



Canacol Energy Ltd. Announces Farmout of Takutu Basin, Guyana

CALGARY, ALBERTA -- (November 6, 2009) – Canacol Energy Ltd. (“Canacol” or the “Corporation”) (TSX VENTURE: CNE) is pleased to announce that it has completed a farmout agreement with Sagres Energy Inc. (“Sagres”) of Calgary, whereby Sagres has acquired a 25% interest in the Takutu Basin Petroleum Prospecting Licence in Guyana. On closing Sagres paid USD\$1,250,000, to be applied firstly to 30% of prior direct costs incurred by Canacol, then to 30% of future cash calls to a maximum of USD\$1,750,000, and 27.5% of cash calls thereafter. Sagres is entitled to 30% of revenues until recovery of its first USD\$3,000,000 paid to Canacol, 27.5% of revenues until full cost recovery, and 25% thereafter.

Canacol is a Canadian based international oil and gas corporation with operations in Colombia, Brazil and Guyana. Canacol is publicly traded on TSX Venture Exchange (TSX VENTURE:CNE). The Corporation's public filings may be found at www.sedar.com.

This press release may contain statements within the meaning of safe harbour provisions as defined under Securities Laws and Regulations. The above statements are based on the current expectations and beliefs of Canacol's management and are subject to a number of risks and uncertainties that may cause the actual results to differ materially from those described above.

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. 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.

FOR FURTHER INFORMATION PLEASE CONTACT:

Canacol Energy Ltd.
Mr. Brian Hearst
CFO
(403) 561-1648
Email: bhearst@canacolenergy.com

NEITHER TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.