



**NEWS RELEASE
CGX ENERGY INC.
(TSX-V | OYL)
June 16, 2022**

CGX Provides Update on Exploration Blocks Offshore and Onshore Guyana

Following Light Oil and Gas Condensate Discovery at The Kawa-1 Exploration Well, CGX and JV Partner to Focus on Corentyne Block

The Wei-1 Exploration Well Expected To Be Spud In 3Q'22

CGX has in Principle Come to Mutual Agreement with the Government of Guyana to Relinquish Demerara and Berbice Blocks

TORONTO, June 16, 2022 - CGX Energy Inc. (TSXV: OYL) ("CGX"), joint venture partner with Frontera Energy Corporation (TSX: FEC) in the Petroleum Prospecting License for the Corentyne block offshore Guyana, today announced that, following constructive discussions with the Government of Guyana, the joint venture will focus exclusively on the exploration opportunities in the Corentyne block. The decision follows the discovery at the Kawa-1 exploration well on the Corentyne block.

CGX will continue to integrate its findings from the Kawa-1 well into preparations for its second exploration well, called Wei-1, to be spud in the third quarter of 2022. The Wei-1 exploration well will be located approximately 14 kilometres northwest of the Kawa-1 exploration well in the Corentyne block, approximately 200 kilometres offshore from Georgetown, Guyana. The Wei-1 exploration well will be drilled in water depth of approximately 1,912 feet (583 metres) to a targeted total depth of 20,500 (6,248 metres) and will target Maastrichtian, Campanian and Santonian aged stacked channels in a western channel complex in the northern section of the Corentyne block.

Given the importance of the Demerara block to Guyana, CGX has, in principle, reached an agreement with the Government to allow for the relinquishment of the Demerara block through a mutual termination agreement which terms remain to be defined and documented. Such termination agreement would allow relinquishment of the Demerara block in a timely manner, allowing the people of Guyana to benefit from exploration activities under the stewardship of interested parties.

ON Energy, which is a 62.5% owned subsidiary of CGX and is the holder of the Petroleum Prospective Licence of the Berbice block has also been in discussions with the Government of Guyana, and has reached an agreement in principle to relinquish the Berbice block through a mutual termination agreement, which also remains to be defined and documented, so that the Berbice block can be relinquished in a timely manner, similar to the Demerara block.

Professor Suresh Narine, Executive Co-Chairman of CGX's Board of Directors, commented:

“Our long partnership with the Government and People of Guyana is a critical aspect of our decisions. We have a significant opportunity on the Corentyne block following the discovery at Kawa-1. The joint venture is moving ahead rapidly to advance our program and unlock the potential of the Corentyne block, for the benefit of all stakeholders. To do so required a collaborative effort to resolve outstanding commitments for the Demerara and Berbice blocks and we are appreciative of this agreement. We are also engaged with the Government of Guyana in a collaborative effort to maximise opportunities to unlock value for the Berbice Deep Water Port.”

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.

Advisories

Cautionary Note Concerning Forward-Looking Statements:

This press 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. Forward-looking information includes, without limitation, the CGX's exploration and development plans and objectives, and exploration plans for Wei-1 in the third quarter of 2022. 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 the experience of CGX and its 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, including CGX's ability to obtain additional financing to meet the costs of its drilling program and whether or not a mutual termination agreement will be entered into. The actual results of CGX 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, either of CGX. The management's discussion and analysis of CGX for the year ended December 31, 2021, and quarter ended March 31, 2022, and other documents CGX files from time to time with securities regulatory authorities 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 CGX's profile on SEDAR at 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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