PACIFIC RUBIALES ENERGY CORP.

NEWS RELEASE

PACIFIC RUBIALES PROVIDES 2014 OUTLOOK & GUIDANCE AND OPERATIONAL UPDATE: IN 2014 TARGETING 15 to 25% PRODUCTION GROWTH, E&D CAPITAL EXPENDITURES OF $2.5 BILLION, PROGRESSION TO DEVELOPMENT AT THE CPE-6 AND RIO ARIARI BLOCKS AND A SIGNIFICANT HIGH IMPACT EXPLORATION PROGRAM

Toronto, Canada, Wednesday December 18, 2013 – Pacific Rubiales Energy Corp. (TSX: PRE) (BVC: PREC) (BOVESPA: PREB) announced today its operational outlook and capital expenditure plans for 2014 and an operational update for 2013. Pacific Rubiales expects to release its year-end 2013 audited results on March 13, 2014. All values in this release are in U.S.$ unless otherwise stated.

2014 OUTLOOK HIGHLIGHTS:

- Targeting average net production of approximately 148 to 162 Mboe/d, an increase of 15 to 25% over 2013 production levels.

- Estimated exploration and development ("**E&D**") capital expenditures of $2.5 billion, reflecting increased total development drilling and exploration (including expenditures on the newly acquired Petrominerales Ltd. ("**Petrominerales**") assets and expenditures on the CPE-6 and Rio Ariari blocks to advance these to production stage), and significantly reduced expenditures on Rubiales Field facilities.

- Blanket exploration and development licence received for the CPE-6 Block, allowing early production and development to proceed in 2014.

- Current exploration licence for the Rio Ariari Block allows continuing exploration and production testing in 2014, leading to development in 2015.

- Combined production from the CPE-6 and Rio Ariari blocks is expected to fully replace the Company's current net production from the Rubiales Field by 2016.

- Significant catalysts identified that could materially impact the Company over the next three to four years.

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

"The Company estimates that it will achieve net production of 128 to 130 Mboe/d in 2013, above the high end of our annual production guidance of 15 to 30% growth (113 to 127 Mboe/d) over 2012 levels, despite accommodating for additional volumes delivered to Ecopetrol, S.A. associated with the PAP arbitration decision at Quifa.

"Our production growth target for 2014 has been set at 15 to 25% above 2013 levels, for net production guidance of approximately 148 to 162 Mboe/d. Production growth will be driven by the Petrominerales acquisition, development of the Hamaca prospect in the CPE-6 Block and other light oilfield developments.

“Our oil price realization in 2014 is expected to average $90 to $95/bbl. Targeted operating costs are expected to be in the range of $30 to $33/boe resulting in an operating netback margin of over 60% and generating EBITDA in the range of $3.4 to $3.6 billion.

”It is important to understand that because of the nature of the Company’s business, weighted as it is to heavy oil in Colombia rather than light oil, our production growth tends to materialize in significant step increases. The Company’s heavy oil volume growth is expected to continue to be driven by facility construction and commissioning, largely dependent on the pace and timing of environmental permits which the Company has limited control over. On the other hand, heavy oil production has the distinct advantage of providing more sustainable production levels, longer reserve life, and a repeatable and scalable resource to reserve characteristic.

“Our plans for 2014 are shaped by our expanded portfolio and heavy oil focused production that continues to grow and enjoy strong netbacks and robust economics. During 2013, we continued to strengthen our portfolio through the strategic acquisition of Petrominerales: 1) adding additional supplies of high quality light oil which provides a secure lower cost supply of diluent for our heavy oil business, 2) capturing additional components of the value chain through combined asset synergies, 3) securing additional pipeline transportation on the expectation of our rising oil production, and 4) providing additional production, reserves and cash flow at attractive metrics, with the potential for significant exploration upside.

“Our 2014 E&D capital expenditure plan is not just directed to a single year, but instead is focussed on ensuring continued growth and value creation for the future. The Company has identified eight major value drivers that provide significant potential catalysts over the next three to four years:

1. Replacing Production at the Rubiales Field in Advance of Contract Expiry in Mid-2016: The Company now has the visible barrels to develop which it expects to completely replace its current net production of approximately 70 Mbbl/d from the Rubiales Field by the time the primary contract expires in mid-2016. This replacement production will come from the development of its 50% operated interest in the CPE-6 Block and its 100% working interest in the Rio Ariari Block (acquired through the Petrominerales acquisition). In December, two drill rigs were moved onto the CPE-6 Block to commence the exploration and development appraisal program, and one drill rig is expected to be moved onto the Rio Ariari Block by early 2014. Both blocks are located southwest of the Rubiales/Quifa fields, along Colombia’s heavy oil resource trend.

2. Negotiating a New Contract for the Rubiales Field: The Company is actively negotiating a new contract for the Rubiales Field that would extend beyond the primary contract, which expires in mid-2016. If achieved, the new contract would encompass production and reserves tied to the implementation of its proprietary STAR secondary recovery technology to the Rubiales Field.

3. STAR Secondary Recovery Technology: Based on recent results, the Company’s STAR technology has demonstrated at least a doubling of the primary recovery factor at the Quifa SW pilot project. In 2014, the application of the technology will be extended to commercial scale operation in the Quifa SW Field, by the inclusion of some neighboring well clusters currently producing on primary recovery. STAR is expected to increase reserves and extend reservoir life, which will have the effect of reducing future DD&A costs in the Company’s heavy oil fields. The

technology is specifically designed for the unique characteristics associated with Colombia's heavy oil fields and is expected to be applicable to the Company's large inventory of heavy oil fields on production, under development and in exploration stages. The Company has been granted two exclusive 20 year patents in Colombia for the application of its STAR technology and believes that it is a potential game-changer for Pacific Rubiales and for the future of oil production in Colombia.

4. Operating Cost Reduction Initiatives: In 2013, the Company initiated cost reduction projects and initiatives focused on reducing its oil operating costs by approximately \$8/bbl on a pro-forma basis by the end of 2013, compared to average 2012. These initiatives are expected to be fully implemented by year-end and will be reflected in the Company's operating margins moving into 2014. Diluent costs have already been reduced by over \$4/bbl (third quarter 2013 vs. average 2012) and are expected to decrease further. Most of the remaining reductions are expected to come from the start-up of the Petroelectrica ("**PEL**") power transmission line which will deliver lower cost energy to the producing Rubiales and Quifa fields and power to booster pumping stations on the ODL pipeline beginning in 2014, with further potential to supply lower cost energy to the new developing heavy oil fields in the CPE-6 and Rio Ariari blocks.

5. A large Inventory of Heavy Oil Development and Exploration Blocks: We believe that heavy oil represents the future of Colombian oil and liquids production. Heavy oil has provided over 80% of the country's growth in production since 2007 and now represents close to 50% of Colombia's total oil and liquids production, with the majority of this coming from the Company's operated Quifa and Rubiales fields. Pacific Rubiales has built a large inventory of heavy oil prospects in Colombia, including the Hamaca prospect in the CPE-6 Block, which we expect will commence development in 2014 after receiving the blanket exploration and development permit late this year, a number of prospects on the Rio Ariari Block, which is expected to move from exploration to development by 2015, further identified exploration prospects to drill in both these blocks, exploration underway targeting additional prospects in the CPO-14, CPO-17 and Portofino blocks, and future drilling in the exploration blocks in the Putumayo Basin.

6. A Portfolio of Ongoing "Big-E" Exploration: The Company has built a large inventory of high risk/high-reward exploration prospects in Colombia, Peru, Brazil and Guyana and is committed to allocating upwards of 30% of its capital expenditures each year on exploration to drive future growth. Although much of this is in early stages, this exploration has the potential to provide significant future production volumes beyond a three year time frame. The Company has seen early success with two discoveries this year in the Karoon blocks in the offshore Santos Basin and will be appraising these discoveries in 2014.

7. Active Share Re-Purchase Plan: The Company's management and the board of directors believe that the current share price is under-valued and recently commenced the purchase of its common shares pursuant to the normal course issuer bid instrument put in place in April 2013. The re-purchase plan is expected to be funded by the partial sale of the Company's midstream assets.

8. Access to Large Heavy Oil Resources: The Company has access to very large accumulations of heavy oil in Colombia estimated to exceed seven billion barrels of working interest share of Original Oil in Place ("**OOIP**"). More than half of these barrels are in the developed producing Rubiales and Quifa fields where primary recovery factors of 14 to 16% have been established and STAR technology holds the potential to at least double the primary recovery factor. The remaining OOIP barrels are in the form of both reserves and prospective resources in the

advanced exploration stage CPE-6 and Rio Ariari blocks but exclude additional prospective resources in the Company's other exploration blocks in Colombia.

"In summary, Pacific Rubiales enters 2014 in very solid financial standing, our balance sheet remains strong and our growth targets in the medium-term are underpinned by our extensive low cost and high return heavy oil exploration and development assets in Colombia. I am looking forward to an exciting year in 2014 as we 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."

2014 CAPITAL EXPENDITURE HIGHLIGHTS:

In 2013, E&D capital expenditures have been reforecast to total approximately $2 billion, an increase of 15% from original guidance, mainly the result of higher than expected exploration and facility expenditures.

In 2014, estimated E&D capital expenditures are expected to total $2.5 billion, an increase of approximately 25% over estimated 2013 expenditures, mainly reflecting increased development drilling and exploration. The capital expenditure program is expected to be funded by internally generated cash flow and consists of the following major expenditures:

- $950 million in development drilling with a total of 366 gross (207.2 net) wells planned (excluding work-overs and water injector wells). Development drilling activity is driven by continued activity in the Rubiales, Quifa SW, Cajúa and Sabanero fields, the first development drilling in the CPE-6 Block, and an inventory of development well locations in the Company's light oil fields in Colombia and Peru. The Company's 2014 planned development (and exploration) wells in the CPE-6 and Z-1 blocks are provisional, contingent on well test results and partner agreement. A table of planned development wells is provided below.

- $700 million in exploration, a significant increase over 2013, reflecting a larger number of planned wells in the heavy oil belt in Colombia and in the offshore basins of Peru and Brazil. The Company plans to drill approximately 46 gross (28.9 net) exploration wells (including appraisal and stratigraphic wells, and wells drilling over 2013 year-end) and acquire 3,545 km and 8,460 km^2 of 2D and 3D seismic data respectively. The planned well program includes 26 wells in blocks along the Company's core heavy oil belt in the southern Llanos basin, Colombia. In the total program, approximately ten wells are targeting high impact prospects, including wells in Peru, Brazil and a contingent well in Guyana. A table of planned exploration wells is provided below.

- $580 million in facilities and infrastructure, with approximately 75% directed to the Company's core producing Rubiales, Quifa SW, Cajúa and Sabanero heavy oil fields, and the remainder for the development of the CPE-6 Block, as well as other mostly light oil field developments in Colombia.

- $270 million of other capex, including expenditures directed to STAR, Agrocascada, La Creciente gas pipeline, capitalization of transportation debt service costs in ODL and Bicentenario pipeline, as well as various pre-engineering studies, the cost of reserve evaluations, exploration offices and other provisional project activity contingencies.

2014 Development Well Plan[1]				
Country	**Field**	**PRE WI %**	**Number of Wells**	
			Gross	**Net**
Colombia	Rubiales	**45%**	172	77.4
	Quifa SW	**60%**	81	48.6
	Cajúa	**60%**	13	7.8
	Sabanero	**100%**	32	32.0
	CPE-6	**50%**	16	8.0
	Light Oil Blocks[2]	**68%**	42	28.5
Peru	Corvina / Albacora	**49%**	10	4.9
Total			**366**	**207.2**

(1) Excludes existing well bore work-overs & side-tracks, and drilling of injector wells

(2) Development wells on various light oil blocks (including: Cubiro, Cravo Viejo, and Cachicamo)

2014 Exploration Well Plan Schedule									
Country	**Block**	**Target***	**PRE WI %**	**Number of Wells**		**1Q**	**2Q**	**3Q**	**4Q**
				Gross	**Net**				
Colombia	Quifa North	HO	60%	6	3.6	4	2		
	Sabanero	HO	100%	4	4.0	2	2		
	CPE-6	HO	50%	9	4.5	4	5		
	CPO-14	HO	63%	2	1.3		2		
	CPO-17[1]	HO	25%	3	0.8	3			
	Rio Ariari[2]	HO	100%	2	2.0		2		
	Portofino[3]	HO	40%	1	0.4	1			
	SSJN - 7	NG	50%	1	0.5				1
	Muisca[1]	LO	50%	1	0.5	1			
	Corcel	LO	100%	2	2.0				2
	Chiguiro Oeste	LO	100%	1	1.0	1			
	Llanos 59	LO	58%	4	2.3		2	2	
	Mapache	LO	100%	1	1.0		1		
	Arrendajo	LO	68%	2	1.4	1	1		
	Cubiro	LO	57%	1	0.6	1			
	Pajaro Pinto	LO	100%	1	1.0	1			
Peru	Z-1	LO	49%	2	1.0	1	1		
	116	LO	50%	1	0.5		1		

Brazil	S-M-1101 & S-M-1165	LO	35%	2	0.7	1	1		
Total				**46**	**28.9**	**21**	**20**	**2**	**3**

*Exploration Target: HO (Heavy Oil), NG (Natural Gas), LO (Light Oil)

[1]The Company holds a 49.999% participation in Maurel et Prom Colombia B.V. which holds 100% of the Muisca blocks and 50% of the CPO-17 block

[2]Excludes up to ten additional provision horizontal exploration pad wells, allowed under the current exploration permit

[3]The Company holds a 40% participating interest in the Portofino block owned by Canacol Energy Inc.

Note: Excludes potential contingent well in Guyana.

Colombia

Colombia will remain the predominant focus of the Company's activities with total E&D capital expenditures in 2014 expected to be in the range of $2.1 billion, including exploration, development drilling and facilities expenditures. Of that amount, $375 million will be directed to the drilling of 41 gross (26.8 net) exploration wells, seismic and other G&G expenditures. Exploration wells of particular interest include the nine wells planned for the CPE-6 Block, the first two wells to be drilled on the CPO-14 Block, and two exploration wells planned for the Rio Ariari Block. Based on the results of these two exploration wells in the Rio Ariari Block, the Company has the permits in place to drill an additional four to five horizontal wells for long term testing, from each exploration pad. The horizontal wells are provisional at the current time but are expected to be used to support the move to full development in 2015.

Development drilling expenditures will account for another $885 million, which will be directed to the drilling of 356 gross (202.3 net) wells: 172 planned for the Rubiales Field, 81 in Quifa SW, 13 in Cajúa, 32 in Sabanero, 16 in CPE-6, and the remaining 42 in the Company's light oil blocks.

Most of the $580 million of total Company planned facility and infrastructure expenditures will be directed to Colombia, approximately in-line with facilities expenditures in 2013. The majority of the expenditures will be directed to the Company's heavy oil producing Rubiales, Quifa, and Cajúa fields including flowlines, power grid distribution, oil dehydration and water treatment facilities required to handle increasing volumes of water production in these fields. Expenditures will also be directed to the first fixed development facilities at CPE-6 and some of the Company's light oil fields. The Company operates the majority of its Colombia blocks and activities.

Peru

Capital expenditures in Peru are expected to be in the range of $180 million, with approximately 60% of this directed to exploration activities, including the first exploration wells to be drilled in offshore Block Z-1 since the Company acquired its participating interest in the block, and the drilling of the Fortuna-1X well in onshore Block 116. The remaining expenditure represents development activities in Block Z-1, including the drilling of 10 gross (4.9 net) development wells. The planned wells and capital expenditures on the Z-1 Block are provisional and subject to partner approval.

Brazil

Capital expenditures in Brazil are expected to be in the range of $80 million, which includes the Company's 35% participating interest in the Kangaroo-2 appraisal well to be drilled up-dip from the Kangaroo-1 oil discovery made in early 2013, and an exploration well on a separate structure at Kangaroo West, both located in the Santos offshore basin. Additional expenditures will be directed to seismic data acquisition in the three offshore exploration blocks in northern Brazil which the Company acquired in the 2013 11th bid round.

Other

Capital expenditures in the range $140 million will be directed to planned exploration activities on the Company's blocks in Guatemala, Belize and Guyana, including: 1) expenditures directed to the drilling of a potential contingent exploration well in offshore Guyana, 2) seismic and geophysical data acquisition in the Company's Belize and Guyana blocks. The Company expects to spinout or sell its Papua New Guinea assets in 2014.

UPDATE ON INFRASTRUCTURE PROJECTS:

The Company continues to invest in both upstream and strategic midstream infrastructure, principally in Colombia, to ensure and control the pace of development of new production. Major activities during the fourth quarter 2013 consisted of:

- Construction of the Company's 100% owned and operated PEL project was completed in late November. The new 230 kilovolt power transmission line connects the Rubiales and Quifa fields with Colombia's electrical grid, supplying lower cost power to operate the fields. Upon commissioning, the line is expected to result in an approximate $100 million per year reduction in the Company's oil operating costs. Commissioning and electrification of the line is awaiting Colombia ministerial approval, which is expected by year-end. Additional operating cost reductions are expected in the second half 2014 when PEL starts supplying power to booster pumping stations on the ODL oil pipeline. PEL is designed to be expanded and is expected to provide power to the Company's CPE-6 and Rio Ariari heavy oil field developments.

- The Bicentenario oil pipeline began pumping oil in late October, resulting in first oil shipments in November. The pipeline has a total initial design capacity of approximately 120 Mbbl/d and the Company has an approximate 44% working interest (including additional interests acquired through the Petrominerales acquisition).

- The Company also acquired a 5% equity interest in the OCENSA pipeline as part of the Petrominerales acquisition, providing approximately 29 Mbbl/d of transportation capacity in addition to its current 60 Mbbl/d of preferential capacity. The Company expects to sell the equity interest to a third party, retaining the transportation capacity rights in a long-term agreement. The sale is expected to close by year-end 2013.

- Pacific Infrastructure Ventures Inc., a private company in which Pacific Rubiales holds a 41.4% equity interest, is currently developing the Puerto Bahia oil export terminal on the Caribbean coast and the 300 Mbbl/d Olecar oil pipeline, connecting Coveñas to Cartagena. Phase 1 construction is currently underway, consisting of five oil storage tanks, an access road bridge to Cartagena, and a two birth tanker loading/unloading pier. The Olecar pipeline construction is expected to commence in the first quarter of 2014 upon receipt of the necessary environmental permits. The new port is expected to be operational by the fourth quarter of 2014 and is very strategic to the Company's expectation of rising heavy oil production and the need to secure additional export capacity.

- In September, the Company announced that its STAR pilot project operating in the Quifa SW Field had achieved an estimated doubling of the recovery factor in the pilot test area. Following this, the Company was granted two exclusive 20 year patents in Colombia for its STAR technology. The STAR pilot is expected to continue operations until February 2014 and the Company has received approval from Ecopetrol S.A. (it's partner in the Quifa SW Field) to convert two adjacent existing commercial scale pads, currently producing under primary recovery, to STAR in the first half of 2014. Discussions for additional conversions are ongoing.

- Pacific Midstream Holding Corp., ("**Pacific Midstream**") a 100% wholly owned entity, currently holds the Company's ODL and Bicentenario oil pipeline interests as well as the PEL power transmission line assets, is planning on spinning out a 30 to 40% interest to a third party for cash. Multiple offers have been received and the Company now expects to complete the sale in the first half of 2014. In later phases, additional assets are expected to be added to Pacific Midstream, along with additional sale of equity to third parties.

- Agrocascada S.A.S., a wholly owned subsidiary, is currently developing an agricultural water irrigation project in the Rubiales oilfield area which will treat produced water from the Rubiales and Quifa fields through reverse osmosis plants, using the water for palm oil cultivation. The project will result in lower unit operating costs than the current reinjection of produced water associated with oil production. The first 1,000 Mbbl/d reverse osmosis facility is expected to be operational in the second quarter of 2014, pending receipt of the necessary environmental permits and government ministry approvals.

- The small scale LNG Project located on the Caribbean coast of Colombia is progressing on target. The project consists of a 0.5 million ton/year floating LNG facility, being built for Exmar NV, and in which the Company has a 15 year tolling arrangement. Construction of a natural gas pipeline connection to the La Creciente Field, supplying natural gas to the LNG facilities, will commence in 2014. All permits, with the exception of the subsea pipeline connection, have been received and the Company expects commissioning of the facility in late 2014, with first LNG shipments in the first half of 2015. In early November, the Company announced the signing of a Heads of Agreement with Gazprom Marketing & Trading Limited encompassing a five year sales arrangement for all the annual LNG facilities capacity, starting in the second quarter of 2015.

EXPLORATION UPDATE:

During the fourth quarter, the Company continued with its exploration activities in Colombia and Guatemala. A total of 13 wells were drilled, 12 in Colombia and one in Guatemala, in addition the acquisition of 251 km of 2D seismic began and the 721 km^2 of 3D seismic continued in Colombia.

<u>Colombia – Llanos Basin</u>

- In the Quifa Block, the Company drilled three exploration wells and continued with the acquisition of the 721 km^2 of 3D seismic survey in the northwestern portion of the block. The QFE-S-1X and QFN-D-1X exploration wells, located to the east and north of the Quifa block, respectively, resulted in new oil discoveries for the prospects “S” and “D”. At this time the wells are under production tests. These two wells confirm the potential in these areas of the block and the Company is currently preparing an appraisal drilling campaign to evaluate and confirm the extension of these discoveries. The QFE-A-1ST well was drilled in the prospect QFE-A, and although the well had some hydrocarbon shows during drilling, the petrophysical evaluation did not indicated any commercial interval, so the well was plugged and abandoned.

- In the CPE-6 Block, the interpretation of the 3D seismic volume was completed and helped to identify the next exploration and appraisal locations for the block. In early November, the Company was granted the global environmental license for the northern part of the block. This license allows for the drilling of 40 platforms with up to 5 wells in each platform for a total of 200 wells, including exploration, appraisal, development and injection wells, and construction of surface facilities for the future field development. Following the license receipt, the Company started drilling the first of two 2013 exploration wells planned in the block which, along with the 3D seismic acquired in 2012, fulfills the work commitments for the first phase of this E&P contract. In addition, an appraisal well for the Hamaca prospect was drilled and the results of the short-term production tests for both wells are expected by the end of December.

- In the Sabanero Block, the Company finished the Sab-Strat-SW2 stratigraphic well, located to the southwestern part of the block. The well showed 2.5 feet of net pay of hydrocarbon column, confirming the prospectivity in this part of the block.

- In the CPO-14 Block, the Company started drilling the first stratigraphic well in the southwestern part of the block. This well is part of the exploration commitment for the first phase of the contract.

- In the Cravo Viejo Block, the Company drilled the Gemar-2 exploration well with the Gacheta and Carbonera C-5 as main exploration objectives. The well found 4 and 5 feet of net pay in both formations, respectively, and the well is currently being prepared for a short term production test.

- In the Cachicamo Block, the Falco-1 and X-Ray-1 exploration wells were drilled. The Falco-1 well reached a TD of 8,304 feet in the Ubaque Formation, but the petrophysical evaluation did not show any interval with net pay and the well was abandoned. The X-Ray-1 well encountered 15 feet of net pay in the Ubaque Formation, resulting in a new discovery in the block, and an initial production test reached 90 bbl/d with a water cut of 40%.

<u>Colombia - Lower Magdalena Valley</u>

- In the La Creciente Block, the Company has drilled two exploration wells. The LCI-1X exploration well began drilling in early June reaching TD of 12,711feet MD in late July. The well was sidetracked and in September tested 9.4 MMcf/d through an 18/64” choke in the Ciénaga de Oro sands. A subsequent test in the Porquero Medio flowed water, and the well was completed as a gas producer in Ciénaga de Oro. The LCH - 1X exploration well in prospect “H” was drilled to a total depth of 11,552 feet MD. The first production test in Ciénaga de Oro sands yielded water and traces of gas. This interval was subsequently plugged and a second production test at the top of the Ciénaga de Oro Formation is currently in progress.

- In the Guama Block, the Company carried out a planned hydraulic fracturing and well testing of Capure-1X, drilled to a TD of 7,400 feet in April. Tests were carried out on three zones of the

Porquero Medio “C” and “D” formations with coiled tubing and slick line. The middle zone flowed at rates of 200 Mcf/d and 15 to 20 bbl/d of 50° API condensate, while the other two zones encountered difficulties that prevented representative short tests. The well was shut-in and is awaiting work-over and more extended tests.

- Additionally in the Guama Block, the Company obtained the necessary production environmental license and initiated works to install the small-scale gas plant and associated surface facilities required to carry extended production tests on the Pedernalito-1X, Cororra-1X, Capure-1X and Manamo-1X wells.

Colombia - Cordillera Basin

- In the COR-15 Block, Maurel et Prom Colombia B.V., the block operator, submitted a request to the Agencia di Hydrocarburosa to convert the TEA contract into an E&P contract.

- In the Muisca Block, environmental permits and civil works activities were completed for the location of well Balsa-1X, which commenced drilling in early December. Current depth is 2,620 feet.

Colombia - Caguan-Putumayo Basin

- In the Portofino Block, Canacol Energy Ltd (“**Canacol**”), the block operator, began drilling the Tachuelo-1X stratigraphic well in the fourth quarter. The well reached a TD of 2,462 feet in basement rocks in early December, after having recovered 122 feet of cores. Canacol is now preparing and conditioning the hole to run electric logs.

- In the Tacacho and Terecay blocks, the bidding process for the acquisition of 956 kilometers of planned 2D seismic was completed, and the survey is expected to begin in January 2014.

- In the Gaguan-5 and Caguan-6 blocks, the Company completed 2,361 km of aeromagnetic and aerogravimetric surveys. The data interpretation is in progress and is expected to be completed by the end of the year.

Guatemala

- The Company started drilling the Balam-1X exploration well at the end of August. The current drill depth is 12,880 feet. The Company is preparing to open-hole test a section of the well which encountered hydrocarbon shows while drilling the Coban section.

Belize

- The Company has commenced the acquisition of 2,500 km aeromagnetic and aerogravimetric surveys in the fourth quarter. A 650 km seismic acquisition contract, as well as other related contracts have been awarded. A small portion of the planned seismic survey is currently waiting on environmental permitting.

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.

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.

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.
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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