospectus Supplement and only for the purpose of the offering of such Securities to which the Prospectus Supplement pertains.

The Corporation may sell the Securities to or through underwriters, agents or dealers purchasing as principals, and may also sell the Securities directly to one or more purchasers pursuant to applicable statutory exemptions or through agents. See "*Plan of Distribution*". The Prospectus Supplement relating to a particular offering of Securities will identify each underwriter, dealer or agent, as the case may be, engaged by the Corporation in connection with the offering and sale of the Securities, and will set forth the terms of the offering of such Securities, including the type of security being offered, the public offering price, the method of distribution of such Securities, the proceeds to the Corporation and any fees, discounts or any other compensation payable to underwriters, dealers or agents and any other material terms of the plan of distribution. Securities may be sold from time to time in one or more transactions at a fixed price or prices.

Prospective investors should be aware that the purchase of Securities may have tax consequences that may not be fully described in this Prospectus or in any Prospectus Supplement, and should carefully review the tax discussion, if any, in the applicable Prospectus Supplement and in any event consult with an independent tax advisor.

In connection with any offering of Securities and subject to applicable laws, the underwriters, dealers or agents, as the case may be, may over-allot or effect transactions which stabilize or maintain the market price of the Securities at a level above that which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See "*Plan of Distribution*". **No underwriter, dealer or agent has been involved in the preparation of this Prospectus or performed any review of the contents of this Prospectus.**

The Common Shares are listed on the TSX Venture Exchange (the "**TSX-V**") under the trading symbol "SOU" and on AIM, a market operated by London Stock Exchange plc ("**AIM**") under the symbol "SOUC". Any offering of Securities would be a new issue of securities and, in the case of any offering of Preferred Shares, Warrants, Debt Securities, Subscription Receipts, or Units, with no established trading market. **Unless otherwise specified in the applicable Prospectus Supplement, there is no market through which the Preferred Shares, Warrants, Debt Securities, Subscription Receipts, or Units may be sold and purchasers may not be able to resell such securities purchased under this**

**Prospectus and any Prospectus Supplement. This may affect the pricing of such Securities in the secondary market, the transparency and availability of trading prices, the liquidity of such Securities, and the extent of the issuer regulation. See "*Risk Factors*".**

Investing in the Securities involves risk. It is important for an investor to consider the particular risk factors that may affect the industry in which it is investing. See, for example, the risk factors set out under "*Risk Factors*" in the 2021 AIF (as defined herein) and in this Prospectus. These sections also describe the Corporation's assessment of those risk factors, as well as the potential consequences to an investor if a risk should occur. The risk factors identified under the heading "*Note Regarding Forward-Looking Statements*" in this Prospectus should also be carefully reviewed and evaluated by prospective investors before purchasing Securities offered hereunder.

The Corporation's head office is located at 2400, 333 – 7th Avenue S.W., Calgary, Alberta, T2P 2Z1, and the registered office of the Corporation is located at 4300 Bankers Hall West, 888 – 3rd Street S.W., Calgary, Alberta, T2P 5C5.

The offering of Securities is subject to approval of certain legal matters on behalf of the Corporation by Stikeman Elliott LLP.

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## GLOSSARY

In this Prospectus, unless otherwise indicated, the following terms have the meanings set forth below:

"**1933 Act**" means the United States Securities Act of 1933.

"**2021 AIF**" has the meaning ascribed thereto under "*Documents Incorporated by Reference*".

"**2021 Annual Financial Statements**" has the meaning ascribed thereto under "*Documents Incorporated by Reference*".

"**2021 Annual MD&A**" has the meaning ascribed thereto under "*Documents Incorporated by Reference*".

"**2022 Prospectus Offering**" has the meaning ascribed thereto under "*The Corporation – Recent Developments*".

"**ABCA**" means the *Business Corporations Act (Alberta)*.

"**AIM**" has the meaning ascribed thereto on the cover page of this Prospectus.

"**Board**" means the board of directors of the Corporation.

"**CBCA**" means the *Canada Business Corporations Act*.

"**CDS**" means CDS Clearing and Depository Services Inc.

"**Common Shares**" means the common shares in the capital of the Corporation.

"**Corporation**" or "**Southern**" means Southern Energy Corp.

"**Consolidation**" means the December 2021 consolidation of the Common Shares on the basis of one post-Consolidation Common Share for every eight pre-Consolidation Common Shares.

"**Debt Securities**" means notes or other types of unsecured debt securities which may be issuable in series and securities convertible into or exchangeable for Common Shares.

"**Definitive Notes**" has the meaning given to it under the heading "*Description of Securities – Debt Securities – Form of Debt Securities*".

"**Extraordinary Resolutions**" has the meaning given to it under the heading "*Description of Securities – Debt Securities – Modification*".

"**Global Notes**" has the meaning given to it under the heading "*Description of Securities – Debt Securities – Form of Debt Securities*".

"**IFRS**" means the International Financial Reporting Standards.

"**NSAI**" means Netherland, Sewell & Associates, Inc., independent reserves evaluators.

"**NI 41-101**" means National Instrument 41-101 – *General Prospectus Requirements*.

"**NI 44-101**" means National Instrument 44-101 – *Short Form Prospectus Distributions*.

"**NI 51-101**" has the meaning given to it under the heading "*Presentation of Oil and Gas Reserves and Production Information*".

"**Note Trustee**" has the meaning given to it under the heading "*Description of Securities – Debt Securities*".

"**Participants**" has the meaning given to it under the heading "*Description of Securities – Debt Securities – Form of Debt Securities*".

"**Preferred Shares**" means preferred shares in the capital of the Corporation.

"**Prospectus**" means this preliminary short form base shelf prospectus, including any amendments hereto.

"**Prospectus Supplement**" has the meaning ascribed thereto on the cover page of this Prospectus.

"**Securities**" means, collectively, the Common Shares, the Preferred Shares, the Warrants, the Debt Securities, the Subscription Receipts, and the Units.

"**Shareholders**" means the holders of the Common Shares from time to time.

"**Subscription Receipts**" means subscription receipts of the Corporation.

"**Trust Indenture**" has the meaning given to it under the heading "*Description of Securities – Debt Securities*".

"**TSX-V**" means the TSX Venture Exchange.

"**United States**" or "**U.S.**" means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia.

"**Units**" means units comprising any combination of Common Shares, Preferred Shares, Subscription Receipts, Warrants and Debt Securities.

"**Warrants**" means warrants to purchase securities of the Corporation.

## **ABOUT THIS PROSPECTUS**

**Prospective investors should rely only on the information contained in or incorporated by reference in this Prospectus or any applicable Prospectus Supplement. The Corporation has not authorized any other person to provide prospective investors with additional or different information. If anyone provides prospective investors with different or inconsistent information, prospective investors should not rely on it. The Corporation will offer to sell, and seek offers to buy, Securities only in jurisdictions where offers and sales are permitted. Prospective investors should assume that the information appearing in this Prospectus, any applicable Prospectus Supplement or any information the Corporation has previously filed with the securities regulatory authority in each of the provinces of Canada, except Québec, that is incorporated in this Prospectus by reference, is accurate as of their respective dates only. The Corporation's business, financial condition, results of operations and prospects may have changed since those dates. At the time of an offering of Securities, the information contained in this Prospectus will be amended or otherwise updated, as necessary, in the applicable Prospectus Supplement to provide full, true and plain disclosure of all material facts in relation to such offering.**

In this Prospectus, and in any Prospectus Supplement, unless otherwise specified or the context otherwise requires, all dollar amounts are expressed in Canadian dollars. References to "dollars" or "\$" are to the lawful currency of Canada. References to "U.S. dollars" or "US\$" are to the lawful currency of the United States. References to "pound sterling," "pence," or "£" are to the lawful currency of the United Kingdom.

Unless otherwise indicated, all financial information incorporated by reference in this Prospectus has been prepared in accordance with IFRS.

This Prospectus provides a general description of the Securities that the Corporation may offer. Each time the Corporation offers and sells Securities under this Prospectus, the Corporation will provide prospective investors with a Prospectus Supplement that will contain specific information about the terms of that offering. The Prospectus Supplement may also add to, update or change information contained in this Prospectus. Before investing in any Securities, prospective investors should read both this Prospectus and any applicable Prospectus Supplement together with additional information described below under "*Documents Incorporated by Reference*".

All shelf information permitted under applicable laws to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers of the applicable Securities together with this Prospectus.

### **NON-GAAP FINANCIAL MEASURES**

Certain information presented in, or incorporated by reference in, this Prospectus contains references to certain financial measures that do not have a standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other entities and investors are cautioned that these non-GAAP measures should not be construed as an alternative to net earnings or other measures of financial performance calculated in accordance with IFRS.

These measures, including "adjusted funds flow from operations", "operating netback", "adjusted working capital", "net debt", and "net capital expenditures", have the meanings set out in the Annual MD&A and the Interim MD&A, which are incorporated by reference herein. The specific rationale for and incremental information associated with each non-GAAP measure (including a reconciliation to the most directly comparable measure calculated in accordance with IFRS) is also discussed therein.

### **NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This Prospectus and the documents incorporated by reference herein contain forward-looking statements. When used in this Prospectus and the documents incorporated by reference herein, the words "anticipate", "plan", "contemplate", "continue", "estimate", "expect", "intend", "propose", "might", "may", "shall", "project", "should", "could", "would", "believe", "predict", "forecast", "pursue", "potential" and "capable" and similar expressions are intended to identify forward-looking statements. In particular, this Prospectus and the documents incorporated by reference herein contain forward-looking statements pertaining to, among other things:

- (a) the Corporation's objectives, strategies and competitive strengths and weaknesses, and the Corporation's ability to achieve its objectives;
- (b) the future outlook of the Corporation, its business plan and strategies, and anticipated operational results of the Corporation;
- (c) the performance characteristics of the Corporation's oil and natural gas properties, and the ability of the Corporation to achieve drilling success consistent with management's expectations, including in respect of the Gwinville assets of the Corporation;

- (d) expectations regarding the further development and operation of the Corporation's principal assets, including the Corporation's ability to add production, reserves and net present value and the Corporation's plans for exploration, resource testing, development, exploitation and acquisitions;
- (e) future commodity prices and other market prices and costs;
- (f) nature, timing and development of the Corporation's capital projects, including in respect of final investment decisions and regulatory approvals and the expected financial performance of such projects following completion of the development and the commencement of operations, as applicable;
- (g) expectations with respect to the Corporation's financial position and future funds from operations, cash flows, net earnings and other financial results;
- (h) expectations regarding contractual obligations and commitments, and benefits therefrom;
- (i) future costs, including abandonment and reclamation cost expectations;
- (j) access to third-party infrastructure and the expected limitations, costs and benefits thereof;
- (k) the use of risk-management techniques, including hedging;
- (l) the Corporation's estimates of future interest and foreign exchange rates;
- (m) expectations that the Corporation's competitive advantages will yield successful execution of its business strategy and the degree of any such success achieved;
- (n) the Corporation's treatment under governmental regulatory regimes and tax laws, including estimated tax pools and the Corporation's tax horizon;
- (o) the Corporation's consultation with government and other stakeholders in respect of regulatory developments and other matters;
- (p) the Corporation's management team as it evolves, including the continuity of employment of any person;
- (q) the compensation arrangements and economic interest of the Corporation's management team in the Corporation's equity and the benefits thereof;
- (r) the Corporation's future general and administrative expenses;
- (s) industry volatility and uncertainty around the timing and extent of a COVID-19 recovery and risks related the current conflict between Russia and Ukraine; and
- (t) the anticipated use of proceeds from the sale of Securities.

These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Such statements reflect the Corporation's then current views with respect to future events based on certain material facts and assumptions and are subject to certain risks and uncertainties, including without limitation changes in market, competition, governmental or regulatory developments, interest rate and foreign exchange rate risk and general economic conditions and the other factors described under the

heading "*Risk Factors*" in the 2021 AIF and in this Prospectus. The material assumptions in making these forward-looking statements are disclosed in the 2021 AIF, the 2021 Annual MD&A and the Interim MD&A, as may be modified or superseded by documents incorporated or deemed to be incorporated by reference in this Prospectus.

Many factors could cause the Corporation's actual results, performance or achievements to vary from those described in this Prospectus and the documents incorporated by reference herein as well as the assumptions upon which they are based proving incorrect. These factors should not be construed as exhaustive. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this Prospectus and the documents incorporated by reference herein as intended, planned, anticipated, believed, sought, proposed, estimated or expected, and such forward-looking statements included in this Prospectus and the documents incorporated by reference herein should not be unduly relied upon. These statements speak only as of the date of this Prospectus or as of the date specified in the documents incorporated by reference herein, as the case may be. The Corporation does not intend, and does not assume any obligation, to update these forward-looking statements except as required by law. The forward-looking statements contained in this Prospectus and the documents incorporated by reference herein are expressly qualified by these cautionary statements.

Financial outlook information contained in this Prospectus and the documents incorporated by reference herein about prospective results of operations, financial position or cash flows is based on assumptions about future events, including economic conditions and proposed courses of action, based on management's assessment of the relevant information available as of the date of this prospectus or as of the date specified in the documents incorporated by reference herein, as the case may be. Readers are cautioned that such financial outlook information contained in this Prospectus and the documents incorporated by reference herein should not be used for purposes other than for which it is disclosed herein or therein, as the case may be.

## **PRESENTATION OF FINANCIAL INFORMATION**

The financial statements of the Corporation incorporated by reference in this Prospectus are reported in United States ("**U.S.**") dollars and have been prepared in accordance with IFRS. The functional currency of the Corporation is Canadian ("**CAD**") dollars, and its financial statements are translated to U.S. dollars in accordance with its foreign currency translation accounting policy. The functional currencies of the Corporation's subsidiaries are U.S. dollars.

## **PRESENTATION OF OIL AND GAS RESERVES AND PRODUCTION INFORMATION**

The reserves information contained in documents incorporated by reference in this Prospectus has been prepared in accordance with National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* ("**NI 51-101**"). Complete NI 51-101 reserves disclosure is included in the 2021 AIF, which is incorporated by reference into this Prospectus. Estimates of the Corporation's reserves and the net present value of future net revenue attributable to such reserves incorporated by reference are based upon the report prepared by Netherland, Sewell and Associates Inc. ("**NSAI**") dated February 18, 2022, evaluating the reserves attributable to the Corporation's oil and gas properties as at December 31, 2021. The estimates of reserves are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual reserves may be greater than or less than the estimates provided in the 2021 AIF and the differences may be material. Estimates of net present value of future net revenue attributable to the Corporation's reserves do not represent the fair market value of the Corporation's reserves and there is uncertainty that the net present value of future net revenue will be realized. There is no assurance that the forecast price and cost assumptions applied by NSAI in evaluating the Corporation's reserves will be attained and variances could be material. For important additional information regarding the independent reserves evaluations that were conducted by NSAI, please refer to the 2021 AIF incorporated by reference into this Prospectus.

## DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of the Corporation at 2400, 333 – 7th Avenue S.W., Calgary, Alberta, T2P 2Z1, Telephone: (587) 287-5402. These documents are also available through the Internet on the System for Electronic Document Analysis and Retrieval (SEDAR), which can be accessed at [www.sedar.com](http://www.sedar.com).

The following documents filed by the Corporation with the various provincial securities commissions or similar authorities in Canada, are specifically incorporated into and form an integral part of this Prospectus, provided that such documents are not incorporated by reference to the extent that their contents are modified or superseded by a statement contained in this Prospectus or in any other subsequently filed document that is also incorporated by reference in this Prospectus (collectively, the "Documents Incorporated by Reference"):

- (a) the annual information form of the Corporation for the year ended December 31, 2021 dated April 18, 2022 (the "**2021 AIF**");
- (b) the audited consolidated annual financial statements of the Corporation as at December 31, 2021, 2020 and January 1, 2020 and for the years ended December 31, 2021 and 2020, together with the notes thereto and the independent auditors' report thereon (the "**2021 Annual Financial Statements**");
- (c) the management's discussion and analysis of the operational and financial results of the Corporation for the years ended December 31, 2021 and 2020 (the "**2021 Annual MD&A**");
- (d) the condensed consolidated interim financial statements of the Corporation for the three and six months ended June 30, 2022 and 2021 (the "**Interim Financials**");
- (e) the management's discussion and analysis for the three and six months ended June 30, 2022 and 2021 (the "**Interim MD&A**");
- (f) the management information circular of the Corporation dated May 2, 2022, with respect to the annual general and special meeting of the shareholders of the Corporation held on June 15, 2022;
- (g) the report titled "Estimates of Reserves and Future Revenue to the Southern Energy Corp. Interest in Certain Oil and Gas Properties located in Alabama and Mississippi" as at December 31, 2021, with a preparation date of February 18, 2022 and prepared by NSAI (the "**Reserves Report**");
- (h) the underwriting agreement dated June 23, 2022 between the Corporation and Eight Capital, Haywood Securities Inc., and Canaccord Genuity Corp. in respect of the underwritten "bought-deal" offering of 26,060,000 Common Shares of the Corporation for aggregate gross proceeds of approximately US\$17.5 million (the "**2022 Prospectus Offering**"); and
- (i) the material change report of the Corporation dated July 5, 2022 in respect of the 2022 Prospectus Offering and the concurrent placing of 20,311,927 Common Shares for aggregate gross proceeds of approximately US\$13.5 million conducted by way of accelerated bookbuild.

Any documents of the type required by National Instrument 44-101 – *Short Form Prospectus Distributions* ("NI 44-101") to be incorporated by reference in a short form prospectus including any material change reports (excluding material change reports filed on a confidential basis), comparative interim financial statements, comparative annual financial statements and the auditors' report thereon, management's discussion and analysis of financial condition and results of operations, information circulars, annual information forms, marketing materials (as such term is defined in NI 41-101) and business acquisition reports filed by the Corporation with the securities commissions or similar authorities in the provinces of Canada subsequent to the date of this Prospectus and prior to the termination of this offering are deemed to be incorporated by reference in this Prospectus. Any "template version" (as defined in NI 41-101) of any marketing materials filed after the date of a Prospectus Supplement and before the termination of the distribution of the Securities offered pursuant to such Prospectus Supplement (together with this Prospectus) will be deemed to be incorporated by reference in such Prospectus Supplement for the purposes of the distribution of Securities to which the Prospectus Supplement pertains.

**Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this Prospectus, to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. Any statement so modified or superseded shall not constitute a part of this Prospectus, except as so modified or superseded. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed to constitute a part of this Prospectus, except as so modified or superseded.**

Upon an annual information form and corresponding audited annual consolidated financial statements and accompanying management's discussion and analysis being filed by the Corporation with, and where required, accepted by, the applicable securities regulatory authorities during the currency of this Prospectus, the previous annual information form, the previous audited annual consolidated financial statements and accompanying management's discussion and analysis and all unaudited interim consolidated financial statements and accompanying management's discussion and analysis and material change reports filed by the Corporation prior to the commencement of the Corporation's financial year in which the annual information form is filed and all information circulars relating to an annual meeting filed prior to the beginning of the financial year in respect of which the annual information form is filed shall be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of Securities under this Prospectus. In addition, upon a new annual information form being filed by the Corporation with the applicable securities regulatory authorities during the currency of this Prospectus for which the corresponding annual financial statements include at least nine months of the financial results of an acquired business for which a business acquisition report was filed by the Corporation and incorporated by reference into this Prospectus, such business acquisition report shall be deemed no longer to be incorporated by reference into this Prospectus for the purposes of future offers and sales of Securities hereunder.

Upon unaudited interim consolidated financial statements and accompanying management's discussion and analysis being filed by the Corporation with the applicable securities regulatory authorities during the currency of this Prospectus, all unaudited interim consolidated financial statements and accompanying management's discussion and analysis filed prior to the new unaudited interim consolidated financial statements shall be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of Securities under this Prospectus.

Any earnings coverage ratios filed with applicable securities regulatory authorities either as Prospectus Supplements or as exhibits to the Corporation's unaudited interim consolidated financial statements and audited annual consolidated financial statements will be deemed to be incorporated by reference in this Prospectus.

A Prospectus Supplement containing the specific terms of any offered Securities and other information relating to the offered Securities will be delivered to prospective purchasers of such offered Securities, together with this Prospectus, and will be deemed to be incorporated by reference into this Prospectus for the purpose of securities legislation as of the date of such Prospectus Supplement and only for the purpose of the offering of such offered Securities to which the Prospectus Supplement pertains.

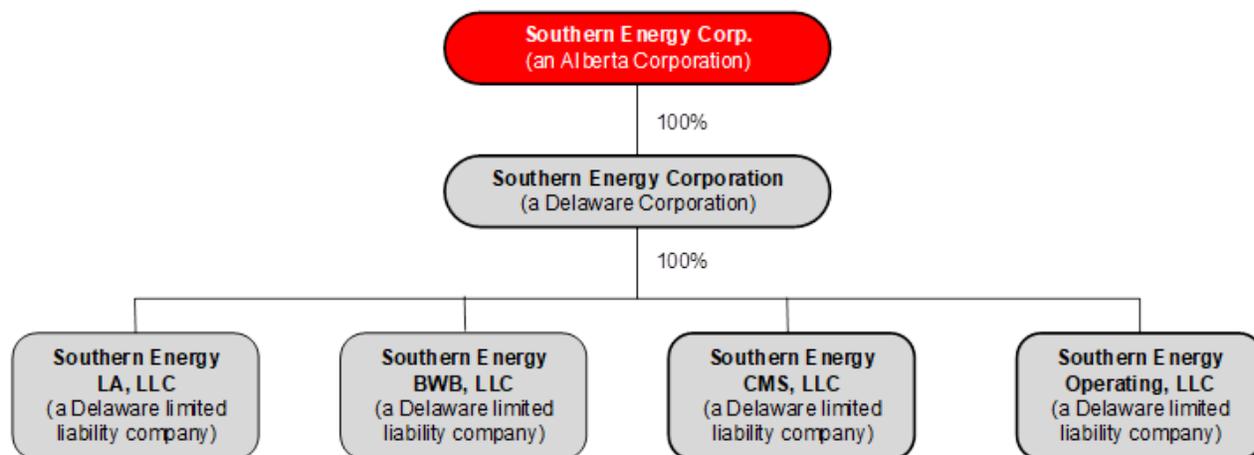
### THIRD PARTY SOURCES AND INDUSTRY DATA

As of the date hereof, this Prospectus does not currently contain information from publicly available third party sources or industry data prepared by management. However, this Prospectus, together with the documents incorporated by reference in this Prospectus (including any Prospectus Supplement containing the specific terms of any offered Securities and other information relating to the offered Securities), may in the future contain information from publicly available third party sources as well as industry data prepared by management on the basis of its knowledge of the industry in which the Corporation operates (including management's estimates and assumptions relating to the industry based on that knowledge). Management's knowledge of the oil and gas industry generally has been developed through its experience and participation in the industry. Management would not include in this Prospectus any industry data unless it believes it to be accurate and its estimates and assumptions are reasonable, but the Corporation will not have independently verified the accuracy or completeness of such data. Third-party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but the Corporation will not independently have verified the accuracy or completeness of such included information. Although management would not include in this Prospectus industry data it does not believe to be reliable, the Corporation will not independently have verified any of the data from third-party sources referred to in this Prospectus (including any Prospectus Supplement containing the specific terms of any offered Securities and other information relating to the offered Securities) or analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying economic assumptions relied upon or referred to by such sources.

### THE CORPORATION

The Corporation was incorporated as "7015321 Canada Limited" pursuant to the provisions of the CBCA on July 22, 2008. On August 15, 2008, the name of the Corporation was changed to "MAX Minerals Ltd." On October 8, 2010, the name of the Corporation was changed to "Standard Exploration Ltd.". On December 31, 2018, the issued and outstanding Common Shares were consolidated on the basis of one post-consolidated Common Share for every five pre-consolidated Common Shares. The name of the Corporation was then changed from "Standard Exploration Ltd." to "Southern Energy Corp." on January 2, 2019, and on January 7, 2020, the Corporation continued out of the federal jurisdiction of Canada under the CBCA to the provincial jurisdiction of Alberta under the ABCA. In December 2021, the Corporation consolidated (the "**Consolidation**") its Common Shares on the basis of one post-Consolidation Common Share for every eight pre-Consolidation Common Shares.

The following diagram describes the inter-corporate relationships among the Corporation and its subsidiaries as of the date hereof:



The head office of the Corporation is located at 2400, 333 – 7th Avenue S.W., Calgary, Alberta, T2P 2Z1, and the registered office of the Corporation is located at 4300 Bankers Hall West, 888 – 3rd Street S.W., Calgary, Alberta, T2P 5C5.

### Description of the Business

Southern is an established producer with natural gas and light oil assets in Mississippi and Alabama characterized by a stable, low-decline production base, a significant low-risk drilling inventory and strategic access to the best commodity pricing in North America. For further information on the Corporation and its business activities, see the 2021 AIF which is incorporated by reference herein.

### Recent Developments

No material developments in the business of the Corporation have occurred since the date of the Interim Financial Statements which have not been disclosed in this Prospectus or the Documents Incorporated by Reference.

### CONSOLIDATED CAPITALIZATION

There have been no material changes in the consolidated capitalization of the Corporation since the date of the Interim Financial Statements which have not been disclosed in this Prospectus or the Documents Incorporated by Reference. The applicable Prospectus Supplement will describe any material changes, and the effect of such material changes, on the share and loan capitalization of the Corporation that will result from the issuance of Securities pursuant to such Prospectus Supplement.

### USE OF PROCEEDS

The Securities offered by this Prospectus may be offered from time to time at the discretion of the Corporation in one or more series or issuances with an aggregate offering amount not to exceed \$150.0 million. The net proceeds derived from the issue of the Securities, or any one of them, under any Prospectus Supplement will be the aggregate offering amount thereof less any commission and other issuance costs paid in connection therewith. The net proceeds cannot be estimated as the amount thereof will depend on the number and price of the Securities issued under any Prospectus Supplement.

The Corporation will set forth information on the use of net proceeds from the sale of Securities offered under this Prospectus in a Prospectus Supplement relating to the specific offering.

Among other potential uses, the Corporation may use the net proceeds from the sale of Securities for general corporate purposes, including funding ongoing operations and/or working capital requirements, to repay indebtedness outstanding from time to time, capital projects and potential future acquisitions. Management of the Corporation will retain broad discretion in allocating the net proceeds of any offering of Securities under this Prospectus and the Corporation's actual use of the net proceeds will vary depending on the availability and suitability of investment and development opportunities and its operating and capital needs from time to time.

The Corporation may, from time to time, issue or qualify for distribution securities (including Securities) other than pursuant to this Prospectus.

### **EARNINGS COVERAGE RATIOS**

Earnings coverage ratios will be provided as required in the applicable Prospectus Supplement with respect to the issuance of Preferred Shares or Debt Securities pursuant to this Prospectus.

### **DESCRIPTION OF SECURITIES**

The following is a summary of the material attributes and characteristics of the Securities that may be issued from time to time under a Prospectus Supplement, as at the date of this Prospectus. The following description may not be complete and is subject to, and qualified in its entirety by reference to, the terms and provisions of the Corporation's articles, which are available electronically on SEDAR at [www.sedar.com](http://www.sedar.com).

The specific terms of any Securities to be offered under this Prospectus, and the extent to which the general terms described in this Prospectus apply to such Securities, will be set forth in the applicable Prospectus Supplement. The Corporation may issue Securities either separately or together with or upon the conversion of or in exchange for other securities. Moreover, a Prospectus Supplement relating to a particular offering of Securities may include terms pertaining to the Securities being offered thereunder that are not within the terms and parameters described in this Prospectus. The Corporation reserves the right to include in a Prospectus Supplement specific variable terms pertaining to the Securities that are not within the descriptions set forth in this Prospectus.

#### **Common Shares**

The Corporation is authorized to issue an unlimited number of Common Shares. As of the close of business on October 27, 2022, there were 137,183,785 Common Shares issued and outstanding.

The Common Shares have the following rights, privileges, restrictions and conditions:

- **Voting Rights:** Holders of Common Shares are entitled to receive notice of, to attend and to vote at all meetings of Shareholders and are entitled to one vote per Common Share held at such meetings, except meetings of holders of another class or one or more series of another class of shares who are entitled to vote separately as a class at such meeting.
- **Dividends:** Holders of Common Shares are entitled to receive any dividend declared by the Corporation on this class of shares; provided that the Corporation shall be entitled to declare dividends on the Preferred shares, or on any of such classes of shares without being obligated to declare any dividends on the Common Shares of the Corporation.

- **Distributions:** Subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Corporation, to receive the remaining property of the Corporation upon dissolution in equal rank with the holders of all other Common shares of the Corporation.

Common Shares offered hereunder may be "flow-through shares" within the meaning of the *Income Tax Act* (Canada). The particular terms and provisions of any such offering of flow-through shares by any Prospectus Supplement will be described in such Prospectus Supplement.

Further information relating to the Common Shares is set out in the 2021 AIF, which is incorporated by reference herein.

## Preferred Shares

The Corporation is authorized to issue an unlimited number of Preferred Shares. As of the close of business on October 27, 2022, there were nil Preferred Shares issued and outstanding. The Preferred Shares are issuable in series.

The Preferred Shares of each series rank in parity with the Preferred Shares of every other series with respect to dividends and return of capital and are entitled to a preference over the Common Shares and any other shares ranking junior to the Preferred Shares with respect to priority in the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation. The Board is empowered to fix the number of shares and the rights to be attached to the Preferred Shares of each series, including the amount of dividends and any conversion, voting and redemption rights. Subject to the articles of the Corporation and to applicable law, the Preferred Shares as a class are not entitled to receive notice of or attend or vote at meetings of the Corporation's shareholders.

Each applicable Prospectus Supplement will set forth the terms and other information with respect to the Preferred Shares being offered thereby, which may include, without limitation, subject to the provisions of the ABCA and the articles of the Corporation, the following (where applicable):

- (a) the designation of the series of Preferred Shares offered, and the maximum number of such series of Preferred Shares that the Corporation is authorized to issue;
- (b) the aggregate number of Preferred Shares offered;
- (c) the price at which the Preferred Shares will be offered;
- (d) the currency for which the Preferred Shares may be purchased (if other than Canadian dollars);
- (e) the annual dividend rate, if any, and whether the dividend rate is fixed or variable, the date from which dividends will accrue, and the dividend payment dates;
- (f) the priority of the Preferred Shares in respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation;
- (g) the price and the terms and conditions for redemption, if any, including whether redeemable at the Corporation's option or at the option of the holder, the time period for redemption, and payment of any accumulated dividends;
- (h) the terms and conditions, if any, for conversion or exchange for shares of any other class of the Corporation or any other series of Preferred Shares, or any other securities or

assets, including the price or the rate of conversion or exchange and the method, if any, of adjustment;

- (i) whether such Preferred Shares will be listed on any securities exchange;
- (j) the terms and conditions of any share purchase plan or sinking fund;
- (k) the voting rights, if any;
- (l) any other rights, privileges, restrictions, or conditions;
- (m) certain material Canadian tax consequences of owning the Preferred Shares; and
- (n) any other material terms and conditions of the Preferred Shares.

## **Warrants**

The following description of the terms of Warrants sets forth certain general terms and provisions of Warrants in respect of which a Prospectus Supplement may be filed. The particular terms and provisions of Warrants offered by any Prospectus Supplement, and the extent to which the general terms and provisions described below may apply thereto, will be described in the Prospectus Supplement filed in respect of such Warrants.

Warrants may be offered separately or in combination with one or more other Securities and may be attached to, or separate from, any such other offered Securities. Each series of Warrants will be issued under a separate Warrant agreement or indenture to be entered into between the Corporation and one or more financial institutions or trust companies acting as Warrant agent. A copy of the Warrant agreement or indenture will be filed by the Corporation with the applicable securities commission or similar regulatory authorities after it has been entered into by the Corporation and will be available electronically at [www.sedar.com](http://www.sedar.com). The applicable Prospectus Supplement will include details of the Warrant agreement or indenture covering the Warrants being offered. The Warrant agent will act solely as the agent of the Corporation and will not assume a relationship of agency with any holders of Warrant certificates or beneficial owners of Warrants. Holders of Warrants are not Shareholders.

The description of general terms and provisions of Warrants described in any Prospectus Supplement will include, where applicable:

- (a) the designation and aggregate number of Warrants;
- (b) the price at which the Warrants will be offered;
- (c) the currency or currencies in which the Warrants will be offered;
- (d) the period or periods during which the Warrants will be exercisable;
- (e) the number and type of securities that may be purchased upon exercise of each Warrant and the price at which and currency or currencies in which that amount of securities may be purchased upon exercise of each Warrant;
- (f) any procedures that will result in the adjustment of the number of securities or the exercise price;
- (g) the designation and terms of any securities with which the Warrants will be offered, if any, and the number of the Warrants that will be offered with each security;

- (h) the date or dates, if any, on or after which the Warrants and the related securities will be transferable separately;
- (i) whether the Warrants are subject to redemption or call and, if so, the terms of such redemption or call provisions; and
- (j) any other material terms or conditions of the Warrants.

The Corporation reserves the right to set forth in a Prospectus Supplement specific terms of the Warrants that are not within the options and parameters set forth in this Prospectus. In addition, to the extent that any particular terms of the Warrants described in a Prospectus Supplement differ from any of the terms described in this Prospectus, the description of such terms set forth in this Prospectus shall be deemed to have been superseded by the description of such differing terms set forth in such Prospectus Supplement with respect to such Warrants.

### **Debt Securities**

The following description of the terms of Debt Securities sets forth certain general terms and provisions of the Debt Securities. The particular terms and provisions of Debt Securities offered by any Prospectus Supplement, and the extent to which the general terms and provisions described below may apply to them, will be described in the Prospectus Supplement filed in respect of such Debt Securities.

The Corporation reserves the right to include in a Prospectus Supplement specific terms pertaining to Debt Securities that are not within the descriptions set forth in this Prospectus, provided that the Debt Securities will not be specified derivatives or asset-backed securities. Prospective investors should rely on information in the applicable Prospectus Supplement and should read this Prospectus together with the applicable Trust Indenture (as defined below).

The Debt Securities will be issued under one or more indentures or supplements thereto (as applicable, the "**Trust Indenture**") between the Corporation and a trustee (a "**Note Trustee**"). The statements made hereunder relating to the Trust Indenture and the Debt Securities to be issued thereunder are summaries of certain anticipated provisions thereof, the full details of which will be included in the applicable Trust Indenture, which will be available electronically at [www.sedar.com](http://www.sedar.com). All material attributes and characteristics of the Debt Securities and the security, if any, in respect of the Debt Securities are either described hereunder or will be described in the applicable Prospectus Supplement.

### *General*

The aggregate principal amount of Debt Securities to be authorized under the Trust Indenture may be unlimited and Debt Securities may be issued from time to time in one or more series thereunder. Certain terms of each issue of Debt Securities, as well as any modifications of or additions to the general terms of the Debt Securities as described herein that may be applicable to a particular issue of Debt Securities, will be described in the Prospectus Supplement relating to the offering of such Debt Securities.

Reference is made to the applicable Prospectus Supplement for the following applicable terms of, and information relating to, the Debt Securities being offered thereby:

- (a) the specific designation, aggregate principal amount, authorized denominations and maturity dates of the Debt Securities;
- (b) the rate or rates of interest, which may be a fixed rate or floating rate, and the amounts payable in respect of principal and premium, if any, on the Debt Securities;

- (c) covenants relating to the payment of principal and interest on the Debt Securities and other covenants applicable to such Debt Securities to which the Corporation will be bound;
- (d) the date or dates from which interest shall accrue, the dates on which interest shall be payable and the record dates for the interest payable on any interest payment date;
- (e) the place or places where the principal of and premium, if any, and interest on the Debt Securities will be payable;
- (f) the period or periods within which, the price or prices at which, and the terms and conditions upon which, the Debt Securities may be redeemed, in whole or in part, at the option of the Corporation;
- (g) the obligation, if any, of the Corporation to redeem, purchase or repay the Debt Securities pursuant to any mandatory redemption, sinking fund or analogous provisions or at the option of a holder thereof; and the period or periods within which, the price or prices at which, and the terms and conditions upon which, the Debt Securities shall be redeemed or purchased, in whole or in part, pursuant to such obligation or option;
- (h) provisions relating to the conversion of the Debt Securities for Common Shares or other securities of the Corporation or its subsidiaries;
- (i) the currency or currencies (which may be in Canadian dollars or in any other currency) in which the Debt Securities will be denominated and in which the principal of and premium, if any, and interest on such Debt Securities will be payable;
- (j) the application, if any, of any defeasance provisions to the Debt Securities;
- (k) whether the Debt Securities may be exchanged or converted into securities of the Corporation or another issuer; and
- (l) any other material terms of the series of Debt Securities.

The Debt Securities may be issued as original issue discount Debt Securities (bearing no interest, or interest at a rate that at the time of issuance is below market rates) at prices below their stated principal amount.

### *Ranking*

Unless otherwise provided in the applicable Prospectus Supplement, the Debt Securities of each series will rank equally and *pari passu*, including with respect to security interests (if any), with each other (regardless of their actual dates or terms of issue, but only to the extent such other Debt Securities are secured) and, unless the Debt Securities are secured or subordinated and subject to statutory preferred exceptions, with all other present and future unsecured and unsubordinated indebtedness of the Corporation. Unless otherwise provided in the applicable Prospectus Supplement, a series of Debt Securities may be reopened for the issuance of additional Debt Securities of such series.

### *Form of Debt Securities*

Unless otherwise specified in the applicable Prospectus Supplement, the Debt Securities will be issued only in the form of fully registered global notes (the "**Global Notes**") to be held by, or on behalf of, CDS, as depositary for its Participants (as defined below), and will be registered in the name of CDS or its nominee. Debt Securities represented by Global Notes will not be issued in definitive form unless: (a) the

Corporation, in its sole discretion, elects to prepare and deliver definitive notes (the "**Definitive Notes**"); (b) CDS notifies the Corporation that it is unwilling or unable to continue to be depository in connection with a Global Note; (c) CDS ceases to be eligible to be a depository and the Corporation is unable to find a qualified successor; or (d) holders of not less than 25% of the Debt Securities, following the occurrence of an event of default which is continuing under the Trust Indenture, request Debt Securities to be issued as Definitive Notes.

Beneficial interests in the Global Notes, constituting ownership of the Debt Securities, will be represented through book-entry accounts of institutions acting on behalf of owners of Debt Securities, as direct and indirect participants (the "**Participants**") of CDS. Each purchaser of a Debt Security represented by a Global Note will receive a customer confirmation of purchase from the dealer from which the Debt Security is purchased in accordance with the practices and procedures of such dealer. Such practices may vary between dealers, but generally customer confirmations are issued promptly following execution of a customer order. CDS will be responsible for establishing and maintaining book-entry accounts for its Participants having interests in Global Notes.

Unless otherwise specified in the applicable Prospectus Supplement, Debt Securities will be issued in denominations of \$5,000 and multiples of \$1,000 above such amount.

#### *Transfer of Debt Securities*

Transfer of ownership of Debt Securities represented by Global Notes will be effected through records maintained by CDS or its nominee for such Global Notes (with respect to interests of Participants) and through the records of Participants (with respect to interests of persons other than Participants). Unless Debt Securities are issued as Definitive Notes, owners of Debt Securities who are not Participants in CDS' book-entry system, but who desire to purchase, sell or otherwise transfer ownership of Debt Securities, may do so only through Participants in CDS' book-entry system.

The ability of an owner of a Debt Security represented by a Global Note to pledge or otherwise take action with respect to such owner's Debt Security (other than through a Participant) may be limited by the unavailability of a certificate registered in such owner's name.

#### *Payment of Principal, Premium and Interest*

Payments of interest, if any, and principal of and premium, if any, on each Global Note will be made to CDS or its nominee, as the case may be, as registered holder of the Global Note. So long as CDS or its nominee is the registered holder of a Global Note, CDS or its nominee, as the case may be, will be considered to be the sole owner of the Global Note for the purpose of receiving payments of interest, if any, and principal of and premium, if any, on such Global Note and for all other purposes under such Global Note. The record date for the payment of interest will be the 10<sup>th</sup> business day prior to the applicable interest payment date.

The Corporation understands that CDS or its nominee, upon receipt of any payment of interest, if any, or principal and premium, if any, in respect of a Global Note, will credit Participants' accounts, on the date interest, if any, or principal and premium, if any, is paid, with payments in amounts proportionate to their respective interests in the principal amount of such Global Note as shown on the records of CDS or its nominee. The Corporation also understands that payments of interest, if any, or principal and premium, if any, by Participants to the owners of beneficial interests in such Global Note held through such Participants will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participants. The responsibility and liability of the Corporation in respect of payments on Global Notes are limited solely and exclusively, while the Debt Securities are represented by a Global Note, to making payment of interest, if any, and principal and premium, if any, due on such Global Note to CDS or its nominee. The Corporation will not have any responsibility or liability for any

aspect of the records relating to beneficial interests in the Global Note or for maintaining, supervising or reviewing any records relating to such beneficial interests.

If the due date for payment of interest, if any, or principal of or premium, if any, on any Debt Security is not, at the place of payment, a business day, such payment will be made on the next business day and the holder of such Debt Security will not be entitled to any further interest or other payment in respect of such delay.

### *Modification*

The Trust Indenture will provide that supplemental indentures containing modifications and alterations thereto may be made by the Note Trustee and the Corporation in the circumstances described in the applicable Prospectus Supplement.

The Trust Indenture will also provide that the holders of Debt Securities or holders of Debt Securities of a particular series shall have the power to modify the rights of the holders of Debt Securities or holders of Debt Securities of a particular series, as applicable, under the Trust Indenture. For that purpose, among others, the Trust Indenture will contain provisions to render binding on holders of Debt Securities, or holders of Debt Securities of a particular series, resolutions passed by the affirmative votes of the holders of not less than 66⅔% of the aggregate principal amount of Debt Securities or of Debt Securities of a particular series who are present in person or represented by proxy at the meeting or serial meeting, as the case may be, or instruments in writing signed by holders of not less than 66⅔% of the principal amount of outstanding Debt Securities or Debt Securities of a particular series entitled to vote thereon ("**Extraordinary Resolutions**"). The quorum for meetings of holders of Debt Securities or serial meetings for holders of Debt Securities of a particular series at which such an Extraordinary Resolution will be considered shall be holders representing not less than 50% of the principal amount of outstanding Debt Securities or Debt Securities of a particular series then entitled to vote thereon. In certain circumstances, if holders representing not less than 50% of the principal amount of Debt Securities or Debt Securities of a particular series are not represented at the meeting or serial meeting, then the meeting or serial meeting shall stand adjourned and if properly reconvened in accordance with the terms of the Trust Indenture then those holders represented at the reconvened meeting or serial meeting shall constitute a proper quorum to consider, vote on and pass an Extraordinary Resolution.

### **Subscription Receipts**

The following description of the terms of Subscription Receipts sets forth certain general terms and provisions of Subscription Receipts in respect of which a Prospectus Supplement may be filed. The particular terms and provisions of Subscription Receipts offered by any Prospectus Supplement, and the extent to which the general terms and provisions described below may apply thereto, will be described in the Prospectus Supplement filed in respect of such Subscription Receipts.

Subscription Receipts may be offered separately or in combination with one or more other Securities. The Subscription Receipts will be issued under a subscription receipt agreement. A copy of the subscription receipt agreement will be filed by the Corporation with the applicable securities commission or similar regulatory authorities after it has been entered into by the Corporation and will be available electronically at [www.sedar.com](http://www.sedar.com).

The description of general terms and provisions of Subscription Receipts described in any Prospectus Supplement will include, where applicable:

- (a) the number of Subscription Receipts offered;
- (b) the price at which the Subscription Receipts will be offered;

- (c) if other than Canadian dollars, the currency or currency unit in which the Subscription Receipts are denominated;
- (d) the procedures for the exchange of the Subscription Receipts into Common Shares or other securities;
- (e) the number of Common Shares or other securities that may be obtained upon exercise of each Subscription Receipt;
- (f) the designation and terms of any other Securities with which the Subscription Receipts will be offered, if any, and the number of Subscription Receipts that will be offered with each Security;
- (g) the terms applicable to the gross proceeds from the sale of the Subscription Receipts plus any interest earned thereon;
- (h) the material tax consequences of owning the Subscription Receipts; and
- (i) any other material terms, conditions and rights (or limitations on such rights) of the Subscription Receipts.

The Corporation reserves the right to set forth in a Prospectus Supplement specific terms of the Subscription Receipts that are not within the options and parameters set forth in this Prospectus. In addition, to the extent that any particular terms of the Subscription Receipts described in a Prospectus Supplement differ from any of the terms described in this Prospectus, the description of such terms set forth in this Prospectus shall be deemed to have been superseded by the description of such differing terms set forth in such Prospectus Supplement with respect to such Subscription Receipts.

## **Units**

The following description of the terms of Units sets forth certain general terms and provisions of Units in respect of which a Prospectus Supplement may be filed. The particular terms and provisions of Units offered by any Prospectus Supplement, and the extent to which the general terms and provisions described below may apply thereto, will be described in the Prospectus Supplement filed in respect of such Units, provided that the Units will not be specified derivatives or asset-backed securities.

The Corporation may issue Units comprised of one or more of the Securities described in this Prospectus in any combination. Each Unit will be issued so that the holder of the Unit is also the holder of each Security included in the Unit. As a result, the holder of a Unit will have the rights and obligations of a holder of each included Security. The unit agreement, if any, under which a Unit is issued may provide that the Securities comprising the Unit may not be held or transferred separately, at any time or at any time before a specified date.

The description of general terms and provisions of Units described in any Prospectus Supplement will include, where applicable:

- (a) the number of Units;
- (b) the price at which the Units will be offered;
- (c) if other than Canadian dollars, the currency or currencies in which the Units will be offered;

- (d) the terms of the Units and of the Securities comprising the Units, including whether and under what circumstances those securities may be held or transferred separately;
- (e) any provisions for the issuance, payment, settlement, transfer, adjustment or exchange of the Units or of the Securities comprising the Units; and
- (f) any other material terms of the Units.

The Corporation reserves the right to set forth in a Prospectus Supplement specific terms of the Units that are not within the options and parameters set forth in this Prospectus. In addition, to the extent that any particular terms of the Units described in a Prospectus Supplement differ from any of the terms described in this Prospectus, the description of such terms set forth in this Prospectus shall be deemed to have been superseded by the description of such differing terms set forth in such Prospectus Supplement with respect to such Units.

### **PRIOR SALES**

Information regarding prior sales of Securities will be provided as required in a Prospectus Supplement with respect to the issuance of Securities pursuant to such Prospectus Supplement.

### **MARKET FOR SECURITIES**

Information concerning trading prices and volume will be provided as required for all of the Corporation's issued and outstanding Securities that are listed on any securities exchange, as applicable, in each Prospectus Supplement.

### **PLAN OF DISTRIBUTION**

The Corporation may offer and issue the Securities to or through underwriters, agents or dealers purchasing as principals, and also may sell the Securities directly to one or more purchasers pursuant to applicable statutory exemptions or through agents. The distribution of the Securities may be effected from time to time in one or more transactions at a fixed price or prices. The prices at which Securities may be offered may vary as between purchasers and during the period of distribution of the Securities.

The Prospectus Supplement relating to a particular offering of Securities will identify each underwriter, dealer or agent, as the case may be, engaged by the Corporation in connection with the offering and sale of the Securities, and will set forth the terms of the offering of such Securities, including the type of security being offered, the public offering price, the method of distribution of such Securities, the proceeds to the Corporation and any fees, discounts or any other compensation payable to underwriters, dealers or agents and any other material terms of the plan of distribution.

If underwriters are used in the sale, the Securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale, at market prices prevailing at the time of sale or at prices related to such prevailing market prices. The obligations of the underwriters to purchase such Securities will be subject to certain conditions precedent, and the underwriters will be obligated to purchase all of the Securities offered by the Prospectus Supplement if any such securities are purchased.

In connection with any offering of Securities and subject to applicable laws, the underwriters, dealers or agents, as the case may be, may over-allot or effect transactions which stabilize or maintain the market price of the Securities at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. Any underwriters, dealers or agents to or through whom Securities are sold by the Corporation for public offering and sale may make a market in

the Securities at any time without notice. No assurance can be given that a trading market in the Securities will develop or as to the liquidity of any trading market of the Securities.

Any offering of Securities would be a new issue of securities and, in the case of any offering of Preferred Shares, Warrants, Debt Securities, Subscription Receipts, or Units, with no established trading market. **Unless otherwise specified in the applicable Prospectus Supplement, there is no market through which the Preferred Shares, Warrants, Debt Securities, Subscription Receipts or Units may be sold and purchasers may not be able to resell such securities purchased under this Prospectus and any Prospectus Supplement. This may affect the pricing of such Securities in the secondary market, the transparency and availability of trading prices, the liquidity of the Securities, and the extent of issuer regulation. See "Risk Factors" in the 2021 AIF and in this Prospectus.**

Unless otherwise specified in the applicable prospectus and/or pricing supplement, the Securities have not been and will not be registered under the 1933 Act or any state securities laws, and accordingly may not be offered or sold within the United States of America or to U.S. Persons (as such term is defined in Regulation S under the 1933 Act) except in transactions exempt from the registration requirements of the 1933 Act and applicable state securities laws.

## RISK FACTORS

An investment in the Securities is subject to various risks, including those risks set forth herein and in the Documents Incorporated by Reference (in particular, the 2021 AIF). Before deciding whether to invest in any Securities, prospective investors should consider carefully the risks incorporated by reference (in particular, the 2021 AIF) in this Prospectus and those described in the Prospectus Supplement relating to a specific offering of Securities and the information incorporated by reference therein.

### Forward-Looking Information May Prove Inaccurate

Investors are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

Additional information on the risks, assumptions and uncertainties are found in this Prospectus under the heading "*Note Regarding Forward-Looking Statements*".

### Market for Securities

The Common Shares are currently listed on the TSX-V; however, there is no market through which the other Securities may be sold and purchasers may not be able to resell such securities purchased under this Prospectus and any Prospectus Supplement. There can be no assurance that an active trading market will develop for the Preferred Shares, Warrants, Units, Debt Securities or Subscription Receipts after an offering or, if developed, that such market will be sustained. This may affect the pricing of such Securities in the secondary market, the transparency and availability of trading prices, the liquidity of the Securities, and the extent of issuer regulation.

The public offering prices of the Securities may be determined by negotiation between the Corporation and the underwriters, agents or dealers based on several factors and may bear no relationship to the prices at which the Securities will trade in the public market subsequent to such offering. See "*Plan of Distribution*".

## **Foreign Currencies Risk**

Debt Securities denominated or payable in foreign currencies may entail significant risk. These risks include, without limitation, the possibility of significant fluctuations in the foreign currency markets, the imposition or modification of foreign exchange controls and potential liquidity in the secondary market. Preferred Shares entitled to cash dividends payable in foreign currencies will be affected by changes in the value of the currency in which payment will be made, including on a relative basis compared to the Corporation's Canadian dollar denominated obligations, including dividend rights. These risks will vary depending upon the currency or currencies involved and will be more fully described in the applicable Prospectus Supplement.

## **Interest Rate Risk**

Prevailing interest rates may affect the market price or value of the Securities. The market price or value of the Securities may decline as prevailing interest rates for comparable debt instruments rise, and increase as prevailing interest rates for comparable debt instruments decline.

## **Impact of Future Financings**

In order to finance future operations, the Corporation may raise funds through the issuance of Securities or the issuance of other securities of the Corporation. The Corporation cannot predict the size of future issuances of Securities or the issuance of other securities of the Corporation or the effect, if any, that future issuances and sales of the Corporation's securities will have on the market price of the Common Shares (or other Securities, as applicable).

## **LEGAL MATTERS**

Unless otherwise specified in a Prospectus Supplement relating to an offering of Securities, certain legal matters relating to the issue and sale of the Securities will be passed upon, on behalf of the Corporation, by Stikeman Elliott LLP. In addition, certain legal matters in connection with any offering of Securities will be passed upon for any underwriters, dealers or agents by counsel to be designated at the time of the offering by such underwriters, dealers or agents, as the case may be.

As at the date of this Prospectus, the partners and associates of Stikeman Elliott LLP, as a group, beneficially own, directly or indirectly, less than 1% of the outstanding securities of any class or series of the Corporation.

## **AUDITORS, TRANSFER AGENT AND REGISTRAR**

Deloitte LLP, Chartered Professional Accountants, Suite 700 850-2nd Street SW, Calgary, Alberta, T2P 0R8 are the independent auditors of the Corporation. The transfer agent and registrar for the Common Shares is Odyssey Trust Company of Canada at its principal office located in Calgary, Alberta.

## **INTERESTS OF EXPERTS**

The following persons, firms and companies are named as having prepared or certified a statement, report, valuation or opinion described or included in this Prospectus or in a document incorporated by reference herein and whose profession or business gives authority to the statement, report, valuation or opinion, in each case with respect to the Corporation:

- (a) Deloitte LLP; and
- (b) NSAI.

To the knowledge of the Corporation, as of the date of this Prospectus, NSAI owns beneficially, directly or indirectly, none of the outstanding securities of each class of securities of the Corporation or any associate or affiliate thereof.

Deloitte LLP is independent of the Corporation within the meaning of the rules of professional conduct of the Chartered Professional Accountants of Alberta.

### **PURCHASERS' STATUTORY AND CONTRACTUAL RIGHTS**

Unless provided otherwise in a Prospectus Supplement, the following is a description of a purchaser's statutory rights with respect to a purchase of Securities.

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

Original purchasers of Securities that are convertible into, or exchangeable or exercisable for, other Securities will be granted a contractual right of rescission against the Corporation in respect of the conversion, exchange or exercise of such Securities. The contractual right of rescission will entitle such original purchasers to receive the amount paid upon conversion, exchange or exercise of the Security or the amount paid for the convertible, exchangeable or exercisable Security, as the case may be, upon surrender of the underlying securities gained thereby, in the event that this Prospectus (as supplemented or amended) contains a misrepresentation, provided that both the conversion, exchange or exercise occurs, and the right of rescission is exercised, within 180 days of the date of the purchase of the convertible, exchangeable or exercisable Security under this Prospectus (as supplemented or amended). This contractual right of rescission will be consistent with the statutory right of rescission described under Section 203 of the *Securities Act* (Alberta), and is in addition to any other right or remedy available to original purchasers under Section 203 of the *Securities Act* (Alberta) or otherwise at law.

Original purchasers are further cautioned that the statutory right of action for damages for a misrepresentation contained in the Prospectus is limited, in certain provincial securities legislation, to the price at which the convertible, exchangeable or exercisable Security is offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon conversion, exchange or exercise of the Security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal advisor.

### **ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS**

Certain of the Corporation's directors and officers, namely John Joseph Nally, reside outside of Canada. Each of these persons has appointed Stikeman Elliott LLP, 4300 Bankers Hall West, 888 - 3rd Street S.W., Calgary, Alberta, T2P 5C5, as agent for service of process. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person that resides outside of Canada, even if the party has appointed an agent for service of process.

**CERTIFICATE OF THE ISSUER**

Dated: October 28, 2022

This short form base shelf prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of each of the provinces of Canada, excluding Québec.

**SOUTHERN ENERGY CORP.**

*(signed) "Ian Atkinson"*

**Ian Atkinson**

President and Chief Executive Officer

*(signed) "Calvin Yau"*

**Calvin Yau**

Chief Financial Officer

**ON BEHALF OF THE BOARD OF DIRECTORS OF SOUTHERN ENERGY CORP.**

*(signed) "Tamara MacDonald"*

**Tamara MacDonald**

Director

*(signed) "Bruce Beynon"*

**Bruce Beynon**

Director