

# PACIFIC RUBIALES ENERGY CORP.

## NEWS RELEASE

### PACIFIC RUBIALES PROVIDES FIRST QUARTER 2015 OPERATIONAL UPDATE

Toronto, Canada, Monday, April 27, 2015 – Pacific Rubiales Energy Corp. (TSX: PRE) (BVC: PREC) today provided an operational update for its first quarter 2015 operating results, which includes estimates of production and sales volumes, price realizations, and operating netbacks, summarized as follows:

	<b>1Q 2015 (Estimate)</b>	4Q 2014 (Actual)	3Q 2014 (Actual)	2Q 2014 (Actual)	1Q 2014 (Actual)
Net Oil Production (Mbbbl/d)	<b>143 – 145</b>	137	135	139	138
Net Natural Gas Production (Mboe/d)	<b>7 – 9</b>	10	10	10	11
Total Net Production (Mboe/d)	<b>150 – 154</b>	147	145	149	149
Sales Volumes (Mboe/d)	<b>181 - 183</b>	162	163	155	152
Oil Price Realization (\$/bbl) <sup>1</sup>	<b>\$49 - \$52</b>	\$68.27	\$99.14	\$99.76	\$98.44
Natural Gas Price Realization (\$/boe)	<b>\$31 - \$34</b>	\$29.97	\$31.95	\$31.33	\$31.80
Combined Realization Price (\$/boe) <sup>1</sup>	<b>\$48 - \$51</b>	\$65.64	\$88.05	\$94.95	\$93.38
Underlying Operating Cost <sup>2</sup>	<b>\$20 - \$22</b>	\$26.44	\$30.79	\$31.71	\$32.13
Total Operating Cost <sup>3</sup>	<b>\$25 - \$27</b>	\$27.28	\$32.97	\$32.19	\$29.58
General & Administrative (\$boe)	<b>\$3.30 - \$3.60</b>	\$6.62	\$6.45	\$6.32	\$5.38
WTI NYMEX (\$/bbl)	<b>\$48.57</b>	\$73.20	\$97.25	\$102.99	\$98.61
BRENT ICE (\$/bbl)	<b>\$55.13</b>	\$77.07	\$103.46	\$109.76	\$107.87

<sup>1</sup>Includes gains from commodity price hedging.

<sup>2</sup>Includes production, transportation, and diluent cost.

<sup>3</sup>Includes overlift/underlift, royalties paid in cash, and other cost.

Note: All values in this release are in U.S.\$, unless otherwise stated.

### First Quarter 2015 Results

Total net production for the quarter is expected to be in the range of 150 to 154 Mboe/d, an increase of approximately 2% from the same period a year ago. This is approximately 3% higher than the previous quarter, mainly attributable to increased production from the Company's light and medium oil fields.

The Company reports its sales volumes comprised of produced volumes available for sale, plus purchased diluent volumes (mixed with heavy oil production to form a sales blend), plus oil for trading (“OFT”) volumes, plus/minus sales inventory adjustments. Sales volumes can vary significantly from quarter-to-

quarter as a consequence of fluctuating diluent and OFT volumes, and significant swings in oil inventories, which are related to the timing of export cargo liftings.

Sales volumes in the first quarter are expected to be in the range of 181 to 183 Mboe/d, an increase of approximately 20% from the same period a year ago. The OFT volumes are expected to be in the range of 14 to 17 Mbbbl/d (compared to 14.2 Mbbbl/d in the fourth quarter 2014). Volumes acquired for dilution was approximately 0.5 Mbbbl/d (compared to 1.8 Mbbbl/d in the fourth quarter 2014).

The Company expects combined realized prices (including natural gas production) in the first quarter to be in the range of \$48 to \$51/boe, which is lower as compared to the same quarter a year ago and the fourth quarter 2014, but in-line with the decline in benchmark prices. Most of the Company's oil production in Colombia and Peru is exported at prices linked to international oil prices. Both WTI and Brent benchmark oil prices declined approximately 31% (~US\$23/bbl) during the quarter.

The decline in global oil prices was partly offset by the cost reductions the Company has been able to achieve during the first quarter of 2015. The Company expects underlying operating cost (including production, transportation and diluent cost) in the first quarter to be in the range of \$20 to \$22/boe, which is lower as compared to the same quarter a year ago and the fourth quarter 2014. Compared to the previous quarter, the Company significantly reduced its production costs in the first quarter of 2015. The decrease in production costs was mainly attributed to the Company's ongoing cost reduction programs and also the benefit of a weaker Colombian Peso against the U.S. Dollar. Transportation and diluent costs was comparable to the fourth quarter of 2014 on a boe basis.

Operating netbacks for the quarter are expected to be lower compared with the prior quarter, impacted by the drop in benchmark oil prices, however cash operating margins are expected to remain at or above 45%. The Company calculates its operating netback for both revenues and costs based on total sales volumes excluding OFT volumes, rather than produced volumes. Note that the EBITDA margin on OFT volumes is typically \$1 to \$3/bbl. Total operating costs are reported as a combination of: production, transportation, and diluent costs, plus other costs and overlift/underlift costs. The latter two (other costs and overlift/underlift) largely relate to movements in storage and cargo lifting inventory and can consequently significantly impact total costs either positively or negatively, in any given quarter.

General and administrative costs for the quarter are expected to be in the range of \$3.30 to \$3.60/boe, a decrease of approximately 36% from the same period a year ago. This is approximately 48% lower than the previous quarter mainly attributable to the significant cost-cutting measures implemented as the Company adapts to a lower oil price environment.

### **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 17, 2015 filed on SEDAR at [www.sedar.com](http://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.*

### **Unaudited Financial Information**

*Certain financial and operating results included in this news release such as capital expenditures, production information and operating costs are based on unaudited estimated results. These estimated results are subject to change upon the Company releases the unaudited interim consolidated financial statements for the period ended March 31, 2015, and changes could be material. Pacific Rubiales anticipates filing its unaudited interim financial statements and related management's discussion and analysis for the period ended March 31, 2015 on SEDAR on or before May 14, 2015.*

### **Boe Conversion**

*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 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.*

## ***Definitions***

Bcf	Billion cubic feet.
Bcfe	Billion cubic feet of natural gas equivalent.
bbbl	Barrel of oil.
bbbl/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.
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.*

## **FOR FURTHER INFORMATION:**

Frederick Kozak  
Corporate Vice President, Investor Relations  
+57 (1) 511-7992  
+1 (403) 606-3165

Roberto Puente  
Sr. Manager, Investor Relations  
+57 (1) 511-2298

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

## **MEDIA CONTACT:**

Peter Volk  
Vice President Communications, North America  
+1 (416) 362-7735