



Canacol Energy Ltd. Announces that Coati 1 Exploration Well Reaches Total Depth in Colombia

CALGARY, ALBERTA - (July 12, 2013) - Canacol Energy Ltd. ("Canacol" or the "Corporation") (TSX:CNE; BVC:CNEC) is pleased to announce that the Coati-1 well on the Coati Block in the Southern Putumayo Basin of Colombia has successfully drilled to a planned total depth of approximately 10,800 feet. As initially planned, Platino Energy Corp. ("Platino" or the "Operator"), has run casing to the top of the Caballos formation (at approximately 10,460 feet) and plans to case the well through to the Caballos formation at approximately 10,800 feet. As previously announced by the Operator, the Operator plans an extensive test program which is expected to take several weeks with plans to release preliminary well results only at the end of the program.

Platino currently holds a 100% working interest in the Coati Block, with its interest reducing to 80% once Canacol earns a 20% interest pursuant to agreed farm-in terms.

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

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