

FRONTERA ENERGY CORPORATION AND CGX ENERGY INC.

NEWS RELEASE

FRONTERA AND CGX ANNOUNCE \$19 MILLION LOAN AGREEMENT

ENABLES CGX TO CONTINUE TO FINANCE ITS SHARE OF JOINT VENTURE EXPENDITURES

KAWA-1 REMAINS ON-TRACK TO SPUD IN 2H21

Toronto, Canada, April 16, 2021 - Frontera Energy Corporation (TSX: FEC) ("**Frontera**") and CGX Energy Inc. (TSXV:OYL) ("**CGX**"), joint venture partners (the "**Joint Venture**") in Petroleum Prospecting Licenses for the Corentyne and Demerara blocks offshore Guyana, announced today that they have entered into a term sheet for a \$19 million loan (the "**Loan**") that will enable CGX to continue to finance its share of costs related to the Corentyne, Demerara and Berbice blocks, the Berbice Deepwater Port, and other budgeted costs as agreed to by Frontera.

"Our joint venture with CGX represents a significant growth opportunity for both companies and is rooted in a commitment to the Guyanese government to develop these world class assets with a focus on local engagement and the development of infrastructure," said Orlando Cabrales, Chief Executive Officer of Frontera. "Completing the loan agreement with CGX is an important step forward and the Joint Venture remains firmly on-track to spud its first offshore Guyana well as planned in the second half of this year."

"These are exciting times for CGX, the Joint Venture and our stakeholders as we get closer to spudding Kawa-1," said Professor Suresh Narine, Executive Co-Chairman of CGX. "We have exciting exploration plans for the Kawa-1 and Makarapan-1 wells on the Corentyne and Demerara Blocks and, as importantly, we are developing the infrastructure necessary to support and enhance broader energy and trade industry activity through the Berbice Deepwater Port Project. We look forward to executing on our programs and creating value and opportunity for our stakeholders."

The Loan to CGX will be available for drawdown in tranches on a non-revolving basis until the earlier of October 31, 2021 or the date on which CGX (or its subsidiaries) enters into a binding transaction that provides funds to repay the amounts outstanding under the Loan. The Loan, together with all interest accrued, shall be due and payable on June 30, 2022, 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 payable monthly in cash, with interest on overdue interest. If the Loan is extended by Frontera past June 30, 2022, at its sole discretion, the new interest rate will be 15% per annum. The Loan will be secured by all the assets of CGX. The Loan agreement also includes a standby fee of 2% multiplied by the daily average amount of unused commitment under the Loan payable quarterly in arrears by CGX during the drawdown period.

Subject to the approval of the TSX Venture Exchange ("**TSXV**"), Frontera in its sole discretion, may elect to convert all or a portion of the principal amount of the Loan into common shares in the capital of CGX at the conversion price per common share equal to US\$0.712 (being the U.S. dollar equivalent of the C\$0.89 closing price of the common shares on the TSXV prior to the announcement of the Loan), or any amount as required by the TSXV, at any time (A) after July 15, 2021 and on or before February 15, 2022, in certain circumstances, on the condition that Frontera first notifies CGX in writing of its decision to exercise its conversion right, and CGX either (i) fails to notify Frontera, within fifteen calendar days following delivery of the Frontera notice, that it will repay

all amounts outstanding under the Loan in cash or (ii) fails to so repay all amounts outstanding under the Loan within fifteen calendar days following CGX's timely notice of its intent to repay the Loan, or (B) after February 15, 2022, on the delivery of a conversion notice by Frontera if CGX Resources has as of July 15, 2021 entered into a binding transaction (which closing is subject to government approval only) that will provide it with funds to repay outstanding amounts under the Loan. The maximum number of common shares which may be acquired by Frontera upon the conversion of the Loan is 26,685,393 common shares, which represents approximately 9.28% of the currently issued and outstanding common shares of CGX.

The Loan contemplated by the term sheet remains subject to customary conditions, including the negotiation and execution of definitive agreements between Frontera and CGX and obtaining regulatory approvals. There is no guarantee that definitive agreements will be executed on the terms contemplated, or at all.

The transactions described herein between Frontera and CGX are related party transactions under Multilateral Instrument 61-101 but are exempt from the 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 the required disclosure regarding such exemptions.

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 RELEASE

About CGX:

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

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 South America. Frontera has a diversified portfolio of assets with interests in more than 40 exploration and production blocks in Colombia, Ecuador and Guyana. Frontera's strategy is focused on sustainable growth in production and reserves. Frontera is committed to conducting business safely, ethically 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:

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 Frontera and CGX believe, expect or anticipates will or may occur in the future (including, without limitation, statements regarding the entering into of definitive agreements, the timing of the Guyana exploration program, the completion of a financing, obtaining regulatory approvals, continued exploration and success thereof, and CGX obtaining sufficient working capital, estimates and/or assumptions in respect of CGX's and Frontera's exploration and development plans and objectives, including its drilling plans and the timing thereof) are forward-looking statements. These forward- looking statements reflect the current expectations or beliefs of Frontera and/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 companies. Factors that could cause actual results or events to differ materially from current expectations include, among other things: with respect to Frontera, failure to obtain regulatory approval and reach appropriate definitive agreements with CGX; with respect to CGX (and as applicable Frontera), failure to reach appropriate definitive agreements with Frontera, obtain regulatory approval, successfully explore and develop the offshore blocks, and unforeseen costs and expenses; 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 companies operate or have investments; and the other risks disclosed in the applicable continuous disclosure documents under each of Frontera's and CGX'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.