



Canacol Energy Ltd Provides Information on Arbitration Process

CALGARY, ALBERTA – (November 7, 2025) – Canacol Energy Ltd. (“Canacol” or the “Company”) announces that it has been notified of the decision issued in the domestic arbitration proceedings initiated by VP Ingenergía S.A.S. E.S.P. before the Arbitration and Conciliation Center of the Bogotá Chamber of Commerce.

The arbitration addressed the termination of three natural gas supply contracts, which were terminated by Canacol due to VP Ingenergía’s contractual breaches, including the failure to provide the contractually required guarantees and the failure to pay for gas delivered. During the proceedings, the relationship between these facts and the occurrence of a force majeure event experienced by Canacol in 2023 was also examined.

The arbitral tribunal decided to accept Canacol’s arguments regarding the invalidity of the guarantees provided by VP Ingenergía and the irregular manner in which VP Ingenergía handled proceeds from the sale of gas, while on the other hand partially upholding VP Ingenergía’s claims with respect to the force majeure events. The net effect of the tribunal’s ruling against each of the parties is that Canacol has to pay approximately USD \$22 million. This decision is not yet perfected, as it is subject to clarification and supplementation, and therefore the award will become binding on November 20, 2025.

In this regard, the Company is reviewing this decision in light of the invoices that VP Ingenergía still owes, as well as the payment orders against VP Ingenergía in favor of Canacol issued by different Colombian judges, totalling USD \$25 million approximately.

Additionally, Canacol is pursuing an international arbitral tribunal in which VP Ingenergía is the respondent and in which amounts exceeding USD \$76 million are claimed, without VP Ingenergía having any economic claim against Canacol. Canacol’s case in the international tribunal is strengthened by the recognition of the domestic tribunal that the contracts were terminated by Canacol for just cause, and therefore the Company expects a positive outcome in such process, which is estimated to conclude during the first half of 2026.

Likewise, Canacol will submit the domestic arbitral decision to the attention of the Office of the Attorney General of the Nation, as it was proved that the guarantees provided by VP Ingenergía did not secure the contracts entered with Canacol and that VP Ingenergía breached its duties of good faith by making unjustified withdrawals of the trust funds, which were intended for the payment of VP Ingenergía’s obligations in favor of Canacol. The foregoing will have a direct impact on the criminal actions being pursued against VP Ingenergía’s directors and shareholders, specifically Mr. Álvaro Augusto Vargas Bravo (owner of VP Ingenergía S.A.S. E.S.P.), Patricia Peña (his spouse) and Darlyn Yesenia Neira (legal representative of the company), in relation to which charges have been filed by the Office of the Attorney General of the Nation, along with a request for preventive detention measures, for various offenses, including aggravated fraud and corruption, for acts and facts related directly to the differences between the parties in the domestic arbitration proceeding, which were decided in favour of Canacol by the domestic arbitration tribunal as noted above.

We reiterate that Canacol is currently reviewing the full content of the arbitral decision and will analyse the potential filing of any appeals or legal actions as appropriate.

Canacol insists that it will continue to rely on the Colombian justice system.

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 OTCQX in the United States of America under the symbol CNNEF, the Bolsa de Valores de Colombia under the symbol CNEC.

This press release contains certain forward-looking statements within the meaning of applicable securities law. Forwardlooking 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. Information and guidance provided herein supersedes and replaces any forward looking information provided in prior disclosures. Prospective investors should not place undue reliance on forward looking statements. Further information regarding the risks and uncertainties related to Canacol and its securities can be found in the disclosure documents filed by Canacol with the securities regulatory authorities, available at www.sedar.com y www.superfinanciera.gov.co

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>
