Corporate Anti-Money Laundering and Anti-Terrorist Financing Policy

Canacol Energy Ltd. ("Canacol" or the "Corporation"), together with all of its direct and indirect subsidiaries and affiliates has created this Anti-Money Laundering ("AML") and Anti-Terrorist Financing ("ATF") policy to outline the Corporation's commitment to this regime.

The Canadian legislation, together with regulations, rules and industry guidance (the "Legislation"), forms the cornerstone of AML/ATF obligations for Canadian firms and outlines the offences and penalties for failing to comply. The legislation is intended to combat money laundering and terrorist financing activities through the adoption of enhanced Know Your Client ("KYC") requirements, improved compliance, monitoring and enforcement efforts and a strengthening of the AML/ATF information sharing regime.

Canacol, will specifically focus on:

- Politically Exposed Persons ("PEPs") and

- KYC Requirements

Compliance

This AML/ATF Policy sets out the standards which must be complied with and includes:

- The appointment of a Money Laundering Reporting Officer (MLRO) who has a sufficient level of seniority and independence and who has responsibility for oversight of compliance with relevant legislation, regulations, rules and industry guidance;

- The establishment and maintenance of a Risk Based Approach (RBA) towards assessing and managing the money laundering and terrorist financing risks to the company;

- The establishment and maintenance of a risk-based customer due diligence, identification, verification and KYC procedures, including enhanced due diligence for those customers presenting higher risk, such as PEPs;

- The establishment and maintenance of risk based systems and procedures to monitor on- going customer activity;

- Procedures for reporting suspicious activity internally and to the relevant law enforcement authorities as appropriate;

- The maintenance of appropriate records for the minimum prescribed periods; and

- Training and awareness for all relevant employees.