

TORONTO, April 29, 2015 /CNW/ - [CGX Energy Inc.](#) (TSX-V - OYL) ("CGX Energy" or the "Company") announced today the release of its audited consolidated financial results for the year ended December 31, 2014, together with its Management Discussion and Analysis. These documents will be posted on the Company's website at www.cgxenergy.com and SEDAR at www.sedar.com.

Dewi Jones, Chief Executive Officer of CGX Energy, commented: "The Company had commenced significant cost cutting initiatives in 2014 and these efforts have shown positive results. In 2014, the Company's general and administrative costs have decreased by more than 50% compared to fiscal 2013. In spite of the challenges created by the collapse of oil prices in late 2014, the Company continues its initiatives to secure joint venture partners and we will continue to work alongside our major shareholders Prospector and [Pacific Rubiales Energy Corp.](#) to develop our substantial Guyana offshore and onshore acreage. We continue to be very optimistic about our acreage and look forward to seeing the results of exploration drilling in the region in 2015."

2014 Year-End Overview and Highlights

- **Financial Results:** The Company recorded a net loss of U.S.\$45,001,229 or U.S.\$0.56 a share for the year-ended December 31, 2014, compared with a gain of U.S.\$599,207 or U.S.\$0.01 a share for year-ended December 31, 2013.
- **Seismic Survey and Strategic Equity Investment:** In September 2014, the Company entered into a seismic contract with Prospector PTE. Ltd. ("Prospector") to conduct a 3D seismic survey covering approximately 3,100 km² on the Company's 100% owned Demerara Block as part of its commitments under the Demerara petroleum agreement and petroleum prospecting licence ("PPL"). The aggregate cost of this seismic survey will be approximately U.S.\$18 million with U.S.\$7 million paid to Prospector by way of issuance of 15,534,310 common shares in the capital of the Company ("Common Shares") valued at C\$0.49 per share, U.S.\$2.5 million paid 30 days after receipt of invoice and the remainder of approximately U.S.\$8.5 million is payable in cash twelve months after the conclusion of the seismic survey. Prospector currently owns approximately 16.6% of the issued and outstanding Common Shares.
- **Bridge Loan:** In October 2014, the Company entered into a bridge loan agreement (the "Bridge Loan") with of [Pacific Rubiales Energy Corp.](#) in the aggregate principal amount of C\$7.5 million. The Bridge Loan is a non-revolving term facility term accruing interest at an annual rate of 5% per annum and is repayable in full including all accrued interest twelve months from the date of the first advance. As of the date hereof, the Company has drawn down on the entire amount of the Bridge Loan.
- **Rig Agreement:** In June 2014, the Company entered into a definitive rig agreement with Japan Drilling Co., Ltd. for the provision of rig services. Under the terms of the agreement, the Company has procured the use of the jack-up drilling rig known as the "HAKURYU-12" rig. In an effort to reduce drilling costs, the Company has simultaneously entered into a rig sharing agreement with Teikoku Oil (Suriname) Co., Ltd., a wholly-owned subsidiary of INPEX CORPORATION.
- **Corentyne Block Update:** In June 2014, the Company received a five month extension to its spud date deadline at the Corentyne PPL. The Government of Guyana granted approval of an extension on the spud date on the first commitment well from May 31, 2015 to October 31, 2015.
- **Arbitration against Repsol:** In December 2013, the Company commenced arbitration proceedings against Repsol Exploracion, S.A. ("Repsol") in connection with the expiry of the PPL covering the Georgetown Block. In December 2014, the Company and Repsol entered into a settlement agreement. Under the terms of the Settlement, the Company received approximately \$900,000 pursuant to the terms of the Georgetown JOA and neither party was responsible for costs or damages.
- **Strategic Partners and New Initiatives:** CGX continues its initiatives to secure a joint venture partner for its Corentyne PPL and is actively pursuing this initiative. In the short term, the Company will likely require additional financing and seek to widen its shareholder base, but still with a view to negotiating farm-out transactions as the primary way to enhance shareholder value. The Company is hopeful that exploratory drilling currently underway in Guyana and Suriname will be successful and that a discovery in an adjacent block will have a significant impact on the Company's share price and on its ability to raise the capital required to complete its existing work commitments in Guyana.
- **Cost Cutting Initiatives:** General and administration costs decreased by U.S.\$1,783,342 to U.S.\$1,673,223 in the year ended December 31, 2014 from U.S.\$3,456,565 for the same period in 2013. In light of the current low oil price environment, the Company continues to implement cost cutting measures to preserve its cash. As part of these initiatives, the Company has not increased base salaries for any officers or employees and did not grant any annual incentive based compensation in 2014.

About CGX Energy

CGX Energy is a Canadian-based oil and gas exploration company focused on the exploration of oil in the Guyana-Suriname Basin.

IN THE POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE

Forward-Looking Statements:

This news release contains forward-looking statements. Forward-looking statements are frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "may", "will", "would", "potential", "proposed" and other similar words, or statements that certain events or conditions "may" or "will" occur in the future. These forward-looking statements are based on certain key expectations and assumptions made by CGX Energy. CGX Energy believes the expectations and assumptions on which it develops forward-looking statements are reasonable; however, undue reliance should not be placed on forward-looking statements as there can be no assurance they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. In addition, other risks that may affect the forward-looking statements in this news release are outlined further in the Company's Annual Information Form dated April 29, 2015 filed on SEDAR at www.sedar.com.

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

SOURCE [CGX Energy Inc.](#)

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