

Canacol Energy Ltd. Achieves 90 MMSCFPD of Realized Gas Sales

CALGARY, ALBERTA - (April 21, 2016) - Canacol Energy Ltd. ("Canacol" or the "Corporation") (TSX:CNE; OTCQX:CNNEF; BVC:CNEC) is pleased to provide the following update concerning its gas sales and the expansion of its Jobo gas processing facility.

Realized contractual gas sales currently total 90 million standard cubic feet per day ("MMscfpd"). Canacol's gas sales are priced in US dollars sold at the Jobo plantgate under long term multi year escalated take or pay contracts at a 2016 average sales price of US\$31.92 / barrel of oil equivalent ("boe"), or US\$5.60 / thousand standard cubic feet ("mscf"), to major Colombian gas consumers including thermoelectric producers and mining companies.

Realized contractual gas sales for the months of January 2016, February 2016, and March 2016 were approximately 30.0 MMscfpd, 38.5 MMscfpd and 47.0 MMscfpd respectively, reflecting the additional sales related to the Promigas pipeline expansion. Realized gas sales netbacks for the first quarter of 2016 was approximately US\$25.80 / boe, or US\$4.53 / mscf.

Canacol estimates that realized contractual gas sales will average approximately 75 MMscfpd (13,160 boepd) for calendar 2016 (including approximately 90 MMscfpd from here forth) at an anticipated average realized price of US\$5.60 / mscf (US\$31.92 / boe), with an average netback of approximately US\$4.56 / mcf (US\$26.00 / boe), generating approximately US\$153 million of gross revenues.

The expansion of gas processing facilities at the Canacol operated Jobo station have been completed, with gas total processing capacity exceeding 180 MMscfpd.

Canacol is an exploration and production company with operations focused in Colombia and Ecuador. The Corporation's common stock trades on the Toronto Stock Exchange, the OTCQX in the United States of America, and the Colombia Stock Exchange under ticker symbol CNE, CNNEF, and CNE.C, respectively.

This press release contains certain forward-looking statements within the meaning of applicable securities law. Forward-looking statements are frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur, including without limitation statements relating to estimated production rates from the Corporation's properties and intended work programs and associated timelines. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. The Corporation cannot assure that actual results will be consistent with these forward looking statements. They are made as of the date hereof and are subject to change and the Corporation assumes no obligation to revise or update them to reflect new circumstances, except as required by law. Prospective investors should not place undue reliance on forward looking statements. These factors include the inherent risks involved in the exploration for and development of crude oil and natural gas properties, the uncertainties involved in interpreting drilling results and other geological and geophysical data, fluctuating energy prices, the possibility of cost overruns or unanticipated costs or delays and other uncertainties associated with the oil and gas industry. Other risk factors could include risks associated with negotiating with foreign governments as well as country risk associated with conducting international activities, and other factors, many of which are beyond the control of the Corporation.

Realized contractual gas sales are defined as gas produced and sold plus gas revenues received from nominated take or pay contracts

Boe conversion – The term "boe" is used in this news release. Boe may be misleading, particularly if used in isolation. A boe conversion ratio of cubic feet of natural gas to barrels oil equivalent is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. In this news release, we have expressed boe using the Colombian conversion standard of 5.7 Mcf: 1 bbl required by the Ministry of Mines and Energy of Colombia.

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