FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Southern Energy Corp. ("**Southern**" or the "**Company**")
Suite 2400, 333 – 7th Avenue S.W.
Calgary, Alberta T2P 2Z1

Item 2 Date of Material Change

June 23, 2022.

Item 3 News Release

A press release was disseminated through the facilities of a recognized newswire service and filed on SEDAR on June 23, 2022, and a subsequent press release was disseminated through the facilities of a recognized newswire service and filed on SEDAR on June 24, 2022.

Item 4 Summary of Material Change

On June 23, 2022, the Company announced: (a) an underwritten bought deal prospectus offering (the "**Prospectus Offering**") of 26,060,000 common shares ("**Common Shares**") in the capital of the Company at an issue price of C$0.87 per Common Share for aggregate gross proceeds of approximately C$22.7 million (approximately £14.3 million / US$17.5 million); and (b) a concurrent placing (the "**Placing**") of approximately 18,692,661 Common Shares at an offering price of 54.5 pence (approximately C$0.87) per Common Share for aggregate gross proceeds of approximately £10.2 million (approximately US$12.5 million / C$16.2 million). On June 24, 2022, the Company announced that the Placing was increased from US$12.5 million to US$13.5 million, and when combined with the US$17.5 million Prospectus Offering, the total size of the offering was increased to US$31.0 million. Completion of the Offering is subject to the approval of the TSX Venture Exchange and the London Stock Exchange for trading on AIM.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The Company announced the Prospectus Offering and the Placing (collectively, the "**Offering**") on June 23, 2022, as increased on June 24, 2022. The total size of the Offering is equal to approximately US$31.0 million. The aggregate gross proceeds from the Offering are expected to be used to accelerate the initiation of a continuous organic drilling programme at Gwinville, as well as increasing financial flexibility for potential accretive acquisition opportunities.

Completion of the Offering is subject to customary closing conditions, including the receipt of all necessary regulatory approvals, including the approval of the TSX Venture Exchange. In addition, the Placing is conditional upon the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms.

The Placing and the Prospectus Offering are not inter-conditional (save that the Placing is conditional upon the Underwriting Agreement remaining in force in the period up to the admission of the Placing Shares) and there can be no guarantee that any particular element or elements of the Offering will be completed.

The Prospectus Offering

The Company is pleased to announce an underwritten bought deal prospectus offering of 26,060,000 Common Shares at a price of C$0.87 per Common Share for gross proceeds of C$22,672,200. The shares will be purchased by a syndicate consisting of Eight Capital ("**Eight**"), Haywood Securities Inc. ("**Haywood**"), and Canaccord Genuity Corp. (together with Eight and Haywood, the "**Underwriters**"). The Prospectus Offering may be increased by up to an additional 15% until 30 days after the closing of the Prospectus Offering for up to another 3,909,000 Common Shares (each, an "**Over-Allotment Share**") at the option of the Underwriters (the "**Underwriters' Option**"). Each Over-Allotment Share will be issued at a price of C$0.87. The terms of the Prospectus Offering are governed by a formal underwriting agreement entered into by and among the Company and the Underwriters on June 23, 2022 (the "**Underwriting Agreement**").

Pursuant to the terms of the Underwriting Agreement, the Underwriters will be paid a commission of 6.0% of the gross proceeds of the Prospectus Offering (including any gross proceeds raised on exercise of the Underwriters' Option).

The Common Shares to be issued pursuant to the Prospectus Offering will be distributed by way of a short form prospectus in all provinces of Canada (excluding Québec) and may also be placed privately in the United States to Qualified Institutional Buyers (as defined under Rule 144A under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**")) pursuant to an exemption under Rule 144A, and may be distributed outside Canada and the United States on a basis which does not require the qualification or registration of any of the Company’s securities under domestic or foreign securities laws.

The Placing

The Company is pleased to announce that it has raised approximately US$13.5 million through the issuance of 20,311,927 Common Shares under the Placing at an issuance price of 54.5 pence per Common Share. The Placing will be conducted by way of an accelerated bookbuild (the "**Bookbuild**"). Canaccord Genuity Limited and H&P Advisory Limited are acting as joint brokers and joint bookrunners (the "**Joint Brokers**" or "**Joint Bookrunners**") in relation to the Placing. Strand Hanson Limited is acting as Nominated & Financial Adviser to the Company.

The Placing was only made available to invited eligible institutional and professional investors in certain specified jurisdictions and the timing for the close of the Bookbuild will be determined by the Joint Brokers and the Company.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

For further information, please contact:

Ian Atkinson
President and Chief Executive Officer
(587) 287-5401

Item 9 Date of Report

July 5, 2022.

Forward-Looking and Cautionary Statements

Certain statements contained within this material change report constitute forward-looking statements within the meaning of applicable Canadian securities legislation. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "budget", "plan", "endeavor", "continue", "estimate", "evaluate", "expect", "forecast", "monitor", "may", "will", "can", "able", "potential", "target", "intend", "consider", "focus", "identify", "use", "utilize", "manage", "maintain", "remain", "result", "cultivate", "could", "should", "believe" and similar expressions.

The Company believes that the expectations reflected in such forward-looking statements are reasonable, but no assurance can be given that such expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. Without limitation, this material change report contains forward-looking statements pertaining to: the use of proceeds from the Offering; receipt of all requisite approvals for the Offering; and the Company's business strategy. The forward-looking statements and information are based on certain key expectations and assumptions made by the Company, including expectations and assumptions concerning the business plan of the Company, the receipt of all TSXV approvals, 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 facilities and pipelines, the geological characteristics of the Company's properties, the successful application of drilling, completion and seismic technology, prevailing weather conditions, prevailing legislation affecting the oil and gas industry, commodity prices, royalty regimes and exchange rates, the application of regulatory and licensing requirements, the availability of capital, labour and services and the creditworthiness of industry partners. Although the Company believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information because the Company can give no assurance that they will prove to be correct. By its nature, such forward-looking information is subject to various risks and uncertainties, which could cause the actual results and expectations to differ materially from the anticipated results or expectations expressed. These risks and uncertainties include, but are not limited to, fluctuations in commodity prices, changes in industry regulations and political landscape both domestically and abroad, foreign exchange or interest rates, stock market volatility, impacts of the current COVID-19 pandemic and the retention of key management and employees. Please refer to the Company's most recent Annual Information Form and MD&A for additional risk factors relating to the Company, which can be accessed either on the Company's website at www.southernenergycorp.com or under the Company's profile on www.sedar.com. Readers are cautioned not to place undue reliance on this forward-looking information, which is given as of the date hereof, and to not use such forward-looking information for anything other than its intended purpose. The Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.