Southern ENERGY

March 12, 2025

SOUTHERN ENERGY CORPORATION

MARKETED PUBLIC OFFERING OF UNITS

TERM SHEET

Issuer:	Southern Energy Corp. (the "**Company**").
Offering:	Marketed public offering (the "**Offering**") of units of the Company (the "**Units**").
Gross Proceeds:	C$8,500,000 (USD$6,000,000) in aggregate gross proceeds, inclusive of the amounts raised in the AIM Placing (as defined below).
Offering Price:	C$0.08 per Unit.
Unit:	Each Unit shall be comprised of one common share of the Company (a "**Common Share**") and one-half of one Common Share purchase warrant of the Company (each whole warrant, a "**Warrant**").
Warrant:	Each Warrant shall entitle the holder thereof to purchase one Common Share (a "**Warrant Share**") at an exercise price of C$0.10 per Warrant Share for a period of 36 months following closing of the Offering.
Over-Allotment Option:	Up to 15% of the number of Units, and/or the components thereof, issued pursuant to the Offering by way of the prospectus supplement to cover any over-allotments, if any, and for market stabilization purposes, exercisable within 30 days following the closing of the Offering at the Offering Price.
Use of Proceeds:	The net proceeds from the Offering will be used by the Company to fund the completion of the drilled-but-uncompleted (DUC) wells in Gwinville, drill development wells in Mechanicsburg, working capital and general corporate purposes.
Form of Offering:	The Units will be offered on a commercially reasonable agency efforts basis by way of a prospectus supplement to the Company's base shelf prospectus dated November 28, 2024, and the prospectus supplement will be filed in each of the provinces of Canada (except Quebec), pursuant to National Instrument 44-102 – *Shelf Distributions* and National Instrument 44-101 – *Short Form Prospectus Distributions* and may be offered in the United States on a private placement basis pursuant to an appropriate exemption from the registration requirements under applicable U.S. law.
Listing:	The Company will obtain the necessary approvals to list the Common Shares comprised in the Units, as well as Warrant Shares and Common Shares issuable upon the exercise of broker warrants, for trading on the TSX Venture Exchange.
Eligibility:	The Units, and the Common Shares comprised in the Units and the Warrants are eligible for RRSPs, RRIFs, RDSPs, RESPs, TFSAs, FHSAs and DPSPs.
Concurrent AIM Placing:	Concurrent with the Offering, the Company is also conducting a brokered placing of Units at the same price and terms on London Stock Exchange's AIM market (the "**AIM Placing**").
Commission:	6.0% cash commission and 6.0% broker warrants, subject to a reduction for orders on a 'president's list'.
Agent:	Research Capital Corporation as the sole agent and sole bookrunner (the "**Agent**").
Closing:	The closing of the Offering will occur on or about March 24, 2025, or such other earlier or later date as the Agent and Company may agree upon.

RESEARCH CAPITAL CORPORATION