



NG ENERGY INTERNATIONAL CORP.

Suite 321, 5940 MacLeod Trail SW
Calgary, Alberta T2H 2G4

NG ENERGY ANNOUNCES FILING OF Q1 2024 FINANCIAL RESULTS

CALGARY, AB, May 30, 2024 – NG Energy International Corp. (“NGE” or the “Company”) (TSXV: **GASX**) (OTCQX: **GASXF**) is pleased to announce that it has filed its financial results for the three months ended March 31, 2024. The Company's consolidated financial statements and management's discussion and analysis for the three months ended March 31, 2024 are available on the Company's profile on SEDAR+ (www.sedarplus.ca).

Brian Paes-Braga, Co-Chairman and Chief Executive Officer, noted, “Q1 was another record quarter for the Company across all aspects of our business, highlighted by significant production growth and development progress across our assets, increased strength and liquidity on our balance sheet, hiring of new employees, as well as our continued work in the communities in which we operate. Notably, we successfully increased production from Maria Conchita, averaging (gross) 17.3 MMcf/d, as we continued to optimize our production, exiting Q1 with a March monthly average of 17.9 MMcf/d. We will be updating the market shortly on the results of our optimization work at Maria Conchita – we expect to increase production even further (to over 20.0 MMcf/d) as we continue to develop this field to its full potential. With this increased production and continued higher gas prices, the Company generated record cash flow from operating activities of US\$7.3 million and a healthy operating netback of US\$5.81 per MCF.”

Mr. Paes-Braga continued, “At Sinu-9, our pipeline partners, INFRAES, were able to make incredible progress in Q1 on the 32 km pipeline connecting Sinu-9 to the Jobo facility. At times during the development of Sinu-9, the Company and its partners have experienced blockades which have unfortunately been faced industry-wide. However, our partners and our team have done a remarkable job in managing through these realities, with the pipeline now at 94% completion and remaining on schedule for completion in H1 2024. As a consequence of the delays experienced, we expect production testing to commence in the next 45-60 days (Q3) as all our remaining works at site are completed, marking a transformational milestone for our Company and delivering much-needed new clean energy supply under the Colombian government’s transition objectives. I want to personally thank INFRAES and Surenergy for being such reliable partners, as well as all our partners in the block, including Clean Energy, Oleum and First Global, for their collective efforts as a team throughout this development.”

Jorge Fonseca, Chief Financial Officer, noted, “With regard to our balance sheet, in Q1 we welcomed Macquarie as a key partner and financial pillar for our Company which resulted in a re-financing of short-term secured convertible debentures to a 5-year, up to US\$100 million combined facility (US\$40 million drawn to date), resulting in reduced debt, increased liquidity and providing us with maximum flexibility into the future as we continue to execute through our high growth phase.”

Financial Highlights – Q1 2024:

- The Company achieved record quarterly revenue of US\$10.2 million versus US\$2.1 million in Q1 2023, a 488% increase YOY.
- The Company achieved record quarterly cash flow from operations of US\$7.3 million versus US\$(0.5) million in Q1 2023.
- The Company achieved record quarterly funds flow from operations of US\$5.8 million versus US\$(0.4) million in Q1 2023.



- The Company achieved record average net production of 14.0 MMcf/d, a 211% increase versus average net production of 4.5 MMcf/d in Q1 2023.
- The Company achieved record operating netback of US\$5.81 per MCF versus US\$2.80 per MCF in Q1 2023.
- The Company incurred a one-time cost of \$22.9 million due to the re-financing of the convertible debentures upon closing of the Macquarie facility.

Macquarie Transaction and Growth Outlook:

During the quarter, the Company closed a financing agreement of up to US\$100 million with Macquarie Group with an initial advance of US\$40 million, aligning the Company with a global financial institution. The proceeds of the transaction and optimization of the Company balance sheet have allowed the Company to make significant progress during the quarter on the Phase-1 Sinu-9 infrastructure projects and production maintenance and enhancement activities at Maria Conchita.

Remaining 2024 Work Program and Objectives:

- Completion of ongoing Phase I infrastructure projects resulting in gathering, processing and transportation capacity of 30 MMcf/d (with an incremental 10 MMcf/d to be built following the commissioning of the initial 30 MMcf/d) and achieving full utilization of this capacity upon tie-in of Brujo-1x and Magico-1x.
- Completion of geophysics study on the H3/H4 fractured zones and an evaluation of various production growth development programs at Maria Conchita including the drilling of an additional development well in Q1 2025.
- Continued evaluation and planning of exploration and development growth objectives, including the drilling of Hechicero-1x at Sinu-9, a development well located on the same pad as Brujo-1x which encountered 783 feet of pay and tested 51 MMcf/d.
- Continued commitment to supporting the communities in which the Company operates.

About NG Energy International Corp.

NG Energy International Corp. is a growth-orientated natural gas exploration and production company focused on delivering long-term shareholder and stakeholder value through the discovery, delineation and development of large-scale natural gas fields in developing countries, supporting energy transition and economic growth. NGE's team has extensive technical and capital markets expertise with a proven track record of building companies and creating significant value in South America. In Colombia, the Company is executing on this mission with a rapidly growing production base and an industry-leading growth trajectory, delivering natural gas into the premium-priced Colombian marketplace (~US\$8/MMBtu) with projected triple digit production growth over the next 2-3 years towards a production goal of 200 MMcf/d. The Company expects to achieve >150% increase in 2024 and has seen a 551% year-over-year increase in 3P reserves, 314% year-over-year increase in 2P reserves and 241% increase in 1P reserves. To date, over US\$100 million has been invested in the exploration and development of Sinu-9 and Maria Conchita with significant contributions from insiders who currently own 42% of the Company. Recently, Macquarie Group provided financing of up to US\$100 million, including initial committed funding of US\$50 million, resulting in a fully-funded 2024/2025 development plan and aligning NGE with a global financial institution. For more information, please visit SEDAR+ (www.sedarplus.ca) and the Company's website (www.ngenergyintl.com).



Cautionary Statement Regarding Forward-Looking Information

This news release contains “forward-looking information” and “forward-looking statements” (collectively, “forward-looking statements”) within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release, including, without limitation, statements related to production levels at the Maria Conchita Block, the timeline for bringing processing and transportation capacity online at the Sinu-9 Block and the Company’s production growth in 2024. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as “expects”, or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “budget”, “scheduled”, “forecasts”, “estimates”, “believes” or “intends” or variations of such words and phrases or stating that certain actions, events or results “may” or “could”, “would”, “might” or “will” be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Factors that could cause actual results to differ materially from those anticipated in these forward-looking statements are described under the caption “Risk Factors” in the Company’s most recent Management Discussion and Analysis and its Annual Information Form dated April 26, 2024, which are available for view on SEDAR+ at www.sedarplus.ca. These risks include but are not limited to, the risks associated with the oil and natural gas industry, such as exploration, production and general operational risks, the volatility of pricing for oil and natural gas, the inability to market natural gas production and changes in natural gas sale prices, changing investor sentiment about the oil and natural gas industry, any delays in production, marketing and transportation of natural gas, drilling costs and availability of equipment, regulatory approval risks and environmental, health and safety risks. Forward-looking statements contained herein are made as of the date of this news release, and the Company disclaims, other than as required by law, any obligation to update any forward-looking statements whether as a result of new information, results, future events, circumstances, or if management’s estimates or opinions should change, or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, the reader is cautioned not to place undue reliance on forward-looking statements.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Abbreviations

The abbreviations set forth below have the following meanings:

Natural Gas	
MMcf/d	million cubic feet per day
Bcf	billion cubic feet

Non-IFRS Measures



The non-IFRS measures referred to above do not have any standardized meaning prescribed by IFRS Accounting Standards (“**IFRS**”) and, therefore, may not be comparable to similar measures used by other companies. Management uses non-IFRS measurements to provide its shareholders and investors with a measurement of the Company’s financial performance and are not intended to represent operating profits nor should they be viewed as an alternative to cash provided by operating activities, net income or other measures of financial performance calculated in accordance with IFRS. The reader is cautioned that these amounts may not be directly comparable to measures for other companies where similar terminology is used.

“**Operating Income**” is calculated by deducting operating expense from total revenue. Total revenue is comprised of natural gas and natural gas liquids sales, net of royalties. The Company refers to Operating Income expressed per unit of production as an “**Operating Netback**”. “**Operating Income Profit Margin**” is calculated by the Company as Operating Income as a percentage of natural gas sales. A reconciliation of the measures for three months ended March 31, 2024 and 2023, is as follows:

	Q1 2024	Q1 2023
Natural Gas Sales	10,190,283	2,096,853
NGL Sales	46,830	-
Royalties	(1,676,048)	(393,342)
Operating Expenses	(1,104,973)	(566,605)
Operating Income	7,456,092	1,136,906
Gas Sales volume (Mcf)	1,273,373	406,186
Natural Gas Sales (per Mcf)	8.00	5.16
Royalties (per Mcf)	(1.32)	(0.97)
Operating Expenses (per Mcf)	(0.87)	(1.39)
Natural Gas Operating Netback per Mcf	5.81	2.80
Natural Gas Operating Income Profit Margin	72.6%	54.3%
NGL Sales volume (Bbls)	893	-
NGL Sales (per Bbl)	52.44	-

Information Regarding the Preparation of Reserves and Resource Information

Sproule International Limited (“Sproule”), an independent qualified reserves and resources evaluator, has conducted the reserves and resource evaluation for the Maria Conchita Block and the Sinú-9 Block in accordance with the Canadian Oil and Gas Evaluation Handbook (the “COGE Handbook”). It adheres in all material aspects to the principles and definitions established by the Calgary Chapter of the Society of Petroleum Evaluation Engineers regarding annual reserve and resource reports that are being released in the public domain. The COGE Handbook is incorporated by reference in National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities.

The Company’s Form 51-101F1 – Statement of Reserves Data and Other Oil and Gas Information for the fiscal year ended December 31, 2023, prepared by Sproule in accordance with the COGE Handbook and



has an effective date of December 31, 2023 (the “2023 51-101F1”) was filed on SEDAR+ on April 26, 2024. As per the requirements of Form 51-101F1, since the Maria Conchita Block and the Sinú-9 Block are both located in Colombia, the Company has disclosed its reserves in the 2023 51-101F1 on an aggregated basis. The reserves in the 2023 51-101F1, which are attributed to the Sinú-9 Block are based on the Sinú-9 Report (as defined below) and the reserves in the 2023 51-101F1, which are attributed to the Maria Conchita Block are based on the Maria Conchita Report (as defined below). The Company uses natural gas liquids and conventional natural gas as the two product types to report the Company’s reserves.

The report entitled “Evaluation of the P&NG Reserves and Resources of NG Energy International in the Sinú-9 Block, Colombia” (the “Sinú-9 Report”) was prepared by Sproule with an effective date of December 31, 2023 and a preparation date of December 21, 2023. The Sinú-9 Block is located in the Department of Córdoba, Colombia. The Company’s working interest in the Sinú-9 Block is 72%, subject to payment of ANH sliding scale royalties. Reserves and resources attributed to the Hechizo, Brujo, Magico, Mago, Hechicero, Encanto, Milagroso, Porquero, Embrujo, Ensalmos and Sortilegio zones have been included in the Sinú-9 Report.

The report entitled “Evaluation of the P&NG Reserves and Resources of NG Energy International in the Maria Conchita Block, Colombia” (the “Maria Conchita Report”) was prepared by Sproule with an effective date of December 31, 2023 and a preparation date of December 20, 2023. The Company holds an 80% working interest in the Maria Conchita Block, which is located in the Department of La Guajira, Colombia. Reserves and resources attributed to the H1, H1A, H1A1, H1B, H2, H2B, H3, H4 and LM2 zones have been included in the Maria Conchita Report.

For additional information regarding the Sinú-9 Report, the Maria Conchita Report and the reserves information contained in this news release please see the 2023 51-101F1 filed on SEDAR+ on April 26, 2024, and the Company’s news release dated December 27, 2023 entitled “NG Energy Announces 55% YOY Increase to 3P Reserves”.

Caution Respecting Reserves Information

The determination of oil and natural gas reserves involves the preparation of estimates that have an inherent degree of associated uncertainty. Categories of Proved, Probable and Possible reserves have been established to reflect the level of these uncertainties and to provide an indication of the probability of recovery. The estimation and classification of reserves requires the application of professional judgement combined with geological and engineering knowledge to assess whether or not specific reserves classification criteria have been satisfied. Knowledge of concepts including uncertainty and risk, probability and statistics, and deterministic and probabilistic estimation methods is required to properly use and apply reserves definitions.

The recovery and reserve estimates of natural gas liquids and natural gas reserves provided herein are estimates only. Actual reserves may be greater than or less than the estimates provided herein. The estimated future net revenue from the production of the disclosed natural gas reserves does not represent the fair market value of these reserves.

Information Regarding Reserves

Reserves are estimated remaining quantities of commercially recoverable oil, natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on the analysis of drilling, geological, geophysical and engineering data; the use of established technology; and specified economic conditions, which are generally accepted as being reasonable. Reserves are further



classified according to the level of certainty associated with the estimates and may be subclassified based on development and production status.

“Proved reserves” are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated Proved reserves.

“Probable reserves” are those additional reserves that are less certain to be recovered than Proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated Proved plus Probable reserves.

“Possible reserves” are those additional reserves that are less certain to be recovered than Probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated Proved plus Probable plus Possible reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of Proved plus Probable plus Possible reserves.

The qualitative certainty levels referred to in the definitions above are applicable to “individual reserves entities” (which refers to the lowest level at which reserves calculations are performed) and to “reported reserves” (which refers to the highest-level sum of individual entity estimates for which reserves estimates are presented). Reported reserves should target the following levels of certainty under a specific set of economic conditions:

- at least a 90% probability that the quantities actually recovered will equal or exceed the estimated Proved reserves; and
- at least a 50% probability that the quantities actually recovered will equal or exceed the sum of estimated Proved plus Probable reserves.

A qualitative measure of the certainty levels pertaining to estimates prepared for the various reserves categories is desirable to provide a clearer understanding of the associated risks and uncertainties. However, the majority of reserves estimates will be prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

Each of the reserve categories (Proved and Probable) may be divided into developed and undeveloped categories as follows:

“Developed Producing reserves” are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

“Developed Non-Producing reserves” are those reserves that either have not been on production, or have previously been on production, but are shut-in, and the date of resumption of production is unknown.

“Undeveloped reserves” are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (Proved, Probable and Possible) to which they are assigned and expected to be developed within a limited time.

In multi-well pools it may be appropriate to allocate total pool reserves between the developed and undeveloped subclasses or to subdivide the developed reserves for the pool between developed producing



and developed nonproducing. This allocation should be based on the estimator's assessment as to the reserves that will be recovered from specific wells, facilities and completion intervals in the pool and their respective development and production status.

Estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation. Additionally, all estimates of future net revenue, whether calculated without discount or using a discount rate, do not represent fair market value.

For further information:

NG Energy International Corp.
Brian Paes-Braga, Co-Chairman & CEO
Jorge Fonseca, CFO
Tel: +1 (604) 404-4335