



Canacol Energy Ltd. Provides Update on its Jobo to Medellin Pipeline Project and Proposes Share Consolidation

CALGARY, ALBERTA – (October 24, 2022) - Canacol Energy Ltd. ("Canacol" or the "Corporation") (TSX:CNE; OTCQX:CNNEF; BVC:CNEC) is pleased to announce that it has executed an agreement with the consortium Shanghai Engineering and Technology Corp. ("SETCO") to construct a 289 kilometer long 22 inch diameter gas pipeline from the Jobo gas processing facility to the city of Medellin.

Charle Gamba, President and CEO of Canacol, stated "The construction of this pipeline will allow Canacol to ship our gas to the interior market of Colombia and will lift our gas sales above 300 MMscfpd in 2025. The project will also provide energy security to customers in the interior of Colombia as Ecopetrol's gas fields located there start declining in 2024. We are pleased to play an important role in guaranteeing a clean source of energy to our customers as Colombia executes the transition to less contaminating sources of energy."

SETCO is a Chinese based construction and pipe fabrication consortium with experience in building major gas pipelines in Asia and the Middle East. Under the terms of the agreement SETCO will be responsible for paying 100% of the cost of building the pipeline and will own, operate, and maintain the pipeline. The Corporation will not own or pay any part of the costs associated with the pipeline project, including its construction or operation. The Corporation's sole commitment under the agreement is limited to the execution of a transportation agreement whereby the Corporation will pay a fixed fee for a certain volume of gas over a certain period of time. The Corporation has already executed two 12 year take or pay gas sales contracts for a total volume of 75 million standard cubic feet per day ("MMscfpd") going to Medellin through the pipeline and is currently negotiating additional long term take or pay gas sales contracts with customers in the interior to ensure that the new pipeline is filled to initial capacity of 100 MMscfpd. The pipeline is scheduled to enter operation in December 2024. The Corporation currently has a productive capacity of approximately 250 MMscfpd and anticipates increasing productive capacity to over 300 MMscfpd via the drilling of additional wells and the execution of additional infrastructure prior to the pipeline entering service.

The Corporation is also pleased to announce it will hold a Special Meeting of Shareholders (the "Special Meeting") on December 19, 2022. The Corporation has set the Record Date for the Special Meeting on November 18, 2022.

The purpose of the Special Meeting is to seek authorization from the Corporation's shareholders to enable the Board of Directors (the "Board") to consider a consolidation of the Corporation's issued and outstanding common shares ("Common Shares") at a ratio of up to one post-consolidation share for every five pre-consolidation shares. The Corporation's Board will also present some routine amendments to its by-laws to match the recent amendments to the Business Corporations Act (Alberta).

Any authority of the Board to consolidate the shares is conditional upon the prior approval of the Corporation's shareholders and the Toronto Stock Exchange (the "TSX"). Additional information, including the time and instructions for virtually accessing and voting at the Special Meeting will be provided at a later date. Further, a Management Information Circular for the upcoming Special Meeting will be available to shareholders and filed by the Corporation on SEDAR.

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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