

PACIFIC EXPLORATION & PRODUCTION CORP.

NEWS RELEASE

PACIFIC FILES MEETING MATERIALS FOR CREDITORS' MEETING TO BE HELD ON AUGUST 17, 2016

Toronto, Canada, Wednesday, July 13, 2016 - Pacific Exploration & Production Corp. (the "Company") is pleased to announce that it has filed its meeting materials in connection with its meeting (the "Creditors' Meeting") of certain creditors affected (the "Affected Creditors") by the Restructuring Transaction (as defined below) on SEDAR (Canada) and SIMEV (Colombia), including an information circular and proxy statement dated July 8, 2016 (the "Circular"). The Company has commenced mailing meeting materials to Affected Creditors, prepared in connection with its previously announced 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), (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., on behalf of investment funds managed by it ("Catalyst"). The Restructuring Transaction has support from Supporting Creditors holding approximately 79% of the aggregate affected claims of 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 Supporting Creditors have agreed to support and vote in favour of the Restructuring Transaction.

On June 30, 2016, the Company obtained an order from the Ontario Superior Court of Justice authorizing the Company to convene a meeting of Affected Creditors to consider the Restructuring Transaction, among other matters. The Creditors' Meeting is scheduled to be held on Wednesday, August 17, 2016 at 10:00 a.m. (Toronto time) at the offices of Norton Rose Fulbright Canada LLP, 200 Bay Street, Suite 3800, Toronto, Ontario, Canada, M5J 2Z4.

The Restructuring Transaction will be implemented by way of a plan of compromise and arrangement (the "Plan") pursuant to the *Companies' Creditors Arrangement Act* (Canada) ("CCAA"). Affected Creditors will be asked to vote on a resolution relating to the Plan (the "Plan Resolution"). In order to be approved, the Plan Resolution must receive the affirmative vote of a majority in number of Affected Creditors who represent at least two-thirds in value of the voting claims of Affected Creditors, who are present and vote in person or by proxy on the Plan the Creditors' Meeting and who are entitled to vote at the Creditors' Meeting.

The Circular contains, among other things, details concerning the Restructuring Transaction, the reasons for the Restructuring Transaction, the requirements for the Restructuring Transaction to become effective and applicable voting instructions at the Creditors' Meeting. Affected Creditors are urged to carefully review the Circular and accompanying meeting materials as they contain important information regarding the Restructuring Transaction and its consequences to them.

Management and the Board of Directors of the Company believe the Restructuring Transaction represents the best alternative for the long-term interests of the Company. The current proposal is the best way,

given the current circumstances, to reduce the Company's debt levels and increase liquidity for the Company's operations.

Further details regarding the Plan and the Creditors' Meeting, including the meeting materials, are available on the Monitor's website at www.pwc.com/ca/pacific and SEDAR at www.sedar.com.

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 about the Plan or the Creditors' Meeting 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 the Plan, approval of the Plan Resolution, the Creditors' Meeting and effect of the Plan on the Company (including debt levels and liquidity) 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 upon completion of the Plan; 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 failure to implement the Plan or reach any other agreement with creditors; 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 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 obtain a listing on the stock acceptable to the Company, Catalysts and Support Creditors; 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 and in the Circular. 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:

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