Ng Energy Announces Significant Increase To Pre-tax Npv-10 With Updated Reserves And Resources Reports From Maria Conchita & SinÚ-9

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VANCOUVER, March 23, 2023 - NG Energy International Corp. ("NGE" or the "Company") (TSXV: GASX) (OTCQX: GASXF) is pleased to announce the results of its independent evaluation of natural gas and condensate reserves and resources in respect of the year ended December 31, 2022 conducted by Sproule International Limited ("Sproule"). These results highlight a very successful 2022 for the Company following the completion of the production facilities and start of commercial production at the Maria Conchita Block and the successful drilling and testing of two exploration wells at the Sinú-9 Block.

Highlights:

- Sinú-9 Block
  - Company gross unrisked best estimate contingent resources (development pending) of 249.5 [illegible] (346.5 BCF project gross) [illegible]
  - Company gross unrisked high estimate contingent resources (development pending) [illegible]
  - Advanced [illegible]
- Maria Conchita Block
  - 71% year over year increase in 3P reserves;
  - [illegible]
  - Company gross Probable reserves of 17.5 BCF (21.9 BCF project gross) of natural gas [illegible]
  - Company gross Possible reserves [illegible] MBBL project gross) of condensate for before-tax NPV_{10} of US$12.8 million;
  - Company gross Proved + Probable + Possible (3P) reserves of 46.8 BCF (58.5 BCF [illegible] natural gas and 72 MBBL (90 MBBL project gross) of condensate for before-tax NPV [illegible] million;
  - Company gross unrisked best estimate contingent resources (development pending) [illegible] BCF project gross) for before-tax NPV_{10} of US$49.7 million; and
  - Company gross unrisked high estimate contingent resources (development pending) [illegible] (172.2 BCF project gross) for a before-tax NPV_{10} of US$120.3 million.

Serafino Iacono, CEO commented: "We are extremely pleased with the results of the independent evaluation of the Company's reserves and contingent resources at Maria Conchita and Sinú-9. 2022 was a significant upgrade from our 2021 reserve and resource estimates. Our drilling success in 2022 combined with extensive work from our technical team and Sproule in the evaluation of both fields has helped us to significantly de-risk our asset base. We are very encouraged by the best and high estimate figures for contingent resources at Sinú-9 and Maria Conchita which demonstrate significant value in our growing company versus our current market capitalization. We look to confirming these contingent resources with additional drilling and near-term advancements in infrastructure. The core focus for the Company this year is to achieve early monetization of gas from Sinú-9. Our management team is targeting a combined production base between 25-30 MMSCFD from both fields by year-end. This falls in line with the Company's long term objective of building a 200 MMSCFD production base. I would like to thank all members of our team for their tireless effort, and our shareholders and supporters, as we continue to grow this company and aim to make a significant impact on the natural gas reserves in Colombia."

Maria Conchita Block in the Guajira Basin, Colombia - 2022 Reserves

The report entitled "Evaluation of the P&NG Reserves and Resources of NG Energy International in the Maria Conchita Block, Colombia" (the "Maria Conchita Report") was prepared by Sproule with an effective date of December 31, 2022. The Company holds an 80% working interest in the Maria Conchita Block. Reserves and resources attributed to the H1A, H1A1, H1B, H2, H2B and LM2 zones have been included in the Maria Conchita Report. Contingent resources for the Maria Conchita Block are petroleum and natural gas classified as "development pending" and are attributed a chance of development risk factor of 0.73. However, the Company believes the unrisked best estimate contingent resources provides the most appropriate indication of volumes that will become 2P petroleum and natural gas reserves. Based on the foregoing, the Maria Conchita Report estimates the following reserves and resources:

- 74% year over year increase in Proved reserves to Company gross 3.6 MMBOE (21.5 BCF of natural gas and 47 MBBL of condensate);
- 16% year over year increase in Probable reserves to Company gross 2.9 MMBOE (17.5 BCF of natural gas and 14 MBBL of condensate);
- Initial Possible reserves of Company gross 1.3 MMBOE (7.9 BCF of natural gas and 11 MBBL of condensate);
- 71% year over year increase in Proved + Probable + Possible (3P) reserves at the Maria Conchita Block to Company gross 7.9 MMBOE or 46.8 BCF (before-tax NPV_{10} of US$ 50.1 million); and
- Company gross unrisked best estimate contingent resources (development pending) of 65.8 BCF of natural gas and 136 MBBL of condensate or 11.1 MMBOE (before-tax NPV_{10} of US$ 49.7 million) and unrisked high estimate contingent resources (development pending) of 137.8 BCF of natural gas and 283 MBBL of condensate or 23.2 MMBOE (before-tax NPV_{10} of US$ 120.6 million.).

For further disclosure regarding the Maria Conchita Block please see the section entitled "Additional Disclosure Regarding the Maria Conchita and Sinú-9 Block" below. Additionally, for further disclosure

regarding possible reserves and contingent resources, as well as other applicable oil and gas disclosure please see the cautionary statements below.

Sinú-9 Block in the Sinú San Jacinto Basin of Colombia - 2022 Contingent Resources

The report entitled "Evaluation of the P&NG Resources of NG Energy International in the Sinú-9 Block, Colombia" (the "Sinú-9 Report") was prepared by Sproule with an effective date of December 31, 2022. The Company's working interest in the the Sinú-9 Block is 72%, subject to payment of ANH sliding scale royalties. Resources attributed to the Hechizo, Brujo, Magico, Mago, Hechicero, Encanto, Milagroso, Porquero, Embrujo, Ensalmo and Sortilegio zones have been included in the Sinú-9 Report. Contingent resources for the Sinú-9 Block are petroleum and natural gas classified as "development pending" and are attributed a chance of development of 80%. However, the Company believes the unrisked best estimate contingent resources provides the most appropriate indication of volumes that will become 2P petroleum and natural gas reserves. Based on the foregoing, the Sinú-9 Report estimates Company gross unrisked best estimate contingent resources (development pending) of 249.5 BCF (before-tax NPV_{10} of US$ 294.4 million) and Company gross unrisked high estimate contingent resources (development pending) of 596.4 BCF (before-tax NPV_{10} of US$ 873.9 million).

For further disclosure regarding the Sinú-9 Block please see the section entitled "Additional Disclosure Regarding the Maria Conchita and Sinú-9 Block" below. Additionally, for further disclosure regarding contingent resources, as well as other applicable oil and gas disclosure please see the cautionary statements below.

Additional Disclosure Regarding the Maria Conchita Block and Sinú-9 Block

Maria Conchita Block

Total gas is planned to be produced through new and existing wellbores and a pipeline to a processing facility using established recovery technology.

The development plan for the reserves area located within the Maria Conchita Block includes the production maintenance of the Aruchara-1 well, as well as the drilling of a total of 6 wells; 3 in the Aruchara field and 3 in the Tinka field on 425 acres spacing. Production will be processed through an existing facility.

The development plan for the contingent resources area located within the Maria Conchita Block includes the drilling of a total of 10 wells; 9 in the Aruchara field and 1 in the Tinka field on 425 acres spacing. Additionally, expansion of the existing facility is included to a total capacity of 60 million cubic feet per day for the best estimate scenario. Due to the number of reservoirs identified in the area, the number of wells may change by category according to the uncertainty identified in reservoir areas, since they are not completely centric with respect to each other.

The natural gas and condensate reserves and resources were estimated based on the technically recoverable volume, operating and capital costs and the terms of the fiscal regime. Forecasts of net revenue were prepared by predicting the annual production from the reserves, resources and product prices. Gas reserves and resources have only been assigned based on the gas contracts and the gas contract precedents in effect as of December 31, 2022.

In sum, the development forecast presented in the Maria Conchita Report was based on a complete evaluation of the Company's lands for the zones identified by the Company to be prospective for economic development as of December 31, 2022. The development forecast represents full development of the lands for which reserves and resources could be assigned. Additional potential could exist within zones which were not identified by the Company, within the scope of the Maria Conchita Report.

Sinú-9 Block

Total gas is planned to be produced through new and existing wellbores and a pipeline to a processing facility using established recovery technology.

The development plan for the Sinú-9 Block includes the drilling of 13 locations for the low estimate scenario, 25 locations for the best estimate scenario, and 32 locations for the high estimate scenario. Production will be processed through new facilities to be built by the Company. Due to the number of reservoirs identified in the area, the number of wells may change by category according to the uncertainty identified in the reservoir areas, since they are not completely concentric with respect to each other.

The natural gas resources were estimated based on the technically recoverable volume, budgeted operating and capital costs and the terms of the fiscal regime. Forecasts of net revenue were prepared by predicting the annual production from the resources and product prices. Gas resources have only been assigned based on the gas contracts and the gas contract precedents expected to be in place at production start-up.

In sum, the development forecast presented in the Sinú-9 Report was based on a complete evaluation of the Company's lands for the zones identified by the Company to be prospective for economic development as of December 31, 2022. The development forecast represents full development of the lands for which resources could be assigned. Additional potential could exist within zones which were not identified by the Company, within the scope of the Sinú-9 Report.

With regard to the costs associated with achieving additional commercial production at the Maria Conchita Block and the Sinú-9 Block, and the general timeline of the projects, please see the Company's Annual Information Form dated April 13, 2022 and its most recent Management's Discussion & Analysis, both of which can be found at www.sedar.com.

Sproule International Limited, an independent qualified reserves and resources evaluator, has conducted the reserves and resource evaluation for the Maria Conchita Block and Sinú-9 Block in accordance with the Canadian Oil and Gas Evaluation Handbook (the "COGE Handbook"). It adheres in all material aspects to the principles and definitions established by the Calgary Chapter of the Society of Petroleum Evaluation Engineers regarding annual reserve and resource reports that are being released in the public domain. The COGE Handbook is incorporated by reference in National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities ("NI 51-101"). Sproule has also reviewed the contents of this news release and found it to be prepared in accordance with NI 51-101.

Restricted Share Units Grant

Further to the Company's press release dated March 21, 2023, the Company has decided to cancel the previously announced grant of an aggregate of 5,725,000 restricted share units (the "RSUs") to officers, directors, employees and consultants of the Company. The grant of the RSUs will be reconsidered by the Company at a later date.

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 the blocks, SN-9, a 311,353 acres block which is adjacent to Canacol's Nelson field, as well 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) and the Company's website (www.ngenergyintl.com).

Cautionary Statement Regarding Forward-Looking Information

Except for the statements of historical fact, this news release contains "forward-looking information", within the meaning of the applicable Canadian securities legislation, that is based on expectations, estimates and projections as at the date of this news release. The information in this news release regarding any development forecast and other forward-looking information includes but is not limited to information concerning the intentions, plans and future actions of the Company.

Factors that could cause actual results to differ materially from those described in such forward-looking information include, but are not limited to, risks related to the Company's inability to perform the proposed operations.

Any forward-looking information speaks only as of the date on which it is made and, except as may be

required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Abbreviations

The abbreviations set forth below have the following meanings:

Oil and Natural Gas Liquids		Natural Gas	
bbls	barrels	Mcf	thousand cubic feet
bbls/d	barrels per day	MSCFD	thousand standard cubic feet per day
Mbbls	thousand barrels	MMcf	million cubic feet
boe	barrels of oil equivalent	MMSCFD	million standard cubic feet per day
boe/d	barrels of oil equivalent per day	Bcf	billion cubic feet
MMboe	million barrels of oil equivalent	MMBtu	one million British thermal units
NGLs	natural gas liquids	m³	cubic metres
		GJ	gigajoule

Other	
WTI	West Texas Intermediate crude oil benchmark price determined at Cushing, Oklahoma
M$	thousands of dollars
NPV_{10}	present value using a 10% forward discount rate

Caution Regarding Use of Barrels of Oil Equivalent (BOEs)

BOEs/boes may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf to 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. As the value ratio between gas and crude oil based on the current prices of gas and crude oil is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

Caution Respecting Reserves Information

The determination of oil and gas reserves involves the preparation of estimates that have an inherent degree of associated uncertainty. Categories of proved, probable and possible reserves have been established to reflect the level of these uncertainties and to provide an indication of the probability of recovery. The estimation and classification of reserves requires the application of professional judgement combined with geological and engineering knowledge to assess whether or not specific reserves classification criteria have been satisfied. Knowledge of concepts including uncertainty and risk, probability and statistics, and

deterministic and probabilistic estimation methods is required to properly use and apply reserves definitions.

The recovery and reserve estimates of NGLs and gas reserves provided herein are estimates only. Actual reserves may be greater than or less than the estimates provided herein. The estimated future net revenue from the production of the disclosed gas reserves does not represent the fair market value of these reserves.

Information Regarding Reserves

Reserves are estimated remaining quantities of commercially recoverable oil, gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on the analysis of drilling, geological, geophysical and engineering data; the use of established technology; and specified economic conditions, which are generally accepted as being reasonable. Reserves are further classified according to the level of certainty associated with the estimates and may be subclassified based on development and production status.

"Proved reserves" are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated Proved reserves.

"Probable reserves" are those additional reserves that are less certain to be recovered than Proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated Proved plus Probable reserves.

"Possible reserves" are those additional reserves that are less certain to be recovered than Probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated Proved plus Probable plus Possible reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of Proved plus Probable plus Possible reserves.

The qualitative certainty levels referred to in the definitions above are applicable to "individual reserves entities" (which refers to the lowest level at which reserves calculations are performed) and to "reported reserves" (which refers to the highest-level sum of individual entity estimates for which reserves estimates are presented). Reported reserves should target the following levels of certainty under a specific set of economic conditions:

- at least a 90% probability that the quantities actually recovered will equal or exceed the estimated Proved reserves; and
- at least a 50% probability that the quantities actually recovered will equal or exceed the sum of estimated Proved plus Probable reserves.

A qualitative measure of the certainty levels pertaining to estimates prepared for the various reserves categories is desirable to provide a clearer understanding of the associated risks and uncertainties. However, the majority of reserves estimates will be prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

Each of the reserve categories (Proved and Probable) may be divided into developed and undeveloped categories as follows:

"Developed Producing reserves" are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

"Developed Non-Producing reserves" are those reserves that either have not been on production, or have previously been on production, but are shut-in, and the date of resumption of production is unknown.

"Undeveloped reserves" are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (Proved, Probable and

Possible) to which they are assigned and expected to be developed within a limited time.

In multi-well pools it may be appropriate to allocate total pool reserves between the developed and undeveloped subclasses or to subdivide the developed reserves for the pool between developed producing and developed nonproducing. This allocation should be based on the estimator's assessment as to the reserves that will be recovered from specific wells, facilities and completion intervals in the pool and their respective development and production status.

Information Regarding Resources

"Contingent resources" are those quantities of oil or gas estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies are conditions that must be satisfied for a portion of contingent resources to be classified as reserves that are: (a) specific to the project being evaluated; and (b) expected to be resolved within a reasonable timeframe.

The contingencies that apply to the contingent resources in the Maria Conchita Block are as follows:

(1) Regulatory Approval: The Company has not submitted a regulatory application for the development of the contingent resource area. The absence of the submission of an application to expand the development has resulted in the contingency. Once the application has been submitted this contingency would be lifted;

(2) Timing of Production and Development: The development plan (which has not been submitted in accordance with the regulations) includes a high concentration of wells to be drilled per year. A small risk factor has been applied to account for the risk of development proceeding at a slower pace. Once the Company demonstrates this level of development is sustainable this contingency would be lifted; and

(3) Infrastructure and Market Considerations: Current infrastructure in the contingent resources area does not allow access to pipelines or existing facilities. This has restricted the volumes of produced hydrocarbon from the contingent resources area that can access viable markets. Therefore, pipelines need to be built to allow for the product to reach markets. Once this has been completed or is contracted to be completed in the near term, this contingency would be lifted.

The contingencies that apply to the contingent resources in the Sinú-9 Block are as follows:

(1) Timing of Production and Development: The Company has not prepared a detailed development and the overall timing of production is unknown. It is anticipated that as the development plan is refined the Company would be able to make a final investment decision, at which point this contingency would be lifted;

(2) Infrastructure and Market Considerations: Current infrastructure in the contingent resources area does not allow access to pipelines or existing facilities, although there are two third party facilities nearby and the Company has begun discussions with the relevant third parties. Once this has been completed or is contracted to be completed in the near term, this contingency would be lifted.

(3) Corporate Commitment: The Company is committed to move forward with the commercial development of the assets assigned as contingent resources, but currently there is no final investment decision. Therefore, the risk factor is low; and

(4) Regulatory Approval: The Company has not submitted a regulatory application for the development of the total contingent area, but its virtually certain that they will obtain regulatory approval. Therefore, the risk is low. Once the application has been submitted this contingency would be lifted.

Contingent resources are further categorised according to the level of certainty associated with the estimates and may be sub-classified based on a project maturity and characterised by their economic status. There are three classifications of contingent resources: low estimate, best estimate and high estimate. Best estimate is a classification of estimated resources described in the COGE Handbook as the best estimate of the quantity

that will be actually recovered; it is equally likely that the actual remaining quantities recovered will be greater or less than the best estimate. If probabilistic methods are used, there should be at least a 50% probability that the quantities actually recovered will equal or exceed the best estimate.

The project maturity subclasses include development pending, development on hold, development unclarified and development not viable. All of the contingent resources disclosed in this news release are classified as development pending. Development pending is defined as a contingent resource where resolution of the final conditions of development is being actively pursued. Chance of development is the likelihood that an accumulation will be commercially developed.

Conversion of the development pending contingent resources to reserves is dependent upon a final investment decision for the natural gas development of the Maria Conchita Block and Sinú-9 Block.

For the Maria Conchita Block the major positive factors relevant to the estimate of the development pending contingent resources are production tests performed in wells drilled in the area are showing gas presence and wells logged favourable reservoir quality formations. The major negative factors are the non-concentricity between target formations, which could cause an increase in the number of wells, long-term water production since some formations produced water and caused water loading up problems during well testing and insufficient infrastructure capacity to handle large volumes of gas.

For the Sinú-9 Block the major positive factors relevant to the estimate of the development pending contingent resources are production has already been tested for three fields (Brujo, Magico and Hechizo), analogs and test results show high potential for economically recoverable volumes and the proximity to existing infrastructure for gas gathering and compression. The major negative factors are the long-term sustainability of the gas price is unknown and the Company is estimated to make additional capital expenditures for new gathering and compression facilities in order to have production in the contingent fields.

There is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources.

Information Regarding Condensate

"Condensate", also called condensate, gas condensate, or natural gas liquids, is a low-density mixture of hydrocarbon liquids that are present as gaseous components in the raw gas produced from many gas fields. Some gas species within the raw gas will condensate to a liquid state if the temperature is reduced to below the hydrocarbon dew point temperature at a set pressure. Raw gas may come from any one of three types of gas wells:

(a) Crude Oil Wells: Raw gas that comes from crude oil wells is called "associated gas". This gas can exist separate from crude oil in the underground formation or be dissolved in the crude oil. Condensate produced from oil wells is often referred to as "lease condensate";

(b) Dry Gas Wells: These wells typically produce only raw gas that contains no hydrocarbon liquids. Such gas is called "non-associated gas". Condensate from dry gas is extracted at gas processing plants and is often called "plant condensate"; and

(c) Condensate Wells: These wells produce raw gas along with NGLs. Such gas is also called "associated gas" and is often referred to as "wet gas".

SOURCE NG Energy International Corp.

Contact
NG Energy International Corp., Serafino Iacono, CEO; Jorge Fonseca, CFO, Tel: +1 (604) 609-6110