

PACIFIC RUBIALES ENERGY CORP.

NEWS RELEASE

PACIFIC RUBIALES COMMENTS ON THE O'HARA CIRCULAR AND FILES AN APPLICATION TO EXCLUDE O'HARA GROUP FROM VOTING COMMON SHARES ACQUIRED IN APPARENT VIOLATION OF SECURITIES LAWS

Toronto, Canada, Thursday, June 18, 2015 – Pacific Rubiales Energy Corp. (TSX: PRE) (BVC: PREC) today announced that, after receiving approval from the Independent Committee of the Board of Directors, the Company is filing an application (the “**Application**”) before the Supreme Court of British Columbia (the “**Court**”) in connection with the proposed arrangement involving the Company, ALFA, S.A.B. de C.V. (“**ALFA**”), Harbour Energy, L.P., Harbour Energy Ltd. (“**Harbour Energy**”) and 1035815 B.C. Ltd. (the “**Purchaser**”), pursuant to which the Purchaser would acquire all of the outstanding common shares of the Company (“**Common Shares**”) not already owned by ALFA or held by the Company in treasury for cash consideration of C\$6.50 per share (the “**Arrangement**”). The Application is being filed in response to significant concerns raised by Pacific Rubiales shareholders about how members of a group of Shareholders acting jointly and in concert led by O’Hara Administration Co., S.A. (“**O’Hara**”) and Alejandro Betancourt (collectively, the “**O’Hara Group**”) acquired their Common Shares.

The Company also responded today to a dissident proxy circular filed by O’Hara that continues to provide no plan and no alternative to the 81% premium all-cash offer presented by ALFA and Harbour Energy. The Company intends to deliver a letter to Shareholders providing more information in connection with the O’Hara circular.

Application to Disqualify 6.74% of all Common Shares

The Application seeks to have any votes attached to 21,292,291 Common Shares (representing approximately 6.74% of all Common Shares) held by the O’Hara Group disregarded in connection with the Special Meeting of Shareholders scheduled for July 7, 2015 (the “**Meeting**”) on the basis that such shares appear to have been acquired by members of the group in contravention of applicable Canadian securities laws.

In response to concerns expressed by Shareholders, a thorough investigation with external advisors was conducted. On reviewing the results of the investigation, the Independent Committee concluded that there are material securities law compliance issues related to the steps taken by the O’Hara Group in acquiring some of the Common Shares and it is appropriate for the Company to make the Application to ensure that the result at the Meeting is fair to all Shareholders.

Shareholders are Concerned about the O’Hara Group

Shareholders have expressed concerns about the O’Hara Group and have posed a number of questions they want answered:

1. Who is O’Hara?
2. What is their investment track record in oil and gas?
3. What is their history of corporate governance?
4. How long have they owned their Common Shares?
5. What is the O’Hara Group’s relationship with Derwick Associates?
6. Why is their circular lacking disclosure on these material issues? What are they trying to hide?

Highlights and Reasons to Support the Arrangement

- The O'Hara Group confirms they have no plan and no alternative to the 81% premium all-cash offer of C\$6.50 per share;
- Shareholders trust Management and the Board of Directors and recently showed overwhelming support at the recent Annual General Meeting of Shareholders where directors achieved an average approval vote of 76% from Shareholders despite a withhold vote from the O'Hara Group;
- The O'Hara Group does not provide any meaningful valuation analysis, nor do they have a financial advisor providing support for their self-serving claims;
- Offer represents immediate cash value for Shareholders;
- C\$6.50 value is at the high end of the valuation range prepared by an independent financial advisor to protect minority Shareholders;
- Three financial advisors concluded the consideration is fair to Shareholders from a financial point of view;
- Certainty of value at a time of volatility in the oil market;
- Fully funded and not conditional on financing; and
- Unanimously recommended by the Board of Directors and the Independent Committee.

The O'Hara Group are opportunistic investors who only recently purchased their shareholdings through a complex shell company structure and do not represent the best interests of minority Shareholders. They have no experience in the oil and gas sector, no track record and no history of corporate governance.

The O'Hara Group is at odds with most of the Shareholders who tell us they like the 81% premium all-cash offer and the immediate certainty this offer provides. The Board of Directors successfully negotiated a C\$5.00 initial offer to the C\$6.50 per share offer at the high end of the formal valuation range provided by an independent valuator and O'Hara cannot demonstrate that a higher price exists. No other party has come forward with a higher offer price and O'Hara has not presented a plan nor any other offer or alternative. Their attempt to disrupt this transaction will only hurt Shareholders.

To all our Shareholders, the O'Hara circular now confirms what members of the Board of Directors heard when they met with a representative of O'Hara recently:

No Alternative. O'Hara has failed to present an alternative offer. Despite customary deal conditions and Shareholders' rights to consider other offers, no other offer has come forward since the ALFA/Harbour offer became public on May 5, 2015. What is more surprising is that despite its rhetoric, O'Hara has failed to provide a higher valuation range. They have repeatedly asserted that the current offer is not the maximum price attainable but have failed to specify what that price is or where any offer would come from. Despite putting out a news release indicating O'Hara had retained the Madrid based Lazard Asesores Financieros, S.A. (which is a different entity from the Company's shareholder Lazard Asset Management LLC) as their financial advisor, no higher valuation has been forthcoming. They continue to assert that they cannot present an alternative offer because of the break fee. The break fee amounts to only 1.6% of the Company's enterprise value. In fact, the break fee is equivalent to C\$0.37 per share which, if paid, would value the Company at C\$6.87. Clearly, this indicates the current customary break fee is not prohibitive to O'Hara making a bid given that they believe that at C\$6.87 the Company is still undervalued.

No Plan. O'Hara has not presented a strategic plan for Pacific Rubiales short of suggesting that they would put two of their hand-picked nominees on the Board of Directors. This clearly demonstrates a fundamental lack of understanding of the complexity of Pacific Rubiales' operations. O'Hara has failed to address

notable risks that Pacific Rubiales will be forced to confront if the offer is not successful and should be asked to specifically demonstrate how they will address:

- The significant decline in oil prices and its impact on the Company's financial obligations, working capital and liquidity;
- Challenges growing the Company's existing producing assets and developing its exploration portfolio;
- The loss of production of the Rubiales Field in 2016;
- The difficulties and challenges of independently financing Mexican assets; and
- Capital markets risk in terms of the level of debt and credit that could be available to the Company.

Other than acknowledging Management's achievement in reducing costs and divesting non-core assets, the O'Hara Group fails to address how to fund their vague proposal of diversifying the Company's portfolio by entering into other geographical markets and increasing production. The O'Hara Group just ignores the debt situation of the Company, the low commodities price environment and other factors that currently limit the Company's growth.

No Regard for the Consequences of Their Self-Interest. The O'Hara Group is threatening the process and does not appear to understand the potential repercussions of their actions. There is a real risk your Common Shares will experience a significant decline in value if this offer is not successful. Pacific Rubiales will continue to exist, but with limited growth options and will be forced to concentrate on debt reduction for the foreseeable future. Failure to complete the Arrangement could have a significant material negative impact on the market price of the Common Shares and bond prices to pre-offer levels.

81% PREMIUM ALL-CASH OFFER IS IN THE BEST INTEREST OF THE COMPANY AND ALL SHAREHOLDERS

The Board of Directors has negotiated a significant increase to the offer price upward from C\$5.00 per share to C\$6.50 per share, which is at the high end of the formal valuation range provided by the independent valuator engaged by the Independent Committee.

No other offers have been forthcoming since the Company announced the transaction with ALFA and Harbour Energy on May 5, 2015. **O'Hara's attempt to disrupt the transaction will jeopardize shareholders' opportunity to obtain an all-cash 81% premium offer and the significant benefits that come with it.**

Shareholders are urged to read the Management Information Circular dated June 5, 2015, visit www.prepremiumoffer.com (www.ofertapremiumprec.com) and vote their **BLUE** proxy FOR the arrangement by 9:00 a.m. (Vancouver time)/12:00 noon (Toronto time) on Friday, July 3, 2015. Shareholders with questions about voting their Common Shares should call Kingsdale Shareholder Services at 1-877-659-1821 or 1-416-867-2272 outside of North America or email contactus@kingsdaleshareholder.com.

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. Forward-looking statements in this news release are made pursuant to the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995 and applicable Canadian securities laws. When used herein, words such as "plan", "target", "will", "expect", "anticipate", "estimate", "may", "should", "intend", "believe", and similar expressions, are intended to identify forward-looking statements. Forward-looking statements are based on estimates and assumptions made by the parties in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors that the parties believe are appropriate in the circumstances. Many factors could cause such estimates and assumptions to vary or differ materially from those expressed or implied by the forward-looking statements. Readers should not place undue reliance on any of these forward-looking statements.

This news release is being made for information purposes only and is not intended to be, and must not be taken as, the basis for an investment decision or any investment activity. This news release does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities of Pacific Rubiales. The Company has issued a Management Information Circular dated June 5, 2015 in connection with a special meeting of shareholders of the Company to be

held on July 7, 2015. Such Circular and the related meeting materials contain important information regarding the Arrangement and such meeting. Such Circular contains, among other things, a complete description of the Arrangement, reasons for and benefits of the Arrangement, the requirements for the Arrangement to become effective, the interests of directors and officers in the Arrangement and information related to voting at the such meeting. Shareholders are encouraged to carefully review the Circular and related meeting materials in their entirety. These materials are available under the Company's profile on www.sedar.com. In addition, a copy of such materials can be obtained upon request by contacting the Company Secretary at 416 360-4653.

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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