Canacol Energy's Pola 1 Exploration Well Targeting 470 BCF of Gross Mean Risked Conventional Gas Resource in Q3 2022

CALGARY, ALBERTA (April 11, 2022) — Canacol Energy Ltd. ("Canacol" or the "Corporation") (TSX: CNE; OTCQX: CNNEF; BVC: CNEC) is pleased to report on the conventional natural gas prospective resources (resources other than reserves) for its Pola-1 prospect on the VMM-45 exploration block located in the Middle Magdalena Valley ("MMV") basin of Colombia (the "Audited Area"). Boury Global Energy Consultants Ltd. ("BGEC"), Canacol's independent qualified resources auditor, was commissioned to conduct an independent prospective resources audit of Canacol's internal estimates of prospective resources for the Audited Area effective December 31, 2021 (the "BGEC Report"). Canacol is a natural gas focused exploration and production company, and the largest independent gas producer in Colombia.

VMM-45 is one of five blocks that the Corporation acquired in exploration bid rounds over the past three years. At 100% working interest in all five blocks, the Corporation has now assembled 610,981 net acres within the deep conventional Cretaceous La Luna natural gas play in the MMV basin. Success in this deep conventional gas play would result in a new core gas producing area for the Corporation within the next three years, a new core area that will rival the current level of production the Corporation has in its historic current core producing area located in the Lower Magdalena Basin.

As detailed in a press release dated April 6, 2022, BGEC's independent prospective resource audit evaluated and estimated conventional natural gas prospective resources that have been aggregated to an un- risked mean of 17.3 trillion standard cubic feet and a risked mean of 6.6 trillion standard cubic feet for all prospects in the new deep Cretaceous La Luna conventional gas play.

Pola-1 will be the first well targeting this new deep conventional Cretaceous La Luna gas play, testing the first of 18 prospects and leads that were included in the evaluation that underpinned those prospective resource estimates. The La Luna consists of up to 3,300 ft of marine carbonates and clastics, and is the primary source rock for most of the proven oil and gas reserves in Colombia, Venezuela, and Ecuador, and is productive in various oil and gas fields in Colombia.

Canacol Energy Ltd. — Audited Area — Gross Working Interest Prospective Resources Summary for the Pola Prospect

	Gross Working Interest Prospective Resources	
	Mean	
Conventional Natural Gas (Bcf)	**Unrisked**	**Risked**
As of December 31, 2021	**1,161**	**470**

Table Notes

(1) Gross prospective resources are represented at Canacol's gross working interest share before royalties.
(2) The representation of prospective resources in the BGEC Report reflects the resource potential of the Corporation's net working interest land position (12,422 acres) in the Audited Area.
(3) The BGEC Report includes estimates of unrisked prospective resources and risked prospective resources for the Pola-1 prospect.
(4) There is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources.
(5) See "Canacol Energy Ltd. — Gross Prospective Resources Detail", below, for further information.

Mr. Mark Teare, Senior Vice President of Exploration for Canacol, stated "The Pola-1 exploration well will be the first of several exploration wells the Corporation plans to drill to investigate the potential of a new deep Cretaceous La Luna conventional natural gas play located within the MMV basin, the oldest hydrocarbon producing basin in Colombia. BGEC's independent prospective resource audit evaluated and estimated conventional natural gas prospective resources for the Pola-1 prospect of an unrisked mean estimate of 1,161 Bcf and a risked mean estimate of 470 Bcf. The Pola-1 exploration well is anticipated to spud in the third quarter of 2022, and the Corporation estimates it will take approximately five months to drill, complete, and test.

As Colombia's largest independent natural gas producer, with significant experience both operating and participating in the drilling of deep wells in the MMV basin, and with a technical team with experience in deep conventional gas plays elsewhere in the world, Canacol is well positioned to identify, pursue, and quickly commercialize potentially large new gas plays in Colombia.

The Pola-1 exploration well is located within 10 kilometers of the Transportadora de Gas Internacional ("TGI") operated gas pipeline that transports gas from the declining Ecopetrol operated mature gas fields located in the Guajira region of the Caribbean coast to the interior of Colombia. The TGI pipeline currently has approximately 260 million standard cubic feet per day ("MMscfpd") of spare capacity, meaning that any discovery made at Pola-1 can be quickly commercialized and sold into the interior market. Current consumption within the interior market of Colombia is approximately 600 MMscfpd, almost all of which is supplied from Ecopetrol's mature declining gas fields. The Corporation plans to commence drilling of the Pola 1 well in the third quarter of 2022 with results expected prior to yearend 2022."

Third Party Independent Audit for Conventional Natural Gas Prospective Resources
(Resources Other Than Reserves, ROTR)

The following discussion is subject to a number of cautionary statements, assumptions and risks as set forth therein. See "Information Regarding Disclosure on Oil and Gas Resources and Operational Information" at the end of this release for additional cautionary language, explanations and discussion, and see "Forward-looking Statements" for a statement of principal assumptions and risks that may apply. See also "Definitions" in this press release. The discussion includes reference to prospective resources as per the BGEC Report, which was prepared in accordance with definitions, standards, and procedures contained in the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook") and National Instrument 51-101 — Standards of Disclosure for Oil and Gas Activities ("NI 51-101").

BGEC was commissioned to conduct an independent prospective resources audit of Canacol's internal estimates of prospective resources for the Audited Area effective December 31, 2021, being the Corporation's 100% Pola-1 prospect on its 100% Working Interest position in exploration block VMM-45 in the MMV basin. All references in the following discussion to prospective resources are in reference to conventional natural gas in the Audited Area included in the BGEC Report.

On an unrisked and risked basis, the following table represents the distribution of gross prospective resources for Audited Area. Prospect is defined as a potential accumulation within a play that is sufficiently well defined to represent a viable drilling target.

Canacol Energy Ltd. — Audited Area — Gross Working Interest Prospective Resources Detail for the Pola Prospect
As of December 31, 2021

	Gross Working Interest Prospective Resources Conventional Natural Gas (Bcf)				
	Unrisked				Risked
	Low	Best	Mean	High	Mean
	P90	P50		P10	
Total	**579**	**1,057**	**1,161**	**1,891**	**470**

Cautionary Statement
There is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources.

Table Notes

(1) The BGEC Report includes estimates of unrisked prospective resources and risked prospective resources for individual prospects and leads such as the Pola-1 prospect.

(2) From BGEC's audit, a single distribution of prospective resource volumes on an unrisked and risked basis is provided for the Pola-1 prospect incorporating Chance of Discovery (Geological Chance of Success ("GCoS")), and Chance of Development ("CoD"). From the distribution, the Mean is the average value of the distribution, and as such represents the most accurate single point estimation of the expected recoverable volume. The Mean of the distribution is represented on a risked basis relative to the unrisked case to provide the reader a more balanced perspective on the likely outcome of an exploratory well into the Pola-1 prospect.

(3) CoD was quantified by BGEC for the Pola-1 prospect by combining the chance of achieving a minimum economic field size (MEFS) with the chance that

a discovery would be developed (i.e., the chance of achieving commerciality). The overall risked volume for the Pola-1 prospect is the combination of GCoS and CoD applied to the unrisked volume.

(4) The volumes reported in the table above (Low (P90), Best (P50), Mean, High (P10)) on gross prospective resources are gross unrisked and risked mean prospective resources volumes at Canacol's gross working interest of 100% in the Audited Area.

(5) The Pola-1 prospect is a conventional natural gas prospect. Conventional natural gas volumes are reported in Bcf at standard conditions of 1 Bar and 20° Celsius.

For the exploratory opportunity on VMM-45 in the Middle Magdalena Valley basin, the Corporation has identified a deep conventional natural gas play it will mature by means of investigative geological studies, the reprocessing of existing 2D and 3D seismic, seismic acquisition and drilling over the next three years.

Based upon the representation of prospective resources in the BGEC Report, management expects that significant additional resources will be developed in the future by means of 3D seismic acquisition and exploratory and appraisal drilling on the undeveloped block. In the future, significant factors that may change the prospective resource estimates include the outcome of further exploration and appraisal drilling that may change the estimates either positively or negatively. Furthermore, prospective resource estimates may be impacted by future improvements in technologies such as optimized seismic acquisition parameters, drilling fluid properties, and downhole petrophysical data acquisition methodologies. In addition, recoverable volumes may be enhanced by improved downhole completion and production technologies, additional processing capacity and compression.

In accordance with COGE Handbook 1.4.7.2, BGEC represents risked prospective resources as a function of the Chance of Development (CoD) of any future discovery. Estimating CoD requires that a future related development project be commercial such that the commerciality conditions for facilities, flowlines and access to markets are met subject to regulatory approval.

With respect to commerciality, the Corporation has successfully secured sales contracts for its existing production in the past. It is confident of its ability to secure future contracts in an expanding market in the Colombian interior. Since 2012, the Corporation has demonstrated its ability to manage other contingencies such as legal, regulatory, political, social license, internal and external approvals, and access to project finance to ensure the timely execution of its exploration and field development plans with respect to achieving existing production levels for natural gas in Colombia.

Appropriate levels of capital investment are anticipated to ensure future full field development including drilling, tie-in, infrastructure buildout for facilities and flowlines, and abandonment and reclamation. The estimated total costs required to achieve commercial production are $90 million. The Corporation has prepared a realistic time and capital schedule for the execution of its proposed exploration, appraisal, and development campaign over the next three years to ensure compliance with its contractual obligations during the exploratory phase of each block while accounting for additional time for follow-up appraisal and development drilling, installation of flowlines, and plant expansion as required. The estimated date of first commercial production is between late 2023 and mid-2024. Dollar amounts are expressed in United States dollars.

Future field development will be for deep conventional natural gas. The Corporation is equipped with the experience to manage any subsurface challenges related to HPHT (High Pressure High Temperature) reservoirs in its go forward exploration and development program. Any discovery will be developed using existing industry technology with standard gas completions in the wells, and standard surface treatment in accordance with best industry practice.

Canacol is in the early stages of exploration in the Audited Area. There are a number of positive and negative factors which BGEC considered in determining risk and overall uncertainty.

The key positive factors:

- Optimally positioned in the La Luna fairway, overlying the deepest part of the north Middle Magdalena Valley basin kitchen and on-trend with proven La Luna production
- Ideal combination of reservoir elements including high TOC, well established high thermal maturity, and carbonate source intervals and proven productivity
- Located in an established basin with significant existing gas infrastructure and proximity to TGI pipeline, Colombia's main pipeline network, providing nearby access to the interior market
- In-country experience exists on similar HPHT projects such as Acorazado- Frontera Energy (2018), Cayena – Parex Resources (2019), Cupiagua – Ecopetrol (2020), Liria – Ecopetrol (2021)

- Strong market fundamentals for development of new gas in Colombia, underpinned by declining supply, economic growth, and a national plan to use gas as a transitional energy source
- Canacol is the largest independent gas producer in Colombia with an established record in exploration, operations, and regulatory approval

The key negative factors or critical risks:

- Operationally complex and capital-intensive, requiring upfront investment for long-lead items and potential for cost overruns
- Productivity and fluid type is still to be investigated
- The COVID-19 pandemic has negatively impacted global economies and disrupted global supply chains. The full extent of the risks surrounding the pandemic continues to evolve and create uncertainty.

Further information regarding risks and uncertainties can be found in *"Risk Factors – Risks Related to the Industry and the Business of Canacol"* in our most recent Annual Information Form, available at www.sedar.com.

Economic modeling was based on a conceptual study representing assumptions derived from Canacol's experience of drilling exploration and development wells, construction of gathering systems and flowlines, and the expansion of processing facilities within the prospective area.

Definitions
Resource definitions, including those set out below, are as specified by NI 51-101, and the COGE Handbook.

"**Bcf**" means billion standard cubic feet.

"**Chance of Development**" means the chance that an exploration project will result in the discovery of petroleum.

"**Chance of Discovery**" means the estimated probability that, once discovered, a known accumulation will be commercially developed.

"**Conventional natural gas**" means natural gas that has been generated elsewhere and has migrated as a result of hydrodynamic forces and is trapped in discrete accumulations by seals that may be formed by localized structural, depositional or erosional geological features.

"**Natural gas**" means a naturally occurring mixture of hydrocarbon gases and other gases;

"**Resources**" encompasses all petroleum quantities that originally existed on or within the earth's crust in naturally occurring accumulations, including discovered and undiscovered (recoverable and unrecoverable) plus quantities already produced.

"**Prospective Resources**" are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by applying future development projects. Prospective Resources have both an associated Chance of Discovery and a Chance of Development.

"**Tcf**" means Trillion standard cubic feet.

Prospective resource volumes under the heading "unrisked" have not been adjusted for the Chance of Discovery and the Chance of Development. Prospective resource volumes under the heading "risked" have been risk discounted to reflect BGEC's estimates of Chance of Discovery (Geological Chance of Success (GCoS)) and Chance of Development (CoD) which involves assessing various risks based upon a number of assumptions and other factors. The Chance of Discovery is the estimated probability that, once discovered, a known accumulation will be commercially developed.

The Chance of Development is the estimated probability that a resource, once it has been discovered, will ultimately be commercially developed. While the Corporation believes that such estimates and underlying assumptions are reasonable, many of these assumptions are beyond the Corporation's control, are subject to change and may not, over time, prove to be accurate. As a result, the actual level of various risks (including those currently identified and that may be identified in the future) could prove to be greater and the Chance of Development lower than currently estimated. Such differences could be material.

The estimates of prospective resources provided in this press release are estimates only, and there is no guarantee that the estimated prospective resources will be recovered. Actual prospective resources may be greater than or less than the estimates provided in this press release and the differences may be material. There is no certainty that any portion of the prospective resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the prospective resources.

Estimates of prospective resources are by their nature more speculative than estimates of proved reserves. They would require substantial capital spending over a significant number of years to implement recovery. Actual locations drilled and quantities that may be recovered from the Corporation's properties may differ from one property to another quite substantially. In addition, Canacol has made no commitment to drill, and likely will not drill, all of the drilling locations that have been attributable to these estimates of prospective resources.

Estimates of resource volumes can be categorized according to the range of uncertainty associated with the estimates. Uncertainty ranges are described in COGE Handbook as low, best and high estimates as follows:

- Low Estimate is a conservative estimate of the quantity that will be recovered. It is likely the actual remaining quantities recovered will exceed the Low Estimate. If probabilistic methods are used, there should be at least a 90 percent probability (P90) the quantities actually recovered will equal or exceed the Low Estimate; provided that, with regards to leads and prospects, this assumes discovery and commercial development.

- Best Estimate is considered to be the Best Estimate of the quantity that will be recovered. It is equally likely the actual remaining quantities recovered will be greater or less than the Best Estimate. If probabilistic methods are used, there should be at least a 50 percent probability (P50) that the quantities actually recovered will equal or exceed the Best Estimate.

- High Estimate is considered to be an optimistic estimate of the quantity that will be recovered. It is unlikely the actual remaining quantities recovered will exceed the High Estimate. If probabilistic methods are used, there should be at least a 10 percent probability (P10) the quantities actually recovered will equal or exceed the High Estimate.

- Mean Estimate represents the arithmetic average of the expected recoverable volume. It is the most accurate single point representation of the volume distribution.

Information Regarding Disclosure on Oil and Gas Resources and Operations

Other than as otherwise disclosed in this press release, projects have not been defined to develop the resources in the evaluated areas. Such projects have historically been developed sequentially over a number of drilling seasons and are subject to annual budget constraints.

Canacol's policy of orderly development on a staged basis is influenced by the timing of the growth of third-party infrastructure, Canacol's short and long-term view of gas prices, the results of exploration and development activities of Canacol and others, and possible infrastructure capacity constraints.

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 Information and Statements

This press release contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends", "strategy", and similar expressions are intended to identify forward looking information or statements.

The forward-looking information and statements contained in this press release reflect several material factors and expectations and assumptions of Canacol including, without limitation: that Canacol will continue to conduct its operations in a manner consistent with past operations; results from drilling and development activities are consistent with past results; the continued and timely development of infrastructure in areas of new production; the general continuance of current industry conditions; the continuance of existing (and in certain circumstances, the implementation of proposed) tax, royalty and regulatory regimes; the accuracy of the estimates of Canacol's resource volumes; certain commodity price and other cost assumptions; and the continued availability of adequate debt and equity financing and cash flow to fund its planned expenditures. There are a number of assumptions associated with the development of the prospects and leads, including the quality of the reservoirs, continued performance from existing wells, future drilling programs and performance from new wells, the growth of infrastructure, well density per section, and recovery factors and development necessary involves known and unknown risks and uncertainties, including those risks identified in this press release. Canacol believes the material factors, expectations and assumptions reflected in the forward- looking information and statements are reasonable but no assurance can be given that these factors, expectations and assumptions will prove to be correct.

The forward-looking information and statements included in this press release are not guarantees of future performance and should not be unduly relied upon. Such information and statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information or statements including, without limitation: changes in commodity prices; the early stage of development of some areas in the Audited Area; the potential for variation in the quality of formations, changes in the demand for or supply of Canacol's products; unanticipated operating results or production declines unanticipated results from Canacol's exploration and development activities; changes in tax or environmental laws, royalty rates or other regulatory matters; changes in development plans of Canacol, increased debt levels or debt service requirements; inaccurate estimation of Canacol's oil and gas reserve and resource volumes; limited, unfavorable or a lack of access to capital markets; increased costs; a lack of adequate insurance coverage; the impact of competitors; and certain other risks detailed from time to time in Canacol's public disclosure documents (including, without limitation, those risks identified in this news release and in Canacol's most recent Annual Information Form).

The forward-looking information and statements contained in this news release speak only as of the date of this news release, and none of Canacol or its subsidiaries assumes any obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable laws.

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