



# Canoel International Energy Ltd.

## NEWS RELEASE

### CANOEL ANNOUNCES CLOSING OF THIRD TRANCHE

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

**May 20, 2014 - Calgary, Alberta** – Canoel International Energy Ltd. (“Canoel” or the “Company”) (TSX VENTURE: CIL) is pleased to announce, subject to regulatory approval, the completion of the third tranche of a non-brokered private placement of units (“Units”). Canoel issued an aggregate of 843,333 Units in this second tranche at a price of \$0.15 per Unit for gross proceeds of approximately \$126,500.

Each Unit consists of one common share in the capital of Canoel and one common share purchase warrant. Each common share purchase warrant entitles the holder thereof to purchase, subject to adjustment, one additional common share at an exercise price of \$0.25 per share at any time on or before the date that is 36 months from the date of issuance of the common share purchase warrant.

In connection with this second tranche of the private placement, the Company will pay aggregate finder’s fees of \$2,100 and grant an aggregate of 8,000 common share purchase warrants to finders (the “Finder’s Warrants”). Each Finder’s Warrant entitles the holder to acquire one common share at an exercise price of \$0.25 for a period of 36 months from issuance.

In addition to any resale restrictions under applicable securities legislation, all securities issued under the private placement will be subject to a four month hold period.

Dario Sodero, a director of the Company purchased 50,000 Units in this tranche of the private placement through Planaval Resources Ltd. The issuance of Units to Planaval Resources Ltd. pursuant to the private placement is considered to be a related party transaction subject to TSX Venture Exchange Policy 5.9 and Multilateral Instrument 61-101. Canoel is relying on the exemptions from the formal valuation and minority shareholder approval requirements provided under sections 5.5(a) and 5.7(a) of Multilateral Instrument 61-101 on the basis that participation in the private placement by Planaval Resources Ltd. did not exceed 25% of the fair market value of the Company’s market capitalization.

The proceeds from this offering will be used to finance the Company’s operations and to augment its unallocated working capital. This transaction is subject to the submission of final documentation and 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.

### **Forward-Looking Statements**

*This news release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. More particularly and without limitation, this news release contains forward looking statements and information concerning the completion of the private placement. The forward-looking statements and information are based on certain key expectations and assumptions made by Canoel, including the ability to obtain the required Exchange approval. Although Canoel believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward looking statements and information because Canoel can give no assurance that they will prove to be correct. By its nature, such forward-looking information is subject to various risks and uncertainties, which could cause the actual results and expectations to differ materially from the anticipated results or expectations expressed. These risks and uncertainties, include, but are not limited to, Canoel being unable to obtain the required Exchange approvals. Readers are cautioned not to place undue reliance on this forward-looking information, which is given as of the date hereof, and to not use such forward-looking information for anything other than its intended purpose. Canoel undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.*

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