
Canacol Energy Ltd. Provides Operational Update

CALGARY, ALBERTA - (February 24, 2020) - Canacol Energy Ltd. ("Canacol" or the "Corporation") (TSX:CNE; OTCQX:CNNEF; BVC:CNEC) is pleased to provide the following update concerning realized contractual gas sales, the Nelson 14 drilling results, and the near term drilling program.

Realized contractual natural gas sales for the period January 1, 2020 to February 21, 2020 averaged approximately 211 million standard cubic feet per day ("MMscfpd"), a 17% increase compared to the 180 MMscfpd in realized contractual gas sales for the fourth quarter 2019.

The Nelson 14 development well located on the 100% operated working interest Esperanza contract was spud on January 14, 2020 and reached a total depth of 10,150 feet measured depth. The well encountered 309 feet true vertical depth of net gas pay with 24% average porosity within the productive Cienega de Oro ("CDO") sandstone reservoir. The well has been tied into the Nelson production manifold and is on production.

The drilling rig is currently being mobilized to spud the Clarinete 5 development well located on its 100% working interest operated VIM 5 contract. The Clarinete 5 development well is targeting the productive CDO sandstone reservoir. The Corporation anticipates that the well will spud on March 5, 2020 and will take approximately 5 weeks to drill and complete.

The Corporation will provide regular updates as they become available.

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.

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