PACIFIC EXPLORATION & PRODUCTION CORP.

NEWS RELEASE

PACIFIC COMPLETES RESTRUCTURING TRANSACTION

Creditor and Catalyst Led Restructuring Reduced Overall Debt to U.S.$250 Million from U.S.$5.4 Billion

Company Recapitalized with Approximately U.S.$500 Million of Cash

Operations Have Been Cash Flow Positive During the Restructuring Process

Announces New Board Comprised of Highly Skilled Independent Directors

Common Shares have been Conditionally Approved for Listing on the Toronto Stock Exchange with Trading Expected to Begin November 3, 2016

Toronto, Canada, Wednesday, November 2, 2016 – Pacific Exploration & Production Corporation (the "**Company**"; TSX: PEN) is pleased to announce that it has successfully implemented its plan of compromise and arrangement (the "**Plan**") effective today pursuant to the *Companies' Creditors Arrangement Act* (Canada) in connection with the comprehensive restructuring transaction (the "**Creditor/Catalyst Restructuring Transaction**") announced on April 19, 2016. Pursuant to the Creditor/Catalyst Restructuring Transaction, the Company's common shares have been conditionally approved for listing on the Toronto Stock Exchange under the symbol "PEN" with trading expected to begin on November 3, 2016. As a result of the Plan, there are currently 50,002,537 common shares issued and outstanding.

"Through the restructuring process and the tireless efforts of everyone involved, Pacific is now emerging from its recapitalization with a renewed strategic focus, positive cash flow, a strong balance sheet, significantly reduced payables and a Board of Directors with the unique skills and experience needed to guide management and drive value creation for all stakeholders," said Gabriel de Alba, Chairman of Pacific.

Mr. de Alba added, "Going forward, Pacific will implement a strategy to narrow its geographic focus and reduce organizational scale, complexity and cost while maximizing operating and cost efficiencies to ensure the Company has sustainable production and growth. This company will be disciplined and margin-focused, not simply production-driven. As part of the strategy we will be reviewing the broad set of upstream and midstream assets within the Company's portfolio with an emphasis on value-maximizing initiatives.

In addition, while annualized SG&A (excluding severance and restructuring payments) has been reduced year over year by 28% during the course of the restructuring process, we are taking further steps to achieve a U.S.$110 million annualized expense in 2017, excluding one-time costs, compared to U.S.$221.5 million in 2015. It is our goal to rebuild Pacific in a way that allows it to be a truly competitive low-cost producer and a market leader over the long-term."

In concert with today's announcement, Pacific is also announcing significant changes to the Company's corporate governance. The new Board is comprised of seven best-in-class directors with the needed industry and financial experience to guide Pacific towards reaching its full potential. Members are Gabriel de Alba, Luis F. Alarcon, W. Ellis Armstrong, Raymond Bromark, Russell Ford, Barry Larson and Camilo Marulanda. Gabriel de Alba, Managing Director and Partner at The Catalyst Capital Group Inc., has been appointed Chairman of the Board of Directors. Messrs. Serafino Iacono, Miguel de la Campa, Ronald Pantin, Augusto Lopez, Hernan Martinez, Dennis Mills, Francisco Solé and Ms. Monica de Greiff have all resigned from the Board, effective immediately.

Ronald Pantin and Carlos Perez are retiring from their positions as CEO and CFO of Pacific (respectively) with both changes effective by November 30, 2016. At that time, Camilo McAllister, a seasoned Colombian oil and gas executive, will become Pacific's CFO. Jim Latimer, previously the Chief Restructuring Officer at Pacific, will be appointed interim CEO while the Board, assisted by executive search firm Spencer Stuart, completes the process to select a permanent replacement. The appointments of Messrs. McAllister and Latimer are subject to regulatory approval.

Mr. de Alba said, "The Company thanks all departing board members and executives for their years of service to Pacific."

Information Concerning the Company Following Implementation of the Plan

The Plan substantially improved the capital structure of the Company by reducing the amount of outstanding debt by approximately U.S.$5.1 billion, from U.S.$5.4 billion as of December 31, 2015, to U.S.$250 million outstanding as of June 30, 2016 (after giving effect to the Creditor/Catalyst Restructuring Transaction on a *pro forma* basis), which represents the total aggregate amount outstanding under the Exit Notes. Cash upon emergence will be approximately U.S.$556 million and accounts payable have been reduced significantly from the U.S.$1.217 billion balance at December 31, 2015. The Company's operations have been cash flow positive during the restructuring, with a focus on substantially reducing payables and investing in capex. Cash was also used to pay for one-time restructuring costs, interest on the DIP notes and DIP LC Facility, and the establishment of restricted cash accounts in order to ensure the payment of Colombian creditors.

The Plan additionally provided U.S.$480 million of additional liquidity through the DIP Financing and a committed letter of credit facility of approximately U.S.$116 million. With an improved capital structure, the Company will benefit from a reduction in its annual interest cost of approximately U.S.$232 million and no material debt maturing until 2021.

The following table sets out the Company's consolidated capital structure, without reflecting undrawn letters of credit: (a) as at December 31, 2015 and (b) as at December 31, 2015 *pro forma* to reflect the implementation of the Plan including the relevant adjustments:

	As at December 31, 2015	Adjustment	As at December 31, 2015 *Pro Forma* the implementation of the Plan
Credit Facilities	U.S.$1,273,146,000	(U.S.$1,273,146,000)	-
Notes	U.S.$4,104,200,000	(U.S.$4,104,200,000)	-
Exit Notes (due 2021)	-	U.S.$250,000,000(1)	U.S.$250,000,000
Total Debt	U.S.$5,377,346,000	(U.S.$5,127,346,000)	U.S.$250,000,000
Less: Cash and Cash Equivalents(2)	U.S.$342,660,000	U.S.$480,000,000	U.S.$822,660,000(3)
Total Net Debt	U.S.$5,034,686,000	(U.S.$5,607,346,000)	(U.S.$572,660,000)
Number of Common Shares Outstanding(4)	316,094,858	(266,092,321)	50,002,537

Notes:

(1) *Pro forma* conversion of U.S.$250,000,000 of notes issued under the DIP Financing (the "**DIP Notes**") into common shares of the Company.

(2) *Pro forma* gross proceeds from DIP Financing prior to any transaction fees and expenses.

(3) As described above, cash upon emergence will be approximately U.S.$556 million.

(4) *Pro forma* common shares outstanding based on extinguishment of Affected Claims into Claim Settlement Shares and issuance of the Cash Consideration Shares, conversion of U.S.$250,000,000 DIP Notes into Plan Sponsor Shares, the exercise of all of the DIP Warrants into Warrant Shares and the consolidation of the common shares of the Company.

Further information concerning the Plan is available on SEDAR (www.sedar.com) and the Company's website (www.pacific.energy).

BVC Listing

As a result of the share consolidation of 1 for 100,000 (and the rounding down, for no consideration, of any fractional shares), there are expected to be approximately 3,000 pre-Plan shares remaining, of which approximately 38 common shares are expected to be held by no more than twenty shareholders in Colombia. The listing of the shares of the Company on the Bolsa de Valores de Colombia (the "**BVC**") is currently suspended and the Company expects its permanent delisting from the BVC. The Company expects to facilitate the sale of the shares held in Colombia and has published a guide for Colombian shareholders regarding the consolidation and delisting on SIMEV.

In conjunction with the delisting from the BVC, the Company has received notice from the Colombian Superintendence of Finance that the Company and its shares have been de-registered on the RVNE, the Colombian National Securities Registry. The Company does not intend to appeal this de-registration.

Director Biographies

Gabriel de Alba

Gabriel de Alba is a Managing Director and Partner of The Catalyst Capital Group Inc. Mr. de Alba's responsibilities at Catalyst have included acting as a director or senior officer of various Catalyst portfolio companies, including, Geneba Properties, Advantage Rent-A-Car, Gateway Casinos & Entertainment, Therapure Biopharma, World Color Press, Cable Satisfaction International/Cabovisão and Sonar Entertainment. Catalyst and funds managed by it have, since 2002, been involved in numerous distressed and/or under-valued situations including (in addition to the portfolio companies previously referred to) AT&T Canada, Call-Net Inc., Stelco, IMAX Corporation, Calpine Power Income Fund, Countryside Power Income Fund, Canwest, SFX Entertainment, The Fresh Market and YRC Worldwide.

Prior to joining Catalyst at its inception in 2002, Mr. de Alba worked at AT&T Latin America. Mr. de Alba was a founding member of the Bank of America International Merchant Banking Group and, prior to that, worked in Bankers Trust's New York Merchant Banking Group. Mr. de Alba is fluent in five languages and holds a double B.S. in Finance and Economics from the NYU Stern School of Business, an MBA from Columbia University and has completed graduate courses in Mathematics, Information Technology and Computer Sciences at Harvard University.

Luis F. Alarcon

Luis F. Alarcon is a seasoned Colombian executive with strong connections in the Colombian business environment. Mr. Alarcon started his career as a consultant working for a local firm and participating in several studies in the fields of energy, agriculture, water resources and environmental planning. He has served as the Head of the Public Investment Unit at Colombia's National Planning Department, as an Energy Economist within the Inter-American Development Bank's (IADB) Department of Project Analysis and a Deputy Minister and later as Minister of Finance and Public Credit under the government of Colombia's President Virgilio Barco.

He was appointed as Executive Director, representing Colombia and Peru at the IADB just before returning to Colombia to serve as Chief Executive Officer of Flota Mercante GranColombiana (Colombian Merchant Fleet), a position he held during seven years. Between 1997 and 2000 he served as Director and General Manager for PetroColombia S.A. and in 2001 he joined Asofondos de Colombia (Colombian Association of Pension Funds) as President of the association until 2007.

For the next 8 years, Mr. Alarcon served as Chief Executive Officer of Interconexión Eléctrica S.A. E.S.P., a Colombian listed infrastructure company operating throughout Latin America and focused on electric power transmission, road concessions, telecommunications transmission and management of real-time systems. Mr. Alarcon is a Civil Engineer with a degree from Universidad de Los Andes (1975) and obtained a Masters in Civil Engineering from Massachusetts Institute of Technology (1979). In 1995 he attended the Advanced Management Program at Oxford University. He currently serves as Chairman of the Board of Directors of Grupo Sura and Almacenes Exito, two of the largest holding companies in Colombia, and is a member of the Board of Riopaila-Castilla, one of the main sugar and bioenergy companies in the country. He is also a member of the Board of Trustees of Universidad de los Andes.

W. Ellis Armstrong

Ellis Armstrong is a chartered engineer with over 35 years international oil and gas industry with BP in Colombia, Argentina, Venezuela, Trinidad, Alaska and the North Sea. He held senior strategy, commercial, technical and operational roles with BP and was also the Chief Financial Officer for the group's global exploration and production business. Dr. Armstrong is an independent director of Lamprell plc, Interoil Plc and Lloyds Register Group, a leading international risk assurance firm. Dr. Armstrong has a BSc and PhD in Civil Engineering from Imperial College, and a Master's degree in Business Administration from Stanford Business School.

Raymond Bromark

Raymond Bromark is a certified public accountant and retired partner of PwC where he served for almost 40 years. Mr. Bromark joined PwC's staff in Chicago in 1967 and was later transferred to the National

Office (New York) in 1977. Afterwards, he was appointed to the Boston Office (1983) and in 1990 he was selected as Deputy Vice Chairman of Auditing and Business Advisory Services (ABS) for the firm.

From 1994 through 2000, he was the Global Engagement Partner responsible for reporting on E.I. DuPont de Nemours and Company's financial statements. During the five years prior to his retirement in 2006, he led the PricewaterhouseCoopers Professional, Technical, Risk and Quality Group. Mr. Bromark was a member of the board of World Color Press (commercial and industrial printing) from 2009 to 2010 when the company merged into another company. He currently serves as Director and Chair of the Audit Committee for YRC Worldwide Inc. (a transportation service provider), Tesoro Logistics GP LLC (an operator, developer and acquirer of crude oil, refined products and natural gas logistics assets), and CA Inc. (a leading provider of information technology management software and solutions). Mr. Bromark earned a BSc degree in Business Management from Quincy University and is a Member of the American Institute of Certified Public Accountants. He is also a member of the National Association of Corporate Directors' (NACD) Audit Committee Chair Advisory Group.

Russell Ford

Russell Ford is a senior executive with more than 35 years of experience within the global oil and gas industry. He started his career at Shell's E&P business in 1981 as a production engineer working in upstream. Afterwards, he served in a series of technical, operational and leadership roles across a number of onshore and deep-water assets, in upstream research, and as head of M&A for North America. More recently, he led Royal Dutch Shell Group's global supply chain activities as Executive Vice President of Contracting and Procurement (2013-2015).

Prior to that he was Executive Vice President Onshore (2009-2012) with responsibility for drilling, development, and producing operations for the North American onshore unconventional/shale portfolio.

This followed assignments as a Vice President over upstream onshore and offshore development in the Western Hemisphere (2005-2009), Private Assistant to Shell's Chief Executive (2004-2005), and Head of EP Strategy and Portfolio (2003-2004). Mr. Ford has a BS in Mechanical Engineering from the University of Michigan and an MBA from California State University. He served as Chairman of the Board of AeraEnergy from 2012 until 2015, and is currently a member of the University of Michigan's Energy Institute External Advisory Board. Since retiring from Shell in June 2015, he has advised companies and financial institutions on project-specific matters.

Barry Larson

Barry Larson has over 40 years of oil and gas industry experience, 21 of which have been with operations at the international level. Early in his career he worked fourteen years for Winterwill Canada as a Drilling and Production Superintendent. From 1994 until 1998 he was stationed in Argentina with Chauvco Resources International, where he received extensive operating experience first as a Drilling Manager, as Manager of Operations, and later as Vice President of Operations.

From August 1999 to May 2004, Mr. Larson was co-founder and Vice President of Aventura Energy Inc., a company with operations in Argentina as well as in Trinidad & Tobago. Afterwards, he joined Petro Andina Resources Inc., which had Colombian operations, where he served from 2005 to 2009 as Vice President of Operations and Chief Operating Officer. After the takeover by Colombia's Parex Resources Inc., he held the same position for the company during seven years until retiring in 2016. Mr. Larson holds a Diploma in Hydrocarbon Engineering Technology from the Northern Alberta Institute of Technology and is currently a member of the board of directors for Madalena Energy Inc. (TSXV – MDN).

Camilo Marulanda

Camilo Marulanda is a Colombian executive with robust experience in the oil and gas sector. Mr. Marulanda began his career at Procter & Gamble. In 2003, he joined Colombia's state oil company Ecopetrol, one of the four main petroleum producers in Latin America, where he developed an extensive career occupying several different managerial positions over 12 years. During his first tenure at Ecopetrol (2003-2013), Mr. Marulanda served as Head of the Marketing Department, National Sales Manager, Supply and Marketing Vice President, and Strategy and Growth Corporate Vice President.

In 2012, he was appointed Chief Executive Officer for Cenit Transporte y Logística de Hidrocarburos (hydrocarbons logistics and transportation), a subsidiary of Ecopetrol that manages all the midstream assets of the group. After two years, he was selected to serve as Chief Operating Officer for Ecopetrol where he remained until 2015. Mr. Marulanda earned a bachelor´s degree in Economics from the Universidad de Los Andes, where he also finished a specialization in Marketing and an Executive MBA. He currently serves as President and Chief Executive Officer for Ashmore-CAF Asset Management in Colombia.

Biographies of Newly Appointed Executives

Jim Latimer

Jim Latimer, Managing Director and Chairman at Blackhill Partners, is an accomplished leader, investment manager, management consultant, lender, and energy executive with extensive experience in complex and difficult distress situations. In addition to serving as the CRO for Pacific, he has been the CRO and/or interim CEO of RAAM Global Energy, ATP Oil & Gas (formerly NYSE: ATPG), Cano Petroleum (formerly AMEX: CFW), Crusader Energy, Rand Energy, and Lothian Oil.

His background includes all phases of corporate finance, business strategy and operations management in the oil and gas business. He has expertise in creating capital structures that enhance company performance and has helped a diverse group of corporate organizations accelerate their growth and successfully transition from middle market companies to publicly held entities. Mr. Latimer currently serves as a Director of Energy Partners, Limited, and is a former Director of Enron Creditors Recovery Corporation, Falcon Drilling Company (NYSE: RIG), Cinco Resources, Inc., NGP Capital Resources Company (NASDAQ: NGPC), Energy Partners, Limited (formerly NYSE: EPL), Magnum Hunter Resources, and Prize Energy (formerly AMEX: PRZ).

With McKinsey & Co., Mr. Latimer was involved in strategy development and operations improvement for technology-based businesses and for the energy, distribution, and professional service industries. As an independent consultant, he has helped develop strategies and taken an active management role in start-up and established companies in a variety of industries.

While co-head of the Dallas Office of Prudential Capital, Mr. Latimer guided an organization that originated and managed over $1.2 billion of private placement investments annually, about $600 million in the oil and gas industry and the remainder in a diverse group of industries. Assets directly managed exceeded $3 billion with excellent risk-adjusted returns.

Early in his career, Mr. Latimer earned his CPA with Coopers & Lybrand and served as a US Army Signal Corps officer, during which time he served in various capacities including in the Pentagon as Executive Officer to the Assistant Secretary of Defense (Comptroller) while working extensively on procurement and weapons system issues. Mr. Latimer received his B.A. degree in economics from Yale

University and his M.B.A. degree (with Distinction) in finance and marketing from Harvard Business School. He has received the Chartered Financial Analyst and Certified Public Accountant designations.

Camilo McAllister

Camilo McAllister is a Colombian executive with local and international experience in the oil & gas sector. Camilo began his career at BP and developed an extensive career occupying several positions during his 15 year tenure at the company, some of which included Investor Relations Manager in New York, and Senior Planning and Performance Manager in London.

During the past five years, Mr. McAllister worked as Operating Partner for Private Equity Funds and held several CEO positions at portfolio companies. Most recently he was the Chief Executive Officer for Vetra Exploration and Production in Colombia.

He has a proven ability to form effective relationships and business negotiations that result in efforts that drive significant growth. He has an MBA from the Fuqua School of Business at Duke University and a BSBA from the College of Advanced Studies (CESA).

Shareholder Contact Information

Shareholders are reminded that any questions or concerns can be directed to the Company at ir@pacificcorp.energy.

Noteholder Contact Information

Noteholders with questions about the Plan are encouraged to contact Kingsdale Shareholder Services at 1-877-659-1821 toll-free in North America or call collect at 1-416-867-2272 outside of North America or by email at contactus@kingsdaleshareholder.com.

About Pacific:

Pacific Exploration & Production Corp. 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 more than 60 exploration and production blocks in various countries including Colombia, Peru, Guatemala, Brazil, Guyana and Belize. The Company's strategy is focused on sustainable growth in production & reserves and cash generation. Pacific Exploration & Production is committed to conducting business safely, in a socially and environmentally responsible manner.

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 the financial condition and outlook of the Company following the Plan, the position of the Company following implementation of the Plan, the Company's ongoing strategic focus and planning, the potential and planned expense reduction, the composition of management (including whether the Company will receive regulatory approval for Messrs. Latimer and McAllister) and the delisting form the BVC 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: the impact of contingent liabilities and various commitments; volatility in market prices for oil and natural gas; a continued depressed oil price environment with a potential of further decline; default under the Company's senior notes; perceptions of the Company's prospects and the prospects of the oil and gas industry in Colombia and the other countries where the Company operates and/or has investments as the result of the completion of the Creditor/Catalyst Restructuring Transaction or otherwise; the effect of the Creditor/Catalyst Restructuring Transaction on the Company's business and operations; political developments in Colombia, Guatemala, Peru, Brazil, Guyana and Mexico; liabilities inherent in oil and gas operations; uncertainties associated with estimating oil and natural gas reserves; competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel; incorrect assessments of the value of acquisitions and/or past integration problems; geological, technical, drilling and processing problems; fluctuations in foreign exchange or interest rates and stock market volatility; delays in obtaining required environmental and other licences; uncertainty of estimates of capital and operating costs, production estimates and estimated economic return; the possibility that actual circumstances will differ from estimates and assumptions; uncertainties relating to the availability and costs of financing needed in the future; changes in income tax laws or changes in tax laws, accounting principles and incentive programs relating to the oil and gas industry; and the other factors discussed under the heading entitled "Risk Factors" and elsewhere in the Company's AIF dated October 17, 2016. 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.*

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:

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