



## **Canacol Energy Ltd. Announces Discoveries at Dividivi 1, Saxofon 1, and Chimela 1**

**CALGARY, ALBERTA – (January 23, 2023)** - Canacol Energy Ltd. ("Canacol" or the "Corporation") (TSX:CNE; OTCQX:CNNEF; BVC:CNEC) is pleased to provide details on the following three discoveries, as well as information concerning its near term drilling programs.

### **Saxofon 1 – Encounters 338 feet of gross gas pay within the Porquero and CDO reservoirs**

The Corporation commenced the drilling of the Saxofon 1 exploration well on December 2, 2022 on its 100% operated VIM5 Exploration and Production ("E&P") contract located in the Lower Magdalena Basin. The well reached a total depth of 9,416 feet measured depth ("ft md") on January 7, 2023 and encountered a gross gas column of 290 feet true vertical depth ("ft tvd") within the Porquero sandstone reservoir between depths of 4,385 and 4,675 ft md, and a gross gas column of 48 ft tvd within the primary Cienaga de Oro ("CDO") sandstone reservoir between 7,560 and 7,608 ft md.

The gas bearing reservoirs encountered within the Porquero sandstone display average porosity of 26 %, while those within the CDO sandstone display average porosity of 16 %.

The well is currently being cased, and the Corporation is planning to mobilize a workover rig to complete and test the CDO. The development plan for Saxofon will include the drilling of additional appraisal and development wells once a new 3D seismic survey has been acquired over that area of the block in late 2023.

The Corporation will provide production test results when they become available.

### **Dividivi 1 – Encounters 89 feet of gross gas pay within the CDO and Cicuco reservoirs**

The Corporation commenced the drilling of the Dividivi 1 exploration well on December 20, 2022 on its 100% operated VIM33 E&P contract located in the Lower Magdalena Basin. The well reached a total depth of 4,692 ft md on January 2, 2023 and encountered a gross gas column of 89 ft tvd within the primary CDO sandstone and Cicuco limestone reservoirs between depths of 2,184 and 2,273 ft md. The gas bearing reservoirs have average porosity of 27 %.

The Corporation is currently executing a flow test of the well in order to formulate a commercial development plan for the discovery. The discovery is located approximately 35 kilometers to the west of the TGI gas pipeline which currently has approximately 260 MMscfpd of spare transportation capacity into the interior of Colombia.

The Corporation will provide production test results when they become available.

### **Chimela 1 – Encounters 85 feet of net oil and gas pay within the Lisama reservoir**

The Corporation commenced the drilling of the Chimela 1 exploration well on November 13, 2022 on its 100% operated VMM45 E&P contract located in the Middle Magdalena Basin. The well reached a total depth of 14,101 ft md on December 16, 2022, and encountered multiple zones of oil and gas pay within the primary Upper Lisama and Basal Lisama sandstone reservoirs between depths of 12,410 and 13,694 ft md.

The oil bearing reservoirs encountered within the Basal Lisama were encountered between 13,004 and 13,694 ft md with individual oil filled sands between 8 and 20 ft tvd in thickness, with average porosity of 14 %. The gas bearing reservoir within the Upper Lisama is 9 ft tvd thick, with an average porosity of 10 %.

The Corporation is currently demobilizing the drilling rig and is preparing to mobilize a workover rig to complete and production test the well and will provide results when they become available.





## **Natilla 1 – Sidetracking**

The Corporation spud the Natilla 1 exploration well located on its 50% operated working interest SSJN 7 E&P contract on December 1, 2022. Natilla 1 is targeting gas bearing sandstones within the CDO and Porquero sandstone reservoirs. The well drilled to a depth of 11,848 ft md within the Porquero sandstone interval, the secondary target of the well, prior to encountering drilling related problems. The well is currently being sidetracked and the Corporation anticipates to reach planned total depth of 16,609 ft MD within the primary CDO sandstone target within 6 weeks.

## **Near term drilling program**

The Corporation plans to spud the Lulo 1 exploration well located on its 100% working operated interest Esperanza Exploration and Exploitation contract in mid March 2023. The Lulo 1 well is located less than 1 kilometer to the east of the Jobo production facility and is targeting gas bearing sandstones of the CDO sandstone reservoir. The well is anticipated to take 4 weeks to drill and complete.

## **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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