

CGX ENERGY INC.

NEWS RELEASE

CGX ENERGY ANNOUNCES CLOSING OF OVER-SUBSCRIBED EQUITY RIGHTS OFFERING

Toronto, Canada, March 14, 2019 - CGX Energy Inc. (TSXV: OYL) (“**CGX**” or the “**Corporation**”) is pleased to announce that it has completed its previously announced rights offering (the “**Offering**”). Pursuant to the Offering, the Corporation issued to holders of its outstanding common shares (the “**Common Shares**”) of record as at the close of business on February 11, 2019 an aggregate of 116,102,318 transferable rights (each, a “**Right**”) to subscribe for, until 5:00 p.m. (Toronto time) on March 12, 2019 (the “**Expiry Date**”), an aggregate of 116,102,318 Common Shares. Each Right entitled the holder thereof to subscribe for one Common Share upon payment of the subscription price of \$0.25 per Common Share prior to the Expiry Date. The Offering was over-subscribed and the Corporation issued 116,102,318 Common Shares, the maximum number of Common Shares available for issuance under the terms of the Offering, based on shareholders’ exercise of the basic subscription privilege and the additional subscription privilege, allocated pro-rata, for aggregate gross proceeds to the Corporation of \$29,025,579.50 (equivalent of approximately US\$21,823,744). Following the closing of the Offering, CGX has 232,204,636 Common Shares issued and outstanding.

Frontera Energy Corporation (“**Frontera**”), an insider and the Corporation’s largest shareholder, acquired an aggregate of 101,316,916 Common Shares in connection with the Offering pursuant to the exercise of Rights under the Offering. Frontera now owns an aggregate of 157,383,129 Common Shares on a non-diluted basis, which represents approximately 67.78% of the issued and outstanding Common Shares following closing. In consideration for the standby commitment provided by Frontera under the Offering, Frontera received 5-year warrants to purchase up to 15,009,026 Common Shares at an exercise price equal to \$0.415 per Common Share. As a result, Frontera holds an aggregate of 212,392,155 Common Shares on a partially-diluted basis (assuming conversion of the US\$8.8 million principal amount under the bridge loan agreement between CGX and Frontera), which represents approximately 73.95% of the issued and outstanding Common Shares on a partially-diluted basis.

CGX will use US\$ 7,904,036 of the net proceeds of the Offering to settle its debt to Japan Drilling Co., Ltd. (“**JDC**”) in connection with historic legacy indebtedness. The remainder of the net proceeds of approximately US\$13,923,744 along with the additional funding obtained through a farm-in joint venture agreement with Frontera in respect to the exploration and development of the Corentyne and Demerara blocks in Guyana, as previously disclosed, as well as additional financing alternatives, are expected to provide the funds necessary to meet all of the Corporation’s short-term liquidity requirements over the next 12 months. There is no assurance that the additional financing will be available to the Corporation or on terms acceptable to the Corporation.

Professor Suresh Narine, Executive Chairman of CGX stated “The successful completion of the Offering, in which CGX sought to ensure that its shareholders were provided an opportunity to participate in the Corporation’s restructuring of its debt and advancing its exploration program in Guyana, signals strong support for CGX in its ongoing operations and prospects. The completion of the Offering, which was oversubscribed, along with the joint venture that was previously announced between CGX and Frontera, one of the company’s largest shareholders, also further enhances CGX’s position in the Guyana basin. I wish to thank our loyal shareholders and the Government and People of Guyana for their continued support for CGX, which is widely regarded as Guyana’s “indigenous” oil company. CGX is delighted with this latest endorsement of its activities in the basin.

Related Party Transaction

The Offering is a related party transaction with respect to JDC under Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”) as JDC holds over 10% of the issued and outstanding Common Shares and will receive proceeds from the Offering in payment of obligations owed to it. However, CGX is exempt from obligations of MI 61-101 to obtain a formal valuation and approval from a minority of shareholders. The Corporation filed a material change report dated February 11, 2019 and an amended and restated material change report dated of the same date in respect of the required disclosure relating to an exemption from the formal valuation requirement and in respect of an exemption from seeking approval from a minority of shareholders. The Corporation will also file a material change report in connection with this news release.

About CGX Energy

CGX Energy is a Canadian-based oil and gas exploration company focused on the exploration of oil in the Guyana-Suriname Basin.

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Advisories: Fasken Martineau DuMoulin LLP is Canadian legal advisor to CGX. McMillan LLP is legal advisor to Frontera.

Cautionary Note Concerning Forward-Looking Statements

This news release contains statements that constitute "forward-looking information" or "forward-looking statements" (collectively "forward-looking information") within the meaning of applicable securities legislation. Forward-looking information is often, but not always, identified by the use of words such as "anticipate", "believe", "expect", "plan", "intend", "forecast", "target", "project", "guidance", "may", "will", "should", "could", "estimate", "predict" or similar words suggesting future outcomes or language suggesting an outlook. These forward-looking statements include, among other things, statements relating to: (i) the use of the proceeds raised under the Offering; (ii) availability of additional sources of funding; (iii) the payment of amounts owing to JDC and its receipt thereof in satisfaction of debt owed; and (iv) the Corporation's operations and prospects in Guyana.

Forward-looking statements and information contained in this press release are based on CGX's current beliefs as well as assumptions made by, and information currently available to, CGX, including estimated costs of the Offering, estimated G&A requirements and costs of completing drilling and other exploration activity. Although CGX considers these assumptions to be reasonable based on information currently available to the Corporation, they may prove to be incorrect.

By their very nature, the forward-looking statements included in this press release involve inherent risks and uncertainties, both general and specific, and risks that predictions, forecasts, projections and other forward-looking statements will not be achieved. The Corporation cautions readers not to place undue reliance on these statements as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations and anticipations, estimates and intentions expressed in such forward-looking statements, including the risk factors outlined in the Corporation's continuous disclosure documents filed under the

Corporation's profile at www.sedar.com.

Furthermore, the forward-looking statements contained in this press release are made as of the date of this document and CGX does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. The forward- looking statements contained in this press release are expressly qualified by this cautionary statement.

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