Canacol Energy Announces Agreement for Debtor in Possession ("DIP") Financing

Calgary, Alberta (December 9, 2025) – Canacol Energy Ltd. (TSX: CNE) (OTCID: CNNEQ) (BVC: CNEC) ("Canacol" or the "Company") announces that it has entered into an agreement with an ad hoc group of holders of the Company's 5.75% senior unsecured notes due 2028 (the "DIP Credit Agreement") for debtor-in-possession financing (the "DIP Financing"), comprised of a U.S.$45 million delayed-draw new-money term loan (the "Term Loan Tranche") with capacity to obtain additional commitments to issue up to U.S.$22 million in letters of credit to renew and/or replace certain existing letters of credit (the "LC Tranche"). The DIP Financing will bear customary DIP interest and fees, will mature on June 30, 2026 (with a three-month extension option subject to conditions), and, subject to court approval, will be secured by a court-ordered super-priority charge over all of the Company's and its operating subsidiaries' assets, subject only to a court-ordered super priority administration charge granted in the CCAA (as defined below) proceedings.

Proceeds of the DIP Financing will be used to fund ongoing operations and restructuring costs and, with proceeds from the LC Tranche, to facilitate the renewal or replacement of required letters of credit, all in accordance with cash flow forecasts as approved by the DIP Lenders and subject to the other terms and conditions of the DIP Credit Agreement. Initial funding of U.S.$15 million of the Term Loan Tranche will be available subject to customary conditions precedent, including entry of a DIP approval order by the Court of King's Bench of Alberta and recognition of such order by the US Bankruptcy Court in the Company's Chapter 15 proceedings in the United States. Availability of the remaining U.S.$30 million of the Term Loan Tranche is subject to customary conditions precedent, including obtaining a Colombian recognition order and compliance with prescribed milestones.

The DIP financing remains subject to court approvals and will support a sale and investment solicitation process to be sought by the Company and related broader restructuring efforts under the CCAA.

In connection with the negotiation of the DIP Financing, parties proposing to provide credit support were provided with certain non-public material information regarding the Company and its affairs (the "MNPI"). The copies of the MNPI and summaries and / or consolidations of certain operating information is now posted on the Monitor's website at https://kpmg.com/ca/canacol, where it is available for review by all persons. Additional information for investors regarding Canacol, including regarding the CCAA proceeding and Chapter 15 proceedings, will be published on the Monitor's website. Investors should monitor the Monitor's website for material updates and other important information regarding Canacol, its business, operations, and results and its insolvency proceedings.

As indicated in the Company's press release dated November 18, 2025, regarding its application for creditor protection under the Companies' Creditors Arrangement Act ("CCAA"), the Company is currently operating under the protection of the CCAA which provides certain protections from creditors while the Company restructures its affairs.

Trading of the Company's shares has been suspended since November 17, 2025 and this suspension will continue until the delisting takes effect. Once the delisting takes effect, there will no longer be a Canadian trading market for the Common Shares.

After the delisting shareholders will retain their legal rights and equity interests in the Company. The value, if any, of the Common Shares of the Corporation will be determined after a comprehensive restructuring or sale of the Corporation has been completed.

Shareholders should consult the Monitor's website for a Q&A document which sets out some of the questions most frequently asked by shareholders.

While the Company's shares continue to be listed in the United States on the OTCID under the ticker CNNEQ and on the Colombian Stock Exchange (BVC) under the ticker CNEC, it is expected that the OTCID will also delist the Company's common shares, and that the Colombian Financial Superintendency will review the issuer's registration in the Colombian National Registry of Securities and Issuers, which could affect their listing on the BVC.

A copy of the DIP Credit Agreement is available on the Monitor's website.

About Canacol

Canacol is a natural gas exploration and production company with operations focused in Colombia. The Corporation's shares are traded on the Toronto Stock Exchange under the symbol CNE, the OTCID in the United States of America under the symbol CNNEQ, the Bolsa de Valores de Colombia under the symbol CNEC.

The Toronto Stock Exchange does not accept responsibility for the adequacy or accuracy of this release.

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", "target", "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.

Contact Information

Shareholders are reminded that any questions or concerns can be directed to the Company at:

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