

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

CGX Energy Inc. ("**CGX**" or the "**Company**")
333 Bay Street, Suite 1100
Toronto, Ontario
M5H 2R2

Item 2. Date of Material Change

December 17, 2018.

Item 3. News Releases

A press release in the form of Schedule "A" attached hereto was disseminated on December 17, 2018 via CNW News Group.

Item 4. Summary of Material Change

CGX and Frontera Energy Corporation ("**Frontera**") announced that they have entered into a binding debt settlement agreement as a further step to permit CGX to restructure its liabilities and provide for sufficient working capital to enable it to advance its offshore exploration projects in Guyana. The debt settlement agreement settles US\$1,200,000 of debt owing by CGX to Frontera through the issuance of 5,714,285 common shares of CGX ("**Common Shares**") to Frontera at a deemed price of US\$0.21 (or CDN\$0.2775) per Common Share (the "**Debt Settlement**"), which is a 25% discount to the closing price of the Common Shares on the TSX Venture Exchange (the "**TSXV**") on December 14, 2018. The completion of the Debt Settlement is subject to the approval of the TSXV.

CGX and Frontera are also seeking regulatory approval to amend the terms of the April 25, 2018 bridge loan, to provide that the maximum amount of the principal that may be repaid in Common Shares at a conversion price of US \$0.22 (being the U.S. dollar equivalent of the closing price of the Common Shares on the TSXV on December 14, 2018) shall be US \$8,800,000 (the "**Bridge Loan Amendment**").

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

Please refer to the attached press release dated December 17, 2018 which provides a description of the transaction.

Frontera is a "related party" of CGX under Multilateral Instrument 61-101- Protection of Minority Security Holders in Special Transactions ("**MI 61-101**"). Each of the Debt Settlement and the Bridge Loan Amendment is a "related party transaction" within the meaning of MI 61-101, and is exempted from the formal valuation requirement of MI 61-101 pursuant to the exemption provided in section 5.5(b) of MI 61-101, as CGX's Common Shares are listed only on the TSX Venture Exchange and not on any of the markets specified in section 5.5(b) of MI 61-101. CGX is exempted from the minority approval requirements pursuant to section 5.7(1)(e) of MI 61-101 on the basis that: (i) CGX is in serious financial difficulty, (ii) the Debt Settlement and the Bridge Loan Amendment (collectively, the "**Transactions**") are designed to improve the

financial position of CGX, (iii) section 5.5(f) of MI 61-101 is not applicable in connection with the Transactions, (iv) CGX has one or more independent directors in respect of the Transactions, (v) the CGX board of directors and its independent director, acting in good faith, have determined that items (i) and (ii) above apply and that the terms of each of the Transactions are reasonable in the circumstances of CGX, and (vi) there is no other requirement to hold a meeting of shareholders to approve the Transactions.

The CGX board of directors were engaged and have been kept apprised throughout the course of negotiations with Frontera. CGX's board of directors held a meeting to consider the Transactions before their approval. Frontera's representative on CGX's board of directors declared a conflict of interest and abstained from voting at the directors' meeting approving each of the Transactions. Each of the Transactions was approved by CGX's independent director. There were no contrary views expressed by any director, nor were there any abstentions by any director of CGX other than the Frontera representative, and there were no material disagreements between the board of directors and the independent director.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7. Omitted Information

Not applicable.

Item 8. Executive Officer

The following officer of the Company may be contacted for further information:

Tralisa Maraj, Chief Financial Officer (416) 364-5569

Item 9. Date of Report

This report is dated this 17 day of December, 2018.

CGX ENERGY INC. AND FRONTERA ENERGY CORPORATION

NEWS RELEASE

CGX ENERGY AND FRONTERA ANNOUNCE AMENDED LETTER AGREEMENT AND SHARES FOR DEBT SETTLEMENT

Toronto, Canada, December 17, 2018 - CGX Energy Inc. (TSXV: OYL) (“CGX”) and Frontera Energy Corporation (TSX: FEC) (“Frontera”) announced today that they have amended a letter agreement previously disclosed in a news release of CGX and Frontera on December 4, 2018 to enter into a debt settlement transaction and amend the convertible amount under a bridge loan facility.

Shares for Debt Settlement

CGX and Frontera have entered into a debt settlement agreement with respect to the settlement of US\$1,200,000 of debt owing to Frontera by CGX through the issuance of 5,714,285 common shares of CGX (the “**Common Shares**”) at a deemed price of US\$0.21 (or CDN\$0.2775) per Common Share (the “**Debt Settlement**”). The deemed price per Common Share is a 25% discount to the closing price of the Common Shares on the TSX Venture Exchange (the “**TSXV**”) on December 14, 2018. The completion of the Debt Settlement is subject to the approval of the TSXV.

The Debt Settlement is another step that CGX is seeking to undertake in order to restructure its liabilities and provide for sufficient working capital to enable it to advance its offshore exploration projects in Guyana. CGX does not have sufficient cash to repay this liability and therefore the Debt Settlement improves the liquidity position of CGX.

Frontera currently owns 50,351,929 Common Shares, which represents approximately 45.6% of the issued and outstanding Common Shares. Upon completion of the Debt Settlement, Frontera will own 56,066,214 Common Shares, which represents approximately 48.3% of the issued and outstanding Common Shares on a partially-diluted basis.

Convertible Bridge Loan

As disclosed in the news release of CGX and Frontera dated December 4, 2018, Frontera will seek regulatory approval to amend the terms of its April 25, 2018 bridge loan. Subject to TSXV approval, the amendment will now provide that the maximum amount of the principal that may be repaid in Common Shares at a conversion price of US\$0.22 (being the U.S. dollar equivalent of the closing price of the Common Shares on the TSXV on December 4, 2018) shall be US\$8,800,000.

As a result of these transactions, Frontera could increase its ownership of the outstanding Common Shares from its current ownership of approximately 45.6% to up to approximately 61.5% if the Debt Settlement is completed and Frontera elects to exercise the conversion right attached to the bridge loan.

This press release is also issued pursuant to National Instrument 62-103 - *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues*, which requires a report to be filed on SEDAR (www.sedar.com) containing additional information with respect to the foregoing matters. To receive a copy of the early warning report filed in respect of the above matters, please contact Grayson Andersen as outlined below.

Related Party Transaction

The transactions described herein are related party transactions under Multilateral Instrument 61-101 as Frontera holds over 10% of the issued and outstanding Common Shares. However, CGX is exempt from obligations to obtain a formal valuation and approval from a minority of shareholders. The material change report to be filed by CGX in connection with this news release will contain required disclosure regarding such exemptions.

About CGX Energy:

CGX Energy is a Canadian-based oil and gas exploration company focused on the exploration of oil in the Guyana- Suriname Basin.

NEITHER THE TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS NEWS RELEASE.

About Frontera:

Frontera Energy Corporation is a Canadian public company and a leading explorer and producer of crude oil and natural gas, with operations focused in Latin America. The Company has a diversified portfolio of assets with interests in more than 30 exploration and production blocks in Colombia and Peru. The Company's strategy is focused on sustainable growth in production and reserves. Frontera is committed to conducting business safely, in a socially and environmentally responsible manner. Frontera's common shares trade on the Toronto Stock Exchange under the ticker symbol "FEC".

If you would like to receive News Releases via e-mail as soon as they are published, please subscribe here:
<http://fronteraenergy.mediaroom.com/subscribe>.

Advisories: Fogler, Rubinoff LLP is legal advisor to CGX. McMillan LLP is legal advisor to Frontera.

Cautionary Note Concerning Forward-Looking Statements

This news release contains forward-looking statements. All statements, other than statements of historical fact,

that address activities, events or developments that CGX or Frontera believe, expect or anticipate will or may occur in the future (including, without limitation, the entering into of definitive agreements, obtaining regulatory approvals and CGX obtaining sufficient working capital) are forward-looking statements. These forward-looking statements reflect the current expectations or beliefs of Frontera or CGX, as the case may be, based on information currently available to them. Forward-looking statements are subject to a number of risks and uncertainties that may cause actual results to differ materially from those discussed in the forward-looking statements, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the applicable company. Factors that could cause actual results or events to differ materially from current expectations include, among other things: with respect to Frontera, failure to reach appropriate definitive agreements with CGX; with respect to CGX (and as applicable Frontera), failure to reach appropriate definitive agreements with Frontera and obtain regulatory approval; changes in equity and debt markets; perceptions of the applicable company's prospects and the prospects of the oil and gas industry in the countries where the company operates or has investments; and the other risks disclosed in the applicable continuous disclosure documents under the each company's profile on SEDAR at www.sedar.com. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, each of Frontera and CGX disclaims any intent or obligation to update any forward- looking statement, whether as a result of new information, future events or results or otherwise. Although each of Frontera and CGX believes that the assumptions inherent in the forward-looking statements applicable to it are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

FOR FURTHER INFORMATION:**Frontera:**

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