



Gran Tierra Energy Successfully Closes the Sale of its Argentina Business

Operations in Second Half of 2014 to Focus on Exploration in the Putumayo Basin of Colombia and Further Development of the Bretaña Field in Peru

CALGARY, Alberta, June 25, 2014, Gran Tierra Energy Inc. (“Gran Tierra Energy”) (NYSE MKT: **GTE, TSX: GTE**), a company focused on oil exploration and production in South America, today announces it has closed the sale of its Argentina business and provides a corporate update.

“With the successful sale of the Argentina business, Gran Tierra Energy increases its focus on its exciting exploration and development drilling campaign in Colombia and Peru in the second half of 2014. We are currently drilling ahead on the Moqueta-13 development well, intended to be completed as a production well in the Moqueta field. In addition, planning is underway to drill four exploration wells in the second half of 2014 in the Putumayo Basin of Colombia” said Dana Coffield, Gran Tierra Energy President and Chief Executive Officer. “We continue to work towards starting long term test production at the Bretaña field in Peru, anticipated to start in the fourth quarter of this year, in addition to drilling an appraisal well in the field before year-end” concluded Coffield.

Argentina

Gran Tierra Energy successfully closed the sale of its Argentina business to Madalena Energy Inc. (“Madalena”) (TSX-V: MVN) for an aggregate consideration of approximately US\$69 million, comprising US\$49 million in cash, US\$14 million in Madalena shares, and expected working capital adjustments of approximately US\$6 million. The effective date of this transaction is April 30, 2014.

Colombia

Chaza Block, Putumayo Basin (100% Working Interest (“WI”) and Operator)

The Eslabón Sur Shallow-1 and Eslabón Sur Deep-1 exploration wells are targeting the same Cretaceous Sandstones encountered in the Costayaco and Moqueta discoveries and are expected to begin drilling in the third and fourth quarters respectively of 2014.

The Corunta-1A exploration well is expected to spud in the third quarter of 2014 and will be drilled in a northeast direction from the Costayaco-17 well pad targeting a downthrown fault block west of the Moqueta field.

The Moqueta-13 development well was spud on May 25, 2014, and is drilling in a southeast direction from the Moqueta-1 well pad. Moqueta-13 is intended to add to the production of the Moqueta field.

Putumayo-1 Block, Putumayo Basin (55% WI and Operator, Compania Espanola de Petroleos Colombia, S.A.U. 45% working interest)

The Cabañas-1 exploration well is expected to be drilled in the fourth quarter of 2014 in the Putumayo-1 Block. This block is immediately south of the Chaza Block in the Putumayo basin where Gran Tierra Energy encountered multiple explorations successes. The Cabañas-1 well is targeting the same Cretaceous Sandstones encountered in the Costayaco and Moqueta discoveries.

Peru

Block 95, Bretaña Field (Gran Tierra Energy 100% WI and Operator)

Planning and construction is underway to initiate drilling of the Bretaña Sur delineation well in the fourth

quarter of 2014 to gather additional reservoir data and further substantiate oil reserves in the field.

Work also continues towards starting long term test production at the Bretaña field at approximately 2,500 barrels of oil per day, which is anticipated to start in the fourth quarter of this year.

Corporate Update

Production for the months of April and May was consistent with Gran Tierra Energy's internal budget and averaged approximately 21,466 barrels of oil equivalent per day ("BOEPD") net after royalty ("NAR") before adjustments for inventory changes despite not having access to the Ecopetrol-operated Trans-Andean oil pipeline in Colombia (the "OTA pipeline") for approximately 28 days during this time period. A recent landslide has damaged the OTA pipeline, with repairs expected to be completed in July. During this time, Gran Tierra Energy plans to transport its oil by truck to continue sales.

With the transaction to sell its Argentina business closed, Gran Tierra Energy estimates the Argentina business unit contributed average production of approximately 1,365 BOEPD NAR to its full-year 2014 production estimate. Gran Tierra Energy plans to reduce its 2014 corporate capital spending program by an amount comparable to the planned Argentina capital program of US\$48 million, less the amount spent up to the closing date of the transaction.

About Gran Tierra Energy Inc.

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

Gran Tierra Energy'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>.

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 "will", "should", "planning", "intended", "continue", "anticipated" and "expected" and derivations thereof and similar terms identify forward-looking statements. In particular, but without limiting the foregoing, this news release contains forward-looking statements regarding: Gran Tierra Energy's drilling, testing and production expectations, including without limitation, the timing of operations, the oil-bearing potential of certain reservoirs and expectations with respect to drilling locations and depth, the results of drilling, testing and exploration activities; the timing of repairs to the OTA pipeline; Gran Tierra Energy's 2014 production expectations and projections; and changes to Gran Tierra Energy's planned capital program for 2014.

The forward-looking statements contained in this news release reflect several material factors and expectations and assumptions of Gran Tierra Energy including, without limitation: that Gran Tierra Energy will continue to conduct its operations in a manner consistent with past operations; the accuracy of testing and production results and seismic data; the effects of certain drilling techniques; cost and price estimates; and the general continuance of current or, where applicable, assumed operational, regulatory and industry conditions. Gran Tierra Energy 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: Gran Tierra Energy's operations are located in South America where unexpected problems can arise due to guerilla activity and labour disruptions; the OTA pipeline may continue to experience disruptions and if further disruptions occur, service at the OTA pipeline may not continue on the time lines or to the capacity expected by or favorable to Gran Tierra Energy; attempts to mitigate the effect of disruptions of the OTA pipeline may not have the impact currently anticipated by Gran Tierra Energy; unexpected technical difficulties and operational difficulties may occur, which could impact or delay the completion or continuation of drilling; geographic, political and weather conditions can interrupt drilling, which could impact or delay the commencement or continuation of drilling; the risk that current global economic and credit market conditions may impact oil prices and oil consumption more than Gran Tierra Energy currently predicts, which could cause Gran Tierra Energy to change its current drilling, production and testing plans; and production data should be considered preliminary until a full well test interpretation has been done. Further information on potential factors that could affect Gran Tierra Energy are included in risks detailed from time to time in Gran Tierra Energy's Securities and Exchange Commission filings, including, without limitation, under the caption "Risk Factors" in Gran Tierra Energy's Quarterly Report on Form 10-Q filed May 7, 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. 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 Energy 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.

BOE's 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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