

# CANOEL INTERNATIONAL ENERGY Ltd



## NEWS RELEASE

### **CANOEL ANNOUNCES NEW AGREEMENT IN TUNISIA AND THE ACTIVATION OF THE ADVISORY COMMITTEE**

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#### **FOR IMMEDIATE RELEASE (TSXV: CIL)**

**October 28, 2009 - Calgary, Alberta** – Canoel International Energy Ltd. (“Canoel” or the “Company”) (TSX VENTURE: CIL) is pleased to announce that Cygam Energy Inc. (TSX Venture: CYG), the operator of the Bazma Block in Tunisia has announced that its wholly owned subsidiary, Rigo Oil Company Limited (“Rigo”), has signed an Option and Farm-in Agreement (“the Agreement”) with a large U.S. independent oil and natural gas company (“the U.S. Company”) under which, the U.S. Company has agreed to reprocess existing 2D seismic data and acquire new 2D seismic data on the Permit. The U.S. Company will also have the option to conduct a 3D seismic survey and the option of earning an interest by drilling a deep well on the Permit.

Canoel has the right to earn a 11% interest in the Bazma Block by participating in the drilling of an exploratory well. The well is planned for mid-2010, subject to rig availability. This well is scheduled to be drilled to a total depth of approximately 2,500 metres at a location approximately 6 km from the Tarfa-1 producing well and in close proximity (5 km) to an existing pipeline.

Pending successful capital raising, CanoeI has the option to increase its interest in the Triassic TAGI formation.

All parties are delighted that Cygam has signed an Agreement with the U.S. Company to conduct additional seismic work and possibly drill a deep well on the Permit. The U.S. Company will bring additional significant in-depth experience in the exploration and development of similar plays to the Bazma permit, which will be very beneficial to the evaluation and potential exploitation of any newly identified reservoir.

Canoel also announces that it has activated its Advisory Committee, currently composed only by Colin Russel. The purpose of the Committee is to provide additional input to the Board from time to time. The Committee will bring together individuals with relevant expertise in the international oil and gas industry and with extensive knowledge of financial, economic and geopolitical issues in energy producing countries.

Canoel is looking for additional members for the Advisory Board, ideally coming from Canada or from one of the countries in which CanoeI is investing.

Colin Russel is a Canadian citizen. He is the founder and Managing Director of Emerging Markets Advisory Services Ltd, London, England which focuses on corporate strategy and planning, business development and risk management notably in China and the Asian region.

He is presently a director of Husky Energy Limited, one of Canada's largest energy and energy-related companies, listed on the TSX. He is also director of Cheung Kong Infrastructure Holdings, Hong Kong, CK Life Sciences, Hong Kong, and ARA Asset Management, Singapore.

Mr. Russel previously served as the Canadian Ambassador to Venezuela (2001-2002), Consul General for Canada in Hong Kong (1997-2001) and Director for China, Department of Foreign Affairs (1994-1997) following many years in infrastructure project management in Africa, Latin America and Asia and later in trade and project development with Canada's Trade Commissioner Service.

The Company also announces that it has agreed to issue to Mr. Russel options to purchase 70,000 common shares at CAD 0.15 per share.

*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.*

This News Release includes certain "forward-looking statements". All statements other than statements of historical fact, included in this release, including, without limitation, statements regarding interpretation of seismic and well data, future plans and objectives of CanoeI Energy Inc., are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated or expected in such statements. CanoeI does not undertake any obligations to update forward-looking statements except as required by applicable

securities laws. In particular, there is no assurance that a 3D seismic survey will be conducted or that a deep well will be drilled as the U.S. Company has an option and not an obligation to conduct such activities. As well, various factors can cause delays or prevent the operator from carrying out its production testing and development programs as scheduled, including but not limited to unavailability of equipment, funding and manpower or delays in the operations planned for the Bazma permit. There is no certainty that all the seismic surveys will be completed, or that they will establish a drilling location, or that a well will be drilled, or that hydrocarbons will be discovered in commercial quantities on the permit. Important factors that could cause actual results to differ materially from Canoel's expectations are risks detailed herein and from time to time in the continuous disclosure filings made by Canoel with securities regulators on the System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com).

SOURCE: Canoel International Energy Ltd.

Visit the Canoel website at [www.canoelenergy.com](http://www.canoelenergy.com) for more information about Canoel.

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