



Canacol Energy Ltd. Tests 2,930 BOPD Light Oil From Pantro 1 Discovery and Adds Second Drilling Rig on LLA23 Block in Colombia

CALGARY, ALBERTA - (May 2, 2014) - Canacol Energy Ltd. ("Canacol" or the "Corporation") (TSX:CNE; OTCQX:CNNEF; BVC:CNEC) is pleased to announce its third consecutive light oil discovery at the Pantro 1 exploration well located on the LLA23 Exploration and Production ("E&P") Contract in the Llanos Basin of Colombia. The Corporation has an 80% operated working interest in the LLA23 contract, with Petromont Colombia S.A. Sucursal Colombia holding the remaining 20% interest.

Charle Gamba, President and CEO of the Corporation, commented "Pantro marks the third consecutive light oil discovery after the Labrador and Leono discoveries, firming up a very productive light oil trend on our LLA23 block, where production netbacks from the Labrador and Leono fields averaged approximately US\$ 65 per barrel for the last reported quarter. Based on these exploration successes, and the high netback nature of the oil, we've decided to add a second drilling rig to our program on LLA23, and are planning to drill two more exploration wells, Tigro 1 and Pointer 1, along this prolific trend by the end of August 2014. In the meantime we have started a development drilling program which includes up to 6 wells, starting with the Labrador 4 well which spud on April 30, and the Leono 3 well which we intend to spud within 2 weeks. The success at Pantro 1, the addition of a second drilling rig to execute a development drilling program on our discoveries, and the potential associated with the upcoming Tigro 1 and Pointer 1 exploration wells will all contribute to the continued growth of high netback production and corresponding cash flow to Canacol's bottom line this year."

Pantro 1 Well and Test Results

The Pantro 1 well was spud on March 23, 2014 and reached a total depth of 12,682 feet measured depth ("ft md") on April 16, 2014 with good oil and gas shows encountered while drilling through the primary reservoir targets. The well encountered 83 feet ("ft") of net oil pay in the following reservoirs: 14 ft of net oil pay within the C7 reservoir with an average porosity of 16 %, 6 ft of net oil pay within the Mirador reservoir with an average porosity of 17%, 16 ft of net oil pay in the Barco reservoir with an average porosity of 14%, 37 ft of net oil pay within the Gacheta reservoir with an average porosity of 21%, and 10 ft of net oil pay within the Ubaque reservoir with an average porosity of 23%.

The Gacheta reservoir was perforated from 12,250 – 12,261 ft md and flowed at a gross rate of 2,930 barrels of oil per day ("bopd") (2,344 bopd net) of 31° API oil @ 135° F with 14% water cut and 75 thousand square feet of gas per day using an electro submersible pump set to a frequency of 38 Hz during a 24 hour flow period.

Forward Plans on LLA23

The Corporation next plans to production test the Mirador reservoir within the Pantro 1 well and place either the Gacheta or the Mirador on long term production, subject to the approval of the Agencia Nacional de Hidrocarburos. Immediately upon completion of testing operations at Pantro 1, Canacol is planning to drill the Leono 3 development well located approximately 0.5 kilometers ("kms") to the north of the Leono 2 appraisal well. Leono 3 is anticipated to take approximately 6 weeks to drill, complete, and production test. Upon completion of the Leono 3 development well, the Corporation plans to drill up to 4 additional development wells within the Pantro and Leono fields using this drilling rig throughout the remainder of calendar 2014.

The second drilling rig spud the Labrador 4 development well on April 30, 2014. The Labrador 4 well is located approximately 0.5 kms to the southwest of the Agueda 1ST discovery well, and is anticipated to take approximately 6 weeks to drill, complete, and production test. Upon the completion of the Labrador 4 well, the second drilling rig will drill the Tigro 1 exploration well, situated approximately 2 kms to the south of the Pantro 1 discovery. Upon the completion and testing of the Tigro 1 exploration well, the second drilling rig will drill the Pointer 1 exploration well, situated

approximately 2 kms to the south of the Labrador field. Upon the completion and testing of the Pointer 1 exploration well, the second drilling rig will be used to drill any potential appraisal and development wells resulting from a discovery at either Tigro, Pointer or both throughout the remainder of calendar 2014.

The Corporation also anticipates to commence the shooting of a 400 square kilometer 3D seismic program which will encompass the entire LLA23 block. The objective of the 3D seismic program is to firm up the portfolio of 12 currently identified exploration leads into prospects for drilling in 2015 and 2016. The seismic program is anticipated to commence in June 2014 and end in August 2014.

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.

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