

Canacol Energy Ltd. Receives Prospective Resources Report for 3 Shale Oil Blocks in the Middle Magdalena Basin, Colombia

CALGARY, ALBERTA - (October 14, 2014) - Canacol Energy Ltd. ("Canacol" or the "Corporation") (TSX:CNE; OTCQX:CNNEF; BVC:CNEC) is pleased to announce the results from an independent resources evaluation of the Corporation's Santa Isabel, VMM 2, and VMM 3 blocks, effective June 30, 2014. For the prospective deep Cretaceous interval, specifically the La Luna and the Tablazo Formations, in each of the three blocks, the Corporation has 30% working interest in Santa Isabel, 20% working interest in VMM 2, and 20% undivided interest in VMM 3 subject to fulfillment of certain conditions. The three blocks in aggregate consist of 260,000 and 62,000 gross and net acres respectively in the Middle Magdalena Basin, Colombia.

The Corporation engaged DeGolyer & MacNaughton Canada Ltd. ("D&M") to prepare an independent prospective resources report. D&M provided low, best, high, and mean estimates of unrisked resources on a statistical aggregation method to the 3 blocks. These estimates have not been adjusted for the probability of geologic success (Pg).

	Low estimate, P90	Best estimate, P50	High estimate, P10	Mean estimate
Gross pool economic prospective oil resources, MMbbl	-	782.1	1,256.0	856.2
Canacol's gross working interest economic prospective oil resources, MMbbl	-	168.4	263.0	185.0

D&M provided low, best, high, and mean estimates of the potential net present worth that may be realized from the production and sale of prospective shale oil resources.

	Low estimate	Best estimate	High estimate	Mean estimate
Canacol's potential NPV10 of prospective oil resources, MMUSD	-	775	4,343	1,294

VMM 3 block, Picoplata 1 exploration well

The operator plans to spud the Picoplata 1 exploration well by mid October 2014. The well is targeting the Cretaceous La Luna formation.

The Corporation has four additional prospective shale oil blocks representing 651,000 and 483,000 gross and net acres respectively in the Upper Magdalena Basin, Colombia. These blocks are not included in the independent prospective resources report.

The report was prepared in accordance with National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities ("NI 51-101") and uses the resources and reserves definitions, standards and procedures set forth in the Canadian Oil and Gas Evaluation Handbook ("COGEH").

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. D&M prepared the probabilistic Prospective Resources evaluation using land and technical information including well, engineering, geological, and geophysical data to June 30, 2014.

Statistical summation method was used to aggregate resources quantities above the field, property or project level. The prospective resources quantities aggregated by arithmetic summation method for the prospects evaluated in the evaluation are reported in the resources table.

Prospective Resources - are those quantities of oil and gas estimated to be potentially recoverable from undiscovered accumulations. There is no certainty that the Prospective Resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the prospective resources. Application of any geological and economic chance factor does not equate prospective resources to contingent resources or reserves.

Low estimate - is considered to be a conservative estimate of the quantity that will actually be recovered. It is likely that the actual remaining quantities recovered will exceed the low estimate. If probabilistic methods are used, there should be at least a 90 percent probability (P90) that the quantities actually recovered will equal or exceed the low estimate.

Best estimate - is considered to be the best estimate of the quantity that will actually be recovered. It is equally likely that the actual remaining quantities recovered will be greater or less than the best estimate. If probabilistic methods are used, there should be at least a 50 percent probability (P50) that the quantities actually recovered will equal or exceed the best estimate.

High estimate - is considered to be an optimistic estimate of the quantity that will actually be recovered. It is unlikely that the actual remaining quantities recovered will exceed the high estimate. If probabilistic methods are used, there should be at least a 10 percent probability (P10) that the quantities actually recovered will equal or exceed the high estimate.

Mean estimate - is the arithmetic average from the probabilistic assessment.

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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