

- 11 -

51. The material terms and conditions contained in the Unsecured Noteholders' DIP Term Sheet are as follows:

Borrowers	Canacol, each of the Canadian Subsidiaries and each of the Colombian Subsidiaries
DIP Facility ²	<p>Credit facility up to a maximum amount of \$67,000,000, comprised of the following sub-facilities:</p> <p>(i) delayed-draw term loan sub-facility in the maximum principal amount of \$45,000,000 (the “Tranche A Sub-Facility”), by way of the following advances:</p> <ul style="list-style-type: none"> • “Initial Advance” up to the maximum amount of \$15,000,000; • “Subsequent Advance” up to the maximum amount of \$30,000,000 <ul style="list-style-type: none"> ○ It is a requirement of the DIP Loan Agreement that the Subsequent Advance be drawn by the Borrowers by February 15, 2026, or this part of the facility will be automatically terminated. <p>(ii) letter of credit sub-facility to renew and/or replace certain Expiring LCs (the “Tranche B Letters of Credit”), in the aggregate maximum amount of \$20,000,000 (the “Tranche B Sub-Facility”); and</p> <p>(iii) letter of credit sub-facility for new letters of credit to be issued for and on behalf of one or more of the Loan Parties as specified in the Cash Flow Forecast in the aggregate maximum amount of \$2,000,000 (the “Tranche C Sub-Facility”)</p>
Tranche B Sub-Facility and Tranche C Sub-Facility	<p><u>Reimbursement:</u> If an Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, Canacol shall reimburse such LC Disbursement by paying to the applicable Issuing Bank (or if appointed the DIP Agent) an amount equal to such LC Disbursement not later than 12:00 noon, New York City time, on the Business Day immediately following the day that Canacol receives such notice, if such notice it not received prior to such time on the day of receipt. If Canacol fails to make such payment when due, the applicable Issuing Bank (or if appointed the DIP Agent) shall notify each DIP Lender within the applicable Tranche of the applicable LC Disbursement, the payment then due from Canacol in respect thereof and such DIP Lender’s Applicable Percentage thereof.</p> <p><u>Interim Interest:</u> If an Issuing Bank shall make any LC Disbursement, then, unless Canacol shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Company reimburses such LC Disbursement, at the rate per annum of 8.0% and such interest shall be payable on the date when such reimbursement is due; provided, that, if the Company fails to reimburse such LC Disbursement when due pursuant to clause (e), such rate of interest shall be increased by 2.00% per annum. Interest accrued pursuant to this paragraph shall be for the account of the applicable Issuing Bank, except that interest accrued on</p>

² Capitalized terms used in the following summary have the meanings ascribed to them in the Unsecured Noteholders' DIP Term Sheet.

cl

- 12 -

	and after the date of payment by any DIP Lender to reimburse such Issuing Bank shall be for the account of such DIP Lender to the extent of such payment.
Material Condition(s) to Advances	<p><u>All Facilities</u></p> <ul style="list-style-type: none"> • Delivery of a Cash Flow Forecast as approved by the Monitor • The DIP Approval Order <p><u>Tranche A Sub-Facility</u></p> <p>Initial Advance Conditions</p> <ul style="list-style-type: none"> • The US Recognition Order • The US DIP Approval Recognition Order • Borrowers' compliance with the Cash Flow Forecast • Agreement between the Borrower and the DIP Lenders as to the terms of a sale and investment solicitation process (a "SISP"). <p><u>Subsequent Advance Conditions</u></p> <ul style="list-style-type: none"> • All Initial Advance conditions satisfied • The issuance of the Colombian Recognition Order and the Colombian DIP Approval Recognition Order, provided however that neither shall have been vacated, stayed, revised, modified or amended in any manner adverse to the DIP Lender without the prior written consent of the DIP Lender and no leave to appeal or appeal has been sought in connection therewith • The Colombian DIP Security Process, which includes: <ul style="list-style-type: none"> ➤ the delivery of the Colombian DIP Security Documents and the registry of the Colombian DIP Security Documents or notices or lien filings in respect thereof in all applicable governmental or other offices to perfect the Liens created under such Colombian DIP Security Documents; and ➤ the Liens created by the Colombian DIP Security Documents shall rank in priority to all other Liens held by or granted in favour of all other Persons including without limitation all Liens granted in favour of Macquarie Bank and securing the Macquarie Pre-CCA A Indebtedness (and if applicable any agents for such Persons) against such property and assets and any proceeds received or realized from any of such Liens, which priority shall be obtained pursuant to the Colombian DIP Approval Recognition Order. <p><u>Tranche B Sub-Facility / Tranche C Sub-Facility</u></p> <ul style="list-style-type: none"> • Proceeds must be used for disbursements in accordance with the Cash Flow Forecast (including any Expiring LCs to be replaced by a Tranche B Letter of Credit) • Delivery of a notice including all particulars of the Letter of Credit being requested
DIP Lender's Charge and DIP Security	All obligations, indebtedness and liabilities of the Borrowers under or in connection with the DIP Facility shall be secured by the DIP Lender's Charge, which is a binding, continuing, enforceable, fully-perfected, and non-avoidable <u>super-priority CCAA Court-ordered lien and charge over all present and after</u>

- 13 -

	<p><u>acquired property, assets and undertakings of the Borrowers (whether tangible, intangible, real, personal or mixed) including a pledge of all shares or other investment property owned by each Borrower, whether now owned or hereafter acquired and wherever located, and for certainty including without limitation all properties and assets of the Loan Parties which are the subject of Liens granted in favour of Macquarie Bank or Creditcorp as collateral agent for Macquarie Bank and securing the Macquarie Pre-CCAA Indebtedness.</u></p> <p>The DIP Charge shall be in priority to all security interests and the charges except the Administration Charge.</p>
Milestones	<p>By December 12, 2025:</p> <ul style="list-style-type: none"> • US Recognition Order shall have been issued by the US Court <p>By December 15, 2025:</p> <ul style="list-style-type: none"> • The DIP Approval Order (i.e., the SARIO) shall have been issued by the CCAA Court <p>By December 19, 2025:</p> <ul style="list-style-type: none"> • The US DIP Approval Recognition Order shall have been issued by the US Court <p>By December 22, 2025:</p> <ul style="list-style-type: none"> • Borrowers shall have retained a sale advisor to assist with the SISP <p>By December 28, 2025:</p> <ul style="list-style-type: none"> • Colombian Recognition Order shall have been issued by the Colombian Court <p>By January 7, 2026:</p> <ul style="list-style-type: none"> • Colombian DIP Approval Recognition Order shall have been issued by the Colombian Court <p>By January 20, 2026:</p> <ul style="list-style-type: none"> • The CCAA Court shall have issued a SISP Approval Order • The CCAA Court shall have issued an order, approving a key employee retention plan satisfactory to the DIP Lender <p>By January 23, 2026:</p> <ul style="list-style-type: none"> • Completion of the Colombian DIP Security Process <p>By February 14, 2026</p> <ul style="list-style-type: none"> • SISP approval order of the CCAA Court shall have been recognized and approved by a Colombian Court <p>By June 30, 2026:</p> <ul style="list-style-type: none"> • Closing of a transaction selected pursuant to the SISP; or • An Acceptable Plan of Arrangement has become effective.
Security	<ul style="list-style-type: none"> • The DIP Lender's Charge, which is a binding, continuing, enforceable, fully-perfected, and non-avoidable super-priority CCAA Court-ordered lien and charge over all present and after acquired property, assets and undertakings of the Borrowers (whether tangible, intangible, real, personal or mixed) including a pledge of all shares or other investment property owned by each Borrower, whether now owned or hereafter

- 14 -

	<p>acquired and wherever located, and for certainty including without limitation all properties and assets of the Loan Parties which are the subject of Liens granted in favour of Macquarie Bank or Creditcorp as collateral agent for Macquarie Bank and securing the Macquarie Pre-CCAA Indebtedness.</p> <ul style="list-style-type: none"> • The US DIP Approval Recognition Order; • The Colombian Recognition Order; and • The Colombian DIP Security Process.
--	--

V. KEY ISSUES REGARDING THE PROPOSED DIP FACILITY

(v) *Prejudice to Macquarie*

52. Macquarie believes that the proposed DIP Facility is significantly prejudicial to its interests. Macquarie is currently owed approximately \$40,000,000 and the quantum of \$67,000,000 proposed priming DIP Facility is nearly 175% of Macquarie's outstanding obligations. There is no reason for this prejudicial quantum to be approved on an emergency basis at this time, as according to the Bednar Affidavit, the Company does not expect to be in a deficit cash flow position until January, 2026 should the Unsecured Noteholders' DIP Term Sheet not be approved.
53. Not only does the DIP Facility contemplate advancing new money on a senior basis to Macquarie, but it also includes the Tranche B Sub-Facility to be used to renew or replace letters of credit set to expire by the end of December 2025 (the "**Expiring LCs**"). This is a misstep by the Company with respect to the Expiring LCs. The Company's Expiring LCs were issued by various lenders (the "**LC Lenders**"), and any exposure on these pre-filing Expiring LCs would constitute unsecured obligations of the Company. If any third parties draw on the Expiring LCs (which they appear entitled to do) they would hold cash for the Company's obligations, leaving the Company with an unsecured pre-filing obligation to the LC Lenders. In such circumstances, there is no need for a new priming DIP Facility to replace or collateralize these Expiring LCs. The Company appears to have focused exclusively on a path to "replace or collateralize" the Expiring LCs under the proposed DIP Facility, without considering that these pre-filing obligations are unsecured and therefore junior to Macquarie's security. By creating a priming letter of credit facility under the DIP Facility, the Company is effectively elevating obligations that would otherwise remain unsecured.
54. Put simply, if the Expiring LCs are drawn, approval of the proposed DIP Facility would effectively convert a pre-filing unsecured obligation of Canacol into a primed obligation, ranking ahead of Macquarie's senior secured position, leading to further prejudice to Macquarie.
55. In paragraph 71 of the Bednar Affidavit, Mr. Bednar states that "it is my view that no prejudice to Macquarie will result from the proposed priority of the DIP Lenders' Charge (in addition to the other Charges), in light of the value of the assets of the Canacol Group, which exceeds the indebtedness owing to Macquarie and the amounts secured (or proposed to be secured) by the Charges". This is the only financial or economic evidence advanced

d

- 15 -

by the Company in support of the proposed priming charge. There are no current valuations, binding investment or sale agreements, fairness opinions, or any other detailed financial analysis to substantiate this general and vague assertion. Furthermore, the statement that there is “no prejudice” is incorrect. The subordination of Macquarie’s Term Loan by approximately \$70 million without its consent is inherently prejudicial and materially increases the risk of repayment, particularly given that the Company is insolvent and operating under CCAA protection.

56. What Mr. Bednar fails to discuss in his affidavit is that the Unsecured Notes currently trade at a significant discount. Macquarie has been advised that the Unsecured Notes are currently trading at approximately 18 cents on the dollar, reflecting the market’s assessment of the Company’s distressed financial condition and recovery prospects. Based on such trading, the implied value of the Company’s assets is approximately \$200 million. These figures differ dramatically from the Company’s asset book value.
57. The significant trading discount was mentioned in the Canacol Group’s Management Discussion and Analysis for the three and nine months ended September 30, 2025 (the “MD&A”), where, in discussing its financial statements being prepared on a going concern basis, it stated “given the Corporation’s liquidity situation, its Unsecured 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.”
58. The fact that the Unsecured Notes trade at such a significant discount signals that the market believes the Company’s enterprise value is much lower than its book value demonstrating, at the very least, significant uncertainty regarding the value of the Company and its assets.
59. I believe that the DIP Facility is entirely for the benefit of the Ad Hoc Group and Macquarie’s risk of recovering should not be materially increased where junior unsecured creditors are advancing funding to protect their own economic interest. If the Company believes that there is no prejudice to Macquarie due to the asset value of the Company, then there is clearly no prejudice to the proposed DIP Facility being lent on a junior basis to Macquarie and ahead of other unsecured claims. In this situation, the risk should be borne by the Ad Hoc Group and not impair Macquarie, the Company’s only secured creditor.
60. Macquarie has already assisted the Company and provided it with much needed liquidity just last year. In doing so, Macquarie specifically bargained for a first ranking priority interest over all of the Canacol Group’s assets in Colombia and now the Company and the AD Hoc Group are attempting to use these CCAA Proceedings to inappropriately prime Macquarie on these assets. The proposed DIP Facility will diminish the collateral cushion and subordinate Macquarie’s bargained for security interests without their consent.
61. Additionally, if approved, the DIP Facility would unfairly and unlawfully, effectively consolidate all assets and liabilities of Canacol and its subsidiaries across multiple jurisdictions, including Colombia, Panama, and Switzerland. This consolidation would alter existing creditor priorities and unjustly interfere with Macquarie’s creditor rights under Colombian law that it specifically bargained for.

cb

- 16 -

(vi) Uncertainty

62. Based on my review of the Unsecured Noteholders' DIP Term Sheet, it appears that the Company conducted and advanced the DIP Solicitation Process without adequately considering the specific circumstances of this particular situation. These include the quantum of the Macquarie Term Loan, its priority in foreign jurisdictions, the nature and location of the Company's material assets in Colombia, the size of the proposed DIP Facility, the treatment of Expiring LCs, and the material conditions attached to the DIP Facility. In my view, the Company should have prioritized securing a junior DIP from the outset from the Ad Hoc Group (or alternatively pursued a more fullsome DIP that would have repaid the Macquarie Term Loan). Such an approach would have provided greater certainty and avoided the material stakeholder disputes now arising in these CCAA Proceedings and in foreign courts. The Company's goal should have been to achieve a consensual DIP, yet based on Macquarie's discussions with the Company and its advisors, limited steps were taken in that direction. I believe there is still an opportunity for the Company to change course and negotiate a consensual junior subordinated DIP with its unsecured creditors, as this would be in the best interests of the Ad Hoc Group, other stakeholders, and the Company itself.
63. The Company's stated intention in commencing and advancing the US Recognition Proceedings and the Colombian Recognition Proceedings is to recognize and enforce these CCAA Proceedings in those jurisdictions.
64. A hearing in respect of the Colombian Recognition Order is anticipated to be scheduled in late December, 2025, or early January, 2026 and I understand from legal counsel that a hearing has not been scheduled in respect of the Colombian DIP Recognition Order.
65. If approved, the DIP Facility will have the opposite effect of what the Colombian Recognition Proceedings were intended to achieve, as Macquarie will be put in a position where it has to oppose both the Colombian Recognition Order and the Colombian DIP Recognition Order on various grounds and it reserves all its rights in that regard. This will create additional litigation that could have been avoided by the Company, and will create significant uncertainty in these CCAA proceedings and potentially delay the Canacol Group's stated objective of engaging with stakeholders to pursue a financial restructuring, sale, or recapitalization of its business.
66. The Company needs stability to successfully restructure its business, and approving the DIP Facility would achieve the opposite. In the circumstances, the Ad Hoc Group, which has a very significant economic interest in these proceedings, should fund the DIP Facility on a junior basis to Macquarie's security interests to protect the Company's future and provide the stability it needs to restructure.

(vii) Procedural Unfairness

67. The DIP Solicitation Process was conducted on an extremely expedited basis and failed to appropriately canvas the market, to the detriment of all stakeholders. The DIP Solicitation Process was marked by constantly shifting conditions and requirements for the DIP Financing, including the quantum sought. This lack of consistency directly prejudiced

cl

- 17 -

Macquarie, as it was not afforded sufficient time or reliable information from the Company to participate meaningfully.

VI. CONCLUSION

68. I believe that an adjournment of the Company's application for the SARIO is appropriate to allow sufficient time for all parties to review and consider the materials and issues raised. Given the fact that the Company will not be in a deficit liquidity position until January, 2026, the complexity of the matters at hand, and the outstanding information that remains unavailable, proceeding at this time would be prejudicial and contrary to the principles of fairness and transparency. An adjournment will ensure that the Court and stakeholders have the benefit of a complete record and meaningful opportunity to address the implications of the proposed relief.
69. Failing an adjournment, the proposed DIP Facility should not be approved by this Court at this time. Approval of the proposed DIP Facility would grant DIP Lenders a super-priority charge ahead of existing secured claims, priming Macquarie's first-ranking security. This would alter creditor priorities, consolidate assets across jurisdictions, and subordinate Macquarie's security interests to unsecured creditors without its consent, materially prejudicing Macquarie's position as the Company's sole secured lender. Granting such relief would create significant uncertainty in these CCAA proceedings, potentially delay the Canacol Group's restructuring objectives, and force litigation in the United States and Colombia, diverting focus and resources from the restructuring process to the detriment of the Company and all stakeholders, including Macquarie.
70. Macquarie remains willing to work with the Company to pursue a consensual resolution for the benefit of all stakeholders; however, the circumstances dictate that any such resolution must involve interim financing which balances the interests of Macquarie and the other stakeholders.

SWORN before me by
videoconference in the City of
Calgary, in the Province of Alberta
this 8th day of December 2025.

}



Jakub Maslowski
Notary Public/Commissioner for
Oaths in and for the Province of
Alberta

CHARLES ANGUS PICKARD

cl

This is Exhibit "A" referred to in the Affidavit of
CHARLES ANGUS PICKARD,
sworn before me by videoconference in the City of Calgary,
in the Province of Alberta on the 8th day of December 2025

Jakub Maslowski

Notary Public/Commissioner for Oaths in
and for the Province of Alberta

8

Goodmans^{LLP}

Barristers & Solicitors

Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

Telephone: 416.979.2211
Facsimile: 416.979.1234
goodmans.ca

Direct Line: 416.597.4216
jpasquariello@goodmans.ca

November 21, 2025

PRIVILEGED & CONFIDENTIAL

Gowling WLG
1 First Canadian Place
100 King Street West Suite 1600
Toronto, ON M5X 1G5

Bennett Jones LLP
3400 One First Canadian Place
P.O. Box 130
Toronto, ON M5X 1A4

Attention: Clifton P. Prophet

Attention: Raj S. Sahni

Dear Sirs:

Re: CCAA proceedings of Canacol Energy Ltd. Et al (collectively, “Canacol”)

As discussed with each of you on separate calls yesterday, we act for Macquarie Bank Ltd. (“Macquarie”) in connection with Canacol’s CCAA proceedings. Macquarie is the sole and senior secured lender to Canacol and is owed in excess of US\$35 million plus any costs, premiums and additional amounts owing by Canacol under the applicable credit documents. Despite this, inexplicably Macquarie was provided no advance notice of Canacol’s CCAA filing in Alberta. The Alberta Court granted a CCAA Initial Order to Canacol on November 18, 2025 on an *ex parte* basis, the terms of which were not discussed or negotiated in any way with Macquarie. We noted that the relief included in the Initial Order in no way created any charges that primed the collateral over which Macquarie has a secured interest.

We understand that the 10 day CCAA comeback motion is scheduled for this upcoming Wednesday November 26, 2025. As explained to each of you on our calls, Macquarie requires that it be provided immediately with draft materials and draft forms of Orders that Canacol may wish to advance at the comeback motion so that Macquarie can appropriately and reasonably consider any relief Canacol may be seeking at the return of the motion and discuss same internally and with its advisors and to engage with Canacol, other stakeholders and relevant advisors regarding any such relief and the company’s plans going forward. To be clear and to re-emphasize the points I discussed with each of you, Macquarie will not consent and will vigorously oppose any and all charges that Canacol may wish to seek in priority to Macquarie’s security over its collateral including any Administrative Charge, Directors’ & Officers’ Charge, DIP Charge, KERP Charge or the like. The facts and circumstances of this case do not justify any such priming of Macquarie’s position. Macquarie also expects that during the course of Canacol’s CCAA proceedings it will be paid current for interest on its debt and will receive timely payment of its fees, costs and disbursements, including all legal and professional fees, incurred by it in dealing with Canacol and the CCAA proceedings.

cl

Goodmans^{LLP}

It would be extremely unfortunate, time consuming and disruptive if Macquarie is jammed and forced to argue about priming and related matters at the comeback motion. Canacol should be looking to establish and demonstrate stability to its stakeholders, employees, customers and suppliers especially given the haphazard circumstances with which it pursued its CCAA application but battling with its only secured lender at the first opportunity in the Court's open forum will do the exact opposite.

We look forward to receiving draft materials from Canacol and to engaging with you in respect of same immediately

Yours truly,

Goodmans LLP



Joseph Pasquariello
JP/

cc: Paul van Eyk, *KPMG Inc.*, Monitor
Robert Chadwick, *Goodmans LLP*

This is **Exhibit "B"** referred to in the Affidavit of
CHARLES ANGUS PICKARD,
sworn before me by videoconference in the City of Calgary,
in the Province of Alberta on the 8th day of December 2025

Jakub Maslowski

Notary Public/Commissioner for Oaths in
and for the Province of Alberta

cb



Barristers & Solicitors
 Bay Adelaide Centre
 333 Bay Street, Suite 3400
 Toronto, Ontario M5H 2S7
 Telephone: 416.979.2211
 Facsimile: 416.979.1234
 goodmans.ca

Direct Line: 416.597.4216
 jpasquariello@goodmans.ca

November 24, 2025

PRIVILEGED & CONFIDENTIAL

Gowling WLG
 1 First Canadian Place
 100 King Street West Suite 1600
 Toronto, ON M5X 1G5

Bennett Jones LLP
 3400 One First Canadian Place
 P.O. Box 130
 Toronto, ON M5X 1A4

Attention: Clifton P. Prophet

Attention: Raj S. Sahni

Dear Sirs:

Re: CCAA Proceedings of Canacol Energy Ltd. Et al (collectively, “Canacol” or the “Company”) - DIP Solicitation Process

As you are aware, we act for Macquarie Bank Ltd. (“**Macquarie**”) in connection with Canacol’s CCAA proceedings. Macquarie is the senior secured lender to Canacol and is owed in excess of US\$37.5 million plus any interest, costs and any additional amounts owing by Canacol under the applicable credit documents. Macquarie was provided no advance notice of Canacol’s CCAA filing in Calgary.

Without commenting on or limiting the concerns of Macquarie in respect of the relief being sought by Canacol on the 10 day CCAA comeback motion scheduled for this upcoming Wednesday November 26, 2025, and reserving all rights in respect thereof, we write to you in connection with Canacol’s DIP Solicitation Process. Macquarie was recently contacted by Canacol’s financial advisor, Plexus, which requested that Macquarie participate in the DIP Solicitation Process. Macquarie was provided with a copy of the letter apparently provided by Canacol to potential DIP providers in the form attached as Schedule “B” to the affidavit of Mr. Jason Bednar, affirmed November 22, 2025 (the “**DIP Letter**”). The DIP Letter calls for binding DIP term sheets from interested parties by 5pm EST on November 27, 2025 (the “**DIP Proposal Deadline**”). Canacol and its advisors need to provide the proper detailed financial information to Macquarie so they can properly review the request of the Company in respect of DIP matters, including a 13 week cash flow and detailed information regarding the anticipated use of proceeds. The DIP Proposal Deadline does not provide the requisite time for Macquarie and its advisors to properly engage with Canacol and its advisors in respect of the DIP Solicitation Process. Macquarie is of the view that the DIP Proposal Deadline should be extended by the Company.

Further, as previously explained to each of you on our recent calls and repeated in my November 21, 2025 letter to you, Macquarie will not consent and will vigorously oppose any and all charges that Canacol may wish to seek in priority to Macquarie’s security over its collateral including any

u

Goodmans^{LLP}

DIP Charge ultimately stemming from the DIP Solicitation Process. The Company should be focused on seeking a DIP which is junior and subordinate (in payment and in security) to the existing secured obligations of Macquarie. In addition, there is no ability to prime the secured interest of Macquarie outside of seeking a limited priming charge in Canada. The Company should be focused on working with Macquarie to find a liquidity solution. We do not believe any third party lender will be lend to the Company without either the consent of Macquarie or repaying the obligations to Macquarie in full. Macquarie wants to work with the Company but to date the Company's strategy to seek additional liquidity has been flawed and needs to be refocused in order to achieve any success.

We would be happy to discuss these matters with you in more detail.

Yours truly,

Goodmans LLP



Joseph Pasquariello
JP/

cc: Paul van Eyk, *KPMG Inc.*, Monitor
Robert Chadwick, *Goodmans LLP*

1395-6273-9226



COURT FILE NO. 2501-18462
 COURT COURT OF KING'S BENCH OF ALBERTA
 JUDICIAL CENTRE CALGARY
 APPLICANT **IN THE MATTER OF THE COMPANIES'
 CREDITORS ARRANGEMENT ACT, R.S.C.
 1985, c. C-36, AS AMENDED**

Clerk's
Stamp

**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**

DOCUMENT **AFFIDAVIT CHARLES ANGUS
 PICKARD**

ADDRESS FOR SERVICE **Goodmans LLP**
 AND CONTACT Bay Adelaide Centre
 INFORMATION OF PARTY 333 Bay Street, Suite 3400
 FILING THIS DOCUMENT Toronto, ON M5H 2S7

Attn: Robert J. Chadwick
 Joseph Pasquariello
 Erik Axell

Tel: 416.597.4285
 416.597.4216
 416.840.2579

Fax: 416.979.1234

Email: rchadwick@goodmans.ca
jpasquariello@goodmans.ca
eaxell@goodmans.ca

- 2 -

AFFIDAVIT OF CHARLES ANGUS PICKARD
Sworn on December 8, 2025

I, Charles Angus Pickard, of Linchmere, West Sussex, United Kingdom, **SWEAR AND SAY THAT:**

1. I am an Executive Director of Macquarie Bank Ltd. ("**Macquarie**"). I joined Macquarie in 2017 and am a business approver in relation to the Canacol Group (as defined below). Accordingly, I have personal knowledge of the matters hereinafter deposed to, save where stated to be based on information and belief, in which case I verily believe the same to be true. Macquarie does not waive or intend to waive any applicable privilege by any statement herein.
2. All dollar figures stated herein are in United States dollars unless otherwise indicated.

I. RELIEF SOUGHT

3. This affidavit is sworn in support of Macquarie's request for an adjournment or, in the alternative, Macquarie's objection to the application of Canacol Energy Ltd. ("**Canacol**") and its subsidiaries 2654044 Alberta Ltd., Canacol Energy ULC, 2498003 Alberta ULC, Cantana Energy GmbH, CNE Oil & Gas S.R.L. ("**CNE O&G Colombia**"), Canacol Energy Colombia S.A.S., Shona Holding GmbH, CNE Energy S.A.S., and CNE Oil & Gas S.A.S. (collectively, the "**Canacol Group**" or the "**Company**") for an order (the "**SARIO**"), among other things, seeking to:
 - (a) authorize the Applicants to enter an interim financing loan agreement (the "**Unsecured Noteholders' DIP Term Sheet**") with the Ad Hoc Group (as defined below) (the "**DIP Lenders**"), pursuant to which the DIP Lenders have agreed to advance to the Company the maximum principal amount of \$67,000,000 (the "**DIP Facility**"), which will be made available to the Company during these CCAA Proceedings (as defined below), including:
 - (i) a delayed-draw term loan sub facility in the maximum principal amount of \$45,000,000, of which: (a) an initial amount up to the maximum amount of \$15,000,000 (the "**Initial Advance**") will be advanced to the Company upon approval of the SARIO and the granting of the US Recognition Order (as defined below); and (b) a subsequent advance up to the maximum amount of \$30,000,000 (the "**Subsequent Advances**"), and each, a "**Subsequent Advance**") is to be advanced upon satisfaction of certain conditions in the Unsecured Noteholders' DIP Term Sheet, including the granting of the Colombian Recognition Order and the Colombian DIP Recognition Order in the Colombian Recognition Proceedings (each as defined below); and
 - (ii) a letter of credit sub-facility to renew and/or replace certain expiring letters of credit (the "**Tranche B Letters of Credit**") in the aggregate maximum amount of \$20,000,000 (the "**Tranche B Sub-Facility**"); and



- 3 -

- (iii) a letter of credit sub-facility for new letters of credit (the “**Tranche C Letters of Credit**”) in the aggregate maximum amount of \$2,000,000 (the “**Tranche C Sub-Facility**”); and
- (b) grant a charge against the Property (as defined below), including over foreign property located in Colombia (the “**DIP Charge**”) as security for the Company’s obligations under the Unsecured Noteholders’ DIP Term Sheet in the maximum principal amount of \$67,000,000 plus fees and interest.

II. OVERVIEW

4. Macquarie is the only secured lender of the Canacol Group and is owed approximately \$40,000,000. As discussed herein, Macquarie has very significant and material concerns with respect to the extremely expedited DIP Solicitation Process (as defined below), and the proposed DIP Facility that arose from it. Macquarie believes that the DIP Facility is not in the best interests of the Company or its stakeholders, and results in material prejudice to Macquarie, the Canacol Group’s only secured lender.
5. Macquarie’s main concern is the Company’s attempt to prime Macquarie’s secured claim through the proposed DIP Facility. Macquarie also has concerns with the proposed conditions, the quantum, the fees, and the structure of the tranches of the proposed DIP Facility.
6. Compounding these concerns is that the Company is attempting to take such prejudicial actions in a compressed timeframe in three separate jurisdictions.
7. Macquarie and Canacol, as borrower, and the other Applicants, as guarantors, are parties to a credit agreement dated September 3, 2024 (the “**Macquarie Credit Agreement**”), pursuant to which Macquarie made available a secured term loan facility (the “**Term Loan**”) in an aggregate commitment of up to \$75 million. As of the date of this Affidavit, the indebtedness owing to Macquarie under the Term Loan is approximately \$40,000,000. The Term Loan is secured by all material assets of the Company, which security is described in greater detail below..
8. The DIP Facility being proposed is a ‘priming’ DIP facility advanced by an ad hoc group of holders of approximately \$450,000,000 (the “**Ad Hoc Group**”) of the \$500 million principal amount of senior unsecured notes (the “**Unsecured Notes**”) issued by Canacol pursuant to an indenture dated November 24, 2021. The DIP Facility is conditional on the DIP Charge being granted over all the Applicants’ “current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof and 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” (the “**Property**”). The subsequent advances under the Tranche A Sub Facility (as defined below) of \$30,000,000 are conditional upon, among other things, the Colombian Recognition Order and the Colombian DIP Recognition Order (“**Colombian DIP Recognition Condition**”).

- 4 -

9. All of the Canacol Group's material assets and collateral are located in Colombia and Macquarie has a registered first ranking charge over such assets.
10. The Canacol Group's core business centers on discovering, producing, and selling natural gas in northern Colombia. Canacol's primary operating company is its Colombian subsidiary, CNE O&G Colombia, its customers are all based in Colombia and 352 of its 381 full-time employees are employed in Colombia. Accordingly, and as described by Canacol in its annual information form for the year ended December 31, 2024 (the "AIF"), other than cash on deposit, almost all of Canacol's assets are located in countries other than Canada (being Colombia).
11. The foreign location of the Canacol assets was identified as a risk by Canacol in the AIF as the location of its assets are subject to non-Canadian jurisdictions with laws that may differ "materially". Canacol stated that this may impede or adversely affect the ability of Canacol and its directors and management to manage its operations and protect its assets.
12. The location of the Canacol Group's assets, and the "materially" different laws they are subject to, were a key factor that was taken into consideration by Macquarie in its credit analysis prior to providing the Term Loan. In order to provide the Term Loan, Macquarie specifically bargained for a first ranking security interest over all of the Company's Colombian assets, and took comfort in doing so because it was aware that a secured lender with a first ranking security interest on assets domiciled in Colombia has material and significant protections as a first ranking secured creditor.
13. The Company is now asking the Court (as defined below) to grant a DIP Charge over foreign assets in order to inappropriately prime Macquarie, which materially prejudices the position of Macquarie. By granting the DIP Lenders a super-priority charge ahead of prepetition secured claims, the proposed DIP Facility effectively erodes any potential collateral cushion and subordinates Macquarie's bargained for security interests without its consent. Macquarie's position is also primed, in effect, with the planned use of proceeds from the DIP Facility to cash collateralize letters of credit which are otherwise unsecured pre-filing obligations and to pay certain pre-filing unsecured creditors. This priming structure increases the risk of recovery to Macquarie for the benefit of a group of unsecured creditors.
14. The proposed DIP Facility is the result of a limited DIP Solicitation Process (as defined below) that Macquarie took issue with from the outset. After the Company commenced these CCAA Proceedings on an *ex parte* basis, with no advance notice to Macquarie, Macquarie advised the Company that it would oppose any attempts by the Company to prime its security position. Macquarie reaffirmed this position upon receipt of the DIP Solicitation Letter (as defined below) and advised the Company that it should instead focus its efforts on seeking debtor in possession financing ("**DIP Financing**") on a junior basis to Macquarie's secured position. This position was disregarded by the Company.
15. I believe the DIP Solicitation Process was fundamentally flawed. An example of such misstep is the inclusion of the Colombian DIP Recognition Condition in the Unsecured Noteholders' DIP Term Sheet, which I do not believe can be satisfied. Failure to meet this



- 5 -

condition would have significant implications for the Company's overall timing and next steps with its restructuring.

16. As such, Macquarie's risk of recovery should not be materially increased where junior unsecured creditors are advancing the funding to protect their own economic interest. I expect that if the Court were to require that the proposed DIP Facility be structured as junior to Macquarie's security, the Ad Hoc Group would still provide financing as it remains in their economic interest to do so, given their approximately \$450 million of unsecured debt that is subordinate to Macquarie.
17. Further, if the Company believes that there is no prejudice to Macquarie due to the asset value of the Company, then there is clearly no prejudice to the DIP Facility being provided on a junior basis to Macquarie and ahead of other unsecured claims. In this situation, the risk should be borne by the Ad Hoc Group and not impair Macquarie, the Company's only secured creditor.
18. Macquarie continues to be willing to work to support the Company and to try to find potential consensual resolutions for the benefit of the Company and all stakeholders. What Macquarie cannot do is support the proposed DIP Facility in its current form as it will result in material prejudice to Macquarie. The proposed DIP Facility is approximately 175% larger than Macquarie's priority secured obligations. The quantum of the proposed DIP Facility in priority to Macquarie is substantial and unwarranted.
19. In the event of an adjournment of the subject application or its non-approval by the Court, Macquarie remains available to discuss providing interim financial support to the Company with its latest proposal submitted in the DIP Solicitation Process forming the basis of such discussions.

III. BACKGROUND

(i) CCAA Proceedings

20. On November 18, 2025 the Applicants commenced proceedings (the "**CCAA Proceedings**") under the *Companies' Creditors Arrangement Act* (the "**CCAA**") in the Court of King's Bench of Alberta (the "**Court**") and the Honourable Justice B.B. Johnston of this Court granted an initial order (the "**Initial Order**") that, among other things, (i) appointed KPMG Inc. as Monitor (the "**Monitor**") of the Applicants; (ii) granted the Administration Charge over the Property of the Applicants in priority to all other charges save and except for the secured claims of Macquarie; and (iii) authorized the Monitor to act as the foreign representative (in such capacity, the "**Foreign Representative**") in respect of these CCAA Proceedings for the purpose of having these proceedings recognized and approved in a foreign jurisdiction. In connection with the Applicants' application for the Initial Order, the Monitor filed its Pre-Filing Report dated November 17, 2025 (the "**Pre-Filing Report**"), which attached cash flow projections ("**Cash Flow Forecast**") of the Applicants for the period from November 16, 2025, to December 27, 2025.

- 6 -

21. This application was commenced on an *ex parte* basis with effectively no notice to Macquarie. The Applicants sought a Directors' Charge, which relief was not granted. The Initial Order provided that the hearing for the Company's application ("**Comeback Application**") for amended and restated initial order (the "**ARIO**") would be heard on November 26, 2025 (the "**Comeback Hearing**").
22. On November 21, 2025, Macquarie, through its legal counsel, sent a letter (the "**November 21 Letter**") to the Company requiring that it be provided with the Company's draft materials and draft forms of orders (the "**Comeback Materials**") for the Comeback Application so that Macquarie could appropriately and reasonably consider any relief Canacol may be seeking at the Comeback Hearing. The November 21 Letter stated that Macquarie would not consent and would vigorously oppose any and all charges that Canacol sought in priority to Macquarie's security over its collateral including any Administration Charge, Directors' Charge or DIP Charge. A copy of the November 21 Letter is attached here to as Exhibit "A".
23. Macquarie were served with the Comeback Materials from the Company on Saturday, November 22, 2025, which showed that despite Macquarie's position in the November 21 Letter, the Applicants were seeking that the Administration Charge and the proposed Directors' Charge prime Macquarie's collateral.
24. Further affidavit material and the First Report of the Monitor dated November 24, 2025 (the "**First Report**"), which appended an amended Cash Flow Forecast for the period from November 23, 2025, to December 20, 2025 were also extremely short served upon Macquarie.
25. Given that the Comeback Materials were received by Macquarie on such short notice, Macquarie was not able to respond on a full record, but objected to the priming of its security by the Administration Charge and the Directors' Charges at the Comeback Hearing. On November 28, 2025, the Court issued the ARIO.

(ii) *Recognition Proceedings*

26. Since the Company's operations, assets, and valuable trade and business relationships are located in Colombia, and a number of significant bank accounts are located in the United States, following the commencement of these CCAA Proceedings, the Applicants initiated recognition proceedings in Colombia and the United States 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, namely in Colombia.
27. On November 19, 2025, the Canacol Group commenced proceedings in the United States Bankruptcy Court for the Southern District of New York (the "**US Court**") seeking the recognition of these CCAA Proceedings as a foreign main proceeding under chapter 15 of Title 11 of the U.S. Bankruptcy Code (the "**US Recognition Proceedings**"). A hearing concerning the order sought in the US Recognition Proceedings (the "**US Recognition Order**") will be held on December 11, 2025. In addition, a hearing concerning an application for recognition of any order of this Court approving DIP Financing is scheduled

- 7 -

for December 18, 2025 (the “**US DIP Approval Order**”). The US Recognition Order and the US DIP Approval Order are conditions precedent to the Initial Advance being made pursuant to the Unsecured Noteholders’ DIP Term Sheet.

28. I understand from legal counsel that:
- (a) the Foreign Representative, through a power of attorney granted to Colombian counsel, is in the process of making an application to the Superintendency of Companies of Colombia (the “**Colombian Court**”) seeking the recognition of the CCAA Proceeding as a foreign main proceeding, including provisional stays and related relief in Colombia (the “**Colombian Recognition Proceedings**”);
 - (b) a hearing in respect of relief sought in the Colombian Recognition Proceedings (the “**Colombian Recognition Order**”) is anticipated to be scheduled in late December, 2025, or early January, 2026; and
 - (c) the Colombian Recognition Order, and an order issued by the Colombian Court in the Colombian Recognition Proceedings which, among other things recognizes the SARIO (the “**Colombian DIP Recognition Order**”), are conditions to the subsequent advances under the Tranche A Sub Facility.
29. If the SARIO is approved, Macquarie will be forced to oppose the US Recognition Order in the US Recognition Proceedings before the US Court, and both the Colombian Recognition Order and the Colombian DIP Recognition Order, all on various grounds and reserves all rights in that regard.
- (iii) *Macquarie Term Loan*
30. The Affidavit of Jason Bednar dated December 5, 2025 (the “**Bednar Affidavit**”) addresses the Canacol Group’s liquidity challenges, which pre-date the commencement of these CCAA Proceedings, and references that since 2024 the Canacol Group, with the assistance of its financial advisor Plexus Capital LLC (“**Plexus**”), expended significant time and effort to obtain additional liquidity from both existing and external lenders.
31. It was Macquarie in September 2024, that provided the Canacol Group with the liquidity required for its general corporate purposes pursuant to the Macquarie Credit Agreement dated September 3, 2024. The terms, conditions, and security for the Term Loan were carefully negotiated, taking into account the Canacol Group’s financial position at the time.
32. Pursuant to the Macquarie Credit Agreement, Canacol requested an initial borrowing of \$50,000,000, which Macquarie advanced. Subsequent borrowings under the Macquarie Credit Agreement were conditional upon, among other things, Canacol having met certain specified production targets during the two months preceding the applicable borrowing date. As stated in the Bednar Affidavit, operational challenges driven by depleting gas reservoirs and unsuccessful exploitation efforts (the “**Production Issues**”) resulted in the Canacol Group failing to meet these requisite production targets, and accordingly no

- 8 -

additional draws have been advanced to Canacol from the Term Loan.¹ The Term Loan is guaranteed by all of the subsidiaries of Canacol.

33. The maturity date of the Term Loan is September 15, 2026, subject to earlier maturity, triggered by, failure by the Company to meet certain specified production metrics, or failure to provide required reporting. As a result of Production Issues, an Accelerated Amortization Clause was triggered and the Term Loan began to amortize over seven months payable in eight equal installments starting on September 15, 2025. Canacol failed to make the amortization payment due on November 18, 2025, in the amount of \$6,746,972.69, the same day it commenced these CCAA Proceedings.
34. Macquarie engaged in good-faith negotiations with Plexus from June 2025 through November 2025. However, after careful review, especially in light of the Production Issues, none of the proposals received approval from Macquarie's risk and credit committees.

(iv) Macquarie Security

35. Pursuant to the Macquarie Credit Agreement, as security for the Term Loan, Canacol and its subsidiaries, as applicable, executed the US Collateral Documents and Colombian Collateral Documents which gave Macquarie (i) a first-priority security interest against the Canacol Group's assets in Colombia, (ii) springing control over certain US and Colombian collection accounts pursuant to the deposit control account agreements ("DACAs"), and (iii) pledges of the shares of Canacol's key Colombian and Panamanian subsidiaries. Macquarie also benefits from a subordination agreement which subordinates all Canacol Group inter-company loans to the obligations owed to Macquarie. No Canadian security agreement was executed in favor of Macquarie because Canacol does not hold any material assets in Canada. The Company acknowledged in its AIF that its only Canadian asset is cash deposits held in accounts at the Bank of Nova Scotia. I understand from the Pre-Filing Report that prior to the commencement of these CCAA Proceedings, these deposits were historically only used to make debt service payments to Canacol's lenders, including Macquarie, funded from the DACAs.
36. This security package was designed to give Macquarie a first-ranking security interest over all material assets of the Canacol Group, including all of its natural gas and crude oil development projects and production assets in Colombia. This senior secured priority position over all key assets of the Company located in Colombia was a critical factor in Macquarie's decision to provide the Term Loan. To further protect its collateral, Macquarie negotiated the DACAs to perfect its security interests in cash proceeds from Colombian operations deposited into U.S. bank accounts.

¹ Capitalized terms used in this section and the Macquarie Security Section and not otherwise defined have the meanings given to them in the credit agreement entered into by Macquarie and Canacol, as borrower, dated September 3, 2024.

- 9 -

IV. KEY ISSUES REGARDING THE DIP SOLICITATION PROCESS

37. The Applicants conducted the debtor-in-possession financing solicitation process (the “**DIP Solicitation Process**”) on an expedited and truncated basis, to the detriment of the Company’s stakeholders, including Macquarie.
38. Around November 21, 2025, the Applicants sent Macquarie a solicitation letter (“**DIP Solicitation Letter**”) regarding DIP Financing. The letter indicated that the Company was seeking a minimum of \$60 million in DIP Financing on a senior super priority basis and imposed a bid deadline of 5:00 p.m. on November 27, 2025, only one day after the Comeback Hearing. I understand that the DIP Solicitation Letter was delivered to the Company’s existing lenders.
39. Given the truncated timeline, there was no realistic possibility that any party other than the Company’s existing lenders could provide DIP Financing. As such, DIP Solicitation Process was flawed from the outset as it was not a competitive or robust process, which prejudiced all stakeholders of the Company, including Macquarie.
40. On November 24, 2025, Macquarie, through Goodmans LLP, sent a letter (the “**November 24 Letter**”) to the Company expressing concerns with the compressed timeline and the ability to complete due diligence and submit binding offers within the allotted period. In addition, given that the DIP Solicitation Letter provided that the Company was seeking a priming DIP, Macquarie advised the Company that Macquarie would not consent and would vigorously oppose any and all charges that the Company sought in priority to Macquarie’s security over its collateral including any DIP Charge stemming from the DIP Solicitation Process. To avoid the situation the Company is in today, with a contested and uncertain proposed DIP Facility, Macquarie advised the Company that its efforts should be focused on seeking DIP Financing junior and subordinate (in payment and in security) to the existing secured obligations of Macquarie, and that it should instead be working with Macquarie to find a liquidity solution. A copy of the November 24 Letter is attached hereto as Exhibit “B”.
41. Macquarie also raised its concerns regarding extremely tight timeframes and deadlines at the Comeback Hearing.
42. On November 26, 2025, following the Comeback Hearing, the Company issued a notice extending the deadline for submission of binding term sheets for DIP Financing to 5:00 p.m. on December 2, 2025 (the “**Offer Deadline**”).
43. Prior to the Offer Deadline, on December 2, 2025, Macquarie received another notice from the Company (the “**Second DIP Letter**”). The Second DIP Letter reduced the quantum of the Company’s immediate DIP Financing needs to (i) an initial advance of \$30,000,000, to be advanced upon the granting of both the SARIO and an order of the US Bankruptcy Court in respect of the relief sought under the US Recognition Proceedings; and (ii) a second advance of \$15,000,000, with such advance conditional upon, among other things, the Monitor’s written confirmation that such advance is required at the relevant time.



- 10 -

44. On December 4, 2025, the board of directors, in consultation with its legal advisors, approved the Unsecured Noteholders' DIP Term Sheet.
45. Not only was the DIP Solicitation Process truncated, but the conditions and requirements for the DIP Financing, including the quantum required, were constantly in flux. This directly prejudiced Macquarie, as it did not have sufficient time or consistent information from the Company to participate meaningfully. For example, Macquarie has not been provided with reliable Cash Flow Forecasts. The Pre-Filing Report and the First Report contained two different Cash Flow Forecasts, with the First Report indicating that the Company anticipated an unsustainable liquidity position by the week ending December 20, 2025. However, according to the Bednar Affidavit, the Company now expects this deficit position will not arise until early January 2026, contingent on the Unsecured Noteholders' DIP Term Sheet referenced in the Second Report of the Monitor (the "**Second Report**"), to be filed in connection with this application. As of the date of this Affidavit, Macquarie has not received the Second Report.
46. Furthermore, the Company's drilling assumptions and proposed capital expenditures are not very clear and are based on exploration activities which may carry significant risk. Macquarie is of the view that material capital expenditures on risky activities by the Company in advance of a sale process creates additional risk to a secured position of Macquarie as such expenditures may not increase the value of the business but the overall debt burden on the Company will nevertheless have been increased.
47. During the DIP Solicitation Process, Macquarie indicated to Canacol's management that Macquarie had concerns and needed more information and time to properly analyze the Company's underlying technical information and assumptions to properly assess the value of the assets in question.
48. As a result of these factors, Macquarie was unable to properly advance and obtain necessary internal approvals for its term sheets, as is reasonable and prudent practice of a financial institution, and therefore was put in a position to submit two non-binding proposals. Its final term sheet submitted on December 4, 2025 contemplated an initial advance of \$15,000,000 with the ability to work on any additional advances with the benefit of time and additional information.
49. The Company does not have a Chief Restructuring Officer and, to my knowledge, has no or limited board or management restructuring experience. Furthermore, the Company's financial advisor, Plexus, who conducted the DIP Solicitation Process, has, to my knowledge, never participated in any CCAA Proceedings. As a result, I believe the Company ran a flawed DIP Solicitation Process.
50. This flawed process has now led to a contested DIP Facility that raises material concerns regarding the feasibility of its conditions and milestones, issues that could affect the entirety of the Company's CCAA Proceedings. As stated in the November 24 Letter, the Company should have worked with Macquarie and other stakeholders on a liquidity solution instead of creating the multi-jurisdictional dispute it finds itself in today.

- 11 -

51. The material terms and conditions contained in the Unsecured Noteholders' DIP Term Sheet are as follows:

Borrowers	Canacol, each of the Canadian Subsidiaries and each of the Colombian Subsidiaries
DIP Facility ²	<p>Credit facility up to a maximum amount of \$67,000,000, comprised of the following sub-facilities:</p> <p>(i) delayed-draw term loan sub-facility in the maximum principal amount of \$45,000,000 (the "Tranche A Sub-Facility"), by way of the following advances:</p> <ul style="list-style-type: none"> • "Initial Advance" up to the maximum amount of \$15,000,000; • "Subsequent Advance" up to the maximum amount of \$30,000,000 <ul style="list-style-type: none"> ○ It is a requirement of the DIP Loan Agreement that the Subsequent Advance be drawn by the Borrowers by February 15, 2026, or this part of the facility will be automatically terminated. <p>(ii) letter of credit sub-facility to renew and/or replace certain Expiring LCs (the "Tranche B Letters of Credit"), in the aggregate maximum amount of \$20,000,000 (the "Tranche B Sub-Facility"); and</p> <p>(iii) letter of credit sub-facility for new letters of credit to be issued for and on behalf of one or more of the Loan Parties as specified in the Cash Flow Forecast in the aggregate maximum amount of \$2,000,000 (the "Tranche C Sub-Facility")</p>
Tranche B Sub-Facility and Tranche C Sub-Facility	<p><u>Reimbursement</u>: If an Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, Canacol shall reimburse such LC Disbursement by paying to the applicable Issuing Bank (or if appointed the DIP Agent) an amount equal to such LC Disbursement not later than 12:00 noon, New York City time, on the Business Day immediately following the day that Canacol receives such notice, if such notice it not received prior to such time on the day of receipt. If Canacol fails to make such payment when due, the applicable Issuing Bank (or if appointed the DIP Agent) shall notify each DIP Lender within the applicable Tranche of the applicable LC Disbursement, the payment then due from Canacol in respect thereof and such DIP Lender's Applicable Percentage thereof.</p> <p><u>Interim Interest</u>: If an Issuing Bank shall make any LC Disbursement, then, unless Canacol shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Company reimburses such LC Disbursement, at the rate per annum of 8.0% and such interest shall be payable on the date when such reimbursement is due; provided, that, if the Company fails to reimburse such LC Disbursement when due pursuant to clause (e), such rate of interest shall be increased by 2.00% per annum. Interest accrued pursuant to this paragraph shall be for the account of the applicable Issuing Bank, except that interest accrued on</p>

² Capitalized terms used in the following summary have the meanings ascribed to them in the Unsecured Noteholders' DIP Term Sheet.

	and after the date of payment by any DIP Lender to reimburse such Issuing Bank shall be for the account of such DIP Lender to the extent of such payment.
Material Condition(s) to Advances	<p><u>All Facilities</u></p> <ul style="list-style-type: none"> • Delivery of a Cash Flow Forecast as approved by the Monitor • The DIP Approval Order <p><u>Tranche A Sub-Facility</u></p> <p>Initial Advance Conditions</p> <ul style="list-style-type: none"> • The US Recognition Order • The US DIP Approval Recognition Order • Borrowers' compliance with the Cash Flow Forecast • Agreement between the Borrower and the DIP Lenders as to the terms of a sale and investment solicitation process (a "SISP"). <p><u>Subsequent Advance Conditions</u></p> <ul style="list-style-type: none"> • All Initial Advance conditions satisfied • The issuance of the Colombian Recognition Order and the Colombian DIP Approval Recognition Order, provided however that neither shall have been vacated, stayed, revised, modified or amended in any manner adverse to the DIP Lender without the prior written consent of the DIP Lender and no leave to appeal or appeal has been sought in connection therewith • The Colombian DIP Security Process, which includes: <ul style="list-style-type: none"> ➢ the delivery of the Colombian DIP Security Documents and the registry of the Colombian DIP Security Documents or notices or lien filings in respect thereof in all applicable governmental or other offices to perfect the Liens created under such Colombian DIP Security Documents; and ➢ the Liens created by the Colombian DIP Security Documents shall rank in priority to all other Liens held by or granted in favour of all other Persons including without limitation all Liens granted in favour of Macquarie Bank and securing the Macquarie Pre-CCAA Indebtedness (and if applicable any agents for such Persons) against such property and assets and any proceeds received or realized from any of such Liens, which priority shall be obtained pursuant to the Colombian DIP Approval Recognition Order. <p><u>Tranche B Sub-Facility / Tranche C Sub-Facility</u></p> <ul style="list-style-type: none"> • Proceeds must be used for disbursements in accordance with the Cash Flow Forecast (including any Expiring LCs to be replaced by a Tranche B Letter of Credit) • Delivery of a notice including all particulars of the Letter of Credit being requested
DIP Lender's Charge and DIP Security	All obligations, indebtedness and liabilities of the Borrowers under or in connection with the DIP Facility shall be secured by the DIP Lender's Charge, which is a binding, continuing, enforceable, fully-perfected, and non-avoidable super-priority CCAA Court-ordered lien and charge over all present and after

- 13 -

	<p><u>acquired property, assets and undertakings of the Borrowers (whether tangible, intangible, real, personal or mixed) including a pledge of all shares or other investment property owned by each Borrower, whether now owned or hereafter acquired and wherever located, and for certainty including without limitation all properties and assets of the Loan Parties which are the subject of Liens granted in favour of Macquarie Bank or Creditcorp as collateral agent for Macquarie Bank and securing the Macquarie Pre-CCAA Indebtedness.</u></p> <p>The DIP Charge shall be in priority to all security interests and the charges except the Administration Charge.</p>
Milestones	<p>By December 12, 2025:</p> <ul style="list-style-type: none"> • US Recognition Order shall have been issued by the US Court <p>By December 15, 2025:</p> <ul style="list-style-type: none"> • The DIP Approval Order (i.e., the SARIO) shall have been issued by the CCAA Court <p>By December 19, 2025:</p> <ul style="list-style-type: none"> • The US DIP Approval Recognition Order shall have been issued by the US Court <p>By December 22, 2025:</p> <ul style="list-style-type: none"> • Borrowers shall have retained a sale advisor to assist with the SISP <p>By December 28, 2025:</p> <ul style="list-style-type: none"> • Colombian Recognition Order shall have been issued by the Colombian Court <p>By January 7, 2026:</p> <ul style="list-style-type: none"> • Colombian DIP Approval Recognition Order shall have been issued by the Colombian Court <p>By January 20, 2026:</p> <ul style="list-style-type: none"> • The CCAA Court shall have issued a SISP Approval Order • The CCAA Court shall have issued an order, approving a key employee retention plan satisfactory to the DIP Lender <p>By January 23, 2026:</p> <ul style="list-style-type: none"> • Completion of the Colombian DIP Security Process <p>By February 14, 2026</p> <ul style="list-style-type: none"> • SISP approval order of the CCAA Court shall have been recognized and approved by a Colombian Court <p>By June 30, 2026:</p> <ul style="list-style-type: none"> • Closing of a transaction selected pursuant to the SISP; or • An Acceptable Plan of Arrangement has become effective.
Security	<ul style="list-style-type: none"> • The DIP Lender's Charge, which is a binding, continuing, enforceable, fully-perfected, and non-avoidable super-priority CCAA Court-ordered lien and charge over all present and after acquired property, assets and undertakings of the Borrowers (whether tangible, intangible, real, personal or mixed) including a pledge of all shares or other investment property owned by each Borrower, whether now owned or hereafter

- 14 -

	<p>acquired and wherever located, and for certainty including without limitation all properties and assets of the Loan Parties which are the subject of Liens granted in favour of Macquarie Bank or Creditcorp as collateral agent for Macquarie Bank and securing the Macquarie Pre-CCAA Indebtedness.</p> <ul style="list-style-type: none"> • The US DIP Approval Recognition Order; • The Colombian Recognition Order; and • The Colombian DIP Security Process.
--	--

V. KEY ISSUES REGARDING THE PROPOSED DIP FACILITY

(v) *Prejudice to Macquarie*

52. Macquarie believes that the proposed DIP Facility is significantly prejudicial to its interests. Macquarie is currently owed approximately \$40,000,000 and the quantum of \$67,000,000 proposed priming DIP Facility is nearly 175% of Macquarie's outstanding obligations. There is no reason for this prejudicial quantum to be approved on an emergency basis at this time, as according to the Bednar Affidavit, the Company does not expect to be in a deficit cash flow position until January, 2026 should the Unsecured Noteholders' DIP Term Sheet not be approved.
53. Not only does the DIP Facility contemplate advancing new money on a senior basis to Macquarie, but it also includes the Tranche B Sub-Facility to be used to renew or replace letters of credit set to expire by the end of December 2025 (the "Expiring LCs"). This is a misstep by the Company with respect to the Expiring LCs. The Company's Expiring LCs were issued by various lenders (the "LC Lenders"), and any exposure on these pre-filing Expiring LCs would constitute unsecured obligations of the Company. If any third parties draw on the Expiring LCs (which they appear entitled to do) they would hold cash for the Company's obligations, leaving the Company with an unsecured pre-filing obligation to the LC Lenders. In such circumstances, there is no need for a new priming DIP Facility to replace or collateralize these Expiring LCs. The Company appears to have focused exclusively on a path to "replace or collateralize" the Expiring LCs under the proposed DIP Facility, without considering that these pre-filing obligations are unsecured and therefore junior to Macquarie's security. By creating a priming letter of credit facility under the DIP Facility, the Company is effectively elevating obligations that would otherwise remain unsecured.
54. Put simply, if the Expiring LCs are drawn, approval of the proposed DIP Facility would effectively convert a pre-filing unsecured obligation of Canacol into a primed obligation, ranking ahead of Macquarie's senior secured position, leading to further prejudice to Macquarie.
55. In paragraph 71 of the Bednar Affidavit, Mr. Bednar states that "it is my view that no prejudice to Macquarie will result from the proposed priority of the DIP Lenders' Charge (in addition to the other Charges), in light of the value of the assets of the Canacol Group, which exceeds the indebtedness owing to Macquarie and the amounts secured (or proposed to be secured) by the Charges". This is the only financial or economic evidence advanced

- 15 -

- by the Company in support of the proposed priming charge. There are no current valuations, binding investment or sale agreements, fairness opinions, or any other detailed financial analysis to substantiate this general and vague assertion. Furthermore, the statement that there is “no prejudice” is incorrect. The subordination of Macquarie’s Term Loan by approximately \$70 million without its consent is inherently prejudicial and materially increases the risk of repayment, particularly given that the Company is insolvent and operating under CCAA protection.
56. What Mr. Bednar fails to discuss in his affidavit is that the Unsecured Notes currently trade at a significant discount. Macquarie has been advised that the Unsecured Notes are currently trading at approximately 18 cents on the dollar, reflecting the market’s assessment of the Company’s distressed financial condition and recovery prospects. Based on such trading, the implied value of the Company’s assets is approximately \$200 million. These figures differ dramatically from the Company’s asset book value.
 57. The significant trading discount was mentioned in the Canacol Group’s Management Discussion and Analysis for the three and nine months ended September 30, 2025 (the “MD&A”), where, in discussing its financial statements being prepared on a going concern basis, it stated “given the Corporation’s liquidity situation, its Unsecured 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.”
 58. The fact that the Unsecured Notes trade at such a significant discount signals that the market believes the Company’s enterprise value is much lower than its book value demonstrating, at the very least, significant uncertainty regarding the value of the Company and its assets.
 59. I believe that the DIP Facility is entirely for the benefit of the Ad Hoc Group and Macquarie’s risk of recovering should not be materially increased where junior unsecured creditors are advancing funding to protect their own economic interest. If the Company believes that there is no prejudice to Macquarie due to the asset value of the Company, then there is clearly no prejudice to the proposed DIP Facility being lent on a junior basis to Macquarie and ahead of other unsecured claims. In this situation, the risk should be borne by the Ad Hoc Group and not impair Macquarie, the Company’s only secured creditor.
 60. Macquarie has already assisted the Company and provided it with much needed liquidity just last year. In doing so, Macquarie specifically bargained for a first ranking priority interest over all of the Canacol Group’s assets in Colombia and now the Company and the AD Hoc Group are attempting to use these CCAA Proceedings to inappropriately prime Macquarie on these assets. The proposed DIP Facility will diminish the collateral cushion and subordinate Macquarie’s bargained for security interests without their consent.
 61. Additionally, if approved, the DIP Facility would unfairly and unlawfully, effectively consolidate all assets and liabilities of Canacol and its subsidiaries across multiple jurisdictions, including Colombia, Panama, and Switzerland. This consolidation would alter existing creditor priorities and unjustly interfere with Macquarie’s creditor rights under Colombian law that it specifically bargained for.

- 16 -

(vi) *Uncertainty*

62. Based on my review of the Unsecured Noteholders' DIP Term Sheet, it appears that the Company conducted and advanced the DIP Solicitation Process without adequately considering the specific circumstances of this particular situation. These include the quantum of the Macquarie Term Loan, its priority in foreign jurisdictions, the nature and location of the Company's material assets in Colombia, the size of the proposed DIP Facility, the treatment of Expiring LCs, and the material conditions attached to the DIP Facility. In my view, the Company should have prioritized securing a junior DIP from the outset from the Ad Hoc Group (or alternatively pursued a more fullsome DIP that would have repaid the Macquarie Term Loan). Such an approach would have provided greater certainty and avoided the material stakeholder disputes now arising in these CCAA Proceedings and in foreign courts. The Company's goal should have been to achieve a consensual DIP, yet based on Macquarie's discussions with the Company and its advisors, limited steps were taken in that direction. I believe there is still an opportunity for the Company to change course and negotiate a consensual junior subordinated DIP with its unsecured creditors, as this would be in the best interests of the Ad Hoc Group, other stakeholders, and the Company itself.
63. The Company's stated intention in commencing and advancing the US Recognition Proceedings and the Colombian Recognition Proceedings is to recognize and enforce these CCAA Proceedings in those jurisdictions.
64. A hearing in respect of the Colombian Recognition Order is anticipated to be scheduled in late December, 2025, or early January, 2026 and I understand from legal counsel that a hearing has not been scheduled in respect of the Colombian DIP Recognition Order.
65. If approved, the DIP Facility will have the opposite effect of what the Colombian Recognition Proceedings were intended to achieve, as Macquarie will be put in a position where it has to oppose both the Colombian Recognition Order and the Colombian DIP Recognition Order on various grounds and it reserves all its rights in that regard. This will create additional litigation that could have been avoided by the Company, and will create significant uncertainty in these CCAA proceedings and potentially delay the Canacol Group's stated objective of engaging with stakeholders to pursue a financial restructuring, sale, or recapitalization of its business.
66. The Company needs stability to successfully restructure its business, and approving the DIP Facility would achieve the opposite. In the circumstances, the Ad Hoc Group, which has a very significant economic interest in these proceedings, should fund the DIP Facility on a junior basis to Macquarie's security interests to protect the Company's future and provide the stability it needs to restructure.

(vii) *Procedural Unfairness*

67. The DIP Solicitation Process was conducted on an extremely expedited basis and failed to appropriately canvas the market, to the detriment of all stakeholders. The DIP Solicitation Process was marked by constantly shifting conditions and requirements for the DIP Financing, including the quantum sought. This lack of consistency directly prejudiced



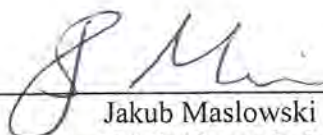
- 17 -

Macquarie, as it was not afforded sufficient time or reliable information from the Company to participate meaningfully.

VI. CONCLUSION

68. I believe that an adjournment of the Company's application for the SARIO is appropriate to allow sufficient time for all parties to review and consider the materials and issues raised. Given the fact that the Company will not be in a deficit liquidity position until January, 2026, the complexity of the matters at hand, and the outstanding information that remains unavailable, proceeding at this time would be prejudicial and contrary to the principles of fairness and transparency. An adjournment will ensure that the Court and stakeholders have the benefit of a complete record and meaningful opportunity to address the implications of the proposed relief.
69. Failing an adjournment, the proposed DIP Facility should not be approved by this Court at this time. Approval of the proposed DIP Facility would grant DIP Lenders a super-priority charge ahead of existing secured claims, priming Macquarie's first-ranking security. This would alter creditor priorities, consolidate assets across jurisdictions, and subordinate Macquarie's security interests to unsecured creditors without its consent, materially prejudicing Macquarie's position as the Company's sole secured lender. Granting such relief would create significant uncertainty in these CCAA proceedings, potentially delay the Canacol Group's restructuring objectives, and force litigation in the United States and Colombia, diverting focus and resources from the restructuring process to the detriment of the Company and all stakeholders, including Macquarie.
70. Macquarie remains willing to work with the Company to pursue a consensual resolution for the benefit of all stakeholders; however, the circumstances dictate that any such resolution must involve interim financing which balances the interests of Macquarie and the other stakeholders.

SWORN before me by
videoconference in the City of
Calgary, in the Province of Alberta
this 8th day of December 2025.



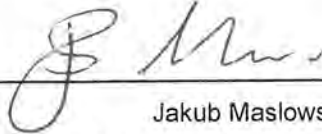
Jakub Maslowski
Notary Public/Commissioner for
Oaths in and for the Province of
Alberta

JAKUB MASLOWSKI
Barrister & Solicitor

CHARLES ANGUS PICKARD



This is **Exhibit "A"** referred to in the Affidavit of
CHARLES ANGUS PICKARD,
sworn before me by videoconference in the City of Calgary,
in the Province of Alberta on the 8th day of December 2025



Jakub Maslowski

Notary Public/Commissioner for Oaths in
and for the Province of Alberta

JAKUB MASLOWSKI
Barrister & Solicitor



Goodmans^{LLP}

Barristers & Solicitors

Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

Telephone: 416.979.2211
Facsimile: 416.979.1234
goodmans.ca

Direct Line: 416.597.4216
jpasquariello@goodmans.ca

November 21, 2025

PRIVILEGED & CONFIDENTIAL

Gowling WLG
1 First Canadian Place
100 King Street West Suite 1600
Toronto, ON M5X 1G5

Bennett Jones LLP
3400 One First Canadian Place
P.O. Box 130
Toronto, ON M5X 1A4

Attention: Clifton P. Prophet

Attention: Raj S. Sahni

Dear Sirs:

Re: CCAA proceedings of Canacol Energy Ltd. Et al (collectively, "Canacol")

As discussed with each of you on separate calls yesterday, we act for Macquarie Bank Ltd. ("Macquarie") in connection with Canacol's CCAA proceedings. Macquarie is the sole and senior secured lender to Canacol and is owed in excess of US\$35 million plus any costs, premiums and additional amounts owing by Canacol under the applicable credit documents. Despite this, inexplicably Macquarie was provided no advance notice of Canacol's CCAA filing in Alberta. The Alberta Court granted a CCAA Initial Order to Canacol on November 18, 2025 on an *ex parte* basis, the terms of which were not discussed or negotiated in any way with Macquarie. We noted that the relief included in the Initial Order in no way created any charges that primed the collateral over which Macquarie has a secured interest.

We understand that the 10 day CCAA comeback motion is scheduled for this upcoming Wednesday November 26, 2025. As explained to each of you on our calls, Macquarie requires that it be provided immediately with draft materials and draft forms of Orders that Canacol may wish to advance at the comeback motion so that Macquarie can appropriately and reasonably consider any relief Canacol may be seeking at the return of the motion and discuss same internally and with its advisors and to engage with Canacol, other stakeholders and relevant advisors regarding any such relief and the company's plans going forward. To be clear and to re-emphasize the points I discussed with each of you, Macquarie will not consent and will vigorously oppose any and all charges that Canacol may wish to seek in priority to Macquarie's security over its collateral including any Administrative Charge, Directors' & Officers' Charge, DIP Charge, KERP Charge or the like. The facts and circumstances of this case do not justify any such priming of Macquarie's position. Macquarie also expects that during the course of Canacol's CCAA proceedings it will be paid current for interest on its debt and will receive timely payment of its fees, costs and disbursements, including all legal and professional fees, incurred by it in dealing with Canacol and the CCAA proceedings.

Goodmans^{LLP}

It would be extremely unfortunate, time consuming and disruptive if Macquarie is jammed and forced to argue about priming and related matters at the comeback motion. Canacol should be looking to establish and demonstrate stability to its stakeholders, employees, customers and suppliers especially given the haphazard circumstances with which it pursued its CCAA application but battling with its only secured lender at the first opportunity in the Court's open forum will do the exact opposite.

We look forward to receiving draft materials from Canacol and to engaging with you in respect of same immediately

Yours truly,

Goodmans LLP



Joseph Pasquariello
JP/

cc: Paul van Eyk, *KPMG Inc.*, Monitor
Robert Chadwick, *Goodmans LLP*



This is **Exhibit "B"** referred to in the Affidavit of
CHARLES ANGUS PICKARD,
sworn before me by videoconference in the City of Calgary,
in the Province of Alberta on the 8th day of December 2025



Jakub Maslowski

Notary Public/Commissioner for Oaths in
and for the Province of Alberta

JAKUB MASLOWSKI
Barrister & Solicitor



Goodmans^{LLP}

Barristers & Solicitors
 Bay Adelaide Centre
 333 Bay Street, Suite 3400
 Toronto, Ontario M5H 2S7
 Telephone: 416.979.2211
 Facsimile: 416.979.1234
 goodmans.ca

Direct Line: 416.597.4216
 jpasquariello@goodmans.ca

November 24, 2025

PRIVILEGED & CONFIDENTIAL

Gowling WLG
 1 First Canadian Place
 100 King Street West Suite 1600
 Toronto, ON M5X 1G5

Bennett Jones LLP
 3400 One First Canadian Place
 P.O. Box 130
 Toronto, ON M5X 1A4

Attention: Clifton P. Prophet

Attention: Raj S. Sahni

Dear Sirs:

Re: CCAA Proceedings of Canacol Energy Ltd. Et al (collectively, "Canacol" or the "Company") - DIP Solicitation Process

As you are aware, we act for Macquarie Bank Ltd. ("Macquarie") in connection with Canacol's CCAA proceedings. Macquarie is the senior secured lender to Canacol and is owed in excess of US\$37.5 million plus any interest, costs and any additional amounts owing by Canacol under the applicable credit documents. Macquarie was provided no advance notice of Canacol's CCAA filing in Calgary.

Without commenting on or limiting the concerns of Macquarie in respect of the relief being sought by Canacol on the 10 day CCAA comeback motion scheduled for this upcoming Wednesday November 26, 2025, and reserving all rights in respect thereof, we write to you in connection with Canacol's DIP Solicitation Process. Macquarie was recently contacted by Canacol's financial advisor, Plexus, which requested that Macquarie participate in the DIP Solicitation Process. Macquarie was provided with a copy of the letter apparently provided by Canacol to potential DIP providers in the form attached as Schedule "B" to the affidavit of Mr. Jason Bednar, affirmed November 22, 2025 (the "**DIP Letter**"). The DIP Letter calls for binding DIP term sheets from interested parties by 5pm EST on November 27, 2025 (the "**DIP Proposal Deadline**"). Canacol and its advisors need to provide the proper detailed financial information to Macquarie so they can properly review the request of the Company in respect of DIP matters, including a 13 week cash flow and detailed information regarding the anticipated use of proceeds. The DIP Proposal Deadline does not provide the requisite time for Macquarie and its advisors to properly engage with Canacol and its advisors in respect of the DIP Solicitation Process. Macquarie is of the view that the DIP Proposal Deadline should be extended by the Company.

Further, as previously explained to each of you on our recent calls and repeated in my November 21, 2025 letter to you, Macquarie will not consent and will vigorously oppose any and all charges that Canacol may wish to seek in priority to Macquarie's security over its collateral including any

Goodmans^{LLP}

DIP Charge ultimately stemming from the DIP Solicitation Process. The Company should be focused on seeking a DIP which is junior and subordinate (in payment and in security) to the existing secured obligations of Macquarie. In addition, there is no ability to prime the secured interest of Macquarie outside of seeking a limited priming charge in Canada. The Company should be focused on working with Macquarie to find a liquidity solution. We do not believe any third party lender will be lend to the Company without either the consent of Macquarie or repaying the obligations to Macquarie in full. Macquarie wants to work with the Company but to date the Company's strategy to seek additional liquidity has been flawed and needs to be refocused in order to achieve any success.

We would be happy to discuss these matters with you in more detail.

Yours truly,

Goodmans LLP



Joseph Pasquariello
JP/

cc: Paul van Eyk, *KPMG Inc.*, Monitor
Robert Chadwick, *Goodmans LLP*

1395-6273-9226




CERTIFICATE OF NOTARY PUBLIC

I, Jakub Maslowski, of the City Calgary, in the Province of Alberta, do hereby certify that:

1. On December 8, 2025, I was present by video technology and did see the affiant, **CHARLES ANGUS PICKARD** (the "Affiant"), swear and sign the Affidavit annexed hereto;
2. The Affiant showed me the front and back of his current government-issued photo identification and I have taken a screenshot of same;
3. I have compared the video image of the Affiant and information on the said photo identification, and believe it to be the same person and that the photo identification is valid and current;
4. Both the Affiant and I had a paper copy of the Affidavit, including all exhibits, before us while connected via video technology. The Affiant and I reviewed each page of our respective copy of the Affidavit, including the exhibits, together and verified that they are identical. Both the Affiant and I initialed each page of our respective copy of the Affidavit in the lower right corner;
5. The Affidavit was sworn and signed by the Affiant in Linchmere, West Sussex, United Kingdom, and I am the **NOTARY PUBLIC** thereof; and
6. The steps taken by myself as **NOTARY PUBLIC** follows the process for remote commissioning of affidavits as set out in the Notice to the Profession & Public – Remote Commissioning, issued by the Court of Queen's Bench of Alberta on March 25, 2020. This process was necessary as it is unsafe, for medical reasons, for the Affiant and I to be physically present together.

DATED on December 8, 2025, in the City of Calgary, in the Province of Alberta



Jakub Maslowski

Clerk's stamp

COURT FILE NUMBER 2501-18462
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

MATTER IN THE MATTER OF THE COMPANIES' CREDITORS' ARRANGEMENT ACT,, R.S.C. 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 OF LUIS GUILLERMO VÉLEZ-CABRERA**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **GOODMANS LLP**
 Bay Adelaide Centre – West Tower
 333 Bay Street, Suite 3400
 Toronto, ON N5H 2S7

Attention: Joseph Pasquariello / Robert Chadwick / Erik Axell
 Counsel for Macquarie Bank Ltd.

Tel: (416) 979.2211
 Email: jpasquariello@goodmans.ca / rchadwick@goodmans.ca / eaxell@goodmans.ca

AFFIDAVIT OF LUIS GUILLERMO VÉLEZ-CABRERA

SWORN ON DECEMBER 8th, 2025

I, **LUIS GUILLERMO VÉLEZ-CABRERA** of the City of Bogota, Republic of Colombia, SWEAR AND SAY THAT:

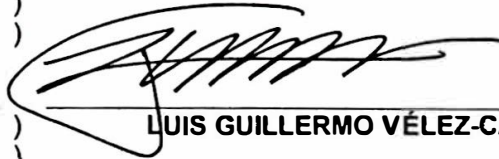
1. I am a founding partner of the law firm Urdaneta, Velez, Pearl & Abdallah Abogados in Bogota, Colombia, which specializes in commercial and insolvency law. I have numerous publications in the areas of bankruptcy and insolvency law, and am a member of various organizations including acting as the Republic of Colombia's representative before the United Nations Commission for International Trade Rights in Working Group V (insolvency) and as past president of the Colombian

Insolvency Law Institute. I have taught insolvency law at Universidad Nacional de Colombia in Bogota, Colombia. I have been retained by Macquarie Bank Ltd. ("Macquarie") as an independent expert. Attached hereto and marked as Exhibit "A" is a copy of my *curriculum vitae*.

- 2. I have personal knowledge of the facts and matters stated herein except where stated to be based on information and belief, and where so informed, I believe those facts to be true.
- 3. I was retained by Macquarie to provide a declaration with respect to (i) the applicable insolvency law in the jurisdiction of the Republic of Colombia with regard to the treatment of secured creditors; and (ii) the treatment of creditors under Colombian law in a scenario where the foreign jurisdiction acting in Colombia requests recognition of a foreign proceeding and a modification of credit priority to facilitate the grant of a debtor in possession credit facility. Attached hereto and marked as Exhibit "B" is a copy of my declaration dated December 8, 2025.
- 4. I understand my role as an independent expert is to give opinion evidence that is fair, objective and non-partisan and solely on matters that are within my area of expertise.

SWORN before me by videoconference in the City of Calgary, in the Province of Alberta this 8th day of December 2025.

Jakub Maslowski
Notary Public/Commissioner for Oaths in and for the Province of Alberta

)
)
)
)

)

LUIS GUILLERMO VÉLEZ-CABRERA



This is **Exhibit "A"** referred to in the Affidavit of
LUIS GUILLERMO VÉLEZ-CABRERA,
sworn before me by videoconference in the City of Calgary,
in the Province of Alberta on the 8th day of December 2025

Jakub Maslowski

Notary Public/Commissioner for Oaths in
and for the Province of Alberta



CURRICULUM VITAE

LUIS GUILLERMO VÉLEZ-CABRERA

CONTACT INFORMATION

Name Luis Guillermo Velez-Cabrera.

Telephone (+573 15 3400327) (Mobile)

(+571) 2495080 (Office)

Email lgvelezcabrera@gmail.com (personal)

lgvelez@uvpa.net (work)

EDUCATION

Year of Graduation 2017 Universidad de los Andes, Bogotá, D.C.

1992 Law

Year of Graduation 2011 Georgetown University, Washington D.C.

1996 Master in Public Policy

Year of Graduation 2014 Instituto Panamericano de Dirección de Empresas (IPADE), México, D.F.

1998 Master in Business Administration

LANGUAGES

English, completely fluent. Spanish, mother tongue

CAREER DETAILS

October 2018- Present
Urdaneta, Vélez, Pearl & Abdallah Abogados
Founding Partner

Bogotá, D.C., Colombia

Law firm specialized in commercial and insolvency law. Also provides consulting services in public and government affairs for numerous Fortune 500 companies operating in Colombia.

October 2018. To date

Senior Partner

Urdaneta, Vélez, Pearl & Abdallah Abogados

Senior Partner, firm specialized in commercial and insolvency law. Also provides consulting services in public and government affairs for numerous Fortune 500 companies operating in Colombia.

April 2017 to September 2018

National Agency for the Legal Defense of the State

General Director

Bogotá, D.C., Colombia

A public agency of the National Government with the mandate of defending the Colombian state in local and international legal disputes, including international investment arbitration. The National Agency for the Legal Defense of the State represents the State before the Constitutional Court and the Council of State, the highest administrative court, in major legal disputes.

May 2016 to March 2017

Presidency of Colombia

Secretary General

Bogotá, D.C., Colombia

Chief of Staff to President Juan Manuel Santos (2010-2018). The Chief of Staff is also the General Director of Administrative Department of the Presidency of Colombia, the central institution for the coordination of the national government.

August 2010 to October 2014

Superintendency of Companies

Superintendent

Bogotá, D.C., Colombia

Public institution of the National Government of Colombia with the mandate to supervise closely held companies. It is also the insolvency authority for companies and the sole insolvency tribunal of the Nation. Since 2012 it is the Judicial Tribunal for Company Disputes and has been appointed to implement the introduction of IFRS standards in Colombia.

June 2001 to August 2010

Urdaneta, Vélez, Pearl & Abdallah Abogados

Founding Partner

Bogotá, D.C., Colombia

Law firm specialized in commercial and insolvency law. Also provides consulting services in public and government affairs for numerous Fortune 500 companies operating in Colombia.

January 1999 to June 2001
Organización Luis Carlos Sarmiento Angulo
Senior Advisor
Bogotá, D.C., Colombia

Holding company of Colombia's largest banking conglomerate, Grupo Aval (Banco de Bogotá, Banco de Occidente, Banco Popular, AV Villas and BAC Credomatic)

PUBLICATIONS, MEDIA AND LEGAL REFORM INITIATIVES

- Coordinator of the Commission to Reform Law 1116. Implementation of legal reforms to the insolvency regime (Law 1429 of 2010)
- Coordinator of the Commission to Reform Secured Transactions. Implementation of Law 1676 of 2013.
- Member of the Commission to draft Decrees 560 and 772 of 20202 (Law 2437 of 2024)
- Preparation of the Draft Statute for the Legal Defense of the State (2018)
- Editor, Manual for Legal Writing, (Legis, 2018)
- Weekly columnist Diario La República (2018-present)
- Columnist La Silla Vacía (2021-present)
- Panelist Voces RCN and Hora 20 radio programs (occasional)

ORGANIZATIONS

- UNCITRAL. Representative of the Republic of Colombia before the United Nations Commission for International Trade Rights (UNCITRAL) in Working Groups Working Group I (SMEs), III (Reform of the Dispute Settlement System between Investors and States) and V (Insolvency).
- OECD. Representative of the Republic of Colombia in the Working Group on Transnational Bribery
- OECD. Representative of the Republic of Colombia in the Working Group on Public Governance and Justice
- World Bank. International Center for Settlement of Investment Disputes (ICSID). Representative of the Republic of Colombia
- Member of INSOL International (2011-2016). Member and speaker at the Judicial Colloquium INSOL International-World Bank (2013). Speaker, Insol International Regional Congress, San Francisco (2015). Speaker One day Seminar Latin America (2012, 2014, 2016, 2024 scheduled keynote speaker).
- Keynote speaker, ABI International Latin American Symposium, 2025
- President, Colombian Insolvency Law Institute (2020-2022)

RECENT PROJECTS

- Selected in 2013 as one of Colombia's Persons of the Year
- Coordinator of the access project from Colombia to the OECD (May 2016-April 2017).
- Preparation of the Ten-Year Justice Plan (2017), with formal opinion and approval of the Working Group on Governance and Justice of the OECD.
- Member of the Commission for the Implementation of the 2016 Peace Accords with the Farc Guerrilla (2016-2017)
- Member of the National Commission for the Reform of the Arbitration Statute (2019-2020)
- Member of the National Commission for the Reform of the Conciliation Statute (2019-2020)

ACADEMIA

- Professor, Insolvency Law, Universidad de los Andes (2015, 2016, 2018)
- Professor, Insolvency Law, Universidad Nacional de Colombia (2015, 2019-present)

This is **Exhibit "B"** referred to in the Affidavit of
LUIS GUILLERMO VÉLEZ-CABRERA,
sworn before me by videoconference in the City of Calgary,
in the Province of Alberta on the 8th day of December 2025

Jakub Maslowski

Notary Public/Commissioner for Oaths in
and for the Province of Alberta

A handwritten signature in black ink, located in the bottom right corner of the page. The signature is stylized and appears to be the initials 'LM'.

**EXPERT DECLARATION OF LUIS GUILLERMO VELEZ IN THE CCAA
PROCEEDING OF CANACOL ENERGY LTD ET. AL. ("CANACOL")**

I. INTRODUCTION

1. I submit this expert declaration at the request of **Macquarie Bank Ltd.**, the senior secured lender of Canacol.
2. I understand that this declaration is intended to assist the Court of King's Bench of Alberta ("the Court") in understanding (i) the applicable insolvency law in the jurisdiction of the Republic of Colombia with regards to the treatment of secured creditors and (ii) the treatment of creditors under Colombian law in a scenario where the foreign jurisdiction acting in Colombia requests recognition of a foreign proceeding and a modification of credit priority to facilitate the grant of a DIP credit facility. In particular, I have been asked to opine if:
 1. Under Colombian law, is it permissible for a court of competent jurisdiction to order the priming of the security interests of a secured creditor?
 2. Would a Colombian court of competent jurisdiction recognize an order of a foreign court which orders the priming of security interests of a secured creditor where the subject collateral assets are located in Colombia?
3. I am competent to provide an opinion on the matters stated herein.

II. QUALIFICATIONS AND EXPERTISE

4. I am a lawyer specializing in restructuring and corporate insolvency law, including cross-border insolvency law, with expertise in the insolvency regime of the Republic of Colombia.
5. I received my law degree from the Universidad de los Andes in Bogotá, Colombia in 1992.
6. I have practiced law for 25 years, focusing on restructuring, insolvency, secured transactions and international cooperation between courts.
7. I was the Superintendent of Companies in Colombia from 2010 to 2014. The Office of the Superintendent of Companies (*Superintendencia de Sociedades* or SOC) is the insolvency authority in Colombia.
8. I am a member of INSOL International and a frequent speaker at insolvency and corporate restructuring forums.
9. I have taught corporate insolvency in the National University of Colombia and in the Insolvency and Business Crisis course at the University of the Andes.
10. I was the President of the Ibero-American Institute of Insolvency Law – Colombian Chapter from 2020 to 2022.
11. I chaired as Superintendent of Companies the approval and implementation of the Law on Secured Transactions (Law 1676 of 2013), the reform of Law 1116 for the insolvency of corporate entities and the insolvency regime for non-merchant individuals (Title IV, General Procedural Code).

12. I participated in the drafting of Emergency Decrees 560 and 772 of 2020 that created special procedures and provisions for expedite insolvency proceedings, later incorporated into Law 2437 of 2024.
13. I have previously served as an expert before courts in the United States on issues involving the insolvency law of the Republic of Colombia.
14. My curriculum vitae is attached as **Exhibit A**.

III. MATERIALS REVIEWED

15. In preparing this declaration, I reviewed the following documentation:
 - o DIP Facility Term Sheet
 - o Communication from Maria Helena Giraldo, appointed mediator on a PRE procedure conducted before de Bogotá Chamber of Commerce (File 165653)

IV. OVERVIEW OF THE GENERAL COLOMBIAN INSOLVENCY REGIME

16. The corporate insolvency law of Colombia is codified in Law 1116 of 2006.
17. Law 1116 of 2006 establishes general procedures for the reorganization and liquidation of financially distressed corporate debtors. Special procedures for corporate insolvency are also contained in Law 2437 of 2024. Treatment of secured creditors in insolvency procedures is contained in articles 50, 51, and 52 of Law 1676 of 2013.
18. The purpose of the corporate insolvency regime includes the protection of credit and the recovery of the company as an economic unit and as a source of employment (art. 1, L. 1116).
19. The reorganization procedure is a collective procedure of a judicial nature, and it strives to “preserve viable companies, normalizing their commercial and financial relations through an operational and administrative restructuring of assets and liabilities” (art. 1, L. 1116).
20. Law 1116 in Title III (art. 85 to 116) includes the adoption of the UNCITRAL Model Law on Cross-Border Insolvency (the “Model Law”).
21. The corporate insolvency jurisdiction is exclusive to the SOC, a government institution with judicial functions.
22. The Colombian Civil Code classifies creditors into five classes with corresponding priorities (art. 2485-2512, C.C.C).
23. Secured creditors are ranked as Second-Class Credits (pledge on movable assets) and Third-Class Credits (mortgages on immovable assets), after First-Class Credits that include pension, labor and tax credits, in that order. Unsecured credits are ranked as Fifth-Class Credits (art. 2495-2503, C.C.C).
24. Secured creditors will have priority over all other creditors. If First-Class pension or labor credits are ranked, the judge will conduct a *sufficiency test*. The sufficiency of other unencumbered assets of the State will be weighted by the Court to verify that these suffice to pay ranked First-Class pension or labor credits (Sent. C-145/18, Constitutional Court). If deemed sufficient, the secured creditor will be allowed to proceed with repayment of its claim; if insufficient a total or partial carve

out of the collateral will be mandated to cover ranked First-Class pension or labor credits (art.2498 and 2500 C.C.C.).

V. SPECIAL PROCEDURES FOR CORPORATE INSOLVENCY CONTAINED IN LAW 2437

25. A major reform of Law 1116 was conducted in 2020 during the pandemic. Emergency Decrees 560 and 772 of 2020 were drafted to introduce new simplified and expedited reorganization and liquidation procedures, out-of-court workout schemes and some substantive modifications to creditor and debtor rights in insolvency. The Emergency Decrees, initially temporary measures, became permanent legislation with the adoption of Law 2437 of 2024.
26. One of the new reorganization procedures introduced was the Business Recovery Procedure (*Procedimiento de Recuperación Empresarial en las Cámaras de Comercio*), known as the “PRE” (art.7, L.2437).
27. It is a collective administrative reorganization procedure managed by the Center for Arbitration and Conciliation of participating Chambers of Commerce and, if necessary, validated by an insolvency court. The filing of a PRE request grants the debtor automatic stay on collections for the duration of the procedure and requires a consensual deal between creditors and debtor with the help of a mediator.
28. Judicial validation is required to extend the effects of the approved plan to dissident and absent creditors and to decide on the objections and observations of the creditors who voted against or abstained from participating in the mediation. This is conducted before the SOC in the case of corporate debtors (art.7, L.2437).
29. The PRE insolvency procedure can be categorized as having a mixed legal nature, due to the two-tiered structure, first the out-of-court mediation and second, the Court conducted judicial validation.
30. Failure to reach a PRE agreement and termination of the mediation does not preclude the initiation of a L.1116 reorganizing procedure afterwards.
31. A PRE procedure would meet the definition of a “Foreign Proceeding” established in art.2 (a) of the Model Law and reproduced in art. 87-1 of L.1116.

VII. PRIMING OF A SECURED CREDITOR LIEN UNDER COLOMBIAN INSOLVENCY LAW

32. Colombian law is very concerned about the protection of existing property and other *In rem* rights. Law 1676, the Secured Transactions Law, was enacted in 2013 in large part to restore the rights of secured creditors in insolvency proceedings (art.50, 51 and 52, L.1676).
33. Judicial review of art. 50, 51 and 52 of L. 1676 has ratified the protection of secured creditor liens in insolvency proceedings as a constitutionally justified means of promoting the access to credit (Sent. C-145/18, Constitutional Court; Sent. C-483/24, Constitutional Court).
34. Article 12, paragraph, of the recently enacted Law 2437 validates the *sufficiency test* established in articles 2494, 2495, 2496 and 2498 C.C.C. and thus what can be considered the “super-priority” of secured credits in insolvency proceedings.

35. Most Colombian reorganization plans conducted under Law 1116 and Law 2437 deal only with the extension of payment terms and reduction of interest rates. Sometimes a deferral of a grace period for payment of capital and/or interest is granted. Very rarely reductions in capital are imposed (60%+ votes of the corresponding class are required. art.33, L.1116)) or agreed to; as is the capitalization of debts (art.3.1, L2437).
36. Payment of reorganized debts should be made in accordance to precedence, privileges and preferences established by law. Modification of credit priorities must be adopted by special majority of 60%+ of admissible votes, it must facilitate the objective of the reorganization agreement, and it must not downgrade any creditor (art.41, L.1116.). Modification of credit priorities is rare.
37. No Absolute Priority Rule (APR) applies.
38. New liens on unencumbered assets can be placed, and lower priority liens can be placed on already encumbered assets (art.4.1 and 4.2, L.2437) during the reorganization procedure.
39. Granting a First-Priority security interest over previously encumbered assets is only possible with the prior consent of the creditor whose interest will be subordinated (art.4.3, L.2437)
40. In the absence of such consent, the insolvency judge only may authorize the creation of a First-Priority security interest on post-petition finance provided the debtor in bankruptcy demonstrates that, despite the new encumbrance, the originally secured creditor will enjoy “reasonable protection”.
41. Reasonable protection entails “establishing or implementing measures to safeguard the secured creditor’s position, such as making a full or partial prepayment of the secured obligations, replacing the secured asset with an equivalent one, making periodic payments, among others”. (art.4.3, L.2437).
42. The constitutionality of the content of art.4.3, L.2437 was considered by the Constitutional Court in 2020 (Sent. C-237/2020, Constitutional Court, as related to art.5 of D.560/20). It considered that *prima facie* priming a secured lender violated Article 58 of the Constitution that determines that that “acquired rights shall be respected in accordance with the law”, unless “reasonable protection” is provided. The secured creditor, according to the Court “may not be left without protection; such protection... must be effective in achieving the purposes of the pre-existing security interest and, in that regard, must ensure that the creditor has adequate mechanisms to obtain satisfaction of its claim”.
43. Furthermore, the Statement of Legislative Intent (*Exposición de Motivos*) of article 4.3 of L.2437 clearly explains that “the security may be granted without that creditor’s consent only over the value of the asset that exceeds the amount of the secured obligation”, emphasizing that “unlike the U.S. system, under this system the judge cannot displace the original secured creditor in order to favor the creditor providing the financing”.
44. Courts may be reluctant to accept post-petition financing that primes secured loans unless the high threshold for the “reasonable protection” of the First-Priority secured creditor is met.

VIII. RECOGNITION OF FOREIGN PROCEEDING AND PRIMING OF SECURED CREDITORS

45. Recognition of foreign main insolvency proceedings has been granted by the SOC. Notable cases include Global Geophysical Services, Inc. (Corpus Christi, Texas, USA), Pacific Exploration & Production Corp. (Ontario, Canada) and Latam Airlines Group S.A. (New York, New York, USA).
46. Although Colombian cross border insolvency regulations mandate cooperation and coordination between insolvency authorities, the SOC has traditionally been inclined to prioritize the protection of creditors deemed as vulnerable regardless of nominal rights held by other parties.
47. The SOC holds a broad reading of Article 107 of Law 1116 related to the “Protection of Creditors and Other Interested Parties” in cross-border insolvencies. A measure requested by a foreign representative may be granted, denied and modified considering “that the interests of creditors and other interested parties, including the debtor, are duly protected” and subjecting the measure “to such conditions as it deems appropriate”.
48. The Pacific Exploration & Production Corp. (“Pacific”) case presents an example in which the SOC prioritized the defense and payment of local creditors over the coordination of proceedings in other relevant jurisdictions.
49. Pacific requested a reorganization procedure under the Companies’ Creditors Arrangement Act–CCAA before the Ontario Superior Court of Justice and filed for recognition of the Canadian procedure in Colombia. Recognition was granted but severe conditions were imposed (SOC Order No.2016-01-323440, 10/06/2016). Among them (i) the creation of a segregated trust with US\$50M to guarantee a minimum recovery for creditors in Colombia in the event of a judicial liquidation of the company; (ii) the submission of weekly cash-flow reports by the foreign representative; (iii) a precautionary order directing payment to certain creditors (suppliers, taxes, payroll, etc.) up to a total value of US\$318M from cash held in bank accounts, trusts, and the collective resources of the Pacific Group of companies, from the operational of branches, or deriving from the “DIP Indenture” entered into as part of the restructuring arrangements.
50. The SOC argued that payments related to the DIP facility granted to the parent company (i) could not automatically be considered an “administrative expense” under Colombia law because local subsidiaries had not filed for insolvency and were not in a cessation of payments and (ii) the liens granted to the DIP lenders over the totality of the assets of the Colombian subsidiary companies could leave local creditors with the “impossibility of obtaining payment of their credits”.
51. The new liens for the DIP facility were authorized, but the precautionary order directing payment to certain creditors in Colombia, regardless of the plan proposed in Canada, was justified on the grounds that all assets were pledged to the DIP lender, thus giving the secured creditor preference above all other creditors.
52. Although the Pacific case was decided in 2016, before the 2020/2024 legal reforms introduced the possibility of priming secured creditors (Article 4.3 of Law 2437), it still provides a relevant precedent to evaluate the reach of the “reasonable protection” provision in a cross-border scenario.

53. In Pacific, the equivalent of “reasonable protection” to unsecured local creditors was achieved by modifying the requested measure. Substantial assets and payments were shifted to local creditors by order of the SOC. New liens were authorized to DIP lenders but a *Sub rosa* guarantee was provided to unsecured lenders, giving them First-Priority on the monies derived from the segregated trust and from the direct payments.
54. A request to the SOC by a foreign representative to prime secured lenders will not be automatic and will have to meet the stringent “reasonable protection” standards set in Article 4.3 of Law 2437. Furthermore, the request for authorization will be rejected if other creditors do not have the opportunity to “submit financing proposals, whether their own or from third parties, on terms that are less burdensome than those presented by the debtor”.
55. As reasonable protection entails “establishing or implementing measures to safeguard the secured creditor's position”, full payment or replacing the secured asset with an equivalent one, would be considered to be reasonable protection.
56. Colombia applies public policy in a way that strongly protects secured creditors and constitutional guarantees related to property rights. Therefore, a measure priming the existing secured debt as proposed in the DIP facility term sheet, would be denied by a Colombian court as manifestly contrary to public policy (orden público) as provided by Article 91 of L.1116.

VIII. REQUEST FOR RECOGNITION OF FOREIGN MAIN PROCEEDING WHEN A LOCAL INSOLVENCY PROCEEDING HAS COMENCED

57. If a foreign proceeding in Canada and a proceeding under Colombian insolvency law, such as a PRE, are conducted simultaneously with respect to the same debtor, the SOC shall endeavor to cooperate and coordinate its actions with those of the other foreign proceeding (art. 114, L.1116).
58. When the Colombian PRE proceeding is already underway at the time the filing for recognition of the foreign proceeding any measure granted must be compatible with the proceeding conducted in Colombia.
59. If the foreign proceeding is recognized in Colombia as a foreign main proceeding, measures that may be granted upon recognition have to be compatible with the domestic proceeding.

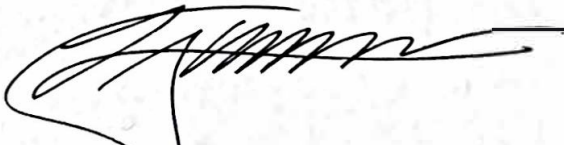
IX. CONCLUSION. OPINION ON QUESTIONS CONTAINED IN I.2.1 AND I.2.2

60. Under Colombian law is it possible for the insolvency judge, the SOC, to grant a First-Priority security interest over previously encumbered assets with the prior consent of the creditor whose interest will be subordinated.
61. In the absence of consent, the insolvency judge may authorize the creation of a First-Priority security interest on post-petition finance provided the debtor in bankruptcy demonstrates that, despite the new encumbrance, the originally secured creditor will enjoy “reasonable protection”. The request for authorization will be rejected if other creditors do not have the opportunity to “submit financing

proposals, whether their own or from third parties, on terms that are less burdensome than those presented by the debtor”.

62. “Reasonable protection” means implementing measures to safeguard the originally secured creditor's position, which in practice means that such existing creditors must receive material value in the form of repayment, a substantial guarantee or security on new assets.
63. The Pacific case demonstrates the length at which the SOC is willing to go to protect the rights of pre-filing creditors.
64. In absence of consent from the primed secured creditor the insolvency judge will reject an order of a foreign court as manifestly contrary to public policy if the displacement of original secured creditor occurs and “reasonable protection” is not met.
65. Diminution of rights by originally secured creditors will not be accepted as it fails the reasonable protection test. The insolvency judge will reject an order of a foreign court as manifestly contrary to public policy if the displacement of the original secured creditor occurs without full coverage.
66. A statement that the secured creditor may not be prejudiced will not be considered “reasonable protection” and I am of the view a Colombian court would not grant such relief. The common practice in Colombia is to have the consent of any existing secured creditor, as priming such a creditor is not an executable strategy. Secured creditors' priority rights in Colombia need to be protected with consent or material valuable consideration.

Executed on this 8th day of December 2025, in Bogotá, D.C, Republic of Colombia.



Signed, Luis Guillermo Vélez



Clerk's stamp

COURT FILE NUMBER 2501-18462

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

MATTER IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,, R.S.C. 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 OF LUIS GUILLERMO VÉLEZ-CABRERA**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **GOODMANS LLP**
 Bay Adelaide Centre – West Tower
 333 Bay Street, Suite 3400
 Toronto, ON N5H 2S7

Attention: Joseph Pasquariello / Robert Chadwick / Erik Axell
 Counsel for Macquarie Bank Ltd.

Tel: (416) 979.2211
 Email: jpasquariello@goodmans.ca / rchadwick@goodmans.ca / eaxell@goodmans.ca

AFFIDAVIT OF LUIS GUILLERMO VÉLEZ-CABRERA**SWORN ON DECEMBER 8th, 2025**

I, **LUIS GUILLERMO VÉLEZ-CABRERA** of the City of Bogota, Republic of Colombia, **SWEAR AND SAY THAT:**

1. I am a founding partner of the law firm Urdaneta, Velez, Pearl & Abdallah Abogados in Bogota, Colombia, which specializes in commercial and insolvency law. I have numerous publications in the areas of bankruptcy and insolvency law, and am a member of various organizations including acting as the Republic of Colombia's representative before the United Nations Commission for International Trade Rights in Working Group V (insolvency) and as past president of the Columbian



Insolvency Law Institute. I was a professor of insolvency law at Universidad Nacional de Colombia in Bogota, Colombia. I have been retained by Macquarie Bank Ltd. ("Macquarie") as an independent expert. Attached hereto and marked as Exhibit "A" is a copy of my *curriculum vitae*.

- 2. I have personal knowledge of the facts and matters stated herein except where stated to be based on information and belief, and where so informed, I believe those facts to be true.
- 3. I was retained by Macquarie to provide a declaration with respect to (i) the applicable insolvency law in the jurisdiction of the Republic of Colombia with regard to the treatment of secured creditors; and (ii) the treatment of creditors under Colombian law in a scenario where the foreign jurisdiction acting in Colombia requests recognition of a foreign proceeding and a modification of credit priority to facilitate the grant of a debtor in possession credit facility. Attached hereto and marked as Exhibit "B" is a copy of my declaration dated December 8, 2025.
- 4. I understand my role as an independent expert is to give opinion evidence that is fair, objective and non-partisan and solely on matters that are within my area of expertise.

SWORN before me by videoconference in the)
City of Calgary, in the Province of Alberta this)
8th day of December 2025.)



Jakub Maslowski)
Notary Public/Commissioner for Oaths in and)
for the Province of Alberta)

LUIS GUILLERMO VÉLEZ-CABRERA

JAKUB MASLOWSKI
Barrister & Solicitor



This is **Exhibit "A"** referred to in the Affidavit of
LUIS GUILLERMO VÉLEZ-CABRERA,
sworn before me by videoconference in the City of Calgary,
in the Province of Alberta on the 8th day of December 2025



Jakub Maslowski

Notary Public/Commissioner for Oaths in
and for the Province of Alberta

JAKUB MASLOWSKI
Barrister & Solicitor