



Canacol Energy Ltd. Provides Gas Sales and Encounters 412 Feet Net Gas Pay in Aguas Vivas 1 Exploration Well

CALGARY, ALBERTA - (June 3, 2021) - Canacol Energy Ltd. ("Canacol" or the "Corporation") (TSX:CNE; OTCQX:CNNEF; BVC:CNEC) is pleased to provide the following information concerning its May 2021 natural gas sales and drilling program. In addition, the Corporation announces a significant new gas discovery with its Aguas Vivas 1 well.

Gas sales averaged 174 MMscfpd for May 2021

Realized contractual natural gas sales (which are gas produced, delivered, and paid for) were 174 million standard cubic feet per day ("MMscfpd") for May 2021.

Aguas Vivas 1 exploration well encounters 412 feet true vertical depth of net gas pay

The Aguas Vivas 1 exploration well was spud on May 23, 2021 and reached a total depth of 7,852 feet measured depth on May 29, 2021. The well encountered 412 feet true vertical depth ("ft TVD) of net gas pay with an average porosity of 22% within the Cienega de Oro ("CDO") sandstone reservoir, the primary target.

The gas column encountered within the CDO sandstone reservoir at Aguas Vivas 1 is the thickest yet encountered by the Corporation in its history and marks a significant and important new gas discovery. Prior to this well, the thickest net pay was encountered in the Clarinete 5 development well, which encountered 309 ft TVD of net gas pay.

The Corporation is currently casing the Aguas Vivas 1 well in preparation of production testing and the well will be tied into existing production infrastructure within the next two weeks. The Corporation plans to immediately drill at least two appraisal wells back-to-back in order to prove up the extent of the new discovery.

The Corporation will provide an update on drilling and testing results as they become available.

Normal course issuer bid

On May 25, 2021, the Corporation began actively buying its shares back for cancellation under the terms of its Toronto Stock Exchange-approved normal course issuer bid and automatic share purchase program, which limits the maximum daily share purchases to 60,132 shares per day as outlined in a Dec. 21, 2020, press release. During the period May 25 to May 31, 2021, the corporation repurchased 200,000 shares at an average price of \$3.28 per share.

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.

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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