



Canacol Energy Ltd. to Upsize Senior Secured Term Loan to US\$220 Million

CALGARY, ALBERTA – (March 17, 2014) – Canacol Energy Ltd. ("Canacol" or the "Corporation") (TSX:CNE; OTCQX:CNNEF; BVC:CNEC) is pleased to announce that it has entered into discussions to upsize its existing senior secured term loan with a syndicate of banks led by Credit Suisse as Lead Arranger, Sole Bookrunner and Administrative Agent.

The existing US\$140 million term loan, which was entered into on April 3, 2013, is for a five-year term, with interest payable quarterly and principal repayable in 15 equal quarterly instalments starting in October 2014, following an initial 18 month grace period. The term loan carries interest at LIBOR plus 4.50% and is secured by all of the material assets of the Corporation. Canacol is currently in advanced discussions to upsize this existing term loan by an additional US\$80 million on substantially the same commercial terms and with no changes to the timing of principal repayments. Proceeds from the upsizing will be used for future capital expenditures in Colombia, costs of the transaction and for general corporate purposes. Closing of the transaction is subject to credit and legal approvals from all the syndicate member banks, Canacol Board of Directors approval, and other customary closing conditions. The transaction is expected to close and be funded by late March or the beginning of April 2014.

Charle Gamba, President and CEO of Canacol, stated: "The anticipated upsizing of the syndicated term loan represents another milestone in the execution of Canacol's business plan by securing non-dilutive cost-effective additional long-term funds for future capital expenditure activities and providing additional balance sheet liquidity. Should our exploration and appraisal drilling programs in 2014 continue to yield success, Canacol will be well capitalized to develop and bring them on stream quickly."

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 symbols CNE, CNNEF, and CNEC, 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.

For further information please contact:

Investor Relations

888-352-0555

Email: IR@canacolenergy.com

<http://www.canacolenergy.com>