



NEWS RELEASE
CGX ENERGY INC.
(TSX-V | OYL)
August 6, 2020

CGX Energy Announces Filing of Second Quarter Financial Statements

Toronto, Canada, Thursday August 6, 2020 - CGX Energy Inc. (“**CGX Energy**” or the “**Company**”) announced today the release of its unaudited condensed interim consolidated financial statements for the second quarter of 2020, together with its Management, Discussion and Analysis - Quarterly Highlights. These documents will be posted on the Company’s website at www.cgxenergy.com and SEDAR at www.sedar.com. All values in this news release and the Company’s financial disclosures are in United States dollars unless otherwise stated.

Operational Update

The Company, through CGX Resources Inc. (“**CRI**”) as the operator of the Corentyne Block under a Joint Operating Agreement (“**JOA**”) with Frontera Energy Guyana Corp. (“**FEGC**”), contracted PGS Geophysical AS (“**PGS**”) to provide acquisition and processing of a full broadband marine 3D seismic survey over a northern segment of the Corentyne Block located offshore Guyana. The seismic acquisition was completed on November 2, 2019 and produced seismic data covering approximately 582 km² of the northern portion of the Corentyne Block. PGS completed Time (PreStack Time Migration) and Depth (PreStack Depth Migration) processing of these data on June 5, 2020.

CRI has completed a preliminary evaluation of the recently processed 3D seismic data, and has identified two potentially highly prospective large channel sand reservoir complexes. These channel complexes are interpreted to contain multiple high potential leads located in the northern region of the Corentyne Block which is located in close proximity to the Stabroek Block offshore Guyana and Block 58 offshore Suriname. The Pluma and Haimara discoveries in the Stabroek Block are located approximately 2 and 8 miles, respectively from the border of the northern region of the Corentyne Block and the Maka Central, Kwakwasi-1 and Sapakara West discoveries in Block 58 are located approximately 7, 15 and 20 miles, respectively from the border of the northern region of the Corentyne Block.

The leads mapped in the Northern Corentyne Block are interpreted to be situated at the same geological horizons as the nearby significant discoveries already proven in the Stabroek Block and Block 58. Also, importantly the Northern Corentyne leads are interpreted to share the same proven hydrocarbon generating basin and intervals in which the current discoveries are located. These leads are primarily stratigraphic traps composed of sandstone accumulations and deemed to be analogous to many the discoveries already proven to be successful in the Guyana basin spanning both Guyana and Suriname.

The Northern Corentyne leads are in the process of being high-graded and have been mapped within the Upper Cretaceous, Santonian and Miocene intervals and are currently undergoing further analysis in order to prioritize and rank the best prospect to be drilled. The leads are located in water depths ranging from approximately 500 to 3,600 feet and are estimated to be at a drilling depth of between approximately 11,000 to 21,700 feet.

The current high-graded lead identified in the northern region of the Corentyne Block has been named Kawa, after the iconic Kawa Mountain which overlooks the village of Paramakatoi in the Pakaraima Mountains of Guyana. It is a Santonian level, stratigraphic trap and as previously mentioned is interpreted to be analogous to the discoveries immediately to the east on Block 58 in Suriname. Additional leads are being evaluated by the Company.

CRI has recently contracted Baker Hughes to provide a pore pressure analysis of the Kawa prospect which will be completed in August 2020.

On the Demerara block, CRI will begin re-processing the existing seismic data at the end of Q3, this year in order to mature previously mapped leads into prospects ready for drilling.

The Company remains extremely excited regarding the high potential prospectivity that is being mapped within the Corentyne and Demerara Blocks.

Covid-19

As the global pandemic related to Coronavirus disease 2019 (“**COVID-19**”) continues, CGX has continued with its plan to protect the health and safety of its employees and all stakeholders. The Company’s alternative working arrangements for employees to work from home in Canada, Guyana and the USA are still in place.

The Company’s operational activities are still affected due to restrictions on travel for key personnel related to operational planning, especially into and out of Guyana. The Company, which has reiterated its commitment to the resumption of operations as soon as possible, has been engaged in constructive collaborative discussions with the regulatory authorities in Guyana about the timing of its work commitments in that country, in light of these restrictions. The Company looks forward to continuing this discussion with the Government of Guyana.

The Company continues to monitor the COVID-19 related situation and will only fully resume regular activities when there are clear indications that employees are able to return to work in a safe environment and in accordance with the advice provided by regulatory authorities in all the countries within which we operate.

Government of Guyana

The Company’s Board of Directors (the “**Board**”) congratulates President Dr. Mohamed Irfaan Ali on being elected the 9th President of the Cooperative Republic of Guyana. The Board also congratulates President Dr. Bharat Jagdeo on his appointment as Vice President and Brigadier (ret) Mark Phillips on his appointment as Prime Minister. The Board reaffirms the Company’s long history of collaboration with the Government and People of Guyana and looks forward to continuing to work in collaborative partnership with President Ali’s government.

Second Quarter Financial Summary

For the six-month period ended June 30, 2020, the Company recorded cash on hand as at June 30, 2020 of \$10,944,682. The Company incurred net exploration and evaluation expenditures of \$1,424,408 during the six-month period ended June 30, 2020 primarily due to costs for maintenance of licenses, general exploration, geological and geophysical consulting, surveys, 3D-seismic processing and interpretation, drill planning and well exploration costs.

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.

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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