

CANOEL INTERNATIONAL ENERGY Ltd



NEWS RELEASE

CANOEL ANNOUNCES COMPLETION OF PRIVATE PLACEMENT

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FOR IMMEDIATE RELEASE (TSXV: CIL)

June 28, 2010 - Calgary, Alberta – Canoel International Energy Ltd. (“Canoel” or the “Company”) (TSX VENTURE: CIL) is pleased to announce that it has issued and sold to subscribers, by way of a private placement, convertibles notes with warrants in an aggregate amount of 100 units (“Units”) issued under exemptions from the prospectus and dealer registration requirements of applicable securities laws, for a total amount of \$ 500,000.00 (Five Hundred Thousand Dollars).

Each Unit consists of one unsecured, convertible, note of Canoel (“**Note**”), with principal value of CA \$ 5,000, and 5,000 Common Share Purchase Warrants (the “**Warrants**”).

Notes will be fully due and payable on the date (the “**Maturity Date**”) occurring 48 months after the Notes are issued under the Offering. Principal on the Notes shall be repayable in 12 equal, quarterly installments commencing on the 15th month from the date the Notes are issued hereunder, provided that all or any portion of the principal

sum may be repaid by Canoel upon provision of one-month's written notice, at any time after the first anniversary of the first closing of the Offering, without bonus or penalty.

The Notes bear interest at a simple (uncompounded) rate of 15% per annum, payable in arrears in equal quarterly installments commencing the month after the Notes are issued under the Offering .

At the option of the holder, at any time and from time to time prior to the Maturity Date, the principal and any unpaid interest of a Note may be converted into common shares in the capital of Canoel at a price of \$0.20 per share.

Each Warrant will entitle the holder to purchase one additional common share at a price of CA\$0.50 for a period of four years from the first closing date of the Offering. The Company paid to those who assisted the Company in sourcing subscriptions for the offering, Finder Fees of a total value of \$40,000.

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.

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