

CGX Energy Inc.

Interim MD&A – Quarterly Highlights

For the three and nine month periods ended September 30, 2022 and 2021

October 31, 2022



1. INTRODUCTION

This Management's Discussion and Analysis – Quarterly Highlights (“**Quarterly Highlights**”) of CGX Energy Inc. (the “**Company**” or “**CGX**”) has been prepared to provide material updates to the business operations, liquidity and capital resources of the Corporation since its last Management Discussion & Analysis for the fiscal year ended December 31, 2021 (“**Annual MD&A**”). This Quarterly Highlights does not provide a general update to the Annual MD&A, or reflect any non-material events since date of the Annual MD&A.

This Quarterly Highlights has been prepared in compliance with the requirements of section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 Continuous Disclosure Obligations. This discussion should be read in conjunction with the Annual MD&A, the audited consolidated financial statements of the Company for the years ended December 31, 2021 and 2020 (the “**2021 Annual Financial Statements**”), and the unaudited interim condensed consolidated financial statements for the three and nine month periods ended September 30, 2022 and 2021 (“**Interim Financial Statements**”), together with the notes thereto. Results are reported in United States dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the three and nine month periods ended September 30, 2022 are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at October 31, 2022 unless otherwise indicated.

The Interim Financial Statements have been prepared using accounting policies consistent with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board (“**IASB**”) and interpretations of the IFRS Interpretations Committee. The Interim Financial Statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting (“**IAS 34**”).

For the purposes of preparing this Quarterly Highlights, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of CGX's Common Shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Additional information relevant to the Company's activities is available on SEDAR at www.sedar.com or on the Company's website at www.cgxenergy.com.

2. FORWARD LOOKING STATEMENTS

This Quarterly Highlights includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “budget”, “plan”, “continue”, “estimate”, “expect”, “forecast”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe” and other similar words suggesting future outcomes or statements regarding an outlook. Such risks and uncertainties include, but are not limited to, risks associated with the offshore oil and gas industry (including operational risks in exploration development; delays or changes in plans with respect to exploration or capital expenditures; the uncertainty of reserve and resources estimates; the uncertainty of estimates and projections in relation to production, costs and expenses; the uncertainty surrounding the ability of CGX to obtain all permits, consents or authorizations required for its operations and activities; and health safety and environmental risks), the risk of commodity price and foreign exchange rate fluctuations, the risk of CGX not being able to fund the capital and operating expenses necessary to achieve its business plan, the uncertainty associated with commercial negotiations and negotiating with foreign governments and risks associated with international business activities, the risk of

impacts from the Covid-19 pandemic, or risk due to adverse economy factors as a consequence of the Russia-Ukraine war, as well as those risks described in public disclosure documents filed by CGX. The ability of the Company to carry out its business plan is primarily dependent upon the continued support of its shareholders, the discovery of economically recoverable reserves, the ability of the Company to secure customers for the use of its deepwater harbor upon completion of the project and the ability of the Company to obtain financing to develop such reserves. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of CGX should not place undue reliance on these forward-looking statements.

Although the forward-looking statements contained in this Quarterly Highlights are based on assumptions that management believes to be reasonable, the Company cannot assure investors that actual results will be consistent with these forward-looking statements.

Readers are cautioned that the foregoing lists of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained in this Quarterly Highlights are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.

3. OVERVIEW

Company Profile

CGX Energy Inc. (the “**Company**” or “**CGX**”) is a Canadian oil and gas exploration company incorporated under the laws of Ontario, Canada in 1998. The Company’s common shares (“**Common Shares**”) are listed and publicly traded on the TSX Venture Exchange (“**TSXV**”) under the trading symbol “**OYL**”.

The Company’s head office is located in Toronto, Canada and its principal business involves the exploration for hydrocarbons in Guyana, South America and construction of a deepwater port (“**BDWP**”), located on the eastern bank of the Berbice River, Guyana. As at October 31, 2022, CGX through one of its subsidiaries holds an interest in a Petroleum Prospecting Licence (“**PPL**”) and related Petroleum Agreement (“**PA**”) on the Corentyne block in the Guyana Basin, offshore Guyana and through one of its other subsidiaries, is also involved in the construction and development of the BDWP.

The following table summarizes the Company’s subsidiaries, the location of their registered offices, and the Company’s percentage interest.

Company	Registered Office	Percentage of Interest (%)
CGX Resources Inc. (“ CRI ”)	Bahamas	100%
GCIE Holdings Limited (“ GCIE Holding ”)	Barbados	100%
Grand Canal Industrial Estates Inc. (“ GCIE ”) *	Guyana	100%
CGX Energy Management Corp. (“ CGMC ”)	United States, Delaware	100%
ON Energy Inc. (“ ON Energy ”)	Guyana	62%

*Owned 100% by GCIE Holding

Highlights

Highlights of the recent activities to date of the Company and its subsidiaries include the following:

- On October 3, 2022 the Company and Frontera Energy Corporation (“**Frontera**”), joint venture partners (the “**Joint Venture**”) in the PPL Corentyne block, announced that the parties have agreed to (i) extend the maturity date of the previously announced \$19.0 million convertible loan

to CGX dated May 28, 2021, as amended, to November 30, 2022; and (ii) amend the amended Joint Operating Agreement dated July 21, 2022 (described below) to extend the outside date by which the conditions precedent to such agreement must be fulfilled to November 30, 2022, as the Joint Venture awaits the satisfaction of all conditions precedent.

- On August 22, 2022, the Company received TSXV conditional approval for the 2022 JOA Amendment. The Agreement still remains subject to certain confirmations from the Government of Guyana relating to the petroleum agreement for the Corentyne block and final approval from the TSXV.
- On July 22, 2022, CGX and Frontera entered into an agreement to amend the Joint Operating Agreement originally signed between CGX and a subsidiary of Frontera on January 30, 2019, effectively farming into the Corentyne block and securing funding for the Wei-1 well (the “**2022 JOA Amendment**”). As part of the 2022 JOA Amendment, CGX will transfer 29.73% of its participating interest in the Corentyne block to Frontera in exchange for Frontera funding the Joint Venture's costs associated with the Wei-1 exploration well for up to \$130.0 million and up to an additional \$28.8 million of certain Kawa-1 exploration well, Wei-1 pre-drill, and other costs. In addition, CGX shall assign an additional 4.94% of its participating interest in the Corentyne block to Frontera as consideration for the repayment of the outstanding principal amounts owed to Frontera under (i) the \$19.0 million convertible loan dated May 28, 2021, as amended, and (ii) the \$35.0 million convertible loan dated March 10, 2022, as amended (the “**2022 Convertible Loan**”), and a cash payment of \$3.8 million. On closing of the 2022 JOA Amendment, CGX will retain a 32.00% participating interest in the Corentyne block, and Frontera will have a 68.00% participating interest in the Corentyne block. The Agreement is subject to certain conditions precedent and regulatory approvals.
- On July 18, 2022, Daniel Sanchez was appointed as CFO of CGX. On July 5, 2022, Paul Langlois was appointed as Exploration Manager of CGX.
- On June 16, 2022, the Company communicated that it had, in principle, reached an agreement with the Government of Guyana to allow for the relinquishment of the Demerara block through a mutual termination agreement which terms remain to be defined and documented.
- On June 16, 2022, ON Energy, the holder of the Petroleum Prospective Licence of the Berbice block also communicated that it had, in principle reached an agreement with the Government of Guyana to relinquish the Berbice block through a mutual termination agreement, which also remains to be defined and documented.
- On May 9, 2022, the Joint Venture announced that it continued to integrate detailed seismic and lithological analysis and pore pressure studies from the Kawa-1 well into preparations in advance of drilling the Joint Venture's second exploration well, called Wei-1, in the third quarter of 2022, subject to rig release from a third-party operator. The Wei-1 exploration well will be located approximately 14 kilometers northwest of the Kawa-1 exploration well in the Corentyne block, approximately 200 kilometers offshore from Georgetown, Guyana. The Wei-1 exploration well will be drilled in water depth of approximately 1,912 feet (583 meters) to a targeted total depth of 20,500 (6,248 meters) and will target Campanian and Santonian aged stacked channels in a western channel complex in the northern section of the Corentyne block. Information gained at Kawa-1 well has improved the chance of success at Wei-1 well from 29% to 56%. Data from the Kawa-1 and Wei-1 exploration wells will inform future activities and potential development decisions.
- On April 8, 2022, CGX completed a financing agreement for a \$35.0 million loan with Frontera, which was first agreed on March 10, 2022 (the “**2022 Convertible Loan**”), and then amended; to finance part of its share of costs related to the Corentyne block, the Berbice Deepwater Port and other budgeted costs as agreed to with Frontera. The 2022 Convertible Loan was fully drawn in one tranche on April 13, 2022.
- On March 4, 2022, CGX provided additional details regarding findings from analyses by an independent laboratory on Kawa-1 well samples of cuttings in the Santonian previously reported in a March 2, 2022, press release, which indicated the presence of liquid hydrocarbons in the Santonian reservoir:

- Cuttings samples from twelve reservoir zones in the Kawa-1 well are being analyzed with a variety of geochemical methods to evaluate in situ hydrocarbons. Preliminary data from four pay intervals in the Santonian show consistent fingerprints which provide confidence in the interpretation and mitigate mud contaminants by overcoming the presence of Synthetic Oil Based Mud ("**SOBM**") in the cuttings. A technique called Low Temperature Hydrous Pyrolysis ("**LTHP**") was utilized to analyze the cuttings to preserve volatile hydrocarbons.
- High Resolution Gas Chromatography ("**HRGC**") analysis of the LTHP mobilized hydrocarbons demonstrate the reproducible presence of light hydrocarbons (C4- C12). Distinctive molecular ratios in these light hydrocarbons indicate that these Santonian reservoirs likely contain a light oil, consistent with fluorescence analysis of cuttings during drilling. These results are supported by analysis of solvent-extracted samples from the cuttings, which contain biomarkers that show characteristic patterns consistent with a Cretaceous Santonian source.
- Measured ratios of Dibenzothiophene/Phenanthrene aromatics from the samples are low (<0.15) in line with low sulfur content and a marine shale source. Further geochemical investigation of samples taken from the Santonian, Campanian and Maastrichtian intervals continue and will be communicated when fully analyzed.

Furthermore, CGX reiterated that Kawa-1 was a first stage exploration well intended to identify the presence of hydrocarbons, which occurred. The well was then decommissioned by way of safely plugging and abandoning it, a standard practice and planned event. The Kawa-1 well was never intended to be kept active following completion of the successful drilling campaign.

- On February 14, 2022, the Joint Venture announced that, as a result of the initial positive results at the Kawa-1 exploration well, the Joint Venture will focus on the significant exploration opportunities in the Corentyne block and will not engage in drilling activities on the Demerara block in 2022. Furthermore, the Joint Venture announced that Kawa-1 early-stage Wireline Logging results confirm the Logging While Drilling ("**LWD**") indications previously disclosed on January 31, 2022, with a total of 200 feet (final determination revised to 228 feet, see May 9, 2022 press release) of net pay encountered at multiple depths.
- On January 31, 2022, the Joint Venture announced a discovery at the Kawa-1 well and the Joint Venture's commitment to drill second well on Corentyne block in the second half of 2022. The Kawa-1 well was drilled to a depth of 21,578 feet (6,578 meters) and encountered approximately 177 feet (54 meters) of hydrocarbon-bearing reservoirs within Maastrichtian, Campanian and Santonian horizons based on initial evaluation of LWD data. Based on the offshore positive results at the Kawa-1 exploration well, the Joint Venture anticipates spudding its second commitment well, called Wei-1, in the northwestern part of the Corentyne block in the second half of 2022.
- GCIE, is engaged in the ongoing construction of the Berbice Deep Water Port on 30 acres of land on the eastern bank of the Berbice river. The Deepwater port facility intends to serve as an offshore supply base for the oil and gas industry and as a multi-purpose terminal cargo handling base to service agricultural import/export, containerized and specialized cargo. The BDWP aims to enable provisioning of operators and vendors in territorial waters of both Guyana and Suriname. Riverside construction is completed on approximately 500 m of rip rap flood protection, a 10 acre quayside laydown yard built to a five tons per square metre load bearing capacity, an access bridge to the main Corentyne highway and 3.2 km access road, both built to American Association of State Highway and Transportation Officials (ASSHTO) standards, concrete drains and driveways for residents along the roadway and extension of municipal water and power to the port site. In-river construction will begin in Q4 of 2022, with a 50 x 12 m access trestle being built from the quayside yard westward into the Berbice river, together with necessary dredging of the river. This is intended to be followed by the construction of the wharf, perpendicular to the trestle. GCIE began the installation of solar lights along the bridge, roadway and at the quayside yard in October, 2022.

4. CARRYING ON BUSINESS IN GUYANA

The exploration and evaluation activities of CGX are currently being conducted in Guyana through its subsidiaries. Guyana is situated on the northern coast of the South American continent. It is bound on the north by the Atlantic Ocean, on the east by Suriname, on the south-west by Brazil and on the north-west by Venezuela. Guyana's total area is approximately 215,000 km², slightly smaller than Great Britain. Its coastline is approximately 4.5 feet below sea level at high tide, while its hinterland contains mountains, forests, and savannahs. This topography has endowed Guyana with its extensive network of rivers and creeks as well as a large number of waterfalls. Guyana is endowed with natural resources including fertile agricultural land and rich mineral deposits (including gold, diamonds and semi-precious stones, bauxite and manganese).

Guyana is divided into three counties (Demerara, Essequibo and Berbice) and 10 administrative regions. Georgetown is the capital city of Guyana, the seat of government, the main commercial center, and the principal port in Guyana. In addition to Georgetown, Guyana has six towns of administrative and commercial importance which are recognized municipal districts; each has its own mayor, council and civic responsibilities. Guyana is an independent republic headed by the Executive President and National Assembly. Guyana is a member of the British Commonwealth of Nations, with a legal system based for the most part on British Common Law.

5. THE PETROLEUM REGIME IN GUYANA

Under the Guyana Petroleum Act, PAs, and associated PPLs, for petroleum exploration in Guyana are executed by, and subject to the approval of, the Minister Responsible for Petroleum. Within Guyana, subsurface rights for minerals and petroleum are vested in the state. PAs may address the following matters: (i) granting of requisite licences; (ii) conditions to be included in the granting or renewal of such licences; (iii) the procedure and manner with respect to the exercise of Ministerial discretion; and (iv) any matter incidental to or connected with the foregoing.

The Guyana Geology and Mines Commission (“GGMC”) is the statutory body responsible for administering PAs and PPLs for petroleum exploration in Guyana. The GGMC has been charged with the responsibility for managing the nation's mineral resources.

In order to obtain a PPL, the licensee must:

- submit a PPL application to the Minister Responsible for Petroleum, including a detailed annual work program and budget; and
- agree to comply with licence conditions stipulated by the Minister Responsible for Petroleum, including conditions stipulated in the applicable governing PA.

A PA and an associated PPL enable the holder to conduct prospecting and exploration activities for petroleum on the subject property in accordance with the terms and conditions of such PA and PPL. A PPL is issued for an initial period not exceeding four years, and is renewable for up to two additional three-year periods. In the event of a discovery, the holder may apply for a 20-year PPL, renewable for a further 10 years.

6. EXPLORATION ACTIVITIES, GUYANA

Corentyne PA, Guyana

The original Corentyne PA was awarded to CRI in 1998, following which CRI began an active exploration program, however the activities were suspended due to a border dispute between Guyana and Suriname. In 2007 an International Tribunal confirmed that 93% of the original Corentyne PPL was in Guyana. The original Corentyne PA was extended to June 2013. The Company drilled the Eagle well in 2012 which was declared as a dry-hole.

On November 27, 2012, CRI received the current Corentyne PA, offshore Guyana, renewable after four years for up to six additional years. The Corentyne PA applies to the former offshore portion of the Corentyne PPL, covering 6,212 km².

On December 15, 2017, CRI was issued COR Addendum I to the November 27, 2012, PA. Under the terms of the COR Addendum I to the Corentyne PA, the Company's work commitments were modified. At the end of the first renewal period on or before November 27, 2019, the Company would relinquish the entire contract area except for any discovery area and the area contained in any PPL or relinquish twenty-five (25%) percent of the contract area and renew the PPL for a second period of three (3) years. CRI relinquished 25% of the area of the Corentyne PPL as a result of entering into COR Addendum I, resulting in a reduction of acreage to 4,709 km².

In August 2019, CRI was issued COR Addendum II to the November 27, 2012, PA. Under the terms COR Addendum II to the Corentyne PA, the work commitments were modified whereby the order of its next two commitments under the Corentyne PA were reversed.

Commencing in October 2019, a 3D seismic survey of 582 km² was shot on the northern portion of the Corentyne PPL to image an area not previously covered by 3D seismic data adjacent to the recent Pluma and Haimara discoveries on the Stabroek block.

CRI contracted McDaniel and Associates Consultants Ltd. to complete an independent resource report on September 10, 2020. The report was completed on October 20, 2020.

On November 26, 2020, CRI received COR Addendum III whereby the principal agreement was modified, as follows: Second Renewal Period, Phase One (27th November 2019 to 26th November 2021) "During phase one of the second renewal period, the Company shall drill one (1) exploration well." already completed.

The table below outlines the current commitments under the COR Addendum III as of September 30, 2022:

Period	Phase	Exploration obligation	Dates
Second renewal period (3 years)	Phase two - 12 months	Drill 1 exploration well	Nov 27, 2021 - Nov 26, 2022

At the end of the second renewal period of three (3) years, the Company shall relinquish the entire contract area except for any discovery area, the area contained in any PPL and any other portion of the contract area on which the Minister Responsible for the Petroleum agrees to permit the Company to conduct further exploration activities.

The Company has submitted its proposed 25% acreage relinquishment which are required by the Corentyne PA to the Ministry of Natural Resources ("MNR") and the GGMC and is now awaiting the agreement of these agencies on the acceptance of the proposed relinquishment and final instruments.

Due to unforeseen challenges to the exploration activities of a third-party operator, the release of the NobleCorp Discoverer drilling unit to CGX has been delayed. This situation is beyond the reasonable control of the Joint Venture. Frontera and CGX have communicated the revised spud window for the Wei-1 well to the Government of Guyana; expected to now be between December 2022 and late January 2023, subject to rig release by the third-party operator.

Final preparations are complete in advance of spudding the Wei-1 well on the Corentyne block, and follows the discovery of light oil and condensate at the Kawa-1 well earlier this year. The Wei-1 well will be located approximately 14 kilometres northwest of the Kawa-1 exploration well in the Corentyne block, approximately 200 kilometres offshore from Georgetown, Guyana and will be drilled in water depth of approximately 1,912 feet (583 metres) to an anticipated total depth of 20,500 feet (6,248 metres). Wei-1 will target Maastrichtian, Campanian and Santonian aged stacked channels in a western channel complex in the northern section of the Corentyne block.

Joint Operation Agreements ("JOAs")

On January 30, 2019, CRI and Frontera Energy Guyana Corp ("Frontera Guyana") executed Joint Operating Agreements ("JOAs") providing for Frontera Guyana to acquire a 33.333% interest in CRI's Corentyne and Demerara PPLs and PAs, in exchange for a \$33.3 million signing bonus. Frontera Guyana agreed to pay one-third of the applicable costs plus an additional 8.333% of CRI's direct drilling costs for the initial exploratory commitment wells in two blocks (Corentyne and Demerara PAs). The additional 8.333% carry provided will be subject to a maximum gross amount (including tax and all costs) of (i) \$30.0 million for drilling the first exploratory well under the Corentyne PA and (ii) \$40.0 million for drilling the first exploratory well under the Demerara PA. On May 28, 2019, the transfers of the 33.333% interest in both the Corentyne and Demerara PPL and PA were completed. The transfers were completed on May 20, 2019.

On July 21, 2022, the Company entered into the 2022 JOA Amendment to transfer 34.67% of its interest in the Corentyne PA to Frontera in exchange of (i) Up to \$130.0 million funding of Wei-1 well, (ii) up to \$28.8 million of certain Kawa-1 exploration well, Wei-1 pre-drill, and other costs, (iii) \$54.0 million of outstanding payables settled (the 2021 Convertible Loan and the 2022 Convertible Loan), and (iv) \$3.8 million cash consideration. After completion, subject to governmental approval, regulatory approvals and certain other conditions precedents being satisfied, the Company and Frontera will own 32% and 68% of the interest in Corentyne PA, respectively.

Demerara PA, Guyana

On February 12, 2013, the Company entered into the Demerara PA and PPL. The PPL applies to the former offshore portion of the Annex PPL, which was a subset of the Company's original Corentyne PA.

The Company was issued two addendums, (i) On December 15, 2017, under the terms of the addendum, the Company's work commitments were modified and the Company relinquished 25% of the original contract area block. (ii) On February 12, 2021, the Company received an addendum, subject to final documentation, modifying the timing of the commitments.

As of December 31, 2021, the Company reviewed its exploration and evaluation ("E&E") assets expenditures for impairment and determined that the carrying value of the Demerara PPL was fully impaired and remains fully impaired as at September 30, 2022.

On September 20, 2022, the Government of Guyana provided CGX with a surrender deed to formalize the relinquishment of the Demerara block. Subsequent to September 30, 2022, the Joint Venture signed the surrender deed of the Demerara PPL, and as of October 31, 2022, was in process of being finalized. The Joint Venture's relinquishment of the block allows the people of Guyana to benefit from exploration activities under the stewardship of interested parties.

Berbice PA, Guyana

The Company, through its 62% owned subsidiary ON Energy Inc., acquired the Berbice PA in October 2003. The Berbice PA was renewable for up to two three-year periods. On February 12, 2013, the Company entered into a new Berbice PA and PPL, which applies to the former Berbice licence and the former onshore portion of the Company's original Corentyne PA. The Company was issued two addendums in 2017 and 2021 respectively modifying the timing of the commitments.

As of December 31, 2021, the Company reviewed its E&E assets for impairment and determined that the carrying value of the Berbice PPL was fully impaired and remains fully impaired as at September 30, 2022.

On September 20, 2022, the Government of Guyana provided ON Energy with a surrender deed to formalize the relinquishment of the Berbice block. Subsequent to September 30, 2022, ON Energy

signed the surrender deed of the Berbice PPL, and as of October 31, 2022, was in process of being finalized. The Company's relinquishment of the block allows the people of Guyana to benefit from exploration activities under the stewardship of interested parties.

7. DEEP WATER PORT FACILITY AND LOGISTICS YARD, GUYANA

Deep Water Port Facility

CRI acquired a 50-year lease in 2010 (the "**Lease**"), renewable for an additional term of 50 years, of approximately 55 acres of land situated close to the mouth of the Berbice River, adjacent to Crab Island, on its eastern bank (the "**Leased Land**"). The Lease was transferred in 2012 to GCIE. On November 26, 2020, the Company agreed to amend the Lease to reflect acreage containing no more than 30 acres as part of overall negotiations on COR Addendum III. The relinquishment did not affect GCIE's plans for the development of its deepwater port project.

GCIE plans to build a deep-water port on the Leased Land (the "**Port**"). GCIE believes that the Leased Land is the most strategic for a deep-water port facility servicing the oil and gas, general cargo and agricultural industries in Guyana and that the Port will benefit from its proximity to the oil and gas industry in Guyana and Suriname. The Port, which is located adjacent to Crab Island on the Eastern Bank of the Berbice River, is 4.8 km from the Atlantic Ocean.

GCIE expects that the Port will significantly boost local content engagement in the oil and gas sector and add enhanced logistics capacity for import and export, including expandable capacity to accommodate the possibility of increased product flow to and from the northern states of Brazil. Due to its location close to Suriname, the Port's oil and gas support functions will also help to serve the rapidly growing offshore exploration and development activities in that country's oil and gas sector. The Port is expected also add significant capacity to the agricultural sector, supporting rice, sugar, agro-processing and agricultural materials.

GCIE has performed various developmental works on the site, including the installation of vertical drains and geotechnical treatment of the quayside land. Riverside construction is completed on approximately 500 m of rip rap flood protection, a 10 acre quayside laydown yard built to a five tons per square metre load bearing capacity, an access bridge to the main Corentyne highway and 3.2 km access road, both built to American Association of State Highway and Transportation Officials (ASSHTO) standards, concrete drains and driveways for residents along the roadway and extension of municipal water and power to the port site.

Requests for proposals were advertised for the wharf platform and access trestle, capital dredging program, design and construction of all gates, buildings, firefighting and first aid structures and covered storage areas. Evaluations of submitted proposals for the capital dredging and construction of the wharf platform and access trestle were completed and a Local Contractor, Gaico Construction and General Services, selected. The successful bid incorporates an update to the design of the wharf and trestle to realize cost efficiencies.

In-river construction will begin in Q4 of 2022, with a 50 x 12 m access trestle being built from the quayside yard westward into the Berbice river, together with necessary dredging of the river. This is intended to be followed by the construction of the wharf, perpendicular to the trestle. GCIE began the installation of solar lights along the bridge, roadway and at the quayside yard in October, 2022.

The Offshore Supply Base of the Port will not be fully operational in Q4, 2022 as previously scheduled, due to the need to revise designs to realize cost efficiencies. A revised schedule for completion is being discussed with the contractor.

The project now targets operation of the cargo terminal aspects of the Port in mid 2023 and operation of oil and gas support base in late-2023, subject to construction schedules and supply chains. Significant infrastructure projects in Region 6 which have been announced by the Government of Guyana motivates the completion of the cargo aspects of the Port earlier, especially with respect to the handling of aggregates and other construction materials which must be imported into the region from elsewhere in the country and offshore.

For the nine month period ended September 30, 2022, GCIE incurred additions of \$3,229,507 (December 31, 2021: \$6,255,754) with respect to expenditures to the Port.

Logistics yard

CRI owns a 16-acre plot of land which is accessible to the BDWP site detailed above via approximately 4.5 km of high quality, built to ASSHTO standards roadway. Approximately 6 acres of this plot has been developed by CRI as a functional, fenced logistics yard with a load bearing capacity of 5 tons per square metre, with fuel supply, office buildings, sanitary blocks, security and full licence to operate as a laydown logistics facility. This facility has been without any HSE related incidents since its inception of operations in 2005. For the nine month period ended September 30, 2022, and fiscal year ended December 31, 2021, no additions incurred with respect to expenditures on the logistics yard.

8. SOCIAL CORPORATE RESPONSIBILITY

The Company is committed to meeting the highest standards of Environmental, Social and Governance (“ESG”) practices across all aspects of its business. CGX is dedicated to promoting sustainable growth as well as supporting local communities in Guyana. CGX has begun implementing early-stage social responsibility programs focused on education in Guyana. The Company firmly believes that by providing the younger generation with the valuable skills and education tools needed to succeed, the whole country will benefit from growth and prosperity. CGX’s primary ESG goal is to contribute to a sustainable future in Guyana. As the petroleum sector continues to develop and thrive, the country will inevitably benefit from the creation of new jobs, economic growth, infrastructure development and education. Within this context, CGX will continue to demonstrate its support and participation through proactive social and corporate responsibility. As an example of its approach to ESG, the Company has partnered with Frontera, its Joint Venture Partner and major shareholder, in the Sustainable Guyana program, described at www.trentu.ca/sustainableguyana.

9. LIQUIDITY AND CAPITAL RESOURCES

Financing

2022 Convertible Loan.

On April 8, 2022, CGX completed a financing agreement for a \$35.0 million loan with Frontera, which was first agreed on March 10, 2022, and subsequently amended; to finance part of its share of costs related to the Corentyne block, the Berbice Deepwater Port and other budgeted costs as agreed to with Frontera. The 2022 Convertible Loan was available for drawdown in tranches on a non-revolving basis until the earlier of September 10, 2023 or the date on which CGX has drawn down the maximum amount of the 2022 Convertible Loan. The loan was fully drawn in one tranche on April 13, 2022. The 2022 Convertible Loan is expected to be settled as part of the 2022 JOA Amendment, when it is concluded. See additional details in section "11. Related party transactions".

Company's Performance

The Company currently has no revenues, so its ability to ensure continuing operations relates to its ability to obtain necessary financing to complete the exploration and development of oil and gas concessions and the completion of its Deep Water Port project.

The Company recorded a net and comprehensive loss of \$10,137,563 or \$0.03 per share for the nine month period ended September 30, 2022, compared with a net loss of \$4,508,374 or \$0.02 per share for the same period in 2021. Net loss for the period is consistent with prior periods as expected, the main changes during the period are as follows:

- Interest expense increased by \$3,540,869 to \$4,594,168 in the nine month period ended September 30, 2022 from \$1,053,299 for the same period in 2021. The increase in interest expense was due to the interest incurred, amortization of loan costs, and amortization of the equity component of the 2021 Convertible Loan and the 2022 Convertible Loan.
- General and administrative costs increased by \$260,265 to \$1,563,341 in the nine month period ended September 30, 2022 from \$1,303,076 for the same period in 2021, due to increased business travel as a result of Covid-19 restrictions being eased and a pick up in operations in Guyana and inflation.
- The Company received indirect revenue from its Joint Venture Partner in the nine month period ended September 30, 2022 in the amount of \$176,764 compared to \$884,235 for the same period in 2021. As operator of the Corentyne PPL, the Company charges the Joint Venture to reimburse its indirect costs representing the cost of general assistance and support services provided by it and its affiliates to the Corentyne and Demerara PAs. The charges are based on total expenditures under the JOAs, with a minimum annual assessment of \$200,000 per licence (\$66,667 net to CGX). These fees are expected to be consistent in the coming year as a result of expected exploration and appraisal on the Corentyne block in 2022.
- Professional fees increased by \$518,717 to \$1,404,027 in the nine month period ended September 30, 2022 from \$885,310 for the same period in 2021, primarily due to an increase in legal fees relating to arbitration with Prospector.

Capital Management

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As of September 30, 2022, the Company had a working capital deficiency as follows:

	September 30, 2022	December 31, 2021
Current Assets	\$ 16,534,962	\$ 29,291,751
Current Liabilities	\$ 110,401,838	60,438,083
Working capital	\$ (93,866,876)	\$ (31,146,332)

In order to meet its short-term and longer-term working capital and property exploration expenditures, the Company expects to close the 2022 JOA Amendment and may seek to secure further financing through a joint venture, property sale or issuance of equity to ensure that its obligations are properly discharged. There can be no assurance that the Company will be successful in its efforts to close the 2022 JOA Amendment or arrange additional financing on terms satisfactory to the Company.

Going Concern Uncertainty and Management's Plans

These Interim Financial Statements have been prepared in accordance with accounting principles applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for the next twelve months. Realization values may be substantially different from carrying values as shown and the Company's financial statements do not give effect to

adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

The Company has a history of operating losses, as of September 30, 2022 had accumulated deficit of \$320,688,283 (December 31, 2021: \$310,550,720). The ability of the Company to continue as a going concern is dependent on securing additional required financing through issuing additional equity, debt instruments, sale of Company assets, obtaining payments associated with a joint venture farm-out, or otherwise. Given the Company's capital commitment requirements under the Company's PPLs outlined in Note 9. E&E assets of the Interim Financial Statements, the Company would have challenges in meeting its operating requirements for the 12-month period from the balance sheet date. While the Company has been successful in meeting its working capital requirements in the past, (i.e. in April 2022 the Company was able to raise \$35.0 million through the 2022 Convertible Loan, and in July 2022 signed the 2022 JOA Amendment securing funding for drilling the Wei-1 well, and although the Company believes in the viability of its strategy and that the actions presently being taken by Management will provide the best opportunity for the Company to continue as a going concern, there can be no assurances to that effect. As a result, there exist material uncertainties which cast significant doubt as to the Company's ability to continue as a going concern.

10. CONTRACTUAL OBLIGATIONS AND COMMITMENTS, AND CONTINGENCIES

Contractual Obligations

Further details of the Company's contractual commitments are included in the Interim Financial Statements.

Contingencies

Demerara Seismic agreement

In September 2014, the Company entered into a contract with Prospector PTE. Ltd. ("**Prospector**") to conduct a 3D seismic survey on the Company's previously 100% owned Demerara block as part of its commitments under the Demerara PA. The aggregate cost of this seismic survey was approximately \$19.0 million with \$7.0 million paid to Prospector by way of issuance of 15,534,310 Common Shares, \$2.5 million paid in cash in 2014 and the remainder of approximately \$9.5 million payable in cash twelve months after the conclusion of the seismic survey (December 2015), which is included in trade and other payables as at September 30, 2022 and December 31, 2021. In accordance with the contract with Prospector, the amounts outstanding twelve months after the conclusion of the seismic survey accrued interest at a rate of 12% per annum. On October 3, 2016, the Company renegotiated the interest rate down from 12% per annum to 6% per annum and agreed to have Prospector complete the seismic processing of the seismic survey. In exchange, CGX agreed to be responsible under certain circumstances to Prospector for up to a maximum of \$0.5 million.

The processing began in late 2016 and was substantially completed in 2017 (albeit there is an ongoing dispute as to the quality – see below) and as a result, the Company has recorded a provision of \$0.6 million in trade and other payables as at September 30, 2022 (December 31, 2021: \$0.5 million).

In July 2018, Prospector filed a request for arbitration against CGX and CRI in the International Chamber of Commerce ("**ICC**") for repayment of the debt accrued under the seismic acquisition contract (and the addendum thereto) dated September 2014 for the acquisition of 3D seismic data on the Demerara block. Prospector requested that the International Court of Arbitration of the ICC constitute the arbitral tribunal (the "**Tribunal**") and requested that the Tribunal award to Prospector the relief of (i) the amount \$12.4 million being the amount Prospector alleged it was owed as at May 1, 2018, (ii) any interest that will have accrued from May 1, 2018 until the date of the award in the amount of 6% per annum based on the Deed of Addendum 1 (the "**Addendum**") between CGX and Prospector dated October 3, 2016, (iii) post-award interest in the amount of 6% per annum until payment as per the Addendum, and (iv) costs and reasonable and necessary attorney's fees incurred

by Prospector in bringing the arbitration (the “**Arbitration**”). It was subsequently agreed that the Tribunal had no jurisdiction over CRI.

On January 15, 2019, Prospector and CGX agreed to a one (1) year suspension of the Arbitration. The Tribunal indicated that the Arbitration would be stayed for 12 months from January 22, 2019 until January 22, 2020. The parties subsequently agreed to extend the suspension for a further year until January 22, 2021.

On January 23, 2021, Prospector formally gave notice of the end of the suspension and recommencement of the Arbitration. On April 23, 2021, the Company filed its Defence and Counterclaim (along with supporting factual, witness and expert evidence) in the Arbitration against Prospector at the ICC for \$26.1 million, plus interest and costs, for damages it claims to have suffered as a result of the unsatisfactory processing of the 3D seismic data.

The Arbitration hearing was conducted at the end of March 2022 in London, UK. On September 13, 2022, the International Court of Arbitration of the ICC released its Partial Final Award in the amounts of \$9.5 million and \$0.6 million in favour of Prospector and denied the Company’s counterclaim. The Company had previously recorded in trade and other payables \$9.5 million and \$0.5 million, respectively and had no recorded amount for its counterclaim. The Company is expecting the release of the Final Award shortly, which will include a decision on out of pocket costs and interest. In October 2022, the Company initiated a challenge to the Partial Final Award and is awaiting the results of such challenge. Prospector has also commenced proceedings against the Company to enforce the Partial Final Award of the International Court of Arbitration of the ICC in Ontario. The Company intends to oppose that proceeding, including because there is an ongoing challenge of the award.

As at September 30, 2022, the Company has a provision for the amounts claimed by Prospector plus accrued interest, being \$14.1 million, as trade and other payables (December 31, 2021: \$13.9 million), even though the Company contests liability. The contingent gains, if any, are not recorded as at September 30, 2022 (December 31, 2021: Nil) as the outcome of the proceedings is still unknown and there can be no assurances that the Company will be successful in its challenge.

ON Energy

On May 20, 2019, the GGMC informed ON Energy that in accordance with Section (11), Section 15 (2) and 15(2A) of the *Anti-Money Laundering and Countering the Financing of Terrorism Act* Chapter 10:11 of the Laws of Guyana, all transactions between the GGMC and ON Energy must cease until and unless information of the ownership of GGC Resources Inc. is provided to the Guyana Securities Council (“**GSC**”). GGC Resources holds 30% of the issued and outstanding shares of ON Energy. The GSC had made prior requests from ON Energy for details on the directors and ownership of GGC Resources. CGX and ON Energy have confirmed previously to the GSC information that was readily available to both entities. However, the matter had not been resolved as at December 31, 2019 as the information was not deemed adequate by the GSC.

As result, on January 22, 2020, ON Energy applied to the High Court of the Supreme Court of Judicature of Guyana (the “**Court**”) to convene a meeting of the holders of the ordinary shares of ON Energy. The application to the Court for an order that such meeting be convened was done pursuant to Section 217 of the *Companies Act*, Cap. 89:01. ON Energy proposed to present to holders of ordinary shares at the Court-ordered meeting a plan to address the shareholding of GGC Resources Inc. to satisfy the requirements of the GGMC and GSC.

On February 28, 2020, the High Court of the Supreme Court of Judicature of Guyana granted the order for ON Energy to convene the meeting of the holders of the ordinary shares of ON Energy.

As per the order granted, a meeting of shareholders of ON Energy was held on May 14, 2020. At this meeting, the shareholders of ON Energy resolved that the issued share capital be reduced from 211,920,000 ordinary shares to 148,110,000 ordinary shares by cancelling the 63,810,000 ordinary shares of ON Energy registered in the name of GGC Resources for a sum equal to the fair value of such shares, which would be deposited into the account of ON Energy.

On May 20, 2020, an application for court approval of the scheme of arrangement and the cancellation of the ordinary shares of ON Energy held by GGC Resources was made. The matter was

heard before the Honourable Justice F. Holder on May 20, 2020, June 30, 2020, August 6, 2020, and September 10, 2020 with his decision reserved. The application to the High Court of Judicature of Guyana for the sanction of the proposed scheme which envisions the company's share capital being reduced by cancelling and extinguishing 63,810,000 ordinary shares by GGC Resources Inc. has been denied by the High Court of Judicature on May 20, 2022.

Proposed Transactions

None.

11. RELATED PARTY TRANSACTIONS

Under IFRS, parties are considered to be related if one party has the ability to “control” (financially or by share capital) the other party or have significant influence (management) on the other party in making financial, commercial and operational decisions.

Frontera

Frontera holds approximately 76.97% of the issued and outstanding Common Shares of CGX on an undiluted basis and has the voting power to influence the outcome of all corporate transactions. Frontera consolidates the financials statements of the Company and is listed and publicly traded on the Toronto Stock Exchange under the trading symbol “FEC”.

Convertible loan	Maturity	Principal	Interest Rate	September 30, 2022	December 31, 2021
2021 Convertible Loan	Nov 2022	19,000,000	9.70 %	\$ 19,000,000	\$ 18,527,722
2022 Convertible Loan	Sep 2023	35,000,000	9.70 %	33,312,628	–
Total convertible loans				\$ 52,312,628	\$ 18,527,722

2021 Convertible Loan

On May 28, 2021, the Company entered into a secured convertible bridge loan agreement (the “**2021 Convertible Loan**”) with Frontera in the aggregate principal amount of \$19.0 million. The 2021 Convertible Loan, including all amendments, is a non-revolving term facility and together with all interest accrued, will be due and payable on November 30, 2022, or such later date as determined by Frontera, at its sole discretion.

Interest payable on the principal amount outstanding will accrue at a rate of 9.7% per annum payable monthly in cash, with interest on overdue interest. The 2021 Convertible Loan agreement includes a standby fee of 2% multiplied by the daily average amount of unused commitment under the 2021 Convertible Loan payable quarterly in arrears during the drawdown period.

Under the original terms of the 2021 Convertible Loan, Frontera at its sole discretion, had the option to elect to convert all or a portion of the principal amount of the 2021 Convertible Loan outstanding into Common Shares of the Company at a conversion price per Common Share equal to \$0.712 at any time in certain circumstances. On October 28, 2021, the Company completed a rights offering (See *Rights Offering Bridge Loan Facility* below), and due to an anti-dilution clause in the 2021 Convertible Loan, the conversion price per Common Share was reduced to \$0.69743. On June 30, 2022, this option expired unexercised and the 2021 Convertible Loan is now no longer convertible in Common Shares of CGX. The 2021 Convertible Loan is expected to be settled as part of the 2022 JOA Amendment, when it is concluded.

The 2021 Convertible Loan is secured by all of the assets of the Company. In addition, as of September 30, 2022, CGX Resources and GCIE signed a guarantee with Frontera for the 2021 Convertible Loan.

The 2021 Convertible Loan was classified as a liability, with the exception of the portion relating to the original conversion feature, resulting in the carrying value of the 2021 Convertible Loan being

less than face value. The discount was accreted over the term of the 2021 Convertible Loan utilizing the effective interest rate method at a 15% discount rate.

The activity on the 2021 Convertible Loan from related party for the nine month period ended September 30, 2022 and year ended December 31, 2021 is as follows:

	September 30, 2022	December 31, 2021
Opening balance	\$ 18,527,722	\$ –
Loan advance	–	19,000,000
Equity portion of the convertible loan	–	(835,000)
Transaction costs	–	(59,971)
Interest accretion	472,278	422,693
Accrued and or paid interest on loan	1,378,464	905,520
Interest paid	(1,019,963)	(592,463)
Interest recorded in trade and other payables	(358,501)	(313,057)
Total 2021 Convertible Loan	\$ 19,000,000	\$ 18,527,722

2022 Convertible Loan

On April 8, 2022, the Company completed a financing agreement for a \$35.0 million loan (the “**2022 Convertible Loan**”) with Frontera, which was first agreed on March 10, 2022, and then amended; to finance part of its share of costs related to the Corentyne block, the Berbice Deepwater Port and other budgeted costs as agreed to with Frontera.

The 2022 Convertible Loan will be available for drawdown in tranches on a non-revolving basis until the earlier of September 10, 2023, or the date on which CGX has drawn down the maximum amount of the 2022 Convertible Loan. The loan was fully drawn in one tranche on April 13, 2022. The 2022 Convertible Loan, together with all interest accrued, shall be due and payable on September 10, 2023, or such later date as determined by Frontera, at its sole discretion. Interest payable on the principal amount outstanding shall accrue at a rate of 9.7% per annum, with interest on overdue interest. If the Loan is extended by Frontera past September 10, 2023, in its sole discretion, the new interest rate will be 15% per annum. A standby fee of 2% per annum multiplied by the daily average amount of unused commitment under the 2022 Convertible Loan in excess of \$19 million shall be payable quarterly in arrears by CGX, on the last business day of each fiscal quarter, during the drawdown period.

Frontera in its sole discretion, any time after July 31, 2022, up to and including September 10, 2023, may elect to convert all or a portion of the principal amount of the 2022 Convertible Loan outstanding, into Common Shares of CGX at a conversion price equal to \$2.42 per common share (being the U.S. dollar equivalent of CDN \$ 3.10 per common share), provided Frontera provides CGX with 15 business days notice of such conversion. CGX has the right to prepay all or any portion of the Loan, including any unpaid interest, on 15 business days notice to Frontera before September 10, 2023.

The Company is also required to repay all of the 2022 Convertible Loan that is outstanding in the event that without the consent of Frontera, it issues any security that would dilute Frontera’s current ownership of CGX, or any of its subsidiaries enters into any transaction the proceeds of which are used by CGX to pay its part of the authorized costs of the Wei-1 well. The maximum number of Common Shares of CGX which may be acquired by Frontera upon the conversion of the principal amount of the 2022 Convertible Loan is 14,462,809 Common Shares of CGX. If the 2022 Convertible Loan principal is converted in full, Frontera will hold approximately 77.93% of the currently issued and outstanding Common Shares of CGX (compared to its current ownership of 76.97%). The 2022 Convertible Loan is expected to be settled as part of the 2022 JOA Amendment, when it is concluded.

During the nine month period ended September 30, 2022, transaction costs total \$98,891 (December 31, 2021: Nil) and were recorded against the 2022 Convertible Loan on the date of completion, being April 8, 2022.

The activity on the 2022 Convertible Loan from related party for the nine month period ended September 30, 2022 and year ended December 31, 2021 is as follows:

	September 30, 2022	December 31, 2021
Opening balance	\$ –	\$ –
Loan advances	35,000,000	–
Equity portion of the convertible loan	(2,331,000)	–
Transaction costs	(98,891)	–
Interest accretion	742,518	–
Accrued and or paid interest on loan	1,581,231	–
Interest paid on loan	(920,834)	–
Interest recorded in trade and other payables	(660,397)	–
Total 2022 Convertible Loan	\$ 33,312,628	\$ –

As at September 30, 2022, the Company has recorded interest from the date of the 2022 JOA amendment to September 30, 2022 of \$358,501 and \$660,397 on the 2021 and 2022 Convertible Loans, respectively, for a total of \$1,018,898 recorded as trade and other payables. The Company expects this interest to be settled without payment as part of the closing of the 2022 JOA Amendment.

Rights Offering Bridge Loan Facility

On October 8, 2021, the Company received a \$20.0 million Rights Offering Bridge Loan Facility (the “**Rights Loan**”) from Frontera. This Rights Loan was made available for drawdown in tranches on a non-revolving basis until October 31, 2021. The Rights Loan, together with all interest accrued, was due and payable on October 31, 2021 (the “**Maturity Date**”) or such later date as determined by Frontera, at its sole discretion. The Company and Frontera agreed that the acquisition cost of any securities acquired by Frontera pursuant to the exercise of Rights Offering would be satisfied by the reduction of the amounts payable to Frontera under the Rights Loan. Interest payable on the principal amount outstanding accrued at a rate of 9.7% per annum payable monthly in cash, with interest on overdue interest. If the Maturity Date was extended by Frontera, at its sole discretion, the new interest rate would have been 15% per annum. The loan was fully drawn on October 25, 2021 and fully settled upon closing of the Right Issue on October 28, 2021 including the payment of \$21,260 interest expense.

On October 28, 2021 the Company completed an Offering. Pursuant to the Offering, the Company issued to holders of its outstanding Common Shares of record as at the close of business on October 1, 2021 an aggregate of 45,151,338 Rights. Each Right entitled the holder thereof to subscribe for one Common Share of CGX upon payment of the subscription price of C\$1.63 (equivalent of approximately \$1.32) per Common Share until October 28, 2021. The Company issued 45,151,338 Common Shares, the maximum number of Common Shares available for issuance under the terms of the Offering, based on shareholders’ exercise of the basic subscription privilege and the additional subscription privilege, allocated pro-rata, for aggregate gross proceeds to the Company of C\$73,596,681 (equivalent of approximately \$59,451,865).

Frontera provided a standby commitment, in which Frontera would acquire any Common Shares available as a result of any unexercised rights under the Offering, such that CGX was guaranteed to issue 45,151,338 Common Shares in connection with the Offering. In consideration for the standby commitment, Frontera received 5-year warrants to purchase up to 1,173,774 Common Shares at an exercise price equal to \$1.51 per Common Share. Frontera acquired an additional 11,737,747 Common Shares under the standby commitment. Frontera acquired an aggregate of 45,083,314 Common Shares in connection with the Offering pursuant to the exercise of the rights and the

standby commitment under the Offering for cash consideration of C\$73,485,802 (equivalent of approximately \$59,362,296).

The grant date fair value of the warrants issued on the rights offering of \$917,000 (note 13) was estimated using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	1.50%
Expected volatility	111%
Expected life of warrants	5 years
Expected dividend yield	Nil
Common share price value on issue date	C\$1.29

Farm-in partner cash call balances

Under the JOAs, the Company is the operator of the Corentyne licences. As operator, the Company makes cash calls from its partner to pay for future licence expenditures. As at September 30, 2022, farm-in-partner has a balance of \$30,863,843 payable (December 31, 2021: \$7,838,911 receivable) for future exploration on the Corentyne licence.

In addition, as operator of the Corentyne and Demerara licences, the Company receives a fee from its Joint Venture partner to reimburse its indirect costs related to operating the licence. This fee is based on total expenditures under the JOAs. During the nine month period ended September 30, 2022, the Company received fees from its Joint Venture partner in the amount of \$176,764 (2021: \$884,235).

Key Management

Key management includes the Company's directors, officers and any employees with authority and responsibility for planning, directing, and controlling the activities of an entity, directly or indirectly. Compensation awarded to key management included:

Nine month period ended September 30,	2022	2021
Short-term employee benefits	\$ 2,593,152	\$ 948,000
Share based payments	414,000	257,000
Total compensation paid to key management	\$ 3,007,152	\$ 1,205,000

During the nine month period ended September 30, 2022, key management of CGX exercised Nil (year ended December 31, 2021: 1,050,000) stock options at a weighted average exercise price of \$Nil (year ended December 31, 2021: C\$0.46 (\$0.37)). The weighted average trading price on date of exercise for the stock options exercised during the nine month period ended September 30, 2022 was \$Nil (\$1.06) (year ended December 31, 2021: C\$1.31 (\$1.06)).

As of September 30, 2022, deferred directors' fee payments of \$454,000 (December 31, 2021: \$300,000) in trade and other payables. These amounts are unsecured, non-interest bearing and due on demand.

12. RISK AND UNCERTAINTIES

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk and Uncertainties" in the Company's Annual MD&A and

COVID-19

As the global coronavirus pandemic ("COVID-19") continues, CGX has continued with its plan to protect the health and safety of its employees and all stakeholders. The Company continues to monitor the COVID-19 related situation and act in accordance with the advice provided by regulatory authorities in all the countries within which it operates.

The Covid-19 pandemic shows considerable signs of easing as many countries have lifted travel bans, ended lockdowns and eased quarantine measures. Many governments have announced curtailment of certain measures to provide financial and non-financial assistance to the affected entities. At the same time, COVID-19 may continue to affect companies and economies. Many entities are still dealing with lost revenue and disrupted supply chains and, as a result, millions of workers have lost their jobs.

Given the uncertainty regarding the duration and scope of the COVID-19 pandemic on the global economy and the oil and gas industry, there can be no assurance that the pandemic will not materially and adversely affect the Company's business, financial condition, cash flows, and results of operations in the future.

The Russia-Ukraine War

The Company does not have sales, production, or operations within Russia or Ukraine, and is not expected that the war will directly impact its operations. Nevertheless, the ongoing war induces greater uncertainties in global financial markets and supply chain systems, which could lead to volatility in oil prices, inflation, interest rates, financing costs, and shortage or delays for certain goods or services. The Company continues assessing its exposure.

The future performance of the Company will depend on the exploration and development of its properties in Guyana. The Company may have difficulties raising equity for the purpose of carrying out exploration and development activities with respect to its Guyana properties, particularly without excessively diluting present shareholders of the Company.

13. ABBREVIATIONS

The following abbreviations are frequently used in the Company's Quarterly Highlights.

PPL	Petroleum Prospecting Licences	PAs	Petroleum Agreements
C\$	Canadian dollars	\$	U.S. dollars
Q	Quarter	USD	United States dollars

October 31, 2022

"Suresh Narine"

Suresh Narine
Executive Chairman and Executive Director (Guyana)

"Daniel Sanchez"

Daniel Sanchez
Chief Financial Officer