

PACIFIC EXPLORATION & PRODUCTION CORP.

NEWS RELEASE

PACIFIC ANNOUNCES COVENANT RELIEF UNDER ITS REVOLVING CREDIT AGREEMENTS

Toronto, Canada, Tuesday, September 29, 2015 – Pacific Exploration & Production Corp. (TSX: PRE) (BVC: PREC) announced today that the Company has obtained waivers (the “**Waivers**”) from its lenders in respect of the covenant that requires the Company to maintain its consolidated net worth above U.S.\$1 billion (the “**Covenant**”). The Waivers were obtained with respect to the: (i) U.S.\$1 billion revolving credit and guaranty agreement with a syndicate of lenders and Bank of America, N.A. as administrative agent; (ii) U.S.\$250 million credit and guaranty agreement with HSBC Bank USA, N.A., as lender; (iii) U.S.\$109 million credit and guaranty agreement with Bank of America, N.A., as lender; and (iv) U.S.\$75 million master credit agreement with Banco Latino Americano de Comercio Exterior S.A., as lender (collectively, the “**Credit Agreements**”).

Ronald Pantin, Chief Executive Officer of the Company, commented: “Seeking the approval of the Waivers was prudent, proactive and in the best interest of the Company and its stakeholders. Due to, the particularly sharp decline in the price of crude oil over the past year, financial metrics of oil and gas companies around the world have been negatively impacted. We are grateful to our lenders for continuing to work constructively with the Company as we continue to reduce costs and sell non-core assets.”

The amendment to the Covenant was supported by 100% of the lending syndicate, which is comprised of 28 international and local banks. The Waivers are effective immediately and will terminate on December 28, 2015. During this period, the Company will be in discussions with its lenders to address concerns during this low oil price environment.

About Pacific

Pacific 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, Mexico 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

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)

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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, Guatemala, Peru, Brazil, Papua New Guinea, Guyana and Mexico; 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; and the other risks disclosed under the heading "Risk Factors" and elsewhere in the Company's annual information form dated March 18, 2015 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.

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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