

PACIFIC RUBIALES ENERGY CORP.

NEWS RELEASE

ALFA AND HARBOUR ENERGY REQUEST TERMINATION OF THE ARRANGEMENT AGREEMENT WITH PACIFIC RUBIALES

Toronto, Canada, Wednesday, July 8, 2015 – Pacific Rubiales Energy Corp. (TSX: PRE) (BVC: PREC) today announced that, at the request of ALFA, S.A.B. de C.V. (“**ALFA**”) and Harbour Energy Ltd. (“**Harbour Energy**”), it has agreed with Harbour Energy, L.P., Harbour Energy, ALFA and 1035815 B.C. Ltd. (the “**Purchaser**”) to terminate the arrangement agreement (the “**Arrangement Agreement**”) entered into between such parties on May 20, 2015. The Arrangement Agreement contemplated a plan of arrangement (the “**Arrangement**”) pursuant to which the Purchaser would have acquired all of the outstanding common shares of the Company not already owned by ALFA or held by the Company in treasury for cash consideration of C\$6.50 per share and including the assumption of the Company’s debt.

The Arrangement Agreement will terminate with immediate effect. Accordingly, the Special Meeting of Shareholders scheduled for July 28, 2015, which had been called in order for Shareholders to consider the Arrangement has been cancelled.

After receiving the C\$6.50 per share offer, an Independent Committee of the Board of Directors was set-up to provide an independent analysis and recommendation to the Board of Directors. The Arrangement Agreement will terminate with no further material obligations by the Company to ALFA and Harbour Energy, including any termination/break fee or expense reimbursement.

The senior note consent solicitations previously announced on Thursday, June 4, 2015 and the amendments to the Company’s senior credit agreements announced on Thursday, June 11, 2015 will as a result not become effective as they were conditional on closing of the Arrangement.

The Company will continue with its plans to reduce operating costs, divest non-core assets, reduce debt, and continue to pursue Mexico energy opportunities with our preferred joint venture partner ALFA.

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

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.

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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