



NOT FOR DISTRIBUTION OR FOR DISSEMINATION IN THE UNITED STATES

News release

November 13, 2013

Parex Resources Announces 2013 Third Quarter Results

Calgary, Canada

Parex Resources Inc. ("**Parex**" or the "**Company**") (TSX:PXT), a company focused on Colombian oil exploration and production, is pleased to announce financial and operating results for the three months ("Third Quarter" or "Q3") ended September 30, 2013. An update on current field activities and the Company's drilling schedule are also provided below. All amounts herein are in United States dollars unless otherwise stated.

Third Quarter Highlights:

- Achieved quarterly oil production of 16,199 bopd, an increase of 5% over the second quarter of 2013 and a 49% increase from the comparative period;
- Realized Brent referenced sales price of \$106.41/bbl and an operating netback of \$63.88/bbl;
- Generated funds flow from operations of \$68.2 million (\$0.63 per share basic) as compared to \$65.6 million (\$0.61 per share basic) for the previous quarter and \$0.39 per share basic in the comparative period;
- Net loss of \$28.0 million was a result of recording a \$37.6 million non-cash impairment in respect of the relinquishment of the Central Range blocks in Trinidad;
- Participated in drilling 6 gross wells¹ (2.85 net) in Colombia, resulting in 5 oil wells and 1 untested well. Capital expenditures were \$49.9 million; and
- Expanded our Colombian Llanos exploration acreage. To date in 2013, we've added to our land position by 470,000 net acres and expanded our inventory portfolio through 6 transactions². During the Third Quarter we signed:
 - LLA-24 farm-in for 70% working interest and operatorship; and
 - LLA-26 acquisition of 80% working interest and operatorship.

¹ Oil wells: Las Maracas-10 (temporarily suspended), Las Maracas-11 (producing), Las Maracas-12 (temporarily suspended), Tarotaro-3 (producing), Tarotaro-5 (producing); Untested well: Tigana-1.

² Cabretero Acquisition, VMM-11 Farm-in, LLA-24 Farm-in, LLA-26 Acquisition, Morpho Acquisition, Cebucan Acquisition

Highlights⁽¹⁾

	Three Months ended September 30,		Three Months ended June 30,
	2013	2012	2013
Operational			
Average daily production			
Oil (bopd)	16,199	10,874	15,463
Average daily sales			
Oil (bopd)	16,041	10,833	16,325
Oil Inventory – end of period (barrels)	146,588	139,100	134,636
Operating netback (\$/bb)			
Reference Price - Brent	110.22	109.63	102.56
Oil revenue	106.41	107.53	99.34
Royalties	(13.75)	(8.07)	(13.65)
Net revenue	92.66	99.46	85.69
Production expense	(10.06)	(9.27)	(9.19)
Transportation expense	(18.72)	(19.62)	(18.28)
Operating netback	63.88	70.57	58.22
Financial (\$000s except per share amounts)			
Oil and natural gas revenue	157,043	130,824	147,585
Net income	(27,965)	7,538	7,632
Per share – basic	(0.26)	0.07	0.07
Adjusted Net income ⁽²⁾	(23,940)	7,490	5,988
Per share – basic	(0.22)	0.07	0.06
Funds flow from operations	68,241	42,012	65,638
Per share – basic	0.63	0.39	0.61
Capital expenditure ⁽³⁾	49,962	50,902	77,921
Total assets	820,827	789,546	824,276
Working capital (deficit) surplus	18,801	(9,014)	8,630
Convertible debentures ⁽⁴⁾	66,898	65,251	64,338
Long-term debt ⁽⁵⁾	18,500	-	27,400
Outstanding shares (end of period) (000s)			
Basic	108,285	108,422	108,416
Diluted ⁽⁶⁾	112,798	109,340	110,902

(1) The table above contains Non-GAAP measures. See "Non-GAAP Terms" for further discussion.

(2) Net income has been adjusted for the International Financial Reporting Standards ("IFRS") accounting effects of changes in the derivative financial liability related to the convertible debenture. Management considers adjusted net income a better measure of the Company's financial performance.

(3) For the three months ended June 30, 2013, the Cabrestero Block acquisition of 50% working interest for approximately \$12.5 million is included.

(4) Face value of the convertible debenture is Cdn\$85 million with a conversion price of Cdn\$10.15 per share.

(5) Borrowing limit currently set at \$100 million.

(6) Diluted shares as stated include the effects of common shares and in-the-money stock options outstanding at the period-end. The September 30, 2013 closing stock price was Cdn\$5.83 per share.

Third Quarter Financial Summary

For the Third quarter of 2013, sales volumes averaged 16,041 bopd (net working interest before royalty) and the average realized sales price in Colombia was \$106.41 per barrel, generating an operating netback of \$63.88 per barrel. Operating plus transportation unit costs were \$28.78/bbl compared to \$27.47/bbl in the previous quarter. Compared to the previous quarter, production expenses of \$10.06/bbl increased by \$0.87/bbl, primarily driven by a \$2.97/bbl increase in non-operated production expenses.

Funds flow from operations in the Third Quarter of 2013 of \$68.2 million (\$0.63 per share basic) included a net increase of 11,952 barrels of crude oil inventory. For the period of January 1-September 30, 2013 funds flow from operations were \$194.1 million.

The Company's capital expenditures were \$49.9 million in the Third Quarter, of which \$49.8 million was related to Colombia. Capital expenditures included \$2.6 million to complete the LLA-32 and LLA-34 3D seismic program, \$38.7 million for drilling and completions and \$7.7 million for facilities at the Las Maracas and Tua fields. For the period of January 1-September 30, 2013 capital expenditures were \$175.1 million.

Working capital surplus at period end was \$18.8 million, including \$26.3 million in cash compared to a working capital surplus of \$8.6 million in the previous quarter. Working capital also reflects the Company's 146,588 bbls of crude oil inventory valued at cost. The Company had bank debt of \$18.5 million on a current available facility of \$100 million. Net debt, defined as working capital less bank debt, has improved by \$22.0 million from December 31, 2012 to September 30, 2013.

Copies of the Company's consolidated financial statements and the related Management's Discussion and Analysis ("MD&A") have been filed with Canadian securities regulatory authorities and will be made available under the Company's profile at www.sedar.com and on the Company's website at www.parexresources.com.

Operations Update

La Casona (Operated, El Eden Block WI 60%): La Casona-2 appraisal was drilled 600 meters away from La Casona-1 and has been rig released. A work-over rig is being mobilized to test the Mirador Formation, which was untested in the La Casona-1 well.

The long-term test production facility for the La Casona-1 well, which includes gas compression and sales, was commissioned following the demobilization of the La-Casona-2 drilling rig. Over the next week, we expect the La Casona-1 production to commence.

La Guira (Operated, Los Ocarros Block WI 50%) The La Guira-1 exploration well was spud on October 9, 2013, drilled to a total depth of 12,500 feet and drilling rig released to completion operations on October 22, 2013. The drilling rig is being mobilized to the Akira field.

The La Guira-1 exploration well encountered 11 feet of net pay in the Mirador Formation which was flow tested on a fully open choke for a period of 24.5 hours. The well started producing under natural flow at rates of approximately 1,000 bopd of light 37.5 degree API oil with an initial water cut of 20% which increased to more than 50% by the end of the test when the well ceased to flow naturally. A total of 206 bbls of oil and 162 bbls of water were produced during the test for an average oil rate of 202 bopd. The Gacheta Formation was also flow tested and produced non-commercial amounts of hydrocarbons.

An electric submersible pump was installed in La Guira-1 and Parex expects to build a flow line from the well to the Las Maracas treatment plant to allow for long term testing and production of the discovery. The La Guira field is located approximately 7 kilometers to the south of the Las Maracas Field.

Tigana (Non-Operated, LLA-34 WI 45%) The Tigana-1 exploration well on Block LLA-34 was spud on September 9, 2013. The Tigana Sur-1 exploratory well, the adjacent structural prospect located 1,200 meters from Tigana-1, was spud on October 1, 2013. Each well has been cased and we expect to test the Mirador and Guadalupe formations in both wells.

Drilling Schedule

Parex currently has a catalyst rich program entering the dry season in the Llanos Basin. A summary of the current drilling/testing program plus the immediately following locations is provided below:

#	Prospect	Block	Timing / Status
1	Rumi-1	El Eden	Drilling
2	Adalia-3	LLA-30	Mobilizing rig
3	Adalia-2	LLA-30	Spud following Adalia-3
4	La Casona-2	El Eden	Preparing to Test
5	Akira-5	Cabrestero	Mobilizing rig
6	Akira-6	Cabrestero	Spud following Akira-5
7	Tigana-1 & Tigana Sur-1	LLA-34	Preparing to Test
8	Aruco-1	LLA-34	Mobilizing rig
9	Tua-6	LLA-34	Spud following Aruco
10	Celtis-1	LLA-40	Spud following Adalia-2

For the fourth quarter of 2013, Parex plans to drill approximately (gross) 3 exploration prospects and 5 appraisal/development wells, all in Colombia.

To view a regional map of Parex' current Colombian land holdings, click on the link: <http://parexresources.com/sites/default/files/PXTLand.pdf>

2013 Outlook

We expect production for the fourth quarter of 2013 to be 16,800 bopd and full year 2013 production therefore to be approximately 15,700 bopd, which would be a 38% increase over the 2012 average production of 11,407 bopd (2011 5,345 bopd). Parex' original 2013 production guidance (January 8, 2013) was 14,000-14,500 bopd and was subsequently increased (July 9, 2013) to 15,000-15,500 bopd.

Capital expenditures for 2013 are estimated to range between \$225 million to \$235 million, dependent upon the timing of year end capital activity. We expect that for 2013, funds flow from operations will be in excess of capital expenditures.

2014 Guidance Timing

We expect to provide our 2014 guidance pre-market November 18, 2013.

Q3 Conference Call Information

Parex will host a conference call to discuss these results on Thursday November 14, 2013 beginning at 9:30 am MT. To participate in the call, dial 1-866-696-5910, pass code: 8740503.

The live audio will be carried at: <http://bell.media-server.com/m/p/qa942i6f>

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.

For more information please contact:

Mike Kruchten

Vice President, Corporate Planning & Investor Relations

Parex Resources Inc.

Phone: (403) 517-1733

Investor.relations@parexresources.com

Non-GAAP Terms

Funds flow used in, or from operations, working capital, adjusted net income, operating netback per barrel and net debt may from time to time be used by the Company, but do not have any standardized meaning under IFRS and may not be comparable to similar measures presented by other companies. Funds flow used in, or from operations includes all cash generated from operating activities and is calculated before changes in non-cash working capital. Funds flow used in, or from operations is reconciled with net earnings in the consolidated statements of cash flows. Funds flow per share is calculated by dividing funds flow used in, or from operations by the weighted average number of shares outstanding. Working capital includes current assets less current liabilities but may not include the change in non-cash working capital from one period to the next. Adjusted net income is determined by adding back any losses or deducting any gains associated with the Company's derivative financial liability. Operating netback per barrel equals sales revenue, less royalties, production expense and transportation expense, divided by total equivalent sales volume. Total net debt is a non-GAAP measure defined as the sum of working

capital less the convertible debentures (excluding the derivative financial liability associated with the convertible debentures). Diluted shares include common shares plus in-the-money stock options based on the period end common share price. Management uses these non-GAAP measures for its own performance measurement and to provide shareholders and investors with additional measurements of the Company's efficiency and its ability to fund a portion of its future growth expenditures.

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, expected impairment of exploration and evaluation assets to be recognized in Parex' third quarter financial statements; the focus of the Company's operations in Colombia; financial and business prospects; and activities and capital expenditures to be undertaken in various areas.

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; royalty rates, future operating costs; that the Company 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 the Company's conduct and results of operations will be consistent with its expectations; that the Company will have the ability to develop the Company's oil properties in the manner currently

contemplated; that the estimates of the Company's reserves volumes and the assumptions related thereto (including commodity prices and development costs) are accurate in all material respects; 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.