

# CGX ENERGY INC. AND FRONTERA ENERGY CORPORATION

## *NEWS RELEASE*

### CGX ENERGY AND FRONTERA ANNOUNCE AMENDMENT TO LETTER AGREEMENT

**Toronto, Canada, January 11, 2019** - CGX Energy Inc. (TSXV: OYL) (“CGX”) and Frontera Energy Corporation (TSX: FEC) (“Frontera”) announced today that they have further amended a letter agreement previously disclosed in a news release of CGX and Frontera on December 4, 2018 and amended on December 14, 2018, to extend the time of the launch of the equity financing in the amount of approximately US\$20 million to occur on or prior to February 6, 2019 and anticipated to be completed on or prior to March 15, 2019, subject to regulatory approval.

Further, CGX and Frontera have amended the letter agreement to extend the time by which CGX Resources Inc., a wholly owned subsidiary of CGX, and Frontera will enter into a farm-in joint venture agreement covering CGX’s two shallow water offshore Petroleum Prospecting Licenses in Guyana, the Corentyne and Demerara Blocks as previously disclosed on December 4, 2018, to on or prior to February 6, 2019.

These changes to the timing are not expected to have any impact on the timing of the drilling of the Utakwaaka-1 exploration well on the Corentyne Block which is required to be drilled by November 27, 2019. As previously announced by CGX Energy, a definitive rig agreement has been executed with ROWAN RIGS S.A.R.L for the use of the Ralph Coffman offshore jack-up rig which is targeted to commence during the second quarter of 2019.

#### **Related Party Transaction**

The proposed transactions between Frontera and CGX contemplated by the letter agreement are related party transactions under Multilateral Instrument 61-101. For further details, please see the news releases of CGX and Frontera dated December 4, 2018 and December 17, 2018 and the material change reports of CGX dated December 10, 2018 and December 17, 2018.

#### **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".*

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**Advisories:** Fasken Martineau DuMoulin LLP is Canadian 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 launch and completion of the equity financing, the entering into the joint venture agreement, obtaining regulatory approvals) 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 each company's profile on SEDAR at [www.sedar.com](http://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:**

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