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Canacol Energy Ltd. Releases Year Ended Results

Canacol Energy Ltd. (formerly BrazAlta Resources Corp.) ("Canacol" or the "Corporation"; TSX: CNE.V) announces that it has filed its audited financial statements for the year ended June 30, 2009 ("Financial Statements") and its accompanying Management Discussion and Analysis ("MD&A"). Copies of the filed documents may be obtained via SEDAR at www.sedar.com.

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

MESSAGE FROM THE PRESIDENT AND CEO

Charle Gamba, President and CEO of Canacol Energy Ltd., commented "In the last twelve months the Corporation has consolidated a significant oil production and exploration position in its focus areas of Colombia, Brazil, and Guyana, with interests in 7 producing conventional oil fields and 15 exploration contracts covering 2.3 million net acres. For the remainder of 2009 the Corporation is focused on executing its development drilling and work over programs on its operated oil producing assets in Colombia to increase near term base oil production and cash flow, as well as continuing the ongoing appraisal activity on its non-operated Capella heavy oil discovery in Colombia to further quantify the potential of this significant oil discovery. In 2010 the Corporation will focus on executing its high impact oil exploration programs, which includes the drilling of the Karanambo exploration well in Guyana, the drilling of one exploration well on its Sierra E&P contract in Colombia, and the drilling of up to two exploration wells in Brazil. In 2010 the Corporation will also continue its appraisal and development drilling activity on its non-operated Capella heavy oil discovery in Colombia to capture mid to long term production and reserves growth. With the recent closing of a $40 million private placement the Corporation is fully funded to execute its 2009 and 2010 programs. With the reverse takeover of BrazAlta Resources Corp. now completely behind us, the Corporation is focused on executing its considerable portfolio of development and exploration opportunities to deliver value to its shareholders".

HIGHLIGHTS

Selected financial results outlined below should be read in conjunction with the Corporation's Financial Statements and related MD&A.

Yearly Highlights:

For the year ended June 30, 2009, the Corporation:

- Completed the reverse takeover of BrazAlta Resources Corp., the sale of its drilling subsidiary in Brazil; the disposition of its gas producing assets in Canada; the elimination of US$73 million in debt.Acquired the assets of Rancho Hermoso S.A. in Colombia, which included 2 producing oil fields (Rancho Hermoso and Entrerrios) and the Sierra E&P contract.

- Closed a $6 million private placement in May 2009; executed a series of agreements with Gemini Oil and Gas Fund II, L.P., whereby Gemini agreed to invest up to US$ 9 million subject to conditions in exchange for payments equivalent to a percentage of Canacol's gross revenue from production.

- Farmed in to the Ombu E&P contract and participated in the discovery of the Capella heavy oil field in Colombia, and the subsequent drilling of 6 successful oil producing appraisal wells.

- Operating revenue from continuing operations increased 110% to $10,424 the year ended June 30, 2009 from $4,940 for the year ended June 30, 2008, while operating costs per boe decreased 50.2% to $13.03 per boe for the year ended June 30, 2009 from $26.19 for the year ended June 30, 2008.

Subsequent to the year ended June 30, 2009, the Corporation:

- Acquired a 100% operated working interest in the Tamarin E&P contract and the Pacarana TEA in Colombia, consolidating a considerable exploration position of 1.2 million net acres around its Capella heavy oil discovery.

- Commenced its development drilling and work over programs on its operated oil producing assets in Colombia.

- Completed acquisition of a 3D seismic program on its Sierra E&P contract in Colombia in preparation for the drilling of an exploration well.

- Completed a $40 million private placement on October 15, 2009, the proceeds of which will be used to fund its 2009 and 2010 development and exploration programs and repay US$10 million in debt. In addition, the Corporation closed a $4 million convertible unsecured subordinated debenture offering.

Annual Summary Information			
$000's (Except per share amounts)	**2009**	**2008**	**2007**
Petroleum and natural gas sales			
Colombia	4,318	-	-
Brazil [2]	3,022	4,800	3,156
Canada	44	140	284
	7,384	4,940	3,440
Tariff Revenue	3,040	-	-
Total operating revenue	10,424	4,940	3,440
Total production (boe)	120,972	110,300	30,563
Total tariff production (bbl)	279,068	-	-
Total Assets	85,209	111,613	39,521
Total Liabilities	47,902	77,356	2,220
Cash (from) used in operating activities	(2,357)	(3,001)	3,459
Per share [1]	(0.02)	(0.04)	0.06
Net loss	(21,791)	(9,731)	6,691
Per share [1]	(0.18)	(0.11)	0.11

[1] Per share amounts are basic and diluted.

[2] Certain of the prior year figures have been reclassified to conform with the current year's presentation. Production revenue was historically presented net of transportation and processing charges.

As At and For the Three Months and Year Ended	Three Months Ended June 30,		Year Ended June 30,	
FINANCIAL RESULTS	**2009**	2008	**2009**	2008
($000s), except share data				
Petroleum and natural gas sales, net				
Colombia [2]	**2,247**	-	**4,318**	-
Brazil	**80**	1,515	**3,022**	4,800
Canada [6]	**-**	33	**44**	140
	2,327	1,549	**7,384**	4,940
Tariff revenue	**1,001**	-	**3,040**	-
Interest and other	**496**	232	**986**	464
Total revenue, recurring operations	**3,824**	1,781	**11,410**	5,404
Cash from (used in) recuring operating activities	**(3,815)**	(887)	**(2,357)**	(3,001)
Per share - basic and diluted	**(0.03)**	(0.01)	**(0.02)**	(0.04)
Net loss from continuing operations	**(5,250)**	(3,135)	**(21,791)**	(9,731)
	(0.04)	**(0.03)**	**(0.18)**	**(0.11)**
Capital expenditures				
Colombia [2]	**2,525**	-	**7,089**	-
Brazil	**(16)**	(46)	**3,607**	9,748
Guyana	**-**	-	**859**	-
Canada	**(1,092)**	7,649	**(2,741)**	7,938
	1,417	7,603	**8,814**	17,686
Total assets	**85,209**	**111,613**	**85,209**	111,613
Total long-term liabilities	**26,967**	**39,902**	**26,967**	39,902
Weighted average shares outstanding				
Basic and Diluted (000s)	**140,503**	90,085	**122,490**	85,198

	Three Months Ended June 30,					Year Ended June 30,				
OPERATING RESULTS	**2009**			2008		**2009**			2008	
Production	**Colombia [2]**	Brazil [5]	Canada [6]	Brazil	Canada	**Colombia [2]**	**Brazil**	**Canada**	Brazil	Canada
Crude oil and NGLs (bbl/d)	**298**	**118**	**-**	159	1	**313**	**118**	**1**	159	1
Natural gas (mcf/d)	**-**	**-**	**-**	-	31	**-**	**-**	**48**	-	63
Total (boe per day)	**298**	**118**	**-**	159	6	**313**	**118**	**9**	159	12
Total tariff production (bbl/d)	**1,015**	**-**	**-**	-	-	**1,148**	**-**	**-**	-	-
Average sale prices										
Crude oil ($/bbl)	**68.79**	**42.06**	**-**	125.73	-	**53.59**	**42.06**	**-**	98.06	-
Natural gas ($/mcf)	**-**	**-**	**-**	-	10.16	**-**	**-**	**-**	-	-
Oil equivalent ($/boe)	**-**	**42.06**	**-**	125.73	60.95	**-**	**42.06**	**46.82**	98.06	45.66
Operating netback ($/boe)										
Commodity sales revenue	**68.79**	**42.06**	**-**	125.73	60.95	**53.59**	**42.06**	**46.82**	98.06	45.66
Tariff revenue	**10.83**	**-**	**-**	-	-	**10.89**	**-**	**-**	-	-
Non-refundable sales taxes	**-**	**(5.83)**	**-**	(10.73)	-	**-**	**(5.83)**	**-**	(8.23)	-
Realized loss on financial derivative	**-**	**45.15**	**-**	(20.90)	-	**-**	**45.15**	**-**	(9.83)	
Royalties	**(6.56)**	**(7.42)**	**-**	(10.43)	(5.72)	**(3.62)**	**(7.42)**	**(5.17)**	(7.55)	(13.24)
Transportation & processing [4]	**(11.96)**	**(25.48)**	**-**	(12.56)	-	**(8.48)**	**(25.48)**	**-**	(12.54)	-
Well workover & repair	**(1.48)**	**(2.54)**	**-**	(0.15)	-	**(0.51)**	**(2.54)**	**-**	(6.44)	-
MEP work unit provision	**-**	**(3.22)**	**-**	(50.85)	-	**-**	**(3.22)**	**-**	(22.77)	-
Operating expenses [3]	**(12.65)**	**(22.58)**	**-**	(26.17)	(10.61)	**(12.37)**	**(22.58)**	**(11.48)**	(26.53)	(22.13)
Netback [1]	**36.14**	**20.15**	**-**	(6.05)	44.61	**28.61**	**20.15**	**30.17**	4.18	10.29

[1] "Netback " per boe is calculated as revenues net of sales taxes and royalties, less transportation & processing charges, well workover and repair and operating expenses and then divided by boes produced. Netbacks do not have a standard meaning prescribed by GAAP and therefore may not be comparable to similar measures used by other companies. Management feels this is a useful metric as it is a common metric used by other companies operating in the oil and gas industry in order to provide a comparison of relative overall performance between companies. Management uses the metric to assess the Corporation's overall performance relative to that of its competitors and for internal planning purposes.

[2] Colombian operations commenced in October 30, 2008.

[3] Colombian operating expenses relate to both tariff and non-tariff oil production volumes.

[4] Colombian transportation and processing charges relate to non-tariff production.

[5] Brazilian FY2009 results have been used for the three months ended June 30 for comparability purposes.

[6] The majority of the Canadian producing properties were sold effective January 1, 2009.

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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. A barrel of oil equivalent (boe) is derived by converting gas to oil in the ratio of six thousand cubic feet of gas to oil and may be misleading, particularly if used in isolation. A boe conversion is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead, especially in various international jurisdictions.

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