



Canacol Energy Ltd. Aguas Vivas 2 Appraisal Well Encounters 229 Feet of Net Gas Pay, July Gas Sales Average 190 MMSCFPD

CALGARY, ALBERTA – (August 2, 2021) - Canacol Energy Ltd. ("Canacol" or the "Corporation") (TSX:CNE; OTCQX:CNNEF; BVC:CNEC) is pleased to provide the following information concerning its July 2021 natural gas sales, the Aguas Vivas appraisal drilling program, and the Corporation's share buy back program.

Gas sales averaged 190 MMscfpd for July 2021

Realized contractual natural gas sales (which are gas produced, delivered, and paid for) were 190 million standard cubic feet per day ("MMscfpd") for July 2021, up from 175 MMscfpd in June 2021.

Aguas Vivas 2 appraisal well encounters 229 feet of net gas pay

The Aguas Vivas 2 appraisal well was spud on June 12, 2021 and reached a total depth of 8,728 feet measured depth on July 27, 2021. Drilling operations were suspended for approximately one month due to covid restrictions and the effects of the national strike. The well encountered 229 feet true vertical depth of net gas pay with an average porosity of 24% within the Cienaga de Oro sandstone reservoir, thus confirming a significant gas discovery at Aguas Vivas. The Corporation is currently casing the well in preparation of tying the well into permanent production. Upon completion of the Aguas Vivas 2 well the Corporation plans to immediately spud the Aguas Vivas 3 appraisal well to continue proving up the extent of this significant new gas discovery.

Normal course issuer bid

On May 25, 2021, the Corporation began actively buying its shares back for cancellation under the terms of its Toronto Stock Exchange-approved normal course issuer bid and automatic share purchase program, which limits the maximum daily share purchases to 60,132 shares per day as outlined in a Dec. 21, 2020, press release. During the period July 1 to July 31, 2021, the Corporation repurchased 980,000 shares at an average price of \$3.26 per share. Since May 25 2021 the Corporation has repurchased a total of 2,060,000 shares at an average price of \$3.31 per share.

About Canacol

Canacol is a natural gas exploration and production company with operations focused in Colombia. The Corporation's common stock trades on the Toronto Stock Exchange, the OTCQX in the United States of America, and the Colombia Stock Exchange under ticker symbol CNE, CNNEF, and CNE.C, respectively.

This press release contains certain forward-looking statements within the meaning of applicable securities law. Forward-looking statements are frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur, including without limitation statements relating to estimated production rates from the Corporation's properties and intended work programs and associated timelines. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. The Corporation cannot assure that actual results will be consistent with these forward-looking statements. They are made as of the date hereof and are subject to change and the Corporation assumes no obligation to revise or update them to reflect new circumstances, except as required by law. Prospective investors should not place undue reliance on forward looking statements. These factors include the inherent risks involved in the exploration for and development of crude oil and natural gas properties, the uncertainties involved in interpreting drilling results and other geological and geophysical data, fluctuating energy prices, the possibility of cost overruns or unanticipated costs or



delays and other uncertainties associated with the oil and gas industry. Other risk factors could include risks associated with negotiating with foreign governments as well as country risk associated with conducting international activities, and other factors, many of which are beyond the control of the Corporation.

Realized contractual gas sales is defined as gas produced and sold plus gas revenues received from nominated take or pay contracts.

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