

Canacol Energy Ltd. Closes Sale of Ecuador Joint Venture Interest

CALGARY, ALBERTA - (March 7, 2018) - Further to its news release dated December 19, 2017, Canacol Energy Ltd. ("Canacol" or the "Corporation") (TSX:CNE; OTCQX:CNNEF; BVC:CNEC) is pleased to announce that it has closed on the sale of its 25% interest in Servicios Libertador S.L., the holding company of Pardaliservices S.A., which is the joint venture company that operates the 15-year incremental production contract awarded by the national oil company of Ecuador for the Libertador and Atacapi mature fields in Northern Ecuador. Canacol has received US \$30.4 million of the US \$36.4 million purchase price, with the final US \$6 million scheduled for payment in June 2019 per the sales agreement. Additionally, as part of the transaction, Canacol also received a reimbursement of USD\$5.58 million in respect of a cash call it paid to the joint venture in late 2017.

Also, as recently announced, Canacol has collected all US\$ 30.5 million of investment from the group of private investors relating to the Sabanas flowline. The Corporation currently has approximately US \$74 million of cash, along with US \$13 million of restricted cash, and remains well funded as it moves toward its goal of 230 million standard cubic feet of gas per day ("MMSCFPD") of natural gas production exiting 2018, via the new Promigas SA pipeline expansion.

Canacol is an exploration and production company with operations focused in Colombia and Mexico. The Corporation's common stock trades on the Toronto Stock Exchange, the OTCQX in the United States of America, and the Colombia Stock Exchange under ticker symbol CNE, CNNEF, 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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