



NEWS RELEASE
CGX ENERGY INC.
(TSX-V | OYL)
August 10, 2023

CGX Energy Announces Filing of Second Quarter 2023 Financial Statements

Secures Funding for Company's Share of Additional Wei-1 Well Costs

Toronto, Canada, August 10, 2023 - CGX Energy Inc. ("CGX" or the "Company") today released its unaudited Consolidated Financial Statements for the second 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 and on SEDAR at www.sedarplus.ca. All values in the Financial Disclosures are in United States dollars unless otherwise stated.

In addition, CGX and Frontera Energy Corporation ("Frontera"), joint venture partners (the "Joint Venture") in the Petroleum Prospecting License for the Corentyne block offshore Guyana, announce that following the safe and successful completion of Wei-1 well drilling operations (see press releases dated June 28, 2023 and June 13, 2023), the Joint Venture has entered into an agreement to amend the Joint Operating Agreement originally signed between CGX and a subsidiary of Frontera on January 30, 2019 and subsequently amended on July 21, 2022 (the "Agreement"), whereby Frontera will effectively be farming into the Corentyne block to cover the unexpected additional costs of the Wei-1 well due to delays associated with the late release of the rig by a third-party, costs associated with a lost sampling tool, and the drilling of the bypass well. The Agreement remains subject to regulatory approvals, including approval of the TSX Venture Exchange.

As part of the Agreement, CGX will transfer up to 4.7% of its participating interest in the Corentyne block to Frontera in exchange for Frontera funding CGX's additional expected outstanding share of the Joint Venture's costs associated with the Wei-1 well for up to approximately \$16.5 million. As a result of this agreement, if the maximum amount is transferred by CGX, the Company will have a 27.3% participating interest and Frontera will have a 72.7% participating interest in the Corentyne block.

The transactions described herein between Frontera and CGX are related party transactions under Multilateral Instrument 61-101 ("MI 61-101") but are exempt from the obligations to obtain a formal valuation and approval from a minority of shareholders as the Company will be relying on the exemptions under section 5.5(b) and 5.7(l)(e) of MI 61-101. 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.

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 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.sedarplus.ca. 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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