

Canacol Energy Ltd. Provides Corporate Update

CALGARY, Alberta, May 27, 2024 -- Canacol Energy Ltd. ("Canacol" or the "Corporation") (TSX: CNE; OTCQX: CNNEF; BVC: CNEC) is pleased to provide the following update regarding scheduled interest payment, termination of Fitch Ratings coverage, and exploration drilling program.

Interest Payment

On May 24, 2024, Canacol paid its scheduled semi-annual interest payment of US \$14.375 million on its November 2028 Senior Notes.

Rating Agency Update

On Tuesday, May 21, 2024, the Corporation informed Fitch Ratings that it was terminating its contract for the provision of ratings coverage. The Corporation retains the services of both Moody's and S&P Ratings.

Cardamomo-1 Exploration Well

The Corporation is preparing to drill the Cardamomo-1 exploration well located in the northern part of its 100% operated VIM-5 Exploration and Production ("E&P") contract situated approximately 25 kilometers to the north of its Jobo gas processing facility. The Cardamomo-1 exploration well will target potential gas bearing sands within the Cienaga de Oro ("CDO") reservoir, in a large well defined structural closure identified on the Redoblante 3D seismic survey acquired in 2023. Similar to all of the other large discoveries the Corporation has made in the past, including the Clarinete, Nelson, Aguas Vivas, and Pandereta gas fields, the Cardamomo prospect exhibits a well-defined AVO attribute, a seismic characteristic commonly associated with the presence of gas within the CDO reservoir. The Corporation plans to spud the well in late July 2024, and anticipates that it will take 3 to 4 weeks to drill and complete the well. Given success, the Cardamomo field will be tied into the Alboka flowline located approximately 12 kilometers to the south.

The Cardamomo prospect is one of 14 CDO exploration prospects identified on the newly acquired Redoblante 3D seismic survey, and should it prove successful will open up a new productive gas area for the Corporation within the northern part of the VIM-5 E&P contract.

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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