

PACIFIC EXPLORATION & PRODUCTION CORP.

NEWS RELEASE

PACIFIC ANNOUNCES RESTRUCTURING UPDATE AND SIGNIFICANT SUPPORT FROM NOTEHOLDERS AND LENDERS

AND

EXTENSION OF THE SUPPORTING NOTEHOLDER CONSIDERATION DEADLINE TO MAY 6, 2016

Toronto, Canada, Friday, April 29, 2016 – Pacific Exploration & Production Corp. (TSX: PRE) (BVC: PREC) is pleased to provide an update with respect to its comprehensive restructuring transaction (the “**Restructuring Transaction**”) with: (i) certain holders of the Company’s senior unsecured notes (the “**Supporting Noteholders**”) (including certain members of an ad hoc committee of holders of the Company’s senior unsecured notes (the “**Ad Hoc Committee**”)), (ii) certain of the Company’s lenders under its credit facilities (the “**Supporting Bank Lenders**”, and together with the Supporting Noteholders, the “**Supporting Creditors**”), and (iii) The Catalyst Capital Group Inc. (“**Catalyst**”). The Restructuring Transaction will significantly reduce debt, improve liquidity, and best position the Company to navigate the current oil price environment.

Restructuring Update

Currently, the Restructuring Transaction has support from Supporting Creditors holding approximately 67.83% of the aggregate principal amount of the debt held by the Company’s noteholders and lenders under the Company’s credit facilities. Subject to the terms and conditions of the restructuring support agreement entered into by the Company, the Supporting Creditors and Catalyst (the “**Support Agreement**”), the Supporting Creditors have agreed to support and vote in favour of the Restructuring Transaction.

On April 27, 2016, the Company and certain of its direct and indirect subsidiaries (the “**Filing Entities**”) obtained an Initial Order from the Superior Court of Justice in Ontario under the *Companies’ Creditors Arrangement Act*.

“Pacific is pleased to see such a high level of support for the Restructuring Transaction from the Supporting Creditors and expects to work quickly and efficiently to improve the Company’s balance sheet without disruption to its operations,” commented Ronald Pantin, Chief Executive Officer of the Company.

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 Restructuring Transaction is expected to be consummated by the end of the third quarter of 2016, subject to successfully obtaining all relevant and required regulatory, creditor and court approvals.

Supporting Noteholder Consideration Deadline Extension

Noteholders were offered their pro rata share of 2.2% of the common shares of the reorganized Company (the “**Supporting Noteholder Consideration**”) if they signed and returned a joinder to the Support Agreement on or before 5:00 p.m. (Toronto/New York time) on April 29, 2016 (the “**Early Support Deadline**”). **At the request of a significant group of noteholders who would like to take advantage of the Supporting Noteholder Consideration but require further time to process the required documentation, the Early Support Deadline has been extended to Friday May 6, 2016 at 5:00 p.m. (Toronto/New York time).** No further extensions will be granted.

All noteholders are encouraged to sign the Support Agreement by execution of a joinder thereto. A copy of the Support Agreement and the joinder are available on the Company’s website at www.pacific.energy. Please contact either: (i) Peter Volk, General Counsel of the Company (telephone: +1 (416) 362-7735 ext. 223; email: pvolk@pacificcorp.energy), or (ii) Michael Galego, Deputy General Counsel and Secretary of the Company (telephone: +1 (416) 362-7735 ext. 234; email: mgalego@pacificcorp.energy) if you have any questions.

The Supporting Noteholder Consideration shall be payable subject to, and only upon, consummation of the Restructuring Transaction. If a Supporting Noteholder otherwise entitled to the Supporting Noteholder Consideration transfers (in accordance with the Support Agreement) the notes in respect of which such Supporting Noteholder Consideration would have been payable, the transferee of such notes shall be entitled to that portion of the Supporting Noteholder Consideration attributable to the transferred notes. The Supporting Noteholder Consideration shall not be payable if the Supporting Noteholder terminates its obligations under the Support Agreement. The amount of the Supporting Noteholder Consideration will be funded from the pro rata portion of the affected creditor consideration otherwise allocated to the Company’s noteholders under the Restructuring Transaction and will not impact the pro rata recovery of the lenders under the Company’s credit facilities.

Shareholder Contact Information

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

Noteholder Contact Information

Noteholders with questions or wishing to sign the joinder to the Support Agreement under the Restructuring Transaction 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.

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, notwithstanding the entering into of support 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 notwithstanding the protection obtained by the Company under the CCAA proceedings in Canada and/or sought in proceedings under other applicable jurisdictions (including Colombia and the United States); 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, creditor and required regulatory approvals or otherwise; 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; 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 commencing voluntary insolvency proceedings 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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