

CGX Energy Announces Closing of Rights Offering

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Toronto, November 1, 2021 - [CGX Energy Inc.](#) (TSXV: OYL) ("CGX" or the "Corporation") is pleased to announce that it has completed its previously announced rights offering (the "Offering").

Pursuant to the Offering, the Corporation offered to holders of its outstanding common shares (the "Common Shares") of record as at the close of business on October 1, 2021 the ability to subscribe for, until 5:00 p.m. (Toronto time) on October 28, 2021 (the "Expiry Date"), an aggregate of 45,151,338 Common Shares. Each such holder of Common Shares was offered rights (each, a "Right") on the basis of 0.157 of one Right for each Common Share held. Each whole Right entitled the holder to subscribe for one Common Share upon payment of the subscription price of Cdn. \$1.63.

Following the closing of the Offering, CGX has 334,459,000 Common Shares issued and outstanding. The Rights Offering raised gross proceeds of approximately Cdn. \$73,600,000 (equivalent to approximately U.S. \$59,600,000).

[Frontera Energy Corp.](#) ("Frontera"), an insider and the Corporation's largest shareholder, acquired an aggregate of 45,083,314 Common Shares pursuant to the exercise of its Rights and its standby commitment under the Offering. In consideration for the standby commitment provided by Frontera under the Offering, Frontera received 5-year warrants to purchase up to 1,173,774 Common Shares at an exercise price equal to U.S. \$1.51 per Common Share. As a result, Frontera holds an aggregate of 257,475,469 Common Shares on a non-diluted basis, which represents approximately 76.98% of the issued and outstanding Common Shares and 285,892,120 on a partially-diluted basis (assuming conversion of the U.S. \$19 million principal amount under the bridge loan agreement between CGX and Frontera and exercise of the warrants), which represents approximately 78.79 % of the issued and outstanding Common Shares on a partially-diluted basis.

CGX intends to use the funds raised through the Offering for the exploration and development of the Corentyne and Demerara blocks offshore Guyana and the Berbice blocks onshore Guyana and for the development of the Berbice Deep Water Port in Guyana. These funds, as well as additional financing alternatives, are expected to provide the funds necessary to meet all of the Corporation's short-term liquidity requirements over the next 12 months. There is no assurance that additional financing will be available to the Corporation or on terms acceptable to the Corporation.

About CGX

CGX is a Canadian-based oil and gas exploration company focused on the exploration of oil in the Guyana-Suriname Basin and the development of a deep water port in the Berbice, Guyana.

NEITHER THE TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED 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. All statements, other than statements of historical fact, that address activities, events or developments that CGX believes, expects or anticipates will or may occur in the future (including, without limitation, additional sources of funding for the Corporation) are forward-looking statements. These forward-looking statements reflect the current expectations or beliefs of

CGX, as the case may be, based on information currently available to them. Forward-looking statements are subject to a number of risks and uncertainties that may cause actual results to differ materially from those discussed in the forward-looking statements, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, CGX. Factors that could cause actual results or events to differ materially from current expectations include, among other things: the ability of the Corporation to obtain additional financing alternatives necessary to meet its short term liquidity requirements over the next 12 months, the ability of the joint venture with Frontera to successfully explore and develop the offshore blocks, and to fund such exploration and development and the impact thereof of unforeseen costs and expenses; changes in equity and debt markets; perceptions of the prospects and the prospects of the oil and gas industry in the countries where the Corporation operates or has investments; stock market volatility and the other risks disclosed under the heading "Risk Factors" and elsewhere in the Corporation's annual information form dated May 5, 2021 filed on SEDAR at www.sedar.com. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, CGX disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although CGX believes that the assumptions inherent in the forward-looking statements applicable to it are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

For further information, please contact: Tralisa Maraj, Chief Financial Officer at (832) 300-3200.

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