



Canacol Energy Ltd. Presents Its 2022 ESG Report Highlighting New Long Term Climate Goals of a 50% reduction in Scope 1 and 2 Emissions by 2035, Carbon Neutrality by 2050, and Zero Methane Emissions by 2026

CALGARY, ALBERTA – (August 9, 2023) - Canacol Energy Ltd. ("Canacol" or the "Corporation") (TSX:CNE; OTCQX:CNNEF; BVC:CNEC) is pleased to provide the following information concerning its Environmental, Social, and Governance ("ESG") Strategy & 2022 ESG Integrated Report (the "ESG Report").

Charle Gamba, President, and CEO of the Corporation stated: "Canacol acknowledges the crucial role of natural gas in addressing climate change and global challenges. The Corporation remains committed to supporting Colombia's objective of achieving a 51% reduction in emissions by 2030. In line with this commitment, Canacol stands as a leading sustainable natural gas producer in the Americas, with Scope 1 and 2 GHG emission intensities that are more than 50% lower on average than our gas focused peers and more than 80% lower on average than our oil focused peers in North and South America. Our progress has driven us to the top 10th percentile of upstream oil and gas companies in the CSA S&P assessment, and we have received an A rating from MSCI, affirming Canacol's leadership in ESG. Continuing with our commitment to climate change, we are also pleased to announce that Canacol has set its decarbonization goals, whereby we aim to achieve zero methane emissions by 2026, reduce Scope 1 and 2 emissions by 50% by 2035, and achieve carbon neutrality by 2050".

As the largest independent natural gas exploration and production company in the country, Canacol maintains a prominent role in Colombia's energy transition, offering natural gas as a more environmentally friendly alternative to carbon-intensive energy sources like crude oil and coal. We believe a natural gas focused portfolio will maximize opportunities and ensure long term sustainability while delivering enhanced value to shareholders.

Recognizing the significance of incorporating an ESG Strategy into our business model, Canacol aligns its sustainability practices with its business objectives, key performance indicators, and risk management. The Corporation emphasizes continuous improvement in its ESG performance, driven by the expectations of shareholders and stakeholders.

Our 2022 ESG highlights:

A cleaner energy future:

- Defined long term climate goals which include achieving methane neutrality in 2026, reducing Scope 1 & 2 emissions by 50% by 2035, and achieving carbon neutrality by 2050.
- Maintained scope 1 & 2 GHG emissions intensities that are more than 50% lower on average than gas operators and more than 80% lower on average than oil operators in the Americas.
- Reduced methane (CH₄) emissions by 10% year over year by continuous leak detection and repair procedures, as well as flare efficiency and reductions.
- Recycled 15% of used water and increased the use of recycled water by 53% year over year.
- Maintained commitment to a Zero Waste Certification by 2024.
- No reported hydrocarbon spills.
- Entered an agreement with the Wildlife Conservation Society for reforestation efforts.

Empowering our people:

- Became a participating member of the Voluntary Principles on Security and Human Rights Initiative and of the International Petroleum Industry Environmental Conservation Association ("IPIECA").
- Being certified as a 2022 Great Place to Work by the Best Places to Work Organization ("BPTW").





- Earned the “Equipares” Silver Award recognition for the Corporation’s Diversity, Equity, and Inclusion (“DEI”) programs.
- 37% of the total workforce & 27% of management positions are held by women.
- Implemented 126 social projects, benefiting 22,300 community members in 13 municipalities.
- No human rights violations since the inception of the company.
- Logged 5 million workhours with no fatal accidents.
- Purchased 93.4% of all goods and services locally within Colombia.

A transparent and ethical business:

- No breaches of the Code of Business Conduct and Ethics by employees or contractors.
- Executive short and long term compensation tied to ESG metrics and performance.
- Suppliers ESG Evaluation Process & trained 100% of suppliers in the Corporation’s Code of Conduct and Ethics for contractors and suppliers.
- Information Security Management System based on ISO 27001.

Canacol’s sustainability efforts are guided by a robust set of methodologies and standards. These include adherence to: GRI Oil & Gas G4 Sector Disclosures, Sustainability Accounting Standards Board (SASB), Carbon Disclosure Project (CDP), Task Force on Climate-Related Financial Disclosures (TCFD), S&P Global Corporate Sustainability Assessment (CSA), the United Nations Sustainable Development Goals (SDGs) and IPIECA.

The Corporation is committed to generating sustainable value through collaboration, responsibility, respect, and transparency, exemplified by its implementation of social investment projects that enhance community infrastructure and educational opportunities. By embracing sustainability leadership and fostering a continuous improvement mindset, Canacol strives to create a sustainable energy future while delivering long term value to its stakeholders.

We invite you to read our full ESG report by visiting our website www.canacolenergy.com or clicking the following link: <https://canacolenergy.com/sustainability/sustainability-reports/>

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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