

Canacol Energy Ltd. Tests 30 MMSCFPD (5,316 BOEPD) at Clarinete 2ST in Colombia

CALGARY, ALBERTA - (October 15, 2015) - Canacol Energy Ltd. ("Canacol" or the "Corporation") (TSX:CNE; OTCQX:CNNEF; BVC:CNEC) is pleased to announce that Clarinete 2ST, the first appraisal well drilled in its recently discovered Clarinete gas field on the VIM 5 Exploration and Production ("E&P") Contract, has tested at a final gross rate of 25.6 million standard cubic feet per day ("mmscfpd") (4,491 barrels of oil equivalent "boepd") of dry gas with no water from the Cienaga de Oro ("CDO") reservoir, and at a final gross rate of 4.7 mmscfpd (825 boepd) of dry gas with 1 barrel of water from the overlying Tubara sandstone reservoir. Canacol, through its wholly owned subsidiary CNE Oil & Gas S.A.S., holds a 100% operated interest in the VIM 5 E&P contract.

The Clarinete-2 well was spud on August 2, 2015, and had to be sidetracked on August 31, 2015 after becoming mechanically stuck in the shallow Porquero shales at a depth of approximately 4,300 feet, not having reached the primary Cienaga de Oro reservoir target at 5,967 feet. The Clarinete-2 ST reached total depth of 7,842 feet on September 16, 2015. The well encountered 127 feet of total net gas pay with an average porosity of 23% within the same two main reservoir intervals of the Cienaga de Oro sandstone that tested a combined rate of approximately 44 mmscfpd in the Clarinete-1 discovery well.

The CDO sandstone reservoir was perforated in various intervals between 6,307 and 6,657 feet measured depth ("ft md"). Flow testing of this interval achieved a final rate of 25.6 mmscfpd (4,491 boepd) using a 44 / 64 inch choke with a tubing head pressure of 2,107 pounds per square inch ("psi") with no water at the end of a 4 day test period. The final flow rate was registered at, and constrained by, the absolute measurement limit of the testing equipment.

Clarinete 2ST also encountered dry gas within shallower sandstones of the overlying Tubara Formation, with four separate sandstone intervals exhibiting strong gas shows while drilling. Cased hole logs identified 135 feet of gas pay with average porosity of 17 % and neutron density cross over, which is an indication of the presence of potential gas. The Tubara was perforated over 37 feet between 4,828 and 5,555 ft md. Flow testing of this interval achieved a final rate of 4.7 mmscfpd (825 boepd) of dry gas on a 26 / 64 inch choke with a tubing head pressure of 1,326 psi with 1 barrel of water at the end of a 24 hour test period. No reserves or resources are currently booked in the Tubara, and the Corporation plans to continue the flow testing in order to establish the magnitude of reserves associated with this shallower reservoir.

Upon completion of production testing at Clarinete 2 ST the drilling rig will be mobilized to the Oboe 1 site, located approximately 3 kilometers north of the Clarinete 1 discovery well. Oboe-1 is anticipated to spud in early November 2015 and will take approximately five to six weeks to drill and test.

The Corporation also reports that the expansion of its production facility located at Jobo is on schedule, as is construction of the Promigas pipeline expansion, allowing the Corporation to increase gas production by 65 mmscfpd (11,400 boepd) in December 2015.

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.

Boe conversion – The term “boe” is used in this news release. Boe may be misleading, particularly if used in isolation. A boe conversion ratio of cubic feet of natural gas to barrels oil equivalent is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. In this news release, we have expressed boe using the Colombian conversion standard of 5.7 Mcf: 1 bbl required by the Ministry of Mines and Energy of Colombia.

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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