



Canacol Energy Ltd. Provides Gas Sales and Drilling Update

CALGARY, ALBERTA – (October 10, 2023) - Canacol Energy Ltd. ("Canacol" or the "Corporation") (TSX:CNE; OTCQX:CNNEF; BVC:CNEC) provides the following gas sales and drilling operations update.

September Gas Sales of 161 MMscfpd

Realized contractual natural gas sales (which are gas produced, delivered, and paid for) were 161 million standard cubic feet per day for September 2023. Average realized contractual natural gas sales for the month of October 2023 to date are 162 MMscfpd, with current contractual natural gas sales as of October 9, 2023 being 180 MMscfpd of gas.

Realized contractual natural gas sales for the third quarter of 2023 averaged 178 MMscfpd, down slightly from the 185 MMscfpd and 186 MMscfpd reported in the second and first quarters respectively. Preliminary adjusted EBITDAX for the third quarter is estimated to be \$61 million and in line with the \$60.7 million and \$60.9 million reported in the second and first quarters respectively.

Commencing the second week of August 2023 the Corporation experienced unusual and unexpected production capacity restrictions at some of its gas fields as a result of issues at the Jobo gas treatment facility as well as certain of its producing wells. As a result of the foregoing the Corporation has had to restrict gas deliveries under certain supply contracts dedicated to supplying non-essential gas demand, all in accordance with applicable Colombian regulations and in consultation with the relevant authorities. The Corporation is presently working on remediating this short-term disruption and expects to have production back to normal levels shortly. The Corporation anticipates that it will be able to make up lost sales volumes by year end and meet its average production and financial targets and therefore does not expect this situation to have a material impact on its operations and results.

Near Term Drilling Program

The Corporation completed the drilling of the Aguas Vivas 4 development well on September 16, 2023, encountering 357 feet true vertical depth ("ft TVD") of net gas pay within the main Cienaga de Oro sandstone ("CDO") target. The well was tied into permanent production and has been on production since September 26, 2023.

The Corporation completed the drilling of the Clarinete 9 development well on October 5, 2023. The well encountered 236 ft TVD of net gas pay within the CDO sandstone reservoir and is currently being cased and completed prior to tying into the permanent production facility by October 24, 2023.

The Corporation completed the drilling of the Fresa 2 appraisal well targeting sandstones of the upper CDO sandstone reservoir that are productive in the offsetting Fresa 1 exploration well drilled in 2021. Fresa 2 encountered 10 ft TVD of net gas pay within the upper CDO target. The Corporation is scheduling to complete and tie in the Fresa 2 well in November 2023.

The Corporation is currently drilling the Pandereta 9 and Nelson 15 development wells, both targeting infill drilling locations within the respective producing fields. The Corporation plans to have both wells tied in and on production prior to the end of October 2023.





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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