



CGX Energy Files Year-End 2023 Audited Consolidated Financial Statements

Toronto, Canada, March 7, 2024 - CGX Energy Inc. (“CGX” or the “Company”) announced today the release of its audited consolidated financial statements for the year ended December 31, 2023, 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 and on SEDAR at www.sedar.com. All values in the Financial Disclosures are in United States dollars unless otherwise stated.

Company Highlights:

Wei-1 Well Status

As previously disclosed, the Wei-1 well was drilled by the Company and Frontera Energy Corporation (“**Frontera**”), joint venture partners (the “**Joint Venture**”). On June 11, 2023, the Company reached a significant milestone with the Wei-1 well, achieving a depth of 20,450 feet. Subsequently, wireline logging operations were successfully completed by June 23, 2023, and operations related to Wei-1 concluded by July 5, 2023, resulting in the release of the drilling rig.

During the drilling process, the Wei-1 well encountered multiple oil-bearing intervals in the northern part of the Corentyne block. These formations span various geological ages, including Maastrichtian, Campanian, and Santonian. Notable findings include the presence of medium sweet crude oil with an API of 24.9 in the Maastrichtian interval. The Campanian interval confirmed the presence of moveable hydrocarbons through downhole fluid analysis.

The Joint Venture believes that the rock quality discovered in the Maastrichtian horizon in the Wei-1 well is analogous to that reported in the Liza Discovery on Stabroek block. Results further demonstrate the potential for a standalone shallow oil resource development across the Corentyne block. The Joint Venture has discovered 228 feet of net pay in Kawa-1 and 114 feet of net pay in Wei-1, as summarized below:

Feet of Net Pay	Wei-1	Kawa-1
Maastrichtian	13	68
Campanian	61	66
Santonian	40	76
Coniacian*	-	18
Total Net Pay	114	228

* Coniacian targeted in Kawa-1 well only.

An independent third-party laboratory conducted an analysis of the rock and fluid properties of the Campanian and Santonian intervals in the fourth quarter of 2023. This data showed low permeabilities in the Kawa-1 and Wei-1 penetrations.



The Joint Venture believes that approximately 514 to 628 mmboe PMean unrisked gross prospective resources may be present in the Maastrichtian horizons alone and that additional potential upside may exist in the deeper Campanian and Santonian horizons. The Joint Venture believes the Maastrichtian has the potential for a stand-alone commercial development, with potential upside in the deeper zones.

2023 Joint Operating Agreement Amendment

On August 9, 2023, CGX Resources Inc. (“**CRI**”) and Frontera Energy Guyana Corp (“**Frontera Guyana**”) a wholly-owned subsidiary of Frontera, entered into an agreement to further amend the joint operation agreement (“**JOA**”) dated January 30, 2019 and subsequently amended (the “**2023 JOA Amendment**”).

Pursuant to the 2023 JOA Amendment, the Company agreed to transfer an additional 4.7% participating interest in the Corentyne block to Frontera Guyana, in exchange for Frontera Guyana funding CGX’s participating interest share of the costs associated with the Wei-1 well for up to approximately \$16.5 million.

Pursuant to the 2023 JOA Amendment, if the final amount paid by Frontera Guyana as a carry towards CGX’s participating interest share of Wei-1 expenses is less than \$16.5 million, the Company has the right to receive from Frontera Guyana a re-assignment of a portion of said 4.7% interest equivalent to the portion of the consideration that is not used towards the payment of CGX’s participating interest share of costs associated with the Wei-1 well. The 2023 JOA Amendment was completed during the fourth quarter of 2023, pending approval from the Government of Guyana.

According to the final cost of the Wei-1 well, the Company would have the right to receive from Frontera Guyana a reassignment of 0.78% participating interest in the Corentyne block. However, pursuant to that certain Closing Letter dated March 7, 2024 (“**Closing Letter**”) between the Company and Frontera Guyana, the Company has instead agreed to receive from Frontera Guyana (i) the re-assignment of a 0.18% participating interest in the Corentyne block, (ii) \$1.5 million cash consideration to cover certain other operating expenses of the Company, and (iii) \$0.6 million in settlement of other accounts payable related to the Joint Operations.

Pursuant to the 2023 JOA Amending Agreement, and the Closing Letter, the Company holds a 27.48% working interest in the block, and Frontera Guyana holds the remaining 72.52% working interest in the block.

Houlihan Lokey Supporting Active Pursuit of Strategic Options for Corentyne Block

Houlihan Lokey, a leading global investment bank and capital markets expert, is supporting active pursuit of strategic options for the Corentyne block, including a potential farm down, as it seeks to develop this potentially transformational oil investment in one of the most attractive oil and gas destinations in the world today, Guyana. A data room has been opened and management presentations are underway. There can be no guarantee that the review of strategic options will result in a transaction.



Berbice Deep Water Port

The in-river construction of the 50 x 12 m access trestle built from the quayside yard westward into the Berbice river has been completed on budget and with no HSE related incidents. The Berbice Deep Water Port (“**BDWP**”) facility intends to serve as an offshore supply base for the oil and gas industry and as a multipurpose terminal to service agricultural import and export, containerized and specialized cargo including aggregates for construction purposes.

The announcement of significant infrastructure projects in Region 6 by the Government of Guyana motivates the completion of the cargo aspects of the Port 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. Initial cargo operations at the port is expected to commence in the second quarter 2024, projected based on expressed interest from third parties to utilize the Port for the importation and storage of aggregates. The port will be capable of loading and offloading barges, mainly aggregates, from the completed trestle, as well as the storage of material at the completed port yard. This will require the construction of a ramp to access the trestle as well as the installation of mooring piles at the trestle to aid in bringing barges alongside. Operation of the full cargo terminal aspects of the port is forecasted for the end of 2024 and operation of oil and gas support is forecasted for 2025, subject to construction schedules, financing, and supply chains. Grand Canal Industrial Estates Inc (“**GCIE**”) continues to develop and foster partnerships between Brazilian and Guyanese companies; necessary to begin handling cargo from and to Roraima and Amazonas, the northern states of Brazil.

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.

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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



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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 and Uncertainties” and elsewhere in the Company Management’s Discussion and Analysis dated March 7, 2024 filed on SEDAR at 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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