



Canacol Energy Ltd. Announces Meeting Results and Share Consolidation

CALGARY, ALBERTA (December 14, 2012) – Canacol Energy Ltd. (“Canacol” or the “Corporation”) (TSX:CNE; BVC:CNEC) is pleased to announce that at the annual general and special meeting held in Calgary, Alberta on December 14, 2012 (the “Meeting”) holders (“Shareholders”) of common shares (“Common Shares”) of Canacol approved the issuance of the securities of the Corporation (the “Share Issuance Resolution”) pursuant to the previously announced plan of arrangement (the “Arrangement”) with Shona Energy Company, Inc. (“Shona”) whereby Canacol will acquire 100% of the issued and outstanding class “A” common shares of Shona and series “A” preferred shares of Shona, in exchange for Common Shares and cash. The Share Issuance Resolution was approved by Shareholders holding approximately 98.3% of the Common Shares who voted on the Share Issuance Resolution at the Meeting.

Shona received shareholder approval for the Arrangement at its annual general and special meeting held on December 14, 2012 and also received approval of the Arrangement by the Court of Queen's Bench of Alberta on December 14, 2012.

The Arrangement is expected to become effective on, or about, December 19, 2012. The Arrangement is more fully described in the management information circular and proxy statement of Canacol dated November 9, 2012, which may be viewed at www.sedar.com.

At the Meeting, Shareholders also: (i) re-elected Charle Gamba, Michael Hibberd, Jason Bednar, Stuart Hensman, Alvaro Barrera, Luis Baena, David Winter and Dominic Dacosta to the Board of Directors; (ii) re-appointed Deloitte & Touche LLP, Chartered Accountants, as Canacol's auditors; (iii) approved the amendment to the Articles of Canacol to permit meetings of Shareholders to be held outside of Alberta; and (iv) approved the amendment to the Articles of Canacol to consolidate (the “Consolidation”) all of the issued and outstanding Common Shares on the basis of one (1) post-Consolidation share for every 10 pre-Consolidation shares.

The Corporation completed the Consolidation effective December 14, 2012. The 618,982,432 Common Shares outstanding will be reduced to approximately 61,898,243 Common Shares (subject to fractional rounding). No fractional Common Shares will be issued and any fractions of a Common Share equal to exactly 0.5 or greater will be rounded up and any fractions equal to less than 0.5 will be rounded down. A new CUSIP number of 134808203 replaces the old CUSIP number of 134808104, to distinguish between the pre- and post-Consolidation Common Shares. The Corporation's name and trading symbol will remain unchanged.

The Common Shares are expected to begin trading on a post-Consolidation basis on the Toronto Stock Exchange in approximately three business days from the date of the Toronto Stock Exchange's final bulletin regarding the Consolidation.

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 and the Colombia Stock Exchange under ticker symbol CNE 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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