

PACIFIC EXPLORATION & PRODUCTION CORP.

NEWS RELEASE

PACIFIC ANNOUNCES FILING UNDER COMPANIES' CREDITORS ARRANGEMENT ACT IN CONNECTION WITH ITS PREVIOUSLY ANNOUNCED COMPREHENSIVE RESTRUCTURING INVOLVING CATALYST CAPITAL AND PACIFIC'S NOTEHOLDERS AND LENDERS

Toronto, Canada, Wednesday, April 27, 2016 – This morning, Pacific Exploration & Production Corp. and certain of its direct and indirect subsidiaries (collectively, the “**Filing Entities**”) filed an application for protection under the *Companies' Creditors Arrangement Act* (the “**CCAA**”) with the Superior Court of Justice in Ontario in connection with the implementation of the transaction described in its previously announced agreement with: (i) The Catalyst Capital Group Inc. (“**Catalyst**”); (ii) certain holders of the Company's senior unsecured notes (including members of the ad hoc committee (the “**Ad Hoc Committee**”); and (iii) certain of the Company's lenders under its credit facilities, to effect a comprehensive financial restructuring (the “**Restructuring Transaction**”) that will significantly reduce debt, improve liquidity, and best position the Company to navigate the current oil price environment.

As part of the CCAA proceedings, the Filing Entities are seeking the appointment of PricewaterhouseCoopers Inc. as monitor (the “**Monitor**”) to monitor the business and affairs of the Filing Entities during the CCAA process.

The Filing Entities will also be commencing appropriate proceedings in Colombia under Law 1116, and recognition proceedings in the United States under chapter 15 of the U.S. Bankruptcy Code, at a later date.

All operations of the Company's subsidiaries (the “**Pacific Group**”) are expected to continue as normal throughout this process. Importantly, the Company expects regular payments will be made to all of the Pacific Group's suppliers, trade partners, and contractors across the jurisdictions in which it operates in accordance with local regulations. Additionally, employees will continue to be paid throughout this process, without disruption. The Company's bank indebtedness and indebtedness in respect of its senior unsecured notes will be restructured pursuant to the terms of the Restructuring Transaction.

The Company is being advised by Lazard Frères & Co. LLC, Norton Rose Fulbright Canada LLP (Canada), Proskauer Rose LLP (U.S.), Zolfo Cooper (U.S.) and Garrigues (Colombia). The independent committee of the board of directors of the Company is being advised by Osler, Hoskin & Harcourt LLP and UBS Securities Canada Inc. The Ad Hoc Committee is being advised by Evercore Group L.L.C. (U.S.), Goodmans LLP (Canada), Paul, Weiss, Rifkind, Wharton & Garrison LLP (U.S.) and Cardenas y Cardenas Abogados (Colombia). FTI Consulting (U.S.), Davis Polk & Wardwell LLP (U.S.), Torys LLP (Canada) and Gómez-Pinzón Zuleta Abogados (Colombia) are counsel to the agent on the revolving credit facility of the Company, and Seward & Kissel is counsel to the agent on the HSBC Bank, USA, N.A. term loan of the Company. Catalyst is being advised by Brown Rudnick LLP (U.S.), McMillan LLP (Canada) and GMP Securities L.P. Kingsdale Shareholder Services has been retained as a strategic advisor and proxy solicitation agent.

Shareholders are reminded that any questions or concerns can be directed to the Company at ir@pacificcorp.energy.

Noteholders with questions or wishing to sign and return the Support Agreement are encouraged to contact Kingsdale Shareholder Services at 1-877-659-1821 toll-free in North America or call collect at 1-416-867-2272 outside of North America or by email at contactus@kingsdaleshareholder.com.

About Pacific:

Pacific Exploration & Production Corp. 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 70 exploration and production blocks in various countries including Colombia, Peru, Guatemala, Brazil, Guyana 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.

About Catalyst:

The Catalyst Capital Group Inc., a private equity investment firm with more than \$6 billion in assets under management founded in 2002, is a leader in operationally focused turnaround investing. The firm's mandate is to manufacture risk adjusted returns, in keeping with its philosophy of "we buy what we can build." Catalyst's Guiding Principles of investment excellence through operational involvement, superior analytics, attention to detail, intellectual curiosity, team and reputation are key to the firm's success. The Catalyst team collectively possesses more than 110 years of extensive experience in restructuring, credit markets and merchant and investment banking in Canada, the United States, Latin America and Europe.

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 and its strategy) 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: the Company's ability to continue as a going concern; volatility in market prices for oil and natural gas; a continued depressed oil price environment with a potential of further decline; default under the Company's credit facilities and/or the Company's senior notes due to a breach of covenants therein; amounts becoming due and payable under the credit facilities and/or the senior notes prior to voluntary insolvency proceedings, notwithstanding the entering into of forbearance arrangements, whether through the actions of holders of senior notes or the trustee under the respective senior note indentures or otherwise; the impact of events

of defaults in respect of the credit facilities and/or senior notes on other material contracts of the Company, including but not limited to, cross-defaults resulting in acceleration of amounts payable thereunder or the termination of such agreements; failure of the courts or other regulatory authorities to grant the protection sought by the Company under CCAA proceedings in Canada and/or proceedings under other applicable jurisdictions (including Colombia and the United States); failure of a sufficient number of supporting creditors entering into the support agreement; impact on the Restructuring Transaction or the operations of the Company in the event of an involuntary petition for bankruptcy relief or similar creditor action filed against the Company prior to the commencement of voluntary proceedings; failure of the Company to complete the Restructuring Transaction, which is subject to a number of conditions and other risks and uncertainties including, without limitation, court and required regulatory approvals or otherwise reach an agreement with its creditors or a sufficient number of them to restructure the Company's capital structure; failure to satisfy any terms or conditions of any other agreement with the Company's creditors on a proposed restructuring; any negative impact on the Company's current operations as a result of the Restructuring Transaction or any other proposed restructuring or failure to reach any other agreement with the creditors thereon; failure to satisfy the terms and conditions of any one of the Company's waiver agreements with applicable creditors or counterparties or any other waiver prior to voluntary insolvency proceedings, failure to obtain further extensions of any such waivers if required prior any voluntary insolvency proceedings, or failure to obtain waivers of other covenants prior to voluntary insolvency proceedings, if and when required; the terms of any such waivers, including the impact on the Company of any restrictions imposed upon it in connection with any waiver; perceptions of the Company's prospects and the prospects of the oil and gas industry in Colombia and the other countries where the Company operates and/or has investments as the result of the entering into of the Restructuring Transaction or otherwise; expectations regarding the Company's ability to raise capital and to continually add to reserves through acquisitions and development; inability to continue meeting the listing requirements of the exchanges on which the Company's securities are listed due to the Restructuring Transaction; the cancellation or extensive dilution of the Company's equity securities as a result of the Restructuring Transaction; the effect of the Restructuring Transaction on the Company's business and operations; political developments in Colombia, Guatemala, Peru, Brazil, Guyana and Mexico; liabilities inherent in oil and gas operations; uncertainties associated with estimating oil and natural gas reserves; competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel; incorrect assessments of the value of acquisitions and/or past integration problems; geological, technical, drilling and processing problems; fluctuations in foreign exchange or interest rates and stock market volatility; delays in obtaining required environmental and other licences; uncertainty of estimates of capital and operating costs, production estimates and estimated economic return; the possibility that actual circumstances will differ from estimates and assumptions; uncertainties relating to the availability and costs of financing needed in the future; changes in income tax laws or changes in tax laws, accounting principles and incentive programs relating to the oil and gas industry; and the other factors discussed under the heading entitled "Risk Factors" and elsewhere in the Company's AIF dated March 18, 2016 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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