



2Q 2023 Results Conference Call Presentation

August 2023

2023 Q2 Highlights

Realized Natural Gas Sales

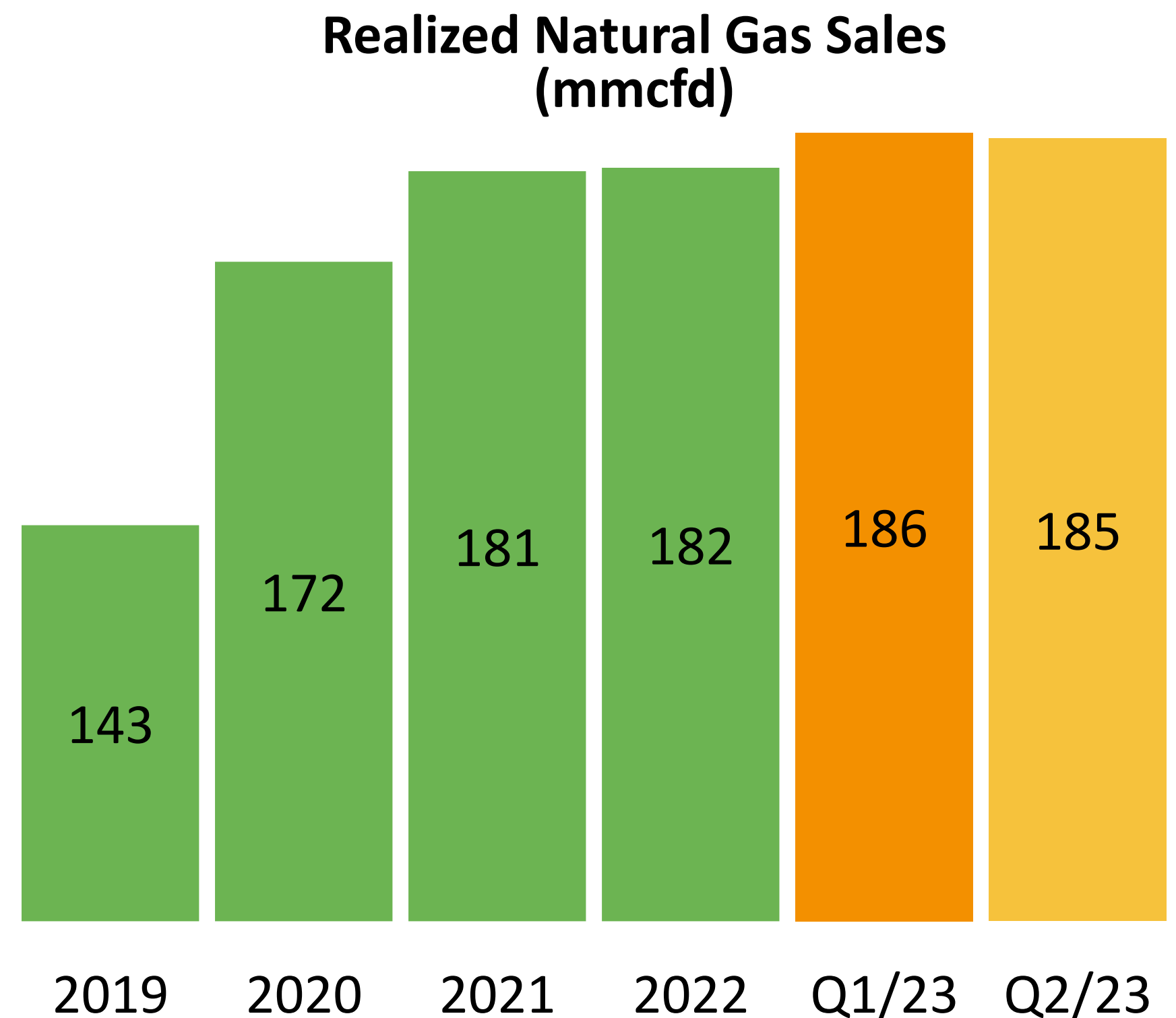
- 185 mmcf/d

Other Achievements

- \$3.94/mcf gas operating netback – above guidance
- Operating Margin: 77%
- Adj. EBITDAX of \$61 million
- ROCE: 16%
- New discovery at Lulo; 2 wells brought onstream

Subsequent Event

- July sales at 197 mmcf/d



Supporting Colombia's Energy Transition

A cleaner energy future

Canacol is a leader in GHG emissions intensity in oil and gas industry standards

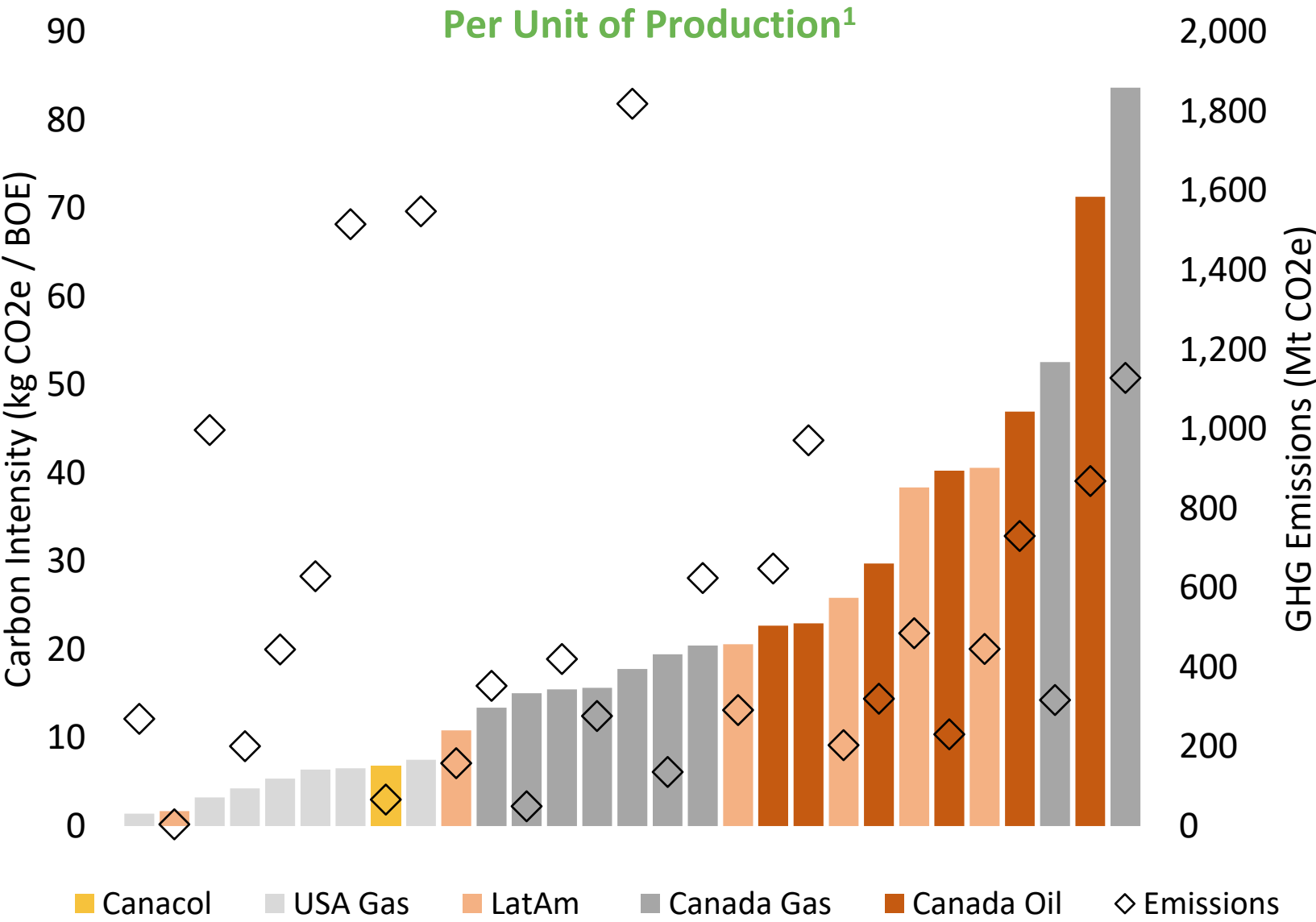
2022: GHG emissions at least 50% & 80% lower than O&G peers, respectively⁽¹⁾



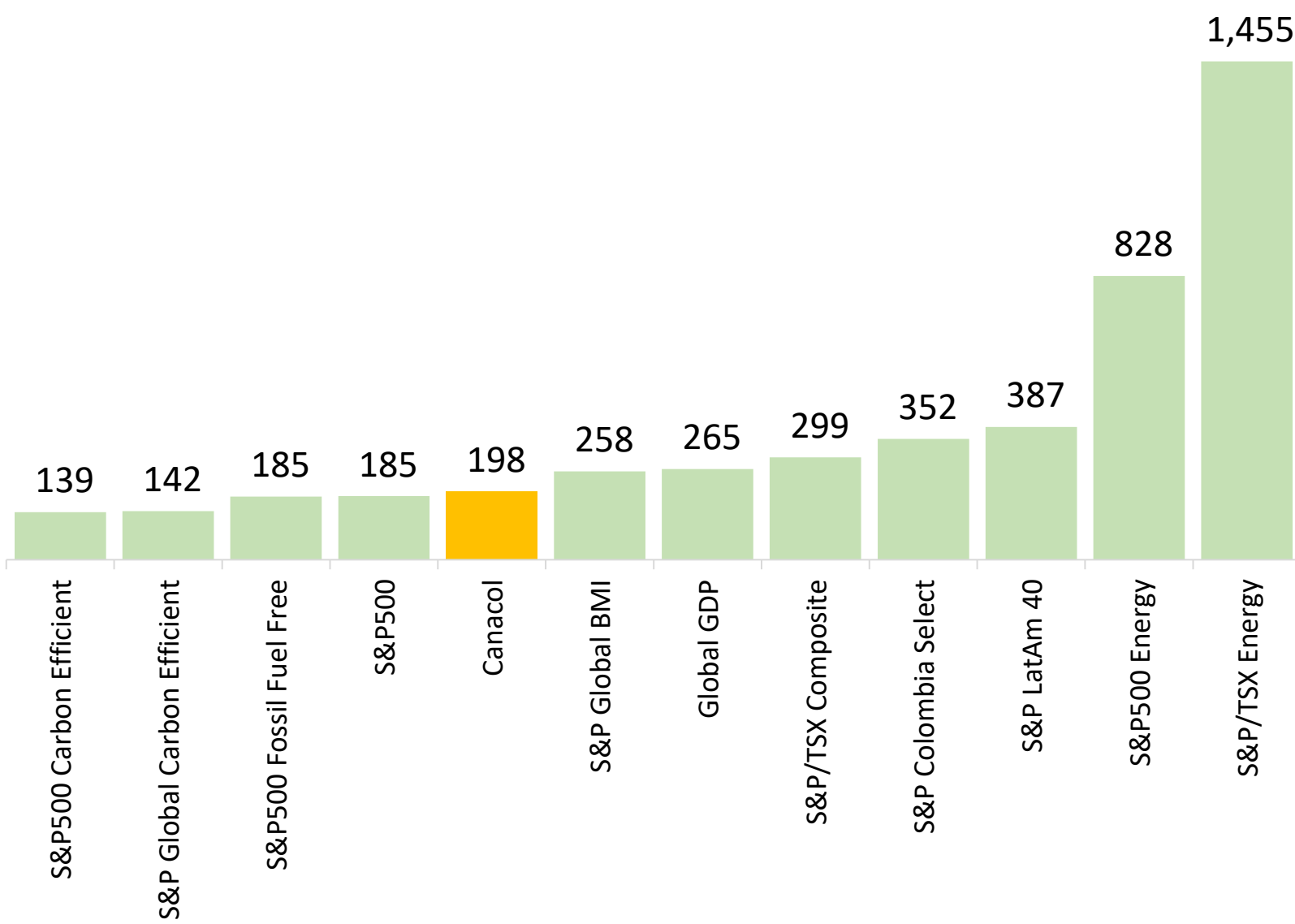
Long-Term Decarbonization Goals:

- Zero Methane Emissions by 2026
- Scope 1 & 2: 50% Reduction by 2035
 - Carbon Neutrality by 2050

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



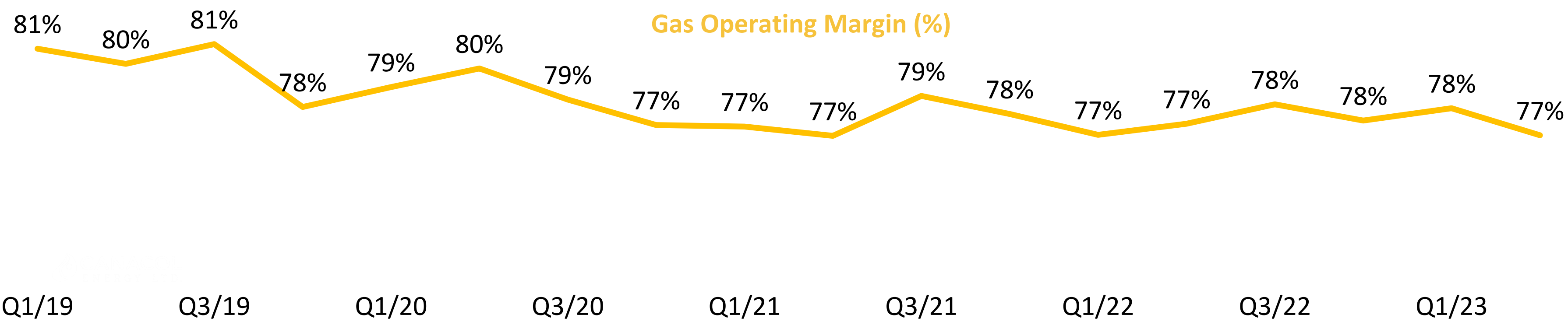
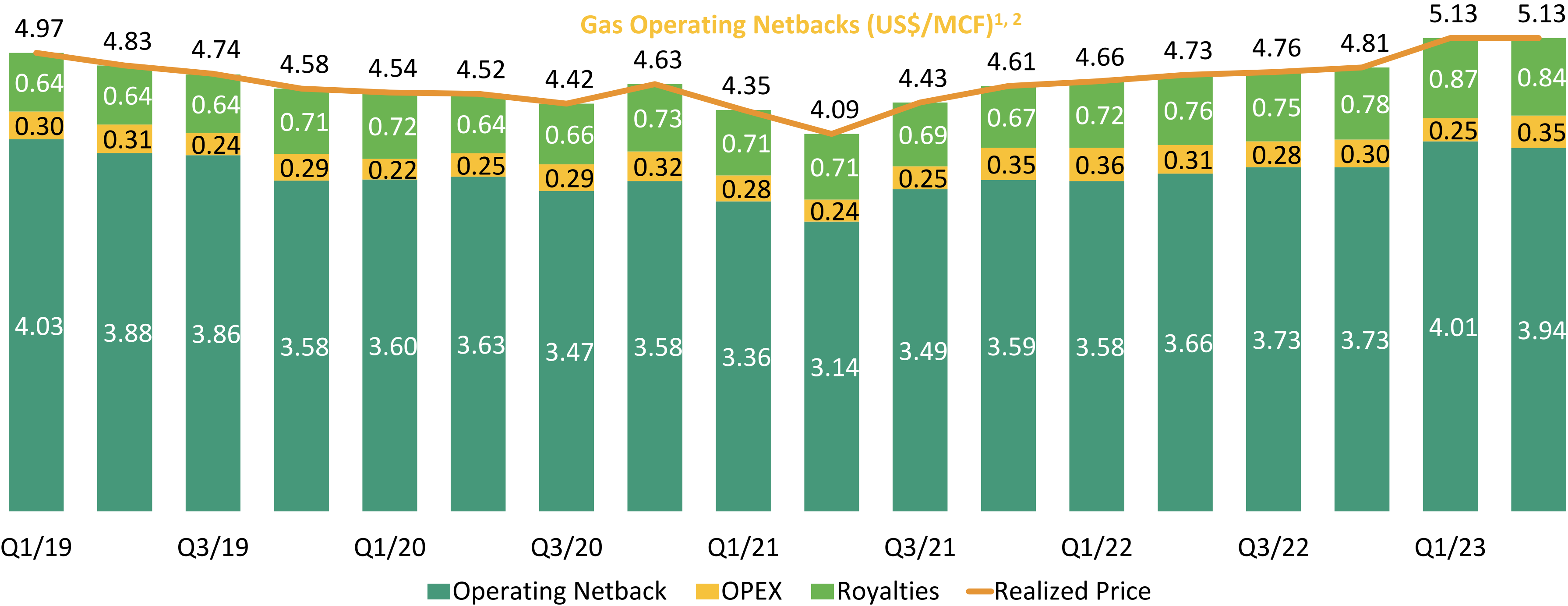
Direct and Indirect GHG emissions per US\$ of revenue (g CO2 eq / US\$)²



1. Source: GHG emissions and intensity is for 2022 for Canacol and for 2021 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, GPRK, ALV, VIST (LatAm), AR, CNX, COG, CRK, EQT, RRC, SWN (USA Gas), ARX, BIR, KEC, KEL, NVA, PEY, PEA, PNE, POU (Canada Gas), ATH, CJ, CPG, IPCO, TVE, VET (Canada Oil)

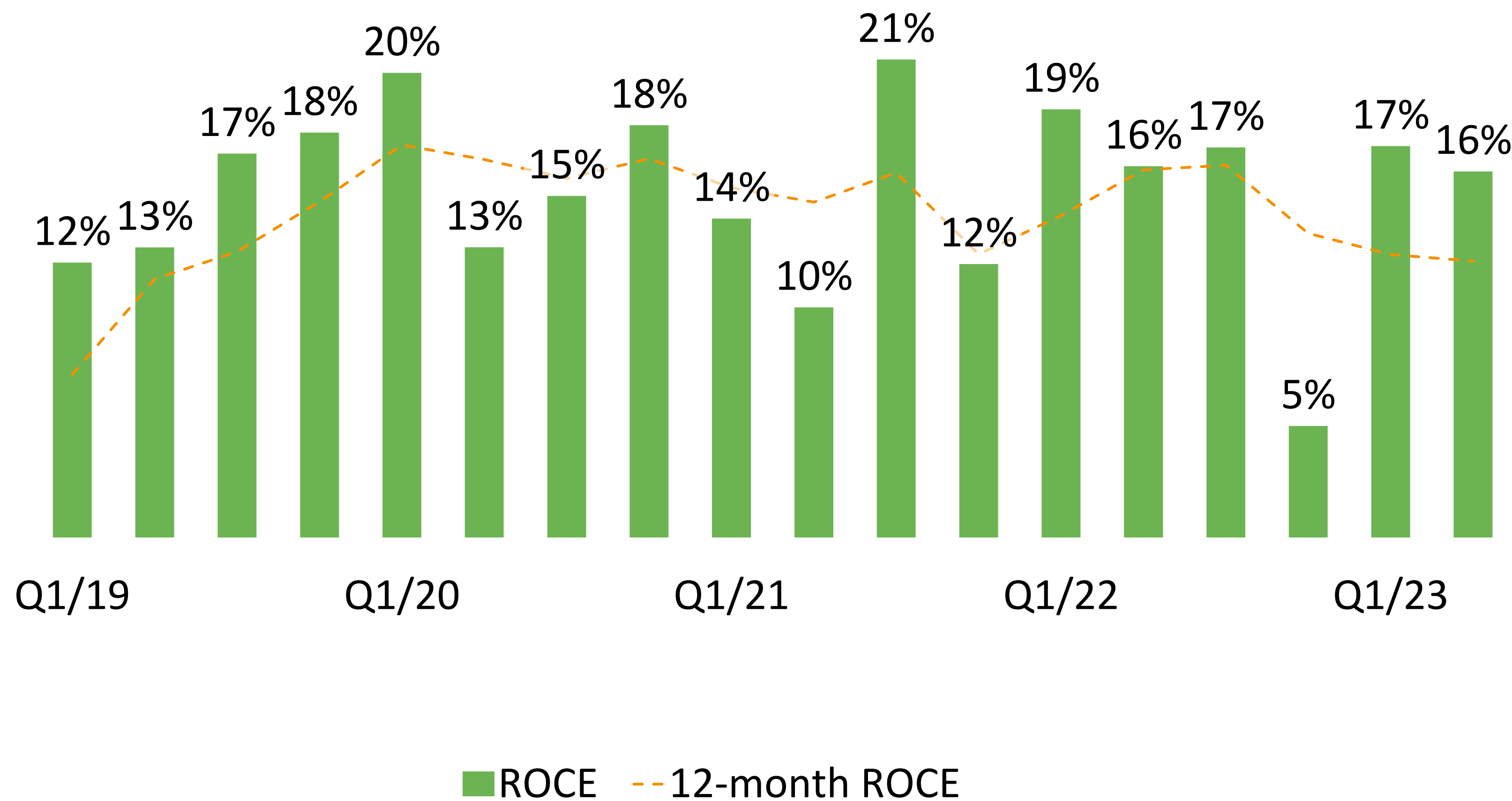
2. Sources: Canacol Scope 1+2 emissions intensity for 2022, S&P indices data as at Feb 28, 2023, Global GDP emissions intensity based on World Bank data for 2020.

High Prices + Low Cost = High Margins and Netbacks²

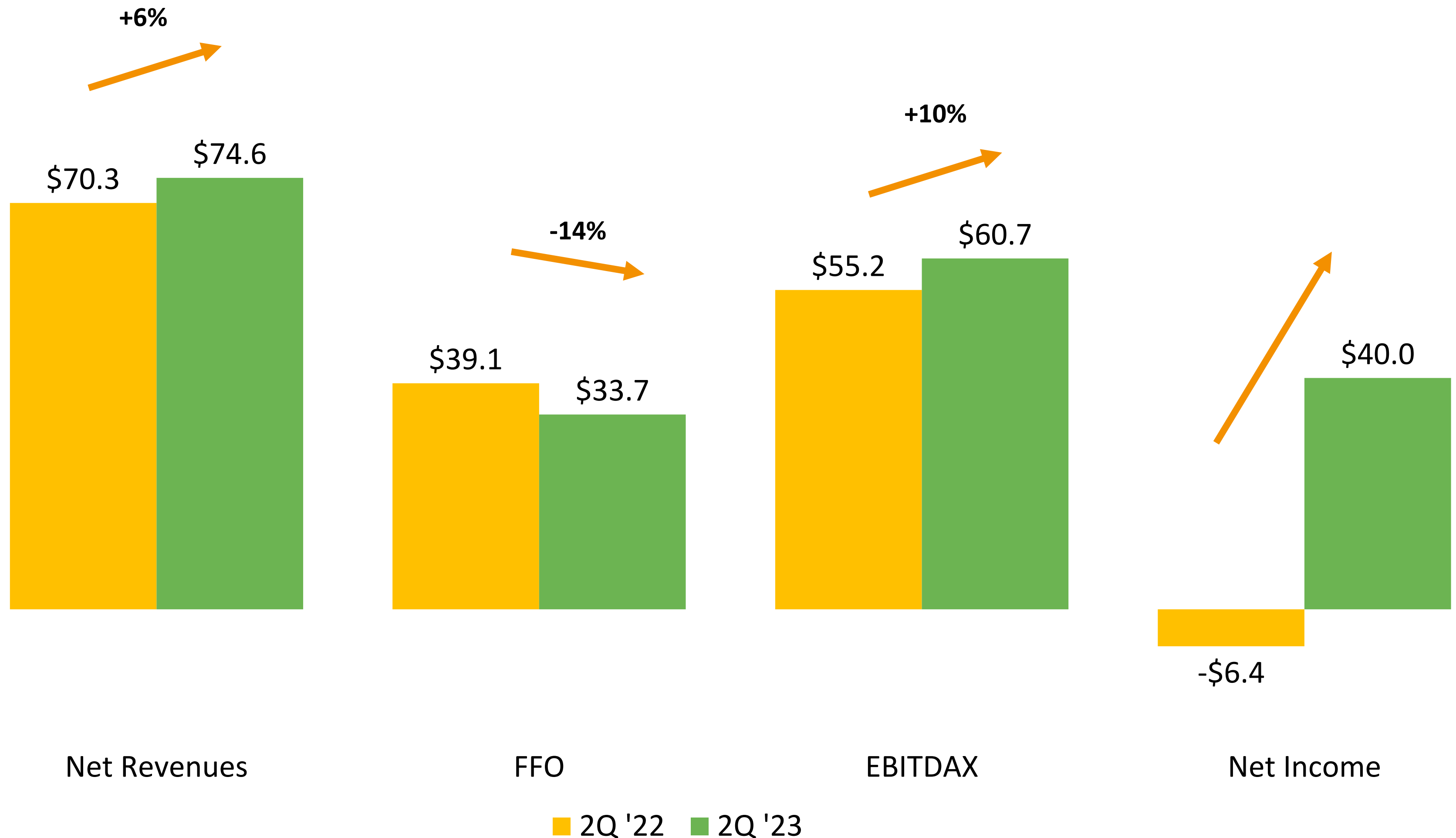


1) Realized Price shown is net of transportation costs.
2) Netbacks and Margins are non-IFRS measures, calculated as follows for gas operations only for the purposes of this slide. Operating Netback is calculated as revenue, net of transportation expense, less royalties, less operating expenses, calculated 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



Q2/23 Financial Highlights (US\$ MM)

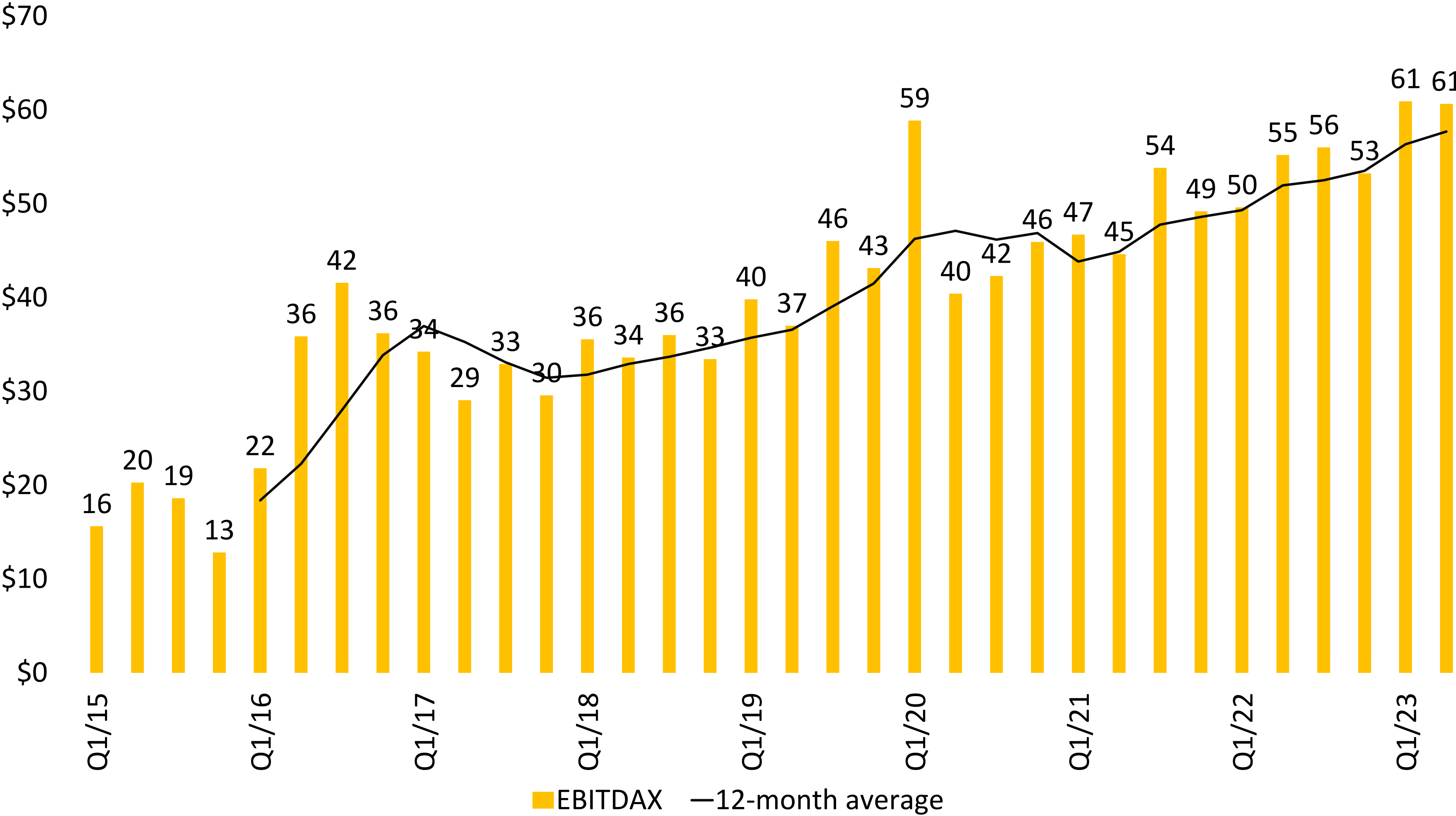


(1) Total revenues, net of royalties and transportation expense.

(2) Adjusted Funds From Operations (FFO) is a non-IFRS measure used to represent cash flow provided by operating activities before settlement of decommissioning obligations and changes in non-cash working capital.

(3) EBITDAX 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.

Almost Record Adjusted EBITDAX (US\$mm)



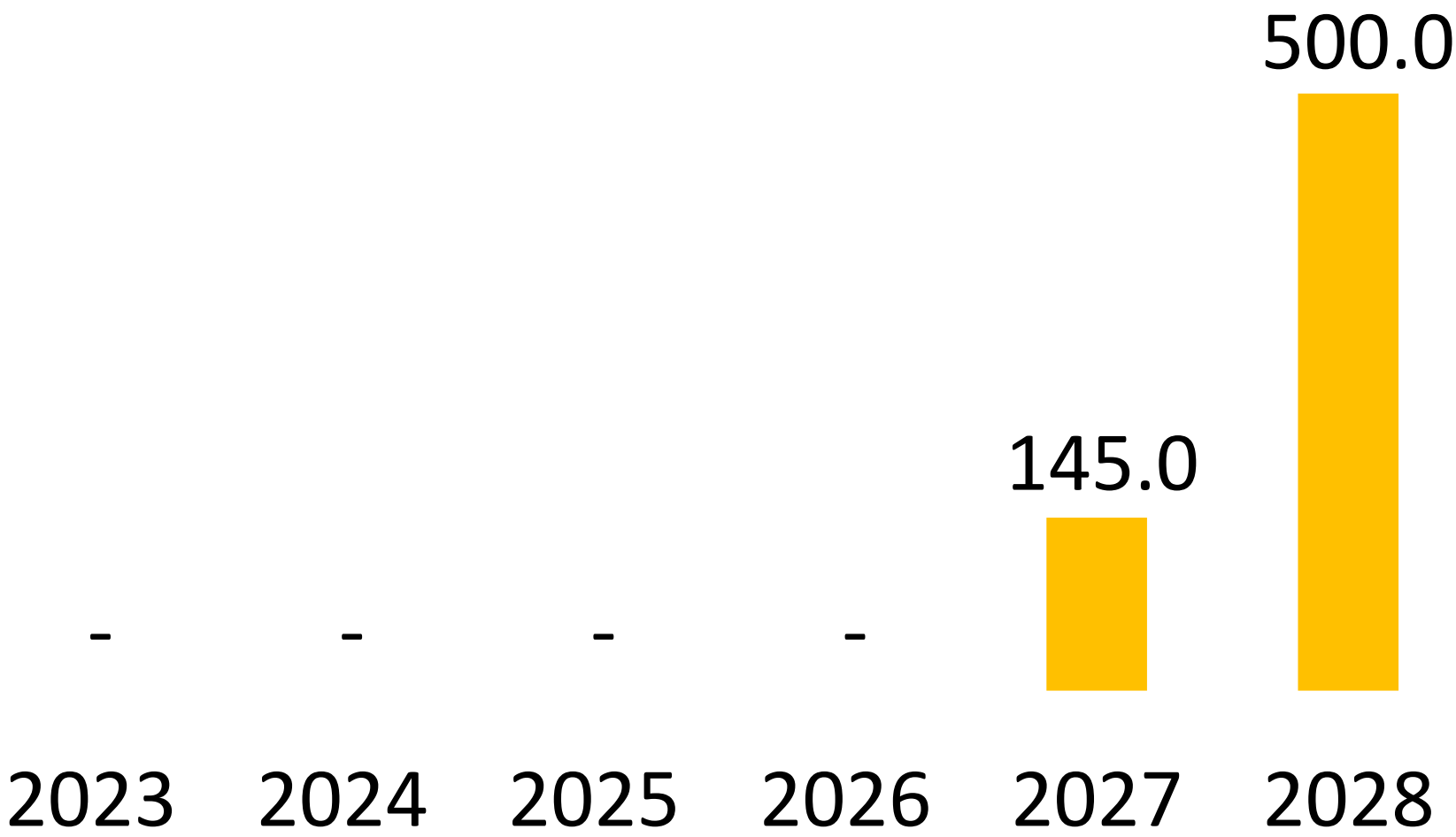
1. Adjusted EBITDAX is a non-IFRS measure. See our most recent MD&A for a full reconciliation

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
\$145 million drawn
Maturity: Feb 2027
Interest Rate: SOFR + 4.5% on drawn amounts
- Lease Obligations: \$14.0 million
Multiple Interest Rates, Maturities, and
Currency Denominations

Principal Maturities (US\$mm)



Cash: \$39 mm

1. As at June 30, 2023.

2023 Outlook

Natural Gas Sales

Between 160 – 206 MMscfd

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.

Return of Capital while investing for growth

ESG continue strengthening our strategy and reporting





CANACOL

ENERGY



Q&A

Advisories

This presentation is provided for informational purposes only during the 2Q 2023 Financial Results Conference Call held on the 11th of August 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.

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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 June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Cash flows provided (used) by operating activities	\$ (24,413)	\$ 35,338	\$ 6,556	\$ 73,401
Changes in non-cash working capital	58,099	3,748	59,606	(499)
Settlement of decommissioning obligations	—	—	217	—
Adjusted funds from operations	\$ 33,686	\$ 39,086	\$ 66,379	\$ 72,902

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

	2022		2023		
	Q3	Q4	Q1	Q2	Rolling
Net income (loss) and comprehensive income (loss)	\$ (4,463)	\$ 133,722	\$ 16,874	\$ 40,082	\$ 186,215
(+) Interest expense	8,438	8,632	9,671	12,182	38,923
(+) Income tax expense	25,970	(135,523)	8,869	(14,592)	(115,276)
(+) Depletion and depreciation	17,388	16,226	18,971	19,249	71,834
(+) Exploration expense	—	22,333	—	—	22,333
(+) Pre-license costs	446	453	408	198	1,505
(+) Unrealized foreign exchange loss (gain)	4,999	2,660	1,745	245	9,649
(+/-) Other non-cash or non-recurring items	3,237	3,500	4,390	3,290	14,417
Adjusted EBITDAX	\$ 56,015	\$ 52,003	\$ 60,928	\$ 60,654	\$ 229,600

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.

	Q1/22	Q2/22	Q3/22	Q4/22	Q1/23	Q2/23	2019	2020	2021	2022
Income before income taxes	25,618	20,752	21,507	-555	25,743	25,490	64,734	77,396	60,159	67,322
Net finance expense	10,303	10,288	10,364	10,526	12,769	14,291	32,902	31,012	34,407	41,481
Earnings Before Interest and Tax (EBIT)	35,921	31,040	31,871	9,971	38,512	39,781	97,636	108,408	94,566	108,803
Total Assets	859,430	846,621	876,444	1,014,848	1,096,428	1,130,861	754,062	749,792	843,760	1,014,848
Current Liabilities	88,963	78,758	126,023	193,402	192,568	132,755	97,813	92,616	77,051	193,402
Capital Employed	770,467	767,863	750,421	821,446	903,860	998,106	656,249	657,176	766,709	821,446
Return on Capital Employed	19%	16%	17%	5%	17%	16%	15%	16%	12%	13%