Ng Energy Provides Sinu-9 Development Update And Announces Transition Of Board Of Directors And Senior Management

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CALGARY, Aug. 6, 2024 - NG Energy International Corp. ("NGE" or the "Company") (TSXV: GASX) (OTCQX: GASXF) to provide a development update for its flagship Sinu-9 gas project in Colombia as well as changes to its board of direc "Board") and senior management team.

Sinu-9 Phase 1 Infrastructure Development Update

Since the Company last provided a development update in its June 27, 2024 news release, the Company, with its field Clean Energy Resources S.A.S. and Desarrolladora Oleum and infrastructure partners Surenergy S.A.S. E.S.P. and IN S.A.S E.S.P., has made significant progress across all activities and is now in the final stages of completing constructio for the successful completion of its Phase 1 infrastructure project at Sinu-9. Currently, as part of NGE's commitment to communities, there are over 140 local workers building this critical energy project for Colombia. The Company is deligh report that its relationships with local communities are strong and continue to strengthen and that there have been no b stoppages since its June 27, 2024 news release. Facilities equipment mobilization and assembly is in the final stages a connections are nearing completion, which will enable early production by the end of August and full production in Sept

The remaining activities required to complete the construction of the Phase 1 infrastructure, with expected completion d as follows:

- Brujo platform and civil works: the final stage of completing bases for all production and treatment facilities, auxilia complementary works is expected to be complete by mid-August;
- Brujo-1X well completion: the Brujo-1X well has been successfully completed and is ready for production with 3 1 packers and sleeves, enabling commingled production or, if necessary, production from separate zones tested via during drilling. These tests achieved flow rates of up to 21 MMcf/d from the upper zone alone. The wellbore brine displaced, and gas has been flared at the rig flare. The well has been shut down and is now ready to commence p as soon as facilities are completed, pending connection to the Central Processing Facility (CPF), which is current final stage of construction;
- Brujo-1X flowline to platform: expected to be completed by mid-August to allow for early production;
- Magico-1X flowline to platform: expected to be completed by the end of September to add additional natural gas t system to get to the full 30 MMcf/d capacity;
- Gathering, treatment and compression facilities (Surenergy S.A.S E.S.P): the treatment plant and two compresso been successfully loaded in Cartagena and mobilization to site is underway to allow for an expedited production s additional compressors to be moved by the end of August (from Brujo-1X); and
- Pipeline connection equipment installation and completion of the 32km pipeline (INFRAES S.A.S E.S.P): the pipe complete and is in the final stage to be prepared and ready to connect the pipeline to the CPF.

As of the end of July, the total workforce for the Sinu-9 Phase 1 infrastructure project reached a milestone of approxima individuals, comprising staff, contractors, and local workers. With all final construction activities nearing completion, cor of Phase 1 for early production is expected in the next three to four weeks and full production is expected to commence next six to eight weeks.

Maria Conchita Operational Update

Further to the Company's June 27, 2024, news release, the Company has completed its production optimization activiti Conchita and is now completing production planning and geological studies to test and successfully produce natural ga discovered H4 zone from the Aruchara-3 well.

Board and Senior Management Transition

The Company has accepted Serafino Iacono's resignation as director and Co-Chairman of the Board. Mr. Iacono has been a member of the Board since June 3, 2019, and has served as Co-Chairman of the Board since March 22, 2024. In addition to being a member of the Board, Mr. Iacono served as a member of the compensation committee and has previously served as the Company's Chief Executive Officer from June 3, 2019 until March 22, 2024. In connection with his resignation, Mr. Iacono has voluntarily agreed to lock-up his shareholdings in the Company for a period of eight months.

The Company has also accepted Federico Restrepo-Solano's resignation as a director of NGE. Mr. Restrepo-Solano resigned as the Company's President and Chief Development Officer effective July 3, 2024. Mr. Restrepo-Solano has been a member of the Board since June 3, 2019, and had served as the Company's President and Chief Development Officer from December 1, 2022 until July 3, 2024. In addition to being a member of the Board, Mr. Restrepo-Solano served as a member of the compensation committee. In connection with his resignation, Mr. Restrepo-Solano has voluntarily agreed to lock-up his shareholdings in the Company for a period of eight months.

Both Mr. Iacono and Mr. Restrepo-Solano are stepping down as members of the Board to pursue other endeavors. Mr. Iacono and Mr. Restrepo-Solano remain strong supporters of the Company and intend to continue to support the Company's growth in consulting roles, as local resources in Colombia, and as shareholders.

The Company further announces the appointment of Mr. Don Sewell as the President of the Company. Mr. Sewell has been integrally involved in the Company's operations and, in particular, the advancement of the Sinu-9 Phase 1 infrastructure project, for the past twelve months since being appointed to the Board on July 31, 2023.

Mr. Don Sewell is a private and public company finance executive and former energy investment banker. Mr. Sewell currently serves as the Chief Financial Officer of a private global energy transition-focused royalty company in addition to leading energy transition investments for SAF Group. Previously, he served as the Chief Financial Officer of a TSX-listed consumer-packaged goods company and spent several years in the energy investment banking groups of a big six Canadian bank and an independent energy investment dealer. Mr. Sewell brings a broad range of experience in corporate finance, capital markets, operations, governance and securities regulatory matters, given his public company leadership experience and having advised on the completion of several billion dollars in energy sector M&A transactions and capital raises. Don holds a BSc degree from McGill University and is a CFA charterholder.

Brian Paes-Braga, Chief Executive Officer and Chairman of NGE, commented, "I would like to express my deepest appreciation and gratitude to Serafino Iacono and Federico Restrepo-Solano, two of the founders of NGE, for their unwavering service, personal financial commitment and dedication to the Company over these past years. I wish them both all the best in their future endeavours and appreciate their important ongoing support of NGE. I am delighted to announce Don Sewell as our new President. Having observed his increasing involvement in the Company's day-to-day operations over the past year and having worked with him for a few years now, I am confident in his ability to drive growth, support NGE in growing our organization and culture and drive operational excellence in this new role as we transition from explorer to a substantial producer of natural gas."

Mr. Paes-Braga continued, "These organizational changes come as we near the completion of our Phase 1 infrastructure project at Sinu-9 and build the foundation for accelerated future growth. I want to again personally thank all of our partners, employees and consultants for their heroic efforts in bringing this greenfield Sinu-9 project into reality, resulting in much needed energy for Colombians."

Following Mr. Iacono's resignation, Mr. Paes-Braga will serve as the sole Chairman of the Board and the board will decrease from eight members to six members.

In connection with the appointment of Mr. Sewell as President, he will be granted 1,195,000 RSUs, subject to vesting and performance requirements and 300,000 stock options, bearing an exercise price of $1.18. The stock options will expire five years from the date of grant and will vest in four equal tranches over the next four years.

About NG Energy International Corp.

NG Energy International Corp. is a growth-orientated natural gas exploration and production company focused on delivering long-term shareholder and stakeholder value through the discovery, delineation and development of large-scale natural gas fields in developing countries, supporting energy transition and economic growth. NGE's team has extensive technical and capital markets expertise with a proven track record of building companies and creating significant value in South America. In Colombia, the Company is executing on this mission with a rapidly growing production base and an industry-leading growth trajectory, delivering natural gas into the premium-priced Colombian marketplace (~US$8/MMBtu) with projected triple digit production growth over the next 2-3 years towards a production goal of 200 MMcf/d. The Company expects to achieve >150% increase in 2024 and has seen a 551% year-over-year increase in 3P reserves, 314% year-over-year increase in 2P reserves and 241% increase in 1P reserves. To date, over US$100 million has been invested in the exploration and development of Sinu-9 and Maria Conchita with significant contributions from insiders who currently own approximately 34% of the Company. Recently, Macquarie Group provided financing of up to US$100 million, including initial committed funding of US$50 million, resulting in a fully-funded 2024/2025 development plan and aligning NGE with a global financial institution. 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, statements related to the timeline for completion of the construction of Phase-1 infrastructure at Sinu-9, the timeline for commencing production at Sinu-9 and the testing of the Aruchara-3 well at Maria Conchita. 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 "Risk Factors" in the Company's most recent Management Discussion and Analysis and its Annual Information Form dated April 26, 2024, which are available for view on SEDAR+ at www.sedarplus.ca. 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, the volatility of pricing for oil and natural gas, the inability to market natural gas production and changes in natural gas sale prices, changing investor sentiment about the oil and natural gas industry, any delays in production, marketing and transportation of natural gas, drilling costs and availability of equipment, regulatory approval risks and environmental, health and safety risks. Forward-looking statements contained herein 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.

Abbreviations

The abbreviations set forth below have the following meanings:

Natural Gas	
MMcf/d	million cubic feet per day
MMBtu	one million British thermal units
Other	
3P reserves	Proved + Probable + Possible reserves
2P reserves	Proved + Probable reserves
1P reserves	Proved reserves

Information Regarding the Preparation of Reserves and Resource Information

Sproule International Limited ("Sproule"), an independent qualified reserves and resources evaluator, has conducted the reserves and resource evaluation for Maria Conchita and Sinú-9 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.

The Company's Form 51-101F1 - Statement of Reserves Data and Other Oil and Gas Information for the fiscal year ended December 31, 2023, prepared by Sproule in accordance with the COGE Handbook and has an effective date of December 31, 2023 (the "2023 51-101F1") was filed on SEDAR+ on April 26, 2024. As per the requirements of Form 51-101F1, since Maria Conchita and Sinú-9 are both located in Colombia, the Company has disclosed its reserves in the 2023 51-101F1 on an aggregated basis. The reserves in the 2023 51-101F1, which are attributed to Sinú-9 are based on the Sinú-9 Report (as defined below) and the reserves in the 2023 51-101F1, which are attributed to Maria Conchita are based on the Maria Conchita Report (as defined below). The Company uses natural gas liquids and conventional natural gas as the two product types to report the Company's reserves.

The report entitled "Evaluation of the P&NG Reserves and 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, 2023 and a preparation date of December 21, 2023. Sinú-9 is located in the Department of Córdoba, Colombia. The Company's working interest in Sinú-9 is 72%, subject to payment of ANH sliding scale royalties. Reserves and 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.

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, 2023 and a preparation date of December 20, 2023. The Company holds an 80% working interest in Maria Conchita, which is located in the Department of La Guajira, Colombia. Reserves and resources attributed to the H1, H1A, H1A1, H1B, H2, H2B, H3, H4 and LM2 zones have been included in the Maria Conchita Report.

For additional information regarding the Sinú-9 Report, the Maria Conchita Report and the reserves information contained in this news release please see the 2023 51-101F1 filed on SEDAR+ on April 26, 2024, and the Company's news release dated December 27, 2023 entitled "NG Energy Announces 551% YOY Increase to 3P Reserves".

Caution Respecting Reserves Information

The determination of oil and natural 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 natural gas liquids and natural 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 natural gas reserves does not represent the fair market value of these reserves.

Information Regarding Reserves

Reserves are estimated remaining quantities of commercially recoverable oil, natural 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 reserve
- at least a 50% probability that the quantities actually recovered will equal or exceed the sum of estimated Proved 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.

Estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation. Additionally, all estimates of future net revenue, whether calculated without discount or using a discount rate, do not represent fair market value.

SOURCE NG Energy International Corp.

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