

# Annual & Special Meeting

Toronto, Ontario

June 26, 2013



## **Cautionary Note Concerning Forward-Looking Statements**

This presentation contains forward-looking statements. All statements, other than statements of historical fact, that address activities, events or developments that CGX Energy Inc. (the "Company" or "CGX") believes, expects or anticipates will or may occur in the future (including, without limitation, statements regarding estimates and/or assumptions in respect of production, revenue, cash flow and costs, reserves and resource estimates, potential resources and reserves and the Company's exploration and development plans and objectives) are forward-looking statements.

These forward-looking statements reflect the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual results of the Company 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 Company. Factors that could cause actual results or events to differ materially from current expectations include, among other things: uncertainty of estimates of capital and operating costs; the possibility that actual circumstances will differ from the estimates and assumptions; failure to establish estimated resources or reserves; fluctuations in petroleum prices and currency exchange rates; inflation; changes in equity markets; political developments in Guyana; changes to regulations affecting the Company's activities; uncertainties relating to the availability and costs of financing needed in the future; the uncertainties involved in interpreting drilling results and other geological data; and the other risks disclosed under the heading "Risk Factors" and elsewhere in the Company's annual information form dated June 10, 2013 filed 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, the company 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 the Company believes that the assumptions inherent in the forward-looking statements 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.

Statements related to resources are deemed forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions that the resources will be discovered (in the case of Prospective Resources) and can be profitably produced in the future. Specifically, forward-looking information contained herein regarding "resources" may include: estimated volumes and value of the Company's oil and gas resources; estimated volumes of Contingent and Prospective Resources and the ability to finance future development; and, the conversion of a portion of Contingent Resources into reserves and Prospective Resources into Contingent Resources.

Operational Plans are subject to obtaining local permits, other customary regulatory approvals and approvals from our joint venture partners.

## **Resources**

Readers should give attention to the estimates of individual classes of resources and appreciate the differing probabilities of recovery associated with each class. Estimates of remaining recoverable resources include Prospective resources that have not been adjusted for risk based on the chance of discovery or the chance of development and Contingent resources that have not been adjusted for risk based on the chance of development. It is not an estimate of volumes that may be recovered. Actual recovery is likely to be less and may be substantially less or zero.

Prospective Resources are those quantities of oil and gas estimated to be potentially recoverable from undiscovered accumulations. There is no certainty that the Prospective Resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the Prospective Resources. Application of any geological and economic chance factor does not equate Prospective resources to Contingent Resources or reserves. In addition, the following mutually exclusive classification of Resources were used:

- Low Estimate - This is considered to be a conservative estimate of the quantity that will actually be recovered from the accumulation. This term reflects a P90 confidence level where there is a 90% chance that a successful discovery will be equal to more than this resources estimate.
- Best Estimate - This is considered to be the best estimate of the quantity that will actually be recovered from the accumulation. This term is a measure of central tendency of the uncertainty distribution and in this case reflects a 50% confidence level where there is a 50% chance that the successful discovery will be equal to or more than this resources estimate.
- High Estimate - This is considered to be an optimistic estimate of the quantity that will actually be recovered from the accumulation. This term reflects a P10 confidence level where there is a 10% chance that the successful discovery will be equal to or more than this resources estimate.

Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingent Resources have an associated chance of development (economic, regulatory, market and facility, corporate commitment or political risks). The estimates herein have not been risked for the chance of development. There is no certainty that the Contingent Resources will be developed and, if they are developed, there is no certainty as to the timing of such development or that it will be commercially viable to produce any portion of the Contingent Resources.

In this presentation total volumes of resources have been expressed for high case estimates, low case estimates and best case estimates for both Contingent and Prospective Resources. These total volumes are arithmetic sums of multiple estimates of Contingent and Prospective Resources, as the case may be, which statistical principles indicate may be misleading as to volumes that may actually be recovered. Readers should give attention to the estimates of individual classes of resources and appreciate the differing probabilities of recovery associated with each class as explained in this section.

## **Currency**

Unless otherwise stated, all dollar figures set out in this presentation are in United States dollars.

## **Boe Conversion**

Boe may be misleading, particularly if used in isolation. A boe conversion ratio of 6.0 Mcf:1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. The estimated values disclosed in this presentation do not represent fair market value. The 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.

- **Proven hydrocarbon system in World-Class Guyana-Suriname basin - Independent Resource Evaluation, P50 basis, of Corentyne PPL by D&M in December 2012**
  - 779 MMbbl of oil
  - 743 MMbbl of condensate
  - 6,943 Bcf of sales gas plus 696 Bcf of associated solution gas
- **In-Country Expertise – Proven Management team with significant expertise in the region**
  - Only E&P company with Guyanese board members and Guyanese Co-Chairman
  - In-country senior management team
  - CGX is focused solely on the Guyana-Suriname basin with a 15 year history in country
- **Strategic partner with proven track record of unlocking value and exploration success**
  - Pacific Rubiales (TSX: PRE; BVC: PREC; BOVESPA: PREB) has exploration success rate of more than 80%
- **Recently secured assets for next 10 years, with total of 3.3 million gross acres**
  - Corentyne PPL – November 27, 2012
  - Demerara PPL – February 13, 2013
  - Berbice PPL – February 13, 2013
- **Recent Financing**
  - Private placement financing in April 2013 (C\$37 million)

# EXPLORATION ASSET OVERVIEW

## Demerara

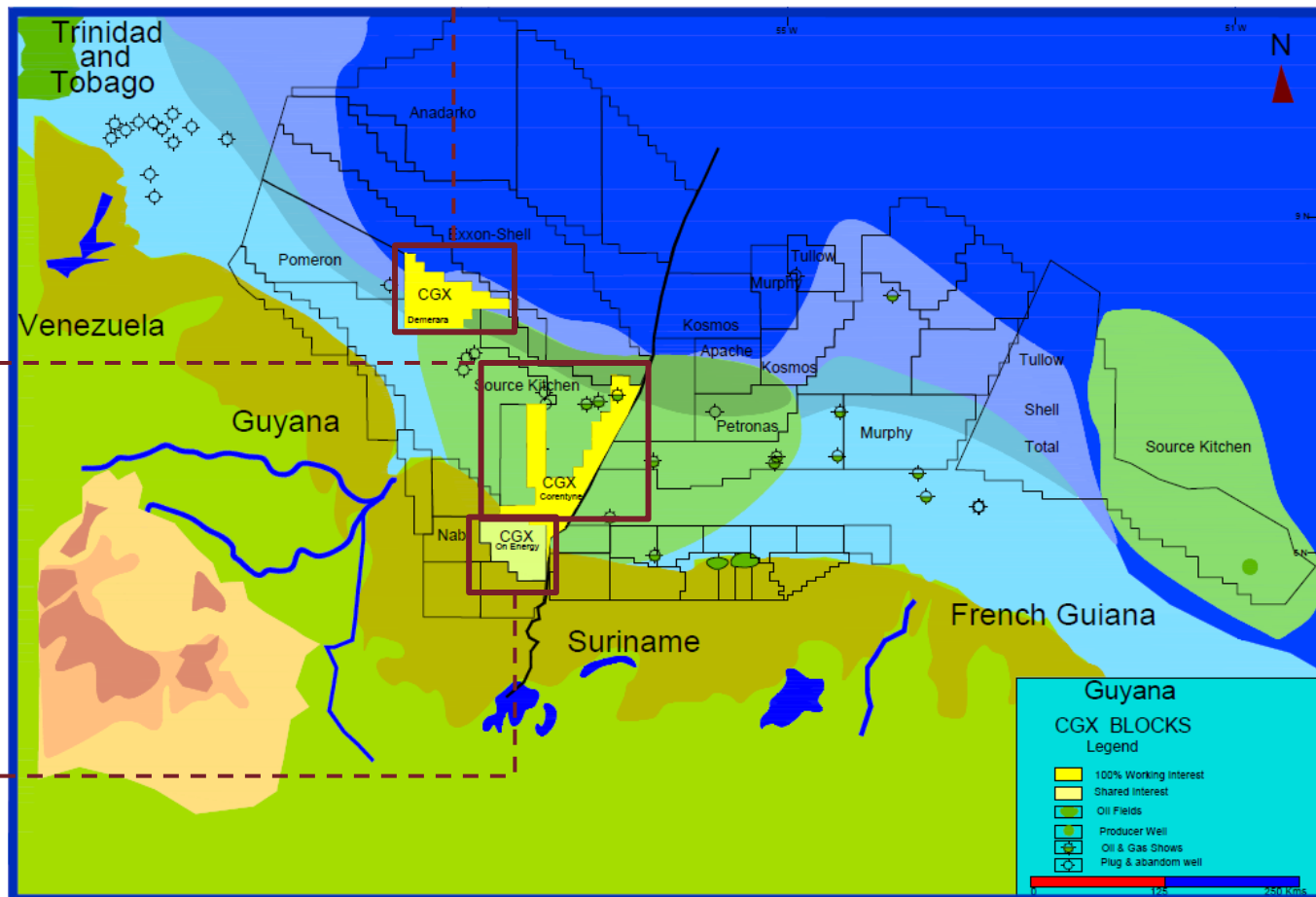
W.I.: 100%  
 Gross Acres: 976,764  
 Operator: CGX  
 Basin: Guyana/Suriname

## Corentyne

W.I.: 100%  
 Gross Acres: 1,524,810  
 Operator: CGX  
 Basin: Guyana/Suriname

## Berbice

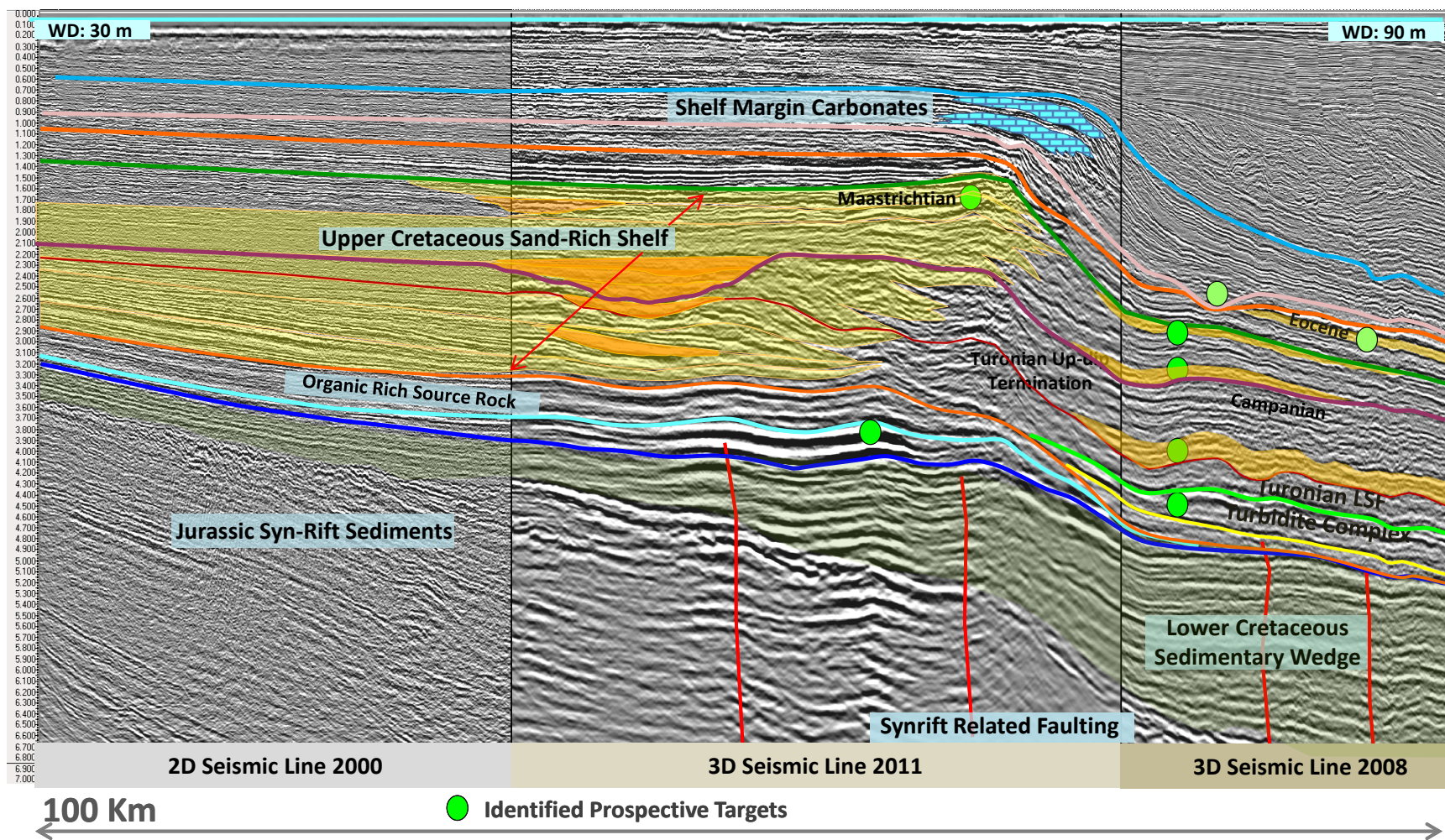
W.I.: 62%  
 Gross Acres: 816,823  
 Net Acres: 506,430  
 Operator: CGX  
 Basin: Guyana/Suriname



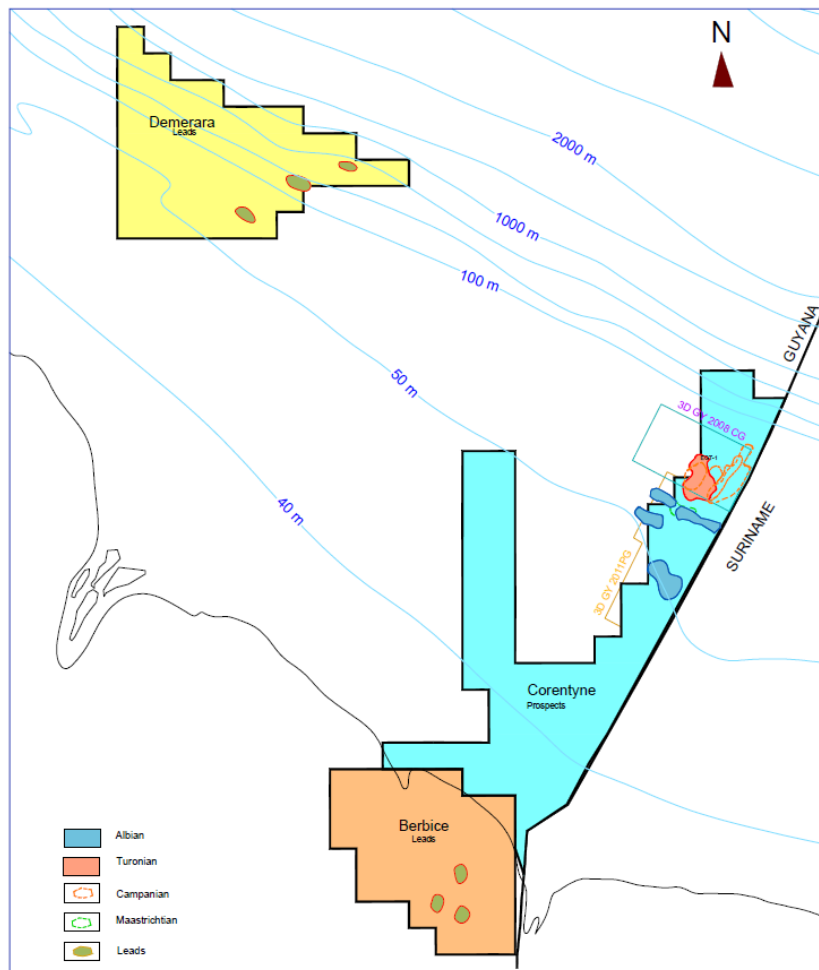


# BASIN PLAY CONCEPTS AND MAIN TARGETS

- Wealth of technical data, calibrated by Eagle-1 and Jaguar-1 wells
- Multiple prospects identified – most developed acreage in Guyana-Suriname Basin



## Current Lead/Prospect Map

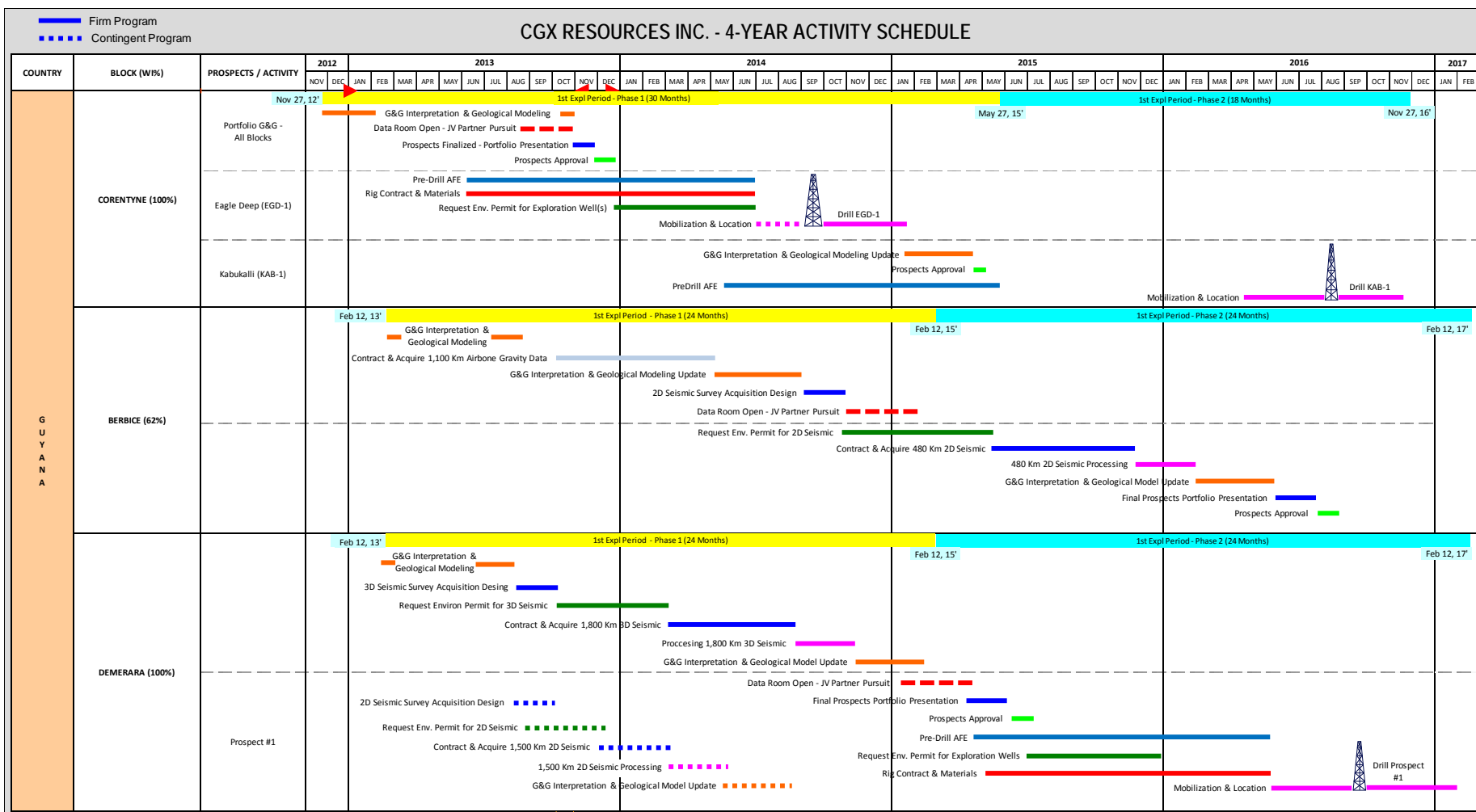


## DeGolyer & MacNaughton Resource Report

	Units	Low	Best	High	Mean
Oil	MMboe	535	779	1,134	813
Solution Gas	MMboe	85	116	159	120
Sales Gas (Eagle Deep)	MMboe	596	1,157	2,051	1,262
Condensate (Eagle Deep)	MMboe	577	743	958	758
<b>Total: Corentyne Prospects</b>		<b>1,792</b>	<b>2,795</b>	<b>4,303</b>	<b>2,952</b>
			% Eagle Deep:		73%
			% Kabukalli:		22%

- The resources above only relate to five existing prospects on the Corentyne block
- The D&M Report **does not** include the Demerara and Berbice blocks

# PRELIMINARY ACTIVITY SCHEDULE



- » Three wells and two surveys in less than four years
- » Emphasis on starting as early as possible – especially with regard to Corentyne activity
- » Guyana weather window (April to November)
- » Rig contracting / well timing

- **New licence commitments**
  - Three wells and two seismic acquisitions resulting in an estimated gross capital spend of US\$420 million
  - Anticipate drilling first commitment well on Corentyne Block in Q3 or Q4 of 2014 for an estimated cost of US\$90 to US\$125 million
  - Berbice and Demerara 2D/3D seismic acquisitions likely to take place in similar timeframe
  
- **CGX actively seeking partners across all blocks in order to minimize CGX's share of future CAPEX spend**
  
- **Strategic partnership with Pacific Rubiales (TSX: PRE; BVC: PREC; BOVESPA: PREB)**
  - ~64% ownership by Pacific Rubiales (non-diluted basis)
  - CGX to leverage Pacific Rubiales' strong technical experience and exploration success



**Dewi Jones**  
**Chief Executive Officer**

- 25+ years of E&P technical and management experience in Latin America - most recently, Executive Vice President, Exploration and General Manager, CGX Energy Inc.
- B.Sc. Geology, Louisiana State University

**Tralisa Maraj**  
**Chief Financial Officer**

- 18 years experience in international oil industry and public company accounting
- Certified Public Accountant (CPA) licensed in Texas and UK Chartered Certified Accountant (FCCA)
- 14 years experience at Price Waterhouse Cooper
- 4 years experience working with Latin American companies

**Michael Galego**  
**General Counsel and Secretary**

- Eight years experience in capital markets and public company transactions
- Three years working in Latin America with several resource companies, including Pacific Rubiales Energy Corp.
- Legal career began with Osler, Hoskin & Harcourt LLP

**Serafino Iacono**  
Co-Chairman

- Executive Co-Chairman of the Board and Director of Pacific Rubiales Energy Corp. since 2008
- Previously Co-Chairman of the Board and Co-Founder of Pacific Stratus Energy Ltd.
- Over 28 years experience financing and developing mining, oil and other resources projects in the United States, Latin America and Europe

**Dr. Suresh Narine**  
Co-Chairman

- Senior Professor, Trent University and Guyanese national named in 2011 as one of Canada's Top 40 Under 40 Leaders
- Ontario Research Chair in Green Chemistry
- NSERC Industrial Research Chair in Biomaterials
- Director, Guyana Institute of Applied Science and Technology

**Ronald Pantin**  
Director

- Chief Executive Officer and Director of Pacific Rubiales Energy Corp. since 2007
- Over 23 years experience in the Venezuelan oil industry with PDVSA
- B.Sc. Petroleum Engineering and Management Science, Mississippi State University; M.Sc. Petroleum Engineering and Industrial Engineering, Stanford University

**Jose Francisco Arata**  
Director

- President and Director of Pacific Rubiales Energy Corp. since 2008
- Previously Chief Executive Officer and Director of Pacific Stratus Energy Ltd.
- Over 29 years experience in mineral and oil exploration in Latin America
- B.Sc. Geology, University of Torino, Italy; B.Sc. Geological Engineering, Central University of Venezuela

# CAPITALIZATION STRUCTURE (AS OF 6/24/2013)\*



- Market Capitalization** • ~\$94 million
- Common Shares (TSX-V: OYL)** • ~782 million
- Warrants**
  - ~370 million exercisable at C\$0.17, expiring on April 26, 2018
  - ~43 million exercisable at C\$0.60 expiring on January 9, 2014
- Options** • ~3.4 million

\* Shareholders approved a 10:1 consolidation at the June 26, 2013 annual and special meeting

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