



**NEWS RELEASE**  
**CGX ENERGY INC.**  
**(TSX-V | OYL)**  
**April 8, 2022**

## **CGX Energy Completes U.S. \$35 Million Loan Agreement**

**Toronto, Canada, April 8, 2022** - CGX Energy Inc. (“CGX” or the “Company”) announced today that further to its press release of March 10, 2022, the Company has closed the previously announced financing agreement for a U.S. \$35 million loan (the “Loan”) with Frontera Energy Corporation (“Frontera”) that will allow CGX to continue to finance part of its share of costs related to the Corentyne Block, the Berbice Deepwater Port, and other budgeted costs as agreed to with Frontera.

Under the terms of the Loan, as amended, the Loan to CGX will be available for drawdown in tranches on a non-revolving basis until the earlier of September 10, 2023 or the date on which CGX has drawn down the maximum amount of the Loan. The Loan, together with all interest accrued, shall be due and payable on September 10, 2023, or such later date as determined by Frontera, at its sole discretion. Interest payable on the principal amount outstanding shall accrue at a rate of 9.7% per annum payable monthly in cash, with interest on overdue interest. If the Loan is extended by Frontera past September 10, 2023, in its sole discretion, the new interest rate will be 15% per annum. The Loan will be secured by all of the assets of CGX. A standby fee of 2% per annum multiplied by the daily average amount of unused commitment under the Loan in excess of U.S. \$19 million shall be payable quarterly in arrears by CGX, on the last business day of each fiscal quarter, during the drawdown period.

Subject to final approval of the TSX Venture Exchange, Frontera in its sole discretion, any time after July 31, 2022 up to and including September 10, 2023, may elect to convert all or a portion of the principal amount of the Loan outstanding, into common shares of CGX at a conversion price equal to U.S. \$2.42 per common share (being the U.S. dollar equivalent of Cdn. \$ 3.10 per common share), provided Frontera provides CGX with 15 business days notice of such conversion.

CGX has the right to prepay all or any portion of the Loan, including any unpaid interest, on 15 business days notice to Frontera before September 10, 2023. CGX is also required to repay all of the Loan that is outstanding in the event that without the consent of Frontera, it issues any security that would dilute Frontera’s current ownership of CGX, or any of its subsidiaries enters into any transaction the proceeds of which are used by CGX to pay its part of the authorized costs of the Wei-1 exploration well.

The maximum number of common shares of CGX which may be acquired by Frontera upon the conversion of the principal amount of the Loan is 14,462,809 million common shares of CGX. If the Loan principal is converted in full, Frontera will hold approximately 77.93% of the currently issued and outstanding common shares of CGX (compared to its current ownership of 76.97%).

The Loan remains subject to customary conditions, including obtaining all required regulatory final approvals.

## 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 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 information within the meaning of Canadian securities laws. Forward-looking information relates to activities, events or developments that CGX believes, expects or anticipates will or may occur in the future (including, without limitation, statements regarding the Guyana exploration program). All information other than historical fact is forward looking information. Forward-looking information reflects the current expectations, assumptions and beliefs of CGX based on information currently available to it and considers its experience and perception of historical trends. Although CGX believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be placed on such information. Forward-looking information is subject to a number of risks and uncertainties, some that are similar to other oil and gas companies and some that are unique to CGX. The actual results may differ materially from those expressed or implied by the forward-looking information, 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, CGX. Documents filed by CGX from time to time with securities regulatory authorities (including annual information forms for fiscal 2021) describe the risks, uncertainties, material assumptions and other factors that could influence actual results and such factors are incorporated herein by reference. Copies of these documents are available without charge by referring to the respective profiles of CGX on SEDAR at [www.sedar.com](http://www.sedar.com). All forward-looking information 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 information, whether as a result of new information, future events or results or otherwise.*

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