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## Canacol Energy Ltd. announces \$125 million bought deal equity financing

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CALGARY, May 6, 2014 - Canacol Energy Ltd. ("Canacol" or the "Corporation" - TSX:CNE; OTCQX:CNNEF; BVC:CNEC) is pleased to announce that it has entered into an agreement with a syndicate of underwriters led by Canaccord Genuity Corp. on behalf of a syndicate of underwriters (collectively the "Underwriters"), which have agreed to purchase, on a bought deal basis, 15,823,000 common shares of Canacol (the "Common Shares") at a price of \$7.90 per Common Share for gross proceeds of \$125,001,700 (the "Offering").

The Corporation will grant the Underwriters an option to purchase up to 15% additional Common Shares (the "Over-Allotment Option"), exercisable for a period of 30 days following the date of closing to cover over-allotments, if any.

Canacol Energy will use the net proceeds from the Offering to expand the Corporation's capital program and for general corporate purposes.

The Common Shares will be offered by way of a short form prospectus to be filed in of British Columbia, Alberta and Ontario and such other Canadian provinces and territories (excluding Quebec) as the Underwriters and the Corporation may agree, acting reasonably. The Offering will also be sold in the United States on a private placement basis to Qualified Institutional Buyers pursuant to Rule 144A and in Europe and other eligible foreign jurisdictions in accordance with applicable regulations such that no prospectus, registration statement or similar document is required to be filed in any jurisdiction outside of Canada.

Closing of the Offering is expected to occur on or about May 27, 2014 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the TSX Exchange.

The securities offered have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an available exemption from the registration requirements thereof. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

*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.*

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