

**CGX ENERGY INC. AND FRONTERA ENERGY CORPORATION PROVIDE OPERATIONAL UPDATE ON
KAWA-1 EXPLORATION WELL, OFFSHORE GUYANA**

**LOGGING-WHILE-DRILLING AND CUTTINGS INDICATE PRESENCE OF ACTIVE HYDROCARBON SYSTEM
IN SEVERAL CAMPANIAN AND UPPER SANTONIAN FORMATIONS**

APPROXIMATELY 90% OF PLANNED FOOTAGE DRILLED TO DATE

HORIZON 19, THE FIRST OF THREE GEOLOGICAL TARGET ZONES HAS BEEN PENETRATED

THE PRIMARY AND SECONDARY SANTONIAN TARGETS REMAIN TO BE DRILLED AND EVALUATED

TORONTO, Dec. 16, 2021 /CNW/ - CGX Energy Inc. (TSXV: OYL) ("**CGX**") and Frontera Energy Corporation (TSX: FEC) ("**Frontera**"), the majority shareholder of and joint venture partner of CGX in the Petroleum Prospecting Licenses for the Corentyne and Demerara blocks offshore Guyana (the "**Joint Venture**"), today provide an operational update on the Kawa-1 exploration well in the Corentyne Block, offshore Guyana.

To date, approximately 90% of the planned footage has been drilled and the initial results suggest an active hydrocarbon system is present at the Kawa-1 location. Horizon 19, the first of three geological zones targeted by the Joint Venture, has been penetrated. Logging-While-Drilling and cuttings indicate the presence of hydrocarbons in several Campanian and upper Santonian formations. The Joint Venture will run the planned 9 5/8" liner at current depth, then drill ahead to the main Santonian target zone (Horizon 23) and the deeper secondary Santonian target zone (Horizon 25). The initial geological results will be further evaluated by wireline logging at the end of the well as part of the logging program for the deeper zones.

The Joint Venture is pleased to report that drilling operations have recorded only a single lost time injury since August and Covid-19 protocols have resulted in no disruptions to operations and no positive cases detected after arrival on the drilling unit.

Drilling has taken longer than originally forecast and costs are projected to increase. The current cost estimate of the Kawa-1 well is now forecast to be approximately \$115-\$125 million. The Joint Venture will provide an update on costs and will issue full exploration results of the Kawa-1 well once total depth has been reached and results have been analyzed.

CGX may be required to seek additional financing in keeping with the ongoing drilling program and is currently assessing several strategic opportunities.

About Frontera:

Frontera is a Canadian public company involved in the exploration, development, production, transportation, storage and sale of oil and natural gas in South America, including related investments in both upstream and midstream facilities. Frontera has a diversified portfolio of assets with interests in 37 exploration and production blocks in Colombia, Ecuador and Guyana, and pipeline and port facilities in Colombia. Frontera is committed to conducting business safely and in a socially, environmentally and ethically responsible manner.

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About CGX:

CGX is a Canadian-based oil and gas exploration company focused on the exploration of oil in the Guyana-Suriname Basin and the development of a deep-water port in Berbice, Guyana.

Advisories:*Cautionary Note Concerning Forward-Looking Information*

This news release contains forward-looking information within the meaning of Canadian securities laws. Forward-looking information relates to activities, events or developments that CGX and Frontera believe, expect or anticipate will or may occur in the future. Forward-looking information in this news release includes references to statements regarding the progress and anticipated costs of exploration projects and the issuance of full well results. All information other than historical fact is forward-looking information.

Forward-looking information reflects the current expectations, assumptions and beliefs of CGX and Frontera based on information currently available to them and considers their experience and perception of historical trends, including expectations and assumptions relating to commodity prices and interest and foreign exchange rates; the current and potential adverse impacts of the COVID-19 pandemic, including the status of the pandemic and future waves and any associated policies around current business restrictions; the performance of assets and equipment; the sufficiency of budgeted capital expenditures in carrying out planned activities; the availability and cost of labour, services and infrastructure; and the development and execution of projects.

Although CGX and Frontera believe that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be placed on such information. Forward-looking information is subject to a number of risks and uncertainties, some that are similar to other oil and gas companies and some that are unique to CGX or Frontera. The actual results may differ materially from those expressed or implied by the forward-looking information, 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, CGX and Frontera. Documents filed by CGX and Frontera from time to time with the securities regulatory authorities (including annual information forms for fiscal 2020) describe the risks, uncertainties, material assumptions and other factors that could influence actual results and such factors are incorporated herein by reference. Copies of these documents are available without charge by referring to the respective profiles of CGX and Frontera on SEDAR at www.sedar.com. All forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, CGX and Frontera disclaim any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise.

For further information regarding Frontera, please contact: Brent Anderson, Director, Investor Relations, 1 403 705 8827, ir@fronteraenergy.ca, www.fronteraenergy.ca;

For further information regarding CGX, please contact: info@cgxenergy.com, www.cgxenergy.com