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News release

January 29, 2014

**Texas Appeals Court Dismisses Parex Resources Inc. from Ramshorn  
Litigation**

**Calgary, Canada**

Parex Resources Inc. ("**Parex**" or the "**Company**") (TSX:PXT) provides an update respecting the lawsuit (the "**Lawsuit**") filed in the 61st Judicial District Court of Harris County, Texas (the "**Texas Trial Court**") on March 20, 2012, by a Texas based private company (the "**Plaintiff**") wherein Parex and its wholly owned subsidiaries Parex Resources (Bermuda) Ltd. ("**Parex Bermuda**") and Ramshorn International Limited ("**Ramshorn**") have been named as defendants.

As previously announced by Parex, the Lawsuit relates to a share purchase agreement entered into by the Plaintiff and a third party seller (the "**Seller**") respecting the proposed purchase by the Plaintiff of the Class A shares of Ramshorn, which prior agreement the Plaintiff claims was improperly terminated by the Seller. Each of Parex, Parex Bermuda and Ramshorn specially appeared in the Lawsuit to challenge the jurisdiction of the Texas Court and to seek dismissal of the claims against them.

Also as announced, a hearing on the jurisdictional aspects of the case took place on November 19 and 20, 2012 wherein the Texas Trial Court found that it does not have jurisdiction over Parex Bermuda and ordered that all of the Plaintiff's claims against Parex Bermuda be dismissed. The Plaintiff's claims against Parex and Ramshorn were not, however, dismissed by the Texas Trial Court. Parex and Ramshorn filed a Notice of Appeal of the Texas Court's rulings in this regard. Similarly, the Plaintiff filed a Notice of Appeal regarding the dismissal of the claims against Parex Bermuda. All proceedings in the Lawsuit, and most discovery, were stayed pending the outcome of the appeal on these jurisdictional matters.

The appeal hearing on the jurisdictional aspects of the case took place on September 18, 2013 in the Fourteenth Court of Appeals of the State of Texas (the "**Texas Appeal Court**"). The decision of the Texas Appeal Court on these jurisdictional matters has now been received. The Texas Appeal Court reversed the decision of the Texas Trial Court respecting Parex and dismissed all of the Plaintiff's claims against Parex for lack of jurisdiction. The Texas Appeal Court also affirmed the decision of the Texas Trial Court dismissing all of the Plaintiff's claims against Parex Bermuda for lack of jurisdiction. Lastly, the Texas Appeal Court affirmed the decision of the Texas Trial Court respecting Ramshorn such that Ramshorn remains subject to the Lawsuit. The causes of action alleged against Ramshorn in the suit all relate to acts and conduct by Ramshorn that the Plaintiff alleges took place prior to Parex Bermuda's acquisition of Ramshorn.

Parex believes that the Lawsuit and the Plaintiff's claims are baseless and without merit and the Company will continue to vigorously defend the Lawsuit.

**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](mailto:Investor.relations@parexresources.com)