



News Release

February 6, 2017

Parex Resources Increases 2P Reserves to 112 MMboe and Delivers 2P RLI of 10 years

Calgary, Canada

Parex Resources Inc. ("Parex" or the "Company") (TSX:PXT) is pleased to announce the results of its annual independent reserves assessment as at December 31, 2016. The Company recorded strong reserves growth for the 7th consecutive year primarily due to an active exploration and development drilling program in 2016.

The financial and operational information contained below is based on the Company's unaudited expected results for the year ended December 31, 2016. All currency amounts are in United States dollars ("USD") unless otherwise stated.

2016 Year-End Corporate Reserves Report

"At the bottom of the price cycle we focused our capex program to be less than our funds flow from operations, yet we were able to significantly grow all reserve categories, demonstrate industry leading recycle ratios and expand our reserve life index to 10 years" stated Wayne Foo, Parex CEO.

For the year ended December 31, 2016, Parex:

- Increased proved plus probable ("2P") reserves by 37 percent year-over-year; 2P reserves grew from 82 million barrels of oil equivalent ("MMboe") at December 31, 2015 to 112 MMboe at December 31, 2016. 98.6% of 2P reserves are crude oil;
- Achieved 2P finding & development costs ("F&D") of USD\$3.38/boe and 2P finding, development & acquisition costs ("FD&A") of USD\$3.43/boe. The 2016 2P FD&A cash netback recycle ratio was 5.4 times using the unaudited fourth quarter 2016 funds flow from operations on a per barrels of oil equivalent ("boe") basis of \$18.35/boe;
- Realized 2P reserve replacement of 378 percent with total 2016 gross reserve additions of 41.1 MMboe;
- Achieved proved developed producing ("PDP") FD&A of USD\$6.53/boe resulting in the proved producing FD&A recycle ratio of 2.8 times. Replaced 176 percent of production (10.9 MMboe) with PDP reserve additions of 19.2 MMboe;
- Increased 2P reserve life index ("RLI") to 10 years, up from 8 years at year-end 2015, based on annualized fourth quarter 2016 production of 31,049 boe per day ("boe/d");
- Increased 2P after tax net present value discounted at 10 percent to USD\$1.6 billion (CAD\$2.1 billion) compared to USD\$928 million at December 31, 2015 (CAD\$1.3 billion);
- Expanded gross undeveloped drilling locations to 74, 157 and 195 wells in the proved ("1P"), 2P and proved plus probable plus possible ("3P") cases, respectively;
- Increased 2P future development capital ("FDC") to \$347 million from \$318 million. This includes the impact of an additional \$28 million of FDC related to adding 47 gross locations at

Aguas Blancas and increasing our total 2P development inventory from 102 gross locations to 157 gross locations; and

- Increased 2016 annual average production to approximately 29,715 boe/d, an eight percent increase from the previous year. Production for Q4 2016 averaged 31,049 boe/d compared to 29,754 boe/d in Q3 2016.

2016 Year-End Reserves Report: Discussion of Reserves

The following tables summarize information contained in the independent reserves report prepared by GLJ dated February 6, 2017 with an effective date of December 31, 2016 (the "GLJ 2016 Report"), with comparatives to the independent reserves report prepared by GLJ dated February 5, 2016 with an effective date of December 31, 2015 (the "GLJ 2015 Report"), and the independent reserves report prepared by GLJ dated February 13, 2015 with an effective date of December 31, 2014 ("GLJ 2014 Report", and collectively with the GLJ 2016 Report and the GLJ 2015 Report, the "GLJ Reports"). Each GLJ Report was prepared in accordance with definitions, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook") and National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101"). Additional reserve information as required under NI 51-101 will be included in the Company's Annual Information Form which will be filed on SEDAR by March 31, 2017. Consistent with the Company's reporting currency, all amounts are in United States dollars unless otherwise noted.

The recovery and reserve estimates provided in this news release are estimates only, and there is no guarantee that the estimated reserves will be recovered. Actual reserves may eventually prove to be greater than, or less than, the estimates provided herein. In certain of the tables set forth below, the columns may not add due to rounding.

All December 31, 2016 reserves presented are based on GLJ's forecast pricing effective January 1, 2017; all December 31, 2015 reserves presented are based on GLJ's forecast pricing effective January 1, 2016; and all December 31, 2014 reserves presented are based on GLJ's forecast pricing effective January 1, 2015.

Parex' reserves are located in Colombia's Llanos, Lower Magdalena and Middle Magdalena Basins. Reserve additions in the GLJ 2016 Report were primarily generated from a successful 2016 oil exploration and appraisal drilling program.

The Company recorded material increases in all reserve categories as a result of the following corporate activities:

- Exploration discovery on block Cabrestero at Bacano; and
- Appraisal drilling at Aguas Blancas and on block LLA-34 at Jacana.

2016 Year-End Gross Reserves Volumes

Reserves Category	December 31,			Increase over Dec 31, 2015
	2014 Mboe ⁽¹⁾	2015 Mboe ⁽¹⁾	2016 Mboe ⁽¹⁾⁽²⁾	
Proved Developed Producing (PDP)	20,342	26,088	34,400	32%
Proved Developed Non-Producing	2,394	593	1,087	83%
Proved Undeveloped	17,688	19,325	28,285	46%
Proved (1P)	40,424	46,006	63,772	39%
Probable	28,001	35,673	48,132	35%
Proved + Probable (2P)	68,425	81,679	111,904	37%
Possible ⁽³⁾	35,556	42,774	57,392	34%
Proved + Probable + Possible (3P)	103,981	124,453	169,297	36%

(1) Mboe is defined as thousand barrels of oil equivalent.

- (2) All reserves are presented as Parex working interest before royalties. 2016 net reserves after royalties are: PDP 29,612 Mboe, proved developed non-producing 994 Mboe, proved undeveloped 23,301 Mboe, 1P 53,906 Mboe, 2P 93,499 Mboe and 3P 140,296 Mboe.
- (3) Please refer to the "Reserve Advisory" section for a description of each reserve category. Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.

2016 Gross Reserves by Block

Block	Proved Mboe	Proved+ Probable Mboe	Proved + Probable + Possible ⁽¹⁾ Mboe
Cabrestero	5,770	10,435	17,837
LLA-34	50,383	86,494	128,447
Aguas Blancas	3,026	7,529	12,192
Other Blocks	4,593	7,446	10,821
Total	63,772	111,904	169,297

- (1) All reserves are presented as Parex working interest before royalties. Please refer to the "Reserve Advisory" section for a description of each reserve category. Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.

2016 Gross Year-End Reserves Volumes by Product Type⁽¹⁾

Product Type	Proved Developed Producing	Total Proved	Total Proved + Probable	Total Proved+ Probable + Possible ⁽²⁾
Light & Medium Crude Oil (Mbbbl) ⁽³⁾	1,512	4,799	10,372	16,110
Heavy Crude Oil (Mbbbl)	32,846	58,372	100,007	151,078
Conventional Natural Gas (MMcf) ⁽⁴⁾	249	3,605	9,150	12,654
Oil Equivalent (Mboe)	34,400	63,772	111,904	169,297

- (1) The GLJ 2015 Report included 40,860 Mbbbl of 1P and 68,960 Mbbbl of 2P heavy crude oil reserves. The GLJ 2015 Report included 5,082 MMcf of 1P, 11,102 MMcf of 2P and 15,538 MMcf of 3P conventional natural gas reserves.
- (2) All reserves are presented as Parex working interest before royalties. Please refer to the "Reserve Advisory" section for a description of each reserve category. Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.
- (3) Mbbbl is defined as thousands of barrels.
- (4) MMcf is defined as one million cubic feet.

Five Year Crude Oil Price Forecast – GLJ Report (January 2016 and 2017)

	2016 ⁽¹⁾	2017	2018	2019	2020	2021
ICE Brent (USD\$/bbl) - January 1, 2016	45.00	54.00	61.00	67.00	73.00	78.00
ICE Brent (USD\$/bbl) - January 1, 2017	45.01	57.00	61.00	66.00	70.00	74.00

- (1) Actual 2016 ICE Brent average price was \$45.12/bbl.

Reserves Net Present Value Before Tax Summary⁽¹⁾⁽²⁾

Reserves Category	NPV10 December 31, 2015 (000s) ⁽²⁾	NPV10 December 31, 2016 (000s) ⁽²⁾	NAV December 31, 2016 (CAD/sh) ⁽³⁾
Proved Developed Producing (PDP)	\$390,769	\$765,431	-
Proved Developed Non-Producing	\$6,457	\$19,659	-
Proved Undeveloped	\$334,092	\$466,845	-
Proved (1P)	\$731,318	\$1,251,936	\$11.80
Probable	\$598,493	\$1,000,543	-
Proved + Probable (2P)	\$1,329,812	\$2,252,479	\$20.58
Possible ⁽⁴⁾	\$800,947	\$1,183,673	-
Proved + Probable + Possible (3P)	\$2,130,758	\$3,436,152	\$30.97

- (1) Net present values are stated in USD and are discounted at 10 percent. Please refer to the "Reserve Advisory" section for a description of each reserve category. The forecast prices used in the calculation of the present value of future net revenue are based on the GLJ January 1, 2016 and GLJ January 1, 2017 price forecasts, respectively. The GLJ January 1, 2017 price forecast will be included in the Company's Annual Information Form.
- (2) Includes FDC as at December 31, 2015 of \$26 for PDP, \$157 million for 1P, \$318 million for 2P and \$392 million for 3P. FDC as at December 31, 2016 of \$39 million for PDP, \$246 million for 1P, \$347 million for 2P and \$422 million for 3P.
- (3) Net asset value ("NAV") is calculated as at December 31, 2016 as before tax NPV10 plus estimated working capital of USD\$92.5 million (converted at USDCAD=1.3427), divided by 152.99 million basic shares outstanding as at December 31, 2016.
- (4) Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.

Reserves Net Present Value After Tax Summary ⁽¹⁾⁽²⁾

Reserves Category	NPV10 December 31, 2015 (000s) ⁽²⁾	NPV10 December 31, 2016 (000s) ⁽²⁾	NAV December 31, 2016 (CAD/sh) ⁽³⁾
Proved Developed Producing (PDP)	\$369,255	\$615,321	-
Proved Developed Non-Producing	\$3,984	\$12,631	-
Proved Undeveloped	\$199,840	\$292,253	-
Proved (1P)	\$573,079	\$920,206	\$8.89
Probable	\$354,681	\$650,740	-
Proved + Probable (2P)	\$927,760	\$1,570,945	\$14.60
Possible ⁽⁴⁾	\$488,961	\$776,399	-
Proved + Probable + Possible (3P)	\$1,416,721	\$2,347,344	\$21.41

- (1) Net present values are stated in USD and are discounted at 10 percent. All reserves are presented as Parex working interest before royalties. Please refer to the "Reserve Advisory" section for a description of each reserve category. The forecast prices used in the calculation of the present value of future net revenue are based on the GLJ January 1, 2016 and GLJ January 1, 2017 price forecasts, respectively. The GLJ January 1, 2017 price forecast will be included in the Company's Annual Information Form.
- (2) Includes FDC as at December 31, 2015 of \$26 for PDP, \$157 million for 1P, \$318 million for 2P and \$392 million for 3P. FDC as at December 31, 2016 of \$39 million for PDP, \$246 million for 1P, \$347 million for 2P and \$422 million for 3P.
- (3) Net asset value ("NAV") is calculated as at December 31, 2016 as after tax NPV10 plus estimated working capital of USD\$92.5 million (converted at USDCAD=1.3427), divided by 152.99 million basic shares outstanding as at December 31, 2016.
- (4) Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.

Reserve Life Index ("RLI")

	December 31, 2015 ⁽¹⁾	December 31, 2016 ⁽²⁾
Proved (1P)	4.4 years	5.6 years
Proved Plus Probable (2P)	7.8 years	9.9 years

- (1) Calculated by dividing the amount of the relevant reserves category by average fourth quarter 2015 production of 28,588 bopd annualized.
- (2) Calculated by dividing the amount of the relevant reserves category by estimated fourth quarter 2016 production of 31,049 boe/d annualized.

2016 Year-End Gross Reserves Reconciliation Company

	Total Proved Mboe	Total Proved + Probable Mboe	Total Proved + Probable + Possible Mboe
December 31, 2015	46,006	81,679	124,453
Technical Revisions ⁽¹⁾	9,223	9,219	8,670
Discoveries & Extensions ⁽²⁾	18,982	31,312	46,350
Acquisitions ⁽³⁾	437	570	700
Production	(10,876)	(10,876)	(10,876)
December 31, 2016⁽⁴⁾	63,772	111,904	169,297

- (1) Proved plus probable reserve technical revisions are primarily associated with the evaluations of Tigana and Jacana on block LLA-34.
- (2) Proved plus probable reserve discoveries are primarily associated with the evaluations of blocks Aguas Blancas, Cabrestero and LLA-34 block. There were 22,142 Mboe of 2P extensions evaluated at LLA-34.
- (3) The gross working interest 2P reserves associated with the acquisition of additional working interest in Las Maracas was 570 Mboe. The estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation.
- (4) Subject to final reconciliation adjustments. All reserves are presented as Parex working interest before royalties. Please refer to the "Reserve Advisory" section for a description of each reserve category. Possible reserves are those additional reserves that are less certain

to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.

Calculation of Reserve Metrics – Company Gross⁽¹⁾

USD\$ ('000) (Unaudited)	2016			3 Year
	Proved Developed Producing	Proved	Proved+ Probable	Proved+ Probable
Capital Expenditures	108,790	108,790	108,790	531,148
Capital Expenditures – change in FDC	12,518	88,382	28,060	14,151
Total	121,308	197,172	136,850	545,299
Net Acquisitions	4,025	4,025	4,025	195,090
Net Acquisitions – change in FDC	-	-	-	99,948
Total Net Acquisitions	4,025	4,025	4,025	295,038
Total Capital including change in FDC	125,333	201,197	140,875	840,337
Reserve Additions	18,751	28,205	40,531	96,350
Net Acquisition Reserve Additions	437	437	570	12,724
Reserve Additions including Acquisitions⁽²⁾(Mboe)	19,188	28,642	41,101	109,074
F&D Costs ⁽²⁾ (\$/boe)	6.47	6.99	3.38	5.66
FD&A Costs ⁽²⁾ (\$/boe)	6.53	7.02	3.43	7.70
Estimated Q4 2016 funds flow per boe ⁽³⁾ (\$/boe)	18.35	18.35	18.35	19.49
Recycle Ratio - F&D⁽²⁾⁽³⁾	2.8x	2.6x	5.4x	3.4x
Recycle Ratio - FD&A⁽²⁾⁽³⁾	2.8x	2.6x	5.4x	2.5x

(1) Calculated using unaudited estimated capital expenditures and unaudited estimated funds flow from operations as at December 31, 2016. See advisory "Unaudited Financial Information". All reserves are presented as Parex working interest before royalties. Please refer to the "Reserve Advisory" section for a description of each reserve category.

(2) The aggregate of the exploration and development costs incurred in the most recent financial year and the change during that year in estimated future development costs generally will not reflect total finding and development costs related to reserves additions for that year.

(3) Recycle ratio is calculated as funds flow from operations on a per boe basis divided by F&D or FD&A as applicable. 3 Year funds flow from operations on a per boe basis is calculated using weighted average sales volumes.

2016 year-end Results

We expect to release our 2016 year-end results on March 7, 2017.

For more information, please contact:

Mike Kruchten

Vice President, Investor Relations & Corporate Planning
Parex Resources Inc.
Phone: (403) 517-1733
investor.relations@parexresources.com

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.

Not for distribution or for dissemination in the United States.

Reserve Advisory

The recovery and reserve estimates of crude oil reserves provided in this news release are estimates only, and there is no guarantee that the estimated reserves will be recovered. Actual crude oil reserves may eventually prove to be greater than, or less than, the estimates provided herein. All December 31, 2016 reserves presented are based on GLJ's forecast pricing effective January 1, 2017. All December 31, 2015 reserves presented are based on GLJ's forecast pricing effective January 1, 2016. All December 31, 2014 reserves presented are based on GLJ's forecast pricing effective January 1, 2015.

It should not be assumed that the estimates of future net revenues presented herein represent the fair market value of the reserves. There are numerous uncertainties inherent in estimating quantities of crude oil, reserves and the future cash flows attributed to such reserves.

"Proved Developed Producing Reserves" are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

"Proved Developed Non-Producing Reserves" are those reserves that either have not been on production, or have previously been on production but are shut-in and the date of resumption of production is unknown.

"Proved Undeveloped Reserves" are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g. when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves category (proved, probable, possible) to which they are assigned.

"Proved" reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

"Probable" reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

"Possible" reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10 percent probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved plus probable plus possible reserves.

The term "Boe" means a barrel of oil equivalent on the basis of 6 Mcf of natural gas to 1 barrel of oil ("bbl"). Boe's may be misleading, particularly if used in isolation. A boe conversation 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. Given the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6 Mcf: 1Bbl, utilizing a conversion ratio at 6 Mcf: 1 Bbl may be misleading as an indication of value.

Light crude oil is crude oil with a relative density greater than 31.1 degrees API gravity, medium crude oil is crude oil with a relative density greater than 22.3 degrees API gravity and less than or equal to 31.1 degrees API gravity, and heavy crude oil is crude oil with a relative density greater than 10 degrees API gravity and less than or equal to 22.3 degrees API gravity.

With respect to finding and development costs, the aggregate of the exploration and development costs incurred in the most recent financial year and the change during that year in estimated future development costs generally will not reflect total finding and development costs related to reserve additions for that year.

This press release discloses drilling locations in three categories: (i) proved locations; (ii) probable locations; and (iii) possible locations. Proved locations, probable locations and possible locations are derived from the GLJ 2016 Report and account for drilling locations that have associated proved and/or probable and/or possible reserves, as applicable. Of the 195 drilling locations identified herein, 74 are proved locations, 83 are probable locations and 38 are possible locations. The drilling locations on which we actually drill wells will ultimately depend upon the availability of capital, regulatory approvals, seasonal restrictions, oil prices, costs, actual drilling results, additional reservoir information that is obtained and other factors.

This press release contains a number of oil and gas metrics, including F&D costs, FD&A costs, recycle ratio, reserve replacement and RLI. These oil and gas metrics have been prepared by management and do not have standardized meanings or standard methods of calculation and therefore such measures may not be comparable to similar measures used by other companies and should not be used to make comparisons. Such metrics have been included herein to provide readers with additional measures to evaluate the Company's performance; however, such measures are not reliable indicators of the future performance of the Company and future performance may not compare to the performance in previous periods and therefore such metric should not be unduly relied upon. Management uses these oil and gas metrics for its own performance measurements and to provide security holders with measures to compare the Company's operations over time. Readers are cautioned that the information provided by these metrics, or that can be derived from the metrics presented in this news release, should not be relied upon for investment or other purposes.

Unaudited Financial Information

Certain financial and operating results included in this news release include capital expenditures, production information, funds flow from operations and operating costs are based on unaudited estimated results. These estimated results are subject to change upon completion of the Company's audited financial statements for the year ended December 31, 2016, and changes could be material. Parex anticipates filing its audited financial statements and related management's discussion and analysis for the year ended December 31, 2016 on SEDAR on or before March 31, 2017.

The information contained in this press release in respect of the Company's expected capital expenditures, funds flow from operations and operating costs for 2017, may contain future oriented financial information ("FOFI") within the meaning of applicable securities laws. The FOFI has been prepared by management to provide an outlook of the Company's activities and results and may not be appropriate for other purposes. The FOFI has been prepared based on a number of assumptions including the assumptions discussed in this press release. The actual results of operations of the Company and the resulting financial results may vary from the amounts set forth herein, and such variations may be material. The Company and management believe that the FOFI has been prepared on a reasonable basis, reflecting management's best estimates and judgments. FOFI contained in this press release was made as of the date of this press release and the press release, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law.

Funds from operations is not recognized measures under International Financial Reporting Standards ("IFRS") and do not have a standardized meaning. Management believes that such financial measures are useful supplemental information to analyze operating performance and provide an indication of the results generated by the Company's principal business activities.

Investors should be cautioned that these measures should not be construed as alternatives to other measures of financial performance as determined in accordance with IFRS. The Company's method of calculating these measures may differ from other companies, and accordingly, they may not be comparable to similar measures used by other companies.

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' 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, statements relating to "reserves", which are by their nature forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the 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 and Colombia; 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 and Colombia; prolonged volatility in commodity prices; risk of delay in completing or non-competition of required transfers of the applicable operating and environmental permits; failure of counterparties to perform under contracts; competition; lack of availability of qualified personnel; the results of exploration and development drilling and related activities; obtaining required approvals of regulatory authorities, in Canada and Colombia; 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; risks related to the lawsuit brought in Texas against Parex and certain foreign subsidiaries; failure of counterparties to perform under the terms of their contracts; 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 affect Parex' 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; royalty rates; future operating costs; effects of regulation by governmental agencies; uninterrupted access to areas of Parex' operations and infrastructure; recoverability of reserves and future production rates; the status of litigation; timing of drilling and completion of wells; that Parex will have sufficient cash flow, debt or equity sources or other financial resources required to fund its capital and operating expenditures and requirements as needed; that Parex' conduct and results of operations will be consistent with its expectations; that Parex will have the ability to develop its oil and gas properties in the manner currently contemplated; current or, where applicable, proposed industry conditions, laws and regulations will continue in effect or as anticipated as described herein; that the estimates of Parex' reserves volumes and the assumptions related thereto (including commodity prices and development costs) are accurate in all material respects; that Parex will be able to obtain contract extensions or fulfill the contractual obligations required to retain its rights to explore, develop and exploit any of its undeveloped properties; 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' current and future operations and such information may not be appropriate for other purposes. Parex' 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.

Neither the TSX nor its Regulation Services Provider (as that term is defined in the policies of the TSX) accepts responsibility for the adequacy or accuracy of this release.