

NG Energy International Corp. Commences Production And Sales From Sinu-9 And Provides Corporate Update

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- Sinu-9 production currently 8.3 MMcf/d
- Sinu-9 anticipated production November 20.0 - 25.0 MMcf/d
- Sinu-9 anticipated production December 25.0 - 29.3 MMcf/d
- Sinu-9 anticipated production Year-End ~29.3 MMcf/d
- Macquarie Group to Increase Line of Credit to an aggregate US\$25.6 million

[NG Energy International Corp.](#) ("NGE" or the "Company") (TSXV: GASX) (OTCQX: GASXF) is pleased to announce that, further to the Company's news release dated October 11, 2024, the resolution granted by the Colombian Ministry of Mines and Energy has successfully been registered in the Market System for Total Production Available for Sale of 29.3 MMcf/d at Sinu-9 (19.5 MMcf/d from the Brujo-1X well and 9.8 MMcf/d from the Magico-1X well) and Promigas S.A. E.S.P. has successfully calibrated the Jobo connection point. After completing the Brujo-1X well with three different zones based on the three drill stem tests ("DSTs") performed in November 2022, the Company has begun producing and selling gas from the lowest zone, and is currently producing 8.3 MMcf/d with tubing head pressure ("THP") of 1,750 PSI, a choke of 24/64" and a drawdown of just 50 PSI. Initial production is performing with better results than the DST-2 in November 2022, with an objective of producing more than 10 MMcf/d from this zone as the choke is widened. The Company will also begin to open the additional zones and ramp up production, as well as the tie-in of the Magico-1X well, all of which is expected to be completed in the first half of November. The Company anticipates producing from Sinu-9 20 - 25 MMcf/d in November, 25 - 29.3 MMcf/d in December and ~29.3 MMcf/d by the end of the year.

Brian Paes-Braga, Chief Executive Officer and Chairman commented "Today marks a significant milestone in the journey of NG Energy International, where Sinu-9 becomes a producing natural gas field. I want to thank all our shareholders, partners, employees and the communities in which we operate for the support, resilience, ambition and patience through Phase I development. Today symbolizes the incredible commitment from all of our stakeholders to build Sinu-9 into a long-life, reliable domestic transition energy asset for decades to come. We look forward to quickly turning our attention to Phase II as we aim to ramp up production quickly and safely."

Don Sewell, President and a Director of NGE commented, "Recent discussion around potential natural gas rationing reveals vulnerabilities present within Colombia's gas supply infrastructure and highlights that the gas deficit is not a distant concern for 2025, but rather a current challenge that the country is actively facing. This initial production from Sinu-9 is coming online at a pivotal time, and NGE and its partners are fully committed to continuing to add incremental supply of natural gas to the Colombian marketplace."

Corporate Update - Increase to Line of Credit Facility

In addition, the Company is pleased to announce that it has increased its Line of Credit Facility (the "LC Facility") with Macquarie Group ("Macquarie") by an incremental US\$12 million from US\$13.6 million to US\$25.6 million. The Company intends to use the net proceeds of the LC Facility to advance Sinu-9 expansion infrastructure and provide guarantees to the Agencia Nacional de Hidrocarburos around Sinu-9 Phase 2 development plans. Previously, on March 22, 2024, Macquarie Group provided the Company with financing of up to US\$100 million, including initial committed funding of US\$50 million, resulting in a fully-funded 2024/2025 Phase 1 development plan.

Jorge Fonseca, CFO of NGE commented, "We are very grateful for Macquarie's continued support as a key financial partner as we continue to drive forward with pace in our commitment to add an incremental supply of natural gas to the Colombian market during this time of need. As outlined in the Memorandum of Understanding with INFRAES, acceleration of the Sinu-9 development plan will add up to an additional 76 MMcf/d of pipeline capacity, which will be constructed in two stages over the course of 15 months."

In connection with the increase to the LC Facility, the Corporation will issue to Macquarie 5,714,286 common share purchase warrants (the "Bonus Warrants"). Each Bonus Warrant will entitle Macquarie to purchase one (1) common share of the Company at an exercise price equal to C\$0.98 until December 29, 2028. Completion of the issuance of the Bonus Warrants to Macquarie remains subject to approval of the TSX Venture Exchange. The Bonus Warrants and the common shares underlying the Bonus Warrants will be subject to a statutory four (4) month plus one day hold period from the date of issuance in accordance with applicable securities laws.

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 32% of the Company. 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 production volumes from Sinu-9, the ramp up of production at the Brujo-1X and Magico-1X wells, Colombia's natural gas needs and the issuance of the Bonus Warrants. 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, Ensalmos 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 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.

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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