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News release

October 10, 2013

Parex Resources Provides Trinidad Update

Calgary, Canada

Parex Resources Inc. ("**Parex**" or the "**Company**") (TSX:PXT), announces that its subsidiary Parex Resources (Trinidad) Ltd. ("**Parex Trinidad**") has signed a farm-out agreement on the Moruga Block and has given notice that it will relinquish the Central Range Blocks.

Moruga Block

Parex Trinidad entered into a farm-out agreement for the onshore Trinidad Moruga Block. Under the terms of the farm-out agreement, the farmee earned a 20% participating interest in the block after providing Parex Trinidad with a \$2 million payment. The farmee, as contract operator will also earn an additional 31% participating interest in the block upon completion of:

- Paying 100% of Parex Trinidad's costs to work-over Snowcap-1 well and place it on production;
- Paying 100% of Parex Trinidad's costs to drill, complete and test an exploration well within 9 months of the farm-out agreement effective date; and
- Paying 100% of Parex Trinidad's costs to drill, complete and test a second exploration well within 6 months of the rig release of the first exploration well.

If all the Moruga Block farm-out agreement terms are fulfilled by the farmee, Parex Trinidad will transfer operatorship to the farmee and reduce its participating interest from 83.8% to 32.8%.

Central Range Blocks

Parex Trinidad, as operator of the onshore Central Range Shallow Block and Central Range Deep Block has notified the Trinidad & Tobago Ministry of Energy and Energy Affairs that it will relinquish both Central Range blocks. Parex Trinidad has satisfied the contractual relinquishment obligations as per the requirements of the Central Range Block production sharing contracts.

Wayne Foo, President and CEO of Parex Resources, noted that, "Parex, as operator of both Central Range Block contracts, has discussed opportunities for fiscal reform of the contracts with the Ministry for more than a year and Parex also participated in the Ministry's process to review opportunities for fiscal reform that would encourage

onshore exploration. That process led to the fiscal terms that will govern new blocks to be awarded in the upcoming Trinidad Onshore Bid Round 2013, but the parties have recognized that it is not feasible to alter and enhance existing production sharing contracts."

It is expected that an impairment of exploration and evaluation assets in the amount of approximately \$40 million will be recognized in Parex' third quarter financial statements, as a result of Parex Trinidad's relinquishment of the blocks. Parex had no oil and gas production or booked reserves attributable to the blocks.

The strategic decision to reduce future exposure to Trinidad capital expenditures enables Parex to focus capital on its large Colombian land portfolio of 1.4 million gross acres and producing assets of approximately 16,200 bopd (third quarter 2013).

This news release does not constitute an offer to sell securities, nor is it a solicitation of an offer to buy securities, in any jurisdiction.

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Advisory on Forward Looking Statements

Certain information regarding Parex set forth in this document contains forward-looking statements that involve substantial known and unknown risks and uncertainties. The use of any of the words "plan", "expect", "prospective", "project", "intend", "believe", "should", "anticipate", "estimate" or other similar words, or statements that certain events or conditions "may" or "will" occur are intended to identify forward-looking statements. Such statements represent Parex's internal projections, estimates or beliefs concerning, among other things, future growth, results of operations, production, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, plans for and results of drilling activity, environmental matters, business prospects and opportunities. These statements are only predictions and actual events or results may differ materially. Although the Company's management believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievement since such expectations are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause Parex' actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, Parex.

In particular, forward-looking statements contained in this document include, but are not limited to, statements with respect to the performance characteristics of the Company's oil properties; supply and demand for oil; financial and business prospects and financial outlook; results of drilling and testing, results of operations; drilling plans; activities to be undertaken in various areas; capital plans in Colombia

and annual production rates; plans to acquire and process 3D seismic; timing of drilling and completion; and planned capital expenditures and the timing thereof. In addition, statements relating to "reserves" or "resources" are by their nature forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the resources and reserves described can be profitably produced in the future. The recovery and reserve estimates of Parex' reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered.

These forward-looking statements are subject to numerous risks and uncertainties, including but not limited to, the impact of general economic conditions in Canada, Colombia and Trinidad & Tobago; industry conditions including changes in laws and regulations including adoption of new environmental laws and regulations, and changes in how they are interpreted and enforced, in Canada, Colombia and Trinidad & Tobago; competition; lack of availability of qualified personnel; the results of exploration and development drilling and related activities; obtaining required approvals of regulatory authorities and partners, in Canada, Colombia and Trinidad & Tobago; risks associated with negotiating with foreign governments as well as country risk associated with conducting international activities; volatility in market prices for oil; fluctuations in foreign exchange or interest rates; environmental risks; changes in income tax laws or changes in tax laws and incentive programs relating to the oil industry; ability to access sufficient capital from internal and external sources; the risks that any estimate of potential net oil pay is not based upon an estimate prepared or audited by an independent reserves evaluator; that there is no certainty that any portion of the hydrocarbon resources will be discovered, or if discovered that it will be commercially viable to produce any portion thereof; and other factors, many of which are beyond the control of the Company. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could effect Parex's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com).

Although the forward-looking statements contained in this document are based upon assumptions which Management believes to be reasonable, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. With respect to forward-looking statements contained in this document, Parex has made assumptions regarding: current commodity prices and royalty regimes; availability of skilled labour; timing and amount of capital expenditures; future exchange rates; the price of oil; the impact of increasing competition; conditions in general economic and financial markets; availability of drilling and related equipment; effects of regulation by governmental agencies; receipt of all required approvals for the Acquisition; royalty rates, future operating costs, and other matters. Management has included the above summary of assumptions and risks related to forward-looking information provided in this document in order to provide shareholders with a more complete perspective on Parex's current and future operations and such information may not be appropriate for other purposes. Parex's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do, what benefits Parex will derive. These forward-looking statements are made as of the date of this document and Parex disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

Any references in this press release to test production rates are useful in confirming the presence of hydrocarbons, however, such rates are not determinative of the rates at which such wells will commence production and decline thereafter. These test results are not necessarily indicative of long-term performance or ultimate recovery. Readers are cautioned not to place reliance on such rates in calculating the aggregate production for the Company.

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