

Clerk's Stamp

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COURT

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JUDICIAL CENTRE

CALGARY

IN THE MATTER OF THE *COMPANIES'*  
*CREDITORS ARRANGEMENT ACT*, RSC  
1985, c C-36, as amended

AND IN THE MATTER OF A PLAN OF  
COMPROMISE OR ARRANGEMENT OF  
CANACOL ENERGY LTD., 2654044  
ALBERTA LTD., CANACOL ENERGY  
ULC, 2498003 ALBERTA ULC, CANTANA  
ENERGY GMBH, CNE OIL & GAS, S.R.L,  
CANACOL ENERGY COLOMBIA S.A.S.,  
SHONA HOLDING GMBH, CNE ENERGY  
S.A.S., and CNE OIL & GAS S.A.S.

APPLICANTS

CANACOL ENERGY LTD., 2654044 ALBERTA LTD., CANACOL  
ENERGY ULC, 2498003 ALBERTA ULC, CANTANA ENERGY  
GMBH, CNE OIL & GAS, S.R.L, CANACOL ENERGY COLOMBIA  
S.A.S., SHONA HOLDING GMBH, CNE ENERGY S.A.S., and CNE  
OIL & GAS S.A.S.

DOCUMENT

**AFFIDAVIT VOLUME 1 OF 1**

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File No. G10088627

**AFFIDAVIT OF JASON BEDNAR**  
**sworn November 16, 2025**

I, JASON BEDNAR, of the City of Calgary, in the Province of Alberta, **MAKE OATH AND SAY THAT:**

1. I am the Chief Financial Officer of Canacol Energy Ltd. ("**Canacol**", and together with its Subsidiaries (as defined below), the "**Applicants**" or the "**Canacol Group**") and have personal

knowledge of the matters herein deposed to, except where stated to be based upon information and belief, in which case I verily believe same to be true.

2. I am authorized to swear this Affidavit as corporate representative of Canacol and its direct and indirect subsidiaries, 2654044 Alberta Ltd. ("**265 Alberta**"), Canacol Energy ULC ("**Canacol ULC**"), 2498003 Alberta ULC ("**249 Alberta**"), Cantana Energy GmbH ("**Cantana Switzerland**"), CNE Oil & Gas, S.R.L ("**CNE Panama**"), Canacol Energy Colombia S.A.S. ("**Canacol Colombia**"), Shona Holding GmbH ("**Shona Switzerland**"), CNE Energy S.A.S. ("**CNE Energy Colombia**"), and CNE Oil & Gas S.A.S. ("**CNE O&G Colombia**"). For the purposes of this Affidavit, 265 Alberta, Canacol ULC and 249 Alberta are referred to in this affidavit as the "**Canadian Subsidiaries**", Cantana Switzerland and Shona Switzerland are referred to as the "**Swiss Subsidiaries**", and Canacol Colombia, CNE Energy Colombia, and CNE O&G Colombia are referred to as the "**Colombian Subsidiaries**". The Canadian Subsidiaries, Swiss Subsidiaries, Colombian Subsidiaries and CNE Panama are collectively referred to as the "**Subsidiaries**". The Swiss Subsidiaries, Colombian Subsidiaries and CNE Panama are collectively referred to as the "**Foreign Subsidiaries**".
3. All references to dollar amounts contained herein are to United States Dollars unless otherwise stated. Capitalized terms used within this Affidavit are as defined later herein.

#### **RELIEF REQUESTED**

4. This Affidavit is sworn in support of an Application by the Applicants for an Order (the "**Initial Order**") pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "**CCAA**"), for the following relief:
  - (a) declaring that the Applicants are companies to which the CCAA applies;
  - (b) dispensing with service of the Originating Application and supporting materials on all creditors of the Applicants, and/or deeming service thereof to be good and sufficient and abridging the time for service, if any;
  - (c) authorizing the Applicants to remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "**Property**"), which Property, for greater certainty shall include all assets, undertakings and rights that are owned, held, controlled, administered, registered, or recorded in the name of any branch/sucursal of an Applicant in Colombia, and to continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and Property;
  - (d) entitling the Applicants to make payment of all obligations owing in respect of employee wages and benefits and applicable source deductions, whether incurred prior to or after the commencement of the CCAA proceedings;
  - (e) entitling the Applicants to pay reasonable expenses incurred by them in operating the Business in the ordinary course, including making payment of obligations owing in respect of goods and services supplied to the Applicants prior to the date of the Initial Order by critical vendors to the extent required to ensure ongoing supply of critical goods

and services, as permitted by the Initial Order, subject to prior approval by the Monitor, up to a maximum aggregate amount of Canadian dollar equivalent of US\$2,000,000;

- (f) staying, for an initial period of not more than ten (10) days (the “**Initial Stay Period**”), all proceedings and remedies taken or that might be taken in respect of the Applicants, the Business, or the Property, except as otherwise set forth in the Initial Order or otherwise permitted by law;
- (g) preventing any Person from accelerating performance of any rights in respect of the Applicants, except with the written consent of the relevant Applicant and the Monitor, or leave of the Court;
- (h) restraining any Person from interfering with the supply of goods or services to any of the Applicants;
- (i) staying all proceedings and remedies taken or that might be taken in respect of claims against the directors or officers of the Applicants that relate to liability of such Persons in their capacity as directors or officers of the Applicants, except as otherwise set forth in the Initial Order or otherwise permitted by law;
- (j) appointing KPMG Inc. (“**KPMG**”) as monitor of the Applicants in these proceedings (in such capacity, the “**Monitor**”);
- (k) authorizing the Applicants to pay all reasonable fees and disbursements of their counsel, the Monitor and the Monitor’s counsel, whether incurred prior to or after the commencement of the CCAA Proceedings;
- (l) granting the following charges over the Property of the Applicants in priority to all other charges, save and except for the secured claims of Macquarie Bank Ltd. (“**Macquarie**”) in respect only of and limited to the Property over which Macquarie has valid and enforceable secured claims:
  - (i) in favour of the Monitor, its counsel, and the Applicants’ counsel in respect of their fees and disbursements (the “**Administration Charge**”), up to a maximum amount of the Canadian dollar equivalent of US\$1,000,000; and
  - (ii) in favour of the directors and officers of the Applicants over the Applicants’ Property (the “**Directors’ Charge**”), up to a maximum amount of the Canadian dollar equivalent of US\$1,000,000;
- (m) authorizing the Monitor or any officer, employee or representative thereof to act as foreign representative in respect of the within proceedings for the purpose of having this CCAA proceeding recognized and approved in jurisdictions outside of Canada, and authorizing the Monitor to apply for foreign recognition and approval of this CCAA proceeding, as necessary, including in (1) the United States Bankruptcy Court for the Southern District of New York pursuant to Chapter 15 of title 15 of the United States Bankruptcy Code (the “**US Bankruptcy Code**”), 11 U.S.C. §§ 101-1532, (2) the Superintendency of Companies of Colombia, the Colombia Courts and any other Colombian authorities pursuant to Title III of Law 1116 of 2006 of the Republic of Colombia;

- (n) scheduling a comeback application for a hearing prior to the expiry of the Initial Stay Period at a date and time to be set by the Court (the “**Comeback Hearing**”); and
  - (o) such further and other relief as the Applicants may request and the Court may grant.
5. If the proposed Initial Order is granted, the Applicants intend to bring an application to be heard at the Comeback Hearing seeking an amended and restated Initial Order (the “**ARIO**”), which will likely include the following relief:
- (a) Extending the stay of proceedings until a date to be determined by the Court in the week beginning January 26, 2026, subject to the Court’s availability, and granting other customary Comeback Hearing relief under the CCAA;
  - (b) Authorizing the Applicants to obtain interim financing from a lender to be confirmed (the “**Proposed DIP Lender**”) pursuant to a debtor-in-possession facility term sheet to finance working capital requirements and other general corporate purposes, and granting a charge in favour of the Proposed DIP Lender over the Applicants’ Property to secure such interim financing (the “**DIP Lenders’ Charge**”);
  - (c) Increasing the quantum of the Administration Charge and the Directors’ Charge (to the extent necessary), and providing for the priority ranking of the DIP Lender’s Charge, the Administration Charge, and the Directors’ Charge (collectively, the “**Charges**”) such that the Charges rank in priority to all other security, charges and encumbrances in favour of any person over the Property;
  - (d) Granting Canacol relief from certain securities law reporting obligations under federal, provincial and other applicable law until further order of the Court; and
  - (e) Granting such other relief as may be required to advance the Applicants’ restructuring efforts.

## OVERVIEW

- 6. For the reasons set out herein, I do verily believe that the Applicants are insolvent and are companies to which the CCAA applies.
- 7. Canacol is a publicly traded international oil and gas company headquartered in Calgary, Alberta. Financial control and reporting for the entire Canacol Group is based out of Canada. Canacol’s Head Office (as defined below) in Calgary.
- 8. The Canacol Group is engaged in the exploration, development, production, processing and sale of natural gas in Colombia. It is the largest independent natural gas exploration and production company in Colombia.
- 9. The Canacol Group’s Colombian natural gas production is a critical fuel source for Colombia’s electrical grid, with a majority of its gas being sold to power generators. Accordingly, any interruption or a disorderly shut down of Canacol’s operations would result in the immediate removal of a substantial share of dispatchable fuel and have material consequences on Colombia’s grid reliability and generation output.

10. As summarized in the chart attached as **Exhibit “A”**, Canacol holds, through certain of its Subsidiary entities, interests in onshore oil and gas production, development, appraisal and exploration properties (the **“Oil and Gas Properties”**) across Colombia, concentrated in the Llanos and Magdalena regions. Canacol’s interest in the Oil and Gas Properties was acquired pursuant to the exploration and production contracts (each an **“E&P Contract”**) and exploration and exploitation contracts (each an **“E&E Contract”**) described in Exhibit “A” with Agencia Nacional de Hidrocarburos (**“ANH”**) (the National Hydrocarbon Agency) in Colombia.
11. Certain of the E&P Contracts were acquired by the Canacol Group through strategic acquisitions, whereas others were awarded to the Canacol Group through bid rounds administered by ANH.
12. The Canacol Group, through its Colombian Subsidiary, Canacol Colombia, also holds oil assets in the Llanos Basin region of Colombia, known as the **“Rancho Hermoso Field”**. Oil production from the Rancho Hermoso Field is governed by a participation agreement with Hocol S.A. (**“Hocol”**) (a subsidiary of Ecopetrol, S.A., the national oil company of Colombia) (the **“Rancho Hermoso Participation Agreement”**).
13. Under the terms of the E&P Contracts, the Canacol Subsidiary contractor retains the rights to all reserves, production and income from any new exploration block, subject to existing royalty and tax regulations. Royalties are collected by the ANH (or its designee), and the value of such royalties correspond to an escalating percentage according to the volume of production obtained, with a minimum amount of 6%.
14. The Canacol Group’s ability to produce consistent volumes of natural gas from specific fields situated on the Oil & Gas Properties naturally declines over time as reserves are depleted. Absent new reserves being discovered through exploration, overall production diminishes over time. The exploration of new fields involves a high degree of geological risk and may not yield commercially viable results. Where exploration efforts are unsuccessful, the Canacol Group’s ability to replace produced volumes becomes limited.
15. Despite the Canacol Group’s extensive onshore position, recent exploration efforts (requiring significant capital expenditure) failed to establish commercially recoverable reserves. These unsuccessful exploration efforts, combined with natural diminishing production from established wells, have directly impacted the Canacol Group’s revenue generation while fixed operating costs have increased.
16. Decreased production has placed a significant strain on the Canacol Group’s cash flow position. This liquidity strain has been exacerbated by, among other things, a recent ruling by Colombian Arbitration and Conciliation Center of the Bogotá Chamber of Commerce (the **“Arbitral Tribunal”**) ordering CNE Panama and CNE O&G Colombia to pay approximately US\$22,000,000 to one of its customers following a contractual dispute.
17. The liquidity strain facing the Canacol Group has impeded its ability to continue exploration efforts with a view to discovering new, producing fields on the Oil and Gas Properties. In this regard, the Canacol Group has not had access to the capital required to begin exploration activities on over 180 fields.
18. In light of the foregoing, the Canacol Group is facing an imminent and severe liquidity crisis. As further described herein, the Canacol Group is unable to meet its obligations as they become due.

Based on the Canacol Group’s current cash flow position, Canacol will not be able to remit significant scheduled payments that are due to its lenders this month. Absent Court protection from its creditors, Canacol is at significant risk of its creditors exercising their rights and remedies against the Canacol Group.

19. Over the past several months, the Canacol Group has undertaken efforts to seek refinancing from other sources in an effort to address these issues, make payment of its obligations to creditors and obtain the capital required to continue exploration efforts. Despite focused attempts to refinance, these efforts have not been successful.
20. As a result of the foregoing, the Applicants are seeking protection under the CCAA to, among other things, protect their assets, maintain operations in order to avoid any disruption to the supply of the Colombian electric grid, and obtain the necessary breathing room to explore restructuring options, including financial restructuring and sale and investment processes, with the intention of maintaining the business as a going concern and preserving stakeholder value.
21. Since the Canacol Group’s operations, assets, and valuable trade and business relationships are located in a number of jurisdictions, immediately following the commencement of these CCAA proceedings, the Applicants intend to initiate recognition proceedings in Colombia (the “**Colombia Recognition Proceedings**”) and the United States (the “**US Recognition Proceedings**”) in order to recognize and enforce these CCAA proceedings in these jurisdictions, and avoid potential adverse action being taken by creditors where the Canacol Group companies operate.

## BACKGROUND AND BUSINESS OPERATIONS

### Corporate Structure

22. Canacol is the parent company of the Canacol Group. Each other corporate member of the Canacol Group is a direct or indirect subsidiary of Canacol. A true copy of the corporate organizational chart showing the structure of the Canacol Group as at November 16, 2025 is attached as **Exhibit “B”**.
23. In 2024, the Canacol Group completed a normal course corporate restructuring, on notice to and with the consent of its lenders. As a result of this restructuring, certain guarantor entities under Canacol’s then existing financing arrangements changed through various mergers, amalgamations and transactions, such that the remaining successor entities providing guarantees are now as follows:<sup>1</sup>

<b>Guarantor (Predecessor)</b>	<b>Guarantor (Current)</b>
“Canacol Energy Inc.”	Canacol ULC
“Geoproduction Holding GmbH” and “Canacol Holding GmbH”	Shona Switzerland

<sup>1</sup> In addition, each of “Shona Energy Holding ULC”, “Shona Energy ULC”, and “CECSA Energy, Inc.”, were dissolved.

“Shona Energy Limited Partnership” and “Shona Energy Holdings Limited Partnership”	249 Alberta
“Cantana Energy S.A.”	Cantana Switzerland

### Canacol

24. Canacol was incorporated under the *British Columbia Company Act* on July 20, 1970, and was continued under the *Alberta Business Corporations Act* (the “**ABCA**”) on November 24, 2004. A true copy of a corporation search in respect of Canacol from the Alberta corporate registration system is attached as **Exhibit “C”**.
25. Canacol’s head office is located at Suite 2000, 215 - 9th Avenue S.W., Calgary, Alberta (the “**Head Office**”) and its registered office is located at 1000 Livingston Place, 250 - 2nd Street S.W., Calgary, Alberta (the “**Registered Office**”). Canacol has a material branch office in Bogotá, Colombia at Calle 113 No. 7-45 Torre B Oficina 1501 (the “**Colombia Branch Office**”).
26. Canacol is a publicly traded company. Its common shares are listed on (1) the Toronto Stock Exchange (the “**TSX**”) under trading symbol “CNE”, (2) the OTCQX International Premier under the trading symbol “CNNEF” and (3) the Bolsa de Valores de Colombia (the “**BVC**”), the principal stock exchange of Colombia, under trading symbol “CNEC”. Canacol is a reporting issuer in each Province in Canada, with the exception of Quebec.
27. Canacol’s fiscal year end is December 31. Canacol’s most recent annual information form dated March 20, 2025 for the year ended December 31, 2024 (the “**AIF**”), as published to the System for Electronic Document Analysis and Retrieval + (“**SEDAR+**”), is attached as **Exhibit “D”**. A true copy of Canacol’s management discussion and analysis for the three and nine months ended September 30, 2025 (the “**MD&A**”), also published to SEDAR+, is attached as **Exhibit “E”**.

### The Canadian Subsidiaries

28. Each of 265 Alberta, Canacol ULC, and 249 Alberta were incorporated pursuant to the ABCA. The registered office of each of the Canadian Subsidiaries is the Registered Office.
29. Each of the Canadian Subsidiaries are holding companies. True copies of corporation searches in respect of each of the Canadian Subsidiaries from the Alberta corporate registration system are attached as **Exhibit “F”**.

### The Swiss Subsidiaries

30. Cantana Switzerland and Shona Switzerland were each formed under the laws of Switzerland. The registered office of each of the Swiss Subsidiaries is Pilatusstrasse 41, 6003 Luzern, Switzerland.
31. Shona Switzerland is a holding company and is a wholly owned subsidiary of 249 Alberta.

32. Cantana Switzerland is a wholly owned subsidiary of Canacol. Cantana Switzerland, acting as a foreign company registered in Colombia through its Colombian branch, Cantana Colombia, is the contractor under certain of the E&P Contracts with ANH described in Exhibit “A”, previously attached.

CNE Panama

33. CNE Panama, was formed under the laws of Panama. The registered office of CNE Panama is Punta Pacífica, Edificio PH Oceanía Business Plaza, Torre 2000, Nivel 18, Oficina 18E, Ciudad de Panamá.
34. The shareholders of CNE Panama are Canacol (65% interest) and Canacol ULC (35% interest). CNE Panama, acting as a foreign company registered in Colombia through its Colombian Sucursal, CNEOG Colombia, is the contractor under certain of the E&P Contracts with ANH described in Exhibit “A”, previously attached.

The Colombian Subsidiaries

35. Canacol Colombia, CNE Energy Colombia, and CNE O&G Colombia were each formed under the laws of Colombia. The registered office of each of the Colombian Subsidiaries is the Colombian Branch Office.
36. Canacol Colombia is a wholly owned subsidiary of Canacol ULC. Canacol Colombia is the contractor under certain of the E&P Contracts with ANH described in Exhibit “A”, previously attached, as well under the Rancho Hermoso Participation Agreement with Hocol.
37. CNE Energy Colombia is a holding company and a wholly owned subsidiary of Canacol. Together with Canacol, it owns CNE O&G Colombia.
38. CNE O&G is the Canacol Group’s primary operating Colombian Subsidiary and is the contractor under a majority of the E&P Contracts with ANH described in Exhibit “A”, previously attached.

Sucursals (Branches)

39. Cantana Switzerland and CNE Panama operate in Colombia through registered branches (known as sucursales) as detailed below:

<b>Subsidiary</b>	<b>Sucursal</b>
Cantana Switzerland	Cantana Energy Sucursal Colombia (“ <b>Cantana Colombia</b> ”)
CNE Panama	CNEOG Colombia Sucursal Colombia (“ <b>CNEOG Colombia</b> ”)
	Collectively, the (“ <b>Sucursales</b> ”)

40. Sucursales are registered with the Colombian Chamber of Commerce. I have been advised by counsel and believe that Sucursales do not have independent legal personality separate and apart

from their parent Subsidiary, and all assets and property of each Sucursal are held for the account of the parent Subsidiary.

### **Business of the Canacol Group**

41. The Canacol Group's core business is to find natural gas onshore in northern Colombia, produce it, treat it to meet established quality standards, and deliver it through pipelines to customers such as power generators, industrial users, and city gas distributors. The Canacol Group conducts most operations through Canacol's direct and indirect Colombian Subsidiaries and Sucursales.
42. Under the Canacol Group's E&P Contracts, the group: (1) bears the risk and cost of exploration and development; (2) if commercial gas is discovered, owns the produced gas (subject to payment of royalties to the state) and may sell it under Colombian law; and (3) proceeds to explore, evaluate, and produce gas subject to specified timelines and work commitments.
43. Exploration is the search phase. It typically involves reviewing geological information and acquiring modern subsurface imaging; drilling a limited number of exploration wells where the data indicates promising gas accumulations; and, if an exploration well confirms a discovery, conducting follow-up appraisal work and preparing a development plan.
44. If a discovery is commercial, the Canacol Group develops it by drilling producing wells and connecting those wells to its central gas treatment facility, known as Jobo. At Jobo, the gas is treated to meet sales specifications by removing moisture and trace impurities. The Canacol Group's gas is dry and predominantly methane, which generally requires minimal processing and results in a comparatively low emissions footprint. After treatment and measurement at Jobo, the gas enters third-party pipelines that transport it to end markets. Natural gas is delivered to customers, primarily for electricity generation, as well as to industrial and distribution clients.
45. As discussed in further detail below, the Canacol Group sells most of its gas under long-term, fixed-price, U.S. dollar-denominated Offtake Agreements (as defined below) to customers, for ultimate supply to residential and commercial end users. These Offtake Agreements typically set firm daily or monthly quantities, include take-or-pay provisions under which the customer pays for contracted volumes even if not taken (subject to agreed exceptions), and specify delivery points and quality standards.
46. In addition to its production and sale of natural gas, the Canacol Group also produces oil, although these activities are a lesser part of the overall business.

### *Gas Sale Revenues and Arrangements with Promigas*

47. Revenues generated from Offtake Agreements between the Canacol Group and its customers are paid (1) directly into bank accounts<sup>2</sup> operated by the Canacol Group (approximately 10% of revenues in the most recent quarter); and (2) into a trust (the "**Promigas Trust**") held for Promigas S.A. E.S.P. ("**Promigas**"), as beneficiary (approximately 90% of revenues in the most recent fiscal quarter).

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<sup>2</sup> As described in further detail below, the bank accounts receiving payments that are not being made to the Promigas Trust are subject to deposit account control agreements in favour of Macquarie.

48. Promigas is an oil and gas infrastructure company that transports a large portion of Colombia's natural gas. Promigas has an arrangement with the Canacol Group for the transport of a portion of Canacol's natural gas through Promigas' network of pipelines.
49. The Promigas Trust provides a mechanism by which Promigas is guaranteed payment of its gas transportation fees charged to Canacol Group.
50. Offtake payments for supply transported by Promigas are paid in full to the Promigas Trust. Promigas' transport fees are deducted and the residual amounts are remitted to the Canacol Group.

### Management of the Canacol Group

51. The names, titles and residence of each of the directors and officers of Canacol are as summarized in the following table:

<b>Name</b>	<b>Title</b>	<b>Location of Residence</b>
Charle Gamba	Director, President, Chief Executive Officer	Toronto, Ontario
Michael Hibberd	Director, Chairman	Calgary, Alberta
David Winter	Director	Calgary, Alberta
Francisco Diaz	Director	Bogotá, Colombia
Gustavo Gattass	Director	Rio de Janeiro, Brazil
Valentina Garbarini	Director	Madrid, Spain
Silvestre Tovar Leopardi	Director	Maranda State, Venezuela
Jason Bednar	Chief Financial Officer	Calgary, Alberta
Ravi Sharma	Chief Operating Officer	Houston, Texas
Anthony Zaidi	Vice President of Business Development, General Counsel and Corporate Secretary	Panama City, Panama
Tracy Whitmore	Vice President of Tax and Corporate Affairs	Calgary, Alberta
Carolina Orozco	Vice President Investor Relations and Communications	London, United Kingdom

Aurora Juan	Vice President of Development	Calgary, Alberta
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52. The directors of each of the Canadian Subsidiaries are (1) Jason Bednar, (2) Tracy Whitmore and (3) Anthony Zaidi.
53. The directors and officers of each of the Swiss Subsidiaries are (1) Andres Valenzuela Pachon (director and president of the management), (2) Jason Bednar (director and manager), (3) Gerry McEvoy (director and manager), (4) Stefan Smith (director and manager), and (5) Tracy Whitmore (director and manager).
54. The Colombian Subsidiaries and CNE Panama have separate directors and officers, however, they are under the ultimate control and management of the executive management of Canacol.

### Employees

55. In the aggregate, the Canacol Group employs approximately 381 full-time employees across various jurisdictions. The geographic and per-entity distribution of the Canacol Group's employees is as follows:

<b><u>Canacol</u></b>	
<u>Location and Number of Employees</u>	
Canada:	29
<b><u>CNE Panama (through its Sucursal, CNEOG Colombia)</u></b>	
<u>Location and Number of Employees</u>	
Colombia:	202
<b><u>CNE O&amp;G Colombia</u></b>	
<u>Location and Number of Employees</u>	
Colombia:	138
<b><u>Canacol Colombia</u></b>	
<u>Location and Number of Employees</u>	
Colombia:	12

56. In addition to full-time employees, the Canacol Group engages the services of professionals on a contract or consultant basis in Colombia and the United States.

57. The Canacol's employees in Canada are not unionized, and Canacol does not administer any pension plans.
58. Employees that are employed by CNE Panama (through its Sucursal, CNEOG Colombia), CNE O&G Colombia and Canacol Colombia in respect to field operations in Colombia are members of either the People First Worldwide (PFW) or Union Sindicato Obrera (USO) trade unions.

### **Leases**

59. Canacol leases its Head Office space pursuant to a lease agreement with Morguard 9<sup>th</sup> Avenue Limited Partnership.
60. Canacol also leases two offices in Bogotá, Colombia through lease agreements with Edificio Teleport Business Park and Inmobiliaria Teleport S.A., and a warehouse storage facility in Bogotá, Colombia through a lease agreement with Keep and Go S.A.S.
61. In addition to the office and warehouse leases noted above, the Canacol Group also leases certain equipment and obtains other services in connection with its gas production and operations in Colombia, including from:
  - (a) Enerflex Ltd. ("**Enerflex**") in respect of natural gas compression services used in Colombian operations;
  - (b) CPP Testing SAS in respect of a three-phase test separator (used to separate and measure oil and gas from production fluids in Colombia);
  - (c) San Pablo Apóstol IPS in respect of Colombian on-site ambulance services; and
  - (d) Dell Canada in respect of certain office equipment for use in the Head Office.

### **Bank Accounts and Cash Management**

62. The Canacol Group maintains and administers bank accounts in Canada, the United States, Colombia, Argentina and Bolivia.
63. As set out above, revenues from natural gas sales pursuant to Offtake Agreements are received by the Canacol Group from the Promigas Trust, and to a lesser extent, from customers directly. These revenues are remitted to deposit accounts operated by the Canacol Group at Davivienda Bank in Colombia and Citi Bank in New York. In accordance with the loan documents in effect between Canacol and Macquarie, these accounts are subject to deposit account control agreements (each, a "**DACA**"). Until the DACAs have been triggered, Canacol Group deals with monies in these accounts to fund its operations.
64. In addition to the deposit accounts described above, the Canacol Group operates six general operating accounts in New York and Calgary at Citi Bank, JP Morgan and Bank of Nova Scotia. These accounts are used for the general purposes of the business.
65. Numerous other bank accounts are operated in Colombia by the Canacol Group at several financial institutions and are used for local banking by the Colombian Subsidiaries, Cantana

Switzerland (via its Sucursal, Cantana Colombia), and CNE Panama (via its Sucursal, CNEOG Colombia).

66. In connection with these CCAA proceedings, the Applicants are seeking the authority to continue the cash management system described above (the “**Cash Management System**”) to maintain the funding and banking arrangements already in place for the Canacol Group. The Cash Management System includes the necessary accounting controls to enable the Canacol Group to trace funds and ensure that all transactions are adequately documented and readily ascertainable. Any disruption to the Cash Management System would be extremely detrimental to the Canacol Group’s operations. To this extent, it is important that Canacol’s creditors be prevented from exercising control over its deposit accounts.

### **Customers**

67. The Canacol Group sells gas to Colombian customers pursuant to standard form gas offtake agreements (collectively, the “**Offtake Agreements**”). Pursuant to the Offtake Agreements, the Canacol Group entity with rights under an E&P Contract (each a “**Seller**”) agrees to deliver natural gas meeting national transport regulation quality specifications at agreed delivery points.
68. The terms of the Offtake Agreements generally fall under three categories (1) Firm-95% (“**CF95**”) terms; (2) conditional firm (“**CFC**”) terms; or interruptible (“**CI**”) terms.
69. Pricing under each of the Offtake Agreements is determined at a fixed price (\$US/MBTU).
70. CF95 contracts incorporate a “take-or-pay” construct. Under CF95 terms, once the customer agrees to accept the maximum daily firm energy quantity, the Seller (i.e., Canacol) commits to having available and delivering that quantity. The customer must pay at least a minimum amount equal to 95% of the contracted quantity each month. Where gas is not delivered or received, a regulatory compensation formula for shortfalls is imposed on Canacol.
71. Under CFC contracts, the customer is obligated to pay the minimum amount equal to 95% of the contracted energy quantity each month, except during “probable scarcity” conditions. Like CF95 terms, where gas is not delivered or received, a regulatory compensation formula for shortfalls is imposed on the Seller.
72. The CI contracts define the volume of gas to be supplied as the daily interruptible energy quantity with no “take or pay”-type obligation. Under these agreements, either party may halt supply at any time on six hours’ notice. Where gas is not delivered or received, no compensation or liability arises.
73. A summary of all current Offtake Agreements, including the agreement number, customer number, Seller identity, and term is attached as **Exhibit “G”**.

### **Colombian Regulatory Framework**

74. I am advised by counsel and am generally aware that under Colombian law, the subsoil and non-renewable resources (including hydrocarbons) belong exclusively to the nation, and the Colombian Government has full authority to determine the rights to be held and royalties or compensation to be paid by investors for the exploration or production of any hydrocarbon

reserves, based on the production volume of each production field. The royalties payable by private parties are determined by law.

75. The hydrocarbon industry and its activities of exploration, exploitation, refinement, transportation and distribution are, by law, of public interest, and heavily regulated.
76. As described above, ANH offers E&P Contracts which grant companies the right to receive and dispose of all the production obtained (subject to the payment of royalties and ANH's economic rights).
77. ANH grants E&P Contracts through competitive procedures called “Rondas”, through which interested oil and gas companies participate in public bidding procedures. The ANH grants the contract to the company that offers higher investment commitments and economic rights to the ANH.
78. Royalties applicable to hydrocarbons are paid in cash to the ANH. Royalty rates are determined (in respect of crude oil and natural gas production fields discovered after July 1999) in accordance with a sliding scale depending on the produced volume (from 8% for fields producing up to 5 million barrels to 25% for fields producing in excess of 5 million barrels).

## **CURRENT FINANCIAL POSITION OF THE CANACOL GROUP**

### **Financial Statements**

79. Attached as **Exhibit “H”** are the following financial statements prepared by the Canacol Group within the year preceding the date of this Affidavit:
  - (a) Interim Consolidated Financial Statements (Unaudited) for the three and nine months ended September 30, 2025 (the “**Q3 Interim Financial Statements**”);
  - (b) Interim Consolidated Financial Statements (Unaudited) for the three and six months ended June 30, 2025; and
  - (c) Consolidated Audited Annual Financial Statements for the year ended December 31, 2024.

### **Assets**

80. According to the Q3 Interim Financial Statements, the Canacol Group’s consolidated balance sheet discloses the following assets:
  - (a) Current Assets
    - (i) Cash and cash equivalents: \$36.539 million
    - (ii) Trade and other receivables: \$22.928 million
    - (iii) Tax installments and receivables: \$37.942 million
    - (iv) Other current assets: \$12.606 million

- (b) Non-Current Assets
  - (i) Trade and other receivables: \$22.134 million
  - (ii) Exploration and evaluation assets: \$182.054 million
  - (iii) Property, plant and equipment: \$741.577 million
  - (iv) Deferred tax assets: \$226.687 million
  - (v) Investments \$5.445 million
  - (vi) Other non-current assets: \$4.506 million

Trade and Other Receivables

81. The Canacol Group's trade receivables primarily relate to the sales of natural gas and crude oil. The company typically collects trade receivables within 45 days of the month of production, either through remittance by Promigas Trust or direct customer payments as described above.

Exploration and Evaluation Assets

82. These assets are E&P Contracts that are in the exploration stage and are in early-stage development.

Property, Plant and Equipment

83. When exploration and evaluation assets are determined to be technically feasible and commercially viable, the accumulated costs are transferred to development and production assets. The Canacol Group's natural gas and crude oil development and production assets represent a substantial portion of the group's value, and include its E&P Contracts and the Rancho Hermoso Participation Agreement.
84. The average daily production of the Canacol Group's operated blocks on the Oil and Gas Properties in Colombia for the year ended December 31, 2024 was 29,597 barrels of oil equivalent per day (boe/d).
85. As described above, gas produced from blocks is gathered and transported by dedicated flow lines to the company's central processing hub at Jobo, where it is treated, compressed, measured, and then delivered into third-party pipelines for sale to industrial users, power generators, and city markets.
86. The Jobo complex consists of three plants: Jobo 1A/1B, Jobo 2 (commissioned 2016), and Jobo 3 (commissioned 2019). The facilities are designed to prepare the gas to meet Colombian sales specifications using an efficient, low-energy process. The treatment process includes the following steps:
- (a) **Primary separation:** removes free liquids and any entrained condensate.
  - (b) **Dehydration:** removes moisture to protect pipelines and meet sales specs.

- (c) **Hydrocarbon dew-point control:** gas is chilled to remove remaining liquids.
- (d) **Compression:** gas is then compressed using compressors for entry into sales pipelines.
- (e) **Filtration and measurement:** final filtration and custody-transfer metering confirm gas quality and quantity before delivery.

87. Once treated, the gas leaves Jobo through four third party export pipelines:

- (a) A 10-inch line flowing about 80 km south to the Cerromatoso ferro nickel mine.
- (b) A 20-inch line running roughly 240 km north to Cartagena and Barranquilla, where much of the gas fuels power generation.
- (c) A combination 8 inch and 6-inch line with two compressor stations transporting gas to Cartagena via Sincelejo.
- (d) A 6 inch line about 10 km west to the El Tesorito power plant.

## **Liabilities**

88. Below is a snapshot of the Canacol Group's current and non-current liabilities disclosed on the Q3 Interim Financial Statements:

- (a) Current Liabilities:
  - (i) Current portion of long-term debt: \$42.172 million
  - (ii) Trade and other payables: \$107.607 million
  - (iii) Deferred income: \$21.202 million
  - (iv) Lease obligations: \$4.563 million
  - (v) Taxes payable: \$7.744 million
  - (vi) Long-term incentive compensation liabilities: \$2.056 million
  - (vii) Other long-term obligations: \$1.337 million
- (b) Non-Current Liabilities:
  - (i) Long-term debt: \$672.200 million
  - (ii) Lease obligations: \$4.271 million
  - (iii) Decommissioning obligations: \$26.861 million
  - (iv) Deferred tax liabilities: \$9.583 million
  - (v) Long-term incentive compensation liabilities: \$1.589 million

- (vi) Other long-term obligations: \$5.631 million

***Secured Indebtedness***

***Macquarie Bank Ltd. Credit Facility (Secured)***

89. Canacol is the borrower under a Credit and Guarantee Agreement dated September 3, 2024 with Macquarie as Administrative Agent, Collateral Agent, and Sole Lead Arranger and Bookrunner (the “**Macquarie Credit Agreement**” and the facility thereunder, the “**Macquarie Credit Facility**”). A copy of the Macquarie Credit Agreement is attached as **Exhibit “I”**.
90. The Macquarie Credit Facility is a secured term loan facility for an aggregate commitment of US\$75,000,000.
91. Pursuant to the Macquarie Credit Agreement, Canacol requested an initial borrowing of US\$50,000,000. Subsequent borrowings under the Macquarie Credit Agreement are conditional upon, among other things, Canacol having met certain specified production targets during the two months preceding the applicable borrowing date. To date, the Canacol Group has not achieved these production targets, and no additional draws have been advanced to Canacol from the Macquarie Credit Facility. As at November 17, 2025, the indebtedness owing to Macquarie under this facility will be US\$37,500,000.
92. Interest accrues on the Macquarie Credit Facility at the rate of SOFR plus an “Applicable Margin”, namely 8% per annum. The Applicable Margin increases to 10% in certain circumstances. Upon the occurrence of an event of default, an additional 2% default rate of interest applies. As at November 17, 2025, the Applicable Margin is 10%.
93. The maturity date of the Macquarie Credit Facility is September 15, 2026, subject to earlier maturity, triggered by, failure by the Canacol Group to meet certain specified production metrics, or failure to provide required reporting. The Canacol Groups’ average total realized contractual sales volume for the last two consecutive months as at June 30, 2025, was below the requisite 130MM cfe/d production metric, thereby triggering the accelerated amortization event clause under the agreement. As a result, the Macquarie Credit Facility began to amortize over eight equal monthly installments starting on September 15, 2025.
94. Following the corporate restructuring previously described above, the Macquarie Credit Facility is guaranteed by certain Subsidiaries of Canacol, namely, 265 Alberta, 249 Alberta, Canacol ULC, Canacol Colombia, CNE O&G Colombia, CNE Energy Colombia, CNE Panama, Shona Switzerland and Cantana Switzerland.
95. As security for the Macquarie Credit Facility, the Macquarie Credit Agreement contemplates U.S. and Colombian collateral documents that are intended to give Macquarie (i) a first-priority security interest against the Canacol Group’s assets in Colombia and the United States, (ii) springing control over certain US and Colombian collection accounts pursuant to the DACAs, and (iii) pledges of the shares of key Subsidiaries.
96. Although Canacol is an Alberta corporation and the borrower under the Macquarie Credit Agreement, Canacol neither executed a Canadian security agreement in favour of Macquarie, nor did Macquarie register financing statements against Canacol or any other Canadian guarantor under applicable personal property legislation in Alberta. Attached as **Exhibit “J”** is a copy of

the Personal Property Registry search results for Canacol and the Canadian Subsidiaries highlighting no financing statement registrations against any of these entities.

### ***Unsecured Indebtedness***

#### *Revolving Syndicated Credit Facility (Unsecured)*

97. Canacol, as borrower, is party to a Revolving Credit and Guarantee Agreement dated February 14, 2023 (the “**Syndicate Credit Agreement**”) with Deutsche Bank Trust Company Americas, as Administrative Agent, and CitiGroup Global Markets Inc. Deutsche Bank, AG and JP Morgan Chase Bank, N.A., as joint lead arrangers and joint bookrunners, and a syndicate of lenders. A copy of the Syndicate Credit Agreement (without schedules and exhibits) is attached as **Exhibit “K”**.
98. The facility is an unsecured revolving credit facility with an aggregate commitment of US\$200,000,000, available for multiple draws during the availability period.
99. Loans under the facility bear interest, at Canacol’s election, either at SOFR plus 4.50% per annum or at an Alternate Base Rate<sup>3</sup> plus 3.50% per annum. During any event of default, interest accrues at a rate 2.00% per annum above the rate otherwise applicable.
100. The facility under the Syndicate Credit Agreement matures on February 14, 2027. As at November 17, 2025, the indebtedness owing to the lenders under this facility will be US\$200,000,000.
101. Following the corporate restructuring previously described above, the facility is guaranteed by certain subsidiaries of Canacol, namely, Canacol ULC, Canacol Colombia, CNE O&G Colombia, CNE Energy Colombia, CNE Panama, and Shona Switzerland.

#### *Indenture (Unsecured)*

102. Canacol, as issuer, is party to an indenture dated November 24, 2021 (the “**Indenture**”) with Citibank, N.A., as Trustee, Security Registrar and Paying Agent, providing for the issuance of Canacol’s 5.750% Senior Notes due 2028. A copy of the Indenture is attached as **Exhibit “L”**.
103. The Indenture governs the issuance of senior unsecured notes by Canacol in an aggregate principal amount of US\$500,000,000.
104. The notes bear interest at a fixed rate of 5.750% per annum, payable semi-annually in arrears on May 24 and November 24 of each year. A failure to pay any interest when due constitutes an event of default if it remains uncured for 30 days. Overdue principal and premium bear interest at the note rate plus 1.00% per annum.
105. On March 26, 2025, Canacol repurchased US\$5,000,000 of unsecured notes on the open market for US\$2,750,000.00, such that the aggregate principal amount of the notes outstanding is now US\$495,000,000.

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<sup>3</sup> On any day, the Alternate Base Rate is the greater of (a) the prime rate last quoted by The Wall Street Journal (or a comparable published “bank prime loan” rate if WSJ ceases quoting), (b) the overnight federal funds effective rate, plus 50 basis points, or (c) the forward-looking one-month Term SOFR, plus 100 basis points.

106. The notes mature on November 24, 2028.
107. The notes are guaranteed on a senior unsecured basis by the following Subsidiaries of Canacol (following the corporate restructuring previously described above): Canacol ULC, Canacol Colombia, CNE O&G Colombia, CNE Energy Colombia, CNE Panama, and Shona Switzerland.

Letters of Credit

108. The Canacol Group’s E&P Contracts described above require Canacol to provide guarantees and financial assurances for work commitments related to each contract. As at October 31, 2025, the Canacol Group had letters of credit outstanding totaling US\$61,272,727 to guarantee those work commitments on exploration blocks and other contractual commitments. Certain of these letters of credit expire as of December 31, 2025 and will need to be renewed or replaced at that time.
109. A summary of the Canacol Group’s outstanding letters of credit are summarized below:

<b>BANK</b>	<b>\$US</b>
Banco de Occidente	2,286,713
Banco de Occidente	11,751,650
Citibank Colombia	17,243,426
Banco Santander	7,785,513
Citibank N.A.	2,558,494
EDC	13,605,136
Banco Davivienda	5,791,795
Banco Nacional Bolivia	250,000
<b>TOTAL LCs - USD</b>	<b>US\$61,272,727</b>

Trade Creditors

110. As at the Q3 Interim Financial Statements, the Canacol Group owed trade creditors approximately \$107.607 million.
111. The Canacol Group’s material and key trade creditors are located in Colombia. These trade creditors provide services critical to the Canacol Group’s exploration, development and production activities. These services include, among other things, oil and gas operational and technical consulting, all drilling services (including the provision of specialized machinery and equipment, fluid solutions, waste management), production services (lubricants, steel, processing services, compression), distribution and logistics services, IT and telecom services, and staffing, human resources and facilities management.

***CRA and other Taxing Authorities***

112. The Canacol Group is current on all GST and source deductions.

### ***Legal Proceedings***

113. The Canacol Group is subject to a number of litigation proceedings. The most material are further described below.

#### ***The Class Action Proceedings***

114. In early 2025, a proposed class action (the “**Class Action**”) was commenced against Canacol, alleging secondary market misrepresentation in connection with a pipeline (the Medellin pipeline) project. The proposed action alleges that Canacol omitted certain material facts regarding its progress towards completing the Medellin pipeline project. The Class Action is not yet certified.
115. Canacol intends to vigorously oppose certification and denies all allegations made in the Statement of Claim issued in connection with the Proposed Class Action. The Company has D & O insurance coverage.

#### ***The Arbitral Award***

116. In 2025, the Arbitral Tribunal convened to resolve a dispute arising from CNE O&G Colombia’s and CNE Panama’s (the “**Canacol Arbitration Parties**”) termination of three natural gas Offtake Agreements with VP Ingenergia (“**VPI**”).
117. In connection with this dispute, the Canacol Arbitration Parties alleged breaches under certain Offtake Agreements, including VPI’s failure to provide valid contractual guarantees and non-payment for delivered gas. In response, VPI claimed that a 2023 force majeure event claimed by the Canacol Arbitration Parties was invalid.
118. The Arbitral Tribunal determined a net amount payable by the Canacol Arbitration Parties of approximately US\$22,000,000 (the “**Arbitral Award**”). The Arbitral Award against Canacol is expected to become binding on November 20, 2025.
119. Canacol is reviewing the award in light of invoices it says remain unpaid by VPI and Colombian court payment orders in Canacol’s favour amounting to approximately US\$25 million, and it is separately pursuing an international arbitration claiming sums exceeding US\$76 million.

### **EVENTS LEADING TO APPLICANTS’ CURRENT CIRCUMSTANCES**

120. Over recent months, the Canacol Group’s financial and operational performance has struggled as a result of diminished production from producing gas fields and unsuccessful exploration efforts. The financial strain that has resulted from these operational challenges has precluded the Canacol Group from pursuing further exploration, leaving it unable to source new revenues from new producing reservoirs. The Canacol Group’s liquidity constraints will be only further exacerbated once the Arbitral Award becoming binding on November 20, 2025.

#### ***Impending Payment Defaults under Canacol’s Debt Facilities***

121. Under the terms of the Macquarie Credit Agreement, where an “Accelerated Amortization Event” has occurred (as is the case), installments of principal, in addition to interest, are due on the 15<sup>th</sup> day of each calendar month until maturity (each a “**Macquarie Amortization Payment**”).

122. Under the Syndicate Credit Facility, payments of interest (each a “**Syndicate Interest Payment**”) are payable in arrears on each “**Payment Date**”, meaning the last day of each 3-month interest period.
123. Finally, pursuant to the Indenture, semi-annual interest payments (each an “**Indenture Interest Payment**”) are due on the 24<sup>th</sup> day of May and November of each calendar year until maturity.
124. In light of the foregoing, the following payments are due by Canacol to its secured and unsecured lenders in November:
  - (a) Macquarie Amortization Payment: due on November 18, 2025, in the amount of US\$6,746,972.69.
  - (b) Syndicate Interest Payment: due on November 21, 2025, in the approximate amount of US\$4,454,312.89; and
  - (c) Indenture Interest Payment: due on November 24, 2025, in the amount of US\$14,231,250.00.(collectively, the “**November Payments**”).
125. Canacol does not have sufficient liquidity to make the November Payments when due. As a result, Canacol group is at immediate risk of defaulting under the Macquarie Credit Agreement, and subsequently, the Syndicate Credit Agreement and Indenture (the “**Impending Payment Defaults**”). I further note that a payment default under the Macquarie Credit Agreement would result in cross default under the Syndicate Credit Agreement and Indenture (the “**Cross Defaults**”, and together with the Impending Payment Defaults, the “**Impending Defaults**”). The Impending Defaults would entitle such creditors to enforce their remedies against Canacol.

### ***Operational Challenges***

126. The Canacol Group’s cash flow has been significantly impacted by the weakened operational performance of its portfolio of producing oil wells and gas fields. As previously noted, production from these assets naturally diminishes over time as reserves of oil and gas are depleted from a particular reservoir.
127. In the normal course, the natural depletion of reserves is offset by successful exploration efforts (new reservoirs are discovered, and production follows as a result). Despite there being inherent geological risk that exploration efforts will be unsuccessful, the Canacol Group has encountered unexpected challenges in its recent exploration efforts. In this regard, as of December 31, 2024 Canacol’s proven reserves replacement ratio had decreased to 30%, from 32% in 2023, and 56% in 2022. The lack of success in replacing 100% of produced reserves, along with limited exploration success and diminishing production from established wells, have directly impacted the Canacol Group’s revenue generation while fixed operating costs have increased.
128. As shown in the MD&A:
  - (a) the Canacol Group’s production and realized contractual sales of natural gas, liquid natural gas and oil have decreased for the three and nine months ended September 30, 2025 as compared to the same period in 2024.

Operating	Three months ended September 30,			Nine months ended September 30,		
	2025	2024	Change	2025	2024	Change
Production						
Natural gas and LNG (Mcfpd)	127,451	164,551	(23%)	128,500	160,430	(20%)
Colombia oil (bopd)	1,327	1,607	(17%)	1,312	1,571	(16%)
Total (boepd)	23,687	30,476	(22%)	23,856	29,717	(20%)
Realized contractual sales						
Natural gas and LNG (Mcfpd)	121,728	159,764	(24%)	123,106	156,255	(21%)
Colombia oil (bopd)	1,316	1,594	(17%)	1,298	1,555	(17%)
Total (boepd)	22,672	29,623	(23%)	22,896	28,968	(21%)
Operating netbacks <sup>(1)</sup>						
Natural gas and LNG (\$/Mcf)	5.34	5.25	2%	5.30	5.17	3%
Colombia oil (\$/bbl)	16.74	19.81	(15%)	15.68	20.69	(24%)
Corporate (\$/boe)	29.57	29.42	1%	29.45	28.99	2%

(1) Non-IFRS measures – see “Non-IFRS Measures” section within this MD&A.

- (b) as a result of the decrease in realized natural gas and LNG sales volumes, among other things, total revenue has decreased for the three and nine months ended September 30, 2025, as compared to the same periods in 2024. In addition, cash and cash equivalents suffered a 54% decrease as compared to the year ended December 31, 2024, as a result of costs associated with drilling a promising exploration opportunity suggesting strong reservoir quality:

Financial	Three months ended September 30,			Nine months ended September 30,		
	2025	2024	Change	2025	2024	Change
Total revenues, net of royalties and transportation expense <sup>(1)</sup>	69,491	87,934	(21%)	207,035	253,913	(18%)
Adjusted funds from operations <sup>(1)</sup>	46,072	57,909	(20%)	122,243	157,256	(22%)
Per share – basic (\$) <sup>(1)</sup>	1.35	1.70	(21%)	3.58	4.61	(22%)
Per share – diluted (\$) <sup>(1)</sup>	1.35	1.70	(21%)	3.58	4.61	(22%)
Net income (loss) and comprehensive income (loss)	18,662	10,346	80%	64,319	(7,298)	n/a
Per share – basic (\$)	0.55	0.30	83%	1.89	(0.21)	n/a
Per share – diluted (\$)	0.55	0.30	83%	1.89	(0.21)	n/a
Cash flows provided by operating activities	48,003	21,692	121%	136,201	125,613	8%
Per share – basic (\$) <sup>(1)</sup>	1.41	0.64	120%	3.99	3.68	8%
Per share – diluted (\$) <sup>(1)</sup>	1.41	0.64	120%	3.99	3.68	8%
Adjusted EBITDAX <sup>(1)</sup>	49,112	85,844	(43%)	152,730	220,072	(31%)
Weighted average shares outstanding – basic	34,120	34,111	—%	34,120	34,111	—%
Weighted average shares outstanding – diluted	34,120	34,111	—%	34,120	34,111	—%
Net cash capital expenditures <sup>(1)</sup>	39,116	23,928	63%	146,645	93,659	57%
				September 30, 2025	December 31, 2024	Change
Cash and cash equivalents				36,539	79,201	(54%)
Working capital surplus (deficit)				(29,931)	45,524	n/a
Total debt				747,584	762,313	(2%)
Total assets				1,292,418	1,215,777	6%
Common shares, end of period (000's)				34,120	34,120	—%

129. Significant capital expenditures paid by the Canacol Group in recent months have resulted in the business having little operating cash to commence exploration efforts on other blocks located within the Oil & Gas Properties.
130. Absent CCAA protection, the Canacol Group does not currently have sufficient liquidity to continue normal course operations, let alone incur the extensive capital costs attendant with new exploration processes. A disorderly shut down of operations at this time would not only destroy any prospect of the Canacol Group continuing as a going concern, it would have significant and material impacts on the supply of gas to Colombia's electricity grid.

### ***Efforts to Raise Capital***

131. Since 2024, the Canacol Group has made significant and focused efforts to obtain additional liquidity from both current and outside lenders. In connection with these efforts, Canacol engaged Plexus Capital ("**Plexus**") to assist in sourcing, negotiating and general consulting the terms of potential financing opportunities. Plexus has, since 2010, worked closely with the Canacol Group in securing new financing opportunities, and has successfully assisted Canacol in obtaining reserve based lending, term loan facilities, acquisition financings, private and public bond placements, and bridge facilities.
132. Over the past year, and with the assistance of Plexus, the Canacol Group has attempted to negotiate the following financing arrangements, which, as further described below, advanced to various stages:
  - (a) Three separate efforts to refinance the indebtedness owing to Macquarie from the syndicate of lenders under the Syndicate Credit Agreement. Each of these efforts progressed to the term sheet phase, however ultimately failed to close due to lack of risk and credit committee approval;
  - (b) Three separate efforts to increase the aggregate commitment under the Macquarie Credit Facility or alternatively extend amortization. Each of these efforts progressed to the term sheet phase, however ultimately failed to close due to lack of risk and credit committee approval;
  - (c) Efforts to engage with an major international bank to provide additional financing to the Canacol Group. This effort resulted in consensus on verbal terms, however did not progress to a written term sheet due to lack of risk and credit committee approval; and
  - (d) Recent and ongoing efforts with a private investment group to refinance the indebtedness owing to Macquarie.

### **Restructuring Plan**

133. The Canacol Group requires these CCAA Proceedings and the associated stay of proceedings to obtain the breathing room necessary to allow Canacol to consider its strategic options and alternatives, source and obtain interim financing, and engage in discussions with its stakeholders with a view to restructuring its business and affairs by way of a financial restructuring, sale or recapitalization of its business.

## **THE APPLICANTS MEET THE CCAA STATUTORY REQUIREMENTS**

### **The Applicants are “Companies” under the CCAA**

134. Each entity within the Canacol Group is a company to which the CCAA applies, based on my understanding and the advice of counsel, in respect of which I do not waive privilege.
135. The Colombian Subsidiaries, CNE Panama and the Swiss Subsidiaries are essential corporations to an integrated and consolidated business that is managed and financed in Canada. These Subsidiaries cannot operate independently of Canacol and the Canadian Subsidiaries and vice versa.

### **The Applicants have Claims against them in Excess of \$5,000,000**

136. As discussed above, the Canacol Group has claims against it in excess of \$5 million.

### **The Applicants are Insolvent**

137. The Canacol Group is insolvent. As described above, the Canacol Group is currently facing a looming liquidity crisis. The Canacol Group has run out of time and alternatives to secure alternative cash sources in the immediate term in order to remit payment of the November Payments.

### **The Canacol Group is Centred in Calgary, Alberta**

138. As noted, the Head and Registered Office of Canacol are located in Calgary. Furthermore, the Canacol Group’s mind and management is situated in Calgary where a majority of executive management works.
139. Given the integrated nature of the business and the control exercised over the Subsidiaries, the domicile of the Canacol Group is in Calgary.

## **RELIEF SOUGHT**

### **Stay of Proceedings**

140. The Applicants require a stay of proceedings to:
  - (a) Maintain the *status quo* and provide the Canacol Group with the breathing room required in order to preserve the value of the Applicants, their Property, and to prevent the exercise of remedies by its contractual counterparties, including creditors; and
  - (b) Provide the Applicants with the necessary time and opportunity to prepare and commence a sale and investment solicitation process for a sale of some of all of the equity or assets of the Canacol Group and to explore a financial restructuring with its Subsidiaries.

### **Appointment of Monitor**

141. It is proposed that KPMG will act as Monitor in respect of the Applicants in these CCAA proceedings should the Initial Order be granted.

142. I am advised by Paul van Eyk of KPMG that KPMG is a “trustee” within the meaning of section 2 of the *Bankruptcy and Insolvency Act* (Canada), and is not subject to any of the restrictions on who may be appointed as monitor set out in section 11.7(2) of the CCAA. I understand that KPMG has extensive experience acting as monitor to debtor companies under the CCAA, including cross-border and international proceedings.
143. KPMG has consented to act as Monitor and its signed Consent to Act is attached hereto as **Exhibit “M”**.
144. I understand that the proposed Monitor will file a pre-filing report with the Court as proposed Monitor in conjunction with the Applicants’ request for relief under the CCAA.

### **Administration Charge**

145. It is contemplated that the Monitor, counsel for the Monitor and counsel for the Applicants be granted the Administration Charge against the Property of the Applicants in priority to all other security interests and charges, save and except for the secured claims of Macquarie in respect only of and limited to the Property over which Macquarie has valid and enforceable secured claims, to secure obligations owing in respect of the fees and expenses incurred by such parties.
146. The proposed Initial Order provides for an Administration Charge up to the maximum amount of the Canadian dollar equivalent from time to time of US\$1,000,000. The quantum of the Administration Charge was developed in consultation with the proposed Monitor. The Applicants believe that the Administration Charge is a conservative estimate of the likely exposure of professionals over the Initial Stay Period. The Applicants will be seeking an increase to the Administration Charge at the Comeback Hearing.
147. The Applicants require the expertise, knowledge and continuing participation of the proposed beneficiaries of the Administration Charge in order to complete a successful restructuring. I believe the Administration Charge is necessary to ensure their continued participation.

### **Directors’ Charge**

148. It is contemplated that the Applicants’ directors and officers be granted the Directors’ Charge on the Property of the Applicants in priority to all other charges, save and except for the Administration Charge and the secured claims of Macquarie in respect only of and limited to the Property over which Macquarie has valid and enforceable secured claims, up to a maximum initial amount of the Canadian dollar equivalent from time to time of US\$1,000,000.00. The applicants have consulted with the proposed Monitor to determine the proposed quantum of the Directors’ Charge and believe that its amount is conservative, and the minimum amount required to provide adequate protection to the directors and officers during the Initial Stay Period.
149. The Directors’ Charge is intended to address potential claims that may be brought against directors and officers that are not covered under existing insurance described below. The quantum of the Directors’ Charge has been determined based on the Canacol Group’s aggregate two-week payroll.
150. A successful restructuring of the Applicants will only be possible with the continued participation of the Applicants’ directors and officers. These individuals have specialized expertise and

relationships with the Applicants' stakeholders. In addition, the directors and officers have gained significant knowledge that cannot be easily replicated or replaced.

151. The Applicants maintain insurance policies in relation to the potential liability of their directors and officers (the "**D&O Insurance Policies**"). Although the D&O Insurance Policies insure the directors and officers of the Applicants for certain claims that may arise against them in their capacity as directors and/or officers of the Applicants, coverage is subject to several exclusions and limitations. As a result, there is a potential for inadequate insurance coverage in respect of potential director and officer liabilities. The directors and officers of the Applicants have expressed their desire for certainty with respect to potential personal liability if they continue in their current capacity in the context of a CCAA proceeding and the proposed charge is therefore necessary.

### **Monitor as Foreign Representative**

152. The Canacol Group's restructuring efforts will be assisted by the appointment of KPMG as the proposed Monitor as foreign representative, insofar as I verily believe that it is likely that the courts and authorities in Colombia will more readily recognize and give effect to the measures taken on behalf of the Applicants if they are led by a Court officer.
153. KPMG as the foreign representative will also have the knowledge to act in that capacity if appointed Monitor in the CCAA proceedings. I am advised by KPMG that it has the global capacity to act in court proceedings in concurrent multiple jurisdictions. I verily believe that KPMG acting as foreign representative will create timing and cost efficiencies, and help protect the interests of all stakeholders.

### **CASH FLOW FORECAST**

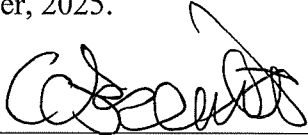
154. With the assistance of the proposed Monitor, the Applicants have undertaken a cash flow analysis to provide the Court and stakeholders with visibility concerning the projected cash position over the Initial Stay Period, from November 16, 2025, to the week ending December 27, 2025 (the "**Cash Flow Forecast**"). I have reviewed the Cash Flow Forecast and understand that a copy of the Cash Flow Forecast will be appended to the proposed Monitor's pre-filing report to be filed in these CCAA proceedings.
155. The Applicants' principal use of cash during these CCAA proceedings will be the costs associated with the ongoing operation of the Canacol Group's business including, among other things, employee compensation, supplier payments, rent payments in connection with leases, and general administrative expenses. In addition to these normal course operating expenses, the Applicants will also incur professional fees and disbursements in connection with these CCAA proceedings, the Chapter 15 Proceedings and the Colombia Recognition Proceedings.
156. The projections in the Cash Flow Forecast indicate that the Applicants will require access to additional funding throughout these CCAA proceedings, should the Initial Order be granted. The Applicants intend to seek approval of a debtor-in-possession term sheet at the Comeback Hearing providing for such interim financing.
157. In order to be able to maintain the business as a going concern, it may be necessary for certain critical suppliers to continue to supply the Canacol Group without interruption. The amount and

terms of payments to be made to critical suppliers during these CCAA Proceedings will be limited to what is necessary in order to preserve value and will be determined under the supervision of the Monitor.

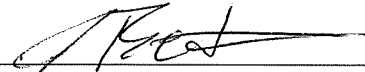
**CONCLUSION**

158. I swear this Affidavit in support of an Application for the relief set out in paragraph 4 of this Affidavit and for no other or improper purpose.

SWORN (OR AFFIRMED) BEFORE ME )  
at Calgary, Alberta, this 16<sup>th</sup> day of )  
November, 2025. )



\_\_\_\_\_)  
A Commissioner for Oaths/Notary Public )  
in and for the Province of Alberta )



\_\_\_\_\_) **JASON BEDNAR**

**Cameron B.M. Brunet**

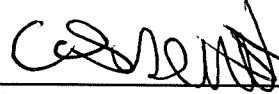
Barrister and Solicitor

Member of the Law Society of Alberta

Notary Public in and for the Province of Alberta

Commissioner for Oaths in and for the Province of Alberta

**EXHIBIT "A"** to the Affidavit of  
Jason Bednar  
Sworn/Affirmed before me  
this 16 day of November, 2025



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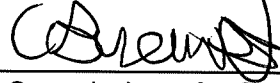
A Commissioner for Oaths in  
and for the Province of Alberta

**Cameron B.M. Brunet**  
Barrister and Solicitor  
Member of the Law Society of Alberta  
Notary Public in and for the Province of Alberta  
Commissioner for Oaths in and for the Province of Alberta

<b>E&amp;P Contract</b>	<b>Canacol Group Counter Party</b>	<b>Canacol Working Interest (%)</b>	<b>Location</b>
<i>VMM 2 E&amp;P Contract</i>	<i>Canacol Colombia</i>	<i>20%</i> <i>Operated by ConocoPhillips</i>	<i>Middle Magdalena Valley Basin</i>
<i>VMM 3 E&amp;P Contract</i>	<i>CNE Panama (acting through its Colombian branch, CNEOG Colombia)</i>	<i>20%</i> <i>Operated by ConocoPhillips</i>	<i>Middle Magdalena Valley Basin</i>
<i>VMM 45 E&amp;P Contract</i>	<i>Cantana Switzerland (Acting through its Colombian branch, Cantana Colombia)</i>	<i>100%</i>	<i>Middle Magdalena Valley Basin</i>
<i>VMM 49 E&amp;P Contract</i>	<i>Cantana Switzerland (Acting through its Colombian branch, Cantana Colombia)</i>	<i>100%</i>	<i>Middle Magdalena Valley Basin</i>
<i>VMM 47 E&amp;P Contract</i> <i>*in the process of being terminated</i>	<i>CNE O&amp;G Colombia</i>	<i>100%</i>	<i>Middle Magdalena Valley Basin</i>
<i>VMM 10-1 E&amp;P Contract</i>	<i>CNE O&amp;G Colombia</i>	<i>100%</i>	<i>Middle Magdalena Valley Basin</i>
<i>VMM 53 E&amp;P Contract</i>	<i>CNE O&amp;G Colombia</i>	<i>100%</i>	<i>Middle Magdalena Valley Basin</i>
<i>Esperanza E&amp;E Contract</i>	<i>CNE Panama (acting through its Colombian branch, CNEOG Colombia)</i>	<i>100%</i>	<i>Lower Magdalena Basin</i>
<i>VIM 21 E&amp;P Contract</i>	<i>CNE Panama (acting through its Colombian branch, CNEOG Colombia)</i>	<i>100%</i>	<i>Lower Magdalena Basin</i>
<i>VIM 5 E&amp;P Contract</i>	<i>CNE O&amp;G Colombia</i>	<i>100%</i>	<i>Lower Magdalena Basin</i>
<i>SSJN-7 E&amp;P Contract</i>	<i>CNE O&amp;G Colombia</i>	<i>100%</i>	<i>Lower Magdalena Valley Basin</i>

<i>VIM 33 E&amp;P Contract</i>	<i>CNE O&amp;G Colombia</i>	<i>100%</i>	<i>Lower Magdalena Basin</i>
<i>VIM 44 E&amp;P Contract</i>	<i>CNE O&amp;G Colombia</i>	<i>100%</i>	<i>Lower Magdalena Basin</i>

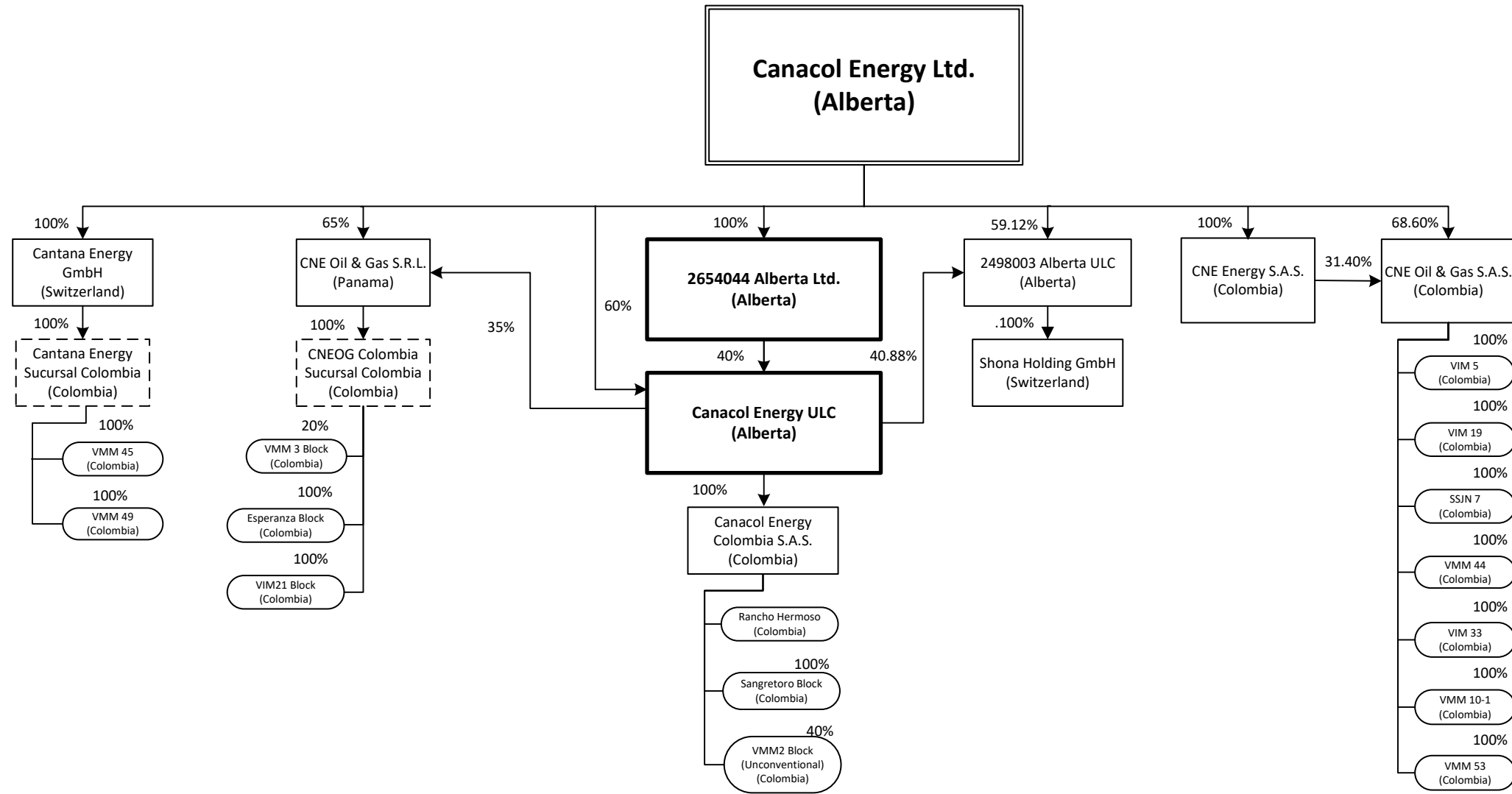
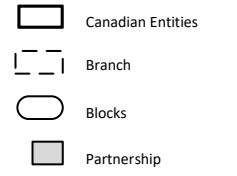
**EXHIBIT "B"** to the Affidavit of  
Jason Bednar  
Sworn/Affirmed before me  
this 16 day of November, 2025



---

A Commissioner for Oaths in  
and for the Province of Alberta

**Cameron B.M. Brunet**  
Barrister and Solicitor  
Member of the Law Society of Alberta  
Notary Public in and for the Province of Alberta  
Commissioner for Oaths in and for the Province of Alberta



**EXHIBIT "C"** to the Affidavit of  
Jason Bednar  
Sworn/Affirmed before me  
this 16 day of November, 2025



---

A Commissioner for Oaths in  
and for the Province of Alberta

**Cameron B.M. Brunet**  
Barrister and Solicitor  
Member of the Law Society of Alberta  
Notary Public in and for the Province of Alberta  
Commissioner for Oaths in and for the Province of Alberta

# Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2025/11/13  
 Time of Search: 02:23 PM  
 Service Request Number: 45858679  
 Customer Reference Number: 06941583-EDD3\_5\_5767095

**Corporate Access Number:** 2020892762  
**Business Number:** 103862074  
**Legal Entity Name:** CANACOL ENERGY LTD.

**Legal Entity Status:** Active  
**Alberta Corporation Type:** Named Alberta Corporation  
**Method of Registration:** Amalgamation  
**Registration Date:** 2018/01/01 YYYY/MM/DD

**Registered Office:**  
**Street:** 1000 LIVINGSTON PLACE, 250 - 2ND STREET SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P0C1

**Records Address:**  
**Street:** 1000 LIVINGSTON PLACE, 250 - 2ND STREET SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P0C1

**Email Address:** CORPORATE.CALGARY@DLAPIPER.COM

**Primary Agent for Service:**

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
WONG-CHOR	TREVOR		DLA PIPER (CANADA) LLP	1000, 250 2ND STREET SW	CALGARY	ALBERTA	T2P0C1	CORPORATE.CALGARY@DLAPIPER.COM

**Directors:**

**Last Name:** DIAZ SALAZAR  
**First Name:** FRANCISCO  
**Street/Box Number:** CARRERA 5 # 76-34, APT 1103  
**City:** BOGOTA  
**Country:** COLOMBIA

**Last Name:** GAMBA  
**First Name:** CHARLE  
**Street/Box Number:** 5835 CANDLEWOOD LANE  
**City:** HOUSTON  
**Province:** TEXAS

**Postal Code:** 77057  
**Last Name:** GARBARINI  
**First Name:** VALENTINA  
**Street/Box Number:** CALLE JOSE ORTEGA Y GASSET 28. 4B.  
**City:** MADRID  
**Postal Code:** 28006  
**Country:** SPAIN

**Last Name:** GATTASS  
**First Name:** GUSTAVO  
**Street/Box Number:** AV. EPITACIO PESSOA 4560 / COB 01  
**City:** RIO DE JANEIRO  
**Postal Code:** 22471-004  
**Country:** BRAZIL

**Last Name:** HIBBERD  
**First Name:** MICHAEL  
**Street/Box Number:** 24226 ASPEN DRIVE  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2R1A4

**Last Name:** LEOPARDI  
**First Name:** SILVESTRE  
**Middle Name:** TOVAR  
**Street/Box Number:** AV. PRINCIPAL DE CHULA VISTA, RES. VISTALVALLE A1D  
**City:** CARACAS  
**Country:** VENEZUELA

**Last Name:** WINTER  
**First Name:** DAVID  
**Middle Name:** A.  
**Street/Box Number:** 1510, 734 - 7TH AVENUE SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P3P8

**Transfer Agents:**

**Legal Entity Name:** OLYMPIA TRUST COMPANY  
**Corporate Access Number:** 301301081  
**Street:** 4000, 520 3RD AVENUE SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P0R3

**Details From Current Articles:**

**The information in this legal entity table supersedes equivalent electronic attachments**

**Share Structure:** SEE ATTACHED SCHEDULE  
**Share Transfers Restrictions:** NONE  
**Min Number Of Directors:** 1

**Max Number Of Directors:** 11  
**Business Restricted To:** NONE  
**Business Restricted From:** NONE  
**Other Provisions:** SEE ATTACHED SCHEDULE

**Holding Shares In:**

Legal Entity Name
CANACOL ENERGY ULC
2498003 ALBERTA ULC

**Other Information:**

**Amalgamation Predecessors:**

Corporate Access Number	Legal Entity Name
2020834731	2083473 ALBERTA LTD.
2011382880	CANACOL ENERGY LTD.

**Last Annual Return Filed:**

File Year	Date Filed (YYYY/MM/DD)
2025	2025/02/13

**Filing History:**

List Date (YYYY/MM/DD)	Type of Filing
2018/01/01	Amalgamate Alberta Corporation
2020/02/22	Update BN
2021/11/18	Change Agent for Service
2023/01/17	Name/Structure Change Alberta Corporation
2024/07/04	Change Director / Shareholder
2025/02/13	Enter Annual Returns for Alberta and Extra-Provincial Corp.

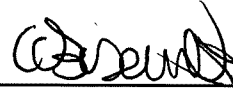
**Attachments:**

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
<a href="#">Share Structure</a>	ELECTRONIC	2018/01/01
<a href="#">Other Rules or Provisions</a>	ELECTRONIC	2018/01/01
Statutory Declaration	10000907117626014	2018/01/01
<a href="#">Consolidation, Split, Exchange</a>	ELECTRONIC	2023/01/17

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



**EXHIBIT "D"** to the Affidavit of  
Jason Bednar  
Sworn/Affirmed before me  
this 16 day of November, 2025



---

A Commissioner for Oaths in  
and for the Province of Alberta

**Cameron B.M. Brunet**  
Barrister and Solicitor  
Member of the Law Society of Alberta  
Notary Public in and for the Province of Alberta  
Commissioner for Oaths in and for the Province of Alberta

# **CANACOL ENERGY LTD.**

**ANNUAL INFORMATION FORM  
YEAR ENDED DECEMBER 31, 2024**

**DATED: MARCH 20, 2025**



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## SCHEDULES

<b>SCHEDULE A</b>	<b>Report on Reserves Data by Independent Qualified Reserves Evaluator (Form 51-101F2)</b>
<b>SCHEDULE B</b>	<b>Report of Management and Directors on Oil and Gas Disclosure (Form 51-101F3)</b>
<b>SCHEDULE C</b>	<b>Audit Committee Terms of Reference</b>

## CERTAIN DEFINITIONS

In this Annual Information Form, the following abbreviations and terms shall have the meanings set forth below, unless the context otherwise requires:

### Selected Defined Terms

**“2021 Senior Notes”** means the \$500 million aggregate principal amount of 5.75% senior notes with a final maturity date of November 24, 2028 issued by the Corporation on November 24, 2021 pursuant to the 2021 Senior Note Indenture. See also *“Description of Capital Structure – Long-Term Debt – 2021 Senior Notes”*;

**“2021 Senior Note Indenture”** means the trust indenture dated November 21, 2021 governing the terms of the 2021 Senior Notes;

**“2023 Revolving Credit Facility”** means the \$200 million senior unsecured revolving credit facility with a syndicate of banks. The revolving credit facility bears interest at a rate of SOFR plus 4.5% per annum and is due February 17, 2027. See also *“Description of Capital Structure – Long-Term Debt – 2023 Revolving Credit Facility”*;

**“2024 Credit Facility”** means the \$75 million senior secured term loan facility with Macquarie Group. The term loan bears interest at an annual rate of SOFR plus 8.0% on drawn amounts and 2.4% on undrawn amounts during the commitment period and is due on September 3, 2026. See also *“Description of Capital Structure – Long-Term Debt – 2024 Credit Facility”*;

**“ABCA”** means the *Business Corporations Act* (Alberta), R.S.A. 2000, c. B-9, as amended, including the regulations promulgated thereunder;

**“ANH”** means Agencia Nacional de Hidrocarburos, or National Hydrocarbon Agency, an agency of the Colombian government;

**“ANLA”** means the Autoridad Nacional de Licencias Ambientales;

**“Arrow”** means Arrow Exploration Corp.;

**“BGEC”** means Boury Global Energy Consultants Ltd., an independent petroleum engineering consulting firm;

**“BGEC Report”** means the report prepared by BGEC on March 4, 2025 entitled “Reserve Evaluation Report as of December 31, 2024 on Certain Properties owned by Canacol Energy Ltd.” dated effective December 31, 2024;

**“Board of Directors”** means the board of directors of the Corporation, as constituted from time to time;

**“BVC”** means the Bolsa de Valores de Colombia, the principal stock exchange of Colombia;

**“Carrao”** means Carrao Energy Ltd.;

**“Carrao Acquisition”** means the acquisition of Carrao by the Corporation, completed on November 30, 2011, pursuant to which the Corporation acquired exploration assets located in the Llanos, Caguan, and Middle Magdalena basins of Colombia. Canacol acquired all of the issued and outstanding securities of Carrao;

**“Common Shares”** means common voting shares in the capital of Canacol as presently constituted;

**“ConocoPhillips Colombia”** means ConocoPhillips Colombia Ventures Ltd., a wholly-owned subsidiary of ConocoPhillips Company;

“**Consolidation**” has the meaning set forth under the heading “*Name and Incorporation*”;

“**Corporation**” or “**Canacol**” means Canacol Energy Ltd., and, when used in the context of describing the Corporation’s assets and business, may include its subsidiaries and predecessors;

“**E&E Contract**” means an exploration and exploitation contract;

“**E&P Contract**” means an exploration and production contract;

“**Ecopetrol**” means Ecopetrol S.A., the national oil company of Colombia and formerly known as Empresa Colombiana de Petr leos;

“**Esperanza E&E Contract**” means the E&E Contract located in the Lower Magdalena Basin, Colombia, acquired pursuant to the Shona Acquisition, operated by the Corporation, and wherein the Corporation has a 100% working interest;

“**GAAP**” means generally accepted accounting principles for publicly accountable enterprises in Canada, which is currently in accordance with IFRS;

“**GHG**” means greenhouse gas;

“**IFRS**” means International Financial Reporting Standards as issued by the International Accounting Standards Board;

“**New By-Law No.1**” has the meaning set forth under the heading “*Name and Incorporation*”;

“**NI 51-101**” means National Instrument 51-101 – *Standard of Disclosure for Oil and Gas Activities* of the Canadian Securities Administrators;

“**NI 51-102**” means National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators;

“**NI 52-110**” means National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators;

“**OGX**” means OGX Petroleo E Gas S.A.;

“**Promigas**” means Promigas S.A. E.S.P.;

“**Rancho Hermoso**” means the field located in the Llanos Basin, operated by Canacol Energy Colombia S.A.S. by agreement with Ecopetrol;

“**SEDAR+**” means the System for Electronic Document Analysis and Retrieval+, which can be accessed at [www.sedarplus.ca](http://www.sedarplus.ca);

“**Shareholder**” means a holder of record of one or more Common Shares;

“**Shona**” means Shona Energy Company, Inc.;

“**Shona Acquisition**” means the acquisition by the Corporation of all of the shares of Shona, a British Columbia company that had operations focused in Colombia;

“**SOFR**” means the Secured Overnight Financing Rate;

“**SSJN-7 E&P Contract**” means the E&P Contract located in the Lower Magdalena Valley Basin, Colombia, operated by Canacol, wherein the Corporation has a 100% working interest;

“**TSX**” means the Toronto Stock Exchange;

“**VIM 5 E&P Contract**” means the E&P Contract located in the Lower Magdalena Basin, Colombia, operated by the Corporation, wherein the Corporation has a 100% working interest;

“**VIM 19 E&P Contract**” means the E&P Contract located in the Lower Magdalena Basin, Colombia, operated by the Corporation, wherein the Corporation had a 100% working interest. The Corporation renounced the VIM 19 E&P Contract during the year ended December 31, 2021;

“**VIM 21 E&P Contract**” means the E&P Contract located in the Lower Magdalena Basin, Colombia, operated by the Corporation, wherein the Corporation has a 100% working interest;

“**VIM 33 E&P Contract**” means the E&P Contract located in the Lower Magdalena Basin, Colombia, operated by the Corporation, wherein the Corporation has a 100% working interest;

“**VIM 44 E&P Contract**” means the E&P Contract located in the Lower Magdalena Basin, Colombia, operated by the Corporation, wherein the Corporation has a 100% working interest;

“**VMM 2 E&P Contract**” means the E&P Contract located in the Middle Magdalena Valley Basin, Colombia, operated by ConocoPhillips, wherein the Corporation has a 20% working interest;

“**VMM 3 E&P Contract**” means the E&P Contract located in the Middle Magdalena Valley Basin, Colombia, operated by ConocoPhillips, wherein the Corporation has a 20% working interest;

“**VMM 10-1 E&P Contract**” means the E&P Contract located in the Middle Magdalena Valley Basin, Colombia, operated by the Corporation, wherein the Corporation has a 100% working interest;

“**VMM 45 E&P Contract**” means the E&P Contract located in the Middle Magdalena Valley Basin, Colombia, operated by the Corporation, wherein the Corporation has a 100% working interest;

“**VMM 47 E&P Contract**” means the E&P Contract located in the Middle Magdalena Valley Basin, Colombia, operated by the Corporation, wherein the Corporation has a 100% working interest;

“**VMM 49 E&P Contract**” means the E&P Contract located in the Middle Magdalena Valley Basin, Colombia, operated by the Corporation, wherein the Corporation has a 100% working interest;

“**VMM 53 E&P Contract**” means the E&P Contract located in the Middle Magdalena Valley Basin, Colombia, operated by the Corporation, wherein the Corporation has a 100% working interest; and

“**YPFB**” means Yacimientos Petroliferos Fiscales Bolivianos, the Bolivian state oil and gas company.

### **Selected Technical Terms**

“**abandonment and reclamation costs**” means all costs associated with the process of restoring a reporting issuer’s property that has been disturbed by oil and gas activities to a standard imposed by applicable government or regulatory authorities;

“**associated gas**” means the gas cap overlying a crude oil accumulation in a reservoir;

“**conventional natural gas**” means natural gas that has been generated elsewhere and has migrated as a result of hydrodynamic forces and is trapped in discrete accumulations by seals that may be formed by localized structural, depositional or erosional geological features;

“**crude oil**” means a mixture consisting mainly of pentanes and heavier hydrocarbons that exists in the liquid phase in reservoirs and remains liquid at atmospheric pressure and temperature. Crude oil may contain small amounts of sulphur and other non-hydrocarbons but does not include liquids obtained from the processing of natural gas;

**“developed non-producing reserves”** are those reserves that either have not been on production, or have previously been on production but are shut-in and the date of resumption of production is unknown;

**“developed producing reserves”** are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty;

**“developed reserves”** are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (e.g., when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing;

**“development costs”** means costs incurred to obtain access to reserves and to provide facilities for extracting, treating, gathering and storing the oil and gas from the reserves. More specifically, development costs, including applicable operating costs of support equipment and facilities and other costs of development activities, are costs incurred to:

- (a) gain access to and prepare well locations for drilling, including surveying well locations for the purpose of determining specific development drilling sites, clearing ground, draining, road building, and relocating public roads, gas lines and power lines, to the extent necessary in developing the reserves;
- (b) drill and equip development wells, development type stratigraphic test wells and service wells, including the costs of platforms and of well equipment such as casing, tubing, pumping equipment and the wellhead assembly;
- (c) acquire, construct and install production facilities such as flow lines, separators, treaters, heaters, manifolds, measuring devices and production storage tanks, natural gas cycling and processing plants, and central utility and waste disposal systems; and
- (d) provide improved recovery systems;

**“development well”** means a well drilled inside the established limits of an oil or gas reservoir, or in close proximity to the edge of the reservoir, to the depth of a stratigraphic horizon known to be productive;

**“exploration costs”** means costs incurred in identifying areas that may warrant examination and in examining specific areas that are considered to have prospects that may contain oil and gas reserves, including costs of drilling exploratory wells and exploratory type stratigraphic test wells. Exploration costs may be incurred both before acquiring the related property (sometimes referred to in part as “prospecting costs”) and after acquiring the property. Exploration costs, which include applicable operating costs of support equipment and facilities and other costs of exploration activities, are:

- (a) costs of topographical, geochemical, geological and geophysical studies, rights of access to properties to conduct those studies, and salaries and other expenses of geologists, geophysical crews and others conducting those studies (collectively sometimes referred to as “geological and geophysical costs”);
- (b) costs of carrying and retiring unproved properties, such as delay rentals, taxes (other than income and capital taxes) on properties, legal costs for title defence and the maintenance of land and lease records;
- (c) dry hole contributions and bottom hole contributions;
- (d) costs of drilling and equipping exploratory wells; and
- (e) costs of drilling exploratory type stratigraphic test wells;

**“exploration well”** means a well that is not a development well, a service well or a stratigraphic test well;

**“field”** means an area consisting of a single reservoir or multiple reservoirs all grouped on or related to the same individual geological structural feature and/or stratigraphic condition. There may be two or more reservoirs in a field that are separated vertically by intervening impervious strata or laterally by local geologic barriers, or both. Reservoirs that are associated by being in overlapping or adjacent fields may be treated as a single or common operational field. The geological terms “structural feature” and “stratigraphic condition” are intended to denote localized geological features, in contrast to broader terms such as “basin”, “trend”, “province”, “play” or “area of interest”;

**“forecast prices and costs”** means future prices and costs that are:

- (a) generally accepted as being a reasonable outlook of the future; and
- (b) if, and only to the extent that, there are fixed or presently determinable future prices or costs to which the reporting issuer is legally bound by a contractual or other obligation to supply a physical product, including those for an extension period of a contract that is likely to be extended, those prices or costs rather than the prices and costs referred to in paragraph (a);

**“future income tax expenses”** means expenses estimated (generally, year-by-year):

- (a) making appropriate allocations of estimated unclaimed costs and losses carried forward for tax purposes, between oil and gas activities and other business activities;
- (b) without deducting estimated future costs that are not deductible in computing taxable income;
- (c) taking into account estimated tax credits and allowances; and
- (d) applying to the future pre-tax net cash flows relating to the reporting issuer’s oil and gas activities the appropriate year-end statutory tax rates, taking into account future tax rates already legislated;

**“future net revenue”** means a forecast of revenue, estimated using forecast prices and costs or constant prices and costs, arising from the anticipated development and production of resources, net of the associated royalties, operating costs, development costs, and abandonment and reclamation costs;

**“gross”** means:

- (a) in relation to the Corporation’s interest in production or reserves, its “company gross reserves”, which are its working interest (operating or non-operating) share before deduction of royalties and without including any royalty interests of the Corporation;
- (b) in relation to wells, the total number of wells in which the Corporation has an interest; and
- (c) in relation to properties, the total area of properties in which the Corporation has an interest;

**“heavy crude oil”** means crude oil with a relative density greater than 10° API gravity and less than or equal to 22.3° API gravity;

**“light crude oil”** means crude oil with a relative density greater than 31.1° API gravity;

**“medium crude oil”** means crude oil with a relative density that is greater than 22.3° API gravity and less than or equal to 31.1° API gravity;

**“natural gas”** means a naturally occurring mixture of hydrocarbon gases and other gases;

**“natural gas liquids”** or **“NGLs”** means those hydrocarbon components that can be recovered from natural gas as a liquid including, but not limited to, ethane, propane, butanes, pentanes plus, and condensates;

**“net”** means:

- (a) in relation to the Corporation’s interest in production or reserves its working interest (operating or non-operating) share after deduction of royalty obligations, plus its royalty interest in production or reserves;
- (b) in relation to the Corporation’s interest in wells, the number of wells obtained by aggregating the Corporation’s working interest in each of its gross wells; and
- (c) in relation to the Corporation’s interest in a property, the total area in which the Corporation has an interest multiplied by the working interest owned by the Corporation;

**“operating costs”**, see “production costs”;

**“possible reserves”** means those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved plus probable plus possible reserves;

**“probable reserves”** are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves;

**“production”** means the cumulative quantity of petroleum that has been recovered at a given date. Recovering, gathering, treating, field or plant processing (for example, processing gas to extract natural gas liquids) and field storage of oil and gas;

**“production costs”** (or **“operating costs”**) means costs incurred to operate and maintain wells and related equipment and facilities, including applicable operating costs of support equipment and facilities and other costs of operating and maintaining those wells and related equipment and facilities. Lifting costs become part of the cost of oil and gas produced. Examples of production costs are:

- (a) costs of labour to operate the wells and related equipment and facilities;
- (b) costs of repairs and maintenance;
- (c) costs of materials, supplies and fuel consumed, and supplies utilized, in operating the wells and related equipment and facilities;
- (d) costs of well services; and
- (e) taxes, other than income and capital taxes;

**“property acquisition costs”** means costs incurred to acquire a property (directly by purchase or lease, or indirectly by acquiring another corporate entity with an interest in the property), including:

- (a) costs of lease bonuses and options to purchase or lease a property;
- (b) the portion of the costs applicable to hydrocarbons when land including rights to hydrocarbons is purchased in fee; and
- (c) brokers’ fees, recording and registration fees, legal costs and other costs incurred in acquiring properties;

**“proved property”** means a property or part of a property to which reserves have been specifically attributed;

**“proved reserves”** are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves;

**“reserves”** are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on (a) analysis of drilling, geological, geophysical, and engineering data; (b) the use of established technology; and (c) specified economic conditions, which are generally accepted as being reasonable and shall be disclosed. Reserves are classified according to the degree of certainty associated with the estimates being “proved reserves”, “probable reserves” and “possible reserves”;

**“reservoir”** means a subsurface rock unit that contains an accumulation of petroleum;

**“resources”** means petroleum quantities that originally existed on or within the earth’s crust in naturally occurring accumulations, including discovered and undiscovered (recoverable and unrecoverable) plus quantities already produced. Total resources is equivalent to total petroleum initially-in-place;

**“service well”** means a well drilled or completed for the purpose of supporting production in an existing field. Wells in this class are drilled for the following specific purposes: gas injection (natural gas, propane, butane or flue gas), water injection, steam injection, air injection, salt-water disposal, water supply for injection, observation, or injection for combustion;

**“solution gas”** means natural gas dissolved in crude oil;

**“stratigraphic test well”** means the drilling effort, geologically directed, to obtain information pertaining to a specific geologic condition. Ordinarily, such wells are drilled without the intention of being completed for hydrocarbon production. They include wells for the purpose of core tests and all types of expendable holes related to hydrocarbon exploration. Stratigraphic test wells are classified as:

- (a) “exploratory type” if not drilled into a proved property; or
- (b) “development type”, if drilled into a proved property. Development type stratigraphic wells are also referred to as “evaluation wells”;

**“support equipment and facilities”** means equipment and facilities used in oil and gas activities, including seismic equipment, drilling equipment, construction and grading equipment, vehicles, repair shops, warehouses, supply points, camps, and division, district or field offices;

**“undeveloped reserves”** are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable, possible) to which they are assigned. In multi-well pools, it may be appropriate to allocate total pool reserves between the developed and undeveloped categories or to sub-divide the developed reserves for the pool between developed producing and developed non-producing. This allocation should be based on the estimator’s assessment as to the reserves that will be recovered from specific wells, facilities and completion intervals in the pool and their respective development and production status;

**“unproved property”** means a property or part of a property to which no reserves have been specifically attributed; and

**“working interest”** means the net interest held in an oil and natural gas property which normally bears its proportionate share of the costs of exploration, development and operations as well as any royalties or other production burdens.

## ABBREVIATIONS AND CONVERSION

In this Annual Information Form, the following abbreviations and terms have the meanings set forth below:

Oil and Natural Gas Liquids		Natural Gas	
bbbl	barrel	Mcf	thousand cubic feet
Mbbbl	one thousand barrels	MMcf	million cubic feet
MMbbbl	one million barrels	Mscf	thousand standard cubic feet
bbbl/d	barrels per day	Bcf	billion cubic feet
bopd	barrels of oil per day	Mcf/d	thousand cubic feet per day
NGL	natural gas liquids	MMcf/d	million cubic feet per day
LNG	liquefied natural gas	MMscf/d	million standard cubic feet per day
		MMBTU	million British Thermal Units
		MMBTU/d	million British Thermal Units per day
Other			
BOE or boe	barrel of oil equivalent is derived by converting natural gas to oil in the ratio of 5.7 Mcf of natural gas to one bbl of oil. A BOE conversion ratio of 5.7 Mcf to 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. As the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalency of 5.7:1, utilizing a conversion on a 5.7:1 basis may be misleading as an indication of value. In this Annual Information Form, the Corporation has expressed BOE using the Colombian conversion standard of 5.7 Mcf: 1 bbl required by the Ministry of Mines and Energy of Colombia.		
boe/d	barrels of oil equivalent per day		
Mboe	one thousand barrels of oil equivalent		
MMboe	one million barrels of oil equivalent		
M	thousand		
ft	feet		
km	kilometre		
km <sup>2</sup>	square kilometres		
m <sup>3</sup>	cubic metre		
API	American Petroleum Institute		
° API	an indication of the specific gravity of crude oil measured on the API gravity scale. Liquid petroleum with a specified gravity of 28° API or higher is generally referred to as light crude oil		
\$000s or M\$	thousands of dollars		
WTI	West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma for crude oil of standard grade		
kWh	kilowatt-hour		
psi	pounds per square inch		

The following table sets forth certain standard conversions between Standard Imperial Units and the International System of Units (or metric units):

To convert from	To	Multiply by
BOE	Mcf	5.7
Mcf	m <sup>3</sup>	28.174
Mcf	MMBTU	1.00532
m <sup>3</sup>	cubic feet	35.315
bbbl	m <sup>3</sup>	0.159
m <sup>3</sup>	bbbl	6.290
ft	metres	0.305
metres	ft	3.281
miles	km	1.609
km	miles	0.621
acres	hectares	0.405
hectares	acres	2.471

## INFORMATION

The information in this Annual Information Form is stated as at December 31, 2024, unless otherwise indicated. For an explanation of the capitalized terms and expression and certain defined terms, see “*Certain Definitions*” and “*Abbreviations and Conversion*”. **Except as otherwise indicated, all dollar amounts in this Annual Information Form are expressed in United States dollars and references to \$ are to United States dollars.** References to C\$ are to Canadian dollars.

Colombian estimated future net revenue based on the BGEN Report is presented in United States dollars effective December 31, 2024.

## NON-GAAP TERMS

This AIF refers to certain financial measures that are not determined in accordance with GAAP. Since non-GAAP measures do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies, securities regulations require that non-GAAP measures are clearly defined, qualified and reconciled to their nearest GAAP measure. Except as otherwise indicated, these non-GAAP measures are calculated and disclosed on a consistent basis from period to period. Specific adjusting items may only be relevant in certain periods.

The intent of non-GAAP measures is to provide additional useful information with respect to Canacol’s operational and financial performance to investors and analysts though the measures do not have any standardized meaning under IFRS. The measures should not, therefore, be considered in isolation or used in substitute for measures of performance prepared in accordance with IFRS. Other issuers may calculate these non-GAAP measures differently.

In particular, the term “netback” is used in this Annual Information Form and readers should be cautioned that netback is not defined by GAAP and may not be comparable to similar measures presented by other companies. Management believes this is a useful metric in providing a comparison of relative overall performance between companies as it is a common metric used by other companies operating in the oil and gas industry. Management uses this metric to assess the Corporation’s overall performance relative to that of its competitors and for internal planning purposes.

“**Netback**” is a non-GAAP financial measure and is calculated as revenues net of royalties, less transportation and processing charges and operating expenses and then divided by BOE or Mcf sold.

For more information with respect to financial measures which have not been defined by GAAP, including reconciliations to the closest comparable GAAP measure, see the “Non-IFRS Measures” section of the Corporation’s management discussion and analysis accompanying its most recent audited annual financial statements which are available on SEDAR+.

## FORWARD LOOKING STATEMENTS

Certain information regarding the Corporation set forth in this Annual Information Form, including management’s assessment of the Corporation’s future plans and operations, contains forward-looking statements that involve substantial known and unknown risks and uncertainties. The use of any of the words “plan”, “expect”, “forecast”, “project”, “intend”, “believe”, “anticipate”, “estimate” or other similar words, or statements that certain events or conditions “may” or “will” occur are intended to identify forward-looking statements. Such statements represent the Corporation’s internal projections, estimates or beliefs concerning, among other things, future growth, results of operations, production, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, plans for and results of drilling activity, environmental matters, business prospects and opportunities. These statements are only predictions and actual events or results may differ materially. Although management of the Corporation believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievement since such expectations are inherently subject to significant business, economic, operational, competitive, political and social uncertainties and contingencies. Many factors could cause the Corporation’s actual results to differ

materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Corporation.

In particular, forward-looking statements included in this Annual Information Form include, but are not limited to, statements with respect to: the size of, and future net revenues from, oil and gas reserves; the performance characteristics of the Corporation's oil and gas properties; supply and demand for oil and natural gas; drilling plans, including the anticipated timing thereof; treatment under governmental regulatory regimes and tax laws; financial and business prospects and financial outlook; results of operations; production, future costs, reserves and production estimates; activities to be undertaken in various areas including the fulfillment of exploration commitments; timing of drilling, completion and tie in of wells; access to facilities and infrastructure; timing of development of undeveloped reserves; planned capital expenditures, the timing thereof and the method of funding; the amount, if any, of dividends to be declared; financial condition, access to capital and overall strategy; the quantity of the Corporation's reserves; and the Corporation's expectations regarding its ability to obtain contract extensions or fulfill the contractual obligations required to retain its rights to explore, develop and exploit any of its undeveloped properties.

Statements relating to "reserves" or "resources" are by their nature forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the reserves and resources described can be profitably produced in the future. The recovery and reserve estimates of the Corporation's reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements.

These forward-looking statements are subject to numerous risks and uncertainties, including but not limited to, the impact of general economic and political conditions in Colombia; industry conditions, including changes in laws and regulations including adoption of new environmental laws and regulations, and changes in how they are interpreted and enforced in Colombia; volatility in market prices for oil, NGL's and natural gas; imprecision in reserve and resource estimates; operational constraints due to debt; lack of availability of additional financing and farm-in or joint venture partners; competition; the results of exploration and development drilling and related activities; the impact of global health events (such as the COVID-19 pandemic); lack of availability of qualified personnel; the Corporation's ability to recover reserves and resources; production rates and production decline rates; environmental risks; risks related to the ability of partners to fund capital work programs and other matters requiring partner approval; the production and growth potential of the Corporation's assets; obtaining required approvals of regulatory authorities in Colombia; risks associated with negotiating with foreign governments as well as country risk associated with conducting international activities; risks associated with acquisitions and dispositions; fluctuations in foreign exchange or interest rates; changes in income tax laws or changes in tax laws and incentive programs relating to the oil and natural gas industry; risk that the Corporation will not be able to obtain contract extensions or fulfill the contractual obligations required to retain its rights to explore, develop and exploit any of its undeveloped properties; risks associated with the expansion into new geographical areas (such as Bolivia); the risks discussed herein under "*Risk Factors*"; and other factors, many of which are beyond the control of the Corporation. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect the Corporation's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through SEDAR+.

Although the forward-looking statements contained in this Annual Information Form are based upon assumptions which management of the Corporation believes to be reasonable, the Corporation cannot assure investors that actual results will be consistent with these forward-looking statements. With respect to forward-looking statements contained in this Annual Information Form, the Corporation has made assumptions regarding, but not limited to: current commodity prices and royalty regimes; availability of skilled labour; timing and amount of capital expenditures; uninterrupted access to infrastructure; future exchange rates; the price of oil, NGL's and natural gas; the impact of increasing competition; conditions in general economic and financial markets; availability of drilling and related equipment; effects of regulation by governmental agencies; recoverability of reserves; royalty rates; future operating costs; that the Corporation will have sufficient cash flow, debt or equity sources or other financial resources required to fund its capital and operating expenditures and requirements as needed; that the Corporation's conduct

and results of operations will be consistent with its expectations; that the Corporation will have the ability to develop the Corporation's oil and gas properties in the manner currently contemplated; current or, where applicable, proposed industry conditions, laws and regulations will continue in effect or as anticipated as described herein; that the estimates of the Corporation's reserves volumes and the assumptions related thereto (including commodity prices and development costs) are accurate in all material respects; that the Corporation will be able to obtain contract extensions or fulfill the contractual obligations required to retain its rights to explore, develop and exploit any of its undeveloped properties; and other matters.

Forward-looking statements and other information contained herein concerning the oil and natural gas industry in the countries in which the Corporation operates and the Corporation's general expectations concerning this industry are based on estimates prepared by management of the Corporation using data from publicly available industry sources as well as from resource reports, market research and industry analysis and on assumptions based on data and knowledge of this industry which the Corporation believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While the Corporation is not aware of any material misstatements regarding any industry data presented herein, the oil and natural gas industry involves numerous risks and uncertainties and is subject to change based on various factors.

The estimates of future production may be considered to be future-oriented financial information or a financial outlook for the purposes of applicable Canadian securities laws. Financial outlook and future-oriented financial information contained in this Annual Information Form about prospective financial performance, financial position or cash flows are based on assumptions about future events, including economic conditions and proposed courses of action, based on management's assessment of the relevant information currently available, and to become available in the future. In particular, this Annual Information Form contains projected operational information for the next three years. These projections contain forward-looking statements and are based on a number of material assumptions and factors. Actual results may differ significantly from the projections presented herein. These projections may also be considered to contain future-oriented financial information or a financial outlook. The actual results of Canacol's operations for any period could vary from the amounts set forth in these projections, and such variations may be material. See above for a discussion of the risks that could cause actual results to vary. The future-oriented financial information and financial outlooks contained in this Annual Information Form have been approved by management as of the date of this Annual Information Form. Readers are cautioned that any such financial outlook and future-oriented financial information contained herein should not be used for purposes other than those for which it is disclosed herein. Canacol and its management believe that the prospective financial information has been prepared on a reasonable basis, reflecting management's best estimates and judgments, and represent, to the best of management's knowledge and opinion, Canacol's expected course of action. However, because this information is highly subjective, it should not be relied on as necessarily indicative of future results.

Management of the Corporation has included the above summary of assumptions and risks related to forward-looking information provided in this Annual Information Form in order to provide Shareholders with a more complete perspective on the Corporation's current and future operations and such information may not be appropriate for other purposes. The Corporation's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that the Corporation will derive therefrom. These forward-looking statements are made as of the date of this Annual Information Form and the Corporation disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

## NAME AND INCORPORATION

The Corporation was incorporated pursuant to the provisions of the *British Columbia Company Act* on July 20, 1970, and was continued under the ABCA on November 24, 2004. On February 12, 2009, the Corporation changed its name to “Canacol Energy Ltd.”

On January 17, 2023, Canacol consolidated its Common Shares on the basis of five pre-consolidation shares for one post-consolidation share (the “**Consolidation**”).

On November 9, 2022, the Board of Directors approved the adoption of the Corporation’s new By-law No. 1 (the “**New By-Law No. 1**”), which were confirmed by the Shareholders at the special meeting of Shareholders held on December 19, 2022. For further information on the New By-Law No.1, please see the management information circular of the Corporation dated November 9, 2022 and filed on SEDAR+ under Canacol’s profile on November 17, 2022.

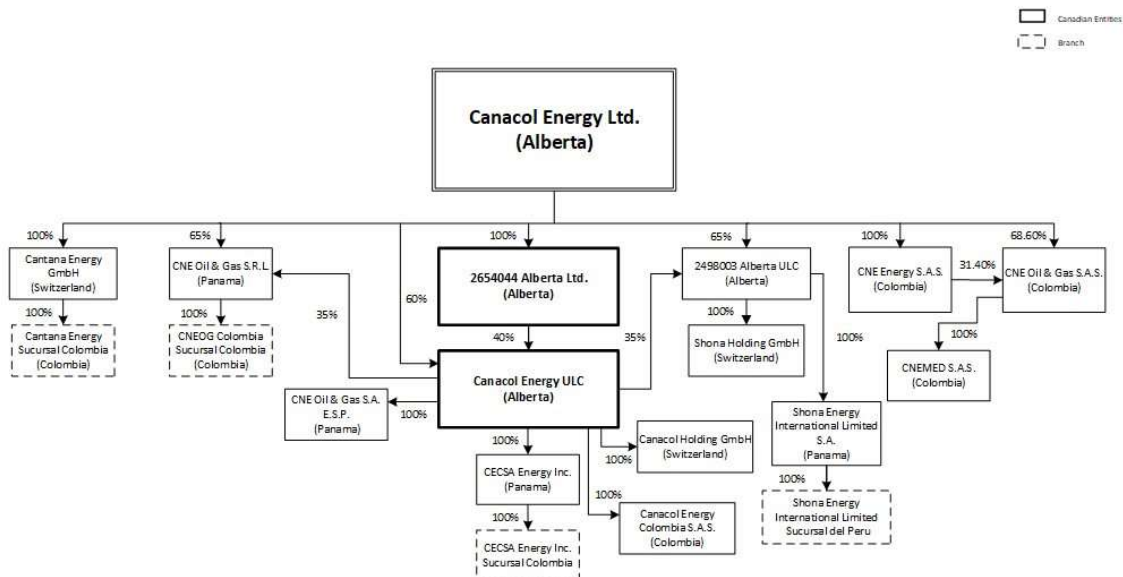
The Corporation’s head office is located at Suite 2000, 215 - 9<sup>th</sup> Avenue S.W., Calgary, Alberta, T2P 1K3. The Corporation has a material branch office in Bogotá, Colombia at Calle 113 No. 7-45 Torre B Oficina 1501. The registered office of the Corporation is located at 1000, 250 - 2<sup>nd</sup> Street S.W., Calgary, Alberta T2P 0C1.

The Corporation is a reporting issuer in each of the Provinces of Canada, other than Québec. The Common Shares are listed and posted for trading on the TSX under the trading symbol “CNE”, on the BVC, the principal stock exchange of Colombia, under the symbol “CNEC”, and on the OTCQX International Premier under the symbol “CNNEF”.

## INTERCORPORATE RELATIONSHIPS

During the year ended December 31, 2024, the Corporation completed a normal course corporate restructuring pursuant to which, among other transactions, the Corporation formed a new limited liability company, 2498003 Alberta ULC, transferred assets and liabilities of Shona Energy Limited Partnership and Shona Energy Holding Limited Partnership to the new limited liability company, and then dissolved each of Shona Energy Limited Partnership and Shona Energy Holding Limited Partnership and the general partners thereof.

The following chart sets forth the Corporation’s relationship with each material subsidiary of the Corporation and their respective jurisdictions of incorporation as at the date hereof.



## GENERAL DEVELOPMENT OF THE BUSINESS

Canacol is an international oil and gas company with operations focused onshore in Colombia. The Corporation is headquartered in Calgary, Alberta, Canada.

Since 2008, the Corporation has acquired interests in oil and gas properties located in Colombia, including: (i) the Carrao Acquisition, which included the VMM 2 and VMM 3 E&P Contracts in the Middle Magdalena basins; (ii) the Shona Acquisition, which included the Esperanza E&E Contract and the VIM 21 E&P Contract located in the Lower Magdalena Basin; (iii) the acquisition from OGX of the VIM 5 and VIM 19 E&P Contracts located in the Lower Magdalena Basin; (iv) the acquisition from Frontera Energy Corporation of a 50% interest in the SSJN-7 E&P Contract located in the San Jacinto Basin and the subsequent acquisition of the remaining 50% from ONGC Videsh Ltd.; (v) the VIM 33 E&P Contract located in the Lower Magdalena Basin and the VMM 45 and VMM 49 E&P Contracts located in the Middle Magdalena Valley Basin, each awarded in a bid round administered by the ANH in 2019; (vi) the VIM 44 E&P Contract located in the Lower Magdalena Basin and the VMM 47 E&P Contract located in the Middle Magdalena Valley Basin, each awarded in a bid round administered by the ANH in 2020; and (vii) the VMM 10-1 E&P Contract and the VMM 53 E&P Contract each located in the Middle Magdalena Valley Basin, each awarded in a bid round administered by the ANH in 2021.

During and after 2012, the Corporation has focused largely on developing and growing its natural gas business through its strategic acquisitions and exploration and development activities and, during the year ended December 31, 2018, the Corporation divested the majority of its conventional oil assets in Colombia to become a mainly Colombia focused, conventional gas exploration and production company. The Corporation is now the largest independent natural gas exploration and production company in Colombia.

### Three-Year History

The following describes the development of Canacol's business and major transactions and events of the last three completed financial years, and activities that have or are expected to occur in the current financial year.

#### *Period From January 1, 2022 to December 31, 2022*

On January 28, 2022, the Corporation announced that it purchased 5,307,700 pre-Consolidation Common Shares for C\$3.15 per pre-Consolidation Common Share under its normal course issuer bid, relying on the block purchase exemption under the normal course issuer bid rules. The purchase was made from an arm's length third party via the TSX.

On March 17, 2022, the Corporation announced that it had declared a dividend of C\$0.052 per pre-Consolidation Common Share, payable on April 19, 2022, to Shareholders of record at the close of business on March 31, 2022.

On May 6, 2022, the Corporation announced that its new 20 inch pipeline project that was to be built between Canacol's gas treatment plant at Jobo to the city of Medellin located approximately 300 km to the south (the "**Medellin Pipeline**") was declared as a Project of Strategic National Interest (PINE) by the Government of Colombia.

On June 20, 2022, the Corporation announced that it had declared a dividend of C\$0.052 per pre-Consolidation Common Share, payable on July 15, 2022, to Shareholders of record at the close of business on June 30, 2022.

On July 7, 2022, the Corporation announced that Mr. William Satterfield was promoted to the role of Senior Vice President Exploration, replacing Mr. Mark Teare.

On September 19, 2022, the Corporation announced that it had declared a dividend of C\$0.052 per pre-Consolidation Common Share, payable on October 17, 2022, to Shareholders of record at the close of business on September 30, 2022.

On October 24, 2022, the Corporation announced that it has executed an agreement with the consortium Shanghai Engineering and Technology Corp. to construct the Medellin Pipeline.

On December 14, 2022, the Corporation announced that it had declared a dividend of C\$0.052 per pre-Consolidation Common Share, payable on January 16, 2023, to Shareholders of record at the close of business on December 29, 2022.

On December 19, 2022, the Corporation announced that Shareholders approved the Consolidation and the New By-Law No. 1 at the special meeting of Shareholders held on December 19, 2022.

***Period From January 1, 2023 to December 31, 2023***

On January 17, 2023, the Corporation announced that it had filed articles of amendment implementing the Consolidation. Trading on the TSX on a post-Consolidation basis began on January 20, 2023.

On January 31, 2023, the Corporation announced that it had renewed its normal course issuer bid through the facilities of the TSX and/or alternative trading systems.

On February 22, 2023, the Corporation announced that it had entered into the 2023 Revolving Credit Facility.

On March 16, 2023, the Corporation announced that it had declared a dividend of C\$0.26 per Common Share, payable on April 17, 2023, to Shareholders of record at the close of business on March 31, 2023.

On June 20, 2023, the Corporation announced that it had declared a dividend of C\$0.26 per Common Share, payable on July 17, 2023, to Shareholders of record at the close of business on June 30, 2023.

On June 24, 2023, the Corporation announced the results of its annual general meeting of Shareholders held on June 23, 2023, which included, among other matters, the appointment of Mr. Gustavo Gattass to the Board of Directors.

On August 21, 2023, the Corporation announced that it had changed its auditors from KPMG LLP to PricewaterhouseCoopers LLP effective August 14, 2023.

On September 14, 2023, the Corporation announced that it had declared a dividend of C\$0.26 per Common Share, payable on October 16, 2023, to Shareholders of record at the close of business on September 29, 2023.

On October 16, 2023, the Corporation announced that it filed an early warning report in connection with the exercise on October 13, 2023 by Canacol of 18,357,602 warrants to purchase 18,357,602 common shares in the capital of 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 share. The warrants had been acquired by Canacol pursuant to a private placement completed by Arrow on October 25, 2021. Following the exercise of the warrants, Canacol held an aggregate of 60,072,807 common shares of Arrow, which represented approximately 22.5% of the then issued and outstanding common shares of Arrow.

On October 18, 2023, the Corporation announced the resignation of Mr. Juan Argento from the Board of Directors and the appointment of Ms. Valentina Garbarini to the Board of Directors as his replacement.

On October 19, 2023, the Corporation announced the termination by the Corporation of both the long term take or pay gas sales contract with Empresas Publicas de Medellin E.S.P. and the Medellin Pipeline project.

On October 19, 2023, the Corporation also announced that it was awarded three E&P Contracts with YPFB, the Bolivian state oil and gas company, and the placement of initial guarantees for a total of \$1.4 million in connection with such E&P Contracts. The Corporation also sought and subsequently received government approval for the award of a fourth E&P Contract.

On December 20, 2023, the Corporation announced that it had declared a dividend of C\$0.26 per Common Share, payable on January 15, 2024, to Shareholders of record at the close of business on December 29, 2023.

***Period From January 1, 2024 to December 31, 2024***

On March 21, 2024, the Corporation announced that it had discontinued its quarterly cash dividend in order to strengthen its balance sheet.

On April 26, 2024, Canacol sold its entire holdings in Arrow of 60,072,807 shares for gross proceeds of approximately \$13.8 million, via the AIM market of the London Stock Exchange.

On June 27, 2024, the Corporation announced the results of its annual general meeting of Shareholders held on June 27, 2024, which included, among other matters, the appointment of Mr. Silvestre Tovar Leopard to the Board of Directors.

On September 3, 2024, the Corporation announced it entered into the 2024 Credit Facility. In connection with the 2024 Credit Facility, the Corporation issued 1,888,448 common share purchase warrants to Macquarie Group, with each warrant entitling the holder to purchase one Common Share at an exercise price of C\$3.80 and an expiry date of September 11, 2027.

Operational updates for the period ended December 31, 2024 include:

- On March 27, 2024, the Corporation announced that Pomelo 1 exploration well, located on the VIM 21 E&P Contract, was spud on February 19, 2024 and reached a total depth of 12,276 feet measured depth on March 3, 2024. The well encountered 96 feet true vertical depth of net gas pay with average porosity of 21% within the primary Cienaga de Oro sandstone reservoir. The well was tested and put on production.
- On April 18, 2024, the Corporation announced that the Chontaduro 1 exploration well, located on the VIM 21 E&P Contract, was spud on April 2, 2024, and reached a total depth of 9,625 feet measured depth on April 8, 2024. The well encountered 123 feet true vertical depth of net gas pay with average porosity of 21% within the primary Cienaga de Oro sandstone reservoir. The well was tested and put on production.
- On April 29, 2024, the Corporation announced that the Chontaduro 2 appraisal well, located on the VIM 21 E&P Contract, was spud on April 18, 2024, and reached a total depth of 10,026 feet measured depth on April 27, 2024. The well encountered 88 feet true vertical depth of net gas pay with average porosity of 23% within the primary Cienaga de Oro sandstone reservoir target. The well was tested and put on production.
- On September 20, 2024, the Corporation announced that the Cardomomo 1 exploration well, located on the VIM 5 E&P Contract, was drilled to a total depth of 11,591 feet measured depth. The well encountered 203 feet true vertical depth of net porous sandstones within the primary Cienaga de Oro sandstone reservoir target with non-commercial amounts of natural gas. The well was abandoned.
- On December 2, 2024, the Corporation announced that the Kite-1 exploration well, located midway between the producing Palmer and Pomelo gas fields, was spud on November 7, 2024 and reached a total depth of 9,316 feet measured depth. The well encountered 102 feet true vertical depth of gross gas column within the primary Cienaga de Oro sandstone reservoir target. The well was tested and put on production.
- On December 2, 2024, the Corporation also announced that the Nispero-2 well was spud on October 4, 2024 and reached a total depth of 10,915 feet measured depth. The well encountered a gross gas column of 625 feet true vertical depth within the primary Cienaga de Oro sandstone reservoir target. The well was tested and put on production.

- On December 2, 2024, the Corporation announced that the Pibe-1 exploration well, located approximately 4 km to the north of the recent Chontaduro-1 discovery, was spud on November 23, 2024, and reached a total depth of 11,000 feet measured depth. The well encountered 1,044 feet true vertical depth of gross gas column within the Cienaga de Oro sandstone reservoir. The well was tested and put on production.

### **Recent Developments**

On January 27, 2025, the Corporation announced that it has completed the signing of four E&P Contracts with the YPFB. The four E&P Contracts, Tita, Arenales, Ovai and Florida Este, are located within the prolific sub-Andean basin in the southcentral part of Bolivia, and are all adjacent to producing gas fields, gas export pipelines and other facilities. An aggregate of approximately \$2,000,000 in guarantees have been posted to secure the four E&P Contracts. Final approval of the four E&P Contracts by the Bolivian Congress is anticipated in the fourth quarter of 2025 which will establish the effective date of the contracts and allow for the initiation of development and exploration activities. The minimum work program commitment associated with the four E&P Contracts is approximately \$30 million spent over a period of five years.

Operational updates subsequent to period ended December 31, 2024 include:

- On January 27, 2025, the Corporation announced that the Natilla-2 ST1 well, located on the SSJN-7 E&P Contract, reached a total depth of 15,050 feet true vertical depth near the base of the Porquero Formation, the planned intermediate casing point of the well situated just above the underlying Cienaga de Oro sandstone primary target. The well encountered an approximately 550 feet true vertical depth gross section of interbedded sandstone and shales within the Porquero with good reservoir quality as indicated by sonic and resistivity logs collected while drilling. The Corporation intends to establish a sidetrack within the Lower Porquero Formation in order to drill to the top of the primary target Cienaga de Oro sandstone reservoir and set a liner, prior to drilling through the Cienaga de Oro to a total depth of approximately 16,500 feet true vertical depth.
- On January 27, 2025, the Corporation also announced that the Lulo-3 appraisal well was spud on January 19, 2025, and reached a total depth of 8,209 feet measured depth on January 24, 2025. The well encountered 101 feet true vertical depth of gross gas column within the Cienaga de Oro sandstone reservoir. The well was tested and put on production.
- On January 27, 2025, the Corporation also announced that the Clarinete-11 development well was spud on December 21, 2025 and reached a total depth of 8,695 feet measured depth on January 1, 2025. The well encountered approximately 205 feet true vertical depth of gross gas column within the Cienaga de Oro sandstone reservoir. The well was tested and put on production.
- On January 27, 2025, the Corporation also announced that the Pibe-2 appraisal well was spud on December 19, 2024, and reached a total depth of 9,392 feet true vertical depth. Non commercial gas was encountered within the Cienaga de Oro sandstone reservoir and the well was subsequently abandoned.

### **Significant Acquisitions**

During the period ended December 31, 2024, the Corporation did not complete any significant acquisitions as defined in NI 51-102.

## DESCRIPTION OF THE BUSINESS

### General

The Corporation is the largest independent natural gas exploration and production company in Colombia. Canacol's goal is to continue to grow its gas production business in a manner to maximize return to its Shareholders, while at the same time becoming a leader in its commitment to the environment, the communities it works in, and corporate governance.

The Corporation's asset portfolio encompasses production, development, appraisal and exploration properties. All of the Corporation's oil and gas operations are currently located onshore in Colombia concentrated in the Llanos and Magdalena regions. The Corporation's core natural conventional gas exploration and production assets, the Esperanza E&E Contract and the VIM 5, VIM 33 and VIM 21 E&P Contracts, are located in the Lower Magdalena basin in northern Colombia. See also "*Description of the Business and Operations – Principal Properties and Operations*".

### Exploration and Development Strategy

The near-term exploration and development plan of the Corporation is to continue growing its production and reserves base through a combination of exploration, property development and acquisitions. To accomplish this, Canacol continues to pursue an integrated growth strategy including exploration and development drilling in its core areas of Colombia, farm-in opportunities, farm-out opportunities, further land acquisitions and swaps of property interests.

Additionally, potential asset and/or corporate acquisitions in Colombia and other jurisdictions will be considered to further supplement the growth strategy of the Corporation. It is anticipated that any future acquisitions would be financed through a combination of cash flow and additional equity and/or debt. The Corporation will seek out, analyze and complete asset and/or corporate acquisitions where value creation opportunities have been identified that have the potential to increase Shareholder value and returns, taking into account the Corporation's financial position, taxability and access to debt and equity financing.

Management of the Corporation has industry experience in several producing areas in addition to the Corporation's geographic areas of interest and has the capability to expand the scope of the Corporation's activities as opportunities arise.

The Corporation is largely opportunity driven and will focus its expenditures in areas that provide the greatest economic return to the Corporation, recognizing that all drilling involves substantial risk and that a high degree of competition exists for prospects. No assurance can be given that drilling will prove successful in establishing commercially recoverable reserves. See "*Risk Factors – Risks Related to the Industry and the Business of Canacol*".

### Competitive Conditions

The oil and gas industry is highly competitive. The Corporation's position in the oil and gas industry, which includes the search for and development of new sources of supply, is particularly competitive. The Corporation's competitors include major, intermediate and junior oil and gas companies and other individual producers and operators, many of which have substantially greater financial and human resources and more developed and extensive infrastructure. The Corporation's larger competitors, by reason of their size and relative financial strength, can more easily access capital markets and may enjoy a competitive advantage in the recruitment of qualified personnel. They may be able to more easily absorb the burden of any changes in laws and regulations in the jurisdictions in which the Corporation does business, adversely affecting the Corporation's competitive position. The Corporation's competitors may be able to pay more for producing oil and gas properties and may be able to define, evaluate, bid for, and purchase a greater number of properties and prospects. Further, these companies may enjoy technological advantages and may be able to implement new technologies more rapidly. The Corporation's ability to acquire additional properties in the future will depend upon the Corporation's ability to conduct efficient operations, evaluate and select suitable properties, implement advanced technologies, and consummate transactions in a highly

competitive environment. The oil and gas industry also competes with other industries in supplying energy, fuel and other needs of consumers.

### **Cyclical Nature of Business**

The Corporation's business is generally not cyclical. The exploration and development of oil and natural gas reserves is dependent on access to areas where production is to be conducted. Seasonal weather variation, including rainy seasons, affects access in certain circumstances. See also "*Risk Factors – Risks Related to the Industry and the Business of Canacol*".

### **Specialized Skill and Knowledge**

Operations in the oil and natural gas industry mean that Canacol requires professionals with skills and knowledge in diverse fields of expertise. In the course of its exploration, development and production of hydrocarbons, the Corporation utilizes the expertise of geophysicists, geologists and petroleum engineers. The Corporation faces the challenge of attracting and retaining sufficient employees to meet its needs. See also "*Risk Factors – Risks Related to the Industry and the Business of Canacol – Dependence on Key Personnel*".

### **Employees**

As at December 31, 2024, the Corporation had approximately 423 full-time equivalent employees worldwide, of which 141 full-time employees were working in the exploration and production segment. In addition, the Corporation utilizes, as required from time to time, the services of professionals on a contract or consulting basis.

### **Foreign Operations**

The Corporation's oil and gas operations and assets are located in a foreign jurisdiction. As a result, the Corporation is subject to political, economic and other uncertainties, including but not limited to changes, sometimes frequent, in energy policies or the personnel administering them, nationalization, expropriation of property without fair compensation, cancellation or modification of contract rights, foreign exchange restrictions, currency fluctuations, royalty and tax increases, and other risks arising out of foreign governmental sovereignty over the areas in which the Corporation's operations are conducted, as well as risks of loss due to civil strife, acts of war, guerrilla activities and insurrections. Changes in legislation may affect the Corporation's oil and natural gas exploration and production activities. The Corporation's international operations may also be adversely affected by laws and policies of Canada as they pertain to foreign trade, taxation and investment. See "*Risk Factors*".

### **Environmental Protection and Trends in Environmental Regulation**

The Corporation and others in the oil and gas industry are subject to various levels of government regulation relating to the protection of the environment in the countries in which it operates. The Corporation believes that its operations comply in all material respects with applicable environmental laws.

Environmental legislation imposes, among other things, restrictions, liabilities and obligations in connection with the generation, handling, storage, transportation, treatment and disposal of hazardous substances and waste and in connection with spills, releases and emissions of various substances to the environment. As well, environmental laws regulate the qualities and compositions of the products sold and imported. Environmental legislation also requires that wells, facility sites and other properties associated with the Corporation's operations be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. In addition, certain types of operations, including exploration and development projects and significant changes to certain existing projects, may require the submission and approval of environmental impact assessments. Compliance with environmental legislation can require significant expenditures and failure to comply with environmental legislation may result in the imposition of fines and penalties and liability for clean-up costs and damages.

Historically, environmental protection requirements have not had a significant financial or operational effect on the Corporation's capital expenditures, earnings or competitive position. Environmental requirements did not have a significant effect on such matters in fiscal 2024; however, as the trend towards stricter standards in environmental legislation and regulation continue, the Corporation anticipates increased capital and operating expenditures as a result. No assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities, or otherwise adversely affect the Corporation's financial condition, capital expenditures, results of operations, competitive position or prospects. See "*Risk Factors*".

## **Environment, Health and Safety Policies**

The Corporation's main environmental strategies include the preparation of comprehensive environmental impact assessments and assembling project-specific environmental management plans. Canacol encourages local community engagement in environmental planning to create a positive relationship between the gas business and existing local industries. The Corporation's practice is to do all that it reasonably can to ensure that it remains in material compliance with environmental protection legislation. Canacol is committed to meeting its responsibilities to protect the environment wherever it operates and will take such steps as required to ensure compliance with environmental legislation. Monitoring and reporting programs for environment, health and safety ("**EH&S**") performance in day-to-day operations, as well as inspections and assessments, are designed to provide assurance that environmental and regulatory standards are met. The Corporation maintains an active comprehensive integrity monitoring and management program for its facilities, storage tanks and pipelines. Contingency plans are in place for a timely response to an environmental event and abandonment, remediation and reclamation programs are in place and utilized to restore the environment. The Corporation also performs a detailed due diligence review as part of its acquisition process to determine whether the assets to be acquired are in regulatory and environmental compliance and assess any liabilities with respect thereto. Management is responsible for reviewing the Corporation's internal control and its EH&S strategies and policies, including the Corporation's emergency response plan. Management reports to the Board of Directors through the Environmental, Social & Governance ("**ESG**") Committee with respect to EH&S matters.

## **ESG Strategy**

Canacol is committed to explore and produce the natural gas needed to improve the quality of life for millions of Colombians in a safe, efficient, and cost-effective way. In line with this commitment, the Corporation developed an ESG strategy to properly identify emerging risks and build resilience while capitalizing on opportunities for long-term value creation. The strategy embraces three priorities:

- *A cleaner energy future*: deliver natural gas under the highest environmental and operational efficiency standards.
- *Empowering our people*: make a positive impact on people and demonstrate Canacol's commitment to enhancing the well-being, prosperity, and health and safety of its employees, contractors, and the communities it serves.
- *A transparent and ethical business*: adopt best practices, incorporate governance, encourage respect for human rights, and ensure ethics and integrity in everything Canacol does.

In 2024, the Corporation met 98.4% of its ESG goals set for the year. The ESG Committee assisted the Board of Directors in fulfilling its oversight responsibilities with respect to the Corporation's climate management, diversity and inclusion strategy, cybersecurity commitment, and social initiatives. Consistent with this function, the ESG Committee served as an independent party to monitor the integrity and fulfillment of Canacol's ESG strategy.

## **2024 ESG Highlights**

### Environmental

- No operations in International Union for Conservation of Nature (IUCN) Category I-IV areas or United Nations Educational, Scientific and Cultural Organization (UNESCO) world heritage areas.
- Scope 1, 2 and 3 emissions information verified by a third party and an external auditor.
- No water stresses identified in regions where the Corporation operates.
- Continuous evaluation and coordination of electric loads to significantly improve energy and carbon emissions efficiency. Most of the energy used for Canacol's operations comes from self-produced natural gas, supplemented with solar in remote locations.
- The execution of 100% of Canacol's nature conservancy projects with local stakeholders, to strengthen the protection of biodiversity in the Córdoba and Sucre provinces of Colombia.
- Canacol has targeted its carbon neutrality by 2050 for scope 1 and 2 emissions. Furthermore, the Corporation aims to reduce its CO<sub>2</sub>e emissions by 50% by 2035, in comparison to the 2022 baseline for scope 1 and 2.
- 12% water used or recycled in the Corporation's operations.

### Social

- Canacol achieved the Equipares Gold label by the Colombian Ministry of Labor and the United Nations Development Program.
- The Corporation received the Global Compact recognition for Sustainable Development practices for the Corporation's contribution to Sustainable Development Goal (SDG) 5, through the practice "Women Leaders and Entrepreneurs" aimed at women in rural communities.
- 96% of the Corporation's purchases were local, regional, and national.
- Canacol set the pace for Colombia's oil and gas sector with a workforce that is 36% female, a higher percentage than the global oil and gas industry average of 22% and the Colombia national average of 27%.
- Implemented the Suppliers ESG Evaluation and Selection Process & Code of Conduct.
- Implemented more than 20 social projects benefiting 5,513 people.
- The Corporation received the "Hechos de Sostenibilidad" Recognition by the ACP for the practice "Canacol, a culture focused on the respect and guarantee of Human Rights."

### Governance

- Annual bonus plan based on specific corporate and individual targets for all executives and employees.
- Long term incentive and compensation program based on specific ESG metrics and performance.
- 14% of female representation in the Board of Directors, meeting the Corporation's gender diversity target.

- Operated with no reported ethical breaches or human rights violations.
- Continued the cybersecurity awareness training for 100% of staff and critical contractors.
- Trained 100% of employees in the Code of Ethics and Business Conduct and in anti-corruption policies.
- Trained 100% of suppliers in the Code of Conduct and Ethics for Contractors and Suppliers.
- Updated the risk management and oversight policy established and monitored by the Audit Committee.
- Maintained the Information Security Management System obtaining recertification in the ISO IEC 27001:201 Standard.
- Maintained the Engaged Members status of the Voluntary Principles Initiative.

### **ESG Ratings Performance**

After the implementation of Canacol's ESG strategy, the Corporation achieved excellent improvement in the ratings prioritized by its stakeholders. This highlights the exceptional performance of the Corporation in compliance with its ESG strategy, corporate objectives, and proposed sustainability goals.

- *MSCI ESG Rating*: Ranked an A, with an increase in performance, management, and practices.
- *Sustainalytics ESG Risk*: Scored 24.3 – Top 4<sup>th</sup> percentile in industry oil and gas producers worldwide.
- *Corporate Sustainability Assessment*: Canacol was included in the 2024 S&P Global Sustainability Yearbook for high performance in sustainable practices. Canacol was the best company in corporate governance in the oil and gas upstream and integrated segment and was ranked among the top 10% in the industry overall. Upgraded from a score of 69 to 75.
- *ISS ESG Corporate Rating*: Canacol was upgraded to B- from C+. Better performance than industry average in key issues.
- *CDP Climate Rating*: Earned a B rating in Climate Change and in its first year of participation a B rating in Water Security, placing Canacol above industry averages and highlighting its dedication to responsible clean energy production.

### **2025 ESG Outlook**

The Corporation views the 2025 year as a significant opportunity to consolidate the integration of its ESG strategy in its value chain, to leverage opportunities and mitigate risks. Some of the milestones established and to be accomplished in 2025 are:

- Continue to realize no accidents and out-of-compliance environmental events.
- Establish quantitative goals (management indicators) for each of the management areas: energy, waste, water, biodiversity and emissions.
- Develop an energy efficiency policy that includes audits to identify opportunities for improving energy performance, quantitative objectives for energy consumption reduction, investments in innovation or research and development to decrease energy consumption, and energy efficiency training offered to employees to raise awareness about reducing energy use.

- Update the water management commitment to include the evaluation of water usage to identify opportunities for improving water efficiency and public reduction targets.
- Develop a report on nature-related risks and opportunities under the Taskforce on Nature-related Financial Disclosures (TNFD) framework.
- Execute the Corporation's methane emissions reduction plan to meet the Zero Methane target by 2026.
- Publish the Corporation's circular economy strategy to respond to investor requirements.
- Measure the impact (effectiveness, sustainability, and relevance) of 70% of social investment projects.
- Develop ESG criteria for supplier evaluation and selection in the strategic sourcing assessment.
- Maintain the Total Recordable Incident Frequency Rate (TRIFR) and Lost Time Injury Frequency Rate (LTIFR) industrial safety indicators of the workforce (contractors and employees) below 1.95.
- Conduct annual stress and sensitivity tests to the most relevant strategic risks.
- Train 100% of staff and strategic contractors on Self-Control and Risk Management of Money Laundering and Financing of Terrorism Systems (SAGRILAF) and Ethics and Business Transparency Programs (PTEE) updates.
- Train 100% of staff and strategic contractors on Politically Exposed Person (PEP), beneficial ownership, conflict of interest, and warning signs.
- Continue to achieve zero human rights violations by company employees and physical security contractors.
- Maintain 10-20% female representation on the Board of Directors.

## PRINCIPAL PROPERTIES AND OPERATIONS

The following is a description of the Corporation's principal oil and gas properties and operations as at December 31, 2024.

### Colombia

In Colombia, the ANH is the administrator of the hydrocarbons in the country and therefore is responsible for regulating the Colombian oil and gas industry, including managing all exploration lands. The ANH uses an exploration risk contract, or the E&P Contract, which provides full risk/reward benefits for the contractor. Under the terms of this contract, the successful operator retains the rights to all reserves, production and income from any new exploration block, subject to existing royalty and tax regulations.

The E&P Contract model includes three different stages: exploration, evaluation, and production. The exploratory stage is divided into exploratory phases: two phases of the "Exploration Period", each of three years, and the possibility of opting for two additional phases "Subsequent Exploratory Program", each of 18 months. The evaluation period shall apply for each of the discoveries obtained, the timeframe of which could be between one and three years, depending on the proposed evaluation activities and the type of hydrocarbon to be evaluated. The production stage extends over the period of 24 years from the declaration of commerciality of each "Production Area", with the possibility of extending to the economic limit.

When operating under a contract, the contractor is the owner of the hydrocarbons extracted from the contract area during the performance of operations, except for royalty volumes which are collected by the ANH (or its designee). The contractor can market the hydrocarbons in any manner whatsoever, subject to a limitation in the case of natural emergencies where the law specifies the manner of sale. The value of royalties corresponds to an escalating percentage according to the volume of production obtained, with a minimum amount of 6%.

The following summary chart sets out general information regarding the Corporation's Colombian oil and gas properties and operations as at December 31, 2024. The average daily production of the Corporation's operated blocks in Colombia for the year ended December 31, 2024 was 29,597 boe/d.

Asset	Oil/Gas	Type	Status	Gross Acres	Net Acres	Canacol Working Interest %	Partner(s)	Contract Type	
<b>Lower Magdalena Basin</b>									
1	VIM 5	Gas	Conventional	Exploration	638,502	638,502	100%	ANH	
2	VIM 21	Gas	Conventional	Exploration	51,317	51,317	100%	ANH	
3	VIM 33	Gas	Conventional	Evaluation	6,105	6,105	100%	ANH	
4	Esperanza	Gas	Conventional	Production	16,062	16,062	100%	ANH	
5	SSJN-7	Gas	Conventional	Exploration	668,919	668,919	100%	ANH	
6	VIM 44	Gas	Conventional	Exploration	8,273	8,273	100%	ANH	
<b>Middle Magdalena Valley Basin</b>									
7	VMM 2	Oil	Unconventional	Exploration	73,056	14,611	20%	ConocoPhillips (80% operator)	ANH
8	VMM 3	Oil	Unconventional	Exploration	83,311	16,662	20%	ConocoPhillips (80% operator)	ANH
9	VMM 10-1	Gas	Conventional	Exploration	235,580	235,580	100%	ANH	
10	VMM 45	Gas	Conventional	Exploration	12,422	12,422	100%	ANH	
11	VMM 49	Gas	Conventional	Exploration	148,244	148,244	100%	ANH	
12	VMM 53	Gas	Conventional	Exploration	128,592	128,592	100%	ANH	
<b>Llanos Basin</b>									
13	Rancho Hermoso <sup>(1)</sup>	Oil	Conventional	Production	10,238	10,238	30%	Ecopetrol	Ecopetrol
<b>Total</b>					<b>2,080,621</b>	<b>1,955,527</b>			

**Note:**

(1) On December 2, 2021, the Corporation, through a wholly-owned subsidiary, signed an operation and maintenance contract with Hocol S.A. (a subsidiary of Ecopetrol) whereby the Corporation assigned ownership of the Rancho Hermoso-11 and Rancho Hermoso-16 wells to Hocol S.A., and the Corporation will continue to operate the wells under a set tariff price of \$17.36 per gross boe produced from the wells. On December 23, 2022, an amendment to the operation and maintenance contract was signed with Hocol S.A. whereby the Rancho Hermoso-12 and Rancho Hermoso-13 wells were included in the scope of the contract, with an associated scaled tariff subject to the average Brent price.

The following is a description of the Corporation's material Colombian oil and gas properties and operations as at December 31, 2024.

**Lower Magdalena Basin**

The majority of the Corporation's highly prospective acreage position is in the Lower Magdalena Valley Basin situated in the northwestern part of Colombia. The Lower Magdalena Valley Basin is a fore-arc basin related to the convergence of the Pacific and South American crustal plates with associated subduction and strike-slip deformation. The basin is underlain by continental crust and bounded to the west by the Sinu-San Jacinto accretionary prism. The primary reservoir in the basin consists of thick continental to marginal marine clastics of the Eocene to Lower Miocene-aged Cienaga de Oro Formation deposited in an active trans-tensional setting directly on basement. Regionally, the Cienaga de Oro is overlain by thick marine shales of the Porquero Formation, which provide an excellent top seal lithology. Low-stand shoreface sands are present in the marine shale sequence, and represent a secondary shallower reservoir target with significant potential in the Porquero. Across the basin, the source of the predominantly dry gas is generally ascribed to source rocks in the Porquero shale and Cienaga de Oro coals.

### *VIM 5 E&P Contract*

The Corporation obtained its working interest in the VIM 5 E&P Contract through the acquisition of this block from OGX. The Corporation, through its wholly owned subsidiary, CNE Oil & Gas S.A.S., owns a 100% working interest in the VIM 5 block located in the Sucre and Cordoba Departments. The VIM 5 E&P Contract covers an area of 638,502 acres.

This block is currently in the first phase of an extended Posterior Exploration Phase (PEP-1) which ends on April 12, 2025. The initial commitment for this phase was fulfilled in advance with the drilling of the Gaiteros-1 A3 well. Additional commitments to this phase transferred from the Esperanza E&E Contract and the VIM 19 E&P Contract include the fulfilled Corneta-1 A3 well, and the acquired and processed 3D seismic of Timbal 3D (105.2 km<sup>2</sup>) and Charango 3D (363.4 km<sup>2</sup>) for a combined total of 468.6 km<sup>2</sup> of 3D seismic.

On December 15, 2023, the ANH approved the additional two year extension of the PEP-1 to April 12, 2025 with the commitment of the acquisition of 60 km<sup>2</sup> of 3D seismic, which was fulfilled with the acquisition of 85 km<sup>2</sup> of the Macao 3D Seismic Program. The Integral Climate Change Management Plan (Plan Integral de Gestión de Cambio Climático) has been submitted by the Corporation.

On April 13, 2025, the second phase of the subsequent exploration period (PEP-2) will start with a duration of 18 months and an exploratory commitment of drilling one A3 well. This commitment has also been fulfilled in advance with the drilling of the Porro Norte-1 well and its accreditation has been approved by the ANH. Upon reaching the end of PEP-1, 50% of the contract's area in the exploration phase must be returned to ANH and areas in either the exploitation or appraisal phase can be retained by Canacol.

The VIM 5 block contains five producing gas fields (Clarinete, Pandereta, Acordeón-Ocarina, Saxofón and Claxon) operated under a contract with the ANH and produces dry natural gas for sale to local customers under long-term contracts. The most significant field is Clarinete. The average daily production of the VIM 5 block for the year ended December 31, 2024 was 17,410 boe/d.

### *VIM 21 E&P Contract*

The Corporation obtained its working interest in the VIM 21 E&P Contract through the Shona Acquisition. The Corporation, through its wholly-owned subsidiary CNE Oil & Gas S.R.L. (acting through its branch CNEOG Colombia Sucursal Colombia), holds a 100% working interest in the VIM 21 E&P Contract. The VIM 21 E&P Contract is located in the Sucre and Cordoba Departments covering a total area of 51,317 acres and is adjacent to Esperanza E&E Contract and VIM 5 E&P Contract.

The VIM 21 E&P Contract is currently in the first phase of the PEP-1, and the ANH approved a two year extension of this phase to December 12, 2025 with the commitment of the acquisition of 60 km<sup>2</sup> of 3D seismic along with the Corporation's retention of 100% of the exploratory area. The PEP-1 contractual commitment consists of the drilling of one A3 well, which was fulfilled with the drilling of the Carambolo-1 well. PEP-1 will end on December 12, 2025 and 50% of the contract's exploration acreage must be returned to ANH at that time, excluding areas in exploitation or appraisal. Following PEP-1, the contract will enter PEP-2 with a duration of 18 months and has as a contractual commitment to drill one A3 well. The Integral Climate Change Management Plan (Plan Integral de Gestión de Cambio Climático) has been submitted by the Corporation.

The VIM 21 block contains 10 producing gas fields (Toronja, Breva/Arándala, Fresa, Cornamusa, Lulo, Pomelo, Chontaduro, Kite, Pibe and Aguas Vivas) and one evaluation area (Carambolo) operated under a contract with the ANH and these fields produce dry natural gas for sale to local customers under long-term contracts. The average daily production of the VIM 21 block for the year ended December 31, 2024 was 7,252 boe/d.

### *VIM 33 E&P Contract*

The Corporation, through its wholly-owned subsidiary, CNE Oil & Gas S.A.S., holds a 100% working interest in the VIM 33 E&P Contract, which was awarded to the Corporation in a bid round (Proceso Permanente de Asignación de Areas Ciclo 2) administered by the ANH in 2019. The VIM 33 E&P Contract is located in the Lower Magdalena Basin covering a total area of 6,105 acres.

The Corporation committed to an exploratory work program, which included 61.5 km<sup>2</sup> of 3D seismic and one A3 exploration well over a three-year phase (phase 1) that ended on May 23, 2024. The contractual well commitment for phase 1 was fulfilled with the drilling of Dividivi-1 exploration well. In addition, the Corporation validated the acquisition of 62 km<sup>2</sup> of 3D seismic with the drilling of the Lulo-1 well within the VIM 21 block. On April, 22, 2024, the Corporation notified the ANH of its decision not to continue to phase 2; therefore, the exploratory period ended and the remaining exploration area was relinquished. The Corporation retained exclusively in respect of the Dividivi evaluation area.

The average daily production of the VIM 33 block for the year ended December 31, 2024 was 60 boe/d.

### *VIM 44 E&P Contract*

The Corporation, through its wholly-owned subsidiary, CNE Oil & Gas S.A.S., holds a 100% working interest in the VIM 44 E&P Contract, which was awarded to the Corporation in an ANH bid round (Proceso Permanente de Asignación de Areas Ciclo 3, PPAA # 3) administered by the ANH in 2020. The VIM 44 E&P Contract is located in the Lower Magdalena Basin covering a total area of 8,273 acres.

The Corporation has committed to an exploratory work program, which includes 37.5 km of 2D seismic acquisition and 30 km<sup>2</sup> of 3D seismic reprocessing over the three-year period comprising phase 1. Once phase 1 ends, the Corporation has the option to extend the exploratory work program by an additional three years (phase 2) within the VIM 44 E&P Contract. Phase-2 will have a contractual commitment of the drilling of one exploration well. The current phase of this contract is the preliminary phase, which ends on May 31, 2025 (after a request to the ANH for two additional extensions in 2024) and is followed by the exploratory phase 1. On October 30, 2023, the Corporation requested the initiation of the prior consultation process to the Autoridad Nacional de Consulta Previa (National Prior Consultation Authority).

### *Esperanza E&E Contract*

The Corporation obtained its working interest in the Esperanza E&E Contract through the Shona Acquisition. The Corporation, through its wholly-owned subsidiary, CNE Oil & Gas S.R.L. (acting through its branch CNEOG Colombia Sucursal Colombia), owns a 100% working interest in the Esperanza block located in the Cordoba Department in the Lower Magdalena Basin of Colombia. The contract covers an area of 16,062 acres.

The Esperanza block contains eight producing gas fields operated under a contract with the ANH and produces dry natural gas for sale to local customers under long-term contracts. The most significant field is Nelson where the majority of the gas reserves are located. The average daily production of the Esperanza block for the year ended December 31, 2024 was 3,465 boe/d.

The Esperanza Contract is currently in the exploitation period having reached the end of the exploration period (PEP-2) on December 4, 2021. All areas in exploration were relinquished to ANH, and the area relinquishment certificate was signed by Canacol and ANH on August 19, 2022.

### *SSJN-7 E&P Contract*

On April 25, 2017, the Corporation announced that it purchased a 50% interest in the SSJN-7 E&P Contract from Frontera Energy Corporation in consideration for the assumption of contractual exploration obligations with the ANH. ONGC Videsh Ltd. held the remaining 50% working interest in the SSJN-7 E&P Contract; however, in July 2023, ONGC Videsh Ltd. presented its withdrawal from the SSJN-7 E&P Contract and on October 10, 2024, the transfer to the Corporation of the remaining 50% interest was approved by the ANH.

The SSJN-7 Contract is 668,919 gross acres in size and is situated between the VIM 5 and VIM19 E&P Contracts along both of the proven and productive Cienaga de Oro and Porquero gas play fairways, as evidenced by the position of large producing gas fields both to the north and to the south of the block. Historically, a number of exploration wells have been drilled, and two commercial discoveries in the Cienaga de Oro were developed on the block, namely the Chinu (1956) and El Deseo (1989) fields.

Management of the Corporation has identified a number of leads based on the limited 2D seismic coverage on the block. Canacol has also acquired a 3D Seismic project (Mayupa 3D, 157 Km<sup>2</sup>, 2021) from which a series of drillable exploration prospects have been interpreted and mapped, including Natilla which was drilled in 2023 (Natilla-1 ST, A-3 well) with the main exploration target being the Cienaga de Oro formation.

Phase 1 of the exploration period ended on July 16, 2023. The work commitments were fulfilled with the acquisition of Mayupa 3D and the drilling of the Natilla-1 ST exploratory well. The block is currently in phase 2 of the exploration period and the work commitments for this phase include the drilling of three exploratory wells, the acquisition of 178.6 km<sup>2</sup> of 3D seismic and Geophysical and Geological (G&G) studies as contractual commitments. In 2024, the Corporation requested from the ANH that the commitment of 178.57 km<sup>2</sup> 3D seismic acquisition be validated with the drilling of the Kite-1 and Pibe-1 wells. The Natilla-2 ST1 well was spud in November 2024 fulfilling one of the two pending drilling commitments, and, subject to the approval of the ANH, the Corporation expects to fulfill the final drilling commitment upon completion of the drilling of the Natilla-2 ST well. If approved by the ANH, the only remaining commitment would be the completion of G&G studies for the approximate cost of \$100,000.

### ***Middle Magdalena Valley Basin***

The Middle Magdalena Valley Basin situated in central Colombia is a prolific intermontane basin with a long history of conventional hydrocarbon production. Basin development began in the Triassic with rifting and separation of North and South America along the Andean subduction zone. The back-arc sedimentary succession was dominated by easterly-sourced clastics which represent the primary conventional sandstone reservoirs in the basin. In a more distal setting, the basin is dominated by marine shale and carbonates including several source rock intervals. The most prolific of these, the Turonian-Coniacian-aged La Luna Formation and its lateral equivalents, are the basin's major source of oil and natural gas. Marine deposition in the basin was terminated in the Maastrichtian by the accretion of the Andean Western Cordillera. Subsequent Tertiary-aged sedimentation was dominated by non-marine clastics were derived from local important orogenic events related to the uplift of the Miocene-aged Andean Eastern Cordillera.

### ***VMM 2 E&P Contract***

Located in the Middle Magdalena Valley Basin, the VMM 2 E&P Contract is one of three adjacent contracts that expose the Corporation to a potentially large, unconventional shale oil fairway in the thick Cretaceous La Luna and Rosa Blanca formations analogous to the Eagle Ford formation.

ConocoPhillips is the operator of the VMM 2 E&P Contract holding an 80% working interest and Canacol, through its wholly-owned subsidiary, Canacol Energy Colombia S.A.S., holds a 20% working interest.

The VMM 2 E&P Contract is currently in phase 1 (duration 36 months), which is suspended indefinitely. On November 1, 2017, the ANH authorized the change of the minimum work commitments for phase 1. The pending minimum work commitment of the current phase is the drilling of one exploratory A3 well (\$10 million), and the horizontal sidetrack from the vertical well (\$7.46 million). The contract includes a gross area of 73,056 acres.

In 2024, the Corporation entered into a share purchase agreement with ConocoPhillips for the acquisition of ConocoPhillips Colombia. The closing of the acquisition is conditional upon the approval by the ANH of the conversion of the contract to a conventional E&P Contract. The Corporation has applied to the ANH and approval is pending.

### *VMM 3 E&P Contract*

The VMM 3 E&P Contract was approved by the ANH on December 2, 2015 to develop non-conventional reservoirs in the VMM 3 block. ConocoPhillips is the operator under the VMM 3 E&P Contract (holding an 80% working interest) and Canacol, through its wholly-owned subsidiary, CNE Oil & Gas S.R.L. (acting through its branch CNEOG Colombia Sucursal Colombia), holds the remaining 20% working interest.

The VMM 3 E&P Contract is currently in phase 1 (duration 36 months), which is suspended indefinitely. On December 9, 2016, the ANH authorized the transfer of \$2.2 million of the investment from the Santa Isabel E&P Contract to the VMM 3 E&P Contract. On November 30, 2016, the ANH authorized the restitution of 182 days to the term of the current phase. During the financial year ended December 31, 2017, the exploratory commitments for phase 1 were completed. On December 24, 2018, the ANH approved the indefinite suspension of phase 1 until the ANLA has issued the environmental license for unconventional exploration. The contract includes a gross area of 83,311 acres.

In 2024, the Corporation entered into a share purchase agreement with ConocoPhillips for the acquisition of ConocoPhillips Colombia. The closing of the acquisition is conditional upon the approval by the ANH of the termination of the VMM 3 E&P Contract. The Corporation has applied to the ANH and approval is pending.

### *VMM 10-1 E&P Contract*

The Corporation, through its wholly-owned subsidiary, CNE Oil & Gas S.A.S., holds a 100% working interest in the VMM 10-1 E&P Contract, which was awarded to the Corporation in a bid round (Proceso Permanente de Asignación de Areas Ciclo 4) administered by the ANH in 2021. The VMM 10-1 E&P Contract is located in the Middle Magdalena Valley Basin covering a total area of 235,580 acres. The VMM 10-1 E&P Contract is currently in phase 1 of the exploration period which ends on June 16, 2025. This contract has two exploration phases each of 36 months in duration. Currently, the Corporation is performing the Environmental Impact Study; therefore, the environmental license will be requested by the Corporation in the first half of 2025. There is an established Economic Value of Exclusivity (VEE – Valor Económico de Exclusividad), which corresponds to an exploration well, guaranteed through a letter of credit for the amount of \$5,197,568, which will be cancelled as soon as an A3 or A2 well is drilled by the Corporation.

### *VMM 45 E&P Contract*

The Corporation, through its wholly-owned subsidiary, Cantana Energy S.A. (acting through its branch Cantana Energy Sucursal Colombia), holds a 100% working interest in the VMM 45 E&P Contract, which was awarded to the Corporation in a bid round (Proceso Permanente de Asignación de Areas Ciclo 2) administered by the ANH in 2019. The VMM 45 E&P Contract is located in the Middle Magdalena Valley Basin and covers a total area of 12,422 acres.

Phase 1 of the VMM-45 E&P Contract ended on December 3, 2023 and the work commitments included the drilling of one A-3 exploration well, which was fulfilled with the drilling of the Chimela-1 exploratory well, and the geochemistry sampling (20 samples), which was validated with the drilling of the Lulo-1 well (within the VIM 21 block). The VMM 45 E&P Contract is currently in phase 2 and the work commitment for this phase is the drilling of an exploration A-3 well. In 2024, the Corporation requested accreditation from the ANH of the Cardamomo-1 well (a well drilled on the VIM-5 block) as fulfilment of the drilling commitment for phase 2 of the VMM-45 E&P Contract. In addition, the seismic reprocessing commitment for phase 2 was fulfilled during the phase 1; therefore, the phase 2 commitments have been fulfilled.

### *VMM 47 E&P Contract*

The Corporation, through its wholly-owned subsidiary, CNE Oil & Gas S.A.S., holds a 100% working interest in the VMM 47 E&P Contract, which was awarded to the Corporation in a bid round (Proceso Permanente de Asignación de Areas Ciclo 3, PPAA # 3) administered by the ANH in 2020. The VMM 47 E&P Contract is located in the Middle Magdalena Valley Basin covering a total area of 86,143 acres.

The Corporation was committed to an exploratory work program, that included 50 km of 2D seismic acquisition and 50 km of 2D seismic reprocessing over a three-year period corresponding to the current phase (phase 1) which ended on July 30, 2024. The Corporation fulfilled the seismic reprocessing and validated 50 km of 2D seismic acquisition with the drilling of Lulo-1 exploratory well; however, in June 2024, the Corporation notified the ANH of its decision to relinquish the VMM 47 E&P Contract and is in the process of terminating the contract.

#### *VMM 49 E&P Contract*

The Corporation, through its wholly-owned subsidiary, Cantana Energy S.A. (acting through its branch Cantana Energy Sucursal Colombia), holds a 100% working interest in the VMM 49 E&P Contract, which was awarded to the Corporation in a bid round (Proceso Permanente de Asignación de Areas Ciclo 2) administered by the ANH in 2019. The VMM 49 E&P Contract is located in the Middle Magdalena Valley Basin covering a total area of 148,244 acres.

The contract is currently in its preliminary phase which is scheduled to end on February 19, 2025; however, the Corporation has requested an extension from the ANH for additional six months. The Corporation has committed to an exploratory work program, which includes the acquisition of 200 km<sup>2</sup> of 3D seismic and the drilling of three A3 exploration wells over a three-year phase (phase 1). The Corporation has validated two of the three commitment wells with the drilling of Cornamusa-1 (within the VIM 21 block) and Claxon-1 (within the VIM 5 block), and 107 km<sup>2</sup> of 3D seismic with the drilling of Saxofón-1 (within VIM 5 block). Once phase 1 is complete, the Corporation has the option to extend the exploratory work program by an additional three years and enter phase 2 on the VMM 49 E&P Contract. In 2024, the ANH granted two additional extensions to the preliminary phase due to the difficulties with the prior consultation processes.

#### *VMM 53 E&P Contract*

The Corporation, through its wholly-owned subsidiary, CNE Oil & Gas S.A.S., holds a 100% working interest in the VMM 53 E&P Contract, which was awarded to the Corporation in a bid round (Proceso Permanente de Asignación de Areas Ciclo 4) administered by the ANH in 2021. The VMM 53 E&P Contract is located in the Middle Magdalena Valley Basin covering a total area of 128,592 acres.

The VMM 53 E&P Contract is currently in phase 1 of the exploration period which ends on July 29, 2025. This contract has two exploratory phases of 36 months each without minimum commitments. There is an established Economic Value of Exclusivity (VEE – Valor Económico de Exclusividad) corresponding to an exploratory well, guaranteed through a letter of credit for the amount of \$5,197,568, which shall be cancelled as soon as an A3 or A2 well is drilled by the Corporation. The Corporation is currently developing the Environmental Impact Study (Estudio de Impacto Ambiental) and is also waiting for the ANLA's decision regarding the grant of the Exploratory Environmental License (Licencia Ambiental Exploratoria).

#### **Llanos Basin**

In September 2018, the Corporation sold the majority of its conventional oil assets to Arrow. As such, the Corporation's operations in the Llanos Basin during the year ended December 31, 2024 were engaged in the production of oil solely through its operated producing field, Rancho Hermoso.

The Llanos Basin is situated on the east side of the Andes Mountains and covers an area of approximately 200,000 km<sup>2</sup>. The basin is Colombia's most prolific hydrocarbon basin and contains the majority of Colombia's oil fields and proved oil reserves. The formation of the basin was initiated by Jurassic rifting and subsidence and ended with the late Miocene Andean Orogeny. The Andean Orogeny created the major north-south Andes Mountain Range extending from Colombia to the southern tip of South America. Rifting was followed by thrusting and uplift which resulted in a structural style that is characterized by deep rooted thrusts and high angle normal faults associated with low amplitude closures oriented NNE-SSW.

### *Rancho Hermoso Field*

Rancho Hermoso is a mature oil field governed by an Ecopetrol contract. The contract covers an area of 10,238 acres.

Oil production from Rancho Hermoso falls under either: (a) “non-tariff”, which represents crude oil produced under a participation agreement with Hocol S.A. (a subsidiary of Ecopetrol); (b) “tariff” production, which represents crude oil produced under a risk service contract with Hocol S.A., whereby the Corporation receives a set tariff price of \$17.36 per gross boe produced; or (c) operation and maintenance contract with Hocol S.A. which represents crude oil produced from RH-11, RH-12, RH-13 and RH-16 wells whereby the Corporation receives a tariff price of \$17.36 (annually updated) per gross boe produced. The average daily tariff plus net before royalty non-tariff production of the Rancho Hermoso field for the year ended on December 31, 2024 was 1,411 bopd. For the year ended December 31, 2024, the Corporation’s non-tariff net share before royalties averaged 26.8%.

Under Amendment No. 1 dated October 30, 2015, Ecopetrol assumed 40% of the gross operation expenditures. Amendment No. 1 fixes such expenditures at \$6 per gross bbl of production as long as the WTI crude oil price is \$70 per bbl or less on a monthly average basis.

On December 23, 2022, an amendment to the operation and maintenance contract was signed with Hocol S.A. whereby the Rancho Hermoso-12 and Rancho Hermoso-13 wells were included in the scope of the contract, with an associated scaled tariff tied to the average Brent price.

### ***Colombia Operations Overview***

The Corporation’s gas fields which produce from the Cienaga de Oro and Porquero proven reservoirs are connected to its central Jobo gas processing and treatment facilities through more than 169 km of flow lines, mainly flexible steel flow lines.

The Corporation’s natural gas processing and treatment facilities consist of three plants: (i) the original Jobo 1A/1B, which are mechanical refrigeration units; (ii) Jobo 2, which was commissioned in 2016; and (iii) Jobo 3, which was commissioned in 2019. The Jobo 2 and Jobo 3 plants use a J-T loop to cool the gas and drop out liquids. Each plant has two inlet compressors and two outlet compressors, as well as one spare. The outlet compressors raise the gas pressure to the required pressure of 1,200 psi for inlet to the sales lines.

During the natural gas treatment process, Canacol removes small amounts of moisture and condensates from the natural gas to achieve conditions for sale and use established by Colombian regulations. The process consists of the following stages: (i) primary separation; (ii) dehydration; (iii) hydrocarbon dew point conditioning; (iv) compression; (v) filtration and (vi) measurement.

Once treated, the natural gas is ready to be used by industrial, residential, and other consumers, and exits the Jobo facility via four third-party gas export pipelines:

- 10-inch pipeline flowing south 80 km to the Cerromatoso ferro-nickel mine, one of the largest nickel mines in the world.
- 20-inch pipeline 240 km going north to Cartagena and Barranquilla where the majority of the gas is used to generate electricity.
- Combination of an 8 inch and 6 inch pipeline with two compressor stations that transports the gas to Cartagena via Sincelejo.
- 6-inch pipeline 10 km to the west to El Tesorito power plant.

The Corporation produces almost pure (97%+) methane, without any significant quantities of natural gas liquids, condensate, light oil, water, carbon dioxide, nitrogen, sulphur, or other gases or impurities. The pure nature of the produced gas stream allows sales via the gas distribution grid after only minimal, energy

efficient processing, thereby reducing operating costs, and supporting the high rates of return and low carbon footprint.

Relative to other oil and gas production facilities, which often use significant amounts of energy to process products prior to shipping, Canacol's energy consumption per unit of energy produced, or per dollar of revenue generated, is lower than current industry standards in most countries.

All the Corporation's equipment is powered by clean-burning gas rather than diesel or coal; therefore, Canacol's carbon footprint is also relatively low compared to other oil and gas operations. In addition, 99% of the gas the Corporation produces is utilized with almost no flaring, which significantly reduces the carbon footprint.

## STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION

### Date of Statement

This Statement of Reserves Data and Other Oil and Gas Information is dated December 31, 2024 unless indicated otherwise.

### Disclosure of Reserves Data

The reserves and deemed volume data set forth herein is based upon an evaluation completed by BGEC set out in the BGEC Report dated March 4, 2025 with an effective date of December 31, 2024. The reserves and deemed volume data contained herein summarizes the Corporation's crude oil, natural gas and NGL reserves and the net present values of future net revenue for such reserves using forecast prices and costs as at December 31, 2024.

The BGEC Report has been prepared in accordance with the standards contained in the COGE Handbook and the reserve definitions contained in NI 51-101 and the COGE Handbook. A summary of those definitions is set forth in this Annual Information Form under the heading "*Certain Definitions – Selected Technical Terms*". Additional information not required by NI 51-101 has been presented to provide continuity and additional information which Canacol believes is important to readers of this Annual Information Form. The Corporation engaged BGEC to provide an evaluation of proved, probable, and possible reserves and deemed volumes.

The Reserves Committee of the Board of Directors has reviewed and approved the BGEC Report. The Board of Directors on the recommendation of the Reserves Committee, have also approved the BGEC Report. The Report on Reserves Data by Independent Qualified Reserves Evaluator and the Report of Management and Directors on Oil and Gas Disclosure are attached as Schedules A and B hereto, respectively.

All of the Corporation's reserves and deemed volumes are located in Colombia. In preparing the BGEC Report, basic information was provided to BGEC by the Corporation, which included land data, well information, geological information, reservoir studies, estimates of on-stream dates, contract information, current hydrocarbon product prices, operating cost data, capital budget forecasts, financial data and future operating plans. Other engineering, geological or economic data required to conduct the evaluations and upon which the BGEC Report is based, was obtained from public records, other operators and from BGEC's non-confidential files. The extent and character of ownership and the accuracy of all factual data supplied for the BGEC Report, from all sources, was accepted by BGEC as represented.

The tables and information contained herein, show the estimated share of the Corporation's reserves and deemed volumes and the present value of estimated future net revenue for these reserves and deemed volumes, using forecast prices and costs as indicated. The discounted and undiscounted net present value of future net revenues attributable to reserves do not represent fair market value. The estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation. Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10%

probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.

**All evaluations and reviews of future net cash flow are stated prior to any provision for interest costs or general and administrative costs and after the deduction of estimated future capital expenditures for wells to which reserves and deemed volumes have been assigned and future site restoration and reclamation costs for wells in Colombia to which reserves have been assigned. It should not be assumed that the estimated future net cash flow shown below is representative of the fair market value of the Corporation’s properties. There is no assurance that such price and cost assumptions will be attained and variances could be material. The recovery and estimates of reserves and deemed volumes provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual reserves and deemed volumes may be greater than or less than the estimates provided herein. See “Risk Factors”.**

The tables summarize the data contained in the BGEC Report and, as a result, may contain slightly different numbers than such report due to rounding. Also due to rounding, certain columns may not add exactly.

**All references to \$ or US\$ in this Statement of Reserves Data and Other Oil and Gas Information are United States dollars. All references to C\$ are to Canadian dollars.** Estimated future net revenue are presented in United States dollars effective December 31, 2024.

#### Forecast Prices Used in Estimates

The following table sets forth the forecasted gas prices, as at December 31, 2024, reflected in the reserves data. Take or pay gas contract pricing secured by the Corporation through various gas sales contracts along with expected interruptible pricing were provided by the Corporation to BGEC. BGEC applied the take or pay pricing up to the total take or pay volumes for a given reserves category and, if necessary, applied the interruptible pricing to the remaining volumes. This resulted in a unique average gas price forecast for each reserves category. Inflation varies in each gas contract and ranges from 2% to 4% per annum.

Year	Contract Gas Price (\$US/Mcf)		
	Total Proved Reserves	Total Proved + Probable Reserves	Total Proved + Prob. Poss. Reserves
2025	6.30	6.81	6.81
2026	6.69	7.26	7.26
2027	8.71	8.89	8.89
2028	8.98	9.21	9.21
2029	11.19	10.36	10.34
2030	13.53	11.24	11.00
2031	10.14	10.14	10.14
2032	10.34	10.34	10.34
2033	10.54	10.54	10.54
2034	10.76	10.76	10.76
2035	10.97	10.97	10.97
2036	11.19	11.19	11.19
2037	11.41	11.41	11.41
2038	11.64	11.64	11.64
2039	11.88	11.88	11.88
2040	12.11	12.11	12.11
2041+	12.36	12.36	12.36

The following forecasted oil prices were used for the Chimela field in the VMM 45 block. BGEC used this forecasted Brent oil price minus \$16.18 per barrel to account for quality offset and transportation costs.

Year	Brent Oil Price \$/bbl
2025	76.50
2026	78.50
2027	80.00
2028	81.50
2029	83.50
2030	85.17
2031	86.87
2032	88.61
2033	90.38
2034	92.19
2034+	Escalate at 2.0%/year

The following forecasted oil prices were used for non-tariff oil in the Rancho Hermoso field in the Llanos basin. BGEC used this forecasted WTI oil price minus \$0.50 per barrel to account for quality offset and transportation costs.

Year	WTI Oil Price \$/bbl
2025	71.50
2026	74.50
2027	76.50
2028	78.00
2029	80.00
2030	81.80
2031	83.44
2032	85.10
2033	86.81
2034	88.54
2034+	Escalate at 2.0%/year

Rancho Hermoso tariff volume prices vary by well and/or zone. The Mirador zone is subject to a flat \$17.36/bbl tariff, and, currently, only the RH10 well produces from the Mirador. The RH11 and RH16 wells are subject to a \$17.36/bbl tariff with annual escalation, with tariff price at \$20.32/bbl in January 2025. The RH12 and RH13 wells are subject to a tariff between \$14.50 and \$26.00 depending on the price of Brent, with tariff price at \$20.06/bbl in January 2025. Dividivi gas price is currently \$5.30/mcf with a scheduled increase to \$5.70/mcf starting in December 2025.

### Disclosure of Reserves Data

The following table provides a summary of the Corporation's reserves as of December 31, 2024 using forecast prices and costs.

RESERVES CATEGORY	RESERVES									
	Light & Medium Crude Oil		Heavy Crude Oil		Conventional Natural Gas <sup>(1)</sup>		Natural Gas Liquids		Total BOE <sup>(4)</sup>	
	Gross <sup>(2)</sup> (Mbbbl)	Net <sup>(3)</sup> (Mbbbl)	Gross <sup>(2)</sup> (Mbbbl)	Net <sup>(3)</sup> (Mbbbl)	Gross <sup>(2)</sup> (MMcf)	Net <sup>(3)</sup> (MMcf)	Gross <sup>(2)</sup> (Mbbbl)	Net <sup>(3)</sup> (Mbbbl)	Gross <sup>(2)</sup> (Mboe)	Net <sup>(3)</sup> (Mboe)
Proved										
Developed Producing	171	141	35	29	65,079	53,549	-	-	11,624	9,564
Developed Non-Producing	97	88	61	51	149,785	125,959	-	-	26,436	22,236
Undeveloped	864	793	-	-	30,710	24,819	-	-	6,252	5,147
<b>Total Proved</b>	<b>1,132</b>	<b>1,021</b>	<b>96</b>	<b>80</b>	<b>245,574</b>	<b>204,326</b>	-	-	<b>44,312</b>	<b>36,948</b>
Probable	4,810	4,410	38	32	316,432	266,746	-	-	60,363	51,239
<b>Total Proved Plus Probable</b>	<b>5,942</b>	<b>5,431</b>	<b>134</b>	<b>112</b>	<b>562,007</b>	<b>471,072</b>	-	-	<b>104,674</b>	<b>88,187</b>
Possible	8,114	7,444	42	36	474,686	396,638	-	-	91,435	77,066
<b>Total Proved Plus Probable Plus Possible</b>	<b>14,056</b>	<b>12,875</b>	<b>177</b>	<b>148</b>	<b>1,036,693</b>	<b>867,710</b>	-	-	<b>196,109</b>	<b>165,252</b>

**Notes:**

- (1) Estimates of reserves of natural gas include associated and non-associated gas. There is no associated gas in this property.
- (2) "Gross Reserves" are the Corporation's working interest reserves before the deduction of royalties.
- (3) "Net Reserves" are the Corporation's working interest reserves after deductions of royalty obligations plus the Corporation's royalty interests.
- (4) BOE have been reported based on natural gas conversions of 5.7 Mcf/1 bbl as required by the Ministry of Mines and Energy in Colombia.
- (5) The numbers in this table may not add exactly due to rounding.

The following table provides a summary of Canacol's deemed volumes as of December 31, 2024 using forecast prices and costs.

RESERVES CATEGORY	DEEMED VOLUMES <sup>(4)</sup>									
	Light & Medium Crude Oil		Heavy Crude Oil		Conventional Natural Gas <sup>(1)</sup>		Natural Gas Liquids		Total BOE <sup>(5)</sup>	
	Gross <sup>(2)</sup> (Mbbbl)	Net <sup>(3)</sup> (Mbbbl)	Gross <sup>(2)</sup> (Mbbbl)	Net <sup>(3)</sup> (Mbbbl)	Gross <sup>(2)</sup> (MMcf)	Net <sup>(3)</sup> (MMcf)	Gross <sup>(2)</sup> (Mbbbl)	Net <sup>(3)</sup> (Mbbbl)	Gross <sup>(2)</sup> (Mboe)	Net <sup>(3)</sup> (Mboe)
Proved										
Developed Producing	75	75	189	189	-	-	-	-	263	263
Developed Non-Producing	6	6	7	7	-	-	-	-	12	12
Undeveloped	-	-	-	-	-	-	-	-	-	-
<b>Total Proved</b>	<b>81</b>	<b>81</b>	<b>195</b>	<b>195</b>	-	-	-	-	<b>276</b>	<b>276</b>
Probable	24	24	82	82	-	-	-	-	106	106
<b>Total Proved Plus Probable</b>	<b>105</b>	<b>105</b>	<b>278</b>	<b>278</b>	-	-	-	-	<b>382</b>	<b>382</b>
Possible	24	24	104	104	-	-	-	-	128	128
<b>Total Proved Plus Probable Plus Possible</b>	<b>129</b>	<b>129</b>	<b>381</b>	<b>381</b>	-	-	-	-	<b>511</b>	<b>511</b>

**Notes:**

- (1) Estimates of reserves of natural gas include associated and non-associated gas. There is no associated gas in this property.
- (2) "Gross Deemed Volumes" are the Corporation's working interest deemed volumes before the deduction of royalties.
- (3) "Net Deemed Volumes" are the Corporation's working interest deemed volumes after deductions of royalty obligations plus the Corporation's royalty interests.
- (4) The Corporation receives a tariff price per gross boe produced from certain wells for the Rancho Hermoso field. Deemed volumes are defined as the portion of volumes that correspond to the revenue from the different tariff agreements in the field. The tariff price is considered equivalent to gross revenue since Canacol is responsible for the operating costs. See also "*Principal Properties and Operations – Rancho Hermoso Field*".
- (5) BOE have been reported based on natural gas conversions of 5.7 Mcf/1 bbl as required by the Ministry of Mines and Energy in Colombia.
- (6) The numbers in this table may not add exactly due to rounding.

The following table provides a summary of the Corporation's reserves plus deemed volumes as of December 31, 2024 using forecast prices and costs.

RESERVES CATEGORY	RESERVES PLUS DEEMED VOLUMES <sup>(4)</sup>									
	Light & Medium Crude Oil		Heavy Crude Oil		Conventional Natural Gas <sup>(1)</sup>		Natural Gas Liquids		Total BOE <sup>(5)</sup>	
	Gross <sup>(2)</sup> (Mbbbl)	Net <sup>(3)</sup> (Mbbbl)	Gross <sup>(2)</sup> (Mbbbl)	Net <sup>(3)</sup> (Mbbbl)	Gross <sup>(2)</sup> (MMcf)	Net <sup>(3)</sup> (MMcf)	Gross <sup>(2)</sup> (Mbbbl)	Net <sup>(3)</sup> (Mbbbl)	Gross <sup>(2)</sup> (Mboe)	Net <sup>(3)</sup> (Mboe)
Proved										
Developed Producing	246	215	224	218	65,079	53,549	-	-	11,887	9,828
Developed Non-Producing	103	93	68	57	149,785	125,959	-	-	26,448	22,249
Undeveloped	864	793	-	-	30,710	24,819	-	-	6,252	5,147
<b>Total Proved</b>	<b>1,213</b>	<b>1,101</b>	<b>292</b>	<b>275</b>	<b>245,574</b>	<b>204,326</b>	-	-	<b>44,587</b>	<b>37,224</b>
Probable	4,834	4,434	120	114	316,432	266,746	-	-	60,469	51,346
<b>Total Proved Plus Probable</b>	<b>6,047</b>	<b>5,535</b>	<b>412</b>	<b>390</b>	<b>562,007</b>	<b>471,072</b>	-	-	<b>105,056</b>	<b>88,569</b>
Possible	8,139	7,469	146	139	474,686	396,638	-	-	91,563	77,194
<b>Total Proved Plus Probable Plus Possible</b>	<b>14,186</b>	<b>13,004</b>	<b>558</b>	<b>529</b>	<b>1,036,693</b>	<b>867,710</b>	-	-	<b>196,620</b>	<b>165,763</b>

**Notes:**

- (1) Estimates of reserves of natural gas include associated and non-associated gas. There is no associated gas in this property.
- (2) "Gross Reserves" are the Corporation's working interest reserves and deemed volumes before the deduction of royalties.
- (3) "Net Reserves" are the Corporation's working interest reserves and deemed volumes after deductions of royalty obligations plus the Corporation's royalty interests.
- (4) The Corporation receives a tariff price per gross boe produced from certain wells for the Rancho Hermoso field. Deemed volumes are defined as the portion of volumes that correspond to the revenue from the different tariff agreements in the

field. The tariff price is considered equivalent to gross revenue since Canacol is responsible for the operating costs. See also "Principal Properties and Operations – Rancho Hermoso Field".

- (5) BOE have been reported based on natural gas conversions of 5.7 Mcf/1 bbl as required by the Ministry of Mines and Energy in Colombia.

The following table provides a summary of Canacol's net present value of future net revenues as of December 31, 2024 using forecast prices and costs.

RESERVES CATEGORY	Net Present Value (NPV) of Future Net Revenues (FNR) <sup>(1)(2)(3)(4)</sup>										Before Deducting Future Income Tax Expense - Discounted at 10%/yr (\$/BOE) <sup>(5)</sup>
	Before Deducting Future Income Tax Expense - Discounted at (%/yr)					After Deducting Future Income Tax Expense - Discounted at (%/yr)					
	(M US\$) <sup>0</sup>	(M US\$) <sup>5</sup>	(M US\$) <sup>10</sup>	(M US\$) <sup>15</sup>	(M US\$) <sup>20</sup>	(M US\$) <sup>0</sup>	(M US\$) <sup>5</sup>	(M US\$) <sup>10</sup>	(M US\$) <sup>15</sup>	(M US\$) <sup>20</sup>	
Proved											
Developed	297,782	278,932	263,106	249,637	238,033	297,782	278,932	263,106	249,637	238,033	27.51
Producing											
Developed Non-Producing	1,026,400	867,980	744,212	645,873	566,551	1,026,400	867,980	744,212	645,873	566,551	33.47
Undeveloped	194,197	145,732	110,606	84,676	65,220	138,714	102,913	77,124	58,181	44,025	21.49
<b>Total Proved</b>	<b>1,518,379</b>	<b>1,292,644</b>	<b>1,117,924</b>	<b>980,186</b>	<b>869,804</b>	<b>1,462,896</b>	<b>1,249,825</b>	<b>1,084,442</b>	<b>953,691</b>	<b>848,609</b>	<b>30.26</b>
Probable	2,583,022	1,915,849	1,473,640	1,166,489	945,370	1,679,861	1,209,196	902,708	693,196	544,672	28.76
<b>Total Proved Plus Probable</b>	<b>4,101,401</b>	<b>3,208,493</b>	<b>2,591,564</b>	<b>2,146,675</b>	<b>1,815,174</b>	<b>3,142,757</b>	<b>2,459,021</b>	<b>1,987,150</b>	<b>1,646,887</b>	<b>1,393,281</b>	<b>29.39</b>
Possible	4,546,293	2,748,967	1,776,221	1,204,852	850,437	2,894,842	1,698,570	1,058,512	686,937	459,752	23.05
<b>Total Proved Plus Probable Plus Possible</b>	<b>8,647,694</b>	<b>5,957,460</b>	<b>4,367,785</b>	<b>3,351,527</b>	<b>2,665,611</b>	<b>6,037,599</b>	<b>4,157,591</b>	<b>3,045,662</b>	<b>2,333,824</b>	<b>1,853,033</b>	<b>26.43</b>

**Notes:**

- (1) NPV of FNR includes all resource income: Sale of oil, gas, by-product reserves; Processing of third party Reserves; Other income.
- (2) Income taxes include all resource income, appropriate income tax calculations and prior tax pools.
- (3) The unit values are based on net reserve volumes before income tax (BFIT).
- (4) The Corporation receives a tariff price per gross boe produced from certain wells for the Rancho Hermoso field. Deemed volumes are defined as the portion of volumes that correspond to the revenue from the different tariff agreements in the field. The tariff price is considered equivalent to gross revenue since Canacol is responsible for the operating costs. See also "Principal Properties and Operations – Rancho Hermoso Field".
- (5) BOE have been reported based on natural gas conversion of 5.7Mcf/1 bbl as required by the Ministry of Mines and Energy in Colombia.
- (6) The numbers in this table may not add exactly due to rounding.

The following table sets forth Canacol's total future net revenues (undiscounted) as of December 31, 2024 using forecast prices and costs.

RESERVES CATEGORY	Revenue (M US\$)	Royalties (M US\$)	Operating Development & Reclamation			Future Net Revenues BT <sup>(1)</sup> (M US\$)	Future Income Tax Expenses (M US\$)	Future Net Revenues AT <sup>(1)</sup> (M US\$)
			Costs <sup>(2)</sup> (M US\$)	Costs (M US\$)	Abandonment Costs (M US\$)			
Total Proved	2,206,558	359,681	199,091	111,239	18,168	1,518,379	55,483	1,462,896
Total Proved Plus Probable	5,717,685	886,300	421,983	282,672	25,329	4,101,401	958,644	3,142,757
Total Proved Plus Probable Plus Possible	11,568,695	1,790,904	780,279	318,452	31,366	8,647,694	2,610,095	6,037,599

**Notes:**

- (1) BT= Before deducting future income tax expenses and AT= After deducting future income tax expenses.
- (2) Operating cost less processing and other income.
- (3) The Corporation receives a tariff price per gross boe produced from certain wells for the Rancho Hermoso field. Deemed volumes are defined as the portion of volumes that correspond to the revenue from the different tariff agreements in the field. The tariff price is considered equivalent to gross revenue since Canacol is responsible for the operating costs. See also "Principal Properties and Operations – Rancho Hermoso Field".
- (4) The numbers in this table may not add exactly due to rounding.

The following table sets forth Canacol's net present value of future net revenues by product type as of December 31, 2024 using forecast prices and costs.

RESERVES CATEGORY	PRODUCT TYPE	Net Present Value of Future Net Revenues BFIT Discounted (10%/yr) <sup>(1)(2)</sup> (M US\$)	Net Present Value of Future Net Revenues BFIT Discounted (10%/yr) <sup>(1)(2)(3)(4)</sup> (\$/BOE)
<b>Total Proved</b>	Bitumen	-	-
	Coal Bed Methane	-	-
	Conventional Natural gas (including by-products but excluding solution gas and by-products from oil wells)	1,098,411	30.64
	Gas Hydrates	-	-
	Heavy Crude Oil (including solution gas and other by-products)	8,105	101.31
	Light Crude Oil & Medium Crude Oil (including solution gas and other by-products)	11,408	11.17
	Natural Gas Liquids	-	-
	Shale Gas	-	-
	Synthetic Crude Oil	-	-
	Synthetic Gas	-	-
Tight Oil	-	-	
	<b>Total</b>	<b>1,117,924</b>	<b>30.26</b>
<b>Total Proved Plus Probable</b>	Bitumen	-	-
	Coal Bed Methane	-	-
	Conventional Natural gas (including by-products but excluding solution gas and by-products from oil wells)	2,446,067	29.60
	Gas Hydrates	-	-
	Heavy Crude Oil (including solution gas and other by-products)	10,756	96.04
	Light Crude Oil & Medium Crude Oil (including solution gas and other by-products)	134,741	24.81
	Natural Gas Liquids	-	-
	Shale Gas	-	-
	Synthetic Crude Oil	-	-
	Synthetic Gas	-	-
Tight Oil	-	-	
	<b>Total</b>	<b>2,591,564</b>	<b>29.39</b>
<b>Total Proved Plus Probable Plus Possible</b>	Bitumen	-	-
	Coal Bed Methane	-	-
	Conventional Natural gas (including by-products but excluding solution gas and by-products from oil wells)	4,018,088	26.39
	Gas Hydrates	-	-
	Heavy Crude Oil (including solution gas and other by-products)	14,314	96.72
	Light Crude Oil & Medium Crude Oil (including solution gas and other by-products)	335,383	26.05
	Natural Gas Liquids	-	-
	Shale Gas	-	-
	Synthetic Crude Oil	-	-
	Synthetic Gas	-	-
Tight Oil	-	-	
	<b>Total</b>	<b>4,367,785</b>	<b>26.43</b>

**Notes:**

- (1) The unit values are based on net reserve volumes before deducting future income tax expenses (BFIT).
- (2) The Corporation receives a tariff price per gross boe produced from certain wells for the Rancho Hermoso field. Deemed volumes are defined as the portion of volumes that correspond to the revenue from the different tariff agreements in the field. The tariff price is considered equivalent to gross revenue since Canacol is responsible for the operating costs. See also "*Principal Properties and Operations – Rancho Hermoso Field*".
- (3) These amounts were determined by dividing the Net Present Value of Future Net Revenues BFIT Discounted by the Corporation's reserves for the year ended December 31, 2024 and exclude the Corporation's deemed volumes for the year ended December 31, 2024.

- (4) BOE have been reported based on natural gas conversion of 5.7Mcf/1 bbl as required by the Ministry of Mines and Energy in Colombia.
- (5) The numbers in this table may not add exactly due to rounding.

### Reconciliations of Changes in Reserves

The following table set forth the reconciliation of Canacol's gross reserves plus deemed volumes by principal product type using forecast prices and cost estimates as of December 31, 2024.

	Total Oil (Mbbbl)	Light & Medium Crude Oil (Mbbbl)	Heavy Crude Oil (Mbbbl)	Sales Gas (MMcf)	Natural Gas Liquids (Mbbbl)	Total (Mboe)
<b>Total Proved</b>						
<b>Opening Balance (December 31, 2023)<sup>(5)</sup></b>	<b>1,523</b>	<b>1,311</b>	<b>212</b>	<b>286,489</b>	-	<b>51,784</b>
Extensions	-	-	-	-	-	-
Improved Recovery	-	-	-	-	-	-
Technical Revisions <sup>(1)</sup>	177	(20)	197	3,938	-	868
Discoveries <sup>(4)</sup>	-	-	-	13,622	-	2,390
Acquisitions <sup>(2)</sup>	-	-	-	-	-	-
Dispositions <sup>(2)</sup>	-	-	-	-	-	-
Economic Factors <sup>(3)</sup>	-	-	-	(1,331)	-	(233)
Production	(196)	(78)	(118)	(57,144)	-	(10,221)
<b>Closing Balance (December 31, 2024)<sup>(5)</sup></b>	<b>1,504</b>	<b>1,213</b>	<b>292</b>	<b>245,574</b>	-	<b>44,587</b>
<b>Total Probable</b>						
<b>Opening Balance (December 31, 2023)<sup>(5)</sup></b>	<b>4,915</b>	<b>4,845</b>	<b>70</b>	<b>284,156</b>	-	<b>54,767</b>
Extensions	-	-	-	-	-	-
Improved Recovery	-	-	-	-	-	-
Technical Revisions <sup>(1)</sup>	39	(11)	51	(8,850)	-	(1,513)
Discoveries <sup>(4)</sup>	-	-	-	39,795	-	6,982
Acquisitions <sup>(2)</sup>	-	-	-	-	-	-
Dispositions <sup>(2)</sup>	-	-	-	-	-	-
Economic Factors <sup>(3)</sup>	-	-	-	1,331	-	233
Production	-	-	-	-	-	-
<b>Closing Balance (December 31, 2024)<sup>(5)</sup></b>	<b>4,954</b>	<b>4,834</b>	<b>120</b>	<b>316,432</b>	-	<b>60,469</b>
<b>Total Proved + Probable</b>						
<b>Opening Balance (December 31, 2023)<sup>(5)</sup></b>	<b>6,438</b>	<b>6,156</b>	<b>282</b>	<b>570,645</b>	-	<b>106,552</b>
Extensions	-	-	-	-	-	-
Improved Recovery	-	-	-	-	-	-
Technical Revisions <sup>(1)</sup>	216	(32)	248	(4,912)	-	(646)
Discoveries <sup>(4)</sup>	-	-	-	53,417	-	9,371
Acquisitions <sup>(2)</sup>	-	-	-	-	-	-
Dispositions <sup>(2)</sup>	-	-	-	-	-	-
Economic Factors <sup>(3)</sup>	-	-	-	-	-	-
Production	(196)	(78)	(118)	(57,144)	-	(10,221)
<b>Closing Balance (December 31, 2024)<sup>(5)</sup></b>	<b>6,459</b>	<b>6,047</b>	<b>412</b>	<b>562,007</b>	-	<b>105,056</b>
<b>Total Proved + Probable + Possible</b>						
<b>Opening Balance (December 31, 2023)<sup>(5)</sup></b>	<b>14,766</b>	<b>14,371</b>	<b>394</b>	<b>958,777</b>	-	<b>182,972</b>
Extensions	-	-	-	-	-	-
Improved Recovery	-	-	-	-	-	-
Technical Revisions <sup>(1)</sup>	174	(108)	282	(12,024)	-	(1,935)
Discoveries <sup>(4)</sup>	-	-	-	147,083	-	25,804
Acquisitions <sup>(2)</sup>	-	-	-	-	-	-
Dispositions <sup>(2)</sup>	-	-	-	-	-	-
Economic Factors <sup>(3)</sup>	-	-	-	-	-	-
Production	(196)	(78)	(118)	(57,144)	-	(10,221)
<b>Closing Balance (December 31, 2024)<sup>(5)</sup></b>	<b>14,744</b>	<b>14,186</b>	<b>558</b>	<b>1,036,693</b>	-	<b>196,620</b>

**Notes:**

- (1) Includes technical revisions due to reservoir performance, geological and engineering changes and working interest changes resulting from the timing of interest reversions.
- (2) Includes production attributable to any acquired interests from the acquisition date to effective date of the report and production realized from disposed interests from the opening balance date to the effective date of disposition.

- (3) Includes economic revisions related to price, royalty factor changes and change in economic limits.
- (4) Conventional natural gas discoveries are associated with Pomelo, Chontaduro, and Pibe on the VIM21 block, Nispero and Kite on the Esperanza block, and Merengon on the SSJN7 block.
- (5) The Corporation receives a tariff price per gross boe produced from certain wells for the Rancho Hermoso field. Deemed volumes are defined as the portion of volumes that correspond to the revenue from the different tariff agreements in the field. The tariff price is considered equivalent to gross revenue since Canacol is responsible for the operating costs. See also "*Principal Properties and Operations – Rancho Hermoso Field*".
- (6) BOE have been reported based on natural gas conversion of 5.7Mcf/1 bbl as required by the Ministry of Mines and Energy in Colombia.
- (7) The numbers in this table may not exactly add due to rounding.

## **Additional Information Relating to Reserves Data**

### ***Undeveloped Reserves***

The Corporation attributes proved, probable, and possible undeveloped reserves and deemed volumes based on accepted engineering and geological practices as defined under NI 51-101. These practices include the determination of reserves based on the presence of commercial test rates from either production tests or drill stem tests, extensions of known accumulations based upon either geological or geophysical information and the optimization of existing fields.

Subject to the success of operations, within the next three years, the Corporation has set forth below its plans regarding the development of proved, probable and possible undeveloped reserves. The Corporation's undeveloped reserves will be developed through further drilling and recompletions of existing wells within the following contracts and fields:

#### *Esperanza E&E Contract*

- The Porquero well, Nelson 10, is in the drilling inventory and is expected to be drilled in 2026.
- Palmer 2 well was drilled in 2019 but the Corporation did not drill into the Middle Cienaga de Oro. The wells in the Palmer field currently produce from the Upper Cienaga de Oro and, once these formations are depleted, the Corporation intends to develop the underlying Middle Cienaga de Oro. The estimated timing of developing the Middle Cienaga de Oro is 2028.

#### *VIM 5 E&P Contract*

- Chirimia 2 is in the drilling inventory and is expected to be drilled in 2027.
- The Tubara well, Corneta 2, is in the drilling inventory and is scheduled for 2027.
- Ocarina 2 is in the drilling inventory and is expected to be drilled in 2026.
- Saxofon 2 and 3 are in the drilling inventory and are expected to be drilled in 2026 and 2027, respectively.
- Manchego 1 is in the drilling inventory and is expected to be drilled in 2026.
- Pistacho 1 is in the drilling inventory and is expected to be drilled in 2025.

#### *VIM 21 E&P Contract*

- Brevia 2 is in the drilling inventory and is expected to be drilled in 2027.
- Arandala 3 is in the drilling inventory and is expected to be drilled in 2027.

#### VIM 33 E&P Contract

- Dividivi 2 and Dividivi 3 are in the drilling inventory and are expected to be drilled in 2025 and 2026, respectively.

#### VMM 45 E&P Contract

- Chimela 2 and Chimela 3 are in the drilling inventory and are expected to be drilled in 2026 and 2027, respectively.

#### SSJN 7 E&P Contract

- Chinu New Drill is in the drilling inventory and is expected to be drilled in 2027.

The ultimate recovery of undeveloped reserves from the Corporation's gas fields are also associated with the installation and commissioning of compression and the conversion of older wells into water disposal wells. In recent years, the Corporation has installed and commissioned compression at the Betania station and Nispero, Clarinete, Palmer, Chontaduro, Aguas Vivas, Palmer, Kite fields. Compression and water handling projects are in the Corporation's 2025 budget and continue to be executed.

The Corporation anticipates that the 2025/2026 drilling and recompletions schedule will focus on the above areas and on other opportunities arising from the Corporation's exploration programs; however, drilling plans are affected by economic considerations. The Corporation has presently set about executing its approved fiscal 2025 drilling plan. Undeveloped reserves, like all projects, are subject to competition for capital and consequently may be delayed or accelerated from time to time. For more information, see "Risk Factors" herein,

The following table sets out the volume of the Corporation's proved undeveloped and probable undeveloped reserves over the most recent three financial years and the amount of reserves first attributed in each of those years.

Reserves Category	Light & Medium Crude Oil Gross (Mbbl)		Heavy Crude Oil Gross (Mbbl)		Sales Natural Gas Gross (MMcf)		NGLs Gross (MMcf)	
	First Attributed	Cumulative at year end	First Attributed	Cumulative at year end	First Attributed	Cumulative at year end	First Attributed	Cumulative at year end
<b>Proved Undeveloped</b>								
Prior to 2022	-	2,079	141	1,875	153,301	287,809	-	-
2022	717	717	-	-	-	28,564	-	-
2023	-	749	-	-	3,450	30,546	-	-
2024	-	864	-	-	2,476	30,710	-	-
<b>Probable Undeveloped</b>								
Prior to 2022	-	575	678	3,844	137,277	394,646	-	-
2022	3,461	3,461	-	-	30,459	76,915	-	-
2023	-	4,123	-	-	4,055	78,697	-	-
2024	-	4,115	-	-	40,463	118,222	-	-

**Note:**

(1) The numbers in this table may not add exactly due to rounding.

### Significant Factors or Uncertainties Affecting Reserves Data

#### General

The Corporation does not anticipate any significant economic factors or significant uncertainties will affect any particular components of the reserves data, including with respect to properties with no attributed reserves. However, there are numerous uncertainties inherent in estimating quantities of proved reserves, including many factors beyond the control of the Corporation. The reserve data included herein represents

estimates only. In general, estimates of economically recoverable oil and natural gas reserves and the associated future net cash flows are based upon a number of variable factors and assumptions, such as historical production from the properties, the assumed effects of regulation by governmental agencies and future operating costs, all of which may vary considerably from actual results. For those reasons, estimates of the economically recoverable oil and natural gas reserves attributable to any particular group of properties, classification of such reserves based on risk of recovery and associated estimates of future net revenues expected, prepared by different engineers or by the same engineers at different times, may vary substantially. The actual production, revenues, taxes and development and operating expenditures of the Corporation with respect to these reserves will vary from such estimates, and such variances could be material.

Estimates with respect to proved reserves that may be developed and produced in the future are often based upon volumetric calculations and upon analogy to similar types of reserves rather than actual production history. Estimates based on these methods are generally less reliable than those based on actual production history. Subsequent evaluation of the same reserves based upon production history will result in variations, which may be substantial, in the estimated reserves.

Consistent with the securities disclosure legislation and policies of Canada, the Corporation has used forecast prices and costs in calculating reserve quantities included herein. Actual future net cash flows will also be affected by other factors such as actual production levels, supply and demand for oil and natural gas, curtailments or increases in consumption by oil and natural gas purchasers, changes in governmental regulation or taxation and the impact of inflation on costs.

#### *Abandonment and Reclamation Costs*

The following table sets forth abandonment and reclamation costs deducted in the estimation of the Corporation's future net revenue using forecast prices and costs:

	<b>Abandonment and Reclamation Costs (M US\$)</b>
<b>Total Proved Reserves</b>	
<b>Year</b>	
2025	1,800
2026	1,014
2027	2,735
2028	2,375
2029	1,804
<b>Remaining</b>	<b>8,440</b>
<b>Undiscounted</b>	<b>18,168</b>
<b>Discounted @ 10%</b>	<b>11,348</b>
<b>Total Proved plus Probable Reserves</b>	
<b>Year</b>	
2025	1,000
2026	612
2027	421
2028	658
2029	906
<b>Remaining</b>	<b>21,733</b>
<b>Undiscounted</b>	<b>25,329</b>
<b>Discounted @ 10%</b>	<b>11,732</b>

**Note:**

(1) The numbers in this table may not add exactly due to rounding.

### Future Development Costs

The following table outlines the forecast for future development costs associated with the Corporation's assets and properties for the reserves categories noted below, calculated on an undiscounted and a discounted (10%) basis.

Year	Future Development Costs Forecast Prices & Costs	
	For Proved Reserves (M US\$)	For Proved + Probable Reserves (M US\$)
	2025	32,130
2026	40,774	149,264
2027	34,897	45,405
2028	658	5,482
2029	1,330	2,030
<b>Remaining</b>	<b>1,451</b>	<b>7,212</b>
<b>Total</b>	<b>111,239</b>	<b>282,672</b>
<b>Undiscounted</b>	<b>111,239</b>	<b>282,672</b>
<b>Discounted @ 10%</b>	<b>91,144</b>	<b>232,376</b>

**Notes:**

- (1) Future Development Costs shown are associated with booked reserves in the BGEC Report and do not necessarily represent the Corporation's full exploration and development budget.
- (2) The numbers in this table may not add exactly due to rounding.

Generally, the Corporation has three sources of funding to finance its capital expenditure programs: (i) cash on hand and internally generated cash flows from operations; (ii) debt financing, when appropriate; and (iii) new equity issues, if available on favourable terms. Management does not anticipate that the costs of funding referred to above will materially affect the Corporation's disclosed reserves and future net revenues or will make the development of any of the Corporation's properties uneconomic. The Corporation plans its capital program on a calendar year basis.

### Other Oil and Gas Information

#### Oil and Gas Wells

The following table summarizes Canacol's interests, by region and on a consolidated basis, as at December 31, 2024, in oil and gas wells which are producing or which are considered capable of production. All wells considered capable of production have been standing for a period of less than one year, are within economic distance of transportation facilities and are classified as proved developed non-producing reserves in the BGEC Report. All of the Corporation's properties are located onshore.

	Oil Wells				Gas Wells			
	Producing		Non-Producing		Producing		Non-Producing	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
<b>Colombia</b>								
Rancho Hermoso	11.0	1.8	-	-	-	-	-	-
VIM 5	-	-	-	-	11.0	11.0	15.0	15.0
VIM 21	-	-	-	-	9.0	9.0	10.0	10.0
Esperanza	-	-	-	-	10.0	10.0	14.0	14.0
VIM 33	-	-	-	-	1.0	1.0	-	-
VMM 45	-	-	1.0	1.0	-	-	-	-
<b>Total</b>	<b>11.0</b>	<b>1.8</b>	<b>1.0</b>	<b>1.0</b>	<b>31</b>	<b>31</b>	<b>39</b>	<b>39</b>

See "Description of the Business and Operations – Principal Properties and Operations" for a discussion of the Corporation's properties.

### **Properties with no Attributed Reserves**

As at December 31, 2024, the Corporation had approximately 1,884,029 gross (1,812,254 net) acres of unproved property. This acreage is situated in Colombia. No reserves have been assigned to this acreage.

Undeveloped acreage includes rights granted pursuant to exploration contracts or license contracts, which require certain work commitments. First term commitments for exploration licenses typically include evaluation of existing data and acquisition, processing and interpretation of additional seismic to be acquired by the Corporation. Subsequent terms typically involve drilling exploration wells. If, at the end of the exploration term, the Corporation elects not to proceed with additional work commitments, all or a portion of this acreage may be relinquished. See “*Description of the Business and Operations – Principal Properties and Operations*” for a discussion of the Corporation’s properties.

In the event of exploration success on certain acreage, pipeline and facility construction would be required in order to fully develop the field.

As at December 31, 2024, the Corporation had no unproved property in which its rights to explore, develop and exploit will, absent further action, expire within one year.

See also “*Significant Factors or Uncertainties Affecting Reserves Data*” and “*Risk Factors*” herein.

### **Forward Contracts**

Other than fixed price gas sale contracts and transportation agreements entered into by the Corporation in the ordinary course of business, Canacol is not bound by any agreement, directly or through an aggregator, under which it is precluded from fully realizing, or may be protected from the full effect of, future market prices for crude oil or natural gas. Canacol’s transportation obligations or commitments for future physical deliveries of natural gas are not expected to vary significantly from Canacol’s future forecasted production.

### **Tax Horizon**

The Corporation was taxable in Colombia, Switzerland and the United States for the year ended December 31, 2024.

### **Costs Incurred**

The following table summarizes capital expenditures related to the Corporation’s activities for the year ended December 31, 2024, separated into its business units.

	<b>Colombia (M\$)</b>	<b>Other (M\$)</b>	<b>Total (M\$)</b>
Development Costs	66,777	74	66,851
Exploration Costs	49,531	118	49,649
Reclassification	-	-	-
Net Property Acquisition Costs			
Proved Properties	(7)	-	(7)
Unproved Properties	-	-	-
<b>Total Capital Expenditures</b>	<b>116,301</b>	<b>192</b>	<b>116,493</b>

## Exploration and Development Activities

The following table summarizes the gross and net exploratory and development wells in which the Corporation and its subsidiaries participated during the year ended December 31, 2024.

	Exploration Wells		Development Wells		Total	
	Gross	Net	Gross	Net	Gross	Net
<b>Colombia<sup>(1)(2)(3)</sup></b>						
Oil wells						
Gas wells	5	5	4	4	9	9
Service wells						
Stratigraphic test wells						
Dry holes	1	1	1	1	2	2
<b>Total</b>	<b>6</b>	<b>6</b>	<b>5</b>	<b>5</b>	<b>11</b>	<b>11</b>
<b>Success Rate</b>	<b>83.3%</b>	<b>83.3%</b>	<b>80.0%</b>	<b>80.0%</b>	<b>81.8%</b>	<b>81.8%</b>

### Notes:

- (1) The Colombia gas exploration wells are Pomelo-1, Chontaduro-1, Nispero-2, Kite-1, and Pibe-1.
- (2) The Colombia gas development wells are Clarinete-10, Clarinete-11, Chontaduro-2, and Chontaduro-3.
- (3) The Colombia exploration dry holes are Cardamomo-1 and Pibe-2.

### Colombia Gas

For development activity related to the gas portfolio, the Corporation has identified potential development locations on its Esperanza, VIM 5, VIM 21 and VIM 33 properties. A number of these locations are contingent on the Corporation's ongoing appraisal drilling program on its most recent discoveries. Committing to additional development drilling will be tied to the requirement to build the Corporation's proved and probable reserve base to secure additional gas contracts. In the meantime, the Corporation will advance its technical understanding of reservoir performance by continued reservoir modeling of the main producing assets.

For exploration activity related to the gas portfolio, the Corporation has built a significant inventory of prospects and leads by interpretation of the 2D and 3D seismic across its acreage position. Committing to additional investment in seismic and exploratory drilling will be tied to the requirement to build the Corporation's proved and probable reserve base to secure additional gas contracts.

### Production Estimates

The following table sets forth the volume of production estimated by the Corporation, by product type, for total proved, total probable and total proved plus probable reserves, for the year ending December 31, 2025, based on the BGEC Report for the year ended December 31, 2024 using forecast prices and costs.

Reserves Category	Forecast Prices & Costs		
	Total Proved Gross Daily Production <sup>(2)(3)</sup>	Total Probable Gross Daily Production <sup>(2)(3)</sup>	Total Proved + Probable Gross Daily Production <sup>(2)(3)</sup>
Light & Medium Crude Oil (bbl/d)	180	3	183
Heavy Crude Oil (bbl/d)	36	1	36
Associated and Non-Associated Natural Gas (Mcf/d)	133,730	32,358	166,089
Natural Gas Liquids (bbl/d)	-	-	-
<b>Total<sup>(1)</sup> (boe/d)</b>	<b>23,677</b>	<b>5,681</b>	<b>29,358</b>

### Notes:

- (1) BOE have been reported based on natural gas conversions of 5.7 Mcf/1 bbl as required by the Ministry of Mines and Energy in Colombia.
- (2) Gross production is company interest before all royalty deductions.
- (3) Amounts are based on the Corporation's reserves for the year ended December 31, 2024 and exclude the Corporation's deemed volumes for the year ended December 31, 2024.
- (4) The numbers in these tables may not add exactly due to rounding.

The following table sets forth the volume of production estimated by the Corporation, by field, for the year ending December 31, 2025, based on the BGEC Report for the year ended December 31, 2024 using forecast prices and costs.

	Light & Medium Crude Oil (bbl/d) <sup>(3)</sup>	Heavy Crude Oil (bbl/d) <sup>(3)</sup>	Conventional Natural Gas (Mcf/d) <sup>(2)(3)</sup>	Natural Gas Liquids (bbl/d)
Acordeon & Ocarina	-	-	2,445	-
Aguas Vivas	-	-	6,481	-
Alboka	-	-	-	-
Arandala	-	-	324	-
Ariana	-	-	89	-
Breva	-	-	324	-
Canaflecha	-	-	931	-
Canahuate	-	-	1,811	-
Canandongua	-	-	611	-
Carambolo	-	-	-	-
Chimela	51	-	-	-
Chirimia	-	-	-	-
Chontaduro	-	-	4,748	-
Clarinete	-	-	77,645	-
Claxon	-	-	-	-
Cornamusa	-	-	-	-
Dividivi	-	-	1,455	-
Fresa	-	-	485	-
Kite	-	-	1,267	-
Lulo	-	-	1,285	-
Nelson	-	-	10,608	-
Nispero & Trombon	-	-	2,694	-
Oboe	-	-	1,215	-
Palmer	-	-	1,017	-
Pandereta	-	-	17,553	-
Pibe	-	-	177	-
Pomelo	-	-	565	-
Porro Norte	-	-	-	-
Rancho Hermoso	129	36	-	-
San Marcos	-	-	-	-
Saxofon	-	-	-	-
Siku	-	-	-	-
Toronja	-	-	-	-
<b>Total</b>	<b>180</b>	<b>36</b>	<b>133,730</b>	<b>-</b>

**Notes:**

- (1) Daily production is taken from the BGEC Report as of December 31, 2024.
- (2) Natural gas includes associated and non-associated sales gas volumes.
- (3) Amounts are based on the Corporation's reserves for the year ended December 31, 2024 and exclude the Corporation's deemed volumes for the year ended December 31, 2024.
- (4) The numbers in these tables may not match the corporate totals due to rounding.

**Production History**

The following table sets forth the Corporation's share of average gross daily production volumes, by country, the prices received, royalties paid, production costs incurred and the resulting netback on a per unit volume basis, for each quarter of the year ended December 31, 2024.

OPERATING RESULTS	Three Months Ended March 31, 2024	Three Months Ended June 30, 2024	Three Months Ended September 30, 2024	Three Months Ended December 31, 2024
	Colombia	Colombia	Colombia	Colombia
<b>Average Gross Daily Production</b>				
Light & Medium Crude Oil (bbl/d)	270	215	196	156
Heavy Crude Oil (bbl/d)	-	-	-	-
Conventional Natural Gas (boe/d)	27,025	28,535	28,869	28,309
Natural Gas Liquids (bbl/d)	-	-	-	-
Crude Oil – Tariff (boe/d)	1,135	1,484	1,411	777
<b>Average sale prices</b>				
Light & Medium Crude Oil (\$/bbl)	\$75.26	\$87.61	\$76.78	\$73.16
Heavy Crude Oil (\$/bbl)	-	-	-	-
Conventional Natural Gas (\$/boe)	\$37.57	\$39.01	\$38.13	\$44.56

OPERATING RESULTS	Three Months Ended	Three Months Ended	Three Months Ended	Three Months Ended
	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024
	Colombia	Colombia	Colombia	Colombia
Natural Gas Liquids (\$/bbl)	-	-	-	-
Crude Oil – Tariff (\$/boe)	\$20.69	\$22.89	\$21.18	\$16.10
<b>Operating netback (\$/boe)</b>				
Commodity sales revenue, net of transportation expenses	\$37.23	\$38.53	\$37.56	\$43.95
Royalties	(6.81)	(5.92)	(5.58)	(6.84)
Operating expenses	(2.91)	(2.66)	(2.56)	(2.94)
<b>Netback (\$)<sup>(1)</sup></b>	<b>\$27.51</b>	<b>\$29.95</b>	<b>\$29.42</b>	<b>\$34.17</b>

**Note:**

(1) “Netback” per BOE is calculated as revenues net of royalties, less transportation and processing charges and operating expenses and then divided by BOE or Mcf sold. Netbacks do not have a standard meaning prescribed by GAAP and therefore may not be comparable to similar measures used by other companies. Management believes this is a useful metric in providing a comparison of relative overall performance between companies as it is a common metric used by other companies operating in the oil and gas industry. Management uses this metric to assess the Corporation’s overall performance relative to that of its competitors and for internal planning purposes.

The following table sets forth the Corporation’s production volumes for the year ended December 31, 2024, by product type, for the fields comprising more than 10% of the Corporation’s total production.

	Light & Medium Crude Oil (bbl/d)	Heavy Crude Oil (bbl/d)	Conventional Natural Gas (boe/d)	Natural Gas Liquids (bbl/d)
Esperanza	-	-	3,465	-
VIM 5	-	-	17,410	-
VIM 21	-	-	7,252	-
VIM 33	-	-	60	-
Other	1,411	-	-	-
<b>Total</b>	<b>1,411</b>	<b>-</b>	<b>28,187</b>	<b>-</b>

**Note:**

(1) The numbers in these tables may not match the corporate totals due to rounding.

## DESCRIPTION OF CAPITAL STRUCTURE

### Common Shares

The Corporation is authorized to issue an unlimited number of Common Shares. As of March 20, 2025, 34,119,987 Common Shares were issued and outstanding (34,119,987 Common Shares as at December 31, 2024). The holders of the Common Shares are entitled to receive notice of and attend any meeting of the Shareholders and are entitled to one vote for each Common Share held (except at meetings where only the holders of another class of shares are entitled to vote). Subject to the rights attached to any other class of shares, the holders of the Common Shares are entitled to receive dividends, if, as and when declared by the Board of Directors and are entitled to receive the remaining property upon liquidation of the Corporation.

### Preferred Shares

The Corporation is authorized to issue an unlimited number of preferred shares (“Preferred Shares”), issuable in series. As of March 20, 2025, no Preferred Shares were issued and outstanding. The Preferred Shares may be issued from time to time in one or more series, each series consisting of a number of Preferred Shares as determined by the Board of Directors, who may fix the designations, rights, privileges, restrictions and conditions attaching to the shares of each series of Preferred Shares. The Preferred Shares of each series shall, with respect to dividends, liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its Shareholders for the purpose of winding up its affairs, shall be entitled to preference over the Common Shares and the shares of any other class ranking junior to the Preferred Shares. The Preferred Shares of any series may also be given such other preferences and priorities over the Common Shares and any other shares of the Corporation ranking junior to such series of Preferred Shares.

## Long-Term Debt

### 2021 Senior Notes

On November 24, 2021, the Corporation completed a private offering of the 2021 Senior Notes for the aggregate principal amount of \$500 million. The Corporation used a portion of the net proceeds from the offering to finance the purchase of the \$320 million aggregate principal amount of the then outstanding 7.25% senior notes with a final maturity date of May 3, 2025 issued by the Corporation on May 3, 2018 and to repay a \$30 million secured term loan with a major bank that was due on June 30, 2023.

#### *General*

The 2021 Senior Notes are direct senior unsecured obligations of the Corporation and rank *pari passu* in right of payment with all other existing and future senior indebtedness of the Corporation. The 2021 Senior Notes are jointly and severally guaranteed on a general unsecured senior basis by certain subsidiaries of the Corporation. The 2021 Senior Notes will mature on November 24, 2028, unless earlier redeemed or repurchased in accordance with the terms of the 2021 Senior Notes. The 2021 Senior Notes bear interest at the rate of 5.75% per annum, payable semi-annually in arrears on each May 24 and November 24 of each year, commencing on May 24, 2022.

Subject to certain exceptions, the 2021 Senior Note Indenture governing the 2021 Senior Notes contains a number of incurrence-based covenants that, among other things, restrict the Corporation and certain of its subsidiaries ability to: incur or guarantee additional indebtedness; pay dividends or make other distributions or repurchase or redeem its capital stock; make loans and investments; sell assets; incur liens; enter into transactions with affiliates; enter into agreements restricting certain subsidiaries' ability to pay dividends; and consolidate, merge or sell all or substantially all of its assets. These covenants are subject to a number of qualifications and exceptions as set forth in the 2021 Senior Note Indenture.

#### *Redemption*

The Corporation could have redeemed the 2021 Senior Notes, in whole or in part, at any time before November 24, 2024, at a redemption price equal to 100% of the principal amount of the 2021 Senior Notes plus a make-whole premium, in each case plus accrued and unpaid interest to, but excluding, the redemption date. At any time on or after November 24, 2024, the Corporation may redeem the 2021 Senior Notes, in whole or in part, at the redemption price equal to 102.875% (in year 2024), 101.438% (in year 2025) and 100% (in year 2026 and thereafter) of the principal amount of the 2021 Senior Notes plus accrued and unpaid interest to, but excluding, the redemption date.

In addition, before November 24, 2024, the Corporation could have redeemed up to 35% of the 2021 Senior Notes with net cash proceeds from an equity offering, at the redemption price equal to 105.750% of the principal amount of the 2021 Senior Notes plus accrued and unpaid interest thereon to, but excluding, the redemption date. The Corporation may also redeem the 2021 Senior Notes, in whole but not in part, at a price equal to 100% of the principal amount plus accrued and unpaid interest to, but excluding, the redemption date and any additional amounts, upon the occurrence of certain changes in tax law.

#### *Change of Control*

Upon the occurrence of a change of control (as defined in the 2021 Senior Note Indenture), the holders may require the Corporation to repurchase such holder's 2021 Senior Notes, in whole or in part, at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase.

See also "*Risk Factors – Risks Related to the Industry and the Business of Canacol – Debt Matters*".

### **2023 Revolving Credit Facility**

The 2023 Revolving Credit Facility is a \$200 million senior unsecured revolving credit facility with a syndicate of banks. The 2023 Revolving Credit Facility bears interest at a rate of SOFR plus 4.5% per annum and is due February 17, 2027. The Corporation is able to repay/redraw the 2023 Revolving Credit Facility at any time within the four-year term without penalty. The 2023 Revolving Credit Facility is not subject to typical periodic redeterminations. As at March 20, 2025, the Corporation had drawn an aggregate of \$200 million under the 2023 Revolving Credit Facility. The 2023 Revolving Credit Facility contains a number of maintenance covenants that are harmonized with the covenants under the 2021 Senior Notes as discussed above under “*Description of Capital Structure – Long-Term Debt – 2021 Senior Notes*”. See also “*Risk Factors – Risks Related to the Industry and the Business of Canacol – Debt Matters*”.

### **2024 Credit Facility**

The 2024 Credit Facility is a \$75 million senior secured term loan facility with Macquarie Group. The 2024 Credit Facility bears interest at an annual rate of SOFR plus 8.0% on drawn amounts and 2.4% on undrawn amounts during the commitment period. The 2024 Credit Facility matures on September 3, 2026, and has a 12 month principal payment grace period. No prepayments may be made during the first 12 months. The initial draw on funding was \$50 million, with a further commitment of \$25 million available for a 12 month period should certain production metrics be met. As at March 20, 2025, the Corporation had drawn an aggregate of \$50 million under the 2024 Credit Facility. The 2024 Credit Facility contains a number of maintenance covenants the majority of which are harmonized with the covenants under the 2021 Senior Notes as discussed above under “*Description of Capital Structure – Long-Term Debt – 2021 Senior Notes*”. See also “*Risk Factors – Risks Related to the Industry and the Business of Canacol – Debt Matters*”.

### **Credit Ratings**

The 2021 Senior Notes are rated B- with a negative outlook from S&P Global Ratings (“**S&P**”) and Caa1 with a negative outlook from Moody’s Investors Services (“**Moody’s**”).

S&P’s long-term issue credit rating of individual securities are on a rating scale of AAA (highest) to D (lowest). A long-term credit rating of B is within the sixth highest of 10 categories and is considered more vulnerable to non-payment in the near-term than the obligations that are rated BB, but has the capacity to meet its financial commitments. The ratings from AA to CCC may be modified by the addition of a plus (+) or a minus (-) sign to show relative standing within the rating categories.

Moody’s credit ratings are on a long-term debt rating scale that ranges from Aaa to C, which represents the range from highest to lowest quality of such securities rated. According to Moody’s, a rating of Caa is the seventh highest of nine major categories. Moody’s applies numerical modifiers 1, 2 and 3 in each generic rating classification from Aa to Caa in its corporate bond rating system. The modifier 1 indicates that the issue ranks in the higher end of its generic rating category, the modifier 2 indicates a mid-range ranking and the modifier 3 indicates that the issue ranks in the lower end of its generic rating category.

Credit ratings are intended to provide investors with an independent measure of the credit quality of an issuer of securities. The credit ratings accorded to the 2021 Senior Notes are not recommendations to purchase, hold or sell such securities inasmuch as such ratings are not a comment upon the market price of the securities or their suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if, in its judgment, circumstances so warrant. A revision or withdrawal of a credit rating could have a material adverse effect on the pricing or liquidity of the 2021 Senior Notes in the secondary markets, should such markets develop. Canacol undertakes no obligation to maintain the ratings or to advise holders of the 2021 Senior Notes of any change in ratings. Each agency’s rating should be evaluated independently of any other agency’s rating. See “*Risk Factors – Risks Related to the Industry and the Business of Canacol – Credit Ratings*”.

The Corporation paid fees for rating services to S&P and Moody’s and has not paid fees for other rating agency services during the last two financial years, except for Fitch Ratings which provided a rating for the 2021 Senior Notes during the year ended December 31, 2023.

## DIVIDENDS AND DISTRIBUTIONS

### Dividend Record and Policy

Canacol’s general practice was to pay quarterly cash dividends on the Common Shares from its distributable cash flow to Shareholders; however, on March 21, 2024, the Corporation announced that it discontinued its quarterly cash dividend in order to strengthen its balance sheet.

The decision to declare any dividend and the timing and amount of future cash dividends, if any, is subject to the discretion of the Board of Directors and will vary depending on a variety of factors and conditions existing from time to time, including, without limitation, business performance, operating environment where Canacol’s assets are located, financial condition, growth plans, fluctuations in commodity prices, production levels, expected capital expenditure requirements, operating costs, royalty burdens, foreign exchange rates, interest rates, compliance with any restrictions on the declaration and payment of dividends contained in any agreements to which Canacol or any of its subsidiaries is a party from time to time (including, without limitation, the agreements governing the 2021 Senior Notes, the 2023 Revolving Credit Facility and the 2024 Credit Facility), and the satisfaction of liquidity and solvency tests imposed by the ABCA for the declaration and payment of dividends.

The Board of Directors intends to review the dividend program from time to time, at its discretion. Depending on the foregoing factors and any other factors that the Board of Directors deems relevant from time to time, many of which are beyond the control of Canacol, the Board of Directors may change the program following any such review or at any other time that the Board of Directors deems appropriate. There can be no assurance that Canacol will resume its quarterly cash dividends or declare and pay any dividends in the future. See also “*Risk Factors – Risks Related to the Industry and the Business of Canacol – Cash Dividends Are Not Guaranteed*”.

### Dividend History

The table below provides information on dividends declared per Common Share for each of the three most recently completed financial years:

<u>Dividend Record Date<sup>(1)</sup></u>	<u>Amount per Common Share (post-Consolidation) (C\$)</u>
March 31, 2022	0.26
June 30, 2022	0.26
September 30, 2022	0.26
December 30, 2022	0.26
March 31, 2023	0.26
June 30, 2023	0.26
September 30, 2023	0.26
December 30, 2023	0.26

**Note:**

(1) On March 21, 2024, the Corporation announced that it discontinued its quarterly cash dividend.

## TRADING PRICE AND VOLUME

### Common Shares

The Common Shares trade under the symbol “CNE” on the TSX. The following table sets out the price range (monthly high and low closing prices) of the Common Shares and consolidated volumes traded on the TSX for the periods indicated (as reported by the TSX).

Period	High (C\$)	Low (C\$)	Volume
<b>2024</b>			
January	7.68	6.16	1,076,260
February	6.22	4.93	1,233,577
March	6.18	4.25	1,859,330
April	5.05	4.28	817,928
May	5.24	4.52	715,845
June	4.69	3.81	856,058
July	4.93	4.24	532,780
August	4.48	3.7	634,392
September	3.72	3.15	611,187
October	3.65	2.8	575,838
November	4.45	2.76	1,1562,76
December	4.32	3.47	788,829
<b>2025</b>			
January	3.94	3.33	1,053,624
February	4.01	3.61	372,823
March 1-18	4.10	3.50	187,332

## PRIOR SALES

The following table summarizes the issuances of unlisted securities for the year ended December 31, 2024:

Date of Issuance	Securities	Number of Common Shares Issued/Issuable or Aggregate Amount	Exercise Price per Security (C\$)
February 5, 2024	Stock Options <sup>(1)</sup>	684,630	6.10
September 11, 2024	Warrants <sup>(2)</sup>	1,888,448	3.80
September 23, 2024	Stock Options <sup>(1)</sup>	99,999	3.49
September 23, 2024	Performance Share Units <sup>(1)</sup>	612,442	N/A
September 23, 2024	Restricted Share Units <sup>(1)</sup>	1,345,666	N/A
September 23, 2024	Deferred Share Units <sup>(1)</sup>	77,865	N/A
November 15, 2024	Stock Options <sup>(1)</sup>	5,000	3.03

**Notes:**

- (1) Issued pursuant to the omnibus long term incentive plan of the Corporation.
- (2) Issued to Macquarie Group in connection with the 2024 Credit Facility. Each warrant entitles the holder to purchase one Common Share at an exercise price of C\$3.80 and has an expiry date of September 11, 2027.

## ESCROWED SECURITIES

The Corporation has no escrowed securities.

## DIRECTORS AND OFFICERS

The following table sets forth the names and municipalities of residence of the current directors and executive officers of the Corporation, their respective positions and offices with the Corporation and date first appointed or elected as a director and/or officer and their principal occupation(s) within the past five years.

Name and Municipality of Residence and Position with Canacol	Director/Officer Since	Principal Occupation During the Last Five Years
Charle Gamba <sup>(4)</sup> President, Chief Executive Officer and Director Bogotá, Colombia	October 30, 2008	Mr. Gamba is currently the President and Chief Executive Officer of Canacol, a role he has held since he founded the Corporation in 2008. Mr. Gamba has 30 years of international oil and gas experience, and has previously worked for Imperial Oil, Canadian Occidental Oil and Gas, Occidental Petroleum, and Alberta Energy Company in Southeast Asia, the Middle East, West Africa, Canada, and Latin America. He has served on the board of directors of several publicly listed and private oil and gas companies where he held positions on the ESG, audit, reserves, HSE and compensation committees. Mr. Gamba currently sits on the board of the Asociación Colombiana de Petróleo and Naturgas, two industry groups that form upstream, midstream and downstream policy for the oil and gas industry in Colombia. Mr. Gamba holds a B.Sc., an M.Sc., and a Ph.D. in Geology.
Michael Hibberd <sup>(1)(2)(3)(5)</sup> Chairman and Director Calgary, Alberta, Canada	October 30, 2008	Mr. Hibberd is currently Chairman of the Board of Canacol and brings over 40 years of industry and senior leadership experience to the Corporation. For over 28 years, Mr. Hibberd has been Chairman and CEO of MJH Services Inc., a corporate finance advisory firm. He is also currently Vice Chairman of Sunshine Oilsands Ltd., Chairman of PetroFrontier Corp. and serves as a board member of D2 Lithium Corp. Formerly, he was Chairman of Heritage Oil Plc, Heritage Oil Corporation and Greenfields Petroleum Corporation; and former director of Montana Exploration Corp., Avalite Inc., CanAsia Energy Corp, Challenger Energy Corp., Deer Creek Energy, Iteration Energy Ltd., Pan Orient Energy Corp., Rally Energy Corp., Sagres Energy, Skope Energy Inc. and Zapata Energy Corporation. Mr. Hibberd holds a BA and an MBA from the University of Toronto and an LLB from Western University..
David Winter <sup>(2)(4)(5)</sup> Director Calgary, Alberta, Canada	February 6, 2009	Dr. Winter is the Chief Executive Officer and Director of Horizon Petroleum Ltd. He is also a Director of Nevada Lithium Resources Inc. He was a co-founder of Canacol. Previously, Dr. Winter was the Founder, Chief Executive Officer and Director of Excelsior Energy Limited, an oil sands focused exploration company. Dr. Winter brings over 40 years of international experience in a variety of technical, management and leadership roles living and working in Latin America, the Middle East, Southeast Asia and the UK North Sea. His experience was gained working at British Petroleum, Sun Oil, Canadian Occidental, Alberta Energy Company, Calvalley Petroleum and Excelsior Energy Limited. Dr. Winter holds a B.Sc. (Hons) in Geology from the University of London, an M.Sc. in Structural Geology and Rock Mechanics from Imperial College, University of London and a Ph.D. in Structural Geology from Edinburgh University.

Name and Municipality of Residence and Position with Canacol	Director/Officer Since	Principal Occupation During the Last Five Years
Francisco Diaz <sup>(1)(3)(5)</sup> Director Bogotá, Colombia	January 16, 2015	Mr. Diaz has more than 30 years of experience as an international executive and general manager. Mr. Diaz is currently the Managing Partner at Evolvere Capital SAS, a private equity firm that manages various portfolio companies in Colombia, Latin America, and Spain. He is also the Chairman of the Board and Chair of the Audit Committee of Systemgroup, a financial services company which operates in seven Latin American countries. Mr. Diaz previously occupied the position of President and Chief Executive Officer for Organización Corona SA, and various executive positions for Monsanto Company including President of the Global Food Ingredients Division, Vice President of Global Strategy, and Vice President and General Manager for Latin America. Mr. Diaz currently leads a foundation that provides nutrition to more than 100,000 disadvantaged children in Colombia on a daily basis. Mr. Diaz received an undergraduate degree in Chemical Engineering from Northeastern University, a graduate degree from the J.L. Kellogg Graduate School of Management at Northwestern University and a graduate degree from Hult International Business School.
Gustavo Gattass <sup>(1)(3)(4)</sup> Director Rio de Janeiro, Brazil	June 23, 2023	After 20 years in the banking industry covering the oil and gas and power industries, Mr. Gattass is now a board member of several energy and power companies. Having started working in the equity research department of Banco Icatu, Mr. Gattass later moved to UBS and BTG Pactual, where he was ranked a top analyst in energy and power for many years and where he ran the LatAm research department. Upon leaving BTG Pactual in 2015, Mr. Gattass joined the boards of Petrobras and its fuel distribution subsidiary BR Distribuidora, and later was a member of a number of other boards in the energy, power and water utility space. Mr. Gattass holds a degree in Economics from PUC-Rio.
Valentina Garbarini <sup>(2)(5)</sup> Director Madrid, Spain	October 18, 2023	Ms. Garbarini has more than 10 years of experience as Finance Director at the Cisneros Blavia Family Office leading the finance and legal affairs departments internationally and focusing on the areas of energy, telecommunications and social responsibility. She is also a board member of Corporación Dígital C.A., a telecommunication company in Venezuela. She was a board member of the Universidad Iberoamericana in Bogotá, ambassador of the Sino PLPE Federation in Macao, of Fundación Unidos en Red and of GEN Global. Ms. Garbarini graduated cum laude in Business Management, Marketing and International Studies from Bentley University in Boston, Massachusetts.

Name and Municipality of Residence and Position with Canacol	Director/Officer Since	Principal Occupation During the Last Five Years
Silvestre Tovar Leopardi <sup>(1)(3)</sup> Director Maranda State, Venezuela	June 27, 2024	Mr. Tovar Leopardi brings over 33 years of senior leadership experience in the banking, automotive and telecommunication industries. His expertise extends to legal and business affairs, banking and capital market regulation, and cross-border mergers and acquisitions. Mr. Tovar Leopardi is currently the Managing Partner of Escritorio Tovar – Lange S.C.P. and he is the CEO of Iveco Group Venezuela, C.A. and Inversiones Popolis, C.A. Mr. Tovar Leopardi is also a director of Corporación Digitel C.A., and DP Delta Finance B.V. (Netherlands). He holds a Law degree with a specialization in Administrative Law from Universidad Católica Andrés Bello.
Jason Bednar Chief Financial Officer Calgary, Alberta, Canada	December 1, 2015	Mr. Bednar is a Chartered Professional Accountant with more than 25 years of direct professional experience in the financial and regulatory management of oil and gas companies listed on the TSX, TSX Venture Exchange, American Stock Exchange and Australia Stock Exchange. In 2008, he was a founding director and Chair of the Audit Committee of Canacol and in 2015 he resigned from this position to become Canacol's CFO. Mr. Bednar has been the CFO of several international oil and gas exploration and production companies, most notably the founding CFO of Pan Orient Energy Corp., a Southeast Asian exploration company. He has previously sat on the board of directors of several internationally focused exploration and production companies. Mr. Bednar holds a Bachelor of Commerce degree from the University of Saskatchewan.
Ravi Sharma Chief Operating Officer Bogotá, Colombia	October 1, 2015	Mr. Sharma has more than 30 years of oil and natural gas experience in the Americas, the Middle East, Russia, Australasia, and Africa. He has held senior management roles at major exploration and production companies worldwide. He was Head of Production & Operations with Afren Plc., Global Petroleum Engineering Manager for BHP Billiton Petroleum and Worldwide Chief Reservoir Engineer for Occidental Oil & Gas Company. Mr. Sharma holds a B.Sc. and M.Sc. in Mechanical Engineering from the University of Alberta.
William Satterfield Senior Vice President of Exploration Houston, Texas, USA	June 30, 2022	Mr. Satterfield joined Canacol from Sanchez Oil and Gas Corporation where he served as Senior Vice President of New Ventures and Geosciences. Previously he worked for Occidental Petroleum for 22 years in the Americas, the Middle East, Africa, and Southeast Asia in various geotechnical roles culminating as Exploration Manager in Bogota Colombia. Mr. Satterfield has a B.Sc. and an MA in Geology from the University of Texas in Austin.

Name and Municipality of Residence and Position with Canacol	Director/Officer Since	Principal Occupation During the Last Five Years
Anthony Zaidi Vice President of Business Development, General Counsel and Corporate Secretary Bogotá, Colombia	November 29, 2011	Mr. Zaidi is a lawyer and businessman with significant experience in corporate finance and in the mining and energy sector in Colombia. Prior to joining Canacol, Mr. Zaidi was the President and General Counsel of Carrao Energy Ltd., a private oil and gas exploration company he co-founded and co-managed until its acquisition by Canacol in November 2011. Prior to Carrao, he had been an officer or director of several private and public companies, including Integral Oil Services, Pacific Rubiales Energy, Petromagdalen Energy, Medoro Resources and others, as well as a securities lawyer at Blake, Cassels & Graydon LLP. Mr. Zaidi is also currently a director of Arrow Exploration Corp. Mr. Zaidi holds a Juris Doctor degree from the University of Toronto as well as a Bachelor of Commerce (Finance) degree from McGill University.
Tracy Whitmore Vice President of Tax and Corporate Affairs Calgary, Alberta, Canada	April 8, 2019	Ms. Whitmore joined Canacol in 2013 as Director of Taxation and was appointed Vice President of Tax and Corporate Affairs in April 2019. Ms. Whitmore has over 25 years of experience in international tax planning, consulting, and corporate governance. Prior to joining Canacol, she worked for Hemisphere GPS, a U.S. based technology company and at PricewaterhouseCoopers as a Senior Manager in the International Tax Services Group helping clients with cross-border reorganizations, offshore financing and international acquisitions mainly in the energy industry. Ms. Whitmore is a Chartered Professional Accountant and holds an Honors in Business Administration degree from the Ivey Business School.
Carolina Orozco Vice President Investor Relations and Communications London, United Kingdom	June 24, 2022	Ms. Orozco joined Canacol in 2010. She has over 18 years of experience in both investors relations and banking. Prior to joining Canacol, she worked at Citibank in corporate banking covering the infrastructure and pharmaceutical sector, and in wealth management as a financial and investment advisor where she leveraged her learnings at Tolhurst Noall, an equity research and brokerage firm based in Australia. Ms. Orozco holds a B.Sc. in Applied Finance from McQuarie University and a Certificate in ESG Investing from the CFA Institute.
Aurora Juan Vice President of Development Calgary, Alberta, Canada	June 24, 2022	Ms. Juan joined Canacol in 2010. She has over 20 years experience in the energy industry in Canada, Colombia, Ecuador and France. Prior to joining Canacol she held senior reservoir engineering roles at Vermilion Energy, Acclaim Energy, EnCana and PanCanadian Petroleum. Ms. Juan is a Professional Engineer in the Province of Alberta and holds a B.Sc. in Chemical Engineering with a Petroleum Minor from the University of Calgary.

**Notes:**

- (1) Denotes Audit Committee members.
- (2) Denotes Compensation Committee members.
- (3) Denotes Governance and Nominating Committee members.
- (4) Denotes Reserve Committee members.
- (5) Denotes ESG Committee members.
- (6) Each director will hold office until the next annual general meeting of Shareholders or until his successor is elected or appointed.

As at March 19, 2025, the directors and officers of Canacol, as a group beneficially own, directly or indirectly, approximately 353,672 of the outstanding Common Shares (approximately 1.0%).

### **Corporate Cease Trade Orders or Bankruptcies**

Other than as set forth below, no director, officer or Shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, within 10 years before the date of this Annual Information Form, has been, a director or executive officer of any corporation that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order, or an order that denied the relevant corporation access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the corporation being the subject of a cease trade or similar order or an order that denied the relevant corporation access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (c) within a year of that person ceasing to act in such capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Mr. Hibberd was a director of Montana Exploration Corp. at the time that an order was issued to suspend trading until its 2017 year end financial statements and MD&A were filed and compliance with TSX Venture Exchange requirements was confirmed. The order was issued by the Alberta Securities Commission on May 4, 2018. Mr. Hibberd is a non-executive Vice-Chairman of Sunshine Oil Sands Ltd. ("**Sunshine**"). On October 9, 2020, the Alberta Securities Commission issued an order for Sunshine to re-file its 2019 audited financial statements with an un-modified auditor's opinion. The order prevents insiders and control block persons from trading Sunshine shares on the Hong Kong Stock Exchange until revoked.

David Winter is a director and officer and Charle Gamba is a director of Horizon Petroleum Ltd. ("**Horizon**"). On January 6, 2020 and January 16, 2020, the common shares of Horizon were cease traded by the Alberta Securities Commission and the British Columbia Securities Commission, respectively, as a result of the failure of Horizon to file its 2019 year end financial statements and MD&A. The cease trade orders were revoked on July 18, 2022.

Charle Gamba and Jason Bednar were formerly directors of Solimar Energy Limited ("**Solimar**") from September 12, 2011 and October 10, 2011, respectively, to December 12, 2014, upon which date all of the directors and officers resigned. On December 3, 2015, December 8, 2015 and December 21, 2015, the common shares of Solimar were cease traded by the Alberta Securities Commission, the British Columbia Securities Commission and the Ontario Securities Commission, respectively, as a result of the failure by Solimar to file various continuous disclosure documents, including interim financial statements and related management's discussion and analysis for the three-month period ended September 30, 2014, together with the related certification of filings thereto.

### **Personal Bankruptcies**

No director, officer or Shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation has within 10 years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

## Penalties or Sanctions

No director, officer or Shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

## Conflicts of Interest

Certain directors and officers of the Corporation and its subsidiaries are associated with other reporting issuers or other corporations which may give rise to conflicts of interest. In accordance with corporate laws, directors who have a material interest or any person who is a party to a material contract or a proposed material contract with the Corporation are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors are required to act honestly and in good faith with a view to the best interests of the Corporation. Some of the directors of the Corporation have either other employment or other business or time restrictions placed on them and accordingly, these directors of the Corporation will only be able to devote part of their time to the affairs of the Corporation. In particular, certain of the directors and officers are involved in managerial and/or director positions with other oil and gas companies whose operations may, from time to time, provide financing to, or make equity investments in, competitors of the Corporation. Conflicts, if any, will be subject to the procedures and remedies available under the ABCA. The ABCA provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided by the ABCA.

## AUDIT COMMITTEE INFORMATION

The Audit Committee is a committee of the Board of Directors to which the Board of Directors delegates its responsibility for oversight of the financial reporting process. The Audit Committee is also responsible for managing, on behalf of the Shareholders, the relationship between the Corporation and the external auditor.

Pursuant to NI 52-110, the Corporation is required to disclose certain information with respect to its Audit Committee, as summarized below.

### Audit Committee Terms of Reference

The Corporation must, pursuant to NI 52-110, have a written charter which sets out the duties and responsibilities of its Audit Committee. The terms of reference of the Audit Committee are attached hereto as Schedule C.

### Audit Committee Composition

The following are the members of the Audit Committee:

Michael Hibberd <sup>(1)</sup>	Independent <sup>(2)</sup>	Financially Literate <sup>(2)</sup>
Francisco Diaz	Independent <sup>(2)</sup>	Financially Literate <sup>(2)</sup>
Gustavo Gattass	Independent <sup>(2)</sup>	Financially Literate <sup>(2)</sup>
Silvestre Tovar Leopardi	Independent <sup>(2)</sup>	Financially Literate <sup>(2)</sup>

**Notes:**

- (1) Chairman of the Audit Committee.
- (2) As defined by NI 52-110.

**Relevant Education and Experience**

All of the members of the Audit Committee have been either directly involved in the preparation of the financial statements, filing of quarterly and annual financial statements, dealing with auditors, or as a member of the Audit Committee. All members have the ability to read, analyze and understand the complexities surrounding the issuance of financial statements.

***Michael Hibberd, B.A., M.B.A. and LL.B***

Mr. Hibberd is Chairman and Chief Executive Officer of MJH Services Inc., a corporate finance advisory business established in 1995; Vice-Chairman of Sunshine Oilsands Ltd. and Chairman of PetroFrontier Corp.; director of D2 Lithium Corp.; former Chairman of Heritage Oil Plc, Heritage Oil Corporation and Greenfields Petroleum Corporation; and former director of Montana Exploration Corp., Avalite Inc., CanAsia Energy Corp., Challenger Energy Corp., Deer Creek Energy, Iteration Energy Ltd., Pan Orient Energy Corp., Rally Energy Corp., Sagres Energy, Skope Energy Inc. and Zapata Energy Corporation. Mr. Hibberd spent 12 years in corporate finance with ScotiaMcLeod and was Senior Vice President, Corporate Finance and a Director. Mr. Hibberd holds a BA and an MBA from the University of Toronto and an LLB from Western University.

***Francisco Diaz, B.Sc., M.Sc.***

Mr. Diaz is currently the Managing Partner at Evolvere Capital SAS, a private equity firm that manages various portfolio companies in Colombia, Latin America, and Spain. He is also the Chairman of the Board and Chair of the Audit Committee of Systemgroup, a financial services company which operates in seven Latin American countries. Mr. Diaz previously occupied the position of President and Chief Executive Officer for Organización Corona SA, and various executive positions for Monsanto Company including President of the Global Food Ingredients Division, Vice President of Global Strategy, and Vice President and General Manager for Latin America. Mr. Diaz received an undergraduate degree in Chemical Engineering from Northeastern University, a graduate degree from the J.L Kellogg Graduate School of Management at Northwestern University and a graduate degree from Hult International Business School, Inc.

***Gustavo Gattass***

Mr. Gattass has 20 years of experience in the banking industry covering the oil and gas and power industries. Mr. Gattass previously held roles at Banco Icatu, UBS and BTG Pactual. He is currently a board member of several energy and power companies, including Petrobras and its fuel distribution subsidiary BR Distribuidora. Mr. Gattass holds a degree in Economics from PUC-Rio.

***Silvestre Tovar Leopardi***

Mr. Tovar Leopardi brings over 33 years of senior leadership experience in the banking, automotive and telecommunication industries. His expertise extends to legal and business affairs, banking and capital market regulation, and cross-border mergers and acquisitions. He holds a Law degree with a specialization in Administrative Law from Universidad Católica Andrés Bello.

**Reliance on Certain Exemptions**

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on:

- (a) the exemption in section 2.4 of NI 52-110 (De Minimis Non-audit Services);
- (b) the exemption in section 3.2 of NI 52-110 (Initial Public Offerings);

- (c) the exemption in section 3.4 of NI 52-110 (Events Outside Control of Members);
- (d) the exemption in section 3.5 of NI 52-110 (Death, Disability or Resignation of Audit Committee Members); or
- (e) an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions) of NI 52-110.

### Reliance on the Exemption in Subsection 3.3(2) or Section 3.6

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on:

- (a) the exemption in subsection 3.3(2) of NI 52-110 (Controlled Companies); or
- (b) the exemption in section 3.6 of NI 52-110 (Temporary Exemption for Limited and Exceptional Circumstances).

### Reliance on Section 3.8

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied section 3.8 of NI 52-110 (Acquisition of Financial Literacy).

### Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

### Pre-Approval Policies and Procedures

The Audit Committee had adopted specific policies and procedures for the engagement of non-audit services as described under the heading "*External Auditors*" in the terms of reference of the Audit Committee as attached hereto as Schedule C.

### External Auditor Service Fees

The fees billed by the Corporation's external auditors in each of the last two fiscal years for audit and other fees are as follows:

Financial Year Ending	Audit Fees <sup>(1)</sup> (\$)	Audit Related Fees <sup>(2)</sup> (\$)	Tax Fees <sup>(3)</sup> (\$)	All Other Fees <sup>(4)</sup> (\$)
December 31, 2024	536,000	25,000	-	-
December 31, 2023	625,000	222,000	-	-

#### Notes:

- (1) Audit fees include fees necessary to perform the annual audit and quarterly reviews of the Corporation's consolidated financial statements. Audit fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) Audit-related fees include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) Tax fees include fees for all tax services other than those included in audit fees and audit-related fees. This category includes fees for tax compliance, tax planning and tax advice.

- (4) All other fees include fees for products and services provided by the auditor, other than the services reported above.

### LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no material legal proceedings to which the Corporation is a party or of which any of its property is the subject and there are no such proceedings known to the Corporation to be contemplated. In addition, there were no penalties or sanctions imposed against the Corporation by a court relating to securities legislation or by a securities regulatory authority during the year ended December 31, 2024, no other penalties or sanctions imposed by a court or regulatory body against the Corporation that would likely be considered important to a reasonable investor in making an investment decision, and no settlement agreements entered into by the Corporation with a court relating to securities legislation or with a securities regulatory authority during the year ended December 31, 2024.

### INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as set forth herein, or as previously disclosed, the Corporation is not aware of any material interests, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or executive officer or any Shareholder holding more than 10% of the Common Shares or any associate or affiliate of any of the foregoing in any transaction within the three most recently completed financial years or during the current financial year or any proposed or ongoing transaction of the Corporation which has or will materially affect the Corporation.

### TRANSFER AGENT AND REGISTRARS

The transfer agent and registrar for the Common Shares is Olympia Trust Company at its principal office in Calgary, Alberta, Canada.

### MATERIAL CONTRACTS

Except for the 2024 Credit Facility, there are no material contracts entered into by Canacol within the most recently completed financial year, or before the most recently completed financial year but which are still in effect, other than contracts entered into in the ordinary course of business.

### INTEREST OF EXPERTS

There is no person or company whose profession or business gives authority to a statement made by such person or company and who is named as having prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing, made under NI 51-102 by the Corporation during, or related to, the Corporation's most recently completed financial year other than BGEC, the Corporation's independent engineering evaluator, and PricewaterhouseCoopers LLP, the Corporation's external auditors.

As at the date of hereof, the principal reserve evaluators of BGEC, as a group, beneficially own, directly or indirectly, less than 1% of the outstanding Common Shares.

PricewaterhouseCoopers LLP have confirmed that they are independent of the Corporation within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation.

## RISK FACTORS

A potential investor should carefully consider the factors set forth below in deciding whether to invest in the securities of Canacol. An investment in securities of Canacol is suitable only to those investors who are willing to risk the loss of their entire investment. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of management of Canacol. An investment in the securities of Canacol is speculative and involves a high degree of risk due to the nature of Canacol's involvement in the business of exploration for petroleum and natural gas. The following are certain risk factors relating to the business of Canacol which prospective investors should carefully consider before deciding whether to purchase securities of Canacol. The following is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this Annual Information Form.

### Risks Related to the Industry and the Business of Canacol

#### *Fluctuating Gas Prices*

For the year ended December 31, 2024, the sale of natural gas accounted for approximately 97% of the Corporation's total revenue. The price of natural gas is affected by myriad factors beyond the Corporation's control. These include (without limitation):

- international and domestic supply and demand;
- international and domestic economic and political trends;
- international and domestic conflict and terrorist threats;
- hydrological and meteorological conditions;
- availability of transportation facilities;
- gas and energy legislation and regulation;
- local and national taxes;
- the level of natural gas-producing activities, particularly in the Middle East, Africa, Russia, South America and the United States;
- the level of global natural gas exploration and production activity;
- the level of global natural gas inventories;
- availability of markets for natural gas;
- weather conditions and other natural disasters;
- technological advances affecting energy production or consumption;
- domestic and foreign governmental laws and regulations, including environmental, health and safety laws and regulations;
- availability and prices of alternative energy sources;
- political circumstances in oil and gas producing countries; and
- the effects of global health events (such as the COVID-19 pandemic).

Any material fluctuations in natural gas prices could adversely affect the Corporation's cash flows, financial condition and results of operations. Lower commodity prices may also affect the volume and value of the Corporation's natural gas reserves especially as certain reserves become uneconomic.

The Corporation has generally entered, and may in the future enter, into agreements to receive fixed prices on its natural gas production to offset the risk of revenue losses if commodity prices decline. However, if commodity prices increase beyond the levels set in such agreements, the Corporation will not benefit from such increases. Further, there is no guarantee that certain offtakers, such as the government of Colombia, will not attempt to renegotiate contract prices on certain fixed price contracts during a low commodity price environment.

### ***Inability to Market Gas Production and Change in Gas Sale Prices***

The marketability of gas production from Canacol's projects may be affected by numerous factors beyond Canacol's control, including, but not limited to, market fluctuations of prices, minimum volume commitments requirements, proximity and capacity of pipelines, increased competition, the availability of upgrading and processing facilities, equipment availability and Colombian government regulations (including, without limitation, regulations relating to prices, taxes, royalties, allowable production, importing and exporting of oil, natural gas and environmental protection). Canacol currently sells the vast majority of the gas it produces pursuant to the Esperanza E&E Contract, the VIM 5 E&P Contract and the VIM 21 E&P Contract to 11 third parties pursuant to gas sale contracts. If these gas sale contracts were to be terminated for any reason, Canacol may be unable to enter into a relationship with other purchasers for such gas on a timely basis or on similar or acceptable terms. Canacol's results of operations and financial condition are dependent on its ability to market its production and on the prices received for its gas and any change to price or the Corporation's gas sale contracts may impact earnings.

### ***Risks Associated with the Exploration for and Production of Natural Gas***

Natural gas exploration involves a high degree of risk, which even with a combination of experience, knowledge and careful evaluation, the Corporation may not be able to manage successfully. The commercial viability of a new hydrocarbon pool depends upon a number of factors that are inherent to reserves, such as (without limitation):

- the proximity of appropriate infrastructure;
- extraction challenges owing to the particular geology of the formations holding the reserves;
- regulatory issues;
- taxes, royalties, land tax, import and export duties; and
- labor and environmental protection issues.

It is also difficult to project the costs of implementing an exploratory drilling program due to the inherent uncertainties of drilling in unknown formations, the costs associated with encountering various adverse drilling conditions (such as over pressured zones and tools lost in the drill hole) and changes in drilling plans and locations as a result of prior exploratory wells or additional seismic data and interpretations thereof. The individual impact generated by these factors cannot be predicted with any certainty and, once combined, may result in non-economical reserves.

If the Corporation's operations and/or investments in Colombia are disrupted and/or the economic integrity of these projects is threatened for unexpected reasons, its business may experience a setback. These unexpected events may be due to technical difficulties, operational difficulties which impact the production, transport or sale of products, geographic and weather conditions, business reasons or otherwise.

In addition, the Corporation remains subject to the normal risks inherent to the natural gas industry, such as unusual and unexpected geological changes in the parameters and variables of the petroleum system and operations and the inherent riskiness of operations. If exploration costs exceed estimates, or if exploration efforts do not produce satisfactory results, future exploration efforts may not be commercially successful, which could adversely impact the Corporation's ability to generate future revenues from operations.

### ***Reserve Estimates***

There are numerous uncertainties inherent in estimating quantities of proved, probable and possible reserves and cash flows to be derived therefrom, including many factors beyond the control of Canacol. The reserve and cash flow information set forth in this Annual Information Form represent estimates only. The reserves, deemed volumes and estimated future net cash flows from Canacol's properties have been independently evaluated by BGEC with an effective date of December 31, 2024. These evaluations include a number of assumptions relating to factors such as initial production rates, production decline rates, ultimate recovery of reserves, timing and amount of capital expenditures, marketability of production, future prices of oil and natural gas, operating costs, abandonment and salvage values, royalties and other

government levies that may be imposed over the producing life of the reserves. These assumptions were based on price forecasts that are in use at the date the relevant evaluations were prepared and many of these assumptions are subject to change and are beyond the control of Canacol. Actual production and cash flows derived therefrom will vary from these evaluations, and such variations could be material. Due to the limited history of Canacol's producing wells, reserves have been estimated on a volumetric basis.

The present value of estimated future net cash flows referred to herein should not be construed as the current market value of estimated oil and natural gas reserves attributable to Canacol's properties. The estimated discounted future cash flows from reserves are based upon price and cost estimates which may vary from actual prices and costs and such variance could be material. Actual future net cash flows will also be affected by factors such as the amount and timing of actual production, supply and demand for oil and natural gas, curtailments or increases in consumption by purchasers and changes in governmental regulations or taxation.

### ***Development of Natural Gas Reserves on an Economically Viable Basis***

To the extent that the Corporation succeeds in discovering or acquiring additional natural gas reserves, these reserves may not achieve projected production levels or be available in sufficient quantities to be commercially viable. The Corporation's long-term viability depends on its ability to find or acquire, develop and commercially produce additional gas reserves. Without the addition of reserves through exploration, acquisition or development activities, reserves and production will decline over time as reserves are produced and as licenses expire. The Corporation's future reserves will depend not only on its ability to develop its current properties, but also on its ability to identify and acquire additional suitable producing properties or prospects, to find markets for natural gas produced and to effectively distribute production into the market.

There are risks associated with the Corporation's business and operations that may result in production growth uncertainty, which include (without limitation) the following:

- expiration or termination of leases, permits or licenses, or sales price redeterminations or suspension of deliveries;
- future litigation;
- the timing and amount of insurance recoveries;
- work stoppages or other labor difficulties;
- worker vacation schedules and related maintenance activities; and
- changes in the market and general economic conditions.

Weather conditions, equipment replacement or repair, fires, amounts of rock and other natural materials and geological conditions can have a significant impact on operating results.

Future natural gas exploration may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shutdowns of connected wells resulting from extreme weather conditions, problems in distribution and adverse geological and mechanical conditions. While the Corporation may obtain insurance in an amount expected to be adequate to cover any such adverse conditions, the nature of these risks is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable, or high premium costs may lead to a determination not to insure against specific risks, in which event the Corporation could incur significant costs that could have a material adverse effect upon its financial condition and results of operations.

Although the Corporation will endeavor to effectively manage the risks and conditions summarized above, the Corporation cannot be assured of doing so optimally, and will not be able to eliminate them completely in any case. Therefore, these risks and conditions could diminish revenue and cash flow levels and result in the impairment of the Corporation's natural gas interests.

### ***Cost Overruns and Delays for Natural Gas Projects***

Natural gas projects may experience capital cost increases and overruns due to, among other factors, the unavailability or high cost of drilling rigs and other essential equipment, supplies, personnel, among others. The cost to execute projects may not be properly established and remains dependent upon a number of factors, including the completion of detailed cost estimates and final engineering, contracting and procurement costs. Development of projects may be materially adversely affected by one or more of the following factors:

- shortages of equipment, materials and labor;
- fluctuations in the prices of construction materials;
- delays in delivery of equipment and materials;
- labor disputes;
- political events;
- title problems;
- obtaining easements and rights of way;
- blockades or embargoes;
- litigation;
- compliance with governmental laws and regulations, including environmental, health and safety laws and regulations;
- adverse weather conditions;
- unanticipated increases in costs;
- natural disasters;
- epidemics or pandemics;
- accidents;
- transportation;
- unforeseen engineering and drilling complications;
- delays during prior consultation processes;
- delays attributable to the operator of the project;
- environmental or geological uncertainties; and
- other unforeseen circumstances.

Any of these events or other unanticipated events could give rise to delays in development and completion of the Corporation's projects and cost overruns. Delays in the construction and commissioning of projects or other technical difficulties may result in future projected target dates for production being delayed or further capital expenditures being required. These projects may often require the use of new and advanced technologies, which can be expensive to develop, purchase and implement and may not function as expected. Such uncertainties and operating risks associated with development projects could have a material adverse effect on the Corporation's business, results of operations or financial condition.

### ***Gathering and Processing Facilities and Pipeline Systems***

The Corporation delivers its products through gathering, processing and pipeline systems some of which it does not own. The amount of oil and natural gas that the Corporation can produce and sell is subject to the accessibility, availability, proximity and capacity of these gathering, processing and pipeline systems. The lack of availability of capacity in any of the gathering, processing and pipeline systems could result in the Corporation's inability to realize the full economic potential of its production or in a reduction of the price offered for the Corporation's production. Although pipeline expansions in Colombia are ongoing, the lack of firm pipeline capacity continues to affect the oil and natural gas industry and limit the ability to produce and to market oil and natural gas production. Any significant change in market factors or other conditions affecting these infrastructure systems and facilities, as well as any delays in constructing new infrastructure systems and facilities could harm the Corporation's business and, in turn, the Corporation's financial condition, results of operations and cash flows. For example, the Corporation entered into an agreement with Promigas to expand its existing gas distribution network as well as take or pay gas sales contracts with existing and new consumers to coincide with the additional pipeline capacity; however, in the event the Corporation is unable to meet its obligations under the agreement with Promigas due to a lack of sales or

its obligations under the take or pay gas sales contracts due to a delay in the construction of the distribution network, the Corporation may be required to pay fees under these agreements, which will result in a decrease in profitability.

### ***Operational Risks with Pipelines***

Operational risks include: pipeline leaks; the breakdown or failure of equipment, pipelines and facilities, information systems or processes; the compromise of information and control systems; the performance of equipment at levels below those originally intended (whether due to misuse, unexpected degradation or design, construction or manufacturing defects); spills at truck terminals and hubs; spills associated with the loading and unloading of harmful substances onto rail cars and trucks; failure to maintain adequate supplies of spare parts; operator error; labour disputes; disputes with interconnected facilities and carriers; operational disruptions or apportionment on third party systems or refineries which may prevent the full utilization of the pipeline; and catastrophic events including but not limited to natural disasters, fires, floods, explosions, train derailments, earthquakes, acts of terrorists and saboteurs, and other similar events, many of which are beyond the control of the Corporation. Canacol may also be exposed from time to time, to additional operational risks not stated in the immediately preceding sentences. The occurrence or continuance of any of these events could increase the cost of operating the Corporation's pipelines or reduce revenue, thereby impacting earnings.

### ***Availability of Drilling Equipment and Access Restrictions***

Oil and natural gas exploration and development activities are dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted. Demand for such limited equipment or access restrictions may affect the availability of such equipment to Canacol and may delay exploration and development activities. There can be no assurance that sufficient drilling and completion equipment, services and supplies will be available when needed. Shortages could delay Canacol's proposed exploration, development, and sales activities and could have a material adverse effect on Canacol's financial condition. If the demand for, and wage rates of, qualified rig crews rise in the drilling industry then the oil and natural gas industry may experience shortages of qualified personnel to operate drilling rigs. This could delay Canacol's drilling operations and adversely affect Canacol's financial condition and results of operations. To the extent Canacol is not the operator of its properties, Canacol will be dependent on such operators for the timing of activities related to such properties and will be largely unable to direct or control the activities of the operators.

### ***Uninsurable Risks***

In the course of exploration, development and production of oil and gas properties, certain risks, and in particular, blow-outs, pollution, craterings, fires and oil spills and premature decline of reservoirs and invasion of water into producing formations may occur all of which could result in personal injuries, loss of life and damage to property of Canacol and others. Hazards such as unusual or unexpected geological formations, pressures or other conditions may be encountered in drilling and operating wells. Although Canacol intends to obtain insurance to address such risks, such insurance has limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks may not, in all circumstances, be insurable or, in certain circumstances, Canacol may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to Canacol. The occurrence of a significant event that Canacol is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on Canacol's financial position, results of operations or prospects. There can be no assurance that insurance will be available in the future.

### ***Additional Financing***

Depending on future exploration, development, acquisition and divestiture plans, Canacol may require additional financing. The ability of Canacol to arrange any such financing in the future will depend in part upon the prevailing capital market conditions, risk associated with the international operations, as well as the business performance of Canacol. Periodic fluctuations in energy prices may affect lending policies of

Canacol's lenders for new borrowings, if available. This in turn could limit growth prospects in the short run or may even require Canacol to dedicate cash flow, dispose of properties or raise new equity to continue operations under circumstances of declining energy prices, disappointing drilling results, or economic or political dislocation in foreign countries. There can be no assurance that Canacol will be successful in its efforts to arrange additional financing on terms satisfactory to Canacol. If additional financing is raised by the issuance of shares from treasury of Canacol, control of Canacol may change and Shareholders may suffer additional dilution.

From time to time Canacol may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed partially or wholly with debt, which may temporarily increase Canacol's debt levels above industry standards.

### ***Debt Matters***

The Corporation relies on debt financing for some of its business activities, including capital and operating expenditures. There are no assurances that the Corporation will be able to refinance any or all of its borrowings at their maturity. In addition, there are no assurances that the Corporation will be able to comply at all times with the covenants applicable under its current borrowings; nor are there assurances that the Corporation will be able to secure new financing that may be necessary to finance its operations and capital growth program. Any failure of the Corporation to secure refinancing, to obtain new financing or to comply with applicable covenants under its borrowings could have a material adverse effect on the Corporation's financial results. Further, any inability of the Corporation to obtain new financing may limit its ability to support future growth.

The Corporation believes that its existing credit arrangements will be sufficient for its immediate requirements and has no reason to believe that it will not be able to refinance on commercially reasonable terms. However, continued uncertainty in the global economic situation means the Corporation, along with other oil and gas companies, may have restricted access to capital and increased borrowing costs. The Corporation's ability to raise debt is dependent upon, among other factors, the overall state of the capital markets and investor appetite for investments in the energy industry generally and in the Corporation's securities in particular. The ability to make scheduled payments on or to refinance debt obligations depends on the financial condition and operating performance of the Corporation, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond its control. As a result, the Corporation may be unable to maintain a level of cash flow from operations sufficient to permit it to pay the principal, premium, if any, and interest on its indebtedness. These conditions could have an adverse effect on the industry in which the Corporation operates and its business, including future operating and financial results. There can be no assurance that the Corporation's cash flow will be adequate for future financial obligations or that additional funds will be able to be obtained.

### ***Operational Constraints Due to Debt***

The Corporation has a significant amount of indebtedness, particularly with respect to the 2021 Senior Note Indenture, the 2023 Revolving Credit Facility and the 2024 Credit Facility, and this level of indebtedness could materially and adversely affect it in a number of ways. For example, it could:

1. make it more difficult for the Corporation to conduct its operations;
2. increase the Corporation's vulnerability to general adverse economic and industry conditions;
3. require the Corporation to dedicate a portion of its future cash flow from operations to service payments on its indebtedness, thereby reducing the availability of the Corporation's future cash flow from operations to fund working capital, capital expenditures and other general corporate purposes;
4. limit the Corporation's flexibility in planning for, or reacting to, changes in its business and the industry in which it operates;

5. place the Corporation at a competitive disadvantage compared to its competitors that have less debt; and
6. limit the Corporation's ability to borrow additional funds on commercially reasonable terms, if at all, to meet its operating expenses and for other purposes.

### ***Dividends Are Not Guaranteed***

On March 21, 2024, the Corporation announced that it discontinued its quarterly cash dividend in order to strengthen its balance sheet and there can be no assurance that Canacol will resume its quarterly cash dividends or declare and pay any dividends in the future.

The Board of Directors has the discretion to determine the amount of dividends to be declared and paid to Shareholders and the form of payment thereof. In determining if to declare a dividend and the level thereof, the Board of Directors will take into consideration numerous factors, including business performance, operating environment where Canacol's assets are located, financial condition, growth plans, fluctuations in commodity prices, production levels, expected capital expenditure requirements, operating costs, royalty burdens, foreign exchange rates, interest rates, compliance with any restrictions on the declaration and payment of dividends contained in any agreements to which Canacol or any of its subsidiaries is a party from time to time (including, without limitation, the agreements governing the 2021 Senior Notes, the 2023 Revolving Credit Facility and the 2024 Credit Facility (see "*Risk Factors – Debt Matters*")), and the satisfaction of liquidity and solvency tests imposed by the ABCA for the declaration and payment of dividends. Dividends may be declared, increased, reduced, suspended or eliminated entirely depending on the Corporation's operations and the performance of its assets and businesses.

### ***Rising Interest Rates***

Many central banks including the Bank of Canada, the Bank of Colombia and U.S. Federal Reserve have previously taken steps to raise interest rates in an attempt to combat inflation and may take similar steps in the future. An increase in borrowing costs may impact project returns and future development decisions, which could have a material adverse effect on the Corporation's financial performance and cash flows. If market interest rates rise, the Corporation's financing expenses could increase and the cost of capital will deteriorate, which could have an adverse effect on the Corporation's ability to execute certain projects, results of operations and financial condition. Finally, if Canacol incurs new debt in the future to fund working capital, capital projects or acquisitions, the prevailing interest rates and spreads at any specific time could be less favorable in terms of cost, which could adversely affect Corporation's financial condition and results of operations. Rising interest rates could also result in a recession in Canada, Colombia, the United States or other countries. A recession may have a negative impact on demand for crude oil and natural gas, causing a decrease in commodity prices.

### ***Weakness in the Oil and Gas Industry***

Market events and conditions, including the COVID-19 pandemic, global excess oil and natural gas supply, actions taken by the Organization of Petroleum Exporting Countries (OPEC), slowing growth in China and other emerging economies, market volatility and disruptions in Asia and Russia, and sovereign debt levels in various countries, could cause significant weakness and volatility in commodity prices. These events and conditions could cause a significant decrease in the valuation of oil and gas companies and a decrease in confidence in the oil and gas industry. Lower commodity prices may also affect the volume and value of the Corporation's reserves especially as certain reserves become uneconomic. In addition, lower commodity prices could restrict the Corporation's cash flow resulting in a reduced capital expenditure budget. As a result, the Corporation would not be able to replace its production with additional reserves and both the Corporation's production and reserves could be reduced on a year over year basis. Any decrease in value of the Corporation's reserves may reduce the borrowing base under its credit facilities, which, depending on the level of the Corporation's indebtedness, could result in the Corporation having to repay a portion of its indebtedness.

### ***Pandemics and their Effect on the Global Economy***

In the event of a global pandemic, countries around the world may close international borders and order the closure of institutions and businesses deemed non-essential. This could result in a significant reduction in economic activity in Canada, Colombia and internationally along with a drop in demand for oil and natural gas. Any reduction in economic activity in certain countries resulting from outbreaks, government imposed lockdowns and other restrictions could have a negative effect on demand for oil and natural gas and could aggravate the other risk factors identified herein.

### ***Russia-Ukraine Conflict***

On February 24, 2022, Russian military forces launched a full-scale military invasion of Ukraine. In response, Ukrainian military personnel and civilians are actively resisting the invasion. The outcome of the conflict is uncertain and could have wide ranging consequences on the peace and stability of the region and the world economy. Certain countries including Canada and the United States, have imposed strict financial and trade sanctions against Russia and such sanctions may have far reaching effects on the global economy. As Russia is a major exporter of oil and natural gas, the disruption of supplies of oil and natural gas from Russia could cause a significant worldwide supply shortage of oil and natural gas and significantly impact pricing of oil and gas worldwide. A lack of supply and high prices of oil and natural gas could have a significant adverse impact on the world economy; however, such volatility in natural gas prices would not initially affect Canacol given that it has generally entered into agreements to receive fixed prices on its natural gas production. The long-term impacts of the conflict and the sanctions imposed on Russia remain uncertain.

### ***Alternatives to/Changing Demand for Petroleum Products***

Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas, and technological advances in fuel economy and energy generation devices will reduce the demand for crude oil, natural gas and other liquid hydrocarbons. Canacol cannot predict the impact of changing demand for oil and natural gas products and any major changes would have a material adverse effect on Canacol's business, financial condition, results of operations and cash flow.

### ***Reserve Replacement***

Canacol's oil and natural gas reserves and production, and therefore its cash flows and earnings derived therefrom are highly dependent upon Canacol developing and increasing its current reserve base and discovering or acquiring additional reserves. Without the addition of reserves through exploration, acquisition or development activities, Canacol's reserves and production will decline over time as reserves are depleted. To the extent that cash flow or net revenue from operations is insufficient and external sources of capital become limited or unavailable, Canacol's ability to make the necessary capital investments to maintain and expand its oil and natural gas reserves will be impaired. There can be no assurance that Canacol will be able to find and develop or acquire additional reserves to replace production at commercially feasible costs.

### ***Competition in Obtaining Rights to Explore and Develop Oil and Gas Reserves***

The oil and gas industry is highly competitive. Other oil and gas companies will compete with the Corporation by bidding for exploration and production licenses and other properties and services the Corporation will need to operate its business in the countries in which it expects to operate. Additionally, other companies engaged in the Corporation's line of business may compete with the Corporation from time to time in obtaining capital from investors. Competitors include larger companies, which, in particular, may have access to greater resources than the Corporation, may be more successful in the recruitment and retention of qualified employees and may conduct their own refining and petroleum marketing operations, which may give them a competitive advantage. In addition, actual or potential competitors may be strengthened through the acquisition of additional assets and interests. In the event that the Corporation does not succeed in negotiating additional property acquisitions, its future prospects will likely be substantially limited, and its financial condition and results of operations may deteriorate.

### ***Permits and Licenses***

The operations of Canacol may require licenses and permits for various governmental authorities. There can be no assurance that Canacol will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and operations of its projects.

### ***Minimum Work Commitments on Exploration Blocks***

Canacol must fulfill certain minimum work commitments on certain projects in Colombia as outlined herein. There are no assurances that all of these commitments will be fulfilled within the time frames allowed. As such, Canacol may lose certain exploration rights on the blocks affected and may be subject to certain financial penalties that would be levied by the applicable governmental authority. However, the Corporation has the right to request suspensions or extensions due to force majeure events.

### ***No Assurance of Title***

Title to or rights in oil and gas is often not susceptible of determination without incurring substantial expense. Title to oil and gas properties may involve certain inherent risks due to problems arising from the ambiguous conveyancing history characteristic of many such properties. Although title reviews will be done according to industry standards prior to the purchase of most oil and natural gas producing properties or the commencement of drilling wells, such reviews do not guarantee or certify that an unforeseen defect in the chain of title will not arise to defeat the claim of Canacol which could result in a reduction of the revenue received by Canacol. In civil law jurisdictions like Colombia, legal title is not perfected until such time as the appropriate governmental authorities approve the assignment of a participating interest, record the title holder in the applicable registry and issue a decree. This process can take time, even several years. As a result, it is common business practice for commercial parties to proceed with the completion of a purchase and sale transaction, notwithstanding the fact that governmental approval may take years to properly reflect these business dealings. In these cases, title review due diligence involves ensuring that the current title holder has started the different authorization procedures, and also involves an update as to the status of the required authorizations.

### ***Environmental Concerns***

The Corporation is subject to environmental laws and regulations that affect aspects of its past, present and future operations. Extensive national, regional and local environmental laws and regulations in Colombia affect nearly all of the Corporation's operations. These laws and regulations set various standards regulating certain aspects of environmental quality, including air emissions, water quality, wastewater discharges and the generation, transport and disposal of waste and hazardous substances; provide for penalties and other liabilities for the violation of such standards; and establish in certain circumstances obligations to remediate current and former facilities and locations where operations are or were conducted. In addition, special provisions may be appropriate or required in environmentally sensitive areas of operation.

Environmental legislation also requires that wells, facility sites and pipeline rights of way be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines, injunctions and penalties, some of which may be material. Environmental legislation is evolving in a manner that the Corporation expects may result in stricter standards and enforcement, larger fines and liabilities and potentially increased capital expenditures and operating costs. The application of environmental laws to the Corporation's business may cause it to curtail its production or increase the costs of its production, development or exploration activities.

The discharge of natural gas or other pollutants into the air, soil or water may give rise to liabilities to the Colombian government and third parties and may require the Corporation to incur costs to remedy such discharge. Given the nature of the Corporation's business, it faces inherent risks of hazardous spills occurring at its drilling and operation sites. Large natural gas liquids, oil and other hazardous product spills can result in significant clean-up costs, as well as costs related to fines and penalties imposed by the

environmental authorities. Hazardous product spills can occur from operational issues, such as operational failure, accidents and deterioration and malfunctioning of equipment. In Colombia, hazardous product spills can also occur as a result of sabotage and pipeline damage. All of these may lead to significant potential environmental liabilities, such as clean-up and litigation costs, which may materially adversely affect the Corporation's financial condition, cash flows and results of operations. Depending on the cause and severity of a hazardous product spill, the Corporation's reputation may also be adversely affected, which could limit its ability to obtain permits and affect its future operations.

### ***Pending Regulations Related to Emissions***

Governments around the world have become increasingly focused on regulating GHG emissions and addressing the impacts of climate change in some manner. GHG emissions legislation is emerging and is subject to change. For example, on an international level, almost 200 nations agreed in December 2015, to an international climate change agreement in Paris, France (the "**Paris Agreement**"), that calls for countries to set their own GHG emission targets and be transparent about the measures each country will use to achieve its GHG emission targets. Colombia signed the Paris Agreement. In addition, Colombia has established the National Energy Efficiency Program, which calls for electric utilities, oil and gas companies, and other energy service companies to develop Energy Efficiency Plans to meet goals set forth by the Ministry and the Mining and Energy Planning Unit. Although it is not possible at this time to predict how legislation or new regulations that may be adopted to address GHG emissions would impact the Corporation's business, any such future laws and regulations that limit emissions of GHGs could adversely affect demand for the oil and natural gas produced by the Corporation.

Current GHG emissions legislation has not resulted in material compliance costs; however, it is not possible at this time to predict whether proposed legislation or regulations will be adopted, and any such future laws and regulations could result in additional compliance costs or additional operating restrictions. If the Corporation is unable to recover a significant level of its costs related to complying with climate change regulatory requirements imposed on the Corporation, it could have a material adverse impact on the Corporation's business, financial condition and results of operations. In addition, significant restrictions on GHG emissions could result in decreased demand for the oil and natural gas produced by the Corporation, with a resulting decrease in the value of the Corporation's reserves. Further, to the extent financial markets view climate change and GHG emissions as a financial risk, this could negatively impact the Corporation's cost of or access to capital. Finally, some scientists have concluded that increasing concentrations of GHGs in the Earth's atmosphere may produce climate changes that could have significant physical effects, such as increased frequency and severity of storms, droughts, and floods and other extreme climatic events; if such effects were to occur, they could have an adverse effect on the operations of the Corporation.

### ***Penalties***

The Corporation's exploration, development, production and marketing operations are regulated extensively under foreign, federal, state and local laws and regulations. Under these laws and regulations, the Corporation could be held liable for personal injuries, property damage, site clean-up and restoration obligations or costs and other damages and liabilities. The Corporation may also be required to take corrective actions, such as installing additional safety or environmental equipment, which could require it to make significant capital expenditures. Failure to comply with these laws and regulations may also result in the suspension or termination of the Corporation's operations and subject it to administrative, civil and criminal penalties, including the assessment of natural resource damages. The Corporation could be required to indemnify its employees in connection with any expenses or liabilities that they may incur individually in connection with regulatory action against them. As a result of these laws and regulations, the Corporation's future business prospects could deteriorate and its profitability could be impaired by costs of compliance, remedy or indemnification of the Corporation's employees.

### ***Reliance on Strategic Relationships***

Canacol's existing business relies on strategic relationships in the form of joint ventures with local government bodies, other oil and gas companies and other overseas companies. Specific to strategic relationships with other oil and gas companies, Canacol is somewhat reliant on, amongst others, ConocoPhillips Colombia, the operator under the VMM 2 and VMM 3 E&P Contracts. There can be no assurance that ConocoPhillips Colombia or the other companies Canacol has a strategic relationship with, will be able to continue, or will continue, to fund their share of expenditures. In addition, there can be no assurances that all of these strategic relationships will continue to be maintained; however, at present management is not aware of any issues regarding its strategic relationships.

### ***Conflicting Interests with Joint Venture Partners***

Management of the Corporation may attempt to identify industry participants and negotiate transactions whereby other enterprises will join with the Corporation to conduct joint venture activity to explore for or develop the various projects. Current capital market conditions make this process more challenging and time consuming than under more buoyant economic circumstances, resulting in the Corporation possibly having to bring participants into its planned activities on less attractive terms than might otherwise have been negotiated. There can be no assurances as to the timing or completion of related terms of possible joint venture arrangements.

Joint venture arrangements must be negotiated with third parties who will generally have objectives and interests that may not coincide with Canacol's interests and may conflict its interests. Unless the parties are able to compromise these conflicting objectives and interests in a mutually acceptable manner, arrangements with these third parties will not be consummated.

In certain circumstances, the concurrence of joint venture partners may be required for various actions. Other parties influencing the timing of events may have priorities that differ from Canacol's, even if they generally share Canacol's objectives. Demands by or expectations of joint venture partners and others may affect Canacol's participation in such projects or its ability to obtain or maintain necessary licenses and other approvals or the timing of undertaking various activities or operations.

### ***Third Party Credit Risks***

The Corporation may be exposed to third party credit risk through its contractual arrangements with its current and future joint venture partners and gas sale customers. In the event such entities fail to meet their contractual obligations, such failures could have a material adverse effect on the Corporation and its cash flow from operations. In addition, poor credit condition in the industry and of a potential joint venture partner or gas sale customer may impact such entity's willingness to participate in a future capital program or arrangement with Canacol.

### ***Breach of Confidentiality***

While discussing potential business relationships with third parties, the Corporation may disclose confidential information on operating results or proprietary intellectual property. Although confidentiality agreements are signed by third parties prior to the disclosure of any confidential information, a breach could put the Corporation at competitive risk and may cause significant damage to its business. The harm to the Corporation's business from a breach of confidentiality cannot presently be quantified, but may be material and may not be compensable in damages. There is no assurance that, in the event of a breach of confidentiality, the Corporation will be able to obtain equitable remedies, such as injunctive relief, from a court of competent jurisdiction in a timely manner, if at all, in order to prevent or mitigate any damage to its business that such a breach of confidentiality may cause.

### ***Foreign Subsidiaries***

The Corporation conducts all of its operations through foreign subsidiaries and foreign branches. Therefore, to the extent of these holdings, Canacol will be dependent on the cash flows of these subsidiaries to meet its obligations excluding any additional equity or debt Canacol may issue from time to time. The ability of its subsidiaries to make payments and transfer cash to Canacol may be constrained by, among other things: the level of taxation, particularly corporate profits and withholding taxes, in the jurisdiction in which it operates; and the introduction of foreign exchange and/or currency controls or repatriation restrictions, or the availability of hard currency to be repatriated.

### ***Risks of Foreign Operations Generally***

Canacol's oil and natural gas properties and operations are located in a foreign jurisdiction. As such, Canacol's operations may be adversely affected by changes in foreign government policies and legislation or social instability and other factors which are not within the control of Canacol, including, but not limited to, nationalization, expropriation of property without fair compensation, renegotiation or nullification of existing concessions and contracts, the imposition of specific drilling obligations and the development and abandonment of fields, changes in energy policies or the personnel administering them, changes in oil and natural gas pricing policies, the actions of national labour unions, currency fluctuations and devaluations, exchange controls, economic sanctions and royalty and tax increases and other risks arising out of foreign governmental sovereignty over the areas in which Canacol's operations are conducted, as well as risks of loss due to civil strife, acts of war, terrorism, guerrilla activities and insurrections. Canacol's operations may also be adversely affected by laws and policies of Colombia and Canada affecting foreign trade, taxation and investment. If Canacol's operations are disrupted and/or the economic integrity of its projects is threatened for unexpected reasons, its business may be harmed. Prolonged problems may threaten the commercial viability of its operations.

In addition, there can be no assurance that contracts, licenses, license applications or other legal arrangements will not be adversely affected by changes in governments in foreign jurisdictions, the actions of government authorities or others, or the effectiveness and enforcement of such arrangements.

Acquiring interests and conducting exploration and development operations in foreign jurisdictions often require compliance with numerous and extensive procedures and formalities. These procedures and formalities may result in unexpected or lengthy delays in commencing important business activities. In some cases, failure to follow such formalities or obtain relevant evidence may call into question the validity of the entity or the actions taken. Management is unable to predict the effect of additional corporate and regulatory formalities which may be adopted in the future including whether any such laws or regulations would materially increase Canacol's cost of doing business or affect its operations in any area.

Canacol may in the future acquire oil and natural gas properties and operations outside of Colombia, which expansion may present challenges and risks that Canacol has not faced in the past, any of which could adversely affect the results of operations and/or financial condition of Canacol. The Corporation is an experienced operator in South America.

To help mitigate the risks associated with operating in foreign jurisdictions, Canacol seeks to operate in regions where the petroleum industry is a key component of the economy. Canacol believes that management's experience operating both in Colombia and in other international jurisdictions helps reduce these risks. Some countries in which Canacol may operate may be considered politically and economically unstable. In Colombia, the government has a long history of democracy and an established legal framework that, in Canacol's opinion, minimizes political risks.

### ***Foreign Location of Assets***

Other than cash on deposit, almost all of Canacol's assets are located in countries other than Canada (whose laws may differ materially from those in Canada), which may impede or adversely affect the ability of Canacol and its directors and management to manage its operations and protect its assets. A portion of the cash on deposit is located in countries other than Canada.

## ***Income Taxes***

The Corporation and its subsidiaries file all required income tax returns and the Corporation believes that it is in material compliance with the applicable tax laws of Canada, Colombia, Peru, Panama, Brazil, United States, Switzerland, Netherlands, Argentina, Bolivia and Mexico; however, such returns are subject to reassessment by the applicable taxation authority. In the event of a successful reassessment of the Corporation, whether by re-characterization of exploration and development expenditures or otherwise, such reassessment may have an impact on current and future taxes payable.

Income tax laws relating to the oil and gas industry, such as the treatment of resource taxation or dividends, may in the future be changed or interpreted in a manner that adversely affects the Corporation. Furthermore, tax authorities having jurisdiction over the Corporation may disagree with how the Corporation calculates the Corporation's income for tax purposes or could change administrative practices to the Corporation's detriment.

## ***Foreign Currency Exchange Rate Fluctuations***

During the year ended December 31, 2024, approximately 37% and 3% of the Corporation's expenditures were denominated in Colombian pesos and Canadian dollars, respectively. To the extent revenues and expenditures are not denominated in or strongly linked to the U.S. dollar, the Corporation is exposed to foreign currency exchange rate risk, which may adversely affect the Corporation's financial results. The Corporation is not currently using exchange rate derivatives to manage exchange rate risks.

## ***Exchange Controls and New Taxes***

Foreign operations may require funding if their cash requirements exceed operating cash flow. To the extent that funding is required, there may be exchange controls limiting such funding or adverse tax consequences associated with such funding. In addition, taxes and exchange controls may affect the dividends that the Corporation receives from its foreign subsidiaries or branch offices of foreign subsidiaries. Exchange controls may prevent the Corporation from transferring funds abroad.

There can be no assurance that the governmental authorities of Colombia will not require prior authorization or will grant such authorization for the Corporation's foreign subsidiaries or branch offices of foreign subsidiaries to make dividend payments to the Corporation and there is no assurance that there will not be a tax imposed with respect to the expatriation of the proceeds from the Corporation's foreign subsidiaries or branch offices of foreign subsidiaries. The implementation of a restrictive exchange control policy, including the imposition of restrictions on the repatriation of earnings to foreign entities, could affect the Corporation's ability to engage in foreign exchange activities, and could also have a material adverse effect on its business, financial condition and results of operations.

In particular, Colombian law provides that the Central Bank of Colombia may intervene in the foreign exchange market if the Colombian peso experiences significant volatility. Also, even though investment repatriation conditions are those in force on the date on which the corresponding investment is registered and the same may not be modified in any way that may be detrimental to the investor, the Central Bank of Colombia may limit, on a temporary basis, the remittance of dividends and reimbursement of investments whenever international reserves fall below an amount equal to three months' worth of imports. Since the creation of the current foreign exchange regime in 1991, such action has not been taken. However, there is no assurance that the Central Bank of Colombia will not intervene in the future, and the Corporation may be temporarily unable to convert Colombian pesos to U.S. dollars.

### ***Governmental Regulation***

The oil and gas business is subject to regulation and intervention by governments in such matters as the awarding of exploration and production interests, the imposition of specific drilling obligations, environmental protection controls, control over the development and abandonment of fields (including restrictions on production) and possible expropriation or cancellation of contract rights, as well as with respect to prices, taxes, export quotas, royalties and the exportation of oil and natural gas. Such regulations may be changed from time to time in response to economic or political conditions. The implementation of new regulations or the modification of existing regulations affecting the oil and gas industry could reduce demand for oil and natural gas, increase Canacol's costs and have a material adverse effect on Canacol.

### ***Legal Proceedings***

Canacol is involved in litigation from time to time in the ordinary course of business. Canacol is not a party to any material legal proceedings; however, other legal proceedings could be filed against Canacol in the future. No assumption can be given as to the final outcome of any legal proceedings or that the ultimate resolutions will not have a material adverse effect on Canacol.

### ***Expansion into New Activities***

The operations and expertise of the Corporation's management are currently focused primarily on oil and gas production, exploration and development in Colombia. In the future the Corporation may acquire or move into new industry related activities or new geographical areas (such as Bolivia), may acquire different energy related assets, and as a result may face unexpected risks or alternatively, significantly increase the Corporation's exposure to one or more existing risk factors, which may in turn result in the Corporation's future operational and financial conditions being adversely affected.

### ***Failure to Realize Anticipated Benefits of Acquisitions and Dispositions***

The Corporation considers acquisitions and dispositions of businesses and assets in the ordinary course of business. Achieving the benefits of acquisitions depends on successfully consolidating functions and integrating operations and procedures in a timely and efficient manner, and the Corporation's ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses and operations with those of the Corporation. The integration of acquired businesses may require substantial management effort, time and resources diverting management's focus from other strategic opportunities and operational matters. Management continually assesses the value and contribution of services provided by third parties and assets required to provide such services. In this regard, non-core assets may be periodically disposed of so the Corporation can focus its efforts and resources more efficiently. Depending on the state of the market for such non-core assets, certain non-core assets of the Corporation may realize less on disposition than their carrying value on the financial statements of the Corporation.

### ***Information Technology or Cybersecurity***

Canacol depends on the reliability and security of its information technology systems to conduct certain exploration, development and production activities, process financial records and operating data, communication with its employees and business partners, and for many other activities related to its business. Canacol's information technology systems may fail or have other significant shortcomings due to operational system flaws or employee misuse, tampering or manipulation. In addition, Canacol may become the target of cyber-attacks or information security breaches that could result in the unauthorized release, gathering, monitoring, misuse, loss or destruction of proprietary and other information. Any of these occurrences could disrupt the business, result in potential liability or reputational damage or otherwise have an adverse effect on Canacol's financial results.

### ***Cost of New Technologies***

The oil and gas industry is characterized by rapid and significant technological advancements and introductions of new products and services utilizing new technologies. Other oil and gas companies may have greater financial, technical and personnel resources that allow them to enjoy technological advantages and may in the future allow them to implement new technologies before Canacol does. There can be no assurance that Canacol will be able to respond to such competitive pressures and implement such technologies on a timely basis or at an acceptable cost. One or more of the technologies currently utilized by Canacol or implemented in the future may become obsolete. In such case, Canacol's business, financial condition and results of operations could be materially adversely affected. If Canacol is unable to utilize the most advanced commercially available technology, Canacol's business, financial condition and results of operations could be materially adversely affected. In addition, at this time the Corporation cannot predict the impact, if any, that advancements in artificial intelligence may have on its operations, and as a result the Corporation must monitor and may need to react to developments, which could have a material adverse effect on its business.

### ***Dependence on Key Personnel***

The success of Canacol is dependent on the services of a number of members of senior management. The experience of these individuals will be a factor contributing to Canacol's continued success and growth and there is a risk that the death or departure of one or more of these individuals could have a material adverse effect on Canacol. The ability of Canacol to conduct its operations is also highly dependent on the availability of skilled workers.

### ***Conflicts of Interest***

There are potential conflicts of interest to which some of the directors and officers of Canacol will be subject in connection with the operations of Canacol. Some of the directors and officers are engaged and will continue to be engaged in the search for oil and natural gas interests on their own behalf and on behalf of other corporations, and situations may arise where the directors and officers will be in direct competition with Canacol. Conflicts of interest, if any, which arise will be subject to and be governed by procedures prescribed by the ABCA which require a director or officer of a corporation who is a party to or is a director or an officer of or has a material interest in any person who is a party to a material contract or proposed material contract with Canacol, to disclose his or her interest and to refrain from voting on any matter in respect of such contract unless otherwise permitted under the ABCA. See also "*Directors and Officers – Conflicts of Interest*".

### ***Corruption***

The Corporation's operations are governed by the laws of many jurisdictions, which generally prohibit bribery and other forms of corruption. The Corporation has policies in place to prevent any form of corruption or bribery; however, it is possible that the Corporation, or some of its subsidiaries, employees or contractors, could be charged with bribery or corruption as a result of the unauthorized actions of its employees or contractors. If the Corporation is found guilty of such a violation, which could include a failure to take effective steps to prevent or address corruption by its employees or contractors, the Corporation could be subject to onerous penalties and reputational damage. A mere investigation itself could lead to significant corporate disruption, high legal costs and forced settlements (such as the imposition of an internal monitor). In addition, bribery allegations or bribery or corruption convictions could impair the Corporation's ability to work with governments or nongovernmental organizations. Such convictions or allegations could result in the formal exclusion of the Corporation from a country or area, national or international lawsuits, government sanctions or fines, project suspension or delays, reduced market capitalization and increased investor concern.

### ***Forward-Looking Statements May Prove Inaccurate***

Shareholders and investor are cautioned not to place undue reliance on forward-looking statements and other future looking financial information. By their nature, forward-looking statements and information involve numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

### ***Credit Ratings***

Credit ratings may not reflect all risks associated with an investment in any of Canacol's securities. The credit ratings applied to the 2021 Senior Notes are an assessment by the relevant ratings agency of Canacol's ability to pay its obligations as of the respective dates the ratings are assigned. The credit ratings may not reflect the potential impact of risks related to structure, market or other factors discussed herein on the value of the 2021 Senior Notes. Credit ratings are intended to provide investors with an independent measure of the credit quality of an issue of securities. The credit ratings accorded to the 2021 Senior Notes are not a recommendation to purchase, hold or sell any of the 2021 Senior Notes, because ratings agencies do not comment as to market price or suitability for a particular investor. There cannot be any assurance that any credit rating assigned to any of the 2021 Senior Notes will remain in effect for any given period of time or that any rating will not be lowered or withdrawn entirely by the relevant rating agency. A lowering or withdrawal of such rating may have an adverse effect on the market value of the 2021 Senior Notes. In addition, real or anticipated changes in credit ratings can affect the cost at which Canacol can access public or private debt markets.

### ***Risks Related to Operating in Colombia***

#### ***Delays in Obtaining Environmental and Other Licenses***

Exploration and development activities as well as pipeline and infrastructure construction are subject to numerous licensing and permitting requirements, primarily relating to the environment. In the recent past, Canacol and other natural resources companies in Colombia have experienced significant delays from Colombian authorities with respect to the issuance of such licenses and permits. Unanticipated licensing and permitting delays can result in significant delays and cost overruns in exploration and development and in the construction of pipelines and infrastructure, and could affect the Corporation's financial condition and results of operations. There is no assurance that these delays will not continue or worsen in the future.

#### ***Emerging Market Economic and Legal Risks***

The Corporation is a corporation existing under the laws of the Province of Alberta and is subject to Canadian laws and regulations. Colombia, the jurisdiction in which the Corporation operates its exploration, development and production activities, may have different or less developed legal systems than Canada or the United States. Investing in emerging market countries such as Colombia carries economic and legal risks. Economic and legal instability in Latin American and emerging market countries have been caused by many different factors, including the following:

- lack of effective legal redress in the courts of such jurisdictions, whether in respect of a breach of law or regulation or, in an ownership dispute, being more difficult to obtain;
- the lack of judicial or administrative guidance on interpreting applicable rules and regulations;
- inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions;
- relative inexperience of the judiciary and courts in such matters;
- high interest rates;
- changes in currency values and high levels of inflation;
- exchange, wage and price controls;
- changes in economic or tax policies;

- the imposition of trade barriers; and
- internal security issues.

In certain jurisdictions, the commitment of local business people, government officials and agencies and the judicial systems to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to licenses and agreements for the Corporation's business. These licenses and agreements may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. Any of these factors may adversely affect the business of Canacol.

### ***Sanctions by the United States on Colombia***

Colombia is among several nations whose eligibility to receive foreign aid from the United States is dependent on its progress in stemming the production and transit of illegal drugs, which is subject to an annual certification by the President of the United States of America. Although Colombia has received a current certification, there can be no assurance that, in the future, Colombia will receive certification or a national interest waiver. The failure to receive certification or a national interest waiver may result in any of the following: all bilateral aid, except anti-narcotics and humanitarian aid, would be suspended; the Export-Import Bank of the United States and the Overseas Private Investment Corporation would not approve financing for new projects in Colombia; United States representatives at multilateral lending institutions would be required to vote against all loan requests from Colombia, although such votes would not constitute vetoes, and the President of the United States and Congress would retain the right to apply future economic and trade sanctions.

Each of these outcomes could result in adverse economic consequences in Colombia, could further heighten the political and economic risks associated with operations there, and could threaten the Corporation's ability to obtain any necessary financing to develop its Colombian properties. There can be no assurance that the United States will not impose sanctions on Colombia in the future, nor can the effect in Colombia that these sanctions might cause be accurately predicted.

### ***Economic and Political Developments in Colombia***

The Corporation's core properties and projects are located in Colombia. As such, it is subject to certain risks, including currency fluctuations, possible political or economic instability.

The quality of the Corporation's assets, financial condition and results of operations significantly depend on macroeconomic and political conditions prevailing in Colombia (such as price instabilities, currency fluctuations, inflation, interest rates, regulation, taxation, social instabilities, political unrest and other developments in or affecting Colombia) over which the Corporation has no control. In addition, the Corporation's exploration and production activities may be affected in varying degrees by political stability and government regulations relating to the natural gas industry. Decreases in the growth rate of the Colombian economy, periods of negative growth, material increases in inflation or interest rates or significant fluctuations in the exchange rate could result in lower demand for, or affect the pricing of, the Corporation's services and products.

In the past, Colombia has experienced periods of weak economic activity and deterioration in economic conditions. There is no assurance that such conditions will not return or that such conditions will not have a material adverse effect on the Corporation's business, financial condition or results of operations.

The Corporation's financial condition and results of operations may also be affected by changes in the political climate in Colombia to the extent that such changes affect the nation's economic policies, growth, stability or regulatory environment, including any changes in Colombian tax regulations. Exploration may be affected in varying degrees by government regulations with respect to restrictions on future exploitation and production, price controls, export controls, foreign exchange controls, income taxes, wealth taxes, expropriation of property, environmental legislation and site safety. There can be no assurance that the government of Colombia will continue to pursue business friendly and open-market economic policies or policies that stimulate economic growth and social stability. Any changes in Colombia's economy or the

government's economic policies, in particular as they relate to the oil and gas industry, may have a negative impact on the Corporation's business, financial condition and results of operations.

### ***Violence and Instability in Colombia***

Colombia has experienced periods of violence over the past five decades, primarily due to armed conflict between government forces, guerrillas, paramilitary groups and drug cartels. Insurgents activity continues in many parts of the country, despite the Colombian government efforts and security policies. Any possible escalation of the violence associated with these activities may have a negative impact on the Colombian economy and the Corporation's operations.

Within the framework of total peace, the Colombian government has been attempting to advance peace dialogues with different armed groups to achieve peace in the territories through the solution of the armed conflict in Colombia. Among the organized armed structures of high impact crime with which the Government has been attempting to advance peace talks and/or dialogue approaches are: Ejército de Liberación Nacional (ELN), Disidencias de las FARC, Estado Mayor Central, Segunda Marquetalia, Autodefensas Gaitanistas de Colombia (AGC), Autodefensas Conquistadoras de la Sierra Nevada, Criminal Gangs of Medellín, Quibdó and Buenaventura. President Petro has promoted several cease fires with most of the aforementioned groups which have not achieved reduction of violence or actual progress in peace dialogues. Currently most of the cease fires have been ended by the government and in some cases criminal judiciary processes against outlaw peace negotiators have been reactivated.

In January 2025, intensified combats between ELN and FARC dissidents related to territorial and drug trafficking control, increased exponentially homicide and internal displacement in the northeastern Catatumbo region resulting in a humanitarian crisis. President Gustavo Petro declared an internal state of emergency in the affected northeastern Catatumbo region and suspended peace negotiations with ELN. This state of emergency enabled the Executive to issue legislative decrees including special and temporary taxes, all of which are being reviewed by the Constitutional Court.

The Colombian government's biggest challenge is perceived to be ensuring that the negotiations lead to a long-lasting peace and that demobilized members of the FARC and ELN rejoin civilian life, rather than regrouping in criminal bands.

Continuing attempts to reduce or prevent guerrilla activity may not be successful and guerrilla activity may disrupt the Corporation's operations in the future. The Corporation may not be able to establish or maintain the safety of its operations and personnel in Colombia and this violence may affect its operations in the future. Continued or heightened security concerns in Colombia could also result in a significant loss to Canacol and/or costs exceeding current expectations.

### ***Social Instability and Labor Unrest***

The Corporation's operations are in Colombia. Companies operating in the gas industry in Colombia have experienced various degrees of interruptions to their operations as a result of social instability and labor disruptions. Moreover, the Corporation operates in areas of indigenous populations, which could be the source of social unrest.

There is no assurance that this type of social instability or labor disruption will not be experienced in the future. The potential impact that future social instability, labor disruptions and any lack of public order may have on the oil and gas industry in Colombia, and on the Corporation's operations in particular, is not known at this time. This uncertainty may affect operations in unpredictable ways, including disruptions of fuel supplies and markets, ability to move equipment such as drilling rigs from site to site, or disruption of infrastructure facilities, including pipelines, production facilities, public roads, and off-loading stations could be targets or experience collateral damage as a result of social instability, labor disputes or protests or the guerrilla activity described herein. The Corporation may suffer loss of production, or be required to incur significant costs in the future to safeguard its assets against such activities, incur standby charges on stranded or idled equipment or to remediate potential damage to its facilities. These risks are beyond the control of the Corporation. There can be no assurance that the Corporation will be successful in protecting itself against

these risks and the related financial consequences. Further, these risks may not in any part be insurable in the event that the Corporation does suffer damage.

Other companies operating gas fields in Colombia have also experienced labor unrest in recent years. This type of labor disruption is sometimes faced by companies operating in resource industries. It is difficult for the Corporation to determine at this time whether this is the beginning of a broader social upheaval in Colombia. There is no assurance that the Corporation will not experience further labor unrest in the future.

### ***Natural Gas Industry in Colombia is Less Developed***

The oil and gas industry in Colombia is not as efficient or developed as the oil and gas industry in the Canada. As a result, the Corporation's exploration, development and production activities may take longer to complete and may be more expensive than similar operations in Canada. The availability of technical expertise, specific equipment and supplies may be more limited than in Canada. The Corporation expects that such factors will subject its operations to economic and operating risks that may not be experienced in Canada.

In the event of a dispute arising in connection with the Corporation's operations in Colombia, it may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of the courts of Canada or enforcing Canadian judgments in such other jurisdictions. The Corporation may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. Accordingly, the Corporation's exploration, development and production activities in Colombia could be substantially affected by factors beyond the control of the Corporation, any of which could have a material adverse effect on the Corporation.

Acquiring interests and conducting exploration and development operations in foreign jurisdictions often require compliance with numerous and extensive procedures and formalities. These procedures and formalities may result in unexpected or lengthy delays in commencing important business activities. In some cases, failure to follow such formalities or obtain relevant evidence may call into question the validity of the entity or the actions taken. Management is unable to predict the effect of additional corporate and regulatory formalities which may be adopted in the future, including whether any such laws or regulations would materially increase the Corporation's cost of doing business or affect its operations in any area.

### ***Extensive Controls and Regulations***

The natural gas industry in Colombia is subject to extensive controls and regulations imposed by various levels of government. All current legislation is a matter of public record and the Corporation will be unable to predict what additional legislation or amendments may be enacted. Amendments to current laws, regulations and permits governing operations and activities of oil and natural gas companies, including environmental laws and regulations which are evolving in Colombia, or more stringent implementation thereof, could have a material adverse impact on the Corporation and cause increases in expenditures and costs, affect the Corporation's ability to expand or transfer existing operations or require it to abandon or delay the development of new oil and natural gas properties.

### ***Challenges to the Corporation's Properties and Other Developing Country Restrictions***

The acquisition of title to natural gas properties in Colombia is a detailed and time consuming process. Title to natural gas interests is often not capable of conclusive determination without incurring substantial expense. The Corporation's properties may be subject to unforeseen title claims, including, among others, claims by indigenous communities. While the Corporation intends to make appropriate inquiries into the title of properties and other development rights it acquires, title defects may exist. In addition, the Corporation may be unable to obtain adequate insurance for title defects, on a commercially reasonable basis or at all. If title defects do exist, it is possible that the Corporation may lose all or a portion of its right, title and interest in and to the properties to which the title defects relate.

### **Seizure or Expropriation of Assets**

Pursuant to Article 58 of the Colombian Constitution, the Colombian government can exercise its eminent domain powers in respect of the Corporation's assets in the event such action is required in order to protect public interests. According to Law 388 of 1997, eminent domain powers may be exercised through: (a) an ordinary expropriation proceeding (expropiación ordinaria); (b) an administrative expropriation (expropiación administrativa); or (c) as provided for in Article 59 of the Colombian Constitution, an expropriation for war reasons (expropiación en caso de guerra). In all cases, the Corporation would be entitled to a fair indemnification for the expropriated assets. As a general rule (with the exception of expropriation for reasons of war, in which case compensation may be quantified and paid later), compensation must be paid before the asset is effectively expropriated. However, indemnification may be paid in some cases years after the asset is effectively expropriated and the indemnification may be lower than the price for which the expropriated asset could be sold in a free market sale or the value of the asset as part of an ongoing business.

### **Risks Related to the Common Shares**

The market price of the Common Shares may be highly volatile and could be subject to wide fluctuations in response to a number of factors that are beyond the Corporation's control, including but not limited to:

- dilution caused by the issuance of additional Common Shares and other forms of equity securities;
- announcements of new acquisitions, reserve discoveries or other business initiatives by the Corporation's competitors;
- fluctuations in revenue from the Corporation's oil and natural gas business;
- changes in the market price for oil and natural gas commodities and/or in the capital markets generally;
- changes in the demand for oil and natural gas, including changes resulting from the introduction or expansion of alternative fuels;
- changes in the social, political and/or legal climate in the regions in which the Corporation will operate;
- changes in the valuation of similarly situated companies, both in the Corporation's industry and in other industries;
- changes in analysts' estimates affecting the Corporation, its competitors and/or industry;
- changes in the accounting methods used in or otherwise affecting the Corporation's industry;
- changes in independent reserve estimates related to the Corporation's oil and gas properties;
- announcements of technological innovations or new products available to the oil and natural gas industry;
- announcements by relevant governments pertaining to incentives for alternative energy development programs;
- fluctuations in interest rates, exchange rates and the availability of capital in the capital markets; and
- significant sales of Common Shares, including sales by future investors in future offerings of the Corporation.

In addition, the market price of the Common Shares could be subject to wide fluctuations in response to various factors, which could include the following, among others:

- quarterly variations in the Corporation's revenues and operating expenses;
- additions and departures of key personnel; and
- updated reserve estimates by independent parties.

These and other factors are largely beyond the Corporation's control, and the impact of these risks, singularly or in the aggregate, may result in material adverse changes to the market price of the Common Shares and/or the Corporation's results of operations and financial condition.

## ADDITIONAL FINANCIAL AND OTHER INFORMATION

Additional information relating to the Corporation may be found on SEDAR+.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of Canacol's securities and securities authorized for issuance under equity compensation plans, where applicable, will be contained in Canacol's information circular for the next annual meeting of Shareholders that involves the election of directors and additional information as provided in Canacol's comparative financial statements for its most recently completed financial year. Canacol will provide this information to any person, upon request made to the Chief Financial Officer of Canacol at Suite 2000, 215 - 9<sup>th</sup> Avenue S.W., Calgary, Alberta, T2P 1K3. The documents will also be located on SEDAR+.

Additional financial information is provided in the Corporation's comparative financial statements and management's discussion and analysis for the period ended December 31, 2024, which are also available on SEDAR+.

**SCHEDULE A**

**REPORT ON RESERVES DATA BY  
INDEPENDENT QUALIFIED RESERVES EVALUATOR  
(FORM 51-101F2)**

(attached)



**NATIONAL INSTRUMENT FORM 51-101F2  
REPORT on RESERVES DATA**

To the board of directors of Canacol Energy Ltd. (the "Company"):

1. We have evaluated the Company's reserves data as of December 31, 2024. The reserves data are estimates of proved reserves, probable reserves and possible reserves and related future net revenue as December 31, 2024, estimated using forecast prices and costs.
2. The reserves data are the responsibility of the Company's management. Our responsibility is to express an opinion on the reserves data based on our evaluation.
3. We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook (the "COGE Handbook") prepared jointly by the Society of Petroleum Evaluation Engineers (Calgary Chapter) and the US Institute of Mining, Metallurgy & Petroleum (Petroleum Society).
4. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.
5. The following table sets forth the estimated future net revenue (before deduction of income taxes) attributed to total proved-plus-probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated by us for the December 31, 2024, and identifies the respective portions thereof that we have evaluated and reported on to the Company's management:

Independent Qualified Reserves Evaluator	Description & Preparation Date of Evaluation Report	Location of Reserves	Total Proved plus Probable Reserves (MBOE)	Net Present Value of Future Net Revenue (before income tax, 10% discount rate)			
				Audited (M\$US)	Evaluated (M\$US)	Reviewed (M\$US)	Total (M\$US)
Boury Global Energy Consultants Limited	Reserve Evaluation Report as of December 31, 2024 on Certain Properties owned by Canacol Energy Ltd. dated March 4, 2025	Colombia	104,674	-	2,591,564	-	2,591,564

BOURY GLOBAL ENERGY CONSULTANT LTD.


6. In our opinion, the reserves data respectively evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook. We express no opinion on the reserves data that we reviewed but did not audit or evaluate.
7. We have no responsibility to update our reports referred to in paragraph 5 for events and circumstances occurring after their respective preparation dates.
8. Because the reserves data are based on judgements regarding future events, actual results will vary and the variations may be material. However, any variations should be consistent with the fact that reserves are categorized according to the probability of their recovery.

Executed as to our report referred to above:

Boury Global Energy Consultants Ltd., Calgary, Alberta, dated March 4, 2025

BOURY GLOBAL ENERGY CONSULTANTS LTD.

  
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Nahla Boury, P.Eng. ICD.D

PERMIT TO PRACTICE BOURY GLOBAL ENERGY CONSULTANTS LTD.	
Signature	
Date	March 4, 2025
PERMIT NUMBER: P 14020	
The Association of Professional Engineers, Geologists and Geophysicists of Alberta	

**SCHEDULE B**

**REPORT OF MANAGEMENT AND DIRECTORS  
ON OIL AND GAS DISCLOSURE  
(FORM 51-101F3)**

(attached)

**REPORT OF MANAGEMENT AND DIRECTORS  
ON OIL AND GAS DISCLOSURE  
(FORM 51-101F3)**

Management of Canacol Energy Ltd. (the “**Corporation**”) are responsible for the preparation and disclosure of information with respect to the Corporation’s oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data.

An independent qualified reserves evaluator has evaluated the Corporation’s reserves data. The report of the independent qualified reserves evaluator will be filed with securities regulatory authorities concurrently with this report.

The Reserves Committee of the board of directors of the Corporation has

- (a) reviewed the Corporation’s procedures for providing information to the independent qualified reserves evaluator;
- (b) met with the independent qualified reserves evaluator to determine whether any restrictions affected the ability of the independent qualified reserves evaluator to report without reservation; and
- (c) reviewed the reserves data with management and the independent qualified reserves evaluator.

The Reserves Committee of the board of directors has reviewed the Corporation’s procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The board of directors has, on the recommendation of the Reserves Committee, approved:

- (a) the content and filing with securities regulatory authorities of Form 51-101F1 containing reserves data and other oil and gas information;
- (b) the filing of Form 51-101F2 which is the report of the independent qualified reserves evaluator on the reserves data; and
- (c) the content and filing of this report.

Because the reserves data are based on judgements regarding future events, actual results will vary and the variations may be material.

*(signed) "Charle Gamba"*

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**Charle Gamba, Chief Executive  
Officer, President and Director**

*(signed) "Ravi Sharma"*

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**Ravi Sharma, Chief Operating Officer**

*(signed) "Michael Hibberd"*

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**Michael Hibberd, Chairman and  
Director**

*(signed) "David Winter"*

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**David Winter, Director**

**Dated: March 20, 2025**

## SCHEDULE C

### CANACOL ENERGY LTD.

#### AUDIT COMMITTEE'S TERMS OF REFERENCE

##### I. Constitution and Purpose

The Audit Committee (the "Committee") shall be established by resolution of the Board of Directors (the "Board") of Canacol Energy Ltd. ("Canacol" or the "Corporation") for the purpose of assisting the Board in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by Canacol to regulatory authorities and shareholders, Canacol's systems of internal controls regarding finance and accounting, and Canacol's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, Canacol's policies, procedures and practices at all levels. The Committee's primary roles and responsibilities are to:

- Serve as an independent and objective party to monitor the integrity and quality of Canacol's financial reporting and internal control system and review Canacol's financial reports.
- Review and appraise the qualifications, independence, engagement, compensation and performance of Canacol's external auditors.
- Provide an open avenue of communication among Canacol's auditors, financial and senior management and the Board.

##### II. Composition

The Committee shall be composed of at least three individuals appointed by the Board from amongst its members, all of which members will be independent within the meaning of National Instrument 52-110 - Audit Committees ("NI 52-110") unless the Board determines to rely on an exemption in NI 52-110. "Independent" generally means free from any business or other direct or indirect material relationship with the Corporation that could, in the view of the Board, reasonably interfere with the exercise of the member's independent judgment.

All of the members must be financially literate within the meaning of NI 52-110 unless the Board has determined to rely on an exemption in NI 52-110. Being "financially literate" means members have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements.

Each member of the Committee shall serve at the pleasure of the Board until the member resigns, is removed or ceases to be a member of the Board. The Board shall fill vacancies in the Committee by appointment from among the members of the Board. If a vacancy exists on the Committee, the remaining members shall exercise all its powers so long as a quorum remains in office. The Board shall appoint a chair for the Committee from its members (the "Chair"). If the Chair of the Committee is not present at any meeting of the Committee, one of the other members of the Committee who is present at the meeting shall be chosen by the Committee to preside at the meeting.

No Director who serves as board member of any other company shall be eligible to serve as a member of the Committee unless the Board has determined that such simultaneous service would not impair the ability of such member to effectively serve on the Committee. Determinations as to whether a particular Director satisfies the requirements for membership on the Committee shall be made by the Corporate Governance and Nominating Committee.

No member of the Committee shall receive from the Corporation or any of its affiliates any compensation other than the fees to which he or she is entitled as a Director of the Corporation or a member of a committee of the Board. Such fees may be paid in cash and/or shares, options or other in-kind consideration ordinarily available to Directors.

### III. Meetings

The Committee shall meet at least four times per year and/or as deemed appropriate by the Committee Chair. The Chair of the Committee, any member of the Committee, the external auditors of the Corporation, the Chairman of the Board, the Chief Executive Officer (“CEO”) or the Chief Financial Officer (“CFO”) may call a meeting of the Committee by notifying the Corporation’s corporate secretary, who will notify the members of the Committee. A majority of members of the Committee shall constitute a quorum.

As part of its job to foster open communication, the Committee shall meet at least annually with management and the external auditors in separate sessions. The CEO and CFO and a representative of the Corporation’s external auditors may, if invited by the Chair of the Committee, attend and speak at meetings of the Committee. The Committee may also invite any other officer or employee of the Corporation, legal counsel, the Corporation’s financial advisors and any other persons to attend meetings and give presentations with respect to their area of responsibility, as considered necessary by the Committee.

The minutes of the Committee meetings shall accurately record the decisions reached and shall be distributed to the Committee members with copies to the Board, the CFO or such other officer acting in that capacity, and the external auditors. Supporting schedules and information reviewed by the Committee shall be available for examination by any Director.

The Chair of the Committee shall be available at the annual general meeting of the Corporation to respond to any shareholder questions on the activities and responsibilities of the Committee.

### IV. Authority

The Committee is authorised by the Board to:

- a) Investigate any matter within its Terms of Reference
- b) Have direct communication with the Corporation’s external auditors
- c) Seek any information it requires from any employee of the Corporation
- d) Retain, at its discretion, outside legal, accounting or other advisors, at the expense of the Corporation, to obtain advice and assistance in respect of any matters relating to its duties, responsibilities and powers as provided for or imposed by these Terms of Reference or otherwise by law or the by-laws of the Corporation

### V. Roles and Responsibilities

The Committee shall have the roles and responsibilities set out below as well as any other functions that are specifically delegated to the Committee by the Board and that the Board is authorized to delegate by applicable laws and regulations. To fulfill its responsibilities, the Committee shall:

#### a) **Accounting and Financial Reporting Matters**

1. In consultation with the external auditors, review with management the integrity of Canacol’s financial reporting processes, both internal and external.

2. Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
3. At each meeting, consult with the external auditors, without the presence of management, about the quality of Canacol's accounting principles, internal controls and the completeness and accuracy of Canacol's financial statements.
4. Review the Corporation's interim and annual financial statements and management's discussion & analysis of operations (the "MD&A"), Annual Information Forms and earnings press releases prior to their public disclosure and Board approval, where required, and ensure that adequate procedures are in place for the review of the Canacol's public disclosure of financial information extracted or derived from the Corporation's financial statements for inclusion in documents such as the Management Information Circular and prospectuses.
5. Following such review with management and the external auditors, recommend to the Board whether to approve the annual or interim financial statements and MD&A and any other filings with the securities commissions.
6. Monitor in discussion with the external auditors the integrity of the financial statements of the Corporation before submission to the Board, focusing particularly on:
  - (a) Significant accounting policies and practices under International Financial Reporting Standards ("IFRS") as applicable to Canacol and any changes in such accounting policies and practices as required by the standard setters or as suggested by the external auditors and management
  - (b) Major judgment areas including significant accruals, key assumptions and estimates, and the view of the external auditors as to appropriateness of such judgments
  - (c) Significant adjustments resulting from the audit
  - (d) The going concern assumption
  - (e) Compliance with accounting standards including the effects on the financial statements of alternative methods within generally accepted accounting principles
  - (f) Compliance with stock exchange and legal requirements
  - (g) Accounting treatment and disclosure of large transactions as well as unusual or non-recurring transactions
  - (h) Significant off-balance sheet and contingent assets and liabilities and the related disclosures
  - (i) Disclosure requirements for commitments
  - (j) Compliance with covenants under loan agreements
  - (k) Significant interim review audit findings during the year, including the status of previous audit recommendations
  - (l) All related party transactions with the required disclosures in the financial statements.
  - (m) Timeliness of statutory payments
7. On at least an annual basis, review with the Corporation's legal counsel and management, all legal and regulatory matters and litigation, claims or contingencies, including tax assessments, license or concession defaults or notifications, health and safety violations

or environmental issues, that could have a material effect upon the financial position of the Corporation, and the manner in which these matters may be, or have been, disclosed in the financial statements.

**b) External Auditors**

1. Consider and make recommendations to the Board for it to put to the shareholders for their approval in a general or special meeting in relation to the appointment, re-appointment and removal of Canacol's external auditors and to approve the compensation and terms of engagement of the external auditors for the annual audit, interim reviews and any other audit-related and non-audit-related services.
2. When there is to be a change in auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change.
3. Require the external auditors to report directly to the Committee.
4. Discuss with the external auditors, before an audit commences, the nature and scope of the audit, and other relevant matters.
5. Review and monitor the performance of the external auditors and the effectiveness of the audit process taking into consideration relevant professional and regulatory requirements.
6. Obtain annually a formal written statement of external auditors setting forth all relationships between the external auditors and Canacol and confirming their independence from Canacol.
7. Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
8. Review and approve Canacol's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Corporation.
9. Discuss problems and reservations arising from an audit, and any matters the external auditors may wish to discuss (in the absence of management where necessary).
10. Upon completion of the audit, review the external auditors' report on the financial statements and any recommendation letters issued to management with management's responses including the management representation letter.
11. Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by Canacol's external auditors and consider the impact on the independence of the auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
  - (i) The aggregate amount of all such non-audit services provided to Canacol constitutes not more than five percent of the total amount of revenues paid by Canacol to its external auditors during the fiscal year in which the non-audit services are provided
  - (ii) Such services were not recognized by Canacol at the time of the engagement to be non-audit services
  - (iii) Such services are promptly brought to the attention of the Committee by Canacol and approved prior to the completion of the audit by the Committee or by one or

more members of the Committee who are members of Canacol Directors to whom authority to grant such approvals has been delegated by the Committee

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee.

12. Consider the major findings of the external auditors and management's responses, including the resolution of disagreements between management and the external auditors regarding financial reporting.
13. Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
14. At each meeting, consult with the external auditors, without the presence of management, about the quality, not just the acceptability, of the accounting principles applied in the Corporation's financial reporting, effectiveness of internal controls and the completeness and accuracy of the Corporation's financial reports.

**c) Disclosure Controls & Procedures ("DC&P") and Internal Controls over Financial Reporting ("ICFR")**

1. Monitor and review Canacol's disclosure policy on an annual basis.
2. In conjunction with each fiscal year end, review management's assessment of the design and effectiveness of Canacol's DC&P including any control deficiencies identified and the related remediation plans for any significant or material deficiencies.
3. In conjunction with each fiscal year end, review management's assessment of the design and effectiveness of Canacol's ICFR including any control deficiencies identified and the related remediation plans for any significant or material deficiencies.
4. Review and discuss any fraud or alleged fraud involving management or other employees who have a role in Canacol's ICFR and the related corrective and disciplinary actions to be taken.
5. Discuss with management any significant changes in the ICFR that are disclosed or considered for disclosure in the MD&A on a quarterly basis.
6. Review and discuss with the CEO and the CFO the procedures undertaken in connection with the CEO and CFO certifications for the annual and interim filings with the securities commissions.
7. Review the adequacy of internal controls and procedures related to any corporate transactions in which directors or officers of Canacol have a personal interest, including the expense accounts of senior officers of Canacol and officers' use of corporate assets.

**d) Risk management**

1. Review the Corporation's risk management policies and processes established to effectively identify, assess and treat the Corporation's principal risks of the business and to receive an annual report thereon.
2. Review the financial exposures undertaken by the Corporation together with any mitigating

strategies including physical and financial positions in commodities markets, derivative strategies, capital commitments, sovereign and foreign exchange exposures, and interest rate fluctuations.

3. Review on an annual basis the adequacy and effectiveness of the Corporation's insurance policies including coverage for property damage, business interruption, liabilities, and directors and officers.
4. Review the Corporation's major financings and its future financing plans and strategies considering current and future business needs and the condition of capital markets.
5. Review and approve the discussion and disclosure of risks in public documents.

**e) Procedures for the Receipt and Treatment of Complaints regarding Accounting, Internal Accounting Controls, or Auditing Matters**

1. Establish procedures for:
  - (a) The receipt, retention and treatment of complaints received by Canacol regarding accounting, internal accounting controls, or auditing matters
  - (b) The confidential, anonymous submission by employees of Canacol of concerns regarding questionable accounting or auditing matters
  - (c) The investigation of such matters with appropriate follow-up actions

**VI. Committee Effectiveness Procedures**

The Committee shall review its Terms of Reference on an annual basis, or more often as required, to ensure that they remain adequate and relevant, and incorporate any material changes in statutory and regulatory requirements and the Corporation's business environment. The Committee shall make recommendations to the Corporate Governance and Nominating Committee as to proposed changes, if any.

The procedures outlined in these Terms of Reference are meant to serve as guidelines, and the Committee may adopt such different or additional procedures as it deems necessary from time to time.

In setting the agenda for a meeting, the Chair of the Committee shall encourage the Committee members, management, the Corporation's external auditors, and other members of the Board to provide input in order to address emerging issues.

Prior to the beginning of a fiscal year, the Committee shall submit an annual planner for the meetings to be held during the upcoming fiscal year, for review and approval by the Board to ensure compliance with the requirements of the Committee's Terms of Reference.

Any written material provided to the Committee shall be appropriately balanced (i.e. relevant and concise) and shall be distributed in advance of the respective meeting with sufficient time to allow Committee members to review and understand the information.

The Committee shall conduct an annual self-assessment of its performance and these Terms of Reference and shall make recommendations to the Corporate Governance and Nominating Committee with respect thereto.

Members of the Committee shall be provided with appropriate and timely training to enhance their understanding of auditing, accounting, regulatory and industry issues applicable to the Canacol.

New Committee members shall be provided with an orientation program to educate them on the Corporation's business, their responsibilities and the Corporation's financial reporting and accounting practices.

**EXHIBIT "E"** to the Affidavit of  
Jason Bednar

Sworn/Affirmed before me  
this 16 day of November, 2025



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A Commissioner for Oaths in  
and for the Province of Alberta

**Cameron B.M. Brunet**

Barrister and Solicitor

Member of the Law Society of Alberta

Notary Public in and for the Province of Alberta

Commissioner for Oaths in and for the Province of Alberta

# CANACOL ENERGY LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS  
THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2025



## FINANCIAL & OPERATING HIGHLIGHTS

(in United States dollars (tabular amounts in thousands) except as otherwise noted)

Financial	Three months ended September 30,			Nine months ended September 30,		
	2025	2024	Change	2025	2024	Change
Total revenues, net of royalties and transportation expense <sup>(1)</sup>	69,491	87,934	(21%)	207,035	253,913	(18%)
Adjusted funds from operations <sup>(1)</sup>	46,072	57,909	(20%)	122,243	157,256	(22%)
Per share – basic (\$) <sup>(1)</sup>	1.35	1.70	(21%)	3.58	4.61	(22%)
Per share – diluted (\$) <sup>(1)</sup>	1.35	1.70	(21%)	3.58	4.61	(22%)
Net income (loss) and comprehensive income (loss)	18,662	10,346	80%	64,319	(7,298)	n/a
Per share – basic (\$)	0.55	0.30	83%	1.89	(0.21)	n/a
Per share – diluted (\$)	0.55	0.30	83%	1.89	(0.21)	n/a
Cash flows provided by operating activities	48,003	21,692	121%	136,201	125,613	8%
Per share – basic (\$) <sup>(1)</sup>	1.41	0.64	120%	3.99	3.68	8%
Per share – diluted (\$) <sup>(1)</sup>	1.41	0.64	120%	3.99	3.68	8%
Adjusted EBITDAX <sup>(1)</sup>	49,112	85,844	(43%)	152,730	220,072	(31%)
Weighted average shares outstanding – basic	34,120	34,111	—%	34,120	34,111	—%
Weighted average shares outstanding – diluted	34,120	34,111	—%	34,120	34,111	—%
Net cash capital expenditures <sup>(1)</sup>	39,116	23,928	63%	146,645	93,659	57%
				September 30, 2025	December 31, 2024	Change
Cash and cash equivalents				36,539	79,201	(54%)
Working capital surplus (deficit)				(29,931)	45,524	n/a
Total debt				747,584	762,313	(2%)
Total assets				1,292,418	1,215,777	6%
Common shares, end of period (000's)				34,120	34,120	—%
Operating	Three months ended September 30,			Nine months ended September 30,		
	2025	2024	Change	2025	2024	Change
Production						
Natural gas and LNG (Mcfpd)	127,451	164,551	(23%)	128,500	160,430	(20%)
Colombia oil (bopd)	1,327	1,607	(17%)	1,312	1,571	(16%)
Total (boepd)	23,687	30,476	(22%)	23,856	29,717	(20%)
Realized contractual sales						
Natural gas and LNG (Mcfpd)	121,728	159,764	(24%)	123,106	156,255	(21%)
Colombia oil (bopd)	1,316	1,594	(17%)	1,298	1,555	(17%)
Total (boepd)	22,672	29,623	(23%)	22,896	28,968	(21%)
Operating netbacks <sup>(1)</sup>						
Natural gas and LNG (\$/Mcf)	5.34	5.25	2%	5.30	5.17	3%
Colombia oil (\$/bbl)	16.74	19.81	(15%)	15.68	20.69	(24%)
Corporate (\$/boe)	29.57	29.42	1%	29.45	28.99	2%

(1) Non-IFRS measures – see “Non-IFRS Measures” section within this MD&A.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Canacol Energy Ltd. and its subsidiaries ("Canacol" or the "Corporation") are primarily engaged in natural gas exploration and development activities in Colombia. The Corporation's head office is located at 2000, 215 - 9<sup>th</sup> Avenue SW, Calgary, Alberta, T2P 1K3, Canada. The Corporation's shares are traded on the Toronto Stock Exchange (the "TSX") 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 and the Bolsa Mexicana de Valores under the symbol CNEN.

### Advisories

The following management's discussion and analysis ("MD&A") is dated November 14, 2025 and is the Corporation's explanation of its financial performance for the period covered by the unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2025 ("the financial statements"), along with an analysis of the Corporation's financial position. Comments relate to and should be read in conjunction with the financial statements, and the audited consolidated financial statement and MD&A for the year ended December 31, 2024. The financial statements were prepared by management in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), and all amounts herein are expressed in United States dollars ("USD"), unless otherwise noted, and all tabular amounts are expressed in thousands of USD, except per share amounts or as otherwise noted. Additional information for the Corporation, including the Annual Information Form, may be found on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

**Forward-Looking Statements** – *Certain information set forth in this document contains forward-looking statements. All statements other than historical facts contained herein are forward-looking statements, including, without limitation, statements regarding the future financial position, business strategy, production rates, and plans and objectives of or involving the Corporation. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond the Corporation's control, including the impact of general economic conditions, industry conditions, governmental regulation, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility and the ability to access sufficient capital from internal and external sources. In particular, with respect to forward-looking comments in this MD&A, readers are cautioned that there can be no assurance that the Corporation will complete its planned capital projects on schedule, or that natural gas and petroleum production will result from such capital projects, or that additional natural gas sales contracts will be secured, or that hydrocarbon-based royalties assessed will remain consistent, or that royalties will continue to be applied on a sliding-scale basis as production increases on any one block, or that there will be no penalties on the termination of the Medellin gas sales contract. The Corporation's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits the Corporation will derive therefrom.*

*In addition to historical information, this MD&A contains forward-looking statements that are generally identifiable as any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events of performance (often, but not always, through the use of words or phrases such as "will likely result," "expected," "is anticipated," "believes," "estimated," "intends," "plans," "projection" and "outlook"). These statements are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in such forward-looking statements. Actual results achieved during the forecast period will vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors. Such factors include, but are not limited to: general economic, market and business conditions; fluctuations in natural gas, LNG and oil prices; the results of exploration and development drilling and related activities; fluctuations in foreign currency exchange rates; the uncertainty of reserve estimates; changes in environmental and other regulations; and risks associated with natural gas and oil operations, many of which are beyond the control of the Corporation and are subject to a high degree of uncertainty. Accordingly, there is no representation by the Corporation that actual results achieved during the forecast period will be the same in whole or in part as those forecasted. Except to the extent required by law, the Corporation assumes no obligation to publicly update or revise any forward-looking statements made in this MD&A or otherwise, whether as a result of new information, future events or otherwise. All subsequent forward-looking statements, whether written or oral, attributable to the Corporation or persons acting on the Corporation's behalf, are qualified in their entirety by these cautionary statements.*

*Readers are further cautioned not to place undue reliance on any forward-looking information or statements.*

**Non-IFRS Measures** – Some of the benchmarks the Corporation uses to evaluate its performance are adjusted funds from operations, adjusted EBITDAX, and net cash capital expenditures, which are measures not defined in IFRS Accounting Standards. Adjusted funds from operations represents cash flow provided by operating activities before the settlement of decommissioning obligations and changes in non-cash working capital, adjusted for non-recurring charges. Adjusted EBITDAX is defined as net income (loss) and comprehensive income (loss) adjusted for interest, income taxes, depreciation, depletion, amortization, pre-license costs and other similar non-recurring or non-cash charges. Net cash capital expenditures represents capital expenditures net of dispositions, excluding non-cash costs and adjustments such as the addition of right-of-use leased assets and change in decommissioning obligations. The Corporation considers these measures as key measures to demonstrate its ability to generate the cash flow necessary to fund future growth through capital investment, pay dividend and repay its debt. These measures should not be considered as an alternative to, or more meaningful than, cash provided by operating activities, or net income (loss) and comprehensive income (loss), or capital expenditures as determined in accordance with IFRS Accounting Standards as an indicator of the Corporation's performance. The Corporation's determination of these measures may not be comparable to that reported by other companies.

The Corporation also presents adjusted funds from operations per share, whereby per share amounts are calculated using the weighted-average shares outstanding consistent with the calculation of net income (loss) and comprehensive income (loss) per share.

The following table reconciles the Corporation's cash provided by operating activities to adjusted funds from operations:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Cash flows provided by operating activities	\$ 48,003	\$ 21,692	\$ 136,201	\$ 125,613
Changes in non-cash working capital	(1,931)	36,203	(13,958)	30,742
Settlement of decommissioning obligations	—	14	—	901
<b>Adjusted funds from operations</b>	<b>\$ 46,072</b>	<b>\$ 57,909</b>	<b>\$ 122,243</b>	<b>\$ 157,256</b>

The following table reconciles the Corporation's net income (loss) and comprehensive income (loss) to adjusted EBITDAX:

	2024		2025		
	Q4	Q1	Q2	Q3	Rolling
Net income (loss) and comprehensive income (loss)	\$ (25,434)	\$ 31,801	\$ 13,856	\$ 18,662	\$ 38,885
(+) Interest expense	14,682	14,557	14,472	14,041	57,752
(+) Income tax expense (recovery)	51,806	(4,918)	(4,807)	(3,475)	38,606
(+) Amortization of debt fees	2,759	2,726	2,771	3,304	11,560
(+) Depletion and depreciation	23,071	17,259	17,245	18,065	75,640
(+) Exploration impairment	2,252	—	—	—	2,252
(+) Pre-license costs	437	70	180	133	820
(+) Unrealized foreign exchange loss (gain)	4,073	(4,111)	1,656	(3,784)	(2,166)
(+/-) Other non-cash or non-recurring items <sup>(1)</sup>	2,408	(1,116)	1,977	2,166	5,435
<b>Adjusted EBITDAX</b>	<b>\$ 76,054</b>	<b>\$ 56,268</b>	<b>\$ 47,350</b>	<b>\$ 49,112</b>	<b>\$ 228,784</b>

(1) Primarily comprised of gain on Senior Note buyback, stock based compensation expense, and accretion expense.

	2023		2024		
	Q4	Q1	Q2	Q3	Rolling
Net income (loss) and comprehensive income (loss)	\$ 29,897	\$ 3,654	\$ (21,298)	\$ 10,346	\$ 22,599
(+) Interest expense	12,998	13,721	14,270	15,395	56,384
(+) Income tax expense (recovery)	(14,076)	17,718	53,789	31,473	88,904
(+) Amortization of debt fees	2,021	2,009	2,014	2,175	8,219
(+) Depletion and depreciation	20,086	19,026	19,433	20,254	78,799
(+) Impairment of long lived assets	2,750	—	—	—	2,750
(+) Pre-license costs	327	189	185	109	810
(+) Unrealized foreign exchange loss (gain)	(2,316)	561	(550)	2,825	520
(+/-) Other non-cash or non-recurring items <sup>(1)</sup>	1,457	4,163	5,344	3,267	14,231
<b>Adjusted EBITDAX</b>	<b>\$ 53,144</b>	<b>\$ 61,041</b>	<b>\$ 73,187</b>	<b>\$ 85,844</b>	<b>\$ 273,216</b>

(1) Primarily comprised of equity investment income, stock based compensation expense, accretion expense, and realized loss on warrants.

*In addition to the above, management uses the operating netback measure. Operating netback is a benchmark common in the oil and gas industry and is calculated as revenue, net of transportation expense, less royalties, less operating expenses, calculated on a per unit basis of sales volumes. Operating netback is an important measure in evaluating operational performance as it demonstrates profitability relative to current commodity prices.*

*Operating netback as presented does not have any standardized meaning prescribed by IFRS Accounting Standards and therefore may not be comparable with the calculation of similar measures for other entities.*

*The term “boe” is used in this MD&A. Boe may be misleading, particularly if used in isolation. A boe conversion ratio of cubic feet of natural gas to barrels of oil equivalent is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. In this MD&A, boe is expressed using the Colombian conversion standard of 5.7 Mcf: 1 bbl required by the Ministry of Mines and Energy of Colombia. Natural gas and LNG volumes per day are expressed in thousand cubic feet per day (“Mcfpd”) or million cubic feet per day (“MMcfpd”) throughout this MD&A.*

### Three and Nine Months Ended September 30, 2025 Financial and Operating Highlights

- The Corporation's natural gas and liquefied natural gas ("LNG") operating netback increased 2% and 3% to \$5.34 and \$5.30 per Mcf for the three and nine months ended September 30, 2025, respectively, compared to \$5.25 and \$5.17 per Mcf for the same periods in 2024, respectively. The increase is due to an increase in average sales prices, offset by an increase in operating expenses on a per Mcf basis.
- Adjusted EBITDAX decreased 43% and 31% to \$49.1 million and \$152.7 million for the three and nine months ended September 30, 2025, respectively, compared to \$85.8 million and \$220.1 million for the same periods in 2024, respectively. The decrease is mainly due to a decrease in realized contractual natural gas and LNG sales volumes.
- Adjusted funds from operations decreased 20% and 22% to \$46.1 million and \$122.2 million for the three and nine months ended September 30, 2025, respectively, compared to \$57.9 million and \$157.3 million for the same periods in 2024, respectively, mainly due to a decrease in EBITDAX.
- Total revenues, net of royalties and transportation expenses for the three and nine months ended September 30, 2025 decreased 21% and 18% to \$69.5 million and \$207.0 million, respectively, compared to \$87.9 million and \$253.9 million for the same periods in 2024, respectively, mainly due to a decrease in realized natural gas and LNG sales volumes.
- Realized contractual natural gas sales volume decreased 24% and 21% to 121.7 MMcfpd and 123.1 MMcfpd for the three and nine months ended September 30, 2025, respectively, compared to 159.8 MMcfpd and 156.3 MMcfpd for the same periods in 2024, respectively.
- The Corporation realized net income of \$18.7 million and \$64.3 million for the three and nine months ended September 30, 2025, respectively, compared to a net income of \$10.3 million and a net loss of \$7.3 million for the same periods in 2024, respectively. The increase in net income is the result of recognizing a non-cash deferred income tax recovery of \$5.4 million and \$39.0 million for the three and nine months ended September 30, 2025, respectively, compared to a non-cash deferred income tax expense of \$5.3 million and \$48.4 million for the same periods in 2024, respectively.
- Net cash capital expenditures for the three and nine months ended September 30, 2025 were \$39.1 million and \$146.6 million, respectively, compared to \$23.9 million and \$93.7 million for the same periods in 2024, respectively. The increase is mainly related to drilling activities and the installation of compression facilities.
- As at September 30, 2025, the Corporation had \$36.5 million in cash and cash equivalents and \$29.9 million in working capital deficit.

## Results of Operations

For the three months ended September 30, 2025, the Corporation's production primarily consisted of natural gas from the Esperanza, VIM-5, VIM-21 and VIM-33 blocks located in the Lower Magdalena Valley basin in Colombia. The Corporation's production also included crude oil from its Rancho Hermoso block in Colombia ("Colombia oil"). The Corporation's LNG production was less than one percent of total natural gas and LNG production and, therefore, the results have been combined as "Natural gas and LNG".

On July 13, 2025, the Corporation spud the Palomino-1 exploration well located on its VIM-44 block. The Palomino-1 well was targeting gas charged sandstones within the Cienaga de Oro ("CDO") reservoirs located approximately 2 kilometers to the south of the Borbon discovery. The well encountered 15.2 feet true vertical depth ("ft TVD") of net gas pay of average porosity of 17%, and was placed on production on September 7, 2025.

On August 11, 2025, the Corporation spud the Fresa-5 development well located on its VIM-21 block. The Fresa-5 well was targeting gas charged sandstones within the CDO reservoirs located up dip of the Fresa-3 well. The Fresa-5 appraisal well encountered 92 ft TVD of net gas pay within the CDO sandstone reservoir. Of the net gas pay, 27 ft TVD are in zones not produced in Fresa-3. The Fresa-5 well was tied in and placed on production at approximately 5 MMcfpd on October 17, 2025.

On August 24, 2025, the Corporation spud the Mariner-1 exploration well located on its VIM-21 block. The Mariner-1 well reached a total depth of 7,100 ft TVD on September 2, 2025. Non-commercial gas was encountered within the CDO reservoir and the well was subsequently abandoned.

## Average Daily Production and Realized Contractual Sales Volumes

Production and sales volumes in this MD&A are reported before royalties.

	Three months ended September 30,			Nine months ended September 30,		
	2025	2024	Change	2025	2024	Change
<b>Natural Gas and LNG (Mcfpd)</b>						
Natural gas and LNG production	127,451	164,551	(23%)	128,500	160,430	(20%)
Field consumption	(5,841)	(4,787)	22%	(5,461)	(4,262)	28%
Natural gas and LNG sales	121,610	159,764	(24%)	123,039	156,168	(21%)
Take-or-pay volumes (2)	118	—	n/a	67	87	(23%)
<b>Realized contractual natural gas and LNG sales</b>	<b>121,728</b>	<b>159,764</b>	<b>(24%)</b>	<b>123,106</b>	<b>156,255</b>	<b>(21%)</b>
<b>Colombia Oil (bopd)</b>						
Crude oil production	1,327	1,607	(17%)	1,312	1,571	(16%)
Inventory movements and other	(11)	(13)	(15%)	(14)	(16)	(13%)
<b>Colombia oil sales</b>	<b>1,316</b>	<b>1,594</b>	<b>(17%)</b>	<b>1,298</b>	<b>1,555</b>	<b>(17%)</b>
<b>Corporate (boepd)</b>						
Natural gas and LNG production	22,360	28,869	(23%)	22,544	28,146	(20%)
Colombia oil production	1,327	1,607	(17%)	1,312	1,571	(16%)
Total production	23,687	30,476	(22%)	23,856	29,717	(20%)
Field consumption and inventory	(1,036)	(853)	21%	(972)	(764)	27%
Total corporate sales	22,651	29,623	(24%)	22,884	28,953	(21%)
Take-or-pay volumes (2)	21	—	n/a	12	15	(20%)
<b>Total realized contractual sales</b>	<b>22,672</b>	<b>29,623</b>	<b>(23%)</b>	<b>22,896</b>	<b>28,968</b>	<b>(21%)</b>

The Corporation has three types of natural gas and LNG sales:

- 1) *Natural Gas and LNG sales* - represents natural gas and LNG production less a typically small amount of gas volume that is consumed at the field level;
- 2) *Take-or-pay income* - represents the portion of natural gas and LNG sales nominations by the Corporation's off-takers that do not get delivered, due to the off-taker's inability to accept such natural gas and for which the off-takers have no recourse or legal right to delivery at a later date. As such, they are recorded as revenue in the period; and
- 3) *Undelivered natural gas and LNG nominations* - represents the portion of undelivered natural gas and LNG sales nominations for which the off-takers have a legal right to take delivery at a later date, for a fixed period of time ("make-up rights"). These nominations are paid for at the time, alongside natural gas and LNG sales and take-or-pay income, and as such are included in deferred income for the period. The Corporation recognizes revenues associated with such make-up rights ("settlements") at the earlier of: a) when the make-up volume is delivered, b) the make-up right expires, or c) when it is determined that the likelihood that the off-taker will utilize the make-up right is remote.

Realized contractual natural gas and LNG sales for the three and nine months ended September 30, 2025 averaged 121.7 and 123.1 MMcfpd, respectively. Realized contractual sales is defined as natural gas and LNG produced and sold plus income received from nominated take-or-pay contracts without the actual delivery of natural gas or LNG and the expiry of the customers' rights to take the deliveries.

The 24% and 21% decrease in realized contractual natural gas and LNG sales for the three and nine months ended September 30, 2025, respectively, compared to the same periods in 2024, respectively, is due to natural decline, offset by exploration successes.

The 17% decrease in Colombia oil sales for the three and nine months ended September 30, 2025, respectively, compared to the same periods in 2024, respectively, is due to natural decline.

## Revenues, Net of Royalties and Transportation Expenses

	Three months ended September 30,			Nine months ended September 30,		
	2025	2024	Change	2025	2024	Change
<b>Natural Gas and LNG</b>						
Natural gas and LNG revenues	\$ 81,186	\$ 104,886	(23%)	\$ 243,866	\$ 305,724	(20%)
Transportation expenses	(2,912)	(6,560)	(56%)	(8,590)	(18,524)	(54%)
Revenues, net of transportation expenses	78,274	98,326	(20%)	235,276	287,200	(18%)
Royalties	(12,583)	(15,082)	(17%)	(39,142)	(47,886)	(18%)
<b>Revenues, net of royalties and transportation expenses</b>	<b>\$ 65,691</b>	<b>\$ 83,244</b>	<b>(21%)</b>	<b>\$ 196,134</b>	<b>\$ 239,314</b>	<b>(18%)</b>
<b>Colombia Oil</b>						
Crude oil revenues	\$ 3,017	\$ 4,088	(26%)	\$ 8,741	\$ 12,654	(31%)
Transportation expenses	(31)	(47)	34%	(58)	(77)	(25%)
Revenues, net of transportation expenses	2,986	4,041	(26%)	8,683	12,577	(31%)
Royalties	(85)	(124)	(31%)	(240)	(394)	(39%)
<b>Revenues, net of royalties and transportation expenses</b>	<b>\$ 2,901</b>	<b>\$ 3,917</b>	<b>(26%)</b>	<b>\$ 8,443</b>	<b>\$ 12,183</b>	<b>(31%)</b>
<b>Corporate</b>						
Natural gas and LNG revenues	\$ 81,186	\$ 104,886	(23%)	\$ 243,866	\$ 305,724	(20%)
Crude oil revenues	3,017	4,088	(26%)	8,741	12,654	(31%)
Total revenues	84,203	108,974	(23%)	252,607	318,378	(21%)
Royalties	(12,668)	(15,206)	(17%)	(39,382)	(48,280)	(18%)
Natural gas, LNG and crude oil production revenues, net of royalties	71,535	93,768	(24%)	213,225	270,098	(21%)
Power generation standby revenue	773	773	—%	2,293	2,307	(1%)
Take-or-pay natural gas income	126	—	n/a	165	109	51%
Total revenues, net of royalties, as reported	72,434	94,541	(23%)	215,683	272,514	(21%)
Transportation expenses	(2,943)	(6,607)	(55%)	(8,648)	(18,601)	(54%)
<b>Total revenues, net of royalties and transportation expenses</b>	<b>\$ 69,491</b>	<b>\$ 87,934</b>	<b>(21%)</b>	<b>\$ 207,035</b>	<b>\$ 253,913</b>	<b>(18%)</b>

### Natural Gas and LNG Sales and Power Generation Standby Revenue

Natural gas and LNG revenues, net of transportation expenses for the three and nine months ended September 30, 2025 decreased 20% and 18% to \$78.3 million and \$235.3 million, respectively, compared to \$98.3 million and \$287.2 million for the same periods in 2024, respectively, mainly due to lower sales volume.

Colombia oil revenues, net of transportation expenses for the three and nine months ended September 30, 2025 decreased 26% and 31%, respectively, compared to the same periods in 2024, respectively, mainly due to lower average sales price and lower sales volume.

During the three and nine months ended September 30, 2025, the Corporation realized power generation standby revenue of \$0.8 million and \$2.3 million, respectively, for its commitment to supply natural gas to a Colombian power generation plant owned by Termoelectrica el Tesorito S.A.S. ESP (“Tesorito”). The power generation standby revenue is earned on a daily basis, regardless of whether natural gas is actually delivered.

As at September 30, 2025, the Corporation had deferred income of \$21.2 million (December 31, 2024 - \$18.5 million) which was related to undelivered natural gas and LNG sales nominations that were paid for or accrued in accounts receivable, for which the off-takers have a legal right to take delivery at a later date, at which point they will be recognized as revenue. Should the off-taker not accept delivery within the allotted period, the Corporation will recognize the corresponding nominations as take-or-pay income as explained on page 7 of this MD&A.

## Natural Gas Transportation Expenses

The Corporation either sells its natural gas at its Jobo gas plant gate (whereby the off-taker incurs the transportation expenses, and as such Canacol does not recognize a transportation expense), or delivers its natural gas to the off-takers' locations (whereby Canacol pays and recognizes the transportation expenses directly). In the latter case, the Corporation's transportation expenses on such contracts are compensated by higher gross sales prices, resulting in average realized sales prices (net of transportation) being consistent with the Corporation's realized price in which the off-taker incurs the transportation expense. The blend of these two types of delivery options varies from contract to contract and from quarter to quarter, hence the Corporation refers to an average net realized sales price, which in either case, is net of any transportation costs, regardless of which party incurs the transportation expense. Natural gas transportation expenses decreased 56% and 54% for the three and nine months ended September 30, 2025, respectively, compared to the same periods in 2024, respectively, due to a decrease in natural gas sales subject to transportation expenses, as described above.

## Natural Gas Royalties

	Three months ended September 30,			Nine months ended September 30,		
	2025	2024	Change	2025	2024	Change
<b>Natural Gas</b>						
Esperanza royalties	\$ 408	\$ 1,014	(60%)	\$ 1,641	\$ 2,833	(42%)
VIM-5 royalties	9,419	10,439	(10%)	30,482	36,935	(17%)
VIM-21 royalties	2,430	3,623	(33%)	6,604	8,112	(19%)
VIM-33 royalties	21	6	250%	110	6	1,733%
VIM-44 royalties	305	—	n/a	305	\$ —	n/a
<b>Royalty expense</b>	<b>\$ 12,583</b>	<b>\$ 15,082</b>	<b>(17%)</b>	<b>\$ 39,142</b>	<b>\$ 47,886</b>	<b>(18%)</b>
<b>Natural Gas Royalty Rates</b>						
Esperanza	7.7%	8.9%	(13%)	7.8%	8.8%	(11%)
VIM-5	22.1%	22.0%	—%	22.1%	22.2%	—%
VIM-21	9.3%	9.4%	(1%)	9.3%	9.4%	(1%)
VIM-33	11.2%	8.5%	32%	8.2%	8.5%	(4%)
VIM-44	7.6%	—%	n/a	7.6%	—%	n/a
<b>Natural gas royalty rate</b>	<b>16.1%</b>	<b>15.3%</b>	<b>5%</b>	<b>16.6%</b>	<b>16.7%</b>	<b>(1%)</b>

The Corporation's natural gas royalties are generally at a rate of 6.4%, until net field production reaches 5,000 boepd, at which point the royalty rates increase on a sliding scale up to a 20% maximum rate at 600,000 boepd field production. The Corporation's Esperanza and VIM-5 natural gas production is subject to an additional overriding royalty of 2% to 4%. The Corporation's VIM-5, VIM-21, VIM-33 and VIM-44 natural gas production is subject to additional x-factor royalty rates of 13%, 3%, 1% and 1%, respectively.

## Average Benchmark and Realized Sales Prices, Net of Transportation

	Three months ended September 30,			Nine months ended September 30,		
	2025	2024	Change	2025	2024	Change
<b>Average Benchmark Prices</b>						
Henry Hub (\$/MMBtu)	\$ 3.01	\$ 2.41	25%	\$ 3.60	\$ 2.32	55%
Alberta Energy Company ("AECO") (\$/MMBtu)	\$ 0.89	\$ 0.49	82%	\$ 1.14	\$ 0.79	44%
Brent (\$/bbl)	\$ 67.58	\$ 72.87	(7%)	\$ 69.62	\$ 80.18	(13%)
<b>Average Sales Prices, Net of Transportation</b>						
Natural gas and LNG (\$/Mcf)	\$ 7.00	\$ 6.69	5%	\$ 7.00	\$ 6.71	4%
Colombia oil (\$/bbl)	\$ 24.66	\$ 27.56	(11%)	\$ 24.50	\$ 29.52	(17%)
<b>Corporate average (\$/boe)</b>	<b>\$ 38.99</b>	<b>\$ 37.56</b>	<b>4%</b>	<b>\$ 39.05</b>	<b>\$ 37.79</b>	<b>3%</b>

The sales prices of the Corporation's natural gas sales contracts are largely fixed, with a portion of its portfolio sold on the spot (interruptible) market. The Corporation's transportation expenses associated with the spot sales are typically compensated by higher gross sales prices, resulting in realized sales prices, net of transportation that are consistent with the Corporation's firm fixed-priced contracts.

Average natural gas and LNG sales prices, net of transportation increased 5% and 4% to \$7.00 per Mcf for the three and nine months ended September 30, 2025, compared to \$6.69 per Mcf and \$6.71 per Mcf for the same periods in 2024, respectively. The increase in average natural gas and LNG sales prices, net of transportation for the three and nine months ended September 30, 2025 is mainly due to a increase in firm contract prices and an increase in interruptible prices as a result of tight natural gas supply in Colombia.

The 11% and 17% decrease in average crude oil prices for the three and nine months ended September 30, 2025, respectively, compared to the same periods in 2024, respectively, is due to a higher portion of total oil production sold under tariff agreement.

## Operating Expenses

	Three months ended September 30,			Nine months ended September 30,		
	2025	2024	Change	2025	2024	Change
Natural gas and LNG	\$ 6,092	\$ 5,957	2%	\$ 17,759	\$ 18,126	(2%)
Colombia oil	874	1,012	(14%)	2,884	3,370	(14%)
<b>Total operating expenses</b>	<b>\$ 6,966</b>	<b>\$ 6,969</b>	<b>—%</b>	<b>\$ 20,643</b>	<b>\$ 21,496</b>	<b>(4%)</b>
Natural gas and LNG (\$/Mcf)	\$ 0.54	\$ 0.41	32%	\$ 0.53	\$ 0.42	26%
Colombia oil (\$/bbl)	\$ 7.22	\$ 6.90	5%	\$ 8.14	\$ 7.91	3%
<b>Corporate (\$/boe)</b>	<b>\$ 3.34</b>	<b>\$ 2.56</b>	<b>30%</b>	<b>\$ 3.30</b>	<b>\$ 2.71</b>	<b>22%</b>

Natural gas and LNG operating expenses increased 2% to \$6.1 million for the three months ended September 30, 2025, compared to \$6.0 million for the same period in 2024, mainly due to an increase in equipment rental costs and inflation, offset by a decrease in maintenance costs. Natural gas and LNG operating expenses decreased 2% to \$17.8 million for the nine months ended September 30, 2025, compared to \$18.1 million for the same period in 2024. The decrease in natural gas and LNG operating expenses for the nine months ended September 30, 2025 is mainly due to a decrease in maintenance activities, offset by an increase in equipment rental costs, and inflation.

Colombia oil operating expenses decreased 14% for the three and nine months ended September 30, 2025, compared to the same periods in 2024, mainly attributable to the reimbursement of operating expenses by Hocol S.A., which is the counterparty of the Rancho Hermoso participation agreement. The operating expense reimbursement takes effect when WTI crude oil price is below \$70 per bbl on a monthly average basis.

## Operating Netbacks

\$/Mcf	Three months ended September 30,			Nine months ended September 30,		
	2025	2024	Change	2025	2024	Change
<b>Natural Gas and LNG</b>						
Revenue, net of transportation expense <sup>(1)</sup>	\$ 7.00	\$ 6.69	5%	\$ 7.00	\$ 6.71	4%
Royalties	(1.12)	(1.03)	9%	(1.17)	(1.12)	4%
Operating expenses <sup>(2)</sup>	(0.54)	(0.41)	32%	(0.53)	(0.42)	26%
<b>Operating netback</b>	<b>\$ 5.34</b>	<b>\$ 5.25</b>	<b>2%</b>	<b>\$ 5.30</b>	<b>\$ 5.17</b>	<b>3%</b>

\$/bbl	Three months ended September 30,			Nine months ended September 30,		
	2025	2024	Change	2025	2024	Change
<b>Colombia oil</b>						
Revenue, net of transportation expense <sup>(1)</sup>	\$ 24.66	\$ 27.56	(11%)	\$ 24.50	\$ 29.52	(17%)
Royalties	(0.70)	(0.85)	(18%)	(0.68)	(0.92)	(26%)
Operating expenses <sup>(2)</sup>	(7.22)	(6.90)	5%	(8.14)	(7.91)	3%
<b>Operating netback</b>	<b>\$ 16.74</b>	<b>\$ 19.81</b>	<b>(15%)</b>	<b>\$ 15.68</b>	<b>\$ 20.69</b>	<b>(24%)</b>

(1) Refer to the "Average Benchmark and Realized Sales Prices, Net of Transportation" of this MD&A for more information.

(2) Refer to the "Operating Expenses" section of this MD&A for more information.

\$/boe	Three months ended September 30,			Nine months ended September 30,		
	2025	2024	Change	2025	2024	Change
<b>Corporate</b>						
Revenue, net of transportation expense	\$ 38.99	\$ 37.56	4%	\$ 39.05	\$ 37.79	3%
Royalties	(6.08)	(5.58)	9%	(6.30)	(6.09)	3%
Operating expenses	(3.34)	(2.56)	30%	(3.30)	(2.71)	22%
<b>Operating netback</b>	<b>\$ 29.57</b>	<b>\$ 29.42</b>	<b>1%</b>	<b>\$ 29.45</b>	<b>\$ 28.99</b>	<b>2%</b>

### General and Administrative Expenses

	Three months ended September 30,			Nine months ended September 30,		
	2025	2024	Change	2025	2024	Change
Gross costs	\$ 8,987	\$ 9,912	(9%)	\$ 29,229	\$ 29,325	—%
Less: capitalized amounts	(1,894)	(2,036)	(7%)	(7,286)	(6,098)	19%
<b>General and administrative expenses</b>	<b>\$ 7,093</b>	<b>\$ 7,876</b>	<b>(10%)</b>	<b>\$ 21,943</b>	<b>\$ 23,227</b>	<b>(6%)</b>
<b>\$/boe</b>	<b>\$ 3.40</b>	<b>\$ 2.89</b>	<b>18%</b>	<b>\$ 3.51</b>	<b>\$ 2.93</b>	<b>20%</b>

General and administrative ("G&A") gross costs decreased 9% for the three months ended September 30, 2025, compared to the same period in 2024, mainly as a result of the Corporation's cost cutting initiatives. G&A gross costs remained unchanged for the nine months ended September 30, 2025, compared to the same period in 2024.

### Net Finance Expense

	Three months ended September 30,			Nine months ended September 30,		
	2025	2024	Change	2025	2024	Change
Net financing expense paid	\$ 13,666	\$ 15,088	(9%)	\$ 41,020	\$ 42,476	(3%)
Non-cash net financing expenses	4,616	3,094	49%	12,270	8,553	43%
<b>Net finance expense</b>	<b>\$ 18,282</b>	<b>\$ 18,182</b>	<b>1%</b>	<b>\$ 53,290</b>	<b>\$ 51,029</b>	<b>4%</b>

Net finance expense increased 1% and 4% for the three and nine months ended September 30, 2025, respectively, compared to the same periods in 2024, respectively, mainly as a result of an increase in non-cash financing expenses, offset by a decrease in total debt outstanding and a decrease in benchmark interest rates.

### Stock-Based Compensation Expense

	Three months ended September 30,			Nine months ended September 30,		
	2025	2024	Change	2025	2024	Change
Equity-settled unit expense	\$ 28	\$ 136	(79%)	\$ 105	\$ 586	(82%)
Cash-settled unit expense	1,122	2,176	(48%)	2,318	1,952	19%
<b>Stock-based compensation</b>	<b>\$ 1,150</b>	<b>\$ 2,312</b>	<b>(50%)</b>	<b>\$ 2,423</b>	<b>\$ 2,538</b>	<b>(5%)</b>

Equity-settled unit expense is related to stock options, the fair value of which are amortized and expensed over their respective vesting periods. Stock options are settled in shares when exercised. Equity-settled unit expense decreased by 79% and 82% for the three and nine months ended September 30, 2025, respectively, compared to the same periods in 2024, respectively, as no new stock options were granted to employees during the nine months ended September 30, 2025.

Cash-settled unit expense is related to restricted share units (“RSUs”), performance share units (“PSUs”) and deferred share units (“DSUs”), the fair value of which are amortized and expensed over their respective vesting periods and revalued at each reporting date based on the Corporation’s share price. RSUs, PSUs and DSUs are expected to be settled in cash. The Corporation realized a cash-settled unit expense of \$1.1 million and \$2.3 million for the three and nine months ended September 30, 2025, respectively, compared to cash-settled unit expense of \$2.2 million and \$2.0 million in the same periods in 2024, respectively. The 48% decrease in expense during the three months ended September 30, 2025 is due to new grants issued in Q3 2024 and the decrease in Canacol share price during the three months ended September 30, 2025. The 19% increase during the nine months ended September 30, 2025 is as a result of the new grants issued in April 2025.

### Depletion and Depreciation Expense

	Three months ended September 30,			Nine months ended September 30,		
	2025	2024	Change	2025	2024	Change
Depletion and depreciation expense	\$ 18,065	\$ 20,254	(11%)	\$ 52,569	\$ 58,713	(10%)
\$/boe	\$ 8.67	\$ 7.43	17%	\$ 8.41	\$ 7.40	14%

Depletion and depreciation expense decreased 11% and 10% for the three and nine months ended September 30, 2025, respectively, compared to the same periods in 2024, respectively, due to lower production. Depletion and depreciation expense per boe increased 17% and 14% for the three and nine months ended September 30, 2025, respectively, compared to the same periods in 2024, respectively, due to higher depletion rate.

### Income Tax Expense

	Three months ended September 30,			Nine months ended September 30,		
	2025	2024	Change	2025	2024	Change
Current income tax expense	\$ 1,927	\$ 26,223	(93%)	\$ 25,830	\$ 54,595	(53%)
Deferred income tax expense (recovery)	(5,402)	5,250	n/a	(39,030)	48,385	n/a
<b>Income tax expense (recovery)</b>	<b>\$ (3,475)</b>	<b>\$ 31,473</b>	<b>n/a</b>	<b>\$ (13,200)</b>	<b>\$ 102,980</b>	<b>n/a</b>

The Corporation’s pre-tax income was subject to the Colombian statutory income tax rate of 35% for the nine months ended September 30, 2025. In addition, taxable income generated from business relating to crude oil was subject to an additional 10% surtax.

Current income tax expense for the three and nine months ended September 30, 2025 decreased by 93% and 53%, respectively, compared to the same periods in 2024, respectively. The decrease is mainly due to a decrease in EBITDAX, and write-offs for tax purposes related to the unsuccessful exploration wells drilled during 2025.

For the three and nine months ended September 30, 2025, the Corporation recognized a deferred tax recovery of \$5.4 million and a deferred tax recovery of \$39.0 million, respectively, mainly as a result of the foreign exchange impact on the Corporation’s unused tax losses and capital pools and the timing difference related to the tax write-offs.

### Income Tax Cash Payments

	Three months ended September 30,			Nine months ended September 30,		
	2025	2024	Change	2025	2024	Change
Income tax payments and installments	\$ 9,509	\$ 35,860	(73%)	\$ 35,898	\$ 65,941	(46%)
Withholding tax	\$ 1,576	\$ 1,718	(8%)	\$ 12,284	\$ 9,554	29 %

## Capital Expenditures

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Land, seismic, EIAs and communities	\$ 635	\$ 250	\$ 1,505	\$ 6,297
Drilling, completion, testing and workovers	26,386	18,208	105,435	57,216
Facilities, equipment and infrastructures	9,213	6,725	30,270	26,401
Warehouse inventory, corporate assets and other	1,061	(3,291)	2,243	(2,237)
Capitalized G&A	1,894	2,036	7,286	6,098
Proceeds on disposition	(73)	—	(94)	(116)
<b>Net cash capital expenditures</b>	<b>39,116</b>	<b>23,928</b>	<b>146,645</b>	<b>93,659</b>
Non-cash costs and adjustments:				
Right-of-Use leased assets	13	60	79	3,089
Disposition	72	—	82	109
Change in decommissioning obligations and other	2,856	2,089	2,537	2,562
<b>Net capital expenditures</b>	<b>\$ 42,057</b>	<b>\$ 26,077</b>	<b>\$ 149,343</b>	<b>\$ 99,419</b>
Net capital expenditures recorded as:				
Expenditures on exploration and evaluation assets	\$ 19,046	\$ 11,657	\$ 69,177	\$ 35,515
Expenditures on property, plant and equipment	23,012	14,420	80,177	63,911
Disposition	(1)	—	(11)	(7)
<b>Net capital expenditures</b>	<b>\$ 42,057</b>	<b>\$ 26,077</b>	<b>\$ 149,343</b>	<b>\$ 99,419</b>

Net capital expenditures for the three months ended September 30, 2025 are primarily related to:

- Fresa-4 appraisal well;
- Fresa-5 development well;
- Palomino-1 exploration well;
- Mariner-1 exploration well;
- Borbon-1 exploration well;
- Corno-1 exploration well;
- Natilla-2 exploration well;
- Compression facilities and workover related costs at the VIM-5, and VIM-21 blocks; and
- Land, communities and other costs at the Esperanza, VIM-5, VIM-21, VIM-44, and SSJN-7 blocks.

## Liquidity and Capital Resources

### Capital Management

The Corporation manages its capital structure and makes adjustments in response to changes in economic conditions and the risk characteristics of the underlying assets. The Corporation considers its capital structure to include share capital, long-term debt, lease obligations and working capital, defined as current assets less current liabilities excluding the current portion of long-term obligations. In order to maintain or adjust the capital structure, from time to time the Corporation may issue or repurchase common shares or other securities, sell assets or adjust its capital spending to manage current and projected debt levels.

The Corporation monitors leverage and adjusts its capital structure based on its net debt level. Net debt is defined as the principal amount of its outstanding long-term obligations less working capital, as defined above. In order to facilitate the management of its net debt, the Corporation prepares annual budgets, which are updated as necessary depending on varying factors including current and forecast commodity prices, changes in capital structure, execution of the Corporation's business plan and general industry conditions. The annual budget is approved by the Board of Directors and updates are prepared and reviewed as required.

## Going Concern

The consolidated financial statements have been prepared on the going-concern basis, which assumes that the Corporation will be able to realize its assets and liabilities in the normal course of business as they come due in the foreseeable future.

As at September 30, 2025, the Corporation had a cash balance of \$36.5 million and a working capital deficit of \$29.9 million. During the second quarter of 2025, the accelerated amortization event clause in the Term Loan was triggered, resulting in the \$50 million Term Loan balance being amortized over eight equal monthly installments of \$6.25 million starting on September 15, 2025. In addition, one of the Corporation's financial covenants, the Consolidated Current Ratio, decreased to 1.04 to 1.00 as at September 30, 2025. While the Corporation is in compliance with the Consolidated Current Ratio covenant (1.00 to 1.00) as well as all other debt covenants as at September 30, 2025, there is no guarantee that Canacol will be able to maintain compliance in the future. The Consolidated Current Ratio covenant is specific to the Term Loan, and should a refinancing of the Term Loan be successful, this covenant may be removed.

The Corporation's ability to meet its near-term financial obligations is dependent upon the Corporation's ability to refinance the Term Loan. The Corporation has principal and interest payments on its long term debt of approximately \$25 million due in November 2025 and, after making those payments, the Corporation will have nominal cash balances available to meet ongoing obligations for the remainder of 2025 without refinancing the Term Loan. The Corporation's cash balance at November 14, 2025 is \$18.3 million.

Management is currently working with financial institutions to refinance the Term Loan, which, if successful, will provide additional capital and extend principal repayments until the latter half of 2026. In the event that the refinancing is successful, the Corporation expects to have sufficient resources to meet its current obligations and to be able to deploy capital into lower risk exploration and development activities to increase free cash flow. This determination is based on management's cash flow forecast, which relies on significant judgment and assumptions, including the estimated timing and volume of production, interruptible natural gas prices and estimated capital and operating costs.

The Corporation's ability to meet its mid-term financial obligations is dependent upon refinancing the Term Loan and its ability to a) obtain additional debt financing, and/or b) refinance the \$200 million RCF, which matures on February 17, 2027, with the intent of extending its maturity date, c) resolution of the Corporation's contingencies, and/or d) increase free cash flow via successful exploration and development drilling. Nevertheless, there is no assurance that these initiatives will be successful.

Given the Corporation's liquidity situation, its Senior Notes currently trading at a significant discount, and decreasing natural gas production, there is no guarantee that the Corporation will be able to obtain additional capital or to refinance the loans under acceptable or favorable terms to Canacol.

These material uncertainties cast significant doubt as to the ability of the Corporation to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. The consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Corporation was unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

## Senior Notes

On November 24, 2021, the Corporation completed a private offering of senior unsecured notes in the aggregate principal amount of \$500 million ("Senior Notes"). The Senior Notes pay interest semi-annually at a fixed rate of 5.75% per annum, and mature in 2028 unless earlier redeemed or repurchased in accordance with their terms. The Senior Notes are fully and unconditionally guaranteed by certain subsidiaries of Canacol.

On March 26, 2025, the Corporation repurchased \$5 million of Senior Notes for \$2.7 million of cash. The repurchased Senior Notes were subsequently cancelled in April 2025.

## Revolving Credit Facility

On February 17, 2023, the Corporation entered into a \$200 million senior unsecured revolving credit facility ("RCF") with a syndicate of banks. The RCF bears an annual interest rate of SOFR + 4.5%, has a four-year term, and the Corporation is able to repay/redraw the RCF at any time within the term without penalty. Any undrawn amounts are subject to a commitment fee equal to 30% of the 4.5% interest margin throughout the availability period. The RCF

is not subject to typical periodic redeterminations. The amount drawn and outstanding as at September 30, 2025 was \$200 million.

### Senior Term Loan Facility

On September 3, 2024, the Corporation entered into a \$75 million senior secured term loan facility (the "Term Loan") with Macquarie Group ("Macquarie"). The initial draw was \$50 million, with a further commitment of \$25 million available for a 12-month period should certain production metrics be met. The Term Loan bears an annual interest rate of SOFR + 10% on drawn amounts and 2.4% on undrawn amounts. The Term Loan was set to amortize over four equal quarterly installments starting on December 3, 2025. No prepayments may be made during the first 12 months. The Term Loan is secured by all material assets of the Corporation.

The Corporation's average total realized contractual sales volume for the last two consecutive months as at June 30, 2025 was below 130 MMcfe/d, thereby triggering the accelerated amortization event clause under the credit agreement. As a result of the accelerated amortization event clause, the \$50 million Term Loan balance has begun to amortize over eight equal monthly installments starting on September 15, 2025. The accelerated amortization event clause does not trigger an event of default, nor does it have effect on the Senior Notes or the RCF.

In connection with the Term Loan, 1,888,448 common share purchase warrants (the "Warrants") were issued to Macquarie, with each Warrant entitling Macquarie to purchase one common share of the Corporation at C\$3.80. The Warrants will expire three years after the date of issuance. The Warrants were valued at \$1.6 million (\$1.4 million net of fees) at inception and were recognized under Other Reserves as at September 30, 2025.

### Financial Covenants

The Corporation's Senior Notes, RCF, and Term Loan include various covenants relating to maximum leverage, minimum interest coverage, minimum liquidity requirements, minimum reserves value, indebtedness, operations, investments, assets sales, capital expenditures and other standard operating business covenants.

The Corporation's financial covenants include:

- a) Consolidated Leverage Ratio: a maximum consolidated total debt, less cash and cash equivalents, to 12-month trailing adjusted EBITDAX ratio of 3.25 : 1.00 (incurrence) or 3.50 : 1.00 (maintenance);
- b) Consolidated Interest Coverage Ratio: a minimum 12-month trailing adjusted EBITDAX, to 12-month trailing interest expense, excluding non-cash expenses ratio of 2.50 : 1.00; and
- c) Consolidated Current Ratio: a minimum adjusted current assets, to adjusted current liabilities ratio of 1.00 : 1.00;
- d) Consolidated Asset Coverage Ratio: a minimum aggregate net present value of proved developed producing reserves before tax (discounted at 10%) as at the most recent reserves report date ("PDP PV10 Value"), to the principal drawn and outstanding on the Term Loan ratio of 2.50 to 1.00.

As at September 30, 2025, the Corporation was in compliance with the covenants.

	September 30, 2025	December 31, 2024
Senior Notes - principal (5.75%)	\$ 495,000	\$ 500,000
RCF (SOFR + 4.5%)(1)	200,000	200,000
Term Loan (SOFR + 10%)(1)	43,750	50,000
Lease obligations	8,834	12,313
Total debt	747,584	762,313
Working capital deficit (surplus)	29,931	(45,524)
<b>Net debt</b>	<b>\$ 777,515</b>	<b>\$ 716,789</b>

(1) The SOFR rate for the nine months ended September 30, 2025 was 4.27%.

The Consolidated Leverage Ratio is calculated as follows:

	September 30, 2025	December 31, 2024
Total debt	\$ 747,584	\$ 762,313
Less: cash and cash equivalents	(36,539)	(79,201)
Net debt for covenant purposes	\$ 711,045	\$ 683,112
Adjusted EBITDAX	\$ 228,784	\$ 296,126
<b>Consolidated Leverage Ratio</b>	<b>3.11</b>	<b>2.31</b>

The Consolidated Interest Coverage Ratio is calculated as follows:

	September 30, 2025	December 31, 2024
Adjusted EBITDAX	\$ 228,784	\$ 296,126
Interest expense, excluding non-cash expenses	57,752	58,068
<b>Consolidated Interest Coverage Ratio</b>	<b>3.96</b>	<b>5.10</b>

The Consolidated Current Ratio is calculated as follows:

	September 30, 2025	December 31, 2024
a) Consolidated Current Assets		
Consolidated current assets, as reported	\$ 110,015	\$ 173,828
Plus: Materials inventory in warehouse (capped)	20,000	20,000
Consolidated current assets for covenant purposes	\$ 130,015	\$ 193,828
b) Consolidated Current Liabilities		
Consolidated current liabilities, as reported	\$ 186,681	\$ 145,283
Less: Current portion of lease obligations	(4,563)	(4,479)
Less: Current portion of long term debt	(42,172)	(12,500)
Less: Deferred income (capped)	(15,000)	(15,000)
Consolidated current liabilities for covenant purposes	\$ 124,946	\$ 113,304
<b>Consolidated Current Ratio</b>	<b>1.04</b>	<b>1.71</b>

The Consolidated Assets Coverage Ratio is calculated as follows:

	September 30, 2025	December 31, 2024
PDP PV10 value	\$ 263,106	\$ 263,106
Term Loan principal balance	43,750	50,000
<b>Consolidated Assets Coverage Ratio</b>	<b>6.01</b>	<b>5.26</b>

As at November 14, 2025, the Corporation had 34.1 million common shares, 0.6 million stock options, 4.1 million RSUs, DSUs and PSUs, and 1.9 million share purchase warrants outstanding.

## Contractual Obligations

The following table provides a summary of the Corporation's cash requirements to meet its financial liabilities and contractual obligations existing as at September 30, 2025:

	Less than 1 year		1-3 years		Thereafter		Total
Long-term debt – principal	\$	43,750	\$	200,000	\$	495,000	\$ 738,750
Lease obligations – undiscounted		4,861		4,459		—	9,320
Trade and other payables		107,607		—		—	107,607
Taxes payable		7,744		—		—	7,744
Other long term obligations		1,337		3,239		2,392	6,968
Long-term incentive compensation liability		2,056		1,589		—	3,645
Exploration and production contracts		2,641		20,695		1,759	25,095
Compression station operating contracts		1,016		1,270		—	2,286
	\$	171,012	\$	231,252	\$	499,151	\$ 901,415

### Letters of Credit

As at September 30, 2025, the Corporation had letters of credit and financial guarantees outstanding totaling \$61.3 million (December 31, 2024 - \$66.9 million) to guarantee work commitments on exploration blocks in Colombia and to guarantee other contractual commitments.

### Exploration and Production Contracts

The Corporation has entered into a number of exploration contracts in Colombia which require the Corporation to fulfill work program commitments and issue financial guarantees related thereto. In aggregate, the Corporation has outstanding exploration commitments at September 30, 2025 of \$25.1 million and has issued \$14.0 million of the total \$61.3 million in financial guarantees related thereto.

### Contingencies

The Corporation's policy is to record contingent liabilities as they become determinable and the probability of loss is more likely than not. Commencing the second week of August 2023, the Corporation experienced unusual and unexpected production capacity restrictions at some of its gas fields as a result of issues at the Jobo gas treatment facility as well as certain of its producing wells (the "Force Majeure"). As a result of the Force Majeure, the Corporation had to restrict gas deliveries under certain supply contracts dedicated to supplying non-essential gas demand, all in accordance with applicable Colombian regulations and in consultation with the relevant authorities. One of the customers, VP Ingenergia S.A.S E.S.P ("VP"), disagreed with the Corporation's assessment of Force Majeure and claimed that the Corporation is liable for the natural gas that was not delivered under its take-or-pay contracts during that period, totalling \$12 million, and withheld payment of regular natural gas sales invoices totalling \$22.1 million as at September 30, 2025. The Corporation subsequently cancelled its natural gas sales contracts with VP due to breach of contract (non-payment of the natural gas that VP took and sold, failure to provide the required guarantees, and other ancillary breaches). VP disagreed with the cancellation of the natural gas sales contracts and filed a claim against the Corporation. The Corporation entered into two arbitration proceedings (domestic and international) with VP and in Canacol's view, VP's claim is without merit.

On November 7, 2025, the Corporation was notified of a decision issued in the domestic arbitration proceedings initiated by VP with respect to VP's claim against Canacol on the Force Majeure and the cancellation of the natural gas sales contracts, and Canacol's counterclaim regarding VP's breach of contract. The domestic arbitral tribunal's findings were as follows:

1. Rejection of VP's claim for penalties related to the cancellation of the natural gas sales contracts;
2. Confirmation that VP failed to provide the guarantees it was required to deliver; and
3. Rejection of Canacol's Force Majeure defence.

After offsetting all of the claims above, the net result was an award of \$22 million payable by Canacol to VP. Notwithstanding the \$22 million net award, VP still owes Canacol payments for natural gas supplied (approximately \$25 million including interest and damages of which \$22.1 million is recorded in non-current accounts receivable as at September 30, 2025). This decision by the domestic arbitral tribunal is subject to clarification and supplementation, and therefore the decision will not be perfected until November 20, 2025 at the earliest. It is

important to note that a perfected arbitral tribunal decision can be annulled by Colombian courts. Canacol is currently reviewing the decision with its external counsel and is confident in its legal position.

As noted, Canacol is pursuing an international arbitral tribunal in which VP is the respondent and in which amounts exceeding \$76 million are claimed, without VP having any counterclaim against Canacol. Canacol's case in the international arbitral tribunal is strengthened by the recognition of the Colombian domestic arbitral tribunal that the contracts with VP were terminated by Canacol for just cause (point #2 above), and therefore the Corporation expects a positive outcome in such process. This is estimated to conclude during the first half of 2026. No contingent assets were recorded on this international arbitral tribunal case as at September 30, 2025.

The ultimate outcome of the domestic and international arbitrations cannot be determined at this time, however, the Corporation is confident in its legal position and expects to be able to collect the \$22.1 million of receivable, plus interest and damages, in full.

## Sustainability

Canacol is currently a leading sustainable natural gas producer in the Americas. In 2024, the Corporation achieved Scope 1 and 2 GHG emission intensities that were more than 45% lower on average than its gas focused peers and more than 75% lower on average than its oil focused peers in North and South America. Canacol's intention 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. Canacol enthusiastically supports the global objectives to meet the Paris Agreement targets and remains committed to supporting Colombia's objective of achieving a 51% reduction in emissions by 2030. In line with this commitment, Canacol has set its decarbonization goals, whereby we aim to reduce Scope 1 and 2 emissions by 35% by 2035 and achieve carbon neutrality by 2050. Canacol is focused on generating value for its stakeholders in a sustainable, collaborative, co-responsible, respectful and transparent way. With the Corporation's transition to natural gas, it has an environmentally friendly value proposition that contributes to the reduction of CO2 emissions in Colombia and provides for a more efficient use of resources.

The Corporation continues to support its communities in essential social projects such as access to water and utilities, local economic projects, construction and improvement of public and community infrastructure, technical and university scholarships, amongst others.

The Corporation has strong corporate governance standards and procedures, which are aligned with best global practices, and uses control mechanisms that protect shareholder's interests, respect and promote human rights, guarantee ethical behavior, integrity and transparency, ensure regulatory compliance and minimize risk.

These accomplishments reflect Canacol's focus on sustainability. The Corporation maintained an 'A' qualification in MSCI for the second consecutive year and were positioned in the top 10% of the 2024 Sustainability Yearbook according to the Corporate Sustainability Assessment ("CSA") by S&P Global Sustainable 1.

The Corporation is committed to continuing to develop and maintain a robust ESG strategy and, as such, has implemented a plan with the following three pillars:

1. A cleaner energy future – deliver natural gas under the highest environmental and operational efficiency standards.
2. Empowering our people – make a positive impact on people and demonstrate Canacol’s commitment to enhancing the well-being, prosperity, and health and safety of our employees, contractors, and the communities we serve.
3. A transparent and ethical business – adopt best practices, incorporate governance, encourage respect for human rights and ensure ethics and integrity in everything Canacol does.

## Outlook

The Corporation remains focused on completing its exploration and development drilling and workover programs, and the installation of additional compression, for the remainder of 2025. The Corporation abandoned the Corno-1 and Ramsay-1 exploration wells which both encountered non commercial quantities of gas. The drilling rig is preparing to mobilize to the Kantana-2 development well, which will be followed by the spudding of the Monstera-1 exploration well prior to year end 2025. The Corporation is also planning to continue working over a number existing wells in order to maintain gas production from its producing assets.

The Corporation is in discussion with various existing and new banking groups in order to address ongoing liquidity, and will communicate any material developments in a timely manner.

## SUMMARY OF QUARTERLY RESULTS

(in United States dollars (tabular amounts in thousands) except as otherwise noted)

	Q3	2025			2024			2023
		Q2	Q1	Q4	Q3	Q2	Q1	Q4
<b>Financial</b>								
Total revenues, net of royalties and transportation expense <sup>(1)</sup>	<b>69,491</b>	64,809	72,735	98,339	87,934	88,288	77,691	79,718
Adjusted funds from operations <sup>(1)</sup>	<b>46,072</b>	36,855	39,316	52,119	57,909	57,121	42,226	30,958
Per share – basic (\$) <sup>(1)</sup>	<b>1.35</b>	1.08	1.15	1.53	1.70	1.67	1.24	0.91
Per share – diluted (\$) <sup>(1)</sup>	<b>1.35</b>	1.08	1.15	1.53	1.70	1.67	1.24	0.91
Cash flows provided (used) by operating activities	<b>48,003</b>	33,351	62,588	42,428	21,692	49,202	54,719	22,571
Net income (loss) and comprehensive income (loss)	<b>18,662</b>	13,856	31,801	(25,434)	10,346	(21,298)	3,654	29,897
Per share – basic (\$)	<b>0.55</b>	0.41	0.93	(0.75)	0.30	(0.62)	0.11	0.88
Per share – diluted (\$)	<b>0.55</b>	0.41	0.93	(0.75)	0.30	(0.62)	0.11	0.88
Adjusted EBITDAX <sup>(1)</sup>	<b>49,112</b>	47,350	56,268	76,054	85,844	73,187	61,041	53,144
Weighted average shares outstanding – basic	<b>34,120</b>	34,120	34,120	34,115	34,111	34,111	34,111	34,111
Weighted average shares outstanding – diluted	<b>34,120</b>	34,120	34,209	34,115	34,111	34,111	34,111	34,111
Net cash capital expenditures <sup>(1)</sup>	<b>39,116</b>	57,052	50,477	28,634	23,928	33,853	35,878	72,246
<b>Operations</b>								
Production								
Natural gas and LNG (Mcfpd)	<b>127,451</b>	124,345	133,773	161,360	164,551	162,652	154,043	168,127
Colombia oil (bopd)	<b>1,327</b>	1,380	1,227	933	1,607	1,700	1,405	627
Total (boepd)	<b>23,687</b>	23,195	24,696	29,242	30,476	30,235	28,430	30,123
Realized contractual sales								
Natural gas and LNG (Mcfpd)	<b>121,728</b>	118,972	128,693	158,033	159,764	158,541	150,421	164,840
Colombia oil (bopd)	<b>1,316</b>	1,382	1,195	947	1,594	1,681	1,389	590
Total (boepd)	<b>22,672</b>	22,254	23,773	28,672	29,623	29,495	27,779	29,509
Operating netbacks <sup>(1)</sup>								
Natural gas and LNG (\$/Mcf)	<b>5.34</b>	5.11	5.48	6.12	5.25	5.34	4.90	4.39
Colombia oil (\$/bbl)	<b>16.74</b>	16.32	13.76	11.54	19.81	21.98	20.15	13.29
Corporate (\$/boe)	<b>29.57</b>	28.34	30.36	34.18	29.42	29.95	27.51	24.82

(1) Non-IFRS measure – see “Non-IFRS Measures” section within this MD&A.

## RISKS AND UNCERTAINTIES

A more comprehensive discussion of risks and uncertainties is contained in the Corporation's Annual Information Form for the year ended December 31, 2024 as filed on SEDAR+ and hereby incorporated by reference.

## CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Corporation's management made judgments, assumptions and estimates in the preparation of the financial statements. Actual results may differ from those estimates, and those differences may be material. The basis of presentation and the Corporation's significant accounting policies can be found in the notes to the financial statements.

## CHANGES IN ACCOUNTING POLICIES

The Corporation has not implemented new accounting policies during the three months ended September 30, 2025. Detailed discussions of new accounting policies and impact are provided in the financial statements.

## REGULATORY POLICIES

### Disclosure Controls and Procedures

Disclosure Controls and Procedures ("DC&P") are designed to provide reasonable assurance that all material information is gathered and reported on a timely basis to senior management so that appropriate decisions can be made regarding public disclosure and that information required to be disclosed by the issuer under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation. The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), along with other members of management, have designed, or caused to be designed under the CEO and CFO's supervision, DC&P and established processes to ensure that they are provided with sufficient knowledge to support the representations made in the interim certificates required to be filed under National Instrument 52-109.

### Internal Controls over Financial Reporting

The CEO and CFO, along with participation from other members of management, are responsible for establishing and maintaining adequate Internal Control over Financial Reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial statements prepared in accordance with IFRS Accounting Standards.

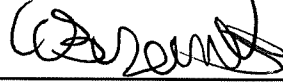
During the three months ended September 30, 2025, there has been no change in the Corporation's ICFR that has materially affected, or is reasonably likely to materially affect, the Corporation's ICFR.

### Limitations of Controls and Procedures

The Corporation's management, including its CEO and CFO, believe that any DC&P or ICFR, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Corporation have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**EXHIBIT "F"** to the Affidavit of  
Jason Bednar

Sworn/Affirmed before me  
this 16 day of November, 2025



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A Commissioner for Oaths in  
and for the Province of Alberta

**Cameron B.M. Brunet**

Barrister and Solicitor

Member of the Law Society of Alberta

Notary Public in and for the Province of Alberta

Commissioner for Oaths in and for the Province of Alberta

# Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2025/11/13  
 Time of Search: 02:23 PM  
 Service Request Number: 45858667  
 Customer Reference Number: 06941587-EDD3\_5\_5767098

**Corporate Access Number:** 2026540449  
**Business Number:** 743823429  
**Legal Entity Name:** 2654044 ALBERTA LTD.

**Legal Entity Status:** Active  
**Alberta Corporation Type:** Numbered Alberta Corporation  
**Registration Date:** 2024/10/09 YYYY/MM/DD

**Registered Office:**

**Street:** 1000-250 2 ST SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P0C1

**Records Address:**

**Street:** 1000-250 2 ST SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P0C1

**Email Address:** CORPORATE.CALGARY@DLAPIPER.COM

**Primary Agent for Service:**

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
WONG-CHOR	TREVOR		DLA PIPER (CANADA) LLP	1000-250 2 ST SW	CALGARY	ALBERTA	T2P0C1	CORPORATE.CALGARY@DLAPIPER.COM

**Directors:**

**Last Name:** BEDNAR  
**First Name:** JASON  
**Street/Box Number:** SUITE 2000, 215 9TH AVENUE SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P1K3

**Last Name:** WHITMORE  
**First Name:** TRACY  
**Street/Box Number:** SUITE 2000, 215 9TH AVENUE SW  
**City:** CALGARY  
**Province:** ALBERTA

**Postal Code:** T2P1K3  
**Last Name:** ZAIDI  
**First Name:** ANTHONY  
**Street/Box Number:** CALLE 113 7-45, TORRE B OFICINA 1411  
**City:** BOGOTA  
**Country:** COLOMBIA

**Details From Current Articles:**

**The information in this legal entity table supersedes equivalent electronic attachments**

**Share Structure:** SCHEDULE "A" ATTACHED  
**Share Transfers Restrictions:** NO SHARES OF THE CORPORATION SHALL BE TRANSFERRED WITHOUT THE APPROVAL OF THE BOARD OF DIRECTORS  
**Min Number Of Directors:** 1  
**Max Number Of Directors:** 11  
**Business Restricted To:** NONE  
**Business Restricted From:** NONE  
**Other Provisions:** SCHEDULE "B" ATTACHED

**Holding Shares In:**

<b>Legal Entity Name</b>
CANACOL ENERGY ULC

**Other Information:**

**Filing History:**

List Date (YYYY/MM/DD)	Type of Filing
2024/10/09	Incorporate Alberta Corporation
2024/10/09	Update Business Number Legal Entity

**Attachments:**

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
<a href="#">Share Structure</a>	ELECTRONIC	2024/10/09
<a href="#">Other Rules or Provisions</a>	ELECTRONIC	2024/10/09

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.







# Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2025/11/13  
 Time of Search: 02:23 PM  
 Service Request Number: 45858669  
 Customer Reference Number: 06941591-EDD3\_5\_5767101

**Corporate Access Number:** 2014351585  
**Business Number:** 815010350  
**Legal Entity Name:** CANACOL ENERGY ULC

**Name History:**

Previous Legal Entity Name	Date of Name Change (YYYY/MM/DD)
CANACOL ENERGY INC.	2024/11/14

**Legal Entity Status:** Active  
**Alberta Corporation Type:** Named Alberta Corporation  
**Method of Registration:** Amalgamation  
**Registration Date:** 2008/10/30 YYYY/MM/DD  
**Date of Last Status Change:** 2024/03/05 YYYY/MM/DD

**Registered Office:**

**Street:** 1000, 250 - 2ND STREET SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P0C1

**Records Address:**

**Street:** 1000, 250 - 2ND STREET SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P0C1

**Email Address:** CORPORATESERVICES.CALGARY@CA.DLAPIPER.COM

**Primary Agent for Service:**

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
WONG-CHOR	TREVOR		DLA PIPER (CANADA) LLP	1000, 250 2ND STREET SW	CALGARY	ALBERTA	T2P0C1	CORPORATESERVICES.CALGARY@CA.DLAPIPER.COM

**Directors:**

**Last Name:** BEDNAR  
**First Name:** JASON  
**Street/Box Number:** 2912 TORONTO CRESCENT NW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2N3W2

**Last Name:** WHITMORE  
**First Name:** TRACY  
**Street/Box Number:** 2000, 215 - 9TH AVENUE SW  
**City:** CALGARY  
**Province:** ALBERTA

**Postal Code:** T2P1K3  
**Last Name:** ZAIDI  
**First Name:** ANTHONY  
**Street/Box Number:** CALLE 113 #7-45, TORRE B OFICINA 1411  
**City:** BOGOTA  
**Country:** COLOMBIA

**Voting Shareholders:**

**Legal Entity Name:** 2654044 ALBERTA LTD.  
**Corporate Access Number:** 2026540449  
**Street:** 2000, 215 - 9TH AVENUE SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P1K3  
**Percent Of Voting Shares:** 40

**Legal Entity Name:** CANACOL ENERGY LTD.  
**Corporate Access Number:** 2020892762  
**Street:** 2000, 215 - 9TH AVENUE SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P1K3  
**Percent Of Voting Shares:** 60

**Details From Current Articles:**

**The information in this legal entity table supersedes equivalent electronic attachments**

**Share Structure:** SEE ATTACHED SCHEDULE "A"  
**Share Transfers Restrictions:** NO SHARES OF THE CORPORATION SHALL BE TRANSFERRED WITHOUT THE CONSENT OF THE BOARD OF DIRECTORS  
**Min Number Of Directors:** 1  
**Max Number Of Directors:** 11  
**Business Restricted To:** NONE.  
**Business Restricted From:** NONE.  
**Other Provisions:** SEE ATTACHED SCHEDULE "B"

**Holding Shares In:**

Legal Entity Name
2498003 ALBERTA ULC

**Other Information:**

**Amalgamation Predecessors:**

Corporate Access Number	Legal Entity Name
2014153866	1415386 ALBERTA LTD.
2013772419	CANACOL ENERGY INC.

**Last Annual Return Filed:**

File Year	Date Filed (YYYY/MM/DD)
-----------	-------------------------

2024|2025/10/03

**Filing History:**

List Date (YYYY/MM/DD)	Type of Filing
2008/10/30	Amalgamate Alberta Corporation
2018/10/26	Change Director / Shareholder
2020/02/19	Update BN
2021/11/18	Change Agent for Service
2023/12/02	Status Changed to Start for Failure to File Annual Returns
2024/11/14	Name/Structure Change Alberta Corporation
2025/10/03	Enter Annual Returns for Alberta and Extra-Provincial Corp.

**Attachments:**

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
<a href="#">Share Structure</a>	ELECTRONIC	2008/10/30
<a href="#">Other Rules or Provisions</a>	ELECTRONIC	2008/10/30
Statutory Declaration	10000707102675799	2008/10/30
Amalgamation Agreement	10000307102675796	2008/10/30
<a href="#">Other Rules or Provisions</a>	ELECTRONIC	2024/11/14

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.





# Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2025/11/13  
 Time of Search: 02:23 PM  
 Service Request Number: 45858670  
 Customer Reference Number: 06941594-EDD3\_5\_5767104

**Corporate Access Number:** 2024980035  
**Business Number:** 768214611  
**Legal Entity Name:** 2498003 ALBERTA ULC

**Legal Entity Status:** Active  
**Alberta Corporation Type:** Numbered Alberta Corporation  
**Registration Date:** 2023/03/03 YYYY/MM/DD

**Registered Office:**

**Street:** 1000-250 2 ST SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P0C1

**Records Address:**

**Street:** 1000-250 2 ST SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P0C1

**Email Address:** CORPORATESERVICES.CALGARY@CA.DLAPIPER.COM

**Primary Agent for Service:**

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
WONG-CHOR	TREVOR		DLA PIPER (CANADA) LLP	1000, 250 - 2ND STREET SW	CALGARY	ALBERTA	T2P0C1	CORPORATESERVICES.CALGARY@CA.DLAPIPER.COM

**Directors:**

**Last Name:** BEDNAR  
**First Name:** JASON  
**Street/Box Number:** 2912 TORONTO CRESCENT NW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2N3W2

**Last Name:** WHITMORE  
**First Name:** TRACY  
**Street/Box Number:** SUITE 2000, 215 - 9TH AVENUE SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P1K3

**Last Name:** ZAIDI  
**First Name:** ANTHONY  
**Street/Box Number:** CALLE 113 #7-45, TORRE B OFICINA 1411  
**City:** BOGOTA  
**Country:** COLOMBIA

**Voting Shareholders:**

**Legal Entity Name:** CANACOL ENERGY LTD.  
**Corporate Access Number:** 2020892762  
**Street:** SUITE 2000, 215 9TH AVENUE SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P1K3  
**Percent Of Voting Shares:** 65

**Legal Entity Name:** CANACOL ENERGY ULC  
**Corporate Access Number:** 2014351585  
**Street:** SUITE 2000, 215 9TH AVENUE SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P1K3  
**Percent Of Voting Shares:** 35

**Details From Current Articles:****The information in this legal entity table supersedes equivalent electronic attachments**

**Share Structure:** SCHEDULE "A" ATTACHED  
**Share Transfers Restrictions:** NO SHARES OF THE CORPORATION SHALL BE TRANSFERRED WITHOUT THE APPROVAL OF THE BOARD OF DIRECTORS.  
**Min Number Of Directors:** 1  
**Max Number Of Directors:** 11  
**Business Restricted To:** NONE  
**Business Restricted From:** NONE  
**Other Provisions:** SCHEDULE "B" ATTACHED

**Other Information:****Last Annual Return Filed:**

File Year	Date Filed (YYYY/MM/DD)
2025	2025/08/27

**Filing History:**

List Date (YYYY/MM/DD)	Type of Filing
2023/03/03	Incorporate Alberta Corporation
2023/03/03	Update Business Number Legal Entity
2025/08/27	Enter Annual Returns for Alberta and Extra-Provincial Corp.

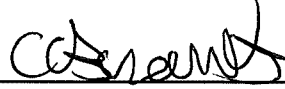
**Attachments:**

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
<a href="#">Share Structure</a>	ELECTRONIC	2023/03/03
<a href="#">Other Rules or Provisions</a>	ELECTRONIC	2023/03/03

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



**EXHIBIT "G"** to the Affidavit of  
Jason Bednar  
Sworn/Affirmed before me  
this 16 day of November, 2025



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A Commissioner for Oaths in  
and for the Province of Alberta

**Cameron B.M. Brunet**  
Barrister and Solicitor  
Member of the Law Society of Alberta  
Notary Public in and for the Province of Alberta  
Commissioner for Oaths in and for the Province of Alberta

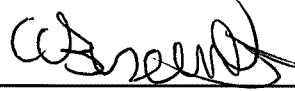
**SUMMARY OF THE OFFTAKE  
AGREEMENTS**

<b>Agreement No.</b>	<b>Client</b>	<b>Seller</b>	<b>Effective Date</b>	<b>Termination Date</b>
CNE-CF-ENEL-38-2022	ENEL	CNE OIL & GAS S.A.S.	1-Dec-22	30-Nov-27
CNE-CF-S32-08-2020	SOUTH 32	CNE OIL & GAS S.A.S.	1-Dec-22	30-Nov-29
GEO-GN-41-18	PETROMIL GAS S.A.S. E.S.P.	CNE OIL & GAS S.A.S.	1-Feb-19	30-Nov-27
CECSAS-CF-GDG-44-2022	GASES DE LA GUAJIRA	CNEOG COLOMBIA SUCURSAL COLOMBIA	1-Dec-23	30-Nov-28
CECSAS-CF-GDG-45-2022	GASES DEL CARIBE S.A.	CNEOG COLOMBIA SUCURSAL COLOMBIA	1-Dec-23	30-Nov-28
CECSAS-CF-ATK-47-2022	ATINKANA	CNE OIL & GAS S.A.S. & CNEOG SUCURSAL COLOMBIA	1-Dec-23	30-Nov-28
CECSAS-CF-SRT-11-2022	SURTIGAS	CNEOG COLOMBIA SUCURSAL COLOMBIA	1-Dec-23	30-Nov-30
CECSAS-CF-SRT-10-2022	SURTIGAS	CNEOG COLOMBIA SUCURSAL COLOMBIA	1-Dec-23	30-Nov-28
CNE-CF-GEAM-52-2024	GRUPO ENERGÉTICO DE LAS AMÉRICAS S.A.S. E.S.P.	CNE OIL & GAS S.A.S. & CNEOG SUCURSAL COLOMBIA	1-Dec-24	30-Nov-26
CNE-CF-GHUB-53-2024	GAS HUB S.A.S E.S.P	CNE OIL & GAS S.A.S. & CNEOG SUCURSAL COLOMBIA	1-Dec-24	30-Nov-26
CECSAS-CF-TES-22-2019	CELSIA	CNEOG COLOMBIA SUCURSAL COLOMBIA	14-Sep-22	30-Nov-42
CNE-CFC-GHUB-51-2024	GAS HUB S.A.S E.S.P	CNE OIL & GAS S.A.S. & CNEOG SUCURSAL COLOMBIA	1-Dec-24	30-Nov-26

<b>Agreement No.</b>	<b>Client</b>	<b>Seller</b>	<b>Effective Date</b>	<b>Termination Date</b>
CNE-CFC-GEAM-50-2024	GRUPO ENERGÉTICO DE LAS AMÉRICAS S.A.S. E.S.P.	CNE OIL & GAS S.A.S. & CNEOG SUCURSAL COLOMBIA	1-Dec-24	30-Nov-26
CNEGN-CI-02-2019	PROELÉCTRICA	CNE OIL & GAS S.A.S.	1-Dec-19	30-Nov-26
CNE-CI-GDC-02-2022	GASES DEL CARIBE S.A. E.S.P.	CNE OIL & GAS S.A.S.	1-Aug-22	30-Nov-25
CNE-CI-STG-03-2022	SURTIGAS S.A.S. E.S.P.	CNE OIL & GAS S.A.S.	1-Dec-22	30-Nov-28
CECSAS-CF-TES-25-2019	CELSIA	CNEOG COLOMBIA SUCURSAL COLOMBIA	14-Sep-22	30-Nov-42
CECSAS-CI-PRM-02-2021	PRIME TERMOFLORES S.A.S. E.S.P.	CNEOG COLOMBIA SUCURSAL COLOMBIA	17-Mar-21	30-Nov-26
CNE-CF-GDO-15-2024	GASES DEL ORIENTE S.A. E.S.P.	CNE OIL & GAS S.A.S.	15-Nov-24	30-Nov-26
CNE-CI-SRT-26-2024	SURTIGAS S.A. E.S.P.	CNE OIL & GAS S.A.S.	01-Dec-24	30-Nov-28
CNE-CI-VANTI-28-2024	VANTI S.A. ESP	CNE OIL & GAS S.A.S.	07-Dec-24	30-Nov-25
CNE-CI-PET-32-2025	PETROMIL GAS S.A.S. E.S.P.	CNE OIL & GAS S.A.S.	01-Jan-25	30-Nov-28
CNE-CI-PET-29-2024	PETROMIL GAS S.A.S. E.S.P.	CNE OIL & GAS S.A.S.	01-Jan-25	30-Nov-28
CNE-CI-GDC-01-2025	GASES DEL CARIBE S.A. E.S.P.	CNE OIL & GAS S.A.S.	22-Jan-25	30-Nov-26
CNE-CI-CSA-27-2024	CELSIA COLOMBIA S.A. E.S.P.	CNE OIL & GAS S.A.S.	29-Jan-25	30-Nov-28
CNE-CI-GHUB-03-2025	GAS HUB S.A.S. E.S.P.	CNE OIL & GAS S.A.S.	6-March-25	30-Nov-28

<b>Agreement No.</b>	<b>Client</b>	<b>Seller</b>	<b>Effective Date</b>	<b>Termination Date</b>
CNE-CI-GDC-05-2025	GASES DEL CARIBE S.A E.S.P.	CNE OIL & GAS S.A.S. & CNEOG SUCURSAL COLOMBIA	6-March-25	30-Nov-28
CNE-CI-MGS-30-2024	MARYGAS S.A.S. E.S.P.	CNE OIL & GAS S.A.S. & CNEOG SUCURSAL COLOMBIA	10-March-25	30-Nov-28
CNE-CI-PROE-01-2025	PROELECTRICA S.A.S. E.S.P.	CNE OIL & GAS S.A.S.	01-Dic-26	30-Nov-28
CNE-CI-PROE-02-2025	PROELECTRICA S.A.S. E.S.P.	CNE OIL & GAS S.A.S.	01-Dic-26	30-Nov-28
CNE-CI-TERPELENERGIA-2025	TERPEL ENERGÍA S.A.S E.S.P	CNE OIL & GAS S.A.S.	18-May-25	30-Nov-28
CNE-CF-GDO-01-2025	GASES DEL ORIENTE S.A.S E.S.P.	CNE OIL & GAS S.A.S.	01-Dic-26	30-Nov-28

**EXHIBIT "H"** to the Affidavit of  
Jason Bednar  
Sworn/Affirmed before me  
this 16 day of November, 2025



---

A Commissioner for Oaths in  
and for the Province of Alberta

**Cameron B.M. Brunet**  
Barrister and Solicitor  
Member of the Law Society of Alberta  
Notary Public in and for the Province of Alberta  
Commissioner for Oaths in and for the Province of Alberta

# CANACOL ENERGY LTD.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)  
THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2025



## INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

(in thousands of United States dollars)

As at	Note	September 30, 2025	December 31, 2024
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		\$ 36,539	\$ 79,201
Trade and other receivables	16	22,928	67,291
Tax installments and receivables		37,942	17,099
Other current assets	6	12,606	10,237
		<b>110,015</b>	<b>173,828</b>
<b>Non-current assets</b>			
Trade and other receivables	16	22,134	19,585
Exploration and evaluation assets	4	182,054	137,451
Property, plant and equipment	5	741,577	689,406
Deferred tax assets		226,687	185,608
Investments	6	5,445	4,818
Other non-current assets	6	4,506	5,081
		<b>1,182,403</b>	<b>1,041,949</b>
<b>Total assets</b>		<b>\$ 1,292,418</b>	<b>\$ 1,215,777</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Current portion of long-term debt	9	\$ 42,172	\$ 12,500
Trade and other payables		107,607	87,368
Deferred income		21,202	18,533
Lease obligations	10	4,563	4,479
Taxes payable		7,744	20,573
Long-term incentive compensation liabilities	7	2,056	1,830
Other long term obligations		1,337	—
		<b>186,681</b>	<b>145,283</b>
<b>Non-current liabilities</b>			
Long-term debt	9	672,200	703,428
Lease obligations	10	4,271	7,834
Decommissioning obligations		26,861	22,784
Deferred tax liabilities		9,583	7,534
Long-term incentive compensation liabilities	7	1,589	1,338
Other long term obligations		5,631	6,435
<b>Total liabilities</b>		<b>906,816</b>	<b>894,636</b>
<b>Equity</b>			
Share capital	8	146,169	146,169
Other reserves		69,768	69,626
Retained earnings		169,665	105,346
<b>Total equity</b>		<b>385,602</b>	<b>321,141</b>
<b>Total liabilities and equity</b>		<b>\$ 1,292,418</b>	<b>\$ 1,215,777</b>

See accompanying notes to the consolidated financial statements.  
Note 2 - Going Concern

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
AND COMPREHENSIVE INCOME (LOSS)  
(UNAUDITED)**

(in thousands of United States dollars, except per share amounts)

	Note	Three months ended September 30,		Nine months ended September 30,	
		2025	2024	2025	2024
<b>Revenues</b>					
Total revenues, net of royalties	15	\$ 72,434	\$ 94,541	\$ 215,683	\$ 272,514
		<b>72,434</b>	<b>94,541</b>	<b>215,683</b>	<b>272,514</b>
<b>Expenses</b>					
Operating expenses		6,966	6,969	20,643	21,496
Transportation expenses		2,943	6,607	8,648	18,601
General and administrative		7,093	7,876	21,943	23,227
Stock-based compensation expense	7,8	1,150	2,312	2,423	2,538
Depletion and depreciation	5	18,065	20,254	52,569	58,713
Foreign exchange loss (gain)		(1,514)	390	(3,809)	295
Other expenses (income)	11	4,262	(9,868)	8,857	933
		<b>38,965</b>	<b>34,540</b>	<b>111,274</b>	<b>125,803</b>
Net finance expense	12	18,282	18,182	53,290	51,029
<b>Income before income taxes</b>		<b>15,187</b>	<b>41,819</b>	<b>51,119</b>	<b>95,682</b>
<b>Income tax expense (recovery)</b>					
Current		1,927	26,223	25,830	54,595
Deferred		(5,402)	5,250	(39,030)	48,385
		<b>(3,475)</b>	<b>31,473</b>	<b>(13,200)</b>	<b>102,980</b>
<b>Net income (loss) and comprehensive income (loss)</b>		<b>\$ 18,662</b>	<b>\$ 10,346</b>	<b>\$ 64,319</b>	<b>\$ (7,298)</b>
<b>Net income (loss) per share</b>					
Basic and diluted	13	\$ 0.55	\$ 0.30	\$ 1.89	\$ (0.21)

See accompanying notes to the consolidated financial statements.

## INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

(in thousands of United States dollars)

	Note	Share Capital	Other Reserves	Retained Earnings (Deficit)	Total Equity
Balance at December 31, 2023		\$ 146,142	\$ 67,454	\$ 138,078	\$ 351,674
Warrants		—	1,418	—	1,418
Stock-based compensation	8	—	636	—	636
Dividends declared		—	—	—	0
Net loss		—	—	(7,298)	(7,298)
<b>Balance at September 30, 2024</b>		<b>\$ 146,142</b>	<b>\$ 69,508</b>	<b>\$ 130,780</b>	<b>\$ 346,430</b>
Balance at December 31, 2024		\$ 146,169	\$ 69,626	\$ 105,346	\$ 321,141
Stock-based compensation	8	—	142	—	142
Net income		—	—	64,319	64,319
<b>Balance at September 30, 2025</b>		<b>\$ 146,169</b>	<b>\$ 69,768</b>	<b>\$ 169,665</b>	<b>\$ 385,602</b>

See accompanying notes to the consolidated financial statements.

## INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(in thousands of United States dollars)

	Note	Three months ended September 30,		Nine months ended September 30,	
		2025	2024	2025	2024
<b>Operating activities</b>					
Net income (loss) and comprehensive income (loss)		\$ 18,662	\$ 10,346	\$ 64,319	\$ (7,298)
Non-cash adjustments:					
Depletion and depreciation	5	18,065	20,254	52,569	58,713
Stock-based compensation expense	7,8	1,150	2,312	2,423	2,538
Net financing expense	12	18,282	18,182	53,290	51,029
Unrealized foreign exchange loss (gain) and other		(3,855)	2,837	(6,204)	3,453
Deferred income tax expense (recovery)		(5,402)	5,250	(39,030)	48,385
Equity investment loss		—	—	—	2,976
Unrealized loss (gain) on financial instruments	6	(225)	20	(627)	457
Realized gain on investment		—	—	—	(4,473)
Impairment of prepaid expenses		—	—	—	3,825
Gain on Senior Note buyback	9,11	—	—	(2,291)	—
Settlement of decommissioning obligation		—	(14)	—	(901)
Settlement of long-term incentive compensation	7	(605)	(1,292)	(2,206)	(2,349)
Changes in non-cash working capital	14	1,931	(36,203)	13,958	(30,742)
		48,003	21,692	136,201	125,613
<b>Investing activities</b>					
Expenditures on exploration and evaluation assets	4	(19,046)	(11,657)	(69,177)	(35,515)
Expenditures on property, plant and equipment		(20,142)	(12,271)	(77,561)	(58,260)
Proceeds on disposition of property, plant and equipment		73	—	94	116
Proceeds from sale of Arrow shares		—	—	—	13,249
Other investing activities	14	1,214	1,664	(1,374)	(1,349)
Changes in non-cash working capital	14	9,522	(3,515)	19,077	(7,036)
		(28,379)	(25,779)	(128,941)	(88,795)
<b>Financing activities</b>					
Draw on long-term debt, net of financing fees	9	—	45,093	—	45,093
Repayment of debt	9	(6,250)	—	(8,959)	—
Net financing expense paid	12	(13,666)	(15,088)	(41,020)	(42,476)
Lease principal payments	10	(1,227)	(944)	(3,653)	(3,031)
Dividends paid		—	—	—	(6,706)
		(21,143)	29,061	(53,632)	(7,120)
Change in cash and cash equivalents		(1,519)	24,974	(46,372)	29,698
Cash and cash equivalents, beginning of period		37,046	42,596	79,201	39,425
Foreign exchange impact on cash and cash equivalents		1,012	(429)	3,710	(1,982)
<b>Cash and cash equivalents, end of period</b>		<b>\$ 36,539</b>	<b>\$ 67,141</b>	<b>\$ 36,539</b>	<b>\$ 67,141</b>

See accompanying notes to the consolidated financial statements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and nine months ended September 30, 2025 and 2024

(in United States dollars (tabular amounts in thousands) except as otherwise noted)

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### NOTE 1 - GENERAL INFORMATION

Canacol Energy Ltd. and its subsidiaries (“Canacol” or the “Corporation”) are primarily engaged in natural gas exploration and development activities in Colombia. The Corporation’s head office is located at 2000, 215 - 9<sup>th</sup> Avenue SW, Calgary, Alberta, T2P 1K3, Canada. The Corporation’s shares are traded on the Toronto Stock Exchange (“TSX”) 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 and the Bolsa Mexicana de Valores under the symbol CNEN.

The Board of Directors approved these interim condensed consolidated financial statements (the “financial statements”) for issuance on November 14, 2025.

### NOTE 2 - BASIS OF PREPARATION

The financial statements were prepared by management in accordance with International Accounting Standard (“IAS”) 34, “Interim Financial Reporting”. These financial statements do not include all of the information required for the annual consolidated financial statements; however they were prepared in accordance with the accounting policies outlined and should be read in conjunction with the Corporation’s audited consolidated financial statements for the year ended December 31, 2024, which were prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”).

#### Basis of Measurement

These financial statements have been prepared on a historical cost basis, except for certain financial instruments, and restricted share units, which are measured at fair value with changes in fair value recorded in profit or loss (“fair value through profit or loss”).

Estimates and judgments made by management in the preparation of these financial statements are subject to a higher degree of measurement uncertainty during volatile periods.

#### Going Concern

These consolidated financial statements have been prepared on the going-concern basis, which assumes that the Corporation will be able to realize its assets and liabilities in the normal course of business as they come due in the foreseeable future.

As at September 30, 2025, the Corporation had a cash balance of \$36.5 million and a working capital deficit of \$29.9 million. During the second quarter of 2025, the accelerated amortization event clause in the Term Loan was triggered, resulting in the \$50 million Term Loan balance being amortized over eight equal monthly installments of \$6.25 million starting on September 15, 2025 (note 9). In addition, one of the Corporation’s financial covenants, the Consolidated Current Ratio, decreased to 1.04 to 1.00 as at September 30, 2025. While the Corporation is in compliance with the Consolidated Current Ratio covenant (1.00 to 1.00) as well as all other debt covenants as at September 30, 2025, there is no guarantee that Canacol will be able to maintain compliance in the future. The Consolidated Current Ratio covenant is specific to the Term Loan, and should a refinancing of the Term Loan be successful, this covenant may be removed.

The Corporation’s ability to meet its near-term financial obligations is dependent upon the Corporation’s ability to refinance the Term Loan. The Corporation has principal and interest payments on its long term debt of approximately \$25 million due in November 2025 and, after making those payments, the Corporation will have nominal cash balances available to meet ongoing obligations for the remainder of 2025 without refinancing the Term Loan. The Corporation’s cash balance at November 14, 2025 is \$18.3 million.

Management is currently working with financial institutions to refinance the Term Loan, which, if successful, will provide additional capital and extend principal repayments until the latter half of 2026. In the event that the refinancing is successful, the Corporation expects to have sufficient resources to meet its current obligations and to be able to deploy capital into lower risk exploration and development activities to increase free cash flow. This determination is based on management’s cash flow forecast, which relies on significant judgment and

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and nine months ended September 30, 2025 and 2024

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assumptions, including the estimated timing and volume of production, interruptible natural gas prices and estimated capital and operating costs.

The Corporation's ability to meet its mid-term financial obligations is dependent upon refinancing the Term Loan and its ability to a) obtain additional debt financing, and/or b) refinance the \$200 million RCF, which matures on February 17, 2027, with the intent of extending its maturity date, c) resolution of the Corporation's contingencies (note 17), and/or d) increase free cash flow via successful exploration and development drilling. Nevertheless, there is no assurance that these initiatives will be successful.

Given the Corporation's liquidity situation, its Senior Notes currently trading at a significant discount, and decreasing natural gas production, there is no guarantee that the Corporation will be able to obtain additional capital or to refinance the loans under acceptable or favorable terms to Canacol.

These material uncertainties cast significant doubt as to the ability of the Corporation to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Corporation was unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

### Functional and Presentation Currency

These financial statements are presented in United States dollars ("USD"), which is both the functional and presentation currency, with the exception of Canadian dollar unit prices ("C\$") where indicated.

### NOTE 3 – MATERIAL ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year as described in note 3 of the Corporation's consolidated financial statements for the year ended December 31, 2024.

#### Recent Accounting Pronouncements - Amendments to IAS 1 Presentation of Financial Statements

In April 2024, the IASB issued new IFRS 18 - Presentation and Disclosure in Financial Statements ("IFRS 18") replacing IAS 1. The new guidance is expected to improve the usefulness of information presented and disclosed in the financial statements of companies. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, with early adoption permitted. Canacol is currently assessing the impact of this new IFRS accounting standard on its consolidated financial statements.

In May 2024, the IASB issued amendments to IFRS 9 - Financial Instruments and IFRS - 7 Financial Instruments: Disclosures related to settling financial liabilities using an electronic payment system and assessing contractual cash flow characteristics of financial assets. The amendments will be effective January 1, 2026, but are not expected to have a material impact on Canacol's consolidated financial statements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and nine months ended September 30, 2025 and 2024

(in United States dollars (tabular amounts in thousands) except as otherwise noted)

### NOTE 4 – EXPLORATION AND EVALUATION ASSETS

Balance at December 31, 2024	\$	137,451
Additions		69,177
Transferred to D&P assets (note 5)		(24,574)
<b>Balance at September 30, 2025</b>	<b>\$</b>	<b>182,054</b>

During the three and nine months ended September 30, 2025, the Corporation transferred \$24.6 million of exploration costs to D&P assets as a result of natural gas discoveries at the VIM-44, VIM-5, and VIM-33 blocks.

### NOTE 5 – PROPERTY, PLANT AND EQUIPMENT

	Property, Plant and Equipment	Right-of-Use Leased Assets	Total
<b>Cost</b>			
Balance at December 31, 2024	\$ 1,426,867	\$ 33,673	\$ 1,460,540
Additions	80,030	79	80,109
Transferred from E&E assets (note 4)	24,574	—	24,574
Dispositions	(41)	—	(41)
Derecognition	(993)	—	(993)
<b>Balance at September 30, 2025</b>	<b>\$ 1,530,437</b>	<b>\$ 33,752</b>	<b>\$ 1,564,189</b>
<b>Accumulated depletion and depreciation</b>			
Balance at December 31, 2024	\$ (755,803)	\$ (15,331)	\$ (771,134)
Dispositions	30	—	30
Depletion and depreciation	(50,182)	(2,387)	(52,569)
Derecognition	1,061	—	1,061
<b>Balance at September 30, 2025</b>	<b>\$ (804,894)</b>	<b>\$ (17,718)</b>	<b>\$ (822,612)</b>
<b>Carrying value</b>			
As at December 31, 2024	\$ 671,064	\$ 18,342	\$ 689,406
<b>As at September 30, 2025</b>	<b>\$ 725,543</b>	<b>\$ 16,034</b>	<b>\$ 741,577</b>

During the nine months ended September 30, 2025, \$24.6 million of exploration costs have been transferred from E&E assets (note 4).

### NOTE 6 – INVESTMENTS AND OTHER ASSETS

#### Investment

Balance at December 31, 2024	\$	4,818
Unrealized gain		627
<b>Balance at September 30, 2025</b>	<b>\$</b>	<b>5,445</b>

As at September 30, 2025, the carrying value of the Corporation's investment in Tesorito was \$5.4 million (December 31, 2024 - \$4.8 million).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and nine months ended September 30, 2025 and 2024

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### Other Assets

	September 30, 2025	December 31, 2024
<b>Current</b>		
Restricted cash	\$ 7,362	\$ 5,626
Prepaid expenses and deposits	4,994	4,192
Inventory	250	419
	<b>\$ 12,606</b>	<b>\$ 10,237</b>
<b>Non-Current</b>		
Prepaid expenses and deposits	4,506	5,081
	<b>\$ 4,506</b>	<b>\$ 5,081</b>

### NOTE 7 – LONG-TERM INCENTIVE COMPENSATION LIABILITY

	RSUs	PSUs	DSUs	Total
Balance at December 31, 2024	\$ 1,825	\$ 1,025	\$ 318	\$ 3,168
Amortized	2,401	282	106	2,789
Settled/Cancelled	(1,979)	(394)	—	(2,373)
Foreign exchange gain	14	40	7	61
<b>Balance at September 30, 2025</b>	<b>\$ 2,261</b>	<b>\$ 953</b>	<b>\$ 431</b>	<b>\$ 3,645</b>

The long-term incentive compensation liability includes restricted share units (“RSUs”), performance share units (“PSUs”) and deferred share units (“DSUs”). The RSUs and PSUs are recognized as a liability and expensed on a graded vesting and cliff vesting basis, respectively, over the vesting term of each grant. The DSUs vest immediately on the grant date and are recognized as an expense. The DSUs are settled at such time the grantee ceases to be a member of the Board of Directors. Dividend share units are accrued and granted on the outstanding units on each dividend payment date. The dividend share units are amortized and settled in accordance with the units’ respective vesting periods. Stock-based compensation expense relating to RSUs, PSUs and DSUs was \$2.3 million (2024 - recovery of \$2.0 million) for the nine months ended September 30, 2025. The amortized long-term incentive compensation liability as at September 30, 2025 was \$3.6 million (December 31, 2024 - \$3.2 million).

The number of outstanding RSUs, PSUs and DSUs as at September 30, 2025 were as follows:

	RSUs	PSUs	DSUs	Total
	(000’s)	(000’s)	(000’s)	(000’s)
Balance at December 31, 2024	1,135	1,047	119	2,301
Granted	1,964	881	112	2,957
Settled	(767)	(180)	—	(947)
Cancelled	(66)	(186)	—	(252)
<b>Balance at September 30, 2025</b>	<b>2,266</b>	<b>1,562</b>	<b>231</b>	<b>4,059</b>

### Restricted Share Units

On April 1, 2025, the Corporation granted a total of 1,964,474 RSUs to its Board of Directors, officers, and key employees. The RSUs vest in four equal tranches over two years from the grant date and will be settled in cash. For the nine months ended September 30, 2025, the Corporation settled 125,615, 332,866, 6,628, and 301,799 RSUs outstanding at a price of C\$3.76, C\$3.75, C\$3.05, and C\$2.79 per unit, respectively, for a total of \$1.8 million in cash.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and nine months ended September 30, 2025 and 2024

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### Performance Share Units

On April 1, 2025, the Corporation granted 880,769 PSUs to its officers. The PSUs cliff vest in May 2028 and are expected to be settled in cash. For the nine months ended September 30, 2025, the Corporation settled 180,527 PSUs for \$0.4 million in cash.

### Deferred Share Units

On April 1, 2025, the Corporation granted 112,213 DSUs to its Board of Directors.

## NOTE 8 – EQUITY

### Share Capital

	Number (000's)	Amount
<b>Balance at December 31, 2024 and September 30, 2025</b>	<b>34,120</b>	<b>\$ 146,169</b>

### Stock Options

The number and weighted-average exercise prices of stock options are as follows:

	Number (000's)	Weighted-Average Exercise Price (C\$)
Balance at December 31, 2024	1,105	11.14
Forfeited, cancelled, and expired	(458)	18.81
<b>Balance at September 30, 2025</b>	<b>647</b>	<b>5.71</b>

Information with respect to stock options outstanding as at September 30, 2025 is presented below.

Stock Options Outstanding				Stock Options Exercisable	
Range of Exercise Prices	Number of Stock Options	Weighted-Average Remaining Contractual Life	Weighted-Average Exercise Price	Number of Stock Options	Weighted-Average Exercise Price
(C\$)	(000's)	(years)	(C\$)	(000's)	(C\$)
\$3.03 - \$6.10	647	3.5	5.71	434	5.74

## NOTE 9 – LONG-TERM DEBT

	Senior Notes	RCF	Term Loan	Total
Balance at December 31, 2024	\$ 475,349	\$ 195,750	\$ 44,829	\$ 715,928
Repayment of long-term debt	(2,709)	—	(6,250)	(8,959)
Gain on Senior Note buyback	(2,291)	—	—	(2,291)
Amortization of discount	—	—	893	893
Amortization of transaction costs	4,630	1,471	2,700	8,801
<b>Balance at September 30, 2025</b>	<b>\$ 474,979</b>	<b>\$ 197,221</b>	<b>\$ 42,172</b>	<b>\$ 714,372</b>
Long-term debt - current	\$ —	\$ —	\$ 42,172	\$ 42,172
Long-term debt - non-current	474,979	197,221	—	672,200
<b>Balance at September 30, 2025</b>	<b>\$ 474,979</b>	<b>\$ 197,221</b>	<b>\$ 42,172</b>	<b>\$ 714,372</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and nine months ended September 30, 2025 and 2024

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### Senior Notes

On November 24, 2021, the Corporation completed a private offering of senior unsecured notes in the aggregate principal amount of \$500 million ("Senior Notes"). The Senior Notes pay interest semi-annually at a fixed rate of 5.75% per annum, and mature in 2028 unless earlier redeemed or repurchased in accordance with their terms. The Senior Notes are fully and unconditionally guaranteed by certain subsidiaries of Canacol.

On March 26, 2025, the Corporation repurchased \$5 million of Senior Notes for \$2.7 million of cash. The repurchased Senior Notes were cancelled.

### Revolving Credit Facility

On February 17, 2023, the Corporation entered into a \$200 million senior unsecured revolving credit facility ("RCF") with a syndicate of banks. The RCF bears an annual interest rate of SOFR + 4.5%, has a four-year term, and the Corporation is able to repay/redraw the RCF at any time within the term without penalty. Any undrawn amounts are subject to a commitment fee equal to 30% of the 4.5% interest margin throughout the availability period. The RCF is not subject to typical periodic redeterminations. The amount drawn and outstanding as at September 30, 2025 was \$200 million.

### Senior Term Loan Facility

On September 3, 2024, the Corporation entered into a \$75 million senior secured term loan facility (the "Term Loan") with Macquarie Group ("Macquarie"). The initial draw was \$50 million, with a further commitment of \$25 million available for a 12-month period should certain production metrics be met. The Term Loan bears an annual interest rate of SOFR + 10% on drawn amounts and 2.4% on undrawn amounts. The Term Loan was set to amortize over four equal quarterly installments starting on December 3, 2025. No prepayments may be made during the first 12 months. The Term Loan is secured by all material assets of the Corporation.

The Corporation's average total realized contractual sales volume for the last two consecutive months as at June 30, 2025 was below 130 MMcf/d, thereby triggering the accelerated amortization event clause under the credit agreement. As a result of the accelerated amortization event clause, the \$50 million Term Loan balance has begun to amortize over eight equal monthly installments starting on September 15, 2025. The accelerated amortization event clause does not trigger an event of default, nor does it have effect on the Senior Notes or the RCF.

In connection with the Term Loan, 1,888,448 common share purchase warrants (the "Warrants") were issued to Macquarie, with each Warrant entitling Macquarie to purchase one common share of the Corporation at C\$3.80. The Warrants will expire three years after the date of issuance. The Warrants were valued at \$1.6 million (\$1.4 million net of fees) at inception and were recognized under Other Reserves as at September 30, 2025.

### Net Carrying Value

	Senior Notes	RCF	Term Loan	Total
Long-term debt - principal	\$ 495,000	\$ 200,000	\$ 43,750	\$ 738,750
Unamortized discount	—	—	(382)	(382)
Unamortized transaction costs	(20,021)	(2,779)	(1,196)	(23,996)
<b>Balance at September 30, 2025</b>	<b>\$ 474,979</b>	<b>\$ 197,221</b>	<b>\$ 42,172</b>	<b>\$ 714,372</b>

As at September 30, 2025, unamortized transaction costs were netted against the Senior Notes, RCF and Term Loan principal amounts. Unamortized discount, which is the value of the Warrants recognized at inception net of cumulative amortization, was also netted against the Term Loan principal amount. The unamortized transaction costs and unamortized discount are amortized at each reporting date using the effective interest method.

The Corporation's Senior Notes, RCF, and Term Loan include various covenants relating to maximum leverage, minimum interest coverage, minimum liquidity requirements, minimum reserves value, indebtedness, operations, investments, assets sales, capital expenditures and other standard operating business covenants.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and nine months ended September 30, 2025 and 2024

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The Corporation's financial covenants include:

- Consolidated Leverage Ratio: a maximum consolidated total debt, less cash and cash equivalents, to 12-month trailing adjusted EBITDAX ratio of 3.25 : 1.00 (incurrence) or 3.50 : 1.00 (maintenance);
- Consolidated Interest Coverage Ratio: a minimum 12-month trailing adjusted EBITDAX, to 12-month trailing interest expense, excluding non-cash expenses ratio of 2.50 : 1.00;
- Consolidated Current Ratio: a minimum adjusted current assets, to adjusted current liabilities ratio of 1.00 : 1.00; and
- Consolidated Asset Coverage Ratio: a minimum aggregate net present value of proved developed producing reserves before tax (discounted at 10%) as at the most recent reserves report date, to the principal drawn and outstanding on the Term Loan ratio of 2.50 to 1.00.

The Corporation was in compliance with its covenants as at September 30, 2025.

### NOTE 10 – LEASE OBLIGATIONS

	Compression Stations		Other	Total
Balance at December 31, 2024	\$	8,856	\$ 3,457	\$ 12,313
Additions		—	78	78
Settlements		(2,039)	(1,614)	(3,653)
Foreign exchange loss		—	96	96
<b>Balance at September 30, 2025</b>	<b>\$</b>	<b>6,817</b>	<b>\$ 2,017</b>	<b>\$ 8,834</b>
Lease obligations - current	\$	2,893	\$ 1,670	\$ 4,563
Lease obligations - non-current		3,924	347	4,271
<b>Balance at September 30, 2025</b>	<b>\$</b>	<b>6,817</b>	<b>\$ 2,017</b>	<b>\$ 8,834</b>

The Corporation applies certain IFRS 16 exemptions to not recognize low-value assets and short-term lease arrangements as leases. Lease arrangements with variable payments are also excluded from being recognized as a lease obligation and right-of-use asset. Such payments are recognized on the consolidated statements of operations or capitalized as PP&E. The payments related to short-term lease arrangements and low-value assets are recognized as operating expenses on the consolidated statements of operations. The variable lease payments related to pipeline usage are recognized as transportation expenses on the consolidated statements of operations. In addition, variable lease payments related to a drilling rig contract are capitalized.

Lease payments related to short-term, low-value or variable lease arrangements are summarized as follows:

Nine months ended September 30,	2025		2024
Low-value right-of-use assets	\$	34	\$ 123
Short-term lease arrangements		30	54
Variable lease payments		14,047	3,887
<b>Total lease payments</b>	<b>\$</b>	<b>14,111</b>	<b>\$ 4,064</b>

Future lease payments related to short-term, low-value or variable lease arrangements as at September 30, 2025 are as follows:

	Less than 1 year	1-3 years	Thereafter	Total
Future lease payments	\$ 6,218	\$ —	\$ —	\$ 6,218

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and nine months ended September 30, 2025 and 2024

(in United States dollars (tabular amounts in thousands) except as otherwise noted)

### NOTE 11 – OTHER EXPENSES (INCOME)

	Note	Three months ended September 30,		Nine months ended September 30,	
		2025	2024	2025	2024
Pre-license costs		133	109	383	483
Other expense (income)		(237)	16	(1,414)	(1,691)
Commitment fees		2,588	2,896	7,846	10,316
Promigas settlement gain		—	(14,215)	—	(14,215)
Other tax expense		2,003	1,306	4,960	3,255
Equity investment loss		—	—	—	2,976
Write-off of deposit		—	—	—	3,825
Realized gain on investments		—	—	—	(4,473)
Gain on Senior Note buyback	9	—	—	(2,291)	—
Loss (gain) on financial instruments	6	(225)	20	(627)	457
		\$ 4,262	\$ (9,868)	\$ 8,857	\$ 933

### NOTE 12 – FINANCE INCOME AND EXPENSE

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
<b>Finance income</b>				
Interest income	\$ 375	\$ 307	\$ 2,050	\$ 910
<b>Finance expense</b>				
Accretion on decommissioning and other obligations	907	827	2,576	2,263
Amortization of upfront transaction costs	3,304	2,175	8,801	6,198
Amortization of discount	405	92	893	92
Interest expense on lease obligations	144	187	491	658
Interest and other financing costs	13,897	15,208	42,579	42,728
	18,657	18,489	55,340	51,939
<b>Net finance expense</b>	\$ 18,282	\$ 18,182	\$ 53,290	\$ 51,029

### NOTE 13 – NET INCOME (LOSS) PER SHARE

Basic and diluted net (loss) income per share is calculated as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Net income (loss)	\$ 18,662	\$ 10,346	\$ 64,319	\$ (7,298)
<b>Weighted-average common shares outstanding:</b>				
Weighted-average common shares outstanding, basic and diluted	34,120	34,111	34,120	34,111
<b>Net income (loss) per share:</b>				
Basic and diluted	\$ 0.55	\$ 0.30	\$ 1.89	\$ (0.21)

The stock options and warrants were anti-dilutive for the three and nine months ended September 30, 2025 and 2024.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and nine months ended September 30, 2025 and 2024

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### NOTE 14 – OTHER CASH FLOW ACTIVITIES

#### Other Investing Activities

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Change in restricted cash	(1,619)	60	(1,736)	(634)
Change in non-current prepaid expenses and deposits	2,833	1,604	362	(715)
	\$ 1,214	\$ 1,664	\$ (1,374)	\$ (1,349)

#### Change in Non-Cash Working Capital

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Change in:				
Trade and other receivables	\$ 1,375	\$ (11,227)	\$ 45,496	\$ 10,604
Prepaid expenses and deposits	791	487	(533)	(1,255)
Tax installments and receivables	(14,420)	(1,459)	(20,843)	(5,541)
Crude oil inventory	5	25	101	(60)
Trade and other payables	16,991	(5,348)	15,505	(25,731)
Deferred income	800	(1,982)	2,669	7,861
Taxes payable	5,911	(20,214)	(9,360)	(23,656)
	\$ 11,453	\$ (39,718)	\$ 33,035	\$ (37,778)
Attributable to:				
Operating activities	\$ 1,931	\$ (36,203)	\$ 13,958	\$ (30,742)
Investing activities	9,522	(3,515)	19,077	(7,036)
	\$ 11,453	\$ (39,718)	\$ 33,035	\$ (37,778)

### NOTE 15 – SUPPLEMENTAL INFORMATION

#### Total Revenues, Net of Royalties

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Natural gas and LNG revenues, net of royalties	\$ 68,603	\$ 89,804	\$ 204,724	\$ 257,838
Crude oil revenue, net of royalties	2,932	3,964	8,501	12,260
Power generation standby revenue	773	773	2,293	2,307
Take-or-pay natural gas income	126	—	165	109
	\$ 72,434	\$ 94,541	\$ 215,683	\$ 272,514

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and nine months ended September 30, 2025 and 2024

(in United States dollars (tabular amounts in thousands) except as otherwise noted)

Natural gas and crude oil royalties incurred were allocated as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Natural gas royalties	\$ 12,583	\$ 15,082	\$ 39,142	\$ 47,886
Crude oil royalties	85	124	240	394
	\$ 12,668	\$ 15,206	\$ 39,382	\$ 48,280

### Income Taxes and Interest Cash Payments

Cash payments of income taxes and interest were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Income tax payments and installments	\$ 9,509	\$ 35,860	\$ 35,898	\$ 65,941
Withholding tax	\$ 1,576	\$ 1,718	\$ 12,284	\$ 9,554
Interest paid	\$ 6,512	\$ 5,437	\$ 34,100	\$ 30,273

## NOTE 16 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

### Fair Value of Financial Instruments

The carrying values of cash and cash equivalents, restricted cash, trade and other receivables, and trade and other payables approximate their fair values at September 30, 2025. The long-term incentive compensation liability and Tesorito Investment are recorded at fair value. Long-term debt, which includes Senior Notes, the RCF, and the Term Loan are carried at amortized cost. As at September 30, 2025, the fair value of Senior Notes, the RCF, and the Term Loan was \$176.1 million, \$200 million, and \$42.4 million, respectively.

### Market Risk

Market risk is the risk that changes in market factors, such as commodity prices, foreign exchange rates, and interest rates will affect the Corporation's cash flows, profit or loss, liquidity or the value of financial instruments. The objective of market risk management is to mitigate market risk exposures where considered appropriate and to maximize returns.

(i) Commodity Price Risk

Commodity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in commodity prices. Lower commodity prices can also impact the Corporation's ability to raise capital. The majority of Canacol's production volume is subject to long-term fixed price contracts, which limits the Corporation's exposure to commodity price risk. The Corporation had no commodity contracts in place as at or during the nine months ended September 30, 2025.

(ii) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign currency exchange rates. The Corporation is exposed to foreign currency fluctuations as certain expenditures, liabilities and the Corporation's unused tax losses and capital pools, are denominated in Colombian Peso ("COP") and Canadian dollars ("CAD"), which are re-valued at each reporting period.

As at September 30, 2025, the COP to USD exchange rate was 3,901:1 (December 31, 2024 – 4,409:1) and the CAD to USD exchange rate was 1.39:1 (December 31, 2024 – 1.44:1). The Corporation's revenues are not exposed to foreign currency risk as all of Canacol's natural gas sales contracts are denominated in USD. The Corporation had no foreign exchange contracts in place as at or during the nine months ended September 30, 2025.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and nine months ended September 30, 2025 and 2024

(in United States dollars (tabular amounts in thousands) except as otherwise noted)

### (iii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates to the extent that variable interest rate debt instruments are drawn. The majority of the Corporation's interest bearing debt, being the Senior Notes, is subject to a fixed interest rate which limits the Corporation's exposure to interest rate risk. The Corporation's RCF and Term Loan are subject to variable interest rates. The remainder of the Corporation's financial assets and liabilities are not exposed to interest rate risk. The Corporation had no interest rate contracts in place as at or during the nine months ended September 30, 2025.

### Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they become due. The Corporation's approach to managing liquidity is to ensure, within reasonable means, sufficient liquidity to meet its liabilities when due, under both normal and unusual conditions, without incurring unacceptable losses or jeopardizing the Corporation's business objectives. The Corporation prepares an annual budget which is monitored regularly and updated as considered necessary. Natural gas, LNG and crude oil production is monitored daily to provide current cash flow estimates and the Corporation utilizes authorizations for expenditures on projects to manage capital expenditures.

As at September 30, 2025, the Corporation had a cash balance of \$36.5 million and a working capital deficit of \$29.9 million. During the second quarter of 2025, the accelerated amortization event clause in the Macquarie Term Loan was triggered, resulting in the \$50 million Term Loan balance being amortized over eight equal monthly installments starting on September 15, 2025 (note 9). Another factor impacting the Corporation's future cashflow and liquidity, is the \$200 million RCF that matures on February 17, 2027.

The Corporation's ability to meet its near to mid term financial obligations is dependent upon the Corporation's ability to a) refinance the Term Loan to alleviate the \$6.25 million monthly obligation, and/or b) obtain additional debt financing, and/or c) refinance the RCF with the intent of extending its maturity date, d) resolution of the Corporation's contingencies (note 17), and/or e) increase free cash flow via successful exploration and development drilling. Management is currently working with financial institutions to refinance the Term Loan, which, if successful, will provide additional capital and extend principal repayments until the latter half of 2026. See note 2 for further discussion on going-concern.

The following table outlines the contractual maturities of the Corporation's financial liabilities as at September 30, 2025:

	Less than 1 year	1-2 years	Thereafter	Total
Long-term debt – principal	\$ 43,750	\$ 200,000	\$ 495,000	\$ 738,750
Lease obligations – undiscounted	4,861	3,640	819	9,320
Trade and other payables	107,607	—	—	107,607
Taxes payable	7,744	—	—	7,744
Other long term obligations	1,337	2,038	3,593	6,968
Long-term incentive compensation liability	2,056	1,589	—	3,645
	<b>\$ 167,355</b>	<b>\$ 207,267</b>	<b>\$ 499,412</b>	<b>\$ 874,034</b>

### Credit Risk

Credit risk reflects the risk of loss if counterparties do not fulfill their contractual obligations. To date, the Corporation has not experienced any material credit losses in the collection of its trade receivables.

The Corporation's trade receivables primarily relate to sales of natural gas and crude oil, which are normally collected within 45 days of the month of production. The Corporation has historically not experienced any collection issues with its customers, however, as at September 30, 2025, the Corporation has invoices from a certain customer totaling \$22.1 million that have become past due. The Corporation expects to be able to

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and nine months ended September 30, 2025 and 2024

(in United States dollars (tabular amounts in thousands) except as otherwise noted)

collect the total outstanding balance in full and is confident in its legal position in respect of the dispute with that certain customer (note 17 - contingencies).

As at September 30, 2025, trade and other receivables was comprised of a) \$36.1 million (December 31, 2024 - \$65.8 million) of trade receivables, b) \$6.5 million related to the recovery of transportation costs passed-through to customers (December 31, 2024 - \$8.2 million), and c) \$2.5 million of other receivables (December 31, 2024 - \$12.9 million).

### Capital Management

The Corporation monitors leverage and adjusts its capital structure based on its net debt level. Net debt is defined as the principal amount of its outstanding long-term obligations less working capital, which is defined as current assets less current liabilities, adjusted for the current portion of long-term debt. In order to facilitate the management of its net debt, the Corporation prepares annual budgets, which are updated as necessary depending on varying factors including current and forecast commodity prices, changes in capital structure, execution of the Corporation's business plan and general industry conditions. The annual budget is approved by the Board of Directors and updates are prepared and reviewed as required.

	Note	September 30, 2025	December 31, 2024
Senior Notes - principal (5.75%)	9	495,000	\$ 500,000
RCF (SOFR + 4.5%)( <sup>1</sup> )	9	200,000	200,000
Term Loan (SOFR + 10%)( <sup>1</sup> )	9	43,750	50,000
Lease obligation	10	8,834	12,313
Total debt		747,584	762,313
Working capital deficit (surplus)		29,931	(45,524)
<b>Net debt</b>		<b>\$ 777,515</b>	<b>\$ 716,789</b>

(1) The SOFR rate for the nine months ended September 30, 2025 was 4.27%.

### NOTE 17 – COMMITMENTS AND CONTINGENCIES

Presented below are the Corporation's contractual commitments as at September 30, 2025:

	Less than 1 year	1-3 years	Thereafter	Total
Exploration and production contracts	\$ 2,641	\$ 20,695	\$ 1,759	\$ 25,095
Compression station operating contracts	1,016	1,270	—	2,286
	<b>\$ 3,657</b>	<b>\$ 21,965</b>	<b>\$ 1,759</b>	<b>\$ 27,381</b>

### Letters of Credit

As at September 30, 2025, the Corporation had letters of credit and financial guarantees outstanding totaling \$61.3 million (December 31, 2024 - \$66.9 million) to guarantee work commitments on exploration blocks and to guarantee other contractual commitments.

### Exploration and Production Contracts

The Corporation has entered into a number of exploration contracts in Colombia which require the Corporation to fulfill work program commitments and issue financial guarantees related thereto. In aggregate, the Corporation has outstanding exploration commitments at September 30, 2025 of \$25.1 million and has issued \$14.0 million of the total \$61.3 million in financial guarantees related thereto.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and nine months ended September 30, 2025 and 2024

(in United States dollars (tabular amounts in thousands) except as otherwise noted)

### Contingencies

The Corporation's policy is to record contingent liabilities as they become determinable and the probability of loss is more likely than not. Commencing the second week of August 2023, the Corporation experienced unusual and unexpected production capacity restrictions at some of its gas fields as a result of issues at the Jobo gas treatment facility as well as certain of its producing wells (the "Force Majeure"). As a result of the Force Majeure, the Corporation had to restrict gas deliveries under certain supply contracts dedicated to supplying non-essential gas demand, all in accordance with applicable Colombian regulations and in consultation with the relevant authorities. One of the customers, VP Ingenergia S.A.S E.S.P ("VP"), disagreed with the Corporation's assessment of Force Majeure and claimed that the Corporation is liable for the natural gas that was not delivered under its take-or-pay contracts during that period, totalling \$12 million, and withheld payment of regular natural gas sales invoices totalling \$22.1 million as at September 30, 2025 (note 16 - credit risk). The Corporation subsequently cancelled its natural gas sales contracts with VP due to breach of contract (non-payment of the natural gas that VP took and sold, failure to provide the required guarantees, and other ancillary breaches). VP disagreed with the cancellation of the natural gas sales contracts and filed a claim against the Corporation. The Corporation entered into two arbitration proceedings (domestic and international) with VP and in Canacol's view, VP's claim is without merit.

On November 7, 2025, the Corporation was notified of a decision issued in the domestic arbitration proceedings initiated by VP with respect to VP's claim against Canacol on the Force Majeure and the cancellation of the natural gas sales contracts, and Canacol's counterclaim regarding VP's breach of contract. The domestic arbitral tribunal's findings were as follows:

1. Rejection of VP's claim for penalties related to the cancellation of the natural gas sales contracts;
2. Confirmation that VP failed to provide the guarantees it was required to deliver; and
3. Rejection of Canacol's Force Majeure defence.

After offsetting all of the claims above, the net result was an award of \$22 million payable by Canacol to VP. Notwithstanding the \$22 million net award, VP still owes Canacol payments for natural gas supplied (approximately \$25 million including interest and damages of which \$22.1 million is recorded in non-current accounts receivable as at September 30, 2025). This decision by the domestic arbitral tribunal is subject to clarification and supplementation, and therefore the decision will not be perfected until November 20, 2025 at the earliest. It is important to note that a perfected arbitral tribunal decision can be annulled by Colombian courts. Canacol is currently reviewing the decision with its external counsel and is confident in its legal position.

As noted, Canacol is pursuing an international arbitral tribunal in which VP is the respondent and in which amounts exceeding \$76 million are claimed, without VP having any counterclaim against Canacol. Canacol's case in the international arbitral tribunal is strengthened by the recognition of the Colombian domestic arbitral tribunal that the contracts with VP were terminated by Canacol for just cause (point #2 above), and therefore the Corporation expects a positive outcome in such process. This is estimated to conclude during the first half of 2026. No contingent assets were recorded on this international arbitral tribunal case as at September 30, 2025.

The ultimate outcome of the domestic and international arbitrations cannot be determined at this time, however, the Corporation is confident in its legal position and expects to be able to collect the \$22.1 million of receivable, plus interest and damages, in full.



# CANACOL ENERGY LTD.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

THREE AND SIX MONTHS ENDED JUNE 30, 2025



## INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

(in thousands of United States dollars)

As at	Note	June 30, 2025	December 31, 2024
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		\$ 37,046	\$ 79,201
Trade and other receivables	16	22,836	67,291
Tax installments and receivables		23,522	17,099
Other current assets	6	11,731	10,237
		<b>95,135</b>	<b>173,828</b>
<b>Non-current assets</b>			
Trade and other receivables	16	21,219	19,585
Exploration and evaluation assets	4	184,050	137,451
Property, plant and equipment	5	715,589	689,406
Deferred tax assets		211,702	185,608
Investments	6	5,220	4,818
Other non-current assets	6	7,340	5,081
		<b>1,145,120</b>	<b>1,041,949</b>
<b>Total assets</b>		<b>\$ 1,240,255</b>	<b>\$ 1,215,777</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Current portion of long-term debt	9	\$ 46,768	\$ 12,500
Trade and other payables		88,288	87,368
Deferred income		20,402	18,533
Lease obligations	10	4,813	4,479
Taxes payable		4,418	20,573
Long-term incentive compensation liabilities	7	1,929	1,830
Other long term obligations		973	—
		<b>167,591</b>	<b>145,283</b>
<b>Non-current liabilities</b>			
Long-term debt	9	670,144	703,428
Lease obligations	10	5,242	7,834
Decommissioning obligations		23,531	22,784
Deferred tax liabilities		—	7,534
Long-term incentive compensation liabilities	7	1,216	1,338
Other long term obligations		5,631	6,435
<b>Total liabilities</b>		<b>873,355</b>	<b>894,636</b>
<b>Equity</b>			
Share capital	8	146,169	146,169
Other reserves		69,728	69,626
Retained earnings		151,003	105,346
<b>Total equity</b>		<b>366,900</b>	<b>321,141</b>
<b>Total liabilities and equity</b>		<b>\$ 1,240,255</b>	<b>\$ 1,215,777</b>

See accompanying notes to the consolidated financial statements.

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
AND COMPREHENSIVE INCOME (LOSS)  
(UNAUDITED)**

(in thousands of United States dollars, except per share amounts)

	Note	Three months ended June 30,		Six months ended June 30,	
		2025	2024	2025	2024
<b>Revenues</b>					
Total revenues, net of royalties	15	\$ 67,258	\$ 94,571	\$ 143,249	\$ 177,973
		<b>67,258</b>	<b>94,571</b>	<b>143,249</b>	<b>177,973</b>
<b>Expenses</b>					
Operating expenses		6,663	7,127	13,677	14,527
Transportation expenses		2,449	6,283	5,705	11,994
General and administrative		7,844	7,220	14,850	15,351
Stock-based compensation expense	7,8	836	174	1,273	226
Depletion and depreciation	5	17,245	19,433	34,504	38,459
Foreign exchange loss (gain)		397	(48)	(2,295)	(95)
Other expenses	11	5,048	5,100	4,595	10,801
		<b>40,482</b>	<b>45,289</b>	<b>72,309</b>	<b>91,263</b>
Net finance expense	12	17,727	16,791	35,008	32,847
<b>Income before income taxes</b>		<b>9,049</b>	<b>32,491</b>	<b>35,932</b>	<b>53,863</b>
<b>Income tax expense (recovery)</b>					
Current		9,305	11,189	23,903	28,372
Deferred		(14,112)	42,600	(33,628)	43,135
		<b>(4,807)</b>	<b>53,789</b>	<b>(9,725)</b>	<b>71,507</b>
<b>Net income (loss) and comprehensive income (loss)</b>		<b>\$ 13,856</b>	<b>\$ (21,298)</b>	<b>\$ 45,657</b>	<b>\$ (17,644)</b>
<b>Net income (loss) per share</b>					
Basic and diluted	13	\$ 0.41	\$ (0.62)	\$ 1.34	\$ (0.52)

See accompanying notes to the consolidated financial statements.

## INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

(in thousands of United States dollars)

	Note	Share Capital	Other Reserves	Retained Earnings (Deficit)	Total Equity
Balance at December 31, 2023		\$ 146,142	\$ 67,454	\$ 138,078	\$ 351,674
Stock-based compensation	8	—	491	—	491
Net loss		—	—	(17,644)	(17,644)
<b>Balance at June 30, 2024</b>		<b>\$ 146,142</b>	<b>\$ 67,945</b>	<b>\$ 120,434</b>	<b>\$ 334,521</b>
Balance at December 31, 2024		\$ 146,169	\$ 69,626	\$ 105,346	\$ 321,141
Stock-based compensation	8	—	102	—	102
Net income		—	—	45,657	45,657
<b>Balance at June 30, 2025</b>		<b>\$ 146,169</b>	<b>\$ 69,728</b>	<b>\$ 151,003</b>	<b>\$ 366,900</b>

See accompanying notes to the consolidated financial statements.

## INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(in thousands of United States dollars)

	Note	Three months ended June 30,		Six months ended June 30,	
		2025	2024	2025	2024
<b>Operating activities</b>					
Net income and comprehensive income		\$ 13,856	\$ (21,298)	\$ 45,657	\$ (17,644)
Non-cash adjustments:					
Depletion and depreciation	5	17,245	19,433	34,504	38,459
Stock-based compensation expense	7,8	836	174	1,273	226
Net financing expense	12	17,727	16,791	35,008	32,847
Unrealized foreign exchange loss (gain) and other		1,858	(331)	(2,349)	616
Deferred income tax expense (recovery)		(14,112)	42,600	(33,628)	43,135
Equity investment loss		—	—	—	2,976
Unrealized loss (gain) on financial instruments	6	(153)	407	(402)	437
Realized gain on investment		—	(4,473)	—	(4,473)
Impairment of prepaid expenses		—	3,825	—	3,825
Gain on Senior Note buyback	9,11	—	—	(2,291)	—
Settlement of decommissioning obligation		—	(186)	—	(887)
Settlement of long-term incentive compensation	7	(402)	(7)	(1,601)	(1,057)
Changes in non-cash working capital	14	(3,504)	(7,733)	19,768	5,461
		<b>33,351</b>	<b>49,202</b>	<b>95,939</b>	<b>103,921</b>
<b>Investing activities</b>					
Expenditures on exploration and evaluation assets	4	(29,942)	(10,893)	(50,131)	(23,858)
Expenditures on property, plant and equipment		(27,131)	(23,018)	(57,419)	(45,989)
Proceeds on disposition of property, plant and equipment		21	58	21	116
Proceeds from sale of Arrow shares		—	13,249	—	13,249
Other investing activities	14	2,776	(1,811)	(2,588)	(3,013)
Changes in non-cash working capital	14	(5,928)	7,301	1,814	(3,521)
		<b>(60,204)</b>	<b>(15,114)</b>	<b>(108,303)</b>	<b>(63,016)</b>
<b>Financing activities</b>					
Repayment of debt	9	—	—	(2,709)	—
Net financing expense paid	12	(13,868)	(14,060)	(27,354)	(27,388)
Lease principal payments	10	(1,223)	(1,066)	(2,426)	(2,087)
Dividends paid		—	—	—	(6,706)
		<b>(15,091)</b>	<b>(15,126)</b>	<b>(32,489)</b>	<b>(36,181)</b>
Change in cash and cash equivalents		<b>(41,944)</b>	18,962	<b>(44,853)</b>	4,724
Cash and cash equivalents, beginning of period		79,139	25,122	79,201	39,425
Foreign exchange impact on cash and cash equivalents		(149)	(1,488)	2,698	(1,553)
<b>Cash and cash equivalents, end of period</b>		<b>\$ 37,046</b>	<b>\$ 42,596</b>	<b>\$ 37,046</b>	<b>\$ 42,596</b>

See accompanying notes to the consolidated financial statements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and six months ended June 30, 2025 and 2024

(in United States dollars (tabular amounts in thousands) except as otherwise noted)

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### NOTE 1 - GENERAL INFORMATION

Canacol Energy Ltd. and its subsidiaries (“Canacol” or the “Corporation”) are primarily engaged in natural gas exploration and development activities in Colombia. The Corporation’s head office is located at 2000, 215 - 9<sup>th</sup> Avenue SW, Calgary, Alberta, T2P 1K3, Canada. The Corporation’s shares are traded on the Toronto Stock Exchange (“TSX”) 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 and the Bolsa Mexicana de Valores under the symbol CNEN.

The Board of Directors approved these interim condensed consolidated financial statements (the “financial statements”) for issuance on August 6, 2025.

### NOTE 2 - BASIS OF PREPARATION

The financial statements were prepared by management in accordance with International Accounting Standard (“IAS”) 34, “Interim Financial Reporting”. These financial statements do not include all of the information required for the annual consolidated financial statements; however they were prepared in accordance with the accounting policies outlined and should be read in conjunction with the Corporation’s audited consolidated financial statements for the year ended December 31, 2024, which were prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”).

#### Basis of Measurement

These financial statements have been prepared on a historical cost basis, except for certain financial instruments, and restricted share units, which are measured at fair value with changes in fair value recorded in profit or loss (“fair value through profit or loss”).

Estimates and judgements made by management in the preparation of these financial statements are subject to a higher degree of measurement uncertainty during volatile periods.

These financial statements have been prepared on a going concern basis.

#### Functional and Presentation Currency

These financial statements are presented in United States dollars (“USD”), which is both the functional and presentation currency, with the exception of Canadian dollar unit prices (“C\$”) where indicated.

### NOTE 3 – MATERIAL ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year as described in note 3 of the Corporation’s consolidated financial statements for the year ended December 31, 2024.

#### Recent Accounting Pronouncements - Amendments to IAS 1 Presentation of Financial Statements

In April 2024, the IASB issued new IFRS 18 - Presentation and Disclosure in Financial Statements (“IFRS 18”) replacing IAS 1. The new guidance is expected to improve the usefulness of information presented and disclosed in the financial statements of companies. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, with early adoption permitted. Canacol is currently assessing the impact of this new IFRS accounting standard on its consolidated financial statements.

In May 2024, the IASB issued amendments to IFRS 9 - Financial Instruments and IFRS - 7 Financial Instruments: Disclosures related to settling financial liabilities using an electronic payment system and assessing contractual cash flow characteristics of financial assets. The amendments will be effective January 1, 2026, but are not expected to have a material impact on Canacol’s consolidated financial statements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and six months ended June 30, 2025 and 2024

(in United States dollars (tabular amounts in thousands) except as otherwise noted)

### NOTE 4 – EXPLORATION AND EVALUATION ASSETS

Balance at December 31, 2024	\$	137,451
Additions		50,131
Transferred to D&P assets (note 5)		(3,532)
<b>Balance at June 30, 2025</b>	<b>\$</b>	<b>184,050</b>

During the six months ended June 30, 2025, the Corporation transferred \$3.5 million of exploration costs to D&P assets as a result of natural gas discoveries at its VIM-33 block.

### NOTE 5 – PROPERTY, PLANT AND EQUIPMENT

	Property, Plant and Equipment	Right-of-Use Leased Assets	Total
<b>Cost</b>			
Balance at December 31, 2024	\$ 1,426,867	\$ 33,673	\$ 1,460,540
Additions	57,031	66	57,097
Transferred from E&E assets (note 4)	3,532	—	3,532
Dispositions	(28)	—	(28)
Derecognition	(540)	—	(540)
<b>Balance at June 30, 2025</b>	<b>\$ 1,486,862</b>	<b>\$ 33,739</b>	<b>\$ 1,520,601</b>
<b>Accumulated depletion and depreciation</b>			
Balance at December 31, 2024	\$ (755,803)	\$ (15,331)	\$ (771,134)
Dispositions	18	—	18
Depletion and depreciation	(32,913)	(1,591)	(34,504)
Derecognition	608	—	608
<b>Balance at June 30, 2025</b>	<b>\$ (788,090)</b>	<b>\$ (16,922)</b>	<b>\$ (805,012)</b>
<b>Carrying value</b>			
As at December 31, 2024	\$ 671,064	\$ 18,342	\$ 689,406
<b>As at June 30, 2025</b>	<b>\$ 698,772</b>	<b>\$ 16,817</b>	<b>\$ 715,589</b>

During the six months ended June 30, 2025, \$3.5 million of exploration costs have been transferred from E&E assets (note 4).

### NOTE 6 – INVESTMENTS AND OTHER ASSETS

#### Investment

Balance at December 31, 2024	\$	4,818
Unrealized gain		402
<b>Balance at June 30, 2025</b>	<b>\$</b>	<b>5,220</b>

As at June 30, 2025, the carrying value of the Corporation's investment in Tesorito was \$5.2 million (December 31, 2024 - \$4.8 million).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and six months ended June 30, 2025 and 2024

(in United States dollars (tabular amounts in thousands) except as otherwise noted)

### Other Assets

	June 30, 2025	December 31, 2024
<b>Current</b>		
Restricted cash	\$ 5,743	\$ 5,626
Prepaid expenses and deposits	5,733	4,192
Inventory	255	419
	<b>\$ 11,731</b>	<b>\$ 10,237</b>
<b>Non-Current</b>		
Prepaid expenses and deposits	7,340	5,081
	<b>\$ 7,340</b>	<b>\$ 5,081</b>

### NOTE 7 – LONG-TERM INCENTIVE COMPENSATION LIABILITY

	RSUs	PSUs	DSUs	Total
Balance at December 31, 2024	\$ 1,825	\$ 1,025	\$ 318	\$ 3,168
Amortized	1,263	115	112	1,490
Settled/Cancelled	(1,256)	(394)	—	(1,650)
Foreign exchange gain	62	59	16	137
<b>Balance at June 30, 2025</b>	<b>\$ 1,894</b>	<b>\$ 805</b>	<b>\$ 446</b>	<b>\$ 3,145</b>

The long-term incentive compensation liability includes restricted share units (“RSUs”), performance share units (“PSUs”) and deferred share units (“DSUs”). The RSUs and PSUs are recognized as a liability and expensed on a graded vesting and cliff vesting basis, respectively, over the vesting term of each grant. The DSUs vest immediately on the grant date and are recognized as an expense. The DSUs are settled at such time the grantee ceases to be a member of the Board of Directors. Dividend share units are accrued and granted on the outstanding units on each dividend payment date. The dividend share units are amortized and settled in accordance with the units’ respective vesting periods. Stock-based compensation expense relating to RSUs, PSUs and DSUs was \$1.2 million (2024 - recovery of \$0.2 million) for the six months ended June 30, 2025. The amortized long-term incentive compensation liability as at June 30, 2025 was \$3.1 million (December 31, 2024 - \$3.2 million).

The number of outstanding RSUs, PSUs and DSUs as at June 30, 2025 were as follows:

	RSUs	PSUs	DSUs	Total
	(000’s)	(000’s)	(000’s)	(000’s)
Balance at December 31, 2024	1,135	1,047	119	2,301
Granted	1,964	881	112	2,957
Settled	(465)	(181)	—	(646)
Cancelled	(27)	(4)	—	(31)
<b>Balance at June 30, 2025</b>	<b>2,607</b>	<b>1,743</b>	<b>231</b>	<b>4,581</b>

### Restricted Share Units

On April 1, 2025, the Corporation granted a total of 1,964,474 RSU’s to its Board of Directors, officers, and key employees. The RSUs vest in four equal tranches over two years from the grant date and will be settled in cash. For the six months ended June 30, 2025, the Corporation settled 125,615, 332,866, and 6,628 RSUs outstanding at a price of C\$3.76, C\$3.75, and C\$3.05 per unit, respectively, for a total of \$1.2 million in cash.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and six months ended June 30, 2025 and 2024

(in United States dollars (tabular amounts in thousands) except as otherwise noted)

### Performance Share Units

On April 1, 2025, the Corporation granted 880,769 PSUs to its officers. The PSU's cliff vest in May 2028 and are expected to be settled in cash. For the six months ended June 30, 2025, the Corporation settled 180,527 PSUs, for \$0.4 million in cash.

### Deferred Share Units

On April 1, 2025, the Corporation granted 112,213 DSUs to its Board of Directors.

## NOTE 8 – EQUITY

### Share Capital

	Number (000's)	Amount
<b>Balance at December 31, 2024 and June 30, 2025</b>	<b>34,120 \$</b>	<b>146,169</b>

### Stock Options

The number and weighted-average exercise prices of stock options are as follows:

	Number (000's)	Weighted-Average Exercise Price (C\$)
Balance at December 31, 2024	1,105	11.14
Forfeited, cancelled, and expired	(425)	19.80
<b>Balance at June 30, 2025</b>	<b>680</b>	<b>5.73</b>

Information with respect to stock options outstanding as at June 30, 2025 is presented below.

Stock Options Outstanding				Stock Options Exercisable	
Range of Exercise Prices	Number of Stock Options	Weighted-Average Remaining Contractual Life	Weighted-Average Exercise Price	Number of Stock Options	Weighted-Average Exercise Price
(C\$)	(000's)	(years)	(C\$)	(000's)	(C\$)
\$3.03 - \$6.10	680	3.7	5.73	423	5.93

## NOTE 9 – LONG-TERM DEBT

	Senior Notes	RCF	Term Loan	Total
Balance at December 31, 2024	\$ 475,349	\$ 195,750	\$ 44,829	\$ 715,928
Repayment of long-term debt	(2,709)	—	—	(2,709)
Gain on Senior Note buyback	(2,291)	—	—	(2,291)
Amortization of discount	—	—	487	487
Amortization of transaction costs	3,064	981	1,452	5,497
<b>Balance at June 30, 2025</b>	<b>\$ 473,413</b>	<b>\$ 196,731</b>	<b>\$ 46,768</b>	<b>\$ 716,912</b>
Long-term debt - current	\$ —	\$ —	\$ 46,768	\$ 46,768
Long-term debt - non-current	473,413	196,731	—	670,144
<b>Balance at June 30, 2025</b>	<b>\$ 473,413</b>	<b>\$ 196,731</b>	<b>\$ 46,768</b>	<b>\$ 716,912</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and six months ended June 30, 2025 and 2024

(in United States dollars (tabular amounts in thousands) except as otherwise noted)

### Senior Notes

On November 24, 2021, the Corporation completed a private offering of senior unsecured notes in the aggregate principal amount of \$500 million ("Senior Notes"). The Senior Notes pay interest semi-annually at a fixed rate of 5.75% per annum, and mature in 2028 unless earlier redeemed or repurchased in accordance with their terms. The Senior Notes are fully and unconditionally guaranteed by certain subsidiaries of Canacol.

On March 26, 2025, the Corporation repurchased \$5 million of Senior Notes for \$2.7 million of cash. The repurchased Senior Notes were subsequently cancelled in April 2025.

### Revolving Credit Facility

On February 17, 2023, the Corporation entered into a \$200 million senior unsecured revolving credit facility ("RCF") with a syndicate of banks. The RCF bears an annual interest rate of SOFR + 4.5%, has a four-year term, and the Corporation is able to repay/redraw the RCF at any time within the term without penalty. Any undrawn amounts are subject to a commitment fee equal to 30% of the 4.5% interest margin throughout the availability period. The RCF is not subject to typical periodic redeterminations. The amount drawn and outstanding as at June 30, 2025 was \$200 million.

### Senior Term Loan Facility

On September 3, 2024, the Corporation entered into a \$75 million senior secured term loan facility (the "Term Loan") with Macquarie Group ("Macquarie"). The initial draw was \$50 million, with a further commitment of \$25 million available for a 12-month period should certain production metrics be met. The Term Loan bears an annual interest rate of SOFR + 10% on drawn amounts and 2.4% on undrawn amounts. The Term Loan is set to amortize over four equal quarterly installments starting on December 3, 2025. No prepayments may be made during the first 12 months. The Term Loan is secured by all material assets of the Corporation.

The Corporation's average total realized contractual sales volume for the last two consecutive months as at June 30, 2025 was below 130 MMcf/d, thereby triggering the accelerated amortization event clause under the credit agreement. As a result of the accelerated amortization event clause, the \$50 million Term Loan balance will begin to amortize over six equal monthly installments starting on September 15, 2025, unless a waiver is obtained. The accelerated amortization event clause does not trigger an event of default, nor does it have effect on the Senior Notes or the RCF.

In connection with the Term Loan, 1,888,448 common share purchase warrants (the "Warrants") were issued to Macquarie, with each Warrant entitling Macquarie to purchase one common share of the Corporation at C\$3.80. The Warrants will expire three years after the date of issuance. The Warrants were valued at \$1.6 million (\$1.4 million net of fees) at inception and were recognized under Other Reserves as at June 30, 2025.

### Net Carrying Value

	Senior Notes	RCF	Term Loan	Total
Long-term debt - principal	\$ 495,000	\$ 200,000	\$ 50,000	\$ 745,000
Unamortized discount	—	—	(789)	(789)
Unamortized transaction costs	(21,587)	(3,269)	(2,443)	(27,299)
<b>Balance at June 30, 2025</b>	<b>\$ 473,413</b>	<b>\$ 196,731</b>	<b>\$ 46,768</b>	<b>\$ 716,912</b>

As at June 30, 2025, unamortized transaction costs were netted against the Senior Notes, RCF and Term Loan principal amounts. Unamortized discount, which is the value of the Warrants recognized at inception net of cumulative amortization, was also netted against the Term Loan principal amount. The unamortized transaction costs and unamortized discount are amortized at each reporting date using the effective interest method.

The Corporation's Senior Notes, RCF, and Term Loan include various covenants relating to maximum leverage, minimum interest coverage, minimum liquidity requirements, minimum reserves value, indebtedness, operations, investments, assets sales, capital expenditures and other standard operating business covenants.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and six months ended June 30, 2025 and 2024

(in United States dollars (tabular amounts in thousands) except as otherwise noted)

The Corporation's financial covenants include:

- a) Consolidated Leverage Ratio: a maximum consolidated total debt, less cash and cash equivalents, to 12-month trailing adjusted EBITDAX ratio of 3.25 : 1.00 (incurrence) or 3.50 : 1.00 (maintenance);
- b) Consolidated Interest Coverage Ratio: a minimum 12-month trailing adjusted EBITDAX, to 12-month trailing interest expense, excluding non-cash expenses ratio of 2.50 : 1.00;
- c) Consolidated Current Ratio: a minimum adjusted current assets, to adjusted current liabilities ratio of 1.00 : 1.00; and
- d) Consolidated Asset Coverage Ratio: a minimum aggregate net present value of proved developed producing reserves before tax (discounted at 10%) as at the most recent reserves report date, to the principal drawn and outstanding on the Term Loan ratio of 2.50 to 1.00.

The Corporation was in compliance with its covenants as at June 30, 2025.

### NOTE 10 – LEASE OBLIGATIONS

	Compression Stations		Other	Total
Balance at December 31, 2024	\$	8,856	\$ 3,457	\$ 12,313
Additions		—	66	66
Settlements		(1,351)	(1,075)	(2,426)
Foreign exchange loss		—	102	102
<b>Balance at June 30, 2025</b>	<b>\$</b>	<b>7,505</b>	<b>\$ 2,550</b>	<b>\$ 10,055</b>
Lease obligations - current	\$	2,840	\$ 1,973	\$ 4,813
Lease obligations - non-current		4,665	577	5,242
<b>Balance at June 30, 2025</b>	<b>\$</b>	<b>7,505</b>	<b>\$ 2,550</b>	<b>\$ 10,055</b>

The Corporation applies certain IFRS 16 exemptions to not recognize low-value assets and short-term lease arrangements as leases. Lease arrangements with variable payments are also excluded from being recognized as a lease obligation and right-of-use asset. Such payments are recognized on the consolidated statements of operations or capitalized as PP&E. The payments related to short-term lease arrangements and low-value assets are recognized as operating expenses on the consolidated statements of operations. The variable lease payments related to pipeline usage are recognized as transportation expenses on the consolidated statements of operations. In addition, variable lease payments related to a drilling rig contract are capitalized.

Lease payments related to short-term, low-value or variable lease arrangements are summarized as follows:

Six months ended June 30,	2025		2024
Low-value right-of-use assets	\$	17	\$ 94
Short-term lease arrangements		29	1
Variable lease payments		9,045	2,930
<b>Total lease payments</b>	<b>\$</b>	<b>9,091</b>	<b>\$ 3,025</b>

Future lease payments related to short-term, low-value or variable lease arrangements as at June 30, 2025 are as follows:

	Less than 1 year	1-3 years	Thereafter	Total
Future lease payments	\$ 11,116	\$ —	\$ —	\$ 11,116

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and six months ended June 30, 2025 and 2024

(in United States dollars (tabular amounts in thousands) except as otherwise noted)

### NOTE 11 – OTHER EXPENSES (INCOME)

	Note	Three months ended June 30,		Six months ended June 30,	
		2025	2024	2025	2024
Pre-license costs		180	185	250	374
Other expense (income)		175	71	(1,177)	(1,707)
Commitment fees		2,953	3,585	5,258	7,420
Other tax expense		1,893	1,500	2,957	1,949
Equity investment loss		—	—	—	2,976
Write-off of deposit		—	3,825	—	3,825
Realized gain on investments		—	(4,473)	—	(4,473)
Gain on Senior Note buyback	9	—	—	(2,291)	—
Loss (gain) on financial instruments	6	(153)	407	(402)	437
		\$ 5,048	\$ 5,100	\$ 4,595	\$ 10,801

### NOTE 12 – FINANCE INCOME AND EXPENSE

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
<b>Finance income</b>				
Interest income	\$ 604	\$ 210	\$ 1,675	\$ 603
<b>Finance expense</b>				
Accretion on decommissioning and other obligations	842	717	1,669	1,436
Amortization of upfront transaction costs	2,771	2,014	5,497	4,023
Amortization of discount	246	—	488	—
Interest expense on lease obligations	164	220	347	471
Interest and other financing costs	14,308	14,050	28,682	27,520
	18,331	17,001	36,683	33,450
<b>Net finance expense</b>	\$ 17,727	\$ 16,791	\$ 35,008	\$ 32,847

### NOTE 13 – NET INCOME (LOSS) PER SHARE

Basic and diluted net income (loss) per share is calculated as follows:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Net income (loss)	\$ 13,856	\$ (21,298)	\$ 45,657	\$ (17,644)
<b>Weighted-average common shares outstanding:</b>				
Weighted-average common shares outstanding, basic and diluted	34,120	34,111	34,120	34,111
<b>Net income (loss) per share:</b>				
Basic and diluted	\$ 0.41	\$ (0.62)	\$ 1.34	\$ (0.52)

The stock options and warrants were anti-dilutive for the three and six months ended June 30, 2025 and 2024.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and six months ended June 30, 2025 and 2024

(in United States dollars (tabular amounts in thousands) except as otherwise noted)

### NOTE 14 – OTHER CASH FLOW ACTIVITIES

#### Other Investing Activities

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Change in restricted cash	(120)	(985)	(117)	(694)
Change in non-current prepaid expenses and deposits	2,896	(826)	(2,471)	(2,319)
	\$ 2,776	\$ (1,811)	\$ (2,588)	\$ (3,013)

#### Change in Non-Cash Working Capital

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Change in:				
Trade and other receivables	\$ 12,998	\$ 2,152	\$ 44,121	\$ 21,831
Prepaid expenses and deposits	2,079	353	(1,324)	(1,742)
Tax installments and receivables	(1,325)	(2,681)	(6,423)	(4,082)
Crude oil inventory	33	(47)	96	(85)
Trade and other payables	(6,981)	(6,873)	(1,486)	(20,383)
Deferred income	(125)	6,585	1,869	9,843
Taxes payable	(16,111)	79	(15,271)	(3,442)
	\$ (9,432)	\$ (432)	\$ 21,582	\$ 1,940
Attributable to:				
Operating activities	\$ (3,504)	\$ (7,733)	\$ 19,768	\$ 5,461
Investing activities	(5,928)	7,301	1,814	(3,521)
	\$ (9,432)	\$ (432)	\$ 21,582	\$ 1,940

### NOTE 15 – SUPPLEMENTAL INFORMATION

#### Total Revenues, Net of Royalties

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Natural gas and LNG revenues, net of royalties	\$ 63,554	\$ 89,245	\$ 136,121	\$ 168,034
Crude oil revenue, net of royalties	2,901	4,545	5,569	8,296
Power generation standby revenue	764	781	1,520	1,534
Take-or-pay natural gas income	39	—	39	109
	\$ 67,258	\$ 94,571	\$ 143,249	\$ 177,973

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and six months ended June 30, 2025 and 2024

(in United States dollars (tabular amounts in thousands) except as otherwise noted)

Natural gas and crude oil royalties incurred were allocated as follows:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Natural gas royalties	\$ 12,120	\$ 15,773	\$ 26,559	\$ 32,804
Crude oil royalties	90	126	155	270
	\$ 12,210	\$ 15,899	\$ 26,714	\$ 33,074

### Income Taxes and Interest Cash Payments

Cash payments of income taxes and interest were as follows:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Income tax payments and installments	\$ 11,753	\$ 78,424	\$ 26,389	\$ 92,002
Withholding tax	\$ 1,290	\$ 1,440	\$ 10,708	\$ 7,836
Interest paid	\$ 20,742	\$ 19,546	\$ 27,588	\$ 24,836

## NOTE 16 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

### Fair Value of Financial Instruments

The carrying values of cash and cash equivalents, restricted cash, trade and other receivables, and trade and other payables approximate their fair values at June 30, 2025. The long-term incentive compensation liability and Tesorito Investment are recorded at fair value. Long-term debt, which includes Senior Notes, the RCF, and the Term Loan are carried at amortized cost. As at June 30, 2025, the fair value of Senior Notes, the RCF, and the Term Loan was \$179.9 million, \$200 million, and \$48.5 million, respectively.

### Market Risk

Market risk is the risk that changes in market factors, such as commodity prices, foreign exchange rates, and interest rates will affect the Corporation's cash flows, profit or loss, liquidity or the value of financial instruments. The objective of market risk management is to mitigate market risk exposures where considered appropriate and to maximize returns.

(i) Commodity Price Risk

Commodity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in commodity prices. Lower commodity prices can also impact the Corporation's ability to raise capital. The majority of Canacol's production volume is subject to long-term fixed price contracts, which limits the Corporation's exposure to commodity price risk. The Corporation had no commodity contracts in place as at or during the six months ended June 30, 2025.

(ii) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign currency exchange rates. The Corporation is exposed to foreign currency fluctuations as certain expenditures, liabilities and the Corporation's unused tax losses and capital pools, are denominated in Colombian Peso ("COP") and Canadian dollars ("CAD"), which are re-valued at each reporting period.

As at June 30, 2025, the COP to USD exchange rate was 4,070:1 (December 31, 2024 – 4,409:1) and the CAD to USD exchange rate was 1.36:1 (December 31, 2024 – 1.44:1). The Corporation's revenues are not exposed to foreign currency risk as all of Canacol's natural gas sales contracts are denominated in USD. The Corporation had no foreign exchange contracts in place as at or during the six months ended June 30, 2025.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and six months ended June 30, 2025 and 2024

(in United States dollars (tabular amounts in thousands) except as otherwise noted)

### (iii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates to the extent that variable interest rate debt instruments are drawn. The majority of the Corporation's interest bearing debt, being the Senior Notes, is subject to a fixed interest rate which limits the Corporation's exposure to interest rate risk. The Corporation's RCF and Term Loan are subject to variable interest rates. The remainder of the Corporation's financial assets and liabilities are not exposed to interest rate risk. The Corporation had no interest rate contracts in place as at or during the six months ended June 30, 2025.

### Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they become due. The Corporation's approach to managing liquidity is to ensure, within reasonable means, sufficient liquidity to meet its liabilities when due, under both normal and unusual conditions, without incurring unacceptable losses or jeopardizing the Corporation's business objectives. The Corporation prepares an annual budget which is monitored regularly and updated as considered necessary. Natural gas, LNG and crude oil production is monitored daily to provide current cash flow estimates and the Corporation utilizes authorizations for expenditures on projects to manage capital expenditures.

The following table outlines the contractual maturities of the Corporation's financial liabilities as at June 30, 2025:

	Less than 1 year	1-2 years	Thereafter	Total
Long-term debt – principal	\$ 50,000	\$ 200,000	\$ 495,000	\$ 745,000
Lease obligations – undiscounted	5,139	3,810	1,680	10,629
Trade and other payables	88,288	—	—	88,288
Taxes payable	4,418	—	—	4,418
Other long term obligations	973	2,038	3,593	6,604
Long-term incentive compensation liability	1,929	1,216	—	3,145
	<b>\$ 150,747</b>	<b>\$ 207,064</b>	<b>\$ 500,273</b>	<b>\$ 858,084</b>

### Credit Risk

Credit risk reflects the risk of loss if counterparties do not fulfill their contractual obligations. To date, the Corporation has not experienced any material credit losses in the collection of its trade receivables.

The Corporation's trade receivables primarily relate to sales of natural gas and crude oil, which are normally collected within 45 days of the month of production. The Corporation has historically not experienced any collection issues with its customers, however, as at June 30, 2025, the Corporation has invoices from a certain customer totaling \$21.2 million that have become past due. The Corporation expects to be able to collect the total outstanding balance in full and is confident in its legal position in respect of the dispute with that certain customer (note 17 - contingencies).

As at June 30, 2025, trade and other receivables was comprised of a) \$34.4 million (December 31, 2024 - \$65.8 million) of trade receivables, b) \$6.7 million related to the recovery of transportation costs passed-through to customers (December 31, 2024 - \$8.2 million), and c) \$3.0 million of other receivables (December 31, 2024 - \$12.9 million).

### Capital Management

The Corporation monitors leverage and adjusts its capital structure based on its net debt level. Net debt is defined as the principal amount of its outstanding long-term obligations less working capital, which is defined as current assets less current liabilities, adjusted for the current portion of long-term debt. In order to facilitate the management of its net debt, the Corporation prepares annual budgets, which are updated as necessary depending on varying factors including current and forecast commodity prices, changes in capital structure,

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and six months ended June 30, 2025 and 2024

(in United States dollars (tabular amounts in thousands) except as otherwise noted)

execution of the Corporation's business plan and general industry conditions. The annual budget is approved by the Board of Directors and updates are prepared and reviewed as required.

	Note	June 30, 2025	December 31, 2024
Senior Notes - principal (5.75%)	9	495,000	\$ 500,000
RCF (SOFR + 4.5%)( <sup>1</sup> )	9	200,000	200,000
Term Loan (SOFR + 10%)( <sup>1</sup> )	9	50,000	50,000
Lease obligation	10	10,055	12,313
Total debt		755,055	762,313
Working capital deficit (surplus)		20,875	(45,524)
<b>Net debt</b>		<b>\$ 775,930</b>	<b>\$ 716,789</b>

(1) The SOFR rate for the six months ended June 30, 2025 was 4.32%.

### NOTE 17 – COMMITMENTS AND CONTINGENCIES

Presented below are the Corporation's contractual commitments as at June 30, 2025:

	Less than 1 year	1-3 years	Thereafter	Total
Exploration and production contracts	\$ 13,240	\$ 9,911	\$ 1,759	\$ 24,910
Compression station operating contracts	1,016	1,523	—	2,539
	<b>\$ 14,256</b>	<b>\$ 11,434</b>	<b>\$ 1,759</b>	<b>\$ 27,449</b>

#### Letters of Credit

As at June 30, 2025, the Corporation had letters of credit outstanding totaling \$63.2 million (December 31, 2024 - \$66.9 million) to guarantee work commitments on exploration blocks and to guarantee other contractual commitments.

#### Exploration and Production Contracts

The Corporation has entered into a number of exploration contracts in Colombia which require the Corporation to fulfill work program commitments and issue financial guarantees related thereto. In aggregate, the Corporation has outstanding exploration commitments at June 30, 2025 of \$24.9 million and has issued \$13.8 million of the total \$63.2 million in financial guarantees related thereto.

#### Contingencies

The Corporation's policy is to record contingent liabilities as they become determinable and the probability of loss is more likely than not. Commencing the second week of August 2023, the Corporation experienced unusual and unexpected production capacity restrictions at some of its gas fields as a result of issues at the Jobo gas treatment facility as well as certain of its producing wells (the "Force Majeure"). As a result of the Force Majeure, the Corporation had to restrict gas deliveries under certain supply contracts dedicated to supplying non-essential gas demand, all in accordance with applicable Colombian regulations and in consultation with the relevant authorities. A certain customer disagrees with the Corporation's assessment of Force Majeure and claims that the Corporation is liable for the natural gas that was not delivered under take-or-pay contract during that period, totaling \$12 million, and has withheld payment of regular natural gas sales invoices totaling \$21.2 million of gas deliveries as at June 30, 2025 (note 16 - credit risk). The Corporation has entered into an arbitration with this customer. In Canacol's view, this customer's claim is without merit. The ultimate outcome of the potential arbitration cannot be determined at this time, however, the Corporation is confident in its legal position and expects to be able to collect the \$21.2 million of receivable in full. As at June 30, 2025, this \$21.2 million of receivable was recorded under non-current assets.



# **CANACOL ENERGY LTD.**

**CONSOLIDATED FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2024**



## MANAGEMENT'S REPORT

Management is responsible for the accuracy, integrity and objectivity of the consolidated financial statements of Canacol Energy Ltd. (the "Corporation") within reasonable limits of materiality. The consolidated financial statements were prepared by management in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board. Management has established and maintains a system of internal controls that is designed to provide reasonable assurance that assets are safeguarded from loss or unauthorized use and the financial information is reliable and accurate.

The Corporation's external auditors, PricewaterhouseCoopers LLP, have audited the consolidated financial statements for the years ended December 31, 2023 and 2024. Their audit included such tests and procedures, as they considered necessary, to provide reasonable assurance that the financial statements are presented fairly in accordance with International Financial Reporting Standards.

The Audit Committee of the Board of Directors has reviewed in detail the consolidated financial statements with management and the external auditors. The Audit Committee has reported its findings to the Board of Directors who have approved the consolidated financial statements.

*(signed) "Charle Gamba"*

Charle Gamba

President and Chief Executive Officer

*(signed) "Jason Bednar"*

Jason Bednar

Chief Financial Officer

March 19, 2025



## Independent auditor's report

To the Shareholders of Canacol Energy Ltd.

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### Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Canacol Energy Ltd. and its subsidiaries (together, the Corporation) as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

#### What we have audited

The Corporation's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2024 and 2023;
- the consolidated statements of operations and comprehensive income (loss) for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

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### Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were

PricewaterhouseCoopers LLP  
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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Key audit matter

##### **Impact of natural gas and oil reserves on net development and production (D&P) assets and recoverability of deferred tax assets**

*Refer to note 2 – Basis of preparation, note 3 – Material accounting policies, note 5 – Property, plant and equipment and note 15 – Income taxes to the consolidated financial statements.*

As at December 31, 2024, the Corporation had \$689.4 million of net property, plant and equipment, which included D&P assets. Depletion and depreciation expense was \$81.8 million for the year then ended. D&P assets within each cash generating unit (CGU) are depleted using the unit-of-production method by reference to the ratio of production in the period to the related proved plus probable reserves, taking into account estimated future development costs necessary to bring those reserves into production. The proved plus probable reserves are estimated based on forecasted production, forecasted commodity prices, forecasted operating and royalty costs and timing of future development plans and costs. The proved plus probable reserves are evaluated by the Corporation's independent reserve engineers (management's experts).

The deferred tax assets balance was \$185.6 million as at December 31, 2024. The deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. The estimated future taxable profits are based on the cash flows from the related proved plus probable reserves.

Significant assumptions developed by management and used to determine the proved plus probable reserves of each CGU include the forecasted

#### How our audit addressed the key audit matter

Our approach to addressing the matter included the following procedures, among others:

- Tested how management determined the proved plus probable reserves, which included the following:
  - Evaluated the reasonableness of the significant assumptions used:
    - Forecasted production, forecasted operating and royalty costs and timing of future development plans and costs by considering the past and current performance on select CGUs, and whether these assumptions were consistent with evidence obtained in other areas of the audit.
    - Forecasted commodity prices by comparing the forecasts for select CGUs with relevant contract terms and the historic natural gas prices.
    - The work of management's experts was used in performing the procedures to evaluate the reasonableness of the proved plus probable reserves used to determine depletion expense and the deferred tax assets. As a basis for using this work, the competence, capabilities and objectivity of management's experts were evaluated, the work performed was understood and the appropriateness of the work as audit evidence was evaluated. The procedures performed also included evaluation of the methods and assumptions used by management's experts, tests of the data used by management's experts and an evaluation of their findings.



Key audit matter	How our audit addressed the key audit matter
<p>production, forecasted commodity prices, forecasted operating and royalty costs, and estimated amount and timing of future development costs.</p> <p>We considered this a key audit matter due to (i) the significant judgment made by management, including the use of management's experts, when developing the significant assumptions, and (ii) a high degree of auditor judgment, subjectivity and effort in performing procedures relating to the significant assumptions.</p>	<ul style="list-style-type: none"><li>• Recalculated the depletion expense for each of the Corporation's CGUs.</li><li>• Tested management's assessment of the recoverability of the deferred tax assets by:<ul style="list-style-type: none"><li>– evaluating whether it is probable that the future taxable income for select CGUs will be available based on the proved plus probable reserves to utilize the Corporation's temporary differences and tax losses; and</li><li>– recalculating and evaluating the estimated future taxable profits based on the cash flows from the related proved plus probable reserves for select CGUs.</li></ul></li></ul>

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### Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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### Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the consolidated financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

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### **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Corporation as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ryan Lundeen.

**/s/PricewaterhouseCoopers LLP**

Chartered Professional Accountants

Calgary, Alberta  
March 19, 2025

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in thousands of United States dollars)

As at	Note	December 31, 2024	December 31, 2023
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		\$ 79,201	\$ 39,425
Trade and other receivables	20	67,291	97,785
Tax installments and receivables		17,099	10,070
Other current assets	6	10,237	4,355
		<b>173,828</b>	<b>151,635</b>
<b>Non-current assets</b>			
Trade and other receivables	20, 21	19,585	—
Exploration and evaluation assets	4	137,451	113,381
Property, plant and equipment	5	689,406	681,034
Deferred tax assets	15	185,608	261,195
Investments	6	4,818	17,310
Other non-current assets	6	5,081	8,873
		<b>1,041,949</b>	<b>1,081,793</b>
<b>Total assets</b>		<b>\$ 1,215,777</b>	<b>\$ 1,233,428</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Current portion of long-term debt	9	\$ 12,500	\$ —
Trade and other payables		87,368	107,911
Deferred income	17	18,533	6,640
Dividend payable		—	6,706
Lease obligations	11	4,479	3,241
Taxes payable		20,573	38,861
Long-term incentive compensation liabilities	7	1,830	1,545
		<b>145,283</b>	<b>164,904</b>
<b>Non-current liabilities</b>			
Long-term debt	9	703,428	663,000
Lease obligations	11	7,834	10,194
Decommissioning obligations	10	22,784	30,121
Deferred tax liabilities	15	7,534	5,875
Long-term incentive compensation liabilities	7	1,338	1,273
Other long term obligations		6,435	6,387
<b>Total liabilities</b>		<b>894,636</b>	<b>881,754</b>
<b>Equity</b>			
Share capital	8	146,169	146,142
Other reserves		69,626	67,454
Retained earnings		105,346	138,078
<b>Total equity</b>		<b>321,141</b>	<b>351,674</b>
<b>Total liabilities and equity</b>		<b>\$ 1,215,777</b>	<b>\$ 1,233,428</b>

See accompanying notes to the consolidated financial statements.

**Approved by the Board of Directors**

*(signed) "Michael Hibberd"*

Director

*(signed) "Francisco Diaz"*

Director

## CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

(in thousands of United States dollars, except per share amounts)

Year ended December 31,	Note	2024	2023
<b>Revenues</b>			
Total revenues, net of royalties	17	\$ 375,916	\$ 315,803
		<b>375,916</b>	<b>315,803</b>
<b>Expenses</b>			
Operating expenses		29,077	29,503
Transportation expenses		23,664	10,949
Exploration impairment	4	2,252	—
Impairment of long lived assets	5,6	—	35,354
General and administrative		33,975	33,340
Stock-based compensation expense	7,8	3,149	4,051
Depletion and depreciation	5	81,784	75,925
Foreign exchange loss (gain)		3,993	(4,566)
Other expenses	12	6,993	14,256
		<b>184,887</b>	<b>198,812</b>
Net finance expense	13	68,975	56,057
<b>Income before income taxes</b>		<b>122,054</b>	<b>60,934</b>
<b>Income tax expense (recovery)</b>			
Current	15	77,540	78,330
Deferred	15	77,246	(103,633)
		<b>154,786</b>	<b>(25,303)</b>
<b>Net income (loss) and comprehensive income (loss)</b>		<b>\$ (32,732)</b>	<b>\$ 86,237</b>
<b>Net income (loss) per share</b>			
Basic and diluted	14	\$ (0.96)	\$ 2.53

See accompanying notes to the consolidated financial statements.

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(in thousands of United States dollars)

	Note	Share Capital	Other Reserves	Retained Earnings (Deficit)	Total Equity
Balance at December 31, 2022		\$ 146,142	\$ 67,439	\$ 78,359	\$ 291,940
Stock-based compensation	8	—	15	—	15
Dividends declared		—	—	(26,518)	(26,518)
Net income		—	—	86,237	86,237
<b>Balance at December 31, 2023</b>		<b>\$ 146,142</b>	<b>\$ 67,454</b>	<b>\$ 138,078</b>	<b>\$ 351,674</b>
Balance at December 31, 2023		\$ 146,142	\$ 67,454	\$ 138,078	\$ 351,674
Stock options exercised	8	27	(6)	—	21
Warrants	9	—	1,418	—	1,418
Stock-based compensation	8	—	760	—	760
Net loss		—	—	(32,732)	(32,732)
<b>Balance at December 31, 2024</b>		<b>\$ 146,169</b>	<b>\$ 69,626</b>	<b>\$ 105,346</b>	<b>\$ 321,141</b>

See accompanying notes to the consolidated financial statements.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of United States dollars)

Year ended December 31,	Note	2024	2023
<b>Operating activities</b>			
Net income (loss) and comprehensive income (loss)		\$ (32,732)	\$ 86,237
Non-cash adjustments:			
Depletion and depreciation	5	81,784	75,925
Exploration impairment	4	2,252	—
Impairment of long lived assets	5,6	—	35,354
Stock-based compensation expense	7,8	3,149	4,051
Net financing expense	13	68,975	56,057
Unrealized foreign exchange loss and other expenses		7,982	962
Deferred income tax expense (recovery)	15	77,246	(103,633)
Equity investment loss (income)	6	2,976	(2,806)
Unrealized loss (gain) on financial instruments	6	740	(1,152)
Realized gain on investment	6	(4,473)	—
Write-off of deposit	6	3,825	—
Settlement of decommissioning obligation	10	(1,695)	(217)
Settlement of long-term incentive compensation	7	(2,349)	(4,708)
Changes in non-cash working capital	16	(39,639)	(50,731)
		<b>168,041</b>	<b>95,339</b>
<b>Investing activities</b>			
Expenditures on exploration and evaluation assets	4	(49,649)	(53,192)
Expenditures on property, plant and equipment		(72,774)	(162,471)
Proceeds on disposition of property, plant and equipment		130	479
Proceeds from sale of Arrow shares	6	13,249	(2,018)
Other investing activities	16	(5,179)	4,107
Changes in non-cash working capital	16	11,970	6,989
		<b>(102,253)</b>	<b>(206,106)</b>
<b>Financing activities</b>			
Draw on long-term debt, net of financing fees	9	45,093	192,151
Repayment of debt	9	—	(34,930)
Net financing expense paid	13	(56,607)	(43,922)
Lease principal payments	11	(4,430)	(3,111)
Dividends paid		(6,706)	(26,354)
Issue of common shares	8	21	—
		<b>(22,629)</b>	<b>83,834</b>
Change in cash and cash equivalents		<b>43,159</b>	<b>(26,933)</b>
Cash and cash equivalents, beginning of year		<b>39,425</b>	<b>58,518</b>
Foreign exchange impact on cash and cash equivalents		<b>(3,383)</b>	<b>7,840</b>
<b>Cash and cash equivalents, end of year</b>		<b>\$ 79,201</b>	<b>\$ 39,425</b>

See accompanying notes to the consolidated financial statements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2024 and 2023

(in United States dollars (tabular amounts in thousands) except as otherwise noted)

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### NOTE 1 - GENERAL INFORMATION

Canacol Energy Ltd. and its subsidiaries (“Canacol” or the “Corporation”) are primarily engaged in natural gas exploration and development activities in Colombia. The Corporation’s head office is located at 2000, 215 - 9<sup>th</sup> Avenue SW, Calgary, Alberta, T2P 1K3, Canada. The Corporation’s shares are traded on the Toronto Stock Exchange (“TSX”) 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 and the Bolsa Mexicana de Valores under the symbol CNEN.

The Board of Directors approved these consolidated financial statements (the “financial statements”) for issuance on March 19, 2025.

### NOTE 2 - BASIS OF PREPARATION

The consolidated financial statements were prepared by management in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”).

#### Basis of Measurement

These financial statements have been prepared on a historical cost basis, except for certain financial instruments, and restricted share units, which are measured at fair value with changes in fair value recorded in profit or loss (“fair value through profit or loss”).

Estimates and judgements made by management in the preparation of these financial statements are subject to a higher degree of measurement uncertainty during volatile periods.

These financial statements have been prepared on a going concern basis.

#### Functional and Presentation Currency

These financial statements are presented in United States dollars (“USD”), which is both the functional and presentation currency, with the exception of Canadian dollar unit prices (“C\$”) where indicated.

#### Significant Estimates and Management Judgements

The timely preparation of financial statements in accordance with IFRS Accounting Standards requires that management make estimates, assumptions and use judgement regarding the measured amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Such estimates relate primarily to unsettled transactions and events as of the date of the financial statements. Accordingly, actual results may differ from estimated amounts as future confirming events occur. The following discussion relates to amounts determined by management which required significant estimation and/or judgement.

Management judgement is required in determining the functional currency that represents the economic effect of underlying transactions, events and conditions. The USD is the Corporation’s functional currency as it is the currency of the primary economic environment in which the Corporation operates; the Corporation’s revenues, funds from financing and a portion of its expenditures are denominated in USD.

The Corporation held an investment in a public company, Arrow Exploration Corp. (“Arrow”), of which two of the board of directors of Arrow are also key members of the Corporation’s management. Management has used judgement in determining that the Corporation had significant influence over Arrow by considering the Corporation’s voting rights and ownership interest of Arrow until the Corporation sold all of its Arrow common share on April 26, 2024 (note 6).

Significant management judgement is required in determining the provision for deferred income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Corporation has not recognized a benefit for the net deferred tax asset created from a portion of its non-capital losses and capital losses carried forward due to the uncertainty of realization of such amounts.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2024 and 2023

(in United States dollars (tabular amounts in thousands) except as otherwise noted)

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Management evaluates tax positions, annually, or when circumstances require, which involves judgment and could be subject to differing interpretations of applicable tax legislation. The results of audits and reassessments and changes in the interpretations of standards may result in changes to those positions and, potentially, a material increase or decrease in the Corporation's assets, liabilities and net earnings.

The calculation of long-term incentive compensation liability relating to the performance share units is subject to uncertainty as it reflects the Corporation's best estimate of whether or not obligations will be incurred. In particular, the number of performance share units that is expected to vest are estimated based on the likelihood of unit holders meeting certain performance conditions.

Natural gas and crude oil assets and processing facilities are grouped into cash generating units ("CGUs") identified as having largely independent cash flows and are geographically integrated. The determination of the CGUs was based on management's interpretation and judgement. The recoverability of development and production asset carrying values is assessed at the CGU level. The asset composition of a CGU can directly impact the recoverability of the assets included therein.

The Corporation's natural gas cash flows are generated through common processing and transportation systems rather than at the individual block or field level, as such, the Corporation's natural gas fields and processing facilities are included in an aggregate natural gas CGU. The Corporation's crude oil asset is included in a separate CGU.

Amounts recorded for depletion, depreciation, amortization, accretion and provisions for decommissioning obligations are based on their expected lives and other relevant assumptions.

Indicators of impairment or impairment recovery are assessed by management using judgement, considering market conditions and commodity prices. In assessing the recoverability of oil and gas properties, each CGU's carrying value is compared to its recoverable amount, defined as the greater of its fair value less cost to sell and value in use.

In assessing the recoverable amount, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The recoverable amount is generally computed by reference to the present value of the future cash flows expected to be derived from production of proved plus probable reserves.

Assumptions used in the determination of future cash flows from crude oil and natural gas reserves include the following:

- i) Reserves - Assumptions that are valid at the time of reserve estimation may change significantly when new information becomes available. Changes in forward price estimates, production costs or recovery rates may change the economic status of reserves and may ultimately result in reserves being revised.
- ii) Commodity prices - Forward price estimates of crude oil and natural gas are used in the cash flow model. Commodity prices have fluctuated in recent years due to global and regional factors including supply and demand fundamentals, inventory levels, exchange rates, weather, economic and geopolitical factors; however a significant portion of the Corporation's natural gas production is sold based on firm priced contracts, which are not subject to management's estimate.
- iii) Discount rate - The discount rate used to calculate the net present value of cash flows is based on estimates of an approximate industry peer group weighted average cost of capital. Changes in the general economic environment could result in significant changes to this estimate.
- iv) Decommissioning obligation - The decommissioning obligation is determined based on management's best estimate for future costs for decommissioning activities at the end of the asset's useful life. The timing and amount of costs are subject to change based on local legal and regulatory requirements as well as market conditions.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2024 and 2023

(in United States dollars (tabular amounts in thousands) except as otherwise noted)

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### NOTE 3 – MATERIAL ACCOUNTING POLICIES

#### Principles of Consolidation

Subsidiaries - Subsidiaries are entities controlled by the Corporation. Control exists when the Corporation is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. The financial statements of subsidiaries are included in the financial statements from the date that control commences until the date that control ceases.

The acquisition method of accounting is used to account for acquisitions of subsidiaries and assets that meet the definition of a business under IFRS Accounting Standards. The cost of an acquisition is measured as the fair value of the assets given up, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of the acquisition over the fair value of the identifiable assets acquired and liabilities and contingent liabilities assumed is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized immediately in profit or loss as a gain on acquisition. Acquisition related costs, other than share issue costs, are expensed as period costs in the consolidated statements of operations and comprehensive income.

An associate is an entity for which the Corporation has significant influence and thereby has the power to participate in the financial and operational decisions but does not control or jointly control the investee. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost and subsequently adjusted for the proportionate share of the investee's net assets. The Corporation's financial statements include its share of the investee's net income (loss) and other comprehensive income (loss) until the date that significant influence ceases. Dividends received or receivable from associates are recognized as a reduction in the carrying amount of the investment.

Joint arrangements - Joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Canacol only has joint operations. The financial statements include the Corporation's share of these jointly-controlled assets and a proportionate share of the relevant revenue, related operating costs and capital costs.

Transactions eliminated on consolidation - Intercompany balances and transactions, and any unrealized income and expenses arising from intercompany transactions, are eliminated on consolidation.

#### Foreign Currency

The USD is the functional currency of the Corporation and its subsidiaries. Monetary assets and liabilities denominated in foreign currencies are translated to USD at the period-end exchange rate. Non-monetary assets, liabilities, revenues and expenses are translated at exchange rates at the transaction date. Foreign exchange gains or losses are recognized in the consolidated statements of operations and comprehensive income.

#### Financial Instruments

Non-derivative financial instruments - Non-derivative financial instruments include cash and cash equivalents, restricted cash, trade and other receivables, investments, long-term debt, trade and other payables, dividend payable, and lease obligations. Non-derivative financial instruments are initially recognized at fair value plus any directly attributable transaction costs, except for financial assets and liabilities at fair value through profit or loss whereby any directly attributable transaction costs are expensed as incurred. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

Cash and cash equivalents - Cash and cash equivalents are measured similar to other non-derivative financial instruments. Subsequent to initial recognition, this financial instrument is measured at amortized cost.

Restricted cash - Restricted cash is measured similar to other non-derivative financial instruments. Subsequent to initial recognition, this financial instrument is measured at amortized cost.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2024 and 2023

(in United States dollars (tabular amounts in thousands) except as otherwise noted)

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Investments - Investments are recorded at fair value through profit or loss. Subsequent to initial recognition, investments are measured at fair value and changes therein are recognized in the consolidated statements of operations and comprehensive income.

Long-term debt - Long-term debt is recorded at amortized cost, net of directly attributable transaction costs. Subsequent to initial recognition, the directly attributable transaction costs are amortized into the carrying value using the effective interest method over the term of the debt facility through the consolidated statements of operations and comprehensive income or capitalized as part of a qualifying asset, as applicable. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

Other - Other non-derivative financial instruments, such as trade and other receivables, trade and other payables, and dividend payable, are measured at amortized cost, less any impairment losses.

### Property, Plant and Equipment and Exploration and Evaluation Assets

#### **Recognition and measurement**

Exploration and evaluation (“E&E”) assets - E&E costs, including the costs of acquiring licenses, farming into or acquiring rights to working interest and directly attributable general and administrative costs, initially are capitalized either as tangible or intangible E&E assets according to the nature of the assets acquired. The costs are accumulated in cost centers by well, field or exploration area pending determination of technical feasibility and commercial viability.

When E&E assets are determined to be technically feasible and commercially viable (generally upon assignment of proved plus probable reserves), the accumulated costs are transferred to property, plant and equipment (“PP&E”). When E&E assets are determined not to be technically feasible and commercially viable and the Corporation decides not to continue with its activity, the unrecoverable costs are charged to the consolidated statements of operations and comprehensive income as exploration impairment.

E&E assets are allocated into CGUs and assessed for impairment when they are transferred to PP&E or in any circumstances where sufficient data exists to determine technical feasibility and commercial viability, and facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Development and production (“D&P”) assets - Items of property, plant and equipment, which include natural gas and crude oil development and production assets, are measured at cost less accumulated depletion and depreciation and accumulated impairment losses. D&P assets are grouped into CGUs for impairment testing.

When significant parts of an item of PP&E, including natural gas and crude oil interests, have different useful lives, they are accounted for as separate items (major components).

Gains and losses on disposal of an item of PP&E are determined by comparing the proceeds from disposal, net of transaction costs with the carrying amount of PP&E and are recognized net within the consolidated statements of operations and comprehensive income.

Subsequent costs - Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of property, plant and equipment are recognized as PP&E only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in the consolidated statements of operations and comprehensive income as incurred. Such capitalized PP&E generally represent costs incurred in developing proved and/or probable reserves and bringing in or enhancing production from such reserves. The carrying amount of any replaced or sold component is de-recognized. The costs of the day-to-day servicing of PP&E are recognized in the consolidated statements of operations and comprehensive income as incurred.

Depletion and depreciation - The net carrying value of D&P assets is depleted using the unit-of-production method by reference to the ratio of production in the period to the related proved plus probable reserves, taking into account estimated future development costs necessary to bring those reserves into production. Future development costs are estimated by taking into account the level of development required to produce the reserves.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2024 and 2023

(in United States dollars (tabular amounts in thousands) except as otherwise noted)

Proved plus probable reserves are evaluated using independent reserve engineer reports and represent the estimated quantities of natural gas, crude oil and natural gas liquids which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and which are considered commercially viable. Estimates are based on forecasted production, forecasted commodity prices, forecasted operating and royalty costs and the estimated amount and timing of future development plans and costs, all of which are subject to uncertainty.

Reserves may be considered commercially viable if management has the intention of developing and producing them and such intention is based upon:

- i) A reasonable assessment of the future economics of such production;
- ii) A reasonable expectation that there is a market for all or substantially all the expected natural gas and crude oil production; and
- iii) Evidence that the necessary production, transmission and transportation facilities are available or can be made available.

For other PP&E, depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of the asset. Land is not depreciated.

The estimated useful lives for other assets for the current and comparative years are as follows:

Equipment and other	2 - 5 years
Right-of-Use assets	Over the term of the lease agreements

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

### Lease Obligations and Right-of-Use Assets

The Corporation holds leases related to office leases, compressors and information technology equipment. The lease arrangements are assessed based on whether they meet the following definition of a lease under IFRS 16:

- i) Identified asset - The Corporation has access to the use of a physically distinct asset and the counterparty does not hold the right to substitute an alternative asset for use;
- ii) Right to direct the use of an asset - The Corporation has relevant operational decision-making rights for the use and purpose of the underlying asset; and
- iii) Exclusive rights to the economic rights and benefits - The Corporation obtains sole and exclusive benefit from the use of the asset throughout the duration of the lease term.

Lease arrangements which meet the criteria of a lease are recognized as right-of-use assets and lease obligations at the lease commencement date.

The right-of-use asset and lease obligation are initially measured at the present value of the lease payments outstanding at the lease commencement date, discounted using the implicit rate, and when not determinable, the Corporation's incremental borrowing rate. Subsequently, the right-of-use asset is measured at cost less accumulated depreciation and impairment losses and adjusted for certain re-measurements of the lease obligation. The lease obligation is re-measured when there is a change in estimated future payments arising from a change in a lease term, index or rate, residual guarantee or purchase option.

The Corporation has applied judgment and estimates when determining the estimated lease payments, including the lease term. The assessment of whether a renewal, extension, termination or purchase option is reasonably certain to be exercised was considered, based on facts and circumstances, and has the potential to significantly impact the amount of right-of-use asset and lease obligation recognized.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2024 and 2023

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### Impairment loss and recovery

Financial assets - A financial asset is assessed at each reporting date for being credit-impaired or having significantly increased credit risk since initial recognition; if so determined, an estimated loss allowance is measured at an amount equal to the lifetime expected credit losses (“ECL”). Lifetime ECLs are a probability-weighted estimate of credit losses from all possible default events over the expected life of a financial asset. Credit losses are defined as the PV of all expected cash shortfalls relative to the carrying value of the financial asset. The ECLs are discounted at the effective interest rate.

The Corporation considers reasonable and supportable information that is relevant and available without undue cost or effort when determining credit impairment, significantly increased credit risk and any resulting ECLs. The financial asset is written off when the Corporation has determined the financial asset is credit-impaired with no reasonable expectations of recovering the financial asset in its entirety or a portion thereof.

Non-financial assets - The carrying amounts of the Corporation’s non-financial assets, other than E&E assets and deferred income tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amount of the asset is estimated. E&E assets are assessed for impairment when they are reclassified to PP&E, and also if facts and circumstances suggest that their carrying amount exceeds the recoverable amount. Deferred income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. The recoverable amount of an asset or a CGU is the greater of its value in use and its fair value less costs to sell.

E&E assets are allocated to related CGUs when they are assessed for impairment, both at the time of any triggering facts and circumstances as well as upon their eventual reclassification to D&P assets.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount (See note 2, “Significant Estimates and Management Judgements”).

Impairment losses recognized in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depletion and depreciation or amortization, if no impairment loss had been recognized.

All impairment losses are recognized in the consolidated statements of operations and comprehensive income.

### Provisions

A provision is recognized if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are not recognized for future operating losses.

Decommissioning obligations - The Corporation’s activities give rise to dismantling, decommissioning and site disturbance remediation activities. Provision is made for the estimated cost of site restoration and capitalized in the relevant asset category.

Decommissioning obligations are measured at the present value of management’s best estimate of the expenditure required to settle the present obligation at the period-end date. Subsequent to initial measurement, the obligation is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time is recognized as finance costs whereas increases or decreases due to changes in the estimated future cash flows are capitalized. Actual costs incurred upon settlement of the decommissioning obligations are charged against the provision to the extent the provision was established.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2024 and 2023

(in United States dollars (tabular amounts in thousands) except as otherwise noted)

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Other long term obligations - The Corporation is required to invest approximately 1% of well costs in reforestation activities in Colombia. Provision is made for the estimated cost of reforestation and capitalized in the relevant asset category.

### Inventory

Inventory consists of crude oil in transit, in pipelines or in storage tanks at the reporting date, and is valued at the lower of cost, using the weighted-average cost method, or net realizable value. Costs include direct and indirect expenditures including depletion and depreciation incurred in bringing the crude oil to its existing condition and location.

### Revenue

The Corporation's revenues are primarily derived from the production of natural gas. Revenue from contracts with customers is recognized when the Corporation satisfies a performance obligation by physically transferring the product and control to a customer. The Corporation satisfies its performance obligations at the point of delivery of the product and not over a period of time. Revenue is measured based on the consideration specified in contracts with customers.

The Corporation recognizes take-or-pay natural gas income relating to the portion of natural gas sales nominations by the Corporation's off-takers that do not get delivered, typically due to the off-takers' inability to accept such gas when they have no recourse or legal right to delivery at a later date. Certain take-or-pay contracts grant the off-takers the legal right to take delivery at a later date, for a fixed period of time ("make-up rights"). These nominations are paid for at the time and are recorded as deferred income. The Corporation recognizes revenue associated with such make-up rights at the earliest of: a) when the make-up volume is delivered; b) when the make-up rights expires; or c) when it is determined that the likelihood of the off-taker will utilize the make-up right is remote.

Revenue is recorded net of any royalties when the amount of revenue and the costs incurred in respect of the transaction can be measured reliably.

### Stock-Based Compensation

The grant date fair value of stock options granted to officers, employees and directors is recognized as stock-based compensation expense with a corresponding increase in other reserves on a graded vesting basis over the vesting period. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of awards that vest. The fair value of the stock options granted is estimated using the Black-Scholes option pricing model. Upon exercise of stock options, the fair value of the stock options are transferred from other reserves to share capital.

### Long-term Incentive Compensation Liability

The grant date fair value of cash-settled restricted share units ("RSUs"), performance share units ("PSUs") and deferred share units ("DSUs") granted to officers, employees and directors is recognized as an expense with a corresponding increase in long-term incentive compensation liability on a graded vesting or cliff vesting basis over the vesting period or vesting date. Subsequent to initial recognition, the long-term incentive compensation liability and corresponding stock-based compensation expense is measured at fair value. The PSUs are subject to certain non-market performance conditions, of which, the impact is estimated at the grant date. The units are expected to be settled through a cash payment equal to the fair market value of the Corporation's common shares on the settlement date.

### Finance Income and Expenses

Net finance income or expense is comprised of interest income, interest expense on borrowings and leases, amortization of upfront fees and accretion of the discount on decommissioning liabilities.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2024 and 2023

(in United States dollars (tabular amounts in thousands) except as otherwise noted)

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### Income Taxes

Income tax expense comprises current and deferred income taxes. Income tax expense is recognized in the consolidated statements of operations and comprehensive income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current income tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred income tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred income tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred income tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred income tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. The estimated future taxable profits are based on the cash flows from the related proved plus probable reserves. Deferred income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The benefits of uncertain tax positions that the Corporation has taken or expects to take in its income tax returns are recognized in the financial statements if management concludes that it is more likely than not that the position will be sustained with the tax authorities.

### Net Income (Loss) per Share

Basic net income (loss) per share is calculated by dividing the net income (loss) attributable to common shareholders of the Corporation by the weighted-average number of common shares outstanding during the period. Diluted net income per share is determined by adjusting the weighted-average number of common shares outstanding during the period for the effects of dilutive instruments such as stock options.

### Recent Accounting Pronouncements - Amendments to IAS 1 Presentation of Financial Statements

In April 2024, the IASB issued new IFRS 18 - Presentation and Disclosure in Financial Statements ("IFRS 18") replacing IAS 1. The new guidance is expected to improve the usefulness of information presented and disclosed in the financial statements of companies. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, with early adoption permitted. Canacol is currently assessing the impact of this new IFRS accounting standard on its consolidated financial statements.

In May 2024, the IASB issued amendments to IFRS 9 - Financial Instruments and IFRS - 7 Financial Instruments: Disclosures related to settling financial liabilities using an electronic payment system and assessing contractual cash flow characteristics of financial assets. The amendments will be effective January 1, 2026, but are not expected to have a material impact on Canacol's consolidated financial statements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2024 and 2023

(in United States dollars (tabular amounts in thousands) except as otherwise noted)

### NOTE 4 – EXPLORATION AND EVALUATION ASSETS

Balance at December 31, 2022	\$	86,027
Additions		53,192
Transferred to D&P assets (note 5)		(25,838)
Balance at December 31, 2023	\$	113,381
Additions		49,649
Exploration impairment		(2,252)
Transferred to D&P assets (note 5)		(23,327)
<b>Balance at December 31, 2024</b>	<b>\$</b>	<b>137,451</b>

In late 2022 through to early 2023, the Corporation drilled the Natilla-1 exploration well located on its SSJN-7 block (50% working interest at the time, 100% working interest as at December 31, 2024). The Natilla-1 exploration well encountered mechanical issues and did not reach the primary Cienaga de Oro formation target. This event was covered by the Corporation's insurance policy and, during the year ended December 31, 2023, the Corporation received \$5.1 million of insurance reimbursement (net to Canacol) related to the drilling costs of Natilla-1. The well was subsequently side-tracked but was ultimately plugged and abandoned.

The Corporation's insurance policy also covers the re-drill cost up to the depth of where mechanical issues were previously encountered at the Natilla-1 well. The Corporation accrued \$10.1 million of insurance reimbursement, thereby reducing the cost of Natilla-2 as at December 31, 2024.

During the year ended December 31, 2023, the Corporation transferred \$25.8 million of exploration costs to D&P assets as a result of natural gas discoveries and conclusion of its near-field exploration program at the Esperanza, VIM-5 and VIM-21 blocks.

During the year ended December 31, 2024, the Corporation transferred \$23.3 million of exploration costs to D&P assets as a result of natural gas discoveries at its Esperanza, VIM-5 and VIM-21 blocks.

The Corporation assessed its E&E assets for impairment for the year ended December 31, 2024 and, as a result of a planned relinquishment of its VMM-47 block, \$2.3 million of associated costs were expensed as exploration impairment. There were no indications of impairment on the Corporation's E&E assets as at December 31, 2023.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2024 and 2023

(in United States dollars (tabular amounts in thousands) except as otherwise noted)

### NOTE 5 – PROPERTY, PLANT AND EQUIPMENT

	Property, Plant and Equipment	Right-of-Use Leased Assets	Total
<b>Cost</b>			
Balance at December 31, 2022	\$ 1,176,734	\$ 29,579	\$ 1,206,313
Additions	170,357	768	171,125
Transferred from E&E assets (note 4)	25,838	—	25,838
Dispositions	(19)	(72)	(91)
Impairment	(27,828)	—	(27,828)
Derecognition	(1,113)	—	(1,113)
Balance at December 31, 2023	\$ 1,343,969	\$ 30,275	\$ 1,374,244
Additions	63,410	3,439	66,849
Transferred from E&E assets (note 4)	23,327	—	23,327
Dispositions	(184)	(41)	(225)
Derecognition	(3,655)	—	(3,655)
<b>Balance at December 31, 2024</b>	<b>\$ 1,426,867</b>	<b>\$ 33,673</b>	<b>\$ 1,460,540</b>
<b>Accumulated depletion and depreciation</b>			
Balance at December 31, 2022	\$ (608,048)	\$ (10,349)	\$ (618,397)
Dispositions	1	42	43
Depletion and depreciation	(74,044)	(1,881)	(75,925)
Derecognition and inventory adjustments	1,069	—	1,069
Balance at December 31, 2023	\$ (681,022)	\$ (12,188)	\$ (693,210)
Dispositions	179	38	217
Depletion and depreciation	(78,603)	(3,181)	(81,784)
Derecognition	3,643	—	3,643
<b>Balance at December 31, 2024</b>	<b>\$ (755,803)</b>	<b>\$ (15,331)</b>	<b>\$ (771,134)</b>
<b>Carrying value</b>			
As at December 31, 2023	\$ 662,947	\$ 18,087	\$ 681,034
<b>As at December 31, 2024</b>	<b>\$ 671,064</b>	<b>\$ 18,342</b>	<b>\$ 689,406</b>

During the year ended December 31, 2023, \$25.8 million of exploration costs have been transferred from E&E assets (note 4).

On October 19, 2023, the Corporation announced the termination of the natural gas pipeline project that connects the Corporation's gas processing facility at Jobo to the city of Medellin, Colombia (the "Medellin Project"). As a result, the cumulative costs associated with the Medellin Project that were previously recorded in D&P assets totaling \$27.8 million were expensed as impairment for the year ended December 31, 2023.

During the year ended December 31, 2024, \$23.3 million of exploration costs have been transferred from E&E assets (note 4).

There were no indications of impairment on the Corporation's D&P assets as at December 31, 2024.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2024 and 2023

(in United States dollars (tabular amounts in thousands) except as otherwise noted)

### NOTE 6 – INVESTMENTS AND OTHER ASSETS

#### Investments

	Office Sub-Lease	Arrow Equity Investment	Arrow Warrants	Tesorito Investment	Total Investments
Balance at December 31, 2022	\$ 33	\$ 4,646	\$ 2,235	\$ 4,416	\$ 11,330
Additions	—	4,300	—	—	4,300
Warrants exercised	—	—	(2,282)	—	(2,282)
Sub-lease receipts	(33)	—	—	—	(33)
Equity investment income	—	2,806	—	—	2,806
Unrealized gain (loss)	—	—	(2,237)	1,142	(1,095)
Realized gain on warrants	—	—	2,247	—	2,247
Foreign exchange gain	—	—	37	—	37
Balance at December 31, 2023	\$ —	\$ 11,752	\$ —	\$ 5,558	\$ 17,310
Proceeds from sale of Arrow shares	—	(13,249)	—	—	(13,249)
Equity investment loss	—	(2,976)	—	—	(2,976)
Realized gain on sale of shares	—	4,473	—	—	4,473
Unrealized loss	—	—	—	(740)	(740)
<b>Balance at December 31, 2024</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 4,818</b>	<b>\$ 4,818</b>

During the year ended December 31, 2021, the Corporation purchased a total of \$4.1 million of common shares in Termoelectrica el Tesorito S.A.S. ESP (“Tesorito”), a Colombian power generation company. As at December 31, 2024, the carrying value of the Corporation’s total investment in Tesorito was \$4.8 million (2023 - \$5.6 million).

The Corporation held an investment in a public company, Arrow Exploration Corp. (“Arrow”), of which two of the board of directors of Arrow are also key members of the Corporation’s management.

For the year ended December 31, 2023, the Corporation had an approximately 21% equity interest in Arrow, as a result of exercising all of the 18,357,602 Arrow warrants to purchase 18,357,602 common shares of Arrow at an exercise price of C\$0.15 per Arrow common share on October 13, 2023. As at December 31, 2023, the Corporation held an aggregate of 60,072,807 common shares of Arrow, and the carrying value of the equity investment in Arrow was \$11.8 million.

On April 26, 2024, the Corporation sold all of its Arrow common shares at £0.185 per share for a total of \$13.3 million USD, net of fees.

#### Other Assets

	December 31, 2024	December 31, 2023
<b>Current</b>		
Restricted cash	\$ 5,626	\$ 480
Prepaid expenses and deposits	4,192	3,485
Inventory	419	390
	<b>\$ 10,237</b>	<b>\$ 4,355</b>
<b>Non-Current</b>		
Prepaid expenses and deposits	5,081	8,873
	<b>\$ 5,081</b>	<b>\$ 8,873</b>

During the year ended December 31, 2023, as a result of the termination of the Medellin Project (note 5), \$7.5 million of non-current prepaid expenses and deposits was expensed as impairment.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2024 and 2023

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During the year ended December 31, 2024, the Corporation expensed \$3.8 million of non-current prepaid expenses and deposits as two vendors filed for bankruptcy and these amounts were deemed to be unrecoverable (note 12). Despite recording the write-off, the Corporation is actively pursuing the recovery of these amounts.

### NOTE 7 – LONG-TERM INCENTIVE COMPENSATION LIABILITY

		RSUs		PSUs		DSUs		Total
Balance at December 31, 2022	\$	1,434	\$	1,033	\$	219	\$	2,686
Amortized		3,523		1,402		103		5,028
Settled/Cancelled		(3,152)		(1,708)		(85)		(4,945)
Foreign exchange loss (gain)		63		4		(18)		49
Balance at December 31, 2023	\$	1,868	\$	731	\$	219	\$	2,818
Amortized		2,468		368		129		2,965
Settled/Cancelled		(2,389)		—		(7)		(2,396)
Foreign exchange gain		(122)		(74)		(23)		(219)
<b>Balance at December 31, 2024</b>	<b>\$</b>	<b>1,825</b>	<b>\$</b>	<b>1,025</b>	<b>\$</b>	<b>318</b>	<b>\$</b>	<b>3,168</b>

The long-term incentive compensation liability includes restricted share units (“RSUs”), performance share units (“PSUs”) and deferred share units (“DSUs”). The RSUs and PSUs are recognized as a liability and expensed on a graded vesting and cliff vesting basis, respectively, over the vesting term of each grant. The DSUs vest immediately on the grant date and are recognized as an expense. The DSUs are settled at such time the grantee ceases to be a member of the Board of Directors. Dividend share units are accrued and granted on the outstanding units on each dividend payment date. The dividend share units are amortized and settled in accordance with the units’ respective vesting periods. Stock-based compensation relating to RSUs, PSUs and DSUs was \$2.5 million (2023 - \$4.0 million) for the year ended December 31, 2024. The amortized long-term incentive compensation liability as at December 31, 2024 was \$3.2 million (2023 - \$2.8 million).

The number of outstanding RSUs, PSUs and DSUs as at December 31, 2024 were as follows:

	RSUs	PSUs	DSUs	Total
	(000’s)	(000’s)	(000’s)	(000’s)
Balance at December 31, 2022	300	385	30	715
Granted	559	286	27	872
Settled	(353)	(203)	(10)	(566)
Cancelled	(25)	(49)	(5)	(79)
Balance at December 31, 2023	481	419	42	942
Granted	1,364	628	79	2,071
Settled	(695)	—	(2)	(697)
Cancelled	(15)	—	—	(15)
<b>Balance at December 31, 2024</b>	<b>1,135</b>	<b>1,047</b>	<b>119</b>	<b>2,301</b>

#### Restricted Share Units

On January 31, 2023, May 15, 2023 and June 23, 2023, the Corporation granted a total of 506,787 RSUs to its Board of Directors, officers and key employees. The RSUs vest in four equal tranches over two years on January 31 and July 31, and are expected to be settled in cash. In addition, dividend share units were granted on the dividend record dates during the year ended December 31, 2023 for all of the RSUs outstanding, totaling 51,788 units. For the year ended December 31, 2023, the Corporation settled 102,211, 26,738, 126,988 and 97,150 RSUs at a price of C\$11.65, C\$10.73, C\$11.35, and C\$12.17 per unit, respectively, for a total of \$3.1 million in cash.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**As at and for the years ended December 31, 2024 and 2023**

*(in United States dollars (tabular amounts in thousands) except as otherwise noted)*

On September 23, 2024, the Corporation granted 1,345,666 RSU's to its Board of Directors, officers, and key employees. The RSUs vest in four equal tranches, with the first tranche vesting immediately and the remaining three tranches vesting over 1.5 years from the grant date and are expected to be settled in cash. Dividend share units were granted on January 15, 2024 for all of the RSUs outstanding, totaling 17,990 units. For the year ended December 31, 2024, the Corporation settled 694,703 RSUs at a price range between C\$3.55 and C\$6.29 per unit for a total of \$2.3 million in cash.

### Performance Share Units

On May 15, 2023, the Corporation granted 242,731 PSUs to its officers. In addition, dividend share units were granted on dividend record dates during the year ended December 31, 2023 for all of the PSUs outstanding, totaling 43,535 units. For the year ended December 31, 2023, the Corporation settled 203,191 PSUs at a price of C\$10.24 per unit for a total of \$1.6 million in cash.

On September 23, 2024, the Corporation granted 612,442 PSU's to its officers. The PSU's cliff vest in May 2027 and are expected to be settled in cash. Dividend share units were granted on January 15, 2024 for all of the PSUs outstanding, totaling 15,686 units.

### Deferred Share Units

At the option of the Corporation, the grantee of the DSUs is entitled to receive either the Corporation's common shares upon vesting of such units, a cash payment equal to the value of the underlying common shares, or a combination thereof.

During the year ended December 31, 2023, the Corporation granted a total of 22,665 DSUs to its Board of Directors. In addition, dividend share units were granted on dividend record dates during the year ended December 31, 2023 for all of the DSUs outstanding, totaling 3,918 units. For the year ended December 31, 2023, the Corporation settled 10,189 DSUs at a price of C\$11.31 per unit for a total of \$0.1 million in cash.

On September 23, 2024, the Corporation granted a total of 77,865 DSU's to its Board of Directors. Dividend share units were granted on January 15, 2024 for all of the DSUs outstanding, totaling 1,559 units. For the year ended December 31, 2024, the Corporation settled 2,285 DSU's at a price of C\$4.31 per unit.

## NOTE 8 – EQUITY

### Share Capital

	Number (000's)	Amount
Balance at December 31, 2022 and 2023	34,111 \$	146,142
Issued on exercise of stock options	9	21
Transfer from other reserves for stock options exercised	—	6
<b>Balance at December 31, 2024</b>	<b>34,120 \$</b>	<b>146,169</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2024 and 2023

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### Stock Options

The number and weighted-average exercise prices of stock options are as follows:

	Number	Weighted-Average Exercise Price
	(000's)	(C\$)
Balance at December 31, 2022	1,248	21.65
Forfeited and cancelled	(461)	21.50
Balance at December 31, 2023	787	21.76
Granted	790	5.75
Exercised	(9)	3.49
Forfeited, cancelled, and expired	(463)	20.14
<b>Balance at December 31, 2024</b>	<b>1,105</b>	<b>11.14</b>

Information with respect to stock options outstanding as at December 31, 2024 is presented below.

Stock Options Outstanding				Stock Options Exercisable	
Range of Exercise Prices	Number of Stock Options	Weighted- Average Remaining Contractual Life	Weighted-Average Exercise Price	Number of Stock Options	Weighted- Average Exercise Price
(C\$)	(000's)	(years)	(C\$)	(000's)	(C\$)
\$3.03 - \$6.10	720	4.2	5.75	242	5.81
\$6.11 - \$21.20	385	0.1	21.20	385	21.20
	<b>1,105</b>	<b>2.8</b>	<b>11.14</b>	<b>627</b>	<b>15.26</b>

Stock-based compensation of \$0.7 million (2023 - \$ nil) was expensed during the year ended December 31, 2024.

The fair value of the stock options granted was estimated using the Black-Scholes option pricing model with the inputs below. A forfeiture rate of 8% was used when recording stock-based compensation for the year ended December 31, 2024.

At December 31,	2024
Weighted-average fair value at grant date (C\$)	1.42
Share price at grant date (C\$)	4.21
Exercise price (C\$)	4.21
Volatility	39 %
Option life	5 years
Dividend yield	— %
Risk-free interest rate	3.21 %

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2024 and 2023

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### NOTE 9 – LONG-TERM DEBT

	Senior Notes	RCF	Term Loan	Bridge Loan	Colombia Bank Debt	Total
Balance at December 31, 2022	\$ 463,170	\$ —	\$ —	\$ 23,259	\$ 10,020	\$ 496,449
Draw on long-term debt, net of fees	—	222,151	—	—	—	222,151
Repayment of long-term debt	—	(30,000)	—	(25,000)	(9,930)	(64,930)
Amortization of transaction costs	6,042	1,637	—	1,741	—	9,420
Foreign exchange gain	—	—	—	—	(90)	(90)
Balance at December 31, 2023	\$ 469,212	\$ 193,788	\$ —	\$ —	\$ —	\$ 663,000
Draw on long-term debt, net of fees	—	—	45,093	—	—	45,093
Value of warrants, net of fees	—	—	(1,418)	—	—	(1,418)
Amortization of discount	—	—	296	—	—	296
Amortization of transaction costs	6,137	1,962	858	—	—	8,957
<b>Balance at December 31, 2024</b>	<b>\$ 475,349</b>	<b>\$ 195,750</b>	<b>\$ 44,829</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 715,928</b>
Long-term debt - current	\$ —	\$ —	\$ 12,500	\$ —	\$ —	\$ 12,500
Long-term debt - non-current	475,349	195,750	32,329	—	—	703,428
<b>Balance at December 31, 2024</b>	<b>\$ 475,349</b>	<b>\$ 195,750</b>	<b>\$ 44,829</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 715,928</b>

#### Senior Notes

On November 24, 2021, the Corporation completed a private offering of senior unsecured notes in the aggregate principal amount of \$500 million (“Senior Notes”). The Senior Notes pay interest semi-annually at a fixed rate of 5.75% per annum, and mature in 2028 unless earlier redeemed or repurchased in accordance with their terms. The Senior Notes are fully and unconditionally guaranteed by certain subsidiaries of Canacol.

#### Revolving Credit Facility

On February 17, 2023, the Corporation entered into a \$200 million senior unsecured revolving credit facility (“RCF”) with a syndicate of banks. The RCF bears an annual interest rate of SOFR + 4.5%, has a four-year term, and the Corporation is able to repay/redraw the RCF at any time within the term without penalty. Any undrawn amounts are subject to a commitment fee equal to 30% of the 4.50% interest margin throughout the availability period. The RCF is not subject to typical periodic redeterminations. The amount drawn and outstanding as at December 31, 2024 was \$200 million.

#### Bridge Loan

On February 17, 2023, the Corporation repaid the \$25 million outstanding on the Bridge Loan with proceeds from the RCF (see “Revolving Credit Facility” above) and subsequently terminated the loan agreement. The unamortized transaction costs of \$1.7 million was amortized and capitalized to PP&E upon termination of the loan agreement.

#### Colombia Bank Debt

On February 17, 2023, the Corporation repaid the \$9.9 million outstanding on the Colombia Bank Debt with proceeds from the RCF (see “Revolving Credit Facility” above) and subsequently terminated the loan agreement.

#### Senior Term Loan Facility

On September 3, 2024, the Corporation entered into a \$75 million senior secured term loan facility (the “Term Loan”) with Macquarie Group (“Macquarie”). The initial draw was \$50 million, with a further commitment of \$25 million available for a 12-month period should certain production metrics be met. The Term Loan bears an

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2024 and 2023

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annual interest rate of SOFR + 8.0% on drawn amounts and 2.4% on undrawn amounts. The Term Loan is set to amortize over four equal quarterly installments starting on December 3, 2025. No prepayments may be made during the first 12 months. The Term Loan is secured by all material assets of the Corporation.

In connection with the Term Loan, 1,888,448 common share purchase warrants (the “Warrants”) were issued to Macquarie, with each Warrant entitling Macquarie to purchase one common share of the Corporation at an exercise price equal to the five-day volume weighted average trading price of the common shares ending on September 3, 2024. The Warrants will expire three years after the date of issuance. The Warrants were valued at \$1.6 million (\$1.4 million net of fees) and were recognized under Other Reserves as at December 31, 2024.

The fair value of the Warrants was estimated using the Black-Scholes option pricing model with the inputs below.

### At September 3, 2024

Fair value of warrants at grant date (C\$)	1.13
Exercise price (C\$)	3.80
Warrant life	3 years
Volatility	41 %
Dividend yield	— %
Risk-free interest rate	3.16 %

### Net Carrying Value

	Senior Notes	RCF	Term Loan	Total
Long-term debt - principal	\$ 500,000	\$ 200,000	\$ 50,000	\$ 750,000
Unamortized discount	—	—	(1,276)	(1,276)
Unamortized transaction costs	(24,651)	(4,250)	(3,895)	(32,796)
<b>Balance at December 31, 2024</b>	<b>\$ 475,349</b>	<b>\$ 195,750</b>	<b>\$ 44,829</b>	<b>\$ 715,928</b>

As at December 31, 2024, unamortized transaction costs were netted against the Senior Notes, RCF and Term Loan principal amounts. Unamortized discount, which is the value of the Warrants recognized at inception net of cumulative amortization, was also netted against the Term Loan principal amount. The unamortized transaction costs and unamortized discount are amortized at each reporting date using the effective interest method.

The Corporation’s Senior Notes, RCF, and Term Loan include various covenants relating to maximum leverage, minimum interest coverage, minimum liquidity requirements, minimum reserves value, indebtedness, operations, investments, assets sales, capital expenditures and other standard operating business covenants.

The Corporation’s financial covenants include:

- Consolidated Leverage Ratio: a maximum consolidated total debt, less cash and cash equivalents, to 12-month trailing adjusted EBITDAX ratio of 3.25 : 1.00 (incurrence) or 3.50 : 1:00 (maintenance);
- Consolidated Interest Coverage Ratio: a minimum 12-month trailing adjusted EBITDAX, to 12-month trailing interest expense, excluding non-cash expenses ratio of 2.50 : 1.00;
- Consolidated Current Ratio: a minimum adjusted current assets, to adjusted current liabilities ratio of 1.00 : 1.00; and
- Consolidated Asset Coverage Ratio: a minimum aggregate net present value of proved developed producing reserves before tax (discounted at 10%) as at the most recent reserves report date, to the principal drawn and outstanding on the Term Loan ratio of 2.50 to 1.00.

The Corporation was in compliance with its covenants as at December 31, 2024.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### NOTE 10 – DECOMMISSIONING LIABILITIES

Balance at December 31, 2022	23,976
Accretion	2,942
Additions	1,909
Settlements	(217)
Change in estimates	1,511
Balance at December 31, 2023	30,121
Accretion	3,114
Additions	2,017
Settlements	(1,695)
Dispositions	1,107
Change in estimates	(11,880)
<b>Balance at December 31, 2024</b>	<b>\$ 22,784</b>

The Corporation's decommissioning obligations result from its ownership interests in natural gas and petroleum assets, including well sites, facilities and gathering systems. The total decommissioning obligations are estimated based on the Corporation's net ownership interest in all wells and facilities, estimated costs to reclaim and abandon these wells and facilities and the estimated timing of the costs to be incurred in future years. The Corporation estimated the present value of the decommissioning obligations to be \$22.8 million as at December 31, 2024 (2023 - \$30.1 million) based on an undiscounted total future liability of \$52.9 million (2023 - \$47.3 million). These payments are expected to be made over the next 12 years. The average discount factor, being the risk-free rate related to the liability was 12% (2023 - 10%) and the average consumer price index was 1.80 (2023 - 1.86).

### NOTE 11 – LEASE OBLIGATIONS

	Compression Stations		Other	Total
Balance at December 31, 2022	\$	13,744	\$ 1,988	\$ 15,732
Additions		—	768	768
Settlements		(2,350)	(761)	(3,111)
De-recognitions		—	(43)	(43)
Foreign exchange loss		—	89	89
Balance at December 31, 2023	\$	11,394	\$ 2,041	\$ 13,435
Additions		—	3,439	3,439
Settlements		(2,538)	(1,892)	(4,430)
Derecognition		—	(3)	(3)
Foreign exchange gain		—	(128)	(128)
<b>Balance at December 31, 2024</b>	<b>\$</b>	<b>8,856</b>	<b>\$ 3,457</b>	<b>\$ 12,313</b>
Lease obligations - current	\$	2,736	\$ 1,743	\$ 4,479
Lease obligations - non-current		6,120	1,714	7,834
<b>Balance at December 31, 2024</b>	<b>\$</b>	<b>8,856</b>	<b>\$ 3,457</b>	<b>\$ 12,313</b>

The Corporation applies certain IFRS 16 exemptions to not recognize low-value assets and short-term lease arrangements as leases. Lease arrangements with variable payments are also excluded from being recognized as a lease obligation and right-of-use asset. Such payments are recognized on the consolidated statements of operations or capitalized as PP&E. The payments related to short-term lease arrangements and low-value assets are recognized as operating expenses on the consolidated statements of operations. The variable lease payments related to pipeline usage are recognized as transportation expenses on the consolidated statements of operations. In addition, variable lease payments related to a drilling rig contract are capitalized.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2024 and 2023

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Lease payments related to short-term, low-value or variable lease arrangements are summarized as follows:

Year ended December 31,		2024		2023
Low-value right-of-use assets	\$	154	\$	183
Short-term lease arrangements		98		60
Variable lease payments		12,593		26,363
<b>Total lease payments</b>	<b>\$</b>	<b>12,845</b>	<b>\$</b>	<b>26,606</b>

Future lease payments related to short-term, low-value or variable lease arrangements as at December 31, 2024 are as follows:

		Less than 1 year		1-3 years		Thereafter		Total
Future lease payments	\$	20,761	\$	—	\$	—	\$	20,761

### NOTE 12 – OTHER EXPENSES (INCOME)

Year ended December 31,	Note	2024		2023
Pre-license costs		920		1,203
Other expenses (income)		(1,826)		812
Commitment fees		13,949		11,289
Promigas settlement gain		(14,215)		—
Other tax expense		5,097		4,910
Equity investment (income) loss	6	2,976		(2,806)
Write-off of deposit	6	3,825		—
Realized gain on investments	6	(4,473)		—
Loss on financial instruments	6	740		(1,152)
		<b>\$ 6,993</b>	<b>\$</b>	<b>14,256</b>

The Corporation was in arbitration with Promigas S.A. (“Promigas”), a natural gas transportation company in Colombia, regarding a dispute in the amount of transportation costs charged. During the year ended December 31, 2024, the arbitration tribunal ruled in the Corporation’s favor and ordered Promigas to reimburse Canacol for the amount overcharged plus interest, totaling \$14.2 million (the “Settlement”). The Settlement was recorded as other income and was collected in full on November 6, 2024.

### NOTE 13 – FINANCE INCOME AND EXPENSE

Year ended December 31,		2024		2023
<b>Finance income</b>				
Interest income	\$	1,461	\$	2,930
<b>Finance expense</b>				
Accretion on decommissioning obligations		3,114		2,942
Amortization of upfront transaction costs		8,957		9,193
Amortization of discount		297		—
Interest expense on lease obligations		900		781
Interest and other financing costs		57,168		46,071
		<b>70,436</b>		<b>58,987</b>
<b>Net finance expense</b>	<b>\$</b>	<b>68,975</b>	<b>\$</b>	<b>56,057</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2024 and 2023

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### NOTE 14 – NET (LOSS) INCOME PER SHARE

Basic and diluted net (loss) income per share is calculated as follows:

Year ended December 31,	2024	2023
Net (loss) income	\$ (32,732)	\$ 86,237
<b>Weighted-average common shares outstanding:</b>		
Weighted-average common shares outstanding, basic and diluted	34,112	34,111
<b>Net income (loss) per share:</b>		
Basic and diluted	\$ (0.96)	\$ 2.53

The stock options were anti-dilutive for the year ended December 31, 2024 and 2023.

### NOTE 15 – INCOME TAXES

Year ended December 31,	2024	2023
Net income before taxes	\$ 122,054	\$ 60,934
Statutory rates	23%	23%
Expected income taxes	\$ 28,072	\$ 14,015
Effect on taxes resulting from:		
Non-deductible permanent differences and other	\$ 26,632	\$ 75,623
Tax differential on foreign jurisdictions	19,160	(38,576)
Change in unrecognized tax benefit	4,051	38,720
Provision to filing true-up	1,872	6,918
Change in enacted tax rate	23	(1,677)
Foreign exchange	74,976	(120,326)
<b>Provision for income tax expense (recovery)</b>	<b>\$ 154,786</b>	<b>\$ (25,303)</b>
Current tax expense	\$ 77,540	\$ 78,330
Deferred tax expense (recovery)	77,246	(103,633)
<b>Provision for income tax expense (recovery)</b>	<b>\$ 154,786</b>	<b>\$ (25,303)</b>

The net deferred tax asset is comprised of:

Year ended December 31,	2024	2023
Property, plant and equipment	\$ 144,537	\$ 214,971
Losses carried forward	21,394	26,699
Decommissioning liabilities and other provisions	10,724	13,391
Timing differences on revenue and expense recognition and other	1,419	259
<b>Net deferred tax asset</b>	<b>\$ 178,074</b>	<b>\$ 255,320</b>

The Colombian enacted tax rate is 35% for 2023 and 2024. In addition, taxable income generated from business relating to crude oil was subject to an additional 10% surtax.

For the year ended December 31, 2023, the Corporation recognized a deferred tax recovery of \$103.6 million, mainly as a result of a \$120.3 million recovery due to the foreign exchange impact on the Corporation's unused tax losses and capital pools.

For the year ended December 31, 2024, the Corporation recognized a deferred tax expense of \$77.2 million, mainly as a result of a \$75.0 million expense due to the foreign exchange impact on the Corporation's unused tax losses and capital pools.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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As at December 31, 2024, the Corporation had non-capital losses carried forward of approximately \$54.6 million (2023 - \$63.1 million) available to reduce future years taxable income. As at December 31, 2024, the Corporation had deferred income tax assets of \$102.8 million (2023 - \$102.9 million) related to Canada and Colombia that were not recognized in the financial statements due to uncertainties associated with its ability to utilize these balances in the future.

### NOTE 16 – OTHER CASH FLOW ACTIVITIES

#### Other Investing Activities

Year ended December 31,	2024	2023
Sub-lease receipts and finance income	\$ —	\$ 33
Change in restricted cash	(5,146)	(480)
Change in non-current prepaid expenses and deposits	(33)	4,554
	\$ (5,179)	\$ 4,107

#### Change in Non-Cash Working Capital

Year ended December 31,	2024	2023
Change in:		
Trade and other receivables	\$ 5,109	\$ (28,184)
Prepaid expenses and deposits	(1,469)	(408)
Tax installments and receivables	(7,029)	(9,638)
Crude oil inventory	(30)	(36)
Trade and other payables	(17,327)	35,231
Deferred income	11,893	(4,599)
Taxes payable	(18,816)	(36,108)
	\$ (27,669)	\$ (43,742)
Attributable to:		
Operating activities	\$ (39,639)	\$ (50,731)
Investing activities	11,970	6,989
	\$ (27,669)	\$ (43,742)

### NOTE 17 – SUPPLEMENTAL INFORMATION

#### Total Revenues, Net of Royalties

Year ended December 31,	2024	2023
Natural gas and LNG revenues, net of royalties	\$ 357,210	\$ 303,093
Crude oil revenue, net of royalties	14,503	8,773
Power generation standby revenue	3,080	3,050
Take-or-pay natural gas income	1,123	887
	\$ 375,916	\$ 315,803

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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Natural gas and crude oil royalties incurred were allocated as follows:

Year ended December 31,	2024		2023	
Natural gas royalties	\$	65,603	\$	59,225
Crude oil royalties		487		587
	\$	66,090	\$	59,812

### Major Customers

Major customers are customers which represent more than 10% of total revenue for a given period. For the year ended December 31, 2024, three major customers represented 13%, 12%, and 12% (2023 - four major customers represented 34%, 13%, 11%, and 11%) of total revenues in the year, respectively.

### Take-or-pay Natural Gas Income

For the year ended December 31, 2024, the Corporation realized take-or-pay natural gas income of \$1.1 million (2023 - \$0.9 million) relating to the portion of natural gas sales nominations by the Corporation's off-takers that did not get delivered, due to the off-takers' inability to accept such gas, and for which the off-takers have no recourse or legal right to delivery at a later date.

### Deferred Income

Deferred income as at December 31, 2024 was \$18.5 million (2023 - \$6.6 million), which was related to undelivered natural gas nominations that were paid for or accrued in accounts receivable, for which the off-takers have a legal right to take delivery at a later date, at which point they will be recognized as revenue. Should the off-takers not accept delivery within the allotted period, the Corporation will recognize the corresponding nominations as take-or-pay income as explained in "Take-or-pay Natural Gas Income" above.

### Power Generation Standby Revenue

During the year ended December 31, 2024, the Corporation realized standby revenue of \$3.1 million (2023 - \$3.1 million) for its commitment to supply natural gas for the Tesorito power generation plant. The standby revenue is earned on a daily basis, regardless of whether natural gas is actually delivered.

### Income Taxes and Interest Cash Payments

Cash payments of income taxes and interest were as follows:

Year ended December 31,	2024		2023	
Income tax payments and installments	\$	73,556	\$	113,402
Withholding tax	\$	11,976	\$	8,953
Interest paid	\$	51,545	\$	41,222

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2024 and 2023

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### NOTE 18 – KEY MANAGEMENT PERSONNEL

The Corporation has determined that the key management personnel of the Corporation consists of its executive management and its Board of Directors. In addition to the salaries and fees paid to key management personnel, the Corporation also provides long-term incentive compensation, including RSUs, PSUs and DSUs. Compensation expenses paid to key management personnel were as follows:

Year ended December 31,	2024		2023	
Salaries, bonuses and director fees	\$	5,946	\$	5,412
Severance		—		946
Benefits		511		644
Long-term incentive compensation <sup>(1)</sup>		1,805		3,167
<b>Key management personnel compensation</b>	<b>\$</b>	<b>8,262</b>	<b>\$</b>	<b>10,169</b>

(1) The long-term incentive compensation includes RSUs, PSUs and DSUs amortized as stock-based compensation expense for the years ended December 31, 2024 and 2023.

### NOTE 19 – SIGNIFICANT SUBSIDIARIES

The Corporation has the following significant subsidiaries:

	Country of		Ownership Interest	
	Incorporation	Fiscal year end	December 31, 2024	December 31, 2023
Canacol Energy ULC.	Canada	December 31	100%	100%
CNEOG Colombia	Colombia	December 31	100%	100%
CNE Oil & Gas S.A.S	Colombia	December 31	100%	100%
Canacol Energy Colombia S.A.S.	Colombia	December 31	100%	100%

### NOTE 20 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

#### Fair Value of Financial Instruments

The carrying values of cash and cash equivalents, restricted cash, trade and other receivables, and trade and other payables approximate their fair values at December 31, 2024. The long-term incentive compensation liability and Tesorito Investment are recorded at fair value. Long-term debt, which includes Senior Notes, the RCF, and the Term Loan are carried at amortized cost. As at December 31, 2024, the fair value of Senior Notes, the RCF, and the Term Loan was \$280.1 million, \$200 million, and \$48.5 million, respectively.

The Corporation classifies the fair value of financial instruments measured at fair value according to the following hierarchy based on the amount of observable inputs used to value the instrument.

- Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.
- Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The Corporation's financial instruments were assessed on the fair value hierarchy described above. The Corporation's long-term incentive compensation liability was classified as Level 1, and the Tesorito Investment

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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was classified as Level 3 as at December 31, 2024. There has been no reclassification of financial instruments into or out of each fair value hierarchy during the year ended December 31, 2024. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect the placement within the fair value hierarchy level.

### Market Risk

Market risk is the risk that changes in market factors, such as commodity prices, foreign exchange rates, and interest rates will affect the Corporation's cash flows, profit or loss, liquidity or the value of financial instruments. The objective of market risk management is to mitigate market risk exposures where considered appropriate and to maximize returns.

(i) Commodity Price Risk

Commodity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in commodity prices. Lower commodity prices can also impact the Corporation's ability to raise capital. The majority of Canacol's production volume is subject to long-term fixed price contracts, which limits the Corporation's exposure to commodity price risk. The Corporation had no commodity contracts in place as at or during the year ended December 31, 2024.

(ii) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign currency exchange rates. The Corporation is exposed to foreign currency fluctuations as certain expenditures, liabilities and the Corporation's unused tax losses and capital pools, are denominated in Colombian Peso ("COP") and Canadian dollars ("CAD"), which are re-valued at each reporting period.

As at December 31, 2024, the COP to USD exchange rate was 4,409:1 (December 31, 2023 – 3,822:1) and the CAD to USD exchange rate was 1.44:1 (December 31, 2023 – 1.32:1). The Corporation's revenues are not exposed to foreign currency risk as all of Canacol's natural gas sales contracts are denominated in USD. The Corporation had no foreign exchange contracts in place as at or during the year ended December 31, 2024.

(iii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates to the extent that variable interest rate debt instruments are drawn. The majority of the Corporation's interest bearing debt, being the Senior Notes, is subject to a fixed interest rate which limits the Corporation's exposure to interest rate risk. The Corporation's RCF and Term Loan are subject to variable interest rates. The remainder of the Corporation's financial assets and liabilities are not exposed to interest rate risk. The Corporation had no interest rate contracts in place as at or during the year ended December 31, 2024.

### Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they become due. The Corporation's approach to managing liquidity is to ensure, within reasonable means, sufficient liquidity to meet its liabilities when due, under both normal and unusual conditions, without incurring unacceptable losses or jeopardizing the Corporation's business objectives. The Corporation prepares an annual budget which is monitored regularly and updated as considered necessary. Natural gas, LNG and crude oil production is monitored daily to provide current cash flow estimates and the Corporation utilizes authorizations for expenditures on projects to manage capital expenditures.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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The following table outlines the contractual maturities of the Corporation's financial liabilities as at December 31, 2024:

	Less than 1 year	1-2 years	Thereafter	Total
Long-term debt – principal	\$ 12,500	\$ 37,500	\$ 700,000	\$ 750,000
Lease obligations – undiscounted	5,201	4,448	3,558	13,207
Trade and other payables	87,368	—	—	87,368
Taxes payable	20,573	—	—	20,573
Other long term obligations	—	6,435	—	6,435
Long-term incentive compensation liability	1,830	1,338	—	3,168
	<b>\$ 127,472</b>	<b>\$ 49,721</b>	<b>\$ 703,558</b>	<b>\$ 880,751</b>

### Credit Risk

Credit risk reflects the risk of loss if counterparties do not fulfill their contractual obligations. To date, the Corporation has not experienced any material credit losses in the collection of its trade receivables.

The Corporation's trade receivables primarily relate to sales of natural gas and crude oil, which are normally collected within 45 days of the month of production. The Corporation has historically not experienced any collection issues with its customers, however, as at December 31, 2024, the Corporation has invoices from a certain customer totaling \$19.6 million that have become past due. The Corporation expects to be able to collect the total outstanding balance in full and is confident in its legal position in respect of the dispute with that certain customer (note 21 - contingencies).

As at December 31, 2024, trade and other receivables was comprised of a) \$65.8 million (December 31, 2023 - \$79.4 million) of trade receivables, b) \$8.2 million related to the recovery of transportation costs passed-through to customers (December 31, 2023 - \$13.6 million), and c) \$12.9 million of other receivables (December 31, 2023 - \$4.8 million).

### Capital Management

The Corporation monitors leverage and adjusts its capital structure based on its net debt level. Net debt is defined as the principal amount of its outstanding long-term obligations less working capital, which is defined as current assets less current liabilities, adjusted for the current portion of long-term debt. In order to facilitate the management of its net debt, the Corporation prepares annual budgets, which are updated as necessary depending on varying factors including current and forecast commodity prices, changes in capital structure, execution of the Corporation's business plan and general industry conditions. The annual budget is approved by the Board of Directors and updates are prepared and reviewed as required.

	Note	December 31, 2024	December 31, 2023
Senior Notes - principal (5.75%)	9	500,000	\$ 500,000
RCF (SOFR + 4.5%)(1)	9	200,000	200,000
Term Loan (SOFR + 8%)(1)	9	50,000	—
Lease obligation	10	12,313	13,435
Total debt		762,313	713,435
Working capital deficit (surplus)		(45,524)	10,028
<b>Net debt</b>		<b>\$ 716,789</b>	<b>\$ 723,463</b>

(1) The SOFR rate for the year ended December 31, 2024 was 5.05%.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### NOTE 21 – COMMITMENTS AND CONTINGENCIES

Presented below are the Corporation's contractual commitments as at December 31, 2024:

	Less than 1 year	1-3 years	Thereafter	Total
Exploration and production contracts	\$ 3,977	\$ 26,140	\$ 1,758	\$ 31,875
Compression station operating contracts	2,824	5,696	124	8,644
	<b>\$ 6,801</b>	<b>\$ 31,836</b>	<b>\$ 1,882</b>	<b>\$ 40,519</b>

#### Letters of Credit

As at December 31, 2024, the Corporation had letters of credit outstanding totaling \$66.9 million (December 31, 2023 - \$87.5 million) to guarantee work commitments on exploration blocks and to guarantee other contractual commitments.

#### Exploration and Production Contracts

The Corporation has entered into a number of exploration contracts in Colombia which require the Corporation to fulfill work program commitments and issue financial guarantees related thereto. In aggregate, the Corporation has outstanding exploration commitments at December 31, 2024 of \$31.9 million and has issued \$13.8 million of the total \$66.9 million in financial guarantees related thereto.

#### Contingencies

The Corporation's policy is to record contingent liabilities as they become determinable and the probability of loss is more likely than not. Commencing the second week of August 2023, the Corporation experienced unusual and unexpected production capacity restrictions at some of its gas fields as a result of issues at the Jobo gas treatment facility as well as certain of its producing wells (the "Force Majeure"). As a result of the Force Majeure, the Corporation had to restrict gas deliveries under certain supply contracts dedicated to supplying non-essential gas demand, all in accordance with applicable Colombian regulations and in consultation with the relevant authorities. A certain customer disagrees with the Corporation's assessment of Force Majeure and claims that the Corporation is liable for the natural gas that was not delivered under take-or-pay contract during that period, totaling \$12 million, and has withheld payment of regular natural gas sales invoices totaling \$19.6 million of gas deliveries as at December 31, 2024 (note 20 - credit risk). The Corporation anticipates entering an arbitration with this customer. In Canacol's view, the certain customer's claim is without merit. The ultimate outcome of the potential arbitration cannot be determined at this time, however, the Corporation is confident in its legal position and expects to be able to collect the \$19.6 million of receivable in full.