



News release

July 9, 2013

**Parex Provides Mid-Year Reserves Report:
2P Reserves Increase 47% to 23.7 mmbbl**

Calgary, Canada

Parex Resources Inc. ("Parex") (TSX:PXT) is pleased to announce the results of its updated reserves assessment as evaluated by GLJ Petroleum Consultants Ltd. ("GLJ") as at June 30, 2013. All amounts are stated in US dollars the reporting currency of Parex.

Mid-Year Corporate Reserves Report Highlights:

- Material increase in all reserve categories driven by a balanced capital program:
 - Cabrestero Block acquisition: Akira and Kitano
 - Exploration drilling: Adalia and Tarotaro
 - Appraisal drilling: Akira and Tua
- Proved plus probable reserves growth of 47 percent, increasing from 16.1 million barrels of oil at December 31, 2012 to 23.7 million barrels of oil (net company working interest) at June 30, 2013;
- Diversified and balanced asset portfolio with five fields representing over 80% of the proved plus probable reserves and no single field representing more than 20% of the reserves;
- Proved plus probable after tax net present value of approximately \$615 million (CAD\$647 million at current spot exchange rate) discounted at 10 percent at June 30, 2013 compared to \$449 million at December 31, 2012; and
- Finding, development and acquisition (FD&A) of approximately \$18/bbl, including the increase in future development capital (FDC) for the period January 1-June 30 2013.

"As we have outlined throughout the year, our focus during 2013 has been to demonstrate sustainability. To date in 2013, we've added more than 10 mmbbls of 2P oil reserves and increased monthly production to over 16,000 bopd, without issuing additional equity and while maintaining a strong balance sheet" commented Wayne Foo, President and CEO of Parex.

2013 Mid-Year Reserves Report

Due to a successful drilling program during the first half of 2013, GLJ was engaged to prepare an independent reserve evaluation of the corporation's reserves.

The following tables summarize information contained in the independent reserves report prepared by GLJ effective July 1, 2013 ("GLJ Report") with comparatives to the year ended December 31, 2012. The 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").

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 reserves presented are based on GLJ's forecast pricing effective June 30, 2013. Consistent with the Company's reporting currency, all amounts are in United States dollars unless otherwise noted.

Discussion of Reserves

Parex' crude oil reserves are located in Colombia's Llanos basin. Reserve additions as at June 30 2013, as evaluated by GLJ were primarily generated from a successful 2013 oil exploration and appraisal program and the Cabrestero Block acquisition. The GLJ report did not include any reserves associated with natural gas or natural gas liquids.

The quality of the oil reserves and a favourable Colombian fiscal regime generate a net present value after tax of approximately \$26 per barrel for proved plus probable reserves as at June 30, 2013. A 10 percent discount rate was used for the net present value calculations.

Reserves Volumes

Reserves Category ⁽¹⁾	December	December	June 30,	Increase
	31, 2011	31, 2012	2013	over
	(Mbbbl) ⁽²⁾	(Mbbbl)	(Mbbbl)	Dec 31,
				2012
Proved	4,953	10,063	14,077	40%
Proved plus Probable	10,712	16,100	23,664	47%
Proved plus Probable plus Possible	17,622	23,131	36,365	57%

(1) Reserves are 100% crude oil, therefore disclosure of liquids and natural gas volumes has not been provided. Reserves are before royalties.

(2) Mbbbl is defined a thousand barrels of oil.

Five Year Crude Oil Price Forecast – GLJ Report (June 30, 2013)

	2013	2014	2015	2016	2017
ICE Brent (\$/bbl)	\$106.47	\$102.50	\$102.50	\$102.50	\$100.00

Reserves Net Present Value After Tax Summary in USD⁽¹⁾

Reserves Category	December	December	June 30,	Increase
	31, 2011	31, 2012	2013	over
	(\$000s)	(\$000s)	(\$000s)	Dec 31,
			(2)(3)	2012
Proved	\$210,168	\$308,034	\$400,054	30%
Proved plus Probable	\$343,449	\$449,475	\$614,872	37%
Proved plus Probable plus Possible	\$545,681	\$600,651	\$847,375	41%

(1) Net present values are stated in USD and are discounted at 10 percent. For reference CAD spot rate was 1.052 on July 9, 2013.

(2) Includes proved plus probable future development capital (FDC) of \$185.2 million; 2012 FDC was \$124.7 million.

(3) The forecast prices used in the calculation of the present value of future net revenue are based on the GLJ June 30, 2013 price forecast.

2013 Mid-Year Reserves Reconciliation Company Gross

Oil mbbls	Total Proved	Total Proved plus Probable
December 31, 2012	10,063	16,100
Technical Revisions ⁽¹⁾	2,757	2,729
Discoveries & Extensions ⁽²⁾	3,337	6,326
Acquisition ⁽³⁾	626	1,215
Production	(2,706)	(2,706)
June 30, 2013 ⁽⁴⁾	14,077	23,664

(1) Primarily associated with the evaluations of the Las Maracas, Tua and Kona fields.

(2) Primarily associated with the evaluations of Akira, Adaila, Tua and Tarotaro fields.

(3) Associated with the Cabrestero acquisition.

(4) Subject to final reconciliation adjustments.

Second Quarter Production

Second quarter (April 1-June 30) 2013 production averaged approximately 15,450 bopd, an increase over the prior quarter production of 14,440 bopd.

2013 Production Guidance Increased to 15,000-15,500 bopd

The 2013 average production guidance was provided in January 2013 at 14,000-14,500 bopd. Subsequently, on May 14, 2013 following the additional production and reserves added by the closed Cabrestero acquisition, Parex increased its 2013 full year average production guidance to 14,500-15,000 bopd.

Based on the Company's exploration and appraisal drilling to date in 2013 and supported by the material increase our oil reserves, Parex is increasing its 2013 full year production guidance to 15,000-15,500 bopd. The Company believes that the increased production guidance can be achieved within the existing 2013 capital expenditure budget of \$210 million. Furthermore, we believe that our revised production guidance could be achieved without further exploration success during the remainder of 2013.

Middle Magdalena Basin Farm-in: VMM-11

Parex has signed a farm-in agreement for the VMM-11 block in the Middle Magdalena Basin of Colombia. Pursuant to the terms of the farm-in agreement, Parex will pay 100% of one exploration well and 20 km² of 3D seismic to earn 60% working interest and operatorship. The Block is approximately 117,000 gross acres and subject to an initial base royalty of 9%. VMM-11 is adjacent to the Velasquez-Palagua oilfield which has produced approximately 425 million barrels. The VMM-11 farm-in provides operational synergies with Parex' Morpho Block, also located in the Middle Magdalena Basin.

Corporate Overview

Parex, through its direct and indirect subsidiaries, is engaged in oil and natural gas exploration, development and production in South America and the Caribbean region. Parex is conducting exploration activities on its 1,465,566 gross acre holdings primarily in the Llanos Basin of Colombia and 219,000 gross acre holdings

onshore Trinidad. Parex is headquartered in Calgary, Canada.

For more information please contact:

Michael Kruchten

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

Kenneth G. Pinsky

Chief Financial Officer
Parex Resources Inc.
Phone: (403) 517-1729

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

"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.

All evaluations and reviews of future net cash flow are stated prior to any provision for interest costs or general and administrative costs and after the deduction of estimated future capital expenditures for wells to which reserves have been assigned. It should not be assumed that the estimated future net cash flow shown below is representative of the fair market value of the Company's properties. There is no assurance that such price and cost assumptions will be attained, and variances could be material. The recovery and reserve estimates of crude oil reserves provided are estimates only, and there is no guarantee that the estimated reserves will be recovered. Actual crude oil reserves may be greater than or less than the estimates provided.

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 exit rate production; 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, 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.

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.