



News release

August 12, 2014

Parex Announces Notice of Redemption of 5.25% Convertible Debentures

Calgary, Canada - Parex Resources Inc. ("Parex" or the "Company") (TSX:PXT) announces that it is issuing a notice of redemption to holders of its currently outstanding C\$82,875,000 5.25% Extendible Convertible Unsecured Subordinated Debentures due June 30, 2016 (the "Debentures"). As set out in the notice of redemption, Parex will redeem, as of September 25, 2014 ("Redemption Date"), all of the aggregate principal amount of the Debentures for cash. On the Redemption Date, Parex will pay the aggregate principal amount of the Debentures (being C\$1,000 for each Debenture) plus all accrued and unpaid interest thereon to but excluding the Redemption Date (less any tax required to be deducted) (collectively, the "Redemption Price").

In accordance with the terms of the Indenture governing the Debentures, Parex can redeem the Debentures prior to June 30, 2016, in whole or in part, provided that the volume-weighted average trading price of the common shares of Parex ("Parex Shares") for the 20 consecutive trading days ending on the fifth trading day preceding the date that the notice of redemption is issued exceeds 125% of the C\$10.15 per share conversion price. "We are proud that the strong performance of our operations and equity has put us in a position to redeem the Debentures well in advance of their June 30, 2016 maturity date. In addition, the early redemption simplifies our capital structure and provides enhanced financial flexibility," stated Ken Pinsky, Chief Financial Officer.

Holders of the Debentures have the right to convert their Debentures, at their option, into Parex Shares at a conversion price of C\$10.15 per Parex Share at any time prior 5:00 pm Calgary time on September 24, 2014. A holder electing to convert the principal amount of their Debentures will receive approximately 98 Parex Shares per C\$1,000 principal amount of Debentures converted plus a cash payment for accrued unpaid interest up to, but excluding, the date of conversion (less any tax required to be deducted). No fractional shares will be issued on conversion but, in lieu thereof, the Company will pay the cash equivalent thereof determined on the basis of the Current Market Price (as defined in the Indenture governing the Debentures) of the Parex Shares on the date of conversion.

The Redemption Price will be payable upon presentation and surrender of the Debentures at the following corporate trust office:

Valiant Trust Company
Suite 310, 606-4th Street S.W.
Calgary, Alberta
T2P 1T1
Attention: Corporate Trust
Email: inquiries@valianttrust.com

As all of the Debentures were issued in "book-entry only" form and are held by CDS Clearing and Depository Services Inc., beneficial holders of Debentures must contact their broker, dealer, bank, trust company or other nominee to exercise their right to convert their Debentures. Beneficial holders who intend to convert their Debentures should ensure that they contact their broker, dealer, bank, trust company or other nominee well in advance of the Redemption Date to ensure that they understand the procedure required to exercise their right of conversion. All holders of Debentures who fail to deliver a notice of conversion on or prior to 5:00 pm Calgary time on September 24, 2014 (or such other earlier time as may be indicated by their broker, dealer, bank, trust company or other nominee) will have their Debentures redeemed on the Redemption Date for a cash payment equal to the Redemption Price.

The debentures are listed on the Toronto Stock Exchange under the symbol "PXT.DB" (CUSIP 69946QAA28).

All amounts in this press release are in Canadian dollars unless otherwise identified.

For more information please contact:

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