

# Ng Energy Announces Closing Of \$35,000,000 Private Placement Of Senior Secured Convertible Debenture Units And Cfo Appointment

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VANCOUVER, Dec. 1, 2022 - [NG Energy International Corp.](#) ("NGE" or the "Company") (TSXV: GASX) (OTCQX: GASXF) is pleased to announce that further to the Company's press release dated October 21, 2022, it has closed its non-brokered private placement offering (the "Offering") of senior secured convertible debenture units (the "Debenture Units") of the Company at a price of \$1,000 per Debenture Unit (the "Offering Price") for total aggregate gross proceeds of \$35,000,000.

Each Debenture Unit consists of: (i) one 10.0% convertible senior secured debenture with a principal amount of \$1,000 (each, a "Convertible Debenture") maturing on November 30, 2025 (the "Maturity Date"); and (ii) 1,000 common share purchase warrants of the Company (each, a "Warrant"), with each Warrant entitling the holder thereof to purchase one common share of the Company (a "Common Share") at an exercise price equal to \$1.08 for a period of three (3) years ending November 30, 2025.

The principal amount of each Convertible Debenture will be convertible, for no additional consideration, at the option of the holder, in whole or in part, at any time and from time to time, into Common Shares at a conversion price equal to \$0.90, as described in the indenture that will govern the Convertible Debentures.

Net proceeds of the Offering will be used to complete the Brujo-1x well, followed by the Hechicero-1x well, before the end of the year, which will provide the funds to allow the Company to complete phase 1 of its exploration program at Sinu-9; the remaining proceeds will be used for working capital.

NGE is also pleased to announce the appointment of Mr. Jorge Fonseca as Chief Financial Officer of the Company effective December 1, 2022. In conjunction with the appointment of Mr. Fonseca, Mrs. Marianella Bernal will transition from her role as Chief Financial Officer of the Company to become Senior Vice President of Finance as well as assume the role of Country Manager in Colombia, supporting Mr. Fonseca.

Mr. Fonseca has over 24 years of experience in the oil & gas and investment banking sectors and has extensive in country experience in Colombia. Most recently, Mr. Fonseca served as Structure Trade Finance Director for the oil bench in Europe, the Middle East and Africa for British Petroleum. He has worked at BP p.l.c., Frontera Energy Corp., Pacific Rubiales Energy Corp., Citigroup Inc., BBVA S.A. and Corporacion Andina de Fomento (CAF). His experience encompasses corporate finance, structured finance, project finance, mergers and acquisitions, initial public offerings, debt capital markets, bond issuance, corporate restructuring, derivatives, treasury management and more. He has been a part of leading and closing cross border transactions amounting to over US\$22 billion, in aggregate. Mr. Fonseca holds a Bachelor (Honors) of Science in Economics from Buckingham University (UK) and a Masters (Honors) in International Finance from the University of Glasgow (UK).

Serafino Iacono, Chief Executive Officer of NGE, commented: "In addition to Jorge's wealth of experience in Colombia, his appointment will allow the Company to internationalize its participation in new stock markets and expand its activities in other countries. Marianella has been a fundamental pillar of our growth to date and will continue focusing on the finances and management of our projects in Colombia as our Country Manager."

Insiders subscribed for [5,350] Debenture Units in the Offering. The private placement of Units to insiders is

exempt from the formal valuation and minority approval requirements of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101") and TSXV Policy 5.9 by the application of sections 5.5(a) and (b) and 5.7(1)(a) of MI 61-101 because the Common Shares trade on the TSX Venture Exchange ("TSXV") and insider participation was less than 25% of the Company's market capitalization as calculated for purposes of MI 61-101. No new insiders were created, nor has there been any Change of Control, as a result of the closing of the Offering. The Company did not file a material change report more than 21 days before the expected closing of the Offering, as the details and amounts of the insider participation were not finalized until closer to the closing and the Company wished to close the transaction as soon as practicable for sound business reasons.

The Company further announces that, pursuant to the Offering, Mr. Serafino Iacono and an entity related to him subscribed for Debenture Units in the principal amount of \$2,750,000. Prior to this transaction, Mr. Iacono directly and indirectly had ownership and control over 12,327,339 Common Shares of the Company, representing 9.85% of the issued and outstanding Common Shares; Series A convertible debentures in the aggregate amount of \$6,500,000, convertible into 5,416,666 Common Shares; and 2,654,750 warrants and 1,235,000 stock options of the Company; assuming the exercise of the convertible securities, Mr. Iacono beneficially owned and controlled, in aggregate, 21,633,755 Common Shares representing 16.09% of the issued and outstanding Common Shares of the Company, on a partially diluted basis. Assuming the conversion of the Debentures acquired pursuant to the Offering, 3,055,555 Common Shares and 2,750,000 Warrants would be issuable to Mr. Iacono, and he would beneficially own and control in aggregate 27,439,310 Common Shares representing 19.57% of the issued and outstanding Common Shares of the Company, on a partially diluted basis, assuming the exercise of pre-existing and underlying warrants and stock options.

Mr. Iacono may in the future acquire or dispose of securities of the Company, through the market, privately or otherwise, as circumstances or market conditions warrant. A copy of the Early Warning Report filed by Mr. Iacono may be obtained from the Company's SEDAR profile.

Pursuant to the Offering, Mr. Frank Giustra and an entity related to him directly and indirectly subscribed for Debenture Units in the principal amount of \$2,000,000. Prior to the financing, Mr. Giustra had ownership and control over 19,935,534 Common Shares of the Company, representing 15.93% of the issued and outstanding Common Shares; and 57,500 warrants and 225,000 stock options of the Company; assuming the exercise of the convertible securities, Mr. Giustra beneficially owned and controlled in aggregate 20,218,034 Common Shares, representing 16.12% of the issued and outstanding Common Shares of the Company, on a partially diluted basis. Assuming the conversion of the Convertible Debentures acquired pursuant to the Offering, 2,222,222 Common Shares and 2,000,000 Warrants would be issuable to Mr. Giustra and he would beneficially own and control in aggregate 24,440,256 Common Shares representing 18.85% of the issued and outstanding Common Shares of the Company, on a partially diluted basis, assuming the exercise of pre-existing and underlying warrants and stock options.

Mr. Giustra may in the future acquire or dispose of securities of the Company, through the market, privately or otherwise, as circumstances or market conditions warrant. A copy of the Early Warning Report filed by Mr. Giustra may be obtained from the Company's SEDAR profile.

Pursuant to applicable Canadian securities laws, all securities issued and issuable in connection with the closing of the Offering will be subject to a four (4) month hold period ending March 31, 2023.

The Offering remains subject to final acceptance by the TSXV and all regulatory approvals.

All dollar amounts are stated in Canadian dollars.

About NG Energy International Corp.

[NG Energy International Corp.](#) is a publicly traded E&P company on a mission to provide a clean and sustainable solution to Colombia's energy needs. The Company intends on executing this mission by producing and bringing gas to the premium priced Colombian gas market from SN-9, a 311,353 acres block which is adjacent to Canacol's Nelson field, as well as Maria Conchita, a 32,518-acre block located in the region of La Guajira. NGE's team has extensive technical expertise and a proven track record of building companies and creating value in South America. For more information, please visit SEDAR ([www.sedar.com](http://www.sedar.com)) and the Company's website ([www.ngenergyintl.com](http://www.ngenergyintl.com)).

