



Canacol Energy Ltd. Announces Closing of New Revolving Credit Facility

CALGARY, ALBERTA - (February 22, 2023) - Canacol Energy Ltd. (“Canacol” or the “Corporation”) (TSX: CNE; OTCQX: CNNEF; BVC: CNEC) is pleased to provide the following update on certain new and existing credit facilities. All amounts are in United States dollars (“USD”) except as otherwise indicated.

On July 31, 2020, the Corporation entered into a \$75 million senior unsecured bridge term loan (“Bridge Loan”) and a \$46 million senior unsecured revolving credit facility (“RCF”) totaling \$121 million (collectively, the “Expiring Facilities”) with a syndicate of banks. The Bridge Loan bore an annual interest rate of LIBOR + 4.25%, and the RCF bore an annual interest rate of LIBOR + 4.75%. The Expiring Facilities were set to expire on July 31, 2023. On February 17, 2023, the Expiring Facilities, which had a total of \$25 million drawn, were repaid and terminated and replaced by a new \$200 million senior unsecured revolving credit facility (“New Facility”).

Jason Bednar, CFO of Canacol, commented: “As at December 31, 2022, Canacol maintained its strong balance sheet and liquidity including approximately \$59 million of cash, with our robust 2023 capital and dividend programs being funded through existing cash position and operating cash flows. Adding to the Corporation’s existing financial flexibility, we have replaced the Expiring Facilities as well as increased the total available credit by \$79 million which will allow Canacol to pursue corporate opportunities should they transpire. The New Facility also has the added benefits of an expiry date of February 17, 2027 thus extending the credit term well beyond the Corporation’s planned new Medellin pipeline start date and is administratively more efficient.”

\$200 Million Senior Unsecured Revolving Credit Facility (New Facility)

On February 17, 2023, the Corporation entered into a \$200 million senior unsecured revolving credit facility (New Facility) with a syndicate of banks. The New Facility bears an annual interest rate of SOFR + 4.5% and is set to expire in February 2027. The Corporation is able to repay/redraw the New Facility at any time within the four-year term without penalty. The New Facility is not subject to typical periodic redeterminations. Covenants on the New Facility have been largely harmonized with the Corporation’s existing covenants on its 2028 senior unsecured notes.

Citigroup Global Markets Inc., Deutsche Bank, AG, and JPMorgan Chase Bank, N.A. are the Joint Lead Arrangers and Joint Bookrunners of the New Facility. Bancolombia (Panama) S.A. and Banco Davivienda S.A. are the Mandated Lead Arrangers of the New Facility.

| Key Terms | Expiring Facilities | | New Facility |
|--|----------------------------------|--------------------|-----------------------------------|
| | \$46MM Revolving Credit Facility | \$75MM Bridge Loan | \$200MM Revolving Credit Facility |
| Annual interest rate | LIBOR + 4.75% | LIBOR + 4.25% | SOFR + 4.5% |
| Expiration date | July 31, 2023 | July 31, 2023 | February 17, 2027 |
| Maximum leverage ratio (Net debt to EBITDAX) | 3.5x | 3.5x | 3.5x |
| Minimum interest coverage ratio | 2.5x | 2.5x | 2.5x |

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.



Forward-Looking Information and 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”, “target”, “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. Information and guidance provided herein supersedes and replaces any forward looking information provided in prior disclosures. 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. Other risks are more fully described in the Corporation’s *most recent Management Discussion and Analysis (“MD&A”) and Annual Information Form*, which are incorporated herein by reference and are filed on SEDAR at www.sedar.com. Average production figures for a given period are derived using arithmetic averaging of fluctuating historical production data for the entire period indicated and, accordingly, do not represent a constant rate of production for such period and are not an indicator of future production performance. Detailed information in respect of monthly production in the fields operated by the Corporation in Colombia is provided by the Corporation to the Ministry of Mines and Energy of Colombia and is published by the Ministry on its website; a direct link to this information is provided on the Corporation’s *website*.

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