

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**1. Name and Address of Company:**

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

**2. Date of Material Change:**

November 9, 2023

**3. News Releases:**

The Company issued press releases on November 1, 2023, November 2, 2023 and November 9, 2023, which were disseminated through the newswire services of Cision and subsequently filed on SEDAR+.

**4. Summary of Material Changes:**

On November 9, 2023, the Company completed an equity fundraising (the "**Fundraising**") to raise aggregate gross proceeds of US\$5 million (approximately £4.1 million / C\$6.9 million) at a price of 15.5 pence or C\$0.26 per common share in the capital of the Company (each, a "**Common Share**"). The Company intends to use the proceeds of the Fundraising to accelerate the completion of its four drilled and uncompleted wells, drilled as part of its Q1 2023 drilling campaign on its Gwinville acreage.

**5. Full Description of Material Change:**

On November 9, 2023, the Company announced the completion of the Fundraising for aggregate gross proceeds of US\$5 million (approximately £4.1 million / C\$6.9 million) through the issuance of 26,630,000 Common Shares at a price of C\$0.26 or 15.5 pence per Common Share. The Fundraising consisted of a placing of Common Shares to new and existing institutional investors in the U.K. through an accelerated bookbuild process (the "**Placing**"), a concurrent public offering of Common Shares in Canada (the "**Prospectus Offering**"), and a subscription by certain directors and members of the Company's senior management (the "**Subscription**"). The Prospectus Offering was conducted pursuant to: (a) the filing of a prospectus supplement dated November 1, 2023, to the Company's Canadian short form base shelf prospectus dated November 18, 2022; and (b) the terms and conditions of an agency agreement entered into between the Company, Stifel Canada as sole bookrunner and lead agent, Canaccord Genuity Corp, Eight Capital, and Haywood Securities Inc. The Fundraising comprised of US\$2.2 million via the Prospectus Offering of 10,712,387 Common Shares, US\$2.8 million via the Placing of 15,853,097 Common Shares, and US\$0.01 million via the Subscription for 64,516 Common Shares.

Stifel Nicolaus Europe Limited and Tennyson Securities, a trading name of Shard Capital Partners LLP acted as joint bookrunners in connection with the Placing. Stifel Nicolaus Canada Inc. acted as lead agent and sole bookrunner in connection with the Prospectus Offering.

The Company intends to use the proceeds from the Fundraising to accelerate the completion of the Company's four drilled and uncompleted wells, drilled as part of its Q1 2023 drilling campaign on its Gwinville acreage at a cost of approximately US\$3 million per well.

**5.2 Disclosure of Restructuring Transactions:**

Not applicable.

**6. Reliance on Subsection 7.1(2) of National Instrument 51-102:**

Not applicable.

**7. Omitted Information:**

Not applicable.

**8. Executive Officer:**

For further information, please contact:

**Ian Atkinson**

President and Chief Executive Officer

Phone: (587) 287 5401

**Calvin Yau**

Chief Financial Officer

Phone: (587) 287 5402

**9. Date of Report:**

December 12, 2023

**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 anticipated use of proceeds of the Fundraising; the anticipated cost of completion for each of the drilled and uncompleted wells; the Company's business strategy, objectives, strength and focus; and the Company's capital program for the remainder of 2023.

The forward-looking statements and information are based on certain key expectations and assumptions made by the Company, including but not limited to: the timing of and success of future drilling, development and completion of activities; the performance of existing wells and new wells; the availability and performance of facilities and pipelines; the geological characteristics of the Company's properties; the characteristics of the Company's assets; the successful application of drilling, completion and seismic technology; benefits of current commodity pricing hedging arrangements; 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; the creditworthiness of industry partners; and the ability to source and complete asset acquisitions.

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: the risk that the Company may apply the proceeds of the Offering differently than as stated herein depending on future circumstances; risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks); constraint in the availability of services; commodity price and exchange rate fluctuations; geo-political risks; political and economic

instability abroad; wars (including Russia's military actions in Ukraine and the Israel-Palestinian conflict); increased operating and capital costs due to inflationary pressures; changes in legislation impacting the oil and gas industry; adverse weather or break-up conditions; and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures. For these and additional risk factors, please refer to the Company's prospectus supplement dated November 1, 2023, base shelf prospectus dated November 18, 2022, annual information form for the year ended December 31, 2022, and management discussion and analysis for the three- and nine- months ended September 30, 2023, all of which can be accessed either on the Company's website at [www.southernenergycorp.com](http://www.southernenergycorp.com) or under the Company's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca). 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.

**All dollar figures included herein are presented in Canadian dollars, unless otherwise noted.**