



SUSTAINABILITY REPORT 2010

WHERE **TALENT** AND **KNOWLEDGE**
MEET **OPPORTUNITY**



PRESIDENT'S MESSAGE

Welcome to the Pacific Rubiales Energy 2010 Sustainability Report. The company wants to share with the public the strategy that we outlined and our achievements throughout a productive 2010, as well as the challenges and areas for improvement in 2011. Pacific Rubiales wants to reaffirm our commitment to fulfilling our goals, which consist of creating economic, social, and environmental value. It is important to note that the principles of the United Nations' Global Compact are an integral part of our sustainability strategy. It is for this reason that we wish to make public our progress in relation to respect and dignity in labour relationships, the observance of fundamental rights, the protection of the environment, and the fight against corruption.

Pacific Rubiales in Colombia and abroad

Our company must offer a performance that lives up to the world's increasing energy demand, which currently stands as the driving force of the global economy. It is for this reason that the Colombian energy sector is one of the fundamental tenets of the Colombian National Development Plan. We know that the energy sector is under the world's watchful eye due to the social and environmental impacts caused by disasters such as the oil spill in the Gulf of Mexico. In this sense, consensus has been reached in Colombia and other countries demanding that environmental, social, and economic sustainability be a priority on a company's agenda. This is the framework for national and global action within which Pacific Rubiales plays a major role.



We are aware of our responsibilities and the huge possibilities for our leadership. We are certain our efforts will have a positive effect on our business areas and in the societies in which we operate. In short, we want to live up to the expectations of our stakeholders.

2010: A year of sustainable performance

In 2010, Pacific Rubiales Energy continued to tread the paths of growth and success in the exploration and production of oil and gas. We increased our income by 160% compared to 2009. This increase can be attributed to the acquisition of 1,609 km of 2D seismic, 401 km of 3D seismic and 13,333 km of high-resolution aeromagnetic and aerogravitometric surveys, as well as the drilling of 29 wells; seven exploratory, nine appraisal, and thirteen stratigraphic of which 24 turned out to be successful for an exploratory success rate of 83%. Likewise, the company drilled over 176 new development wells resulting in an average gross production for 2010 of 144,307 bop/d, representing 75% increase compared to 2009.

2010 was also a year of evolution with regards to our approach to sustainability. Our internal approach is based on implementing and disclosing our sustainability policy in all areas of our company. We executed on the lessons learned in drafting the 2009 Sustainability Report, allowing us to strengthen the quality of our management. Finally, in agreement with the evolution, and dynamic nature of the company's vision, we modernized our corporate image and trademark. The new image can be viewed at www.pacificrubiales.com.

2011: A promising horizon

In 2011, we will continue to align our corporate strategy with the sustainability model we built in 2009. We will also continue to develop an excellent system of engagement with our stakeholders. These are the measures that will allow us to make systematic use of the necessary decision-making inputs that drive our business and

satisfy our stakeholders. Furthermore, 2011 will pose the challenge of transferring the lessons we learned in Colombia to our operations in Peru and Guatemala.

This year we also want to forge a closer relationship with other stakeholders in our value chain, particularly with our contractors, so we may face any pending challenges from a common perspective. Our experience indicates that corporate success is closely linked to the creation of social value. We want to increase the social value synergies by promoting a discourse of shared value., in order to assure the well being of all of our stakeholders.

A handwritten signature in black ink, appearing to read 'JFA.', positioned above the printed name and title.

José Francisco Arata
President

ALIGNING ECONOMIC GROWTH, SUSTAINABILITY, AND INTERNATIONAL STANDARDS



2010 was an exciting year for Pacific Rubiales. Over the course of the year, we consolidated our sustainability strategy within a framework that positions us to better address emerging market challenges, and to meet evolving stakeholder expectations. Our sustainability strategy focuses on continuous improvement and the lessons learned for our 2011 operations and beyond.

Through our sustainability policy, Pacific Rubiales has successfully expanded operations. Our corporate culture, which promotes respect for all our stakeholders and emphasizes environmental accountability, allows Pacific Rubiales to retain its strong reputation in oil and gas exploration and production.

The expectations and opinions of our stakeholders are important to improving our overall business practices. For this reason we have implemented a robust and progressive engagement process that represents our continuing commitment to building positive, mutually beneficial relationships with all our stakeholders. This in turn will help drive continuous innovation and improve our planning and management processes. By working with our stakeholders, we will be able to successfully deliver on our eight commitments, and come even closer towards reflecting the UN Millennium Development Goals and compliance with the UN Global Compact in our day-to-day operations.

To-date, our work has had a positive impact in the following ways:

3,000 rural inhabitants have gained knowledge in the areas of education, tropical farming and business through the Rubiales Production Model.

1,200 indigenous people and communities have benefited from training in sustainable farming.

220 students have received scientific skills training through the creation of a biotechnology lab—the long-term impact of which will reach 15,000 residents.

400 residents in the La Creciente Block who have modernized their farming activities through training, seed capital and technical fortification thanks to the Business Strengthening Model for Sustainable Production Projects.

10,000 parents in the San Pedro, Palmitos and Puerto Gaitán municipalities of Colombia who have learned about children's rights through the Mobile Playground.

125 local leaders in Puerto Gaitán, Espinal and Los Palmitos, as well as 45 leaders of the Vencedor Piriri indigenous communities in Puerto Gaitán and 90 workers in the Rubiales Field have received training in legal rights and responsibilities through the Social Control and Citizen Participation course.

250 students and 125 families in Rubiales and Comejenal, Colombia have benefited from interactive classrooms at rural education centres, which provide them access to computers and the Internet.

This is just the beginning of what we can accomplish through our continuing commitment to the implementation of sustainability practices. The future is bright for our Company, our stakeholders and for the communities we impact through our work.

A handwritten signature in black ink, appearing to read 'Federico Restrepo Solano'.

Federico Restrepo Solano
Vice President of Corporate Affairs

(i) Acting with Coherency and Transparency, (ii) Generate Economic Value, (iii) Operating in Harmony with the Environment (iv) Contributing to society by improving the quality of life in communities where we operate, (v) Promoting respect for human rights, (vi) Making PRE a great place to work (vii) strengthening health and safety in our operations, (viii) Reinforcing sustainability of the value chain.

SUSTAINABILITY: ACCOUNTABILITY, TRANSPARENCY AND PRODUCTIVE OPERATION



I was pleased to join the Pacific Rubiales CSR team in February 2011. Within the oil and gas industry, Pacific Rubiales enjoys a dynamic reputation, with positive long-term growth potential thanks to strong exploration and production assets in Colombia and ongoing exploration activities in Peru and Guatemala. Consistently meeting our business objectives depends not only on operational success, but also on delivering on our company's sustainability policy.

This 2010 Sustainability Report communicates the foundation for our CSR policy. Envisioned through eight strategic commitments this policy is our roadmap to social and environmental sustainability. We know that our activities impact the lives of people in the areas we operate, and a large part of our success hinges on our relationships with these communities. That's why we have been able to earn the trust and respect of our stakeholders and we are committed to maintaining that trust.

As we push our current production assets in the Rubiales, Quifa and La Creciente fields even further, we will need to be mindful of the social and environmental impacts of our activities. Pacific Rubiales must be prepared to design socially responsible programs that set the bar even higher for accountability, transparency and productive operation. Our stakeholders will undoubtedly be part of this process.

Moving forward, Pacific Rubiales is committed to undertaking social responsibility programs and initiatives that ensure the continued well-being of all our stakeholders. Looking to 2011, we are presented with the task of further implementing CSR programs in the Magdalena, Putumayo and Llanos Basins in Colombia, Peru, and, most recently, Guatemala among others. In each of these areas, Pacific Rubiales is committed to the principles of our sustainability policy and to operating in collaboration and cooperation with local communities.

Together, we can ensure Pacific Rubiales remains a leader in the oil and gas sector, a responsible steward of the resources we manage, and a good global citizen in all our environmental and social activities.

Alejandro Jiménez Ramírez
Corporate Social Responsibility Manager

(i) Acting with Coherency and Transparency, (ii) Generate Economic Value, (iii) Operating in Harmony with the Environment (iv) Contributing to society by improving the quality of life in communities where we operate, (v) Promoting respect for human rights, (vi) Making PRE a great place to work (vii) strengthening health and safety in our operations, (viii) Reinforcing sustainability of the value chain.

ABOUT THE SUSTAINABILITY REPORT

This is our second Sustainability Report, which comprises our performance from January to December 2010 and contains information on operations conducted in Colombia and Canada. This report is prepared in accordance with the Global Reporting Initiative ("GRI") Third General ("G3") Guidelines.

This publication is the result of self-evaluation, management change, and training processes which started in 2009 and have been consolidated throughout 2010. It is a way to (i) perform follow-up on the commitments that we made and communicated in our first report and (ii) declare our future challenges aimed at managing sustainability in our business.

We have summarized our written report, and included additional, more detailed information on our social, economic, and environmental performance on our website at www.pacificrubiales.com.

The report is structured in chapters titled after our proposed strategic sustainability undertakings. Each chapter is organized as follows:

- 1 What is important?**
Issues identified as relevant in conjunction with our stakeholders
- 2 Our focus**
- 3 Cases that demonstrate our commitment**
- 4 Challenges 2011+**
Courses of action we propose to improve our future performance.



ADVANCES IN 2010

A large part of 2009 was dedicated to distributing the Sustainability Report and policy (to learn about this policy, visit the Sustainability section at www.pacificrubiales.com) through an internally-focused communication strategy. The report was officially released among managers, using visual language and iconography specially designed to develop a sustainability-driven culture, of which the first fruits could be seen in 2010.

This year we consolidated our sustainability strategy within a framework that encompasses all areas of the company. The sustainability strategy provides an overall view of how we wish to position ourselves within the market, and how we wish to be recognized by our stakeholders. We believe this process will allow us to attend to any doubts or expectations our stakeholders may have. This framework is focused on a process of continuous improvement and lessons learned.

Materiality test

For us, materiality is a means for improving our undertakings rather than an end in itself. Therefore, the test is a continuous exercise. It has the purpose of analyzing the importance of an issue, both in its internal and external perception, so as to identify risks and opportunities. We have measured the importance of those matters related to each of our proposed undertakings, in relation to our stakeholders (y axis) and the maturity of our management regarding such matters (x axis).

In 2009, we commenced the process of constructing this matrix. Currently the company is more focused on the y axis, so as to know the perception of our stakeholders and prioritize the most relevant matters for them. The next step is complementing the x axis, measuring the managers' understanding and undertaking of the identified issues.

For the x axis, we continue to conduct dialogues with

our priority stakeholders based upon the needs identified in 2009. We selected those matters that we consider a priority, and through a knowledge exchange exercise we were able to understand how our management is perceived by these groups regarding such matters (for additional information about this process, see the section on "Engagement with our stakeholders")

For more information on our materiality test and the detail of each undertaking, see page 10 of the 2009 Sustainability Report at www.pacificrubiales.com.



We began paying quarterly dividends to the holders of common shares traded on the TSX and BVC

We added two blocks located in Guatemala and six more blocks in Colombia, reaching an area of **6,725,673 hectares (16,619,501 acres)** making us the largest independent oil and gas producer and explorer in Colombia.

We educated **6,000** boys, girls, teenagers, and parents in their rights and duties through the Ludoteca Movil (Mobile Playground).

We signed the United Nations' Global Compact, adopting the principles established in the Compact as strategic guidelines for managing the organization (January 25, 2011).

The Central Processing Facility ("CPF") at Quifa allowed to reach a production of **30,000 BOPD** the completion of the CPF-2 and the existing CPF-1, increased production capacity to **170,000 BOPD**; of the Rubiales Field; the production of the La Creciente natural gas field increased by

36%

Through sustainable environmental policies, we reclaimed 2 km² and acquired 1.98 km² for the reserve and protection of the Siete Quebradas hydrographic basin (municipality of Guaduas, Cundinamarca) and we replanted 1.74 km², totaling **86,248 trees.**

We were able to train 125 Community leaders, 45 indigenous leaders and 90 workers in Community Rights and Social Control Courses

We increased the 2P net reserves by **12.8%** compared to those of 2009 (as of February 2011), with a reserve replacement rate of 2.69 barrels of oil equivalent incorporated per barrel produced.

HIGHLIGHTS 2010

We own a **32.88%** interest in the Oleoducto Bicentenario de Colombia, which will add **450,000 BOPD** to the existing capacity of pipeline systems connecting the Llanos Basin with export markets.

We strengthened relationships and cultural exchange, and we have been allowed to develop exploratory projects in territories belonging to native communities, clearly respecting and preserving their culture with six processes for evaluating feasibility that have been successful in three departments of Colombia.

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OUR ORGANIZATION AND STAKEHOLDER ENGAGEMENT

Company profile

- Exploration and production ("E&P") in Colombia, Peru, and Guatemala.
- 2010 year-end exit gross operated production of 192,977 bop/d and gross earnings of US\$217.61 million.
- Employs 1,285 people in four countries, including 1,250 employees in Colombia and 16 direct employees of Canadian origin.

Vision

We aspire to become the preeminent oil and gas E&P company in the Latin American region, and to be renowned for our technical excellence, operational abilities, and capacity to discover, develop, and commercialize new hydrocarbon reserves.

1

INFORM

During 2009, we identified and prioritized our stakeholders ("IG")

We held 14 discussion sessions involving the following stakeholders: direct employees, neighboring communities, local governments, suppliers and contractors.

We were able to determine key issues to be undertaken, consolidate existing alliances and identify potential ones.

2

SPECIFY

Based on the 2009 results, we defined the matters of highest priority for our stakeholders and conducted a process focused on our stakeholder strategy.

Our engagement centered on: organizational culture, transparency with respect to royalties and sustainable value chains.

Based on these, we identified what our most relevant stakeholders were so as to identify solutions, share expectations and develop new ideas.

We conducted three dialogues, one with contractors and suppliers at the Rubiales field, another with the Royalty Investment Follow-up Committee ("CSIR") of Sucre, and another with internal employees through two-hour sessions, all with the purpose of identifying issues specific to them.

3

SYSTEMATIZE

We are currently designing and developing our system of engagement with stakeholders, aiming to define new issues and to align and involve them with our strategic plans.

Our goal is to improve the quality of our relations with our different stakeholders every day, understand their opinions and needs and turning those ideas into input material that will be shared with our management.

Our growth strategy is based on three principles:

- 1 Increasing our reserves through exploration, delineation of our resource base, and the use of cutting-edge technology to increase recovery factors and production rates.
- 2 Combining our upstream assets in areas where we hold competitive advantages, midstream projects integrated into such assets, and the technical excellence of our people.
- 3 Identifying and maximizing new gas, petroleum, and energy opportunities in Latin America, within a framework of profitability and sustainability.

4

CAPITALIZE

In this stage of the process, we seek to maximize the potential of the positive relationships we have with our stakeholders so as to continually innovate and improve our business to achieve prosperity for all.

Engagement with stakeholders

We believe that listening, understanding, and keeping in mind our stakeholders' needs, expectations, and opinions is an essential factor for the integration of sustainability in our undertakings and in improving our business.

We are aware of the importance of generating long-term, quality relationships with each stakeholder. It is for this reason that, since 2009, we have been implementing a robust and progressive engagement process that seeks to specify, systematize, and capitalize on our relationships with them.

Our ultimate goal is to have a system that allows us to realize the potential of our positive relationships with our stakeholders, thus achieving continuous innovation and learning processes, greater contributions that help improve our planning and management, and collective prosperity. Such a system encompasses identification and prioritization of stakeholders, and the design, execution, documentation, and integration of the results in decision-making.

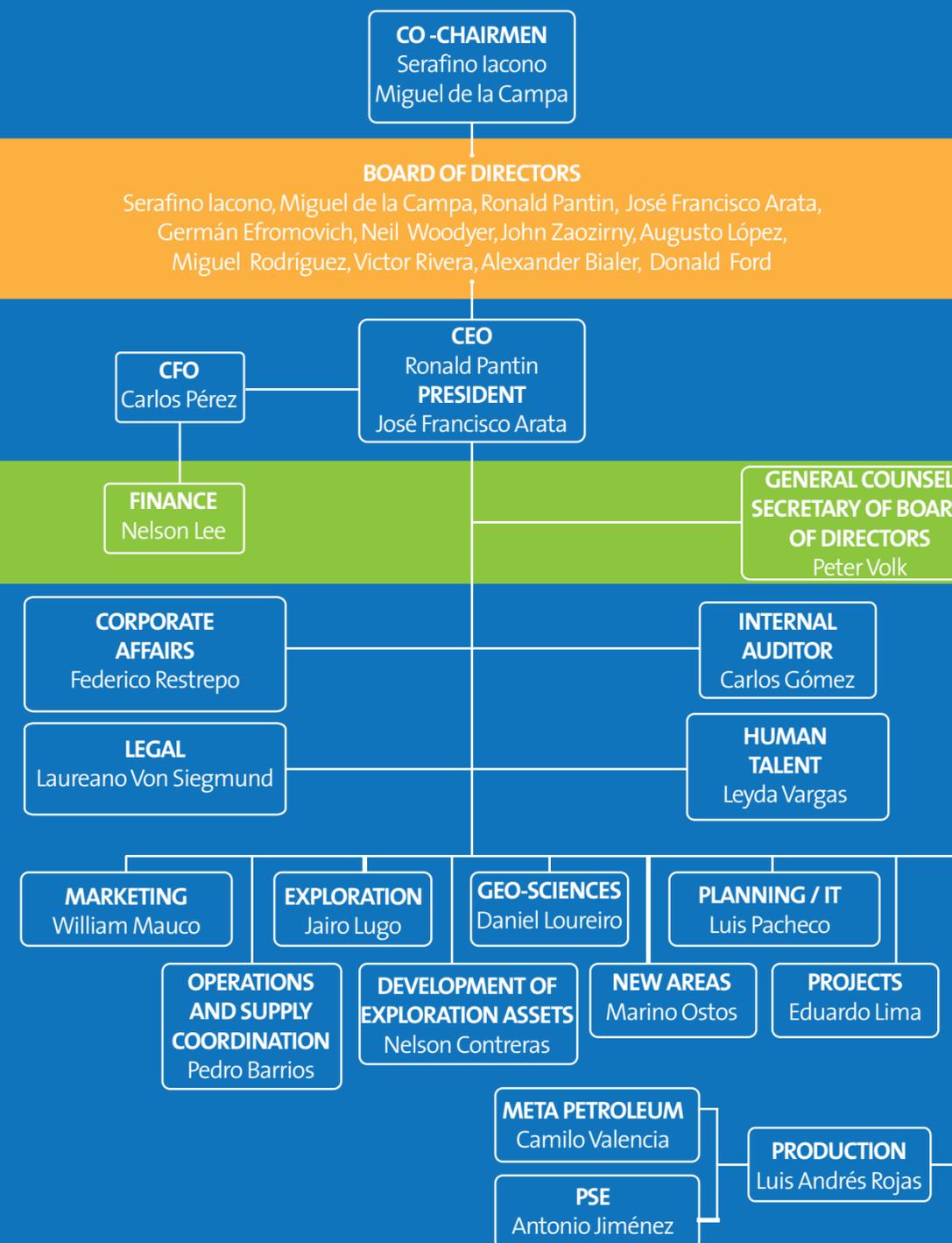
Note: This engagement process is governed by the GRI Guidelines, the principles of standard AA1000, and ISO 26000.

DIALOGUE RESULTS 2010

SUBJECT	INTEREST GROUP	MAIN TOPICS	RESULTS
Sustainable value chain	Contractors and suppliers.	<p>Presentation of the Sustainable Supply Chain Management Initiative.</p> <p>Feedback on our incentives for contractors (e.g. responsible contractors contest).</p> <p>Development of new ideas for motivating environmental and social management in our suppliers.</p>	<p>We identified the expectations of suppliers and contractors regarding a sustainable management system (among them are clear rules, importance of incentives, continuity and equality, greater communication with CSR team, and better planning of production requirements).</p> <p>Similarly, we became aware of the fact that we must improve on the communication and dissemination of our bids to contractors. The participants contributed ideas for improvement such as motivational campaigns, creation of posters and banners in work fronts and lodgings, consultation in HSEQ meetings and public service announcements on the local radio station.</p> <p>We acknowledged that there are priority issues to consider in the short-term, such as lodging, food, road security, vehicle damages, accidents, and risk mitigation.</p>
Transparency	Local Government / Royalty Investment Follow-up Committee ("CSIR") Sucre.	<p>Presentation of the theoretical concept of transparency.</p> <p>Alignment of transparency with the CSIR and its members' activities.</p> <p>Development of initiatives to promote transparency within the CSIR.</p>	<p>We were able to define some essential initiatives for strengthening transparency in the CSIR and in Sucre, such as: (i) conduct assessments with respect to anti-corruption initiatives; (ii) process for institutional modernization of municipalities; and (iii) tools for promoting the disclosure of information about payments by companies.</p> <p>We identified the importance of reporting on what we pay and what we produce, as well as the relevance of supporting the consolidation of transparency through the development of action plans, creation of interdisciplinary teams, and terms for any initiatives identified throughout the dialogue process.</p>
Organizational culture	Internal employees.	<p>Discussion regarding any opposition or challenges that may arise in the integration of sustainability in all parts of the organization.</p> <p>Presentation and identification of ideas for facing such challenges.</p> <p>Map of engagement opportunities for Pacific Rubiales with its stakeholders.</p>	<p>We identified resistance on the following fronts: culture, communication, organizational structure, and knowledge of sustainability. For each of these aspects, short-term action plans were defined.</p> <p>In addition, we were able to identify how to involve priority stakeholders. This exercise allowed us to know potential issues and how to possibly improve existing ones.</p>

CORPORATE MODEL

- BOARD OF DIRECTORS
- COLOMBIA
- CANADA
- COMPANY OFFICERS





ACTING WITH
COHERENCY AND
TRANSPARENCY



WHAT IS IMPORTANT?

ACTING WITH **COHERENCY** AND **TRANSPARENCY**

Consistent with our sustainability commitment, we prioritize the consolidation of ethical organizational conduct, as well as the identification and assessment of risks that we may face now and in the future.

Moreover, in the current regulatory and public context, it is paramount to maintain the best corporate governance practices and ensure that our rendering of accounts be efficient, transparent, and in agreement with the expectations of our stakeholders. As always, transparency and the fight against corruption continue to be of great importance in the areas where we operate.

How do we manage?

Above all, we promote the knowledge, understanding, and application of our Code of Corporate Conduct and Ethics in all of our activities. This is the basis of the company's undertakings. We complement this activity by implementing action plans and controls for risk mitigation and fulfillment of our corporate objectives as well as a control system that provides financial reports deserving of the trust of all stakeholders (shareholders, employees, suppliers, and regulators).

In line with the standards defined by stock market regulators from Canada and Colombia, we guarantee good corporate governance through the independence of our Board of Directors, and through our policies and procedures, which are communicated through the organization and our corporate university. In order to facilitate this communication, we use SEDAR, a system designed for the electronic dissemination of information, which is a requirement established by Canadian authorities. For additional information, see www.sedar.com.

Corporate Governance Policy.

Guidelines and procedures for the company's management committees.

Declaration of Conflicts of Interest and Code of Conduct.

Establish guidelines for directors, senior officers, employees, and suppliers; these are executed each year. We undertake campaigns to promote conduct in agreement with our values and guidelines among our employees and suppliers. Management's Ethics Committee responds to any reported incident.

Report and consultation channels.

Mechanisms for complaints on conflicts of interest and ethics.

Public Confidentiality Policy.

Ensures the quality and transparency of the information we publish.

Greater engagement for better corporate governance

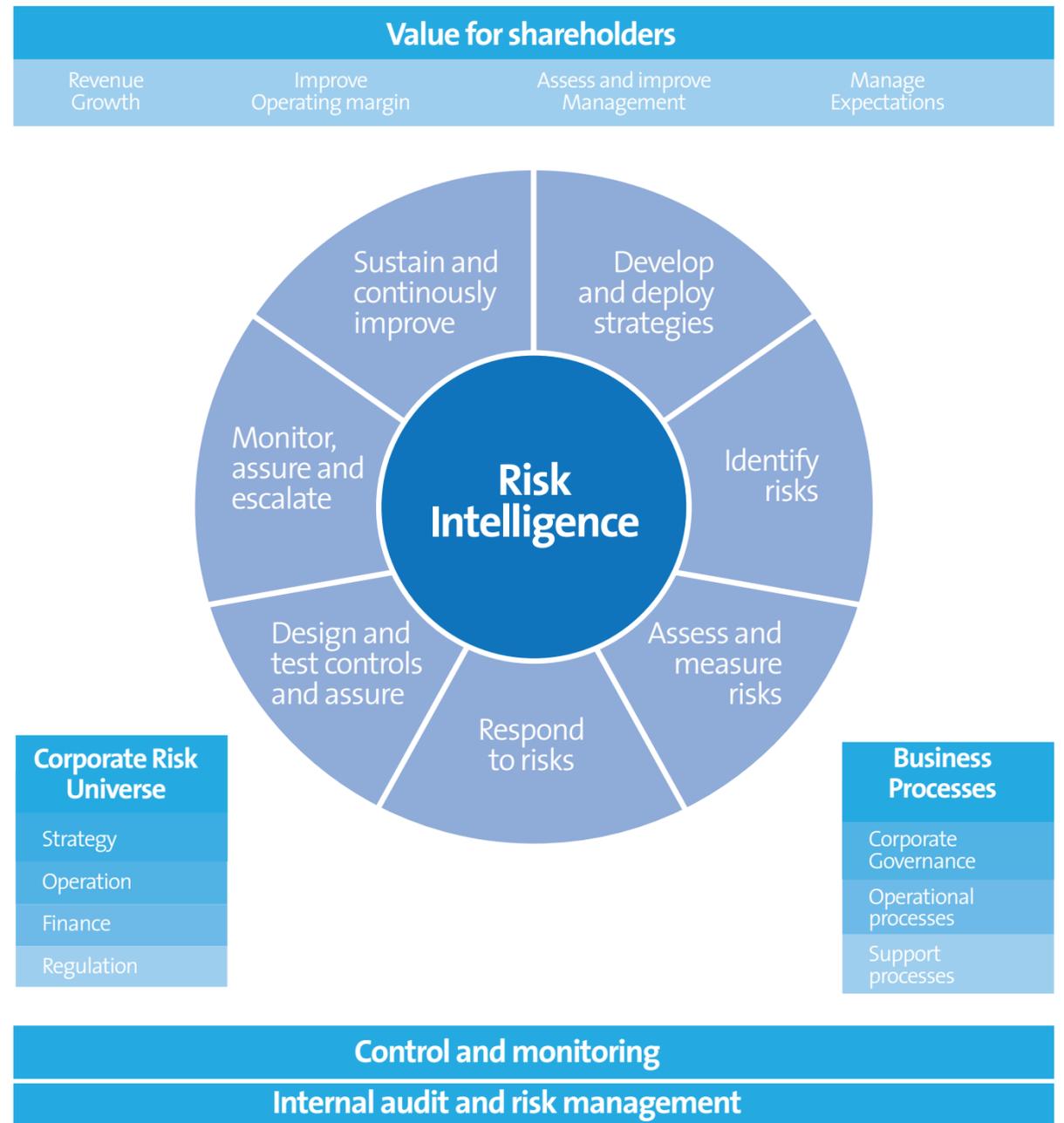
We understand that responsible corporate governance practices require the engagement of our stakeholders. For this reason, we have developed workshops aimed at those responsible for managing contracts with the purpose of consolidating their core competencies so they can more adequately exercise their roles. As part of this training process, a specific section was incorporated into their contracts, which seeks to promote the application of corporate governance policies and practices in the managers' relationships with the different stakeholders.

Making ethics live

We released a campaign to further disseminate our Code of Conduct (the "Code"), which included lectures with our collaborators during field visits, covering almost 300 direct employees and contractors. The central point was to reinforce the knowledge of our confidential and anonymous reporting channels (phone line, e-mail, website), established for reporting on and clarifying any situation related to the Code.

RISK MANAGEMENT

This year we identified, prioritized, and assessed the main corporate risks. We also identified and assessed the risk of fraud through collaborators from different areas who have a greater degree of exposure to such risk. Through panel discussions, we sought to internalize a risk management organizational culture encompassing those risks that may threaten the fulfillment of our corporate objectives.



IN 2010

What did we say we would do?

Consolidate our stakeholders management system.

Sign the United Nations' Global Compact and issue our Notice of Progress.

Undertake an awareness program for all employees so as to be consistent with our values and our Code of Conduct.

Integrate sustainability into communications with investors.

What did we do?

We are in the process of designing a system of engagement with our stakeholders, which will allow us to maximize the potential of these relationships and identify innovation and learning processes.

We signed the United Nations' Global Compact.

We developed communication campaigns with our employees, suppliers, and contractors aiming to strengthen our behaviour in agreement with our values and the Code.

We acknowledged the importance of informing our investors about the progress made in sustainability, providing the report and allowing free access online.

What is yet to be done?

Once the system's design is complete, we will begin implementing it with those employees who have closer contact with our priority stakeholders.

This report constitutes our first Notice of Progress.

We must continue to develop these training programs for direct employees, contractors, and suppliers.

For the year 2011, we will continue to inform our investors of our achievements and about our expected sustainability undertakings.

Commitment to the GLOBAL COMPACT



We signed the UN's Global Compact as a part of our commitment to the ten principles it sets forth. We wish to make public the progress that we have achieved in relation to respect and dignity in labour relationships, the observance of fundamental rights, protection of the environment, and our goal to end corruption. Beyond signing it, we participated in the foundation of the Global Compact's Regional Center for Latin America and the Caribbean. For more information, see www.unglobalcompact.org

CHALLENGES 2011

Where are we HEADED?

Evaluate the effectiveness of the Board and its committees.

Continue evaluating corporate risks in order to understand their behaviour and establish monitoring and action plans.





GENERATE
ECONOMIC
VALUE



GENERATE **ECONOMIC** VALUE

In 2010, our vision focused on more ambitious challenges, as the company's growth went far beyond its operations.

We are:

The leading E&P independent company
in South America.

The producer with the highest growth rate in Colombia.

The second largest producer in Colombia.

Holding the second largest exploration portfolio
in Colombia.

“

The creation of value is not only an element of competitiveness, but of survival for any company that wishes to remain in the market

”

Laniado, D. (2002). Creation of Value in Enterprises: The Role of Finances and Management. Finance Executives, 12, 1-14.

Next year, we will continue to grow, focusing on the Rubiales and Quifa fields, as well as on new opportunities in Guatemala, Brazil, the Gulf of Mexico, and Peru.

Some of the most relevant statistics regarding our economic performance are set forth below (for further details, see our financial statements and year-end management's discussion & analysis in the Reports section at www.pacificrubiales.com).

FINANCIAL SUMMARY 2010

THOUSANDS OF US\$	2010	2009
Assets	3,855,086	2,819,110
Liabilities	1,820,014	1,290,352
Shareholder's equity	2,035,072	1,528,758
Net sales	1,661,544	639,201
Operating income	550,959	73,333
Net profit (loss)	217,606	(125,793)

EXPLORATION

Our exploration portfolio currently encompasses 6,725,673 hectares (16,619,501 acres). We currently have 40 blocks: 35 in Colombia, two in Guatemala, and three in Peru. Likewise, we have top-quality infrastructure in technology and innovation, developed with a speed never before recorded by any company in Colombia, with a stable and sustainable growth plan that makes us the third-largest exporter of crude oil, the second-largest private exporter, and the largest independent, producing company in Colombia.

ASSET MAP

EXPLORATION



- LOWER MAGDALENA BASIN**
- 1. CR-1
- 2. SSJN-3
- 3. SSJN-7
- 4. GUAMA
- 5. CICUCO
- LLANOS BASIN**
- 6. ARAUCA
- 7. LLANOS-7
- 8. CORDILLERA-24
- 9. LLANOS-55
- 10. CPE-1
- 11. ARRENDAJO
- 12. CPO-1
- 13. CPO-14
- 14. CPO-12
- 15. CPE-6
- CAGUÁN & PUTUMAYO BASIN**
- 16. TOPOYACO
- 17. CAGUÁN-6
- 18. PUTUMAYO-9
- 19. TERECAV
- 20. CAGUÁN-5
- 21. TACACHO
- PERÚ MARAÑÓN & UCAYALI BASIN**
- 22. 137
- 23. 135
- 24. 138
- GUATEMALA PETÉN BASIN**
- 25. N-10-96
- 26. 0-10-96

PRODUCTION



- UPPER & MIDDLE MAGDALENA BASIN**
- 27. LAS QUINCHAS
- 28. DINDAL
- 29. RÍO SECO
- 30. PULÍ
- 31. ABANICO
- 32. CAGUÁN
- LLANOS BASIN**
- 33. PIRIRÍ
- 34. RUBIALES

EXPLORATION & PRODUCTION



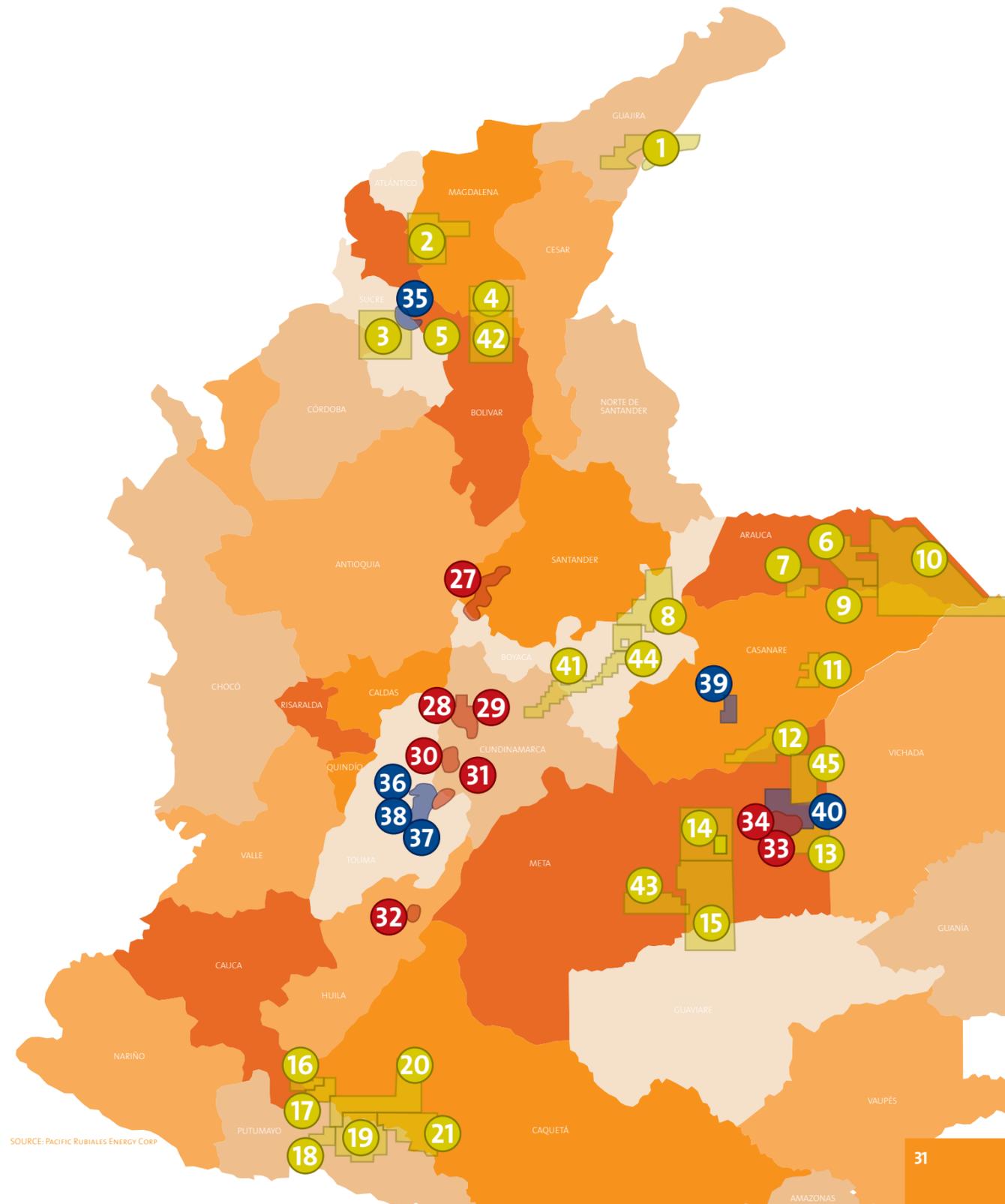
- LOWER MAGDALENA BASIN**
- 35. LA CRECIENTE
- UPPER & MIDDLE MAGDALENA BASIN**
- 36. BUGANVILLES
- 37. GUÁSIMO
- 38. CHIPALO
- LLANOS BASIN**
- 39. MORICHE
- 40. QUIFA

THE BLOCKS ACQUIRED IN 2011

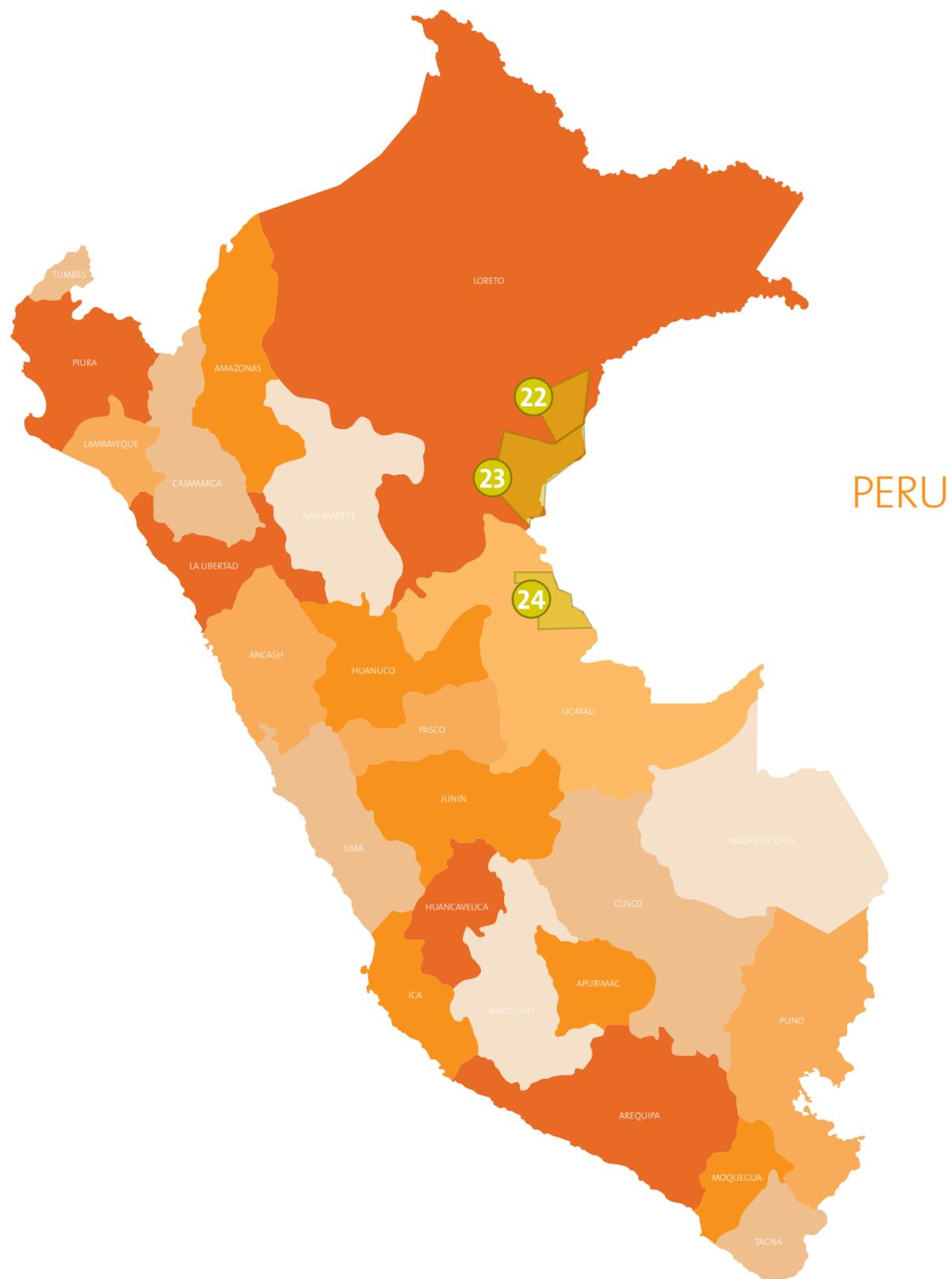


- 41. MUISCA
- 42. SSJN-9
- 43. CPO-17
- 44. COR-15
- 45. SABANERO

CARIBBEAN SEA

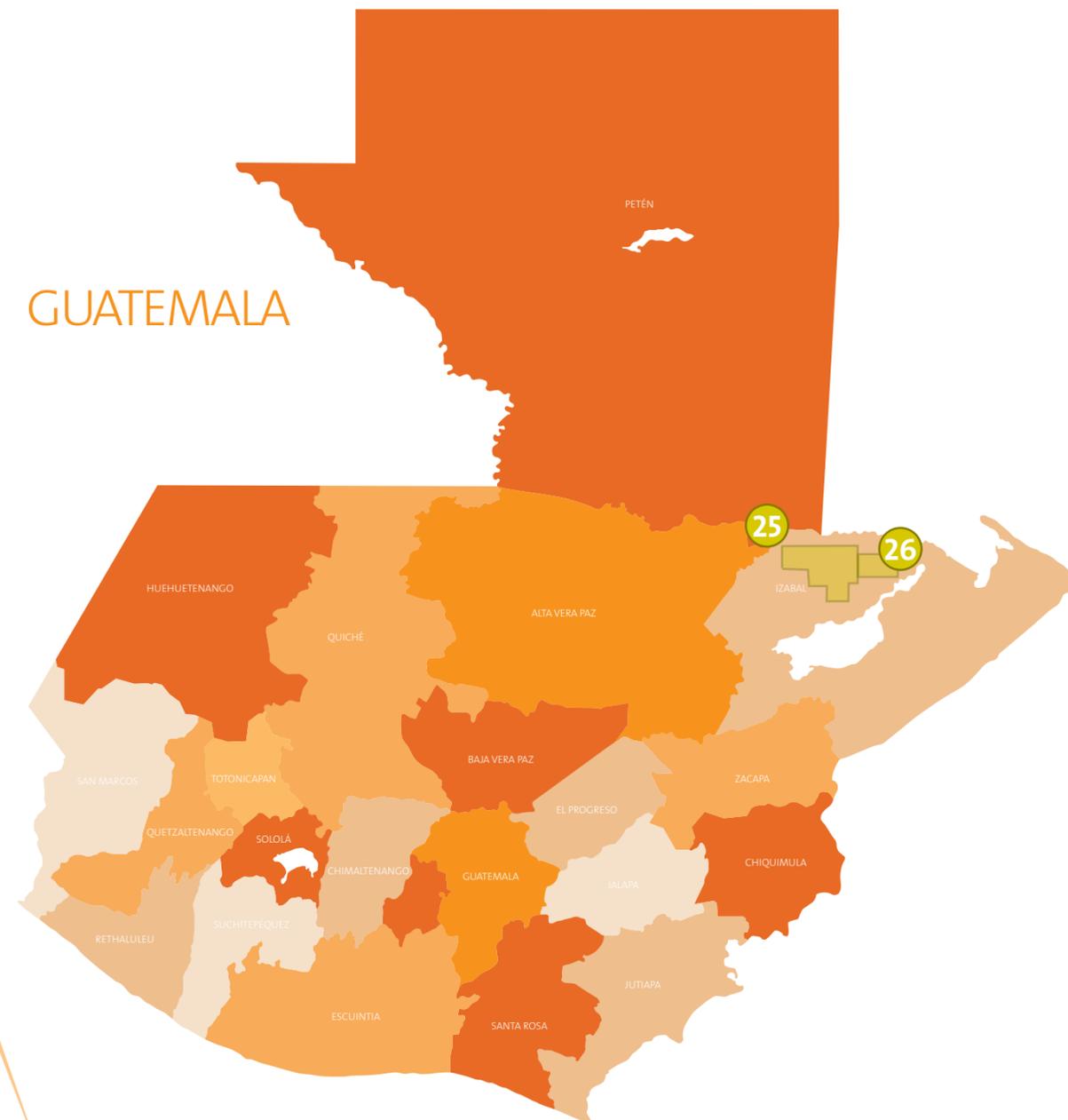


SOURCE: PACIFIC RUBIALES ENERGY CORP.



SOURCE: PACIFIC RUBIALES ENERGY CORP

GUATEMALA



SOURCE: PACIFIC RUBIALES ENERGY CORP

MORE WELLS, MORE RESERVES MORE VALUE

In 2010, we drilled a total of 29 wells; seven exploratory nine appraisal, and thirteen stratigraphic, of which twenty-four turned out to be successful. This performance allowed for the incorporation of 18.27 mmbpe of new gross 2P reserves, or 9.63 mmbpe net reserves after royalties. The reserve replacement rate from exploration alone incorporated 1.4 barrels of oil for each barrel produced during 2010. Total net exploratory expenses for 2010 were US\$112.5 million, out of which US\$44.4 million corresponded to the fourth quarter of 2010.

EXPLORATION MILESTONES

Our exploration campaign included drilling 29 exploratory wells, the acquisition of 1,609 km of 2D seismic and 401 km² of 3D seismic, and the acquisition of 13,133 km of high-resolution aeromagnetic and aerogravitometric surveys.

83% success in exploration activities.

In the Quifa Block, we drilled the Ambar-1 exploratory well in the "F" prospect, which confirmed the extension of this prospect southwestward, with a 16 foot productive formation, located in the north sector of the block. Likewise, we acquired a total of 294 km 2D seismic in the block's north and east sectors.

In the CPE-6 Block's north sector, the company drilled stratigraphic wells Guairuro-3 and Guairuro-4. The Guairuro-3 well confirmed the presence of hydrocarbons within the well with a 6.5 foot productive formation at the C-7 interval.

In October, we entered into a Participation Agreement whereby Pacific Rubiales holds a 55% participating interest in the Guatemala operation, and acts as operator of Contract "A-7-98". This contract corresponds to the area known as "A-7-96", consisting of that country's blocks "N-10-96" and "O-10-96".

In November, at the Visure-1X exploratory well on the southern Bugarviles Block, we discovered a total productive formation of 114 feet in three intervals: Barzalosa (24.5'), Guadalupe Superior (45.5') and Guadalupe Inferior (44'). It was drilled in the Visure prospect.

The exploration program planned for first quarter of 2011 includes drilling of the Guairuro-5 and Guairuro-6 wells at the CPE-6 Block; Jaspe-2, Jaspe-3 and Zircon-1 wells at the Quifa Block; as well as the completion of drilling activities of Ambar-3 well at the Quifa Block, Tuqueque-1X well at the Bugarviles Block and Apamate-1X at the La Creciente Block, respectively. Additionally, we will conclude the acquisition of 130 km² of 3D seismic at the Arrendajo Block.

PRODUCTION

Production achievements for 2010 were significant. The total gross operated production averaged 144,307 bop/d (56,974 bop/d net after royalties), an increase of 61,683 bop/d, (22,848 bop/d net after royalties), or 75% more than in 2009.

The total gross exit production for 2010 reached 192,977 bop/d (85,716 bop/d net after royalties). This was nearly eight percent under the company's projections, due to transportation issues at the Rubiales field that have already been solved.

1. The increase in operated production during 2010 is mainly attributed to the drilling of 146 wells in Rubiales and 30 producing wells in Quifa. The completion of construction works in the CPF in Quifa allowed the field's production to reach the 30,000 BOPD goal. In like manner, the completion of CPF-2 at the Rubiales field increased production capacity to 170,000 BOPD, which will be fully achievable to the extent that the expansion of the OCENSA oil pipeline is completed during the first quarter of 2011.
2. The production of the La Creciente natural gas field increased by 36%; works were conducted to further improve the safety of the operations.
3. Adjustments to the Abanico field and the Guaduas gas field's treatment plants made it possible to bring the gas to saleable conditions.
4. We successfully drilled three wells in the Abanico north area.
5. We intervened four wells in Guaduas and 26 in abanico to maintain production.

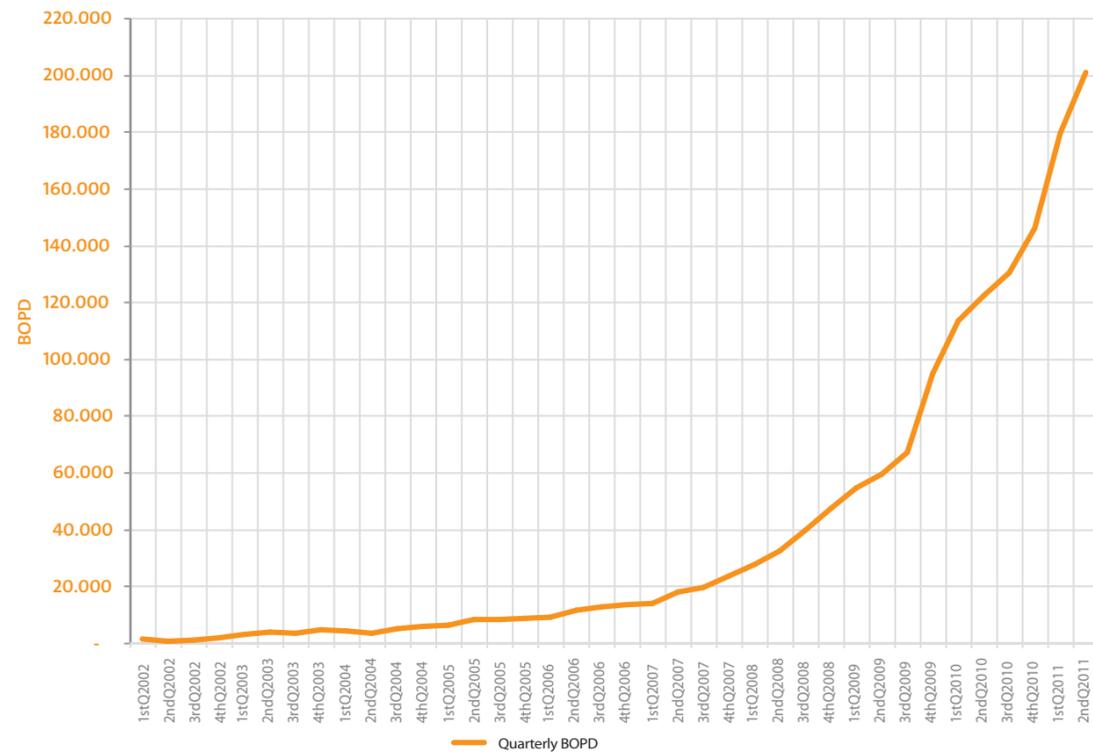
AVERAGE PRODUCTION IN 2010

AVERAGE PRODUCTION IN 2010						
PRODUCING FIELDS	GROSS PRODUCTION BEFORE ROYALTIES		SHARE BEFORE ROYALTIES		SHARE AFTER ROYALTIES	
	2010 boe/d	2009 boe/d	2010 boe/d	2009 boe/d	2010 boe/d	2009 boe/d
Rubiales / Piriri (1)	123,581	68,826	53,065	30,514	42,452	24,411
Quifa	4,819	308	2,812	322	2,630	302
La Creciente	10,055	7,382	9,923	7,382	9,920	7,382
Puli(2)	82	77	40	38	32	31
Dindal / Rio Seco (3)	704	821	586	744	470	595
Moriche	167	97	76	100	70	92
Quinchas	47	38	36	27	34	25
Abanico (4)	2,821	2,989	896	819	843	778
Buganviles (5)	16	23	8	14	7	13
Rio Ceibas (2)	1,871	1,965	506	536	405	429
Chipalo	0	3	0	6	0	5
Cerrito	144	95	111	77	111	63
TOTAL	144,307	82,624	68,059	40,579	56,974	34,126

INTERNAL SOURCE: PACIFIC RUBIALES ENERGY CORP

(1) Net after factoring the internal consumption of the field. (2) Corresponds to the company's participation in non-operating fields. (3) The sale of gas started on November 2010, for a nearby Compressed Vehicular gas plant and is reflected in the company's previous numbers. The rest of the gas is currently being injected and used to generate electricity. The Company is evaluating additional economic uses for this hydrocarbon. (4) Ecopetrol opted to commercialize the north extension of the Abanico field. This is part of the reason for the increase in gross production in this field. The Company began sales of CO₂ free gas, produced in the wells located in the north section of the field and bought a CO₂ treatment plant which will be installed during the first quarter of 2011. It is expected that the sales of gas will increase to 1mmcf/d once the installation is complete. (5) The Samarkanda field, in the Chipalo Association Agreement, has been temporarily neutralized, while the company evaluates the technical alternatives for its reactivation.

ANNUAL PRODUCTION GROWTH IN THE RUBIALES AND QUIFA FIELDS



INTERNAL SOURCE PACIFIC RUBIALES ENERGY CORP

RESERVES

The total gross proven and probable reserves of equivalent crude oil (“2P”) in 2010 were 322.42 mmbœ (before royalties) or 268.98 mmbœ (after royalties). Production in 2010 was 21.23 million bop/d (after royalties) and the addition of net reserves was 9.63 mmbœ. Based on the reserves reports updated to February 28, 2011 and on the 2010 production, 2P reserves reached net 316.44 mmbœ (after royalties), which stands for a net addition of 57.09 mmbœ. This is a 12.8% increase in net 2P reserves compared to the 2009 reserve reports.

Proven net reserves (“1P”) reached 238.43 mmbœ, representing approximately one barrel for each outstanding share.

Source: Pacific Rubiales Energy Group

FIRST FOREIGN COMPANY LISTED ON THE COLOMBIAN STOCK EXCHANGE

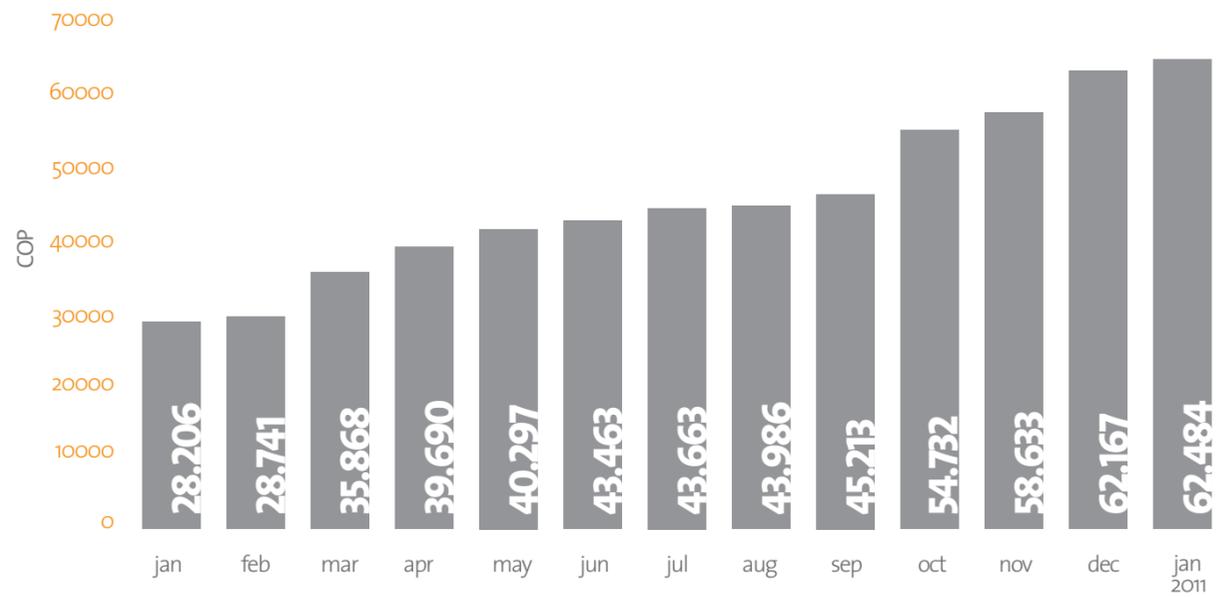
Our shares are listed on the Toronto and Colombia stock markets under ticker symbols PRE and PREC, respectively. As the first foreign company listed on the Colombian Stock Exchange (BVC), the company’s share price grew by 136% in one year.

IN OUR FIRST YEAR ON THE BVC

1. Number of shares traded: 27,887,908
2. Consisting of nearly 11% of the company’s float
3. Number of shareholders: more than 7,500
4. The share price increased by 136%
5. At the end of 2010, dividends of CAN\$0.096 per share were simultaneously declared in Colombia and Canada.

ACHIEVEMENTS

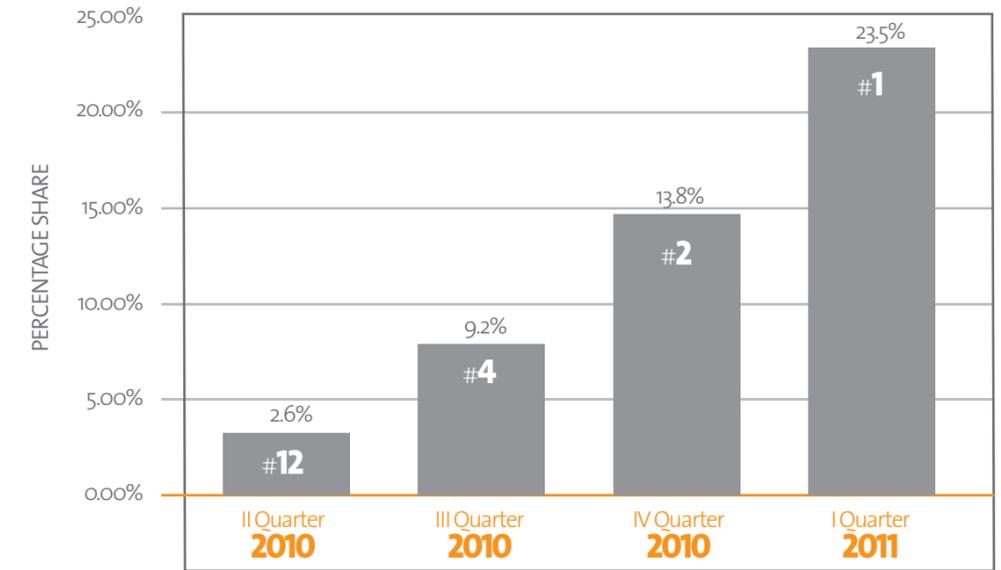
1. First place in the General Index of the Colombian Stock Exchange (“IGBC”), generated by the high volume and high liquidity shown throughout 2010.
2. Second place in the Colombian Stock Capitalization Index (“COLCAP”) in only a year of BVC trading.
3. First place in participation in the Stock Liquidity Index of the Colombian Stock Exchange (“COL20”), consisting of the market’s twenty most liquid shares.



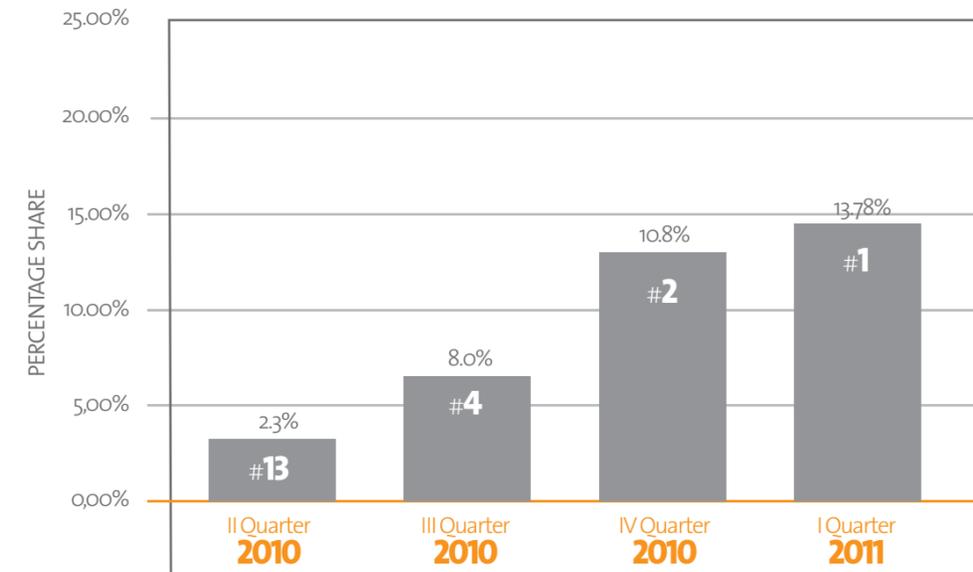
AVERAGE MONTHLY SHARE PRICE
(12 MONTHS 2010-2011)

SOURCE: PACIFIC RUBIALES ENERGY CORP

GENERAL INDEX OF THE COLOMBIAN STOCK EXCHANGE (IGBC)



STOCK LIQUIDITY INDEX OF THE COLOMBIAN STOCK EXCHANGE



The indices from the first quarter of 2011 are the result of the recalculation of the fourth quarter of 2010.

Source of information: The indices are taken from the BVC. The shares and number of investors was obtained from the Centralized Securities Deposit of Colombia (Deceval).

SOURCE: PACIFIC RUBIALES ENERGY CORP

Where are we
HEADED?

CHALLENGES 2011

Continue growing based on the exploration, development, and production of both new and existing reserves

Develop the STAR technology project, so as to have a positive impact on the recovery factor of the entire Llanos region in Colombia. .

Guarantee access to the market through participation in key projects for oil and gas transportation infrastructure and terminals.

Maintain participation in Pacific Infrastructure Inc. ("PII"), a company developing a new terminal and crude oil port and other products in Cartagena as well as a new oil pipeline that will connect Coveñas with Cartagena.

Continue selling crude oil in international markets as well as in Colombia.

Increase gas sales from La Creciente, negotiating the commercial terms of infrastructure expansion in the area with gas transporters.



OPERATE IN **HARMONY**
WITH THE
ENVIRONMENT



OPERATE IN **HARMONY**
WITH THE
ENVIRONMENT

In 2010, we continued to develop our environmental policies, which are essential to the health of our people and stakeholders in all of the areas in which we operate.

WHAT IS
IMPORTANT?



Dolphins and the Tivallá river

In our monitoring of fauna, we paid special attention to the sighting of dolphins (*Inia geoffrensis*) in the Tivallá river, a species recorded by the IUCN. This is the first documented sighting of this species in the upper basin of the Vichada

BIODIVERSITY

At our Rubiales and Quifa fields, the landscape is dominated by natural savannah ecosystems, gallery forests, and moriche swamps, the two latter being those with the greatest biodiversity due to the availability of food for fauna and a notable wealth of flora. In our environmental impact studies, the areas determined as having the greatest biodiversity are excluded. Construction is in line with environmental best practices so as to avoid impacts such as habitat modification, alteration of seasonal processes in the vegetation, habitat fragmentation, alteration of food for the fauna, extraction of native flora, and change in the composition of the fauna.

Our environmental management approach is aimed at conducting our operations in a manner that protects the components of the ecosystem that have the greatest diversity. As a result, we have identified the number of species from the areas of direct influence within our fields, out of which seven correspond to fauna and five to flora, reported by the International Union for Conservation of Nature ("IUCN"). We have also conducted campaigns with our personnel aimed at the conservation and sustainable use of such species.

RECOVERY AND RECLAIM OF AFFECTED AREAS

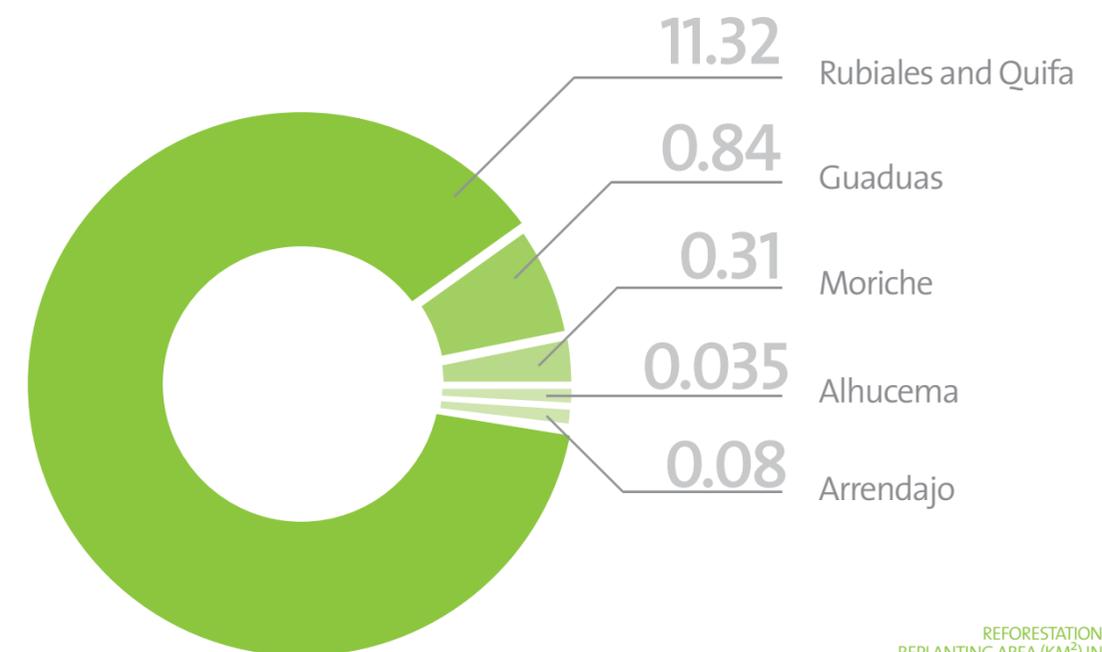
In 2010, the development of operations affected 11.2 km² at Rubiales and Quifa. We are pleased to report that we met our reforestation and replanting goals for 2010. Between 2010 and 2012, we have the goal of replanting 9.5 km².

The soil in the Rubiales and Quifa areas has a depth no greater than 10 cm; it is acidic, low in nutrients, and is subject to critical weather conditions with extreme rain and dry seasons. To improve the soil, we tried, together with CORPOICA, different varieties of native grasses obtained from the genetic bank of Carimagua, so as to achieve greater efficiency in recovering the areas.

We also standardized the re-vegetation process, attaining efficiency of over 70%. We expect that the replanting process will be compatible with the native pastures of the area's natural savannah ecosystem, and that the pastures may be used by the community in the future.

We developed a reforestation program that aims to enrich the flora of the gallery forest and morichal ecosystems. We started by establishing monitoring plots in the gallery forest so as to evaluate which forest arrays are more natural and which form of development adheres to the architecture of native forests. Information gathered for the reforestation process will be part of the national record being kept by Universidad Distrital Francisco Jose de Caldas.

Moreover, in Guaduas, we acquired 2.38 km² for the purpose of establishing the reserve and protection of the hydrographic basin of the San Francisco river. We also replanted 0.84 km² to protect the wells from which the municipality's private and country water systems draw their water.



REFORESTATION AND REPLANTING AREA (KM²) IN 2010

WASTES

In our waste management activities we observed principles of clean production, reduction processes at source, reuse, treatment, and controlled final disposal, complying with regulations and pursuing the protection of human health and the environment.

Waste management procedures

During 2010, we developed better waste management initiatives such as:

Reduction, reuse, and recycling campaigns.

Delivery of paper, cardboard, glass, plastic, scrap metal, and recycled wood materials to recycling companies.

Search for more efficient management and disposal alternatives.

Installation of an incinerator at Rubiales with a 1,32 tonne/day capacity to deal with solid wastes.

Recording statistics on the dangerous residues of our contractors by means of an internet database.

Construction of a park made from recycled metal for the recreation of children from the rural areas within the Acacia field's area of influence, thus strengthening relationships with the community and its surroundings.

Wastes generated in our fields

At Rubiales, waste generated in 2010 is shown in the following tables:

At Rubiales and Quifa, there was an increase in waste material compared to 2009. This was caused by our higher annual production goals, resulting in a greater number of workers.

At our other fields, such as Guaduas and La Creciente, it is worth pointing out the average 67% reduction in waste generation compared to 2009 due to waste reduction and reutilization campaigns.

Organic wastes generated

Organic wastes	Tonnes
Rubiales and Quifa	1,539
Abanico	1.1
La Creciente	1.7
Moriche	1.9
Arrendajo	1.3

Recyclable wastes generated

Recyclable wastes	Tonnes
Rubiales	666
Quifa	7.6
Guaduas	1.7
Abanico	1.8
La Creciente	2.1
Moriche	2.8
Arrendajo	2.9
Acacia	1.2

Special wastes generated

Special wastes	Tonnes
Rubiales	34,744
Quifa	21.5
Guaduas	11.3
Abanico	18.5
La Creciente	4.3
Moriche	0.33
Arrendajo	0.48

Borehole cuttings generated

Borehole cuttings	Bbl
Rubiales	194
Guaduas	0.32
Abanico	28.1
Moriche	5.8

WATER

We collect water in two ways. The first is associated with petroleum production, which we call industrial water; the second is from rivers and underground water pools, and that domestic water is used in household activities.

We reutilize industrial wastewater and domestic wastewater in watering the internal roads and areas that are being replanted. We also use it in preparing drilling mud, hydrostatic tests of tanks and piping, steam generation in boilers, and washing equipment.

We reutilized 1,270,472 m³ of water at the Rubiales field, our most highly developed field. The crude oil produced at Rubiales is naturally mixed with water in a proportion of twelve parts of crude oil for 88 parts of water, which is treated and cleansed before being poured into rivers, or injected into the deposit once more and reused. We have an industrial water treatment system that is in a constant state of evolution and improvement so as to be able to properly process the water associated with the growing crude oil production.

In order to guarantee water quality, our control program includes:

- Water quality sampling by external and internal laboratories
- Generation and follow-up of the water monitoring schedule

- Consumption reduction and reutilization alternatives studies
- Follow-up on consumption indicators, including distribution and collection sources
- Maintenance of pouring systems
- Sensitization campaigns oriented at rational and responsible use of water
- Consumption inspections

EMISSIONS

This year, we updated the baseline of the emissions generated by the operations at Rubiales in 2009. Through the carbon footprint method we obtained the international award Climate Synergie. We reduced our greenhouse gas emissions due to the operation of the Oleoducto de los Llanos pipeline, which allowed us to reduce the transportation of crude oil in trucks.

Reduction of Emissions in the Transportation of Crude Oil from Rubiales

Year	Direct emissions baseline (tonne CO ₂ e/ year)	Indirect emissions baseline (tonne CO ₂ e/ year)	Total emissions baseline (tonne CO ₂ e/ year)	Oil pipeline emissions (tonne CO ₂ e/ year)	Reduction of emissions (tonne CO ₂ e/ year)
2008	147,767	249,923	397,690	3,895	393,795
2009	339,327	573,912	913,239	8,944	904,295



IN 2010

What did we say we would do?

What did we do?

What is yet to be done?

Consolidate environmental data as per the GRI's methodology.

Along with all the areas and business units of the company, we consolidated a list of GRI-relevant environmental indicators.

Incorporate this list of indicators into our management system and ensure that we have the appropriate tools for measuring them.

Communicate recovery and reparation of affected areas.

The recovery and reparation of affected areas was communicated to environmental authorities through environmental compliance reports, which contained the progress reports of the recovery plans of affected areas. At the same time, through the Colombian Corporation of Agricultural Research ("CORPOICA"), we are documenting the processes we conducted so as to achieve better results.

Communicate and measure the effectiveness of the anti-spill system.

We communicated methods for preventing and controlling substance spills through training sessions with employees and contractors. We updated the Hazardous Material Identification System ("HMIS") keeping international standards in mind.

Continue to perform training and supervision of contractors and employees.

We also conducted environmental audits with both employees and contractors to avoid uncontained spills. With this, we managed to meet our goal of zero uncontained spills.

Implement the industrial water disposal master plan.

We reused industrial wastewater in watering the internal roads and replanting areas. We also reused it in preparing drilling mud, conducting hydrostatic tests of tanks and pipes, generating steam in boilers, and washing equipment.

Enlarge water treatment mechanisms in accordance with the growth in crude oil production.

We presented the industrial wastewater disposal master plan for the Rubiales field to the Ministry of Environment, Housing and Territorial Development.

Improve management and disposal of wastes through technological systems.

We installed an incinerator for treatment of non-reusable domestic wastes. We managed resources for building a bio-digester at the Rubiales field, with the purpose of treating and using organic wastes generated in the Rubiales and Quifa fields.

Execute the bio-digester project in the Rubiales field.

We enlarged the slop oil treatment system.

What did we say we would do?

What did we do?

What is yet to be done?

Conduct Stage 2 of the Climate Synergie program: greenhouse gas emission reduction strategy, wherein feasible alternatives for reduction of emissions by the company are selected.

We managed resources for implementing the Chivor - Rubiales field and area reforestation projects in 2011.

Carry out the Chivor - Rubiales field electric line interconnection and area reforestation projects.

Progress the reforestation and replanting of approximately 10 km².

Goal accomplished. Replanted and reforested an area of 11.32 km².

Communicate water treatment.

The treatment we apply to water used in our fields was reported to the environmental authorities through legal environmental compliance procedures; to our employees through training sessions, and to the area's community by sharing videos made in collaboration with native communities.

Continue with these campaigns for communicating with our stakeholders.

CHALLENGES 2011

Where are we HEADED?

Between 2011 and 2012

Provide for another **3.9 km²** of reclaimed area.

Taking detailed samples in different hydro-climatic seasons for the dolphin (*Inia geoffrensis*) in the Tilava river, and publishing this report for the biological community.

Support the Guaduas community in exploring eco-tourism alternatives for Colombians and foreigners to learn about their work and enjoy an ecological journey.

Supporting the Corporation for the Sustainable Development of the La Macarena Special Management Area ("CORMACARENA") in the population study of the neo-tropical river otter (*Lontra longicaudis*);

Install a bio-digester for treatment of organic wastes generated in the Rubiales and Quifa fields.

Continuing to work on reduction, reuse, and recycling processes

Reduce the carbon footprint through the Chivor-Rubiales field electric line interconnection project, field staff sensitization campaigns and reforestation of 3.9 km².

Increasing and improving the water treatment system, taking crude oil production into account.



CONTRIBUTING TO
SOCIETY
BY IMPROVING THE
QUALITY OF **LIFE** FOR THE COMMUNITIES
IN WHICH WE OPERATE



WHAT IS IMPORTANT?

CONTRIBUTING TO
SOCIETY
BY IMPROVING THE
QUALITY OF LIFE FOR THE COMMUNITIES
IN WHICH WE OPERATE

The eight priorities of the Millennium Development Goals (“MDG”) give us a clear framework of topics that drive us when making social investments.

Beyond the MDG, last year, in our materiality analysis, we established institutional consolidation as a priority for improving our performance. In addition, we are working to implement educational and sustainable projects in the areas in which we operate.

How do we manage?

In order to generate sustainable development and real growth, the following principles drive our social investment management:

Teamwork and engagement with our stakeholders: investors, government, community, contractors, and officials;

Analysis of the area’s essential needs;

Transparency and ethics;

Ongoing dialogue with stakeholders in our areas of operation;

Joint financing for the execution of high-impact projects;

Periodic follow-up on completed projects; and

Evaluation and study of results.

We are convinced that in order to generate a substantial positive impact in the areas where we operate, it is necessary to create opportunities for citizen participation, strengthening of institutions, leaders, and other civil organizations.

New Rubiales
School

PROJECT	DESCRIPTION	INVESTMENT (US\$)	BENEFICIARIES		COLOMBIAN MUNICIPALITY/ DEPARTMENT
			Direct	Indirect	
BIOTECHNOLOGY LABORATORY IN PUERTO GAITÁN	Biotechnology, integrated with other food production technologies, contributes to satisfying the needs of a growing population which is going through a development process. Through this project, we have been able to teach scientific skills to young people, seeking to increase productivity and to generate new opportunities in the agroindustrial sector.	92,596	220 students	15,000 inhabitants	Puerto Gaitán, Meta
RUBIALES PRODUCTION MODEL	Implementation of sustainable tropical farming production systems seeking to improve the quality of life and the comprehensive development of the beneficiary communities according to sustainability, equality, and competitiveness criteria. The project considers training, advice, assistance, and supplies.	238,250	40 families and indigenous communities	3,000 rural inhabitants	Puerto Gaitán, Meta
PRODUCTIVE PROJECT AND SENA ALLIANCE	Along with the Servicio Nacional de Aprendizaje ("SENA") and the Brisas del Magdalena Corporation, we have carried out training in farming activities in the region with the purpose of strengthening self-supply within the community itself. Aside from entrepreneurship workshops, we have delivered supplies for the execution of these projects.	150,000	360 people organized in 9 towns	1,200 rural inhabitants	Espinal, Tolima
PRODUCTION PROJECTS AND BUSINESS STRENGTHENING	Carrying out training according to the traditional farming activities, with the implementation of more efficient production methodologies. Supported by seed capital and technical follow-up, as well as business entrepreneurship so that efficient and sustainable production units are generated.	200,000	600 people organized in 20 towns	4,000 inhabitants	San Pedro and Los Palmitos, Sucre
COMMUNITY DINING ROOMS	Donations to the town schools in different influence areas with the purpose of supporting the well-being of the children population.	53,888	230	500	Sucre, Casanare
FOOD SECURITY PROGRAM	Provision of 4,000 nutrition packages, delivered every 20 days for four months with the purpose of covering 40% of the daily protein and calorie requirements.	358,500	300 indigenous families		Puerto Gaitán, Meta; Vencedor Piriri, Awaliba, Walliany villages and mixed families of the Rubiales town
GIFT GIVING	We delivered gifts to the relevant towns on Christmas with the purpose of creating happiness and well-being in the population of children in our area of influence.	21,991	5,950 children	10,000 inhabitants	San Pedro and Los Palmitos, Sucre; Espinal, Tolima; Mauritia, Casanare; Guaduas, Cundinamarca; Orocué, Casanare

2

ACHIEVE UNIVERSAL PRIMARY EDUCATION

PROJECT	DESCRIPTION	INVESTMENT (US\$)	BENEFICIARIES		COLOMBIAN MUNICIPALITY/ DEPARTMENT
			Direct	Indirect	
CHILDREN'S RIGHTS MOBILE PLAYGROUND	The focal point of this project is children's rights education, among which we find the right to education. We are doing joint work with local governments, educational institutions, and beneficiary families to actively contribute to the achievement of universal primary education.	500,000	4,000 boys and girls	10,000 parents	San Pedro, Sucre; Puerto Gaitán, Meta
NEW RUBIALES SCHOOL	With the construction of the New Rubiales School, we contributed to the improvement of access to education for children and youth at this rural area. Currently, more than 150 boys and girls from peasant and indigenous families are receiving basic primary and secondary education at the New Rubiales School.	900,000	153 students	800 rural inhabitants	Puerto Gaitán, Meta
PEPE MENDOZA LIBRARY	Remodeling of the Municipal Library, book supply and equipment donation to provide free internet access to the San Pedro Population.	185,000	1,000 students	5,000 rural inhabitants	San Pedro, Sucre
FACILITIES IMPROVEMENT MANUELA BELTRAN SCHOOL	Construction of three classrooms, one physics lab and administrative facilities, with the purpose of having appropriate spaces for the education of boys and girls in rural areas.	200,000	500 primary students	1,200 students in total	Los Palmitos, Sucre
HIGHER EDUCATION SCHOLARSHIPS	Along with the Pacific Rubiales Foundation, we granted university scholarships to the best students in our areas of influence, for the university and major chosen by the student.	80,089	45 students	3,000 total students	Los Palmitos and San Pedro, Sucre; Puerto Gaitán, Meta
PRESIDENTIAL PROGRAM FUNDALECTURA	"Value of the Word" Project, lead by the First Lady of the Nation	25,721	100 teachers and 5,000 primary students		Puerto Gaitán, Meta
DIPLOMA	Education of 40 leaders within the Social Control and Citizen Participation Diploma, developed along with the Sergio Arboleda University and the Pacific Rubiales Foundation. Leaders of the Los Palmitos Municipality, the Community Action Council of Sucre, the Governor's Office of Sucre, and the CSIR had the opportunity to reinforce their knowledge and initiate participation processes with their communities for the development of community projects.	268,762	160 Students		Los Palmitos and San Pedro Sucre; Puerto Gaitán, Meta; Espinal, Tolima

REDUCE
**INFANT
MORTALITY**

4

PROJECT

DESCRIPTION

**INVESTMENT
(US\$)**

BENEFICIARIES

Direct Indirect

**COLOMBIAN MUNICIPALITY/
DEPARTMENT**

HEALTH BRIGADES

Health Brigades in the municipalities within our areas of influence offered pediatrics, nutrition, gynecology, general medicine, and optometry services for boys, girls and women.

50,000

2,000 inhabitants 5,000 urban and rural inhabitants

San Pedro, Sucre; Espinal, Tolima

IMPROVEMENTS IN INFRASTRUCTURE AND HOSPITAL SUPPLY

We delivered materials for the improvement of town health centers, as well as supplying them with defibrillators, pulse oximeters, stretchers, etc.

35,000

500 2,000 urban and rural inhabitants

Guaduas, Cundinamarca; Gualanday, Tolima

IMPROVE
**MATERNAL
HEALTH**

6

EDUCATIONAL CAMPAIGN AGAINST SEXUAL ABUSE

Within the framework of the children's rights promotion project, support for the Network against Child Sexual Abuse and the Mayor's Office of Puerto Gaitan.

8,947

1,000 boys and girls in the city of Puerto Gaitan

Puerto Gaitán, Meta

CONSTRUCTION OF AN EMERGENCY CENTER FOR THE MUNICIPALITY

Construction Project for an Emergency Center for the Municipality of San Pedro, so that it is suitable to take care of any types of patients and the needs that the community requires.

500,000

10,000 people 18,000 people

San Pedro, Sucre

COMBAT **HIV/AIDS,
MALARIA
AND OTHER DISEASES**

7

ENSURE
**ENVIRONMENTAL
SUSTAINABILITY**

DEVELOP
A **GLOBAL
PARTNERSHIP FOR
DEVELOPMENT**

8

PROJECT

DESCRIPTION

INVESTMENT (US\$)

BENEFICIARIES

Direct Indirect

COLOMBIAN MUNICIPALITY / DEPARTMENT

ECOLOGICAL PARK:
DIVINOS PENSAMIENTOS PARK

This donated park was built with scrap pipes and rods from the drilling and exploitation processes carried out at the Acacia Este Field.

160 inhabitants 1,000 inhabitants

Moriche, Casanare

ORINOQUIA CLIMATE
CHANGE FORUM

We participated in the Orinoquia Climate Change Forum

7,895

300 participants between students, journalists, the local government, and academics

Puerto Gaitán, Meta

REFORESTATION OF THE BANK
OF THE SAN FRANCISCO RIVER

We reforested 55 km2 during the last seven years with the purpose of taking care of and preserving the environment and the species in danger of extinction. We trained and hired more than 33 single mothers to develop the project, turning it into one of the most representative projects of the region and the country.

500,000

18,000 inhabitants 30,000 inhabitants

Guaduas, Cundinamarca

CONNECTIVITY AND
COMMUNICATION IN RUBIALES

Carrying out the necessary processes for the installation of a communication transmission network for cellphones and connectivity to satellite internet in the rural area near the Rubiales field

500,000

7,000 workers 2,000 rural inhabitants

Puerto Gaitán, Meta

YOUNG LEADERS FORUM OF
THE GOVERNOR'S OFFICE OF
META

We supported the forum to promote the right for Colombian youth to participate

31,474

300 young people

Puerto Gaitán, Meta

META DIGITAL": CONNECTIVITY
FOR RURAL SCHOOLS IN THE
META DEPARTMENT

Implementation of interactive classrooms at rural education centers to provide access and promote the use of information technology in secluded areas of the department

83,513

250 students and 125 families

Vereda Rubiales and Vereda Comejenal, Meta

IN 2010

Focus on the Millennium Development Goals

We have focused on supporting the achievement of the MDG. Based on the fact that the private sector is one of the fundamental pillars in generating productivity and economic development in a country, we have a program of initiatives aimed at increasing the benefits of those in greater need.

The goals are attainable when development strategies, policies, and programs are of national interest and count on the international support of agencies for development and other actors such as the private sector... The achievement of these objectives requires the participation of all.

Source: Millennium Development Goals - 2010 Report.

Institutional strengthening

In addition to the MDG projects, it is worth noting the following initiatives in Colombia's institutional strengthening:

Presidential Program Against Corruption;

Agreement with the Arauca and Villavicencio Chamber of Commerce in order to train and have the support of local contractors; and

Support for Regional Higher Education Centers ("RHEC").

Where are we HEADED?

Develop our own model of sustainability for the Pacific Rubiales Foundation.

Systematize the execution of social investment projects.

Strengthen the existing CSIR in the communities where we operate and continue implementing workshops and training on royalties.

What did we say we were going to do?

What did we do?

What is yet to be done?

Develop a strategic framework for the Pacific Rubiales Foundation.

We developed strategic objectives for social investments framed by the MDGs, institutional strengthening, education and sustainable projects.

Present the Foundation's Sustainability Report which encompasses the strategic framework.

Create an evaluation and management system for social investment projects

Principles that guide our social investments (see How do we manage?)

Develop criteria for evaluating potential projects and ongoing projects.

Systematize the execution of social investments through a specialized operator.

We will address this challenge in 2011.

We assisted the CSIR in the execution of its action plan centered on:
Development of the first Expo Regalias (Royalties Expo)

Continue strengthening the assistance to the CSIR in the places where we operate.

Strengthen the management of royalties in our areas of influence.

Assistance and analysis of development plans

Accountability

Training for social accountability committees and means of communication

Workshops on royalties in the departments and municipalities in which we operate.

Design and initiate a volunteer program involving the company's employees.

We will address this challenge in 2011.

CHALLENGES 2011

TOTAL INVESTMENT (CSR)

2010:

8,162,126,149 COP
(4,264,478.29 US\$)

2011: (estimated)

18,409,280,360 COP
(9,618,324.31 US\$)

EXCHANGE RATE

1913.98 COP = 1 US\$

Design a volunteer program for Pacific Rubiales employees.

Show progress in sustainability through the implementation of social investment projects that help fulfill the MDGs and the strengthening of institutions.



PROMOTE
**HUMAN
RIGHTS**
IN OUR
VALUE CHAIN



WHAT IS IMPORTANT?

PROMOTE HUMAN RIGHTS IN OUR VALUE CHAIN

The maintenance of fair labour standards throughout the value chain, the development and communication of human rights codes and policies, and the creation and strengthening of human rights are relevant issues for Pacific Rubiales. Today, we see great opportunities for improvement in the proper monitoring of human rights throughout our value chain.

How do we manage?

We continue our policy of promoting and respecting human rights as the core of our relationships with our employees, contractors, suppliers, and the communities surrounding our operations. Therefore, we demand that all participants involved in our value chain (including the extended value chain) act to promote and ensure human rights in the relationships established with their stakeholders. As a result, in 2010 we faced the need to work closely with our stakeholders to ensure compliance with the Corporate Social Responsibility policy, as well as the need to communicate our code of ethics among employees, contractors, and suppliers with greater force. These documents have become our foundation, making explicit our commitment toward respect and promotion of human rights.

Pacific Rubiales and the fundamental “right of prior consultation” with indigenous communities

In 2010 we continued to fulfill the fundamental “right of prior consultation”, fully complying with the provisions of national and international legislation, which provides legal and administrative measures to the Colombian government to ensure the protection, integrity, and cultural preservation of ethnic groups when a project, work, or activity is carried out within their territories. We performed several successful consultation processes in coordination with the Ministry of Interior and Justice.

Prior consultation processes were carried out in concert with the authorities and representative leaders of ethnic groups registered in our areas of influence within our exploration blocks that were assigned to us by Colombia’s National Hydrocarbons Agency. We hereby guarantee compliance with national and international standards on human rights, one of the cornerstones of our Corporate Social Responsibility Policy.

Participants	Place	Date	No. of consultations	Topic
Vencedor Piriri Indigenous Reservation (Sikuani ethnic group) Approximately 742 persons.	Puerto Gaitán Meta	October- November	2	Development of activities being conducted by the company in the Quifa Block.
Bahia Honda Black Communities Community Council Approximately 150 persons.	Pedraza, Magdalena	May	1	2D seismic project of Sinu San Jacinto Norte Tres Exploration Block (SSJN3).
Pitulumana 1 and 2, Approximately 120 persons, Piedra Amarilla and Horqueta Indigenous Communities Approximately 70 persons (Wayuu ethnic group)	Municipality of Albania, La Guajira	November	2	2D seismic project of Cesar Rancheria 1 Block (CR1).
Walliani Indigenous Reservation (Sikuani ethnic group) Approximately 400 persons.	Puerto Gaitán, Meta	August	1	2D seismic project of Crudos Pesados de Oriente 14 Block (CPO14).

Mobile playground project: consciousness and awareness on the rights of children and youth

The mobile playground project made it possible for the children, youth, and adults who visited it to reflect and internalize the existence of fundamental rights that every human being has and, in this special case, focused on the rights of children and young people.

With areas for trust, affection, and protection, the mobile playground project allowed visitors to identify environmental factors that violate the rights of children and young people. The factors identified were channeled through institutions in each of the municipalities visited: Family Commissioners, Municipal Health Secretaries, regional headquarters of the Instituto Colombiano de Bienestar Familiar (“ICBF”), Social Secretaries, educational institutions, youth police (in Guaduas), and municipal hospitals, among others.

Similarly, the mobile playground project allowed association among many institutional participants and promoted a joint effort that had greater impact, providing promotional and dissemination processes for the rights of children and young people.

Results

The mobile playground project visited the municipalities of Guaduas and Puerto Gaitan, covering on average 27% of the total population [1]. Populations involving all age groups were served.

[1] Total population figures published in 2010 by each municipal government. For calculating the percentage of the population served, the sum of direct visitors and an estimate of influence by these participants on two persons was used, which were considered in the statistics as indirect visitors.

Scope of coverage

	Puerto Gaitan municipality (urban area)	Rubiales town and Rubiales worker field population of Puerto Gaitan municipality	Guaduas municipality (urban area)
Direct	2,034	1,445	3,650
Indirect	4,064	2,890	7,300
Total	6,098	4,335	10,950

Total population served 21,383

Mobile Playground Project Results

IN 2010

What did we say we were going to do?

Have a training cycle to promote understanding and protection of human rights among our employees, suppliers, contractors, and security forces.

Create a code of human rights for employees, suppliers, and contractors, making our commitment explicit.

What did we do?

We developed diploma courses and workshops on social control and citizen participation for our employees, contractors, suppliers, and community.

We will address this challenge in 2011.

What is yet to be done?

Continue developing training on human rights for our employees, suppliers, contractors, and security forces in all our fields.

CHALLENGES 2011

Where are we HEADED?

Offer a diploma course on human rights for representatives of the communities in some of the areas directly influenced by the operation.

Restructure and disseminate our Social Responsibility Annex with all contractors and suppliers.



Community Sikuani
Vencedor Piriri
Meta



MAKING **PACIFIC**
A **RUBIALES** PLACE TO
GREAT WORK



PACIFIC RUBIALES

MAKING
A GREAT PLACE TO
WORK

Pacific Rubiales considers the management of change, the consolidation of corporate identity, the alignment of our employees with our corporate evolution, and growth to be the most important issues. The company is forging an organizational culture that is constantly learning and transferring knowledge.

We consider it a priority to retain key talent and provide alternatives to maintain, and improve, their quality of life.

We see opportunities for improvement and innovation to develop initiatives that promote cultural interaction among business units, standardizing languages, and sharing practices more closely.

How do we manage?

Our actions are geared toward attracting, motivating, retaining, and developing the best talent. In order to achieve this goal, we have a set of policies and procedures that seek to standardize the management of talented people in different organizations and areas where we operate, while keeping our own talent management in such places.

In refining our corporate identity, we have worked on the disclosure of our employees' skills through exercises involving the entire company, generating high levels of awareness. In addition, we continue creating values as well as strengthening a culture of performance through monitoring and evaluating our goals through a platform intended for this purpose.

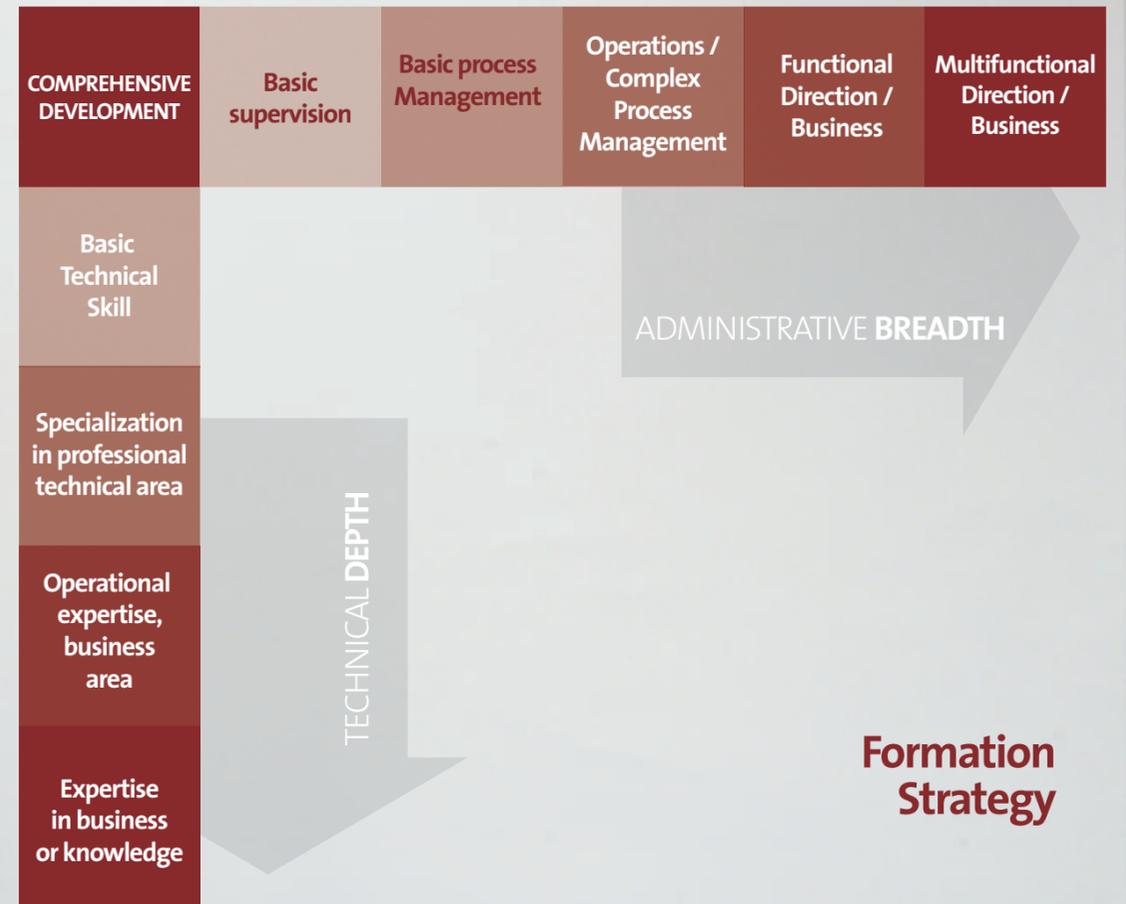
WHAT IS
IMPORTANT?

Labour relationships

We are focused on designing and implementing the workers' collective management strategy for:

- Developing welfare initiatives which are monitored in the medium and long-term.
- Capturing knowledge wherever it is.
- Ensuring the transfer of knowledge and developing local talent.
- Promoting information systems for our talent.

These efforts will undoubtedly impact the value chain. That is why we are working toward building strategic partnerships and reproducing best practices among our contractors. We seek to establish with our contractors a baseline of culture and values that govern relations between employers and workers.



IN 2010

What did we say we were going to do?

What did we do?

What is yet to be done?

Raise awareness, educate and communicate the concept of sustainability and its application to different Pacific Rubiales employees

We launched the first sustainability report within the company and disclosed the new sustainability policy.

The company must begin with a training process so all our employees may internalize sustainability concepts.

Integrate sustainability into organizational culture plans, communication, and initiatives undertaken by Human Talent (human resources).

By disclosing the sustainability policy among the different areas of the company, initiatives are being created to integrate the sustainability model in human resources policies.

An assessment of the initiatives proposed, which must produce a comprehensive plan between the sustainability model and the human resources policies of the company.

Expand leadership and individual development programs.

We identified and selected the first group of high potential candidates and created an accelerated training program that allows them to increase their impact in the business to fill those positions in the medium and long-term. One example of this is the cross-assignment plan in key business positions, in which candidates have the opportunity to gain a comprehensive view of the corporation and the industrial sector to which they belong.

Take the career plan initiative beyond high potential and critical positions to enable leadership at other levels of the organization.

Attracting talent

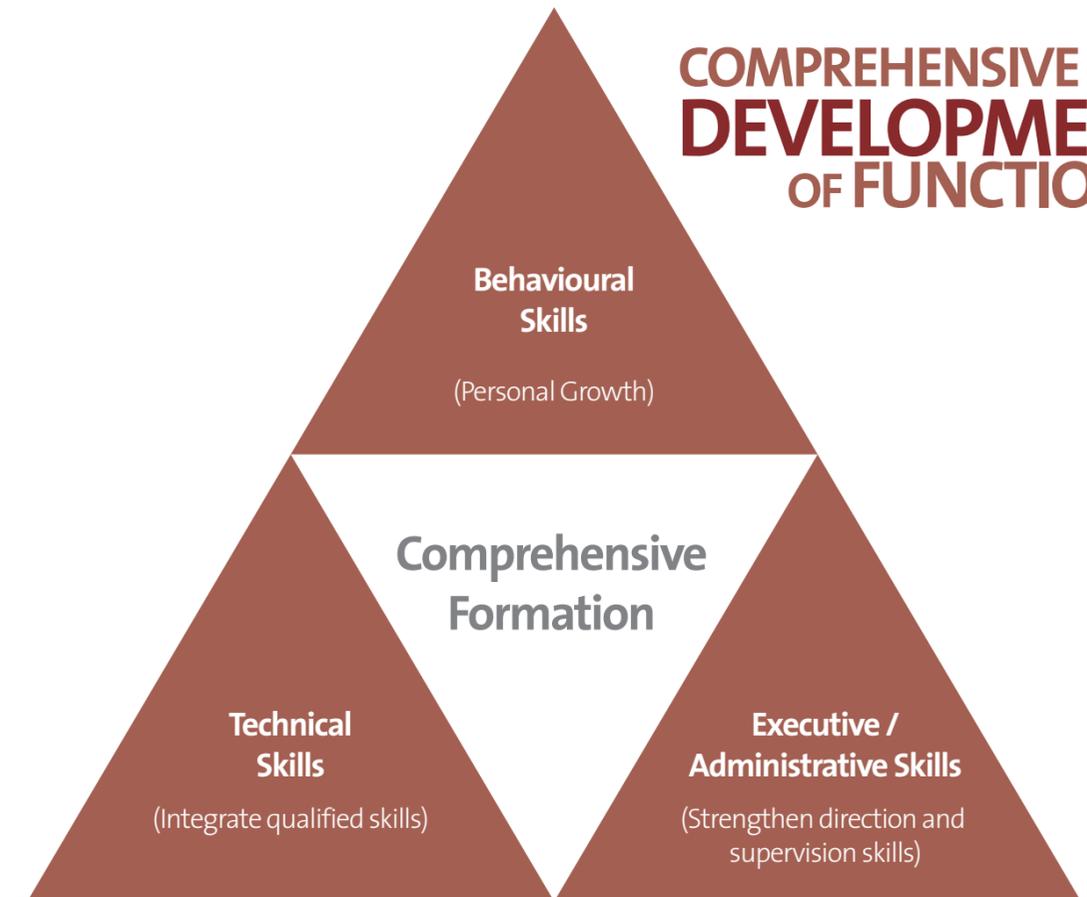
It is worth noting the unification of the selection process for the business units, whereby requirements, processes, and tools were validated to find the best talent. Today, we have a set of tests which allows us to have a comprehensive view of the employee based on skills, abilities, intelligence, and knowledge.

One of the most important developments for us has been the creation of selection panels in which senior management participate in interviewing final candidates, thus providing an interdisciplinary approach to the recruitment process.

Career plan

Internal offers to fill vacancies tripled in comparison with 2009, and the occupation of positions by talent in the organization in comparison with external candidates doubled. These results are due in large part to the formalization of the career planning model, built with the company's senior management team, which today has progressed by 25%. It covers an important part of all critical positions and it will extend to all roles in the company. The main purpose is to align the development of our staff with corporate development and growth.

COMPREHENSIVE DEVELOPMENT OF FUNCTIONS



PACIFIC BENEFITS

Motivation and retention

In order to retain our key talent, our compensation and benefits are aimed at maintaining and improving the quality of life for our employees and their families. It is worth noting our health facility to address individual conditions and the extended benefit of the gym. Furthermore, the company's pension plan, increased transportation assistance and support through housing relocation loans, among other things, are directed at the welfare of our employees and their families. In addition, the employee compensation packages are adjusted according to best practices in the market, ensuring external competitiveness. The company's compensation philosophy focuses on individual and team performance with initiatives such as the "Heroes Program".



HEALTH COVERAGE



LIFE INSURANCE



HOUSING INTEREST
SUBSIDY



FREE INVESTMENT CREDITS



PENSION CONTRIBUTION
PLAN



TRANSPORTATION BENEFIT



FIELD BONUS



TRANSPORTATION BENEFITS
FOR EMPLOYEES IN THE FIELD



OCCASIONAL
PERFORMANCE BONUS

The launch of Pacific Corporate University ("PCU") promises to revolutionize how Pacific Rubiales learns from, and teaches, its employees. It is a part of our organizational learning and staff training strategy. The results of PCU training are as encouraging as its strategy.



PCU has courses on the following areas:

- Oil and Gas International Business Management, developed in conjunction with Universidad de los Andes and Instituto de Estudios Superiores de Administración - IESA (Venezuela)
- Petroleum Engineering for non-petroleum professionals.
- Finance for non-financial professionals.
- Facilitating management.
- Communication.
- Teamwork.
- Alignment of teams.
- Creativity.
- Corporate values.
- Contract management, designed and implemented by internal facilitators.

Similarly, teaching English has an important place due to its intensive use in operational areas. All these programs are designed to impact a collective group of workers, thus benefiting the entire company.



**PACIFIC
CORPORATE
UNIVERSITY
IS LAUNCHED**

Where are we
HEADED?

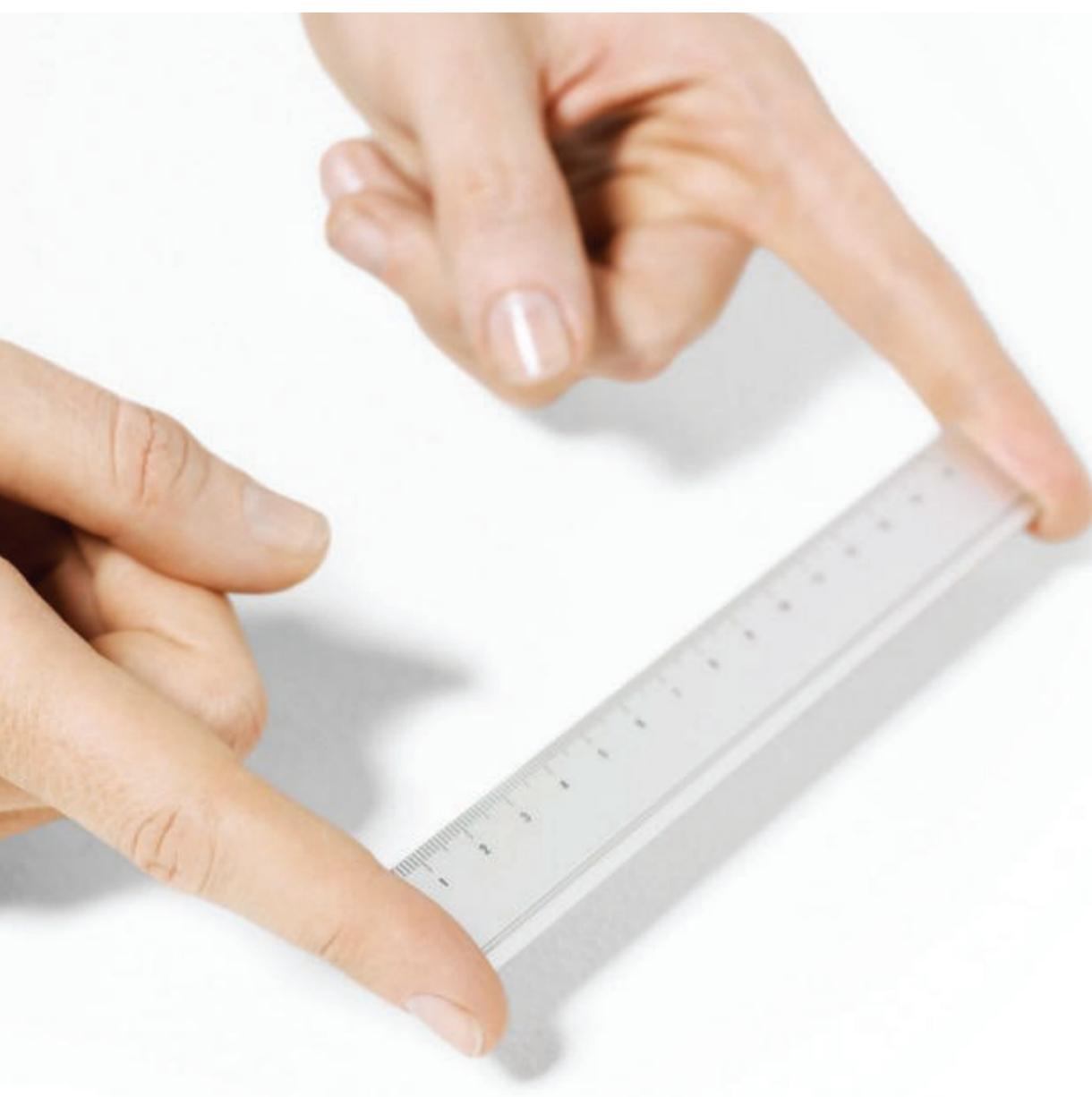
Strengthen our corporate culture based on shared principles and values with our stakeholders as well as constructive and participative leadership.

Strengthen comprehensive development of the worker based on developing behavioural, technical, and executive skills.

Implement and measure action plans which will make Pacific Rubiales a great place to work.

Strengthen the policy, process, and information systems platform to facilitate the management of human talent wherever we operate.

CHALLENGES 2011



REINFORCING
HEALTH AND
SAFETY
IN OUR OPERATIONS



REINFORCING **HEALTH** AND **SAFETY** IN OUR OPERATIONS

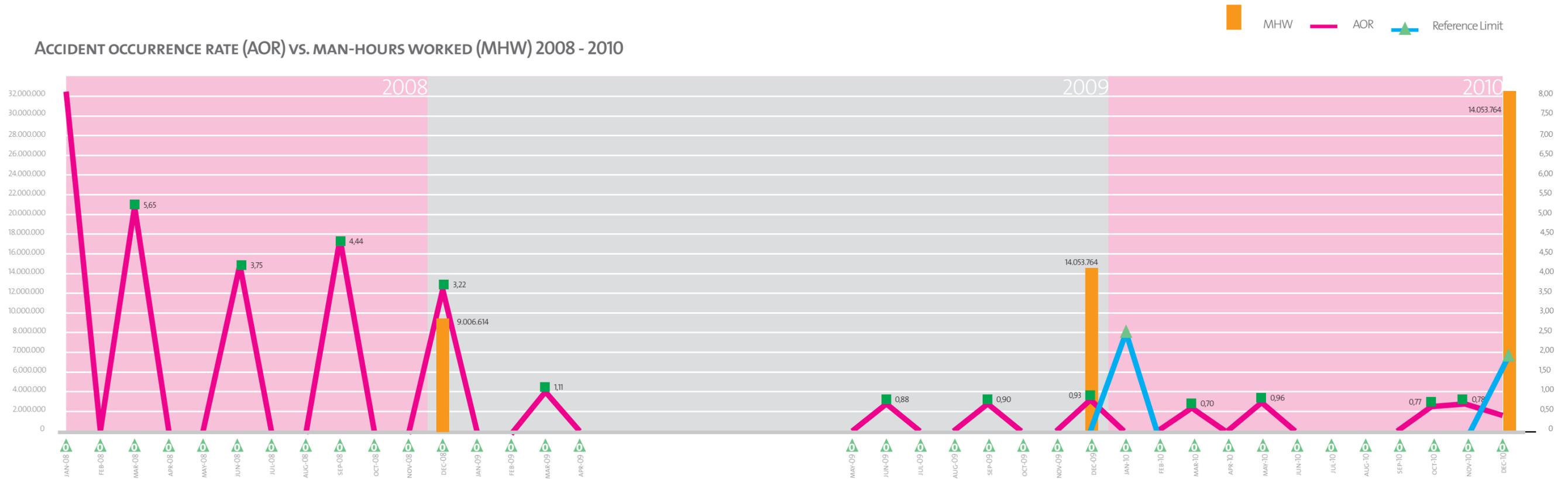
Our main goal is to provide security, protection, and care to employees in the performance of their duties, ensuring the best conditions for greater welfare and development of their talents to benefit themselves and the organization.

How do we manage?

We have a comprehensive policy regarding HSEQ. In this regard, we plan, organize, and execute programs aimed at preserving, maintaining, and improving the individual and collective health of the workers in order to prevent work-related accidents and occupational diseases.

WHAT IS
IMPORTANT?

ACCIDENT OCCURRENCE RATE (AOR) VS. MAN-HOURS WORKED (MHW) 2008 - 2010



OCCUPATIONAL HEALTH

Through continuous improvement, we employ different strategies that include educating all the staff in self-care and knowledge of risk factors, as well as explaining potential health effects and how to correct them.

Moreover, we monitor public health by monitoring local conditions affecting the general health of the population. We emphasize prevention, early detection and control of general and occupational diseases. We place workers in positions commensurate with their psycho-physical conditions with regular monitoring to identify and monitor those exposed to specific risks through the development of Epidemiological Surveillance Programs.

In 2010, we established the following as key management areas:

Culture of self-care:

We implemented various prevention and promotion programs based on health diagnosis, thus creating a culture of prevention and self-care in health and in strengthening early case detection.

Zero work-related illnesses:

We have achieved zero work-related diseases through the establishment of Epidemiological Surveillance programs with a preventative approach. This is the primary objective of our HSEQ Policy.

25% decrease in absenteeism due to certified medical illness:

We achieved a very significant decrease in the frequency and severity of absenteeism caused by common illnesses and accidents despite having an employee growth rate of greater than 40% by payroll.

SAFETY

Control management for contractors

During 2010, we developed a management mechanism to control contractors, where an interdisciplinary group provided continuous support of unplanned inspections, in order to ensure, on a day-to-day basis, the HSEQ management system in our contractors. In addition, we implemented statutory audits, with the assistance of our lawyers and professionals specializing in health, safety, environment, social, and labour responsibilities, who are responsible for assessing compliance with the HSEQ Annex in legal and contractual matters.

This management mechanism yielded different action plans, which has led to continuous improvement and learning by contractors.

We achieved coverage of 94% of our contractors through the 49 control audits and 15 follow-up audits that were carried out. Similarly, 84 management inspections and seven management visits were conducted, increasing the number of audit hours by 276% compared to last year.

Finally, we are educating internal auditors in the HSEQ system, training 28 internal auditors in ISO 9001:2008 Standards and 14 others under OHSAS 18001:2007 criteria.

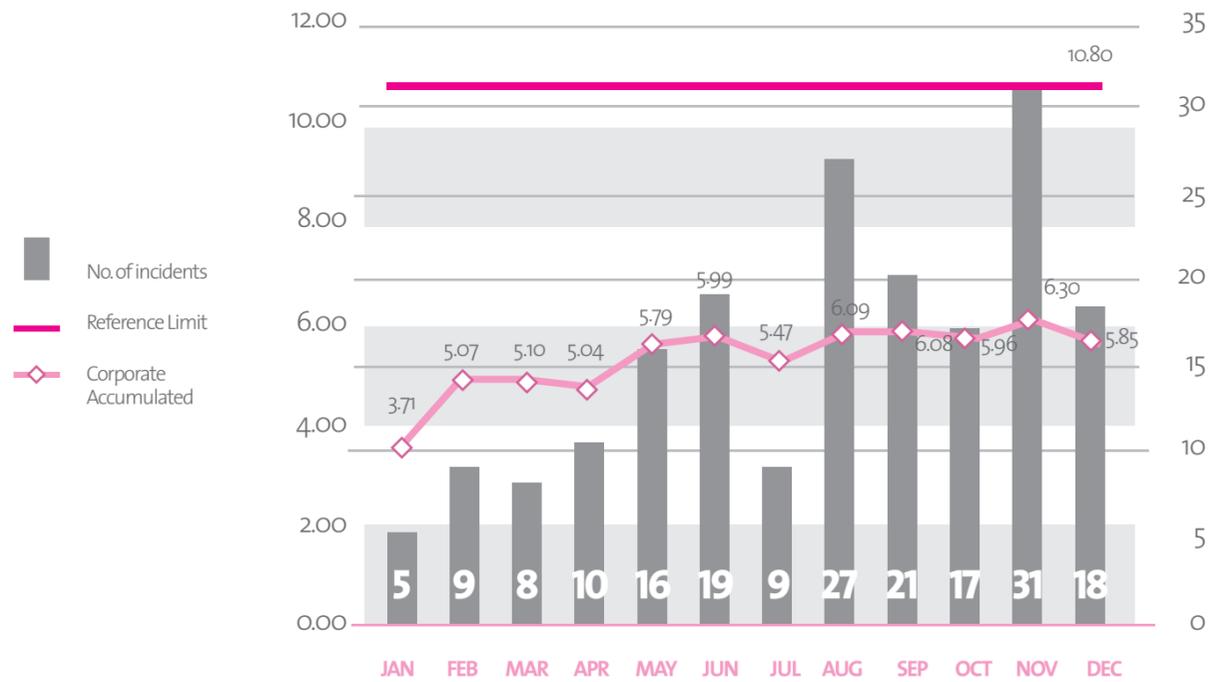
Training programs in health and safety

We developed ten HSEQ programs and achieved a positive impact on the expected results in health and safety.

The programs are focused on preventing injuries and an emphasis is placed on the Safety-Based Behaviour program. Currently 366 people have been trained. The program focuses on improving the interaction of employees by observing the risk behaviours of their peers.

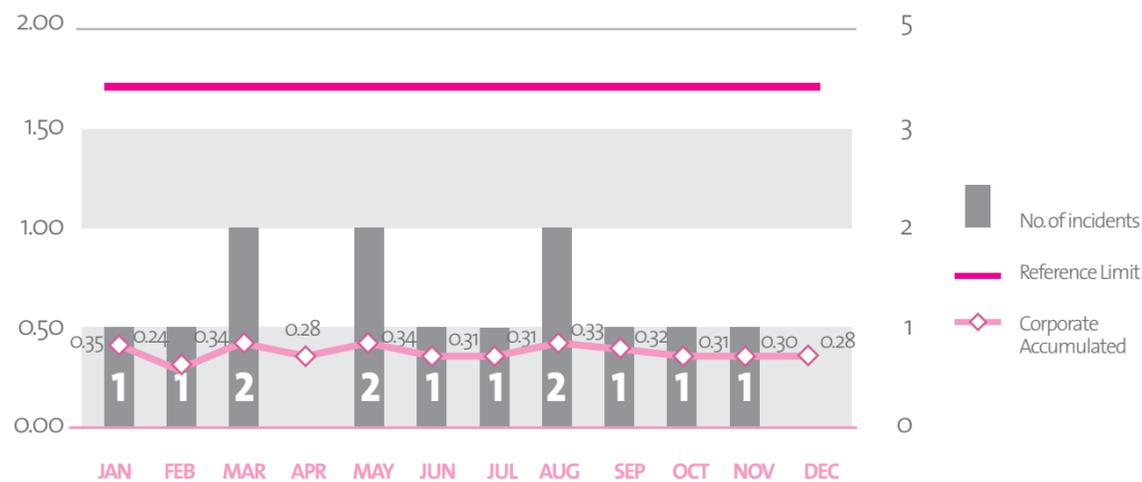
Similarly, we implemented a strategy of incentives to contractors, focused on improving HSEQ practices at work. Performance in HSEQ practices considerably improved according to follow-up results.

MINOR INCIDENTS FREQUENCY RATE VS. NUMBER OF INCIDENTS PER MONTH – 2010



(Without loss of time) was kept under the reference limit set for year 2010 reaffirming a reduction of incidents in relation to the total man-hours worked (32 million.)

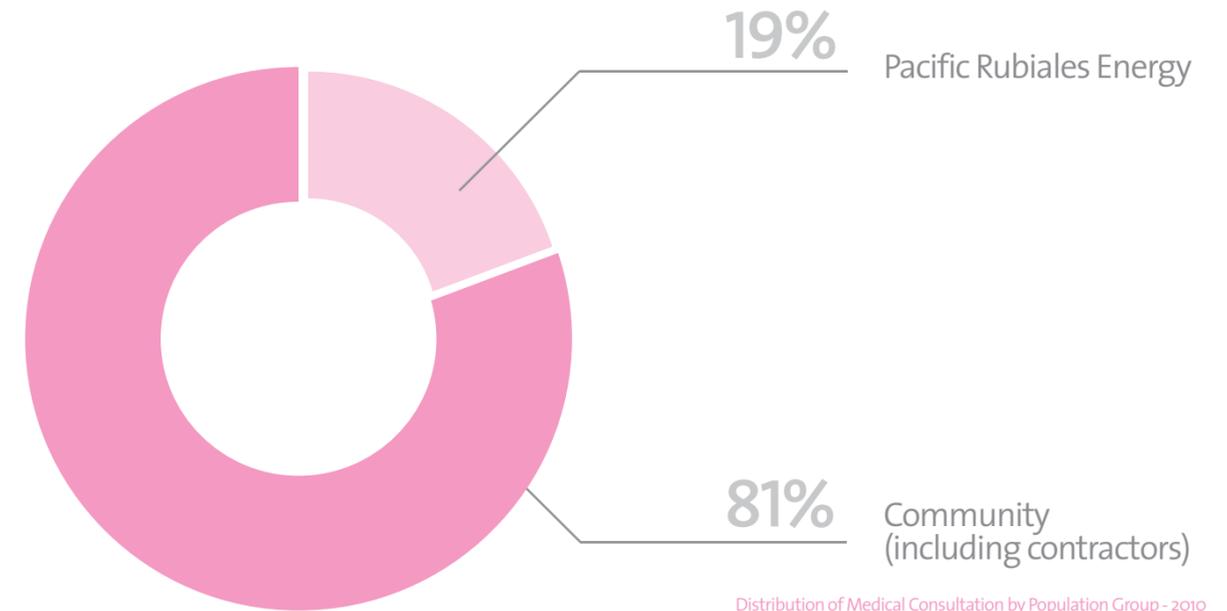
VEHICULAR ACCIDENT FREQUENCY RATE VS. NUMBER OF VEHICULAR INCIDENTS – 2010



The vehicular incident frequency rate was kept under the reference limit set for 2010, achieving a reduction of the impact caused due to events on the road.

100% coverage in epidemiological surveillance programs

We have implemented programs to monitor cardiovascular risk, prevention of musculoskeletal injuries, and sensorineural hypoacusis from noise to 100% of the population at risk. We are achieving very positive indicators that show very good control of risk.



Distribution of Medical Consultation by Population Group - 2010

Centro Médico Rubiales (Rubiales Medical Center)

The construction, facilities, equipment, and operation of first class medical facilities at the Rubiales field are unique in the region, and the Rubiales Medical Centre is equipped with the latest equipment and staffed by professionals with extensive experience in emergency management and common pathologies in the area, thereby having a positive impact on health management, both industrially and in neighbouring communities.



What did we say we were going to do?

Review the housing conditions of workers in our fields.

Strengthen existing programs in health and safety to cover suppliers, contractors, and security forces, as well as our employees.

What did we do?

We diagnosed the state of worker accommodations in our fields and we produced a continuous improvement plan, which has been in operation since late 2010, which we monitor through audits of accommodation areas.

We implemented six strategic programs in health and safety training.

What is yet to be done?

Continue executing the plan for improving the accommodation of workers.

Continue these programs for employees and contractors.

CHALLENGES 2011

Consolidate the Medical Emergency Plan.

Carry out a public health diagnosis at the Quifa and Rubiales fields.

Strengthen the protocol for specialized audits and inspections in occupational health for contractors.

Develop an action plan derived from the diagnosis of alcohol and drug consumption in 2010, for 100% of the workforce and communities.

Strengthen a "Culture of prevention and self-care" through the launch of strategies that encourage self-care and ensure 100% coverage in all Occupational Health prevention activities.

Where are we HEADED?

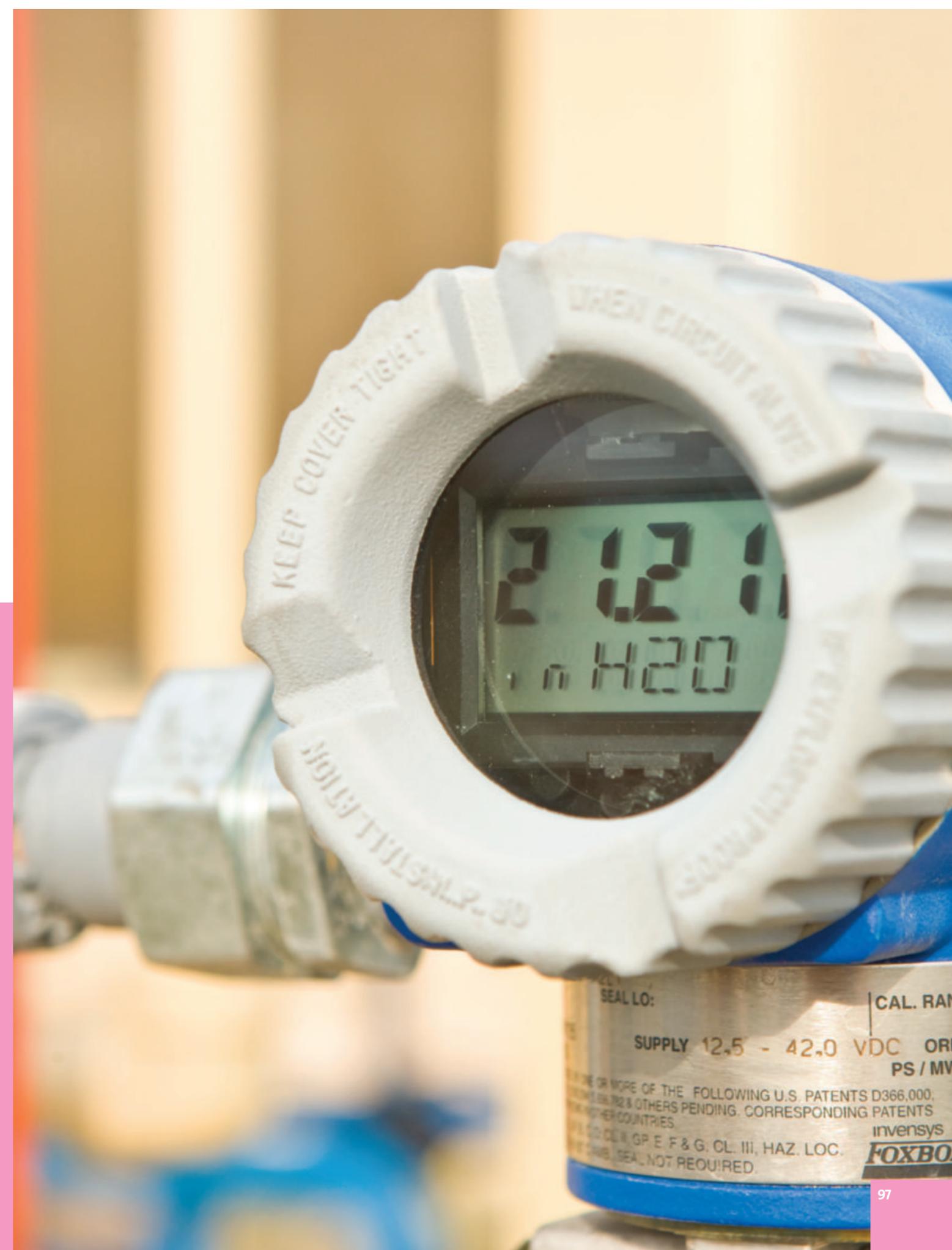
Achieve 100% compliance with the Occupational Health Management Program 2011.

Continue the process of internal auditor training with the ISO 14001:2004 standard.

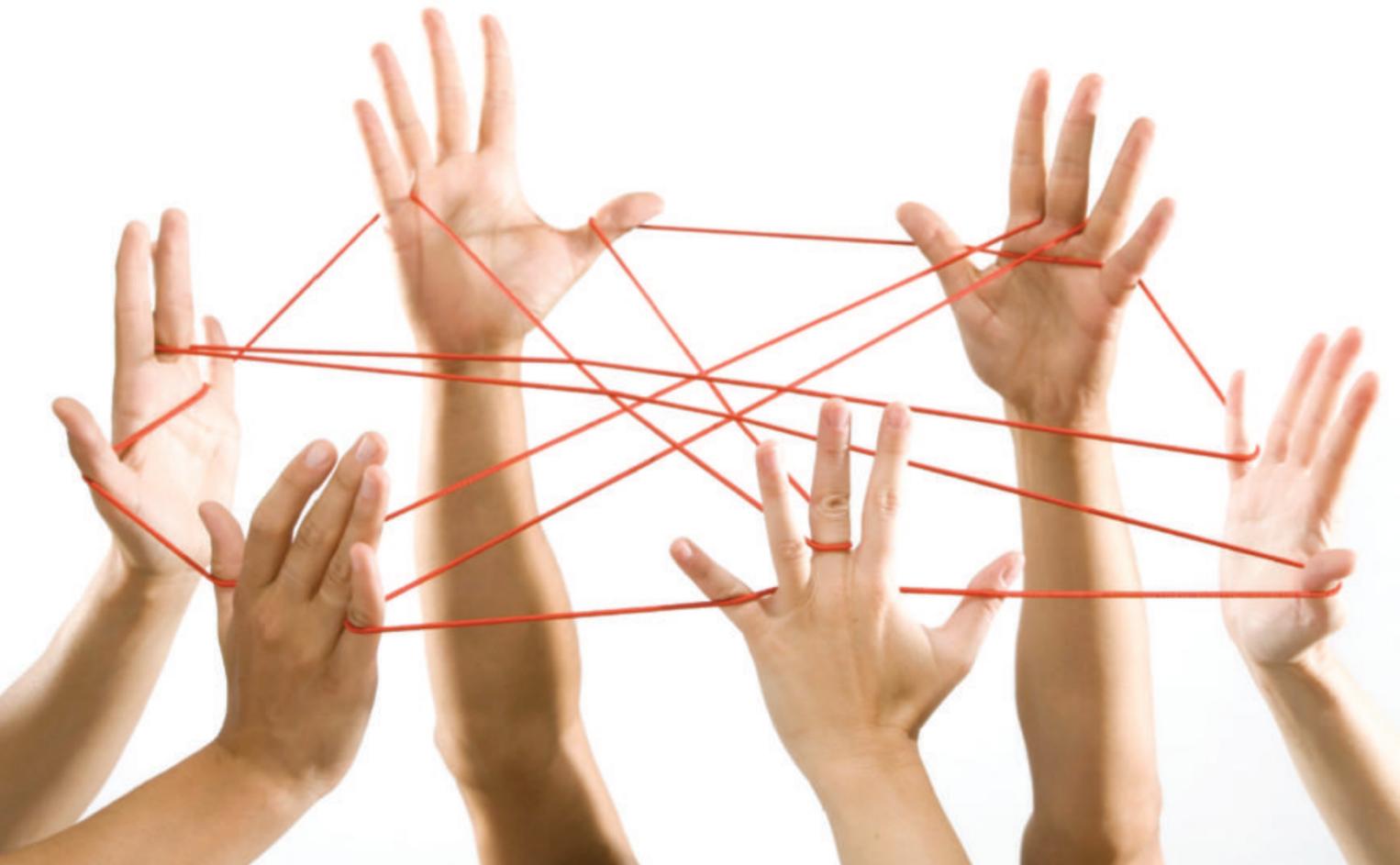
Continue training personnel in behaviour-based security.

Increase emergency care equipment and facilities according to the rapid growth in operations.

Develop an incentive program for contractors on the basis of the strategy implemented at the end of 2010.



STRENGTHEN
SUSTAINABILITY
IN OUR
VALUE CHAIN





STRENGTHEN SUSTAINABILITY IN OUR VALUE CHAIN

How do we manage?

If our value chain is more competitive and better maintained, we will be too. We are aware that our suppliers and contractors are an essential part of the business and they represent us in many instances; we require them to act using best practices in line with the code of ethics and policies mentioned above. We strengthen our relationship with our contractors and suppliers and encourage our suppliers and contractors through various processes, such as:

Implementation of a registry of suppliers as the ideal mechanism for contractors and suppliers to make their services known to us.

Provision of a website where they can find the Code of Ethics and report any irregularities or violations.

Award responsible contractors who use best practice in social and environmental development.

Evaluate the performance of suppliers and contractors, develop and implement improvement plans, and define consequences derived from their rating.

Monthly meetings with contractors and suppliers where HSEQ standards, Sustainability and Physical Safety Policies, and purchasing and supply procedures are disseminated.

Through these means we seek to clearly communicate the requirements of the organization and help improve their performance in technical and administrative fields. Similarly, requests and concerns are presented in these spaces, which are solved at the same time or are transmitted to the relevant division for their prompt response.

WHAT IS IMPORTANT?

We ensure that our contractors and suppliers comply with the Code of Ethics and Corporate Conduct, as well as with our Sustainability and HSEQ Policy. We are also concerned about the welfare of our field suppliers and contractors, offering dignified working conditions.

Rubiales Field

IN 2010

As part of the supplier development program, Pacific Rubiales supported the launch of the office of the Chamber of Commerce in the town of Puerto Gaitan, Meta. **INAUGURATION OF PUERTO GAITAN CHAMBER OF COMMERCE**

What did we say we were going to do?

What did we do?

What is yet to be done?

Conduct the "Responsible Contractors" contest to encourage and recognize good environmental, social and innovation practices in our value chain.	The 2010 "Responsible Contractors" Award gave special recognition to those who stood out in these practices.	Continue developing this contest, improving communication and promotion thereof to increase participation.
Perform regular innovation and problem-solving workshops with our contractors on current issues in our operations.	Beginning in the second half of 2010, we began the social audit program at the Rubiales field, exclusively directing our contractors and workers through visits to work fronts and sensitization workshops about the sustainability policy.	Consolidate this practice as a management model in all our fields of operation.
Map the participants and risks in our value chain.	We conducted a social audit in the Rubiales field, which identified some risks related to our contractors.	Involve the areas in charge of processes related to suppliers and contractors to trace the map of actors and risks.
Create a Code of Conduct for Suppliers and Contractors to include sustainability criteria.	During 2010, we have included our suppliers in conducting a campaign of our Code of Corporate Ethics for the relationship we have with them and their respective declaration of conflict of interest via the link enabled on our suppliers' webpage www.pacificrubiales.com.co/proveedores .	Finish this process by creating the Code of Conduct for Suppliers and Contractors, to include sustainability criteria.

We conducted a campaign of awareness, understanding, and adoption of the Code of Ethics. We also enable inquiry and reporting channels. During this process, we involved contractors and suppliers in different ways:

- Including a clause with respect to conflicts of interest in the contracts signed with the company.
- Sending a statement to each contractor in which it was asked to fill out the statement of knowledge, understanding, and adoption of the Code of Ethics and declaration of conflicts of interest.
- Updating the exclusive website for suppliers and contractors to announce the same information.

US\$ PROVISIONING VALUE BY REGIONS OF INFLUENCE

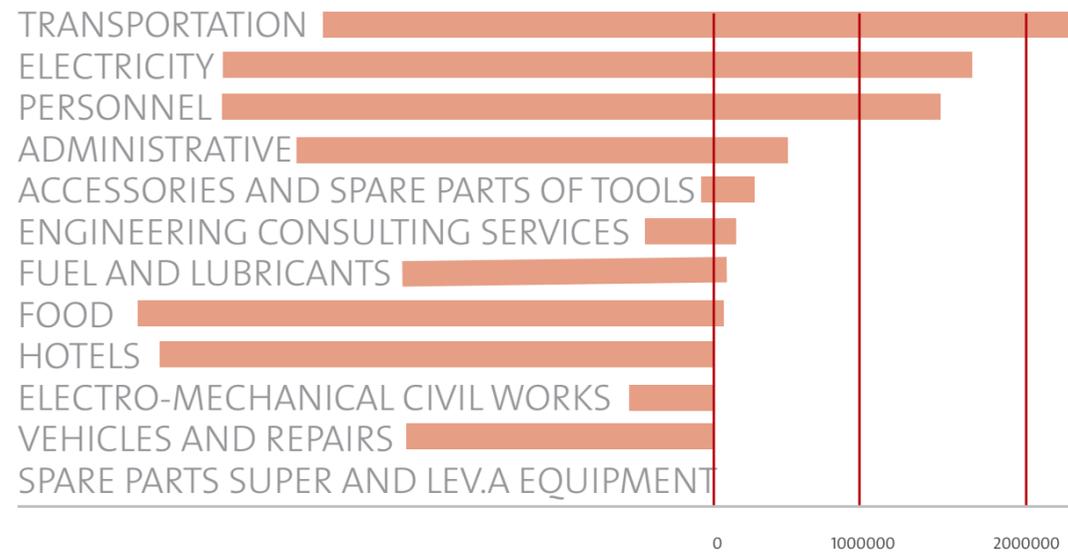
ORIGIN OF PROVIDER	SERVICES	PURCHASES	TOTAL
YOPAL	3,078,070	3,284	3,081,335
VILLAVICENCIO	1,576,472	382,867	1,959,339
PUERTO GAITÁN	1,618,638	1,630	1,620,268
ESPINAL	996,101	78,519	1,074,620
GUADAS	596,938	120,262	717,200
PUERTO BERRIO	317,125	3,046	320,171
SAN PEDRO	110,520		110,520
SAN PEDRO	3,920		3,920
TOTAL	8,297,785	589,608	8,887,393

NOTE:
THE INFORMATION ABOVE INCLUDES THE NUMBER OF EXECUTED FRAMEWORK AGREEMENTS (REQUESTS VERSUS THE FRAMEWORK AGREEMENT)

ORIGIN OF PROVIDER	FRAMEWORK AGREEMENT
ESPINAL	290,820
GUADAS	4,555
PUERTO GAITÁN	143,763
SAN PEDRO	28,626
VILLAVICENCIO	1,640,000
YOPAL	1,197,945
TOTAL	3,305,798

US\$ VALUE FRAMEWORK AGREEMENTS

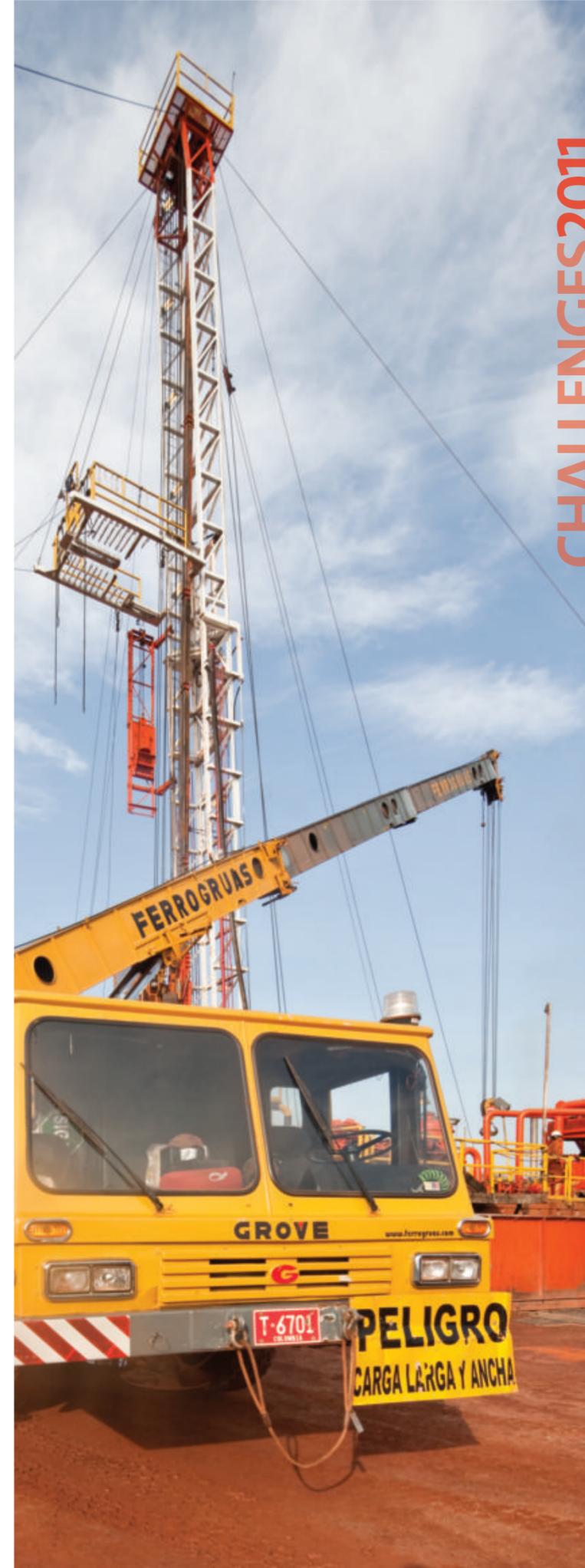
VALUES\$



TECNICONTROL RECOGNIZED AS A RESPONSIBLE CONTRACTOR

In 2010, we launched the first edition of the “Responsible Contractors” annual contest, an event that encourages all our contractors to participate and show their more sustainable practices in the categories of society, environment, and innovation. Out of the seven contractors who competed, TECNICONTROL was awarded for its project “Clean Technology”. This project applies to pipeline construction for hydrocarbon transmission lines and processing plant pipelines. With the implementation of this technology the following was achieved:

1. Reduced hazardous waste generation, minimized health and environmental risks, and promoted the professional development of its employees.
2. Promoted sustainable development using the latest computerized inspection techniques, providing immediate registration; it is practical and ensures a high probability of fault detection, without exposing the personnel employed to hazards affecting their health in the short or long-term.
3. Eliminated or reduced consumption, generation, and handling of hazardous materials, requiring strict management for their control, handling, and disposal.



CHALLENGES 2011

Where are we HEADED?

2011

Train Pacific Rubiales’ suppliers, contractors and buyers regarding the code of conduct for suppliers and contractors.

Integrate this code in selection, evaluation, and interaction processes with suppliers and contractors in purchasing criteria with our incentive schemes.

Integrate sustainability criteria with the existing internal audit system.

2012

Prepare and strengthen ourselves internally for the certification of the SA8000 standard for labour practices.

ACRONYM MEANING

ACPM	Motor combustible oil
BOPD	Barrels per day
Boe/d	Barrels of oil equivalent per day: the proportion of 5,700 cubic feet (Mcf) of natural gas: 1 bbl of oil is derived from a conversion method of the applicable energy equivalent, primarily in the burner and does not represent an equivalent of the value at the mouth of the well.
BVC	Colombian Stock Exchange
CAN	Canadian Dollars
CERES	Regional Secondary Education Centers
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CO ₂	Equivalent of carbon dioxide
COL20	Stock Index on liquidity of the Colombian Stock Exchange
COLCAP	Colombian Stock Index on Capitalization
CORMACARENA	Corporation for the Sustainable Development of the La Macarena Special Management Area
CORPOICA	Colombian Agricultural Research Corporation
CPF	Central Processing Facility
CSIR	Royalty Investment Follow-up Committee
E&P	Exploration and Production
GRI	Global Reporting Initiative. World organization that proposed the most accepted framework for the elaboration of CSR reports on the economic, environmental, and social performance of an organization. The framework is composed of the guide to sustainable development reporting, indicator protocols, technical protocols, and sector supplements and was developed after consultation with several stakeholders at an international level. www.globalreporting.org .
HSEQ	Health, Safety, Environment, and Quality
ICBF	Colombian Institute of Family Welfare
IDEAM	Hydrology, Meteorology, and Environmental Studies Institute of Colombia
IESA	Post-Secondary Management Studies Institute
IGBC	General Stock Exchange Index of Colombia
ISO 9001:2008	A set of regulations regarding quality and management developed by the ISO/TC176 Technical Committee of the ISO International Standardization Organization. It specifies the requirements for a good quality management system.
ISO 14001:2004	A set of regulations regarding environmental management.

IUCN	International Union for Conservation of Nature
Kj	Kilojoules
km ²	Square kilometers
MMCFD	Million Cubic Feet per day
m ³	Cubic Meters
MDG	Millennium Development Goals
OSHAS 18001:2007	The internationally recognized assessment specifications for work health and safety management systems.
PII	Pacific Infrastructure Inc.
PCU	Pacific Corporate University
SENA	National Learning Service
TSX	Toronto Stock Exchange
UN	United Nations
2D	Two dimensions
3D	Three dimensions
1P	Proven reserves
2P	Proven reserves + probable
3P	Proven reserves+ probable + possible

ABBREVIATION GLOSSARY

TERMS MEANINGS

Accountability	Responsibility of an organization for its decisions and activities, and condition to offer answers to governmental entities, legal authorities, and more broadly, to other stakeholders, regarding those decisions and activities.
Appraisal well	A well that is drilled as part of a program to determine the size and production of an oil or gas field.
Biodiversity	The variety of life in all its forms, levels, and combinations. Includes a diversity of ecosystems, species, and genetics.
Coherence	Activities developed regarding the regulatory framework defined by the organization.
Community Action Council	Civil organization that supports citizen participation within the management of their communities. They serve as a means of dialogue with national, state, and municipal governments and who seek the creation of participation opportunities that help the development of neighborhoods, townships, and villages. Mayors can also establish development plans, plan projects, and supervise their execution through these councils.
COPASO	According to Colombian Resolution 2013/1986, the Occupational Health Peer Committee constitutes an important means to promote Occupational Health in all levels of a company, to seek agreements with directors and supervisors of the Occupational Health Program with the purpose of achieving specific goals and objectives, to disclose and support healthy practices, and to motivate the acquisition of safe habits.
Corporate governance/government	System by means of which an organization makes and implements decisions with the purpose of reaching its objectives.
Corporate Social Responsibility (CSR)	See sustainability
Corruption	The abuse of granted power with the objective of obtaining private gain; i.e. bribes (requesting, offering, or accepting a bribe) to public officers or by them, bribes in the private sector, conflict of interest, fraud, money laundering, and influence peddling.
Directional horizontal drilling	Allows for the installation of a duct under an obstacle, such as a river or a highway, without disrupting the environment. As opposed to the horizontal drilling technique, the curve trajectory of directed horizontal drilling allows the duct to pass under obstacles from the surface, thus there is no need to carry out an excavation.
Downstream	A commonly used term to refer to the refining of crude oil and the sale and distribution of natural gas and derivatives from crude oil. These products include blended gas from oil (LPG), gasoline, aviation fuel, diesel, other combustible oils, asphalt, and oil coke.
Engagement (of stakeholders)	An activity carried out to create dialogue opportunities between an organization and one or more stakeholders with the purpose of providing a justified basis for the organization's decisions.
Ethics	Set of regulations defined by Pacific Rubiales that constitutes the action framework for individuals that are part of the organization.

GLOSSARY OF TERMS

Environment	Natural setting in which an organization operates, including air, water, ground, natural resources, plants, animals, people, and their interrelations.
Environmental value	Value related to the quality of the existing environment and its natural resources.
Exploration well	The first well drilled with the purpose of finding oil or gas or considered favourable for the existence of hydrocarbons.
Global Compact	International initiative proposed by the UN to achieve a voluntary commitment from public and private entities through the establishment of ten principles based on human rights, labour, environmental rights, and the fight against corruption.
Greenhouse Gas Effect ("GGE")	Any of the atmospheric gases that contribute to the greenhouse effect by absorbing infrared radiation caused by the solar heating of the earth's surface, including carbon dioxide (CO ₂), methane (CH ₄), nitrous oxide (NO ₂), and water vapor. Even though they exist naturally in the atmosphere, high levels of CO ₂ and CH ₄ in particular in recent decades are directly related, at least in part, to human activities such as consumption of fossil fuels and tropical deforestation.
GRI Technical Protocol	A document that provides specific indicators regarding the elaboration of certain sustainability reports, such as the delineation of the report's coverage.
Human rights	Rights that every person has by virtue of the common human condition to live freely and with dignity. All persons have the right to require that the same be respected because they are universal and indivisible. They reflect the deep effort to guarantee that all persons can safely enjoy goods and liberties necessary for a dignified life.
Impact	Positive or negative change generated in society, the economy, or the environment produced, whether totally or partially, as a consequence of past and present activities and decisions of an organization.
Inclusivity	Participation of stakeholders in the development and achievement of a responsible and strategic response towards sustainability. It requires a defined process of participation that provides a complete and balanced relationship that generates strategies, plans, actions, and consequences dealing with and in response to matters and impacts from a responsible perspective.
Influence area	The definition and determination of this area surrounding our operation, supported by the environmental and social considerations that justify the interrelationship of construction, conservation, exploration, and production activities. The direct and indirect influence areas are determined by environmental and social criteria established by Pacific Rubiales according to the impact level we have regarding a village, township, reserve, or land given. They receive preference and benefits regarding hiring of unqualified manpower and our social investment project.
Materiality	Technical term that refers to the relevance and need to prioritize matters that will affect the decisions, actions, and performance of an organization or its stakeholders.

Possible reserves (3P)	Unproven reserves that geological and engineering data analysis suggests are less likely to be recovered than probable reserves. In this context, when probability methods are used, there should be at least a 10% probability that the amount to be recovered would be equal to or greater than the proven reserves plus probable plus possible.	Stakeholders	Individuals, groups, or organizations that have an influence over an organization or are affected by decisions made by such organizations.
Prior consultation	Law 21/1991 of Colombia approving Agreement 169/1989 of the World Labour Organization, stating that governments have an obligation to “consult the relevant people, by means of appropriate procedures and specifically through their representative institutions, each time that legislative or administrative measures are proposed that may affect them directly.”	Stratigraphic well	A well that is drilled with the purpose of determining the stratigraphy of a geologically unknown area.
Probable reserves (2P)	Unproven reserves that geological and engineering data analysis suggests are less likely to be recovered than proven reserves. In this context, when probability methods are used, there should be at least a 50% probability that the amount to be recovered would be equal to or greater than the proven reserves plus probable.	Sustainability	A way of conducting business in a transparent way that is inclusive of all stakeholders which generates wealth and contributes to the sustainable development of a society in harmony with the environment.
Progress communication	Document submitted on an annual basis to the United Nations by an entity of the Global Compact, identifying its progress regarding the same.	Sustainability report	The practice of measuring, informing, and assuming responsibilities regarding the performance of an organization while working toward the objective of sustainable development. It offers a balanced and reasonable image of the sustainability performance of the reporting organization including both positive and negative contributions. It presents results obtained in the corresponding reporting period, dealing with commitments, strategy, and directive focus adopted by the organization.
Proven reserves (1P)	Amount of oil which, because of geological and engineering data analysis, may be estimated with “reasonable certainty” to be commercially recovered on a given date from known reservoirs and under the current economic conditions, operation methods, and regulations.	Sustainable development	Development that satisfies the needs of the present without compromising the capacity of future generations to satisfy their own needs (Source: Brundtland Commission, 1983) Management that takes into account the results of an organization in terms of the three factors (economic, environmental, social)
Public-private alliances	The confluence of state, private, and civil society entities with a shared public interest agenda (which does not exclude the interest of each sector).	Sustainable management	A principle that allows those affected by administrative decisions, business transactions, or philanthropic interventions to not only know the basic facts but also the mechanisms and processes. It is the duty of public officers, managers and trustees to act with visibility, predictability, and in a comprehensible manner.
PYME	Small and medium-sized businesses		
Recovery rate	Oil percentage extracted from a well	Transparency	Commonly used term to refer to the search and recovery and production of crude oil and natural gas. Also known as sector exploration and production.
Relevance	See Materiality		
Response capacity	The response of an organization to the affairs of stakeholders that affect its performance in terms of RSC. It reflects how an organization responds regarding its stakeholders and is liable before them; it is carried out through decisions, actions, and performance as well as through communication with stakeholders.	Upstream	Includes searching for potential oil underground or underwater and gas fields, drilling of exploratory wells, and the subsequent exploitation of wells to recover and bring crude oil and/or crude natural gas to surface.
Social investment (private)	Voluntary distribution of private resources of companies or corporate foundations in a planned, monitored, and systematic way for social, environmental, and cultural public projects.	Value chain	Complete sequence of activities or parts that supply (suppliers, workers, subcontractors, and others) or receive (clients, consumers, other users) value as products or services.
Social license, license to operate	Continuous acceptance and approval within the local community and other stakeholders. Different from the legal license to operate, it is given by the local community, and it is intangible and rooted in the beliefs, perceptions, and opinions of the local population and other stakeholders regarding a project.	Verification	Establishment or demonstration that something is true, precise, or justified.
Social value	Value related to the quality of life of the people that cannot be measured in economic terms. Indicators may include social capital, structures, institutions, networks, and relationships that allow individuals to become more productive and to maintain/develop human capital through collaboration.		

Sources:
Bogotá's Mayor's Office. Public-Private Alliance Manual for the District in the social responsibility framework.
ISO 26000 International Standard regarding social responsibility (2010)
“Guide to Sustainable Development Reporting” from the Global Reporting Initiative (version G3 - 2006)
“Accountability Principles Standard AA1000APS” (2008)
Ministry of Mines and Energy. Republic of Colombia
Colombia Global Compact Network. What is the Global Compact?

GRID CHART - GRI						
PACIFIC RUBIALES ENERGY 2010 REPORT						
GRI	Description	Reported	Reference	If applicable, indicate the unreported part	Reason for the omission	Comment
1 Strategy and Analysis						
1.1	Statement on significance of sustainability.	YES	President's Message			
1.2	Main impacts, risks, and opportunities.	YES	Act with coherence and transparency		For additional information on impacts and opportunities see 2009 Sustainability Report	
2 Organization Profile						
2.1	Name of the organization.	YES	Our organization			
2.2	Main brands, products, and services.	YES	Our organization			
2.3	Operational structure in the organization.	YES	Our organization			
2.4	Location of organization's headquarters.	YES	GRI Table		130 Bay Street Suite 1100 Toronto, Ontario, Canada M5J 2W4	
2.5	Where it operates.	YES	Generate greater economic value. Asset map graph.			
2.6	Nature of ownership and legal form.	YES	Corporate Model			
2.7	Markets Served.	YES	Generate more economic value each time. Asset map graph.			
2.8	Dimension of the company.	YES	Our organization			
2.9	Significant changes during the reporting period regarding size, structure and ownership	YES			Addition of two blocks in Guatemala and six in Colombia. Participation in the share capital of Colombia's 'Dioducto Bicentenario' in November. Diversification into other sectors of the extractive industry	
2.10	Awards and distinctions received during the reporting term.	YES			Pacific Rubiales, through the Pacific Rubiales Foundation received a 'honorary mention as a finalist in the third version of the 'Emprender Paz' award, and recognition for its work in building peace in Colombia	
3 Report Parameters						
Report Profile						
3.1	Period covered.	YES	About this report			
3.2	Date of immediately prior report.	YES	GRI Table		April 2010	
3.3	Reporting cycle.	YES	GRI Table		Yearly	
3.4	Contact area for issues related to the report or its contents.	YES	GRI Table		General communications addressed to Pacific: comunicaciones@pacificrubiales.com.co Communications on sustainability and/or this report: sostenibilidad@pacificrubiales.com.co	
Report Scope and Coverage						
3.5	Report contents definition process.	YES	About this report			
3.6	Boundary of the report.	YES	About this report			
3.7	Limitations of scope or coverage	YES	About this report			
3.8	Basis for including information in case of joint ventures, branches, leased facilities, outsourced activities, and other entities that may materially affect comparability among terms.	YES	GRI Table		Only business with 100% Pacific ownership interest are reported	
3.9	Data measurement techniques and bases for calculation.	YES	GRI Table		The report is presented based on international parameters and on parameters constructed by the company in accordance with the nature of its business. In case of any material deviations in the GRI's technical protocols, they are mentioned in this chart.	
3.10	Restatement of information from previous reports.	YES	GRI Table		There was no restatement of information from previous reports	
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	YES	GRI Table		There were no material changes to report during this term	
GRI Content Index						
3.12	GRI Table of Contents Verification	YES	GRI correspondence matrix Annex			
3.13	Policy and report verification	YES	GRI Table		This report has no external verification, it is being considered in future reports	
4 Governance, Commitments, and Participation of Stakeholders						
Governance						
4.1	Description of the governance structure.	YES	Corporate Model			
4.2	Chairman of the board and its executive position as the organization's president.	YES	Corporate Model			
4.3	Structure of the highest governance body (board of directors).	YES	Corporate Model		Both in Colombia and in Canada, there are investor service offices that convey any recommendations or directions to Pacific's Board of Directors or any other management body. This office is also available for employees to convey their concerns. Additionally, for 2010, the CSR Sub-Committee will be implemented in the Board of Directors.	
4.4	Shareholder and employee mechanisms for communicating recommendations or comments to the highest governance body	YES	GRI Table		Likewise, at Pacific we have annual meetings to review the strategy of communication with shareholders and receive feedback from them. For additional information see our Website: www.pacificrubiales.com.co in the Corporate Governance section.	
4.5	Linkage between remuneration to members of the highest governance body, managers, and executives (including departure arrangements) and the company's performance (including its social and environmental performance).	YES	Website: www.pacificrubiales.com.co		This information can be found in the Corporate Governance Policy, in the Corporate Governance section	
4.6	Procedures for avoiding conflicts of interest within the highest governance body.	YES	Website: www.pacificrubiales.com.co		This information can be found in the Corporate Governance Policy, in the Corporate Governance section	
4.7	Procedure for establishing the training and experience demandable from the members of the highest governance body so as to be able to guide the organization's strategy in social, environmental, and economic matters.	YES	Website: www.pacificrubiales.com.co		This information can be found in the Corporate Governance Policy, in the Corporate Governance section	
4.8	Statement of mission, vision, values, code of conduct, and relevant principles.	YES	Our organization. Website: www.pacificrubiales.com.co		The information on values and code of conduct can be found in the Corporate Governance section	
4.9	Procedures of the highest governance body for supervising environmental and social identification and management by the organization, including any related risks and opportunities, as well as adherence to or compliance with the standards, codes of conduct, and principles agreed worldwide.	YES	Act with coherence and transparency		This information can be found in the Corporate Governance Policy, in the Corporate Governance section	
4.10	Mechanisms for self-evaluation of the board of directors.	YES	GRI Table	Self-evaluation mechanisms in respect to the Board of Directors' social and environmental performance	We have not implemented this practice, which we hope to do in subsequent years.	Information on mechanisms for self-evaluating economic performance can be found on our Website: www.pacificrubiales.com.co, in the Corporate Governance section

Commitments with External Initiatives						
4.11	Adoption of the precautionary approach.	YES	GRI Table			Pacific adopts the principle of precaution. For additional information on environmental impacts see Operate in harmony with the environment
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	YES				Promote human values in our value chain. Contribute to society by improving the life quality of communities where we operate.
4.13	Main associations of which the organization is a member or national or international entities supported by the organization.	YES	GRI Table			Colombian Petroleum Association (ACP), National Industrial Association (ANDI-Colombia), Canadian Business for Social Responsibility (CBSR), member of the Global Compact and a founding member of the Regional Network for the Global Compact in Latin America and the Caribbean, Royalty Investment Follow-up Committee
Participation of Stakeholders						
4.14	List of stakeholder groups engaged by the organization.	YES				About this report and involvement with stakeholders
4.15	Basis for identification and selection of stakeholders with whom to engage.	YES				Involvement with stakeholders
4.16	Approaches to stakeholder engagement.	YES				Involvement with stakeholders
4.17	Concerns gathered from stakeholder engagement.	YES				Involvement with stakeholders. Results of 2010 discussions
5 Management Approaches and Performance Indicators						
Management Approaches						
GJEG Description						
EG EC EC Management Approach						
Aspects	Economic Performance	YES				Generate more economic value each time
	Market Presence					Generate more economic value each time
	Indirect Economic Impacts	YES				Generate more economic value each time
EG EN EN Man Agent Approach						
Aspects	Materials	YES				Operate in harmony with the environment
	Energy	YES				Operate in harmony with the environment
	Water	YES				Operate in harmony with the environment
	Biodiversity	YES				Operate in harmony with the environment
	Emissions, Effluents, and Waste	YES				Operate in harmony with the environment
	Products and Services	YES				Operate in harmony with the environment
	Compliance	YES			YES	Operate in harmony with the environment
	Transportation	YES				Operate in harmony with the environment
	General	YES				Operate in harmony with the environment
EG LA LA Management Report						
Aspects	Employment	YES				Make Pacific a great place to work
	Labour Relationships	YES				Make Pacific a great place to work
	Occupational Health and Safety	YES				Reinforce health and safety in our operations
	Training and Education	YES				Make Pacific a great place to work
	Diversity and Equal Opportunity	YES				Make Pacific a great place to work
EG DH DH Management Report Approach						
Aspects	Investment and Procurement Practices	YES				Consolidate sustainability in our value chain
	Non-Discrimination	YES				Make Pacific a great place to work
	Freedom of Association and Collective bargaining	YES				GRI Table
	Child Labour	YES				GRI Table
	Forced Labour	YES				GRI Table
	Security Practices	YES				Consolidate sustainability in our value chain
	Indigenous Rights	YES				Promote human values in our value chain
EG SO SO Management Report Approach						
Aspects	Community	YES				Act with coherence and transparency.
	Corruption	YES				Act with coherence and transparency
	Public Policy	YES				GRI Table
	Anti-competitive behavior	YES				GRI Table
	Compliance	YES				Act with coherence and transparency
EG PR PR Management Report Approach						
Aspects	Consumer Safety and Health	YES				Operate in harmony with the environment
	Labeling of Products and Services	YES				GRI Table
	Marketing Communications	YES				GRI Table
	Consumer Privacy	YES				GRI Table
	Compliance	YES				Act with coherence and transparency
List of GRI G3 Indicators						
ECo0 Economic Performance						
EC0	Direct economic value generated and distributed including income, operating costs, employee remuneration, donations, and other investments in the community, undistributed earnings, and payments to capital suppliers and governments	YES	GRI Table			The economic value of employee benefits is not reported
Confidential information. Pacific is within the range of the best salaries in the sector, and in respect to benefits we are within the sector's standards both regarding employees and their families						
a) Income for US\$1,661,544,000. b) Operating costs US\$607,939,000. c) Payment of income tax US\$571,235,000. d) Community investments through the Pacific Rubiales Foundation: \$ 8,302,127,096 million pesos. See Depreciation and amortization US\$298,667 thousand dollars						

EC2	Financial consequences and other risks and opportunities for the organization's activities due to climate change.	NO		This indicator is not currently calculated	It is intended to report this in subsequent reports
EC3	Coverage of the organization's defined benefit plan obligations	YES	Make Pacific a great place to work		
EC4	Material financial aid received from governments	NO		This indicator is not currently calculated	It is intended to report this in subsequent reports
Market Presence					
EC5	Range of the relations between the standard initial salary and the minimum local salary in places where significant operations are being conducted	YES	GRI Table		100% of our employees are hired over current legal wages
EC6	Policy, practices, and expense proportion corresponding to local suppliers in places where significant operations are conducted	YES	Consolidate sustainability in our value chain. For additional information see 2009 Sustainability Report		
EC7	Procedures for local contracting and proportion of senior officials from the local community in places where significant operations are conducted	YES	GRI Table	Proportion of senior officials from the local community	This indicator is not currently calculated Additional information in the 2009 Sustainability Report
Indirect Economic Impacts					
EC8	Development and impact of infrastructure investments and services rendered mainly for public benefit through trade commitments, pro bono, or in kind	YES	Contribute to society by improving the life quality of communities where we operate, and Pacific Solidaria		
EC9	Understanding and description of significant indirect economic impacts, including the scope of such impacts	NO		This indicator is not currently calculated	
Environment					
Materials					
EN1	Materials used, by weight or volume	NO		This indicator is not currently calculated	
EN2	Percentage of materials used that are recycled input materials	NO		This indicator is not currently calculated	
Energy					
EN3	Direct power consumption broken down by primary sources	YES	GRI Table		For additional information see our 2009 Sustainability Report
EN4	Indirect power consumption broken down by primary sources	YES	GRI Table		For additional information see our 2009 Sustainability Report
EN5	Power saving due to conservation and efficiency improvements	YES	GRI Table		For additional information see our 2009 Sustainability Report
EN6	Initiatives for providing energy-efficient products and services, or based in renewable energies, and reductions in power consumption as a result of such initiatives	YES	GRI Table	Not considered material, because this type of initiative is not part of Pacific's current strategy	
EN7	Initiatives for reducing indirect power consumption and reductions achieved with such initiatives	YES	GRI Table		For additional information see our 2009 Sustainability Report
Water					
EN8	Total water collection by sources	YES	Operate in harmony with the environment. Water		
EN9	Water sources that have been materially affected by water collection	NO		This indicator is not currently calculated	
EN10	Percentage and total volume of recycled and reused water	YES	Operate in harmony with the environment. Water		
Biodiversity					
EN11	Description of adjoining terrains, or those located within protected natural areas or high biodiversity non-protected areas. Indicate the location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	YES	Operate in harmony with the environment. Biodiversity		
EN12	Description of the most significant impacts on biodiversity in protected natural spaces or in non-protected high biodiversity areas, derived from the activities, products, and services in protected areas and areas of high biodiversity level in zones different from protected areas	YES	Operate in harmony with the environment. Biodiversity		
EN13	Protected or restored habitats	YES	Operate in harmony with the environment. Biodiversity		We report our initiatives for protection of rural areas
EN14	Strategies and actions adopted and planned for managing impacts on biodiversity	YES	Operate in harmony with the environment. Biodiversity		
EN15	Number of species, broken down as a function of their degrees of endangerment, included in the IUCN's Red List and in national listings, and which habitats are located in areas that have been affected by the operations as per the species' degree of endangerment	YES	Operate in harmony with the environment. Biodiversity		
Emissions, Effluents and Wastes					
EN16	Total emissions, whether direct or indirect, of greenhouse gases, in weight	YES	Operate in harmony with the environment. Emissions		
EN17	Other indirect greenhouse gas emissions, in weight	YES	Operate in harmony with the environment. Emissions		
EN18	Initiatives for reducing greenhouse gas emissions and reductions achieved	YES	Operate in harmony with the environment. Emissions		
EN19	Emissions of substances that destroy the ozone layer, in weight	YES	GRI Table		For additional information see our 2009 Sustainability Report
EN20	NO, SO and other significant emission into the air by type and weight	NO		This indicator is not currently calculated	We hope to report this in subsequent reports
EN21	Total dumping of wastewater, as per nature and destination	NO		This indicator is not currently calculated	We are in the process of consolidating this indicator
EN22	Total weight of managed wastes, as per type and treatment method	YES	Operate in harmony with the environment. Wastes		
EN23	Total number and volume of the most significant accidental leaks	YES	GRI Table		In 2010, there were no significant accidental leaks
EN24	Weight of transported, imported, exported or treated wastes, that are considered dangerous according to the Basel Convention, annexes I, II, III, and VIII and percentage of wastes transported internationally	NO		This indicator is not currently calculated	It is intended to report this in subsequent reports
EN25	Identification, size, protection status, and biodiversity value of related hydro resources and habitats, materially affected by water drainage and runoff water from the reporting organization	NO		This indicator is not currently calculated	It is intended to report this in subsequent reports
Products and Services					
EN26	Initiatives for mitigating product and service environmental impacts, and level of reduction of such impact	NO		This indicator is not currently calculated	It is intended to report this in subsequent reports
EN27	Percentage of products sold and packing materials that are recovered at the end of their useful life, by product categories	NO		This indicator is not currently calculated	It is intended to report this in subsequent reports
Compliance					
EN28	Cost of significant fines and number of non-monetary sanctions for breach of environmental regulations	YES	GRI Table		Pacific has received neither fines nor material sanctions
Transportation					
EN29	Significant environmental impacts from the transportation of products and other assets and materials used for the organization's activities, as well as for transportation of personnel	YES	Operate in harmony with the environment. Emissions.		
General					
EN30	Breakdown by type of the total expenses and environmental investments	NO		This indicator is not currently calculated	It is intended to report this in subsequent reports
Social: Labour Practices and Decent Work Ethics					
Employment					
LA1	Breakdown of the group of workers by type of employment, contract, and region	YES	Breakdown by region type	This indicator is not currently calculated	Total Pacific employees: 1483 164 direct employees (full time and permanent) 277 temporary employees 42 interns
LA2	Total number of employees and average employee turnover, broken down by age group, gender, and region	NO		This indicator is not currently calculated	It is intended to report this in subsequent reports
LA3	Social benefits for full-time employees, which are not offered to part-time or temporary employees, broken down by main activity	YES	Make Pacific a great place to work		For additional information see our 2009 Sustainability Report
Labor Relationships					
LA4	Percentage of employees covered by collective bargaining agreements	YES	GRI Table		At Pacific, we respect our employee's right of collective association and bargaining, however, no union has been formed to this date
LA5	Minimum prior notice in respect to organizational changes, including whether such notices are specified in collective agreements	NO		This indicator is not currently calculated	It is intended to report this in subsequent reports

Occupational Health and Safety					
LA6	Total percentage of workers represented in joint management-employee health and safety committees, established so as to help control and provide advice on health and safety programs at work	YES	GRI Table		We are in compliance with current legislation. Pacific has COPASO
LA7	Rates of absenteeism, occupational illnesses, lost days, and number of fatal victims related to the work by region	YES	Reinforce health and safety in our operations	Not broken down by region	It is not currently calculated by region It is intended to report this in subsequent reports
LA8	Education, training, advice, and risk prevention and control programs applied to workers, their families, or community members in relation to serious illnesses	YES	Reinforce health and safety in our operations		
LA9	Health and safety issues covered in formal agreements with unions	YES	GRI Table		At Pacific, we respect our employees' right of collective association and bargaining, however, no union has been formed to this date.
Training and Education					
LA10	Average hours of training per year by employee, broken down by employee category	NO			This indicator is not currently calculated It is intended to report this in subsequent reports
LA11	Skill management and continuous training programs, which foster workers' employability and support them in managing the last part of their professional careers	YES	Make Pacific a great place to work. Pacific Corporate University		
LA12	Percentage of employees that receive regular performance and professional development evaluations	NO			This indicator is not currently calculated It is intended to report this in subsequent reports
Diversity and Equality of Opportunities					
LA13	Structure of the corporate governance bodies and staff, broken down by gender, age group, minority groups, and other diversity indicators	NO			This indicator is not currently calculated It is intended to report this in subsequent reports
LA14	Relationship between the base salary of men in relation to that of women, broken down by professional category	NO			This indicator is not currently calculated It is intended to report this in subsequent reports
Social: Human Rights					
Investment and Procurement Practices					
HR1	Percentage and total number of significant investment agreements that include human rights clauses or which have been subject to analysis on the issue of human rights	YES	GRI Table		100% of our new contracts include the CSR exhibit, and we demand full compliance with its terms
HR2	Percentage of main distributors and contractors that have been subject to analysis on the issue of human rights and measures adopted as a consequence	YES	Reinforce health and safety in our operations		In our contractor control management, we included evaluation in areas such as health, safety, environment, social, and labour responsibility.
HR3	Total training hours of employees on policies and procedures related to those aspects of human rights that are relevant to their activities, including the percentage of trained employees	NO			This indicator is not currently calculated It is intended to report this in subsequent reports
No Discrimination					
HR4	Total number of discrimination incidents and measures adopted	NO			This indicator is not currently calculated It is intended to report this in subsequent reports
Freedom of Association and Collective Negotiation					
HR5	Company activities in which the right to freedom of association and of joining collective bargaining agreements may be at a considerable risk, and measures adopted to support such rights	YES	GRI Table		At Pacific, we respect our employee's right of collective association and bargaining, however, no union has been formed to this date.
Child Labor					
HR6	Identified activities that lead to a potential risk of child exploitation incidents, and measures adopted to contribute to their elimination	YES	GRI Table		Our work regulations are disclosed to all our employees, explaining their labour rights
Forced Labor					
HR7	Operations identified as having a material risk of giving rise to situations of forced or nonconsensual labour, and measures adopted to contribute to their elimination	YES	GRI Table		Our work regulations are disclosed to all our employees, explaining their labour rights
Safety Practices					
HR8	Percentage of the security personnel trained in the organization's policies or procedures relative to human rights aspects that are relevant to the activities	NO			This indicator is not currently calculated It is intended to report this in subsequent reports
Indigenous Rights					
HR9	Total number of incidents related to violations of natives' rights and measures adopted	YES	Promote human values in our value chain		We had 0 incidents of this kind in 2010
S000					
Society					
Community					
S01	Nature, scope, and effectiveness of programs and practices for evaluating and managing the impacts of operations within communities, including the company's entrance, operation, and exit	YES	Act with coherence and transparency		
Corruption					
S02	Percentage and total number of business units analyzed in respect to corruption-related risks	NO		This practice is not currently available	It is intended to report this in subsequent reports
S03	Percentage of employees trained in the organization's anti-corruption policies and procedures	YES	Act with coherence and transparency		The Corporate Auditing staff receives this kind of permanent training, so as to implement them within Pacific.
S04	Measures taken as a response to corruption incidents	NO			This indicator is not currently calculated It is intended to report this in subsequent reports
Public Policy					
S05	Position in public policies and participation in their development and lobbying activities	YES	GRI Table		Pacific does not intervene in the normal application of public policies, however, when the forums are promoted by the State seeking participation and comments on public policies, Pacific participates referring its comments to the respective regulation.
S06	Total value of contributions in money and in kind to political parties or related institutions, by country	NO			This indicator is not currently calculated It is intended to report this in subsequent reports
Anti-competitive behavior					
S07	Total number of actions arising from claims related to monopolistic practices and against free competition, and the results of such actions	YES	GRI Table		We did not have to take any measure of this kind during this year
Compliance					
S08	Monetary value of significant sanctions and fines and total number of non-monetary sanctions derived from the breach of laws and regulations	NO			This indicator is not currently calculated It is intended to report this in subsequent reports
Responsibility on Products					
Consumer Safety and health					
PR1	Stages of the life cycle of products and services, which assess, for their improvement if required, their impacts on customer health and safety, and percentage of categories of significant products and services that are subject to such evaluation procedures	NO			This indicator is not currently calculated Materiality shall be studied for subsequent reports
PR2	Total number of incidents derived from the breach of legal regulations or the voluntary codes relative to the impacts of products and services on health and safety throughout their lifecycle, distributed as a function of the type of result of such incidents	NO			This indicator is not currently calculated It is intended to report this in subsequent reports
Labeling of Products and Services					
PR3	Types of information on products and services that are required by the procedures in force and the regulations, and percentage of products and services that are subject to such disclosure requirements	YES	GRI Table		We are in compliance with current legislation on this aspect
PR4	Total number of breaches of regulatory and voluntary codes relative to the information and labeling of products and services, distributed as a function of the type of result of such incidents	YES	GRI Table		There were no such breaches
PR5	Practices with respect to customer satisfaction, including the results of customer satisfaction studies	NO			This practice is not currently available We hope to report it in subsequent reports
Marketing Communications					
PR6	Programs for compliance with the laws or adherence to voluntary standards and codes mentioned in marketing communications, including advertisement, other promotional activities and sponsorships	YES	GRI Table		Not material due to the nature of Pacific's operations
PR7	Total number of incidents derived from the breach of regulations relative to marketing communications, including advertisement, promotion, and sponsorship, distributed as a function of the type of result of such incidents	YES	GRI Table		Not material due to the nature of Pacific's operations
Customer Privacy					
PR8	Total number of duly founded claims in respect to customer privacy and leakage of customer personal information	YES	GRI Table		Not material due to the nature of Pacific's operations
PR9	Cost of those material fines, derived from the breach of regulations in relation to the supply and use of the organization's products and services	YES	GRI Table		There were no fines this year

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GP Principle	Reference/comment
Principle 1. Businesses should support and respect the protection of internationally proclaimed human rights.	Promote respect for human rights in the value chain Code of Corporate Governance Work regulations disclosed to all employees, explaining their labor rights.
Principle 2. Corporations must make sure that they are not complicit in human rights abuses.	Promote respect for human rights in the value chain Code of Corporate Governance Work regulations disclosed to all employees, explaining their labor rights.
Principle 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	At Pacific, we respect our employees' right of association and collective bargaining, however, no union has been formed to this date.
Principle 4. Corporations must support the elimination of all forms of forced and compulsory labour.	Promote respect for human rights in the value chain Code of Corporate Governance Work regulations disclosed to all employees, explaining their labor rights.
Principle 5. Corporations must support the effective abolition of child labour.	Promote respect for human rights in the value chain Code of Corporate Governance Work regulations disclosed to all employees, explaining their labor rights.
Principle 6. Corporations must support the elimination of discrimination in respect of employment and occupation.	Promote respect for human rights in the value chain Code of Corporate Governance Work regulations disclosed to all employees, explaining their labor rights.
Principle 7. Businesses should support a precautionary approach to environmental challenges;	Operate in harmony with the environment
Principle 8. Corporations must undertake initiatives to promote greater environmental responsibility.	Operate in harmony with the environment
Principle 9. Corporations must encourage the development and diffusion of environmentally friendly technologies.	Operate in harmony with the environment
Principle 10. Businesses should work against corruption in all its forms, including extortion and bribery.	Act with coherence and transparency Code of Corporate Governance

Disclaimer: In the event of any discrepancy between the English and Spanish version of this report, the Spanish version takes precedence



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Pacific Rubiales Energy
Sustainability Report 2010
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