

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. – Name and Address of Company:

CGX Energy Inc.
Suite 1010, 130 Adelaide Street West
Toronto, ON M5H 3P5

Item 2. – Date of Material Change:

October 19, 2011

Item 3. – News Release:

A news release with respect to the material change referred to in this report was issued through newswire services on October 19, 2011 and filed on the System for Electronic Document Analysis and Retrieval (SEDAR).

Item 4. – Summary of Material Change:

CGX Energy Inc. (the "Company") has announced that it has closed its previously announced offering of common shares at \$0.70 per share (the "Offering"). Pursuant to the Offering, the Company issued 131,445,000 common shares (the "Common Shares") for gross proceeds of \$92,011,500 which included the full exercise of the over-allotment option. The Offering was led by Cormark Securities Inc. and included GMP Securities L.P., Canaccord Genuity Corp., Macquarie Capital Markets Canada Ltd., Jennings Capital Inc. and Toll Cross Securities Inc. (collectively, the "Underwriters"). As compensation for their services in connection with the Offering, an aggregate underwriting fee of \$5,520,690 was paid to the Underwriters by the Company. Completion of the Offering is subject to receipt by the Corporation of the final approval of the TSX Venture Exchange in connection therewith.

Item 5. – Full Description of Material Change:

The Company has announced that it has closed its previously announced Offering. Pursuant to the Offering, the Company issued 131,445,000 Common Shares for gross proceeds of \$92,011,500 which included the full exercise of the over-allotment option. The Offering was led by Cormark Securities Inc. and included GMP Securities L.P., Canaccord Genuity Corp., Macquarie Capital Markets Canada Ltd., Jennings Capital Inc. and Toll Cross Securities Inc. As compensation for their services in connection with the Offering, an aggregate underwriting fee of \$5,520,690 was paid to the Underwriters by the Company. Completion of the Offering is subject to receipt by the Corporation of the final approval of the TSX Venture Exchange in connection therewith.

The financing provides the Company with the necessary funding for its share of the expected costs for two wells offshore Guyana – the Jaguar-1 well on its 25% owned Georgetown Petroleum Prospecting License ("PPL") and the Eagle-1 well on its 100% owned Corentyne PPL. It will also allow the Company to prepare for a second well on the Corentyne PPL and to further develop its exploration portfolio with

ongoing studies. The Company will continue to pursue joint venture partners, but is no longer dependent on them to complete the next two wells.

Item 6. – Reliance on Section 7.1(2) of National Instrument 51-102:

Not applicable.

Item 7. – Omitted Information:

Not applicable.

Item 8. – Executive Officer:

Inquiries in respect of the material change referred to herein may be made to:

Stephen Hermeston
President and Chief Executive Officer
Telephone: (281) 644-0139

Item 9. – Date of Report:

October 25, 2011