



Canacol Energy Ltd Executes Agreement with Promigas S.A. to Increase Corporate Gas Transportation and Gas Sales to Colombian Caribbean Coast to 190 MMSCFPD in 2018

CALGARY, ALBERTA – (November 10, 2016) – Canacol Energy Ltd. (“Canacol” or the “Corporation”) (TSX: CNE; OTCQX: CNNEF; BVC:CNEC) is pleased to announce the execution of an agreement with Promigas S.A. to expand the existing gas distribution network currently used by the Corporation to accommodate an additional 100 million standard cubic feet per day (“MMscfpd”) of new gas transportation and sales, bringing total Corporate gas production and sales up to 190 MMscfpd in 2018. The expansion project, which will be fully funded by Promigas and commence in November 2016, will consist of up to 18 months of permitting followed by 6 months of construction, with first new gas delivery scheduled by December 2018. The project will include twinning of the existing Jobo to Sincelejo gas pipeline, the installation of additional compression on the existing Sincelejo to Cartagena pipeline, and the construction of a new gas pipeline between Cartagena and Barranquilla. These works will result in an additional 100 MMscfpd of capacity between the Corporation’s gas processing facility at Jobo and Cartagena, and 50 MMscfpd of new transportation capacity between Cartagena and Barranquilla.

The Corporation has completed the negotiation of 100 MMscfpd of new take-or-pay gas sales contracts with existing and new consumers on the Caribbean coast of Colombia to coincide with the additional pipeline capacity and shall be releasing details of these sales contracts shortly.

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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 symbols CNE, CNNEF, and CNEC, 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”, “target”, “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. Information and guidance provided herein supersedes and replaces any forward looking information provided in prior disclosures. 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. Other risks are more fully described in the Corporation's most recent Management Discussion and Analysis ("MD&A") and Annual Information Form, which are incorporated herein by reference and are filed on SEDAR at www.sedar.com. Average production figures for a given period are derived using arithmetic averaging of fluctuating historical production data for the entire period indicated and, accordingly, do not represent a constant rate of production for such period and are not an indicator of future production performance. Detailed information in respect of monthly production in the fields operated by the Corporation in Colombia is provided by the Corporation to the Ministry of Mines and Energy of Colombia and is published by the Ministry on its website; a direct link to this information is provided on the Corporation's website. References to "net" production refer to the Corporation's working-interest production before royalties.

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