

Ng Energy Announces Closing Of \$35,000,000 Private Placement Of Senior Secured Convertible Debenture Units And Board Of Directors Changes

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VANCOUVER, Aug. 1, 2023 - [NG Energy International Corp.](#) ("NGE" or the "Company") (TSXV: GASX) (OTCQX: GASXF) is pleased to announce that further to the Company's press releases dated July 6, 2023 and July 10, 2023, 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 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 July 31, 2026 (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 (each a "Common Share") at an exercise price equal to \$0.90 for a period of three (3) years ending July 31, 2026.

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 \$0.70, as described in the indenture that will govern the Convertible Debentures.

Board of Director's Update

NGE is also pleased to announce that the changes to the board of directors (the "Board") announced in the Company's July 6, 2023 press release have been made effective, subject to TSX Venture Exchange ("TSXV") approval, with Mr. Brian Paes-Braga joining the Board as the Company's Non-Executive Chair and Mrs. Luz Stella Murgas, Mr. Don Sewell and Mr. Brian O'Neill joining the Board as directors. Mr. Gordon Keep and Mr. Jeffrey Harder have retired from the Board.

Serafino Iacono, CEO of NGE, commented: "I am very pleased to officially welcome our new Board Chair and Board members, along with their significant capital commitment to this company. These board members add exceptional depth and experience to our team as we enter this new high growth phase. With the closing of this financing, the Company is fully focused on executing its development plans on Maria Conchita and our flagship Sinu-9 project. I also wish to thank Jeffrey, who will remain as an advisor to the Company for the next three months, and Gordon for their hard work on behalf of the Company and wish them well in their future endeavours."

Brian Paes-Braga, Chairman of NGE, commented: "I want to personally thank all of our existing shareholders and management who participated in this critical financing, as well as welcome our new valued individual and institutional investors in this round. It is a very exciting time for our company and our stakeholders, with a number of important milestones being achieved in Q3 this year. The Company now has the capital it requires to move toward its goal of becoming an important energy transition company for Colombia."

Sinu-9 JOA Agreement with Clean Energy and Participation in VMM39

The Company is pleased to announce that concurrent with the closing of the Offering, it has finalized and signed a joint operating agreement with its partner in operations, Clean Energy, which solidifies the working interest (WI) in the Sinu-9 block at 72% and adds a new asset to the Company's portfolio with an option to

acquire a 25% WI in the VMM39 block. VMM39 is located in the center of Colombia in the Middle Magdalena Basin, which is responsible for more than 1.4 billion barrels of oil. The Company will participate in the San Diego-1X exploration well and have an option to acquire a 25% WI in the VMM39 block through that work, along with an additional option to increase its working interest in the block to 50% after the first well is complete.

Insider Participation in the Offering

Insiders subscribed for 6,100 Debenture Units in the Offering. The private placement of Debenture 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 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 (pursuant to TSXV rules), as a result of subscriptions for Debenture Units under 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 to which he provides investment advice subscribed for Debenture Units in the principal amount of \$1,000,000. Prior to this transaction, Mr. Iacono directly and indirectly had beneficial ownership or control over 13,662,339 Common Shares of the Company, representing 10.92% of the issued and outstanding Common Shares; convertible debentures in the aggregate amount of \$6,500,000, convertible into 5,416,666 Common Shares; convertible debentures in the aggregate amount of \$2,750,000, convertible into 3,055,556 Common Shares; and 5,404,750 warrants and 1,235,000 stock options of the Company; assuming the exercise of the convertible securities, Mr. Iacono beneficially owned or controlled, in aggregate, 28,774,311 Common Shares representing 20.52% of the issued and outstanding Common Shares of the Company, on a partially diluted basis. Following the Offering and due to the indenture provisions described below, Mr. Iacono would continue to beneficially own or control in aggregate 28,774,311 Common Shares representing 20.52% of the issued and outstanding Common Shares of the Company, on a partially diluted basis.

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. Brian Paes-Braga directly or indirectly subscribed for Debenture Units in the principal amount of \$5,000,000. Prior to the Offering, Mr. Paes-Braga had ownership or control over 10,054,220 Common Shares of the Company, representing 8.04% of the issued and outstanding Common Shares; 2,516,500 warrants of the Company and 375,000 stock options of the Company; assuming the exercise or conversion of the convertible securities, Mr. Paes-Braga beneficially owned or controlled in aggregate 12,945,720 Common Shares representing 10.11% of the issued and outstanding Common Shares of the Company, on a partially diluted basis. Following the Offering, assuming the exercise or conversion of the Debenture Units, Mr. Paes-Braga would beneficially own or control in aggregate 25,088,577 Common Shares of the Company representing 17.9% of the issued and outstanding Common Shares of the Company, on a partially diluted basis.

Mr. Paes-Braga 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. Paes-Braga may be obtained from the Company's SEDAR profile.

The indentures that govern the Convertible Debentures and Warrants, respectively, contain certain provisions, which provide that holders of the Convertible Debentures and Warrants, as applicable, together with any person or company acting jointly or in concert with such holders, as determined in accordance with National Instrument 62-104 - Take Over Bids and Issuer Bids ("NI 62-104") (the "Joint Actors") shall not be able to convert their Convertible Debentures or exercise their Warrants, as applicable: (i) to the extent that such conversion or exercise, as applicable, would result in the holder beneficially owning or exercising control over, in the aggregate, 9.99% of the total issued and outstanding Common Shares, immediately after giving effect to such conversion or exercise, as applicable; provided that the Company, in its sole discretion, can waive the requirement for any current Insider (as such term is defined in NI 62-104) of the Company from time to time, and in such event, such Insider shall not be able to subsequently convert any Convertible Debentures or exercise any Warrants, as applicable, to the extent that such conversion would result in the

holder beneficially owning or exercising control over, in the aggregate, 19.99% of the total issued and outstanding Common Shares; or (ii) to extent such holder together with any Joint Actors would be deemed to hold a number of Common Shares sufficient to materially affect the control of the Company, until the Company has received shareholder approval and all applicable TSXV approvals in accordance with the policies of the TSXV. As a result of these provisions, even if the Company were to waive the first requirement, neither Mr. Iacono nor Mr. Paes-Braga would not be entitled to exercise any of their convertible securities if doing so would cause them, alone or in conjunction with any Joint Actor, to beneficially own or exercise control over, in the aggregate, 19.99% of the total issued and outstanding Common Shares.

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 December 1, 2023.

In connection with the Offering, the Company paid a finder's fee of \$200,500 to certain finders.

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

All dollar amounts are stated in Canadian dollars.

Net proceeds of the Offering will be allocated towards drilling and rework activities at the Aruchara-3 and Aruchara-1 wells, respectively, to fill pipeline capacity at Maria Conchita, the Company's continued development costs at Sinu-9 and to advance the Company's oil strategy with drilling activities at VMM39. The Company will use the balance of the proceeds for working capital.

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) and the Company's website (www.ngenergyintl.com).

Cautionary Statement Regarding Forward-Looking Information

This news release contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release, including, without limitation, the information contained in this news release regarding any development forecast, our statements related to the use of proceeds of the Offering and the Company's target production capacity. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Factors that could cause actual results to differ materially from those anticipated in these forward-looking statements are described under the caption "Risks Factors" in the Company's most recent Management Discussion and Analysis and its Annual Information Form dated June 30, 2023, which are available for view on SEDAR at www.sedar.com. These risks include but are not limited to, the risks associated with the oil and natural gas industry, such as exploration, production and general operational risks, volatility of pricing for oil and natural gas, changing investor sentiment about the oil and natural gas industry, competition in the markets where the Company operates, any delays in production, marketing and transportation of natural gas, drilling costs and availability of equipment, regulatory approval risks and environmental risks. Forward-looking statements contained herein, including but not limited to the Company's statements related to the use of proceeds of the Offering and the Company's target production capacity are made as of the date

of this news release, and the Company disclaims, other than as required by law, any obligation to update any forward-looking statements whether as a result of new information, results, future events, circumstances, or if management's estimates or opinions should change, or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, the reader is cautioned not to place undue reliance on forward-looking statements.

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.

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