CALGARY, ALBERTA--(Marketwired - June 30, 2015) -

NOT FOR DISTRIBUTION TO U.S. NEWS WIRE SERVICES OR FOR DISSEMINATION IN THE U.S.

Canacol Energy Ltd. ("Canacol" or the "Corporation") (TSX:CNE)(OTCQX:CNNEF)(BVC:CNEC) is pleased to announce that upon redemption of its currently outstanding 8.00% Convertible Unsecured Subordinated Debentures due June 30, 2015 (the "Debentures"), 9,757,263 common shares of the Corporation (the "Common Shares") will be issued to satisfy the principal amount of the Debentures plus accrued and unpaid interest up to, but excluding, the Redemption Date (as defined below) based on a price of CDN $2.72 per Common Share (the "Redemption Issuance Price"). There are currently Debentures outstanding in the aggregate principal amount of CDN $25,519,000, together with accrued and unpaid interest thereon in the amount of CDN $1,020,760 resulting in the issuance of approximately 9,757,263 Common Shares.

As a result, holders of Debentures will receive approximately 367.64 Common Shares for each CDN $1,000 principal amount (and accrued interest thereon) of Debentures (which includes Common Shares issued based on the Redemption Issuance Price to satisfy accrued and unpaid interest up to, but excluding, the Redemption Date).

As set out in the previously issued press release and notice of redemption, the redemption date of the Debentures will be June 30, 2015 (the "Redemption Date"). Pursuant to the terms of the Debentures, the Redemption Issuance Price was calculated based on 95% of the volume weighted average trading price of the Common Shares on the Toronto Stock Exchange (the "TSX") for the 20 consecutive trading days ending on June 24, 2015.

No fractional shares will be issued on redemption or conversion but, in lieu thereof, the Corporation shall pay the cash equivalent thereof determined on the basis of the current market price of the Common Shares (as calculated in accordance with the terms of the Debentures) on the Redemption Date or conversion date, as applicable (less any tax required to be deducted, if any).

The Debentures will be delisted from trading on the TSX at the close of trading on the Redemption Date.

About Canacol

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", "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 the repayment of the Debenture. In making the forward-looking statements in this release, the Corporation has applied certain factors and assumptions that are based on the Corporation's current beliefs as well as assumptions made by and information currently available to the Corporation. Although the Corporation considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect, and the forward-looking statements in this release are subject to numerous risks, uncertainties and other factors that may cause future results to differ materially from those expressed or implied in such forward-looking statements. Such risk factors include, among others, those matters identified in its continuous disclosure filings, including its most recently filed MD&A. Readers are cautioned not to place undue reliance on forward-looking statements. The Corporation does not intend, and expressly disclaims any intention or obligation to, update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by law.

The securities offered have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an available exemption from the registration requirements thereof. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Contact

Canacol Energy Ltd.
Investor Relations
+1 888-352-0555
IR@canacolenergy.com
www.canacolenergy.com