

Canacol Energy Ltd. Enters Into US\$140 Million Long-Term Senior Secured Credit Agreement

CALGARY, ALBERTA - (April 3, 2013) - Canacol Energy Ltd. ("Canacol" or the "Corporation") (TSX:CNE; BVC:CNEC) is pleased to announce that it has entered into a credit agreement for a US\$140 million senior secured term loan with a syndicate of banks led by Credit Suisse as Lead Arranger, Sole Bookrunner and Administrative Agent, and Citibank, Export Development Canada and Corpbanca as Mandated Lead Arrangers.

The US\$140 million term loan is for a five-year term, with interest payable quarterly and principal repayable in 15 equal quarterly instalments starting in October 2014, following an initial 18 month grace period. The term loan carries interest at LIBOR plus 4.50% and is secured by all of the material assets of Canacol.

Proceeds from the term loan will be used for: a) repayment of principal (US\$ 45 million) and accrued interest outstanding under the Corporation's existing term loan used for the acquisition of Shona Energy Company, Inc.; b) repayment of principal (US\$ 31.1 million) and accrued interest outstanding under the Corporation's existing syndicated credit facility led by Scotiabank; c) future capital expenditures related to development activities in Colombia and Ecuador; and d) costs of the transaction and for other general corporate purposes.

Charle Gamba, President and CEO of Canacol, commented: "The closing of the US\$140 million term loan represents a key milestone in the development of Canacol's business plan by securing long-term funds to repay our existing debt facilities and consolidate Canacol's senior debt under one syndicated group of lenders, while also providing additional funds to pursue development activities in Colombia and Ecuador. Over the past six months, the Corporation has made great strides to diversify its reserve and production base, thereby providing Canacol with stable production and cash flows. These changes, together with the new term loan, position Canacol well in 2013 and beyond to execute on its planned activities."

Plexus Capital, LLC advised the Corporation on the transaction.

Canacol is an exploration and production corporation with operations in Colombia, Ecuador, Brazil, Guyana, and Peru. 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. Information and guidance provided herein supersedes and replaces any forward looking information provided in prior disclosures. 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. Average production figures for a given period are derived using arithmetic averaging of fluctuating historical production data for the entire period indicated and, accordingly, do not represent a constant rate of production for such period and are not an indicator of future production performance. Detailed information in respect of monthly production in the fields operated by the Corporation in Colombia is

provided by the Corporation to the Ministry of Mines and Energy of Colombia and is published by the Ministry on its website; a direct link to this information is provided on the Corporation's website.

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