



Canacol Energy Secures Key Restructuring Decision from Alberta Court; Colombian Consumer Protections Preserved

Calgary, Alberta and Bogotá, Colombia — June 26, 2026 — Canacol Energy Ltd. ("**Canacol**" or the "**Company**") (TSX: CNE), a leading natural gas exploration and production company operating in Colombia, today announced that the Court of King's Bench of Alberta issued a decision on June 24, 2026, granting Canacol permission to disclaim natural gas supply and transportation contracts as part of its ongoing restructuring under the *Companies' Creditors Arrangement Act* (CCAA).

The decision, rendered by the Honourable Justice Colin C.J. Feasby, represents a significant milestone in Canacol's restructuring process and reflects a careful and respectful consideration of Colombian interests throughout.

A copy of the Court's decision can be found on the case website of Canacol's court-appointed Monitor, KPMG Inc.: <https://kpmg.com/ca/en/services/advisory/deal-advisory/creditorlinks/canacol-energy-ltd.html>

Court Recognizes the Unique Characteristics of the Colombian Natural Gas Market

A central feature of the decision is the Court's detailed and thoughtful examination of the Colombian natural gas market. Justice Feasby devoted substantial attention to understanding the distinctive nature of that market, recognizing that it differs fundamentally from the North American natural gas market and that those differences required a tailored analytical approach.

Protection of Regulated Consumers and Vulnerable Populations

The decision contains robust protections for Colombian consumers in the regulated market, including residential households and small businesses. Canacol made clear to the Court that the disclaimer of offtake agreements would not affect pricing in the regulated market. The Court acknowledged Canacol's intention to protect consumers in the regulated market by requiring that the disclaimer orders be revised to mandate continuation of existing pricing for counterparties serving the regulated market.

Respect for Colombian Authorities on Colombian Law and Public Policy

The decision demonstrates clear respect for Colombian sovereignty and the role of Colombian institutions within the framework of the international restructuring regime. The Court explicitly recognized that both the United States Bankruptcy Court for the Southern District of New York and the Superintendency of Companies of Colombia have acknowledged the CCAA proceedings as the foreign main proceeding.

On questions of Colombian law, the Colombian constitution, and public policy, Justice Feasby was clear that such matters are properly addressed by Colombian judicial authorities. The Court stated that to the extent questions arise about judicial recognition and public policy in the jurisdiction where the disclaimer orders take effect, those questions should be dealt with in Colombia following the determination made in the Canadian main proceeding.



Restructuring Is Designed to Secure Long-Term Gas Supply for Colombia

The Court recognized that the restructuring is aimed at preserving and ultimately growing Canacol's natural gas production in Colombia, and that the failure to restructure would pose a far greater risk to Colombian gas supply.

As the Court noted in its decision, Canacol intends to continue selling and delivering natural gas to customers to the extent gas is available and can be sold and transported under viable arrangements. After the Court's decision, Canacol's ability to deliver natural gas depends on offtake agreement counterparties in the unregulated market, and transportation agreement counterparties, working with Canacol on restructured and viable go-forward arrangements.

Good Faith Negotiations

The Court stressed that a commercially negotiated outcome was preferable to a court order, but after weeks of unsuccessful efforts between Canacol and its counterparties, a disclaimer ruling was necessary. It also made several comments encouraging the parties to bargain new terms in good faith, recognizing that the old terms are unsustainable considering the Company's insolvency and declining gas production.

While Canacol will seek recognition of the disclaiming orders before the Superintendency of Companies of Colombia, it will continue to pursue a commercial solution with its counterparties.

Quote from the Chief Restructuring Officer

"This decision reflects the thoughtful and balanced approach of the Canadian Court in navigating a complex cross-border restructuring," said Peter Laurinaitis of Breakpoint Advisory Partners LLC, Canacol's Court-appointed Chief Restructuring Officer. "We are encouraged that the Court recognized Canacol's considered approach to preserving its business and operations while protecting regulated consumers in Colombia. Canacol remains fully committed to working constructively with its Colombian counterparties, regulators, and stakeholders as we move forward with the restructuring process."

About Canacol Energy Ltd.

Canacol Energy Ltd. is a natural gas exploration and production company conducting its operational activities in Colombia.

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