
Canacol Energy Ltd. Provides Gas Sales and Operations Update, Tests 33 MMSCFPD from Nelson 13 Well

CALGARY, ALBERTA - (March 22, 2019) - Canacol Energy Ltd. ("Canacol" or the "Corporation") (TSX:CNE; OTCQX:CNNEF; BVC:CNEC) is pleased to provide the following production, drilling, and operations update.

Average Gas Sales Reach 126 MMscfpd in January and February 2019

Average gas sales for the months of January and February 2019 were approximately 126 million standard cubic feet per day ("MMscfpd") at average wellhead sales price of US\$ 4.99 / Mcf net of transportation, as compared to gas sales of 119 MMscfpd at an average wellhead sales price of US\$4.95 / Mcf net of transportation for Q4 2018. Average net oil sales from the operated Rancho Hermoso field for the months of January and February were 430 barrels of oil per day.

Drilling Update

Nelson 13 Development Well Tests 33 MMscfpd

The Nelson 13 well is the Corporation's 7th well drilled into its Nelson gas field, discovered in 2011. The well encountered 104 feet true vertical depth ("ft TVD") of net gas pay with average porosity of 26% within the productive shallow Porquero sandstone reservoir, and 162 ft TVD of net gas pay within the deeper productive CDO sandstone reservoir. The resulting 266 feet TVD of net gas pay represents the thickest gas pay encountered in any of the Corporation's wells drilled to date on any of its blocks in the Lower Magdalena Valley basin.

The CDO was perforated in six intervals over an interval from 8,765 and 8,984 feet measured depth ("ft md") within the CDO reservoir and flowed at a rate of 33 MMscfpd directly into the Jobo processing facility to which it is now connected and on permanent production.

Palmer 2 Appraisal Well Encounters 81 Feet of Gas Pay

The Palmer 2 well is the Corporation's 2nd well drilled into the Palmer gas field, discovered in 2015. The well was spud on February 21st 2019 and reached a total depth of 8,309 ft md in 20 days. The well encountered 81 ft TVD of net gas pay with average porosity of 23% within the CDO sandstone reservoir. The well has been cased and completed and will be tied into the Palmer 1 manifold and brought onto permanent production shortly.

2019 Drilling Program

The gas exploration wells planned for 2019 include the Acordeon-1 and Saxofon-1 exploration wells on Canacol's operated 100% working interest VIM 5 contract, and the Arandala-1 exploration well on Canacol's operated 100% working interest VIM 21 contract. Appraisal wells Pandereta-5 and Clarinete-4 are planned for its VIM 5 contract, while development wells Nelson-7 and Canahuatate-2 are planned for its operated 100% working interest Esperanza contract. Flexibility has been built into the 2019 drilling program such that in the event of exploration success, funds may be reallocated for immediate follow-up appraisal drilling locations.

Upon moving off of the Palmer 2 drilling location, the Pioneer 302 rig will be mobilized to drill the Nelson 7 development well, which is anticipated to spud prior to the end of March 2019. Nelson 7 will take approximately 5 weeks to drill and complete, after which the rig will be mobilized to drill the Acordeon 1 exploration well which is anticipated to spud in early May 2019.

Facilities and Flowline Update

The Corporation has completed the construction of the Jobo 3 gas treatment plant, with treatment capacity of 130 MMscfpd, bringing total gas processing capacity of the Corporation's operated gas facilities to 330 MMscfpd. Commissioning of the new facility is currently underway, and is expected to be completed in April 2019, well ahead of the planned completion of the Promigas S.A. pipeline expansion scheduled for June 2019.

The Corporation has also completed the Pandereta to Jobo 8" gas flowline. The 3 wells located at Pandereta have a productive potential of approximately 75 MMscfpd based on well tests. The Corporation has also completed the debottlenecking of the Bretana to Jobo twin 8" flowlines, which have the capacity to transport up to 140 MMscfpd from the Nelson and Palmer gas fields.

The Corporation will provide continuous updates of its 2019 drilling program as each well is completed.

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.

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.

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