

CANOEL INTERNATIONAL ENERGY Ltd



NEWS RELEASE

CANOEL ANNOUNCES SUCCESSFUL COMPLETION OF ITS ACQUISITION IN ARGENTINA

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FOR IMMEDIATE RELEASE (TSXV: CIL)

July 29, 2010-Calgary, Alberta – Canoel International Energy Ltd. (“Canoel” or the “Company”) (TSX VENTURE: CIL) wishes to announce that it has completed the acquisition of Central Patagonia Srl, an Argentinean company (“Central Patagonia”); which was previously announced September 15, 2009.

Central Patagonia is the owner of the license for two adjacent oil producing properties located in the region of Patagonia in Southern Argentina, in the basin of San Jorge, Province of Chubut, and produced approximately 55,000 barrels of oil in 2009 with little associated gas, resulting in revenues of US\$ 1,756,369 in 2009.

The oil is sweet, non-paraffinic, with an average 18°API. Wells are connected to battery tanks through an existing infrastructure which is partially owned by the Corporation.

The Company, after extensive due diligence and after having raised in tranches the funding for the acquisition, has agreed to pay a price of US \$2,400,000.00. The acquisition has been made with partial vendor financing and an immediate disbursement by Canoel of US \$1,400,000.

Andrea Cattaneo, CEO & President of Canoel said” I am very pleased to report that our resilience and determination has been rewarded; a long quest has been successfully concluded. Achieving a good relation with the vendor (a much larger corporation)-evidenced by the vendor’s partial financing arrangement- has resulted in our having acquired these two producing properties, that we believe when treated with our uniquely focused tender care, have real potential for increased productivity.

We believe in the model of buying producing properties from larger corporations and we intend to use this model in the near future to look for similar acquisition opportunities of producing fields with good revenue potential.

In the meantime our team, with the assistance of our experienced board and advisory committee, will focus now on building a production management structure which was not previously required in our earlier exploration focus. This team and this model will be the credible base for our future progressive expansion in the area of acquiring producing properties”.

The acquisition remains subject to final approval of the TSX Venture Exchange.

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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