



NEWS RELEASE

CGX ENERGY INC.
(OYL.U – TSX-V)
January 3, 2008

CGX Energy Files Independent Resource Assessment

Toronto, Ontario - CGX Energy Inc. (OYL.U - TSXV) ("CGX") is pleased to announce that an independent resource assessment (the "Report") has been completed by Gustavson Associates LLC of Boulder, Colorado, U.S.A. (Gustavson) for four prospects on the Company's Corentyne Petroleum Prospecting Licence (PPL) located offshore Guyana, South America. Using probabilistic analysis, Gustavson calculated a total best estimate (P50) Prospective Resource in the four prospects to be 2.7 billion barrels of oil (see description of Prospective Resource below). The Resource Assessment has been filed on SEDAR (www.sedar.com) and on the Company's website (www.cgxenergy.com).

Gustavson was retained by CGX to prepare the Report to estimate the potential undiscovered oil and gas resources underlying the 9,170 square kilometre offshore portion of the Corentyne PPL in which CGX has a 100% working interest. The Report did not review CGX's 25% interest in the 9,742 square kilometre Georgetown PPL, its 100% interest in the 3,968 square kilometre Corentyne Annex nor its 100% interest in the 11,400 square kilometre Pomeroon PPL. The Gustavson resource estimates were prepared in accordance with the requirements of Canadian National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities ("NI 51-101"). Capitalized terms related to resource classifications used in this press release are based on the definitions and guidelines in the Canadian Oil and Gas Evaluation Handbook ("COGEH").

No commercial discoveries have been made in the offshore Guyana basin and hence there have been no reserves found. Historic well data, regional geology and 2D seismic were reviewed by Gustavson to prepare a probabilistic Resource Estimate of that portion of the prospects lying entirely within the Corentyne PPL as shown below.

Prospect	Prospective Oil Resource Millions of Barrels		
	Low Estimate	Best Estimate	High Estimate
Eagle Shallow Fan	153	545	1,956
Wishbone Shallow Fan	186	439	1,043
Eagle Deep West	379	859	1,590
Eagle Deep East	415	904	1,636
Sum of Prospects	1,133	2,747	6,226

Prospective Resources are those quantities of oil and gas estimated to be potentially recoverable from undiscovered accumulations. If discovered, they would be technically and economically viable to recover. However, there is no certainty that the Prospective Resources will be discovered. In addition, the following mutually exclusive Classification of Resources were used:

Low Estimate - This is considered to be a conservative estimate of the quantity that will actually be recovered from the accumulation. This term reflects a P90 confidence level where there is a 90% chance that a successful discovery will be more than this resource estimate.

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Trading Symbol: OYL.U
 Shares Outstanding: 124,523,913
 Fully-Diluted: 132,574,913

Best Estimate - This is considered to be the best estimate of the quantity that will actually be recovered from the accumulation. This term is a measure of central tendency of the uncertainty distribution and in this case reflects a 50% confidence level where the successful discovery will have a 50% chance of being more than this resource estimate.

High Estimate - This is considered to be an optimistic estimate of the quantity that will actually be recovered from the accumulation. This term reflects a P10 confidence level where there is a 10% chance that the successful discovery will be more than this resource estimate

Note that these distributions do not include consideration of the probability of success of discovering and producing commercial quantities of oil, but rather represent the likely distribution of the oil deposits, if discovered.

As specified in the COGEH, the Sums of Prospects are arithmetic sums, and as such do not represent the same probability levels as the estimates for the individual prospects.

Gustavson (<http://www.gustavson.com/>) is a global consulting firm consisting of geologists, geophysicists, engineers, land and contracts managers as well as economists and financial experts who solve problems on all aspects of natural resource evaluations. This work ranges from the first steps of prospecting to design and assessment of production facilities. Gustavson has a 30-year track record of quality consulting to industry and governments worldwide. Specific studies in South America have included reports on “The Petroleum Resource Potential of Brazil”, “An Overview of the Geology and Petroleum Resource Potential of Bolivia” and “The Petroleum and Exploration Potential of Argentina”. Gustavson have also completed reserve estimates for clients such as the International Finance Corporation, Conoco, Inc., and the Ghana National Petroleum Company, and conducted economic modelling for private clients as part of license rounds in offshore Venezuela. Gustavson have also done extensive work offshore West Africa, including reserves and resource estimates and economic evaluations in Côte d’Ivoire.

Gustavson has acted independently in the preparation of the Report. Gustavson and its employees have no direct or indirect ownership in the property appraised or the area of study described. Ms. Letha Lencioni, P.E., signed off on the Report, which has been prepared by her as a Qualified Reserves Evaluator, with the assistance of others on Gustavson’s staff.

With respect to Assumptions and Limiting Conditions within the Report, “Gustavson Associates reserves the right to revise its opinions of reserves and resources, if new information is deemed sufficiently credible to do so. The accuracy of any estimate is a function of available time, data and of geological, engineering and commercial interpretation and judgment. While the resource estimates presented herein are believed to be reasonable, they should be viewed with the understanding that additional analysis or new data may justify their revision and we reserve the right to make such revision.”

Although a scoping exploration and development economic scenario was presented, the Report did not attempt to place a value thereon. Scenarios for field development of the Best Estimate Prospective Resource Cases were prepared for only two of the four prospects wholly contained within the Corentyne PPL. These prospects are Eagle Deep West (deep zone) and Tertiary Turbidite Fans (shallow zone Eagle) and did not include Eagle Deep East or Wishbone shallow. Four potential outcomes of exploration are the foundation for determining four possible scenarios for field development.

1. Scenario 1 assumes that oil is discovered in both the Eagle Deep West and Eagle Shallow Fan.
2. Scenario 2 represents a discovery only in the Eagle Shallow Fan, with the Eagle Deep West dry.
3. Scenario 3 represents a discovery only in the Eagle Deep West, with the Eagle Shallow dry.
4. Scenario 4 is the possible case in which no oil is discovered.

The probability of success for each of the possible scenarios is shown below.

Scenario	Exploration Outcome	Probability of Success
Scenario 1	Eagle Deep West and Tertiary Turbidite Fans	5%
Scenario 2	Tertiary Turbidite Fans	19%
Scenario 3	Eagle Deep West	15%
Scenario 4	No oil Discovery	61%

The scenarios included the assumptions that “A planned exploration program will include the acquisition and interpretation of 500 square kilometres of seismic data during 2008 and the drilling of an exploratory well in late 2009 or early 2010. If successful, the field will be delineated with appraisal wells. Field development would start in October 2011 when a production platform becomes operational. The first oil would be delivered in October 2012. A floating storage offloading facility would be leased for the duration of oil production. The capital requirements and the total number of wells drilled under each scenario of the exploration and development program for the Corentyne PPL are summarized in the table below.”

Scenario	Total # of Wells	Capital Costs (\$MM)
Scenario 1	71	3,336
Scenario 2	51	2,167
Scenario 3	16	1,116
Scenario 4	1	121

The conclusions from the scenario analysis were the statistical or risked Expected Value for the development of just two of the prospects on the Corentyne PPL is \$4.8 billion at a 10% discount rate and \$2.4 billion at a 20% discount rate. The range of unrisks net present values at a 10% discount rate for the four scenarios is from (\$104) million to \$23.6 billion. The Expected Value is the combination of the unrisks best estimate resource net present value and the associated probability of success. It should be noted that estimated values disclosed do not represent fair market value.

**Expected * Value of Two of the Prospects on the Corentyne PPL
Net Present Value, \$MM**

	0%	10%	15%	20%
Scenario 1 – unrisks	\$53,701	\$23,641	\$16,455	\$11,744
Scenario 2 – unrisks	\$18,673	\$8,522	\$5,999	\$4,314
Scenario 3 – unrisks	\$30,869	\$14,248	\$10,084	\$7,296
Scenario 4 – unrisks	(\$121)	(\$104)	(\$97)	(\$91)
Expected Value - risked	\$10,660	\$4,818	\$3,377	\$2,418

* Expected net present value is the probability-weighted value of the four possible outcomes. It represents the risk-adjusted value of the exploration and development of two prospects on the Corentyne PPL.

“We’re very happy to have this independent concurrence of our work by Gustavson Associates” stated Kerry Sully, President and CEO of CGX. “While waiting for the resolution of the maritime border between Guyana and Suriname, Warren Workman, our Vice President of Exploration, worked extensively with Geoseis Inc. to re-interpret the Guyana Suriname basin offshore Guyana. The most significant lead has been a series of structural traps in the Upper Cretaceous that we’ve called our Eagle Deep targets within our Corentyne PPL. These are basin opener plays and we look forward to further refinement of our interpretation with 3D seismic, and testing of our concepts by drilling as soon as possible thereafter.”

CGX is a Canadian-based oil and gas exploration company focused on exploration for oil in Guyana, South America. CGX is managed by a team of experienced oil and gas and finance professionals from Canada, U.S.A. and the UK. CGX is financed internationally and has thousands of shareholders worldwide.

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This press release includes "forward looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of Management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project",



"predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. Such risks and uncertainties include, but are not limited to, risks associated with the oil and gas industry (including operational risks in exploration development and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections in relation to production, costs and expenses; the uncertainty surrounding the ability of CGX Energy Inc. to obtain all permits, consents or authorizations required for its operations and activities; and health safety and environmental risks), the risk of commodity price and foreign exchange rate fluctuations, the ability of CGX Energy Inc. to fund the capital and operating expenses necessary to achieve the business objectives of CGX Energy Inc., the uncertainty associated with commercial negotiations and negotiating with foreign governments and risks associated with international business activities, as well as those risks described in public disclosure documents filed by CGX Energy Inc. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of CGX Energy Inc. should not place undue reliance on these forward-looking statements. Statements in relation to "resources" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the resources described will be discovered and can be profitably produced in the future.

Readers are cautioned that the foregoing lists of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained in this press release are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements contained in this press release or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements contained in this press release are expressly qualified by this cautionary statement.

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