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[Canacol Energy Ltd.](#) ("Canacol" or the "Corporation") (TSX:CNE) (OTCQX:CNNEF) (BVC:CNEC) announced today that it has committed to and closed a private placement offering of 9,687,670 common shares ("Common Shares") at a price of CDN \$4.08 per Common Share for gross proceeds of CDN \$39,525,694 (the "Offering") with certain new and existing long term strategic investors, including Cavengas Holdings S.R.L., a Barbados company ("Cavengas").

Charle Gamba, President and CEO of Canacol, commented "We are very pleased to have attracted an investment of this magnitude and quality from new and existing long-term strategic investors in Canacol, at a premium to market price, in such difficult and uncertain market conditions. This investment highlights both current and new long term investors' confidence in the strength of Canacol's management team and portfolio."

Proceeds of the Offering will be used to fund additional exploration and production wells at Canacol's 100% operated gas exploration and production position in Colombia for the remainder of 2016. Completion of the Offering is subject to the acceptance of the Toronto Stock Exchange. The Common Shares issued in connection with the Offering are subject to a four month hold period that expires on December 2, 2016.

The Corporation engaged Horizon Capital Management Inc. as exclusive advisor for the Offering, and will pay a fee of 3.5% of the gross proceeds of the Offering, entirely in Common Shares, for their services.

Cavengas acquired 1,023,072 Common Shares pursuant to the Offering and now owns a total of 32,613,072 Common Shares, representing approximately 19.1% of the issued and outstanding voting securities of the Corporation on a non-diluted basis. In addition, a director of the Corporation acquired 904,774 Common Shares pursuant to the Offering. The Corporation determined that exemptions from the various requirements of Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* were available for the issuance of the Common Shares to Cavengas and the director of the Corporation. The other strategic investor under the Offering is not affiliated or acting jointly or in concert with Cavengas.

About Canacol

Canacol is an exploration and production company with operations focused in Colombia and Ecuador. The Corporation's common stock trades on the TSX, the OTCQX in the United States of America, and the Colombia Stock Exchange under ticker symbols CNE, CNNEF, and CNEC, respectively.

Cautionary Statement

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 Offering. 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.

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