

2011



*Execution
Exploration
Exploitation*



SEPTEMBER 2011

Forward Looking Statements



This presentation may include certain “forward looking statements”. All statements other than statements of historical fact, included herein, including, without limitation, statements regarding future plans and objectives of Canacol Energy Ltd. or the “Corporation”, are forward-looking statements that involve various risks, assumptions, estimates, and uncertainties. These statements reflect the current internal projections, expectations or beliefs of Canacol Energy and are based on information currently available to the Corporation. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. All of the forward looking statements contained in this presentation are qualified by these cautionary statements and the risk factors described above. Furthermore, all such statements are made as of the date this presentation is given and Canacol Energy assumes no obligation to update or revise these statements.

An investment in Canacol Energy is speculative due to the nature of the Corporation's business. The ability of the Corporation to carry out its growth initiatives as described in this confidential presentation is dependent on Canacol Energy obtaining additional capital. There is no assurance that the Corporation will be able to successfully raise the capital required or to complete each of the growth initiatives described. Investors must rely upon the ability, expertise, judgment, discretion, integrity, and good faith of the Management of the Corporation.

Introduction

Colombia focused

Dual listed in Canada & Colombia 

Experienced team with key in-country relationships

History of value creation ('08 → present)

Fortified capital structure⁽¹⁾

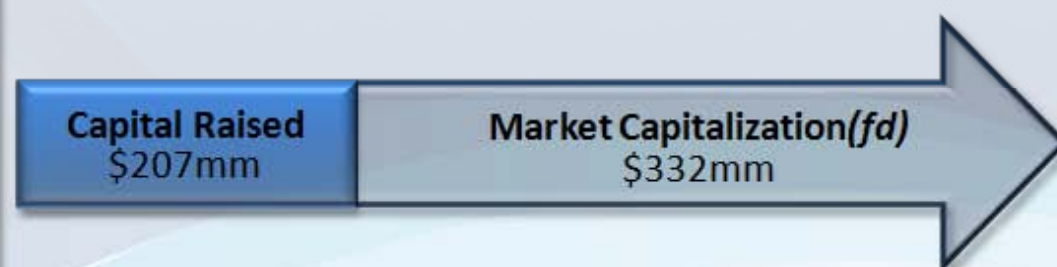
Cash	\$115mm
Convertible debt	\$19mm

Strong production

3 producing blocks
Calendar 2Q 11,523 net avg. bopd

Transformative exploration portfolio

12 exploration blocks



Production

'11 Guidance	2P	3P
10,500 - 11,500 bopd	9.0 mmbls ⁽²⁾	14.4 mmbls ⁽²⁾

Exploration

12 blocks	Potential	NPV-10
2.5mm acres	1,570 / 152 mmbls ⁽³⁾	\$2.3 billion ⁽⁴⁾

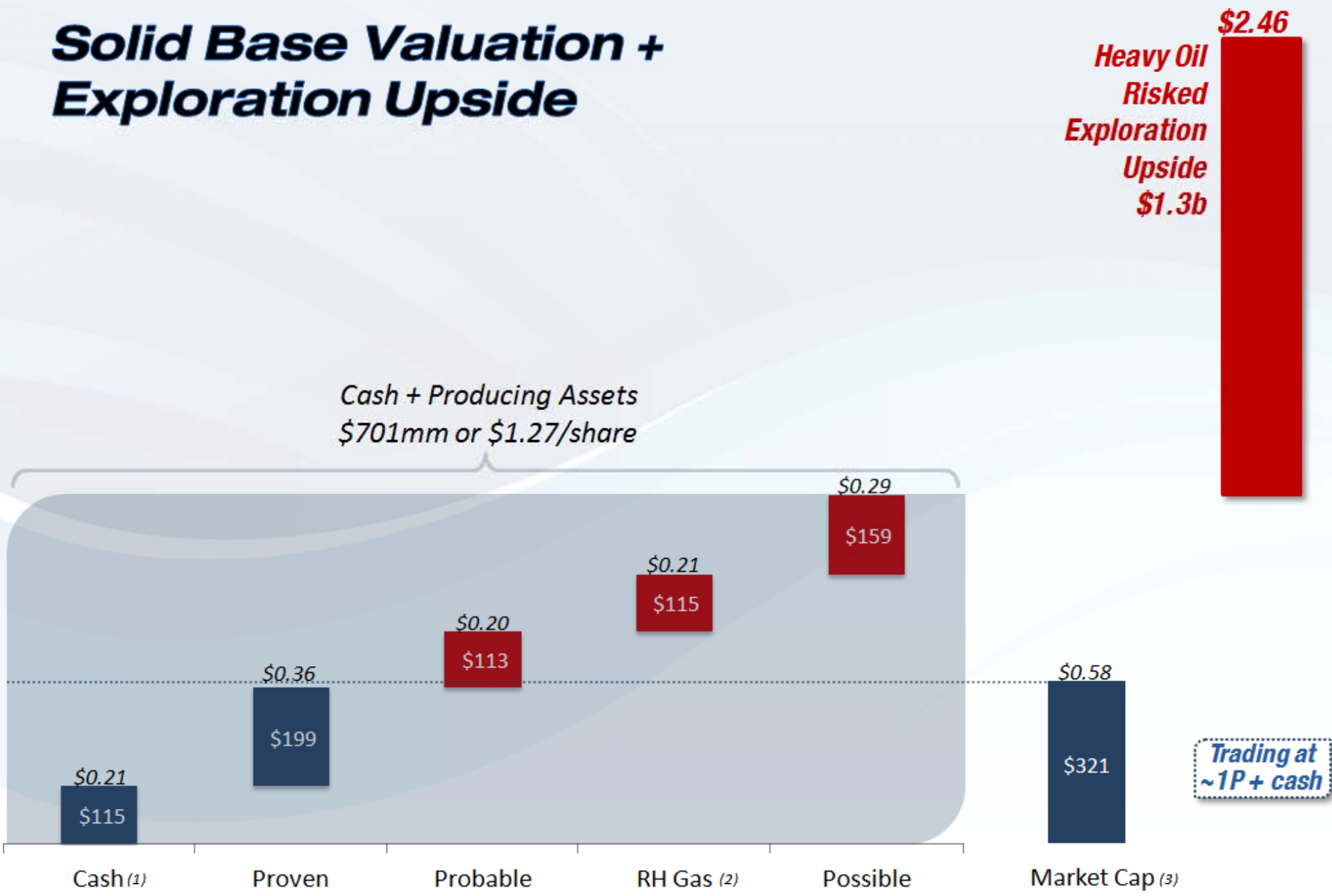
(1) Effective 6/30/11

(2) Source: DeGolyer & MacNaughton Reserve Report effective 6/30/11. Includes deemed volumes.

(3) Management's estimate of net unrisks / risked recoverable resources

(4) Represents Management's estimate of net risked pre-tax NPV-10

Solid Base Valuation + Exploration Upside



US \$ in millions, except per share amounts
 Pre-tax NPV-10 net after royalties, remaining reserves, and deemed volumes
 Source: DeGolyer & MacNaughton Reserve Report effective 6/30/11 (Capella and RH oil). Management's estimate effective 8/31/11 (RH gas).

(1) Cash + restricted cash as of 6/30/2011

(2) Includes Management's estimate of pre-tax NPV-10 for RH gas, which is anticipated to come online in January 2012

(3) Canacol's market cap = CDN \$0.60/share x 553.3mm fully diluted shares outstanding x 0.97 (CDN→USD exchange rate)

Trading at ~1P + cash

4Q'11

Calendar of Catalysts

Colombia

Rancho Hermoso – Production & Reserves Growth

3 wells

Capella – Production & Reserves Growth

Emphasis on appraisal and horizontal development wells

Heavy Oil – Exploration Upside

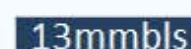
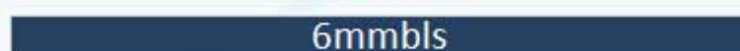
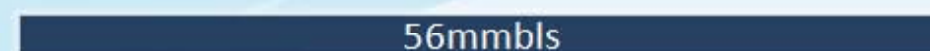
Drill 3 wells targeting 56mmbls⁽¹⁾

Light Oil – Exploration Upside

Drill 2 wells at Andaquies targeting 6mmbls⁽¹⁾

Drill 1 well at Coati targeting 13mmbls⁽¹⁾

4Q'11



Re-cycle Rancho Hermoso's cash flow into Canacol's large exploration portfolio

(1) Management's estimate of net risked recoverable resources for the entire block

Capital Structure

In mm

Shares outstanding	512.6
Options	40.7
	<hr/> 553.3

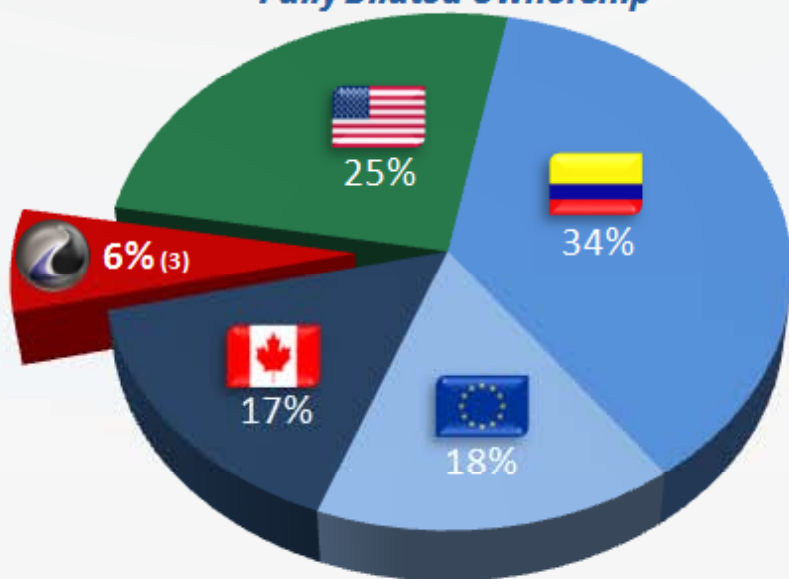
CDN in mm

Market capitalization	\$332.0
Cash ⁽¹⁾	(115.0)
Debt ^(1,2)	19.0
Enterprise value	<hr/> \$236.0

(1) As of 6/30/2011

(2) Convertible debenture

Fully Diluted Ownership



(3) Represents Management and Board

Corporate

Headquarters	Calgary, Canada
Fiscal year end	6/30
Employees	~100
Auditors	Deloitte-Canada DeGolyer & MacNaughton
Exchange	TSX / BVC
Ticker	CNE / CNE.C

Analyst coverage

Colombia

Alianza Valores
Asesores en Valores
Bolsa Y Renta
CelfinCapital
Correval
Interbolsa
Serfinco

Canada

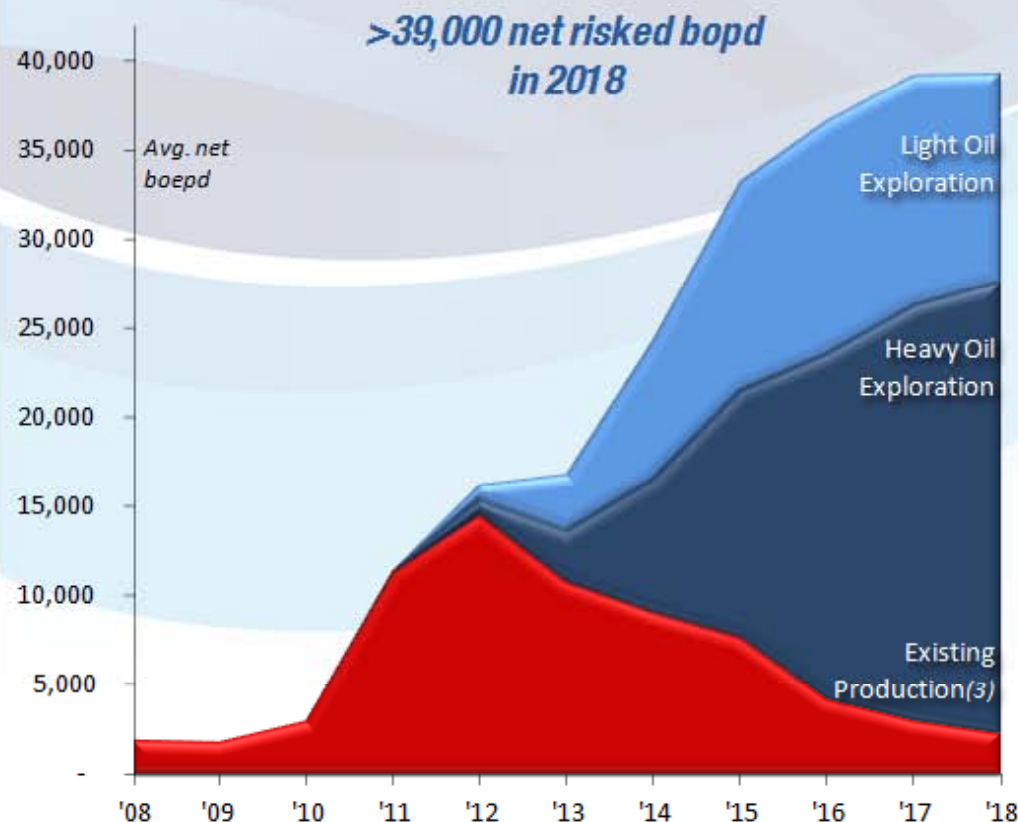
CanaccordGenuity
CIBC World Markets
Cormark Securities
FirstEnergy Cap
Jennings Capital
Mackie Research
Scotia Capital
Stifel Nicolaus
TD Securities

Canacol's Current Portfolio Production & Cash Flow

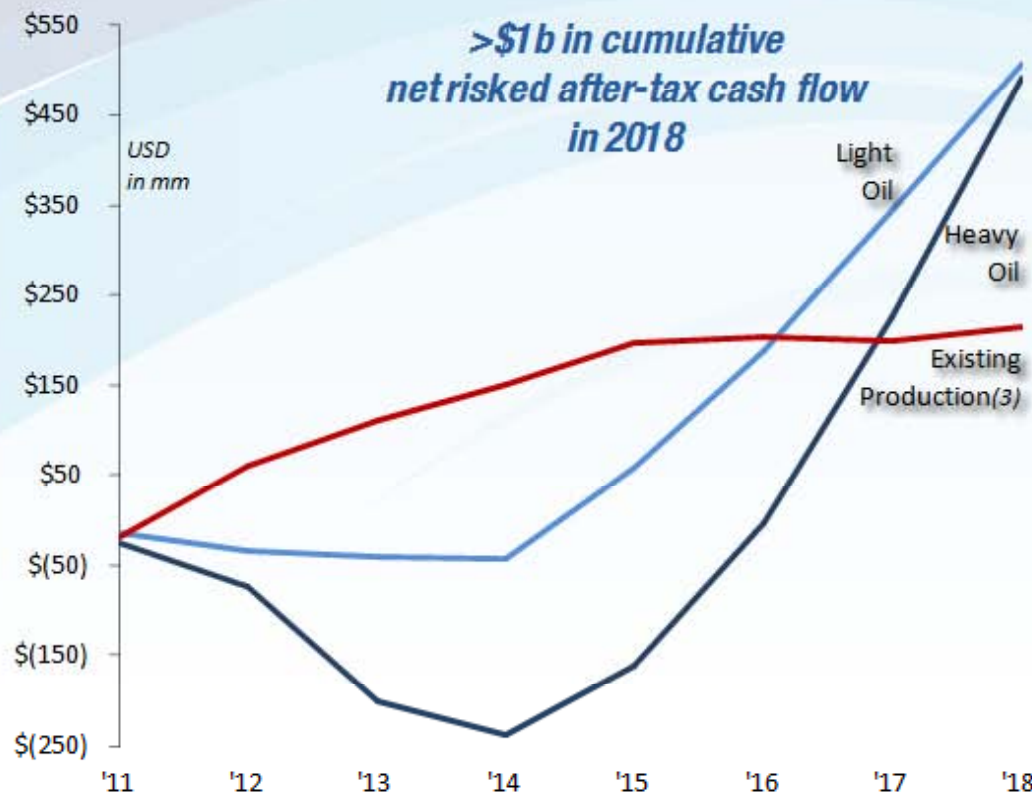


Base production (avg.)	10,500-11,500 bopd for calendar '11	
Fully funded	\$109mm in cash and \$80mm in operating cash flow ⁽¹⁾	
Exploration focused	<u>Light Oil</u>	<u>Heavy Oil</u>
Exploration wells	3	3
Targeting	19mmbls ⁽²⁾	56mmbls ⁽²⁾

>39,000 net risked bopd in 2018



>\$1b in cumulative net risked after-tax cash flow in 2018



(1) Assumes \$85/bbl price deck
(2) Management's estimate of net risked recoverable resources

(3) Includes RH Gas, which is anticipated to come online in January 2012