

Southern Energy Announces Completion of Equity Financings to Ramp Up Liquids-Rich Gas Production in a Premium-Priced U.S. Natural Gas Market

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THE INFORMATION CONTAINED WITHIN THIS ANNOUNCEMENT IS DEEMED BY THE COMPANY TO CONSTITUTE INSIDE INFORMATION AS STIPULATED UNDER THE MARKET ABUSE REGULATION (REGULATION 596/2014/EU) AS IT FORMS PART OF UK DOMESTIC LAW PURSUANT TO THE EUROPEAN UNION (WITHDRAWAL) ACT 2018, AS AMENDED. UPON PUBLICATION OF THIS ANNOUNCEMENT VIA A REGULATORY INFORMATION SERVICE, THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN.

CALGARY, April 8, 2025 - Southern Energy Corp. ("Southern" or the "Company") (TSXV:SOU)(AIM:SOUC), a U.S.-focused, growth-oriented natural gas producer, is pleased to announce that it has closed its previously announced equity financing for aggregate gross proceeds of US\$5.0million (approximately £3.9million, C\$7.2million) through the issue of 102,482,673 new Units at a price of C\$0.07 or 3.8 pence per Unit. The equity offering was previously announced by the Company via press release on March 12, 2025 and March 25, 2025.

The Fundraising was comprised of US\$3.2 million via a Prospectus Offering of 65,435,521 Units and £1.4 million (approximately US\$1.8 million) via a Placing of 37,047,152 Units. Each Unit consists of one new Common Share and one Common Share purchase Warrant. Each Warrant entitles the holder to subscribe for and purchase one Common Share at an exercise price of price of C\$0.09 per Common Share (in the case of the Prospectus Offering) and 4.8 pence (in the case of the Placing) or at any time until April 8, 2028.

The net proceeds of the Fundraising alongside cashflow will be used by the Company to accelerate the completion of its three drilled and uncompleted (DUC) wells, drilled as part of its Q1 2023 drilling campaign on its Gwinville acreage, as well as fully funding the drilling of two vertical Cotton Valley wells on its Mechanicsburg acreage.

Ian Atkinson, President and CEO of Southern, commented:

"With this capital raise completed we are excited to re-ignite our growth plan picking up where we left off in the Gwinville field and bringing the first of three DUCs into production as quickly as we can get equipment into the field. As we add material new production in a much higher U.S. natural gas price environment, with

the current average for the remainder of the year at >US\$4.00/MMbtu (equivalent to C\$5.65/MMbtu), we expect shareholders will benefit significantly in the near-term.

With anticipated IRRs of over 80% for our Gwinville DUCs, the allocation of our capital here is expected to be highly accretive to shareholders and allow us to boost production at a resurgent time for the US natural gas market. Longer term, we have identified over 100 additional horizontal locations at Gwinville, which gives Southern the running room for further growth alongside many other exciting higher liquids weighting hydrocarbon targets in our portfolio. I'd like to welcome our new shareholders to the register and thank current shareholders for their support as we enter a period of positive momentum for Southern's compelling growth story."

Prospectus Offering and Placing

Research Capital Corporation acted as sole agent and sole bookrunner (the "Canadian Bookrunner") in connection with the Prospectus Offering. Tennyson Securities, a trading name of Shard Capital Partners LLP and Hannam & Partners, a trading name of H&P Advisory Limited acted as joint bookrunners (the "UK Joint Bookrunners") in connection with the Placing.

In connection with the Prospectus Offering, the Company filed an amended and restated prospectus supplement dated 26 March 2025 amending and restating the prospectus supplement dated 14 March 2025 (as amended, the "Supplement"), to the Company's short form base shelf prospectus dated 28 November 2024 (the "Shelf Prospectus"), with the securities regulatory authorities in each of the provinces of Canada. Copies of the Supplement, the Shelf Prospectus and the documents incorporated by reference therein are available electronically on SEDAR+ (www.sedarplus.ca).

Certain directors and officers of the Company, constituting persons discharging managerial responsibilities ("PDMRs") of the Company for the purposes of the Market Abuse Regulation (Regulation 596/2014/EU) as it forms part of UK domestic law pursuant to the European Union (Withdrawal) Act 2018 (the "UK MAR"), participated in the Prospectus Offering, acquiring an aggregate of 2,218,500 Units for gross proceeds of US\$0.1 million. Participation by the directors and officers in the Prospectus Offering was considered a "related party transaction" pursuant to Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Company was exempt from the requirements to obtain a formal valuation or minority shareholder approval in connection with the insiders' participation in the Prospectus Offering in reliance on sections 5.5(a) and 5.7(1)(a) of MI 61-101 in that the fair market value (as determined under MI 61-101) of the consideration for securities of the Company to be issued to related parties does not exceed 25% of the Company's market capitalization (as determined under MI 61-101). The FCA notifications relating to the participation by PDMRs, made in accordance with the requirements of the UK MAR, are appended below.

The Company has granted the Canadian Bookrunner an option, exercisable in whole or in part, at the sole discretion of the Canadian Bookrunner, at any time, from time to time, for a period of 30 days from and including the closing of the Prospectus Offering, to purchase from the Company up to an additional 15% of the Units sold under the Prospectus Offering, and/or the components thereof, on the same terms and conditions of the Prospectus Offering to cover over-allotments, if any, and for market stabilization purposes.

In connection with the Prospectus Offering, the Canadian Bookrunner was paid a cash commission of C\$0.2 million, which was equal to 6% of the gross proceeds of the Prospectus Offering (reduced to 2% in respect of subscribers on the Company's president's list) and was issued 3,030,693 non-transferrable compensation warrants (the "Compensation Warrants") entitling the Canadian Bookrunner to purchase up to 3,030,693 Common Shares, such number of Compensation Warrants being equal to 6% of the number of Units sold pursuant to the Prospectus Offering (reduced to 2% in respect of subscribers on the Company's president's list). The Compensation Warrants have an exercise price of C\$0.07 per Common Share and are exercisable at any time until April 8, 2028. In connection with the Placing, the UK Joint Bookrunners were paid a cash commission of £0.1 million, which was equal to 6% of the gross proceeds of the Placing and were issued 1,902,111 Compensation Warrants, which was equal to 6% of the number of Units sold pursuant to the Placing.

The Company has entered into a third supplemental indenture to the indenture governing the outstanding convertible unsecured subordinated debentures (the "Debentures") which provides for the previously

announced Debenture Amendment, pursuant to which an amount equal to US\$3.1 million, representing 102.5% of the principal amount outstanding under the Debentures, will convert into Units at a price of C\$0.07 per Unit and such Units will be subject to customary lock up provisions. In addition, new Common Shares will be issued for all accrued and unpaid interest as of the conversion date at C\$0.07 per new Common Share. Accordingly, 64,269,032 new Common Shares and 62,759,286 Warrants will be issued pursuant to the conversion of the Debentures in accordance with the Debenture Amendment (the "Debenture Conversion").

Admission and Total Voting Rights

Application has been made to the London Stock Exchange for the 166,751,705 new Common Shares to be issued pursuant to the Fundraising and Debenture Conversion to be admitted to trading on AIM and to the TSXV. It is expected that admission will become effective, and that dealings in such new Common Shares will commence on AIM at 8.00 a.m.(BST) on or around 9 April 2025 ("Admission"). The new Common Shares shall be credited as fully paid and rank pari passu in all respects with the existing Common Shares.

Following Admission, the total number of Common Shares in the Company in issue will be 336,137,529. The Company does not hold any Common Shares in Treasury, therefore this figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in the Company under the FCA's Disclosure Guidance and Transparency Rules.

Defined terms used in this announcement have the same meaning given to them as defined in the Company's announcements released on 25 March 2025 and 2 April 2025 unless otherwise defined herein.

For further information, please contact:

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About Southern Energy Corp.

Southern Energy Corp. is a natural gas exploration and production company. Southern has a primary focus on acquiring and developing conventional natural gas and light oil resources in the southeast Gulf States of

Mississippi, Louisiana, and East Texas. Our management team has a long and successful history working together and have created significant shareholder value through accretive acquisitions, optimization of existing oil and natural gas fields and the utilization of re-development strategies utilizing horizontal drilling and multi-staged fracture completion techniques.

PDMM Disclosures

1. Details of the person discharging managerial responsibilities / person closely associated

- | | |
|---------|---|
| a) Name | <ol style="list-style-type: none">1. Ian Atkinson2. Calvin Yau3. Gary McMurren4. Reginald Steven Smith5. Bruce Beynon6. John Nally |
|---------|---|

2. Reason for the Notification

- | | |
|--------------------|--|
| a) Position/status | <ol style="list-style-type: none">1. Director, President & CEO2. Chief Financial Officer3. Chief Operating Officer4. Non-Executive Director5. Non-Executive Director6. Non-Executive Director |
|--------------------|--|

b) Initial notification/Amendment	Initial Notification
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3. Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor

- | | |
|---------|-----------------------|
| a) Name | Southern Energy Corp. |
| b) LEI | 213800R25GL7J3EBJ698 |

4. Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted

Description of the Financial instrument, type of instrument Common shares of no par value in Southern Energy Corp

- | | |
|------------------------------|------------------------------------|
| a) Identification code | ISIN: CA8428133059 |
| b) Nature of the transaction | Subscription for new Common Shares |

	Price(s) Volume(s)
	1. C\$0.07 539,486
	2. C\$0.07 160,857
c) Price(s) and volume(s)	3. C\$0.07 518,057
	4. C\$0.07 571,500
	5. C\$0.07 428,600
	6. 3.8p 285,297
Aggregated information:	
d) -Aggregated volume	N/A, single transactions
-Price	
e) Date of the transaction	8 April 2025
f) Place of the transaction	Outside a trading venue
1 Details of the person discharging managerial responsibilities / person closely associated	
a) Name	Neil Smith
2 Reason for the notification	
a) Position/status	Non-Executive Director
b) Initial notification /Amendment	Initial notification
3 Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor	
a) Name	Southern Energy Corp.
b) LEI	213800R25GL7J3EBJ698
4 Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each type of transaction that has been conducted	
Description of the financial instrument, type of instrument Common shares of no par value in Southern Energy Corp	
a) Identification code	ISIN: CA8428133059
b) Nature of the transaction	Issuance of new Common Shares as conversion of Debentures held
c) Price(s) and volume(s)	779,746 new Common Shares at a price of C\$0.07
d) Aggregated information	N/A, single transaction
e) Date of the transaction	8 April 2025

f) Place of the transaction

Outside of a trading venue

Forward Looking Statements

Certain information included in this announcement constitutes forward-looking information under applicable securities legislation. Forward-looking information typically contains statements with words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose", "project" or similar words suggesting future outcomes or statements regarding an outlook. Forward-looking information in this announcement may include, but is not limited to, statements concerning the use of proceeds of the Fundraising, the Common Shares and Warrants to be issued pursuant to the conversion of the Debentures in accordance with the Debenture Amendment, the Company's business strategy, objectives, strength and focus and the Company's capital program for the remainder of 2025.

The forward-looking statements contained in this announcement are based on certain key expectations and assumptions made by Southern, including 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 Southern's properties, the characteristics of its 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 Southern believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Southern can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the risk that the Company may apply the proceeds of the Fundraising 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. These and other risks are set out in more detail in the Supplement, the Shelf Prospectus and Southern's most recent management's discussion and analysis and annual information form, which are available under the Company's SEDAR+ profile at www.sedarplus.ca.

The forward-looking information contained in this announcement is made as of the date hereof and Southern undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless required by applicable securities laws. The forward-looking information contained in this announcement is expressly qualified by this cautionary statement.

Market Abuse Regulation

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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SOURCE: Southern Energy Corp.

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