



**NEWS RELEASE
CGX ENERGY INC.
(TSX-V | OYL)
March 2, 2022**

CGX Energy Files Year-End 2021 Audited Consolidated Financial Statements and Provides Operational Updates

Toronto, Canada, March 2, 2022 - CGX Energy Inc. (“CGX” or the “Company”) announced today the release of its audited consolidated financial statements for the year ended December 31, 2021, together with its Management Discussion and Analysis (the “**Financial Disclosures**”). These Financial Disclosures will be posted on the Company’s website at www.cgxenergy.com and on SEDAR at www.sedar.com. All values in the Financial Disclosures are in United States dollars unless otherwise stated.

Corentyne Block

CGX and Frontera, the majority shareholder of CGX and joint venture (the “**Joint Venture**”) partner of CGX in the petroleum prospecting license for the Corentyne block offshore Guyana, have safely completed exploration activities at the Kawa-1 exploration well. In line with our exploratory objectives, the well has now been safely plugged and abandoned and the Maersk Discover drilling rig has been released from the Kawa-1 location. Only a single lost time injury was recorded throughout Kawa-1 well operations. The final cost of the Kawa-1 exploration well was \$141 million.

The Kawa-1 well was drilled to a total depth of 21,578 feet (6,577 metres) in the northern section of the Corentyne block. Drilling results confirm the presence of an active hydrocarbon system at the Kawa-1 location. Successful wireline logging runs confirmed net pay of approximately 200 feet (61 metres) within Maastrichtian, Campanian, Santonian and Coniacian horizons. These intervals are similar in age and can be correlated using regional seismic data to recent successes in Block 58 in Suriname and Stabroek Block in Guyana.

The Joint Venture did not get MDT data or sidewall core samples and has engaged an independent third-party to complete further detailed studies and laboratory analysis on drilling cuttings from the Santonian, Campanian and Maastrichtian intervals and well-bore fluid samples to evaluate in situ hydrocarbons. Preliminary results from the Santonian interval indicate the presence of liquid hydrocarbons in the reservoir. Results from the Campanian and Maastrichtian intervals are pending.

Kawa-1 well results have improved the Joint Venture’s understanding of the operational and geological complexities of the basin and will help reduce the technical risks of the Wei-1 exploration well. Given the initial positive results at the Kawa-1 well the Joint Venture is moving forward with its second exploration well, Wei-1 on the Corentyne block.

The Joint Venture has begun the integration of detailed seismic and lithological analysis and pore pressure studies from the Kawa-1 well into drilling preparations in advance of spudding the Wei-1 exploration well which will be spud in the second half of 2022. The Wei-1 exploration well will target Campanian and Santonian aged stacked channels in the western fan complex in the northern section of the Corentyne block. Data from both the Kawa-1 and Wei-1 wells will inform future activities and potential appraisal/development decisions.

CGX is currently assessing several strategic opportunities to obtain additional financing to meet the costs of the drilling program.

Demerara

On February 4, 2022, the Joint Venture announced that as a result of the initial positive results at the Kawa-1 exploration well, the Joint Venture will focus on the significant exploration opportunities in the Corentyne block and will not engage in drilling activities on the Demerara block in 2022. On February 21, 2022, the Minister of Natural Resources informed the joint venture that the two commitment exploration wells must be drilled on the Demerara block per the terms of the Demerara Petroleum Prospecting License and associated Petroleum Agreement prior to February 12, 2023. CGX will seek further dialogue with the Ministry of Natural Resources regarding this guidance.

Berbice

On February 4, 2022, the Company, through its 62% owned subsidiary ON Energy Inc. (“**ON Energy**”), notified the Ministry of Natural Resources that, given the focus on developing the Corentyne Block, operational considerations and investment priorities, ON Energy is unable to drill an exploration well on the Berbice Block in 2022; proposed that seismic acquisition on the block be shifted to commence in January 2023 and sought the Minister’s guidance on this matter. The Minister of Natural Resources has informed ON Energy that he expects the Company to drill one exploration well on the Berbice block and acquire seismic on the block prior to the expiry of the Berbice Petroleum Prospecting License and associated Petroleum Agreement. The Company will seek further dialogue with the Ministry of Natural resources regarding this guidance.

Berbice Deep Water Port

Civil works continue on the wholly-owned Berbice Deep Water Port, with an Access Bridge from the Corentyne Highway completed, Access Road from Corentyne Highway to the port site completed, delivery of electricity to the port site completed, delivery of Potable Water to the port site completed, quayside laydown yard 60% completed and rip rap flood protection 95% completed. 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. To date, all contractors on the project have been 100% local Guyanese companies and all efforts are being expended to ensure that this focus on local content is maintained throughout the project.

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 TORONTO STOCK EXCHANGE, TSX VENTURE EXCHANGE NOR THEIR REGULATION SERVICES PROVIDERS (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TORONTO STOCK EXCHANGE AND TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE

Cautionary and 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, expects 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 or Wei-1 wells) are forward-looking statements. These forward-looking statements reflect the current expectations or beliefs of CGX based on information currently available to it. 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 Frontera Energy Corporation and CGX joint venture to successfully explore and develop offshore blocks, and to fund 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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