News Release **May 12, 2014**

Parex Resources Announces 2014 First Quarter Results and Exploration Success

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 ("First Quarter" or "Q1") ended March 31, 2014. All amounts herein are in United States dollars unless otherwise stated.

Q1 2014 Financial and Operational Highlights:

- Achieved a record quarterly oil production of 18,425 barrels per day, an increase of 7 percent over the three months ending December 31, 2013;
- Generated funds flow from operations of $76.7 million ($0.70 per share basic);
- Realized sales price in Colombia averaged $103.42 per barrel of oil and an operating netback of $61.20 per bbl;
- The Company participated in drilling 10 gross (6.15 net) wells in Colombia resulting in 3 oil wells, 2 disposal wells, 4 cased and untested and 1 dry and abandoned[1];

First Quarter 2014 Financial Summary

For Q1 2014, sales volumes averaged 19,099 bopd (net working interest before royalty) and the average realized sales price in Colombia was $103.42 per barrel ("/bbl"), generating an operating netback of $61.20/bbl.

Operating plus transportation unit costs were $27.74/bbl compared to $29.13/bbl in the previous quarter. First quarter production expenses were $9.66/bbl comprising of $7.57/bbl in operated fields and $14.99/bbl in non-operated fields.

Funds flow from operations in the First Quarter of 2014 of $76.7 million ($0.70 per share basic) compared to $60.3 million ($0.56 per share basic) in the comparative period. The Company's Q1 capital expenditures were $61.4 million, which included $52.2 million for drilling and completions and $7.3 million for facilities primarily at the Akira and Tua fields.

Working capital surplus at period end was $37.0 million, including $40.3 million in cash compared to a working capital surplus of $24.0 million in the previous quarter. The Company had bank debt of $4.0 million on a current available facility of $125 million.

1 Oil wells: Tua-6 (producing), Celtis-1 (temporarily suspended), Kananaskis-1 (temporarily suspended); Disposal wells: Akira-5, Ardisia-1; Untested: Akira-7, Akira-8, Tigana-2, Tigana-3; Dry & Abandoned: Urraca-1.

Net working capital, defined as working capital less bank debt, increased by $17.5 million over December 31, 2013 to $33.0 million.

	Three Months ended March 31, 2014	Three Months ended March 31, 2013	Three Months ended Dec 31, 2013
Operational			
Average daily production			
Oil (bbl/d)	**18,425**	14,440	17,287
Average daily sales			
Oil (bbl/d)	**19,099**	13,328	17,365
Oil Inventory – end of period (barrels)	**73,565**	196,689	137,000
Operating netback ($/bbl)			
Reference Price - Brent	**108.17**	112.44	109.21
Oil revenue	**103.42**	109.63	101.64
Royalties	**(14.48)**	(15.15)	(11.73)
Net revenue	**88.94**	94.48	89.91
Production expense	**(9.66)**	(10.78)	(9.94)
Transportation expense	**(18.08)**	(16.67)	(19.19)
Operating netback	**61.20**	67.03	60.78
Financial **($000s except per share amounts)** [1]			
Oil and natural gas revenue	**179,794**	164,990	166,959
Net income	**9,663**	11,136	21,869
Per share – basic	**0.09**	0.10	0.20
Adjusted Net income [2]	**20,099**	6,538	23,201
Per share – basic	**0.18**	0.06	0.21
Funds flow from operations	**76,746**	60,226	75,818
Per share – basic	**0.70**	0.56	0.70
Capital expenditure	**61,405**	47,172	58,817
Total assets	**882,306**	827,821	854,808
Working capital surplus	**36,957**	16,972	24,005
Convertible debentures[3]	**64,728**	65,402	66,060
Long-term debt [4]	**4,000**	20,000	8,530
Outstanding shares (end of period) (000s)			
Basic	**109,783**	108,514	108,712
Diluted[5]	**118,353**	112,847	118,276

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

(4) Borrowing limit currently set at $125 million.
(5) Diluted shares as stated include the effects of common shares and in-the-money stock options outstanding at the period-end. The March 31, 2014 closing stock price was Cdn$9.50 per share.

Business Development: Expanding Drilling Inventory

1. **Capachos Farm-in**: On May 5th, 2014 Parex has signed a farm-in agreement with Ecopetrol S.A. for the joint development of the Capachos Block, situated in the northern foothills of the Llanos Basin. Pursuant to the terms of the farm-in agreement, Parex will pay 100% of the cost of two wells in the Capachos development focus area to re-activate the field and earn 50% working interest and operatorship. The Capachos development area is approximately 8 kilometers long, has multi-zone potential at a depth of approximately 16,000 feet and has produced light oil prior to being shut-in. We expect to commence drilling operations in Q1 2015 subject to regulatory approval from the National Hydrocarbons Agency ("ANH").

2. **Sorgenia Acquisition**: Parex has purchased Sorgenia E&P Colombia B.V. ("Sorgenia") for a cash consideration of approximately $5 million. The acquisition consolidates our working interest to 100% and removes prior farm-in carries for LLA-24 and LLA-26. We also acquire 25% working interest in the Llanos Basin Cerrero Block and 10% working interest in the Balay development area.

3. **Cerrero Farm-in**: Parex has signed a farm-in agreement with Perenco for the Cerrero Block which is located directly west of the Corcel and LLA-34 blocks. Pursuant to the terms of the farm-in agreement, Parex will pay 75% of the cost of one exploration well to earn 40% working interest and block operatorship. Subsequent to the farm-in and Sorgenia acquisition our Cerrero working interest will be 65%.

Operational Update

A summary of the current drilling/testing program plus the immediately following locations is provided below:

#	Prospect / Well	Block	Timing / Status
1	Akira Field	Cabrestero	Facility Commissioning May
2	Arlequin-1	Cebucan	Casing Well
3	Begonia-1	LLA-40	Tested 2,100 bopd
4	Calona-1	LLA-32	Ready to Test
5	Carmentea-1	LLA-32	Ready to Test
6	Chacharo-1	Cerrero	Casing Well
7	Celtis-1	LLA-40	Tested 600 bopd
8	Kananaskis-1	LLA-32	Tested 3,555 bopd
9	Katmandu Norte-1	Cerrero	Rig mobilizing
10	Las Maracas-15	Los Ocarros	Spud after Arlequin
11	Terranova-1	LLA-57	Drilling
12	Tigana Norte-1	LLA-34	Ready to Test
13	Tigana Sur Oeste-1	LLA-34	Preparing to spud
14	Tigana Sur-2	LLA-34	Spud after Tigana Sur Oeste-1
15	Tigana-2	LLA-34	Ready to Test
16	Tigana-3	LLA-34	Ready to Test

Akira (Operated, Cabrestero Block, WI 100%): Commissioning of the oil treatment plan is underway. Akira-7 and Akira-8 which were drilled and cased during Q1 2014 are expected to be tested during Q2 2014. We also expect to re-start production from Kitaro-1.

Arlequin (Operated, Cebucan Block, WI 100%): The Arlequin-1 exploration well has reached its planned total depth is 15,300 feet and is being cased. This well fulfills the current phase commitment.

Begonia (Operated, Block LLA-40, WI 50%): The Begonia-1 exploration well was drilled to a depth of 9,458 feet. The Begonia-1 well was tested in the C7 Formation and naturally flowed 38.6^{o} API oil at a rate of 2,100 bopd with a watercut of 0.6% and a choke of 3/8" at the end of the 6 day short term testing period. We expect initial production to commence during Q2 2014. The Berbena-1 exploration well, located 5 kilometers from Begonia was drilled but did not recover commercial hydrocarbon volumes and is being converted to a water disposal well for Begonia-1.

Chacharo (Non-Operated, Cerrero Block, WI 25%): Parex participated in the Chacharo-1 exploration well through its acquisition of Sorgenia. The well has reached its total depth of approximately 13,650 feet and is being cased.

Block LLA-32 (Non-Operated, WI 30%): The operator has concluded testing operations in four zones in the Kananaskis-1 well. The Une Formation and two zones in the Gacheta Formation were tested and each zone tested gas with minor amounts of condensate. Parex plans to conduct further analysis to determine if the hydrocarbons in the Gacheta Formation could be economically recovered. The Mirador Formation tested an average of 3,555 bopd of 30^{o} API oil over an 8 hour period under natural flowing conditions with a final water-cut of 0.8% and a total of 1,186 barrels of oil was recovered. An ESP has been installed to start production from the Mirador Formation during Q2 2014.

The Carmentea-1 and the Calona-1 exploration wells have been drilled and cased. Testing operations have begun on Carmentea-1 and will then proceed to Calona-1.

Block LLA-57 (Operated, WI 100%): Parex has spud Terranova-1 and plans to immediately drill a second exploration well on the block to fulfill the block work commitments.

Rumi (Operated, El Eden Block WI 60%): The Rumi-1 exploration well was drilled in Q4 2013 and encountered oil bearing reservoirs in the Une formation. A long term testing facility has been commissioned and production from the Une Formation commenced in May 2014 at a rate of approximately 225 bopd. The production performance of the Rumi-1 well will determine any future follow-up drilling locations.

Tigana (Non-Operated, Block LLA-34, WI 45%): Tigana-2 and Tigana-3 appraisal wells were drilled approximately 400 meters north-west and 900 meters west of Tigana-1. Tigana Norte-1 was drilled approximately 1,300 meters northeast of the Tigana-1 discovery well to delineate the structure along trend and outside of the currently mapped 3P reserves area. In all three appraisal wells, log analysis indicated oil potential in the Mirador and Guadalupe reservoirs. Each well has been cased and we expect testing to be completed by the end of Q2 2014.

A new pad approximately 900 meters south of the Tigana Sur 1 well has been built to delineate the southern portion of the Tigana structure and the first well, Tigana Sur Oeste-1 has commenced drilling operations.

Tua (Non-Operated, Block LLA-34, WI 45%): Tua-7 and Tua-8 have been approved by partners as the next delineation wells to be drilled in the Tua field during Q3 2014.

2014 Guidance Update

To date in 2014, Parex has experienced strong appraisal and exploration drilling results. We currently have 4 operated and 6 non-operated wells that have either been tested and temporarily suspended, or are cased with favorable log results and awaiting testing[2]. We have projected Q2 2014 production will be 19,000-19,500 bopd and we anticipate continued quarterly production growth during 2014. At the end of Q2 2014 after assessing the initial production results of its current inventory of 10 non-producing wells, Parex expects to:

- update and increase its full year production guidance;
- revise its full year capital program in line with year-to-date exploration success, production growth, strong netbacks and addition of new properties; and
- release a mid-year independent reserve evaluation.

Annual General Meeting

Parex will hold the Annual General Meeting ("AGM") on May 13, 2014 at 10:30 am (Calgary Time) at the Jamieson Place Conference Centre, third floor of the Jamieson Place Tower, 308 - 4th Avenue S.W., Calgary, Alberta T2P 0H7. The AGM will be webcast at http://www.gowebcasting.com/5416.

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For more information please contact:

Michael Kruchten
Vice-President Corporate Planning and Investor Relations
Parex Resources Inc.
Phone: (403) 517-1733
Investor.relations@parexresources.com

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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

[2] Operated: Akira-7, Akira-8, Begonia-1, Celtis-1; Non-operated: Tigana-2, Tigana-3, Tigana Norte-1, Kananaskis-1, Calona-1, Carmentea-1. Additionally, Parex expects Adalia-1 which was temporarily suspended due to community demands to resume production during 2014.

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 3-D 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.

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