
Canacol Energy Ltd. Announces 3rd Consecutive Shallow Porquero Gas Discovery at Breva 1

CALGARY, ALBERTA - (May 23, 2018) - Canacol Energy Ltd. ("Canacol" or the "Corporation") (TSX:CNE; OTCQX:CNNEF; BVC:CNEC) is pleased to provide the results of the Breva 1 exploration well located on its 100% operated VIM 21 block in the Lower Magdalena Valley Basin of Colombia.

***Breva 1 Gas Exploration Well
VIM 21 Exploration and Production Contract
CNE Oil and Gas S.A.S, 100% Operated Working Interest***

The Breva 1 exploration well is located approximately 1.5 kilometers north of the Toronja 1 Porquero gas discovery announced by the Corporation in June 27, 2017. Toronja 1 encountered approximately 14 feet true vertical depth ("ft TVD") of net gas pay within the Middle Porquero sandstone reservoir, and tested at a rate of 24.4 million standard cubic feet per day ("MMscfpd") of dry gas with no water. Nelson 6, the Corporation's first discovery in the shallow Porquero sandstone play, encountered 39 ft TVD of net gas pay and tested 23 MMscfpd of gas.

Using the Pioneer 302 drilling rig, Breva 1 was spud on April 29, 2018, and reached a total depth of 7,560 feet measured depth in 13 days. The well encountered 29 feet true vertical depth of net gas pay with average porosity of 27% within the primary Porquero sandstone reservoir target. The well has been completed and cased, and the Corporation is currently mobilizing a work over rig to perforate and production test the well. The work over rig is anticipated to arrive in 2 weeks, and the testing program is anticipated to take approximately 1 week to complete.

After Nelson 6 and Toronja 1, Breva 1 represents the third consecutive discovery in the emerging and important new Porquero play type in the Corporation's exploration portfolio. By means of the application of the AVO methodology proven to be so successful locating gas-charged reservoir sandstones in the Cienaga de Oro play type, the Corporation has demonstrated the same relationship between gas and reservoir sandstones in the Porquero Formation. Going forward, the successful outcome of the three exploration wells in the Porquero sets up at least five exploration and appraisal locations on the VIM 21 concession. It also provides critical technical information regarding the AVO methodology enabling Canacol's exploration team to investigate the potential for the Porquero play type across the Corporation's expansive acreage position (1.1 mm net acres) in the Lower Magdalena Valley Basin.

2018 Drilling Program Update

The drilling rig meanwhile has been mobilized to drill the Borojo 1 exploration well, located on the 100% operated Esperanza E&E contract. Borojo 1 is targeting gas bearing reservoirs of the Cienaga de Oro sandstones, and is anticipated to spud the first week of June 2018. The well will take approximately 4 weeks to drill and complete, and like Breva 1, will be perforated and tested with a workover rig approximately 1 week after the drilling rig moves off to drill the Canahuate Este exploration well.

The Corporation will provide regular updates on drilling results as they become available.

2018 Annual General Meeting of Shareholders

Canacol is pleased to announce that its AGM has been scheduled for July 3, 2018, in Calgary. Further details will be released at a later date.

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.

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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