



**NEWS RELEASE**  
**CGX ENERGY INC.**  
**(TSX-V | OYL)**  
**May 3, 2023**

## **CGX Energy Updates: Announces Filing of First Quarter Financial Statements and Drilling Operational Updates**

**Toronto, Canada, May 3, 2023** - CGX Energy Inc. (“CGX” or the “Company”) announced today the release of its unaudited Consolidated Financial Statements for the first quarter of 2023, 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:**

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

The Wei-1 well (the “Well”) is currently being drilled by CGX and Frontera Energy Corporation (“Frontera”) (the “JV Partners”). CGX holds a 32.00% participating interest with Frontera holding the remaining 68.00% participating interest in the Corentyne block. The Well, planned to be drilled to a total depth of 20,500 feet, to date has been successfully drilled to a depth of 19,142 feet. Wei-1 is located 14 kilometers west of the Kawa-1 discovery well announced by the JV Partners last year.

Operations were interrupted when a wireline fluid sampling tool became stuck in the Well and was not recovered. An open hole sidetrack will begin shortly from below the last casing point and will progress to the planned total depth. The Joint Venture expects the Well to be completed within the original timeframe announced on January 23, 2023 of 4 to 5 months after spudding the Well.

The Well has encountered multiple oil-bearing intervals in the western channel fan complex of the northern portion of the Corentyne block in formations of Maastrichtian and Campanian ages. A comprehensive logging campaign in the Maastrichtian interval indicated the presence of medium sweet crude oil of 24.9 API. Downhole fluid analysis confirmed light sweet crude oil in the Campanian interval. Logging while drilling (LWD) and cuttings indicated the presence of hydrocarbons in the upper portion of the Santonian; fluid samples have not yet been obtained. Core samples will be attempted in the Santonian interval when drilling resumes. It is not yet certain that the hydrocarbons encountered to date in the Well are yet sufficient to underpin commercial development on the Northern portion of the Corentyne block.

As drilling operations continue, the Joint Venture has revised its Well total cost estimates to approximately \$175-\$185 million to successfully reach the target total depth, complete the anticipated logging runs and complete the well. The increase in cost includes the delays associated with the late release of the rig by a third-party and adjusting the spud date to January 2023. CGX is required to fund its 32% interest, after partner carry, of approximately \$11 to \$15 million and is currently assessing strategies to fulfill this obligation.

## **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.

### **Oil and Gas Definitions:**

“API” means the American Petroleum Institute gravity, which is a measure of how heavy or light a petroleum liquid is compared to water. API gravity is thus a measure of the relative density of a petroleum liquid and the density of water, but it is used to compare the relative densities of petroleum liquids.

### **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 Wei-1 well 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 or the most recent management, discussion and analysis, under the heading “Risk and Uncertainties” 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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