

EIG Pacific Holdings Ltd. (the "Offeror"), a Cayman Islands limited company and subsidiary of Harbour Energy Ltd. ("Harbour Energy"), announced today that it has amended the terms of its pending tender offers (the "Tender Offers") for the outstanding (i) 5.375% Senior Notes due 2019 (the "2019 Notes"), (ii) 7.250% Senior Notes due 2021 (the "2021 Notes"), (iii) 5.125% Senior Notes due 2023 (the "2023 Notes") and (iv) 5.625% Senior Notes due 2025 (the "2025 Notes"; and, together with the 2019 Notes, the 2021 Notes and the 2023 Notes, the "Notes") of Pacific Exploration & Production Corporation (TSX: PRE) (BVC: PREC) ("Pacific E&P"; or the "Company"). The Offeror amended the terms of the Tender Offers to, in summary, (i) replace conditions relating to the Offeror's reorganization plans for the Company with conditions that the Company merely file for insolvency (ii) include a 90 day "long stop" date for the Tender Offers, (iii) provide Holders who tender with certain limited withdrawal and liquidity rights, (iv) change to U.S. \$160 per U.S. \$1,000 principal amount of Notes the consideration offered to Holders who have not yet tendered their notes for a new early tender period and (v) amend certain other conditions and provisions.

R. Blair Thomas, CEO of EIG Global Energy Partners ("EIG") and Co-Chairman of Harbour Energy's Board of Directors, said, "Our goal remains to keep Pacific E&P intact and avoid the death-spiral the Company appears to be facing. It seems apparent that Pacific E&P is insolvent and that a bankruptcy filing is imminent. The Company and its creditors have not generated a credible alternative to our offer and now appear to face a prolonged and volatile bankruptcy that will require an immediate and significant infusion of capital in order for the Company to meet its basic operating obligations. No credible source for these funds has been identified and rumors of a significant liquidity hole continue to grow. The time for posturing and delay is over—Pacific E&P's management and its Board of Directors owe it to all stakeholders to engage in a constructive dialogue with EIG regarding our proposal, which restores the financial health of the Company by massively deleveraging its balance sheet. We appreciate the input we've received from the advisors to the Ad Hoc Committee of bondholders and have adjusted our offers to enhance certainty, offer liquidity to tendering bondholders and significantly shorten the timeframe in which remaining conditions must be satisfied. Since we made our initial offers, oil prices have dropped further and nearly a full month has been wasted without a solution for the Company, bringing Pacific E&P closer to the brink and sharply increasing the risk profile of this transaction. We must therefore reduce our offer price to account for a less conditional offer, the continuing decline in oil prices and a further eroded Pacific E&P balance sheet. The bondholders who have tendered Notes to date will benefit from the reduced conditionality of our revised offers, as well as the higher price from our initial offers. We urge all remaining bondholders to tender their Notes today. In a highly complex and uncertain situation, our revised offers provide price certainty to noteholders and, for all of the Company's stakeholders, including host countries, the best path towards assuring continuity of operations and restoring the value of Pacific E&P."

Information about the Amended Tender Offers

The Tender Offers are now scheduled to expire at 5:00 p.m., New York City time, on March 24, 2016 (unless extended or earlier terminated with respect to a Tender Offer, the "Expiration Date"). The Tender Offers are being made pursuant to an Offer to Purchase dated, January 13, 2016, as amended January 19, 2016 (the "Original Offer to Purchase"), and the Letter of Transmittal (the "Letter of Transmittal") and are being supplemented by a Supplement No. 1 dated February 10, 2016 (the "Supplement"; and, together with the Original Offer to Purchase and Letter of Transmittal, as each may be further amended or supplemented from time to time, the "Tender Offer Materials"), which set forth a more detailed description of the Tender Offers. Holders of the Notes are urged to carefully read the Tender Offer Materials before making any decision with respect to the Tender Offers. Information contained in the Original Offer to Purchase and not addressed in the Supplement remains unchanged.

The following table sets forth certain terms of the Tender Offers for Holders that tender Notes on or after the issuance of the Supplement:

Description of Notes CUSIP/ISIN Nos.	Outstanding Principal Amount(1)	Tender Offer	Early Tender	Total
		Consideration(2)(3)	Payment(2)(3)	Consideration(2)(3)
5.375% Senior Notes due 2019 C71058AD0, 69480UAH0/ USC71058AD08, US69480UAH05	U.S. \$1,300,000,000	U.S. \$80.00	U.S. \$80.00	U.S. \$160.00
7.250% Senior Notes due 2021 C71058AB4, 69480UAC1/ USC71058AB42, US69480UAC18	U.S. \$690,549,000	U.S. \$80.00	U.S. \$80.00	U.S. \$160.00
5.125% Senior Notes due 2023				

C71058AC2, 69480UAF4/

USC71058AC25, US69480UAF49

U.S. \$1,000,000,000 U.S. \$80.00

U.S. \$80.00 U.S. \$160.00

5.625% Senior C71058AF5, 69480UAK3/

U.S. \$1,113,651,000 U.S. \$80.00

U.S. \$80.00 U.S. \$160.00

Notes due 2025 USC71058AF55, US69480UAK34

- (1) From the Issuer's publicly filed interim financial statements for the three months ended September 30, 2015, available on SEDAR.
- (2) Per U.S. \$1,000 principal amount of Notes. Excludes accrued and unpaid interest.

- Holders of Notes validly tendered and not validly withdrawn prior to the issuance of the Supplement will continue to be entitled to receive the applicable consideration as set forth in the Original Offer to Purchase. This includes the accrued and unpaid interest on those Notes from, and including, the last interest payment date with respect to those Notes to, but not including, the earliest of (i) the applicable Settlement Date, (ii) the date on which Issuer Reorganization Proceedings are commenced or (iii) February 29, 2016, as applicable ("Accrued Interest"). Under no circumstances will the Offeror pay Accrued Interest on Notes tendered on or after the issuance of the Supplement.
- (3) Includes the Early Tender Payment (as defined below) for Notes validly tendered and not validly withdrawn, prior to the Early Tender Date and accepted for purchase.
 - (4)

The Supplement also amends the Tender Offers to provide as follows:

- the reorganization condition as further described in the Tender Offer Materials is replaced with the conditions that (i) the Issuer has (a) instituted proceedings, (b) consented to the institution of proceedings against it or (c) filed a petition, consent or notice seeking a reorganization or arrangement of its debt, under the CCAA or other insolvency proceedings, (ii) the Company's bank lenders have agreed to certain financing arrangements, and (iii) the Offeror has been given reasonable access to information by the Company, in each case, as further described in the Supplement;
- the participation condition as further described in the Tender Offer Materials is reduced to 66.67% and no longer requires valid tenders of at least 80% aggregate outstanding principal amount of the Notes and the Power of Attorney Condition is reduced to 66.67% and no longer requires valid Powers of Attorney with respect to at least 80% aggregate outstanding principal amount of the Notes;
- Holders who have validly tendered Notes will have the ability to withdraw and sell or otherwise transfer their Notes after the Withdrawal Deadline subject to certain conditions;
- on or before May 10, 2016, the Offeror will either (i) purchase all Notes validly tendered and not validly withdrawn or (ii) provide Holders with a right to withdraw their tendered Notes for two business days;
- the Offeror reserves the right to accept for purchase at any time prior to the applicable Expiration Date all Notes which have been previously validly tendered and not validly withdrawn pursuant to any Tender Offer;
- the applicable Early Tender Date shall be February 24, 2016 for Holders who did not tender Notes prior to the date hereof and the applicable Expiration Date shall be March 24, 2016; and
- certain other amendments as described in the Supplement.

As of 4:00 p.m. (New York City Time) on the date hereof, \$98,330,000, or 7.56%, of the outstanding aggregate principal amount of the 2019 Notes, \$21,759,000, or 3.15%, of the outstanding aggregate principal amount of the 2021 Notes, \$71,406,000, or 7.14%, of the outstanding aggregate principal amount of the 2023 Notes and \$37,726,000, or 3.39%, of the outstanding aggregate principal amount of the 2025 Notes have been tendered to the respective Tender Offers. Based on the foregoing, together with the Notes acquired by Harbour Energy prior to the tender offer, EIG now owns or would control in a restructuring process a Note position among the largest of any other Noteholders in the Company.

The Offeror has retained Citigroup Global Markets Inc. as an exclusive Financial Advisor in this transaction and to serve as sole Dealer Manager for the Tender Offers. MacKenzie Partners, Inc. has been retained to serve as the Information and Tender Agent for the Tender Offers. Questions regarding the Tender Offers may be directed to Citigroup Global Markets Inc. at 390 Greenwich Street, 1st Floor, New York, New York 10013, Attn: Liability Management Group, (800) 558-3745 (toll-free), (212) 723-6106 (collect). Requests for the Tender Offer Materials may be directed to MacKenzie Partners at (800) 322-2885 (toll-free), (212) 929-5500 (collect) or via email at tenderoffer@mackenziepartners.com.

The Offeror is making the Tender Offers only by, and pursuant to, the terms of the Offer to Purchase, an amended related Letter of Transmittal dated January 19, 2016 and an amended related Power of Attorney dated January 19, 2016 as supplemented by the Supplement (together, the "Tender Offer Materials"). None of the Offeror, the Dealer Manager or the Information and Tender Agent make any recommendation as to whether holders of the Notes should tender or refrain from tendering their Notes. Holders must make their own decision as to whether to tender Notes and, if so, the principal amount of the Notes to tender. The Tender Offers are not being made to holders of Notes in any jurisdiction in which the making or acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction. In any jurisdiction in which the securities laws or blue sky laws require the Tender Offers to be made by a licensed broker or dealer, the Tender Offers will be deemed to be made on behalf of the Offeror by the Dealer Manager, or one or more registered brokers or dealers that are licensed under the laws of such jurisdiction.

About EIG and Harbour Energy

Harbour Energy is an energy investment vehicle formed by EIG Global Energy Partners ("EIG") and the Noble

Group to pursue control and near control investments in high-quality upstream and midstream energy assets globally. Harbour Energy is externally managed by EIG. EIG specializes in private investments in energy and energy-related infrastructure on a global basis and had \$14.7 billion under management as of December 31, 2015. During its 33-year history, EIG has invested \$21.4 billion in the sector through more than 300 projects or companies in 35 countries on six continents. For more information, please visit www.harbourenergy.com.

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