



NEWS RELEASE
CGX ENERGY INC.
(TSX-V | OYL)
November 3, 2021

CGX Energy Announces Filing of Third Quarter Financial Statements

Toronto, Canada, November 3, 2021 - CGX Energy Inc. (“**CGX**” or the “**Company**”) announced today the release of its unaudited Consolidated Financial Statements for the third quarter of 2021, 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.

Third Quarter and Recent Highlights

- On August 22, 2021, CGX and Frontera Energy Corporation (“**Frontera**”), CGX’s majority shareholder and joint venture partner in the Petroleum Prospecting Licenses for the Corentyne and Demerara blocks offshore Guyana (the “**Joint Venture**”), spud the Kawa-1 exploration well and exercised its option to drill a second well with Maersk Drilling Holdings Singapore Pte Ltd. (“**Maersk**”) through the use of the Maersk Discoverer rig. As of November 1, 2021, close to 78% of the planned footage has been drilled and the three prospective targets of the Kawa-1 well remain to be drilled, cased and evaluated with current expectations on reaching total depth consistent with the previous public disclosure.
- On October 28, 2021, the Company completed its rights offering (the “**Offering**”). Pursuant to the Offering, the Company offered to holders of its outstanding common shares (the “**Common Shares**”) of record as at the close of business on October 1, 2021 the ability to subscribe for, until October 28, 2021 (the “**Expiry Date**”), an aggregate of 45,151,338 Common Shares. Each such holder of Common Shares was offered rights (each, a “**Right**”) on the basis of 0.157 of one Right for each Common Share held. Each whole Right entitled the holder to subscribe for one Common Share upon payment of the subscription price of Cdn. \$1.63.

Following the closing of the Offering, CGX has 334,459,000 Common Shares issued and outstanding. The Rights Offering raised gross proceeds of approximately Cdn. \$73,600,000 (equivalent to approximately U.S. \$59,600,000).

Frontera, an insider and the Company’s largest shareholder, acquired an aggregate of 45,083,314 Common Shares pursuant to the exercise of its Rights and its standby commitment under the Offering. In consideration for the standby commitment provided by Frontera under the Offering, Frontera received 5-year warrants to purchase up to 1,173,774 Common Shares at an exercise price equal to U.S. \$1.51 per Common Share. As a result, Frontera holds an

aggregate of 257,475,469 Common Shares on a non-diluted basis, which represents approximately 76.98% of the issued and outstanding Common Shares and 285,892,120 on a partially-diluted basis (assuming conversion of the U.S. \$19 million principal amount under the bridge loan agreement between CGX and Frontera and exercise of the warrants), which represents approximately 78.79% of the issued and outstanding Common Shares on a partially-diluted basis.

CGX intends to use the funds raised through the Offering for the exploration and development of the Corentyne and Demerara blocks offshore Guyana and the Berbice block onshore Guyana and for the development of the Berbice Deep Water Port in Guyana. These funds, as well as additional financing alternatives, are expected to provide the funds necessary to meet all of the Company's short-term liquidity requirements over the next 12 months.

- On October 26, 2021, Mr. Todd Durkee was appointed Vice-President of Development for the Company.
- Grand Canal Industrial Estates Inc. ("**Grand Canal**"), a wholly-owned subsidiary of the Company, has commenced the Berbice Deepwater Port Project ("**BDWP**") on 30 acres of land on the eastern bank of the Berbice River. The deep water port facility intends to serve as an Offshore Supply Base ("**OSB**") and a Multi-Purpose Terminal ("**MPT**") with containerized and specialized cargo handling and agricultural import/export operations. The BDWP will enable provisioning of operators and vendors in territorial waters of both Guyana and Suriname. Construction of the BDWP continues on schedule; active construction is ongoing on the access road (62% completed), bridge from Corentyne Highway (85% completed), rip rap flood protection (94% completed), extension of electricity infrastructure to the port site (85% completed), extension of water infrastructure to the port site (39% completed) and quayside laydown yard (31% completed). All permits and permissions are in place. Requests for proposals have been advertised for the wharf platform and access trestle, capital dredging program, design and construction of all gates, buildings and fences, design and construction of firefighting and first aid structures and covered storage areas. Currently, evaluations of submitted proposals for the capital dredging and construction of the wharf platform and access trestle are underway. The OSB portion of the port is expected to be fully operational in the third quarter of 2022, with the multi-purpose terminal, servicing agricultural, general, and containerized cargos being fully operational by the end of 2023.

About CGX

CGX is a Canadian-based oil and gas exploration company focused on the exploration of oil in the Guyana-Suriname Basin and the development of a deep water port in the Berbice, Guyana.

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.

Cautionary and Forward-Looking Statements:

This news release contains estimates of completion of various activities. Such estimates are made using the information available to CGX. CGX believes these estimates are reasonable based on its information, but actual completion may be slightly different. The estimates of completion are

based on achieving a target or completing a specific task and are not necessarily reflective of the passage of time estimated to complete. This news release also 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 and Wei-1 wells, including drilling plans, and the development of the BDWP and its future usage, including the OSB) 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 cautionary and 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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