



**NEWS RELEASE  
CGX ENERGY INC.  
(TSX-V | OYL)  
March 1, 2023**

## **CGX Energy Updates: Year-End 2022 Audited Consolidated Financial Statements, Drilling Operational Updates and Progress on the Berbice Deep Water Port**

**Toronto, Canada, March 1, 2023** - CGX Energy Inc. (“CGX” or the “Company”) announced today the release of its audited consolidated financial statements for the year ended December 31, 2022, 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](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 November 30, 2022, CGX and Frontera Energy Corporation (“**Frontera**”) closed the previously announced (See July 22, 2022 press release) 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. As a result of the JOA Amendment, CGX now holds a 32.00% participating interest with Frontera holding the remaining 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 (69 metres) 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-risked equivalent oil targets anticipated at the Wei-1 well.

#### **Wei-1 Well Operational Update**

CGX commenced drilling operations on the Wei-1 well on January 20, 2023 and is currently at 15,400 feet measured depth. There have been no lost time, safety or environmental incidents since starting operations. Drilling operations have gone as planned and the first prospective geologic horizons in the Upper Maastrichtian, have been successfully drilled, several days ahead of schedule. Geophysical logs are currently being obtained in the open hole section within which hydrocarbon shows were encountered. When drilling operations resume, deeper prospective horizons in the Lower Maastrichtian, Campanian and Santonian sections will be targeted.

The Wei-1 well is located approximately 14 kilometres northwest of the Joint Venture's previous Kawa-1 light oil and condensate discovery and is being drilled in water depth of approximately 1,912 feet (583 metres) to an anticipated total depth of 20,500 feet (6,248 metres). The Wei-1 well is targeting Maastrichtian, Campanian and Santonian aged stacked sands within channel and fan complexes in the northern section of the Corentyne block. The well is expected to take approximately 4-5 months from well spud to reach total depth.

As previously announced on January 23, 2023, the Government of Guyana approved an Appraisal Plan for the northern section of the Corentyne block which commenced with the Wei-1 well. Following completion of Wei-1 drilling operations and upon detailed analysis of the results, the Joint Venture may consider future wells per its appraisal program to evaluate possible development feasibility in the Kawa-1 discovery area and throughout the northern section of the Corentyne block. Any future drilling is contingent on positive results at Wei-1 and the Joint Venture has no further drilling obligations beyond the Wei-1 well.

### **Berbice Deep Water Port**

Work on in-river construction of the 50 x 12 m access trestle being built from the quayside yard westward into the Berbice river is progressing according to schedule; all pre-stressed concrete piles have been produced and delivered and the contractor has begun to install the piles in the Berbice river, together with necessary dredging operations. The Berbice Deep Water Port (“**BDWP**”) facility intends to serve as an offshore supply base for the oil and gas industry and as a multi-purpose terminal to service agricultural import/export, containerized and specialized cargo including aggregates for construction purposes. The BDWP aims to enable provisioning of operators and vendors in territorial waters of both Guyana and Suriname.

### **Change in Directors**

CGX today announced that Veronique Giry, a Frontera nominee to the CGX Board, has stepped down as a director of the Company, effective February 28, 2022, and that Mr. Orlando Cabrales Segovia, CEO and Board Member of Frontera, has been appointed to the CGX Board effective immediately. The CGX Board and management team thanks Ms. Giry for her service and participation on the CGX Board since June 30, 2021.

Mr. Cabrales has over 30 years of experience in the public and private energy sector in Colombia, including serving as President of NATURGAS, the Colombian natural gas trade association, until March 2021, as Vice-Minister of Energy of the Ministry of Mines and Energy in Colombia between 2013 and 2014, and as the President of ANH, the Colombian hydrocarbon agency from 2011 to 2013. Mr. Cabrales previously held senior roles at BP in Latin America. In addition to Frontera, he currently sits on the boards of Isagen and Concreto and previously served on the boards of numerous companies in Colombia including Tuscany Drilling, Cenit, and ISA. Mr. Cabrales earned an undergraduate degree in Law from Pontificia Javeriana University and a Master’s degree in Philosophy from Boston College.

### **Block Relinquishments Complete**

On February 3, 2023 and February 27, 2023, ON Energy Inc. (a 62% owned subsidiary of CGX) and the Joint Venture completed the process of relinquishing the Berbice and Demerara blocks, respectively, through mutual termination agreements with the Government of Guyana.

## 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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