

PACIFIC RUBIALES ENERGY CORP.

NEWS RELEASE

KANGAROO-2 WELL FLOWS OIL AT 3,700 BBL/D FROM PALEOCENE INTERVALS, ADDING TO EARLIER SUCCESS, IN OFFSHORE SANTOS BASIN, BRAZIL

Toronto, Canada, Tuesday January 6, 2015 – Pacific Rubiales Energy Corp. (TSX: PRE) (BVC: PREC) (BOVESPA: PREB) today provided an update on oil flow test results in the Kangaroo-2 appraisal well, located in the shallow offshore, Santos Basin, Brazil.

The Kangaroo-2 appraisal well is located in exploration Block S-M-1165 and confirmed an 820 foot gross (442 foot net) oil column in Paleocene and Maastrichtian aged reservoirs, announced November 26, 2014. The Company has a 35% participating interest in the wells and five surrounding blocks. Karoon Gas Australia Ltd. (ASX:KAR) (“**Karoon**”) holds the remaining 65% interest and is operator of the block.

As announced in a news release yesterday by Karoon (see Karoon’s website: www.karoongas.com.au “Kangaroo-2 Appraisal Well Progress Report No. 7”), a production test (DST-2A) was conducted over a 12 hour period through three perforated intervals (combined 230 feet), in the Paleocene A, B and C sandstone reservoirs. A maximum flow rate of 3,700 bbl/d (stabilised rate of 3,450 bbl/d) of 33° API oil was attained through an 88/64” choke with a flowing tubing head pressure of 270 psi, a gas-oil-ratio (“**GOR**”) of 540 cf/bbl, and no water or sand production.

A separate production test (DST-2) was conducted across the 59 foot lower perforated interval in the Paleocene C reservoir. In DST-2, a maximum flow rate of 2,500 bbl/d was attained through a 44/64” choke with a flowing tubing head pressure of 425 psi and a GOR of 450 cf/bbl. The well was then flowed on a 40/64” choke at a stabilised rate of 1,820 bbl/d with a flowing tubing head pressure of 420 psi, and a GOR of 450 cf/bbl. The oil produced in DST 2 was 31° API, with no water or sand. At the end of a main 24 hour flow period, the well was shut-in for a 48 hour pressure build-up period.

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

“We continue to be very pleased with the results of the Kangaroo-2 appraisal well, which confirms a significant light oil discovery on our blocks in the offshore Santos Basin, in Brazil. Based on the flow rates achieved, analysis by the operator suggests that reservoir characteristics in the structure are excellent and would support flow rates of 6,000 to 8,000 bbl/d in a vertical producing well, and higher rates in a horizontal well bore. We look forward to continuing the exploration and appraisal drilling campaign throughout the first half 2015.”

Production testing in the current Kangaroo-2 well bore is now completed and preparations are underway to commence a side-track program to better define resource size and recovery factors, whereby two separate side-tracks will be drilled from Kangaroo-2. Side-track-1 will be drilled to a down-dip location to target potential reservoirs on the eastern side of an interpreted fault. Side-track-2 will be drilled in an up-dip location to test reservoir and hydrocarbon potential towards the salt wall seal. The information from the ongoing operations in Kangaroo-2 will be used in assessing the commerciality of the Kangaroo oil field and for front-end engineering and design work.

Following the completion of all operations in the Kangaroo-2 appraisal well, the rig will be moved to drill the Kangaroo-West-1 exploration well, evaluating a separate prospect approximately 4.5 kilometers on the western side of the Kangaroo salt structure.

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 and Guyana; 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.

Production test results are not necessarily indicative of long-term performance or of ultimate recovery.

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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.
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.
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.

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