

# CANOEL INTERNATIONAL ENERGY Ltd



## NEWS RELEASE

### CANOEL COMPLETES ACQUISITION OF SHARES OF OREN OIL ASA

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

**October 1, 2010 - Calgary, Alberta** – Canoel International Energy Ltd. (“Canoel” or the “Company”) (TSX VENTURE: CIL) is pleased to announce that it has completed the acquisition of shares Oren Oil ASA (“Oren”) previously announced on June 3, 2010 (the “Acquisition”). Pursuant to the Acquisition, Canoel has acquired an aggregate of 593,890,656 shares of Oren (50.89% of the issued and outstanding shares of Oren) in exchange for which Canoel has issued an aggregate of 593,890 common shares (1.72%) in the capital of Canoel.

In connection with the Acquisition, Canoel has purchased a company called Promotes Corporation S.A. as a trust for the benefit of the creditors and shareholders of Oren. Canoel has been engaged to act as a manager of the trust pursuant to a Management Services Agreement dated September 25, 2010 among Canoel, the trust and Oren. Subject to the approval of the Oren shareholders and creditors of Oren, Oren will transfer some of its Russian assets and liabilities to the Trust.

Oren has assigned to Canoel, and Canoel has accepted, certain of Oren’s debts in the aggregate amount of Norwegian Kroner (“NOK”) 1,579,167.38 (approximately CA\$ 276,000,221). Canoel intends to settle NOK 1,297,917.38 of such debts through the issuance of shares of its own capital at a deemed price of CA\$ 0.12 per share, subject to the approval of the TSX Venture Exchange, which, if approved, would result in the issuance of an aggregate of 1,813,051 Canoel common shares. In consideration for the assignment of debts, Oren will transfer to Canoel an interest on 27% of the shares held by

Oren in its Russian subsidiary, Saga NEFT LLC, as well as rights to 27% of a claim Oren has against Saga NEFT LLC.

*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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