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**Canacol Energy Ltd. Announces the Issuance of Shares for Services**

CALGARY, ALBERTA – (April 8, 2011) – Canacol Energy Ltd. (“Canacol” or the “Corporation”) (TSX VENTURE: CNE) (BVC:CNE.C) is pleased to announce that during the quarter ended March 31, 2011 it issued 51,293 common shares as payment for services to consultants of the Corporation at a deemed price per share ranging from \$1.53 to \$1.63 which were the weighted average trading prices during the periods in question. These shares were issued pursuant to the terms of consulting agreements and are subject to a four-month hold period from the date of issuance.

*Canacol is a Canadian based international oil and gas corporation with operations in Colombia, Brazil and Guyana. Canacol is publicly traded on TSX Venture Exchange (TSX VENTURE:CNE) and the Bolsa de Valores Colombia (BVC: CNE.C).. The Corporation’s public filings may be found at [www.sedar.com](http://www.sedar.com).*

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