
Canacol Energy Ltd. Announces Pricing of \$320 Million Private Offering of 7.25% Senior Notes

CALGARY, ALBERTA (April 26, 2018) – Canacol Energy Ltd. ("Canacol" or the "Corporation") (TSX:CNE) (OTCQX:CNNEF) (BVC:CNEC) is pleased to announce the pricing and terms of its offering of senior unsecured notes in the aggregate principal amount of U.S.\$ 320 million (the "Notes"). The Notes will pay interest semi-annually at a rate of 7.25% per annum, and will mature in 2025, unless earlier redeemed or repurchased in accordance with their terms. The Notes will be fully and unconditionally guaranteed by certain subsidiaries of Canacol. The settlement and closing of the Notes offering is expected to take place on May 3, 2018, subject to customary closing conditions.

The Notes were offered in a private placement to qualified institutional buyers in the United States pursuant to Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), to non-U.S. persons in transactions outside the United States pursuant to Regulation S under the Securities Act and pursuant to certain prospectus exemptions in Canada.

The current volatility in interest rates led the Corporation to target this specific size of Notes, as opposed to potentially higher levels, with the intention to primarily use the net proceeds to fully repay the outstanding amounts borrowed under its existing credit facility in the amount of U.S. \$305 million plus accrued interest.

By replacing the current credit facility of U.S. \$305 million, the Corporation benefits from: (i) replacing the current term loan that bears an interest rate of fluctuating 3 month Libor +5.5% (which currently totals approximately 8%, as the 3 month Libor has been increasing materially during the last 14 months), to a fixed coupon of 7.25%, which provides both a reduction and certainty of debt expenses in an extremely volatile interest rate environment; (ii) deferring the quarterly U.S.\$23.5 million amortization of the existing credit facility beginning in March 2019, for a bullet maturity in 2025; (iii) an administratively less burdensome Note indenture that will not require collateral or quarterly certification of maintenance covenants (only incurrence-based covenants); (iv) no cash required to be held in a debt service reserve account as is required under the current credit facility (these amounts are scheduled to total approximately U.S. \$25 million later in 2018 under the existing credit facility); and (v) achieving certain other operational and financial flexibilities, including the ability for the Corporation to pay a dividend.

This press release is neither an offer to sell nor a solicitation of an offer to buy the Notes, nor shall there be any sale of these securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such state or jurisdiction.

The Notes have not been registered under the Securities Act, or the securities laws of any other jurisdiction, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. The Notes offering is being made exclusively to qualified institutional buyers in the United States pursuant to Rule 144A under the Securities Act, to non-U.S. persons in transactions outside the United States pursuant to Regulation S under the Securities Act and pursuant to certain prospectus exemptions in Canada.

About Canacol

Canacol is an 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.

Certain statements in this news release are "forward-looking statements", which reflect current expectations of the management of Canacol regarding future events or Canacol's future performance. All statements other than statements of historical fact contained in this news release may be forward-looking statements. In particular, forward-looking information and statements herein include, but are not limited to, the proposed offering, the use of the net proceeds from the proposed offering and the Corporation's ability to pay a dividend. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in the forward-looking statements. Canacol believes that the expectations reflected in such forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. The forward-looking statements are expressly qualified in their entirety by this cautionary statement. The forward-looking statements are made as of the date of this news release and Canacol assumes no obligation to update or revise them to reflect new events or circumstances, except as expressly required by applicable securities law. Further information regarding risks and uncertainties relating to Canacol and its securities can be found in the disclosure documents filed by Canacol with the securities regulatory authorities, available at www.sedar.com.

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