



**NEWS RELEASE  
CGX ENERGY INC.  
(TSX-V | OYL)  
November 1, 2022**

## **CGX Energy Announces Filing of Third Quarter Financial Statements**

**Toronto, Canada, November 1, 2022** - CGX Energy Inc. (“**CGX**” or the “**Company**”) announced today the release of its unaudited Consolidated Financial Statements for the third quarter of 2022, together with its Management, Discussion and Analysis - Quarterly Highlights (the “**Financial Disclosures**”). These Financial Disclosures will be posted on the Company’s website at [www.cgxenergy.com](http://www.cgxenergy.com) and on SEDAR at [www.sedar.com](http://www.sedar.com). All values in the Financial Disclosures are in United States dollars unless otherwise stated.

### **Company Highlights:**

#### **Farm-In Transaction**

On July 22, 2022, CGX and Frontera Energy Corporation (“**Frontera**”) announced that the companies had 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 “**JOA Amendment**”) effectively farming into the Corentyne block and securing funding for the Wei-1 well, subject to satisfaction of certain conditions precedent. On October 3, 2022, CGX and Frontera announced that the parties had agreed to (i) extend the maturity date of the previously announced US\$19 million convertible loan from Frontera dated May 28, 2021, as amended, (the “**Loan Agreement**”) to November 30, 2022; and (ii) amend the JOA Amendment to extend the outside date by which the conditions precedent to such agreement must be fulfilled to November 30, 2022, as the Joint Venture continues to await the satisfaction of all conditions precedent. Once all conditions precedent have been satisfied, as a result of the JOA Amendment, CGX will hold a 32.00% participating interest and Frontera will hold a 68.00% participating interest in the Corentyne block.

#### **Kawa-1 Well**

On May 9, 2022, Frontera and CGX, joint venture partners (the “**Joint Venture**”) in the Petroleum Prospecting License (“**PPL**”) for the Corentyne block, offshore Guyana, announced the discovery of 228 feet (“**ft**”) (69 metres (“**m**”)) of net pay across the Maastrichtian, Campanian, Santonian and Coniacian horizons at the Kawa-1 exploration well, offshore Guyana. Third-party analyses indicated the presence of light oil in the Santonian and Coniacian, and gas condensate in the Maastrichtian and Campanian. The findings are consistent with discoveries reported by other operators adjacent to the Corentyne block and further de-risks equivalent oil targets anticipated at the Wei-1 well.

## **Berbice Deep Water Port**

CGX continues to advance the Berbice Deep Water Port (“**BDWP**”) project, and to date has spent over \$22 million on the BDWP project. The deep water port facility intends to serve as an offshore supply base for the oil and gas industry and as a multi-purpose terminal cargo handling base to service agricultural import/export, containerized and specialized cargo. The BDWP aims to enable provisioning of operators and vendors in territorial waters of both Guyana and Suriname. Riverside construction is completed on approximately 500 m of rip rap flood protection, a 10 acre quayside laydown yard built to a 5 tons/m<sup>2</sup> load bearing capacity, an access bridge to the main Corentyne highway and 3.2 km access road, both built to American Association of State Highway and Transportation Officials (ASSHTO) standards, concrete drains and driveways for residents along the roadway and extension of municipal water and power to the port site. In-river construction will begin in Q4 of 2022, with a 50 x 12 m access trestle being built from the quayside yard westward into the Berbice river, together with the necessary dredging of the river. This is intended to be followed by the construction of the wharf, perpendicular to the trestle. The Company began the installation of solar lights along the bridge, roadway and at the quayside yard in October 2022. The Offshore Supply Base of the Port will not be fully operational in Q4, 2022 as previously scheduled, due to the need to revise designs to realize cost efficiencies. A revised schedule for completion is being discussed with the contractor. The project now targets operation of the cargo terminal aspects of the BDWP in mid 2023 and operation of oil and gas support base in late-2023, subject to construction schedules and supply chains. Significant infrastructure projects in Region 6 which have been announced by the Government of Guyana motivates the completion of the cargo aspects of the BDWP earlier, especially with respect to the handling of aggregates and other construction materials which must be imported into the region from elsewhere in the country and offshore.

## **Demerara and Berbice Blocks Relinquishment**

The Joint Venture and ON Energy Inc. (a 62% owned subsidiary of CGX) (“**ON Energy**”), respectively, have begun the process of relinquishing the Demerara and Berbice blocks through a mutual termination agreement with the Government of Guyana, allowing the people of Guyana to benefit from exploration activities under the stewardship of interested parties. On September 20, 2022, the Government of Guyana provided a Deed of Surrender to formalize the process. Subsequent to September 30, 2022, the Joint Venture and ON Energy, respectively, signed the surrender deed of the Demerara and Berbice PPLs.

## **Operational Update:**

### **Wei-1 Well**

Due to unforeseen challenges to the exploration activities of a third-party operator, the release of the NobleCorp Discoverer drilling unit to CGX has been delayed. This situation is beyond the reasonable control of the Joint Venture. CGX and Frontera have communicated the revised spud window for the Wei-1 well to the Government of Guyana; expected to now be between December 2022 and late January 2023, subject to rig release by the third-party operator.

Final preparations are complete in advance of spudding the Wei-1 well on the Corentyne block, and follows the discovery of light oil and condensate at the Kawa-1 well earlier this year. The Wei-1 well will be located approximately 14 km northwest of the Kawa-1 well in the Corentyne block, approximately 200 km offshore from Georgetown, Guyana and will be drilled in water

depth of approximately 1,912 ft (583 m) to an anticipated total depth of 20,500 ft (6,248 m). Wei-1 will target Maastrichtian, Campanian and Santonian aged stacked channels in a western channel complex in the northern section of the Corentyne block.

## **Prospector**

As described in the Financial Disclosures, the arbitration involving CGX and Prospector PTE. Ltd. was initially resolved in favour of Prospector. However CGX is challenging the decision and it is not likely to be resolved until sometime later in 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 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 or the BDWP) 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 approvals; the ability of the 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](http://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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