

# PACIFIC EXPLORATION & PRODUCTION CORP.

## *NEWS RELEASE*

### **PACIFIC EXPLORATION & PRODUCTION ANNOUNCES CHANGES TO ITS BOARD OF DIRECTORS AND NOMINATION AGREEMENT WITH ALFA AND THE O'HARA GROUP**

**Toronto, Canada, Monday, August 31, 2015** – Pacific Exploration & Production Corp. (TSX: PRE) (BVC: PREC) announced today that the Company has entered into an agreement (the “**Nomination Agreement**”) with: (i) ALFA, S.A.B. de C.V. (“**ALFA**”); and (ii) Alejandro Betancourt, O’Hara Administration Co., S.A. (“**O’Hara**”) and the various Shareholders they represent (collectively, the “**O’Hara Group**”), with respect to the appointment of four new directors to the Board of Directors. ALFA owns 59,897,800 common shares in the capital of the Company (“**Common Shares**”) representing approximately 18.95% of the issued and outstanding Common Shares. The O’Hara Group exercises control and direction over 63,050,510 Common Shares, representing approximately 19.95% of the issued and outstanding Common Shares. Pursuant to the terms of the Nomination Agreement, ALFA and the O’Hara Group will each be entitled to nominate two individuals to the Board of Directors.

ALFA will nominate Messrs. José de Jesús Valdez Simancas and Raul Millares (the “**ALFA Nominees**”) and O’Hara will nominate Messrs. Alejandro Betancourt and Orlando Alvarado (the “**O’Hara Nominees**”), as members of the Board of Directors, subject to applicable regulatory approvals.

Mr. Valdez joined ALFA in 1976 and is currently the President of Alpek. Mr. Valdez holds an undergraduate degree in Engineering and Master’s degree in Management from ITESM as well as a Master’s degree in Industrial Engineering from Stanford University. Mr. Millares is the Energy Manager for ALFA. With more than thirty years of experience at ALFA, Mr. Millares has held different executive positions including Chief Financial Officer of Alpek, manager of planning and development of Alpek, manager of Europe and Asia of Nemark, manager of planning and corporate development of Nemark, Chief Executive Officer of Indelpro, Chief Executive Officer of Akra Nylon and Chief Executive Officer of Polioles. Mr. Millares holds an undergraduate degree in chemical engineering from Universidad Iberoamericana and a Masters in Business Administration from the Wharton School.

Mr. Betancourt is Chairman and Founder of Derwick Associates (“**Derwick**”), an energy company specializing in the construction of turn-key power plant projects. Derwick undertook eleven projects that created 1.216MW of new generation capacity for Venezuela. Derwick operates in Venezuela, Spain, Nigeria, Ecuador, and Mexico. Mr. Betancourt is the controlling party and also a director of O’Hara and its affiliates. Mr. Alvarado is the Portfolio Manager and a Director of O’Hara and its affiliates. Mr. Alvarado serves as a director in a large private equity firm which invests in the oil and gas industry in emerging markets. Previously, Mr. Alvarado served as Chief Financial Officer for Derwick and its affiliated companies where he was also in charge of the investment portfolio of Derwick and related companies.

“We are very pleased to welcome representatives to the Board of Directors from our two significant Shareholders, ALFA and O’Hara. We believe that these Board additions will allow Pacific and its Shareholders to move forward with a common vision and will support the continued work towards becoming the leading E&P company in Latin America,” said Ronald Pantin, Chief Executive Officer of the Company.

In this regard, Messrs. Miguel Rodriguez, Neil Woodyer, Victor Rivera and German Efromovich have resigned from the Board of Directors, effective immediately. “We extend our appreciation to the retiring directors, whose dedication and counsel helped navigate the Company through the complex environment and challenges of this industry,” said Serafino Iacono, Co-Chairman of the Company. “We also appreciate the input we have received from our Shareholders and look forward to building value on their behalf.”

**About Pacific Exploration & Production:**

*Pacific Exploration & Production is a Canadian public company and a leading explorer and producer of natural gas and crude oil, with operations focused in Latin America. The Company has a diversified portfolio of assets with interests in more than 85 exploration and production blocks in seven countries including Colombia, Peru, Guatemala, Brazil, Guyana, Papua New Guinea and Belize. The Company’s strategy is focused on sustainable growth in production & reserves and cash generation. Pacific Exploration & Production is committed to conducting business safely, in a socially and environmentally responsible manner.*

*The Company’s common shares trade on the Toronto Stock Exchange and La Bolsa de Valores de Colombia under the ticker symbols PRE, and PREC, respectively.*

**Advisories**

***Translation***

*This news release was prepared in the English language and subsequently translated into Spanish. 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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