PACIFIC RUBIALES ENERGY CORP.

NEWS RELEASE

PACIFIC RUBIALES ANNOUNCES $385 MILLION SALE OF OCENSA PIPELINE INTEREST

TORONTO, CANADA, Monday December 23, 2013 – Pacific Rubiales Energy Corp. (TSX: PRE) (BVC: PREC) (BOVESPA: PREB) announced today that it has reached an agreement to sell its 5% interest and transportation rights in the Oleoducto Central S.A. ("**OCENSA**") oil pipeline in Colombia for a total cash consideration of U.S.$385 million (the **"Transaction**") to a consortium led by Darby Private Equity ("**Darby**"), the private equity arm of Franklin Templeton. The investment will be made by Darby's Fondo de Infraestructura de Transporte de Colombia ("**FINTRA**"). The OCENSA pipeline interest and transportation rights were acquired from the Company's previously announced acquisition of Petrominerales Ltd. ("**Petrominerales**"), which closed on November 28, 2013.

The transaction includes the sale of the 5% equity interest in the OCENSA pipeline, along with the accompanying transportation capacity rights, including current and future capacity expansions. The Company has entered into a ten year agreement to secure transportation capacity for a take-or-pay incremental charge in addition to the regulated tariff on the pipeline. The transaction is expected to close in early 2014.

Ronald Pantin, the Company's Chief Executive Officer, commented:

"This transaction represents an attractive deal for both companies. Darby will receive a steady and secure rate of return on its investment. Pacific Rubiales will receive U.S.$385 million in cash, which we will use to pay down the debt incurred by the Company in connection with the Petrominerales acquisition, reducing the acquisition cost to approximately Cdn.$1.2 billion and significantly improving the acquisition metrics.

"In addition we have secured approximately 29 Mbbl/d of long-term transportation capacity in the largest and most secure oil pipeline in Colombia, which is very strategic to the Company's plans to increase its heavy oil production out of the southern Llanos basin. Along with our existing preferential capacity rights in the OCENSA pipeline and our interests in the new Bicentenario oil pipeline, this additional capacity in the OCENSA pipeline will largely eliminate our need for major long-haul trucking and is expected to reduce our overall transportation costs in the future."

Itaú BBA acted as sole financial advisor on this transaction.

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 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.

Darby Private Equity, a global emerging markets private equity fund manager was founded in 1994. Darby is a wholly owned subsidiary of Franklin Resources, Inc, (NYSE:BEN), a global investment management organization operating as Franklin Templeton Investments. Franklin Templeton Investments provides global and domestic investment management solutions managed by its Franklin, Templeton, Mutual Series, Fiduciary Trust, Darby and Bissett investment teams. The San Mateo, CA-based company has more than 65 years of investment experience and more than US$870 billion in assets under management as of November 30, 2013. For more information please visit franklintempleton.com.

FINTRA is a Colombian-based infrastructure fund managed by Darby-Colpatria Capital S.A.S., a joint venture between Darby and Grupo Colpatria.

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 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 13, 2013 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.

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.

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