



Canacol Energy Ltd. Tests 1,327 BOPD Light Oil From Leono 2 Appraisal Well in Colombia

CALGARY, ALBERTA - (February 12, 2014) - Canacol Energy Ltd. ("Canacol" or the "Corporation") (TSX:CNE; OTCQX:CNNEF; BVC:CNEC) is pleased to announce the first flow test result from the Leono 2 appraisal well located on the LLA23 Exploration and Production ("E&P") Contract in the Llanos Basin of Colombia. As previously reported, the Leono 1 discovery well encountered 133 feet ("ft") of net oil pay in four separate reservoirs, and tested at a gross rate of 1,863 barrels of oil per day ("bopd") (1,490 bopd net) in the Barco reservoir and at a gross rate of 1,869 bopd (1,495 bopd net) from the Gacheta reservoir. The Corporation has an 80% operated working interest in the LLA23 contract, with Petromont Colombia S.A. Sucursal Colombia holding the remaining 20% interest. The Leono 2 appraisal well encountered 121 ft of net oil pay, with the C7 reservoir testing 1,328 bopd gross (1,062 bopd net) of light oil.

Charle Gamba, President and CEO of the Corporation, commented "The results of the Leono 2 well confirm a significant light oil discovery at Leono with good production rates from 3 of the 4 oil bearing reservoirs tested so far. We're going to take a short break from the appraisal program and drill the Pantro 1 exploration well located right to the south of Leono before returning to Leono to execute a major appraisal and development drilling program. As anticipated, this discovery is going to add significant production to Canacol's bottom line this year, and hopefully with success at the upcoming Pantro 1 prospect we can augment the anticipated growth in a meaningful manner."

The Leono 2 well was spud on January 11, 2014 and reached a total depth of 12,610 feet measured depth ("ft md") on January 26, 2014 with strong oil and gas shows encountered while drilling through the primary reservoir targets. The well encountered 121 ft of net oil pay in the following reservoirs: 10 ft of net oil pay within the C7 reservoir with an average porosity of 18 %, 60 ft of net oil pay within the Barco reservoir with an average porosity of 17%, 26 ft of net oil pay within the Gacheta reservoir with an average porosity of 22%, and 25 ft of net oil pay within the Ubaque reservoir with an average porosity of 18%. The C7 reservoir was perforated from 10,603 – 10,610 ft md and flowed at a stable gross rate of 1,328 bopd (1,062 bopd net) of 33° API oil @ 106° F with 8% water cut using a jet pump set to 2,200 pounds per square inch injection.

The Corporation is currently preparing to test the Barco reservoir, and will place either the Barco or the C7 on long term production subject to the approval of the Agencia Nacional de Hidrocarburos, which the Corporation anticipates will occur in the third week of February 2014. Immediately upon completion of testing operations at Leono 2, Canacol is planning to drill the Pantro 1 exploration well located approximately 2 kilometers to the south of the Leono discovery. Pantro 1 is anticipated to spud prior to the end of February 2014, and will take approximately 6 weeks to drill, complete, and production test. Upon completion of the Pantro 1 exploration well, the Corporation plans to drill the first of three additional appraisal wells at Leono starting in late April, 2014, followed by the drilling of the Tigro 1 exploration well located approximately 2 km to the south of the Pantro 1 exploration well this coming summer. The Corporation will provide updates when relevant information becomes available.

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, 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.

Data obtained from the initial testing results at the well identified in this press release, including barrels of oil produced and levels of water-cut, should be considered to be preliminary until a further and detailed analysis or interpretation has been done on such data. The well test results obtained and disclosed in this press release are not necessarily indicative of long-term performance or of ultimate recovery. The reader is cautioned not to unduly rely on such results as such results may not be indicative of future performance of the well or of expected production results for the Corporation in the future.

For further information please contact:

Investor Relations

888-352-0555

Email: IR@canacolenergy.com

Website: canacolenergy.com