



Canacol Energy Ltd. Tests Nelson 6 Gas Discovery at 23 MMSCFPD (4,035 BOEPD)

CALGARY, ALBERTA - (November 15, 2016) - Canacol Energy Ltd. ("Canacol" or the "Corporation") (TSX:CNE; OTCQX:CNNEF; BVC:CNEC) is pleased to provide the following update for the Nelson 6 shallow Porquero exploration well, which represents the Corporation's sixth consecutive gas exploration success.

Nelson 6 Shallow Porquero Gas Discovery

Esperanza Exploration & Exploitation ("E&E") contract

Lower Magdalena Basin, Colombia

100% working interest

The Nelson 6 well was spud on the Esperanza E&P contract on October 18, 2016. The well reached total depth of 6,400 feet measured depth ("ft md") in 9 days. The objective of the well was to assess the deliverability of interpreted by-passed gas pay in the Miocene-aged Porquero sandstone reservoirs encountered in offset wells within the Nelson gas field currently productive in the deeper Oligocene-aged Cienaga de Oro ("CDO") reservoir sandstones. The well encountered 41 ft md (39 feet true vertical depth) of net gas pay with average porosity of 19% within the primary Porquero reservoir target. The offsetting Nelson 5 well located 1.8 kilometers away and drilled in 2014 encountered 62 ft md of interpreted gas pay within the same shallow Porquero reservoir.

The Porquero reservoir interval in Nelson 6 was perforated between 5,752 and 5,760 ft md and 5,784 and 5,831 ft md and flowed at a final stabilized rate of 23 million cubic feet per day ("MMSCFPD") (4,035 barrels of oil equivalent per day) of dry gas with no water at a flowing tubing head pressure of 879 pounds per square inch over a 23-hour test period. The Corporation is finishing the completion of the Nelson 6 well for permanent production via the Corporation's operated Jobo production facility.

In addition to the established play type involving the deeper CDO sandstones which are productive at the Corporation's Nelson, Palmer, Clarinete, Trombon and Nispero gas fields, the success of the Nelson 6 discovery well confirms the commerciality of a new exploration play type in the shallower Porquero sandstones across the Company's acreage position held at 100% working interest on the Esperanza, VIM 21, VIM 5 and VIM 19 blocks, which combined are 785,000 net acres in size.

2016 Drilling Program

The Corporation's resource capture strategy anticipates three more wells before year end. Upon completion of the Nelson 6 well the Tuscany Rig-12 will be mobilized to drill the Nelson 8 gas development well which will be completed prior to year-end. The Nelson 8 development well is targeting productive reservoirs within the CDO reservoir that are not being drained by the existing producing wells in the Nelson field. The Tuscany Rig-15 is currently drilling the Clarinete 3 gas development well, which spud on November 3, 2016, mobilizing from the Trombon discovery to the Clarinete field. The Tuscany Rig-14 has been contracted and is mobilizing to drill the Mono Capuchino-1 oil exploration well on the VMM 2 E&P contract located in the Middle Magdalena Basin. The Corporation anticipates spudding the well on December 5, 2016 and anticipates that the well will take 2 months to drill and test.

Canacol is an exploration and production company with operations focused in Colombia, Ecuador and Mexico. 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.

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