Canacol Energy Ltd. Reports Net Income of $18.7 Million For The Third Quarter of 2025

CALGARY, ALBERTA - (November 17, 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 and nine months ended September 30, 2025. 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 and nine months ended September 30, 2025.

- The Corporation's natural gas and liquefied natural gas ("LNG") operating netback increased 2% and 3% to $5.34 and $5.30 per Mcf for the three and nine months ended September 30, 2025, respectively, compared to $5.25 and $5.17 per Mcf for the same periods in 2024, respectively. The increase is due to an increase in average sales prices, offset by an increase in operating expenses on a per Mcf basis.
- Adjusted EBITDAX decreased 43% and 31% to $49.1 million and $152.7 million for the three and nine months ended September 30, 2025, respectively, compared to $85.8 million and $220.1 million for the same periods in 2024, respectively. The decrease is mainly due to a decrease in realized contractual natural gas and LNG sales volumes.
- Adjusted funds from operations decreased 20% and 22% to $46.1 million and $122.2 million for the three and nine months ended September 30, 2025, respectively, compared to $57.9 million and $157.3 million for the same periods in 2024, respectively, mainly due to a decrease in EBITDAX.
- Total revenues, net of royalties and transportation expenses for the three and nine months ended September 30, 2025 decreased 21% and 18% to $69.5 million and $207.0 million, respectively, compared to $87.9 million and $253.9 million for the same periods in 2024, respectively, mainly due to a decrease in realized natural gas and LNG sales volumes.
- Realized contractual natural gas sales volume decreased 24% and 21% to 121.7 MMcfpd and 123.1 MMcfpd for the three and nine months ended September 30, 2025, respectively, compared to 159.8 MMcfpd and 156.3 MMcfpd for the same periods in 2024, respectively.
- The Corporation realized net income of $18.7 million and $64.3 million for the three and nine months ended September 30, 2025, respectively, compared to a net income of $10.3 million and a net loss of $7.3 million for the same periods in 2024, respectively. The increase in net income is the result of recognizing a non-cash deferred income tax recovery of $5.4 million and $39.0 million for the three and nine months ended September 30, 2025, respectively, compared to a non-cash deferred income tax expense of $5.3 million and $48.4 million for the same periods in 2024, respectively.
- Net cash capital expenditures for the three and nine months ended September 30, 2025 were $39.1 million and $146.6 million, respectively, compared to $23.9 million and $93.7 million for the same periods in 2024, respectively. The increase is mainly related to drilling activities and the installation of compression facilities.
- As at September 30, 2025, the Corporation had $36.5 million in cash and cash equivalents and $29.9 million in working capital deficit.
- The unaudited interim consolidated financial statements for the three and nine months ended September 30, 2025 contain an explanatory paragraph related to the Corporation's ability to continue as a going concern. Also see "Liquidity and Capital Resources" section in the MD&A.

Outlook

The Corporation remains focused on completing its exploration and development drilling and workover programs, and the installation of additional compression, for the remainder of 2025. The Corporation abandoned the Corno-1 and Ramsay-1 exploration wells which both encountered non commercial quantities of gas. The drilling rig is preparing to mobilize to the Kantana-2 development well, which will be followed by the spudding of the Monstera-1 exploration well prior to year end 2025. The Corporation is also planning to continue working over a number existing wells in order to maintain gas production from its producing assets.

The Corporation is in discussion with various existing and new banking groups in order to address ongoing liquidity, and will communicate any material developments in a timely manner.

FINANCIAL & OPERATING HIGHLIGHTS

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

Financial	Three months ended September 30,			Nine months ended September 30,		
	2025	2024	Change	**2025**	2024	Change
Total revenues, net of royalties and transportation expense	**69,491**	87,934	(21%)	**207,035**	253,913	(18%)
Adjusted EBITDAX[1]	**49,112**	85,844	(43%)	**152,730**	220,072	(31%)
Adjusted funds from operations[1]	**46,072**	57,909	(20%)	**122,243**	157,256	(22%)
Per share – basic ($)[1]	**1.35**	1.70	(21%)	**3.58**	4.61	(22%)
Per share – diluted ($)[1]	**1.35**	1.70	(21%)	**3.58**	4.61	(22%)
Cash flows provided by operating activities	**48,003**	21,692	121%	**136,201**	125,613	8%
Per share – basic ($)	**1.41**	0.64	120%	**3.99**	3.68	8%
Per share – diluted ($)	**1.41**	0.64	120%	**3.99**	3.68	8%
Net income and comprehensive income	**18,662**	10,346	80%	**64,319**	(7,298)	n/a
Per share – basic ($)	**0.55**	0.30	83%	**1.89**	(0.21)	n/a
Per share – diluted ($)	**0.55**	0.30	83%	**1.89**	(0.21)	n/a
Weighted average shares outstanding – basic	**34,120**	34,111	—%	**34,120**	34,111	—%
Weighted average shares outstanding – diluted	**34,120**	34,111	—%	**34,120**	34,111	—%
Net cash capital expenditures[1]	**39,116**	23,928	63%	**146,645**	93,659	57%
				Sep 30, 2025	Dec 31, 2024	Change
Cash and cash equivalents				**36,539**	79,201	(54%)
Working capital surplus (deficit)				**(29,931)**	45,524	n/a
Total debt				**747,584**	762,313	(2%)
Total assets				**1,292,418**	1,215,777	6%
Common shares, end of period (000's)				**34,120**	34,120	—%

Operating	Three months ended September 30,			Nine months ended September 30,		
	2025	2024	Change	**2025**	2024	Change
Production						
Natural gas and LNG (Mcfpd)	**127,451**	164,551	(23%)	**128,500**	160,430	(20%)
Colombia oil (bopd)	**1,327**	1,607	(17%)	**1,312**	1,571	(16%)
Total (boepd)	**23,687**	30,476	(22%)	**23,856**	29,717	(20%)
Realized contractual sales						
Natural gas and LNG (Mcfpd)	**121,728**	159,764	(24%)	**123,106**	156,255	(21%)
Colombia oil (bopd)	**1,316**	1,594	(17%)	**1,298**	1,555	(17%)
Total (boepd)	**22,672**	29,623	(23%)	**22,896**	28,968	(21%)
Operating netbacks[1]						
Natural gas and LNG ($/Mcf)	**5.34**	5.25	2%	**5.30**	5.17	3%
Colombia oil ($/bbl)	**16.74**	19.81	(15%)	**15.68**	20.69	(24%)
Corporate ($/boe)	**29.57**	29.42	1%	**29.45**	28.99	2%

(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 interim condensed consolidated financial statements and related Management's Discussion and Analysis ("MD&A"). The Corporation has filed its interim condensed consolidated financial statements and related MD&A as at and for the nine months ended September 30, 2025 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 CNNEF, 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.*

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