



Canacol Energy Ltd. Announces Exercise of Warrants in Arrow Exploration Corp. and Filing of Early Warning Report

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CALGARY, ALBERTA – (October 16, 2023) — Canacol Energy Ltd. ("Canacol" or the "Corporation") (TSX:CNE) (OTCQX:CNNEF) (BVC:CNEC) is pleased to announce that it filed an early warning report today in connection with the exercise on October 13, 2023 by Canacol of 18,357,602 warrants (the "Exercised Warrants") to purchase 18,357,602 common shares (the "Common Shares") in the capital of Arrow Exploration Corp. ("Arrow"), a public company listed for trading on the TSX Venture Exchange and the AIM Market of the London Stock Exchange, at an exercise price of £0.09 (C\$0.15) per Common Share. The Exercised Warrants had been acquired by Canacol pursuant to a private placement completed by Arrow October 25, 2021.

Charle Gamba, Canacol's CEO, commented "Canacol has been a major shareholder in Arrow since their inception, and we are very pleased that our patience paid off with outstanding recent drilling results leading to a significant increase in reserves and production. I'm confident that the skilled management team at Arrow will continue to increase value via the drill bit. Canacol's present intention is to hold our interest in Arrow at this time."

Prior to the exercise of the Exercised Warrants, Canacol held an aggregate of approximately 22.5% of the issued and outstanding Common Shares of Arrow on a partial diluted basis, being 41,715,205 Common Shares of Arrow and 18,357,602 warrants to purchase additional common shares of Arrow at an exercise price of £0.09 (C\$0.15) (being the Exercised Warrants).

The exercise of the Exercised Warrants and corresponding Common Shares represent 6.9% of the issued and outstanding Common Shares of Arrow on a partial diluted basis. Subsequent to the exercise of the Exercised Warrants, Canacol holds an aggregate of 60,072,807 Common Shares of Arrow, which represents approximately 22.5% of the issued and outstanding common shares of Arrow.

The Exercised Warrants, if not exercised, would have expired on October 25, 2023. The purpose of the transaction was to benefit from the fact that the exercise price of the Exercised Warrants (£0.09 (C\$0.15)) was less than the current market price of the Common Shares of Arrow.

The above referenced early warning report relating to this press release has been filed on System for Electronic Document Analysis and Review (SEDAR+) at www.sedarplus.ca under Arrow's issuer profile. For further information or to obtain a copy of the early warning report, please contact Canacol's Chief Financial Officer at 403.767.4077.

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 CNEC, respectively.

Forward-Looking Statements

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 the percentage ownership of Arrow held by Canacol. 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.

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