

Ng Energy Provides Update On Oil Strategy

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- Option to acquire 25% working interest in the VMM39 block with upcoming drilling in an established oil basin.
- Submission being prepared to drill and test SINU-9 oil prospect.

VANCOUVER, Aug. 9, 2023 - [NG Energy International Corp.](#) ("NGE" or the "Company") (TSXV: GASX) (OTCQX: GASXF) wishes to provide an update on the Company's oil prospects and provide further details on its previously announced option to acquire a 25% working interest (WI) in the VMM39 Block (the "Option"). The Option is exercisable by the Company, in its sole discretion and for no additional consideration, upon completion of the San Diego-1X exploration well located in the VMM39 Block.

The Company intends to advance prospective resources (leads) at both VMM39, as a non-operating partner of Clean Energy, and Sinu-9 blocks to serve as a complementary strategy and based on success, provide potential cash flow to further advance the Company's growing natural gas business.

"NG Energy continues to be focused on providing the critical transition fuel of natural gas to Colombians; however, we feel it important to our shareholders to advance a strategy that tests potential latent value that is sitting within our Company's current concessions, like Sinu-9, as well as provides potential near term cash flow to continue to capitalize and advance our gas business," commented Serafino Iacono, CEO of NG Energy.

VMM39 Block

- VMM39 is located in the center of Colombia in the Middle Magdalena Basin, which is responsible for historic production of greater than 1.4 billion barrels of oil.
- The VMM39 block hosts significant potential for light oil with associated gas and is well-positioned in the middle of the strategic oil and gas infrastructure in Colombia, located just 60km from the largest refinery in the country, the Barrancabermeja Refinery.
- The Company will participate in the San Diego-1X exploration well with an option to acquire a 25% WI in the block.

Sinu-9 Block (72% WI) - Oil Prospect

- In 2022, the Company identified light crude resources in the Western Region of the Sinu-9 block.²
- Using Isochron data and the previously drilled ANH LA X-1 stratigraphic well, which contains good oil shows in various sections of the cores, the Company identified unrisked best estimate prospective resources (leads) of 279 million barrels of oil.^{3,4}
- The Company is preparing to submit an application to the ANH in order to test these prospective resources upon receipt of approval to drill.

Note, 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.

¹Ecopetrol announces commerciality in two oil fields in Santander, October 11, 2021

(<https://www.ecopetrol.com.co/wps/portal/Home/en/news/detail/Noticias-2021/ecopetrol-announces-commerciality-two->

² As disclosed in the Company's press release dated March 24, 2022 entitled "NG Energy Announces Light Crude Oil Prospective Resources in Sinu 9 Block".

³ Risked prospective resources can be estimated once the lead is upgraded to prospect. Lead is defined as a potential accumulation within a play (a family of geologically similar fields, discoveries, prospects and leads) that requires more data acquisition and/or evaluation to be classified as a prospect.

⁴ Estimates of Prospective Resources are from the Company's report entitled "Evaluation of the Interests of [NG Energy International Corp.](#) in the Prospective Resources within the Sinu 9 Block in the Sinu San Jacinto Basin of Colombia" prepared by Petrotech Engineering Ltd., an independent qualified reserves and resources evaluator, in accordance with the COGE Handbook with an effective date of February 28, 2022.

Details on Transaction for VMM39

The Company's acquisition of the Option (the "Transaction") was completed pursuant to an investment and option agreement dated July 31, 2023 among CleanEnergy Resources S.A.S. ("Clean"), MKMS Enerji Sucursal Colombia, a wholly owned subsidiary of the Company, and the Company. The Transaction is an arm's length transaction and subject to final approval of the TSX Venture Exchange.

Pursuant to the Transaction, the Company has issued a total of 6,592,000 common shares at a deemed price of C\$0.80 per share for total share consideration of approximately US\$4,000,000 (the "Issued Shares"). 3,296,000 Issued Shares will be subject to a four-month hold period under applicable securities laws, with the remaining 3,296,000 Issued Shares subject to a one-year hold period. Additionally, pursuant to the Transaction, the Company paid Clean cash consideration in the amount of US\$5,500,000 as an investment into the development activities at the San Diego-1X exploration well located in the VMM39 Block.

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.sedarplus.ca) 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 and our statements related to anticipated business plans or strategies, including future drilling activities in the Sinu-9 Block and the TSX Venture Exchange's approval of the Transaction. 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 anticipated business plans or strategies, including future drilling activities in the Sinu-9 Block and the TSX Venture Exchange's approval of the Transaction 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.

Information Regarding Prospective Resources

This news release discloses estimates of the Company's prospective resources. There is no certainty that it will be commercially viable to produce any portion of such prospective resources. Estimates of prospective resources involve additional risks over estimates of reserves. The accuracy of any resources estimate is a function of the quality and quantity of available data and of engineering interpretation and judgment. While resources presented herein are considered reasonable, the estimates should be accepted with the understanding that reservoir performance subsequent to the date of the estimate may justify revision, either upward or downward.

Prospective Resources are defined in the COGE Handbook as those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery⁵ and a chance of development⁶. Prospective Resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery:

- Low Estimate: This is considered to be a conservative estimate of the quantity that will actually be recovered. It is likely that the actual remaining quantities recovered will exceed the low estimate. If probabilistic methods are used, there should be at least a 90 percent probability (P90) that the quantities actually recovered will equal or exceed the low estimate.
- Best Estimate: This is considered to be the best estimate of the quantity that will actually be 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 percent probability (P50) that the quantities actually recovered will equal or exceed the best estimate.
- High Estimate: This is considered to be an optimistic estimate of the quantity that will actually be recovered. It is unlikely that the actual remaining quantities recovered will exceed the high estimate. If probabilistic methods are used, there should be at least a 10 percent probability (P10) that the quantities actually recovered will equal or exceed the high estimate.

Prospective resources are not, and should not be confused with, reserves or contingent resources. "Prospective Resources" are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both an associated chance of discovery and a chance of development.

There is no certainty that any portion of the prospective resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the prospective resources or that the Company will produce any portion of the volumes currently classified as prospective resources.

The estimates of prospective resources involve implied assessment, based on certain estimates and assumptions, that the resources described exists in the quantities predicted or estimated, as at a given date, and that the resources can be profitably produced in the future. Actual prospective resources (and any volumes that may be reclassified as reserves) and future production therefrom may be greater than or less than the estimates provided herein.

The resource estimates presented above are subject to certain risks and uncertainties, including those associated with the drilling and completion of future wells, limited available geological and geophysical data and uncertainties regarding the actual production characteristics of the reservoirs, all of which have been assumed for the preparation of the resource estimates.

⁵ The chance that an exploration project will result in the discovery of petroleum is referred to as the Chance of Discovery.

⁶ The chance that an accumulation will be commercially developed is referred to as the Chance of Development.

SOURCE [NG Energy International Corp.](#)

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