



**NEWS RELEASE  
CGX ENERGY INC.  
(TSX-V | OYL)  
November 7, 2019**

## **CGX Energy Announces Third Quarter Results, Completion of Seismic Data Acquisition and Appointments to its Board of Directors**

**Toronto, Canada, November 7, 2019** - CGX Energy Inc. (“**CGX**” or the “**Company**”) announces the release of its unaudited consolidated financial statements for the third quarter of 2019, together with its Management, Discussion and Analysis - Quarterly Highlights. These documents will be posted on the Company’s website at [www.cgxenergy.com](http://www.cgxenergy.com) and SEDAR at [www.sedar.com](http://www.sedar.com). All values in this news release and the Company’s financial disclosures are in United States dollars unless otherwise stated.

### **Third Quarter Results and Recent Highlights**

- For the nine month period ended September 30, 2019, the Company improved its working capital by \$61,045,379 to positive working capital of \$5,145,061 and recorded cash on hand as at September 30, 2019 of \$18,399,047.
- The Company incurred net exploration and evaluation expenditures of \$8,506,301 during the nine month period ended September 30, 2019 primarily due to activities being undertaken to satisfy work commitments under the Corentyne Block Petroleum Agreement (the “**Corentyne PA**”), undertaken by its wholly owned subsidiary CGX Resources Inc. (“**CRI**”).
- On September 24, 2019, Frontera Energy Corporation (“**Frontera**”) elected to convert the principal amount outstanding of \$8,000,000 under its Bridge Loan facility due September 30, 2019. As a result of conversion of the Bridge Loan, the Company issued 40,000,000 common shares.
- On September 23, 2019, the Company, through CRI, as the operator of the Corentyne Block under a Joint Operating Agreement with Frontera Energy Guyana Corp, executed a contract with PGS Geophysical SA to provide acquisition and processing of a full broadband marine 3D seismic survey to produce seismic data covering approximately 582 km<sup>2</sup> of the northern portion of the Corentyne Block offshore in Guyana. The seismic acquisition commenced on October 18, 2019 and was successfully completed on November 2, 2019.
- In September 2019, CRI also executed a letter of understanding (“**LOU**”) with Rowan Rigs S.a.r.l. (the “**Contractor**”) regarding the drilling rig contract entered into on December 14, 2018, which required the prepayment of certain costs for the use of the Ralph Coffiman offshore jack-up rig. Under the terms of the LOU, CRI has agreed with the Contractor that all operational obligations under the drilling rig contract will be deferred until the parties can enter into an amended agreement due to the resequencing of the commitments in the Corentyne Block. CRI will not be entitled to the reimbursement of the mobilization fee under the terms of the LOU and, if an amended agreement is executed by CRI and the Contractor on or before July 1, 2020, CRI will receive a credit towards payments due under the amended agreement.

- In July 2019, the Company received an addendum to the Corentyne PA by the Government of the Cooperative Republic of Guyana, South America (“**Guyana**”). Under the addendum, the Company has reversed the order of its next two commitments under the Corentyne PA so that the commitments are now as follows:
  - First Renewal Period, Phase Two (27, November 2017 to 27, November 2019)  
“During phase two of the first renewal period, the Company shall complete additional seismic acquisition or seismic processing.”
  - Second Renewal Period, Phase One (27, November 2019 to 27, November 2020)  
“During phase one of the second renewal period, the Company shall drill one (1) Exploration Well.”

The First Renewal Period, Phase 2 Commitment to complete additional seismic acquisition was completed as of November 2, 2019.

### **Board Appointments**

The Company announces the appointment of Dr. Hermann Tribukait as an Independent Director to its Board of Directors, effective November 7, 2019. Dr. Tribukait holds a Doctorate in economics and finance from Harvard University, a Masters in economics and finance from Harvard University and a Bachelors degree in economics from ITAM. Dr. Tribukait is the Co-founder & CEO of ChemOS Inc. and the Founder & Managing Director of Arminius Partners LLC. He has served as the Ambassador in North America of Mexico's Energy Innovation Funds; as a Senior Manager of Cornerstone Research; as an Intern on the Board of Governors of the Federal Reserve and as an Associate with Mckinsey & Co. and Protego Asesores. He is an Affiliate to the Lawrence Berkeley National Laboratory of the U.S. Department of Energy; a Founding Member of the World Alliance for Efficient Solutions and an Advisory Board Member of Clubes de Ciencias. His expertise lies in the areas of economics and finance, innovation and technology development, and international public private partnerships.

The Company also intends on holding a special meeting of shareholders in the near future to appoint Mr. Gabriel de Alba to the Company's board of directors. The current directors of the Company are in favour of Mr. de Alba's appointment, including the board members who are representatives of the Company's major shareholder, Frontera.

Mr. de Alba is the current Chairman of the Board of Frontera. He is a Managing Director and Partner of Catalyst Capital Group Inc. Mr. de Alba's responsibilities at Catalyst have included acting as a director or senior officer of various Catalyst portfolio companies, including, Geneba Properties, Advantage Rent-A-Car, Gateway Casinos & Entertainment, Therapure Biopharma, World Color Press, Cable Satisfaction International/Cabovisão and Sonar Entertainment. Catalyst and funds managed by it have, since 2002, been involved in numerous distressed and/or under-valued situations including (in addition to the portfolio companies previously referred to) AT&T Canada, Call-Net Inc., Stelco, IMAX Corporation, Calpine Power Income Fund, Countryside Power Income Fund, Canwest, SFX Entertainment, The Fresh Market and YRC Worldwide.

Prior to joining Catalyst at its inception in 2002, Mr. de Alba worked at AT&T Latin America. Mr. de Alba was a founding member of the Bank of America International Merchant Banking Group and, prior to that, worked in Bankers Trust's New York Merchant Banking Group. Mr. de Alba is fluent in five languages and holds a double BS in Finance and Economics from the NYU Stern School of Business, an MBA from Columbia University and has completed graduate courses in Mathematics, Information Technology and Computer Sciences at Harvard University.

Professor Suresh Narine, Executive Chairman and Executive Director, commented:

“The Company, with its joint venture partner, Frontera, continues to deliver on its work commitments in the Guyana basin with the recent successful completion of its seismic acquisition campaign on the northern

sector of the Corentyne Block. The acquisition was completed on time and within budget. With the completion of this seismic acquisition, the Company now has access to high quality 3D seismic data over the majority area of both the Corentyne and Demerara Blocks. This data set will greatly enhance the geological understanding of the Corentyne and Demerara Blocks and positions the Company for further development and derisking of future exploration prospects. The proximity of the Demerara and Corentyne Blocks to adjacent discoveries on the Orinduik and Stabroek Blocks also further derisks CGX's exploration prospects on its Blocks. This trajectory positions CGX for the drilling of back-to-back exploration wells on its Demerara and Corentyne Licenses in 2020.

The nomination of Mr. Gabriel de Alba to the board of directors of CGX is timely and hugely impactful to the Company's overall reputation and leadership, particularly related to raising of working capital, financial management and growth strategy. Mr. de Alba will bring a wealth of experience and accomplishment in global markets and operational stewardship of a diverse portfolio of companies to the CGX Board. I consider his willingness to join the CGX Board of Directors an endorsement of the promise and potential of the central value proposition of CGX and I am certain that his leadership, personal integrity and business acumen will be transformative to CGX.

I would also like to enthusiastically welcome Dr. Hermann Tribukait as an Independent Director. Dr. Tribukait brings an international reputation in public private partnerships and impeccable credentials in finance and economics to the CGX Board. His experience in working at the interface between Governments, international finance companies, academia and public sector stakeholders will be invaluable to CGX's interaction and growth in the Guyana basin, to its already impressive CSR and Local Content initiatives and to its infrastructure projects such as the Company's Deep Water Port at Crab Island at the mouth of the Berbice River in Guyana. Dr. Tribukait is expected to play a pivotal role in the Company's collaboration with Trent University and the University of Guyana through its transformative Canadian \$5 Million CSR program in funding advanced academic degrees and research focussed on the sustainable sectors of the Guyanese economy. No stranger to the University of Guyana, Dr. Tribukait has visited and presented on sustainability growth models in Guyana to diverse audiences."

### **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.

NEITHER THE 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.

### **Forward-Looking Statements:**

This news release contains forward-looking statements. Forward-looking statements are frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "may", "will", "would", "potential", "proposed" and other similar words, or statements that certain events or conditions "may" or "will" occur in the future. These forward-looking statements are based on certain key expectations and assumptions made by CGX Energy. CGX Energy believes the expectations and assumptions on which it develops forward-looking statements are reasonable; however, undue reliance should not be placed on forward-looking statements as there can be no assurance 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. In addition, other risks that may affect the forward-looking statements in this news release are outlined further in the Company's most recent Annual Information Form on SEDAR at [www.sedar.com](http://www.sedar.com).

The forward-looking statements contained in this news release are made as of the date hereof and CGX Energy undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

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