

PACIFIC EXPLORATION & PRODUCTION CORP.

NEWS RELEASE

PACIFIC REMINDS NOTEHOLDERS OF SUPPORT CONSIDERATION DEADLINE OF MAY 6, 2016

Toronto, Canada, Wednesday, May 4, 2016 – Pacific Exploration & Production Corp. (TSX: PRE) (BVC: PREC) in connection with its previously announced comprehensive restructuring transaction (the **"Restructuring Transaction"**) with (i) The Catalyst Capital Group Inc., on behalf of investment funds managed by it (**"Catalyst"**), (ii) certain holders of the Company's unsecured notes (the **"Supporting Noteholders"**), (iii) certain of the Company's lenders under its credit facilities (the **"Supporting Lenders"**), and together with the Supporting Noteholders, the **"Supporting Creditors"**), reminded noteholders who would like to take advantage of the offer to receive their pro rata share of an additional 2.2% of the common shares of the reorganized Company that they must sign and return a joinder to the support agreement (the **"Support Agreement"**) entered into by the Company, the Supporting Creditors and Catalyst by 5:00 p.m. (Toronto/New York time) on Friday May 6, 2016, agreeing to support and vote in favour of the Restructuring Transaction, subject to the terms and conditions of the Support Agreement. No further extensions will be granted.

"Pacific is pleased to see strong support for the Restructuring Transaction from the Supporting Creditors holding approximately 69.34% of the aggregate principal amount of the debt held by the Company's noteholders and lenders under the Company's credit facilities. This amount is already in excess of the 66-2/3% required for creditor approval of the plan under the Companies' Creditors Arrangement Act. We welcome the opportunity it provides to rapidly improve the Company's balance sheet without compromising our operations," said Ronald Pantin, Chief Executive Officer of the Company. "We are confident that the Company will emerge from this process as a stronger entity, best-positioned to weather the current oil price environment and capitalize on opportunities once the market adjusts."

"The strong support shown by the Supporting Creditors, the Company and Catalyst indicates the plan is well on its way to completion. The support of more than 66.67% of all Creditors by their signing of the Support Agreement clearly shows the unique upside opportunity Catalyst offers as we bring our capital and expertise to restructure, recapitalize and reposition the Company for long-term success," said Gabriel de Alba, Managing Director and Partner of Catalyst. "As support continues to grow as we approach the Support Consideration Deadline, we look forward to working with Pacific's local and international stakeholders to launch a new era of long-term growth at Pacific as our commitment to this transaction is stronger than ever."

Key Advantages of the Restructuring Transaction

- Will significantly reduce debt, improve liquidity, and best position the Company to navigate the current oil price environment.
- Unanimous support of the ad hoc committee of holders of the Company's senior unsecured notes.
- Strong support from the Supporting Creditors.
- The operations of the Company's subsidiaries will continue as normal and without disruption.

- It is anticipated that all obligations to the suppliers, trade partners and contractors of the Company's subsidiaries will continue to be met in the ordinary course and will be unaffected.
- Employees will continue to be paid throughout, without disruption.

Supporting Noteholder Consideration Deadline and How to Participate

Noteholders are offered their pro rata share of an additional 2.2% of the common shares of the reorganized Company (the "Supporting Noteholder Consideration") if they sign and return a joinder to the Support Agreement on or before 5:00 p.m. (Toronto/New York time) on Friday May 6, 2016 at 5:00 p.m. (Toronto/New York time). Noteholders should be aware 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.

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, 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.

FOR FURTHER INFORMATION:

Frederick Kozak
Corporate Vice President, Investor Relations
+1 (403) 705-8816
+1 (403) 606-3165

Roberto Puente
Sr. Manager, Investor Relations
+57 (1) 511-2298
+507 (6) 205-1400

Richard Oyelowo
Manager, Investor Relations
+1 (416) 362-7735

MEDIA CONTACT:

Tom Becker
Sitrick & Company
+1 (212) 573-6100