



Colombia Energy Sees Revitalized Colombian Transportation System Reducing Future Coal Shipping Costs

San Francisco, CA – May 22, 2012 — Colombia Energy Resources, Inc. (OTCBB: CERX), a metallurgical coal exploration and production company operating in the Republic of Colombia, anticipates transportation cost savings from the planned multi-billion dollar infrastructure renovation by the Colombian government and private industry. As a direct benefit of the infrastructure investments being made, CERX expects to use both the railroad and river barge system to bring its metallurgical hard coking coals to international markets.

Recently, the Colombian government released details of its plan to invest more than US\$7.5 billion to restore and expand the country's rail system and improve the Magdalena River. Its objective is to strengthen these two main transportation routes to reduce long distances between the production and consumption centers and the sea ports, thereby increasing exports.

According to the Colombian Chamber of Infrastructure, the current lack of multimodal transportation adds an estimated 80% to the cost of transporting coal.

The project calls for the restoration of 1,672 km of existing rail lines, of which only 55% is currently in use, and for the construction of new systems and branches.

For the Magdalena River, Colombia and local municipalities plan to invest more than US\$135 million over four years in order to restore navigability to 1,500 km of the river. This is expected to increase transportation capacity from 35 million tons annually to 90 million by 2018.

The improvements to the rail system are expected to allow half of the total coal production in the country to be moved by train, with the rest transported by the river. The Colombian Mines and Energy Minister reportedly projects coal production to reach 124 million tons in 2014, climbing to 152 million by 2020.

The government program is supported by capital contributions from seven private companies: two Brazilian, one Swiss, one Israelian, and three Colombian.

"We want to have as much foreign participation as possible," said Luis Fernando Andrade Moreno, president of Colombia's Infrastructure National Agency (ANI). "This is the most ambitious program that we've ever undertaken in Colombia for infrastructure. And I think it's a great opportunity for U.S. companies."

Colombia created ANI to oversee development and ensure maintenance of this new infrastructure. ANI estimates that its overall infrastructure investment more than doubled by the end of 2011 to nearly US\$4 billion, and it could pass US\$7 billion by 2014.

Colombian Energy Resources' CEO Ronald G. Stovash, commented: "The revitalized rail and river transportation system will be a tremendous boost to our outlook for long term growth and increasing profitability. Currently we can only make use of truck transport. While still economical for us, it is far less efficient and cost effective versus rail or water modes of transport. As CERX moves to more cost effective transportation, the savings will drop right to our bottom line. Eventually, we see the potential for Colombian metallurgical coal to be among the lowest cost production globally."

For additional information about Colombia Energy Resources, contact Liolios Group at 949-574-3860 or email CERX@liolios.com.

About Colombia Energy Resources, Inc.

Colombia Energy Resources (OTCBB: CERX) is a metallurgical coal exploration and mining company. CERX is exploring coal deposits and developing coal mines at company controlled mining concessions. The company currently controls mining concessions underlying approximately 25,000 acres of land in the Republic of Colombia which is the world's tenth largest producer and sixth largest exporter of coal. The country also has the largest reserve base in South America with an estimated 7 billion metric tons (MT) of recoverable reserves and 17 billion MT of potential reserves.

The company plans to import international mining best practices to Colombia as it becomes a leading consolidator in the Colombian metallurgical coal market. CERX's team of executives, advisors and partners is comprised of experienced entrepreneurs and business professionals in the U.S. and Colombia with a breadth of experience in coal mining as well as substantial industry relationships.

For more information, visit www.colombiaenergyresources.com.

Forward Looking Statements

This release contains forward-looking statements regarding CERX's future plans and expected performance based on assumptions the Company believes to be reasonable. A number of risks and uncertainties could cause actual results to differ materially from these statements, including, without limitation, the success rate of business development efforts, exploration efforts and the timeliness of development activities, fluctuations in coal and energy prices, confirmation of estimated resources, and other risk factors described from time to time in the Company's reports filed with the SEC. Such risks also include the restart of mining operations at the Rukú Mining Complex, which depends on factors not under the company's control and therefore there is no assurance it will occur as anticipated. In addition, the Company operates in an industry sector where securities values are highly volatile and may be influenced by economic and other factors beyond the Company's control. Colombia Energy Resources, Inc. undertakes no obligation to publicly update these forward-looking statements, whether as a result of new information, future events or otherwise.

Cautionary Note to U.S. Investors—The United States Securities and Exchange Commission permits mining companies, in their filings with the SEC, to disclose only those mineral deposits that a company can economically and legally extract or produce. We use

certain terms in this press release, such as “resources,” that the SEC guidelines strictly prohibit us from including in our filings with the SEC. U.S. investors are urged to consider closely the disclosure in our annual report on Form 10-K for the year ended December 31, 2010, File No. 000-32735, and in subsequent filings with the SEC. You can review and obtain copies of these filings from the SEC’s website at www.sec.gov/edgar.shtml.

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