



Canacol Energy Ltd. Announces Conditional Agreement for Acquisition of Guyana Interests

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CALGARY, ALBERTA -- (May 15, 2009) – Canacol Energy Ltd. ("Canacol" or the "Corporation") (TSX VENTURE: CNE) is pleased to announce that it has entered into a conditional share purchase agreement to acquire from Groundstar Resources Limited ("Groundstar" or the "Vendor") all of the shares of a Guyana company which holds the 7,800 square kilometre Petroleum Prospecting Licence ("PPL") in the Takutu Basin, onshore Guyana (the "Transaction"). In connection with the closing of the Transaction, the Vendor would be granted a 10% carried interest which will be carried by the Corporation to first commercial production on the PPL, and be repaid commencing with first production. The closing of the Transaction remains conditional on the consent and approval of the Guyanese Government to: (a) an extension of the PPL to July 2012 in exchange for additional work commitments acceptable to Canacol; (b) the transfer of the shares of the Guyana company holding the PPL to Canacol; and (c) such other parts of the Transaction which require government consent. In addition, the Transaction remains subject to the consent of the TSX Venture Exchange and ordinary closing conditions.

The consideration to be paid at closing, which is expected to occur in June 2009, is US\$3,450,000. The Corporation has paid a deposit of US\$1,200,000 under the purchase agreement which will be deducted from the aggregate purchase price.

In connection with the Transaction, the Corporation intends to seek a partner and is currently in advanced negotiations with an international oil and gas company for a potential reduction of the Corporation interest immediately following the closing of the Transaction.

The Corporation was previously committed to spend approximately US\$12,000,000 (paying 100% of the costs through this expenditure amount) on the PPL to earn a 55% interest through a farm-in agreement with Groundstar dated May 18, 2008. After this transaction the Corporation would have a working interest of 85%. As a result, management of the Corporation believe that this transaction is accretive to the shareholders of the Corporation and provides the Corporation with exposure to a greater interest in a material frontier oil appraisal project and exploration prospect within a basin which has been proven to contain a light oil hydrocarbon system.

The Transaction will not close until the required approvals from the Guyanese Government and the TSX Venture Exchange are obtained. Due to these requirements, including for certain amendments to the PPL and the Guyanese Government consent, there can be no assurance that the Transaction will be completed.

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 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.

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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