



NEWS RELEASE
CGX ENERGY INC.
(TSX-V | OYL)
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CGX Energy Provides Operational Update and Results of Annual General Meeting

Toronto, Canada, Monday July 12, 2021 - CGX Energy Inc (“CGX” or “the Company”), today announced an update on the activities related to its offshore exploration blocks, deep water port project and on the results of the CGX Annual General Meeting. CGX and Frontera Energy Corporation (“Frontera”) (TSX: FEC), the majority shareholder of CGX, and its joint venture partner (collectively, the “Joint Venture”) in the Demerara and Corentyne blocks, also separately announced an update on activities related to the Corentyne block.

Exploration:

The Kawa-1 well, the Joint Venture’s commitment well on its Corentyne block, is expected to be spud within the August 1st to 15th time period and reach total depth in approximately 85 days. The primary target for the Kawa -1 well is a Santonian age, stratigraphic trap. The Kawa-1 well is located in the northeast quadrant of the Corentyne block approximately 200 km offshore from Georgetown. The water depth is approximately 355 meters (1,174 ft) and the expected total depth of the Kawa-1 well is 6575 meters (21,700 ft).

As previously announced, Kawa-1 will be drilled by the Maersk Discoverer, a sixth-generation semi-submersible currently working in Trinidad for another operator. CGX Resources Inc., a wholly owned subsidiary of CGX and operator of the Corentyne block, has secured all necessary contracts for the drilling of Kawa-1 and is now commencing operational activities to meet the targeted spud window. The current cost estimate to drill and evaluate Kawa-1 is between approximately US \$80-\$85 million, which CGX expects to finance from one or more options that are currently being considered by the Company.

Drilling Team

The Company has assembled a highly-qualified and experienced team for the drilling campaign, which includes:

- Kevin Lacy (41 years’ experience with Chevron, BP, Talisman - former Global Drilling Manager with Chevron and Talisman) as Drilling Director;
- Todd Durkee (33 years’ experience with Anadarko and Kerr McGee - last role VP Deep Water Drilling with Anadarko) as Senior Drilling Advisor;
- Karlin Costa (40 years’ experience with Noble, Cobalt, BP and ConocoPhillips – last role Director Offshore Wells – Noble) as Senior Drilling Superintendent;
- Jonathan Shipley (35 years’ experience with Apache, Devon, ConocoPhillips - last role DW Operations Superintendent with Apache in Suriname) as Senior Drilling Superintendent;

- Rick Ysa (30+ years' experience with Repsol, Chevron, Devon, Kerr McGee – last role Drilling Project Manager Americas with Repsol) as Senior Drilling Engineer;
- Marcus Summers (30 years' experience with ExxonMobil, Noble, Amoco – last role Senior DW Drilling Engineer, ExxonMobil) as Senior Drilling Engineer;
- Brad Koskowich (30+ years' experience with Repsol, Nexen, CNR, Suncor) as Senior Health Safety and Environment Advisor.

The Company's Vice President of Operations, Michael Stockinger has over 40 years of E&P drilling operations experience. Mr. Stockinger has held various senior level positions at large oil and gas companies including Anadarko Petroleum, Kerr-McGee and ConocoPhillips. He has significant operational experience offshore Guyana and has drilled multiple wells in the Basin, most recently the Eagle-Tertiary Well (EGT-1) in 2012 for CGX on its Corentyne Block.

Infrastructure:

Through its wholly-owned subsidiary, Grand Canal Industrial Estates Inc (“**GCIE**”), the Company has been engaged in civil works related to the construction of the Berbice Deep Water Port (“**BDWP**”) on 30 acres of land on the eastern bank of the Berbice River, adjacent to Crab Island. Currently, work is on-going on the access road and connecting bridge, relocation of utilities and major construction of the site along the Berbice River. Construction of the wharf platform and access trestle are currently scheduled to begin in September 2021. The facility is designed to have a wharf platform of 220m length and 30m width, accessed by a 50m trestle. An approved dredging program is intended to ensure continual unencumbered access to supply and cargo vessels. Depth is targeted to be maintained at a 7 m (23 ft) low-tide draft within the berth area and access channel that leads to the BDWP pier. The Company also owns and operates a 16 acres laydown yard in Berbice at Bramfield. This facility, located along the main Corentyne Highway, is fully permitted and operational as a logistics base and will also service the BDWP, which is located 3.2 km from the Bramfield Logistics Yard. The capital cost for the project to 2023 is currently estimated at US \$70 million, with a further expansion to construct heavy lift and fabrication facilities being contemplated.

Work is on schedule for the operationalization of the offshore oil and gas support shore base by mid-2022 and for the operationalization of containerized cargo, agricultural cargo and specialized cargo terminal by the end of 2023.

The BDWP intends to service growing offshore demand in the oil and gas sector and significantly shorten supply routes, simplify logistics, and reduce cost and operational risk. Travel time from the BDWP to offshore fields is approximately 12 hours compared to approximately 2.5 days to regional ports currently used by operators. The BDWP port will enable provisioning of operators and vendors in territorial waters of both Guyana and Suriname.

The Company commissioned an independent market assessment study for the BDWP, conducted by Maritime & Transport Business Solutions (“**MTBS**”) of Rotterdam, The Netherlands. According to the MTBS marketing report, the BDWP is expected to service the demands of 1 offshore well in 2022 following start-up; growing to 7-12 offshore wells / year beginning in 2023. The BDWP is positioned to play a leading role in the expansion of the oil and gas sector in Guyana and Suriname. The MTBS report predicts revenue generation from 2022 related to offshore oil and gas services reaching approximately US \$37 million by 2025 and steadily increasing thereafter. The life-cycle of a producing field requires support, consumable supplies, equipment and services.

The BDWP's containerized, specialized and agricultural cargo operations are targeted to be fully operational by the end of 2023. The MTBS marketing report predicts that by 2030, the port will handle over 835,000 tons of cargo, with 64% of this related to the export of rice. Approximately 30 - 50% of the rice grown in Guyana is produced in regions 5 and 6 and the BDWP will provide important support to this industry and service its expected growth. The BDWP report predicts revenue generation from the cargo handling operations of the port to reach approximately US \$28 million by 2025 with steady growth predicted, reaching approximately US \$37 million by 2030.

The Company also commissioned MTBS to prepare a financial model for the BDWP, with inputs from GCIE as well as other advisors and consultants such as Aqua & Terra Consultores Asociados S.A.S and SRKN'gineering and Associates Ltd. The financial model predicts that the payback year for the project is 2025 with an above industry average net present value and internal rate of return values.

This is a transformative project for the enablement of local content in the oil and gas industry and for the transformation of the country's agricultural and commercial sectors.

Gabriel de Alba, Co-Chairman of CGX, commented: "We are pleased to continue to advance our activities in what we believe is one of the world's most important new oil and gas blocks in the last decade. The CGX team has worked tirelessly to reach this point in coordination with all our stakeholders. We look forward to providing further details as soon as possible."

Professor Suresh Narine, Executive Co-Chairman of CGX, stated: "I am incredibly proud of our team as we reach such an important exploration milestone for our organization. I am equally proud of the progress we have made in the development of the Berbice port, which reflects the focus we have on the broader opportunities for the people and businesses of Guyana."

Annual and Special Meeting Voting Results

At the annual and special meeting of shareholders (the "AGM") of the Company on Wednesday June 30, 2021, each of the six director nominees directors set forth in the Company's management proxy circular dated May 18, 2021 were elected as directors of the Company. Messrs. de Alba, Mills, Narine, Tribukait and Zoback were re-elected to serve as directors of the Company. Veronique Giry was also elected to act as a new director of the Company, replacing Duncan Nightingale who did not stand for re-election. The directors achieved an average approval vote of 99.8% from shareholders. The detailed results of the vote are set out below:

Nominee	Outcome of Vote	Voted	Voted (%)
Gabriel de Alba	Approved	For: 216,536,353 Withhold: 170,949	99.9% 0.1%
Veronique Giry	Approved	For: 216,525,517 Withhold: 181,785	99.9% 0.1%
Dennis Mills	Approved	For: 216,524,163 Withhold: 183,139	99.9% 0.1%
Suresh Narine	Approved	For: 215,177,009 Withhold: 1,530,293	99.3% 0.7%
Hermann Tribukait	Approved	For: 216,515,056 Withhold: 192,246	99.9% 0.1%
Mark Zoback	Approved	For: 216,528,533 Withhold: 178,769	99.9% 0.1%

Veronique Giry has over 30 years of experience in the global oil and gas industry. Ms. Giry currently serves as Director, and Vice President and Chief Operating Officer of ISH Energy Limited in Calgary, Alberta, Canada. Ms. Giry's career has included senior management roles at the Alberta provincial energy regulator and Total Exploration & Production where she has held roles in Latin America, Canada, Asia, Europe, and the United Kingdom. Ms. Giry also sits as a volunteer on the board of Alliance Francaise of Calgary. Ms. Giry earned a Master's of Science in Engineering, a degree from the Ecole Centrale de Paris, France, with a major in Mechanics. Ms. Giry is currently a director of Frontera.

"We are very pleased to welcome Ms. Giry to the CGX team," commented Professor Narine, Executive Co-Chairman of CGX. "Veronique's extensive knowledge and experience in oil and gas will greatly assist CGX as we position to execute on our exploration and development targets over the next two years. I would also like to sincerely thank Mr. Nightingale for his contribution and service as a Director."

About CGX

CGX 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. All statements, other than statements of historical fact, that address activities, events or developments that CGX believes, expect or anticipates will or may occur in the future (including, without limitation, statements regarding exploration and development plans and objectives with regards to the Kawa-1 well, including

drilling plans, and the development of the BDWP and its future usage) are forward-looking statements. These forward-looking statements reflect the current expectations or beliefs of CGX, as the case may be, based on information currently available to them. Forward-looking statements are subject to a number of risks and uncertainties that may cause actual results to differ materially from those discussed in the forward-looking statements, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Company. Factors that could cause actual results or events to differ materially from current expectations include, among other things: the need to obtain any required regulatory approval; the ability of the Joint Venture to successfully explore and develop the offshore blocks, and to fund such exploration and development and the impact thereof of unforeseen costs and expenses; changes in equity and debt markets; perceptions of the prospects and the prospects of the oil and gas industry in the countries where the Company operates or has investments; and the other risks disclosed under the heading “Risk Factors” and elsewhere in the Company’s annual information form dated May 5, 2021 filed on SEDAR at www.sedar.com. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, CGX disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although CGX believes that the assumptions inherent in the forward-looking statements applicable to it are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

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