

STIFEL

Southern Energy Corp.
Terms of US\$5,000,000 Common Share Offering
November 1, 2023

Issuer:	Southern Energy Corp. (“Southern” the “Company”).
Offering:	Up to 26,675,000 common shares (the “Common Shares”) of the Company to be issued from treasury pursuant to the prospectus supplement together with the short form base shelf prospectus dated November 18, 2022 under National Instrument 44-101 for an aggregate gross proceeds of up to US\$5,000,000 (C\$6,935,500) (which amount does not include the exercise of the Over-Allotment Option) (the “Offering”).
Offering Price:	C\$0.26 per Common Share.
Over-Allotment Option:	The Agents will have an option to purchase up to an additional 15% of the Common Shares issued under the Offering (4,001,250 Common Shares) at the Offering Price to cover over-allotments and for market stabilization purposes, exercisable in whole or in part at any time until 30 days after the Closing Date.
Form of Offering:	Public offering of Common Shares to be completed on best efforts basis by way of prospectus supplement together with the short form base shelf prospectus, qualifying the Common Shares for distribution in each of the provinces of Canada, except Quebec.
Private Placement:	In addition to the Offering, the Company intends to complete a private placement in the U.K. by way of an accelerated bookbuild process (the “Private Placement”). The Private Placement is conditional on aggregate minimum gross proceeds of US\$5,000,000 being raised pursuant to both the Offering and the Private Placement.
Use of Proceeds:	The Corporation intends to use the net proceeds from the Offering and the Private Placement to complete up to four previously drilled and uncompleted horizontal Selma Chalk and City Bank wells in the Gwinville field beginning in the fourth quarter of 2023. Additional proceeds from the Offering and the Private Placement will be used for working capital and other general corporate purposes.
Eligibility for Investment:	The Common Shares will be eligible under the usual Canadian statutes and for Canadian RRSPs, RRIFFs, DPSPs, RDSPs, TFSAs and RESPs.

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Listing: The existing common shares of the Company are listed on the TSX Venture Exchange (the "TSX-V") under the symbol "SOU".

The Company shall obtain the necessary approvals to list the Common Shares on the TSX-V which listing shall be conditionally approved prior to the Closing Date.

Commission: The Company shall pay to the Agents a cash commission (the "Commission") equal to 6% of the aggregate gross proceeds from the sale of the Offered Shares, less proceeds raised through the President's List.

Closing Date: November 9, 2023 (the "Closing Date") or such other date as the Agents and the Company may agree.

Lead Agent: Stifel Nicolaus Canada Inc.