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## STANDARD EXPLORATION LTD. ANNOUNCES CLOSING OF RECAPITALIZATION FINANCING, APPOINTMENT OF NEW MANAGEMENT TEAM AND BOARD OF DIRECTORS AND COMPLETION OF GULF COAST STATES STRATEGIC ACQUISITION

Calgary, Alberta – December 20, 2018 – Standard Exploration Ltd. (“Standard” or the “Corporation”) (SDE: TSXV) is pleased to announce that it has: (i) closed the previously announced non-brokered private placement of common shares (“Common Shares”) and units (“Units”) of the Corporation, for aggregate gross proceeds of \$18,011,000 (the “Private Placement”); (ii) completed the appointment of a new management team (the “New Management Team”) and board of directors (the “New Board”); and (iii) closed the acquisition by the Corporation of all of the limited partnership units of Gulf Pine Energy Partners, LP (“Gulf Pine”).

### Private Placement

Pursuant to the Private Placement, Standard issued an aggregate of 254,600,000 Units and 645,950,000 Common Shares for aggregate gross proceeds of \$18,011,000. Each Unit is comprised of one Common Share and one performance-based Common Share purchase warrant (each, a “Performance Warrant”). Each Performance Warrant entitles the holder to purchase one Common Share at a price of \$0.02 for a period of five years. The Performance Warrants vest and become exercisable as to one-third upon the 20-day volume weighted average trading price of the Common Shares (the “Market Price”) equaling or exceeding \$0.03, an additional one-third upon the Market Price equaling or exceeding \$0.04 and a final one-third upon the Market Price equaling or exceeding \$0.05. In addition, in the event the Market Price equals or exceeds \$0.08, each Performance Warrant shall be exercisable for 1.5 Common Shares, provided that, at the time of exercise in respect of the additional 0.5 of a Common Share per Performance Warrant (the “Performance Incentive”), the Common Shares are listed on the facilities of a recognized stock exchange (other than the TSX Venture Exchange (“TSXV”)), the Common Shares are acquired for cash or for the securities of a company listed on a recognized stock exchange (other than the TSXV).

Pursuant to applicable securities laws, all securities issued pursuant to the Private Placement will be subject to a hold period of four months plus one day following the date of issuance of such securities. Completion of the Private Placement is subject to certain conditions, including but not limited to, final approval by the TSXV.

### New Management Team and New Board

The Corporation is also pleased to announce that, contemporaneous with the closing of the Private Placement, the previously announced appointment of the New Management Team was completed and the former board of directors and management team of the Corporation resigned. The New Management Team is led by Ian Atkinson as President, Chief Executive Officer and a director, Calvin Yau, as Vice President, Finance and Chief Financial Officer, Chris Birchard, Vice President, Geoscience and Gary McMurren, Vice President, Engineering. Joining Mr. Atkinson on the New Board are Bruce Beynon, Michael G. Kohut, Tamara MacDonald, Andrew McCreath, C. Neil Smith and R. Steven Smith, with Sony Gill serving as Corporate Secretary.

The New Management Team has extensive experience in creating shareholder value on an absolute and per share basis through a focused full-cycle business plan and believes the current market environment provides an excellent opportunity to reposition the Corporation as a high growth junior oil and gas company. The New Management team believes there is an

excellent opportunity to consolidate high quality, high netback, low decline oil and gas assets in under-exploited basins in the US Gulf Coast states at highly attractive metrics. The New Management Team will focus away from high-priced and infrastructure constrained shale basins in the US, choosing instead to establish a dominant position in proven oil and gas basins which attract some of the best commodity pricing in the US.

### **Gulf Pine Acquisition**

The Corporation is also pleased to announce that it has acquired all of the issued and outstanding limited partnership units of Gulf Pine for cash consideration of USD\$3,425,000. Gulf Pine is a limited partnership existing under the laws of the State of Delaware and a private junior oil and gas exploration, development and production company formed for the purpose of acquiring, and subsequently enhancing, producing oil and gas properties primarily in Alabama and Mississippi (the “**Gulf Pine Assets**”).

The Gulf Pine Assets consist of more than 29,000 net acres of developed land, along with 30,000 net acres of undeveloped land in Alabama and Mississippi. The corporate production base of approximately 1,700 boe/d (14% oil) comes from more than two hundred wells producing mainly from 4 fields in central Mississippi that exhibit a combined annual decline of less than 15%. The majority of the assets are operated and are typified by high working interest (>90%) utilizing company owned infrastructure with excess capacity. This will allow the Corporation to control the pace of development and growth. The New Management Team has identified a significant infill drilling inventory of stacked pay locations for both oil and gas opportunities on the held by production lands that will take advantage of the superior LLS oil pricing and Henry Hub basis gas pricing in the region. The producing assets generally exhibit very low recovery factors in multiple, large oil and gas in place reservoirs which will enable the New Management Team to use their extensive experience in horizontal drilling and multistage fracturing to optimize recovery from the assets.

Completion of the acquisition is subject to certain conditions, including but not limited to, final approval by the TSXV.

### **Name Change and Consolidation**

The Corporation intends to (i) complete a change of name of the Corporation from “Standard Exploration Ltd.” to “Southern Energy Corp.” (the “**Name Change**”); and (ii) complete a consolidation of the Common Shares on the basis of one post-consolidation Common Share for up to every 5 pre-consolidation Common Shares (the “**Consolidation**”). The Name Change and the Consolidation have each received the approval of the shareholders and is subject to the approval of the TSXV.

### **Financial Advisors**

Eight Capital and Laurentian Bank acted as financial advisors to the Corporation in connection with the transactions.

### **Additional Information**

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### **Forward Looking and Cautionary Statements**

This news release may include forward-looking statements including opinions, assumptions, estimates, the Corporation's assessment of future plans and operations, and, more particularly, statements concerning the business strategy of the Corporation. When used in this document, the words "will," "anticipate," "believe," "estimate," "expect," "intent," "may," "project," "should," and similar expressions are intended to be among the statements that identify forward-looking statements. The forward-looking statements are founded on the basis of expectations and assumptions made by the Corporation which include, but are not limited to, the timing of the receipt of the required regulatory approvals and the future operations of, and transactions completed by the Corporation. Forward-looking statements are subject to a wide range of risks and uncertainties, and although the Corporation believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will be realized. Any number of important factors could cause actual results to differ materially from those in the forward-looking statements including, but not limited to, regulatory and third party approvals not being obtained, the ability to implement corporate strategies, the state of domestic capital markets, the ability to obtain financing, changes in general market conditions and other factors more fully described from time to time in the reports and filings made by the Corporation with securities regulatory authorities.

***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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