CALGARY, ALBERTA--(Marketwired - Jun 6, 2017) - Canacol Energy Ltd. ("Canacol" or the "Corporation") (TSX:CNE)(OTCQX:CNNEF)(BVC:CNEC) is pleased to provide the following updates for the Toronja 1 and Pumara 1 exploration wells, the 40 million standard cubic feet per day ("MMscfpd") gas pipeline project, and an update concerning its Ecuadorian operation.

Toronja 1 Gas Exploration Well

VIM 21 Exploration and Production Contract, Lower Magdalena Basin

CNE Oil and Gas S.A.S., 100% Operated Working Interest

The Toronja 1 exploration well was spud on May 28, 2017 and reached a total depth of 7,200 feet measured depth ("ft md") in 6 days, representing a new gas well drilling record for the Corporation. Excellent gas shows were encountered while drilling though the primary Porquero sandstone reservoir target, as well within the secondary Cienega de Oro sandstone reservoir target. The Corporation is currently in the process of casing the well in preparation of flow testing the gas bearing reservoirs, and will provide an update when test results become available.

Pumara 1 Oil Exploration Well

LLA 23 Exploration and Production Contract, Llanos Basin

CNE Oil and Gas S.A.S., 100% Operated Working Interest

The Pumara 1 exploration well was spud on March 31, 2017 and reached a total depth of 10,713 ft md in 20 days. Two potential oil bearing zones in the Gacheta A and Gacheta D were tested using an electro-submersible pump, with both zones producing uneconomic quantities of oil. The well will be plugged and abandoned, fulfilling the Corporations exploration drilling commitment on the LLA23 block for 2017.

Pandereta 1 Gas Exploration Well

VIM 5 Exploration and Production Contract

CNE Oil and Gas S.A.S., 100% Operated Working Interest

The Pandereta prospect is located approximately 11 kilometers ("kms") to the northeast of the Clarinete and Oboe fields on the VIM 5 contract. The objective of the Pandereta 1 exploration well are proven gas filled sandstones of the CDO reservoir. The well will spud in early October 2017 and is expected to be drilled and tested within five weeks of spud.

Gas Pipeline Project

In May 2017 the SPV placed the orders for 82 kms of tubulars and 2 compression stations, all of which will be delivered to Colombia in early August, 2017. The SPV has negotiated approximately 40% of the right of way and anticipates that physical construction of the pipeline will commence in late August 2017, with pressure testing of the pipeline and acceptance of the compression stations anticipated in mid November 2017. Full production of 40 MMscfpd through the pipeline is anticipated to commence on December 1, 2017, lifting Corporate gas production to approximately 130 MMscfpd.

Ecuador Corporate Update

Canacol is pleased to announce that its Ecuador consortium, operating as Pardaliservices S.A., 25% owned by Canacol Energy Ltd., has recently sold part of its previously disclosed Government of Ecuador bonds for proceeds of US$ 53 million (US$ 13.5 million net to Canacol). The bonds sold represent approximately half of the bonds owned by the consortium, and of the US$ 13.5 million of proceeds received by Canacol, approximately US$ 8.3 million will go into treasury with the remainder used to fund ongoing Ecuadorian production operations which are currently netting Canacol 1,700 barrels of oil per day. Continuing cash flow from operations, combined with the possibility of further bond sales, will allow for periodic cash distributions to Canacol as well as funding ongoing Ecuadorean operations.

The Corporation shall provide updates on the exploration drilling program as information becomes available.

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.

This press release contains non-GAAP measures such as EBITDAX, funds from operations, working capital, operating netback per barrel and realized contractual gas sales that do not have any standardized meaning under IFRS and may not be comparable to similar measures presented by other companies. Management uses these non-GAAP measures for its own performance measurement and to provide shareholders and investors with additional measurements of the Corporation's performance and financial results.

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