CGX Energy Inc.

Interim MD&A- Quarterly Highlights

For the three-month period ended March 31, 2024

May 8, 2024

1. INTRODUCTION

This Management's Discussion and Analysis – Quarterly Highlights ("**Quarterly Highlights**") of CGX Energy Inc. (the "**Company**" or "**CGX**") has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last management discussion & analysis, being the Management Discussion & Analysis for the fiscal year ended December 31, 2023 ("**Annual MD&A**"). This Quarterly Highlights does not provide a general update to the Annual MD&A, or reflect any non-material events since date of the Annual MD&A.

This Quarterly Highlights has been prepared in compliance with the requirements of section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three-month periods ended March 31, 2024 and 2023 ("**Interim Financial Statements**"), together with the notes thereto, the Annual MD&A, and the audited consolidated financial statements of the Company for the years ended December 31, 2023 and 2022 ("**Annual Financial Statements**").

Results are reported in United States dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the three months ended March 31, 2024 are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at May 8, 2024, unless otherwise indicated.

The Interim Financial Statements, have been prepared using accounting policies consistent with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The Interim Financial Statements have been prepared in accordance with the International Accounting Standard 34, Interim Financial Reporting.

For the purposes of preparing this Quarterly Highlights, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of CGX's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision.

Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Additional information relevant to the Company's activities is available on SEDAR at www.sedarplus.ca or on the Company's website at www.cgxenergy.com

2. FORWARD LOOKING STATEMENTS

This Quarterly Highlights contains forward-looking statements or information ("forward-looking statements") that are not historical in nature and involve risks and uncertainties. Forward-looking statements are not guarantees as to CGX's future results as there are inherent difficulties in predicting future results. Accordingly, actual results could differ materially from those expressed or implied in the forward-looking statements.

This Quarterly Highlights contain certain statements or disclosures relating to the Company that are based on the expectations of its management as well as assumptions made by and information currently available to the Company which may constitute forward-looking statements under applicable securities laws. All such statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results or developments that the Company anticipates or expects may or will occur in the future (in whole or in part) should be considered forward-looking statements. In some cases, forward-looking statements can be identified by the use of the words "assume", "believe", "continue", "estimate", "expect", "forward", "future", "lead", "may", "plan", "potential", "prospect", "will", "would" and other similar words suggesting future outcomes or statements regarding an outlook.

In particular, but without limiting the foregoing, this Quarterly Highlights contains forward-looking statements pertaining to the following: the Company's exploration and development activities; expenditures; infrastructure projects, including road refurbishment, logistics yard, dock and trestle, dredging, access bridge, power to port, water to port and construction of buildings, all related to the Berbice Deep Water Port, (each as defined herein); the Company's leads and drilling prospects in respect of its various oil and natural gas interests; governmental and regulatory approvals and agreements; trends in financial and commodities markets; the Company's future performance, operations, liquidity and financial condition, including its ability to continue as a going concern.

In addition, statements relating to resources are deemed to be forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions, that the resources described exist in the quantities predicted or estimated and can be profitably produced in the future.

The forward-looking statements contained in this Quarterly Highlights reflect several material factors and expectations and assumptions of the Company including, but not limited to, prevailing and future commodity prices and currency exchange rates; applicable royalty rates and tax laws; interest rates; future well production rates and reserve volumes; operating costs, the timing of receipt of regulatory approvals; success obtained in exploration, development and production activities; anticipated timing and results of capital expenditures; the sufficiency of budgeted capital expenditures in carrying out planned activities; the timing, location and extent of future drilling operations; the state of the global, Guyanese, Surinamese and other economies; the state of the oil and natural gas exploration and production industry; the availability and cost of financing, labour and services; and ability to market crude oil and natural gas.

In particular, except where otherwise stated, the Company has assumed a continuation of existing business operations on substantially the same basis as exists at the time of filing of this Quarterly Highlights.

The Company believes the material factors, expectations and assumptions reflected in the forward-looking statements are reasonable at this time but no assurance can be given that these factors, expectations and assumptions will prove to be correct. The forward-looking statements included in this Quarterly Highlights are not guarantees of future performance and should not be unduly relied upon. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements including, without limitation: risks associated with the onshore and offshore oil and natural gas industry in general such as operational risks in development, exploration and production; risks associated with international operations; expiry and/or termination of petroleum agreements and licenses; delays or changes in plans with respect to exploration or development projects or capital expenditures; uncertainty of estimates and projections relating to reserves, resources, production, revenues, costs and expenses; risks associated with the construction, development and operations of a deep water port; health, safety and environmental risks; commodity price and exchange rate fluctuations; interest rate fluctuations; marketing and transportation;

environmental risks; competition; incorrect assessment of the value of acquisitions; ability to access sufficient capital from internal and external sources; failure to obtain required regulatory and other approvals; changes in legislation, including but not limited to tax laws, royalties and environmental regulations; and supply conflicts among the Organization of Petroleum Exporting Countries and other oil producing countries over production restrictions which impact crude oil prices, the extent and duration of which are uncertain at this time, on the Company's business, general economic and business conditions and markets.

The forward-looking statements contained in this Quarterly Highlights are made as of the date hereof and the Company undertakes no obligations to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

Readers are cautioned that the foregoing lists of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained in this Quarterly Highlights are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements contained in this document or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements contained in this document are expressly qualified by this advisory statement.

3. OVERVIEW

Company Profile

CGX Energy Inc. (the "**Company**" or "**CGX**") is a Canadian oil and gas exploration company incorporated under the laws of Ontario, Canada in 1998. The Company's common shares ("**Common Shares**") are listed and publicly traded on the TSX Venture Exchange ("**TSXV**") under the trading symbol "OYL".

The Company's head office is located in Toronto, Canada and its principal business involves the exploration for hydrocarbons in Guyana, South America and construction of a deepwater port, located on the eastern bank of the Berbice River, Guyana. As at March 31, 2024, CGX through one of its subsidiaries holds an interest in a Petroleum Prospecting Licence ("**PPL**") and related Petroleum Agreement ("**PA**") on the Corentyne block in the Guyana Basin, offshore Guyana, and is involved through one of its subsidiaries in the construction and development of the Berbice deep water port ("**BDWP**").

The following table summarizes the Company's subsidiaries, the location of their registered offices, and the Company's percentage interest.

Company	Registered Office	Percentage of Interest (%)
CGX Resources Inc. ("**CRI**")	Bahamas	100%
GCIE Holdings Limited ("**GCIE Holding**")	Barbados	100%
Grand Canal Industrial Estates Inc. ("**GCIE**") [1]	Guyana	100%
CGX Energy Management Corp. ("**CGMC**")	United States, Delaware	100%

1. Owned 100% by GCIE Holding.

Highlights

Highlights of the recent activities to date of the Company and its subsidiaries include the following:

Corentyne Block Status

The Company is the operator of the Corentyne block and currently holds a 27.48% working interest, while Frontera Energy Guyana Corp ("**Frontera Guyana**") holds the remaining 72.52% interest in the block. The transfer of interest of the 2023 JOA Amendment (4.52%) is subject to approval from the Government of Guyana. (Further information is included in Section 5. Exploration activities, Join Operation Agreements).

As previously disclosed, the Wei-1 well was drilled by the Company and Frontera Guyana, joint operation partners (the "**Joint Operation**"). 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 resource-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 gravity value between 22.3 and 31.1 degrees in the Maastrichtian interval. The Campanian interval confirmed the presence of prospective resources through downhole fluid analysis; however, further appraisal activities are required to determine the product types reasonably expected from such resources, as well as the quantity and economic viability of such resources.

The Joint Operation 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[1]. Results further demonstrate the potential for a standalone shallow prospective resource development across the Corentyne block, reasonably expected to be of a similar product type as encountered in the Maastrichtian interval (medium sweet crude oil with an API gravity value between 22.3 and 31.1 degrees). The Joint Operation has discovered 228 feet of net pay in Kawa-1 and 114 feet of net pay in Wei-1 (CGX's working interest 63 and 32 feet of net pay, respectively), as summarized below:

	100% working interest		**CGX gross share (27.48%)**	
Feet of Net Pay	**Wei-1**	**Kawa-1**	**Wei-1**	**Kawa-1**
Maastrichtian	13	68	4	19
Campanian	61	66	17	18
Santonian	40	76	11	21
Coniacian*	-	18	—	5
Total Net Pay	**114**	**228**	**32**	**63**

* 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 Wei-1 penetrations.

[1] See analogous information advisory in Section 12 – Oil and Gas Information Advisories.

Farm down update

The Company and Frontera, has been actively working with Houlihan Lokey on the potential farm down. There can be no guarantee that the review of strategic options will result in a transaction.

4. CARRYING ON BUSINESS IN GUYANA

The exploration and evaluation activities of the Company are currently being conducted in Guyana through its subsidiaries. Guyana is situated on the northern coast of the South American continent. It is bound on the north by the Atlantic Ocean, on the east by Suriname, on the southwest by Brazil and on the northwest by Venezuela. Guyana's total area is approximately 215,000 km^2 and comprised of a coastline several feet below sea level at high tide, and an interior region containing mountains, forests, and savannahs. This topography has endowed Guyana with an extensive network of rivers and creeks as well as a large number of waterfalls. Guyana is endowed with natural resources including fertile agricultural land and rich mineral deposits (including gold, diamonds and semi-precious stones, bauxite and manganese).

Guyana is divided into three counties (Demerara, Essequibo and Berbice) and 10 administrative regions. Georgetown is the capital city of Guyana, the seat of government, the main commercial center, and the principal port in Guyana. In addition to Georgetown, Guyana has six towns of administrative and commercial importance which are recognized municipal districts; each has its own mayor, council and civic responsibilities. Guyana is an independent republic headed by the Executive President and National Assembly. Guyana is a member of the British Commonwealth of Nations, with a legal system based for the most part on British Common Law.

5. EXPLORATION ACTIVITIES, GUYANA

Corentyne PA and PPL, Guyana (27.48% owned by CRI)

The Company is the operator of the Corentyne block and currently holds a 27.48% working interest while Frontera Energy Guyana Corp. ("**Frontera Guyana**") holds the remaining 72.52% interest in the block. The transfer of interest of the 2023 JOA Amendment (4.52%) is subject to approval from the Government of Guyana. See below Join Operation Agreements.

The original Corentyne PA was granted to CRI in 1998. CRI initiated an active exploration program but had to suspended activities due to a border dispute between Guyana and Suriname. In 2007 an International Tribunal determined that 93% of the original Corentyne PPL was located in Guyana. The original Corentyne PA was extended to June 2013.

On November 27, 2012, CRI received the current Corentyne PA, offshore Guyana, which is renewable after four years for up to six additional years. The Corentyne PA applies to the former offshore portion of the Corentyne PPL, covering 6,212 km^2.

On December 15, 2017, CRI was issued COR Addendum I to the November 27, 2012, PA. This Addendum I modified the Company's work commitments. By the end of the first renewal period, on or before November 27, 2019, the Company would relinquish the entire contract area except for any discovery area and the area contained in any PPL or relinquish twenty-five (25%) percent of the contract area and renew the PPL for a second period of three (3) years. As a result of entering into COR Addendum I, CRI relinquished 25% of the area of the Corentyne PPL reducing the acreage to 4,709 km^2.

In August 2019, CRI was issued COR Addendum II to the November 27, 2012, PA. This Addendum II modified the work commitments. The Company was required to complete additional seismic acquisition or seismic processing, and drill one (1) exploration well before November 2020.

Starting in October 2019, a 3D seismic survey covering 582 km^2 was conducted in the northern portion of the Corentyne PPL to explore an area not previously covered by 3D seismic data, adjacent to the recent Pluma and Haimara discoveries on the Stabroek block.

CRI contracted McDaniel and Associates Consultants Ltd. to provide an independent resource report on September 10, 2020 which was finalized on October 20, 2020.

On November 26, 2020, CRI received COR Addendum III which further modified the principal agreement. In the second renewal period, phase one (November 27, 2019 to November 26, 2021) The Company committed to drill a second exploration well.

On January 23, 2023, the Joint Operation announced the Government of Guyana had approved an Appraisal Plan ("**AAP**") for the northern section of the Corentyne block, commencing with the Wei-1 well. Following the completion of Wei-1 well and thorough analysis of the results, the Joint Operation may consider future wells as part of its appraisal program to assess possible development feasibility in the Kawa-1 discovery area and the northern section of the Corentyne block. Any future drilling is contingent on positive results at Wei-1 well, and the Joint Operations has no further drilling obligations beyond the Wei-1 well. The appraisal programme was approved for a period of 24 months from June 29, 2022 to June 28, 2024, and designated an area of approximately 993.9 km^2.

With respect to the Kawa-1 Discovery, CGX is in the appraisal phase while it is currently finalizing the results obtained in the Wei-1 well to determine following steps in relation to the Wei-1 discovery. Typical deepwater developments can range four to seven years from discovery to first oil. The total cost of a typical deepwater project ranges greatly on several factors that challenge each project. Deepwater projects are more complicated developments that require appraisal drilling and conceptual modeling before Final Investment Decisions ("FID") can be made. After a FID has been made, it takes approximately three years to complete detailed design/construction/commissioning, prior to first oil. Resource estimates could be affected by limited well control and geologic variability away from the well. The appraisal program is being developed based on the results of the Kawa and Wei-1 wells.

Wei-1 Well

The Wei-1 well, located approximately 14 kilometres northwest of the Joint Operation's previous Kawa-1 discovery, was safely drilled by the NobleCorp Discoverer semi-submersible mobile drilling unit in water depth of approximately 1,912 feet (583 metres) to a total depth of 20,450 feet (6,233 meters). The Wei-1 well targeted Maastrichtian, Campanian and Santonian aged stacked sands within channel and fan complexes in the northern section of the Corentyne block. As reported on June 28, 2023, the Joint Operation's data acquisition program at the Wei-1 well included wireline logging, MDT fluid samples and sidewall coring throughout the various intervals. Based on this data acquisition program and additional information provided through the independent laboratory analysis process, the Joint Operation is pleased to report the following:

- In the Maastrichtian, Wei-1 test results confirm 13 feet (4 meters) of net pay (CGX's working interest 4 feet of net pay) in high quality sandstone reservoir with rock quality consistent with that reported in the Liza discovery on Stabroek block[2]. Fluid samples retrieved from the

[2] See analogous information advisory in Section 12 – Oil and Gas Information Advisories.

Maastrichtian and log analysis confirm the presence of sweet medium crude oil with a gas-oil ratio (GOR) of approximate 400 standard cubic feet per barrel.

- In the Campanian, petrophysical analysis confirm 61 feet (19 meters) of net pay (CGX's working interest 17 feet of net pay) almost completely contained in one contiguous sand body with good porosity and moveable oil. Oil sampled during MDT testing as well as samples analyzed downhole confirms the presence of light crude oil.
- In the Santonian, petrophysical analysis confirms 40 feet (12 meters) of net pay (CGX's working interest 11 feet of net pay) in blocky sands with indications of oil in core samples.
- Current interpretation of the Campanian and Santonian horizons show lower permeability and natural flow than the high-quality Maastrichtian, the Joint Operation believes these horizons may offer additional upside potential in the future.

There were no safety or environmental incidents throughout Wei-1 well operations.

Conceptual Field Development Planning Completed

Based on results from the Wei-1 and Kawa-1 wells, the Joint Operation retained SIA, a Subsea 7 - Schlumberger joint venture, to complete a conceptual field development plan for the northern portion of the Corentyne block including subsea architecture, development well planning, production and export facilities and other considerations. As is normal course following discoveries such as those made by the Joint Operation at Wei-1 and Kawa-1 wells, additional appraisal activities will be required before commerciality can be determined. While such additional appraisal activities will be necessary, as a result of the third-party analysis of the Wei-1 well results, the Joint Operation believes that a potential development of the Maastrichtian horizon may have lower associated development costs and be completed on a faster timeline than a broader development of both the shallow and deep zones on the entire Corentyne block.

Kawa-1 Well

On May 9, 2022, the Joint Operation in the PPL for the Corentyne block, offshore Guyana, announced the discovery of 228 feet (69 metres) of net pay (CGX's working interest 63 feet of net pay) across the Maastrichtian, Campanian, Santonian and Coniacian horizons at the Kawa-1 exploration well. 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 targets anticipated at the Wei-1 Well.

On March 4, 2022, CGX provided additional details regarding findings from analyses by an independent laboratory on Kawa-1 well samples of cuttings in the Santonian previously reported in a March 2, 2022, press release, which indicated the presence of additional prospective resources in the Santonian reservoir:

- Cuttings samples from twelve reservoir zones in the Kawa-1 well have been analyzed with a variety of geochemical methods to evaluate in situ hydrocarbons. Data from four pay intervals in the Santonian show consistent fingerprints which provide confidence in the interpretation and mitigate mud contaminants by overcoming the presence of Synthetic Oil Based Mud ("**SOBM**") in the cuttings. A technique called Low Temperature Hydrous Pyrolysis ("**LTHP**") was utilized to analyze the cuttings to preserve volatile hydrocarbons.

- High Resolution Gas Chromatography ("**HRGC**") analysis of the LTHP mobilized hydrocarbons demonstrates the reproducible presence of light hydrocarbons (C4-C12). Distinctive molecular ratios in these light hydrocarbons indicate that these Santonian reservoirs likely contain a light oil, consistent with fluorescence analysis of cuttings during drilling. These results are supported by analysis of solvent-extracted samples from the cuttings, which contain biomarkers that show characteristic patterns consistent with a Cretaceous Santonian source.
- Measured ratios of Dibenzothiophene/Phenanthrene aromatics from the samples are low (<0.15) in line with low sulfur content and a marine shale source. Further geochemical investigation of samples taken from the Santonian, Campanian and Maastrichtian intervals continue and will be communicated when fully analyzed.

Furthermore, CGX reiterated that Kawa-1 was a first stage exploration well intended to identify the presence of hydrocarbons, which occurred. The Kawa-1 well was then decommissioned by way of safely plugging and abandoning it, as planned.

Joint Operation Agreements

On January 30, 2019, Frontera Guyana a wholly-owned subsidiary of Frontera, and CRI, executed Joint Operating Agreements ("**JOAs**") providing for Frontera Guyana to acquire a 33.333% interest in CRI's Corentyne and Demerara PPLs and PAs. The transfers of the 33.333% interest in both the Corentyne and Demerara PPL and PA were completed on May 28, 2019.

2022 JOA Amendment

On July 21, 2022, the Company entered into an agreement (the "**2022 JOA Amendment**") to transfer 34.67% of its interest in the Corentyne PA to Frontera Guyana. In exchange, Frontera Guyana provided funding of (i) up to $130.0 million funding of Wei-1 well, (ii) up to $28.8 million of certain Kawa-1 exploration well, Wei-1 pre-drill, and other costs, (iii) $54.0 million of outstanding payables settled, and (iv) $3.8 million cash consideration. On December 1, 2022, the Joint Operation announced that the 2022 JOA Amendment was completed with all conditions precedent satisfied, pending approval by the Government of Guyana.

2023 JOA Amendment

On August 9, 2023, 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. The transfer of interest of 4.52% is subject to approval by the Government of Guyana.

Subsequent to March 31, 2024, the Company received cash consideration of $1.5 million from Frontera Guyana as part of the 2023 JOA Amendment signed on August 9, 2023.

6. DEEP WATER PORT FACILITY AND LOGISTICS YARD, GUYANA

Deep Water Port Facility

CRI acquired a 50-year lease in 2010 (the "**Lease**"), renewable for an additional term of 50 years, of approximately 55 acres of land situated close to the mouth of the Berbice River, adjacent to Crab Island, on its eastern bank (the "**Leased Land**"). The Lease was transferred in 2012 to GCIE. On November 26, 2020, the Company agreed to amend the Lease to reflect acreage containing no more than 30 acres as part of overall negotiations on COR Addendum III. The relinquishment did not affect GCIE's plans for the development of its deepwater port project.

GCIE plans to build a deep-water port on the Leased Land (the **"Port"**). GCIE believes that the Leased Land is the most strategic for a deep-water port facility servicing the oil and gas, general cargo and agricultural industries in Guyana and that the Port will benefit from its proximity to the oil and gas industry in Guyana and Suriname. The Port, which is located adjacent to Crab Island on the Eastern Bank of the Berbice River, is 4.8 km from the Atlantic Ocean.

GCIE expects that the Port will significantly boost local content engagement in the oil and gas sector and add enhanced logistics capacity for import and export, including expandable capacity to accommodate the possibility of increased product flow to and from the northern states of Brazil. Due to its location close to Suriname, the Port's oil and gas support functions will also help to serve the rapidly growing offshore exploration and development activities in that country's oil and gas sector. The Port is expected to add significant capacity to the agricultural sector, supporting rice, sugar, agro-processing and agricultural materials.

GCIE has performed various developmental works on the site, including the installation of vertical drains and geotechnical treatment of the quayside land. Riverside construction is completed on approximately 500 m of rip rap flood protection, a 10 acre quayside laydown yard built to a five tons per square metre load bearing capacity, an access bridge to the main Corentyne highway and 2.6 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.

Requests for proposals were advertised for the wharf platform and access trestle, capital dredging program, design and construction of all gates, buildings, firefighting and first aid structures and covered storage areas.

Work on the 50 x 12 m access trestle built from the quayside yard westward into the Berbice river was completed in August 2023 without any HSE related incidents.

Images: Trestle / Fence installation

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 third 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 vessels, 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 to aid in bringing vessels alongside. This work will commence in early May, 2024. Operation of the full cargo terminal aspects of the port is forecasted for the first half of 2025 and operation of oil and gas support is forecasted for the second half of 2025, subject to construction schedules, financing, and supply chains. 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.

The Company is currently constructing a security fence around the port yard. Work will commence in May with the construction of a trestle extension and ramp as well as driving piles for fendering and mooring to aid in bringing vessels alongside.

During the three months ended March 31, 2024, GCIE incurred additions of $60,638 (year ended December 31, 2023: $1,952,694) with respect to expenditures to the Port.

Logistics yard

CRI owns a 16-acre plot of land which is accessible to the BDWP site detailed above via approximately 3.2 km of high quality, built to ASSHTO standards roadway. Approximately 5 acres of this plot has been developed by CRI as a functional, fenced logistics yard with a load bearing capacity of 5 tons per square metre, with fuel supply, office buildings, sanitary blocks, security and fully licensed to operate as a laydown logistics facility. There were no capital expenditures related to the logistics yard during the three months ended March 31, 2024, (December 31, 2023: $Nil).

7. SOCIAL CORPORATE RESPONSIBILITY

The Company is committed to meeting the highest standards of Environmental, Social and Governance ("**ESG**") practices across all aspects of its business. CGX is dedicated to promoting sustainable growth as well as supporting local communities in Guyana. CGX has begun implementing early-stage social responsibility programs focused on education in Guyana. The Company firmly believes that by providing the younger generation with the valuable skills and education tools needed to succeed, the whole country will benefit from growth and prosperity.

CGX's primary ESG goal is to contribute to a sustainable future in Guyana. As the petroleum sector continues to develop and thrive, the country will inevitably benefit from the creation of new jobs, economic growth, infrastructure development and education. Within this context, CGX will continue to demonstrate its support and participation through proactive social and corporate responsibility. CGX and Frontera funds the Sustainable Guyana program established between Trent University and The University of Guyana which supports the education of Guyana's future leaders in fields crucial for the development of sustainable sectors of the Guyanese economy as described at www.trentu.ca/sustainableguyana.

8. LIQUIDITY AND CAPITAL RESOURCES

Recent Financing

On April 8, 2022, CGX completed a financing agreement for a $35.0 million loan with Frontera, which was first agreed on March 10, 2022, and subsequently amended; to finance part of its share of costs related to the Corentyne block, the Berbice Deepwater Port and other budgeted costs as agreed to with Frontera. The loan was fully drawn in one tranche on April 13, 2022. The 2022 Convertible Loan was settled as part of the 2022 JOA Amendment during the fourth quarter of 2022.

On August 9, 2023, the Company entered into the 2023 JOA Amendment, whereby Frontera will effectively be farming into the Corentyne block up to 4.7% to cover unexpected additional costs of the Wei-1 well for up to approximately $16.5 million. The 2023 JOA Amendment was completed during the fourth quarter of 2023, pending approval from the Government of Guyana. Subsequent to March 31, 2024, the Company received a cash consideration of $1.5 million from Frontera Guyana as part of the 2023 JOA Amendment.

Capital Management

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2024 and December 31, 2023, the Company had a working capital deficiency as follows:

	March 31, 2024	December 31, 2023
Current Assets	**$ 6,625,197**	$ 8,629,661
Current Liabilities	**19,869,626**	21,177,756
Working capital deficiency	**$ (13,244,429)**	$ (12,548,095)

In order to meet its short-term and long-term working capital and property exploration expenditures, the Company closed the 2023 JOA Amendment and is seeking to secure further financing through a joint venture, property sale or issuance of equity to ensure that its obligations are properly discharged. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company.

Going Concern Uncertainty and Management's Plans

The Interim Financial Statements of the Company have been prepared in accordance with accounting principles applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for the next twelve months. Realization values may be substantially different from carrying values as shown and the Company's financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

The Company has a history of operating losses, as of March 31, 2024, had accumulated deficit of $324.4 million (December 31, 2023: $323.8 million). The ability of the Company to continue as a going concern is dependent on securing additional required financing through issuing additional equity, debt instruments, sale of Company assets, obtaining payments associated with a joint venture farm-out, or otherwise. Given the Company's capital commitment requirements outlined in Note 13. Commitments and Contingencies of the Interim Financial Statements, the Company would have challenges in meeting its operating requirements for the 12-month period from the balance sheet date. While the Company has been successful in meeting its working capital requirements in the past, and although the Company believes in the viability of its strategy and that the actions presently being taken by Management will provide the best opportunity for the Company to continue as a going concern, there can be no assurances to that effect. As a result, there exist material uncertainties which cast significant doubt as to the Company's ability to continue as a going concern.

9. COMPANY'S PERFORMANCE

The Company currently has no revenues, so its ability to ensure continuing operations relates to its ability to obtain necessary financing to complete the exploration and development of oil and gas concessions and the completion of its Berbice Deep Water Port project.

Three months period ended March 31, 2024

The Company recorded a net loss of $645,343 or $0.00 a share for the three months ended March 31, 2024 compared with a net loss of $248,225 or $0.00 a share for the same period in 2023. The variances in the period are as follows:

Management and consulting costs decreased by $227,118 to $370,678 in the three months ended March 31, 2024 from $597,796 for the same period in 2023. The decrease was mainly due to reduction of headcount.

General and administrative costs decreased by $130,182 to $84,707 in the three months ended March 31, 2024 from $214,889 for the same period in 2023. This decrease was primarily due to the Company's continuous efforts to reduce administrative expenses, which included relinquishing offices, and renegotiating contracts.

Professional fees decreased by $225,111 to $39,725 in the three months ended March 31, 2024 from $264,836 for the same period. The decrease was mainly due to lower legal fees.

The Company incurred stock-based compensation during the three months ended March 31, 2024 of $19,000 compared to $27,000 for the same period in 2023. Stock-based compensation expenses are recorded based on the valuation of options using the Black-Scholes model. The expense varies based on the number of options issued and/or vested in the period and the underlying assumptions used in the model.

CGX incurred a foreign exchange gain of $16,562 for the three months ended March 31, 2024, compared to a loss of $40,655 for the same period in 2023.

The Company earned indirect charges from its Joint Operation partner during the three months ended March 31, 2024 of $9,028, compared to $1,119,163 for the same period in 2023. As Operator of the Corentyne License, the Company charges the Joint Account to reimburse its indirect costs representing the cost of general assistance and support services provided by the Operator and its Affiliates. The charges are based on total expenditures under the JOA, with a minimum annual of $200,000.

10. CONTRACTUAL OBLIGATIONS, AND COMMITMENTS, AND CONTINGENCIES

Commitments

In the normal course of business, the Company and its subsidiaries have entered into arrangements and incurred obligations that will affect the Company's future operations and liquidity.

In 2023, the Company complied with its exploration commitments under the Corentyne PPL drilling the Wei-1 well. The Joint Operation 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.

Further details of the Company's contractual commitments are included in the Consolidated Financial Statements.

Contingencies

Demerara Seismic agreement - Prospector

In September 2014, the Company entered into a contract with Prospector PTE. Ltd. ("**Prospector**") to conduct a 3D seismic survey on the Company's previously 100% owned Demerara block as part of its commitments under the Demerara PA. The aggregate cost of this seismic survey was approximately $19.0 million with $7.0 million paid to Prospector by way of issuance of 15,534,310 Common Shares, $2.5 million paid in cash in 2014 and the remainder of approximately $9.5 million payable in cash twelve months after the conclusion of the seismic survey (December 2015). In accordance with the contract with Prospector, the amounts outstanding twelve months after the conclusion of the seismic survey accrued interest at a rate of 12% per annum.

On October 3, 2016, the Company renegotiated the interest rate down from 12% per annum to 6% per annum and agreed to have Prospector complete the seismic processing of the seismic survey. In exchange, CGX agreed to be responsible under certain circumstances to Prospector for 50% of the processing costs, which were estimated to be in the region of $1.0 million.

The processing began in late 2016 and was substantially completed in 2017 (albeit there was a dispute as to the quality – see below) and as a result, the Company recorded a provision of $0.6 million.

In July 2018, Prospector filed a request for arbitration against CGX and CRI in the International Chamber of Commerce ("**ICC**") for repayment of the debt accrued under the seismic acquisition contract (and the addendum thereto) dated September 2014 for the acquisition of 3D seismic data on the Demerara block. Prospector requested that the International Court of Arbitration of the ICC constitute the arbitral tribunal (the "**Tribunal**") and requested that the Tribunal award to Prospector the relief of (i) the amount $12.4 million being the amount Prospector alleged it was owed as at May

1, 2018, (ii) any interest that will have accrued from May 1, 2018 until the date of the award in the amount of 6% per annum based on the Deed of Addendum 1 (the "**Addendum**") between CGX and Prospector dated October 3, 2016, (iii) post-award interest in the amount of 6% per annum until payment as per the Addendum, and (iv) costs and reasonable and necessary attorney's fees incurred by Prospector in bringing the arbitration (the "**Arbitration**"). It was subsequently agreed that the Tribunal had no jurisdiction over CRI.

On January 15, 2019, Prospector and CGX agreed to a one year suspension of the Arbitration. The Tribunal indicated that the Arbitration would be stayed for 12 months from January 22, 2019 until January 22, 2020. The parties subsequently agreed to extend the suspension for a further year until January 22, 2021.

On January 23, 2021, Prospector formally gave notice of the end of the suspension and recommencement of the Arbitration. On April 23, 2021, the Company filed its Defence and Counterclaim (along with supporting factual, witness and expert evidence) in the Arbitration against Prospector at the ICC for $26.1 million, plus interest and costs, for damages it claims to have suffered as a result of the unsatisfactory processing of the 3D seismic data.

The Arbitration hearing was conducted at the end of March 2022 in London, UK. On September 13, 2022, the International Court of Arbitration of the ICC released its Partial Final Award in the amounts of $9.5 million and $0.6 million in favour of Prospector and denied the Company's counterclaim.

On November 30, 2022, the Tribunal released its Final Award, which awarded Prospector $4.3 million in pre-award interest; post-award interest at the rate of 6% per annum (simple) on the principal sum of $9.5 million from September 14, 2022 until payment in full of the principal sum; and $0.7 million for its legal costs and expenses.

In October 2022, the Company initiated a challenge to the Partial Final Award. On November 15, 2022, Prospector requested that the UK High Court dismiss CGX's challenge without a hearing. On December 19, 2022, the UK High Court dismissed CGX's challenge without a hearing. On January 6, 2023, CGX applied to the UK High Court for an order setting aside the dismissal of its challenge to the Partial Final Award without a hearing. On March 3, 2023, the UK High Court dismissed CGX's application.

Prospector also brought an application against the Company to recognize and enforce the Partial Final Award and the Final Award of the International Court of Arbitration of the ICC in Ontario. The Company opposed that application. The hearing took place on March 29, 2023. On July 17, 2023, the Ontario Superior Court of Justice issued its decision granting Prospector's application, confirming that the Partial Final Award and the Final Award are recognized and enforceable by the Ontario Superior Court of Justice in Ontario.

In December 2023, the Company received a Notice of Garnishment for the bank accounts in Canada, the balance as of December 31, 2023 of those bank accounts were immaterial.

As at March 31, 2024, the Company has a provision of approximately $16.1 million for all the amounts claimed by Prospector above plus accrued interest and legal costs and expenses recorded as trade and other payables (December 31, 2023: $15.2 million).

11. RELATED PARTY TRANSACTIONS

Under IFRS, parties are considered to be related if one party has the ability to “control” (financially or by share capital) the other party or have significant influence (management) on the other party in making financial, commercial and operational decisions.

Frontera

As at March 31, 2024, Frontera held approximately 76.05% of the issued and outstanding Common Shares of CGX on an undiluted basis and has the voting power to influence the outcome of all corporate transactions. Frontera consolidates the financials statements of the Company and is listed and publicly traded on the Toronto Stock Exchange under the trading symbol “FEC”.

Farm-in partner cash call balances

Under the JOA, the Company is the operator of the Corentyne licence. As operator, the Company makes cash calls from its Joint Operation partner to pay for future licence expenditures. As at March 31, 2024, the Joint Operation partner has a balance of $174,524 receivable (December 31, 2023: $884,409 payable) related to capital expenditures on the Corentyne licence.

In addition, as operator of the Corentyne licence, the Company receives a fee from its Joint Operation partner to reimburse its indirect costs related to operating the licence. This fee is based on total expenditures under the JOA. During the three months ended March 31, 2024, the Company recognized fees from its Joint Operation partner in the amount of $9,028 (three months ended March 31, 2023: $1,119,163).

As of March 31, 2024, the Company has accounts receivable from its Joint Operation partner of $259,000 related to its portion of the University program funding, and other operational costs (December 31, 2023: $Nil).

Other related party transactions

On November 22, 2022, the Company entered into a contract with Gaico Construction and General Services Inc. (“**Gaico**”), Gaico was contracted through a bid to construct the Company's access trestle and wharf as well as to perform required dredging operations for Port Operations, the contract price is $2.1 million. Gaico is controlled by a family member of the Executive Chairman and Executive Director of the Company. The transaction is in the normal course of operations. During the three months ended March 31, 2024, the Company paid $Nil million as part of the contract (three months ended March 31, 2023: $0.7 million). As of March 31, 2024, Gaico has a balance of $0.1 million payable (December 31, 2023: $0.1 million).

Key Management Personnel

Key management includes the Company’s directors, officers and any employees with authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly. Compensation awarded to key management included:

Three months period ended March 31,		**2024**		2023
Short-term employee benefits	$	519,000	$	585,667
Share based expense (recovery)		19,000		(157,000)
Total compensation paid to key management	**$**	**538,000**	$	428,667

During the three months ended March 31, 2024, key management personnel exercised Nil (three months ended March 31, 2023: 1,400,000) stock options at a weighted average exercise price of Nil (2023: C$0.20 ($0.15)). The weighted average trading price on date of exercise for the stock options exercised during the three months ended March 31, 2024 was Nil (three months ended March 31, 2023: C$1.28 ($0.96)).

As of March 31, 2024, key management outstanding compensation included in trade and other payables is $516,000 (December 31, 2023: $660,000). These amounts are unsecured, non-interest-bearing, and due upon demand.

Key Management Agreements

As at March 31, 2024, the Company is party to three (December 31, 2023: three) separate written management agreements with certain senior officers of the Company. The three contracts currently require a total payment of up to $1.9 million (December 31, 2023: $1.9 million) be made upon the occurrence of certain events such as termination and change in control.

12. OIL AND GAS INFORMATION ADVISORIES

Certain disclosures in this Quarterly Results constitute "anticipated results" for the purposes of National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities ("**NI 51-101**") because the disclosure in question may, in the opinion of a reasonable person, indicate the potential value or quantities of resources in respect of the Joint Operation's resources or a portion of its resources. Without limitation, the anticipated results disclosed in this Quarterly Results include estimates of volume attributable to the resources of the Joint Operation. Such estimates of anticipated results have been prepared or reviewed by an independent qualified reserves evaluator or auditor. Such terms should not be interpreted to mean there is any level of certainty in regard to the hydrocarbons present, or that hydrocarbons may be produced profitably, in commercial quantities, or at all. Anticipated results are subject to certain risks and uncertainties, including those described herein and various geological, technical, operational, engineering, commercial, and technical risks. Such risks and uncertainties may cause the anticipated results disclosed herein to be inaccurate. Actual results may vary, perhaps materially.

Analogous Information:

Certain information in this Quarterly Highlights may constitute "analogous information" as defined in NI 51-101. Such information includes reservoir information retrieved from government or other publicly available sources, regulatory agencies or other industry participants that are independent of Frontera and CGX. CGX believes the rock quality discovered in the Maastrichtian horizon in the Wei-1 well has a similar distribution of porosity and permeability as reported in the Liza Discovery on Stabroek block. Such information was released in the Investors Day 2018 presentation released by Hess Corporation in December 2018. The Company believes the information is relevant as it may help to define the reservoir characteristics of the Corentyne Block in which the Company holds an interest. The Company is unable to confirm that the analogous information was prepared by a qualified reserves evaluator or auditor and is unable to confirm that the analogous information was prepared in accordance with NI 51-101. Such information is not an estimate of the resources attributable to lands held by the Company and there is no certainty that the resources data and commercial viability for the lands held by the Company will be similar to the information presented herein. The reader is cautioned that the data relied upon by the Company may be in error and/or may not be analogous to such lands held by the Company.

13. ABBREVIATIONS AND DEFINITIONS

The following abbreviations are frequently used in the Company's Quarterly Highlights.

PPL	Petroleum Prospecting Licences	**PAs**	Petroleum Agreements
C$	Canadian dollars	**$**	U.S. dollars
Q	Quarter	**USD**	United States dollars

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.

Boe Conversion

The term referred to herein in respect to barrels of oil equivalent ("**boe**") may be misleading, particularly if used in isolation. A boe conversion ratio of cubic feet to barrels is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. In this Quarterly Highlights we have expressed boe using the conversion standard of six thousand cubic feet ("**Mcf**") of gas to one barrel ("**Bbl**") of oil, 6.0 Mcf: 1 bbl.

May 8, 2024

"Suresh Narine"	*"Daniel Sanchez"*
Suresh Narine Executive Chairman and Executive Director (Guyana)	Daniel Sanchez Chief Financial Officer

Unaudited Condensed Interim Consolidated Financial Statements

For the three months period ended

March 31, 2024 and 2023

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim condensed consolidated financial statements (the "**Interim Financial Statements**") of CGX Energy Inc. (the "**Company**") are the responsibility of the management and Board of Directors of the Company.

The Interim Financial Statements have been prepared by management, on behalf of the Board of Directors, in accordance with International Accounting Standards 34 'Interim Financial Reporting' ("**IAS 34**") using accounting policies consistent with International Financial Reporting Standards ("**IFRS**"). Accordingly, these Interim Financial Statements should be read in conjunction with our most recent annual audited financial statements for the year ended December 31, 2023 (the "**2023 Annual Financial Statements**"). Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the Interim Financial Statements have been prepared within acceptable limits of materiality.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the Interim Financial Statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. The Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the Interim Financial Statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the Interim Financial Statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

Toronto, Canada

May 8, 2024

"Suresh Narine"
Suresh Narine
Executive Chairman and Executive Director (Guyana)

"Daniel Sanchez"
Daniel Sanchez
Chief Financial Officer

CGX Energy Inc.

Unaudited Condensed Interim Consolidated Statements of Financial Position

(US$'s)

As at	Notes		March 31, 2024		December 31, 2023
Assets					
Current					
Cash and cash equivalents	5	**$**	**3,882,105**	$	6,414,819
Trade receivables and other assets	6		**2,568,568**		2,214,842
Farm in partner receivable	9		**174,524**		—
Total current assets		**$**	**6,625,197**	$	8,629,661
Non-current					
Property, plant and equipment	7		**20,031,288**		19,974,249
Exploration and evaluation assets	8		**56,290,522**		56,277,570
Total non-current assets		**$**	**76,321,810**	$	76,251,819
Total assets		**$**	**82,947,007**	$	84,881,480
Liabilities					
Current					
Trade and other payables	10	**$**	**19,869,626**	$	20,293,347
Farm in partner payable	9		**—**		884,409
Total current liabilities		**$**	**19,869,626**	$	21,177,756
Non-current					
Other payables		**$**	**276,000**	$	276,000
Total non-current liabilities			**276,000**		276,000
Total liabilities		**$**	**20,145,626**	$	21,453,756
Shareholders' equity					
Share capital		**$**	**358,163,441**	$	358,163,441
Reserve for share based payments	11		**29,045,801**		29,026,801
Accumulated deficit			**(324,407,861)**		(323,762,518)
Total shareholders' equity		**$**	**62,801,381**	$	63,427,724
Total liabilities and shareholders' equity		**$**	**82,947,007**	$	84,881,480

Nature of operations and going concern uncertainty (Note 1)
Commitments and contingencies (Note 13)

Approved on behalf of the Board of Directors on May 8, 2024:

("Signed" Suresh Narine)	("Signed" Dennis Mills)
______________________________, Director	______________________________, Director
Suresh Narine	Dennis Mills

The accompanying notes are an integral part of these Interim Financial Statements

CGX Energy Inc.

Unaudited Condensed Interim Consolidated Statements of Comprehensive Loss

(US$'s)

Three months period ended March 31,	Notes	2024	2023
Operating expenses			
Management and consulting		**$ 370,678**	$ 597,796
General and administrative		**84,707**	214,889
Professional fees		**39,725**	264,836
Interest expense	13	**141,447**	139,892
Shareholder information		**15,376**	82,320
Share based expense	11	**19,000**	27,000
Foreign exchange (gain) loss		**(16,562)**	40,655
Total operating expenses		**$ (654,371)**	$ (1,367,388)
Indirect revenue from farm in partner		**9,028**	1,119,163
Net loss and comprehensive loss		**$ (645,343)**	$ (248,225)
Loss per share			
Basic net loss per share		**$(0.00)**	$(0.00)
Diluted net loss per share		**$(0.00)**	$(0.00)
Weighted average number of shares (000's) – basic		**338,549**	337,244
Weighted average number of shares (000's) – diluted		**338,549**	337,244

The accompanying notes are an integral part of these Interim Financial Statements

CGX Energy Inc.

Unaudited Condensed Interim Consolidated Statements of Changes in Equity

(US$'s)

	Share Capital			Reserves				
	Number of Shares		Amount		Share based payments		Accumulated Deficit		Total
Balance at December 31, 2023	338,549,000	$	358,163,441	$	29,026,801	$	(323,762,518)	$	63,427,724
Share based payments (Note 11)	—		—		19,000		—		19,000
Net loss and comprehensive loss for the period	—		—		—		(645,343)		(645,343)
Balance at March 31, 2024	**338,549,000**	**$**	**358,163,441**	**$**	**29,045,801**	**$**	**(324,407,861)**	**$**	**62,801,381**

Balance at December 31, 2022	334,509,000	$	356,041,589	$	29,869,801	$	(320,568,941)	$	65,342,449
Share based payments	—		—		27,000		—		27,000
Shares issued on exercise of options	4,040,000		1,156,852		—		—		1,156,852
Transfer of contributed surplus on exercise of options	—		965,000		(965,000)		—		—
Net loss and comprehensive loss for the period	—		—		—		(248,225)		(248,225)
Balance at March 31, 2023	338,549,000	$	358,163,441	$	28,931,801	$	(320,817,166)	$	66,278,076

The accompanying notes are an integral part of these Interim Financial Statements

CGX Energy Inc.

Unaudited Condensed Interim Consolidated Statements of Cash Flow

(US$'s)

Three months period ended March 31,	**Notes**	**2024**	2023
Operating Activities			
Net loss for the period		**$ (645,343)**	$ (248,225)
Items not affecting cash:			
Amortization	7	**3,599**	13,182
Share-based expense	11	**19,000**	27,000
Unrealized foreign exchange gain		—	(33,625)
Interest accretion on trade and other payables		**141,447**	139,892
Net change in non-cash working capital items:			
Trade receivables and other assets		**(353,726)**	(256,637)
Trade and other payables		**(577,477)**	973,606
Net cash (used in) provided from operating activities		**$ (1,412,500)**	$ 615,193
Investing Activities			
Purchases of exploration and evaluation expenditures		**(12,952)**	(20,840)
Purchases of property, plant and equipment		**(60,638)**	(893,397)
Farm in partner advances		**(1,058,933)**	(7,549,418)
Net cash used in investing activities		**$ (1,132,523)**	$ (8,463,655)
Financing Activities			
Proceeds from share options exercises		—	1,156,852
Net cash provided from financing activities		**$ —**	$ 1,156,852
Net decrease in cash and cash equivalents		**$ (2,545,023)**	$ (6,691,610)
Effect of exchange rate changes		**12,309**	(11,209)
Cash and cash equivalents at beginning of period		**$ 6,414,819**	$12,390,419
Cash and cash equivalents at end of period		**$ 3,882,105**	$ 5,687,600

The accompanying notes are an integral part of these Interim Financial Statements

GENERAL

CGX Energy Inc. ("**CGX**" or the "**Company**") is incorporated under the laws of Ontario, Canada in 1998. The Company's common shares ("**Common Shares**") are listed and publicly traded on the TSX Venture Exchange ("**TSXV**") under the trading symbol "OYL". The Company's head office is located at 333 Bay Street, Suite 2400, Toronto, Ontario, M5H 2T6. Its principal business activities are petroleum and natural gas exploration offshore the Cooperative Republic of Guyana, South America ("**Guyana**") and construction of a deepwater port on the Berbice river in Guyana.

The following table summarizes the Company's subsidiaries, the location of their registered offices, and the Company's percentage interest.

Company	Registered Office	Percentage of Interest (%)
CGX Resources Inc. ("**CRI**")	Bahamas	100%
GCIE Holdings Limited ("**GCIE Holding**")	Barbados	100%
Grand Canal Industrial Estates Inc. ("**GCIE**") [1]	Guyana	100%
CGX Energy Management Corp. ("**CGMC**")	United States, Delaware	100%

1. Owned 100% by GCIE Holding

1. Nature of Operations and Going Concern Uncertainty

The Company is in the process of exploring and evaluating petroleum and natural gas properties in the Guyana Suriname basin in South America and construction of a deepwater port on the Berbice river in Guyana. The business of petroleum and natural gas exploration involves a high degree of risk and there can be no assurance that the Company's exploration programs will result in profitable operations. In addition, there is no guarantee that the Company will be able to secure the necessary financing to complete the deepwater port project or be able to operate it profitably. The amounts shown as exploration and evaluation expenditures include acquisition costs and are net of any impairment charges to date; these amounts are not necessarily representative of present or future cash flows. The recoverability of the Company's exploration and evaluation expenditures is dependent upon the discovery of economically recoverable petroleum and natural gas reserves; securing and maintaining title and beneficial interest in the properties; the ability to obtain the necessary financing to complete exploration, development and construction of processing facilities; obtaining certain government approvals and attaining profitable production or alternatively, upon the Company's ability to farm-out its interest on an advantageous basis; all of which are uncertain.

The Company's Petroleum Production Licence ("**PPLs**") title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, and non-compliance with regulatory, environmental and social requirements.

The Company has a history of operating losses and as at March 31, 2024 had a working capital deficiency of $13,244,429 (December 31, 2023: $12,548,095) and an accumulated deficit of $324,407,861 (December 31, 2023: $323,762,518). The ability of the Company to continue as a going concern is dependent on securing additional required financing through issuing additional equity or debt instruments, securing a joint farm-out for its PPL, the sale of Company assets, or securing a partner for the deepwater port project. As a result and given the Company's capital commitment requirements under the Company's PPL outlined in Note 8, the Company does not have sufficient cash flow to meet its operating requirements for the 12 month period from the current date of its statement of financial position. The Company has been successful in raising financing in the past, and believes in the viability of its strategy and that the actions presently being taken by management of CGX provide the best opportunity for the Company to continue as a going concern, but there can be no assurances to that effect. As a result there exist material uncertainties that may cast significant doubt as to the Company's ability to continue as a going concern.

These Interim Financial Statements have been prepared on the basis of accounting principles applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the Interim Financial Statements. Such adjustments could be material. It is not possible to predict whether the Company will be able to raise adequate financing or to ultimately attain profitable levels of operations.

2. Basis of Preparation

2.1 Statement of Compliance

These Interim Financial Statements, including comparatives, have been prepared in accordance with IAS 34 - Interim Financial Reporting using accounting policies consistent with the IFRS issued by the International Accounting Standards Board ("**IASB**") and interpretations of the International Financial Reporting Interpretations Committee ("**IFRIC**"). These Interim Financial Statements were authorized by the Board of Directors of the Company on May 8, 2024.

2.2 Basis of presentation

These Interim Financial Statements include only significant transactions and events occurring since the Company's last fiscal year end and are not fully inclusive of all matters required to be disclosed and should be read in conjunction with the 2023 Annual Financial Statements. In preparing these Interim Financial Statements, the significant judgments made by management in applying the Company's accounting policies and key sources of estimation uncertainty were the same as those applied to the 2023 Annual Financial Statements.

2.3 Use of management estimates, judgments, and measurement uncertainty

The preparation of the Interim Financial Statements requires management of CGX to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses. Such estimates primarily relate to unsettled transactions and events as at the date of CGX's Interim Financial Statements.

On an ongoing basis, Management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions.

The most significant estimates and judgements relate to the valuation of exploration and evaluation expenditures, functional currency, determination of cash generating units and impairment testing, taxes, and contingencies. Significant estimates and judgments made by management in the preparation of these consolidated financial statements are outlined below:

Exploration and evaluation ("E&E") expenditures (Note 8) and PP&E (Note 7)

The application of the Company's accounting policy for E&E expenditures requires judgement to determine whether it is probable that future economic benefits are likely, from either future exploitation or sale, or whether activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of reserves and resources is itself an estimation process that requires varying degrees of uncertainty depending on how the resources are classified. These estimates directly impact when the Company capitalizes E&E expenditures as assets. The accounting policy requires management to make certain estimates and assumptions as to future events and circumstances; in particular, whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available.

If any facts and circumstances indicate an E&E asset or PP&E is carried at more than its recoverable amount, the E&E asset or PP&E is impaired, and recognizing an impairment loss is required.

Farm-in / Farm out

A farm-out is effectively a disposal and farm-in is an acquisition by the farmee of part of the farmor's working interest, with the consideration being the fair value of the future expenditure undertaken by the farmee. The Company does not record any expenditure made by the farmee on its account. It also does not recognise any gain or loss on its exploration and evaluation farm-out arrangements, but redesignates any costs previously capitalized in relation to the whole interest as relating to the partial interest retained. Any cash consideration received directly from the farmee is credited against costs previously capitalized in relation to the whole interest with any excess accounted for by the Company as a gain on disposal.

Deep water port assets under construction and useful economic life Assets in the course of construction are carried at cost.

These assets are not amortized until they are available for use in commercial operation. Management reviews progress reports to determine when the deep water port is ready for commercial operation and will begin amortizing the port over the useful economic life of the deep water port. Once available for use, the annual depreciation charge for the deep water port is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values will be re-assessed annually and amended where necessary.

Functional currency

The determination of the Company's functional currency requires analyzing facts that are considered primary factors, and if the result is not conclusive, the secondary factors. The analysis requires the Company to apply significant judgment since primary and secondary factors may be mixed. In determining functional currency, the Company analyzed both the primary and secondary factors, including the currency of the Company's operating costs in Canada, United States and Guyana, and sources of financing.

Cash generating units and impairment testing

Cash generating units ("**CGU's**") are identified to be the exploration and evaluation license and the port at Berbice, the lowest level at which there are identifiable cash inflows that are largely independent of cash inflows of other groups of assets. The determination of CGUs requires judgment in defining a group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. CGUs are determined by similar geological structure, shared infrastructure, geographical proximity, commodity type, similar exposure to market risks and materiality.

The Company monitors internal and external indicators of impairment relating to its properties, plant and equipment, and E&E assets. External sources of information include changes in the economic and legal environment in Guyana. In assessing impairment for E&E assets, the Company applies judgment in considering various factors that determine technical feasibility and commercial viability.

The Company reviews the carrying amounts of its long-lived assets to be held and used to determine whether there is any indication that those assets have suffered an impairment loss. If and when facts and circumstances indicate that the carrying value of an exploration and evaluation expenditures or the deep water port may exceed its recoverable amount, an impairment review is performed.

The equivalent combined carrying value of the CGU's is compared against the recoverable amount of the CGU's and any resulting impairment loss is written off to net income (loss). The recoverable amount is the greater of fair value, less costs of disposal or value-in-use. Impairments of exploration and evaluation expenditures are only reversed when there is significant evidence that the impairment has been reversed, but only to the extent of what the carrying amount would have been, had no impairment been recognized.

Income taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Contingencies

Contingent gains or liabilities are possible receipts or obligations whose existence will be confirmed only on the occurrence or non-occurrence of uncertain future events outside the Company's control, or present obligations that are not recognized because either it is not probable that an inflow or outflow of economic benefits would be required to settle the obligation or the amount cannot be measured reliably. Contingent gains or liabilities are not recognized but are disclosed and described in the notes to its consolidated financial statements, including an estimate of their potential financial effect and uncertainties relating to the amount or timing of any outflow, unless the possibility of settlement is remote. In assessing loss contingencies related to any claims that may result in proceedings, the Company, with assistance from its legal counsel, evaluates the perceived merits of any such claims as well as the perceived merits of the amount of relief sought or expected to be sought.

2.4 New standards, interpretations and amendments adopted by the Company

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Company's Interim Financial Statements.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Company's Interim Financial Statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Company's Interim Financial Statements.

3. Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the exploration and development of petroleum and natural gas properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of management to sustain future development of the business. The property in which the Company currently has an interest is in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration, deepwater port development and pay for administrative costs, the Company will spend its existing funds available and will be required to raise additional funding. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period ended March 31, 2024.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSXV which requires adequate working capital or financial resources of the greater of (i) C$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of six months. As of March 31, 2024, and the date of these

Interim Financial Statements, the Company may not be compliant with the policies of the TSXV. The impact of this violation is not known and is ultimately dependent on the discretion of the TSXV.

The Company considers its capital to be equity, which as at March 31, 2024 totaled $62,801,381 and was comprised of share capital, reserve accounts and deficit (December 31, 2023: $63,427,724).

4. Financial Instruments

Fair Value

Cash and cash equivalents, trade receivables and other assets, and farm in partner receivable are measured at amortized cost, which approximates fair value due to their short-term nature. Trade and other payables and farm in partner advances are measured at amortized cost, which also approximates fair value due to their short-term nature.

Warrant liability is measured as fair value through profit and loss with Level two classification within the fair value hierarchy.

The fair value hierarchy has the following levels:

- Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level two includes inputs that are observable other than quoted prices included in level one.
- Level three includes inputs that are not based on observable market data.

As at March 31, 2024 and December 31, 2023 the Company does not have any financial assets measured at fair value and that require classification within the fair value hierarchy.

These estimates are subject to and involve uncertainties and matters of significant judgment, and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

1) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The credit risk is attributable to various financial instruments, as noted below. The Company's maximum exposure to credit risk as at March 31, 2024 is the carrying value of cash and cash equivalents, trade receivables and other assets and farm-in partner balances.

i. **Cash and cash equivalents:** Cash and cash equivalents are held mainly with major Canadian and American financial institutions in Canada, Guyana and the United States and therefore the risk of loss is minimal. The Company keeps cash and cash equivalents in major Guyanese banks to pay its current month activities.

ii. **Trade receivables and other assets:** The Company is exposed to credit risk attributable to cash advances to suppliers, prepaid expenses, or credits from vendors. The Company does not believe that this risk is significant, prepaid expenses are mainly related to contracts with major vendors and will be settled through delivery of goods and services. (See Note 6)

iii. **Farm in partner balances:** The Company is exposed to credit risk attributable to its farm in partner. The Company does not believe that this risk is significant as these are short term in nature. (See Note 8)

2) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. As at March 31, 2024, the Company had a working capital deficiency of $13,244,429 (December 31, 2023: $12,548,095). In order to meet its working capital and property exploration expenditures, the Company must secure further financing to ensure that those obligations are properly discharged (See Note 1). There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of the Company may change and shareholders may suffer additional dilution. If adequate financing is not available, the Company may be required to delay, reduce the scope of, or eliminate one or more exploration activities or relinquish rights to certain of its interests.

3) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, commodity prices and/or stock market movements (price risk).

1) Interest rate risk

The Company is not exposed to significant interest rate price risk due to the short-term nature of its monetary assets and liabilities. Cash not required in the short term is invested in short-term guaranteed investment certificates and in high interest saving accounts, as appropriate.

2) Currency risk

The Company's E&E activities are substantially denominated in US dollars. The Company's funds are predominantly kept in US and Canadian ("**C$**") dollars, with major Canadian, Guyanese and United States financial Institutions. As at March 31, 2024, the Company had approximately C$Nil (December 31, 2023:C$62,000) in Canadian dollar denominated cash deposits.

Sensitivity Analysis

As at March 31, 2024, the carrying amount of the Company's financial assets and financial liabilities exposure to foreign currency balances approximate as follows:

Account	Foreign Currency	Exposure	
		As at March 31, 2024	As at December 31, 2023
Cash and cash equivalents	C $	**$ –**	$ 62,000
Trade and other receivables	C $	**122,000**	191,000
Trade and other payables	C $	**(1,304,000)**	(1,343,000)
Other payables	C $	**(364,000)**	(364,000)
		$ (1,546,000)	$ (1,454,000)

Based on management's knowledge and experience of the financial markets, the Company believes it is reasonably possible over a one year period that a change of 10% in foreign exchange rates would increase/decrease, net loss for the three months ended March 31, 2024 by C$154,600 (December 31, 2023: C$145,400).

5. Cash and Cash Equivalents

Cash and cash equivalents at March 31, 2024, consisted of $3,882,105 (December 31, 2023: $6,414,819) on deposit with major financial institutions, of which $50,000 (December 31, 2022: $50,000) was in short-term guaranteed investment certificates with remaining maturities on the date of purchase of less than 90 days.

6. Trade Receivables and Other Assets

The Company's trade receivables and other assets arise from harmonized sales tax ("**HST**") receivable, trade receivables and prepaid expenses. These are broken down as follows:

As at,		**March 31, 2024**		December 31, 2023
Trade receivables	**$**	**1,875,181**	$	1,514,406
HST		**16,662**		24,932
Prepaid expenses		**676,725**		675,504
Total trade receivables and other assets	**$**	**2,568,568**	$	2,214,842

Below is an aged analysis of the Company's trade receivables:

As at,		**March 31, 2024**		December 31, 2023
1 -90 days	**$**	**1,875,181**	$	1,514,406
Over 90 days		—		—
Total trade receivables	**$**	**1,875,181**	$	1,514,406

At March 31, 2024, the Company anticipates full recovery of these amounts receivable and therefore no allowance was recorded against these receivables. Of the trade receivable amount outstanding as at March 31, 2024, $1,875,181 (December 31, 2023: $1,514,406) relates to amounts owed from Frontera Energy Corp ("**Frontera**") and its subsidiaries.

The Company holds no collateral for any receivable amounts outstanding as at March 31, 2024 and December 31, 2023. The credit risk on the receivables has been further discussed in Note 4.

7. Property, Plant and Equipment

	Port (staging facility) (1)	Logistics Yard (1)	Vehicles, office furniture and fixtures	Computer, software & equipment	Total
Cost					
As at December 31, 2023	$ 19,051,402	$ 707,230	$ 450,542	$ 539,637	$ 20,748,811
Additions	60,638	—	—	—	60,638
As at March 31, 2024	**$ 19,112,040**	**$ 707,230**	**$ 450,542**	**$ 539,637**	**$ 20,809,449**
Accumulated amortization					
As at December 31, 2023	$ —	$ —	$ 234,925	$ 539,637	$ 774,562
Amortization (2)	—	—	3,599	—	3,599
As at March 31, 2024	**$ —**	**$ —**	**$ 238,524**	**$ 539,637**	**$ 778,161**
Net book value					
As at December 31, 2023	$ 19,051,402	$ 707,230	$ 215,617	$ —	$ 19,974,249
As at March 31, 2024	**$ 19,112,040**	**$ 707,230**	**$ 212,018**	**$ —**	**$ 20,031,288**

Notes: (1) No amortization has been recorded on these assets as they are still under construction.

(2) Amortization has been recorded within general and administrative expense in the statement of comprehensive loss.

The lands upon which the port project is located are subject to an industrial lease of state land with the Commissioner of Lands and Surveys in Guyana. The term of the lease is for a period of 50 years commencing in 2010 with an option to renew for an additional 50 years. This land is subject to annual rental commitments relating to this lease.

8. Exploration and Evaluation Assets

	Corentyne
Balance, December 31, 2023	$ 56,277,570
Additions	12,952
Balance, March 31, 2024	**$ 56,290,522**

As at March 31, 2024 the expenditures capitalized above include costs for license acquisitions and maintenance of licences, general exploration, geological and geophysical consulting, surveys, 3D-seismic acquisition, processing and interpretation, drill planning and well exploration costs.

Corentyne Petroleum Agreements ("Corentyne PA") Commitment, Guyana

The Company is the operator of the Corentyne block and currently holds a 27.48% working interest while Frontera Energy Guyana Corp. ("**Frontera Guyana**") holds the remaining 72.52% interest in the block. The transfer of interest of the 2023 JOA Amendment (4.52%) is subject to approval from the Government of Guyana. See below Join Operation Agreements.

On January 23, 2023, the Joint Operations announced that the Government of Guyana approved an Appraisal Plan ("**AAP**") 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 Operations 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 well, and the Joint Operations has no further drilling obligations beyond the Wei-1 well. The appraisal programme was approved for a period of 24 months from June 29, 2022 to June 28, 2024.

After commercial production begins, the Company is allowed to recover contract costs as defined in the Corentyne PA from "cost oil" produced and sold from the contract area and limited in any month to an amount which equals seventy-five percent (75%) of the total production from the contract area for such month excluding any hydrocarbon used in petroleum operations or which is lost. The Joint Operations's share of the remaining production or "profit oil" is 47%.

To the extent that in any month recoverable contract costs exceed the value of cost hydrocarbons, the unrecoverable amount shall be carried forward and shall be recoverable in the immediately succeeding month, and to the extent not then recovered, in the subsequent month or months.

The Company has $155.0 million of recoverable contract costs brought forward from the original Corentyne licence. This cost can be recovered against any future commercial production.

Annual rental fees of $0.1 million and training fees of $0.1 million are required to be paid under the PA.

Joint Operation Agreements

On January 30, 2019, Frontera Guyana a wholly-owned subsidiary of Frontera, and CRI, executed Joint Operating Agreements ("**JOAs**") providing for Frontera Guyana to acquire a 33.333% interest in CRI's Corentyne and Demerara PPLs and PAs. The transfers of the 33.333% interest in both the Corentyne and Demerara PPL and PA were completed on May 28, 2019.

2022 JOA Amendment

On July 21, 2022, the Company entered into an agreement (the "**2022 JOA Amendment**") to transfer 34.67% of its interest in the Corentyne PA to Frontera Guyana. In exchange, Frontera Guyana provided funding of (i) up to $130.0 million funding of Wei-1 well, (ii) up to $28.8 million of certain Kawa-1 exploration well, Wei-1 pre-drill, and other costs, (iii) $54.0 million of outstanding payables settled, and (iv) $3.8 million cash consideration. On December 1, 2022, the Joint Operation announced that the 2022 JOA Amendment was completed with all conditions precedent satisfied, pending approval by the Government of Guyana.

2023 JOA Amendment

On August 9, 2023, 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. The transfer of interest of 4.52% is subject to approval by the Government of Guyana.

Subsequent to March 31, 2024, the Company received cash consideration of $1.5 million from Frontera Guyana as part of the 2023 JOA Amendment signed on August 9, 2023.

9. Related Party Transactions and Compensation of Key Management

Under IFRS, parties are considered to be related if one party has the ability to "control" (financially or by share capital) the other party or have significant influence (management) on the other party in making financial, commercial and operational decisions.

Frontera

As at March 31, 2024, Frontera held approximately 76.05% of the issued and outstanding Common Shares of CGX on an undiluted basis and has the voting power to influence the outcome of all corporate transactions. Frontera consolidates the financials statements of the Company and is listed and publicly traded on the Toronto Stock Exchange under the trading symbol "FEC".

Subsequent to March 31, 2024, the Company received cash consideration of $1.5 million from Frontera Guyana as part of the 2023 JOA Amendment signed on August 9, 2023. (See further information regarding the 2023 JOA Amendment in the 2023 Annual Financial Statements Note 8. Exploration and Evaluation Assets)

Farm-in partner cash call balances

Under the JOA, the Company is the operator of the Corentyne licence. As operator, the Company makes cash calls from its partner to pay for future licence expenditures. As at March 31, 2024, Frontera Guyana has a balance of $174,524 receivable (December 31, 2023: $884,409 payable) related to capital expenditures on the Corentyne licence.

In addition, as operator of the Corentyne licence, the Company receives a fee from its partner to reimburse its indirect costs related to operating the licence. This fee is based on total expenditures under the JOA. During the three months ended March 31, 2024, the Company recorded fees from Frontera Guyana of $9,028 (three months ended March 31, 2023: $1,119,163).

As of March 31, 2024, the Company has accounts receivable from Frontera of $259,000 related to its portion of the University program funding, and other operational costs (December 31, 2023: $Nil).

See further information of JOA related party transactions with Frontera on Note 8. Exploration and Evaluation Assets.

Other related party transactions

On November 22, 2022, the Company entered into a contract with Gaico Construction and General Services Inc. ("**Gaico**"), Gaico was contracted through a bid to construct the Company's access trestle and wharf as well as to perform required dredging operations for Port Operations, the contract price is $2,098,174. Gaico is controlled by a family member of the Executive Chairman and Executive Director of the Company. The transaction is in the normal course of operations. During the three months ended March 31, 2024, the Company paid $Nil as part of the contract (three months ended March 31, 2023: $710,235). As of March 31, 2024, Gaico has a outstanding account payable balance of $133,130 (December 31, 2023: $133,130).

Key Management Personnel

Key management includes the Company's directors, officers and any employees with authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly. Compensation awarded to key management included:

Three months period ended March 31,		**2024**		2023
Short-term employee benefits	**$**	**519,000**	$	585,667
Share based expense (recovery)		**19,000**		(157,000)
Total compensation paid to key management	**$**	**538,000**	$	428,667

During the three months ended March 31, 2024, key management personnel exercised Nil (three months ended March 31, 2023: 1,400,000) stock options at a weighted average exercise price of Nil (2023: C$0.20 ($0.15)). The weighted average trading price on date of exercise for the stock options exercised during the three months ended March 31, 2024 was Nil (three months ended March 31, 2023: C$1.28 ($0.96)).

As of March 31, 2024, key management outstanding compensation included in trade and other payables is $516,000 (December 31, 2023: $660,000). These amounts are unsecured, non-interest-bearing, and due upon demand.

10. Trade and Other Payables

Trade and other payables of the Company are principally comprised of amounts outstanding for trade purchases relating to exploration activities and amounts payable for operating and financing activities. The usual credit period taken for trade purchases is between 30 to 90 days. The following is an aged analysis of the trade and other payables:

As at,		**March 31, 2024**		December 31, 2023
Less than one month, accruals	**$**	**1,635,356**	$	2,571,978
One month to three months		**1,035,945**		937,227
Over three months (1)		**17,198,325**		16,784,142
Total trade and other payables	**$**	**19,869,626**	$	20,293,347

(1) Includes approximately $16.1 million provision related to the Prospector claim, refer to Note 13. Commitments and Contingencies.

11. Reserve for Share Based Payments

A summary of the changes in the Company's reserve for share based payments for the three months ended March 31, 2024 and year ended December 31, 2023 is set out below:

As at,		March 31, 2024		December 31, 2023
Balance at beginning of period	$	**29,026,801**	$	29,869,801
Share based payments		**19,000**		122,000
Value transferred on exercise of options		—		(965,000)
Balance at end of period	$	**29,045,801**	$	29,026,801

12. Segmented Information

Operating and geographic segments

At March 31, 2024 and December 31, 2023, the Company's current operations are comprised of two reporting operating segments. The petroleum and natural gas exploration in Guyana, and the Berbice Deep Water Port project. The Company still has no revenues.

The following is a detailed breakdown of the Company's non-current assets by geographical location:

As at,		March 31, 2024		December 31, 2023
Non-Current Assets				
Guyana	$	**76,321,810**	$	76,251,819
Total Non-Current Assets	$	**76,321,810**	$	76,251,819

13. Commitments and Contingencies

Contractual obligations

The Company entered into contracts for the Corentyne block as part of its operations. As of March 31, 2024, the outstanding purchase orders and contracts under these agreements amount to $114,500, with the funding provided by the farm-in partner in accordance with the 2023 JOA Amendment.

Demerara Seismic agreement - Prospector

In September 2014, the Company entered into a contract with Prospector PTE. Ltd. ("**Prospector**") to conduct a 3D seismic survey on the Company's previously 100% owned Demerara block as part of its commitments under the Demerara PA. The aggregate cost of this seismic survey was approximately $19.0 million with $7.0 million paid to Prospector by way of issuance of 15,534,310 Common Shares, $2.5 million paid in cash in 2014 and the remainder of approximately $9.5 million payable in cash twelve months after the conclusion of the seismic survey (December 2015). In accordance with the contract with Prospector, the amounts outstanding twelve months after the conclusion of the seismic survey accrued interest at a rate of 12% per annum.

On October 3, 2016, the Company renegotiated the interest rate down from 12% per annum to 6% per annum and agreed to have Prospector complete the seismic processing of the seismic survey. In exchange, CGX agreed to be responsible under certain circumstances to Prospector for 50% of the processing costs, which were estimated to be in the region of $1.0 million.

The processing began in late 2016 and was substantially completed in 2017 (albeit there was a dispute as to the quality – see below) and as a result, the Company recorded a provision of $0.6 million.

In July 2018, Prospector filed a request for arbitration against CGX and CRI in the International Chamber of Commerce ("**ICC**") for repayment of the debt accrued under the seismic acquisition contract (and the addendum thereto) dated September 2014 for the acquisition of 3D seismic data on the Demerara block. Prospector requested that the International Court of Arbitration of the ICC constitute the arbitral tribunal (the "**Tribunal**") and requested that the Tribunal award to Prospector the relief of (i) the amount $12.4 million being the amount Prospector alleged it was owed as at May 1, 2018, (ii) any interest that will have accrued from May 1, 2018 until the date of the award in the amount of 6% per annum based on the Deed of Addendum 1 (the "**Addendum**") between CGX and Prospector dated October 3, 2016, (iii) post-award interest in the amount of 6% per annum until payment as per the Addendum, and (iv) costs and reasonable and necessary attorney's fees incurred by Prospector in bringing the arbitration (the "**Arbitration**"). It was subsequently agreed that the Tribunal had no jurisdiction over CRI.

On January 15, 2019, Prospector and CGX agreed to a one year suspension of the Arbitration. The Tribunal indicated that the Arbitration would be stayed for 12 months from January 22, 2019 until January 22, 2020. The parties subsequently agreed to extend the suspension for a further year until January 22, 2021.

On January 23, 2021, Prospector formally gave notice of the end of the suspension and recommencement of the Arbitration. On April 23, 2021, the Company filed its Defence and Counterclaim (along with supporting factual, witness and expert evidence) in the Arbitration against Prospector at the ICC for $26.1 million, plus interest and costs, for damages it claims to have suffered as a result of the unsatisfactory processing of the 3D seismic data.

The Arbitration hearing was conducted at the end of March 2022 in London, UK. On September 13, 2022, the International Court of Arbitration of the ICC released its Partial Final Award in the amounts of $9.5 million and $0.6 million in favour of Prospector and denied the Company's counterclaim.

On November 30, 2022, the Tribunal released its Final Award, which awarded Prospector $4.3 million in pre-award interest; post-award interest at the rate of 6% per annum (simple) on the principal sum of $9.5 million from September 14, 2022 until payment in full of the principal sum; and $0.7 million for its legal costs and expenses.

In October 2022, the Company initiated a challenge to the Partial Final Award. On November 15, 2022, Prospector requested that the UK High Court dismiss CGX's challenge without a hearing. On December 19, 2022, the UK High Court dismissed CGX's challenge without a hearing. On January 6, 2023, CGX applied to the UK High Court for an order setting aside the dismissal of its challenge to the Partial Final Award without a hearing. On March 3, 2023, the UK High Court dismissed CGX's application.

Prospector also brought an application against the Company to recognize and enforce the Partial Final Award and the Final Award of the International Court of Arbitration of the ICC in Ontario. The Company opposed that application. The hearing took place on March 29, 2023. On July 17, 2023, the Ontario Superior Court of Justice issued its decision granting Prospector's application, confirming that the Partial Final Award and the Final Award are recognized and enforceable by the Ontario Superior Court of Justice in Ontario.

In December 2023, the Company received a Notice of Garnishment for the bank accounts in Canada, the balance as of December 31, 2023 of those bank accounts were immaterial.

As at March 31, 2024, the Company has a provision of approximately $16.1 million for the amounts claimed by Prospector plus accrued interest, legal costs and expenses recorded within trade and other payables (December 31, 2023: $15.9 million).