

PACIFIC RUBIALES ENERGY CORP.



NEWS RELEASE

Petro Rubiales Completes Acquisition of Pacific Stratus

VANCOUVER & TORONTO, Wednesday, January 23, 2008 – Petro Rubiales Energy Corp. (TSXV: PEG) and Pacific Stratus Energy Ltd. (TSX: PSE) announced today that Petro Rubiales has completed the acquisition of Pacific Stratus. In conjunction with the acquisition, Petro Rubiales has changed its name to “Pacific Rubiales Energy Corp.” and the company’s shares and warrants will continue trading on the TSX Venture Exchange under the new name on January 24, 2008 under the symbols “PEG” and “PEG.WT”, respectively.

Pacific Rubiales will be run by the management of both companies, with Ronald Pantin serving as Chief Executive Officer and Jose Francisco Arata as President. The company will be focused on the continued production expansion program underway at the Rubiales oil field and reserve development at the La Creciente gas field, both located in Colombia.

The acquisition of Pacific Stratus was effected through an amalgamation, pursuant to a Plan of Arrangement, with a wholly-owned subsidiary of Petro Rubiales. Under the Plan of Arrangement, Pacific Stratus shareholders received 9.5 shares of Petro Rubiales for every Pacific Stratus share held at closing. Warrants and options of Pacific Stratus have been exchanged based upon the same ratio. The Plan of Arrangement was approved by Pacific Stratus shareholders on January 17, 2008 and was approved by the Supreme Court of British Columbia on January 21, 2008.

Pacific Rubiales has approximately 1,189,477,839 common shares, 321,810,838 warrants, and 49,969,500 incentive stock options issued and outstanding, of which approximately 475,508,943 common shares, 30,946,250 warrants and 35,824,500 incentive stock options were issued to Pacific Stratus securityholders upon closing. Pacific Rubiales has applied to the Toronto Stock Exchange to list its shares and warrants.

Endeavour Financial International Corporation acted as exclusive financial advisor to Petro Rubiales and GMP Securities L.P. acted as exclusive financial advisor to Pacific Stratus.

Pacific Rubiales, a Canadian-based company and producer of heavy crude oil and natural gas, owns 100 percent of Meta Petroleum Limited, a Colombian oil and gas operator which operates the Rubiales and Piriri oil fields in the Llanos Basin in association with Ecopetrol S.A. the Colombian, state-owned oil company. The company is focused on identifying opportunities

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primarily within the eastern Llanos Basin of Colombia and the upstream Sub Andean basins. Pacific Rubiales has a current net production of approximately 17,500 barrels of oil equivalent per day, with working interests in the Rubiales, Piriri and Quifa concessions and the Caguan, Dindal, Rio Seco, Puli B, La Creciente, Moriche, Guama and Arauca blocks in Colombia and blocks 135, 137 and 138 in Peru. The company has offices in Toronto, Vancouver, Caracas and Bogota.

FOR FURTHER INFORMATION

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- or -

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The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this news release.

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