

Canacol Energy Ltd. Provides May Gas Sales Update, Tests 43 MMSCFPD at Clarinete 5, Spudding Pandereta 8

CALGARY, ALBERTA - (June 3, 2020) - Canacol Energy Ltd. ("Canacol" or the "Corporation") (TSX:CNE; OTCQX:CNNEF; BVC:CNEC) is pleased to provide the following gas sales and operations update. The gas sales should be read in conjunction with the Corporation's outlook section contained in its first quarter press release and MD&A released on May 13, 2020.

Gas Sales Average 181 MMscfpd During Later Half of May

Current indications, as evidenced by the latter half of May, shows earlier than anticipated interruptible demand returning to Canacol's gas deliveries and nominations as economic activity recommenced following general quarantine. The national quarantine on all economic activities was lifted effective June 1, with the exception of the cities of Bogota, Cali, and Cartagena, where only manufacturing and construction activities are currently allowed. It is anticipated that quarantine will be lifted in those cities on June 15.

Realized Contractual Gas Sales	
May 1 – 14	130 MMscfpd
May 15 – 31	181 MMscfpd
May Monthly Average	158 MMscfpd
April Monthly Average	136MMscfpd

In addition to the realized contractual gas sales above (which are essentially gas produced, delivered, and paid for) the Corporation saw an additional 12 MMscfpd of gas sales nominations throughout the entire month of May (also similar to April's 14 MMscfpd) which must be paid for during the remainder of 2020 for which delivery timing is at the discretion of the off taker, as outlined in the May 13, 2020 press release.

With current hydroelectric reservoirs at a historical low 33% related to an unusually dry winter, the demand for gas in the use of thermoelectric power plants remains high and above historic averages. Low reservoir conditions are anticipated to last throughout the remainder of the year.

While we are currently experiencing encouraging trends as interruptible volumes begin to normalize, the company cautions that future natural gas demands could be volatile, and maintain that the guidance range in place continues to be appropriate.

Clarinete 5 Tests 43 MMscfpd, Tied into Production Facility

The Pioneer 53 drilling rig was reactivated on May 24th 2020 having been inactive since March 26th 2020 due to the national quarantine. The rig completed the Clarinete 5 development well, which has now been tied into permanent production. The Clarinete-5 well finished drilling in March 2020 and encountered 309 feet true vertical depth of net gas pay within the primary Cienaga de Oro sandstone ("CDO") reservoir, which represents the thickest gas pay section of any well drilled in the history of Canacol. The CDO reservoir was perforated between 8,430 – 8,631 feet measured depth and tested at a final rate of 43 MMscfpd with a tubing head flowing pressure of 1,850 psi, and a final choke of 0.8 inch over a test period of 8 hours.

Drilling Rig Mobilized to Drill Pandereta 8

The rig is currently being mobilized to the Pandereta 8 development location, with anticipated spud the third week of June 2020. The Pandereta 8 well is anticipated to take approximately 5 weeks to drill and complete.

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.

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.

This press release contains non-GAAP measures such as EBITDAX, funds from operations, working capital, operating netback per barrel and realized contractual gas sales that do not have any standardized meaning under IFRS and may not be comparable to similar measures presented by other companies. Management uses these non-GAAP measures for its own performance measurement and to provide shareholders and investors with additional measurements of the Corporation's performance and financial results.

Realized contractual gas sales is defined as gas produced and sold plus gas revenues received from nominated take or pay contracts.

Boe conversion – The term "boe" is used in this news release. Boe may be misleading, particularly if used in isolation. A boe conversion ratio of cubic feet of natural gas to barrels oil equivalent is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. In this news release, we have expressed boe using the Colombian conversion standard of 5.7 Mcf: 1 bbl required by the Ministry of Mines and Energy of Colombia.

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