



Jennings Capital Inc.

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PLEASE SEE IMPORTANT DISCLOSURES ON PAGES 4 AND 5.

CGX Energy Inc. (TSXV-OYL C\$0.69)

Market Cap C\$87 Million

Recommendation: Speculative Buy; Target: C\$2.00

Analyst: Greg Chornoboy

3D Seismic Acquisition Program Complete

Yesterday, CGX announced that the 3D seismic shoot on the Georgetown concession (CGX 25%) has been completed. Shooting over the Corentyne block (CGX 100%) was finished in early December. The two blocks were shot jointly, and the Company's share of costs is estimated to be US\$15.5 million; both on time and on budget.

Processing has already begun on the Corentyne data, and will continue through Q2 2009. CGX expects to perform a Pre-Stack Time Migration. After that, likely in May, the Company will re-open the data room and resume the marketing process to find a joint venture partner. In the mean time, CGX will perform all of the preparatory work such as environmental impact assessments, site surveys and well designs, so that drilling could commence soon after concluding a deal (possibly early 2010).

We expect the Company to release results periodically over the next few months as the seismic processing continues. CGX is well funded – we estimate its cash position to be approximately US\$19 million after paying all of the seismic acquisition costs.