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MORNING COMMENT - June 24, 2010

PLEASE SEE IMPORTANT DISCLOSURES ON PAGES 3 AND 4.

CGX ENERGY INC.¹ (TSXV-OYL \$0.64) MKT CAP \$81 MILLION

RECOMMENDATION: SPECULATIVE BUY; TARGET: \$3.50

ANALYST: GREG CHORNOBOY

Jack-up Rig Contracted for Georgetown – at a Competitive Rate

Impact: Positive

CGX announced this morning, that the operator of its Georgetown Licence, Repsol Exploración S.A, had contracted a jack-up drilling rig from Atwood Oceanics Pacific Limited. CGX has a 25% participating interest in the Georgetown PPL.

Under three separate contracts awarded by an Operator Group for offshore Suriname and Guyana, the rig, Atwood Beacon, will provide for a four-well program, including one well on the Georgetown Block, at an operating day rate of approximately US\$115,000 and a minimum duration of 210 days. A lump sum payment of US\$4.5 million and additional mobilization fees will be shared among the four wells. The rig is expected to finish its current commitment in September and arrive in Suriname 30 days after.

CGX is in discussions with Atwood Oceanics and the Operator Group to add a fifth well to the program for its 100% owned Corentyne Licence.

Contracting of the jack-up rig adds confidence that CGX's wells will be drilled in 2011. The Company expects the Jaguar-1 well on the Georgetown block to cost US\$80 million. The Eagle-1 well on the Corentyne block should cost US\$35 million if it goes only to the Eocene formation at a depth of 3,300 metres. If Jaguar-1 is successful in the Lower Turonian formation at approximately 6,500 metres, CGX will likely revise the Eagle-1 program to go to the Turonian as well.

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Revised Monthly

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