

PACIFIC RUBIALES ENERGY CORP.

NEWS RELEASE

PACIFIC RUBIALES PROVIDES EXPLORATION UPDATE: 39 WELLS DRILLED, 72% SUCCESS RATE ACHIEVED, NEW PRODUCTION ADDED

TORONTO, Canada, Monday October 27, 2014 - Pacific Rubiales Energy Corp. (TSX: PRE) (BVC: PREC) (BOVESPA: PREB) announced today an update of its exploration activities for the first nine months of 2014.

During the first nine months of 2014, the Company continued with its exploratory drilling activity in Colombia and Peru, drilling a total of 39 wells, comprised of 17 exploration wells, 19 appraisal wells and three stratigraphic wells. Of this total, 28 wells discovered economic hydrocarbons for a total exploration success rate of 72%. Nine wells were abandoned as dry holes and two wells were considered uneconomic.

In addition to these 39 wells, ten wells in Brazil, Peru, Papua New Guinea, Guatemala and Colombia are at the drilling or testing stages with four of these wells having already encountered hydrocarbon indications either while drilling (gas and oil shows), or in cores and/or on petrophysical logs.

Jose Francisco Arata, President of the Company, commented:

“We are very pleased with the results of our exploration program during the year-to-date, and we are looking forward to testing a number of our high impact exploration prospects in the fourth quarter. The Company’s exploration activity this year has been particularly successful in adding new light oil production in both Colombia and Peru.

“Over the past 12 months, the Company has more than doubled its net light oil production. Approximately 10,000 bbl/d of new net light oil production has been delivered through the drill bit to date, from successful exploration wells drilled in the first nine months of 2014. We also have additional barrels behind pipe, in several of the most recent recently drilled exploration wells. These results demonstrate the quality and value of our exploration portfolio.”

The table below summarizes the exploration wells drilled during the first nine months of 2014:

2014 Exploration Wells (Drilled & Evaluated During First Nine Months)					
Block	PRE W.I. %	Prospect	Wells	Hydrocarbon Type	Outcome
CPE-6	50%	Hamaca	7 wells*	heavy oil	6 oil, 1 dry
Rio Ariari	100%	Mochelo / Heliconia	9 wells*	heavy oil	9 oil
Quifa	60%	Quifa SE	3 wells*	heavy oil	1 oil, 2 dry
CPO-17	25% ¹	Godric	3 wells*	heavy oil	3 oil
Arrendajo	67.5%	Buho / Mirla Oeste	2 wells (Buho-1X, Mirla Oeste-1X)	light oil	2 dry
Canaguaro	87.5%	Canaguay / Tapiti	2 wells* (Canaguay-2ST2 & Tapiti-1X)	medium oil	2 oil
Mapache	100%	Tucuso / Erizo	2 wells* (Tucuso-	medium oil	1 oil, 1 dry

			1X & Erizo-1)		
Guatiquia	100%	Avispa / Ceibo	2 wells (Avispa-1X & Ceibo-1X)	medium oil	2 oil
Cubiro	100%	Copa D	1 well (Copa-14)	medium / light oil	1 oil
Casimena	100%	Taqua / Cafetillo	2 wells (Taqua-1X & Cafetillo-1X)	light oil	2 dry
Peru Z-1	49%	Albacora deep	4 wells (A-18Dst, A-26D, A-19D, A-21D)	gas / medium oil	3 oil, 1 dry
Muisca	50% ¹	Balsa	1 well (Balsa-1X)	gas / light oil	1 dry
La Creciente	100%	LC-H	1 well (LC-H-1X)	Gas	1 dry
Total		19 prospects	39 wells		28 oil, 11 dry

¹W.I. acquired through 49.999% participating interest in Maurel et Prom Colombia

*CPE-6 wells (all appraisal wells); Rio Ariari (all appraisal wells); Quifa (includes one appraisal well); CPO-17 (all stratigraphic wells); Canaguaro (includes one appraisal well); Mapache (includes one appraisal well)

COLOMBIA

Deep Llanos Blocks

In the Canaguaro Block (PRE 87.5% working interest), the Canaguay-2 ST2 appraisal well encountered 32 feet of net pay in the Mirador Formation. Since completion, the well has flowed under natural conditions and is currently producing at a rate of 842 bbl/d of 29.5 °API oil with a 3.7% watercut. Since discovery, the well has produced a total of 166 Mbbl of oil.

Also in the Canaguaro Block, the Tapiti-1X appraisal well encountered 24 feet of net pay in the Mirador Formation based on Logging While Drilling (LWD) logs. The well was completed in the upper four feet of the Mirador with an electrical submersible pump at an average rate of 1,780 bbl/d. The well is currently producing at a stable rate of 1,346 bbl/d of 26.7 °API oil with a 20% watercut. Since discovery, the well has produced a total of 22 Mbbl of oil.

These two wells (Canaguay-2ST2 and Tapiti-1X), were drilled on separate structures and on trend with the analogue Barinas prospect. The Barinas prospect was tested by two wells in the past that have calculated bypassed pay in the Mirador Formation based on petrophysical interpretation. The Barinas prospect is scheduled to be drilled in the fourth quarter 2014.

In the Guatiquia Block (PRE 100% working interest), the Avispa-1X well spudded in the first quarter 2014 and reached a total depth (“TD”) of 12,262 feet measured depth (“MD”) targeting a separate structure midway between the recent Ceibo-1 discovery and the Candelilla Field. The well encountered 66 feet of net pay including 51 feet of net pay in the Guadalupe Formation and 15 feet of net pay in the Lower Sand 1. This well has been in continuous production since the first quarter 2014 and currently averages 800 bbl/d in the Guadalupe Formation with a cumulative production of 110 Mbbl.

Also in the Guatiquia Block, the Ceibo-1X exploratory well was drilled to a TD of 12,450 feet and encountered 68 feet of net pay including 48 feet of net pay in the Guadalupe Formation and 20 feet of net pay in the Lower Sand Unit. The well was completed in the Lower Sand Unit during the first quarter of 2014 and is currently producing approximately 4,000 bbl/d of 22 °API oil. This well has produced over 750 Mbbl of oil to date.

Continuing with evaluation of the exploration potential in the Guatiquia Block, the Ardilla-1X well spudded during the third quarter of 2014. The well reached TD of 12,825 feet on October 19. Encouraging signs of hydrocarbons were encountered during drilling in the Lower Sand 1, Guadalupe and Mirador Formations. Petrophysical interpretation indicates the presence of 71 feet of net pay including seven feet in the Mirador, 17 feet in the Guadalupe and 44 feet in the Lower Sandstone-1 Unit (with no water contact present), very similar to Ceibo-1X well. The well will be cased and tested in the Lower Sandstone-1 Unit.

These three discoveries (Ceibo, Avispa and Ardilla) are all in separate and distinct structures located along the same geological trend that defines the Yatay and Candelilla producing oil fields. The results of our recent drilling indicate the possibility of a significantly larger petroleum system at the Guadalupe Formation level than was originally anticipated. Two more appraisal wells will be drilled in the following months to test this concept.

Heavy Oil Blocks

The Matapalos-1X exploration well was drilled on the eastern edge of the Chiguiro Oeste Block (PRE 100% working interest). The Matapalos-1X well is a commitment well targeting the Mirador Formation. The well reached a total MD of 5,656 feet and is currently being cased for testing. The well indicates the possibility of a significant hydrocarbon column at the Mirador and Lower Mirador level. Preliminary petrophysical evaluation calculates 100 feet of possible net pay distributed in three intervals. The well is being prepared to test these three intervals.

In the CPE-6 Block (PRE 50% working interest), the Company continued with the appraisal campaign in the Hamaca discovery. A total of seven appraisal wells were drilled during this nine month period. The total aggregate daily oil production in October from wells in the block was 650 bbl/d, limited by testing facility capacity.

In the Rio Ariari Block (PRE 100% working interest), the Company continued with the appraisal drilling campaign in the Mochelo and Heliconia discoveries. A total of nine appraisal wells were drilled during the first nine months of 2014. Currently, the total current aggregate daily oil production from the three wells in production is over 600 bbl/d, limited by testing facility capacity.

PERU

The Los Angeles-1X well in Block 131 (PRE 30% working interest) is a significant oil discovery in the Ucayali Basin, onshore Peru. The well reached TD in late 2013. Petrophysical evaluation indicated the presence of 62 feet of net pay in the Cretaceous aged Cushabatay Formation. A 30-day production test was conducted across different net pay intervals to understand the drive mechanism and flow characteristics of the reservoir. Based on this initial test the operator (Cepsa Peru S.A.) planned the long-term extended production test to be carried out as soon as permits and test logistics allowed. The extended production test commenced on September 18, 2014 and is expected to continue throughout a six month period.

As of October 23, the well was producing on natural flow, 2,258 bbl/d of 45° API oil with a 0.05% watercut, a gas-oil ratio of 27 cf/bbl, on a 28/64” choke, with a wellhead pressure of 311 psi. Since the extended production test commenced, the well has produced over 61 Mbbbl of oil (over 109 Mbbbl of total cumulative oil, including earlier tests).

Production from the Los Angeles-1X well is being trucked approximately 95 km and sold to the nearby Pucallpa refinery in Peru. Over the next 12 months, the operator will drill two appraisal wells on the Los

Angeles discovery to further evaluate the size and extent of the reservoir and one exploration well targeting a separate prospect on the block. Both companies are currently evaluating longer term development and marketing strategies for Block 131.

The Company holds a 100% working interest in Block 126 also located in the Ucayali Basin, onshore Peru. The Sheshea-1X exploration well was drilled to TD in late 2012 and tested 1,430 bbl/d of 53° API light sweet oil with no water from a ten foot perforated zone in the Cretaceous aged Chonta Formation. The Cretaceous aged Agua Caliente Formation tested 80 bbl/d of 42° API with a 97% water cut suggesting a potentially larger oil accumulation updip from the well. We are progressing with plans and waiting the approval of the required permits before year-end to conduct an extended test, starting in 2015. The Company recently received an Environmental Impact Assessment (“EIA”) allowing us to progress this discovery to an evaluation phase with additional drilling pads plus 2D and 3D seismic programs.

The Albacora Field located offshore Peru in Block Z1 (PRE 49% working interest) has produced traditionally from the Early Miocene Middle Zorritos sandstones at a depth of approximately 10,000 feet. Reinterpretation of 3D seismic data acquired in 2012 indicates the presence of a new play (named the MZA, MZB and MZC units) located some 1,000 to 2,000 feet deeper than the Zorritos producing pools. Three well were drilled during 2014, targeting these units.

The A-18DST well encountered 127 feet of net pay indicated on petrophysical logs in the MZB with porosities ranging from 15 to 17%. The A-18DST well has produced at an average rate of 721 bbl/d over the past 14 days of early production testing. A maximum rate of 820 bbl/d of 35 °API oil with approximately 2.2 MMcf/d gas and no water, on a 26/64” choke, was reached. Further analysis is underway to optimize the well productivity. The A-26D well encountered 83 feet of net pay in the deeper section of the Middle Zorritos and additional pay sections identified in the MZA Unit. The A-19D well encountered 151 feet of net pay in the MZB and MZC Units.

All three wells are either on production or being brought on production and are expected to contribute to rising oil production in the Albacora Field. The Company and its partner BPZ Energy are currently drilling the A-27D to test both the Zorritos and deeper units and expect to reach TD in this well by year-end 2014.

OTHER EXPLORATION ACTIVITIES

In the Guama Block (PRE 100% working interest), the Company begun extended production tests of the Pedernalito-1X well on September 23, and by September 30 the well was producing 1.7 MMcf/d natural gas and 177 bbl/d of 54° API condensate (total of 475 boe/d). Also in the Guama Block, the Company finished installing a 5 MMcf/d gas plant. Civil works and logistical preparations were put in place for extended tests of the Cotorra-1X, Manamo-1X and Capure-1X discovery wells. These tests are required to meet regulatory compliance and are part of the ongoing commercial assessment of the Guama discoveries to provide gas production feedstock for the Company’s LNG export project.

The Company drilled the Fortuna-1X ST3 exploration well in the onshore Peru Block 116 (PRE 50% working interest) during the quarter. The well was targeting limestone and sandstone reservoirs in the Cretaceous Vivian and Cushabatay Formations. As a result of operational challenges these targets were not reached and the Company decided to abandon the lower section and test the one Tertiary interval with oil and gas shows, with two more test intervals contingent on the results of the first test.

In the offshore Brazil Santos Basin “Karooon Blocks” (PRE 35% working interest), the operator Karoon

Petróleo & Gás Ltda. (“**Karoon**”) has contracted the “Olinda Star” semi-submersible rig to drill two commitment wells, Kangaroo-2, an up-dip appraisal well from the earlier Kangaroo discovery, and Kangaroo West-1, a nearby exploration well targeting a prospect on the western flank of the Kangaroo salt dome. Karoon took possession of the Olinda Star on October 22, 2014, and is expected to spud the Kangaroo-2 well by mid-November. The Kangaroo West-1 well will follow immediately after drilling the Kangaroo-2 well. The Kangaroo-1 discovery, announced in early 2013, encountered an 82 foot gross oil column identified on petrophysical logs and recovered multiple samples of 42° API oil on wireline testing. Upon completion of these wells, the partners have until June 2015 to commit to drilling up to four contingent wells, as defined in the Kangaroo PAD (appraisal plan).

In the deep water Block FZA-M-90 (PRE 30% working interest), located in the Foz do Amazonas Basin in Brazil, Spectrum-CGG has completed a multi-client 3D seismic acquisition program over the exploration concession. The fast track 3D seismic volume with preliminary processing is expected in early 2015 with the interpretation expected by October 2015. The operator of the block, Queiroz Galvão Exploração e Produção (“**QGEP**”) has initiated environmental studies for the permitting process related to exploration drilling, planned for late 2018.

In deep water Blocks PAMA-M-265 (PRE 70% working interest) and PAMA-M-337 (PRE 50% working interest), in the Pará-Maranhão Basin in Brazil, QGEP is conducting environmental studies for the permitting process related to 3D seismic acquisition and exploration drilling. The 3D seismic acquisition program covering approximately 1,600 km² over both blocks is expected to start in the fourth quarter of 2015. The fast track 3D seismic volume, which will enable preliminary interpretation, is anticipated by the second quarter of 2016.

In Guyana, CGX Energy Inc. (TSXV – OYL) (“**CGX**”) (which is 55% owned by Pacific Rubiales) commenced a 3,117 km² 3D seismic survey on the Demerara Block, offshore Guyana. The seismic survey commenced in early October and is expected to be completed in approximately 60 days, with data interpretation finished by the third quarter 2015. The aggregate cost of this seismic survey will be approximately U.S.\$18 million. The 3D seismic survey will cover substantially all of the Demerara Block and will provide detailed information on the reservoir distribution and structural integrity of the current leads. Ultimately, this 3D seismic survey will allow CGX to better rank its prospects in the Guyana-Suriname Basin and define future drilling locations. The next exploration well is scheduled to be spud in the second half of 2016.

In the Company’s Belize blocks (55% working interest), the original design of the 650 km 2D seismic survey was modified to 344 km, and the survey is 86% completed with the seismic interpretation expected by mid-2015.

In Block PRL-39 (PRE 12.9% net participating interest) in Papua New Guinea, the operator InterOil Corporation (“**InterOil**”), spudded the Raptor-1 exploration well in late March. The Raptor prospect is located approximately 12 km west of InterOil’s Elk-Antelope natural gas field. The Raptor-1 well has intersected 656 feet of the Kapau Limestone target zone with wireline logs indicating the presence of hydrocarbons. The operator now plans to conduct well testing operations to determine the hydrocarbon type, flow rate and reservoir quality.

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, Belize 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 press 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, Peru, Guatemala, Brazil, Papua New Guinea, Belize or 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; the impact of environmental, aboriginal or other claims and the delays such claims may cause in the expected development plans of the Company and the other risks disclosed under the heading "Risk Factors" and elsewhere in the Company's annual information form dated March 14, 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.

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.

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.
Bboe	Billion barrel of oil equivalent
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.

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