PACIFIC RUBIALES ENERGY CORP.

NEWS RELEASE

PACIFIC RUBIALES PROVIDES REVISED 2015 GUIDANCE: REDUCING COSTS WHILE MAINTAINING GROWTH AND BALANCE SHEET INTEGRITY; DISMISSES RUMOURS REGARDING DEBT OBLIGATIONS

Toronto, Canada, Wednesday January 14, 2015 – Pacific Rubiales Energy Corp. (TSX: PRE) (BVC: PREC) (BOVESPA: PREB) today provided a revision to the Company's 2015 capital budget guidance, reducing capital expenditures from $1.5 billion to a range of $1.1 to $1.3 billion, reflecting a WTI oil price assumption range of $55 to $60.

All amount values in this release are in U.S.$ and all production numbers are expressed in net after royalty volumes, unless otherwise stated.

2015 Revised Guidance - Key Highlights:

- Net production of 150 to 160 Mboe/d, a slight decrease from the previous guidance, representing approximately 1 to 8% growth over expected 2014 production levels.

- Average WTI oil price assumption of $55 to $60/bbl during the year.

- Oil price realization is expected to be $1 to $2 above the WTI benchmark price assumption.

- A significant reduction in 2015 cash costs: with operating costs estimated at $28/boe, G&A costs of $200 million, financing costs of $250 million and cash taxes of $200 million expected.

- Generating Adjusted EBITDA of $1.5 to $1.7 billion (including funds from hedging programs and dividends from affiliates), and Funds Flow (Cash Flow) of $1.1 to $1.3 billion.

- Exploration and development ("**E&D**") capital expenditures of $1.1 to $1.3 billion, the majority directed to development drilling and facilities, and a small amount to exploration.

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

"The uncertainty in oil prices continues and although we believe that oil prices will recover, we are taking a cautious view on the timing, reducing both our costs and our 2015 capital budget to match expected cash flow. The Company has the operational and financial flexibility to adapt to the changing environment while continuing to grow production. Our reduced capital budget only has a marginal impact on production targets as we focus expenditures on our highest return and most material near-term projects.

"We continue to maintain the integrity of our balance sheet. As of this date, our Consolidated Debt/Adjusted EBITDA leverage ratio is approximately 1.80:1.0, well below the 3.5:1.0 restricted covenant, giving the Company capacity to withstand the existing oil price environment.

“Contrary to market rumours, the Company is not in default under any of its debt obligations and does not expect to be at risk of payment default. The leverage covenants in our senior notes are “incurrence based covenants” which simply means the Company’s ability to take on additional debt may be restricted by such ratios, subject to various exemptions. All of our senior notes have maturities that extend out from 2019 to 2025.

“Pacific Rubiales remains fully focussed on maintaining liquidity in this environment, by significantly reducing costs and also reducing capital expenditures by $200 to $400 million, to match expected cash flow. Furthermore, we have additional flexibility from our $1.0 billion revolving credit facility, which is currently undrawn.

“Reducing costs remains a priority. Our cash operating costs are now expected to be approximately $28/boe, benefiting from the lower Colombia Peso, a number of cost reduction initiatives put in place before year-end 2014, and lower supplier service costs. We expect significantly lower G&A costs to be driven by the lower local currency exchange rate and a reduction in staff and other costs. Average royalty rates and cash taxes are also expected to be reduced in the lower oil price environment.

“Our planned monetization of midstream assets will continue. Prior to the end of 2014, we closed the 43% sale of Pacific Midstream to the International Financial Corporation for proceeds of approximately $320 million. The Company has additional levers to raise cash without impacting production including, the remaining 57% of Pacific Midstream, other midstream assets including our 41% interest in Pacific Infrastructure, and divestment of non-core small producing and exploration properties.

“In summary, Pacific Rubiales enters 2015 in solid standing. We have reduced our capital expenditures to match expected cash flow in a lower oil price environment and have the flexibility and further discretionary components to adjust to the external environment. In addition, we continue to reduce costs through efficiency gains and operational adjustments.

“We have extended out our corporate debt maturity and have significant levers we can pull to raise additional cash. The Company has the capacity to maintain liquidity and the integrity of its balance sheet through the lower oil price environment. We expect to meet all of our financial obligations under the terms and timing of the various debt instruments. Capital will only be allocated to the highest return and most material projects. We will continue our strategy of repeatable, profitable growth, building for the long-term benefit of our shareholders, employees and other stakeholders, the leading E&P Company focused in Latin America.”

Pacific Rubiales, a Canadian company and producer of natural gas and crude oil, owns 100% of Meta Petroleum Corp. , which operates the Rubiales, Piriri and Quifa heavy oil fields in the Llanos Basin, and 100% of Pacific Stratus Energy Colombia Corp., which operates the La Creciente natural gas field in the northwestern area of Colombia. Pacific Rubiales has also previously acquired 100% of Petrominerales Ltd, which owns light and heavy oil assets in Colombia and oil and gas assets in Peru, 100% of PetroMagdalena Energy Corp., which owns light oil assets in Colombia, and 100% of C&C Energia Ltd., which owns light oil assets in the Llanos Basin. In addition, the Company has a diversified portfolio of assets beyond Colombia, which includes producing and exploration assets in Peru, Guatemala, Brazil, Guyana and Papua New Guinea.

The Company's common shares trade on the Toronto Stock Exchange and La Bolsa de Valores de Colombia and as Brazilian Depositary Receipts on Brazil's Bolsa de Valores Mercadorias e Futuros under the ticker symbols PRE, PREC, and PREB, 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 13, 2014 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.

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 and Portuguese. 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 CONTACT:

Christopher (Chris) LeGallais
Corporate Vice President, Investor Relations
+1 (647) 295-3700

Frederick Kozak
Vice President, Investor Relations
+1 (403) 606-3165

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

Kate Stark
Manager, Investor Relations
+1 (416) 362-7735

MEDIA CONTACT:

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