



## Canacol Energy Ltd. Provides Update on the Tardigrado-1 Exploration Well, Andaquies Block, Colombia

CALGARY, ALBERTA - (March 30, 2012) Canacol Energy Ltd. ("Canacol" or the "Corporation") (TSX:CNE) (BVC:CNEC) reports that C&C Energia Ltd. (the "Operator") has finished the drilling and testing of the Tardigrado-1 well in the Andaquies Exploration & Production ("E&P") contract located in Colombia and has subsequently abandoned the well. The Tardigrado-1 well encountered 60 feet of sandstone from the Caballos reservoir with an average porosity of 19%. The Caballos reservoir was perforated and tested in the intervals from 4,413 to 4,430 feet and between 4,442 to 4,445 feet. Swab tests from both intervals produced fresh water with slight traces of oil.

The Tardigrado-1 well data indicates that oil shows from the Caballos reservoir may represent a residual oil accumulation in a structure that was flushed by fresh water after the original oil was trapped in the structure. After evaluation of all drilling and seismic data, the Operator and Canacol will determine the future exploration plans for the Andaquies E&P contract.

The Tardigrado-1 well is the second exploration well on the Andaquies E&P contract (114,875 gross acres) located in the northern Putumayo Basin in Colombia. Canacol has a 36% non-operated working interest in the contract.

*Canacol is a Canadian-based international oil and gas corporation with operations focused onshore in Colombia and Ecuador. Canacol is publicly traded on Toronto Stock Exchange (TSX: CNE) and the Bolsa de Valores Colombia (BVC: CNEC). The Corporation's public filings are available at [www.sedar.com](http://www.sedar.com).*

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