

TORONTO, Sept. 12, 2016 /CNW/ - Pacific Exploration & Production Corp. (the "Company") is pleased to provide an update with respect to its previously announced plan of compromise and arrangement (the "Plan") pursuant to the Companies' Creditors Arrangement Act (Canada) in connection with its comprehensive restructuring transaction (the "Creditor/Catalyst Restructuring Transaction").

The Company expects, assuming satisfaction or waiver of any remaining conditions, to implement the Plan and close the Creditor/Catalyst Restructuring Transaction during the week of October 3, 2016 (the actual date of the closing of the Creditor/Catalyst Restructuring Transaction is referred to as the "Implementation Date") at which time the Company is expected to exit from creditor protection.

Pursuant to the terms of the indenture (the "DIP Warrant Indenture") governing the warrants issued as part of the debtor-in-possession financing (the "DIP Financing") made available in connection with the Creditor/Catalyst Restructuring Transaction (the "DIP Warrants"), October 3, 2016 has been designated as the "Anticipated Exit Date" (or the expected Implementation Date). The record date for determining the holders of the DIP Warrants who will be entitled to receive common shares (the "Warrant Shares") on exercise thereof will be Monday, September 19, 2016 (the "Warrant Record Date"). On and after the Warrant Record Date, no transfer of a DIP Warrant will be accepted by Computershare Trust Company of Canada, the warrant agent, and trading in the DIP Warrants will be blocked in the book entry registration system.

Holders of the Notes (as defined in the Plan) are advised that this announcement and the Warrant Record Date do not affect trading of the Notes which, under the terms of the Plan, will remain tradable until the close of business three business days before the Implementation Date. The Company intends to provide further updates, including with respect to the Notes, closer to the Implementation Date.

From the Warrant Record Date, beneficial holders of DIP Warrants ("Beneficial Warrant Holders") have until no later than 5:00 p.m. (Toronto time) on Friday, September 30, 2016 to complete the certification requirement set out in the DIP Warrant Indenture in order to receive their Warrant Shares on or shortly following the Implementation Date. Beneficial Warrant Holders should contact their brokers or other intermediaries for further information on how to complete and submit the required certificate.

If a Beneficial Warrant Holder fails to deliver the required certificate by Friday, September 30, 2016, they will have a 30-day grace period following the Implementation Date to provide the required certification in which case the Warrant Shares will be delivered following the receipt of such certificate. If the certification is not provided by the end of the 30-day grace period, the holders of such DIP Warrants shall have no further rights in connection therewith or in respect of Warrant Shares issuable in exchange for such DIP Warrants and the Company may cancel or otherwise retain in treasury those Warrant Shares previously issued on the exercise of the DIP Warrants. Any restrictions on transfer of the DIP Warrants under U.S. securities laws will continue to apply to the Warrant Shares issued on the exercise of such DIP Warrants.

Notwithstanding anything contained herein, the Implementation Date and certain other dates and times set out in this news release, other than the Warrant Record Date, are subject to change, in which case the Company will provide updates as it determines are reasonable. The Warrant Record Date will not be changed even if the Implementation Date is delayed. There can be no assurance that the Implementation Date will occur during the week of October 3, 2016 or at all.

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 70 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 Plan, conditions to implementation of the Plan, timing of the implementation of the Plan (including the Implementation Date and whether the Company will exit from creditor protection), trading of the common shares on the Toronto Stock Exchange, the distribution of Warrant Shares and effect of the Plan on the Company 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 Company's ability to continue as a going concern upon completion of the Plan; 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 credit facilities and/or the Company's senior notes due to a breach of covenants therein; amounts becoming due and payable under the credit facilities and/or the senior notes, notwithstanding the entering into of support arrangements, whether through the actions of holders of senior notes or the trustee under the respective senior note indentures or otherwise; the impact of events of defaults in respect of the credit facilities and/or senior notes on other material contracts of the Company, including but not limited to, cross-defaults resulting in acceleration of amounts payable thereunder or the termination of such agreements notwithstanding the protection obtained by the Company under the CCAA proceedings in Canada and/or sought in proceedings under other applicable jurisdictions (including Colombia and the United States); failure of the Company to complete the Creditor/Catalyst Restructuring Transaction, which is subject to a number of conditions and other risks and uncertainties; failure to satisfy any terms or conditions of any other agreement with the Company's creditors on a proposed restructuring; any negative impact on the Company's current operations as a result of the Creditor/Catalyst Restructuring Transaction or failure to implement the Plan or reach any other agreement with creditors; 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 entering into of the Creditor/Catalyst Restructuring Transaction or otherwise commencing voluntary insolvency proceedings or otherwise; inability to obtain a listing on a stock exchange acceptable to the Company, the sponsor of, and certain creditors supporting, the Plan; 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 March 18, 2016 filed on SEDAR at www.sedar.com and in the circular dated July 8, 2016 prepared in connection with the meeting to approve the Plan. 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.

SOURCE Pacific Exploration and Production Corporation

Contact

Richard Oyelowo, Manager, Investor Relations, +1 (416) 362-7735; MEDIA CONTACT: Tom Becker, Sitrick & Company, +1 (212) 573-6100