



Canacol Energy Ltd. Announces the Closing of a US \$75 Million Senior Secured Term Loan

CALGARY, Alberta, Sept. 03, 2024 -- Canacol Energy Ltd. ("Canacol" or the "Corporation") (TSX: CNE; OTCQX: CNNEF; BVC: CNEC) is pleased to announce that, on September 3, 2024, it entered into a committed 24 month US \$75 million senior secured term loan facility (the "Facility") with Macquarie Group ("Macquarie").

The initial draw on funding is expected to be US \$50 million, with a further commitment of US \$25 million available for a twelve month period should certain production metrics be met. The Facility bears an annual interest rate of SOFR + 8.0% on drawn amounts and 2.4% on undrawn amounts during the commitment period. The Corporation expects to enter a SOFR hedging agreement with Macquarie fixing the interest rate. The Facility matures on September 3, 2026, and has a twelve month principal payment grace period. No prepayments may be made during the first twelve months. The Facility is secured by all material assets of the Corporation.

Covenants on the Facility have been largely harmonized with the Corporation's existing covenants on its 2028 senior unsecured notes and its senior unsecured revolving credit facility which matures in February 2027.

As of June 30, 2024, the Corporation had US \$43 million of cash, and a leverage ratio of 2.69x being well inside of its existing leverage ratio covenants of 3.25x (incurrence) and 3.5x (maintenance).

Canacol intends on using the proceeds of the Facility for general corporate purposes.

In connection with the Facility, Macquarie will be issued 1,888,448 common share purchase warrants (the "Warrants"), with each Warrant entitling Macquarie to purchase one common share of the Corporation at an exercise price equal to the five (5) day volume weighted average trading price of the common shares ending on the date hereof. The Warrants will expire three (3) years after the date of issuance. The Warrants remain subject to the final approval of the Toronto Stock Exchange.

The entire Credit and Guarantee Agreement will be posted on www.sedarplus.ca

Gas Sales Update

Realized contractual natural gas sales (which are gas produced, delivered, and paid for) averaged approximately 161 million standard cubic feet per day ("MMscfpd") during July, 2024, and approximately 167 MMscfpd during August, 2024.

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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