



Canacol Energy Ltd. Presents Its 2021 ESG Report Highlighting 50 % Lower Scope 1 and 2 GHG Emissions than Gas Producing Peers in the Americas

CALGARY, ALBERTA - (June 28, 2022) - Canacol Energy Ltd. ("Canacol" or the "Corporation") (TSX:CNE; OTCQX:CNNEF; BVC:CNEC) is pleased to provide the following information concerning its ESG Strategy & 2021 ESG Integrated Report (the "ESG Report").

Charle Gamba, President, and CEO of the Corporation stated: "As the world navigates the complexities of climate change and other political and economic challenges, we continue to believe in the vital role natural gas has to play in displacing more carbon intensive energy options. Specifically, in Colombia, we maintain our commitment to contribute to the country's goal of 51% emissions reduction by 2030. As indicated in our ESG Report, Canacol currently leads the industry as one of the cleanest oil and gas producers in both Colombia and North America with Scope 1 and 2 GHG emissions that are 80% lower than our oil producing peers and 50% lower than our gas producing peers, on average. Our ambition is to continue to lead the oil and gas industry in Colombia in terms of supplying the increasing energy demands of Colombians while reducing carbon emissions, exploring avenues for renewable energy generation, fostering national energy self-sufficiency, and catalyzing the growth and development of Colombia's economy and its people."

The move away from oil production in 2018 has positioned Canacol to become a proactive leader in Colombia's energy transition and GHG reduction initiatives. Our primary objective is to generate value for all our stakeholders in a sustainable, collaborative, responsible, respectful, and transparent way. We support our neighboring communities through beneficial social investment projects that improve public and community infrastructure as well as provide access to educational opportunities. Canacol's actions are based on our corporate values, strategies, and objectives. Within our focus on sustainability leadership, continuous improvement has become a fundamental axis of effort.

The methodologies and standards that Canacol uses include: GRI Oil & Gas G4 Sector Disclosures, Sustainability Accounting Standards Board (SASB), Carbon Disclosure Project (CDP), Task Force on Climate-Related Financial Disclosures (TCFD), Corporate Sustainability Assessment S&P Global, and the United Nations Sustainable Development Goals (SDGs).

The 2021 ESG highlights for Canacol include the following:

A Cleaner Energy Future

- Reported scope 1 and 2 GHG emission intensities that are more than 50% lower on average than gas focused peers (and more than 80% lower on average than oil focused peers) in North and South America.
 - Increased solar energy usage by 32% with the installation of photovoltaic systems in 100% of new well sites and at the offices of three gathering facilities.
 - In our continuous commitment to identify and decrease fugitive emissions, we performed periodical in-house and third-party inspections to detect and repair leaks.
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- Developed a long-term strategy to implement circular economy practices with the ambition to divert more than 34% of total direct waste from landfill and achieve a Zero Waste Certification (a global initiative, in partnership with ICONTEC Colombia).
- Strengthened the protection of biodiversity in the Córdoba and Sucre regions by establishing ten conservation agreements and seven community environmental projects with local stakeholders.

A Safe and Committed Team

- Lost Time Injury Frequency Rate (LTIFR: 0.9) for employees and contractors was 72% better than the target (3.16).
- Increased diversity and inclusiveness in the work environment including:
 - The establishment of a Diversity and Inclusion Corporate Policy and Committee.
 - The implementation of a Gender Equality Management System to identify and eliminate gender gaps.
 - Women make up 35% of the total workforce, 8% above the average of Colombia's female workforce in the petroleum industry. Women represent 27% of top management positions.

A Transparent and Ethical Business

- Formalized a Share Ownership Policy and specific ESG related KPIs linked to short-term and long-term compensation of the executive team.
- Updated the company-wide ethics and compliance system including a focus on anti-competitive practices.

Guided by Sustainable Development

- Created opportunities through local employment and development substantially exceeding regulatory requirements. 60% of Canacol's skilled labor and 100% of Canacol's unskilled labor were hired locally. Canacol purchased 95.1% of all goods and services locally, regionally, and nationally, representing an economic stimulus of \$151 million.
- Implemented more than 60 social projects that have benefited over 25,000 community members across 13 municipalities.
- The Corporation executed the second phase of its gas massification project, which aims to reduce energy poverty and serve societal needs by constructing a local utility gas distribution network to replace firewood with a cleaner and more efficient fuel, benefitting hundreds of additional households.
- All social investment projects were aligned with National Development Plans and 11 projects included a gender focus.

To read the full report, visit our website www.canacolenergy.com or click the following link:
https://canacolenergy.com/site/assets/files/3732/2021_esg_integrated_report.pdf



About Canacol

Canacol is a natural gas 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.

For more information please contact:

Investor Relations South America: +571.621.1747 IR-SA@canacolenergy.com

Global: +1.403.561.1648 IR-GLOBAL@canacolenergy.com

<http://www.canacolenergy.com>
