



Canacol Energy Ltd. Encounters 230 Feet of Net Gas Pay in the Lulo 2 Well and Provides a Gas Sales Update

CALGARY, ALBERTA – (June 6, 2023) - Canacol Energy Ltd. ("Canacol" or the "Corporation") (TSX:CNE; OTCQX:CNNEF; BVC:CNEC) is pleased to provide the following information concerning the Lulo 2 well and May 2023 natural gas sales.

May Gas Sales of 189 MMscfpd

Realized contractual natural gas sales (which are gas produced, delivered, and paid for) were 189 million standard cubic feet per day for May 2023.

Lulo 2 encounters 230 feet of net gas pay

The Lulo 2 appraisal well, located on the 100 percent operated VIM21 Exploration and Production ("E&P") contract, reached total depth of 7,112 feet measured depth on June 1, 2023. The well encountered 230 feet true vertical depth of net gas pay with average porosity of 20 percent within the primary Cienaga de Oro ("CDO") sandstone reservoir.

The Corporation is preparing to case and complete the well and will then tie it directly into permanent production via the Jobo gas treatment facility located only fifty meters from the Lulo drilling platform.

Near term drilling plans

After 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. Piña Norte 1 is also located on the 100 percent operated VIM21 E&P contract. The Piña Norte prospect, like Lulo, is one of 5 exploration prospects targeting the Middle and Lower CDO sandstone reservoir at depths of approximately 9,000 feet located 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.

Piña Norte 1 will be followed by the drilling of the Cereza 1 exploration well located approximately 1 kilometer to the north of the Jobo production facilities.

The Corporation is currently drilling the Clarinete 8 development well located on its 100% operated VIM5 Exploration and Exploitation Contract. Clarinete 8 is expected to be completed and tied into permanent production by the end of June 2023.

Canacol's current drilling program is focused on adding extra natural gas production capacity that will be available to consumers ahead of the El Niño season in the second half of 2023 when gas demand is anticipated to be high.

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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