



**Gran Tierra Energy Inc. Announces 2017 Guidance: Capital Budget of US\$ 200-250 Million
Expected to Deliver 34,000-38,000 BOEPD with Production Growth of 25 to 40% over Anticipated 2016 Average**

All dollar amounts are in United States ("U.S.") dollars unless otherwise indicated.

CALGARY, Alberta, December 19, 2016, Gran Tierra Energy Inc. ("Gran Tierra" or the "Company") (NYSE MKT: GTE, TSX: GTE), a company focused on oil and gas exploration and production in Colombia, is pleased to announce its 2017 capital budget and production guidance.

Gary Guidry, President and Chief Executive Officer of Gran Tierra, commented "During 2016, we have successfully delivered on our strategy of expanding, upgrading and diversifying Gran Tierra's portfolio in Colombia. Our 2017 capital budget is expected to be fully funded from cash from operating activities¹ and to deliver strong organic production and reserves growth as we drill development and exploration oil wells throughout our newly diverse Colombian opportunity set. We expect to further delineate the exciting new "A" Limestone play at Costayaco. We will also continue drilling "N" sands and "A" Limestone exploration prospects throughout the Putumayo Basin where our first "N" sands well, the Cumplidor-1 on the Putumayo-7 Block, was declared a discovery on December 12, 2016. We are the largest landholder in the Putumayo with approximately 1.1 million gross acres (0.9 million net acres) of land and believe we have a competitive advantage in this under-explored proven basin with our dominant land position and proprietary seismic database. In the Middle Magdalena Valley Basin, we anticipate an ongoing ramp up in production at our Acordionero field, where results to date have exceeded our original expectations. At Acordionero, we expect to continuously drill both development and water injection wells throughout 2017 and beyond.

"Gran Tierra operates over 90 percent of its production and 23 out of 33 blocks in Colombia. Therefore, we have significant control and flexibility on capital allocation and timing. The Company now has a robust portfolio of reserves to develop that can be paced with oil price recovery. We can accelerate our capital program if oil prices increase significantly in 2017 or decrease capital investment in the event of a depressed commodity environment. At our budgeted 2017 Brent oil price of \$56.00/barrel² ("bbl"), we forecast that we will generate cash from operating activities¹ of \$240 million to \$260 million, which is expected to equal or exceed our 2017 capital budget of \$200 million to \$250 million. With our operated, low cost, high netback, positive cash-flowing asset base, our focus is on organic production growth and drilling 30 to 35 exploration wells over the next three years, all funded from cash from operating activities¹."

Highlights of 2017 Capital Budget and Production Guidance

2017 Capital Budget

Gran Tierra is forecasting the following ranges for the Company's 2017 capital budget:

Colombia	Number of Wells (Gross)	Number of Wells (Net)	Capital (\$ Million)
Development	15-19	13-14	100-140
Exploration	8-11	7-9	85-95
Total Colombia	23-30	20-23	185-235
Brazil	-	-	8
Peru	-	-	6
Corporate	-	-	1
Total Company	23-30	20-23	200-250

- Colombia remains Gran Tierra’s primary focus and, based on the midpoint of the guidance, is expected to represent approximately 93 percent of the 2017 capital program;
- Based on the midpoint of the guidance, the capital budget is forecasted to be split with approximately 57 percent directed to development and 43 percent to exploration;
- Approximately, 15-20 percent of the 2017 capital program is expected to be directed at facilities, a large portion of this investment would be dedicated to facilities expansion at the Acordionero field in order to increase its oil production capacity to 15,000 barrels of oil equivalent per day (“**boepd**”) by 2017 yearend;
- The 2017 capital program assumes up to 6 drilling rigs being active during the year.

2017 Production Guidance

Gran Tierra expects 2017 average working interest (“**WI**”) production before royalties of 34,000 to 38,000 boepd from the Company’s assets in Colombia and Brazil, which would represent an increase of 25 to 40% from our approximate 2016 average WI production before royalties of 27,200 boepd. The 2017 guidance includes 1,200 to 1,500 boepd of production from Brazil. The Company’s production guidance only includes forecasted volumes from existing operations and expected development projects; no volumes are assumed for any exploration success.

2017 Cash from Operating Activities¹

With expected 2017 average WI production before royalties of 34,000 to 38,000 boepd, Gran Tierra expects approximate 2017 cash from operating activities¹ and approximate 2017 expenses to be in the following ranges (barrel oil equivalent = “**boe**”):

Brent (\$/bbl)	56.00 ²
2017	Budget
Cash from Operating Activities (\$ million) ¹	240-260
Expenses (\$/boe)	
Transportation and Discount	13.00-15.00
Royalties	7.00-9.00
Operating Costs	7.00-9.00
General and Administrative	2.00-3.00
Interest and Financing	1.00-2.00
Taxes	2.00-4.00

¹“Cash from operating activities” refers to the GAAP line item “net cash provided by operating activities”.

² Budgeted 2017 Brent oil price of \$56.00/bbl is approximately equal to the average forward month pricing for Brent for 2017 of \$56.68/bbl as of December 16, 2016.

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About Gran Tierra Energy Inc.

Gran Tierra Energy Inc. 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 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 to provide a base for future growth. Additional information concerning Gran Tierra is available at www.grantierra.com. Investor inquiries may be directed to info@grantierra.com or (403) 265-3221.

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

Forward-Looking Information Advisory

This press release contains opinions, forecasts, projections, and other statements about future events or results that constitute forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and financial outlook and forward-looking information within the meaning of applicable Canadian securities laws (collectively, “**forward-looking statements**”). Such forward-looking statements include, but are not limited to, the Company's capital budget, drilling and capital program including the changes thereto along with the expected costs and the allocation of capital and drilling including trends, infrastructure schedules and the expected timing of certain projects and the portion of the capital program being represented by Colombia; the Company's operations; future projected or target production and the growth of production including the product mix of such production and expectations respecting production growth, expected future net cash provided by operating activities (described in this press release as “cash from operating activities”); our strategy regarding changing oil prices; expected cost savings; anticipated capital expenditures, including the location and impact of capital expenditures, our business strategies; our ability to grow in both the near and long term and the funding of our growth opportunities; the plans, objectives, expectations and intentions of the Company regarding production, exploration and exploration upside, development; Gran Tierra's financial position including liquidity and financial capacity, and the future development of the Company's business. The forward-looking statements contained in this press release reflect several material factors and expectations and assumptions of Gran Tierra including, without limitation, that Gran Tierra will continue to conduct its operations in a manner consistent with its current expectations, the accuracy of testing and production results and seismic data, pricing and cost estimates (including with respect to commodity pricing and exchange rates), rig availability, the effects of drilling down-dip, the effects of waterflood and multi-stage fracture stimulation operations, the extent and effect of delivery disruptions, and the general continuance of current or, where applicable, assumed operational, regulatory and industry conditions including in areas of potential expansion, and the ability of Gran Tierra to execute its current business and operational plans in the manner currently planned. 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.

Among the important factors that could cause actual results to differ materially from those indicated by the forward-looking statements in this press release are: sustained or future declines in commodity prices and potential resulting future impairments and reductions in proved reserve quantities and value; Gran Tierra's operations are located in South America, and unexpected problems can arise due to guerrilla activity; technical difficulties and operational difficulties may arise which impact the production, transport or sale of our products; geographic, political and weather conditions can impact the production, transport or sale of our products; the risk that current global economic and credit conditions may impact oil prices and oil consumption more than Gran Tierra currently predicts; the ability of Gran Tierra to execute its business plan; the risk that unexpected delays and difficulties in developing currently owned properties may occur; the timely receipt of regulatory or other required approvals for our operating activities; the failure of exploratory drilling to result in commercial wells; unexpected delays due to the limited availability of drilling equipment and personnel; 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 further modify its strategy and capital spending program; and the risk factors detailed from time to time in Gran Tierra's periodic reports filed with the Securities and Exchange Commission, including, without limitation, under the caption “Risk Factors” in Gran Tierra's Annual Report on Form 10-K filed February 29, 2016 and its Quarterly Report on Form 10-Q filed November 4, 2016. These filings are available on the Web site maintained by the Securities and Exchange Commission at <http://www.sec.gov> and on SEDAR at www.sedar.com. Although the current capital spending program and long term strategy of Gran Tierra is based upon the current expectations of the management of Gran Tierra, should any one of a number of issues arise, Gran Tierra may find it necessary to alter its business strategy and/or capital spending program and there can be no assurance as at the date of this press release as to how those funds may be reallocated or strategy changed.

All forward-looking statements are made as of the date of this press release and the fact that this press release remains available does not constitute a representation by Gran Tierra that Gran Tierra believes these forward-looking statements continue to be true as of any subsequent date. Actual results may vary materially from the expected results expressed in forward-looking statements. 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 laws. Gran Tierra's forward-looking statements are expressly qualified in their entirety by this cautionary statement.

The estimates of future production and net cash provided by operating activities (described in this press release as "cash from operating activities") may be considered to be future-oriented financial information or a financial outlook for the purposes of applicable Canadian securities laws. Financial outlook and future-oriented financial information contained in this press release about prospective financial performance, financial position or cash flows are based on assumptions about future events, including economic conditions and proposed courses of action, based on management's assessment of the relevant information currently available, and to become available in the future. In particular, this press release contains projected operational information for 2017. These projections contain forward-looking statements and are based on a number of material assumptions and factors set out above. Actual results may differ significantly from the projections presented herein. These projections may also be considered to contain future-oriented financial information or a financial outlook. The actual results of Gran Tierra's operations for any period will likely vary from the amounts set forth in these projections, and such variations may be material. See above for a discussion of the risks that could cause actual results to vary. The future-oriented financial information and financial outlooks contained in this press release have been approved by management as of the date of this press release. Readers are cautioned that any such financial outlook and future-oriented financial information contained herein should not be used for purposes other than those for which it is disclosed herein. The Company and its management believe that the prospective financial information has been prepared on a reasonable basis, reflecting management's best estimates and judgments, and represent, to the best of management's knowledge and opinion, the Company's expected course of action. However, because this information is highly subjective, it should not be relied on as necessarily indicative of future results.

Oil and Gas Disclaimer

BOEs have been converted on the basis of 6 thousand cubic feet ("Mcf") of natural gas to 1 barrel of oil. BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1 barrel 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 barrel would be misleading as an indication of value.