

SUSTAINABILITY REPORT



2015

The background of the report cover is a photograph of a lush tropical forest. A large, green, corrugated pipe runs diagonally from the bottom left towards the center. In the background, three workers in blue uniforms and hard hats are standing near the pipe. The forest is dense with various types of trees and undergrowth.

INSPIRING ENERGY

Legal Notice – Forward-Looking Information and Statements

Certain statements in this Report constitute forward-looking statements. Often, but not always, forward-looking statements use words or phrases such as: “expects,” “does not expect,” or “is expected,” “anticipates,” or “does not anticipate,” “plans” or “planned,” “estimates” or “estimated,” “projects” or “projected,” “forecasts” or “forecasted,” “believes,” “intends,” “likely,” “possible,” “probable,” “scheduled,” “positioned,” “goal,” or “objective,” or state that certain actions, events or results “may,” “could,” “would,” “might,” or “will” be taken, occur, or be achieved. 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 and its strategy) are forward-looking statements. Such forward-looking statements, including but not limited to statements with respect to anticipated levels of production, estimated costs, and timing of the Company’s planned work programs and reserves determination, involve known and unknown risks, uncertainties, and other factors which may cause the actual levels of production, costs, and results to be materially different from estimated levels of production, costs, or results expressed or implied by such forward-looking statements. The Company believes the expectations reflected in these forward-looking statements are reasonable, but no assurance can be given that such expectations will prove to be correct, and thus such statements should not be unduly relied upon. 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; 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 restructuring transaction (including the DIP financing), which is

subject to a number of conditions and other risks and uncertainties including, without limitation, court, creditor and required regulatory approvals or otherwise; 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 restructuring transaction or any other proposed restructuring or failure to reach any other agreement with the creditors thereon; 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 restructuring transaction or commencing voluntary insolvency proceedings or otherwise; expectations regarding the Company’s ability to raise capital and to continually add to reserves through acquisitions and development; ; the cancellation or extensive dilution of the Company’s equity securities as a result of the restructuring transaction; the effect of the 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 “Risks and Uncertainties.” Statements concerning oil and gas reserve estimates may also be deemed to constitute forward-looking statements to the extent that they involve estimates of oil and gas that will be encountered if the property in question is developed. The estimated values disclosed in this Report 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. Disclosure of well test results may be preliminary until analyzed or interpreted, and are not necessarily indicative of long-term performance or ultimate recovery.

For more information, please see the Company’s Annual Information Form, dated March 18, 2016, which is available at www.sedar.com.

The preparation of financial information is reported in United States dollars and is in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), unless otherwise noted. All comparative percentages are between the years ending December 31, 2015 and 2014, unless otherwise noted.

In order to provide shareholders with full disclosure relating to potential future capital expenditures, the Company has provided cost estimates for projects that in some cases are still in the early stages of development. These costs are preliminary estimates only. The actual amounts are expected to differ and these differences may be material. For further discussion of the significant capital expenditures, see “Capital Expenditures” on page 19 in the MD&A.

Additional information with respect to the Company, including the Company’s quarterly and annual financial statements and the Annual Information Form, has been filed with Canadian securities regulatory authorities and is available on SEDAR at www.sedar.com, on SIMEV at www.superfinanciera.gov.co/web_valores/Simev, and on the Company’s website at www.pacific.energy. Information contained in or otherwise accessible through our website does not form a part of this report and is not incorporated by reference into this report.

Although the Company has attempted to take into account important factors that could cause actual costs or operating results to differ materially, there may be other unforeseen factors that increase costs for the Company, and so results may not be as anticipated, estimated, or intended. 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.

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ABOUT THIS REPORT

This report, "Inspiring Energy" is the seventh Sustainability Report of Pacific Exploration and Production Corporation, formerly Pacific Rubiales Energy, (hereinafter, the "Company" or "Pacific"). The report describes the Company's economic, environmental and social performance during 2015 and contains information on operations carried out in Colombia, Peru and Canada for the following business units:

- Pacific Stratus Colombia Energy Corp.
- Pacific Stratus Energy S.A Peru.
- Meta Petroleum Corp.
- C&C Energy Ltda.
- PetroMagdalena Energy Corp.
- Petrominerales Ltda.

GRI G4-17 Material aspects and boundaries

This report contains financial and operational information required by our stakeholders and details accomplishments achieved within our Sustainability and Shared Value Model through indicators that measure our performance. It also contains an account of the challenges that we have overcome year after year and a summary of the strategies implemented to maintain a cautious position in the industry given sustained low oil prices.

The information reported here is the result of continuous engagement with our internal and external stakeholders and focuses on the issues most relevant to our corporate strategy and our surroundings.

Additionally, this report is based on the G4 Guidelines of the Global Reporting Initiative and complies with the "in accordance" comprehensive option. It also includes our progress with respect to the implementation of the 10 principles of the Global Compact (COP Advanced). The information contained herein has been externally verified by Deloitte & Touche Limited.

Numbers in this report are presented in U.S. dollars.

This report was prepared in the Spanish language and subsequently translated into English. In the case of any differences between the English version and its translated counterpart, the Spanish version should be treated as the governing report.

Your opinions are welcome

The opinions of our readers and stakeholders are important to us and help improve our everyday management, communication and innovation in Sustainability and Shared Value Strategy. We invite you to send comments, suggestions and new ideas related to the matters contained in this report to the below email address:

 sustainability@pacific.energy

For more information about the Company, please visit our website:

 http://www.pacific.energy



WORDS FROM THE CEO

GRI G4-1, G4-2 Strategy and analysis

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WE CONTINUED TO FOCUS ON MAINTAINING AND OBTAINING OPERATIONAL EFFICIENCIES AND, ONCE AGAIN, REDUCED OUR COSTS

"I have the conviction that we are not only economic actors, but also changemakers in the societies in which we are immersed. As such, we are called upon to transmit and encourage a vision of integrity and ethics in our actions."

this without better safety standards, the support of society and the intention to protect our environment. We must not lose the drive and discipline to consistently meet the highest industry standards, and we must continue making responsible decisions that protect the pillars on which we have built our Company: our capacity to learn, the diversification of projects, flexibility, the transformation of the environment and the work and dedication of our team.

I have the conviction that we are not only economic actors, but also changemakers in the societies in which we are immersed. As such, we are called upon to transmit and encourage a vision of integrity and ethics in our actions. For this reason, I invite you to continue working energetically on this dream of making Pacific a key actor in the Latin American oil industry.

Enjoy the read,

RONALD PANTIN
CEO

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Welcome to our 2015 Sustainability Report, "Inspiring Energy." This is our Company's ninth year of operation, and may be the most challenging in our history because it is one in which we have reinvented ourselves in order to adapt to the current situation of the oil market.

Globalization means that the repercussions from changes on one side of the world are felt almost immediately on the other, making society – through technology, innovation and its own survival instinct ever more resilient as it evolves. An example of this is the ongoing low price of oil, where the use of technology to extract oil and gas from shale has altered the world's order and changed the rules of the game.

The current crisis is the result of an imbalance in the supply and demand equation. While the demand for oil at the global level has slowed, the United States has grown its domestic production and the Arab countries have continued their strategy to protect their market share.

This has contributed to the general increase of production by more than 2 million barrels per day, resulting in 0.9% growth for 2014. Although this demonstrates that oil continues to prevail over other energy sources with a share of 32.6% globally, the abrupt changes in supply and demand are leading companies to prepare for more challenging scenarios.

Today at Pacific, we are convinced that changes to the world's energy structure are occurring and will continue. Proof of these changes is that hydroelectric and renewable energies reached record shares of energy consumption: 6.8% and 2.5% respectively for 2015. Currently, less than ten countries consume more than 6 tonnes of oil equivalent per capita; however, as countries overcome development gaps, consumption will increase. Until renewable energy becomes a mass product, our sector is called upon to continue to supply to these markets.

Debt management and restructuring continue to be our greatest challenge; however, we continue to engage in direct and transparent communication with our creditors, including note holders, to find a mutually beneficial solution. This also applies to our strategic partners, suppliers and contractors, whom we are certain are working by our side to overcome the challenges of this scenario.

At the publication of this report, we had reached an agreement with banks and bondholders to restructure the debt by way of a debtor-in-possession financing. The restructuring transaction is currently underway and will be implemented by way of a plan of arrangement pursuant to a court-supervised process in accordance with the Canadian creditor protection law, the Companies' Creditors Arrangement Act (CCAA) and through recognition orders in Colombia and the USA.

In 2015, we achieved an average annual production of 154,472 boe/d from our assets in Colombia and Peru, including a marginal contribution from our latest addition: Block 192 in Peru. The Company reached the production guidance set for 2015 of between 150,000 and 156,000 boe/d, which represents modest growth compared to the numbers reported in 2014.

Additionally, we continued to focus our production portfolio on medium and light oil assets. Exploration discoveries were made in 2014 in the Colombian piedmont and, subsequently delineated in 2015; they ensured the short-term stability of our production. Notwithstanding the modest exploration activity carried out in 2015, we identified other light oil prospects similar to discoveries already made, which represents potential inventory for the drilling of development and delineation wells.

The variables that have characterized this crisis are building up their potential to change the world we live in and are challenging the capacity of this and future generations. Therefore, this is what the men and women who work for this Company have set out to do: regardless of the circumstances, we have not lost sight of the importance of giving purpose to what we have built by generating development, equality and social inclusion.

Our duty as suppliers of this raw material is to prioritize activities and aim towards business sustainability. We cannot achieve



WORDS FROM THE VICE PRESIDENT OF CORPORATE AFFAIRS

GRI G4-1, G4-2 Strategy and analysis

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8 One of the most disconcerting findings of the last few decades in Latin America, specifically in Colombia, is how 15 years of consecutive GDP growth can create stagnation and even an increase of the Gini coefficient. Even in Peru, where Gini has been in constant decline for the last 10 years, 22.7% of the population is still in poverty. The latter generates questions as to what the solution to this problem should be, as these facts challenge the idea that economic growth alone can improve the life of the common people and bring them out of poverty. At Pacific, we believe that companies should strive to create a greater and more lasting impact on communities by working together with local actors.

This reality becomes more evident in the low oil price environment that has changed the industry paradigm. It has obligated us to focus our efforts on transforming ourselves quickly and efficiently in order to continue to contribute to the development and progress of these territories.

Although our resources and capacities are substantially reduced compared with previous years, we maintain the conviction that together, we will move forward.

This year we decided to update our Social Investment Framework in order to face the new challenges of the industry and continue benefiting our stakeholders. This framework promotes alliances for common objectives and has as its final purpose the construction of competitive territories for local sustainable development. Both communities and authorities play a fundamental role in its execution. This new formula seeks to challenge traditional CSR notions of companies only looking to guarantee their licence to operate, and introduces citizens to the type of investments that they must demand from their local governments – sustainable solutions that can help meet sustainable development goals.

Additionally, and taking into account that many of our operations in Colombia and Peru are located close to ethnic minorities, we built an Ethnic Social Investment Framework with the objective of conserving cultural heritage and protecting, respecting and strengthening traditional practices. This framework was built from the needs identified within these communities, and has been a fundamental tool to mitigate impacts that these adaptation and intercultural coexistence processes may cause.



AT PACIFIC, WE BELIEVE THAT COMPANIES SHOULD STRIVE TO CREATE A GREATER AND MORE LASTING IMPACT ON COMMUNITIES BY WORKING TOGETHER WITH LOCAL ACTORS.

2015 ACHIEVEMENTS

This year, our Board of Directors differentiated itself from its competitors by including a woman as an independent member. With Mónica de Greiff's appointment as an independent director, Pacific has become part of the select group of companies in the sector that include women within its board. Within the top 100 companies in the oil and gas industry, only 11% of board seats are occupied by women. This change has had a direct impact on the composition of our Sustainability Committee, which today includes de Greiff, Francisco Sole and Hernan Martinez as independent directors.

In addition to this big step, and with an awareness of our opportunity to contribute to greater social equality both internally and externally, we were the first Company in the hydrocarbon sector to receive the Recognition of Commitment to Labour Equality (Level I) after having fully complied with the first phase of the Labour Equality Seal developed by the Colombian Ministry of Labour and the United Nations Development Programme ("PNUD"). This recognition is a demonstration of our firm intention to comply with the corporate value of Diversity and Inclusion, going beyond our obligations to create Shared Value to become a leader and referent on these matters in the industry.

At the end of 2015, the Colombian government presented its first report on the payment of taxes and royalties before the international organization EITI, an effort in which we participated actively. The report, based on activities carried out in 2013, shows that Pacific contributed more than 913 billion pesos for the year, apart from the 46,800 barrels per day in royalties paid in kind. With this exercise we reaffirmed our commitment to transparency and accountability to civil society.

Additionally, we were included for the third consecutive year in the Dow Jones Sustainability Index North America, and for the first time we were selected as one of the 50 Best Corporate Citizens in Canada. For

14 years, this ranking has measured the performance of companies on 12 sustainability metrics, including, among others, emissions of greenhouse gases, health and safety and transparency. In one year, our Company rose 34 positions and became part of the top 50 most sustainable companies.

PEACE BUILDING IN COLOMBIA

During 2015, we witnessed great efforts to build a society with peace, equality and education – a society that can focus on closing gaps, that allows reconstruction of a social fibre previously diminished by conflict and drug trafficking, and that guarantees the construction of a new Colombia with tolerant citizens that understand that there is room for all.

We, the leaders of the corporate sector, have a great responsibility. We are responsible not only as contributors of economic resources that can build peace, or as generators of employment at the national and regional level, but as changemakers within the surroundings in which we operate, and as generators of a positive impact that contributes to social, economic and environmental progress in all corners of the country.

Today, Pacific is one of the largest companies in Colombia and maintains a presence in the regions most affected by internal conflict, such as the departments of Meta and Casanare, among others. We are committed, along with the public sector and civil society, to be the flag-bearer of an educated, healthy and equal society in which economic growth is constant. An example of this is the work we carried out with the Business for Peace initiative, where our practices were included in the guide to operate in environments previously under conflict and now in transition towards peace. You will find these and other achievements throughout our Report.

Enjoy the read,



FEDERICO RESTREPO
VICE PRESIDENT OF CORPORATE AFFAIRS

WE REMAINED IN THE DOW JONES SUSTAINABILITY INDEX FOR THE THIRD YEAR IN A ROW.

² Frequency (monthly, quarterly, bi-yearly or annually) of our involvement depends on the stakeholder's characteristics, our relationship with the stakeholder, and issues at hand. Notwithstanding this, Pacific maintains constant relations with its internal and external stakeholders.



PACIFIC IN THE WORLD

GRI G4-4, G4-7, G4-8 Organizational profile

PACIFIC IS A CANADIAN PRODUCER OF NATURAL GAS AND CRUDE OIL, WITH THE FOLLOWING SUBSIDIARIES:

- Meta Petroleum Corp., which operates the Quifa heavy crude field in the Llanos Basin, Colombia
- Pacific Stratus Energy Colombia Corp., which operates La Creciente natural gas field in Sucre, Colombia
- Petrominerales Ltd., which owns light and heavy crude assets in Colombia and gas assets in Peru
- PetroMagdalena Energy Corp., which owns light crude assets in Colombia
- C&C Energy Ltd., which owns light crude assets in the Llanos Basin in Colombia

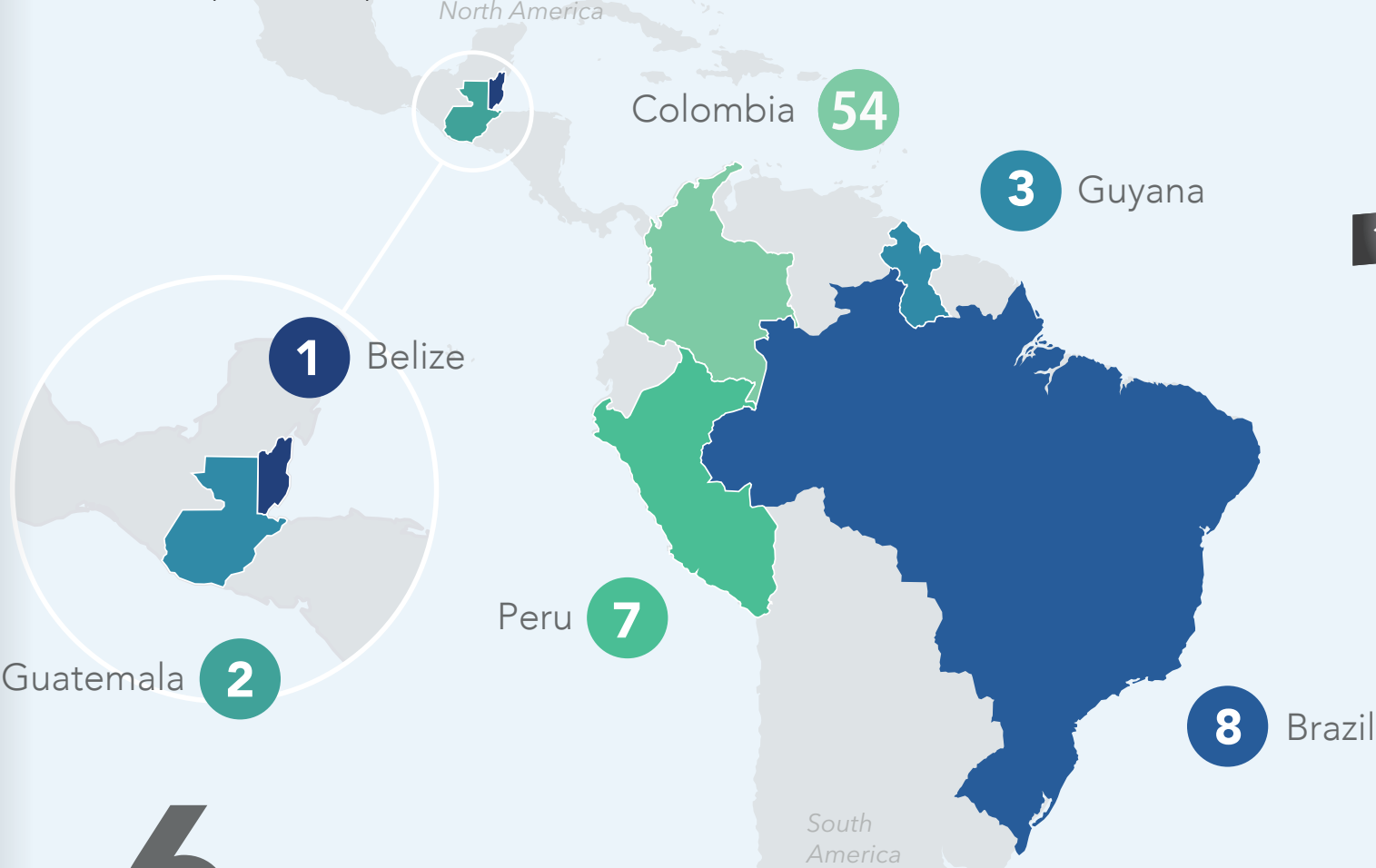


In addition, the Company has a diversified asset portfolio beyond Colombia that includes production and exploration assets in Peru, Guatemala, Brazil, Guyana and Belize.

OUR OPERATIONS

GRI G4-6 Organizational profile

In 2015, our exploration and production assets were located in:



6
COUNTRIES
75
BLOCKS

Note: Information updated to February 2016

ADDITIONALLY, WE
HAVE A PRESENCE IN
PANAMA

PACIFIC IN NUMBERS

GRI G4-9 Organizational profile

IN 2015, WE EMPLOYED A TOTAL OF 2,757 PEOPLE, INCLUDING



658 FEMALE EMPLOYEES



2,099 MALE EMPLOYEES



Between 2014 and 2015, our employee headcount was reduced by **7.7%** due to the impact of the sustained low oil price environment on our operations.



1556 contractor companies sustain the operations of our oil fields.



OPERATIONAL RESULTS:

- Net production after royalties for the full year totalled **154,472 boe/d**, a **5%** increase, compared with **147,423 boe/d** for 2014 and within the Company's guidance for the year of **150,000-156,000 boe/d**. In the fourth quarter of 2015, average daily net production after royalties increased to **159,831 boe/d**, an increase of **9%** compared to the same period in 2014.
- In 2015, the Company was able to maintain stable production levels in the Rubiales Field despite expected declines due to depletion. The Company continued to optimize wells and facilities to maximize production while minimizing capital expenditures and only drilling a minimum number of wells. **Rubiales Field production comprised 35% of the net production for the year ended December 31, 2015.**



FINANCIAL RESULTS:

- Revenue decreased to \$2,825 million compared to \$4,950 million in 2014**, reflecting the nearly **45%** year-on-year decline in realized crude oil prices. Revenue for the fourth quarter of 2015 decreased to **\$652 million** compared with **\$992 million** for the same period in 2014, also due to the lower realized prices but partially offset by higher volumes sold in the period.
- In 2015, revenue included \$290 million in realized gains from oil hedging contracts entered into in 2014** and early 2015, helping to support the Company's realized prices above market rates during the year.
- Average oil and gas sales (including trading) for the year were **159,113**

boe/d, 1% higher than 158,026 boe/d in 2014.

- Combined operating netback on oil and gas for the year was \$25.55/boe, 53% lower than the \$54.84/boe in 2014.** The decrease was mainly attributable to the decline in market prices for crude oil, partially offset by the reduction in combined operating costs achieved during the year.
- The Company's average sales price per barrel of crude oil and natural gas was **\$48.51/boe** for the year and **\$41.22/boe** for the fourth quarter of 2015, down from **\$85.35/boe** and **\$65.64/boe**, respectively, in 2014.
- G&A expenses decreased to \$221 million in 2015 from \$361 million in 2014** as the Company continues to maintain its drive to control G&A and all non-essential spending and activities in light of the precipitous decrease in oil prices.
- Adjusted EBITDA for the year was \$1,031 million and Funds Flow was \$579 million.** Adjusted EBITDA and Funds Flow were **58%** and **71%** lower, respectively, compared with 2014.
- Net loss for the year was \$5,462 million, largely due to the \$4,907 million non-cash impairment charge** taken mainly on oil and gas assets and exploration expenses, reflecting the significant decline in crude oil prices.

- Cash flow from operations in 2015 was **\$220 million**, compared with **\$2,104 million** in 2014.
- Total capital expenditures decreased to **\$726 million** in 2015 compared with **\$2,382 million** in 2014. Capital expenditures will continue to approximately match cash flow, with spending mainly focused on high-impact and low-risk development work.



ADDITIONAL RESULTS:

- Total 2P certified net reserves after royalties were 290.8 MMboe as at December 31, 2015, 43% lower compared with 510.9 MMboe as of December 31, 2014.** Proved reserves ("1P") were **197.8 MMboe** as of December 31, 2015 compared with **315.0 MMboe** as of December 31, 2014. The decrease in 2P reserves was primarily attributable to economic factors and technical revisions.
- Fifteen exploration wells (including 11 appraisal wells) were drilled, resulting in three discoveries and the confirmation of ten other previous discoveries. This means a total of 13 discoveries or an 87% success rate.** Exploration activity during the year was primarily focused on the Central and Deep Llanos in Colombia which added an average of **14,591 bbl/d** of light oil production in 2015.
- On December 28, 2015, the Company obtained waivers of the debt leverage and net equity covenants** under its **\$1 billion** Revolving Credit Facility and the Bank of America, HSBC, and Bladex credit facilities.
- The Company has also breached several minimum credit rating covenants** in certain operational agreements it has entered into as a result of downgrades of the Company's credit ratings during 2015, although waivers relating to these covenants have been granted for various limited periods.
- The Company has entered into a comprehensive financial restructuring transaction with certain of its creditors

and The Catalyst Capital Group Inc. It is anticipated that this restructuring transaction will significantly reduce debt, improve liquidity and best position the Company to navigate the current oil price environment. The restructuring transaction will be implemented by way of a plan of arrangement pursuant to a court-supervised process under the Canadian Companies' Creditors Arrangement Act (CCAA).

- The Company intends to remain current with its suppliers, trade partners and contractors. Normal operations continue in Colombia and the other jurisdictions within which the Company operates.** The Company's audited consolidated financial statements for the year and quarter ended December 31, 2015 provide no certainty as to the ability of the Company to successfully restructure its long-term debts, amend operating agreements to the extent necessary to eliminate credit rating covenants, and obtain new financing should the low crude prices persist. Accordingly there is a continued concern of the material uncertainty that may cast doubt on the ability of the Company to continue as a going concern.

THE IMPACT OF OUR VALUE CHAIN

GRI G4-9, G4-12 Organizational profile

At Pacific, we aim to continue to be a trendsetting Company within the oil and gas industry in Latin America, in order to deliver the primary materials that our clients and other companies around the world transform into energy and services for society.

We mainly cover the upstream business segment, for which we have specialized work teams dedicated to the identification of opportunities, creation and implementation of new oil and gas exploration and production technologies and development of infrastructure for the transportation of crude and gas from our assets to the ports where they are shipped to our clients. In the current industry climate, this process is designed to assure efficiency and sustainability.

We are aware of the impact that our value chain has at the economic, social and environmental levels, and we are dedicated to ensuring that all pieces of our business are aligned with the highest sustainability standards and that all activities we undertake generate value for the Company and our stakeholders, without exception.

NEW BUSINESS

The Company values sustainable growth and is always searching for new business opportunities. Through a comprehensive analysis, we determine the business's development viability – we compile technical, financial, legal and socio-environmental information on the opportunity and calculate its net present value and potential commercialization. This is not an easy task considering the effects of sustained price volatility on the Company's surroundings.

PACIFIC ACQUIRED THE REMAINING 50% WORKING INTEREST IN THE CPE-6 BLOCK IN COLOMBIA

The Company, through its wholly owned subsidiary Meta Petroleum Corporation, reached an agreement on December 17, 2015 with Repsol S.A. ("Repsol") to acquire the remaining 50% working interest held by Repsol in the CPE-6 Block in Colombia.

trend, approximately 70 kilometres southwest of the Rubiales and Quifa SW heavy oil fields operated by the Company.

The CPE-6 Block is located in the highly prolific southern Llanos Basin of Colombia and covers an area of approximately 240,000 hectares lying along the regional heavy oil

OPERATIONAL AGREEMENT FOR BLOCK 192 IN PERU

Through its wholly owned subsidiary, Pacific Stratus Energy del Peru S.A., the Company was awarded a two-year contract to operate Block 192 by Perupetro S.A. and initiated operations on August 30, 2015.

This is the largest producing oil block in Peru and it is located in the highly prolific Northern Marañon Basin, adjacent to the Peru-Ecuador international border. The block has been in production for 40 years and had cumulative production of 725 MMbbl at the end of 2013. It has a production capacity of approximately 12,000 bbl/d and represents 17% of Peru's total oil production.

The Company's remuneration under the agreement is based on an R-factor calculation, which gives the Company a larger percentage of initial production and declines as the investment is recovered.

In total, we own seven exploration and production blocks in Peru, and we continue to look towards the development of the Peruvian oil and gas industry with opportunity and growth in mind. Peru is one of the countries in Latin America that is strongly leading the promotion of the industry.

OPPORTUNITIES IN MEXICO

The Company signed a Memorandum of Understanding ("MOU") with Pemex to jointly explore oil & gas in Mexico, establishing the basis for discussions and analysis of potential oil and gas cooperation there. In addition, the Company entered into an agreement with ALFA to create a joint venture that would allow the joint study, bidding or negotiation, acquisition and development of oil, gas and midstream assets in Mexico.

Throughout 2015, the Company worked actively in the first three phases of Round 1. In Phase 1, Shallow Water Exploration, the team evaluated 14 blocks, 4,412 kilometres of 2D seismic, 12,000 square kilometres of 3D seismic and 32 wells. In Phase 2, Shallow Water Extraction, we reviewed the information for five blocks, 1,000 kilometres of 2D seismic, 8,067 square

kilometres of 3D seismic and 17 wells. In Phase 3, Onshore Exploitation, the Company analyzed 25 blocks, 70,588 kilometres of 2D seismic, 430 square kilometres of 3D seismic and 714 wells.

The Company will continue to assess the opportunities available to invest in Mexico.

LAS QUINCHAS HOLDING CORP. SALE

On November 20, 2015, Pacific Stratus International Energy Ltd. signed a share purchase agreement with Valle Energy Inc. relating to the sale of Las Quinchas Holding Corp. The closing date for this transaction was December 18, 2015.

FARM-OUT OFFERING PORTFOLIO OPTIMIZATION

After an internal evaluation of the corporate portfolio of assets, the Company identified which blocks did not fit with its strategy, and in 2015 we initiated the offering process with interested parties. Offers have been received and are currently being evaluated in the context of the current oil market.

EXPLORATION

At Pacific, we are continuously developing new technologies that enable us to discover our oil and gas assets at a higher rate and in a more cost-effective and efficient manner.

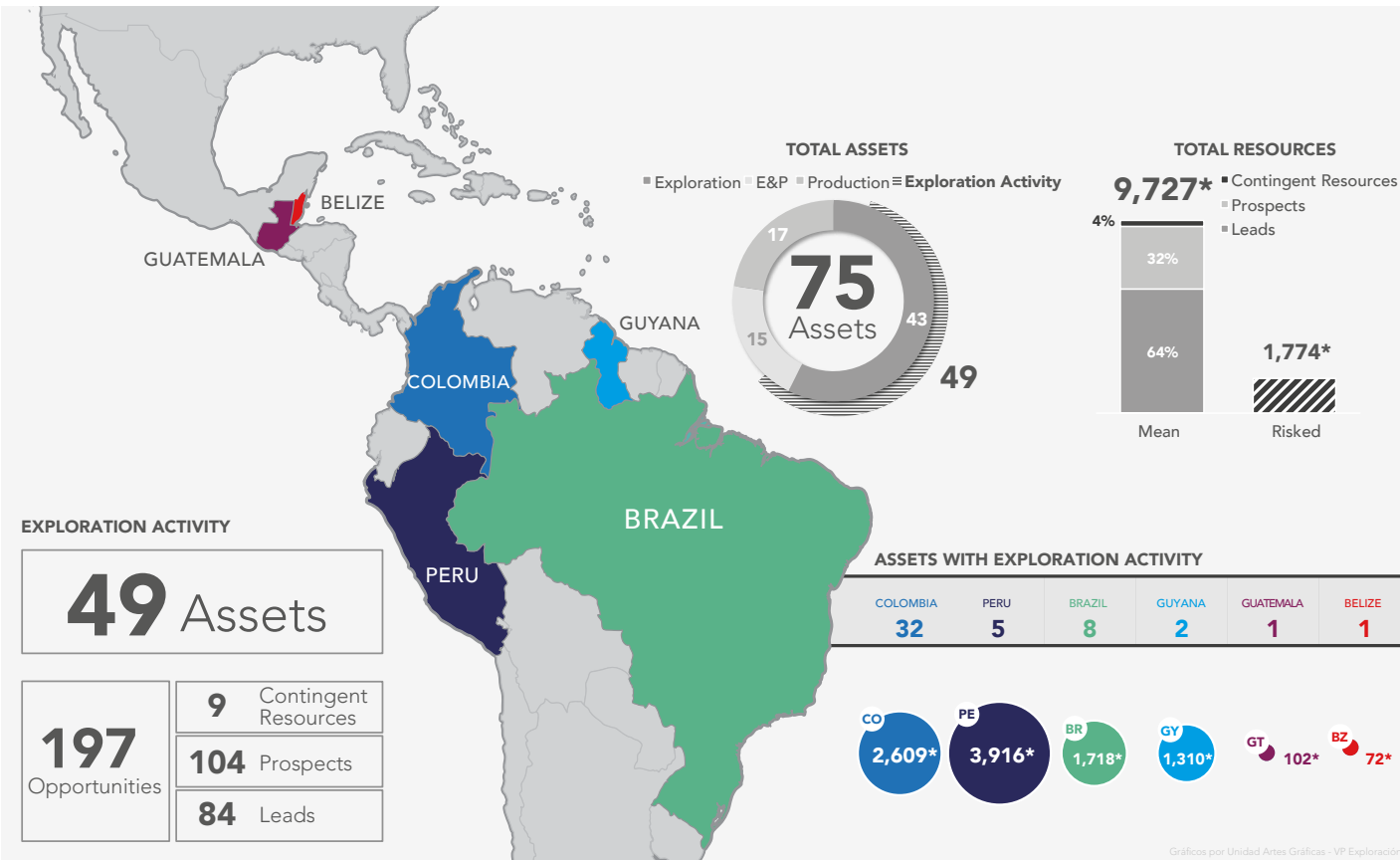
This process of exploration starts with the acquisition of data and culminates in the drilling of stratigraphic wells, the processing of seismic interpretation to evaluate and prioritize opportunities and the exploration drilling and analysis of results, which includes determination of the number of reserves and progress towards production.

Exploration activity in 2015 was primarily focused on the Central and Deep Llanos in Colombia, and added an average of 14,591 bbl/d of light oil production.

During 2015, the Company drilled or was a partner in fifteen exploration and appraisal wells in Colombia, Brazil, Peru and Papua New Guinea, resulting in three discoveries and the confirmation of ten other previous discoveries for a total of 13 discoveries, or an 87% success rate. During the fourth quarter of 2015, no drilling activity was performed.

	Year Ended December 31	
	2015	2014
Successful exploration wells	5	15
Successful appraisal wells ⁽¹⁾	8	24
Successful stratigraphic wells		4
Dry wells	2	13
Total	15	56
Successful rate	87%	77%
<small>1. Include horizontal appraisal well.</small>		

EXPLORATION OPPORTUNITIES



PRODUCTION

The heart of our business is to generate high levels of production in a quick, efficient and sustainable manner while meeting the highest degree of health and safety standards. Currently, we have a diversified portfolio of light, medium and heavy oil and gas.

PRODUCTION REMAINED STABLE IN 2015 IN COLOMBIA AND PERU, INCLUDING A MARGINAL CONTRIBUTION FROM THE LATEST ADDITION OF BLOCK 192 IN PERU. DESPITE THE DEPLETION IN PRODUCTION LEVELS AT THE RUBIALES FIELD AS PREVIOUSLY EXPECTED, PRODUCTION WAS WITHIN THE COMPANY'S GUIDANCE OF 150 TO 156 MBOE/D FOR 2015, REPRESENTING MODEST GROWTH OVER 2014.

In 2015, net production after royalties and internal consumption totalled 154,472 boe/d, representing an increase of 7,049 boe/d (4.8%) from the average net production of 147,423 boe/d reported in the previous year. Average net production for the fourth quarter of 2015 reached 159,831 boe/d, 9% higher than the 147,075 boe/d for the same quarter of 2014.

We have significantly increased our light and medium oil production through targeted acquisitions and exploration discoveries. During 2015, light and medium net oil production totalled 57,022 bbl/d, increasing 16% in comparison with 2014. Part of the increase corresponds to production from Block 192 in Peru, which became part of the Company on August

30, 2015. Heavy oil production from the Quifa and other fields also increased by 21% during 2015 compared with 2014. Light and medium oil and heavy crude oil production (excluding the Rubiales field) now represents 37% and 22% respectively of total net oil and gas production, while production from the Rubiales field represents 35% of the total net production, down from 41% in 2014.

PACIFIC, BEYOND THE RUBIALES FIELD

In 2015, Pacific and Ecopetrol amicably agreed not to extend the contracts for the Rubiales and Piriri fields that expire on **June 30, 2016**. In addition, last October, Ecopetrol informed Pacific that, once the contracts end, Ecopetrol will directly assume the area's operation.



Although Rubiales represented 100% of the Company's reserves in its early years, the field currently represents only 9% of Pacific's reserves.

BY DECEMBER 31, 2015, RUBIALES FIELD PRODUCTION COMPRISED 35% OF THE NET PRODUCTION.

This highlights our successful strategy for diversifying our production base, which has

increased significantly thanks to selective strategic acquisitions and light and medium crude exploration discoveries such as the Quifa field and Block 192 in Peru.

Pacific recognizes that the Rubiales field represented the base for the Company's growth, mainly due to the commitment, knowledge and experience of the team that made Rubiales the largest producing field in Colombia. Currently, the Company is implementing the

Rubiales Field Transition Plan to ensure the fewest possible disruptions to employees and the operation once the contract ends in June 2016.

SUPPLY AND TRANSPORT



Pacific's assets are located in remote locations, which has required us to develop infrastructure to transport our product to the pertinent ports in a quick and efficient manner and in compliance with our clients' requirements.

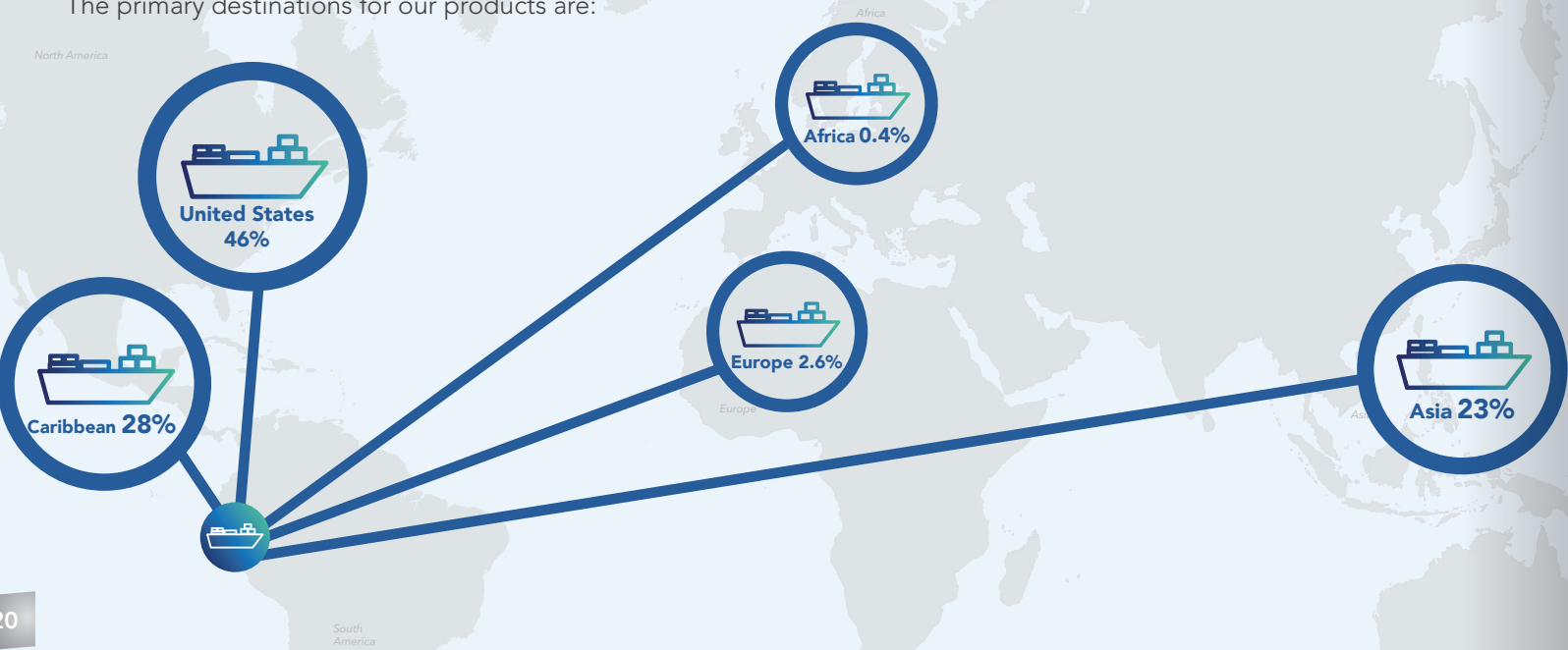
In 2015, we focused on implementing a successful transport and supply strategy, which enabled us to manage a challenging year marked by cost reductions to maintain the Company's cash flow. It also helped us avoid an impact on our production by planning alternatively for attacks from illegal groups that target oil infrastructure. To learn more about the most significant achievements during this process, please see the "Supply and Transport" part of the "We Operate with Excellence and Efficiency" section in this report.

SALES AND EXPORTS

The high quality of the crudes that come from Pacific’s fields, in addition to our commitment to compliance with our clients, allows us to maintain positioning in international oil markets with both an excellent reputation and strong commercial relations with the principal actors.

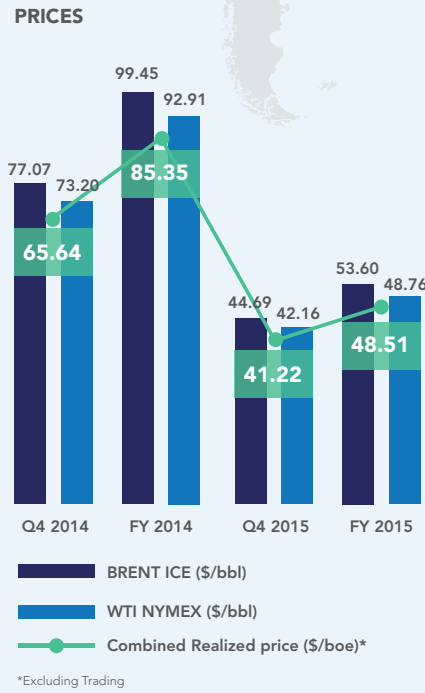
Our geographical location allows us to easily distribute our product to international markets.

The primary destinations for our products are:



SALES, TRADING AND PRICING

The following table highlights the average daily crude oil and gas available for sale, and the respective realized and international prices:



	Average Volume of Sales and Prices			
	Year Ended		Three Months Year Ended	
	Dec-31	Dec-31	Dec-31	Dec-31
Colombia and Peru	2015	2014	2015	2014
Oil (bbl/d)	144,985	136,324	161,918	139,247
Gas (boe/d)	9,211	10,319	10,541	10,125
Trading (bbl/d)	7,307	12,085	889	14,237
Total barrels sold (boe/d)	161,503	158,728	173,348	163,609
Sales from E&E assets (boe/d) ⁽¹⁾	(2,390)	(702)	(1,420)	(2,164)
Net barrels sold (in boe/d)	159,113	158,026	171,928	161,445
Realized prices				
Oil realized price (\$/bbl)	49.56	89.46	41.86	68.27
Gas realized price (\$/boe)	32.28	31.27	31.43	29.97
Combine realized price oil and gas (\$/boe) (excluding trading)	48.51	85.35	41.22	65.64
Trading realized price (\$/bbl)	51.16	91.51	40.89	78.32
Reference Market Prices				
WTI NYMEX (\$/bbl)	48.76	92.91	42.16	73.20
ICE BRENT (\$/bbl)	53.60	99.45	44.69	77.07
Guajira Gas price (\$/Mmbtu) ⁽²⁾	5.17	5.65	5.44	5.67
Henry Hub average Natural Gas price (\$/Mmbtu)	2.63	4.26	2.23	3.83

1. Includes sales from exploration and evaluation assets.
2. The domestic natural gas sales price is referenced as the Market Reference Price ("MRP") for gas produced at La Guajira field. Reference: Official circulars 002 and 090 of 2014, the Energy nad Gas Regulatory Commission ("CREG"), and bulletin 060 of 2015, Market Operators of Natural Gas.

OUR CORPORATE GOVERNANCE

GRI G4-34 Governance

Pacific is committed to upholding the highest standards of corporate governance and complies with all applicable rules and regulations set forward by the exchanges on which the Company's securities are listed.

The Company's Board of Directors delegates certain responsibilities to the following standing committees:

- Audit Committee
- Compensation and Human Resources Committee
- Corporate Governance and Nominating Committee
- New Business Opportunities Committee
- Reserves Committee
- Sustainability Committee

THE BOARD OF DIRECTORS

The following was our board of directors as of December 31, 2015:

EXECUTIVE CO-CHAIRMAN AND DIRECTORS

SERAFINO IACONO - MIGUEL DE LA CAMPA

CEO

RONALD PANTIN

INDEPENDENT DIRECTORS

ORLANDO ALVARADO* ALEJANDRO BETANCOURT* MÓNICA DE GREIFF* AUGUSTO LÓPEZ - HERNÁN MARTINEZ - RAÚL MILLARES* DENNIS MILLS - FRANCISCO SOLÉ - JOSÉ DE JESÚS VALDEZ*

* NEW MEMBERS

Note: At the publication of this report, the representatives of Alfa S.A.B DE C.V and O'Hara Administration Administration had resigned from the Board of Directors.

For profiles on members of our Board of Directors and more information on our corporate governance policies and practices, please visit:

<http://www.pacific.energy/en/corporate-structure>

OUR SUSTAINABILITY COMMITTEES

GRI G4-35, G4-42 Governance

At the Board of Directors Level

In 2015, our Sustainability Committee renewed its membership and appointed Mónica de Greiff, Augusto López and Hernan Martínez, all independent directors.

It was decided that Pacific would focus on establishing a sustainability strategy to ensure our compliance with the various commitments and standards to which we adhere. The committee will continue to focus on contributing to corporate objectives despite the current low oil price environment. The primary goals of the Company's sustainability strategy are:

1. To efficiently use its social investment budget and align with local public and private sectors to increase impact and promote sustainability.
2. To continue to comply with all components of mandatory and voluntary standards to which we adhere.
3. To continue to engage with stakeholders in a transparent and timely manner, and inform them of all changes and activities undertaken by the Company concerning social and environmental policies and issues.

At the management level

In 2015, our Sustainability Committee at the management level developed the following activities:

1. Launched the "Being Pacific" strategy and the "Only One Voice" digital platform which was aimed at transforming our employees into Pacific brand ambassadors through unifying key messages of the Company. These initiatives also emphasized the importance of transparent discourse with Pacific's stakeholders.
2. Developed a pilot project with the International Finance Corporation's ("IFC") Financial Valuation Tool ("FV") directed at social investment. This tool allows the Company to analyze its social responsibility initiatives under a financial framework and prioritize investments, design programs to scale, identify investment times, and measure and evaluate the effectiveness of our investments.
3. Created four work sub-groups within the committee to make advances in the issues defined as priorities by the Company.

The four sub-groups are to meet once a month to discuss the following: scalability of the financial evaluation tool to other fields of operation, engagement strategies between ethnic groups and the Company, strategies to strengthen local suppliers and strategies for leveraging royalties for the implementation of social projects in the areas in which the Company operates. Throughout 2016, these subgroups will continue to meet and present the results at future plenary sessions. The results of these continued advancements will be included in our next sustainability report.

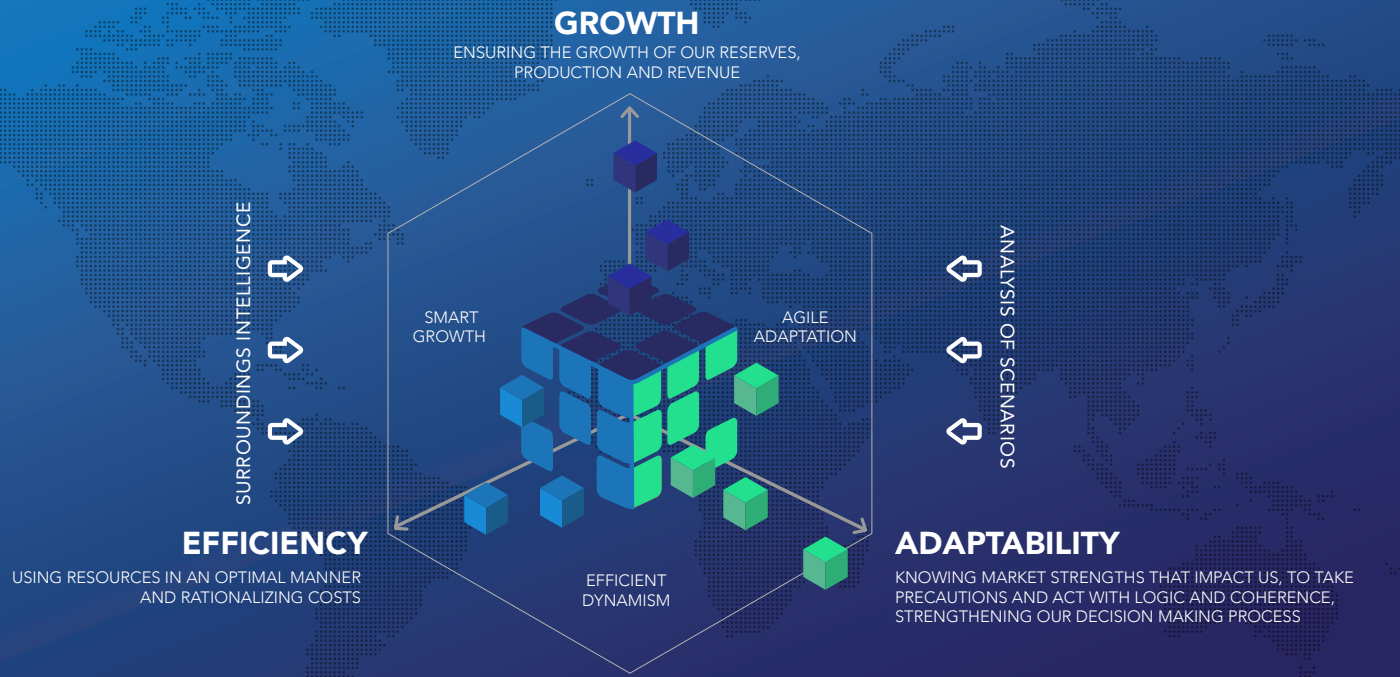
OUR STRATEGY

PACIFIC E&P'S VISION: LEADER IN HYDROCARBONS

Pacific aspires to be the leading oil & gas exploration and production Company in Latin America in terms of reserves, production and value generation. It also aspires to be acknowledged for its contribution to the sustainable development of its surroundings.

Through this vision, Pacific proposes the creation of value with its stakeholders in order to build a mutually beneficial vision that will make us all more competitive. With this commitment, the Company will work on the creation of opportunities for present and future generations, producing extraordinary results aimed at the construction of proactive and innovative solutions based on the needs of the environment in which it operates.

The value-generating model is based on three principles:



Pacific aims to create value at all levels of its organization through the development of processes aligned with its corporate strategy, as well as through adaptation, innovation, organizational structure based on business units and a corporate group. Additional drivers include creating shared value, rationalizing costs and developing talent.

OUR SUSTAINABILITY AND SHARED VALUE MODEL

GRI G4-25, G4-26 Stakeholder engagement

During 2015, we continued to focus our efforts on the **seven commitments outlined** below. These are our value promises towards internal and external stakeholders by which we contribute to our strategic intention.

Through a continuous engagement with our internal and external stakeholders, a risk and opportunity analysis and the international situation in 2015, which drove us to adapt to new scenarios, we modified our **“We contribute to the sustainable development of communities”** vision of success. This vision is aimed at continuing to work hand in hand with communities and local authorities in the development of territories, even in a low oil price environment.

OUR 7 COMMITMENTS ARE:

WE OPERATE WITH EXCELLENCE

We seek to create a legacy of high exploration and production success rates while maintaining high occupational health and industrial safety standards. We are continually searching for initiatives to make us more efficient in both high and low oil price environments.



WE ACT CONSISTENTLY AND TRANSPARENTLY

We know that accountability and transparency foster continuous improvement and innovation. These actions strengthen trust in the Company, allowing us to build upon a positive reputation with our stakeholders and the public.



WE WORK IN HARMONY WITH THE ENVIRONMENT

We are aware of the environmental impact of our operations. Consequently, we focus on protecting our surroundings, operating without compromising its future, and strengthening positive impacts.



WE CONTRIBUTE TO THE SUSTAINABLE DEVELOPMENT OF COMMUNITIES

By working jointly and constructively with communities and authorities, we can contribute to the development of competitive territories and local sustainable development. Our social investment directed at ethnic groups has a differential approach.




WE RESPECT AND PROMOTE HUMAN RIGHTS TO BUILD TRUST AND LEGITIMIZE THOSE RELATIONSHIPS

We know it's our duty to respect and promote the integrity of the individuals with whom we interact, and that it is imperative to build trust and legitimacy in those relationships.




WE HAVE THE BEST TALENT

We are an organization of individuals who value our society and the communities in which we are involved, and we put our heart into everything we do.



WE PROMOTE A SUSTAINABLE SUPPLY CHAIN

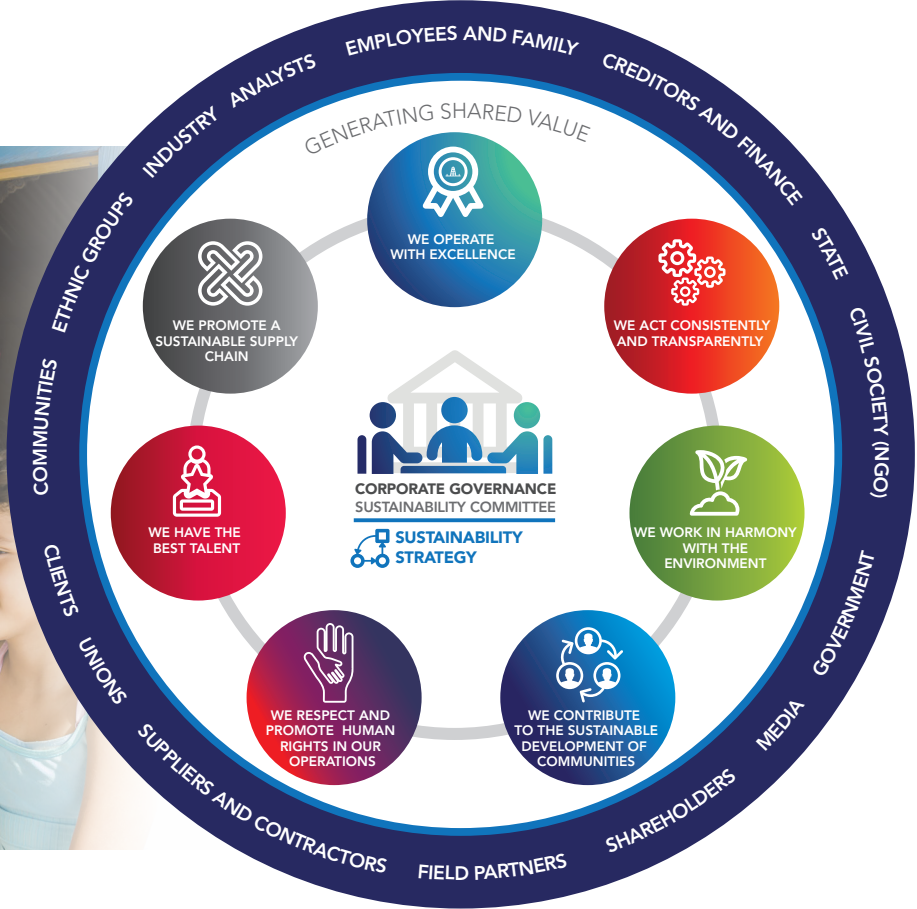
We know that collaborating with our strategic partners is the key to success.



OUR STAKEHOLDERS

GRI G4-25, G4-26 Stakeholder engagement

GRI G4-24 Material aspects and boundaries



Through an exercise of analysis and prioritization of stakeholders and taking into account the definition of stakeholder provided by the AA1000 Norm ("AAN"), those individuals, groups or organizations that were affected and/or may be affected by an association to an organization, we included in 2015 our creditors and financial entities within our priority groups.

During the last year, and given the conditions of the oil market, our interactions with this group increased significantly. Our objective was to guarantee a proper accountability process aligned with the quick and drastic changes the industry went through this year, to have an effective and transparent response capacity and to reach agreements to minimize impacts on both parties.

OUR MATERIAL ISSUES

GRI G4-18 Material aspects and boundaries

At Pacific, we focus on 31 material issues that comprise our Sustainability and Shared Value Model. In 2015, after a thorough internal and external materiality analysis, we made the following changes:

- For the **“We contribute to the sustainable development of communities”** commitment, we decided to focus on the creation of competitive territories to help facilitate sustainable local development. To this end, we focused on the following issues:

- Human Capital Development:** Developing human capital through education to create capable communities that support sustainability and the progress of their territories.
- Productivity of the Local Economy:** Creating a local system that generates revenue and employment for the territory and viable, profitable and sustainable companies in the long term.
- Local Social and Institutional Strengthening:** Creating strong and articulate social and institutional fiber, which enhances the existence of organized local communities and efficacious institutions that are responsive to the needs of the territories.
- Quality Infrastructure:** Extending and improving infrastructure of the communities in our areas of direct influence to leverage other commitments within the social investment framework and contribute to their sustainability.

¹ Frequency (monthly, quarterly, bi-annually or annually) of our involvement depends on the stakeholder's characteristics, our relationship with the stakeholder, and issues at hand. Notwithstanding this, Pacific maintains constant relations with its internal and external stakeholders.

OUR 2015 RECOGNITIONS AND HIGHLIGHTS

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

FOR THE THIRD CONSECUTIVE YEAR, WE HAVE BEEN INCLUDED IN THE DOW JONES SUSTAINABILITY INDEX NORTH AMERICA. WE SCORED 66 POINTS, WHILE THE INDUSTRY AVERAGE WAS 47 POINTS AND THE AVERAGE SCORE FOR NORTH AMERICA WAS 59 POINTS.

EO100 STANDARD RE-CERTIFICATION:

This is the only multi-party certification system that evaluates social responsibility and environmental practices at oil and gas exploration and production sites. In 2015, the Company's Quifa and Rubiales fields both received a score of 100/100, indicating that the Company uses the best practices in the industry in terms of social and environmental performance. **In addition, the production facilities received a qualification of "EO Leadership Bronze Category"** as the operations exceeded the basic level of performance and demonstrated best practices in the six principles measured by the standard. Deloitte Colombia carried out the external audit for this certification. A complete report can be found at <http://www.equitableorigin.com>.

CORPORATE KNIGHTS BEST 50:

The Company was included among Canada's 50 best corporate citizens, a ranking which has been measuring the performance of companies for 14 years. In 2015, the Company moved up 34 positions on this list and was selected as one of the Best 50 Corporate Citizens in Canada. Rankings are based on 12 sustainability categories, including but not limited to: emissions of greenhouse gases, health and safety, and transparency.

MICRO-BUBBLING TECHNIQUE. ACCENTURE PRIZE NOMINEE FOR INNOVATION:

With the objective of being cost-efficient, the Company developed an innovative technique known as "micro-bubbling," which consists of carrying out continuous injections of microbubbles into dehydration tanks, helping the oil rise to the surface and separate from the water.

Due to its excellent results, the micro-bubbling technique has been patented and was nominated for the 2015 Accenture Prize for Innovation.

RECOGNITION FOR THE COMMITMENT TO LABOUR EQUALITY:

In 2015, we received the Recognition for Commitment to Labour Equality (Level I) **for fully complying with the first phase of the Labour Equality Seal developed by the Colombian Ministry of Labour and the United Nations Development Programme ("PNUD").** The Company became the first oil and gas corporation in Colombia to obtain this status.

ANDESCO EFFICIENCY ENERGY PRIZE:

During the 17th Andesco Public Services Congress, "TIC and TV", the Company was awarded the Energy Efficiency Prize in the Industry and Services category. This was for **implementation of an energy efficiency energy system for injection processes for residual production waters at the Rubiales and Quifa fields.**

RECOGNITION IN THE "AUDITING IMPLEMENTATION OF VOLUNTARY PRINCIPLES ON SECURITY AND HUMAN RIGHTS" DOCUMENT:

The Company was recognized by the Canadian Global Compact network for its proactive engagement with stakeholders and training in human rights for public and private security services.

THE GLOBAL COMPACT'S BUSINESS FOR RULE OF LAW ("B4ROL"):

The Company was recognized by the UN Global Compact for its business practices related to its engagement with stakeholders. **The initiative was designed to guide and contribute to how companies can perform voluntary actions that will strengthen the legal framework of their operational areas and their interactions with local stakeholders, without replacing the role of the State.**

PACIFIC WAS RECOGNIZED AT THE XI COLOMBIAN CONGRESS ON OBESITY:

Pacific is one of the first companies in Colombia to be certified as a Healthy Organization and was recognized at the Colombian Obesity Congress. **The Company is committed to providing its employees with programs aimed at promoting their health and wellbeing. To date, the Company has implemented its own risk management system for cardiovascular disease and other chronic non-transmissible diseases.**

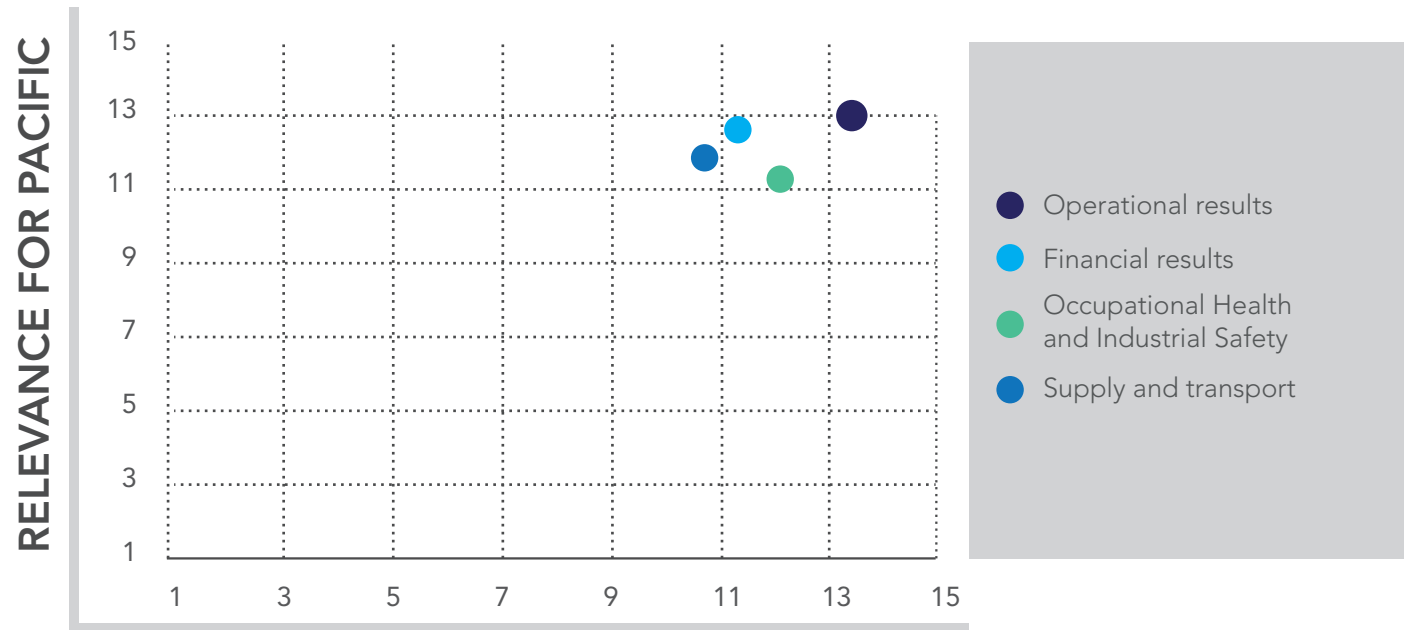


WE OPERATE WITH EXCELLENCE

GRI G4-19, G4-20, G4-21, G4-27
Material aspects and boundaries

At Pacific, we work tirelessly to obtain the best results at the operational level. This allows us to differentiate ourselves from our competitors and create a wide and efficient exploration portfolio. It also increases our market share and ensures efficiency, profitability and the highest health and safety standards.

In 2015, our material analysis with internal and external stakeholders resulted in the following:



EXPECTATIONS OF OUR SURROUNDINGS

External Stakeholders: Field partners, suppliers and contractors, shareholders, State, media, analysts, unions, clients, creditors and financial entities.

Internal Stakeholders: Employees and their families.

OPERATIONAL RESULTS

FINANCIAL AND OPERATING SUMMARY

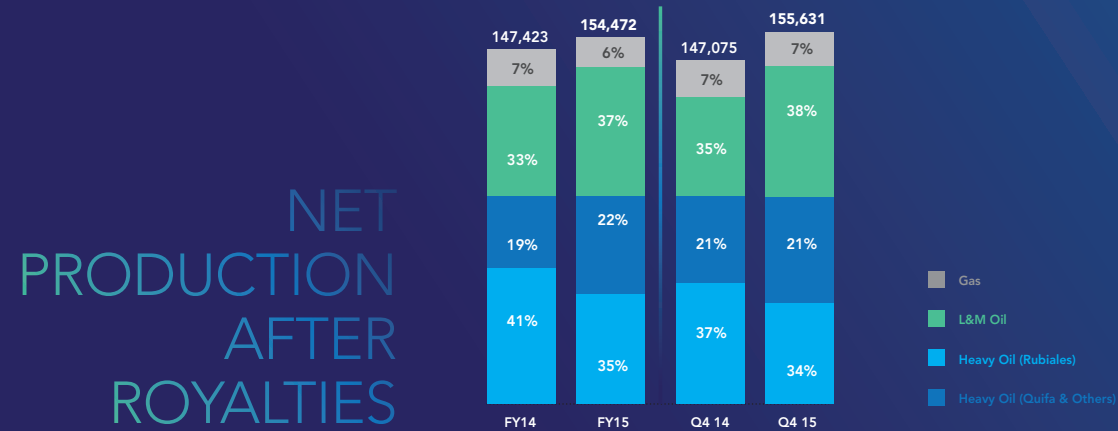
(In thousands of USD except per share amounts or as noted)	YEAR ENDED DECEMBER 31		THREE MONTHS ENDED DECEMBER 31	
	2015	2014	2015	2014
OPERATING ACTIVITIES				
Average sales volumes (bpe/d)	159,113	158,026	171,928	161,445
Average oil and gas sales (bpe/d)	151,806	145,941	171,039	147,208
Average trading sales (bbl/d)	7,307	12,085	889	14,237
Average net production (bpe/d)	154,472	147,423	159,831	147,075
Average net production oil (bbl/d)	145,245	137,076	149,368	137,019
Average net production gas (bpe/d)	9,227	10,347	10,463	10,056
Combined price (4/bpe)	48.51	85.35	41.22	65.64
Combined netback (\$/bpe)	25.55	54.84	18.70	38.36
Combined operating cost (\$/bpe)	22.96	30.51	22.52	27.28
Capital expenditures	725,512	2,382,296	160,154	757,842
FINANCIALS				
Total oil and gas sales (\$)	2,824,546	4,950,022	651,970	991,508
Adjusted EBITDA ⁽¹⁾	1,031,324	2,484,085	182,917	419,276
Adjusted EBITDA margin (Adjusted EBITDA/ Revenues)	37%	50%	28%	42%
Per share - basic (\$) ⁽²⁾	3.29	7.87	0.58	1.33
Funds flow from operations ⁽¹⁾	578,500	2,021,241	42,277	409,769
Funds flow from operations margin (Funds flow from operations/Revenues)	20%	41%	6%	41%
Per share - basic (\$) ⁽²⁾	1.85	6.41	0.13	1.30
Net (loss) earnings from operations before impairment and exploration expenses	(503,823)	832,265	(198,814)	(36,648)
Net loss ⁽²⁾	(5,461,859)	(1,309,625)	(3,895,908)	(1,660,876)
Per share - basic (\$) ⁽²⁾	(17.34)	(4.15)	(12.37)	(5.26)

1, See "Additional Financial Measures" on page 39 of the MD&A,
2, The basic weighted average numbers of common shares for the year ended December 31, 2015 and 2014 were 315,021,198 and 315,487,230 respectively,
3, Net loss attributable to equity holders of the parent,

PRODUCTION

FULL YEAR 2015 PRODUCTION						
AVERAGE YEAR PRODUCTION (IN BOE/D)						
	Total fields production		Gross share before royalties ⁽¹⁾		Net share after royalties	
	2015	2014	2015	2014	2015	2014
PRODUCING FIELDS - COLOMBIA						
Rubiales/ Pirirí	163,659	180,519	68,392	75,460	54,713	60,368
Quifa SW ⁽²⁾	56,197	56,573	33,380	33,607	29,643	23,685
	219,856	237,092	101,772	109,067	84,356	84,053
OTHER FIELDS IN COLOMBIA						
Light and medium ⁽³⁾	57,290	54,521	55,067	49,907	51,436	46,341
Gas ⁽⁴⁾	10,312	11,372	9,227	10,347	9,227	10,347
Heavy Oil ⁽⁵⁾	5,880	6,312	4,047	4,273	3,867	4,041
	73,482	72,205	68,341	64,527	64,530	60,729
Total production Colombia	293,338	309,297	170,113	173,594	148,866	144,782
PRODUCING FIELDS IN PERU						
Light and medium ⁽⁶⁾	10,544	5,650	5,586	2,641	5,586	2,641
	10,544	5,650	5,586	2,641	5,586	2,641
Total Production Colombia and Peru	303,882	314,947	175,699	176,235	154,472	147,423

1. Share before royalties is net of internal consumption at the field, and before PAP at the Quifa SW field.
2. The Company's share before royalties in the Quifa SW field is 60%, and decreases in accordance with a high-price clause (PAP) that assigns additional production to Ecopetrol. S. A. ("Ecopetrol").
3. Mainly includes Cubiro, Cravoviejo, Casanare Este, Canaguaro, Guatiquia, Casimena, Corcel, CPI Neiva, Cachicamo, Arrendajo, and other producing fields. Also includes the interest in the Cubiro field, which produced at 3,626 bbl/d and was acquired from LAEFM Colombia Ltda. ("LAEFM") effective April 1, 2014, that closed on August 12, 2014.
4. Includes La Creciente, Dindal / Río Seco, Cerrito, Carbonera, and Guama fields.
5. Includes Cajua, Sabanero, CPE-6, Río Ariari, Prospecto S and Prospecto D fields.
6. Includes 691 bbl/d of net production, with respect to the receivable outstanding from BPZ Exploración y Producción S.R.L. ("BPZ"). Also includes Block 192, which has been operating since August 30, 2015 with 12,000 bbl/d of gross production under normal conditions.



EXPLORATION

For the year ended December 31, 2015, the Company received independently certified reserves evaluation reports for all of its assets, establishing that total net 2P reserves had decreased to 290.8 MMboe from 510.9 MMboe. This represents a 43% year-on-year decline, mainly due to the significantly lower oil price forecasts, resulting in economic revisions and the impact of normal course technical revisions as assessed by the Company's independent reserves evaluators.

Proven net reserves of 197.8 MMboe now represent 68% of the total 2P reserves compared to 62% in 2014.

The table below summarizes information contained in the following independent-reserves reports:

Additional reserves information as required under NI 51-101 is included in the Company's Annual Information Form dated March 18, 2016.

RESERVES AT DECEMBER 31, 2015 (MMbpe ⁽¹⁾)								
COUNTRY	FIELD	PROVED (1P)		PROVED (P2)		PROVED + PROBABLE (2P)		HYDROCARBON TYPE
		GROSS	NET	GROSS	NET	GROSS	NET	
Colombia	Rubiales	11.5	9.2	-	-	11.5	9.2	Heavy oil
	Other heavy oil blocks ⁽²⁾	101.0	88.8	40.2	34.5	141.3	123.3	Heavy oil
	Light / medium oil blocks	53.3	49.0	29.8	27.4	83.1	76.4	Ligh/Medium Oil. Associated Natural Gas
	Natural gas blocks ⁽³⁾	40.4	40.3	13.7	13.7	54.1	54.1	Natural Gas
	Sub-Total	206.2	187.4	83.8	75.6	290.0	263.0	Oil & Natural Gas
Perú	Ligh/Medium oil/natural gas ⁽⁴⁾	10.4	10.4	17.4	17.4	27.8	27.8	Oil & Natural Gas
	Total at Dec. 31, 2014	216.6	197.8	101.2	93.0	317.8	290.8	Oil & Natural Gas
	Total at Dec. 31, 2013	348.9	315.0	211.7	195.9	560.6	510.9	
	Difference	(132.3)	(117.3)	(110.5)	(102.8)	(242.8)	(220.1)	
	2015 Production	64.4	56.0	TOTAL RESERVES INCORPORATED		178.4	164.2	
1. See "Boe conversion" on the "Advisories" section, page 45 on the MD&A. 2. Includes Quifa SW, Cajua, Jaspe, Quifa North, Sabanero, Hamaca and Rio Ariari properties. 3. Includes La Creciente field. 4. Includes onshore Block 131, Block 192 and offshore Block Z1.					In the table above, "Gross" refers to WI before royalties, and "Net" refers to WI after royalties. Numbers in the table may not add up due to rounding differences.			

FINANCIAL RESULTS

A key challenge in 2015 was maintaining cash flow due to continued low oil prices and poor economic conditions. The deterioration of financial indexes created difficulties between the Company and its various stakeholders, among them banks, bondholders and investors.

For more information on our financial results, please consult our webpage: <http://www.pacific.energy/en/reports-Investors>

OCCUPATIONAL HEALTH AND INDUSTRIAL SAFETY

At Pacific, we continuously strive to improve our occupational health and safety standards, using best practices in all the business segments. This commitment is ratified every year with our re-certification under the ISO 90001, ISO 14001 and OHSAS 180001 standards. In 2015, we increased the coverage of our certifications to include our offshore operations, worked diligently to promote a culture of safety among our workers and obtained important accolades in the implementation of our corporate guidelines with our contractors.

COMPREHENSIVE MANAGEMENT SYSTEM

Pacific's Comprehensive Management System ("CMS") is a management model of documented and measured processes allowing for the planning, execution and control of the Company's different activities to interact with each other. These interactions allow for the improved development of the Company's strategic focus, applying best practices and understanding the needs and expectations of stakeholders. Strict compliance with HSEQ processes is an integral part of this model.

PACIFIC'S CMS MODEL



STRENGTHENING OUR HSEQ CULTURE

WE HAVE UPDATED THE COMPREHENSIVE HSEQ POLICY

THE JUNE 4, 2015 VERSION OF THE COMPREHENSIVE HSEQ POLICY NOW INCLUDES:

- + Strengthening of commitments and relations with our investors and clients
- + Promotion of the continuity of our operations

WE MUST REMEMBER THAT THE PILLARS OF OUR COMPREHENSIVE HSEQ POLICY ARE:

- ★ We work for the integrity of persons, by prevention of injuries and diseases, and promoting health.
- ★ We protect the environment.
- ★ We meet our clients' and stakeholders' expectations.
- ★ We comply with legislation and norms.
- ★ We guarantee business continuity.

TODAY WE ARE KNOWN AS LEADERS, USING INDUSTRY BEST PRACTICES AS TOOLS FOR CONTINUOUS IMPROVEMENT SEEKING EXCELLENCE.

OUR 2015 SYSTEM ADVANCES:

1. In line with the dynamics of our business, we updated our HSEQ policy, which can be viewed at: [http://www.pacific.energy/sites/default/files/documents/politicas/PRE%20-%20100813%20-%20Environmental%20Health%20and%20Safety%20Policy%20\(FINAL\).pdf](http://www.pacific.energy/sites/default/files/documents/politicas/PRE%20-%20100813%20-%20Environmental%20Health%20and%20Safety%20Policy%20(FINAL).pdf)
2. We achieved recertification in ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2007 and ISO 50001:2011 norms, with zero non-conformities. In addition, the Company extended the scope for certification to exploration and production in offshore platforms.
3. We designed a new comprehensive evaluation model to verify contractual and legal compliance in labour, HSEQ, physical security and corporate social responsibility matters. Using this model, in 2015 the Company audited 100% of contractors who have had a high impact on the continuity of operations. In turn, this evaluation model helped determine the appropriate strategy to maximize improvements according to the level of operational risk:

100%

COMPLIANCE WITH SCHEDULES FOR EXECUTION OF COMPREHENSIVE CORPORATE AUDITS OF CONTRACTORS CARRIED OUT BY INTERNAL PERSONNEL.

29

HIGH-IMPACT CONTRACTORS AUDITED.

29

ACTION PLANS WITH SENIOR MANAGEMENT.

4. We had the following verification visits carried out by our stakeholders in connection with certain operating fields in Colombia:



5. In addition, our HSEQ area supported the Business Continuity strategy and aligned its practices to the Comprehensive Management System. During 2015, we continued the exercises and tests necessary to minimize the possibility of events that could weaken the Company's operations, including:



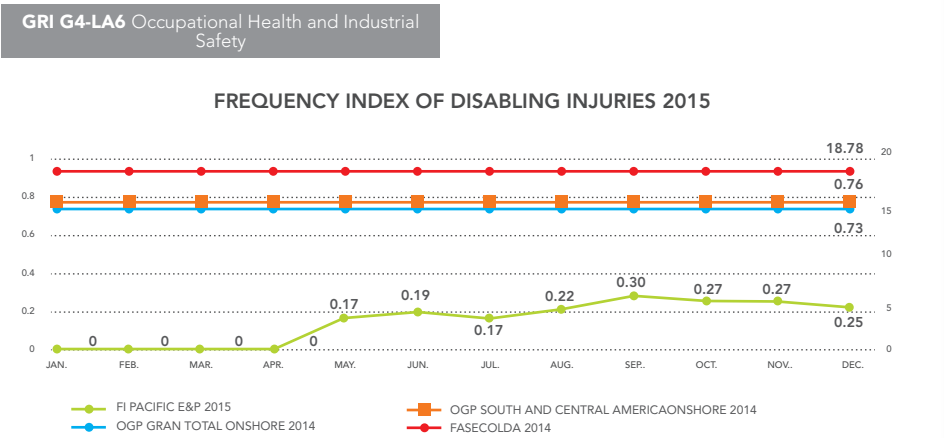
INDUSTRIAL SAFETY

Typical industry practices carried out by our collaborators and contractors have inherent risks that require us to activate preventive control measures necessary to assure operational excellence. Maintaining a safe working environment involves upholding high standards and best practices, training of personnel, promoting a culture of self-care and including leaders that stimulate safe actions and behaviours throughout the completion of their work.

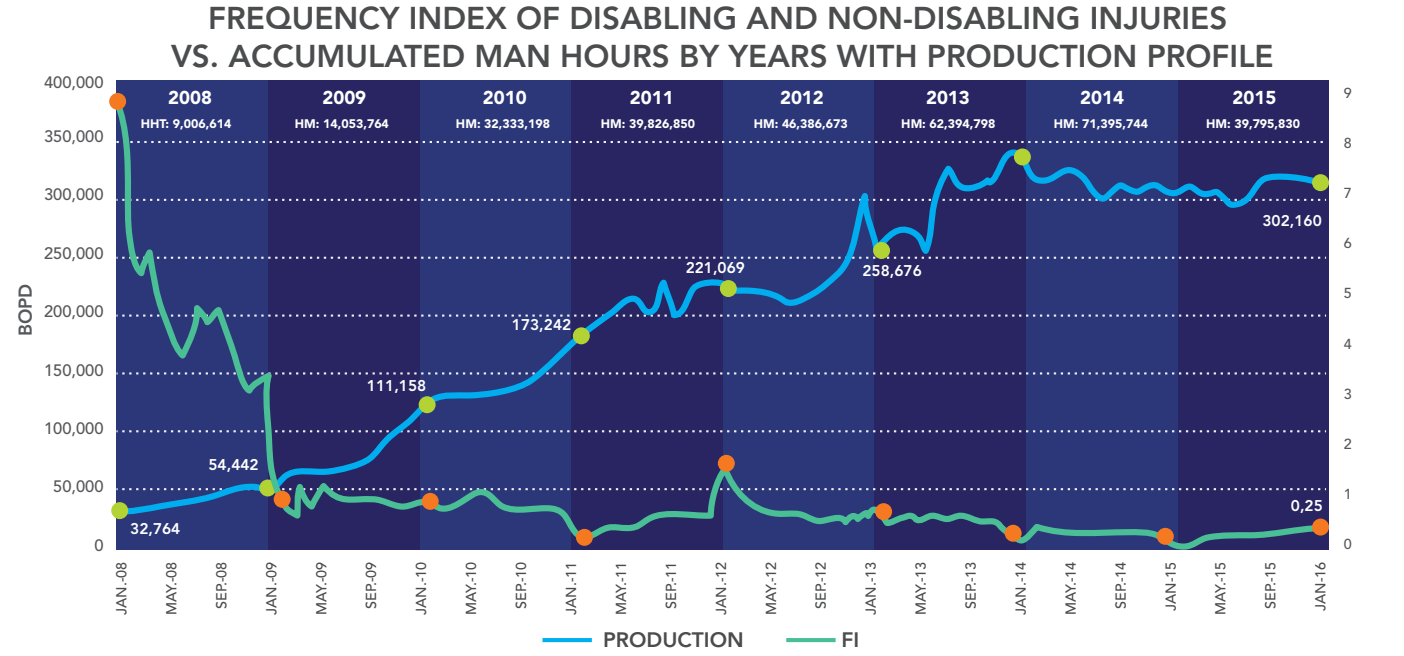
OUR PERFORMANCE IN NUMBERS

FREQUENCY INDEX OF DISABLING INJURIES

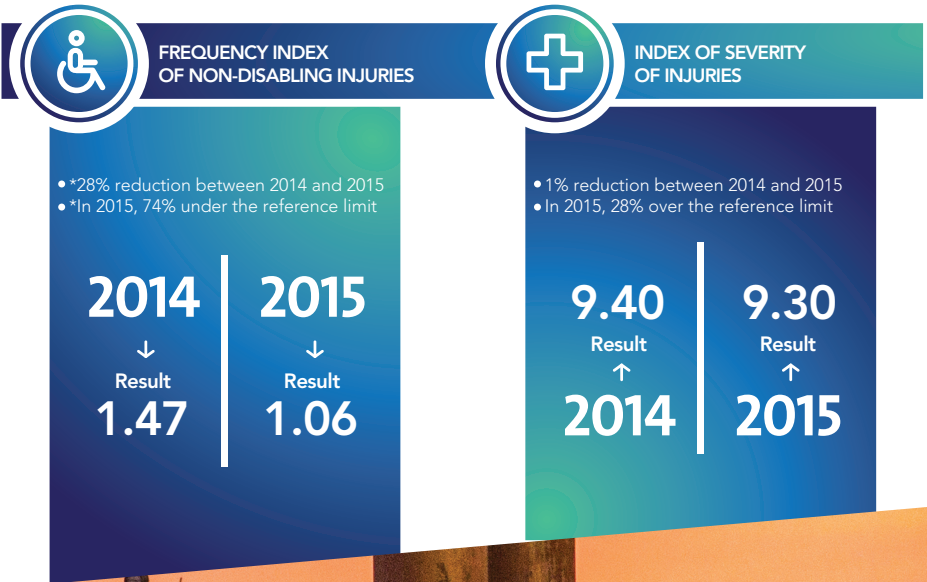
In 2015, we maximized the collective knowledge and expertise of Company personnel who, during their daily work, were in charge of promoting safe behaviour and making such behaviours a part of our HSEQ culture. We strengthened self-care programs directed at our collaborators, suppliers and contractors that allowed us to maintain positive results compared to the OGP (International Association of Oil & Gas Producers) for South and Central America. We remained below 65% and 67% compliance with respect to results registered for OGP for the worldwide onshore industry. According to results published by *Fasecolda*, from the Labour Risks Fund hydrocarbon sector, we were at 98% compliance:



We were able to maintain a trend in reducing incidents, even as gross production climbed to 308,659 boe/d for 2015. This demonstrates that, even with a 48% reduction in hours of labour, we adapted to the changes in the industry. This point is further demonstrated in the graph.



FREQUENCY INDEX OF NON-DISABLING INJURIES AND SEVERITY



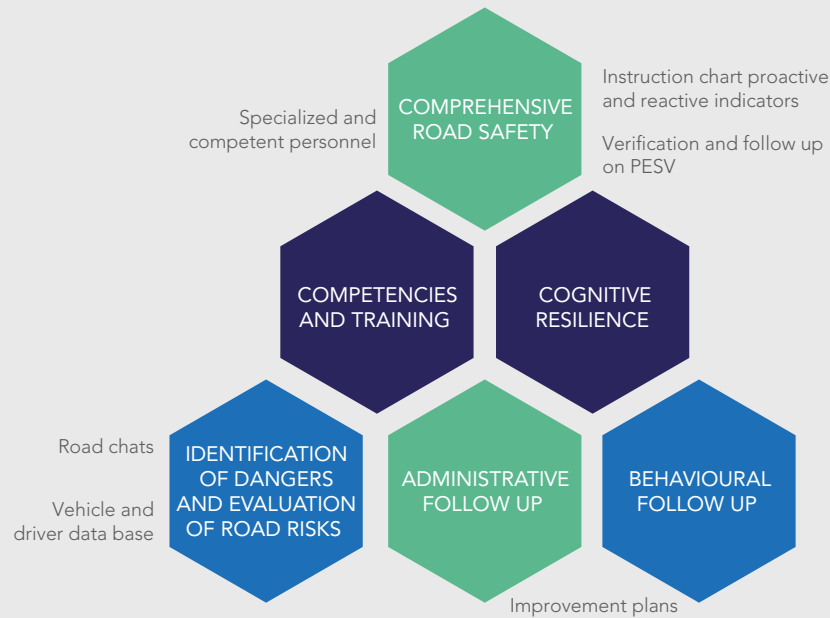
Note: Stats registered are corporate data that involve numbers for direct personnel and contractors from Colombia and Peru.

We reinforced the following aspects of work safety with our management this year:

ROAD SAFETY WITHIN OUR FIELDS

Given that our workers routinely use motorized transportation in our fields, we continue to provide our collaborators and workers with educational activities focused on prevention and application of good practices. Within our strategy, we created the following **road safety model**:

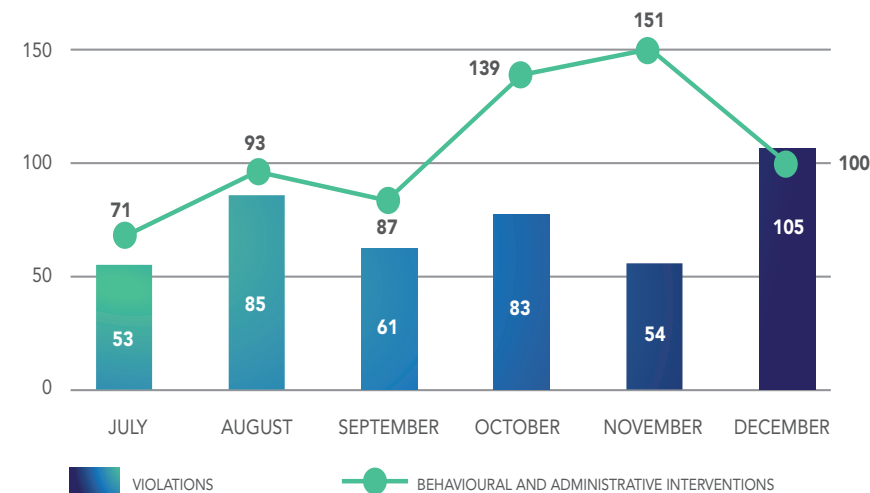
ROAD SAFETY MODEL



WE COMPLETED THE FOLLOWING ACTIVITIES:

- We developed 12 prevention campaigns on good practices for pre-operational vehicle inspections, tips to avoid accidents, reduction of speed and transit compliance, among others;
- We trained 1,876 workers on road safety standards;
- We held a workshop on Preventive Management for 258 direct workers;
- We inspected more than 3,600 vehicles; and
- We performed 441 training sessions related to road safety behaviour.

BEHAVIOUR INTERVENTIONS ON ROAD SAFETY



TRANSPORTATION OF HYDROCARBONS AND ROAD SAFETY:

Every day, we have over 300 tanker trucks on national roads carrying our production materials. Therefore, ensuring their safety is a daily task. In 2015, we developed:



- The application of the **Shared Value Plan** with 12 transport companies from the communities within our production field zones of influence. Here, the objective is to support them in their corporate and competitive growth and provide guidance on how to achieve the Company's HSEQ standards.



- 200 road safety sessions per year where, along with the police department, we assessed the behaviour of drivers. These sessions included: alcohol measurements, speed measurements, vehicle inspections and talks aiming to raise awareness of road safety norms.



- **Five simulation activities in which we measured the response capabilities of the transport companies.** Also included were specialized servicing contingencies and institutional entities that provide support such as civil defence, fire rescue, Red Cross and road police, among others.



- **Recognition of 800 drivers for their operational and HSEQ performance.** This was to motivate them to participate in and comply with HSEQ standards established by Pacific and contracted transport companies, as well as pertinent legal provisions so that hydrocarbon transport by land is completed without incident.



- **Review and update of geographical route information to determine the state of the roads, critical points, environmentally vulnerable zones and speed limits.** This information provided us with support to establish the corresponding intervention measures.

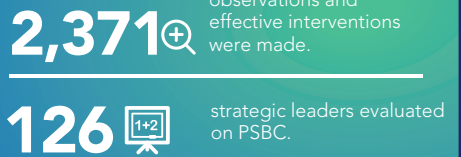


- **Audits of 12 hydrocarbon land transport companies** to supervise compliance with legal, HSEQ and contractual requirements.

BEHAVIOUR-BASED SAFETY PROGRAM ("PSBC")

We firmly believe that leading by example is a key element in the learning and replication of industry best practices. Within the expansion of the Behaviour-Based ("PSBC") tool, we worked on strengthening our personnel's abilities and competencies through the execution of the training plan for behavioural leaders.

Results in 2015 for safety conversations and implementation of the PSBC were:



HSEQ TRAINING ACTIONS:

In 2015, we carried out continuous industrial safety training workshops with the following results:



CONTINGENCY PLAN:

The complexities of Pacific’s operations demand that sufficient, specialized resources are available to encourage accident prevention among collaborators and to respond to emergency events in a timely manner.

In 2015, we completed the following activities:



WHERE ARE WE HEADED?

IN 2014, COMMUNITY PARTICIPATION WAS 13%. IN 2015, PARTICIPATION INCREASED TO 18% WITH EIGHT NEW COMPANIES, FOUR OF THEM FOCUSED ON CRUDE OIL AND WATER TRANSPORTATION.

ISSUE	CHALLENGE	DEADLINE
 SUCCESS IN OUR OPERATIONS	<ol style="list-style-type: none">1. Continue working on our new business, production, exploration, transport and sales processes in a cost-efficient, profitable and sustainable manner, both in a low and high price environment.	2016
 FINANCIAL RESULTS	<ol style="list-style-type: none">1. Restructure the balance sheet in order to meet covenants. Work hand in hand with advisors, banks and bondholders to find strategies that allow maintenance of the Company's operational flexibility and compliance with its debt obligations.	
 OCCUPATIONAL HEALTH AND INDUSTRIAL SECURITY	<ol style="list-style-type: none">1. Strengthen the safe work culture with our employees, suppliers and contractors to continue improving our injury indexes.2. Continue working on being a healthy Company, through a health promotion and prevention culture.	2016 2017
 SUPPLY AND TRANSPORTATION	<ol style="list-style-type: none">1. Continue the reduction of the Company's logistical costs and maximization of its revenues.2. Continue the development of joint operational systems for optimization of the Company's transport, dilution and sales.3. Evaluate optimization systems in logistics and dilution of crudes from Block 192 in Peru, with the integration of producers that allow reduction of transport costs on the Norperuano pipeline	



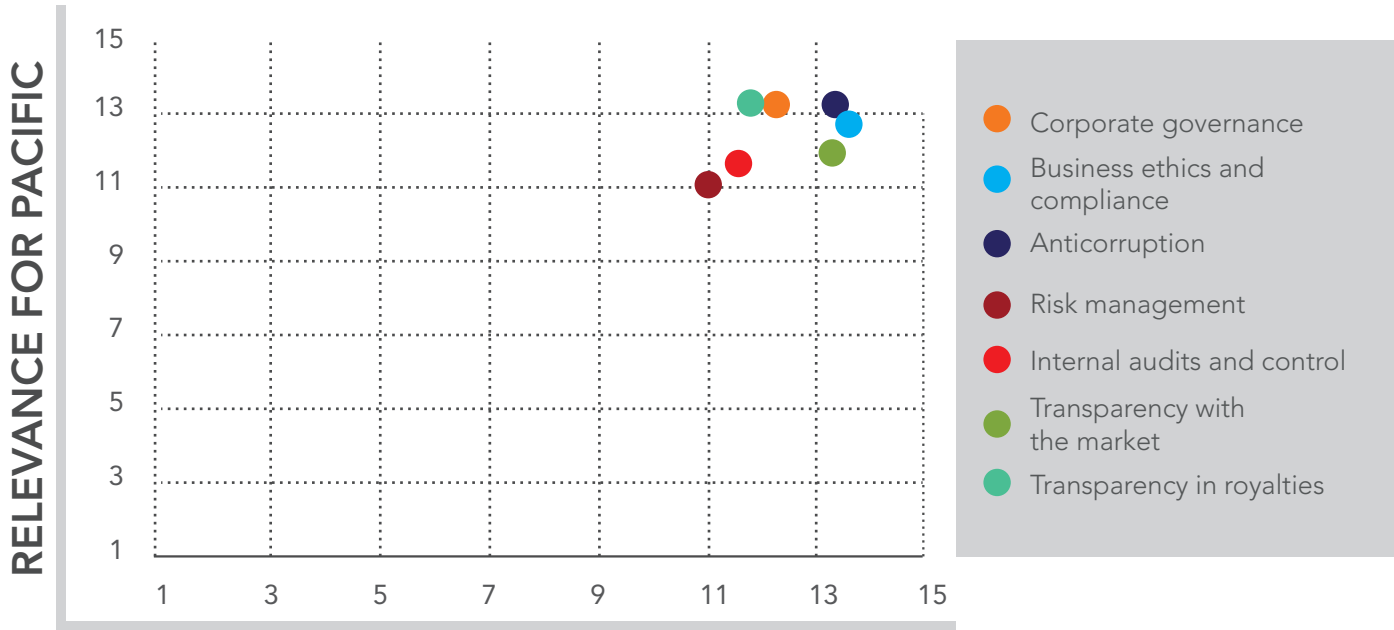
WE ACT CONSISTENTLY AND TRANSPARENTLY

GRI G4-19, G4-20, G4-21, G4-27
Material aspects and boundaries

At Pacific, processes and systems that have allowed us to conduct business in a transparent and consistent manner with all our stakeholders have been fundamental in the climate of instability and low prices suffered by the industry in the past year. In this economic climate, timely, reliable and transparent communication and trusting relationships are indispensable.

In 2015, we focused our efforts on continuing to ensure that our policies and guidelines were consistent with our Code of Conduct and Corporate Ethics, with respect to our surroundings and the construction of a sustainable organization.

The material analysis built with our internal and external groups provided the following results:



EXPECTATIONS OF OUR SURROUNDINGS

External Stakeholders: field partners, suppliers and contractors, shareholders, media, analysts, state, unions, clients, creditors and financial entities.

Internal Stakeholders: employees and family.

ETHICS AND BUSINESS COMPLIANCE

In 2015, we successfully updated the Code of Conduct and Corporate Ethics. At Pacific, conducting ourselves in a transparent and inclusive manner and respecting our surroundings enriches the Company and increases our value.

We extended its scope in order to protect the safety and dignity of the people that develop our work. The members of our High-Potential Program were part of the evolution and adaptation of this new Code, imparting their own vision of the future of the organization.

In the newest version, we extended the sections regarding corporate values, gender, transparency and anti-corruption issues. In addition, we strengthened channels for consultation and reporting through diverse internal communication campaigns that allowed us to widen the

knowledge of the Code’s functionality in all areas of the Company.

Finally, we carried out a comprehensive review of our corporate policies and developed the following:

Personal Data Protection Policy: Controls the collection, storage, use, circulation and suppression of Personal Data in accordance with standards established by Law.

Policy on Policy: Establishes minimum requirements for the definition and maintenance of policies and guidelines

that are part of the governance framework for processes, and ensures that said documents are relevant, clear, current and easy to access.

Implementation of these policies shall be performed in 2016.

ANTI-CORRUPTION

GRI G4- SO4 Anti-corruption

During 2015, we maintained our Regulatory Compliance System, which allows us to identify and monitor external reporting required by law in territories where we operate. Currently, we have more than 1,000 obligations between Peru and Colombia that are observed and fully completed by each process owner. This system is updated as required by regulators.

In matters of Fraud and Corruption, we have developed an online program for our employees in Colombia and Peru. Within the program, we facilitated new “ethical dilemmas” to promote discussion and reflection among our collaborators.

OUR INITIAL GOAL WAS TO CARRY OUT THE PROGRAM WITH 733 EMPLOYEES AND WE SUCCESSFULLY REACHED 621 EMPLOYEES.

INTERNAL AUDIT AND CONTROLS

Internal audits and controls play a principal role at Pacific given that they ensure that our processes are performed with efficiency and a better utilization of resources; efficiency is defined here as completion of objectives in a timely manner.

During 2015, the annual plan for audits took four pillars into account:

EFFICIENCY IN COSTS: Cost control includes the review of procedures to detect the variation of current costs compared to budgeted costs. Analytical processes are developed to determine causes of the variation, definition and execution of corrective procedures and the implementation of better practices.

CASH FLOW MANAGEMENT: The cash flow analysis considers any revisions of procedures to control: accounts payable and accounts receivable, advances to suppliers and employees, and the execution of payments in accordance with corporate guidelines.

STRENGTHENING OF RESPONSIBILITIES: Strengthening accountability and responsibility includes an overview of the delegation of authority, supporting the process for making efficient decisions in the Company.

EFFICIENCY IN PROCESSES: Efficiency in processes provides the analysis of the Company’s value chain to identify causes of inefficiency within the Company’s processes. It also evaluates the efficiency of the organizational structure in terms of support processes and the design and documentation of new processes, including matrices, flowcharts and Risk Management.

PETITIONS RECEIVED THROUGH OUR ETHICS CHANNELS BY CATEGORY:

Category	2015
Conflict of Interest	13
Potential fraud	41
Community Relations	6
Employee Relations	20
Contractor and Provider Relations	29
Consultations	34
TOTAL	143

GRI G4-58 Ethics and Integrity

With this focus, the audit function encountered:

1. Support in achieving corporate objectives, contributing to the strengthening of governance, risk management and internal control of processes.
2. Effective promotion of compliance of control norms and standards such as NI 52-109 (Certification of Disclosure in Issuers' Annual and Interim Filings) and the internal Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), and a control framework through the
3. Support for process owners in the identification of risks in their processes (risk workshops) and the design of controls required for their mitigation.
4. A strengthened environment of control through the evaluation of policies and procedures.
5. Updated and monitored efficiency of process controls in line with business changes, reviewing financial, operational, compliance and sustainability controls identified for each process. During the

evaluation of controls, which covered 761 control actions in 21 macro processes in 2015.

validation, 157 controls were optimized which resulted in a portfolio of 604 control actions in 21 macro processes.



RISK MANAGEMENT



At Pacific, we have developed a detailed road map through the definition of a strategic plan, which allows us to reach goals and strategic objectives in the short, medium and long term. Our *Enterprise Risk Management* program seeks to support this value creation strategy, becoming a bridge that provides a methodology for risk management in the Company and the achievement of the objectives of its Business Units and processes.

We are aware of the present risks of our industry, and for this reason, the analysis of risks within the Company is an ongoing activity at all levels.

During 2015, we continued to support risk analysis in each Business Unit. The ERM team took the methodology to identify specific risks for each unit and developed a cause-consequence analysis, establishing and connecting mitigation plans to the causes that generate risks. These plans were monitored throughout the year.

Additionally, as part of the process established within the annual plan, we executed risk workshops with applicable process owners in core and support areas and their teams to update them on operational realities and changes in the business and/or its structures. These spaces became a fundamental pillar to strengthen risk management culture in the organization with the purpose of promoting proper risk mitigation.

TRANSPARENCY IN ROYALTIES

With the firm conviction of developing fair, clear and consistent practices, and in line with our business goals and wellbeing of the countries in which we operate, in 2011 our Company made the decision to commit to the Extractive Industry Transparency Initiative ("EITI") at an international level.

Pacific was the first company to implement this standard in Colombia, and from that moment, we took an active role in creating awareness among civil society and the Government on the importance of publicly reporting the payments made and received through extractive activity. In 2015, Pacific participated in the construction of the first country report and contributed to the inclusion of Colombia as a candidate of the initiative and the process before becoming a full member. In the case of Canada being a signatory country, and with Peru and Guatemala as candidate countries, Pacific has also been committed to providing information and support in the process of collection and consolidation.



TRANSPARENCY WITH THE MARKET

Given the current low price environment in the industry, we focused our efforts on the generation of a periodical and open dialogue with our shareholders. Our objective was to provide necessary feedback on relevant operational, financial and legal issues, guaranteeing adequate and efficient access to information that allowed the shareholders to make well-informed decisions regarding their investment.

With the above in mind, our Investor Relations Department remains committed to guaranteeing a timely response to all questions and concerns received from shareholders, market analysts and potential investors. In addition, they encourage an environment of integrity and compliance with legislation and international oil industry standards, thereby guaranteeing the implementation of shareholders' rights.

Topics covered included the following:

1. **Abandoned Process for purchase of the Company by ALFA, S.A.B. de C.V. and Harbour Energy Ltd.**

We focused on making all information on the purchase process available to shareholders, so that they could exercise their right to vote. We encouraged the largest possible number of shareholders to participate in the special meeting (which ultimately was canceled) using the following tools:

- A. Preparation of legal documents. These legal documents gave shareholders a better understanding of the voting form and associated instructions, the exercise of their legal rights, the consequences of voting, and the Board of Directors' recommendations. It also covered the Company's financial, operational and legal situation.
- B. Creating awareness in the Colombian market on the necessary documentation and the pertinent processes for purchase of the Company. This took place through an investor inquiry session organized jointly between the Company and the Colombian Stock Exchange, which aimed to clarify doubts on the generalities and specific aspects of the process. As well, it guaranteed that shareholders, brokers and analysts transmitted the correct information about the process to decision makers.

- C. Constant attention to analysts and investors, the Colombian Stock Exchange, Deceval and stock brokers in the documentation and preparation of the instructions. This attention and documentation allowed the market to have access to all documentation and information on the process regarding the proposed purchase of the Company, the reasons to vote in favour of the transaction, and the general process that stock brokers should carry out upon receipt of proxies.
 - D. Collaboration with "Kingsdale Shareholder Services," an external shareholder advisory services provider that contacted the largest number of shareholders and provided advice during the process.
2. **Continuation of our commitment to establishing closer relationships with shareholders, analysts, regulatory entities and the securities market through the following channels:**
- A. *Group meetings, one-on-one meetings and teleconferences*, all of which created a channel that facilitated close relationships between the Company's management and its investors.
 - B. Press releases that communicated information on the Company's financial,







economic, commercial and operational performance in a precise and timely manner.

3. **Dissemination of information to the capital markets through the implementation of various tools:**

- A. Websites
- B. A platform for investors to quickly and easily download tax certificates
- C. Marketing events

4. **Surveys designed to measure expectations and projections that analysts had on the Company's quarterly results so that we could follow up on the Company's perception by the market, especially given the low oil prices.**

WHERE ARE WE HEADED?

ISSUE	CHALLENGE	DEADLINE
 ETHICS AND BUSINESS COMPLIANCES	<ol style="list-style-type: none">1. Maximize efficiency in management of investigative activities and responses through the Ethics Line, the control of times for investigation and resolution or closing of cases and the periodical presentation to the Ethics Committee, Audit and Senior Management Committee.2. Implement the new Code of Conduct and Corporate Ethics through the strategic dissemination of corporate messages aligned with Company values, mass updating and training for employees at all levels through audio-visual materials and in-person systems.	2016 2017
 ANTI-CORRUPTION	<ol style="list-style-type: none">1. Develop, update and organize risk matrices and corporate controls, and the deputation of the regulatory compliance and anti-corruption practices.2. Develop the Comprehensive Management System for Personal Data ("SIGDP") and the inclusion of Affiliates in the System.	2016
 INTERNAL AUDIT AND CONTROL	<ol style="list-style-type: none">1. Implement the annual audit plan in compliance with its four principles: efficiency in costs and processes, cash flow administration and strengthening of responsibilities.	
 RISK MANAGEMENT	<ol style="list-style-type: none">1. Continue strengthening the risk management culture to identify risks that may affect achievement of corporate objectives by taking business cycles, international markets and Company strategy into account.	
 TRANSPARENCY IN ROYALTIES	<ol style="list-style-type: none">1. Continue supporting the Extractive Industry Transparency Initiative ("EITI") in Colombia and Peru and strengthen our processes based on their recommendations.	
 TRANSPARENCY WITH THE MARKET	<ol style="list-style-type: none">1. Continue building an even closer relationship with investors, analysts, regulatory entities and security markets in order to provide access to Company information and investments.	

INSPIRING ENERGY

WE WORK IN HARMONY WITH THE ENVIRONMENT

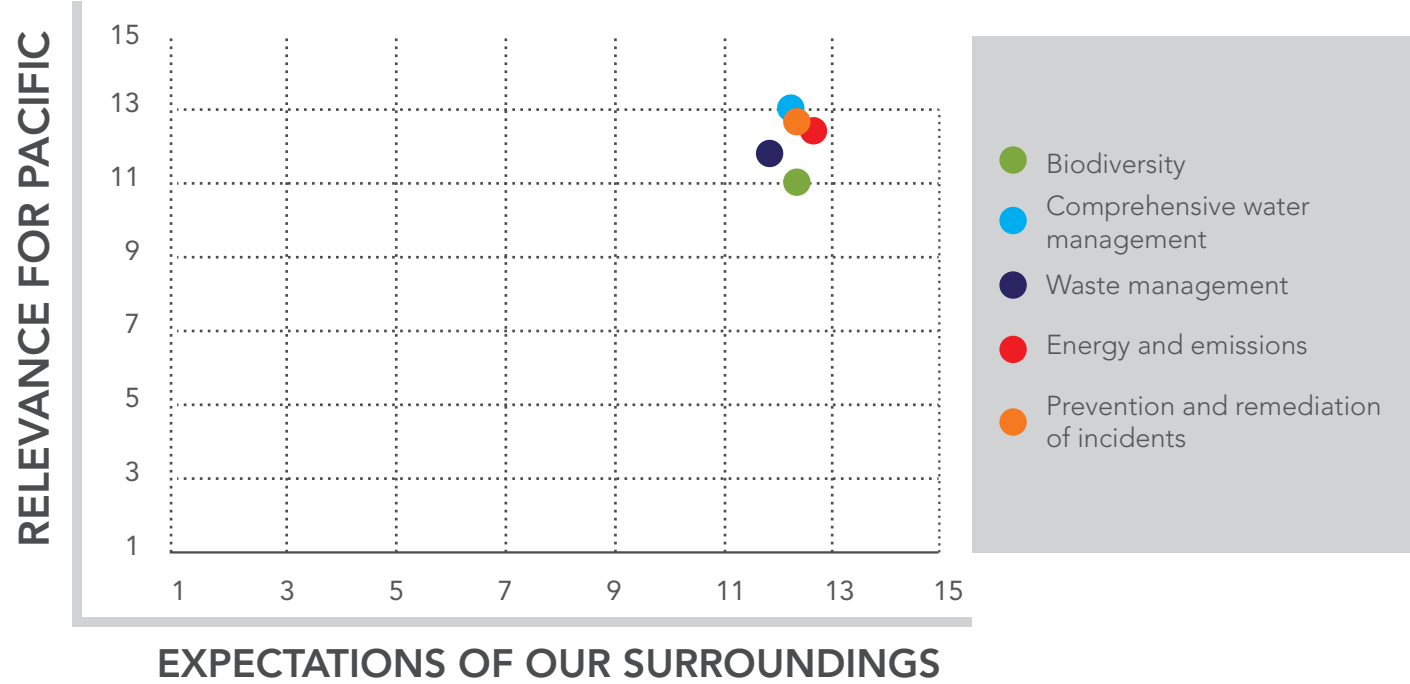


GRI G4-19, G4-20, G4-21, G4-27
Material aspects and boundaries

At Pacific, we conduct operations in a way that cares for our natural surroundings, in line with the pillars of our HSEQ and sustainability policies. We focus on knowing the environmental composition of the areas of influence where we operate before, during and after the execution of projects. We measure and manage the impact of our projects on the environment in order to establish actions to control them in an efficient and timely manner, giving priority to and protecting ecosystems strategic for the conservation of biodiversity.

We work with communities, workers and contractors to gain their support of the Company’s initiatives regarding preservation of natural resources. Our mission is to to ensure that both the operation and its surroundings can carry out activities under a principle of mutual respect.

This year the materiality analysis built with our internal and external groups provided the following results:



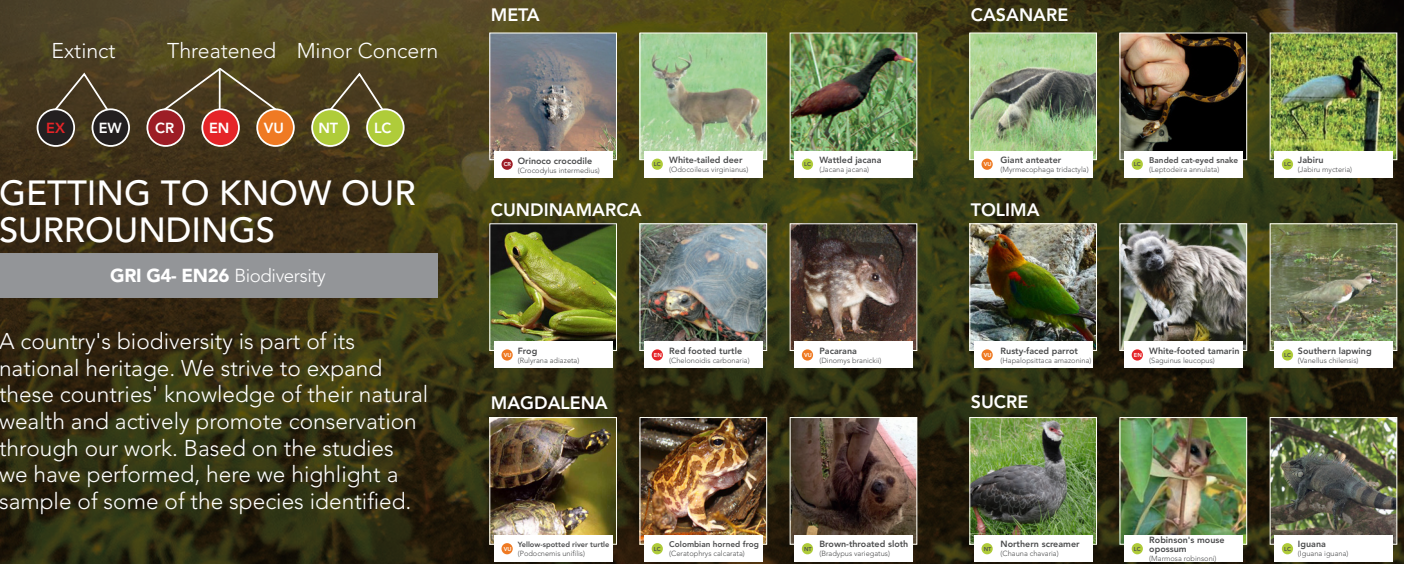
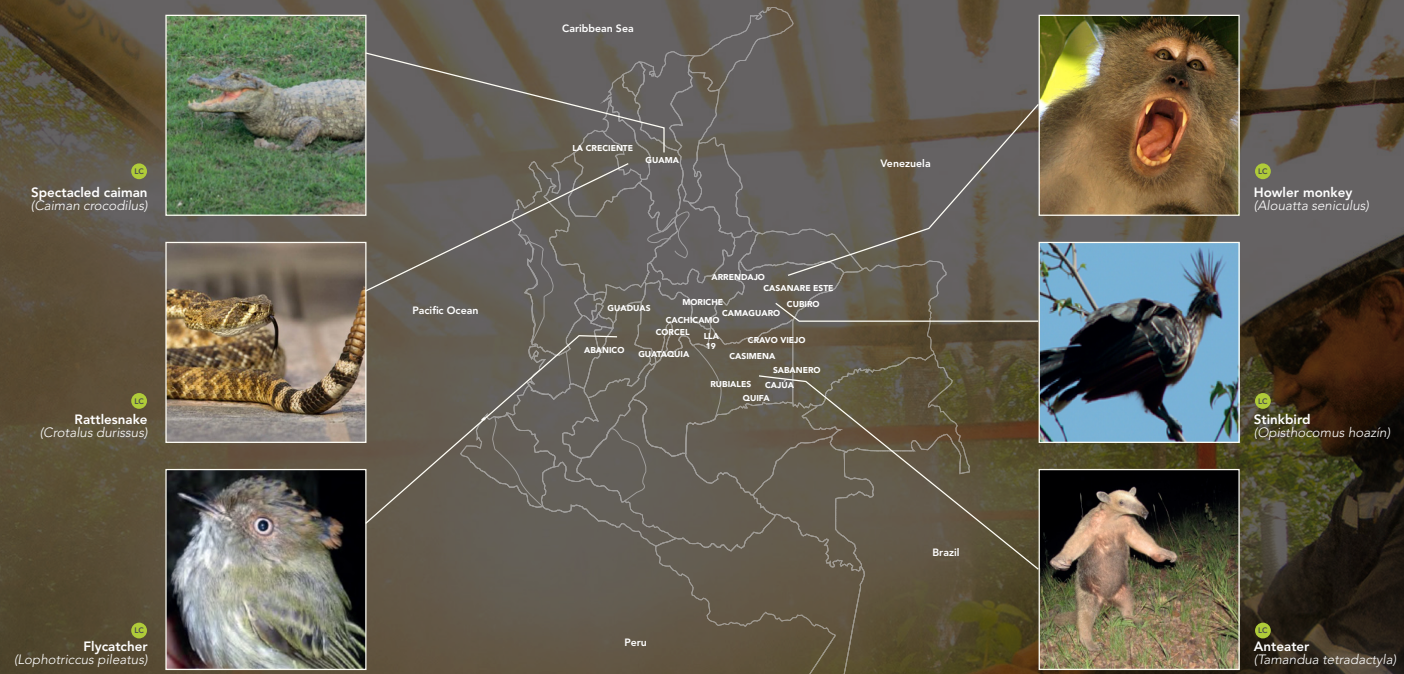
External Stakeholders: field partners, suppliers and contractors, shareholders, State, media, analysts, clients and civil society.

Internal Stakeholders: employees

BIODIVERSITY

Pacific carries out its activities aware of the importance of natural resources and acts to preserve the natural surroundings in the areas where it operates, encouraging its workers and contractors to act responsibly and care for species.

WE VALUE THE NATURAL WEALTH OF OUR AREAS OF OPERATION



GETTING TO KNOW OUR SURROUNDINGS

GRI G4- EN26 Biodiversity

A country's biodiversity is part of its national heritage. We strive to expand these countries' knowledge of their natural wealth and actively promote conservation through our work. Based on the studies we have performed, here we highlight a sample of some of the species identified.

The following are the steps we take to protect biodiversity within our areas of operation:

GRI G4- EN12 Biodiversity

1. EVALUATION OF IMPACT ON BIODIVERSITY

Prior to beginning projects, we conduct Environmental Impact Studies with the objective of prioritizing areas for conservation. Pursuant to the Environmental Impact Studies, we build in accordance with the environmental zoning limits to establish safe distances from and protect strategic or high-impact ecosystems for conservation. According to studies made by the Company, we have not found significant impacts.

2. AWARENESS OF WILD FAUNA

Pacific promotes the importance of protecting the environment through presentations and workshops with experts and our own personnel. We promote conservation efforts by teaching workers, contractors and communities ways to protect and care for the environment, and by training them on reporting mechanisms, such as channels of communication, to inform the correct authorities of anomalies in a timely manner.

3. SIGNAGE FOR FAUNA

In 2015, we installed signs that inform the public of the presence of fauna and of the prohibition of practices such as hunting and fishing and extraction of fauna. We did the same in terms of flora, signalling that

it is prohibited to extract or destroy flora. We promote the reporting of sightings of flora and fauna in order to identify and recognize the biodiversity where we operate, allowing us to better protect this biodiversity.

4. RELOCATION OF FAUNA AND PROTECTION MEASURES

Upon the initial development of projects in our fields, it is not uncommon to find different species of animals in areas of our operation. For the purpose of protecting the species, we relocate them within their habitat.



OUR STRATEGIC ECOSYSTEMS FOR CONSERVATION OF BIODIVERSITY:

GRI G4- EN11 Biodiversity

Pacific conducts its operations in very diverse Colombian landscapes located in Orinoquía (Meta and Casanare), the Caribbean Region (Magdalena and Sucre), and the Andean Region (Cundinamarca and Tolima).

Prior to the development of any project, we use environmental zoning to identify biodiverse areas of value inside or in the immediate vicinity of the area of influence. Through this process, we have identified nearly 136,500 Ha within our production fields. This area is defined as an area of exclusion with protection boundaries that are not crossed by the Company and are monitored.



COMPREHENSIVE WATER MANAGEMENT

POPULATION GROWTH AND CONTINUOUS ECONOMIC DEVELOPMENT EXERT PRESSURE ON THE AVAILABILITY OF CURRENT WATER RESOURCES.

Today the international debate not only revolves around the quantity of water but also focuses on its quality. Pacific assumes a responsibility to contribute to the solution of both challenges.

In terms of comprehensive water management, it is important to identify our needs and those of our surroundings, understanding that there must be a balance between the two and that the priority is not to delve further into the unequal distribution of resources that may exist, but to lessen it.

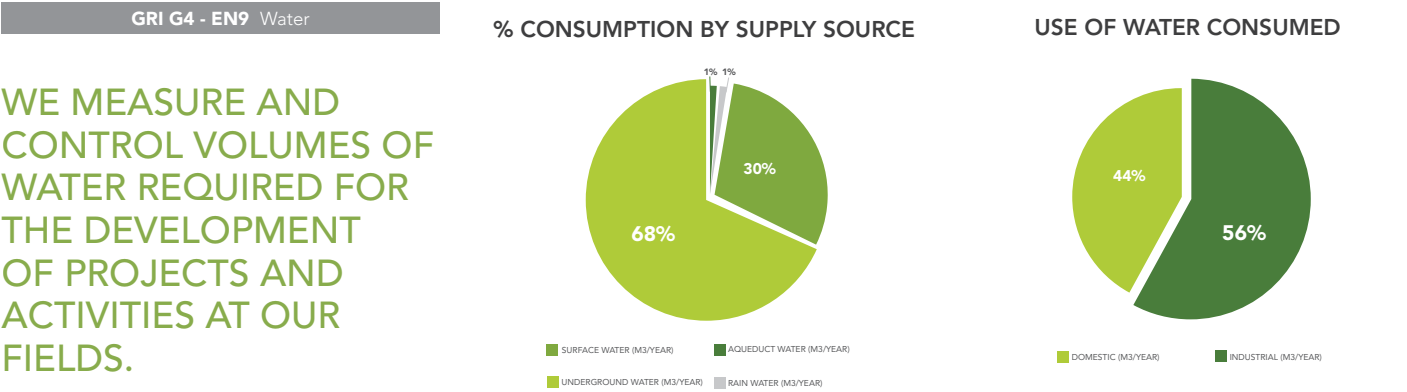
Pacific is committed to applying best practices for the disposal and reuse of water. The above implies complying with applicable laws and designing uses for water that benefit both our operation and the surrounding communities. Achieving this goal requires building capacity and developing tools, technologies and practices to use water efficiently and at low cost. Our HSEQ and sustainability policies encourage workers, contractors and suppliers to contribute to conserving this valuable resource.

TOTAL CONSUMPTION OF WATER BY SOURCE

The use of water varies depending on operational requirements such as the size of the facilities and quantity of production. For this reason, we know that the greatest impact we can achieve is in our operations at Rubiales and Quifa, where our water treatment plants are already operational. Both fields have permits granted by the local environmental authority that authorize the reuse of water in industrial crops.

We are committed to optimizing the volumes of water required for the development of projects and the activities taking place in our fields. Achieving this goal depends partly on the correct measurement of water required for production, a step which allows us to identify areas for reduction and make action plans to implement them in a timely manner. These plans are described in the water reuse and recycling initiatives.

In 2014, we had a significant increase in total consumption of water due to the unplanned growth of operations after the purchase of Petrominerales. In 2015, these rates were reduced due to the reduction of projects developed in the fields of operation. As indicated in the chart below, the sole indicator that grew was rainwater, the use of which was actively promoted in 2015.



WE MEASURE AND CONTROL VOLUMES OF WATER REQUIRED FOR THE DEVELOPMENT OF PROJECTS AND ACTIVITIES AT OUR FIELDS.

<



Water is used according to the domestic and industrial needs of operations, activities that are duly registered in order to identify opportunities for reduction and optimization of consumption.

DOMESTIC USES

- Cleaning activities
- Supply to hosing units
- Laundry

INDUSTRIAL USES

- Request from communities
- Use in boilers
- Preparation of drilling muds
- Preparation of concrete



WATER REUSE INITIATIVES

GRI G4- EN10 Water used and recycled

RESIDUAL WATERS GENERATED BY USE OF WATER

Pacific generates domestic and industrial waters in accordance with the Company's needs. We treat and dispose of it in different manners according to its physicochemical characteristics and the environmental licence. As a mechanism to reduce water use, we apply strategies for saving and using the resource in an efficient manner. In 2015 we reused 23% of the total residual water generated.

RESIDUAL WATER ASSOCIATED WITH PRODUCTION OF HYDROCARBONS

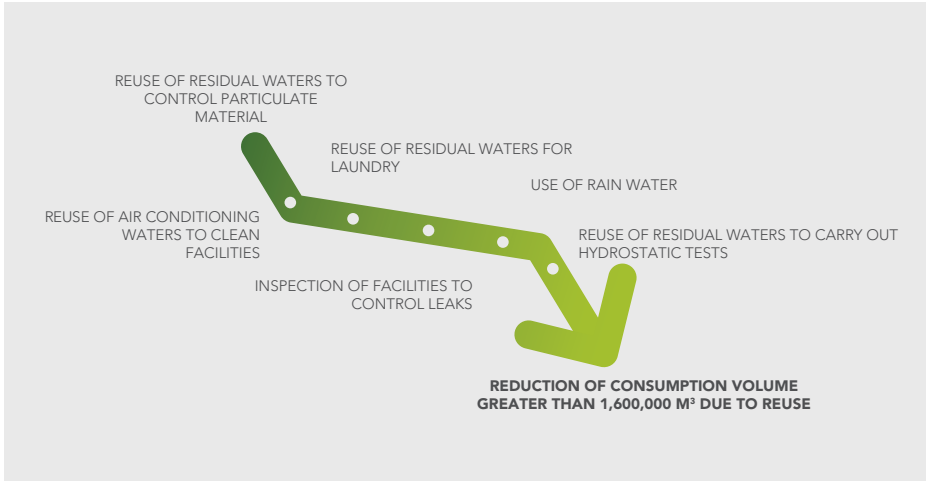
GRI G4- EN22 Water

In production, the hydrocarbon treatment and separation process creates large quantities of residual water, implying a guaranteed correct disposal. Approximately 94 % of those residual waters are disposed of by injection into the subsoil.

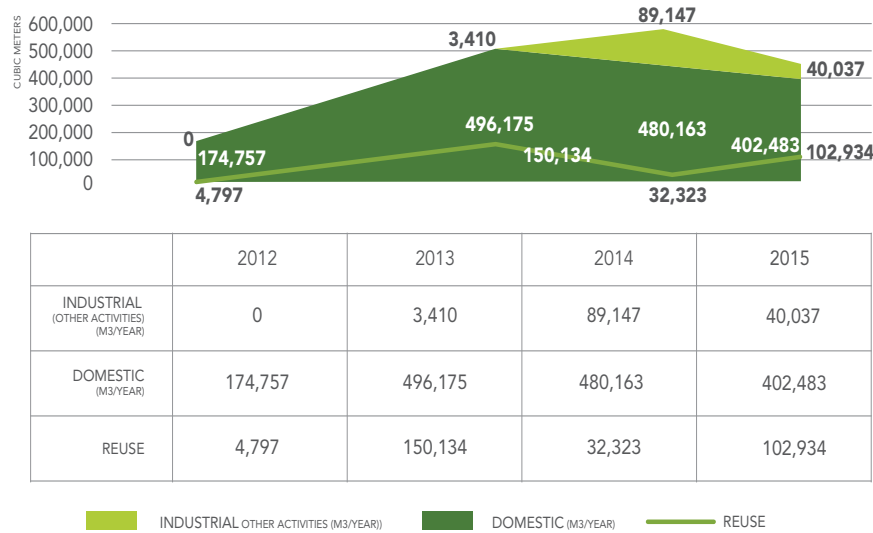
Of the residual water associated with production, we reused 1,691,852 m³, which represents the amount that we avoided taking from alternative sources.

ACTIONS DIRECTED TO REDUCING CONSUMPTION

The volume of reused water shown in the graphic includes the residual water reutilized for the production of oil as well as that generated through the use of water taken from the source.

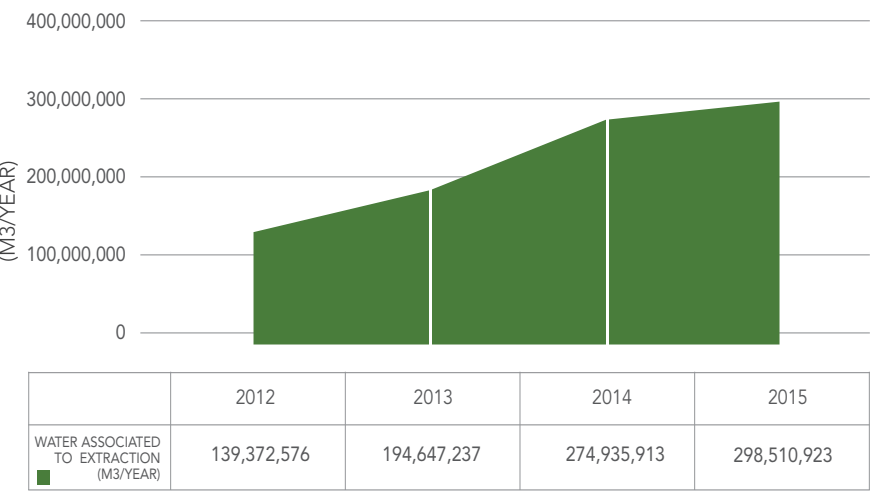


GENERATION AND REUSE OF RESIDUAL WATER



*In 2015 generation of residual water had a reduction of 22% compared to 2014 due to the reduction of active projects in all of the Company's fields.
**There are adjustments to the 2014 data that were aligned to the scope of the information for producing fields phase directly operated by Pacific.
*** There are adjustments to the 2014 data that were aligned to the scope of the information for producing fields directly operated by Pacific.

RESIDUAL WATER ASSOCIATED TO PRODUCTION (M3/YEAR)



EXPOSURE TO HYDRIC STRESS (INTEGRATED EVALUATION)

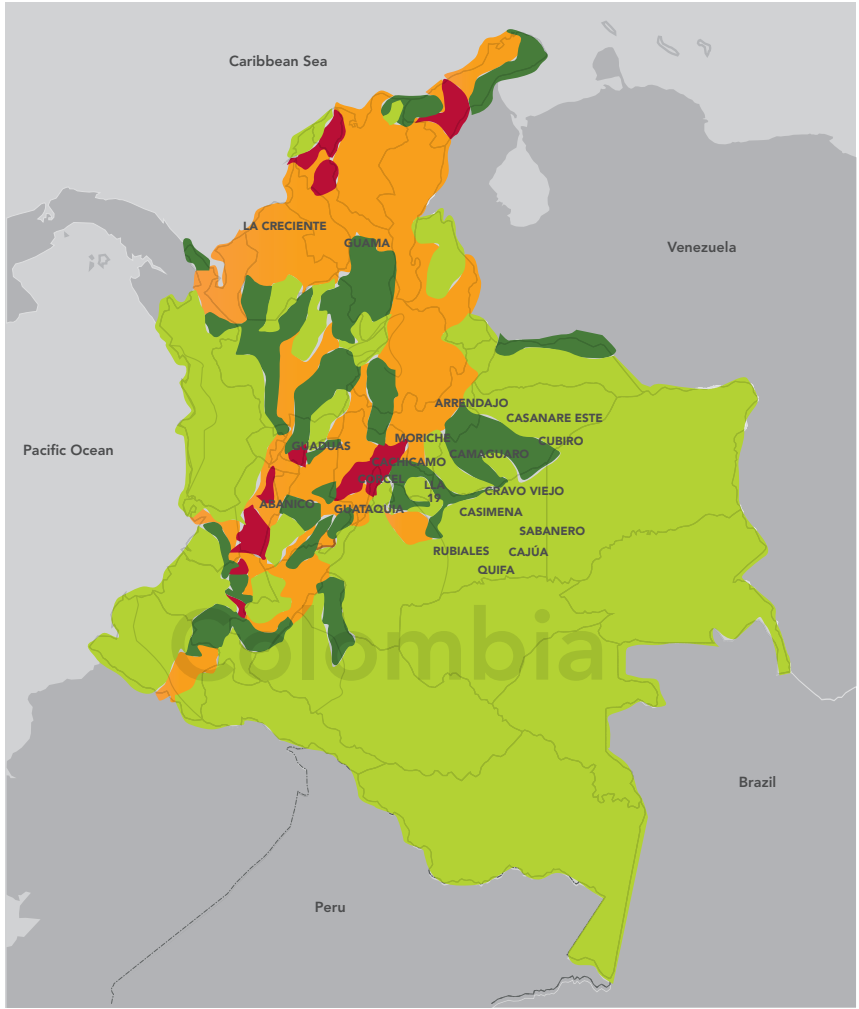
GRI G4 - EN9 Water

At Pacific, we analyze the hydric capacity of the areas where we operate with the intent of not affecting the ecological flow of the existing sources. The Company has also defined plans for management and efficient use of hydric resources.

The analysis to identify the hydric capacity of the areas where we operate was conducted based on the National Water Study ("ENA") prepared by the IDEAM in 2014. This was compared to the Integrated Water Evaluation at the national level presented in the same study, which involves the identification of critical hydrographical subzones regarding the variability of hydric capacity under natural conditions ("VOH"), the variability of the hydric resource due to anthropic pressures ("VRH"), the water index of unreturned water into the basin ("IARC"), the index of potential alteration of quality ("IACAL"), and the hydric pressure on ecosystems index ("IPHE"). The analysis included information on potential production of sediments/ sediment yield, the use of mercury, the production of gold and silver, and the use of agrochemicals that aggravate the criticality of the analysis units.

According to the integrated evaluation, hydrographical subzones that are highly vulnerable to the variability of hydric capacity and high pressure due to use and contaminants are classified in the high and very high categories.

When comparing results from the integrated evaluation with the production fields managed by Pacific, we can determine that in our areas of operation, 66% are considered in the low category while 17% and 16% are in a medium or high category, respectively. Pacific uses this information to encourage efficient use of hydric resources and increase reutilization actions.



CATEGORIES

- Low
- Medium
- High
- Very High

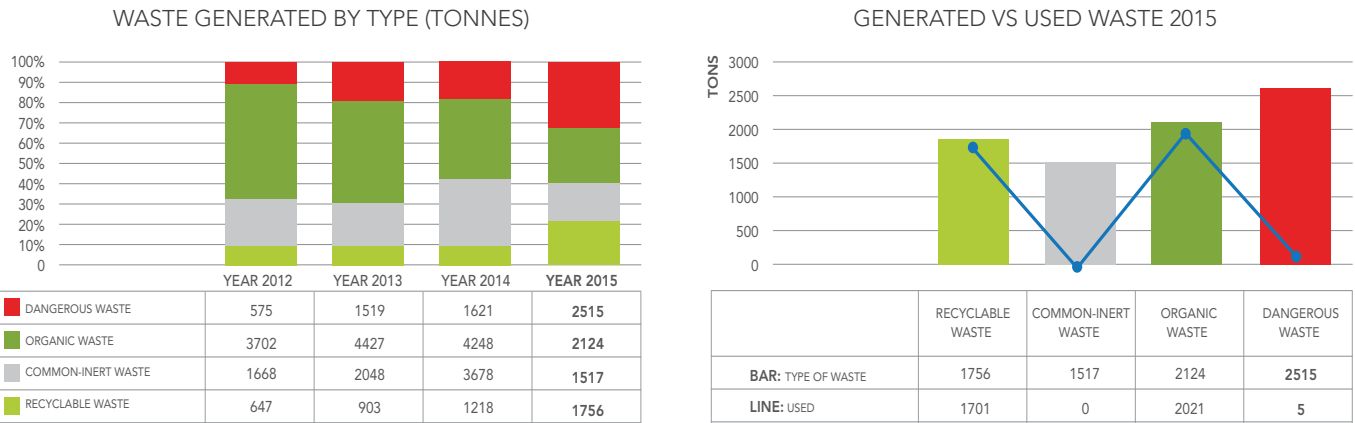
COMPREHENSIVE EVALUATION CATEGORIES BY HYDROGRAPHICAL SUBZONE



WASTE MANAGEMENT

GRI G4 EN23 Effluents and waste

In the operation of our fields, we generate different types of waste, that are then classified and separated to optimize managing and increase reutilization and recycling options.



*This year we changed the methodology, which affected 2014 data. We changed the coverage of the information to include only production fields directly operated by Pacific.

TREATMENT AND FINAL DISPOSAL OF WASTE BY EXTERNAL AUTHORIZED AGENTS



Composting of organic waste



Separation of recyclable waste (plastics)



Safety cells



Furnace

Waste that cannot be used is subject to treatment and final disposal in strict compliance with environmental requirements. This waste is delivered to authorized handlers who generally incinerate it and/or take it to safe landfills.

During 2015, the principal activities for the use of generated waste were:

11,600 piping plastics used for the construction of an ecological pathway at the Rubiales field.

Use of 97% of recyclable waste (glass, cardboard, paper, metal scraps, aluminum). Delivered mostly to third parties.

Generation of manure and feed for farm animals delivered to third parties.

More than 3,000 workers have been trained on matters of management, classification, recycling, reduction, and reuse of waste.

ENERGY AND EMISSIONS

At the 21st Conference of Parties ("COP 21") on December 12, 2015, world leaders reached an agreement on measures to mitigate the effects of climate change on our planet. Pacific is convinced that the oil & gas industry, with its innovation, global scope and technical expertise, is in a privileged position to contribute to the solution of climate change.

Management of emissions is part of reaching the solution. This involves a constant measurement of emissions, including those of the supply chain. Through this effort, Pacific has identified sources of excess emissions and has established objectives to control them.

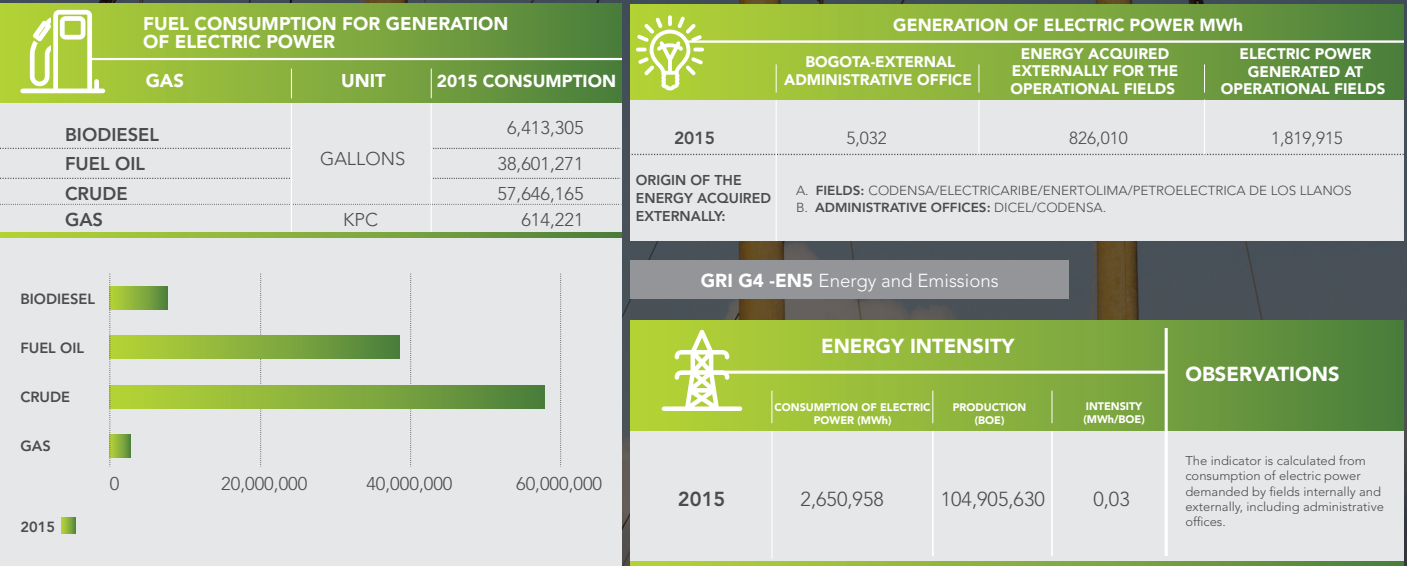
through burning fossil fuels, promoting centralization of energy and utilizing the national electrical network.

For this year our energy consumption was:

In regards to the air component, during 2015, Pacific focused on the reduction of sources for generating localized energy

DIRECT CONSUMPTION OF ENERGY

GRI G4 -EN 3, G4 -EN4 Energy and Emissions



CARBON FOOTPRINT CALCULATIONS

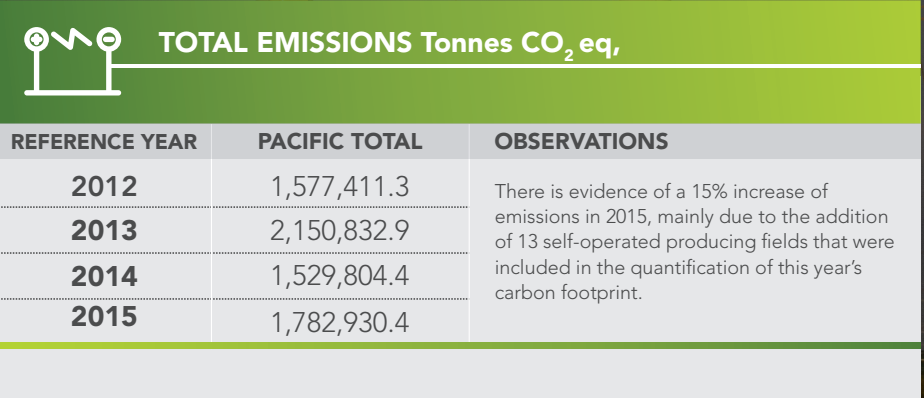
GRI G4 -EN19, G4- EN6 Energy and Emissions

- Purchase of external energy: In 2015, the purchase of energy from the Sector Interconectado Nacional substituted an average demand of power of 94 MW, which represented a consumption of energy during its operating time (365 days) of 826 GWh in the Rubiales, Quifa, Abanico, La Creciente and Guaduas production fields. This avoided the generation of greenhouse gas emissions by reducing the consumption of fuel at an average of 39,500 tonnes CO₂ eq.
- Reuse of cooling gases: we reused 170 lb of cooling gas used for maintenance of air conditioners, which avoided the generation of 134 tonnes CO₂ eq.
- Solar panels: the production wells at the La Creciente field work with solar panels that generated 14 MWh of power during 2015. By avoiding the burning of fuels we saved 2.8 tonnes CO₂ eq.

GRI G4 EN15 Energy and Emissions

The calculation of the 2015 carbon footprint involved the quantification of greenhouse gas emissions for 18 producing fields directly operated by the Company and its administrative offices. The fields included in the quantification of the 2015 carbon footprint are those acquired by the Company as of 2013 and incorporated into the Company's HSEQ comprehensive management system.

Measurement of the carbon footprint is carried out by characterizing the Company's activities and the efficiency of processes in the use of energy resources. It focuses on determining the structure of projects that allow the reduction of greenhouse gas emissions.



SCOPE 3 EMISSIONS IN TONNES CO₂ EQ. AND OTHER INDIRECT EMISSIONS OF GREENHOUSE GASES

In the characterization of the Company's activities, we include activities carried out by subcontracted service providers where we measure consumption of fuel in mobilization of subcontracted vehicles, consumption of fuel in drilling work and workover, use of oils and lubricants, use of cooling gases in air conditionings systems, generation of residual waters associated to production, and disposal of solid waste. At the administrative offices, scope 3 emissions are elevated compared to scope 1+2 emissions due to the nature of the activities carried out at the offices, where the majority of services are provided by third parties.

PREVENTION AND REMEDIATION OF INCIDENTS

During 2015, Pacific maintained, updated and disclosed contingency plans applicable to each operational activity that has the potential risk of spilled fuels or contaminant liquids. Within the initiatives that comprise the contingency plans, we carried out the following:



- Review of adjustment and disclosure of operational procedures and communication protocol for activities that generated environmental incidents.
- Development of behaviour-based safety programs, empowerment of leaders, and other actions for improving the technical profile.
- Constant monitoring of operational areas to avoid incidents due to sabotage, presence of livestock or third-party actions.
- Installation of alarm systems for content levels, pressure and temperature, and prevention of incidents.
- Implementation of the training program for first responders to tend to emergencies due to spills, and disclosure of the Contingency Plan for hydrocarbon spills.

GRI G4 EN17

Energy and Emissions

EMISSIONS (Scope 3)

Tonnes CO₂ eq.

REFERENCE YEAR	PACIFIC TOTAL	OBSERVATIONS
2012	378,976.2	Reduction of scope 3 in 2015 is mainly due to reduction of projects in place since 2014, including drilling and workover activities. Data from 2014 changed due to a typing error.
2013	344,852.2	
2014	203,360.8	
2015	178,994.1	

GRI G4 EN18

Intensity of greenhouse gas

PRODUCTION FIELDS

BOE	TONNES (CO ₂)	INTENSITY OF GREENHOUSE GAS EMISSIONS
104,905,629.88	1,691,031	0.016

GRI G4- EN21

Energy and Emissions

2015	SO ₂	Nox	OBSERVATIONS
Tonnes/Year	7,306	17,714	Estimated data according to measurements made for a % of internal and external combustion equipment at Rubiales and Quifa.

GRI G4- EN20

Energy and Emissions

R-22 GAS EMISSIONS

Tonnes CFC-11 eq.

REFERENCE YEAR	TOTAL R-22 (metric lb)	TOTAL in tonnes CFC-11 eq.
2014	756.40	0.019
2015	469.70	0.012



WHERE ARE WE HEADING?

ISSUE	CHALLENGE	DEADLINE
<div><div></div><div>BIODIVERSITY</div></div>	1. Continue with the implementation of strategies directed at protecting biodiversity in the areas where we operate.	2016
<div><div></div><div>COMPREHENSIVE WATER MANAGEMENT</div></div>	1. Reuse residual water for irrigation of non-food crops, which mitigates the impact on hydric sources.	
<div><div></div><div>WASTE MANAGEMENT</div></div>	1. Promote the development of campaigns for the reduction, reutilization and recycling of waste.	
<div><div></div><div>ENERGY AND EMISSIONS</div></div>	1. Include new assets in our operation into the Company's carbon footprint strategy.	
<div><div></div><div>PREVENTION AND REMEDIATION OF INCIDENTS</div></div>	1. Continue to strengthen emergency prevention strategies and contingency management systems.	

INSPIRING ENERGY

WE CONTRIBUTE TO THE SUSTAINABLE DEVELOPMENT OF COMMUNITIES

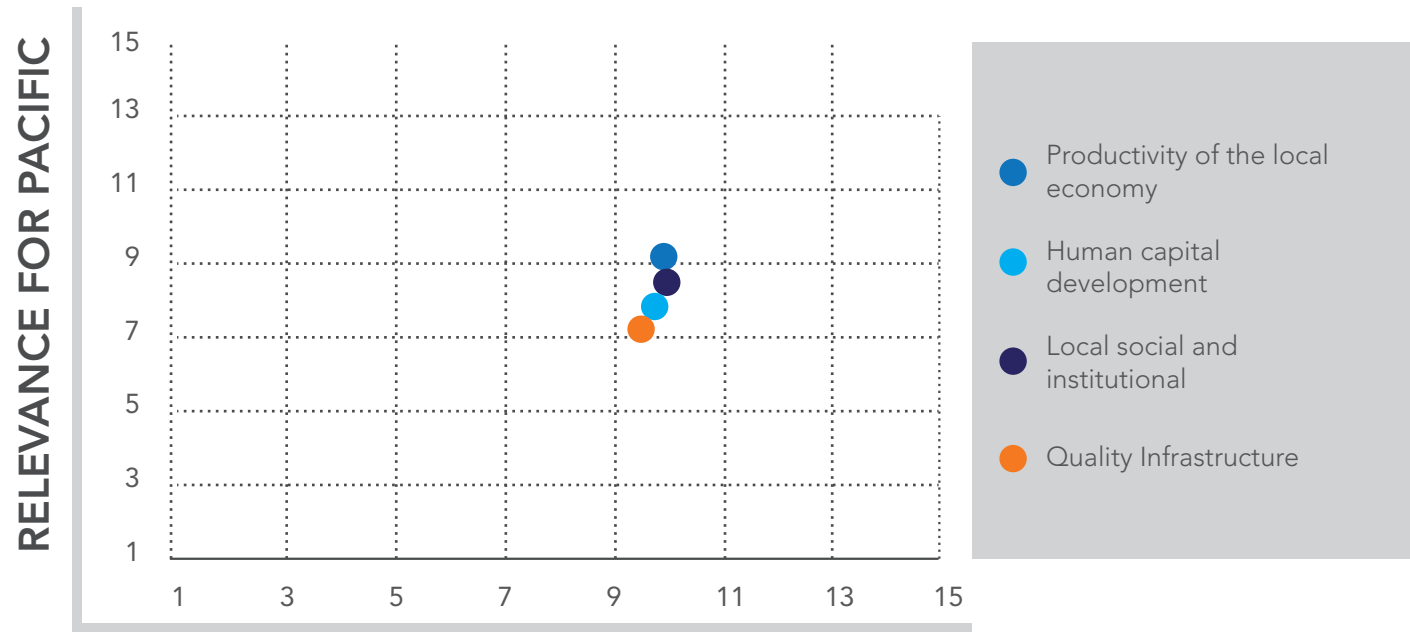


GRI G4-19, 4-20, 4-21, 4-27
Material aspects and boundaries

In 2015, we had to address several challenges associated with low international oil prices. Consequently, we adjusted our social strategy by updating the current Social Investment Framework. This new framework responds to the principles of efficiency, growth and adaptability set by directives and prioritizes cost-efficient and sustainable projects.

Additionally, in recognition of the ethnic minorities who have a presence in our areas of influence, we developed an Ethnic Social Investment Framework with the objective of protecting, respecting and strengthening traditional practices and conserving cultural heritage. This framework was built based on the needs identified within our ethnic communities and is a tool that aids the Company in mitigating impacts that may occur due to the process of adaptation and intercultural coexistence with these communities.

This year the materiality analysis built with our internal and external groups provided the following results:



EXPECTATIONS OF OUR SURROUNDINGS

External Stakeholders: Field partners, suppliers and contractors, shareholders, State, media, analysts, unions and clients.

PRODUCTIVITY OF THE LOCAL ECONOMY

Awareness of the social inequalities in the regions where we are present has led Pacific to continually work on a strategy that promotes productivity of the local economy, incentivizing commercial chains, and subsequently achieving integration of rural and urban entrepreneurs into the local and regional economy.

Thus, our efforts have focused on two fundamental aspects: first, promoting the development of local suppliers, and second, supporting rural and urban ventures capable of improving the conditions of the most vulnerable. We aim to achieve our vision of success through these incentives by contributing to the consolidation of competitive territories for local sustainable development.

In 2015 we ratified our commitment to the promotion of business development based on the transmission of knowledge and competencies required for adequate economic performance. To achieve this, we established an intervention strategy with local suppliers where we:



- Mapped and selected local entrepreneurs.



- Evaluated the level of maturity of their businesses.



- Identified their barriers to access the market.



- Started a process for strengthening entrepreneurs.



- Coordinated commercial rounds to close deals and achieve commercial articulations.

With this strategy we helped 50 local companies by impacting the generation of local work, increasing revenue levels for participants, and integrating new entrepreneurs into the economic activity of the municipalities of Puerto Gaitan, San Luis de Palenque, Trinidad, Paz de Ariporo, and Orocué.

Additionally, we continued to work with the rural sector to support agricultural development initiatives. This allows us to support the El Silencio project in Colombia, which increases financial, social and human capital for more than 120 families who work in association and have a pineapple crop. The group of beneficiaries is comprised of 60% women, 10% of who are head of the household and 15% who are people displaced by armed conflict.

HUMAN CAPITAL DEVELOPMENT

In the 2014-2018 National Development Plan **"All for a New Country,"** the Colombian Government establishes peace, equality and education as elements that are necessary to close gaps that exist at the economic, social and cultural levels and form a virtuous cycle. In line with this plan, in 2015 we prioritized the development of human capital in our areas of direct influence and we are aware of the importance of joining efforts with the state and departmental and local authorities to achieve success.

After several analyses of the surroundings of our areas of influence, we still find great challenges in matters of coverage and quality of education, which can only be addressed working in an articulate manner with pertinent authorities to leverage knowledge and resources necessary to solve these problems.

In line with this challenge, in 2015 we decided to invest in building capable

communities that allow for sustainability and progress through diverse scholarship programs for higher education, literacy and basic education programs as well as training programs focused on ethnic groups and support for the community and Interinstitutional **Ethnic-Educational Plan**. The latter was approved by the Ministry of Education and incorporates elements of indigenous world views in school curricula of the Awaliba, Vencedor Piriri, and Planas indigenous communities in the Meta region.

During this year, we continued supporting 95 scholarship grantees from our direct influence areas through our program to support higher education. This initiative aims to sponsor inclusion and social mobility for youth in vulnerable conditions while reinforcing their sense of belonging and the role they play in transforming the economic, social and cultural aspects of their communities.

Additionally, we ratified our commitment to the eradication of youth and adult illiteracy through a joint program that included 187 participants with CAFAM (compensation fund) in the Municipality of Puerto Gaitan, which focused on the formation of teachers. This strategy seeks to strengthen education in the municipality and encourage more people to participate in the labour market.

In regards to indigenous matters, **we worked on promoting the tradition, culture and special indigenous jurisdiction of the Sikuani people in Meta.**

We sought to strengthen the social fibre through workshops that allowed us to identify internal and external conflicts and territorial recovery processes.

Two widely accepted documents were prepared by the 23 communities of the Vencedor Piriri indigenous community: an autonomy and self-government manual and a special jurisdiction manual.

With our interventions in human capital development, we have created conditions necessary to have harmonious relations with our surroundings, and we have set solid bases for the educational development, autonomy and self-determination of those who participated in the initiatives that were implemented in 2015.

LOCAL SOCIAL AND INSTITUTIONAL STRENGTHENING

Having strong social and institutional economies in our direct areas of influence is important for Pacific given that the success and sustainability of our initiatives relies on an organized community that knows its rights and duties, exercises them, and works jointly with local institutions and our industry.

As a transversal strategy for the 2014-2018 period within the National Development Plan, the Colombian State established the consolidation of a social state based on the Rule of Law, presenting a governance scheme for the entire national territory that does not **“bring the State to the territories,”** but builds the State and its legitimacy **“from and for territories.”**

Due to the high number of indigenous communities present in our areas of direct influence, in 2015, within our “local social and institutional strengthening” axis, we prioritized an investment in the Sikuni communities located in the municipality of Puerto Gaitan, Meta.

In line with the above, we established a work plan with 18 communities of the Vencedor Piriri indigenous community and nine communities of the La Campana indigenous community. **We worked with them, encouraging intercultural food sovereignty and the formation of leaders and indigenous authorities with the purpose of creating internal governance structures** and increasing their capacity to interact with external authorities.

Given the high rates of malnutrition in indigenous communities, **in 2015, we established dozens of single-family conucos (traditional family crops) with more than 40 vegetable species, benefiting more than 1,000 members of the indigenous community of the municipality of Puerto Gaitan, Meta.** This program includes the delivery of food packages, formulated at the time as a strategy to reduce malnutrition and

associated mortality. Between 2014 and 2015, mortality related to malnutrition has seen significant improvement, reducing by almost 40%.

This project has had an impact on community planning and the formulation of collective projects directed at 36 captains and 80 leaders of the Sikuni communities.

Additionally, the project included a component of educating caregivers for indigenous minors; we trained 500 fathers and mothers on the importance of caring for children and the importance of early education.

It is important to highlight that, for the implementation of this project where we worked mainly with the indigenous population, focus on the projects that took into account the culture and traditions of the Sikuni population was a significant factor for success.

We also implemented a sports strategy directed at children and youth for the first time in 2015. It focused on strengthening civic values, encouraging peaceful coexistence and healthy activity as well as preventing damaging, violent and criminal dynamics. With presence at Ibagué, Barranquilla, and the El Salado territory in Carmen de Bolívar (Colombia), this strategy trained 400 children and promoted the construction of protective surroundings that guarantee adequate conditions for the comprehensive development of this vulnerable population.

Finally, **we worked closely with the Special Administrative Unit of the Public Employment Service (“UAESPE”) of the Colombian Government** for the socialization of the Public Employment Service’s legal framework, whose function is to organize the labour market. In our Casanare and Meta zones of operation we aligned with the other operating companies in the industry to socialize, train, and continue with the implementation of this employment network for the benefit of all our stakeholders.

40 Conucos plant species
1,000 Indigenous people benefited
36 Captains formed
80 Sikuni leaders formed
500 Fathers and mothers trained
400 Children strengthened

QUALITY INFRASTRUCTURE

Strategic infrastructure and competitiveness is one of the five transversal strategies set by the Colombian Government in the 2014-2018 National Development Plan and is a necessary component of economic growth, human development, and integration and connectivity of the regions.

The main challenges in matters of infrastructure in our regions **during 2015 were associated with educational infrastructure and the support for local authorities to extend public service supply** networks to meet the communities’ basic needs.

One of the main factors affecting the conditions of the communities in our direct areas of influence was the low rainfall affecting river levels and water reservoirs that are fundamental for the subsistence of crops and livestock, the main sources of income for these rural communities.

In response to low rainfall, Pacific is coordinating with local environmental authorities for **the construction of deep water wells and the installation of wind mills that guarantee access to water**, eliminating dependence on tanker trucks, motor pumps and fossil fuels. This will benefit 54 families and more than 250 people in the municipality of Paz de Ariporo, Casanare.

In 2015, we worked with the mayor of Cabuyaro, Meta, on expanding our coverage of public services and achieved the electrification of four villages, positively impacting the living conditions of more than 518 people in Las Delicias, San Miguel, El Yarico and La Embajada.

In the municipality of San Pedro, in which our main gas field, La Creciente is located, the effective coverage of the gas system is 93.2%. To reach the goal of 100% in 2015, we assisted 479 families in the towns of San Mateo and Rovira by connecting their homes to the natural gas duct owned by Surtigas, a Company that made an economic contribution to the project. After implementation, health projections improved amongst new users because the use of gas instead of wood and coal reduces the intake of smoke and the risk of fires.

Also, **the Company contributed to the reduction of the housing deficit in the Casanare Department by improving housing and rural structures to advance the living conditions** for vulnerable families in the municipalities of San Luis de Palenque, Trinidad, Mani, Monterrey, Orocué, and Villanueva. We implemented a self-construction model and leveraged the local workforce through the Community Action Boards, benefiting 2,026 people.

Pacific’s support for educational infrastructure was marked in 2015 by two iconic projects: the educational infrastructure maintenance plan in San Luis de Palenque and Trinidad, Casanare, and the construction of the Child Development Centre (“CDI”) at Puerto Gaitan, Meta. These two projects ratified our commitment to extend the educational network and improve conditions under which services are provided to youth in our areas of direct influence. The projects impacted more than 500 people.

Finally, **we supported the construction of spaces for sports, parks for children, and community meeting spaces**, in line with our interest of promoting and strengthening the social fibre and the creation of protective surroundings in the municipality of Puerto Gaitan, Meta, San Pedro, Sucre, Aipe, Huila, El Carmen de Bolívar, Bolívar, and Paz de Ariporo, Casanare, among others.



54 Beneficiary families in the municipality of Paz of Ariporo, Casanare

250 People benefited in the municipality of Paz of Ariporo, Casanare

4 Electrified roads

518 Residents benefit of Las Delicias, San Miguel, El Yarico and La Embajada

479 Families benefit by connecting to gas pipeline

2,016 People benefit from improved housing and rural structures

2 Support for educational infrastructure projects

500 People impacted by educational infrastructure projects



OUR SOCIAL STRATEGY IN PERU

Several indigenous communities reside within our areas of operations, including the Achuar, Urarina, Kichwa, Quechua, and Matses. We are committed to protecting their culture and respecting their right to self-determination.

BLOCKS 135 AND 137:





Block 137, which was granted to our Company, was declared under force majeure as of November 24, 2008, by the Peruvian government. As a result, we have maintained our non-intervention policy until an agreement is reached between the local communities and the Peruvian government.

In the case of Block 135, the seismic program was completed in May of 2013 but did not occur within the territory that was extended to the Matses community in 2010. The Company continues to evaluate the seismic program's results and has not made a decision at this time. In any case, the Company maintains that it will not operate in the zones that are protected by the Matses community.

BLOCK 192:

The process for awarding Peruvian Block 192 to Pacific was determined not only because of the Company's profitability and operational achievements, but also because of our stakeholder engagement experience. **The Company used its Sustainability and Stakeholder Engagement Policy, the Declarations of Human Rights and Gender, and its Social Investment Plan as part of its strategy to prioritize the well-being and development of these groups**, an action which was well received by stakeholders in Peru. To date, the Company has reached several agreements with the local indigenous communities regarding labour opportunities and social and environmental commitments with a focus on health and education. The Company is in constant dialogue with these communities and will continue to report advances.

WHERE ARE WE HEADED?

ISSUE	CHALLENGE	DEADLINE
 PRODUCTIVITY OF THE LOCAL ECONOMY	<ol style="list-style-type: none">1. Continue strengthening participants of the Local Suppliers Program so they diversify their knowledge and connect with other industries.	2016
 HUMAN CAPITAL DEVELOPMENT	<ol style="list-style-type: none">1. Articulate efforts with authorities competent in educational affairs to leverage resources and knowledge that are required by the communities in our direct areas of influence.2. Capitalize on knowledge in the regions, multiply learning processes and replicate successful practices that contribute to improving conditions for children, youth, and adults.	2016 2017
 LOCAL SOCIAL AND INSTITUTIONAL STRENGTHENING	<ol style="list-style-type: none">1. Establish harmonious relations with elected authorities in 2016 to implement projects that coordinate the public and private sectors for the benefit of the more vulnerable populations of our direct areas of influence.2. Work hand-in-hand with local ethnic authorities, civil society, and the community in general to define social investment priorities that are in line with the new development plans and priority needs.	2016
 QUALITY INFRASTRUCTURE	<ol style="list-style-type: none">1. Contribute to the improvement of the country's competitiveness through quality infrastructure and find points of articulation with local authorities and the national development plan that promote joint attention to specific problems.	2016 2017

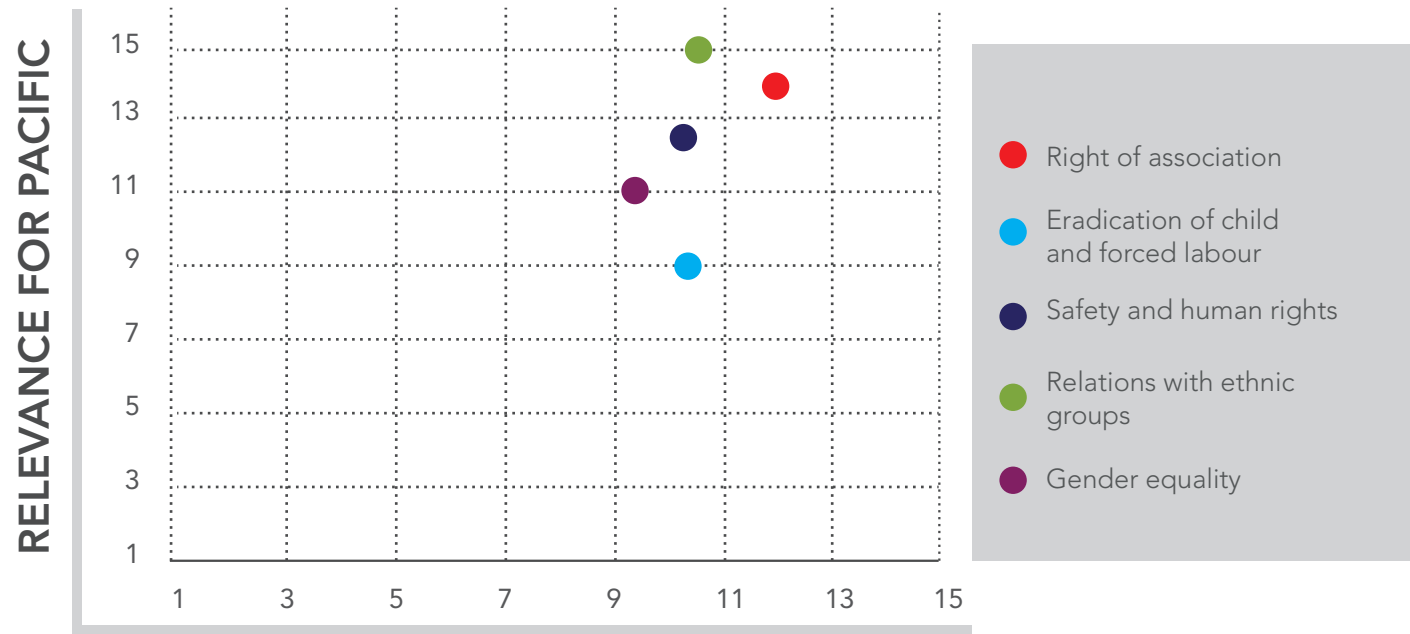


WE RESPECT AND PROMOTE HUMAN RIGHTS IN OUR OPERATIONS

GRI G4-19, G4-20, G4-21, G4-27
Material aspects and boundaries

Following its Declaration of Human Rights, Pacific continues to act with due diligence to identify, prevent and address potential risks regarding the dignity, well-being, and rights of our employees and their families, and the communities where we operate. The Company continues to manage such risks and to undertake action plans according to the needs and social contexts in which we operate.

In 2015, the materiality analysis built with our internal and external groups provided the following results:



EXTERNAL STAKEHOLDERS

External Stakeholders: field partners, suppliers and contractors, shareholders, State, media, analysts, unions and clients.

Internal Stakeholders: Employees and their families

RIGHT OF ASSOCIATION

Managing the right of association is a fundamental pillar for Pacific and is framed in compliance with the constitutional mandate, applicable labour norms, and international agreements adopted by the countries where we operate. In addition, it is an important instrument for employee relations, as it allows healthy and efficient negotiation and seeks a responsible and objective approach to the well-being of all parties. This is especially relevant considering the industry’s current situation.

Our aim is to continue to guarantee this right of association for workers and to encourage our

contractors to respect their workers in order to increase the level of confidence among both parties and the certainty for workers that their legal and extralegal rights will be protected.

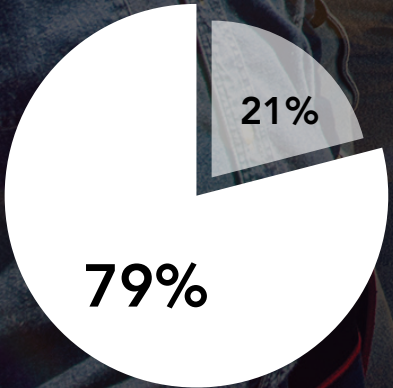
As at December 31, 2015, there were 3,018 active affiliates. Of these, 1,373 are direct employees which represents 61.8% of the Company’s total employees, and 1,645 contractors, which represents 23.7% of the Company’s total contractors.

GRI G4-11 Organizational profile

With the objective of promoting and respecting this right, in 2015, the Company:

- Established the conditions necessary for full compliance of labour agreements signed with the UTEN Union.
- Granted opportunities and meeting spaces for all associates of unions to effectively exercise the right of association.
- Supported labour stability policies promoted by UTEN to preserve the greatest number of employment positions due to the imminent surrender of the Rubiales field.
- Provided spaces for interaction to solve problems identified by worker representatives.
- Continued to provide support for the reinforcement of the alternative union educational project promoted by UTEN.

In regard to the Petitions, Complaints, and Claims System implemented by UTEN, as of December 31, 2015, the union received a total of 3,432 petitions from workers, of which 79% (2,710) were already solved. The remaining 21% (722) were open and in the process of finding a solution.



2015	OPEN	CLOSED	TOTAL
TOTAL	722	2,710	3,432
PERCENTAGES	21%	79%	100%

ERADICATION OF CHILD AND FORCED LABOUR

GRI G4 - HR5 Child Labour

Following the Colombian national goal of eradicating all forms of child labour, since 2014, Pacific has been collaborating with private companies and state institutions on a joint strategy that enables the implementation of actions in addressing child labour concerns in the country.

To achieve this objective, **we have joined efforts with the Colombia Network Against Child Labour** as a founding member, and from this platform we have pushed for tangible actions to ensure no child in Colombia is exploited for illegal labour.

Pacific is convinced that child labour disrupts a child's foundational education, increases the likelihood of the child dropping out of school

and affects their physical, social and psychological development and well-being. These aspects significantly influence the development of children and adolescents, affecting their potential to become productive members of society, and for those most vulnerable, affecting their potential to overcome poverty.

During 2015, the Company's actions focused on two key fronts:

- First, **we worked collaboratively with the Colombia Network Against Child Labour** in an awareness session that coincided with the international day against child labour where we presented an innovative and high-impact strategy: the **"Stick Your Tongue Out To Child Labour"** campaign.

This campaign, which became a trending Twitter topic, also had broad recognition internally and achieved significant coverage in the Colombian media. We continue creating awareness and alerting the community of a problem that affects Colombia and compromises the development of our human capital.

- Second, **we continued to work on the creation of protective surroundings for children and adolescents.** To this effect, we worked on the construction of a children's park in Puerto Gaitan, we promoted the practice of talent and folklore on the sidewalks of local areas of direct influence and we supported the improvement and maintenance of eight schools in Casanare and one in Meta.

These community-based projects enabled us to keep our commitment to the eradication of child labour while working constructively and collaboratively with key government and private partners to eradicate a problem which is in everyone's interest to overcome.

SECURITY AND HUMAN RIGHTS

ACTIVE PARTICIPATION IN THE VOLUNTARY PRINCIPLES OF HUMAN RIGHTS AND CME MINING AND ENERGY COMMITTEE (CME IN SPANISH)

Within our commitment to promoting and respecting human rights in our operations, **in 2015, we continued to be a member of the Voluntary Principles of Human Rights and CME**, actively participating in working groups, adopting recommendations, closing identified gaps, and sharing lessons learned and successful cases.

During the annual plenary we had the opportunity to present our experiences operating in high-risk zones, that have been characterized for their institutional weakness and high levels of poverty and inequity. In addition, we presented the accomplishments we have achieved since becoming members in 2014.⁴

⁴ For more information on our advance in the implementation of this initiative, please see the following link: <http://www.voluntaryprinciples.org/>

TRAINING ON HUMAN RIGHTS, INTERNATIONAL HUMANITARIAN LAW AND THE RUGGIE FRAMEWORK

Within the framework of the **Cooperation Agreements currently in effect between the National Police of Colombia and the Company, in 2015, we trained more than 220 people**, including members of the police force with presence in our Meta operations and direct and indirect employees.

In these workshops, participants had the opportunity to re-familiarize and update their knowledge of human rights, international humanitarian law, the Institutional Strategy for Protection of Vulnerable Populations, the Inter-American Human Rights System, the Voluntary Principles Initiative and the Ruggie Framework.

RELATIONS WITH ETHNIC GROUPS

Even with the significant challenges faced by the oil and gas industry due to the current sustained economic climate, Pacific has maintained a strategy for direct engagement with indigenous groups. 2015 was a year of continuous communication and understanding with the indigenous communities within our areas of operation, not only within the framework of compliance with prior consultation, but also in promoting respect and harmonious relations.

During 2015, we carried out the following activities in the Caqueta, Meta, and Sucre departments of Colombia, in accordance with our operations:

- 0 Number of pre-consultations
- 0 Number of openings
- 1 Number of impact workshops and management measures
- 2 Number of pre-agreements
- 6 Number of registrations
- 50 Number of follow-up activities
- 7 Number of closings

Throughout 2015, we focused on the implementation of additional projects of interest for our indigenous communities and Pacific.

CATTLE PROJECT:

The 11 indigenous communities of Puerto Naranjo, Peñas Rojas, Cuerazo, El Diamante, Maticuru, Hericha, El Triunfo, El Cedrito, Cuzumbe/Water Blanca, El Porvenir and San Miguel are part of Pacific's direct area of influence in the municipalities of Solita, Milan, Valparaiso, Montañita and Solano. In these communities we developed a cattle project to improve the daily conditions and standards of life while also enabling the groundwork for long-term food security. This project provides an important source of protein nourishment and also functions as an economic driver and source of revenue for the local population due to the increased ability to sell beef, milk, and its derivatives.

Through this project, communities seek to increase the number of livestock and contribute to the well-being of the inhabitant families to ensure medium and long-term viability of their food security.

MALOKA OF THE COMMUNITY OF ACHIOTE (SAMPUES, SUCRE):

In March 2015, one of the Company's pillar projects was the foundation of the self-government for the Zenu de Achiote indigenous community. The Company's contribution to the construction of this office generates a space for community union and strengthening of the relations between the different indigenous groups in order to provide a forum for exchanging ideas in the spirit of community and harmony. This infrastructure represents an important social nucleus as a place for gathering, rest, recreation and social cohesion for these communities, given that it reinforces their practices and customs in terms of traditional medicine, organizational structure and cultural and institutional meetings.

Because this infrastructure created a sacred space for the community, it reintegrated and consolidated the foundations of trust with the indigenous communities, Pacific, and its local representatives.

GENDER EQUALITY



Pacific believes that collective intelligence is a concept that is especially relevant in this century, in which the challenges and complexities within our surroundings require an original approach. **For years, economic, racial and gender differences have accumulated knowledge and power in homogenized groups with little space for plural and minority views.**

The status quo is continuously defied by access to information, spreading the fight for equality to all corners. This fight has special relevance in the labour field in which men and women seek respect for diversity and representative spaces that help companies reach collective intelligence.

In 2015, we appointed the first woman to our current Board of Directors in an effort to contribute to the closing of the gender gap aligned with our corporate guidelines. **This allowed us to differentiate ourselves from our competitors. Today, Mónica de Greiff is an independent director.** In adding a woman to the Board, we

have fostered a seed of growth and joined a select group of companies in the sector that include women on their board of directors. In the 100 companies listed in the oil and gas industry, only 11% of the Board seats are occupied by women.

Our Toronto office is a great example of the representation of our corporate value of Diversity and Inclusion. Today, more than half of our Toronto employees are women and first- and second-generation Canadians who have migrated from Taiwan, Mexico, Venezuela, India, the Philippines and Portugal.

Finally, we launched our **"virtual office" pilot, which allows our employees to work at least 2-3 days a week from home, giving priority to family situations that require location flexibility.** The Company also presented its pilot "Working Remotely Week," an event sponsored by the Ministry of Labour and Technology ("TIC") in Colombia.

PACIFIC AND THE EQUIPARES GENDER EQUITY SEAL

The Ministry of Labour, the High Council for Women's Equity of the Presidency of the Republic of Colombia and the United Nations Program for Development ("**UNDP**") developed the pilot phase of the EQUIPARES Gender Equality Seal. This is a management system designed to advance the foundations of a new work culture that fully incorporates equality for women and men as subjects of rights, income suppliers for the home, parties responsible for caring for the family, and people who drive the country's economic development.

In 2015, and thanks to the work initiated three years ago with the Gender Committee, Pacific received the Gender Equality Seal's Level I recognition for satisfactorily complying with the first phase; the Company is currently developing strategies to advance within this process.

Through these initiatives, we reaffirmed our commitment to improving the quality of life and productivity of our employees.

Pacific is one of the 38 Colombian companies connected to the EQUIPARES community, and is committed to continuing to build fairness and equality in Colombia. Pacific also has the privilege of being the first oil company in the country to achieve this first step.

WHERE ARE WE HEADED?

ISSUE	CHALLENGE	DEADLINE
 RIGHT OF ASSOCIATION	<ol style="list-style-type: none">Continue to supervise the compliance of commitments acquired with the UTEN union.Foster the right of association within the Company's operations by fomenting the respect for this right among the Company's direct personnel and contractors' workers.Continue to provide support to UTEN in its alternative union education project according to its philosophy, especially in issues related to the peaceful resolution of conflicts.	2016 2017
 ERADICATION OF CHILD AND FORCED LABOUR	<ol style="list-style-type: none">Articulate our actions with institutional guidelines to leverage resources and join efforts to achieve greater impact in matters of awareness and reduction of child labour indices in the country.Continue working in spaces such as the Colombian Network Against Child Labour and achieve important synergies between state institutions, multilateral agencies and the private sector.	2016
 SECURITY AND HUMAN RIGHTS	<ol style="list-style-type: none">Continue to actively participate in initiatives such as Voluntary Principles and CME, and continue to apply their best practices and recommendations.	
 RELATIONS WITH ETHNIC GROUPS	<ol style="list-style-type: none">Continue developing compensation activities, optimizing current resources and achieving general coverage in the Company's Blocks where we have prior consultation processes.Maintain and strengthen close links between ethnic groups and communities that are part of Pacific's direct area of influence and open alternate communication spaces other than within the consultation process to strengthen trust.	2016 2017
 GENDER EQUITY	<ol style="list-style-type: none">Focus efforts on the implementation of the action plan and obtain the Level II EQUIPARES certification.	2016

INSPIRING ENERGY



WE HAVE THE BEST TALENT

GRI G4-19, 4-20, 4-21, 4-27
Material aspects and boundaries

Access to the best talent is critical for the Company to achieve its objectives and successfully face the challenges of the oil and gas industry. Despite the current condition of the industry, the Company remains committed to retaining top talent. Our talent, through their excellent performance and application of the corporate values, have contributed to the Company's efficiency and continuity.

A key strategy to the art of attracting, retaining and managing knowledge and human capital is promoting the development of employees by designing training plans for executive, behavioural and technical development. In addition, it is important to adopt a comprehensive labour environment and performance management strategy guided to support the growth of talent in order to generate contributions to departments within the Company and positively manage the challenges of our surroundings.

This year, the materiality analysis built with our internal and external groups provided the following results:



External Stakeholders: Unions

Internal Stakeholders: Employees and their families

SELECTION AND RETENTION OF TALENT

The Company strives to continue to develop our collaborators' potential, promote an optimal labour environment and consolidate a sustainable culture based on leadership, productive relations and permanent learning. Our goal is that the Company will be recognized in the market for its operational, technical and human legacy.

In addition, strict compliance with the legal and extralegal labour, tax and migratory compensation standards is fundamental, given that it ensures our competitiveness with respect to remuneration in order to attract and retain top talent with a skill set required for the successful development of the Company's operations. Moreover, maintaining equality in internal salaries encourages and facilitates sustainability in the Company's organizational structure.

GRI G4 EC6

In 2015 the Company:

- **Evaluated approximately 100 people to cover 87 vacancies.** From the Company's area of influence, 40 people were selected to work in our Quifa and Rubiales fields.
- Articulated the selection and organizational development processes that perform several functions including promotion of internal growth of talent and participation of employees across business units. **The Company made 85 promotions in 2015.**
- **Accepted around 229 apprentices and trainees through learning contracts** that allowed us to provide the best opportunities for young people in Colombia and promote their academic and professional development.
- **Maintained internal salary equality over 90% and the external salary competitiveness index** at reasonable levels, notwithstanding the acquisition of Lot 192 in Peru, through which the Company inherited personnel under a different salary policy, which created a gap that the Company will bridge with time.
- **Formed the Internal Valuation Committee presided by the Corporate Compensation and Benefits Office**, which defines by consensus the valuation of new positions and changes to existing ones based on the Hay methodology and internal equality of the entire corporation.
- **Trained the Human Talent Offices** to reinforce concepts regarding the Hay methodology for preparation of job descriptions.
- **Negotiated with suppliers of prepaid medicine and health policies to maintain their tariff levels for 2015 without affecting employees' core medical and priority coverage.**
- **Held talks on personal finance with the different Company groups in Colombia** who were seeking to improve the ways employees and their families organize their monthly expenses, acquire credit with financial entities, and save for the future.
- Held events at the Company offices with cable television suppliers, specialized publications, banks and providers of furniture and toys where employees were able to acquire such products and services at discounted prices.

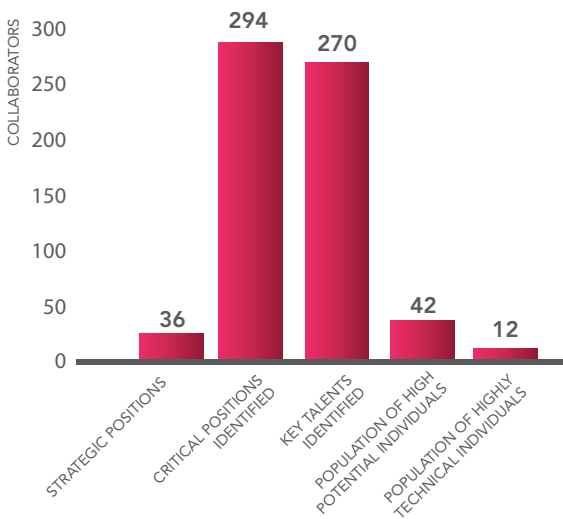
COMPREHENSIVE DEVELOPMENT OF OUR PEOPLE

Identifying the potential for developing employees’ talent helps prepare the Company to tackle challenges posed by the oil sector’s business cycle and manage certain risks. These risks include an increase of the generation gap, a draining of the organization’s critical knowledge, a lack of capacity to adapt to changes in the business, a reduction of productivity, an absence of objectives and non-favourable labour environment, an impact on business continuity and a lack of technical, executive or behavioural preparedness to face the business’s challenges.

To mitigate such risks, during 2015, the Company:

- Implemented the new cloud performance management system and designed a new delegation matrix for more effective performance evaluation that reflects changes in real time.
 - Executed talent planning for each of the Company’s business units, reaching 99% of them and identifying the unit’s current status, structure, labour environment, and any movements made. This planning allowed us to reduce costs by making cost-efficient changes and opportunities for delegation and identifying critical functions. Specifically, we identified:
- Designed and implemented management plans for change to create efficiencies in the organizational transformation processes to mitigate eventual risks for the business. In these plans we established two high-impact projects: (1) “Organizational Adaptation” in the adjustment of strategic, tactical, and operational roles, and (2) the “Comprehensive Management of the Business Plan.”
 - Strengthened the Management of Change methodology in the organization’s core processes through 29 initiatives for change and the execution of 14 “Management of Change” workshops in Bogotá and in the fields with more than 420 participants.
 - Designed the “Contribution-Based Development” strategy with employees who have been identified as “high-potential individuals” to highlight their contributions to the business and the construction of labour environment action plans.
 - Held 13 sessions identified as “Welcome Experiences” for new employees. We covered 96% of new workers and trainees and received a 90% satisfaction rate.

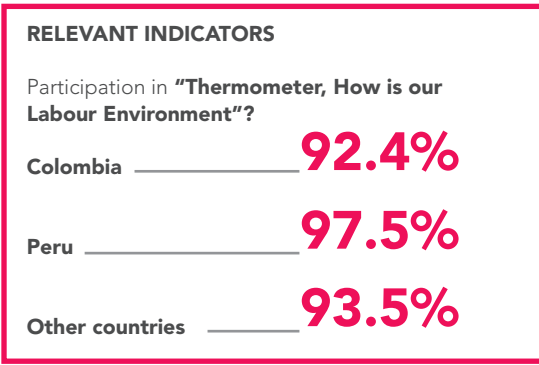
1. Critical positions, taking into account the variables of contribution, knowledge, and achievement.
2. Successors for these critical positions according to the classification of immediate successors in the medium- and long-term and for circumstantial changes such as a potential acquisition or change of control.
3. Retention risks and impact of loss.
4. Indicators, including:



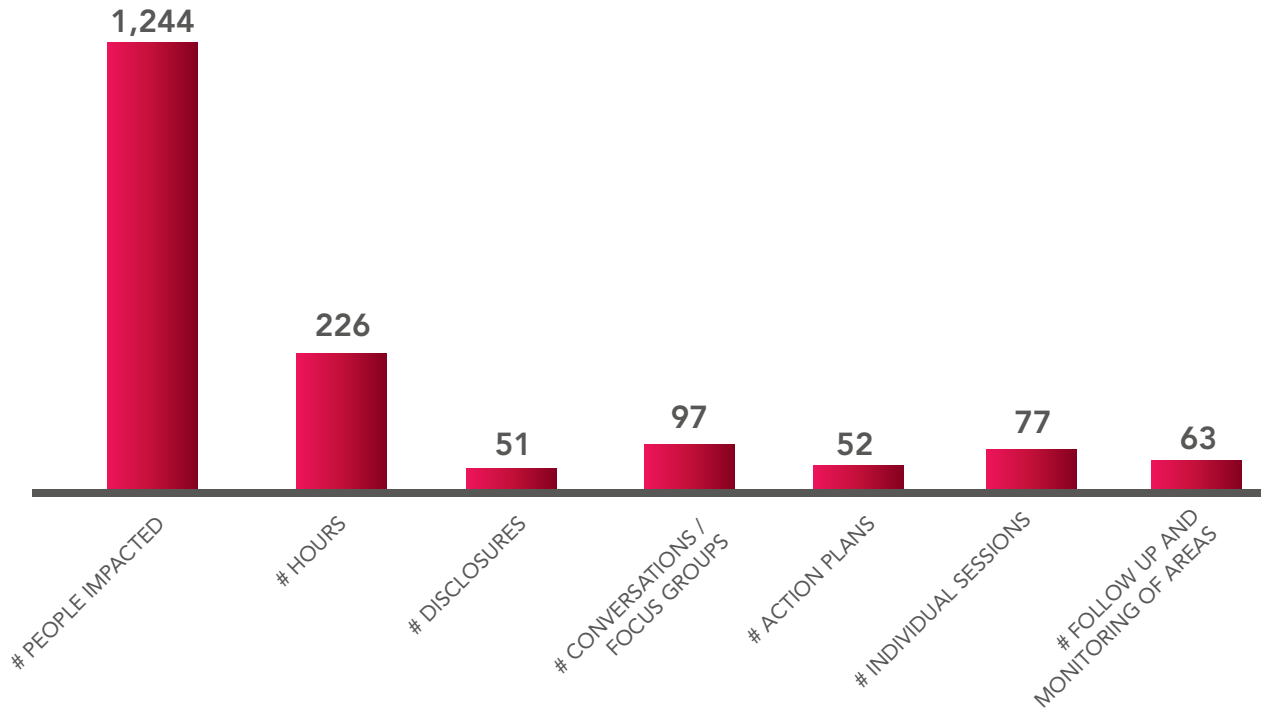
RESULTS OF THE 2015 LABOUR ENVIRONMENT INDEX

Through the labour environment survey, we seek to identify our strengths and opportunities for improvement and thus comply with our objective of having a healthy and productive labour environment. During uncertain times, this exercise allows organizations to run a diagnostic analysis of internal relations and maximize the advantage of lessons learned for similar situations in the future.

In order to continually encourage a positive labour environment, we executed different interventions, disclosures, conversations, individual sessions and monitoring in the Company’s different areas, as set out below:



CONSOLIDATED PACIFIC E&P AND COUNTRIES



ORGANIZATIONAL LEARNING

GRI G4-LA10 Training and Education

Development of talent continues to be a fundamental pillar for the Company’s sustainability. The sustained low oil price environment and the technological, environmental and socio-economic demands associated with oil exploration and production presents important challenges of training, development, and availability of specialized talent.

These challenges require the development of an organizational learning strategy structured and sustained by best practices that ensures the timely and pertinent acquisition of human talent. Such a strategy also facilitates adequate management of key knowledge in order to affect the business strategy within a restricted budget.

In maintaining the precepts of the Organizational Learning Model, during 2015, the Company:

- **Implemented the low-cost and high-impact productive learning scheme** to support the Company's strategy based on management of knowledge practices using our internal talent and free access to external knowledge.
- **Carried out 316 in-person training actions with the participation of 189 internal facilitators from different business areas, providing learning opportunities to more than 2,000 people.**
- **Trained more than 250 people thanks to the training actions portfolio of the Learning Management System ("LMS")** on Pacific Talent with 18 free virtual Massive Open Online Courses ("**MOOC's**") developed by prestigious universities worldwide.
- **Defined training plans for all undefined term contract workers** from the director level to the operations level. On average, 60% of the personnel completed their training plan at a satisfactory level.
- **92% of personnel participated in training activities with an average of 33 hours per person to strengthen technical, executive, and behavioural competencies in core business areas, including, among others: Economic Evaluations School of Interpreters (Exploration), Seismic (Design and Methods), Sedimentary Geology and Stratigraphy, Modeling of Reservoirs and Improved Recovery, Subsoil-Surface Production Technicians ("SENA"), HSEQ, Contract Administration, Resilience, Supervision, Leadership, and Management of Change.**
- **Updated and formalized the corporate policy and procedures on organizational learning and management of knowledge.**
- **Built a mandatory Sustainability and Shared Value course for all our collaborators in 2016** in order to align our practices with Company policies.

VOLUNTEER PROGRAMS

"AGENTS OF CHANGE" IN COLOMBIA

During six months in 2014, we trained 28 single mothers in the preparation and execution of their own small businesses. In May and then again in December 2015, our allies on this project followed up with the women and found the following results:

- **28 mothers had launched 28 businesses that indirectly benefited 84 people,** including victims of conflict and persons under extreme poverty as identified by the National Agency for Overcoming Extreme Poverty ("**ANSPE**").
- **27 of the women-owned businesses generated an increase in their revenue,** the majority between 5% and 80%,

and 19 women reported an increase in their quality of life.

- **In December 2015, there were 21 active businesses, 18 directly managed by the beneficiaries;** 3 were delegated to family members because those women had found other employment.






WORK WITH GOODWILL CANADA

The Toronto office began its group-volunteering initiatives with Goodwill Canada, visiting their retail store in October and December to assist in clean-up and organization. Goodwill is a non-profit organization that seeks clothing and furniture

donations to provide job assistance and opportunities for those facing adversity. They provide programs for youth, seniors, veterans and people with disabilities, criminal backgrounds and other specialized needs. Through the sale of donations, Goodwill strives to enhance the dignity and quality of life of individuals and families by helping people reach their full potential through education, skills training and the power of work.

Employees are encouraged to personally volunteer with organizations that fit with Pacific's corporate values: excellence, leadership, diversity & inclusion, and integrity. Many employees hold positions in non-profit organizations and charitable boards, volunteering their time and expertise.

WHERE ARE WE HEADED?

ISSUE	CHALLENGE	DEADLINE
 SELECTION AND RETENTION OF TALENT	<ol style="list-style-type: none">1. Tend to the requirements of talent according to the needs and evolution of the business, with the development of internal talent as priority.2. Maintain equality and competitiveness in compensation for the entire corporation.3. Support the Rubiales field transition process in Colombia, intending for this landmark change to occur under the best possible conditions for the Company as well as the affected employees.	2016
 COMPREHENSIVE DEVELOPMENT OF OUR PEOPLE	<ol style="list-style-type: none">1. Update the Company's succession plan, focusing on identification of critical positions and key talent acquisitions aligned with the vice-presidency of human talents' strategic plan.2. Design the 2016 labour environment strategy aligned with the needs of a potential new organizational structure and changes in its culture.	2016 2017
 ORGANIZATIONAL LEARNING	<ol style="list-style-type: none">1. Participate in the Rubiales field transition process through the management of knowledge and training of personnel.2. Strengthen the virtual and mixed learning culture and activate teaching dynamics that reinforce learning effectiveness.3. Provide continuity and strengthen the productive learning scheme in all countries where we are active.	2016



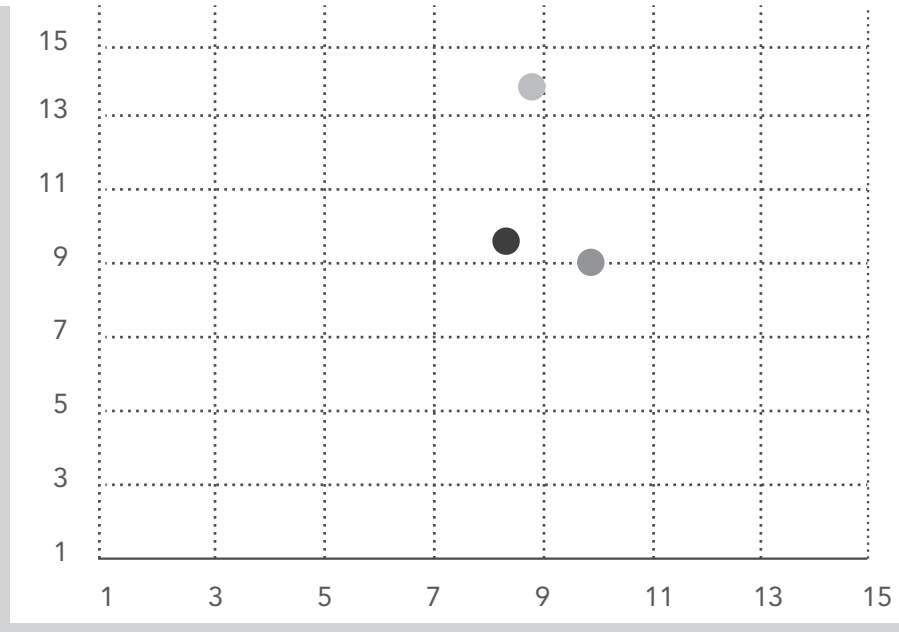
WE PROMOTE A SUSTAINABLE SUPPLY CHAIN

GRI G4-19, 4-20, 4-21, 4-27
Material aspects and boundaries

The supply chain is a fundamental element of Pacific’s economic, social, and environmental performance, and it is vital for the viability of the business.

This year the materiality analysis built with our internal and external groups provided the following results:

RELEVANCE FOR PACIFIC



EXPECTATIONS OF OUR SURROUNDINGS

- Management and development of suppliers
- Purchase of local goods and services
- Sustainable management

External Stakeholders: contractors, suppliers, and community.

SUSTAINABLE MANAGEMENT

With the firm purpose of continuing to promote social, environmental, and economic performance in our supply chain and its continuous improvement, during 2015 the Company focused on:

- Providing continuity to the execution of the action plan to guarantee a sustainable supply chain. This year our efforts were concentrated on strengthening the management of local purchases based on variables of competitiveness, transparency, and new market conditions. For this initiative we held a roundtable for local purchases in which our Purchase and Social Responsibility offices participated with the objective of strengthening our strategy with local suppliers.
- Developing tools to support supply processes; in 2015 we implemented the SAP Sourcing platform to unify information for follow-up on value chain in real time.
- Formulating the Strategic Supply Plan (“PAE”), which empowers the management of supply categories with high impact on the business. In 2015 we identified areas with high potential to generate greater value for the Company by producing greater efficiency, making improvements to the process, and broadening the scope of relations with suppliers and contractors.

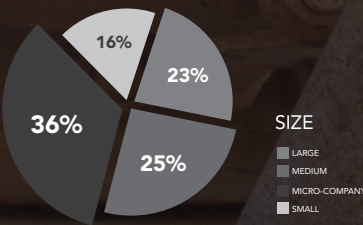
The initiatives discussed at this roundtable were:

- A. A registry of local companies
- B. A mechanism to promote direct and indirect local purchases
- C. The execution of the Local Suppliers Development Program
- D. The management of change to guarantee local purchases, compliance with standards of quality, opportunity, price, protection of the environment, and business integrity
- E. Implementing this PAE began with internal supply clients through win-win formulas with suppliers, specifically for well services, which was identified as a high-potential area in generating value for the business.
- F. Providing continuity for benchmarking activities for the supply area in order to align our projects to best practices worldwide.

DEVELOPMENT OF SUPPLIERS AND CONTRACTORS

Supplier and contractor development at Pacific is framed in the corporate policies and principles of the supply chain’s strategic function. Included in such policies and principles are fundamental concepts, such as the importance of establishing commercial and comprehensive relations with suppliers that contribute to sustainable development and value generation. The above is based on a foundation of competitiveness and transparency as well as on collaborative relations based on trust.

In line with these guidelines, in 2015 the Company focused on:



A. SUPPLIER SELECTION AND EVALUATION.

Our supplier registry allows us to verify credentials and experience and identify risks and gaps in potential suppliers. In 2015, we saw important growth in the number of local suppliers registered with more than 320 potential companies from the municipalities where we have direct influence.

B. SUPPLIER EVALUATION.

We achieved the implementation of a comprehensive evaluation model that has allowed us to fully analyze our suppliers and contractors. In addition, this has allowed for the establishment of parameters in our systems regarding evaluation criteria based on the criticality of each supplier for the operation.

C. LOCAL CHAIN PROCUREMENT PROGRAM (LCPP).

We analyzed the total population of more than 460 participating companies, mainly from our areas of operation in the Colombian Orinoquia region. We identified the companies’ different levels of strength and differentiated between potential direct-offer goods and services related to the oil industry.

Of all the companies participating, 73%, or nearly 340 companies, indicated that they have the potential for direct supply. However, the level of development of said companies is diverse and only 128 reached acceptable levels for potential commercial relations with Pacific’s value chain.

D. SUPPORT FOR THE PROMOTION OF THE OIL AND GAS CLUSTER.

We continued supporting Fenalco Meta’s and Campetrol’s institutional initiative in Colombia with the objective of effectively connecting local offers to the opportunities and challenges of the oil industry in this key region of influence. In this space Pacific has sought to promote the competitiveness and promotion of a new investment agenda to close demand gaps of unavailable goods and services.

E. VISITS TO LOCAL COMPANIES.

Despite the significant reduction in demand for goods and services, we maintained a connection with local surroundings. We visited and engaged with local companies in the areas of influence of our operations in the Departments of Casanare and Putumayo to inform them of our policies for the management of suppliers, present the opportunities for local offers, and guide actions for the registration of the ideal local offer.

PURCHASE OF LOCAL GOODS AND SERVICES

GRI G4-EC9 Procurement practices

Purchases of local goods and services continue to be an important issue for Pacific given the following:

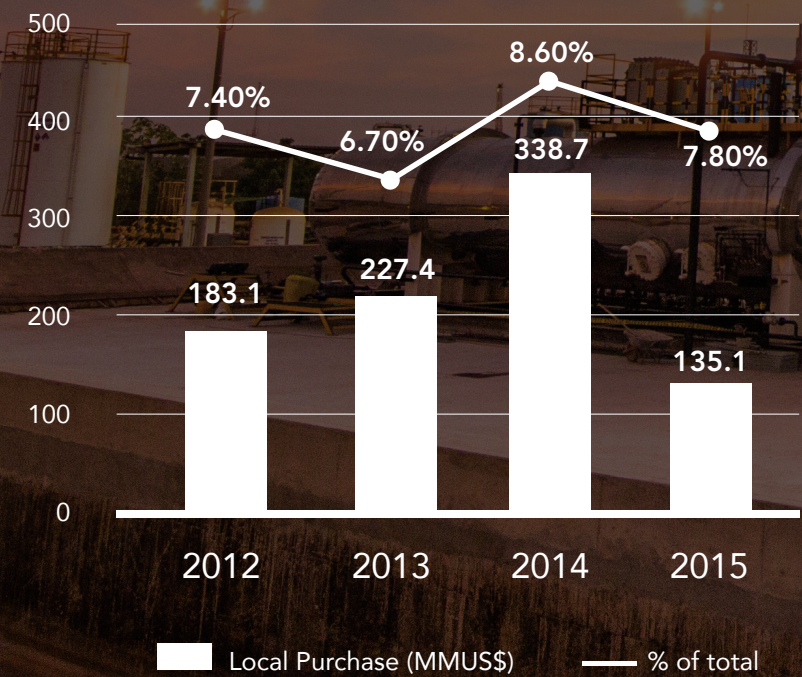
- Pacific's supply chain must ensure that, in line with the corporate strategic framework, we achieve sustainable growth that involves shared-value principles with our surroundings and a minimization of risks inherent to supply.
- When developing commercial relations with companies located in the regions where the Company operates, we reduce logistical costs by bringing our supply sources closer to our operations.

Therefore, in 2015 we issued a Policy for Direct Local Purchase of Goods and Services to promote greater levels of local purchases under criteria of competitiveness and value for the business. These guidelines are focused on key categories where there is sufficient local supply to hold competitive processes at the municipal, departmental, and regional levels.

In the same manner, in a roundtable for local direct and indirect purchases, we achieved:

- Follow-up and alignment with purchases and contract teams in order to ensure faithful compliance of direct local purchase instructions.
- Improvement in promoting indirect local purchases through the comprehensive revision of the Corporate Social Responsibility contractual annex, allowing the incorporation of mechanisms under which contractors can effectively comply with the Sustainability Policy. Among other benefits, this improves the exchange of information schemes, accessibility to databases, and facilitates the implementation of recommended strategies for engaging local companies.
- Follow-up on the payment commitments to local suppliers, which allowed the mitigation of the negative impact of low oil prices.

Finally, local purchases in 2015 in Colombia amounted to \$135,000,000, which represented 7.8% of total purchases made. Regardless of the low oil prices, the percentage of local purchases remained within the average of the last 4 years.



Reduction in absolute and relative terms is due to the significant cost reductions that the Company carried out in 2015, which led to a reduced demand in the categories where there is an opportunity to purchase locally, especially involving construction and installation.

WHERE ARE WE HEADED?

ISSUE	CHALLENGE	DEADLINE
 SUSTAINABLE MANAGEMENT	<ol style="list-style-type: none">1. Guide corporate efforts towards the search for greater levels of efficiency in the supply process as well as implement contract schemes that add greater value to the business.2. Extend the scope for the implementation of the Strategic Plan to a greater number of categories, both high impact and cost-wise, as well as improving the efficiency process, identifying areas where our strategic partners can assume greater levels of participation, adequately managing risks associated to supply.	2016 2017
 DEVELOPMENT OF SUPPLIERS AND CONTRACTORS	<ol style="list-style-type: none">1. Continue comprehensive strengthening of the supplier development process from selection, registration, evaluation, and categorization to actions for accompaniment and continuous improvement. This reinforces the commitment that our suppliers can contribute significantly to a business model with an emphasis on efficiency and competitiveness in more critical market surroundings.2. Participate in internal process optimization initiatives to provide an effective response to the realities of our surroundings, from conceptualization of the business portfolio to the last compliance processes for payment commitments.3. Identify strategies that allow continuity of the Local Chain Development Program effort in critical areas for business viability and in supporting economic and social growth in the areas of influence under a framework of collaborative effort and synergy among the different oil operators, as well as with the public and private institutions responsible for the comprehensive development of the communities and local surroundings.	2016
 PURCHASE OF LOCAL GOODS AND SERVICES	<ol style="list-style-type: none">1. Establish synergies with the different oil operators that allow strengthening of local purchases and ensure business viability.2. Develop strategies to increase competitiveness of direct and indirect local purchases.	

GRI G4 CONTENT INDEX



GENERAL REPORTING ASPECTS		PAGE RESPONSE	OMISSION	EXTERNAL AUDIT																																																																																																																																																																																		
Strategy and analysis																																																																																																																																																																																						
G4.1	Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	Words from our CEO. Pages 6-7 Words from our Vice President for Corporate Affairs. Pages 8-11	Not applicable	Pages 102-104 ✓																																																																																																																																																																																		
G4.2	Provide a description of key impacts, risks, and opportunities.	Words from our CEO. Pages 6-7 Words from our Vice President for Corporate Affairs. Pages 8-11	Not applicable	Pages 102-104 ✓																																																																																																																																																																																		
Organizational profile																																																																																																																																																																																						
G4.3	Report the name of the organization.	Pacific Exploration and Production	Not applicable	Pages 102-104 ✓																																																																																																																																																																																		
G4.4	Report the primary brands, products, and services.	Pacific in the world. Pages 12-13	Not applicable	Pages 102-104 ✓																																																																																																																																																																																		
G4.5	Report the location of the organization's headquarters.	333 Bay Street Suite 1100 Toronto, Ontario M5H 2R2	Not applicable	Pages 102-104 ✓																																																																																																																																																																																		
G4.6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	Pacific in the world. Our Operations. Page 13	Not applicable	Pages 102-104 ✓																																																																																																																																																																																		
G4.7	Report the nature of ownership and legal form.	Pacific in the world. Page 12	Not applicable	Pages 102-104 ✓																																																																																																																																																																																		
G4.8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	Pacific in the world. Pages 12-13	Not applicable	Pages 102-104 ✓																																																																																																																																																																																		
G4.9	Report the scale of the organization, including: <ul style="list-style-type: none">• Total number of employees• Total number of operations• Net sales (for private sector organizations) or net revenues (for public sector organizations)• Total capitalization broken down in terms of debt and equity (for private sector organizations)• Quantity of products or services provided	Pacific in the world. Pacific in numbers. Page 14 The impact of our Value Chain Pages 16-20	Not applicable	Pages 102-104 ✓																																																																																																																																																																																		
G4.10	Report the following labour information: - Report the total number of employees by contract and gender. - Report the total number of employees by region and gender.	<table><tr><th colspan="2"></th><th colspan="2">2014</th><th colspan="2">2015</th><th colspan="2">2014 - 2015 VARIATION</th></tr><tr><th colspan="2"></th><th>W</th><th>M</th><th>W</th><th>M</th><th>W</th><th>M</th></tr><tr><td rowspan="2">Canada</td><td>Alberta</td><td>14</td><td>14</td><td>11</td><td>12</td><td>-21%</td><td>-14%</td></tr><tr><td>Ontario</td><td>19</td><td>15</td><td>15</td><td>12</td><td>-21%</td><td>-20%</td></tr><tr><td rowspan="2">USA</td><td>Texas</td><td>9</td><td>13</td><td>6</td><td>10</td><td>-33%</td><td>-23%</td></tr><tr><td>Lima</td><td>51</td><td>84</td><td>42</td><td>66</td><td>-18%</td><td>-21%</td></tr><tr><td rowspan="5">Peru</td><td>Loreto</td><td>0</td><td>5</td><td>13</td><td>221</td><td></td><td></td></tr><tr><td>Tumbes</td><td>7</td><td>91</td><td>4</td><td>76</td><td></td><td></td></tr><tr><td>Ucayali</td><td>2</td><td>8</td><td>1</td><td>2</td><td></td><td></td></tr><tr><td>Amazonas</td><td></td><td>1</td><td></td><td>1</td><td></td><td>0%</td></tr><tr><td>Bogota</td><td>536</td><td>832</td><td>480</td><td>720</td><td>-10%</td><td>-13%</td></tr><tr><td rowspan="7">Colombia</td><td>Bolivar</td><td></td><td>1</td><td></td><td>1</td><td></td><td>0%</td></tr><tr><td>Casanare</td><td>26</td><td>139</td><td>23</td><td>146</td><td>-12%</td><td>5%</td></tr><tr><td>Cundinamarca</td><td>2</td><td>80</td><td>2</td><td>73</td><td>-0%</td><td>-9%</td></tr><tr><td>Hulla</td><td>1</td><td>8</td><td>1</td><td>7</td><td>0%</td><td>-13%</td></tr><tr><td>Meta</td><td>68</td><td>879</td><td>49</td><td>673</td><td>-28%</td><td>-23%</td></tr><tr><td>N. Std.</td><td>1</td><td></td><td>1</td><td></td><td></td><td></td></tr><tr><td>Putumayo</td><td>4</td><td>4</td><td>3</td><td>2</td><td>-25%</td><td>-50%</td></tr><tr><td>Sucre</td><td>4</td><td>27</td><td>2</td><td>22</td><td>-50%</td><td>-19%</td></tr><tr><td rowspan="2">Mexico</td><td>Tolima</td><td>0</td><td>28</td><td></td><td>32</td><td></td><td>14%</td></tr><tr><td>Mexico C.</td><td>0</td><td>0</td><td>1</td><td>2</td><td>-21%</td><td>-14%</td></tr><tr><td>Panama</td><td>Panama C.</td><td>3</td><td>17</td><td>4</td><td>21</td><td>33%</td><td>24%</td></tr><tr><td colspan="2">TOTALS</td><td>747</td><td>2246</td><td>658</td><td>2099</td><td></td><td></td></tr><tr><td colspan="2"></td><td>2993</td><td></td><td>2757</td><td></td><td></td><td></td></tr></table> <p>*W : Women M : Man N. STD: Norte de Santander</p>			2014		2015		2014 - 2015 VARIATION				W	M	W	M	W	M	Canada	Alberta	14	14	11	12	-21%	-14%	Ontario	19	15	15	12	-21%	-20%	USA	Texas	9	13	6	10	-33%	-23%	Lima	51	84	42	66	-18%	-21%	Peru	Loreto	0	5	13	221			Tumbes	7	91	4	76			Ucayali	2	8	1	2			Amazonas		1		1		0%	Bogota	536	832	480	720	-10%	-13%	Colombia	Bolivar		1		1		0%	Casanare	26	139	23	146	-12%	5%	Cundinamarca	2	80	2	73	-0%	-9%	Hulla	1	8	1	7	0%	-13%	Meta	68	879	49	673	-28%	-23%	N. Std.	1		1				Putumayo	4	4	3	2	-25%	-50%	Sucre	4	27	2	22	-50%	-19%	Mexico	Tolima	0	28		32		14%	Mexico C.	0	0	1	2	-21%	-14%	Panama	Panama C.	3	17	4	21	33%	24%	TOTALS		747	2246	658	2099					2993		2757				Not applicable	Pages 102-104 ✓
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Total contractors: 2401

GENERAL REPORTING ASPECTS	PAGE RESPONSE	OMISSION	EXTERNAL AUDIT
G4.11 Report the percentage of employees covered by a collective bargaining agreement.	Respect and Promote Human Rights in our Operations. Right of Association. Page 65.	Not applicable	Pages 102-104 ✓
G4.12 Describe the organization's supply chain.	The Impact of our Value Chain. Page 16-20	Not applicable	Pages 102-104 ✓
G4.13 Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.	During 2015 our shareholder base changed. In addition , the Company changed its name to Pacific Exploration & Production.	Not applicable	Pages 102-104 ✓
G4.14 Report whether and how the precautionary approach or principle is addressed by the organization.	We act consistently and transparently. Risk Management. Page 45 Since 2012, we have implemented the cause-effect methodology for corporate risk analysis (including social and environmental risks) with the participation of the areas involved. This evaluation is carried out annually.	Not applicable	Pages 102-104 ✓
G4.15 List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	We contribute to the sustainable development of communities. Pages 58-61 Initatives that the organization supports: Extractive Industry Transparency Initiative, Global Compact, Carbon Disclosure Project.	Not applicable	Pages 102-104 ✓
G4.16 List memberships of associations (such as industry associations) and national or international advocacy organizations.	Colombian Petroleum Association (Asociación Colombiana de Petróleos - ACP), National Business Association of Colombia (Asociación Nacional de Empresarios de Colombia - ANDI-Colombia), Canadian Business for Social Responsibility (CBSR), member of the Global Compact and of the Local Network in Colombia and founding member of the Regional Center of the Global Compact in Latin America and the Caribbean, adherence to the Global Compact's Business for Peace initiative, Royalty Investment Monitoring Committee, EITI (Extractive Industries Transparency Initiative), Regional Association of Oil, Gas and Biofuels Sector Companies in Latin America and the Caribbean, Mining and Energy Committee for Human Rights and Security and Voluntary Principles for Human Rights and Security.	Not applicable	Pages 102-104 ✓
Identification of material aspects and boundaries			
G4.17 List all entities included in the organization's consolidated financial statements or equivalent documents.	<ul style="list-style-type: none">• Pacific Stratus Colombia Energy Corp.• Pacific Stratus Energy S.A.• Meta Petroleum Corp.• C&C Energy.• Petrominerales• PetroMagdalena	Not applicable	Pages 102-104 ✓
G4.18 Explain the process for deciding the content of the report and the aspects to be reported.	Our Strategy. Our material issues. Page 25	Not applicable	Pages 102-104. ✓
G4.19 List all the material Aspects identified in the process for defining report content.	Inspiring Energy. We Operate with Excellence Page 28 We Act Consistently and Transparently. Page 42 We Work in Harmony with the Environment. Page 48 We Contribute to the Sustainable Development of Communities. Page 58 We Respect and Promote Human Rights in our Operations. Page 64 We Have the Best Talent. Page 70 We Promote a Sustainable Supply Chain. Page 76	Not applicable	Pages 102-104 ✓
G4.20 For each material Aspect, report the Aspect Boundary within the organization, as follows:	Our materiality analysis includes all the operations of the Company. Inspiring Energy. We Operate with Excellence. Page 28 We Act Consistently and Transparently. Page 42 We Work in Harmony with the Environment. Page 48 We Contribute to the Sustainable Development of Communities. Page 58 We Respect and Promote Human Rights in our Operations. Page 64 We Have the Best Talent. Page 70 We Promote a Sustainable Supply Chain. Page 76	Not applicable	Pages 102-104 ✓

GENERAL REPORTING ASPECTS	PAGE RESPONSE	OMISSION	EXTERNAL AUDIT
G4.21 For each material Aspect, report the Aspect Boundary outside the organization, as follows: <ul style="list-style-type: none">• Report whether the Aspect is material outside of the organization• If the Aspect is material outside of the organization, identify the entities, groups of entities or elements for which the Aspect is material. In addition, describe the geographical location where the Aspect is material for the entities identified	Inspiring Energy. We Operate with Excellence. Page 28 We Act Consistently and Transparently. Page 42 We Work in Harmony with the Environment. Page 48 We Contribute to the Sustainable Development of Communities. Page 58 We Respect and Promote Human Rights in our Operations. Page 64 We Have the Best Talent. Page 70 We Promote a Sustainable Supply Chain. Page 76	Not applicable	Pages 102-104 ✓
G4.22 Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	We report restatements in the information of the following indicators: EN 23, EN 15, EN 17, due to changes in the scope.	Not applicable	Pages 102-104 ✓
G4.23 Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	This year we didn't have significant changes.	Not applicable	Pages 102-104 ✓
Stakeholders			
G4.24 Provide a list of stakeholder groups engaged by the organization.	Our strategy. Our stakeholders. Page 25	Not applicable	Pages 102-104 ✓
G4.25 Report the basis for identification and selection of stakeholders with whom to engage.	Our strategy. Our Sustainability and Shared Value Model. Pages 24-25 Stakeholders are prioritized by us based on the criteria established by the AA1000 standard: representativeness, dependency, urgency, responsibility and influence.	Not applicable	Pages 102-104 ✓
G4.26 Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	Our strategy. Our Sustainability and Shared Value Model. Pages 24-25 In 2015, we conducted a survey on the perceived importance and management of the issues in our Sustainability model, both for internal and external stakeholders. The results of this survey are included in the prioritization of the 31 issues and in the construction of our materiality matrix.	Not applicable	Pages 102-104 ✓
G4.27 Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	Inspiring Energy. We Operate with Excellence. Page 28 We Act Consistently and Transparently. Page 42 We Work in Harmony with the Environment. Page 48 We Contribute to the Sustainable Development of Communities. Page 58 We Respect and Promote Human Rights in our Operations. Page 64 We Have the Best Talent. Page 70 We Promote a Sustainable Supply Chain. Page 76	Not applicable	Pages 102-104 ✓
Report profile			
G4.28 Reporting period (such as fiscal or calendar year) for information provided.	About this report. Page 5	Not applicable	Pages 102-104 ✓
G4.29 Date of most recent previous report (if any).	2014	Not applicable	Pages 102-104 ✓
G4.30 Reporting cycle (Annual-Biannual).	Annual	Not applicable	Pages 102-104 ✓
G4.31 Provide the contact point for questions regarding the report or its contents.	sustainability@pacific.energy	Not applicable	Pages 102-104 ✓
G4.32 Report the 'in accordance' option the organization has chosen. Report the GRI Content Index for the chosen option. Report the reference to the External Assurance Report, if the report has been externally assured. GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines.	This report was elaborated in accordance with the GRI G4 guidelines and complies with the "in accordance" comprehensive option.	Not applicable	Pages 102-104 ✓
G4.33 Report the organization's policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided.	For Pacific, it is fundamental to have an external assurance of our reports, with the aim of guaranteeing the veracity and transparency of the information reported. Independent audit report. Deloitte & Touche Ltda. Pages 102-104	Not applicable	Pages 102-104 ✓

GENERAL REPORTING ASPECTS	PAGE RESPONSE	OMISSION	EXTERNAL AUDIT
Governance			
G4.34 Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	Our Corporate Governance. Pages 21-22 Our Sustainability Committees. For more information on Committee charters, please refer to our web page: http://www.pacific.energy/en/about-pacific-ep	Not applicable	Pages 102-104 ✓
G4.35 Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	Our Corporate Governance. Our Sustainability Committees. Pages 21-22 Our Board of Directors' Sustainability Committee was created on December 9, 2011, with the objective of supporting the Board of Directors in addressing sustainability commitments, including social, environmental, ethical and corporate governance, human rights, and health and safety matters, among others. This Committee is responsible for advising and making recommendations to the Board, the Board committees, and top executives on the handling of these matters. The Board implements these recommendations through our management-level Sustainability Committee, which is made up of 31 company leaders, including 3 vice presidents, and focuses its working sessions on material aspects in environmental, social and economic terms. In 2015, this committee at the board level renovated its member base and the following were elected: Mónica de Greiff, Francisco Sole and Hernan Martinez, all independent directors.	Not applicable	Pages 102-104 ✓
G4.36 Report whether the organization has selected an executive position or positions with responsibility for economic, environmental and social matters, and whether this position reports directly to top management.	At Pacific, we have a Vice President for Corporate Affairs responsible for economic, environmental and social matters, who reports directly to our CEO. In addition, our management-level Sustainability Committee reports to the Board Committee on the progress achieved on these matters twice a year.	Not applicable	Pages 102-104 ✓
G4.37 Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	Consultations are delegated to the departments responsible for relations with stakeholders. Specifically, for consultation processes with: a. Communities: CSR department b. Suppliers: Supply Chain Management c. Employees: Human Resources d. Union: Labor Relations In 2015, we developed a perception survey on the importance and management of the affairs of our model of sustainability for both internal and external stakeholders. The results of this survey are reflected in the prioritization of the 31 issues and in the construction of our materiality matrix.	Not applicable	Pages 102-104 ✓
G4.38 Report the composition of the highest governance body and its committees by: <ul style="list-style-type: none">• Executive or non-executive• Independence• Tenure on the governance body• Number of each individual's other significant positions and commitments, and the nature of the commitments• Gender• Membership of under-represented social groups• Competences relating to economic, environmental and social impacts• Stakeholder representation.	The company's top governance body is our Board of Directors. This board is, as of December 31, 2015, made up of 9 independent directors out of a total of 12 directors. For more information about its composition, please refer to our web page: http://www.pacific.energy/en/about-pacific-ep . Note: At the publication of this report, the representatives of Alfa S.A.B DE C.V and O'Hara Administration were not members of the Board of Directors.	Not applicable	Pages 102-104 ✓
G4.39 Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).	The Company's Co-Chairmen hold executive positions. However, in 2010, the Company elected an Independent Lead Director to the Board. Currently, it is Mr. Dennis Mills.	Not applicable	Pages 102-104 ✓

GENERAL REPORTING ASPECTS	PAGE RESPONSE	OMISSION	EXTERNAL AUDIT
	The functions of the Independent Lead Director are: a. Act as chairman of the in camera meetings of the independent directors. b. Assume the responsibilities delegated to him by the independent directors.		
G4.40 Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members, including: <ul style="list-style-type: none">• Whether and how diversity is considered• Whether and how independence is considered• Whether and how expertise and experience relating to economic, environmental and social topics are considered• Whether and how stakeholders (including shareholders) are involved	<p>The Corporate Governance and Nominating Committee is a committee of the Board that assists the Board by providing it with recommendations relating to corporate governance in general, including, without limitation: (a) all matters relating to the stewardship role of the Board in respect to the management of the Corporation, (b) Board size and composition, including the candidate selection process and the orientation of new members, (c) Board compensation, and (d) procedures that may be necessary to allow the Board to function independently of management. The committee also oversees compliance with policies associated with an efficient and effective system of corporate governance.</p> <p>In considering new appointments to the Board, the CGNC considers the level of diversity, independence, relevant expertise and experience being introduced to the Board by such nomination. Finally, each year the shareholders of the Corporation vote on the proposed incoming members of the Board.</p>	Not applicable	Pages 102-104 ✓
G4.41 Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholder.	<p>Directors are required to provide the Company with the details of any other board memberships as part of the annual director questionnaire process led by the Lead Independent Director. Directors are also required to complete a related party questionnaire on a quarterly basis to help identify any related party issues or concerns.</p> <p>Under Canadian securities laws, shareholders owning more than 10% of the issued and outstanding shares in the capital of the Corporation must publicly disclose their share ownership.</p> <p>On May 31, 2012, the Board created the New Business Opportunities Committee to review and approve related party transactions. The committee is comprised of the following independent directors: Hernan Martinez (Chair), Dennis Mills, Alejandro Betancourt (since resigned) and Jesus Valdez Simancas (since resigned). The committee is apprised of related party transactions prior to implementation, engages independent legal counsel, as needed, and meets in camera to deliberate. This committee also reviews the business rationale for the transaction and ensures that the transaction is in compliance with applicable securities laws and the Corporation's debt covenants.</p> <p>The Corporation's internal audit and legal compliance departments also monitor related party transactions. The audit and legal compliance team work together to compose a list of potential related parties. This list is cross-checked against the Corporation's list of suppliers and other creditors. Information about any transactions with related parties is disclosed on a quarterly basis in the Corporation's MD&A.</p>	Not applicable	Pages 102-104 ✓
G4.42 Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	Pacific in the world. Our Corporate Governance. Our Sustainability Committees. Pages 21-22	Not applicable	Pages 102-104 ✓
G4.43 Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	As reflected in our Corporate Governance Policy, the	Not applicable	Pages 102-104





GENERAL REPORTING ASPECTS	PAGE RESPONSE	OMISSION	EXTERNAL AUDIT
	Board recognizes the importance of the ongoing education of its directors. Directors must participate in ongoing training opportunities with the objective of being up-to-date on best practices in the oil and gas industry, business management, and other relevant topics to be a part of the Board of Directors of a publicly-held company.	Not applicable	Pages 102-104
	<p>Below are some of the ongoing training opportunities available to our directors, carried out in 2015:</p> <p>a. Presentations by top managers at Board of Directors meetings on topics relevant to the company's business plan, risk analysis, and environmental, economic and social matters, with the objective of keeping the directors up-to-date on the company's activities, industry best practices, corporate governance and other developments.</p> <p>b. Presentations by outside experts on subjects pertinent to the business and of interest to Board members</p> <p>c. Field Visits. Board members should visit an operation or project under development at least once a year.</p> <p>d. Professional development opportunities such as conferences, seminars or courses developed for directors of public companies, or that are relevant for persons serving on Boards of Directors.</p>		✓
G4.44 Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment. Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice.	<p>a. Annual board evaluation process – self-evaluation by each director of themselves, one another and of all of the committees.</p> <p>b. Board evaluation results reviewed by the Lead Independent Director and presented to the Corporate Governance and Nominating Committee and then to the full Board.</p> <p>c. In addition, the Canadian national newspaper, The Globe and Mail, ranks the Company for its corporate governance efforts, providing an independent avenue for evaluation.</p>	In this self-assessment we do not evaluate knowledge on social and environmental issues of our Board of Directors' members.	Pages 102-104 ✓
G4.45 Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.	<p>Our Board of Directors' Sustainability Committee is responsible for evaluating the Company's progress in implementing the Sustainability and Shared Value Model twice a year. Furthermore, it is responsible for formulating action plans, based on an analysis of opportunities and risks in economic, social and environmental terms.</p> <p>For an in-depth description of our Sustainability Committee's bylaws, please refer to: http://www.pacific.energy/en/corporate-governance</p>	Not applicable	Pages 102-104 ✓
G4.46 Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	<p>Our Board of Directors' Sustainability Committee is responsible for evaluating the progress achieved by the Company in implementing the Sustainability and Shared Value model twice a year. Furthermore, it is responsible for formulating action plans, based on an analysis of opportunities and risks in economic, social and environmental terms.</p> <p>For an in-depth description of our Sustainability Committee's bylaws, please refer to: http://www.pacific.energy/en/corporate-governance</p>	Not applicable	Pages 102-104 ✓

GENERAL REPORTING ASPECTS	PAGE RESPONSE	OMISSION	EXTERNAL AUDIT
G4.47 Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	Our management-level Sustainability Committee is responsible for reviewing and updating economic, environmental and social impacts, risks and opportunities in keeping with daily Company management. These reviews are delivered when requested by the Board-level Committee, which meets twice a year.	Not applicable	Pages 102-104 ✓
G4.48 Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	Our Sustainability Report is developed by the Institutional Relations and Sustainability Department, and reviewed and validated by our Vice President for Corporate Affairs and Sustainability, Chairman, and Board of Directors' Committee.	Not applicable	Pages 102-104 ✓
G4.49 Report the process for communicating critical concerns to the highest governance body.	We have ethics channels (telephone, mailboxes at our offices and fields of operation, and a web page: www.globalcci.com), which can be used by our internal and external stakeholders for whistleblowing to our Board of Directors. Cases reported through these ethics channels are analyzed and resolved by our Ethics Committee that includes our CEO and Vice Presidents for Human Talent, Corporate Affairs and Sustainability, and Auditing, among others.	Not applicable	Pages 102-104 ✓
G4.50 Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	The highest authority in the company is the Board and through the various committees, which are listed below, the various members of the board participate where specific topics are based on the type of issue to be addressed. These committees are extensions of the board and therefore are the highest organs of government; they meet regularly (monthly, quarterly, semi-annually) depending on the type of committee to which they belong . At different points each committee discusses and approves guidelines and recommendations to be executed within the Company and to improve its management, seeking to meet the set corporate strategy and minimizing the risks and impacts that contribute to achieving long-term sustainability. These committees include: I. Audit Committee II. Compensation and Human Resources Committee III. Corporate Governance and Nominating Committee IV. Reserves Committee V. Executive Committee VI. Sustainability Committee VII. New Business Opportunities Committee	We do not have information on the nature and total number of critical issues.	Pages 102-104 ✓
G4.51 Report the remuneration policies for the highest governance body and senior executives for the below types of remuneration: <ul style="list-style-type: none">• Fixed pay and variable pay:<ul style="list-style-type: none">– Performance-based pay– Equity-based pay– Bonuses– Deferred or vested shares• Sign-on bonuses or recruitment incentive payments• Termination payments• Clawbacks• Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.	Compensation for non-executive directors seeks to attract the best talent with the ability to meet the demanding responsibilities of being a Board member, and bringing the interests of non-executive directors in line with the interests of our shareholders. Compensation for non-executive directors is not incentive-based. Our Compensation and Human Resources Committee reviews Board compensation levels annually to ensure that they are competitive and in line with industry best practices in terms of Corporate Governance. For more information, refer to the sections "Statement of Executive Compensation" and "Director Compensation" in our Management Proxy Circular, which can be found on the following web page: http://sedar.com/DisplayProfile.do?lang=EN&issuerType=03&issuerNo=00007953	Our compensation policies do not include severance pay for board members, and they are not aligned with the achievement of social and environmental goals.	Pages 102-104 ✓

GENERAL REPORTING ASPECTS	PAGE RESPONSE	OMISSION	EXTERNAL AUDIT
G4.52 Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.	Compensation at our Company is proposed by the Vice President of Human Talent, with the support of the outside consultant Hay Group. This proposal is reviewed and approved by our Compensation and Human Resources Committee. For more information, see "Directors and Officers" section of our annual information form, which can be found at: http://www.pacific.energy/en/reports-Investors	Not applicable	Pages 102-104 ✓
G4.53 Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.	At Pacific, our shareholders have no say or vote regarding our executive's compensation. However, we do take into account best practices in terms of compensation by peer companies in the oil and gas industry, and the perception and guidance of shareholder consulting groups such as ISS and Glass Lewis.	Not applicable	Pages 102-104 ✓
G4.54 Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.		We do not report this indicator because it is considered confidential.	Pages 102-104 ✓
G4.55 Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.		We do not report this indicator because it is considered confidential.	Pages 102-104 ✓
G4.56 Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	For details on our Code of Ethics and Business Conduct, please refer to our website: http://www.pacific.energy/en/ethics-and-transparency	Not applicable	Pages 102-104 ✓
G4.57 Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	We have ethical channels (phone, mail boxes in our offices and fields of operation and website: www.globalcci.com) that can be used for our internal and external stakeholders to report to our Board critical issues. The cases reported by these ethical channels are analyzed and solved by our Ethics Committee with the participation of our CEO and the Vice Presidents of Human Resources, Corporate Affairs and Sustainability and Audit, among others. For details on this process, please refer to our website: http://www.pacific.energy/en/ethics-and-transparency	Not applicable	Pages 102-104 ✓
G4.58 Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	We act consistently and transparently. Business ethics and compliance. Petitions received through our ethics channels by category. Page 43 We have ethical channels (phone, mail boxes in our offices and fields of operation and website: www.globalcci.com) that can be used for our internal and external stakeholders to report to our Board critical issues. The cases reported by these ethical channels are analyzed and solved by our Ethics Committee with the participation of our CEO and the Vice Presidents of Human Resources, Corporate Affairs and Sustainability, and Audit, among others. For details on this process, please refer to our website: http://www.pacific.energy/en/ethics-and-transparency	Not applicable	Pages 102-104 ✓

RELEVANT ISSUE/ COMPANY	GRI ASPECT	MANAGEMENT FOCUS (WHY IT IS IMPORTANT/HOW IT IS MANAGED)	GRI/COMPANY INDICATORS	PAGE RESPONSE	OMISSION	EXTERNAL AUDIT
WE OPERATE WITH EXCELLENCE						
Operational results	N/A	We operate with excellence. Success in our operation. Pages 29-31	Company. 2015 Net production Company. Production and sales volumes Company. Exploration rate of success Company. Reserves as at December 31, 2015 (Mmboe) Company. Oil and gas sales Company. Adjusted ebitda Company. Fund flows from operations Company. Net profits from operations Company. Net profits Company. Net loss	Success in our operation. Pages 29-31	N/A	No
Financial Results	N/A	We operate with excellence. Profitability. Page 32	Company. Debt and credit instruments.	Financial Results. Page 32	N/A	No
Occupational health and industrial safety	Occupational health and safety	We operate with excellence. Occupational Health and Industrial Safety. Pages 33-38	Company. % of high risk contractors audited in 2015.	Occupational Health and Industrial Safety. Our advance in the system for 2015. Pages 33-34 100% of high impact contractors during continuity of operations.	N/A	No
			Company. Number of contractors and subcontractors audited.	Occupational Health and Industrial Safety. Our advance in the system for 2015. Page 33-34	N/A	No
			Company. Description of technical HSEQ courses given.	Occupational Health and Industrial Safety. HSEQ. Training actions. Page 38	N/A	No
			LA5. Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Pacific has a Health and Safety Committee at work, whose mission is to ensure the best health and safety conditions for the Company's workers. Its members are chosen through a vote and they represent 100% of the Company's workers. The election of the current committee was carried out in 2014 and it shall hold office until 2016. The Committee is comprised of representatives of collaborators at the different levels of the organization, with a deputy and senior management representatives with authority and responsibility to support resulting initiatives and decisions.	N/A	No
			LA6. Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.	Occupational health and industrial safety - Frequency index of disabling and non-disabling injuries. Pages 34-35 Rate of professional diseases: 2013: 0 2014: 0 2015: 0 Frequency index of occupational disease (Employees and contractors). Frequency rate of company disease (OIFR) for employees. 2013: 0 2014: 0 2015: 0 Number of professional diseases 2013: 0 2014: 0 2015: 0 In 2015, we did not have fatalities	We do not present the information by region and gender.	Pages 102-104

RELEVANT ISSUE/ COMPANY	GRI ASPECT	MANAGEMENT FOCUS (WHY IT IS IMPORTANT/HOW IT IS MANAGED)	GRI/COMPANY INDICATORS	PAGE RESPONSE	OMISSION	EXTERNAL AUDIT
Occupational health and industrial safety	Occupational health and safety	We operate with excellence. Occupational Health and Industrial Safety. Pages 33-38	LA7. Workers with high incidence or high risk of diseases related to their occupation.	<p>The identification and risk assessment is done in all of our producing fields and administrative offices according to the positions and functions of our employees. This analysis implies that there be intervention at the source, in the surrounding and in the worker. As follow-up actions, we periodically carry out measurements of industrial hygiene in order to evaluate our workers' exposure to different occupational risk factors, such as: noise, light, and chemicals. Regarding psychosocial risks, the company on an annual basis carries out neurobehavioral and psychosocial analysis to our employees with the aim of identifying, evaluating and controlling this risk, and giving recommendations in case it is necessary.</p> <p>During 2015, the monitoring and control actions were carried out with 1,631 employees form 13 producing fields and 2 administrative headquarters. In this follow-up we identify risks related to specific diseases that we will manage.</p>	N/A	Pages 102-104
			LA8. Health and safety topics covered in formal agreements with trade unions.	Within the framework of the Monitoring Contract and in compliance of the Framework Agreement between PRE and UTEN, the former carries out monitoring of compliance of best practices on industrial safety and occupational health at the different work fronts. In case of identifying non-conformities or events, UTEN prepares reports in the affiliate attention system and/or sends them directly to the organization through the Labour Relations Office, acting as a validator of the Company's HSEQ processes. Additionally, it has a QCA system through which it channels requests from affiliates and workers on the fields, which include HSEQ matters. The union has negotiated benefits for its affiliates in health matters such as: 3 agreements with the following entities: health policy from Sura, Prepaid medicine with Colsánitas and Prepaid medicine with Medplus. Also its affiliates have a special discount to purchase medicine at Garmisch Pharmaceutical. 100% of our agreements with the union covers health and security issues.	N/A	No
			Company. Advances in the implementation progress of the driving monitoring system.	Occupational Health and Industrial Safety. Road Safety. Pages 36-37	N/A	No

RELEVANT ISSUE/ COMPANY	GRI ASPECT	MANAGEMENT FOCUS (WHY IT IS IMPORTANT/HOW IT IS MANAGED)	GRI/COMPANY INDICATORS	PAGE RESPONSE	OMISSION	EXTERNAL AUDIT
Supply and Transport	Compliance	We operate with excellence. Supply and Transport. Pages 33-38	Company. Supply and transport. Initiatives for optimization and cost reduction.	Initiatives for optimization and cost reduction. Page 39-40.	N/A	No
			PR9. Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	In 2015, the cost of fines paid due to breach of norms related to supply and use of products and services was \$6,123.	N/A	Pages 102-104 
WE ACT CONSISTENTLY AND TRANSPARENTLY						
Business ethics and compliance	Compliance	We act consistently and transparently.	EN29. Monetary value of significant fines and total number of non-monetary sanctions for non- compliance with environmental laws and regulations.	In 2015, there were no fines or sanctions due to breach of environmental norms.	N/A	No
			SO7. Total number of legal actions for anti-competitive behavior, anti- trust, and monopoly practices and their outcomes.	In 2015, Pacific had no legal actions for monopolistic or anti- competitive practices.	N/A	No
			SO8. Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	In 2015, the cost of fines paid due to breach of laws and regulations was \$210,741.	N/A	Pages 102-104 
			Company. Update Code of conduct and new policies.	Business ethics and compliance. Page 43	N/A	No
Anti-corruption	Anti-corruption	We act consistently and transparently. Anti- corruption. Page 43	SO3. Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.	100% of the business units were analyzed with respect to the corporate risks defined by the Company, including those related to corruption.	N/A	No
			SO4. Communications and training in anti-corruption procedures and policies.	We have communicated our anti- corruption policies to 100% of our employees, directors, members of our board of directors and commercial partners. We have trained 26.58% of our employees on anti-corruption issues.	Number and percentage of members from the Board of Directors.	No
			SO5. Confirmed incidents of corruption and actions taken.	Business ethics and compliance. Petitions received through ethics channels. Page 43	Confirmed incidents of corruption	No
			Company. # employees trained on prevention of fraud and corruption.	Anti-corruption. Page 43	N/A	Pages 102-104 
Audits and internal control	N/A	We act consistently and transparently. Audits and control. Pages 43-44	Company. Projects for compliance of the annual audit plan.	Audits and internal control. Pages 43-44	N/A	No
Risk management	N/A	We act consistently and transparently. Risk management. Page 45	Company. Initiatives to strengthen risk management.	Risk management. Page 45	N/A	No
Transparency in royalties	N/A	We act consistently and transparently. Transparency in royalties. Page 45	Company. Number for municipal taxes, national taxes, royalties and social security.	Page 45 National taxes: \$73,885,667 District taxes: \$12,568,585 Social security: \$13,209,493 Royalties: \$281,293,853 Other contributions: \$746,178 TOTAL: \$381,703,776	N/A	Pages 102-104 
Transparency with the market	N/A		Company. Initiatives that promote transparency with the market.	Transparency with the market. Pages 45-46	N/A	No

RELEVANT ISSUE/ COMPANY	GRI ASPECT	MANAGEMENT FOCUS (WHY IT IS IMPORTANT/HOW IT IS MANAGED)	GRI/COMPANY INDICATORS	PAGE RESPONSE	OMISSION	EXTERNAL AUDIT
WE WORK IN HARMONY WITH THE ENVIRONMENT						
Biodiversity	Biodiversity	We work in harmony with the environment. Biodiversity. Pages 49-50	EN11. Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Biodiversity. Our strategic ecosystems for conservation of biodiversity. Pages 49-50	N/A	Pages 102-104 ✓
			EN12. Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Biodiversity. Knowing our surroundings. Pages 49-50	N/A	No
			EN13. Habitats protected or restored.	In 2015, we continued activities for recovery of areas in accordance with projects executed that implied intervention of zones, which had a significant reduction during 2015, as a consequence of the reduction of civil projects that did not generate major intervention of zones. Re-vegetation of areas intervened: 6 ha for a total of 1,590 Ha since 2010. Geotechnics activities: 14 km for a total of 188 km since 2010. Protective reforestation: 11 Ha for a total of 522 Ha since 2010.	N/A	No
			EN14. Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Biodiversity. Knowing our surroundings. Pages 49-50	N/A	No
Comprehensive water management	Water Effluents and wastes	We work in harmony with the environment. Comprehensive water management. Pages 51-53	EN8. Total water withdrawal by source.	Comprehensive water management. Total water consumption by source. Page 51	N/A	Pages 102-104 ✓
			EN9. Water sources significantly affected by withdrawal of water.	In 2015, we caused zero significant effects on water sources under concession in our fields of operation.	N/A	No
			EN10. Percentage and total volume of water recycled and reused.	Comprehensive water management. Water reuse initiatives. Page 52	N/A	No
			EN22. Total water discharge by quality and destination.	Comprehensive water management. Water reuse initiatives. Residual water associated to production of hydrocarbons. Page 52	N/A	No
			EN26. Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff.	In 2015 we caused zero significant impacts on biodiversity and habitat of the water resources in our fields of operation.	N/A	No
Waste management	Effluents and wastes	We work in harmony with the environment. Waste management. Page 54	EN23. Total weight of waste by type and disposal method.	Waste management. Waste generated by type. Page 54	We do not report this indicator by disposal method	Pages 102-104 ✓

RELEVANT ISSUE/ COMPANY	GRI ASPECT	MANAGEMENT FOCUS (WHY IT IS IMPORTANT/HOW IT IS MANAGED)	GRI/COMPANY INDICATORS	PAGE RESPONSE	OMISSION	EXTERNAL AUDIT
Waste management	Effluents and wastes	We work in harmony with the environment. Waste management. Pages 54	EN25. Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Dangerous waste is treated entirely by third parties. No waste is transported internationally.	N/A	No
Energy and emissions	Energy Emissions	We work in harmony with the environment. Energy and emissions. Pages 55-56	EN3. Energy consumption within the organization.	Energy and emissions. Direct consumption of energy. Page 55	We do not report this indicator in joules or multiple.	Pages 102-104 ✓
			EN4. Energy consumption outside of the organization.	Energy and emissions. Direct consumption of energy. Page 55	We do not report this indicator in joules or multiple.	No
			EN5. Energy intensity	Energy and emissions.Direct energy consumption. Page 55	N/A	No
			EN6. Reduction of energy consumption.	Energy and emissions. Direct energy consumption. Page 55.	N/A	No
			EN7. Reductions in energy requirements of products and services.	Not applicable	N/A	No
			EN15. Direct greenhouse gas (GHG) emissions (Scope 1).	Energy and emissions. Carbon footprint calculations. Pages 55-56	N/A	Pages 102-104 ✓
			EN16. Energy indirect greenhouse gas (GHG) emissions (Scope 2).	Energy and emissions. Carbon footprint calculations. Page 56	N/A	No
			EN17. Other indirect greenhouse gas (GHG) emissions (Scope 3).	Energy and emissions. Carbon footprint calculations. Page 56	N/A	No
			EN18. Greenhouse gas (GHG) emissions intensity.	Energy and emissions. Carbon footprint calculations. Page 56	N/A	No
			EN19. Reduction of greenhouse gas (GHG) emissions.	Energy and emissions. Direct consumption of energy. Page 55	N/A	Pages 102-104 ✓
			EN20. Emissions of ozone-depleting substances (ODS). Note: The carbon footprint measurement includes the characterization of the activities of the Company and the efficiency of the process related to the use of energy resources. This measurement focuses on the implementation of projects to reduce greenhouse gases emissions, based on the international standard ISO14064-1 : 2006 (ICONTEC), and the greenhouse gases protocol: corporate standard of accountability and report. Revised edition. 2005 (WBCSD, WRI). We use emission factors from the IPCC and the National Interconnected System. (UPME).	Energy and emissions. Carbon footprint calculations. Page 56	N/A	No

RELEVANT ISSUE/ COMPANY	GRI ASPECT	MANAGEMENT FOCUS (WHY IT IS IMPORTANT/HOW IT IS MANAGED)	GRI/COMPANY INDICATORS	PAGE RESPONSE	OMISSION	EXTERNAL AUDIT
Energy and emissions	Energy Emissions	We work in harmony with the environment. Energy and emissions. Page 55-56	EN21. NOX, SOX, and other significant air emissions.	Energy and emission.s Nox, Sox. Page 56	N/A	No
Incident prevention and remediation	Effluents and wastes	We work in harmony with the environment. Incident prevention and remediation. Page 56	EN24. Total number and volume of significant spills.	During 2015, we had 13 spills which were properly managed and reported to the environmental authority, regarding the implementation of the contingency plan of the producing fields.	We do not report the volume of spills	No

RELEVANT ISSUE/ COMPANY	GRI ASPECT	MANAGEMENT FOCUS (WHY IT IS IMPORTANT/HOW IT IS MANAGED)	GRI/COMPANY INDICATORS	PAGE RESPONSE	OMISSION	EXTERNAL AUDIT
WE CONTRIBUTE TO THE SUSTAINABLE DEVELOPMENT OF COMMUNITIES						
Institutional Strengthening	N/A	We contribute to sustainable community development. Pages 58-63	Company. Number of beneficiaries/ participants per social initiative.	Productivity of the local economy. Page 59	N/A	No
Education	N/A		Company. Number of beneficiaries/ participants per social initiative.	Human Capital Development. Page 59	N/A	No
Competiti- veness	N/A		Company. Number of beneficiaries/ participants per social initiative.	Local Social and Institutional Strengthening fiber. Page 60	N/A	No
Solidarity Investments	N/A	We contribute to sustainable community development. Pages 58-63	Company. Number of beneficiaries/ participants per social initiative.	Quality infrastructure. Page 61	N/A	No
			Company. Social investment.	\$14,109,998	N/A	Pages 102-104 ✓

RELEVANT ISSUE/ COMPANY	GRI ASPECT	MANAGEMENT FOCUS (WHY IT IS IMPORTANT/HOW IT IS MANAGED)	GRI/COMPANY INDICATORS	PAGE RESPONSE	OMISSION	EXTERNAL AUDIT
WE RESPECT AND PROMOTE HUMAN RIGHTS						
Right of association	Freedom of association and collective bargaining	We respect and promote human rights. Right of association. Page 65	HR4. Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights.	In 2015, we did not identify activities or significant suppliers with risks regarding the right of association.	N/A	No
			Company. Rate of union membership and total number of union affiliates.	Right of association. Page 65. As at December 31, 2015, the number of active affiliates was 3,018. Of these 1,373 are direct and 1,645 are contractors.	N/A	Pages 102-104 ✓
			Company. Number of written petitions resolved.	Right of Association. Petitions, complaints and claims system. Page 65	N/A	No
Eradication of child and forced labour	Child Labour	We respect and promote human rights in our operations. Eradication of child and forced labour. Page 66	HR5. Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	In 2015, we did not identify activities or significant suppliers with risks regarding the generation of child labour incidents.	N/A	No
Security and Human Rights	Security Practices	We respect and promote human rights in our operations. Security and Human Rights. Page 66-67	HR7. Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations.	Security and Human Rights. Training on Human Rights, International Humanitarian Law and Ruggie Framework. Pages 66-67	In this report we do not present percentage	Pages 102-104 ✓
Relations with ethnic groups	Social impact grievance mechanisms	We respect and promote human rights in our operations. Relations with ethnic groups. Page 67	Company. Number of pre- consultations.	Relations with ethnic groups. Page 67	N/A	Pages 102-104 ✓
			Company. Number of processes opened.	Relations with ethnic groups. Page 67	N/A	Pages 102-104 ✓
			Company. Number of impact workshops and management measures.	Relations with ethnic groups. Page 67	N/A	Pages 102-104 ✓
			Company. Number of pre- agreements.	Relations with ethnic groups. Page 67	N/A	Pages 102-104 ✓
			Company. Number of registrations.	Relations with ethnic groups. Page 67	N/A	Pages 102-104 ✓
			Company. Number of follow up proceedings.	Relations with ethnic groups. Page 67	N/A	Pages 102-104 ✓
			Propio. Number of processes closed.	Relations with ethnic groups. Page 67	N/A	Pages 102-104 ✓
Gender equality	Equal pay for men and women	We respect and promote human rights in our operations. Gender equality. Page 68	Company. Initiatives that promote gender equity	Gender Equality. Page 68	N/A	No
			Company. Percentage of women in leadership positions.	20% of women in leadership positions.	N/A	Pages 102-104 ✓

RELEVANT ISSUE/ COMPANY	GRI ASPECT	MANAGEMENT FOCUS (WHY IT IS IMPORTANT/HOW IT IS MANAGED)	GRI/COMPANY INDICATORS	PAGE RESPONSE	OMISSION	EXTERNAL AUDIT																												
WE HAVE THE BEST TALENT																																		
Selection and Retention of Talent	*Employment *Market presence *Equal pay for men and women	We have the best talent. Selection and Retention of talent. Page 71	EC6. Proportion of senior management hired from the local community at significant locations of operation.	<table><tr><th>OFFICE/ OPERATION</th><th>NUMBER OF LOCAL DIRECTORS</th><th>TOTAL NUMBER OF DIRECTORS</th><th>% OF LOCAL HIRING</th></tr><tr><td>CANADA</td><td>4</td><td>5</td><td>80%</td></tr><tr><td>COLOMBIA</td><td>6</td><td>16</td><td>38%</td></tr><tr><td>PANAMA</td><td>0</td><td>11</td><td>0%</td></tr><tr><td>MEXICO</td><td>0</td><td>1</td><td>0%</td></tr><tr><td>PERU</td><td>0</td><td>4</td><td>0%</td></tr><tr><td>USA</td><td>0</td><td>1</td><td>0%</td></tr></table>	OFFICE/ OPERATION	NUMBER OF LOCAL DIRECTORS	TOTAL NUMBER OF DIRECTORS	% OF LOCAL HIRING	CANADA	4	5	80%	COLOMBIA	6	16	38%	PANAMA	0	11	0%	MEXICO	0	1	0%	PERU	0	4	0%	USA	0	1	0%	N/A	Pages 102-104
			OFFICE/ OPERATION	NUMBER OF LOCAL DIRECTORS	TOTAL NUMBER OF DIRECTORS	% OF LOCAL HIRING																												
			CANADA	4	5	80%																												
COLOMBIA	6	16	38%																															
PANAMA	0	11	0%																															
MEXICO	0	1	0%																															
PERU	0	4	0%																															
USA	0	1	0%																															
			LA1. Total number and rates of new employee hires and employee turnover by age group, gender and region.	Total employees 2015: 2,757 Women: 658 Men: 2,099 Number of new hirings: 415 Rate of hirings: 0.15 By gender: Women: 39 Men: 376 By age: Ages 18-30 : 44 Ages 30-40 years: 141 Ages 40-50 : 87 Above 50 years: 143 By region: Colombia: 55 Canada:1 Panamá: 8 Peru: 351 Employee turnover : 651 Turnover rate: 0.23 By gender: Women: 128 Men:523 By age: Ages 18-30 : 92 Ages 30-40 years: 250 Ages 40-50 : 127 Above 50 years: 182 By region: Colombia: 458 Canada:12 Panamá: 3 Peru: 172 United States: 6	Ingress and rotation regions	Pages 102-104																												
			LA2. Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	For fixed term employees in Colombia: Prepaid Medicine, Life Insurance, Field Bonus, Extralegal Transport Aid - City, Mileage Aid - Field, Extralegal Vacation Days. For indefinite term employees in Colombia: Prepaid Medicine, Life Insurance, fixed use credit (new grants suspended), Housing interest subsidy (new grants suspended), Contribution, Field Bonus, Extralegal Transport Aid – City, Mileage Aid – Field, Extralegal Vacation Days. For term contract employees subject to type in Peru: Extralegal transport aid, Field Bonus, Extralegal Medical Coverage, Life Insurance. For indefinite term employees in Peru: Fixed use credit (new grants suspended), extralegal transport aid, Field Bonus, Extralegal Medical Coverage, Contributions to Pension Plans, Life Insurance.	N/A	No																												

RELEVANT ISSUE/ COMPANY	GRI ASPECT	MANAGEMENT FOCUS (WHY IT IS IMPORTANT/HOW IT IS MANAGED)	GRI/COMPANY INDICATORS	PAGE RESPONSE	OMISSION	EXTERNAL AUDIT
Selection and Retention of Talent	*Employment *Market presence *Equal pay for men and women	We have the best talent. Selection and Retention of talent. Page 71	LA2. Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	In Canada: Life Insurance, Health Insurance, Health care spending account, transport aid, Additional Vacation Days, Group RRSP, Short Term Disability Insurance (STD), Long Term Disability Insurance (LTD). In the USA: Health Insurance, Life Insurance, 401k plan, Short Term Disability Insurance (STD), Long Term Disability Insurance (LTD), Health Care Spending Account, Additional Vacation Days, sick days. For employees in Panama (Centro Multinacional Pacific): Health Insurance, Life Insurance, Savings Plan, International Pension Plan, Executive Medical Exam, Fixed use credit (new grants suspended), Housing interest subsidy (new grants suspended).	N/A	No
			LA3. Return to work and retention rates after parental leave, by gender.	Maternity leave: 40 people Paternity leave: 65 people Total: 105 Reincorporation after maternity leave: 32 people Reincorporation after paternity leave: 53 people Total: 85 people Retention and reincorporation indexes Women: 90% Men: 92% Total: 91%	N/A	No
			Company. Percentage of vacancies occupied by internal staff.	Selection and Retention of Talent. Page 71	N/A	No
			EC5. Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	Men: 129% Women: 120% Colombian fields (Rubiales, Quifa, Sabanero, Cajua y CPE-6) % over minimum salary in Colombia- contractors: 6% and % over minimum salary in Colombia- direct employees: 0%	N/A	No
			LA13. Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Colombian salaries appear to be less than what was reported last year given the devaluation of the peso to the US dollar. Colombia: Medium/General Management: Women: \$ 9,254 Men: \$ 9,026 Relationship between the average medium/general management salary: 0.98% First line management/ Supervisors: Women: \$ 4,348 Men: \$ 4,249 Relationship between the average first line of	N/A	Pages 102-104

RELEVANT ISSUE/ COMPANY	GRI ASPECT	MANAGEMENT FOCUS (WHY IT IS IMPORTANT/HOW IT IS MANAGED)	GRI/COMPANY INDICATORS	PAGE RESPONSE	OMISSION	EXTERNAL AUDIT
Selection and Retention of Talent	*Employment *Market presence *Equal pay for men and womens	We have the best talent. Selection and Retention of talent. Page 71		management/supervisor salary: 0.98% Specialist groups: Women: \$2,569 Men: \$2,704 Relationship between the average specialist groups salary: 1.05% Other Employees: Women: \$568 Men: \$647 Relationship between the average other employee salary: 1.14% Peru: Medium/General Management: Women: \$9,917 Men: \$9,766 Relationship between the average medium and general management salary: 0.98% First line management/ Supervisors: Women: \$4,324 Men: \$4,276 Relationship between the average first line of management/supervisor salary: 0.99% Specialist groups: Women: \$3,253 Men: \$3,484 Relationship between the average specialist groups salary: 1.07% Other Employees: Women: \$1,912 Men: \$1,615 Relationship between the average other employee salary: 0.84% Canada: Specialist groups: Women: \$8,988 Men: \$9,756 Relationship between the average specialist groups salary :1.07%		
			Company. Salary equity Index.	Selection and retention of talent. Page 71	N/A	No
Organizational Learning	Training and education	We have the best talent. Organizational Learning. Page 73	LA9. Average hours of training per year per employee by gender, and by employee category.	Intensity (average training hours per person) By Gender: Women: 31 hrs./ person, Men: 34 hrs./person By employment category: Senior executives: 6.23 hrs./ person Senior and medium management: 31.4 hrs./person Supervisors: 31 hrs./person Specialist groups: 41 hrs./ person Other employees: 23 hrs./ person		Pages 102-104 ✓

RELEVANT ISSUE/ COMPANY	GRI ASPECT	MANAGEMENT FOCUS (WHY IT IS IMPORTANT/HOW IT IS MANAGED)	GRI/COMPANY INDICATORS	PAGE RESPONSE	OMISSION	EXTERNAL AUDIT
Organizational Learning	Training and education	We have the best talent. Organizational Learning. Page 73		Total PE&P: 33 hrs./employee (average) (Colombia, Peru, Calgary, Toronto and Houston) Coverage (% of employees that attended at least 1 training during the year) By Gender: Women: 92%, Men: 92% By employment category: Senior executives: 54% trained Senior and medium management: 93% trained Supervisors: 95% trained Specialists: 96% trained Other employees: 87% trained Total PE&P: total employees trained: 92% (Colombia, Peru, Calgary, Toronto and Houston)		
			LA10. Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career goals.	Organizational Learning. Page. 73 We held training sessions for all personnel to develop behavioural, executive and technical competencies, based on our comprehensive training model. Distribution by percentage of hours of training in these three categories in 2015 was: Behavioural (10%), Executive (19%) and Technical (81%). We covered 92% of personnel (Colombia, Peru, Calgary, Toronto and Houston) Aid policy to complete formal education (schooling, university, higher studies and English). 83 people benefitted.	N/A	No
			Company. Cost of training per employee.	In 2015, we trained 2228 employees (\$ 274 per person). The number of trained employees does not coincide with the number of employees in the LA1 and LA9 indicators. This is due to the fact that in the month of September, employees of block 192 in Peru we admitted to the Company's payroll, given that training plans were already advanced, we decided that training of these people would begin in 2016.	N/A	No
			Company. Compliance of the training plan.	Organizational learning. Page 73		
Integrated Development of Our People	Training and education	We have the best talent. Integrated Development of Our People. Pages 72-73	LA11. Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.	Total: 89% Women: 89% Men: 93% Senior Executives: 72% Specialists: 100%		Pages 102-104 ✓

RELEVANT ISSUE/ COMPANY	GRI ASPECT	MANAGEMENT FOCUS (WHY IT IS IMPORTANT/HOW IT IS MANAGED)	GRI/COMPANY INDICATORS	PAGE RESPONSE	OMISSION	EXTERNAL AUDIT
Integrated Development of Our People	Training and education	We have the best talent. Integrated Development of Our People. Page 72-73		Senior and Medium Management: 95% Other employees 94% Supervisors: 0%	N/A	Pages 102-104
			Company. Labour Environment Index and participation level.	Organizational learning. Labour Index Results. Page 73	N/A	No

WE PROMOTE A SUSTAINABLE SUPPLY CHAIN

Sustainable management	N/A	We promote a sustainable supply chain. Sustainable Management. Page 77	Company. Description of initiatives that allow structuring solid and long term relations with stakeholders.	Sustainable Management.	N/A	Pages 102-104 ✓
Supplier and contractor developments	Evaluation of suppliers	We promote a sustainable supply chain. Development of suppliers and contractors. Pages 77-78	Company. Number of suppliers registered in the Sole Supplier Registry (RUP).	In 2015, we had important growth in the number of local suppliers registered, finishing with more than 320 potential companies from the municipalities of direct influence. The vast majority of these companies are micro- companies (36%) and SME small and medium enterprises (41%).	N/A	No
			Company. Number of companies analyzed within the Local Supplier Program.	We analyzed the total population of more than 460 participating companies, mainly from our areas of operation in the Colombian Orinoquía	N/A	No ✓
Purchases of local goods and services	Procurement practices	We promote a sustainable supply chain. Purchases of local goods and services. Page 78	EC9. Proportion of spending on local suppliers at significant locations of operation.	Purchase of local goods and services. Page 78	N/A	Pages 102-104 ✓



Independent Review Report
Independent Review of the Annual Report and Sustainability 2015 of Pacific Exploration & Production.

Scope of our work
We conducted our review of the adaptation of the contents of Annual Report and Sustainability 2015 of Pacific Exploration & Production to the Guide for the preparation of Sustainability Reports of Global Reporting Initiative (GRI) (G4).

Standards and verification processes.

We conducted our work in accordance with ISAE 3000 - *International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC)*.

Our review work consisted in formulating questions to the Directors and the various areas of Pacific Exploration & Production who participated in the development of Annual Report and Sustainability 2015 and the application of certain analytical procedures and review testing sample described below:

- Interviews with staff members of Pacific Exploration & Production to know the principles, systems and management approaches used to develop the report and calculate the indicators.
- Analysis of how the process of definition of the content, structure and indicators was defined, based on the materiality exercise according to the GRI G4 methodology.
- Evaluation of the process to collect and validate the data presented in the report.
- Checking, by testing based on sample selection and review of evidence of quantitative and qualitative information corresponding to the GRI and Pacific internal indicators included in the Annual Report and Sustainability 2015 and proper compilation from the data supplied by the sources of information of Pacific Exploration & Production.

Confirmation that the Annual Report and Sustainability 2015 is prepared in accordance with GRI methodology G4 in its comprehensive option.

General aspects
It was confirmed that the report meets the requirements of comprehensive option of the general aspects of the GRI G4 version: indicators G4-1 to G4-58 were reported and verified by Deloitte & Touche Ltda.

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Responsibilities of the Management of Pacific Exploration & Production and Deloitte.

The preparation of the Annual Report and Sustainability 2015 and its contents are the responsibility of the organization which is also responsible for defining, adapting and maintaining management systems and internal control, which information is obtained.

Our responsibility is to issue an independent report based on our review procedures applied.

This report has been prepared exclusively in the interests of the organization in accordance with the terms of our proposed services. We do not assume any liability to third parties other than the company Direction.

- We have performed our work in accordance with the Independence regulations required by the ethic code of the International Federation of Accountants (IFAC).
- The Scope of a limited Review is substantially less than an audit. Therefore we don't provide an audit opinion about the sustainability report.

DELOITTE & TOUCHE LTDA.
Jorge Enrique Múnera D.
Partner

Bogotá, May 2016

Una firma miembro de
Deloitte Touche Tohmatsu

Audit.Tax.Consulting.Financial.Advisory

Specific aspects

We reviewed the management approach and GRI and internal indicators of the next material issues identified by the company:

Material issues	GRI or Internal Indicators of Pacific Exploration & Production
Occupational health and industrial safety	<ul style="list-style-type: none">• LA6• LA7
Supply and transport	<ul style="list-style-type: none">• PR9
Ethics and compliance in business	<ul style="list-style-type: none">• SO8
Anti-corruption	<ul style="list-style-type: none">• Internal. Number of employees trained on fraud and corruption prevention.
Transparency in royalties	<ul style="list-style-type: none">• Internal. Number of municipal taxes, national taxes, royalties and social security.
Biodiversity	<ul style="list-style-type: none">• EN11
Integral water management	<ul style="list-style-type: none">• EN8
Waste management	<ul style="list-style-type: none">• EN23
Energy and emissions	<ul style="list-style-type: none">• EN3• EN15• EN19
Incident prevention and remediation	<ul style="list-style-type: none">• EN24
Solidarity Investment	<ul style="list-style-type: none">• Internal. Social investment.
Right of association	<ul style="list-style-type: none">• Internal. Unionization rate and total number of union members
Safety and human rights	<ul style="list-style-type: none">• HR7
Relations with ethnic groups	<ul style="list-style-type: none">• Internal. Number of pre-consultations.• Internal. Number of workshops impact and management measures.• Internal. Number of preliminary agreements.• Internal. Notarize number.• Internal. Number of follow-ups.• Internal. Number of closures process.
Gender quality	<ul style="list-style-type: none">• Internal. % of women in leadership positions.

Talent recruitment and selection	<ul style="list-style-type: none">• EC6• LA1• LA13
Organizational learning	<ul style="list-style-type: none">• LA9
Comprehensive development of our people	<ul style="list-style-type: none">• LA11
Sustainable management	<ul style="list-style-type: none">• Internal. Description of initiatives which will lead to strong, long-term stakeholder relationships.
Purchase of local goods and services	<ul style="list-style-type: none">• EC9

Conclusions

As a result of our review, there was no evidence that make us believe that the Annual Report and Sustainability 2015 contains significant errors or has not been prepared in accordance with the Guide for the preparation of Sustainability Reports of Global Reporting Initiative (G4) in its comprehensive option.

Findings and recommendations for the Annual Report and Sustainability 2015 of Pacific Exploration & Production according to the GRI and WBCSD Principles

Sustainability context and Materiality

• Observations:

Pacific Exploration & Production performs a detailed exercise to identify its material issues. However, it do not explicitly connect to its materiality with Sustainable Development Goals of the United Nations (SDG) disclosed in September 2015.

• Recommendations:

Deloitte recommends prioritizing and connecting the SDG to the organization materiality, in order to achieve a greater alignment of strategy with national and international programs on sustainable development issues.

Comparability

• Observations:

The effort of the company is recognized for publishing information that enables stakeholders to make a comparison between the year of the memory and the immediately preceding year.

• Recommendations:

It is recommended to strengthen the dissemination of information to demonstrate the evolution of the economic, social and environmental performance of the organization over time, in other words, it is suggested to include information on the outcome of the performance of the related company of 3 or 5 years prior to the period of the memory object.

Integrated report (<IR>)

• Observations:

Today Pacific Exploration & Production does not incorporate the principles and elements of the Integrated Report <IR> to its sustainability report.

• Recommendations:

Given that the <IR> seeks to adopt a single scheme report management - both financial and extra-financial - the organization, Deloitte recommends and encourages the organization to gradually incorporate the concepts (C), principles (P) and elements of content (EC) of the <IR>, including:

- Creation of value (tangible and intangible), for the organization and its stakeholders (C)
- Strategic focus and future direction (P)
- Connectivity information (financial, extra-financial, material issues and "stairways") (P)
- Model Business (EC)
- Strategy and resource allocation (EC)



Ronald Pantin
CEO

Federico Restrepo Solano
VICE PRESIDENT OF CORPORATE AFFAIRS

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