



Canacol Energy Ltd. Provides Update on Gas Sales and Drilling Programs

CALGARY, ALBERTA – (October 3, 2022) - Canacol Energy Ltd. ("Canacol" or the "Corporation") (TSX:CNE; OTCQX:CNNEF; BVC:CNEC) is pleased to provide the following information concerning its August and September 2022 natural gas sales and the results of the Canaflecha 2 and Claxon 1 wells, along with the exploration drilling plans for the remainder of 2022.

August and September Gas Sales

Realized contractual natural gas sales (which are gas produced, delivered, and paid for) were 166 million standard cubic feet per day ("MMscfpd") for August 2022, and 191 MMscfpd for September 2022. In the month of August consumption of gas by thermoelectric generators on the Atlantic coast decreased due to the maintenance of electrical networks. This, coupled with high reservoir levels due to intense rains, temporarily reduced interruptible gas sales which recovered to normal levels in September.

Claxon 1 Exploration Well Successful

The Corporation completed the drilling of the Claxon 1 exploration well located on the VIM-5 Exploration and Production ("E&P") contract operated by CNE OIL & GAS S.A.S. with 100% working interest. Claxon 1 is located approximately 2 kilometers to the south of the Alboka 1 discovery which tested 33 MMscfpd from the Cienaga de Oro ("CDO") sandstone reservoir. Claxon 1 was spud on July 25, 2022 and reached a total depth of 11,708 feet measured depth ("ft md") on August 15, 2022. The well encountered multiple gas filled sandstones between 7,725 and 8,950 feet true vertical depth ("ft TVD") within the primary CDO sandstone reservoir target. The well was completed and perforated between 9037 – 9062 and 9101 – 9172 ft TVD. Both Claxon 1 and Alboka 1 are currently being tied into permanent production, after which Claxon 1 will be production tested.

Canaflecha 2 Well Tests 7 MMscfpd

The Corporation completed the drilling of the Canaflecha 2 well located on the Esperanza Block, operated by CNE OIL & GAS S.A.S. with 100% working interest. Canaflecha 2 was spud on August 11, 2022 and reached a total depth of 7,394 ft md on August 20, 2022. The well encountered multiple gas filled sandstones between 4,250 and 6,400 ft TVD within the primary CDO sandstone reservoir target.

Following completion, the CDO was perforated between 6612 – 6635 and 6654 – 6668 ft TVD. The well was tied into permanent production via an existing 4-inch flow line and tested for 37 hours at an average rate of 4.3 MMscfd and a final rate of 6.5 MMscfpd. Following the test, the well was placed on permanent production.

Clarinete 7 Development Well

The Corporation completed the drilling of the Clarinete 7 development well located on the VIM-5 E&P contract operated by CNE OIL & GAS S.A.S. with 100% working interest. Clarinete 7 was spud on September 12, 2022 and reached a total depth of 7,479 ft md on September 18, 2022. The well encountered multiple gas filled sandstones between 5,800 and 6,050 ft TVD within the primary CDO sandstone reservoir target. The well has been tied into permanent production.

Forward Exploration Drilling Program: Saxafon 1, Chimela 1, Dividivi 1, and Natilla 1

The Corporation has contracted a rig and is preparing the location for the drilling of the Saxafon 1 exploration well located on its 100% working interest VIM 5 E&P contract. Saxafon 1 will target gas bearing sands within the CDO and Porquero reservoirs. The Corporation anticipates that the well will spud in November 2022 and will take approximately six weeks to drill, complete, and test.



The Corporation is preparing the location for the drilling of the Chimela 1 exploration well located on its 100% working interest VMM 45 E&P contract. Chimela 1 will target gas bearing sandstones within the Tertiary Lisama reservoirs. These sandstone reservoirs are productive in various nearby oil and gas producing fields. The Corporation anticipates that the well will spud in November 2022 following mobilization of the rig from the Clarinete 7 location and will take approximately six weeks to drill, complete, and test.

The Corporation is preparing the location for the drilling of the Dividivi 1 exploration well located on its 100% working interest VIM 33 E&P contract. Dividivi 1 will target gas bearing sandstones of the CDO reservoirs. The Corporation anticipates that the well will spud in November 2022 and will take approximately four weeks to drill, complete, and test.

The Corporation has contracted a rig and is preparing the location for the drilling of the Natilla 1 exploration well located on its 50% operated working interest SSJN 7 E&P contract. Natilla 1 will target gas bearing sandstones within the CDO and Porquero reservoirs. The Corporation anticipates that the well will spud in November 2022 and will take approximately fifteen weeks to drill, complete, and test.

Completion of 3D seismic in VIM 5 Block

The Corporation has successfully completed the acquisition of 496 square kilometers of 3D seismic located on the VIM-5 E&P contract operated by CNE OIL & GAS S.A.S. with 100% working interest. The 3D seismic survey was acquired in an area previously not covered by 3D seismic and is adjacent to 3D seismic coverage over the Corporation's active producing area. Based on fast track processing and interpretation of an early portion of the survey several CDO and Porquero exploration prospects have been identified for the 2023 drilling campaign.

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 CNEC, respectively.

Forward-Looking Statements

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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