

PACIFIC RUBIALES ENERGY CORP.

NEWS RELEASE

PACIFIC RUBIALES ANNOUNCES JOINT VENTURE WITH ALFA TO DEVELOP MEXICAN PROJECTS

TORONTO, CANADA, Wednesday December 3, 2014 – Pacific Rubiales Energy Corp. (TSX: PRE) (BVC: PREC) (BOVESPA: PREB) announced today that it has entered into an agreement in principle (the “**Agreement**”) with Alfa S.A.B. de C.V (MXN: ALFAA) (“**ALFA**”) in connection with the formation of a joint venture company in Mexico on a 50/50 basis (the “**Joint Venture**”). The Joint Venture will also allow for: (i) the joint study of, and bidding on, assets in Mexico’s initial oil and gas bid round in 2015 (the “**First Bid Round**”); (ii) the acquisition of services contracts with a view to migrating them to exploration and production contracts; (iii) the development of petroleum and natural gas assets in Mexico; and (iv) the development of any business ancillary to the petroleum business in Mexico, including mid-stream projects.

Under the terms of the Agreement, Pacific Rubiales and ALFA will jointly identify, discuss, evaluate and undertake the Joint Venture prior to the First Bid Round. The Joint Venture remains subject to any applicable regulatory approvals and the determination of the Joint Venture structure pursuant to a definitive agreement.

Ronald Pantin, Chief Executive Officer of the Company, commented:

“This Joint Venture represents a significant milestone for the Company as we enter into the Mexican oil and gas industry with a world class partner. We are very pleased to be partnered with ALFA in this Agreement, which brings together the strengths and advantages of both companies, to identify and pursue opportunities offered by the recent opening up of the Mexican energy sector to foreign investment.

“We believe Mexico provides a very large opportunity for us. An opportunity that is well aligned with our core expertise and track record in light and heavy oil exploration and development, as the leading independent Latin American focused E&P company. We intend to be active in the first open bidding rounds expected next year and anticipate that Mexico will provide another significant platform of future growth, for the Company.”

About Pacific Rubiales:

Pacific Rubiales, a Canadian company and producer of natural gas and crude oil, owns 100% of Meta Petroleum Corp., which operates the Rubiales, Piriri and Quifa heavy oil fields in the Llanos Basin, and 100% of Pacific Stratus Energy Colombia Corp., which operates the La Creciente natural gas field in the northwestern area of Colombia. Pacific Rubiales also previously acquired 100% of Petrominerales Ltd, which owns light and heavy oil assets in Colombia and oil and gas assets in Peru, 100% of PetroMagdalena Energy Corp., which owns light oil assets in Colombia, and 100% of C&C Energia Ltd., which owns light oil assets in the Llanos Basin. In addition, the Company has a diversified portfolio of assets beyond Colombia, which includes producing and exploration assets in Peru, Guatemala, Brazil, Guyana, Belize and Papua New Guinea.

The Company's common shares trade on the Toronto Stock Exchange and La Bolsa de Valores de Colombia and as Brazilian Depositary Receipts on Brazil's Bolsa de Valores Mercadorias e Futuros under the ticker symbols PRE, PREC, and PREB, respectively.

About ALFA:

ALFA is the largest independent producer of aluminum engine components for the automotive industry in the world, and one of the world's largest producers of polyester (PTA, PET and fibers). In addition, it leads the Mexican market in petrochemicals such as polypropylene, expandable polystyrene and caprolactam. It is the leading maker of processed meats in North America, and of cheese in Mexico, as well as a leading company in information technology and communications services for the business segment in this country. Since 2006, it participates in the hydrocarbon industry in the U.S. In 2013, ALFA reported revenues of Ps. 203,456 million (U.S. \$15.9 billion), and EBITDA of Ps. 24,534 million (U.S. \$1.9 billion). Currently, ALFA has manufacturing operations in 18 countries and employs 61,000 people. ALFA's shares are quoted on the Mexican Stock Exchange and on Latibex, the market for Latin American shares of the Madrid Stock Exchange.

Advisories

Cautionary Note Concerning Forward-Looking Statements

This news release contains forward-looking statements. All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future (including, without limitation, statements regarding estimates and/or assumptions in respect of production, revenue, cash flow and costs, reserve and resource estimates, potential resources and reserves and the Company's exploration and development plans and objectives) are forward-looking statements. These forward-looking statements reflect the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Company. Factors that could cause actual results or events to differ materially from current expectations include, among other things: uncertainty of estimates of capital and operating costs, production estimates and estimated economic return; the possibility that actual circumstances will differ from the estimates and assumptions; failure to establish estimated resources or reserves; fluctuations in petroleum prices and currency exchange rates; inflation; changes in equity markets; political developments in Colombia, Peru, Guatemala, Brazil, Papua New Guinea, Belize, Mexico or Guyana; changes to regulations affecting the Company's activities; uncertainties relating to the availability and costs of financing needed in the future; the uncertainties involved in interpreting drilling results and other geological data; the impact of environmental, aboriginal or other claims and the delays such claims may cause in the expected development plans of the Company and the other risks disclosed under the heading "Risk Factors" and elsewhere in the Company's annual information form dated March 13, 2014 filed on SEDAR at www.sedar.com. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

In addition, reported production levels may not be reflective of sustainable production rates and future production rates may differ materially from the production rates reflected in this press release due to, among other factors, difficulties or interruptions encountered during the production of hydrocarbons.

Translation

This news release was prepared in the English language and subsequently translated into Spanish and Portuguese. In the case of any differences between the English version and its translated counterparts, the English document should be treated as the governing version.

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