



Year End 2022 Conference Call Presentation

March 2023

2022 Achievements

Natural Gas Sales:

- Natural Gas Sales:
 - 1% increase y/y to 182 mmcf/d
 - above guidance mid-point (180 mmcf/d)
- ROCE: 13%
- Operating Margins: 77%

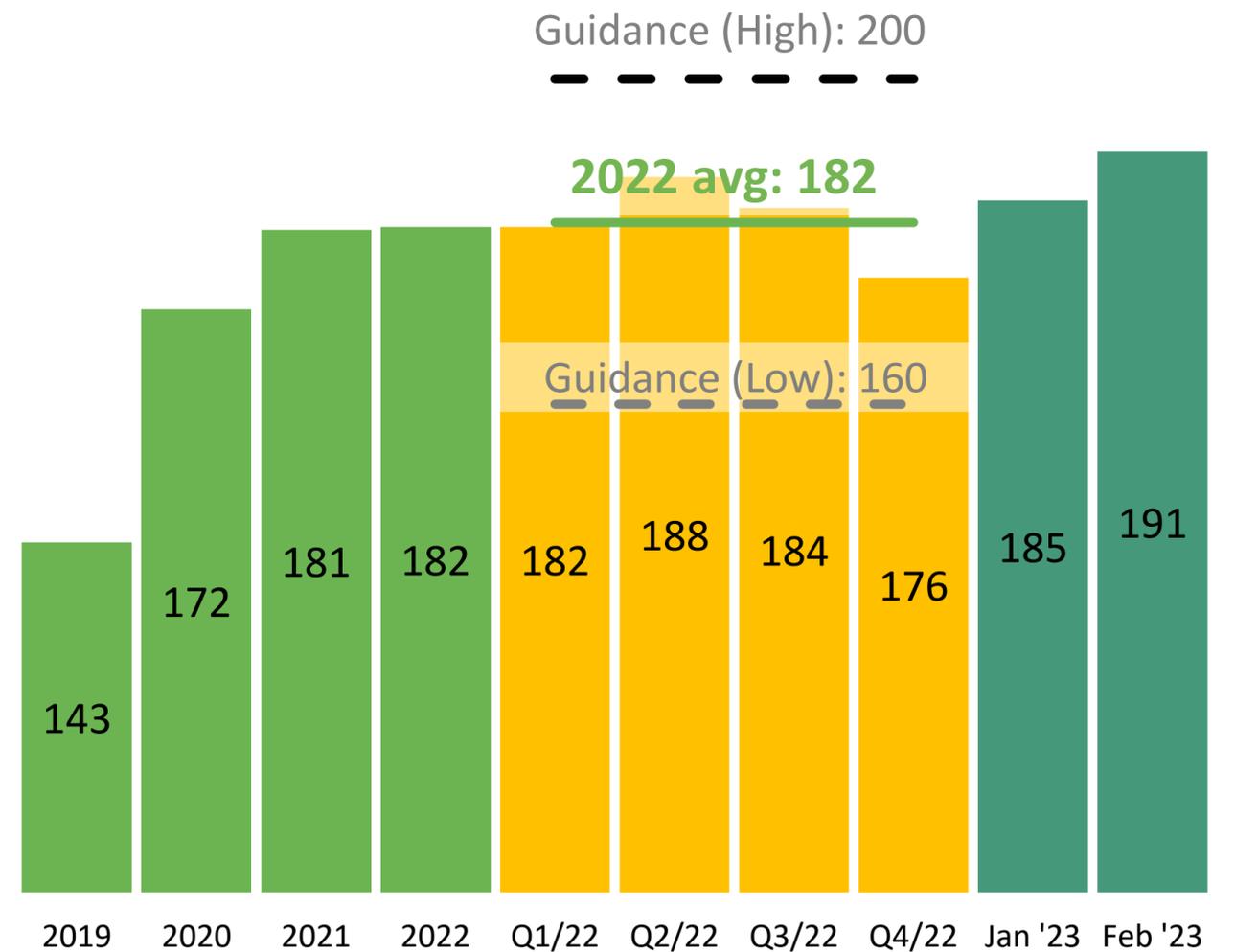
Jobo-Medellin pipeline:

- Build-Own-Operate-Maintain (BOOM) Contract with SETCO
- Long-term contracted volumes through pipeline increased to 75 mmcf/d

Return of Capital:

- Dividends & Shares buyback

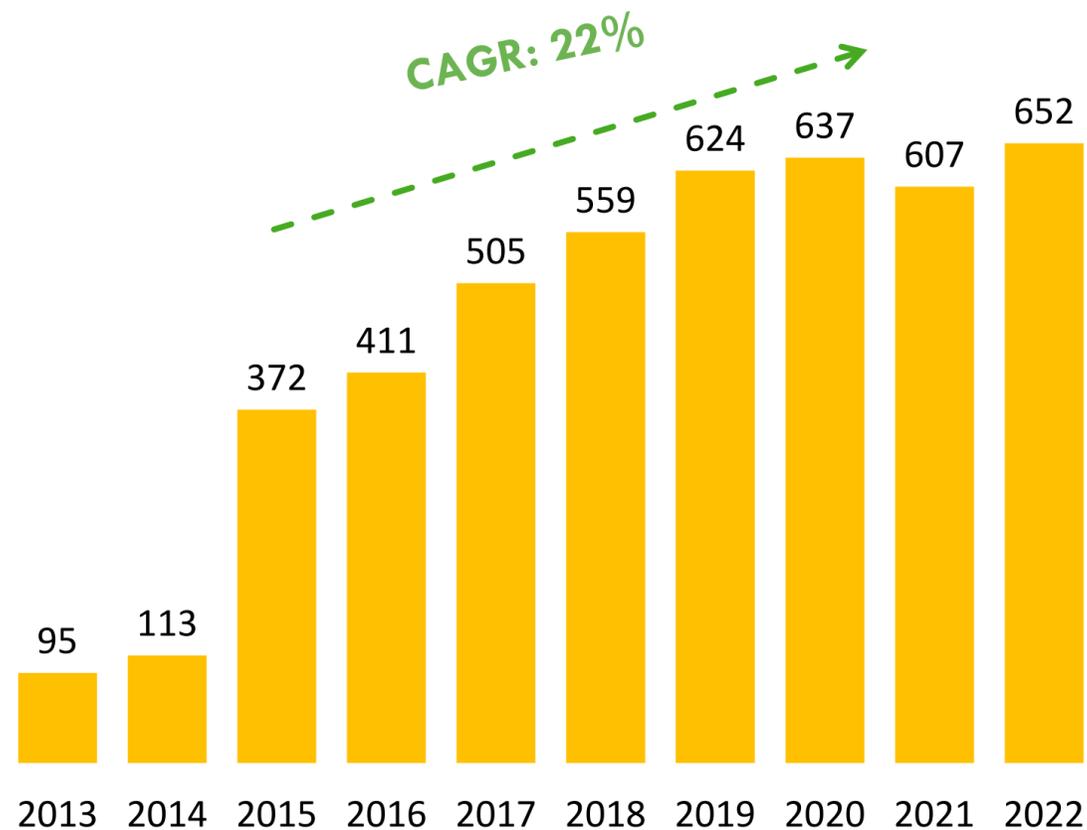
Realized Natural Gas Sales (mmcf/d)



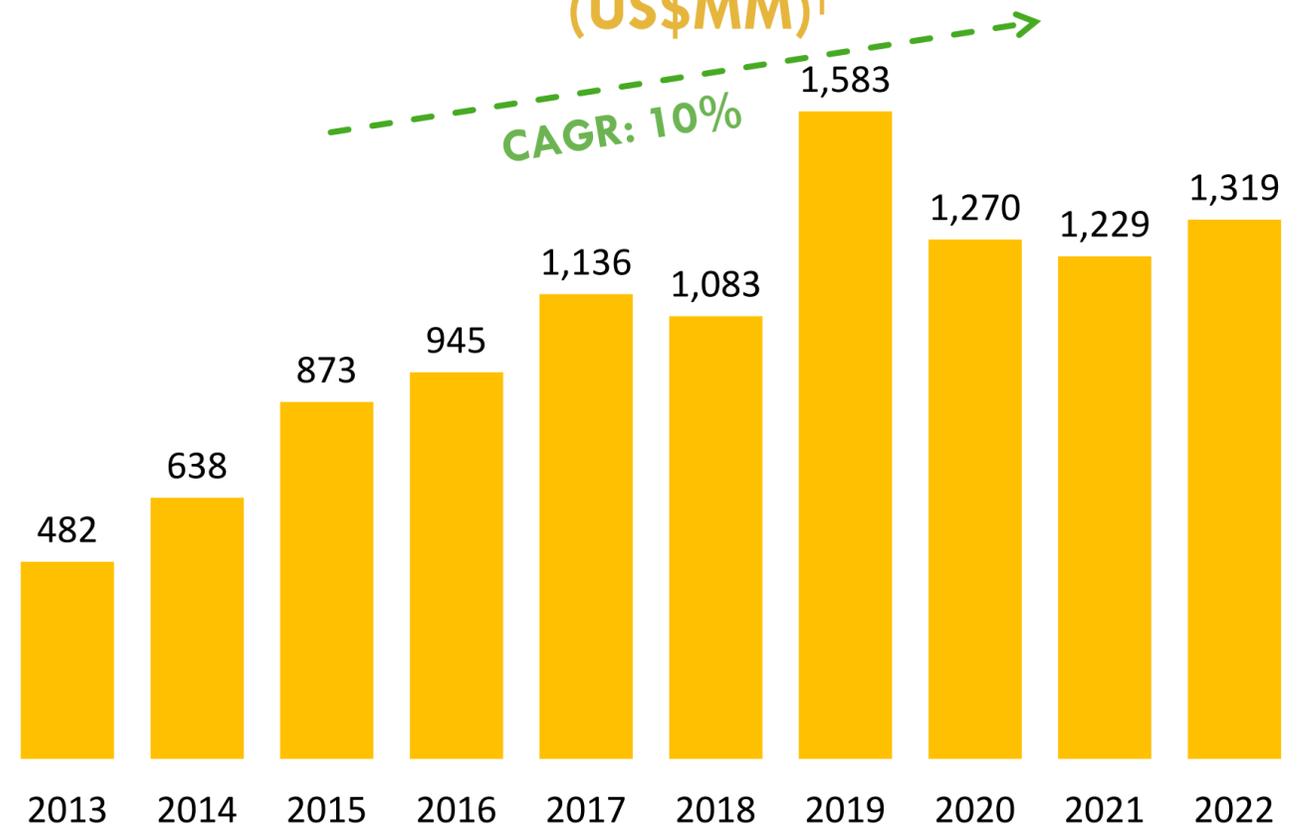
Continued Cost-Efficient Exploration Success

>880 bcf added through discoveries, extensions and revisions since 2013

2P Reserves (bcfe)



2P After-Tax NPV10 (US\$MM)¹



2P FD&A Costs (US\$/Mcf)		2P Recycle Ratios		Reserve Life Index (yrs)	
1-Year	\$2.23	1-Year	1.7x	1P	5.2
3-Year	\$1.87	3-Year	1.9x	2P	10.0

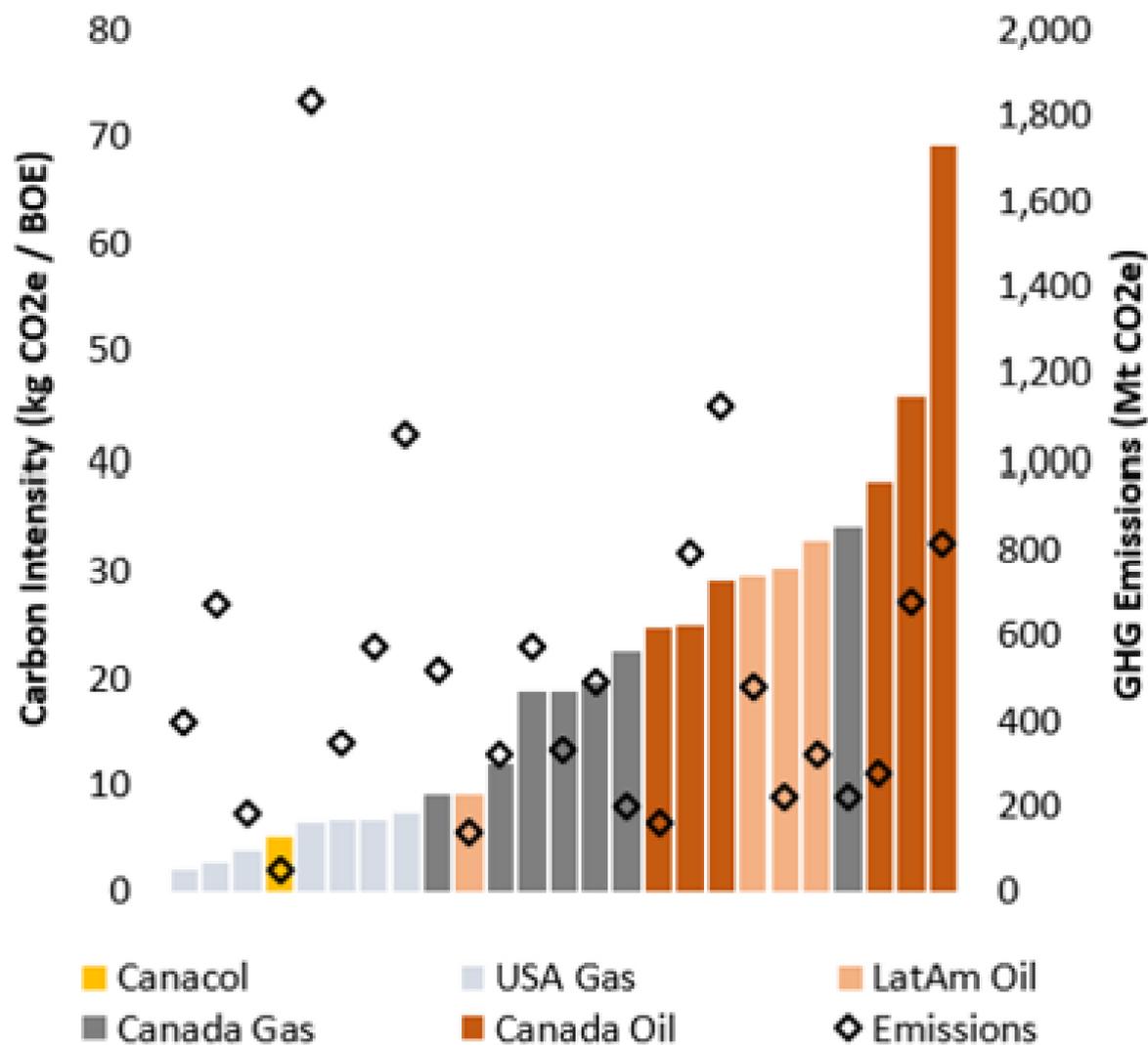
Exploration 2022:

- 100% Exploration drilling success rate
- 169% 2P Reserves Replacement Ratio
- Multiple New Gas Discoveries with 93 bcfe of 2P gas reserve additions

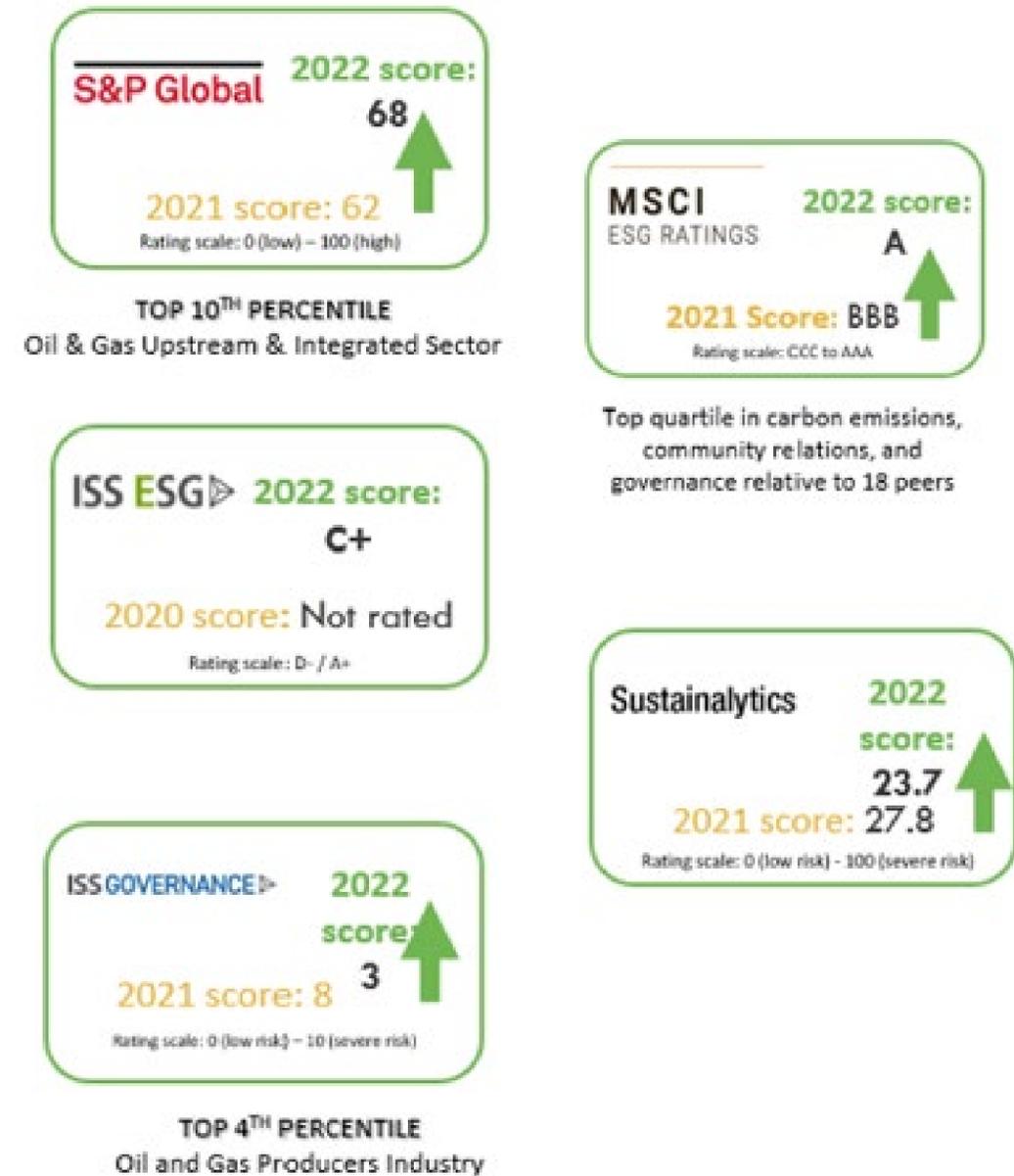
Historical exploration success: 85%

2022 ESG Achievements

Canacol Beats its Peer Group in GHG Intensity Per Unit of Production¹



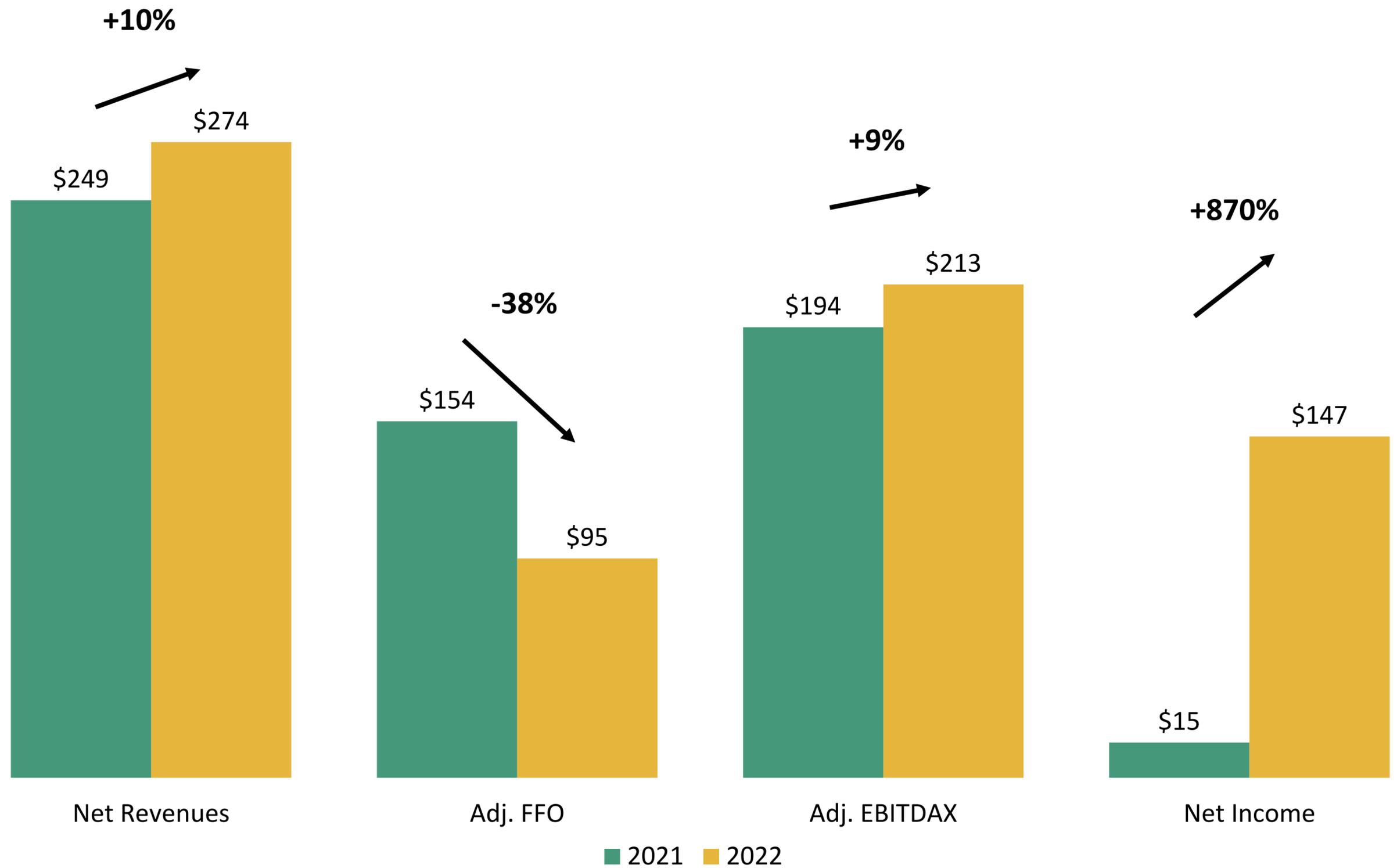
ESG Performance - Ratings



1. Source: GHG emissions and intensity is for 2021 for Canacol and for 2020 for peers, direct (Scope 1) emissions. Intensity is emissions divided by net after royalty production. GHG emissions are not adjusted for offsets, including CO2 sequestration. Select peers include FEC, GTE, PXT, VIST (LatAm Oil), AR, CNX, COG, CRK, EQT, RRC, SWN (USA Gas), ARX, BIR, KEL, NVA, PEY, PEA, PNE, POU (Canada Gas), ATH, CJ, CPG, IPCO, TVE, VET (Canada Oil)

2. Sources: Canacol Scope 1+2 emissions intensity for 2020, S&P indices data as at April 30, 2022, Global GDP emissions intensity based on World Bank data for 2017.

Growing Revenues and EBITDAX

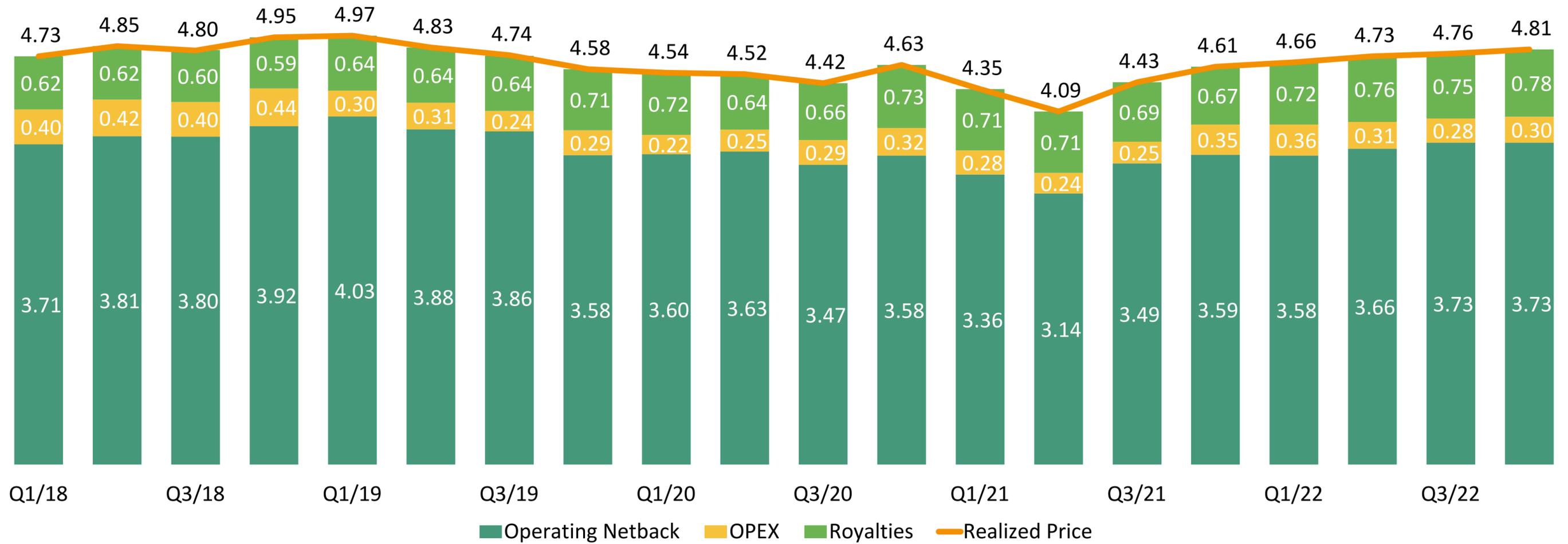


(1) Net revenues are defined as Natural gas, LNG and Crude Oil Revenues, Net of Royalties and Transportation Expenses, plus Take-or-Pay Income, including standby revenue, excluding Natural Gas trading revenue.

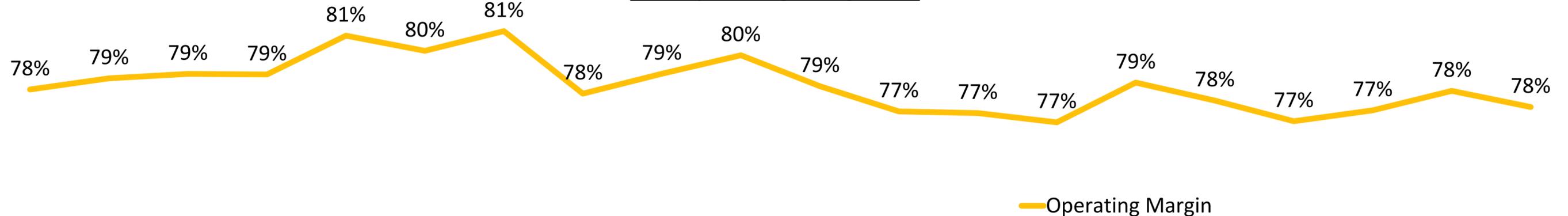
(2) See non-IFRS Advisories

High Prices + Low Cost = High Margins and Netbacks²

Gas Operating Netbacks (US\$/MCF)^{1, 2}



Gas Operating Margin (%)

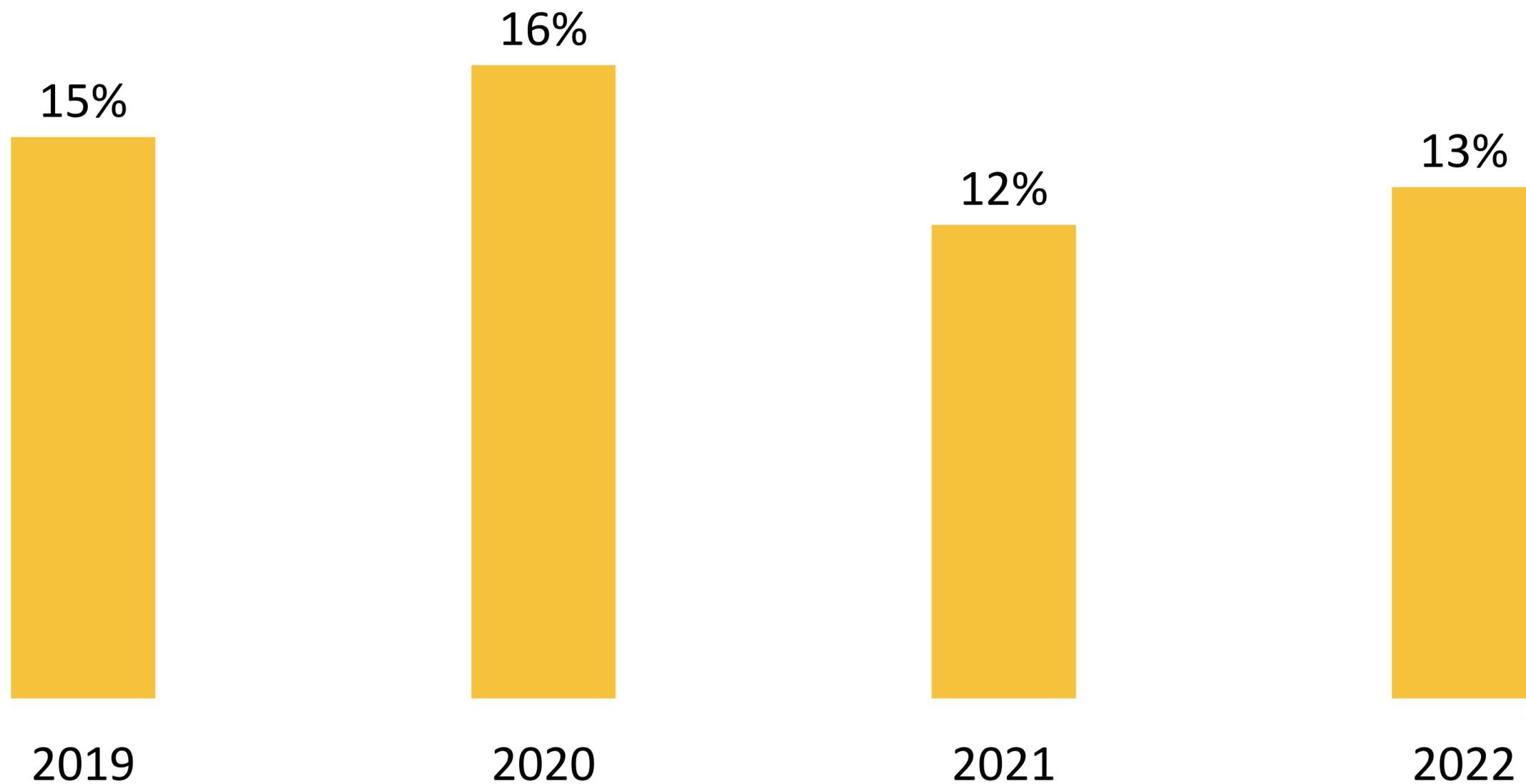


Q1/18 Q3/18 Q1/19 Q3/19 Q1/20 Q3/20 Q1/21 Q3/21 Q1/22 Q3/22

1) Realized Price shown is net of transportation costs.
 2) Netbacks and Margins are non-IFRS measures, calculated as follows for gas operations only for the purposes of this slide. Operating Netback is calculated as revenue, net of transportation expense, less royalties, less operating expenses, calculated on a per unit basis of sales volumes. Operating Margin is calculated as Operating Netback over Realized Price Net of Transportation Costs. For further details please refer to our most recent MD&A.



High Return On Capital Employed (ROCE)¹



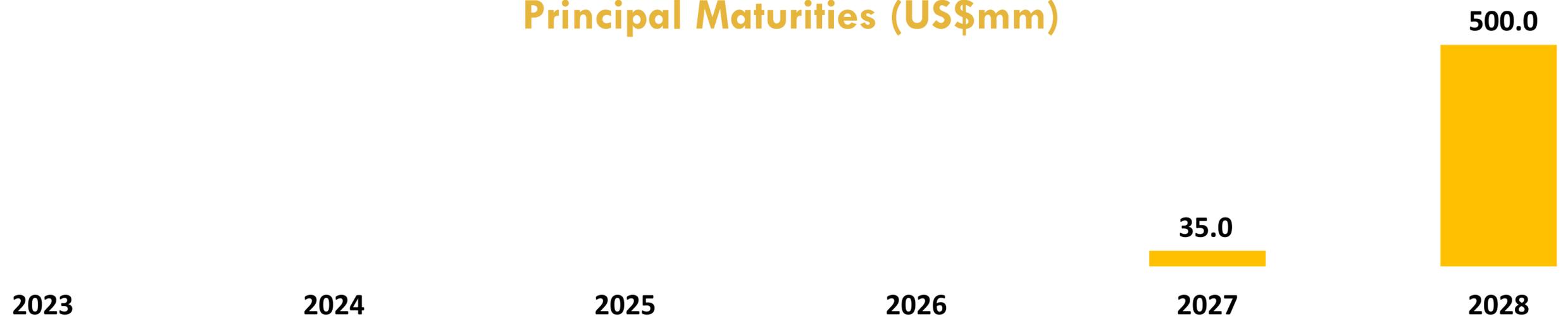
Financial Flexibility

Debt Profile:

- **Senior Notes: \$500 million**
Maturity: Nov 2028,
Interest Rate: 5.75%
Ratings: Fitch: BB, S&P: BB-, Moody's Ba3
- **Revolving Credit Facility: \$200 million**
\$35 million drawn to pay out prior bridge loan and bank debt
Maturity: Feb 2027
Interest Rate: SOFR + 4.5% on drawn amounts
- **Lease Obligations: \$15.7 million**
Multiple Interest Rates, Maturities, and
Currency Denominations

Cash: \$59 mm

Principal Maturities (US\$mm)



1. All proforma to December 31, 2022.

2023 Outlook

Drill up to 10 wells

Continuous program targeting a 2P RRR of 200%

Seismic Acquisition

Acquire 282 km² of 3D seismic on the VIM-5 block

Continue progressing new gas pipeline to Medellin.

We anticipate construction starting in Q3/23

Return of Capital

Quarterly Dividend & Share buybacks

ESG

Further investment in processes to monitor, report, and improve





Advisories

This presentation is provided for informational purposes only during the 4Q 2022 Financial Results Conference Call held on the 28th of March 2023, is not complete and may not contain certain material information about Canacol Energy Ltd. ("Canacol" or the "Company"), including important disclosures and risk factors associated with an investment in Canacol. This presentation does not take into account the particular investment objectives or financial circumstances of any specific person who may receive it and does not constitute an offer to sell or a solicitation of an offer to buy any security in Canada, the United States or any other jurisdiction. The contents of this presentation have not been approved or disapproved by any securities commission or regulatory authority in Canada, the United States or any other jurisdiction, and Canacol expressly disclaims any duty on Canacol to make disclosure or any filings with any securities commission or regulatory authority, beyond that imposed by applicable laws.

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All dollar amounts are shown in US dollars, unless indicated otherwise.

Forward Looking Statements

This presentation may include certain forward looking statements. All statements other than statements of historical fact, included herein, including, without limitation, statements regarding future plans and objectives of Canacol Energy Ltd. ("Canacol" or the "Corporation"), are forward-looking statements that involve various risks, assumptions, estimates, and uncertainties. These statements reflect the current internal projections, expectations or beliefs of Canacol and are based on information currently available to the Corporation. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. All of the forward looking statements contained in this presentation are qualified by these cautionary statements and the risk factors described above. Furthermore, all such statements are made as of the date this presentation is given and Canacol assumes no obligation to update or revise these statements.

Financial Information

Non-IFRS measures

Canacol uses various measures to evaluate its performance that do not have a standardized meaning prescribed under International Financial Reporting Standards ("IFRS").

- Adjusted Funds from operations represents cash flow (used) provided by operating activities before the settlement of decommissioning obligations, payment of a litigation settlement liability and changes in non-cash working capital.
- EBITDAX is calculated on a rolling 12-month basis and is defined as net income (loss) and comprehensive income (loss) adjusted for interest, income taxes, depreciation, depletion, amortization, exploration expenses and other similar non-recurring or non-cash charges.

Canacol considers these measures as key measures to demonstrate its ability to generate the cash flow necessary to fund future growth through capital investment, pay dividend and to repay its debt. These measures should not be considered as an alternative to, or more meaningful than, cash provided by operating activities or net income (loss) and comprehensive income (loss) as determined in accordance with IFRS as an indicator of the Corporation's performance. The Corporation's determination of these measures may not be comparable to that reported by other companies. The Corporation also presents funds from operations per share, whereby per share amounts are calculated using weighted average shares outstanding consistent with the calculation of net income (loss) and comprehensive income (loss) per share.

In addition to the above, management uses working capital and operating netback measures.

- Working capital is calculated as current assets less current liabilities, excluding current portion of long-term obligations, and is used to evaluate the Corporation's financial leverage.
- Net debt is defined as the principal amount of its outstanding long-term obligations less working capital, as defined above.
- Operating netback is a benchmark common in the oil and gas industry and is calculated as revenue, net of transportation expense, less royalties, less operating expenses, calculated on a per unit basis of sales volumes. Operating netback is an important measure in evaluating operational performance as it demonstrates profitability relative to current commodity prices.

Working capital and operating netback as presented do not have any standardized meaning prescribed by IFRS and therefore may not be comparable with the calculation of similar measures for other entities.

Advisories

The Corporation also presents adjusted funds from operations per share, whereby per share amounts are calculated using the weighted-average shares outstanding consistent with the calculation of net income (loss) and comprehensive income (loss) per share.

The following table reconciles the Corporation's cash provided by operating activities to adjusted funds from operations:

	Three months ended December 31,		Year ended December 31,	
	2022	2021	2022	2021
Cash flow provided by operating activities	\$ 50,034	\$ 28,881	\$ 185,429	\$ 123,814
Changes in non-cash working capital	(67,011)	14,810	(90,789)	16,906
Payment of litigation settlement liability ⁽¹⁾	—	—	—	13,073
Settlement of decommissioning obligations	—	—	—	54
Adjusted funds from operations	\$ (16,977)	\$ 43,691	\$ 94,640	\$ 153,847

(1) The litigation settlement liability was related to a transportation expense dispute, and, as such, the non-recurring settlement was included in cash flows provided by operating activities during the year ended December 31, 2021.

The following table reconciles the Corporation's net income (loss) and comprehensive income (loss) to adjusted EBITDAX:

	2022				
	Q1	Q2	Q3	Q4	Rolling
Net income (loss) and comprehensive income (loss)	\$ 24,415	\$ (6,404)	\$ (4,463)	\$ 133,722	\$ 147,270
(+) Interest expense	8,513	8,475	8,438	8,632	34,058
(+) Income tax expense	1,203	27,156	25,970	(135,523)	(81,194)
(+) Depletion and depreciation	16,668	18,284	17,388	16,226	68,566
(+) Exploration expense	—	—	—	22,333	22,333
(+) Pre-license costs	450	535	446	453	1,884
(+) Unrealized foreign exchange loss (gain)	(2,548)	2,995	4,999	2,660	8,106
(+/-) Other non-cash or non-recurring items	923	4,167	3,237	3,500	11,827
Adjusted EBITDAX	\$ 49,624	\$ 55,208	\$ 56,015	\$ 52,003	\$ 212,850

Advisories

Return on Capital Employed (ROCE) is a non-IFRS measure, which Canacol calculates as a ratio, the numerator of which is annualized Earnings Before Interest and Tax (EBIT), and the denominator of which is Total Assets less Current Liabilities. Quarterly ROCE is calculated by annualizing EBIT by multiplying quarterly EBIT by four.

The following table reconcile Earnings Before Interest and Tax (EBIT) to Income before income taxes and Capital Employed to Total Assets.

	2019	2020	2021	2022
Income before income taxes	64,734	77,396	60,159	67,322
Net finance expense	32,902	31,012	34,407	41,481
Earnings Before Interest and Tax (EBIT)	97,636	108,408	94,566	108,803
Total Assets	754,062	749,792	843,760	1,015,138
Current Liabilities	97,813	92,616	77,051	198,207
Capital Employed	656,249	657,176	766,709	816,931
Return on Capital Employed	15%	16%	12%	13%

Advisories

Oil and Gas Information

Barrels of oil equivalent (“boe”) and thousands of cubic feet equivalent (“MCFe”)

Boe and MCFe may be misleading, particularly if used in isolation. A boe or MCFe conversion ratio of cubic feet of natural gas to barrels of oil equivalent and from barrels of oil to cubic feet 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 presentation, consistent with our MD&A disclosures, 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.

Oil and Gas Volumes

Unless otherwise noted, volumes of gas (or oil) sold, produced, or assessed as reserves or resources refer to working interest volumes before the deduction of royalties.

Reserves and Resources Information

- The estimates of Canacol’s December 31, 2022 reserves set forth in this presentation have been prepared prepared by Boury Global Energy Consultants Ltd. (“BGEC”) effective December 31, 2022 (the “BGEC 2020 report”). The BGEC 2022 report covers 100% of the Corporation’s conventional natural gas and light/medium oil reserves. The BGEC 2022 report was prepared in accordance with definitions, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook (“COGE Handbook”) and National Instrument NI 51-101, Standards of Disclosure for Oil and Gas Activities (“NI 51-101”). Additional reserve information as required under NI 51-101 is included in the Corporation’s Annual Information Form, which will be filed on SEDAR by March 31, 2023.
- “Proved” or “1P” reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.
- “Probable” reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable” reserves.
- “Possible” reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10 percent probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved plus probable plus possible reserves.
- “2P” means Proved Plus Probable reserves.
- “3P” means Proved Plus Probable Plus Possible reserves.
- Estimates of the net present value of the future net revenue from reserves do not represent the fair market value of reserves. The estimates of reserves and future net revenue from individual properties or wells may not reflect the same confidence level as estimates of reserves and future net revenue for all properties and wells, due to the effects of aggregation.
- All of Canacol’s natural gas reserves disclosed herein are located in Colombia. The recovery and reserve estimates of reserves provided in this document are estimates only, and there is no guarantee that the estimated reserves will be recovered. Actual reserves may eventually prove to be greater than, or less than, the estimates provided herein. All evaluations and reviews of future net revenue contained in the BGEC 2020 report are stated prior to any provision for interest costs or general and administrative costs and after the deduction of royalties, development costs, production costs, well abandonment costs and estimated future capital expenditures for wells to which reserves have been assigned.
- Certain other information contained in this presentation has been prepared by third-party sources, which information has not been independently audited or verified by Canacol. No representation or warranty, express or implied, is made by Canacol as to the accuracy or completeness of the information contained in this document, and nothing contained in this presentation is, or shall be relied upon as, a promise or representation by Canacol.
- References in this presentation to initial production test rates, initial “flow” rates, initial flow testing, absolute open flow (“AOF”) and “peak” rates are useful in confirming the presence of hydrocarbons, however such rates are not determinative of the rates at which such wells will commence production and decline thereafter and are not indicative of long term performance or of ultimate recovery. While encouraging, investors are cautioned not to place reliance on such rates in calculating the aggregate production. All such data should therefore be considered to be preliminary until such analysis or interpretation has been done.

Reserves Information

- Historic Gas Reserves evolution is as per NI 51-101 annual disclosures for reserves reconciliation, as reported in our Annual Information Forms on SEDAR.
- From December 31, 2015 onwards, Canacol changed its fiscal year-end from June 30 to December 31.
- CAGR calculations are based on growth from values as at June 2013 to values as at December 2022.
- Estimates of the net present value of the future net revenue from reserves do not represent the fair market value of reserves. The estimates of reserves and future net revenue from individual properties or wells may not reflect the same confidence level as estimates of reserves and future net revenue for all properties and wells, due to the effects of aggregation.
- A full description of the calculation of FD&A costs, Recycle Ratios, and Reserve Life Index is provided in our press release dated March 21, 2023. A reconciliation of FD&A costs is also shown on following slides.
- After-tax NPV10 estimates are as per NI 51-101 annual disclosures in our Annual Information Forms. Corporate Total Values.