Canacol Energy Ltd. Tests 590 BOPD From Fractured La Luna Formation Discovery at Mono Arana, Colombia

March 6, 2014 (Source: Marketwired) – Canacol Energy Ltd. ("Canacol" or the "Corporation") (TSX:CNE)(OTCQX:CNNEF)(BVC:CNEC) is pleased to provide an update of the testing operations from the La Luna Formation in the Mono Arana 1 exploration well pursuant to the VMM2 Exploration and Production ("E&P") Contract covering the Middle Magdalena Basin of Colombia. Canacol has a 20% non-operated working interest in this Contract, with ExxonMobil Exploration Colombia having a 70.1% working interest and Vetra Exploración y Producción Colombia having the remaining 9.9%.

As reported on January 24, 2013, the Mono Arana 1 exploration well encountered 230 feet ("ft") of net oil pay within the naturally fractured Cretaceous La Luna Formation. The Corporation has a 20% working interest in this part of the VMM2 contract for the La Luna. Two flow periods have been completed in the La Luna naturally fractured reservoir within the well, with the final flow period yielding a gross rate of approximately 590 barrels of oil per day ("bopd") of 22° API oil during the last hour of the 24 hour flow period.

Charle Gamba, President and CEO of the Corporation, commented "We are very pleased with the flow test results from the La Luna naturally fractured reservoir at the vertical Mono Arana 1 well. The flow test results from the La Luna in the Mono Arana 1 well demonstrate that the reservoir where it is naturally fractured is capable of good natural flow rates."

Mono Arana 1 Flow Test Results

The Mono Arana 1 well was spud on September 23, 2012, and was designed to test the oil potential of both the shallow Tertiary Lisama sandstone reservoir and deeper shale and carbonate reservoirs within the La Luna, Simiti, and Tablazo Formations. The well was drilled to a depth of 9,942 feet measured depth ("ft md"). Approximately 760 ft of La Luna Formation was encountered within the well, with good oil and gas shows encountered across the gross drilled interval. The La Luna Formation also exhibited high overpressure of up to 8146 psia. Based on Canacol's petrophysical analysis of the openhole logs run across the interval the part of the La Luna Formation penetrated in the well contains approximately 230 ft of net oil pay with an average porosity of 14% within naturally fractured shale and carbonate reservoirs.

Two flow periods were performed under natural flow conditions; the first consisted of a 48 hour ("hr") flow period, and the second a flow period of 24 hrs following an acidization procedure of the well. The first flow period yielded a gross production of approximately 130 bopd of 21° API oil and 16 thousand standard cubic feet per day ("mscfpd") with a 0.4% water cut on a 16/64 inch choke and a final bottom hole flowing pressure of 3,707 pounds per square inch ("psi") under natural flow conditions during the last hour of the 48 hr test.

The second flow period was conducted after performing an acidization procedure and the gross production increased to approximately 590 bopd of 22° API oil and 118 mscfpd and 0.4% water cut on a 24/64 inch choke with a final bottom hole flowing pressure of 4,081 psi achieved under natural flow conditions during the last hour of the 24 hour test.

The Corporation plans to commence a long term production test of the La Luna, subject to receipt of approval from the ANH.

Canacol's Acreage Position within the Magdalena Valley of Colombia

The Corporation holds interests in approximately 545,000 net acres within this play mainly in the Magdalena Valley of Colombia, the second largest position held by any operator after the State oil company.

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 and the Colombia Stock Exchange under ticker symbol CNE 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.