



Canacol Energy Ltd. Announces \$5 Million Private Placement Equity Financing

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CALGARY, ALBERTA -- (April 27, 2009) – Canacol Energy Ltd. ("Canacol" or the "Corporation") (TSX VENTURE: CNE) is pleased to announce that it has entered into an agreement with Canaccord Capital Corporation ("Canaccord") to issue, on a private placement "best efforts" agency basis, up to \$5,000,000 in units ("Units") at a price of \$0.125 per Unit (the "Offering"). Each Unit will consist of one common share of the Corporation and one-half common share purchase warrant ("Warrant"), with each whole Warrant entitling the holder to acquire one common share of the Corporation at a price of \$0.20 for a period of 24 months from the closing date of the Offering. The Offering is expected to close on or about May 26, 2009.

Charle Gamba, President and CEO of Canacol, stated, "We are very pleased to be raising additional capital to fund our previously announced 2009 work program, which includes our operated development drilling program in Colombia. This includes the drilling of three development wells and the workover of three existing producers on our operated Rancho Hermoso and Entrerrios fields, and the drilling of additional delineation wells on our heavy oil discovery at Capella. As previously announced, part of the capital for these programs will be advanced by Gemini Oil and Gas. A portion of the proceeds from this offering will also be directed towards preparing for our 2010 exploration drilling and seismic programs in Guyana and Brazil."

Completion of the private placement is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory approvals including the approval of the TSX Venture Exchange.

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

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

This press release may contain statements within the meaning of safe harbour provisions as defined under Securities Laws and Regulations. The above statements are based on the current expectations and beliefs of Canacol's management and are subject to a number of risks and uncertainties that may cause the actual results to differ materially from those described above.

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. 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.

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