



Canacol Energy Ltd. Tests 22 MMSCFPD from Lulo 1, Drilling Lulo 2 Appraisal Well

CALGARY, ALBERTA – (May 24, 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 and near term drilling plans.

Lulo 1 tests 22 MMscfpd

As announced on May 3, 2023, the Lulo 1 exploration well, located on the 100 percent operated VIM21 Exploration and Production ("E&P") contract, encountered 207 feet of net gas pay within the Cienaga de Oro ("CDO") sandstone reservoir.

Lulo 1 was permanently tied in and production tested through the Jobo gas processing facilities located 50 meters away at an average rate of approximately 17 million standard cubic feet per day ("MMscfpd") for 7 days. The well was tested at various rates ranging from 3.9 MMscfpd to 22.2 MMscfpd with the choke varying between 19/128 and 39/128 inches and a final tubing head pressure of 2,042 psi at the rate of 22.2 MMscfpd, and is currently producing at a controlled rate of approximately 17 MMscfpd.

Lulo 2 drilling ahead

The Corporation commenced drilling of the Lulo 2 appraisal well on May 17, 2023, with the well anticipated to be completed and placed on production by the end of May 2023. It is anticipated that should Lulo 2 prove successful, the Lulo discovery, announced on May 3, 2023, will be capable of producing at a total rate of between 30 and 40 MMscfpd by early June 2023.

Near term exploration plans

Upon completion of the Lulo 2 well, the Corporation will mobilize the rig to commence drilling of the Piña Norte 1 exploration well, located approximately 300 meters to the southwest of the Jobo production facility. The Piña Norte prospect, like Lulo, is one of 5 exploration prospects identified within the middle to lower CDO sandstone reservoir within very close proximity to the Corporation's main production facilities at Jobo. If successful, as is the case for Lulo, these near field exploration prospects can each provide new commercial production within weeks of discovery. The Corporation expects results from Piña Norte 1 by mid July, 2023, following which the Corporation plans to drill the Cereza 1 exploration well located approximately 1 kilometer to the north of the Jobo production facility.

Canacol's near term drilling focus is to increase productive capacity ahead of the upcoming El Niño season to ensure the adequate supply of natural gas to the Caribbean market.

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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