

CGX ENERGY INC. AND FRONTERA ENERGY CORPORATION

NEWS RELEASE

CGX Energy and Frontera Energy Announce Transaction for the Corentyne Block That Secures Funding for the Wei-1 Exploration Well

Participating Interest In Corentyne Block Now 32% CGX And 68% Frontera

The Joint Venture Anticipates Spudding the Wei-1 Exploration Well in October 2022

CGX and Frontera Agree To Convert May 2021 and March 2022 Loans Into Participating Interest In Corentyne

TORONTO, July 22, 2022 - CGX Energy Inc. (TSXV: OYL) (“CGX”) and Frontera Energy Corporation (TSX: FEC) (“Frontera”), joint venture partners (the “Joint Venture”) in the Petroleum Prospecting License for the Corentyne block offshore Guyana, announces today that the companies have entered into an agreement to amend the Joint Operating Agreement originally signed between CGX and a subsidiary of Frontera on January 30, 2019, as amended (the “Agreement”), effectively farming into the Corentyne block and securing funding for the Wei-1 exploration well. The Agreement remains subject to certain conditions precedent, including approval of the TSX Venture Exchange (which is subject to the receipt by CGX of a formal valuation), TSX acceptance of the Agreement, and certain confirmations from the Government of Guyana relating to the petroleum agreement for the Corentyne block.

“CGX is pleased to complete this farm-in agreement with Frontera, which enables CGX to strengthen its balance sheet and secure funding for the Wei-1 exploration well. Our continued partnership with Frontera reflects the significant value we have created on the Corentyne license and the opportunity set that is now before us following the discovery of hydrocarbons at the Kawa-1 exploration well. We are focused now on the transformational potential of the Corentyne block ahead of spudding the Wei-1 exploration well in October 2022, pending rig release from the current operator,” said Professor Suresh Narine, Executive Co-Chairman of CGX.

“Frontera is excited to complete this agreement with CGX and continue our work together on the Corentyne Block,” said Orlando Cabrales, Chief Executive Officer of Frontera. “Building on the Joint Venture’s recent light oil and condensate discovery at the Kawa-1 exploration well, the Agreement supports CGX’s capital needs for the Wei-1 exploration well and provides Frontera with an increased participating interest in the Corentyne block, which is truly one of the most exciting exploration areas in the world.”

As part of the Agreement, CGX will transfer 29.73% of its participating interest in the Corentyne block to Frontera in exchange for Frontera funding the Joint Venture's costs associated with the Wei-1 exploration well for up to US\$130 million and up to an additional US\$29 million of certain Kawa-1 exploration well, Wei-1 pre-drill, and other costs. In addition, CGX shall assign an additional 4.94% of its participating interest in the Corentyne block to Frontera as consideration for the repayment of the outstanding principal amounts under (i) the previously announced US\$19 million convertible loan to CGX dated May 28, 2021,

as amended, and (ii) the previously announced US\$35 million convertible loan to CGX dated March 10, 2022, as amended, and a cash payment of US\$3.8 million. As a result of this agreement, CGX will have a 32.00% participating interest and Frontera will have a 68.00% participating interest in the Corentyne block.

The transactions described herein between Frontera and CGX are related party transactions under Multilateral Instrument 61-101 but are exempt from the obligations to obtain a formal valuation and approval from a minority of shareholders. Nevertheless, CGX is in the process of obtaining a formal valuation for the Corentyne block in connection with the Agreement, in accordance with TSX Venture Exchange requirements. The material change report to be filed by CGX in connection with this news release will contain the required disclosure regarding such exemptions and the formal valuation for the Corentyne block obtained by CGX.

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.

Wei-1 Exploration Well

Final preparations are underway in advance of spudding the Joint Venture's second exploration well, called Wei-1, in October 2022, subject to rig release from a third-party operator. The necessary long lead materials have been secured and are being mobilized. As of July 15, 2022, 95% of key drilling staff that executed the Kawa-1 exploration well remain contracted for the Wei-1 exploration well. An independent operations readiness review has been completed with no significant obstacles to spud.

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 an anticipated total depth of 20,500 feet (6,248 metres) and will target Campanian and Santonian aged stacked channels in a western channel complex in the northern section of the Corentyne block.

CGX Resources Inc. (“**CGX Resources**”), operator of the Corentyne Block, has again contracted (the “**Drilling Contract**”) the Maersk Discoverer to drill the Wei-1 exploration well, maintaining continuity in the exploration program during a period of high demand in the region and consistency in working with a team familiar with the rig, which is important from a health and safety, efficiency and operational perspective.

In conjunction with the Drilling Contract between CGX Resources and Maersk, Frontera anticipates entering into a parent company guarantee (the “**Guarantee**”) with Maersk for certain obligations in connection with the day rates under the Drilling Contract on behalf of CGX Resources, up to a maximum of US\$30 million subject to a sliding scale mechanism in connection with payments made under the Drilling Contract. Frontera and CGX entered into an agreement pursuant to which all amounts drawn under the Guarantee that are attributed to CGX Resources' share of the Joint Venture costs shall be guaranteed by CGX until such time as all conditions precedent to the Agreement have been satisfied.

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.

About Frontera

Frontera Energy Corporation is a Canadian public company involved in the exploration, development, production, transportation, storage and sale of oil and natural gas in South America, including related investments in both upstream and midstream facilities. The Company has a diversified portfolio of assets with interests in 33 exploration and production blocks in Colombia, Ecuador and Guyana, and pipeline and port facilities in Colombia. Frontera is committed to conducting business safely and in a socially, environmentally and ethically responsible manner.

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Corporate Presentation

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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 and Frontera believe, expect or anticipate will or may occur in the future. Forward-looking information in this press release includes, without limitation, statements relating to the anticipated change in the parties' participating interests in the Corentyne block under the Agreement, including as a result of additional funding obligations of Frontera for the Wei-1 exploration well and the anticipated discharge of an aggregate US\$54 million under outstanding convertibles loans to CGX, the parties' expectations as to drilling plans, operational readiness and timing for spudding the Wei-1 exploration well, the necessary governmental and

regulatory approvals to be obtained in connection with the Agreement (including certain confirmations from the Government of Guyana relating to the petroleum agreement for the Corentyne block, approval of the TSX Venture Exchange (which is subject to the receipt by CGX of a formal valuation) and TSX acceptance of the Agreement), and a parent company guarantee required in connection with drilling of the Wei-1 exploration well. All information other than historical fact is forward-looking information.

Forward-looking information reflects the current expectations, assumptions and beliefs of CGX, and Frontera based on information currently available to them and considers the experience of CGX and Frontera and their perception of historical trends. Although CGX and Frontera believe 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 and Frontera. The actual results of CGX or Frontera 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 or Frontera. The annual information form of Frontera for the year ended December 31, 2021, and CGX and Frontera's management's discussion and analysis for the year ended December 31, 2021, and quarter ended March 31, 2022, and other documents each of CGX and Frontera 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 each company'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, each of CGX and Frontera 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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