

PACIFIC EXPLORATION & PRODUCTION CORP.

NEWS RELEASE

PACIFIC ANNOUNCES CREDITOR APPROVAL OF RESTRUCTURING PLAN

Toronto, Canada, Wednesday, August 17, 2016 – Pacific Exploration & Production Corp. (the “**Company**”) is pleased to announce the approval of the Company’s plan of compromise and arrangement (the “**Plan**”) at the meeting (the “**Meeting**”) of certain of its creditors (the “**Affected Creditors**”) affected by its previously announced comprehensive restructuring transaction (the “**Restructuring Transaction**”). The resolution (the “**Plan Resolution**”) approving the Plan pursuant to the *Companies’ Creditors Arrangement Act* (Canada) was approved by 98.4% in number of Affected Creditors who represent 97.2% in value of the eligible voting claims of Affected Creditors who were present and voted in person or by proxy on the Plan Resolution at the Meeting and who were entitled to vote at the Meeting in accordance with the order granted by the Court (as defined below) on June 30, 2016. This approval represents a “Required Majority” under the Plan.

“We are pleased with the overwhelming vote of support by Affected Creditors,” commented Dennis Mills, Chair of the Independent Committee of the Board of Directors. “The approval of the Plan Resolution is a key step towards the implementation of the Plan and emergence from creditor protection. We continue to believe that the Plan represents the best alternative for the long-term interests of the Company which significantly reduces debt, improves liquidity, and best positions the Company to navigate the current oil price environment.”

“The Catalyst Capital Group is excited to have the Creditors and Pacific’s support and we look forward to rebuilding Pacific’s strength for the benefit of all stakeholders,” said Gabriel De Alba, Managing Director and Partner of Catalyst.

The Company intends to seek an order from the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) sanctioning and approving the Plan (the “**Sanction Order**”) at a hearing currently scheduled to take place on or about Tuesday, August 23, 2016 at 10:00 a.m. (Toronto time). Implementation of the Plan is subject to receipt of the Sanction Order and the satisfaction or waiver of certain other conditions precedent set forth in the Plan.

Assuming satisfaction or waiver of the conditions within the expected time frames, the Company anticipates implementing the Plan and completing the Restructuring Transaction late in the third quarter or early in the fourth quarter of 2016.

Further details regarding the Plan are available on the Monitor’s website at www.pwc.com/ca/pacific and SEDAR.

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 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.

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 (including approval thereof), the letter proposing an alternative transaction (including reviewing thereof), timing of the meeting of affected creditors, 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 Plan, which is subject to a number of conditions and other risks and uncertainties; court 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 Plan 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 contemplated by the Plan 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 a stock acceptable to the Company, Catalysts and Supporting Creditors; the effect of the Plan or Alternative Proposal 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 dated July 8, 2016 prepared in connection with the Meeting. 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:

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

MEDIA CONTACT:

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