



## Canacol Energy Ltd. Announces Renewal of Normal Course Issuer Bid

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**CALGARY, ALBERTA (January 31, 2023)** – Canacol Energy Ltd. ("Canacol" or the "Corporation") (TSX:CNE) (OTCQX:CNNEF) (BVC:CNEC) is pleased to announce that the Toronto Stock Exchange ("TSX") has accepted the Corporation's notice to conduct a normal course issuer bid ("NCIB") in accordance with the rules of the TSX.

As approved by the TSX, the Corporation is authorized to purchase up to 1,971,950 common shares, representing approximately 10% of the public float of Canacol, being 19,719,500 common shares as of January 19, 2023. As of January 19, 2023, there were 34,111,487 common shares outstanding. The maximum number of common shares that Canacol may purchase on any given day is 13,095 common shares, which is 25% of the Corporation's average daily trading volume on the TSX for the six months ended December 30, 2022 of 52,383 common shares (on a post-Consolidation (as defined below) basis). Canacol may also make one weekly block repurchase which exceeds the daily limit subject to prescribed rules. The Corporation has appointed Eight Capital as its broker to conduct the NCIB transactions.

The Corporation is authorized to make purchases during the period from February 2, 2023 to February 1, 2024, or until such earlier time as the NCIB is completed or terminated at the option of the Corporation. Any common shares the Corporation purchases under the NCIB will be purchased on the open market through the facilities of the TSX and/or alternative trading systems in Canada, at the prevailing market price at the time of the transaction. All common shares acquired under the NCIB will be cancelled. The funds to purchase the common shares will be provided by working capital of the Corporation.

The Corporation's previous NCIB expired on December 23, 2022 and the Corporation completed a consolidation of its common shares on the basis of five (5) existing pre-consolidation shares for every one (1) post-consolidation share (the "**Consolidation**") on January 17, 2023. Under the previous NCIB, the Corporation obtained the approval of the TSX to purchase up to 10,513,661 pre-Consolidation common shares, which represented 10% of the Corporation's public float at the time of approval. The Corporation purchased on the open market and cancelled an aggregate total of 5,609,332 pre-Consolidation common shares at a weighted average price of \$3.10 per pre-Consolidation common share under the previous NCIB.

Canacol has also entered into an automatic share purchase plan ("ASPP") with its designated broker. The ASPP is intended to allow for the purchase of common shares under the NCIB at times when the Corporation may not ordinarily be permitted to purchase common shares due to regulatory restrictions and customary self-imposed blackout periods.

Pursuant to the ASPP, the designated broker may purchase common shares until the expiry of the NCIB on February 1, 2024. Such purchases will be determined by the broker at its sole discretion based on the purchasing parameters set out by the Corporation in accordance with the rules of the TSX, applicable securities laws and the terms of the ASPP. The ASPP has been pre-cleared by the TSX and will be effective on the date of the NCIB. The ASPP will terminate on the earlier of the date on which: (i) the NCIB expires; (ii) the maximum number of common shares have been purchased under the ASPP; and (iii) the Corporation terminates the ASPP in accordance with its terms.

Outside of the ASPP, common shares may continue to be purchased under the NCIB based on management's discretion, in compliance with the rules of the TSX and applicable securities laws. All purchases made under the ASPP will be included in the number of common shares available for purchase under the NCIB.

The Corporation believes that from time to time the market price of its common shares may not reflect their underlying value and that, at such times, the purchase of common shares for cancellation will increase the



proportionate interest of, and be advantageous to, all remaining shareholders. In addition, the purchases by Canacol under the NCIB may increase liquidity to shareholders wishing to sell their common shares.

This news release does not constitute an offer to sell securities, nor is it a solicitation of an offer to buy securities, in any jurisdiction. All sales will be made through registered securities dealers in jurisdictions where the offering has been qualified for distribution. The securities offered are not, and will not be, registered under the securities laws of the United States of America, nor any state thereof and may not be sold in the United States of America absent registration in the United States or the availability of an exemption from such registration.

#### **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", "target", "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 the expected effective date of the Consolidation. 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.

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