



Canacol Energy Ltd. Distributes US\$20 Million of Arrow Exploration Corp. Shares to Shareholders

CALGARY, ALBERTA - (November 7, 2018) - Canacol Energy Ltd. ("Canacol" or the "Corporation") (TSX:CNE; OTCQX:CNNEF; BVC:CNEC) is pleased to announce that the distribution to the shareholders of the Corporation ("Shareholders") of the 22,598,870 of Arrow Exploration Corp. Shares ("Arrow Shares") by way of a return of capital (the "Return of Capital") valued at US\$20 million ([US\\$0.885 cents per Arrow Share received](#)) was effective on November 6, 2018.

Mr. Charle Gamba, President and CEO of the Corporation, commented: "The Board of Directors of Canacol is pleased to be making this special dividend, which is a return of capital equivalent to US\$20 million, to our shareholders, related to the recent sale of our conventional oil assets to Arrow Exploration. Arrow is currently drilling the Danes-1 exploration well on the LLA-23 block, and plans a number of work overs on existing wells to increase production by year end. Canacol shareholders who choose to keep the Arrow shares that they have received may stand to realize the potential upside associated with Arrow's current and future exploration and production activities".

Through the Return of Capital, the registered shareholders of Canacol received 0.12720671913 Arrow Shares per each share of Canacol owned on the record date, October 3, 2018. No fractional shares were distributed, nor were paid in cash. The Arrow Shares are traded on the TSX Venture Exchange ("TSX-V"). Shareholders who hold their shares through Depósito Centralizado de Valores de Colombia ("Deceval") should note that Arrow Shares are not be listed on the Bolsa de Valores de Colombia ("BVC"), nor will be held by Deceval.

The shareholders were not required to pay for the Arrow Shares they received by way of Return of Capital, to tender or surrender their Canacol shares, or to take any other action in connection with the Return of Capital. Canacol Energy Ltd shares will continue trading in the TSX and BVC.

Additional information can be found in previous press releases published by the Corporation.

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Canacol is an 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 CNE.C, respectively.

Arrow Exploration Corp. is a corporation incorporated under the laws of Alberta and is a junior oil and gas exploration and development company with operations in Colombia.

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.