



Canacol Energy Ltd. Announces Corporate Production Update and Raises Guidance

CALGARY, ALBERTA- (April 28, 2011) Canacol Energy Ltd. ("Canacol" or the "Corporation") (TSX VENTURE:CNE) (BVC:CNEC) is pleased to provide the following Corporate production update and an upward revision in production guidance for calendar 2011. The Corporation operates the Rancho Hermoso and Entrerrios Fields in Colombia, and has a non-operated interest in the Capella Field in Colombia and 4 producing oil fields in Brazil.

Net corporate production for the period January 1, 2011 through to March 31, 2011 averaged 10,187 barrels of oil per day ("bopd"), which consisted of 3,164 bopd of net production after royalties, and 7,023 bopd of tariff production. Net corporate production for the period April 1, 2011 to April 25, 2011 averaged 11,512 bopd, which consisted of 3,850 bopd of net production after royalty, and 7,662 bopd of tariff production.

The Corporation is revising its production guidance for calendar 2011 upwards from the previously disclosed yearly average of 10,000 to 11,000 bopd to a new target of 10,500 to 11,500 bopd based primarily on stronger than anticipated performance from the recently drilled wells at its operated Rancho Hermoso Field in Colombia. Gross production from the Rancho Hermoso Field averaged 23,639 bopd for the period April 1 through to April 25, 2011.

Canacol is a Canadian-based international oil and gas corporation with operations in Colombia, Guyana, and Brazil. Canacol is publicly traded on TSX Venture Exchange (TSXV: CNE) and the Bolsa de Valores Colombia (BVC: CNEC). The Corporation's public filings may be found at www.sedar.com.

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.

A barrel of oil equivalent (boe) is derived by converting gas to oil in the ratio of six thousand cubic feet of gas to oil and may be misleading, particularly if used in isolation. A boe conversion is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead, especially in various international jurisdictions. Prospective resources are defined as those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development. There is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources.

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