



**Gran Tierra Re-positions for Lower Oil Prices with a Significant Reduction in its 2015 Capital Spending Program & Focus on Increased Capital Spending Efficiency**

*Capital Budget Reduced To \$140 million*

**CALGARY, Alberta, February 8, 2015, Gran Tierra Energy Inc. (“Gran Tierra” or the “Company”)** (NYSE MKT: GTE, TSX: GTE), a company focused on oil exploration and production in South America, today announced a revised preliminary 2015 capital program. This revised program is designed to retain balance sheet strength by minimizing or eliminating expenditures that have no immediate value at current oil prices. The intent is to re-align the company’s capital expenditure with a view to maximizing shareholder value. In addition to the capital spending reductions, Gran Tierra is actively pursuing significant operating and general and administrative cost reductions and eliminations through resource re-allocation initiatives and working with contractors and suppliers. The capital program will be reviewed continually for additional future reductions. In addition to this, Gran Tierra’s entire exploration portfolio is being reviewed and its prospect generation, evaluation and drilling decisions will be re-evaluated with an emphasis on reducing both its risk profile and capital exposure.

Gran Tierra has reduced its capital budget for 2015 to \$140 million. This is a reduction of \$170 million from the previously announced budget of \$310 million. The revised budget for operations in Colombia, Peru and Brazil allocates \$50 million to drilling, \$40 million to facilities, equipment and pipelines, \$49 million for geological and geophysical activities and \$1 million associated with corporate activities. Of the \$140 million approximately \$43 million had already been spent or committed. Approximately \$37 million of the capital program is dedicated to the maintenance of existing production while approximately \$18 million is dedicated to drilling in Colombia.

<b>Country</b>	<b>Drilling</b>	<b>Facilities &amp; Pipelines</b>	<b>Geological &amp; Geophysical</b>	<b>Total</b>
<b>Colombia</b>	\$24	\$22	\$20	\$66
<b>Peru</b>	\$19	\$10	\$16	\$45
<b>Brazil</b>	\$7	\$8	\$13	\$28
<b>Total</b>	<b>\$50</b>	<b>\$40</b>	<b>\$49</b>	<b>*\$140</b>

*\*Total includes \$1MM associated with corporate work (US\$ MM Net)*

Gran Tierra is utilizing an average Brent oil price of \$50 per barrel for budgeting purposes.

“The capital spending deferrals we are announcing form part of the refocusing effort by the Company to enhance delivery of value to shareholders. Gran Tierra will target increased capital spending efficiency to extract maximum value from the Company’s portfolio. A key driver of the reduced capital spend is to preserve a strong balance sheet and maximize the Company’s potential for growth from both our existing portfolio as well as through the opportunistic capture of external value enhancing opportunities,” said Duncan Nightingale, Interim President and Chief Executive Officer. “Additionally, Gran Tierra will continue to work diligently to mature leads and prospects to a drill ready status in preparation for an improved commodity price environment” concluded Nightingale.

**Capital Spending**

The revised 2015 capital program focuses on projects with immediate value adds. In Colombia such projects include using natural gas produced from the Moqueta field to fuel electricity generation and thereby provide cost savings over the life of the field. A development well will be drilled in the Moqueta field which is required for pressure support. At Costayaco, work continues to increase water injection capacity to actively manage the

production profile. In addition to facilities work at Costayaco and Moqueta, the Company plans to perform several workovers and well services. Also, a commitment exploration well may be drilled for which Gran Tierra is being carried for net US\$5.5 million.

In Peru, the Company plans to defer both further development drilling at the Bretaña field and all significant exploration activities in other blocks. The reduced Brazil capital spending program will focus on facilities work at the Tiê field.

Gran Tierra is currently evaluating optimized and less capital intensive development concepts for the Bretaña field and the longer term use of the long term test (“LTT”) facilities and existing wellbores. The Company is also concurrently re-evaluating development options for the Bretaña field. In this regard the current front-end, engineering and design study for the Bretaña field will be revised and simplified. LTT production from the Bretaña-1ST well is anticipated to start mid-2015. The goal of the LTT is to commission and test the facilities prior to final acceptance, provide additional reservoir performance information and test crude oil transportation routes and sales.

A new reserve report for the Bretaña field incorporating the recent Bretana Sur L4 well results is expected to be released before the end of February.

### **Production Projections**

With the revised capital spending program, Gran Tierra is expecting 2015 production to average between 21,500 and 22,500 barrels of oil equivalent per day (“BOEPD”) gross working interest (“WI”) or between 18,200 and 19,200 BOEPD net after royalty (“NAR”). Production from Colombia is expected to be approximately 17,750 BOEPD NAR, with Costayaco contributing approximately 10,140 BOEPD NAR and Moqueta contributing approximately 5,540 BOEPD NAR assuming a 2% contingency for potential delivery disruptions. The revised preliminary 2015 capital program is also expected to result in production of 958 BOEPD NAR from Brazil. Gran Tierra’s 2015 production forecast does not include any production from Peru. Approximately 99% of expected production is oil, with the balance natural gas.

### **Financial Position**

Gran Tierra had approximately \$332 million in cash and cash equivalents and no debt at the end of 2014. In addition, the Company has an undrawn credit facility with a current borrowing base of \$150 million. Based on current oil prices, Gran Tierra expects the revised 2015 program to be funded from funds flow from operations and cash on hand.

### **About Gran Tierra Energy Inc.**

Gran Tierra is an international oil and gas exploration and production company, headquartered in Calgary, Canada, incorporated in the United States and operating in South America, with its stock trading on the NYSE MKT Exchange (GTE) and the Toronto Stock Exchange (GTE). Gran Tierra holds interests in producing and prospective properties in Colombia, Peru, and Brazil. Gran Tierra has a strategy that focuses on establishing a portfolio of producing properties, plus production enhancement and exploration opportunities as appropriate to provide a base for future growth.

Gran Tierra’s Securities and Exchange Commission filings are available on a web site maintained by the Securities and Exchange Commission at <http://www.sec.gov> and on SEDAR at <http://www.sedar.com>.

Additional information concerning Gran Tierra is available at [www.grantierra.com](http://www.grantierra.com), on SEDAR ([www.sedar.com](http://www.sedar.com)) and with the Securities and Exchange Commission ([www.sec.gov](http://www.sec.gov)).

### **Forward-Looking Statements and Advisories**

This news release contains certain forward-looking information and forward-looking statements (collectively, “**forward-looking statements**”) under the meaning of applicable securities laws, including Canadian Securities Administrators’ National Instrument 51-102 - *Continuous Disclosure Obligations* and the United States Private Securities Litigation Reform Act of 1995. The use of the words “expects”, “anticipated”, “target”, “potential”, “plans”, “continue”, “intend”, “will”, “contemplate”, “goal”, “intent”, “projections” and variations of these and similar words identify forward-looking statements. In particular, but without limiting the foregoing, this news release contains forward-looking statements regarding, among other things: Gran Tierra’s planned and expected revised capital spending program for 2015 which includes: the allocation of expenditures, production estimates (consolidated and by country) and the product mix of such production; the expected impact of the revisions of the capital spending program including that such revisions will add value and provide cost savings; expectations with respect to Gran Tierra’s 2015 operations including drilling, drilling locations, testing, construction, electricity generation, water injection and facilities work, and exploration activities, the timing of such operations and the expected impact of Gran Tierra’s revised focus; our intention to continually review the 2015 program and re-evaluate evaluation and drilling decisions; our expectation that we will release a new reserves report for the Breña field before the end of February; and anticipated funding of the capital spending program.

The forward-looking statements contained in this news release reflect several material factors and expectations and assumptions of Gran Tierra including, without limitation: assumptions relating to field size and recoverability; the accuracy of testing and production results and seismic data; the effects of certain drilling techniques; rig availability; cost and price estimates, including a forecasted average Brent oil price of \$50 per barrel; expected cost saving from actions taken; the extent and magnitude of future delivery disruptions; and the general continuance of current or, where applicable, assumed operational, regulatory and industry conditions. Gran Tierra believes the material factors, expectations and assumptions reflected in the forward-looking statements are reasonable at this time but no assurance can be given that these factors, expectations and assumptions will prove to be correct.

The forward-looking statements contained in this news release are subject to risks, uncertainties and other factors that could cause actual results or outcomes to differ materially from those contemplated by the forward-looking statements, including, among others: cost savings expectations from the reduction in the size of the capital spending program may not be as much as Gran Tierra expects; unexpected technical difficulties and operational difficulties may occur which could increase capital expenditures, or delay or reduce the amount of cost savings, from what Gran Tierra expects; Gran Tierra’s operations are located in South America, and unexpected problems can arise due to guerilla activity; disruptions on the Oleoducto Transandino pipeline may be more than Gran Tierra expects and activities undertaken to mitigate the impact of such disruptions may not have the impact currently anticipated by Gran Tierra; geographic, political and weather conditions can impede testing, which could impact or delay the commencement of drilling exploration wells; and the risk that oil prices could continue to fall, or current global economic and credit market conditions may impact oil prices and oil consumption more than Gran Tierra currently predicts, which could cause Gran Tierra to modify its capital spending program. Although the current capital program is based upon the current expectations of the management of Gran Tierra, there may be circumstances in which, for unforeseen reasons, a reallocation of funds may be necessary as may be determined at the discretion of Gran Tierra and there can be no assurance as at the date of this press release as to how those funds may be reallocated. Should any one of a number of issues arise, Gran Tierra may find it necessary to alter its current business strategy and/or capital program. Accordingly, readers should not place undue reliance on the forward-looking statements contained herein. Further information on potential factors that could affect Gran Tierra are included in risks detailed from time to time in Gran Tierra’s Securities and Exchange Commission filings, including, without limitation, under the caption “Risk Factors” in Gran Tierra’s Quarterly Report on Form 10-Q filed November 6, 2014. These filings are available on a Web site maintained by the Securities and Exchange Commission at <http://www.sec.gov> and on SEDAR at [www.sedar.com](http://www.sedar.com).

The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this press release are made as of the date of this press release and Gran Tierra disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities legislation.

Barrels of oil equivalent (“**BOE**”) may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. In addition, given that the value ratio based on the current price of oil as compared with natural gas is significantly different from the energy equivalent of six to one, utilizing a BOE conversion ratio of 6 Mcf: 1 bbl would be misleading as an indication of value.

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