PACIFIC RUBIALES ENERGY CORP.

NEWS RELEASE

PACIFIC RUBIALES ANNOUNCES FIRST QUARTER 2015 RESULTS: REPORTS RECORD NET PRODUCTION, SALE VOLUMES AND LOWER CASH OPERATING COSTS

Toronto, Canada, Thursday, May 14, 2015 – Pacific Rubiales Energy Corp. (TSX: PRE) (BVC: PREC) (the "**Company**" and "**Pacific Rubiales**") announced today the release of its unaudited consolidated financial results for the quarter ended March 31, 2015, together with its Management Discussion and Analysis ("**MD&A**"). These documents will be posted on the Company's website at www.pacificrubiales.com, SEDAR at www.sedar.com, and the SIMEV website at www.superfinanciera.gov.co/web_valores/Simev. A corporate presentation relating to the first quarter results will be posted on the Company's website. All values in this release and the Company's financial disclosures are in U.S.$, unless otherwise stated.

Operational Highlights:

- Net production for the quarter was a record 152,650 boe/d, an increase of 4% compared to the fourth quarter of 2014, and within the Company's guidance (150,000 - 160,000 boe/d). Increased production was mainly due to higher light and medium oil production, and increases in the Quifa SW Field.
- Light and medium oil production increased 18% from the first quarter of 2014 and up 8% from the fourth quarter of 2014 to 55,587 bbl/d.
- Net production at the Quifa SW Field increased to 29,812 bbl/d during the first quarter of 2015, 14% higher than the fourth quarter of 2014 and 34% higher than the same period of 2014.

Financial Highlights:

- Revenues for the quarter were $800 million, a decrease of 19% compared to the fourth quarter of 2014, due to the decline in crude oil market prices.
- Average oil and gas sales (including trading) for the first quarter were a record 180,086 boe/d, an increase of 19% compared to the same period in 2014.
- Combined operating netback on oil and gas production for the quarter was $22.73/boe compared to $38.36/boe in the fourth quarter of 2014. The decrease was attributable to the significant decline in the market prices for crude oil.
- Significant and continuing cash operating cost reductions with underlying operating costs (excluding over/under lift and other) declining 20% from the prior quarter and 34% from the same period a year ago.
- General and administrative expenses were $55 million in the first quarter of 2015 down from $98 million in the fourth quarter of 2014 and $75 million in the first quarter of 2014.
- Adjusted EBITDA decreased by 36% to $270 million from $419 million in the fourth quarter of 2014.
- Cash Flow (Funds Flow from Operations) for the quarter was $157 million.
- Net loss for the first quarter of 2015 was $722 million, reflecting the significant decline in crude oil price realization as well as a non-cash impairment on assets. Other non-cash items affecting earnings included, unrealized foreign exchange losses, and DD&A.

- Total capital expenditures decreased to $226 million in the first quarter of 2015, compared with $758 million in the fourth quarter of 2014 and $469 million in the first quarter of 2014.

Additional Highlights:

- The Company obtained an amendment to certain covenants on its revolving credit facility and bank debt, raising the gross debt to trailing 12 - month Adjusted EBITDA ratio from 3.5:1.0 to 4.5:1.0.
- The Company drew down $1 billion on the revolving credit facility and used part of the cash proceeds to repay $384 million of the 2015 and 2016 short-term bank debt, and contributing to the $860 million dollars of cash on the balance sheet as of March 31, 2015.
- As announced on May 5, 2015, the Company entered into exclusive discussions in respect of an offer from ALFA, S.A.B. de C.V. ("**ALFA**") and Harbour Energy Ltd. ("**Harbour Energy**"), whereby they would acquire all of the issued and outstanding common shares in the capital of the Company ("**Common Shares**") not owned by ALFA for a price of C$6.50 per share, subject to completion of definitive documentation and the requisite approval by the board and shareholders. If the offer proceeds it would be a related party transaction under applicable securities laws and it is therefore being reviewed by an independent committee of the board who have retained financial advisors to provide an independent valuation in accordance with securities laws. If the transaction is approved by the board it will then require approval by shareholders at a special meeting where it must be approved by two thirds of all the shareholders voting at the meeting and by a majority of the minority shareholders voting at the meeting.
- The Company received $200 million from a prepaid forward sale of crude oil negotiated with a global energy marketer for the delivery of six million barrels of crude oil over a six-month period.
- Eight exploration wells (including stratigraphic and appraisal wells) were drilled in the quarter, resulting in six discoveries. This was a 75% success rate for the quarter, compared to 56% in the same period of 2014. Exploration successes primarily located in the Central and Deep Llanos in Colombia have added approximately 10,000 bbl/d of light oil production over the past year.

Ronald Pantin, Chief Executive Officer of the Company, commented:

"In my last Message to Shareholders at year-end 2014, I outlined some of the plans that we were executing to align the Company's operations with the low oil price environment. As a shareholder, you should be very pleased that the hard-working and diligent team at Pacific Rubiales has fulfilled our promise to you. You will see in the first quarter results that the Company has significantly reduced G&A and cash operating costs. While these reductions do not fully offset the dramatic drop in oil prices in the first quarter of 2015, they do assure the Company's profitability through the remainder of 2015 and beyond, within expected oil price scenarios.

"As you know, we announced on May 5th that the Company is in exclusive discussions with one of our largest shareholders, ALFA and their partner Harbour Energy, for the potential acquisition of the Company.

"Through the first and continuing into the second quarter of 2015, we have achieved all-time record production volumes. We are currently averaging in excess of 155,000 boe/d – this is up from our 2014 exit rate of approximately 150,000 boe/d. This is smaller growth in comparison to previous years, but I want to emphasize that this production growth is due to the quality of the Company's light and medium oil assets and important new exploration discoveries that were made in 2014 in the Colombian Foothills. Continued exploration in 2015 has identified a number of other exploration prospects similar to the discoveries already made and importantly has resulted in a significant number of light oil development drilling locations that should allow production growth to continue well into 2016. In addition, we have confirmed the potential of the offshore Brazil Kangaroo discovery and announced a second potentially similar oil discovery nearby at the Echidna prospect.

"For the first quarter of 2015, we generated $800 million in revenues, $270 million in Adjusted EBITDA and $157 million in Funds Flow from Operations. Our earnings were lower compared with the fourth quarter of 2014, due to the downward trend of crude oil prices and a non-cash impairment charge of $411 million (after tax) against our exploration assets and goodwill. Our operating netback for the quarter was $22.73/boe, also affected by lower oil prices.

"We continued to streamline our operations to achieve further cost reductions during the quarter, with underlying operating costs of $21.21/boe and total operating costs (including overlift and other costs) of $26.72/boe, compared to $26.44/boe and $27.28/boe respectively for the fourth quarter of 2014.

"During the quarter, we successfully negotiated the relaxation of the maintenance covenants on our $1 billion revolving credit facility and bank debt. The 12 - month trailing gross debt to Adjusted EBITDA calculation was changed from 3.5:1.0 to 4.5:1.0; a testament to the support and confidence provided to us by our long-standing lenders.

"We also closed a transaction during the quarter whereby we received $200 million upfront as partial prepayment for six million barrels of oil in a forward sale spanning the next six months, as part of our working capital management program. In addition, we announced the intent of a third party to acquire 30% of Pacific Midstream for $200 million – which is expected to close this quarter. As a result, we expect to see an improvement in our net bank and long-term debt (excluding working capital deficiencies) which was approximately $4.4 billion at the end of the first quarter of 2015.

"Going forward, our financial and capital strategy remains focused on maintaining a healthy balance sheet by: (1) maintaining reduced operating and G&A costs; (2) reducing capital expenditures to match cash flow under the prevailing oil price environment; (3) allocating capital to the most material and highest return projects; (4) maintaining liquidity; and (5) implementing strategic liability management initiatives; all aimed at ensuring funding for future growth and generating strong returns to our shareholders."

Financial Results

Financial Summary			
	2015	2014	
	Q1	Q4	Q1
Oil & Gas Sales Revenues ($ millions)	**799.8**	991.5	1,283.5
Adjusted EBITDA ($ millions)[1, 4]	**269.6**	419.3	708.2
Adjusted EBITDA Margin (Adjusted EBITDA/Revenues)	**34%**	42%	55%
Adjusted EBITDA per share[1, 4]	**0.86**	1.33	2.23
Cash Flow (Funds Flow from Operations) ($ millions)[1]	**156.9**	409.8	473.6
Cash Flow (Funds Flow from Operations) per share[1]	**0.50**	1.30	1.49
Net (Loss) earnings from operations before impairment	**(138.9)**	(40.6)	330.8
Net (Loss) Earnings ($ millions) [2]	**(722.3)**	(1,660.9)	119.2
Net (Loss) Earnings per share	**(2.31)**	(5.26)	0.38

Net Production (boe/d)	**152,650**	147,075	148,827
Sales Volumes (boe/d)	**180,086**	161,445	151,847
(COP$ / US$) Exchange Rate[3]	**2,576.05**	2,392.46	1,965.32
Average Shares Outstanding – basic (millions)	**313.3**	315.9	317.8

[1]The terms Adjusted EBITDA and cash flow (funds flow from operations) are non-IFRS measures. Please see advisories and reconciliations in the MD&A.
[2]Net earnings attributable to equity holders of the parent.
[3]COP/USD exchange rate fluctuations can have a significant impact on the Company's accounting net earnings, in the form of unrealized foreign currency translation on the Company's financial assets and liabilities and deferred tax balances that are denominated in COP.
[4]The Company uses the non-IFRS measure Adjusted EBITDA, whereas in the past the term EBITDA was used. Our calculation of this measure has not changed from previous quarters, but the terminology has changed, further to guidance provided by the Ontario Securities Commission.

Production

Net Production Summary			
	2015	**2014**	
	Q1	Q4	Q1
Oil and Liquids (bbl/d)			
Colombia	**141,238**	133,731	135,694
Peru	**2,856**	3,288	2,424
Total Oil and Liquids (bbl/d)	**144,094**	137,019	138,118
Natural Gas (boe/d)[1]			
Colombia	**8,556**	10,056	10,709
Total Natural Gas (boe/d)	**8,556**	10,056	10,709
Total Equivalent Production (boe/d)	**152,650**	147,075	148,827

[1]Colombian standard natural gas conversion ratio of 5.7 Mcf/bbl.
Additional production details are available in the MD&A.

In 2015, the Company's net production of 152,650 boe/d increased 4% compared to the fourth quarter of 2014, driven by rising production volumes in the Company's light and medium oil fields. Production growth was offset by a 17% decrease in net production at the Rubiales Field in comparison with the same period of 2014. Lower production volumes from the mature Rubiales Field were primarily due to restricted water disposal capacity as a result of delays in the permitting of the Agrocascada water irrigation project. Quifa SW Field net production increased to 29,812 bbl/d during the first quarter of 2015, 34% higher than the same period of 2014 and 14% higher than the fourth quarter of 2014.

With the increase in production from light and medium oil fields, now representing 36% of the Company's total net first quarter production, the reliance on Rubiales production continues to lessen, representing only 35% of the total net first quarter production, down from 44% for the first quarter of 2014.

Production and Sales Volumes

Production to Total Sales Reconciliation			
	2015	2014	
	Q1	Q4	Q1
Net Production			
Colombia oil (bbl/d)	**141,238**	133,731	135,694
Colombia gas (boe/d)	**8,556**	10,056	10,709
Peru oil (bbl/d)	**2,856**	3,288	2,424
Total Net Production (boe/d)	**152,650**	147,075	148,827
Sales Volumes (boe/d)			
Production Volumes (boe/d)	**152,650**	147,075	148,827
Diluent Volumes (bbl/d)	**325**	1,795	3,211
Oil for Trading Volumes (bbl/d)	**15,524**	14,237	10,586
PAP Settlement (bbl/d)[1]	**0**	0	(4,996)
Inventory Movement and Other (bbl/d)	**11,587**	(1,662)	(5,781)
Total Volumes Sold (boe/d)	**180,086**	161,445	151,847

[1]Corresponds to the inventory delivered to Ecopetrol during 2013 and 2014 relating to the final PAP arbitration settlement. As at the end of the first quarter of 2014, the Company had delivered in full all of the outstanding prior period PAP volumes.
Additional production and sales volume details are available in the MD&A.

The Company produces and sells crude oil and natural gas. It also purchases liquids and crude oil from third parties for trading purposes and distillate for diluent mixing with heavy oil production, which are included in the reported "volumes sold". Sales volumes are also impacted by the relative movement in inventories during a reporting period. Both revenues and costs are recognized on the respective volumes sold during the period.

Production volumes for the quarter increased to 152,650 boe/d from 148,827 boe/d compared to the same period a year ago (an increase of 3%), due to rising volumes in producing fields. Diluent volumes for the quarter decreased to 325 bbl/d from 1,795 bbl/d in the fourth quarter of 2014 and 3,211 bbl/d in the same period a year ago. Diluent volumes continued to decrease as we fully utilized the production of light and medium oil from prior acquisitions and new discoveries, plus accessing new lower cost diluent supply arrangements. Oil for trading volumes for the quarter increased to 15,524 bbl/d from 10,586 bbl/d a year ago. The inventory balance has decreased as a result of the 11,587 bbl/d draw in the first quarter compared to a 5,781 bbl/d build in the same period a year ago.

Total volumes sold, composed of production volumes available for sale, purchased diluent volumes, oil for trading volumes, and inventory balance changes, increased to 180,086 boe/d in the current quarter from 151,847 boe/d a year ago (an increase of 19%).

Operating Netbacks and Sales Volumes

Oil and Gas Production Volumes and Netbacks

	2015 Q1			2014 Q4			2014 Q1		
	Oil	**Gas**	**Combined**	Oil	Gas	Combined	Oil	Gas	Combined
Production Volumes Sold (boe/d)[1]	155,967	8,595	164,562	137,083	10,125	147,208	130,526	10,735	141,261
Crude Oil and Natural Gas Sales Price ($/boe)	50.38	32.48	49.45	68.27	29.97	65.64	98.44	31.80	93.38
Production Costs ($/boe)	8.55	4.26	8.33	14.40	4.42	13.71	16.51	4.18	15.57
Transportation Costs ($/boe)	11.75	0.82	11.18	11.70	0.33	10.92	15.02	0.01	13.88
Diluent Costs ($/boe)	1.80	-	1.70	1.95	-	1.81	2.90	-	2.68
Sub-Total Costs ($/boe)	22.10	5.08	21.21	28.05	4.75	26.44	34.43	4.19	32.13
Other Costs ($/boe)[2]	1.46	0.30	1.40	0.80	1.75	0.87	1.24	1.93	1.29
Overlift/Underlift Costs ($/boe)	4.34	(0.08)	4.11	(0.03)	0.04	(0.03)	(4.21)	0.64	(3.84)
Total Costs ($/boe)	27.90	5.30	26.72	28.82	6.54	27.28	31.46	6.76	29.58
Operating Netback ($/boe)	22.48	27.18	22.73	39.45	23.43	38.36	66.98	25.04	63.80

[1]Production volumes sold excludes oil for trading volumes and includes diluent volumes sold.
[2]Includes royalties paid in cash.
Additional cost and netback details are available in the MD&A.

Combined production cost decreased to $8.33/boe in the first quarter of 2015 from $13.71/boe in the fourth quarter of 2014, as a result of field lifting cost reductions as well as the depreciation of the Colombian Peso against the U.S. Dollar. Combined transportation cost for the quarter increased slightly from $10.92/boe in the fourth quarter of 2014 to $11.18/boe in the first quarter of 2015, with minimal disruption of the Bicentenario Pipeline. Diluent cost continued to decrease as the Company fully utilized the production of light and medium oil from prior acquisitions and new discoveries, plus accessing new lower cost diluent supply arrangements. The Company's total operating costs (including over/under lift and other costs) decreased to $26.72/boe in the current quarter, compared with $29.58/boe in the same period a year ago. Further cost reductions may be realized during the year.

The Company also reports separately the netback on crude oil for trading, which was $2.52/bbl in the current quarter, compared to $1.19/bbl in the same period a year ago. Additional oil for trading details are available in the MD&A.

Exploration Update

During the first quarter of 2015, the Company drilled or was a partner in eight wells consisting of five exploration wells and three appraisal wells. Of these wells, six found economic hydrocarbons and two wells were abandoned as dry holes, for an overall 75% success rate. Exploration wells in the first quarter of 2015 resulted in a new discovery on the Quifa Block in Colombia, confirmed the Kangaroo discovery on Block S-M-1165 offshore Brazil, while the successful appraisal wells were drilled in the Guatiquía Block, Colombia and in Block 131, Peru. Subsequent to the end of the quarter, a new discovery (Echidna-1) was made on Block S-M-1102, offshore Brazil. Additional details are available in the Company's first quarter 2015 MD&A.

About Pacific Rubiales

Pacific Rubiales 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 approximately 90 exploration and production blocks in seven countries including Colombia, Peru, Guatemala, Brazil, Guyana, Papua New Guinea and Belize. The Company's strategy is focused on sustainable growth in production & reserves and cash generation. Pacific Rubiales is committed to conducting business safely, in a socially and environmentally responsible manner.

The Company's common shares trade on the Toronto Stock Exchange and La Bolsa de Valores de Colombia under the ticker symbols PRE, and PREC, respectively.

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) 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: uncertainty of estimates of capital and operating costs, production estimates and estimated economic return; the possibility that actual circumstances will differ from the estimates and assumptions; failure to establish estimated resources or reserves; fluctuations in petroleum prices and currency exchange rates; inflation; changes in equity markets; political developments in Colombia, Guatemala, Peru, Brazil, Papua New Guinea, Guyana and Mexico; changes to regulations affecting the Company's activities; uncertainties relating to the availability and costs of financing needed in the future; the uncertainties involved in interpreting drilling results and other geological data; and the other risks disclosed under the heading "Risk Factors" and elsewhere in the Company's annual information form dated March 18, 2015 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.

In addition, reported production levels may not be reflective of sustainable production rates and future production rates may differ materially from the production rates reflected in this press release due to, among other factors, difficulties or interruptions encountered during the production of hydrocarbons.

The recovery and reserves estimates of crude oil and natural gas reserves provided in this news release taken from the independent reserve reports are estimates only, and there is no guarantee that the *estimated reserves will be recovered. Actual crude oil and natural gas reserves may eventually be greater than or less than the estimates provided.*

The estimated values disclosed in this news release do not represent fair market value. The estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation.

Boe Conversion

The term "boe" is used in this news release. Boe may be misleading, particularly if used in isolation. A boe conversion ratio of 5.7 Mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

The Company's natural gas reserves are contained in the La Creciente, Guama and other bocks in Colombia as well as in the Piedera Redonda field in Block Z-1, Peru. For all natural gas reserves in Colombia, boe's have been expressed using the Colombian conversion standard of 5.7 Mcf: 1 bbl required by the Colombian Ministry of Mines and Energy, and for all natural gas reserves in Peru, boe's have been expressed using the Peruvian conversion standard of 5.626 Mcf: 1 bbl required by Perupetro S.A. If a conversion standard of 6.0 Mcf: 1 bbl was used for all of the Company's natural gas reserves, this would result in a reduction in the Company's net P1 and 2P reserves of approximately 4.9 and 6.9 MMboe, respectively.

Definitions

Bcf	Billion cubic feet.
Bcfe	Billion cubic feet of natural gas equivalent.
bbl	Barrel of oil.
bbl/d	Barrel of oil per day.
boe	Barrel of oil equivalent. Boe’s may be misleading, particularly if used in isolation. The Colombian standard is a boe conversion ratio of 5.7 Mcf:1 bbl and is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.
boe/d	Barrel of oil equivalent per day.
Mbbl	Thousand barrels.
Mboe	Thousand barrels of oil equivalent.
MMbbl	Million barrels.
MMboe	Million barrels of oil equivalent.
Mcf	Thousand cubic feet.
Million Tons LNG	One million tons of LNG (Liquefied Natural Gas) is equivalent to 48 Bcf or 1.36 billion m3 of natural gas.
Net Production	Company working interest production after deduction of royalties.
Total Field Production	100% of total field production before accounting for working interest and royalty deductions.

Gross Production	Company working interest production before deduction of royalties.
WTI	West Texas Intermediate Crude Oil.

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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