

# Canacol Energy Ltd. announces the commencement of cash tender offer and consent solicitation with respect to its 2025 senior notes

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CALGARY, Nov. 8, 2021 - [Canacol Energy Ltd.](#) (TSX:CNE) (OTCQX:CNNEF) (BVC:CNE.C) ("Canacol") and Credit Suisse Securities (USA) LLC (the "Purchaser") today announced the commencement of an offer by the Purchaser (directly or through an affiliate) to purchase for cash (the "Tender Offer") any and all of the outstanding 7.250% Senior Notes due 2025 (the "Notes") issued by Canacol from each registered holder of the Notes (each, a "Holder" and, collectively, the "Holders"). The Tender Offer is being made pursuant to the offer to purchase and consent solicitation statement dated November 8, 2021 (the "Offer and Solicitation Statement").

In connection with the Tender Offer, the Purchaser (directly or through an affiliate) is also soliciting on behalf of the Issuer (the "Solicitation") with respect to the Notes, consents (the "Consents") to proposed amendments (the "Proposed Amendments") to the Notes and the indenture dated May 3, 2018 (as amended and supplemented to the date hereof, the "Indenture") between Canacol, the guarantors thereto and Citibank, N.A., as trustee (the "Trustee"), under which the Notes were issued, providing for, among other things, elimination of substantially all restrictive covenants in the Indenture and modify the notice period applicable to optional redemptions from not less than ten nor more than 60 days to not less than three Business Days nor more than 60 days.

The table below summarizes certain payment terms of the Tender Offer and the Solicitation:

Description of Notes	CUSIP/ ISIN Nos.	Outstanding Principal Amount	Purchase Price
7.250% Senior Notes due 2025	Rule 144A: 134808 AC8 / US134808AC80 Reg S: U13518 AB8 / USU13518AB81	U.S.\$320,000,000	U.S.\$1,015.85

(1) Per U.S.\$1,000 principal amount of Notes.

(2) Total Consideration is inclusive of Early Tender Payment

The Tender Offer and the Solicitation are scheduled to expire at 11:59 p.m., New York City time, on December 7, 2021, unless extended or earlier terminated (such date and time, including as extended or earlier terminated, the "Expiration Date"). The early tender deadline for the offer will be 5:00 p.m., New York City time, on November 22, 2021 (such date and time, including as extended or earlier terminated, the "Early Tender Time"). Notes tendered may be withdrawn prior to 5:00 p.m., New York City time, on November 22, 2021 (such date and time, the "Withdrawal Deadline"), but not thereafter, except as required by applicable law.

The total consideration offered for each U.S.\$1,000 principal amount of the Notes will be U.S.\$ 1,065.85 (the "Total Consideration"), which includes an early tender payment of U.S.\$50.00 per U.S.\$1,000 principal amount of the Notes (the "Early Tender Payment") and the Purchase Price (as defined below). The Early Tender Payment will be payable only to Holders who validly tender and do not withdraw their Notes on or prior to the Early Tender Time. Holders validly tendering and not withdrawing Notes at or before the Early Tender Time will be eligible to receive the Total Consideration (including the Early Tender Payment) on a date promptly following the Early Tender Time (the "Early Settlement Date") (which date is expected to be November 23, 2021, but which may change without notice).

Pursuant to the Tender Offer, Holders validly tendering their Notes after the Early Tender Time and prior to or at the Expiration Date will be entitled to receive U.S.\$1,015.85 per U.S.\$1,000 principal amount of the Notes (the "Purchase Price"), namely an amount equal to the Total Consideration less the Early Tender Payment, on a date promptly following the Expiration Date (the "Final Settlement Date") (which date is expected to be December 8, 2021, but which may change without notice).

In addition, Holders whose Notes are validly tendered and accepted for purchase in the Tender Offer will receive accrued and unpaid interest in respect of their purchased Notes from the last interest payment date to, but not including, (i) in the case of any Notes accepted for purchase at or before the Early Tender Time, the Early Settlement Date and (ii) in the case of any remaining Notes accepted for purchase after the Early Tender Time, the Final Settlement Date, as the case may be.

The Consent of the Holders of at least a majority in aggregate principal amount outstanding of the Notes is required to authorize the Proposed Amendments (the "Requisite Consents"). Assuming that the Requisite Consents to authorize the Proposed Amendments are validly delivered and not validly revoked, it is expected that Canacol and the Trustee will execute a supplemental indenture with respect to the Indenture (the "Supplemental Indenture") providing for the Proposed Amendments after the Requisite Consents have been obtained; however, the Supplemental Indenture and the Proposed Amendments will not be effective and operative until the Final Settlement Date and consummation of the Exchange (as defined below).

Holders may not tender their Notes without delivering their Consents to the Proposed Amendments and to the execution and delivery of the Supplemental Indenture pursuant to the Solicitation and may not deliver Consents to the Proposed Amendments and the execution and delivery of the Supplemental Indenture without tendering their Notes pursuant to the Tender Offer.

Canacol has consented to the Purchaser making the Tender Offer and the Solicitation on its behalf. It is intended that the Notes purchased by the Purchaser in the Tender Offer will be exchanged by the Purchaser with Canacol for certain new notes (the "Exchange") issued in a new offering by Canacol (the "New Offering").

The obligation of the Purchaser to accept for purchase, and to pay for, Notes validly tendered pursuant to the Tender Offer is subject to, and conditioned upon, the satisfaction or waiver of certain conditions as set forth in the Offer and Solicitation Statement, in the sole discretion of the Purchaser. The Tender Offer is not conditioned on any minimum participation by the Holders, including the minimum participation necessary to consummate the Solicitation.

Subject to the results of the Tender Offer, Canacol intends to send a notice of redemption to the Trustee and the Holders of any outstanding Notes following the Early Settlement Date in accordance with the terms and conditions set forth in the Indenture, after giving effect to the Proposed Amendments, although Canacol has no legal obligation to do so and the selection of any particular redemption date is in their discretion. This statement of intent shall not constitute a notice of redemption under the Indenture.

The Information Agent and Tender Agent for the Tender Offer and Solicitation is D.F. King & Co., Inc. To contact the Information Agent and Tender Agent, banks and brokers may call +1 212-269-5550, and others may call U.S. toll-free: (877) 674-6273. Additional contact information is set forth below.

By Mail, Hand or Overnight Courier: By Facsimile Transmission:

48 Wall Street (for eligible institutions only)  
22nd Floor +1 212-709-3328  
New York, NY 10005  
USA  
Attention: Michael Horthman  
By E-mail: canacol@dfking.com Attention: Michael Horthman

Confirmation by Telephone  
+1 212-232-3233

Any questions or requests for assistance or for additional copies of this notice may be directed to the Dealer Managers and Solicitation Agents at their respective telephone numbers set forth below or, if by any Holder, to such Holder's broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Tender Offer and Solicitation.

The Dealer Managers and Solicitation Agents for the Tender Offer and Solicitation are:

Citigroup Global Markets Inc. Credit Suisse Securities (USA) LLC

388 Greenwich Street, Trading 4th Floor Eleven Madison Avenue

New York, NY 10013 New York, NY 10010

USA USA

Attention: Liability Management Group Attention: Liability Management

U.S. Toll Free: 1-800-558-3745 U.S. Toll Free: 1-800-820-1653

Collect: +1 212-723-6106 Collect: +1 212-538-2147

This notice does not constitute or form part of any offer or invitation to purchase, or any solicitation of any offer to sell, the Notes or any other securities in the United States or any other jurisdiction, nor shall it or any part of it, or the fact of its release, form the basis of, or be relied on or in connection with, any contract therefor. This notice is also not a solicitation of any Consent to the Proposed Amendments. The Tender Offer and Solicitation are made only by and pursuant to the terms of the Offer and Solicitation Statement and the information in this notice is qualified by reference to the Offer and Solicitation Statement. None of the Purchaser, Canacol, the Dealer Managers or the Information Agent and Tender Agent makes any recommendations as to whether Holders should tender their Notes pursuant to the Tender Offer and deliver their Consents pursuant to the Solicitation.

This notice to the market does not represent an offer to sell securities or a solicitation to buy securities in the United States or in any other jurisdiction. The New Offering was not and will not be registered or qualified under the U.S. Securities Act of 1933 ("Securities Act"), as amended, or the securities laws of any other jurisdiction. Consequently, the notes issued in the New Offering are prohibited from being offered or sold in any jurisdiction without the applicable registration, qualification or exemption from registration or qualification required under the Securities Act or the securities laws of any other jurisdiction, as applicable.

This notice to the market is released for disclosure purposes only, in accordance with applicable legislation.

It does not constitute marketing material, and should not be interpreted as advertising an offer to sell or soliciting any offer to buy securities issued by Canacol. This notice to the market is not for distribution in or into or to any person located or resident in the United States, its territories and possessions, any state of the United States or the District of Columbia or in any jurisdiction where it is unlawful to release, publish or distribute this announcement.

Neither this notice to the market nor the Offer and Solicitation constitutes an offer to buy or a solicitation of an offer to sell Notes, and tenders of Notes in the Tender Offer will not be accepted from Holders, in any jurisdiction in which such offer or solicitation is unlawful. In those jurisdictions where the securities, blue sky or other laws require an offer to be made by a licensed broker or dealer and a Dealer Manager or its affiliate is such a licensed broker or dealer in such jurisdictions, the Tender Offer shall be deemed to be made on behalf of Canacol by such Dealer Manager or such affiliate, as the case may be, and no Tender Offer is made in any such jurisdiction where the relevant Dealer Manager or its affiliate is not so licensed.

## About Canacol

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Canacol is a natural gas exploration and production company with operations focused in Colombia. Canacol's 7 common stock trades on the Toronto Stock Exchange, the OTCQX in the United States of America, and the Colombia Stock Exchange under ticker symbols CNE, CNEEF, and CNE C, respectively. <https://www.canacol.com>

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**Forward-Looking Statements**  
This news release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and applicable Canadian securities legislation. All statements other than statements of historical fact contained in this news release may be forward-looking statements. Such statements can generally be identified by words such as "may," "target," "could," "would," "will," "should," "believe," "expect," "anticipate," "plan," "intend," "foresee" and other similar words or phrases. In particular, forward-looking statements herein include, but are not limited to, statements relating to the proposed Tender Offer and New Offering. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in the forward-looking statements. Canacol believes that the expectations reflected in such forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. The forward-looking statements are expressly qualified in their entirety by this cautionary statement. The forward-looking statements are made as of the date of this news release and Canacol assumes no obligation to update or revise them to reflect new events or circumstances, except as expressly required by applicable securities law. Further information regarding risks and uncertainties relating to Canacol and its securities can be found in the disclosure documents filed by Canacol with the securities regulatory authorities, available at [www.sedar.com](http://www.sedar.com).

For more information please contact:

Investor Relations  
South America: +571.621.1747 IR-SA@canacolenergy.com  
Global: +1.403.561.1648 IR-GLOBAL@canacolenergy.com

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