



Canacol Energy Ltd. Reports Record Adjusted EBITDAX of \$296 Million for the Year Ended December 31, 2024

CALGARY, ALBERTA - (March 20, 2025) - Canacol Energy Ltd. (“Canacol” or the “Corporation”) (TSX:CNE; OTCQX:CNNEF; BVC:CNEC) is pleased to report its financial and operating results for the three months and year ended December 31, 2024. Dollar amounts are expressed in United States dollars, with the exception of Canadian dollar unit prices (“C\$”) where indicated and otherwise noted.

Highlights for the three months and year ended December 31, 2024

- Adjusted EBITDAX increased 43% and 25% to \$76.1 million and \$296.1 million for the three months and year ended December 31, 2024, respectively, compared to \$53.1 million and \$236.8 million for the same periods in 2023, respectively. The increase is mainly due to an increase of natural gas and liquefied natural gas (“LNG”) operating netback, offset by a decrease in realized contractual natural gas and LNG sales volume.
- Adjusted funds from operations increased 68% and 43% to \$52.1 million and \$209.4 million for the three months and year ended December 31, 2024, respectively, compared to \$31.0 million and \$146.3 million for the same periods in 2023, respectively, mainly due to an increase in EBITDAX.
- The Corporation’s natural gas and LNG operating netback increased 39% and 32% to \$6.12 per Mcf and \$5.41 per Mcf for the three months and year ended December 31, 2024, respectively, compared to \$4.39 per Mcf and \$4.11 per Mcf for the same periods in 2023, respectively. The increase is due to an increase in average sales prices, net of transportation expenses, offset by an increase in royalties.
- Total revenues, net of royalties and transportation expenses for the three months and year ended December 31, 2024 increased 23% and 16% to \$98.3 million and \$352.3 million, respectively, compared to \$79.7 million and \$304.9 million for the same periods in 2023, respectively, mainly due to higher average sales price, net of transportation expenses of \$7.81 per Mcf and \$6.99 per Mcf for the three months and year ended December 31, 2024, respectively, compared to \$6.04 per Mcf and \$5.41 per Mcf for the same periods in 2023, offset by a decrease in realized natural gas and LNG sales volume.
- Realized contractual natural gas sales volume decreased 4% and 12% to 158.0 MMcfpd and 156.7 MMcfpd for the three months and year ended December 31, 2024, respectively, compared to 164.8 MMcfpd and 178.3 MMcfpd for the same periods in 2023, respectively.
- The Corporation realized a net loss of \$25.4 million and \$32.7 million for the three months and year ended December 31, 2024, respectively, compared to a net income of \$29.9 million and \$86.2 million for the same periods in 2023, respectively. The decrease in net income for the three months and year ended December 31, 2024 is the result of recognizing a non-cash deferred income tax expense of \$28.9 million and \$77.2 million for the three months and year ended December 31, 2024, respectively, as compared to a non-cash deferred income tax recovery of \$31.7 million and \$103.6 million in 2023, respectively, offset by an increase in EBITDAX.
- Net cash capital expenditures for the three months and year ended December 31, 2024 was \$28.6 million and \$122.3 million, respectively, compared to \$72.2 million and \$215.2 million for the same periods in 2023, respectively. The decrease is due to reduced spending on land and seismic, workovers, and drilling and completion.
- As at December 31, 2024, the Corporation had \$79.2 million in cash and cash equivalents and \$45.5 million in working capital surplus.

Outlook

In 2025, the Corporation is focused on:

- i. Maintaining and growing Canacol's EBITDA generation and reserves via both higher commodity pricing and investment in drilling, workover, and new facilities projects;
- ii. Exploring higher impact gas exploration opportunities in the Lower Magdalena Valley ("LMV");
- iii. Reducing debt;
- iv. Laying the groundwork to be able to commence operations in Bolivia in 2026; and
- v. Continue the Corporation's commitment to its ESG strategy.

The Corporation expects that commodity pricing will remain strong for the remainder of 2025, and for this reason, in 2025, the Corporation lowered its take-or-pay volumes to maximize exposure to the spot sales market. In line with maintaining and growing Canacol's reserves and production in its core assets in the LMV, the Corporation plans to optimize its production and increase reserves by drilling up to 11 exploration and three development wells, installing new compression and processing facilities as required, and completing workovers of producing wells in its key gas fields. These development and exploration activities are planned to support the Canacol's robust EBITDA generation and allow the Corporation to capitalize on strong gas market dynamics in 2025. Planned development wells include the Clarinete-11, Siku-2 and Lulo-3 wells, all of which have already been successfully drilled and brought on production as of the date of this release. The exploration drilling plan includes 10 gas exploration wells in the LMV and one gas and condensate exploration well in the Middle Magdalena Valley ("MMV"). Notable exploration wells in the LMV include continuing operations at Natilla-2.

Over the last several years, the Corporation has assembled a significant acreage position in the MMV and in 2025, the Corporation plans to drill the Valiente prospect targeting a large shallow structure located approximately five kilometers to the south and up dip of the Opon gas field discovered in 1965 by Cities Services and later developed by Amoco in 1997.

The Corporation is also continuing its efforts with respect to the Pola exploration project located in the MMV. Pola is a large prospect targeting gas within Cretaceous aged reservoirs at depths close to 17,000 feet. Given the relatively high cost of the well, the Corporation is currently evaluating its options with respect to how to proceed with the project.

In Bolivia, the Corporation is awaiting ratification and formalization by Congress of three exploration contracts (Arenales, Ovai, and Florida Este) and one field redevelopment contract (Tita) in order to establish the effective date of all four contracts. The Corporation is currently preparing to apply for the environmental permit for Tita, along with formulating development plans, in order to commence field reactivation activities in 2026.

FINANCIAL & OPERATING HIGHLIGHTS

(in United States dollars (tabular amounts in thousands) except as otherwise noted)

Financial	Three months ended December 31,			Year ended December 31,		
	2024	2023	Change	2024	2023	Change
Total revenues, net of royalties and transportation expense	98,339	79,718	23%	352,252	304,854	16%
Adjusted EBITDAX ⁽¹⁾	76,054	53,144	43%	296,126	236,829	25%
Adjusted funds from operations ⁽¹⁾	52,119	30,958	68%	209,375	146,287	43%
Per share – basic (\$) ⁽¹⁾	1.53	0.91	68%	6.14	4.29	43%
Per share – diluted (\$) ⁽¹⁾	1.53	0.91	68%	6.07	4.29	41%
Cash flows provided by operating activities	42,428	22,571	88%	168,041	95,339	76%
Per share – basic (\$)	1.24	0.66	88%	4.93	2.79	77%
Per share – diluted (\$)	1.24	0.66	88%	4.87	2.79	75%
Net income and comprehensive income	(25,434)	29,897	n/a	(32,732)	86,237	n/a
Per share – basic (\$)	(0.75)	0.88	n/a	(0.96)	2.53	n/a
Per share – diluted (\$)	(0.75)	0.88	n/a	(0.96)	2.53	n/a
Weighted average shares outstanding – basic	34,115	34,111	—%	34,112	34,111	—%
Weighted average shares outstanding – diluted	34,115	34,111	—%	34,483	34,111	1%
Net cash capital expenditures ⁽¹⁾	28,634	72,246	(60%)	122,293	215,184	(43%)
				Dec 31, 2024	Dec 31, 2023	Change
Cash and cash equivalents				79,201	39,425	101%
Working capital deficit				45,524	(10,028)	n/a
Total debt				762,313	713,435	7%
Total assets				1,215,777	1,233,428	(1%)
Common shares, end of period (000's)				34,120	34,111	—%
Operating	Three months ended December 31,			Year ended December 31,		
	2024	2023	Change	2024	2023	Change
Production						
Natural gas and LNG (Mcfpd)	161,360	168,127	(4%)	160,664	181,277	(11%)
Colombia oil (bopd)	933	627	49%	1,411	563	151%
Total (boepd)	29,242	30,123	(3%)	29,598	32,366	(9%)
Realized contractual sales						
Natural gas and LNG (Mcfpd)	158,033	164,840	(4%)	156,702	178,293	(12%)
Colombia oil (bopd)	947	590	61%	1,402	553	154%
Total (boepd)	28,672	29,509	(3%)	28,894	31,833	(9%)
Operating netbacks ⁽¹⁾						
Natural gas and LNG (\$/Mcf)	6.12	4.39	39%	5.41	4.11	32%
Colombia oil (\$/bbl)	11.54	13.29	(13%)	19.14	20.77	(8%)
Corporate (\$/boe)	34.18	24.82	38%	30.28	23.39	29%

(1) Non-IFRS measures – see “Non-IFRS Measures” section within the MD&A.

This press release should be read in conjunction with the Corporation's audited consolidated financial statements and related Management's Discussion and Analysis ("MD&A"). The Corporation has filed its audited consolidated financial statements and related MD&A as at and for the year ended December 31, 2024 with Canadian securities regulatory authorities. These filings are available for review on SEDAR+ at www.sedarplus.ca.

Canacol is a natural gas exploration and production company with operations focused in Colombia. The Corporation's shares are traded on the Toronto Stock Exchange under the symbol CNE, the OTCQX in the United States of America under the symbol CNEF, the Bolsa de Valores de Colombia under the symbol CNEC.

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”, “target”, “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. Information and guidance provided herein supersedes and replaces any forward looking information provided in prior disclosures. 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. Other risks are more fully described in the Corporation’s most recent Management Discussion and Analysis (“MD&A”) and Annual Information Form, which are incorporated herein by reference and are filed on SEDAR+ at www.sedarplus.ca. Average production figures for a given period are derived using arithmetic averaging of fluctuating historical production data for the entire period indicated and, accordingly, do not represent a constant rate of production for such period and are not an indicator of future production performance. Detailed information in respect of monthly production in the fields operated by the Corporation in Colombia is provided by the Corporation to the Ministry of Mines and Energy of Colombia and is published by the Ministry on its website; a direct link to this information is provided on the Corporation’s website. References to “net” production refer to the Corporation’s working-interest production before royalties.

Use of Non-IFRS Financial Measures - *Such supplemental measures should not be considered as an alternative to, or more meaningful than, the measures as determined in accordance with IFRS as an indicator of the Corporation’s performance, and such measures may not be comparable to that reported by other companies. This press release also provides information on adjusted funds from operations. Adjusted funds from operations is a measure not defined in IFRS. It represents cash provided (used) by operating activities before changes in non-cash working capital and the settlement of decommissioning obligation, adjusted for non-recurring charges. The Corporation considers adjusted funds from operations a key measure as it demonstrates the ability of the business to generate the cash flow necessary to fund future growth through capital investment and to repay debt. Adjusted funds from operations should not be considered as an alternative to, or more meaningful than, cash provided by operating activities as determined in accordance with IFRS as an indicator of the Corporation’s performance. The Corporation’s determination of adjusted funds from operations may not be comparable to that reported by other companies. For more details on how the Corporation reconciles its cash provided by operating activities to adjusted funds from operations, please refer to the “Non-IFRS Measures” section of the Corporation’s MD&A. Additionally, this press release references Adjusted EBITDAX and operating netback measures. Adjusted EBITDAX is defined as consolidated net income adjusted for interest, income taxes, depreciation, depletion, amortization, exploration expenses and other similar non-recurring or non-cash charges. Operating netback is a benchmark common in the oil and gas industry and is calculated as total natural gas, LNG and petroleum sales, net transportation expenses, less royalties and operating expenses, calculated on a per barrel of oil equivalent basis of sales volumes using a conversion. Operating netback is an important measure in evaluating operational performance as it demonstrates field level profitability relative to current commodity prices. Adjusted EBITDAX 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.*

Operating netback is defined as revenues, net transportation expenses less royalties and operating expenses.

Realized contractual sales is defined as natural gas and LNG produced and sold plus income received from nominated take-or-pay contracts without the actual delivery of natural gas or LNG and the expiry of the customers’ rights to take the deliveries.

Net cash capital expenditures is defined as capital expenditures net of dispositions, excluding non-cash costs and adjustments such as the addition of right-of-use leased assets and change in decommissioning obligations.

The Corporation’s LNG sales account for less than one percent of the Corporation’s total realized contractual natural gas and LNG sales.

Boe Conversion - The term "boe" is used in this news release. Boe may be misleading, particularly if used in isolation. A boe conversion ratio of cubic feet of natural gas to barrels oil 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 news release, 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. As the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalency of 5.7 Mcf:1, utilizing a conversion on a 5.7 Mcf:1 basis may be misleading as an indication of value.

For further information please contact:

Investor Relations

South America: +571.621.1747 IR-SA@canacolenergy.com

Global: +1.403.561.1648 IR-GLOBAL@canacolenergy.com

<http://www.canacolenergy.com>