



Canacol Energy Ltd. Announces New Gas Discovery at Lulo 1, Provides Test Results for the Saxofon 1 and Dividivi 1 Gas Discoveries, and Provides a Gas Sales Update

CALGARY, ALBERTA – (May 3, 2023) - Canacol Energy Ltd. ("Canacol" or the "Corporation") (TSX:CNE; OTCQX:CNNEF; BVC:CNEC) is pleased to provide the following information concerning the new Lulo 1 gas discovery, production test results for the previously announced Saxofon 1 and Dividivi 1 gas discoveries, and the April 2023 natural gas sales.

April Gas Sales of 180 MMscfpd

Realized contractual natural gas sales (which are gas produced, delivered, and paid for) were 180 million standard cubic feet per day ("MMscfpd") for April 2023.

Lulo 1 encounters 207 feet of net gas pay

The Lulo 1 exploration well, located on the 100 percent operated VIM21 Exploration and Production ("E&P") contract, was spud on April 17 and reached a total depth of 8,434 feet measured depth ("ft MD") on April 26, 2023. The well encountered 207 feet true vertical depth ("ft TVD") of net gas pay with average porosity of 21 percent within the primary Cienage de Oro ("CDO") sandstone reservoir.

The well has been cased and various zones will be production tested prior to tying the well into permanent production directly into the Jobo gas treatment facility located only fifty meters from the drilling platform. The success at Lulo has opened an area of deeper potential within the CDO in and around the main producing area that the Corporation intends to pursue aggressively. Upon completion of the well the Corporation plans to immediately drill the Lulo 2 well to appraise the extent of the discovery.

Saxofon 1 tests combined rate of 16 MMscfpd

The Corporation commenced the drilling of the Saxofon 1 exploration well on December 2, 2022 on its 100% operated VIM5 E&P contract located in the Lower Magdalena Basin. As previously reported, the well encountered gas within the Porquero and CDO sandstone reservoirs.

The CDO reservoir was perforated over a 22-foot Interval and flowed at an average rate of 6.1 MMscfpd over 12 hours. The peak rate was 8.4 MMscfpd at a choke of 32/128" and a THP of 2449 psig with no water production observed. The well is currently shut in undergoing the build up phase. The pressure transient data will be interpreted when the gauges are retrieved.

The Porquero reservoir was perforated over a 57-foot Interval and flowed at an average rate of 5.9 MMscfpd over 15 hours. The peak flow rate was 7.2 MMscfpd at a choke of 35/128" and a THP of 1044 psig with 8 barrels of water during the test was produced. The salinity of the produced water indicates that it is completion fluid related to the drilling process. The well is currently shut in undergoing the build up phase. The pressure transient data will be interpreted when the gauges are retrieved.

The Corporation is currently in the process of tying the well into permanent production. A large 3D seismic program will be executed in late 2023 over this part of the VIM 5 block plan for the drilling multiple appraisal and development wells.





Dividivi 1 tests 5 MMscfpd

The Corporation commenced the drilling of the Dividivi 1 exploration well on December 20, 2022 on its 100% operated VIM33 E&P contract located in the Lower Magdalena Basin. As previously reported, the well encountered gas within the primary CDO sandstone and Cicuco limestone reservoirs.

The Cicuco reservoir was perforated over a 12-foot Interval and flowed at an average rate of 3.84 MMscfpd over 9 hours. The peak flow rate was 5 MMscfpd at a choke of 28/128" and a THP of 731 psig. No water production was observed.

The Corporation is currently preparing to execute a long-term flow test of the well in order to formulate a commercial development plan for the discovery. The discovery is located approximately 35 kilometers to the west of the TGI gas pipeline which currently has approximately 260 MMscfpd of spare transportation capacity into the interior of Colombia.

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 CNEC, respectively.

Forward-Looking Statements

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.

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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