



Canacol Energy Ltd Announces Spud of the Oso Pardo 1 Shale Oil Exploration Well in Colombia

CALGARY, ALBERTA--(June 11, 2013) - Canacol Energy Ltd. ("Canacol" or the "Corporation") ([CNE.TO](#))(BVC:CNEC) is pleased to announce the commencement of drilling operations for the Oso Pardo 1 exploration well being drilled on the Santa Isabel Exploration and Production ("E&P") contract located in the Middle Magdalena Valley of Colombia. Pursuant to the terms of the agreements between Canacol and ConocoPhillips Colombia Ventures Ltd., a wholly-owned subsidiary of ConocoPhillips Company ("ConocoPhillips") ([COP](#)), Canacol will hold a 30% operated working interest in the deep Cretaceous section of the contract, with ConocoPhillips holding 70% working interest. Canacol retains a 100% contractual interest in the shallow Tertiary section of the Concession Contract. The formalization of the aforementioned working interest remains subject to the official approval of the Agencia Nacional de Hidrocarburos.

The well is situated approximately 12 kilometers west of the recently drilled Mono Arana 1 discovery located on the adjacent VMM2 E&P contract, in which Canacol has a 20% non-operated working interest. As previously disclosed, the Mono Arana 1 well encountered oil in both the Tertiary Lisama sandstone and naturally fractured shales of the Cretaceous La Luna Formation. Canacol holds approximately 253,000 net acres of the prospective shale oil trend across five E&P contracts located in the Middle and Upper Magdalena Valley of Colombia.

Charle Gamba, President and CEO of Canacol, stated: "We are pleased to have started the drilling of the first exploration well with our partner ConocoPhillips to test both the conventional shallow and the deeper shale oil potential of the Santa Isabel contract. Based upon the recent success of the Mono Arana 1 exploration well drilled late last year with our partners on the adjacent VMM2 contract, we are optimistic of the outcome at Oso Pardo 1 well with respect to the continued de-risking of our approximately 253,000 net acres of prospective shale oil located in the Magdalena Valley of Colombia."

The Oso Pardo 1 well was spud on June 10, 2013, and is designed to test the oil potential of both the shallow conventional Tertiary Lisama sandstone reservoir and deeper naturally fractured shale and carbonate reservoirs within the La Luna and Simiti oil shales.

The Corporation also announces that Platino Energy Ltd spud the Coati 1 exploration well, located in the southern Putumayo Basin, on June 6, 2013. The Corporation has the right to earn a 20 percent working interest in the contract after satisfying the earning conditions, subject to seeking ANH approval at the time such right is exercised.

Canacol is an exploration and production company with operations focused in Colombia and Ecuador. Canacol's common stock trades on the Toronto Stock Exchange and the Colombia Stock Exchange under ticker symbol CNE and CNEC, respectively.