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News release

November 13, 2012

Parex Resources Announces La Casona Light Oil Discovery, Third Quarter Results and October Production of 12,400 bopd

Calgary, Canada

Parex Resources Inc. ("Parex", the "Company" or "we") (TSX:PXT), a company focused on oil exploration and production in Colombia and Trinidad is pleased to announce a light oil discovery, La Casona-1 on the El Eden Block. We are also providing financial and operating results for the three months ended September 30, 2012 ("third quarter"), including an oil discovery in the Las Maracas Gacheta Formation. Furthermore, with October production of 12,400 bopd, Parex has made significant progress towards its 2012 exit rate guidance of 13,000-14,000 barrels of oil per day ("bopd"). An update of the Company's operations is also provided below. All amounts herein are in United States dollars unless otherwise stated.

Operational and Financial Highlights:

- Confirmed new oil discovery with rate restricted production test of 1,300 bopd of 36° API light oil and 4.0 million cubic feet per day ("MMCFD") of natural gas at La Casona-1;
- Achieved October 2012 production of 12,400 bopd, a 14 percent increase over the third quarter production of 10,874 bopd;
- Realized quarterly Brent referenced sales price of \$107.53 per barrel ("bbl") and an operating netback of \$70.57 per bbl;
- Generated third quarter funds flow from operations of \$42.0 million (\$0.39 per share basic) and adjusted net income of \$7.5 million (\$0.07 per share basic). Funds flow in the quarter was reduced because the current tax provision was increased by \$15 million over the previous quarter due to continued strong operating netbacks, production growth and exploration success;
- Participated in and cased 5 wells (2.5 net) in Colombia during the third quarter including one new pool discovery and two new oil wells¹;
- Increased the current borrowing base of a reserve base facility from \$50 million to \$75 million. This reserve based facility was undrawn at September 30, 2012; and
- Continued to increase monthly production with October production of approximately 12,400 bopd primarily driven by production increases from Kona, Las Maracas, Maniceno and Tua fields. Las Maracas-5 and Tua-3 are expected to be added to production prior to year-end 2012.

¹ Third quarter 2012 wells were: Oil discovery: Las Maracas-3 Gacheta Formation; Oil wells: Las Maracas-4 & Kitaro-2; Currently testing: Akira-1; Suspended well: Tua-2 (pending remediation).

2012 Guidance Update

For the fourth quarter of 2012, Parex currently plans a self-funding capital investment program of approximately \$45-\$50 million and a 2012 exit rate of 13,000-14,000 bopd.

In early 2013, after evaluating the results of ongoing exploration and appraisal activity, and finalizing partner budgets, Parex expects to be in a position to update shareholders on 2013 capital expenditure plans and production guidance.

Capital Expenditure Activity

Parex expects that for the remainder of 2012, it will fund Colombian capital activity based on (gross) three drilling rigs and two service rigs (approximately 60 percent working interest). In Trinidad, the Company's capital program will be based on one service rig (83.8 percent working interest) and the commencement of a 2D seismic program (50 percent working interest).

Remainder of 2012 Planned Drilling Activity:

Drilling Type	Status	Block	Working Interest	Field/Well
Appraisal	Drilling	LLA-34	45%	Tua-3
Appraisal	Pre-spud	LLA-34	45%	Max-2
Appraisal	Testing	Los Ocarros	50%	Las Maracas-5
Appraisal	Pre-spud	Los Ocarros	50%	Las Maracas-6
Appraisal / Water Disposal	Pre-spud	Los Ocarros	50%	Las Maracas-7
Exploration	Testing	El Eden	60%	La Casona-1
Exploration	Pre-spud	LLA-16	100%	Kona Sur
Exploration	Pre-spud	LLA-30	100%	Adalia-1

Parex is negotiating to secure a 1,000 hp rig to commence dry season exploration drilling on blocks LLA-29, LLA-30 and LLA-57.

Q3 Results Summary

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. All amounts herein are in United States dollars unless otherwise stated.

	Three Months ended September 30 ⁽¹⁾		Three Months ended June 30 ⁽¹⁾
	2012	2011	2012
Operational			
Average daily production			
Oil (bbl/d)	10,874	7,031	10,389
Average company produced daily sales			
Oil (bbl/d)	10,833	6,058	11,556
Oil Inventory – end of period (barrels)	139,100	179,500	164,800
Operating netback (\$/bbl)			
Oil revenue	107.53	97.64	107.54
Royalties	(8.07)	(8.04)	(8.43)
Net revenue	99.46	89.60	99.11
Production expense	(9.27)	(6.15)	(6.82)
Transportation expense	(19.62)	(16.05)	(19.01)
Operating netback	70.57	67.40	73.28
Financial (\$000s except per share amounts)			
Oil and natural gas revenue	130,824	54,429	113,087
Net income	7,538	14,823	20,920
Per share – basic	0.07	0.14	0.19
Adjusted Net income⁽²⁾	7,490	22,955	11,654
Per share – basic	0.07	0.06	0.11
Funds flow from operations⁽³⁾	42,012	31,814	61,357
Per share – basic	0.39	0.29	0.57
Capital expenditure⁽⁴⁾	50,902	54,485	92,514
Total assets	789,546	619,240	768,498
Cash and cash equivalents	26,542	90,273	50,529
Working capital (deficit) surplus ⁽⁵⁾	(9,014)	77,890	(555)
Convertible debentures ⁽⁶⁾	(65,251)	(57,226)	(61,940)
Long-term debt ⁽⁷⁾	-	-	-
Outstanding shares (end of period)			
(000s)			
Basic	108,422	108,215	108,422
Diluted ⁽⁸⁾	112,935	118,064	111,495

- (1) The table above is unaudited and 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) Reflects current tax provision of \$19.3 million compared to \$4.2 million in the previous quarter. The quarter over quarter change in funds flow from current tax is approximately \$0.14 per basic share.
- (4) Excluding corporate acquisitions.
- (5) On a fair market value basis the inventory on hand of 139,100 barrels would have a value of approximately \$15.3 million or a fair value adjustment of approximately \$5.6 million.
- (6) Face value of the convertible debenture is Cdn \$85 million with a conversion price of Cdn\$10.15 per share.
- (7) Parex currently has a reserve based loan with a borrowing limit of \$75 million that was undrawn at September 30, 2012.
- (8) Diluted shares include the effects of common shares, in-the-money stock options and potential shares issuable on conversion of in-the-money convertible debentures outstanding as at the period-end. The September 28, 2012 closing stock price was \$4.83 per share. Diluted shares outstanding at September 30, 2012 per the MD&A of 126.6 million shares include all potential dilution.

Operations Update

Parex provided a detailed operations update in its October 2, 2012 news release that incorporated exploration and production results to the end of the third quarter. Below is a summary of activities subsequent to the previous operations update. Note that production and test rates are stated in gross amounts.

Colombia Production

October 2012 production was approximately 12,400 bopd, a 14 percent increase over the third quarter of 2012 production of 10,874 bopd. Parex re-confirms its 2012 exit rate guidance of 13,000-14,000 bopd.

Block LLA-16 (operated 100 percent working interest)

After receiving the development license for the Kona field in June 2012, Parex is now able to drill additional infill wells and to re-complete existing wells and co-mingle different producing formations. In late August 2012 the Company re-completed Kona-10 by adding perforations in the lower Gacheta Formation, increasing Kona production to approximately 6,000 bopd. For the remainder of 2012, Parex expects to manage Kona field production in the 5,500-6,000 bopd range through additional optimization efforts.

Prior to year-end, Parex expects to drill Kona Sur exploration well. Kona Sur will evaluate the southern extension of the Kona field, which is outside the booked proved plus probable reserve area. Other exploration prospects on LLA-16 will be evaluated for drilling as part of the block's second exploration phase. Additional LLA-16 exploration prospects are expected to be drilled during 2013.

Los Ocarros Block (operated 50 percent working interest)²

Since April 2012, the Las Maracas field has been on producing light oil from the Mirador and Gacheta formations. The first production test for Las Maracas-5 was the Basal Gacheta Formation, a sand not present at Las Maracas-3 or Las Maracas-4. The Basal

² Parex operatorship and working interest are pending regulatory approval of the assignment pursuant to the farm-in agreement

Gacheta zone was tested over a 20 hour period under natural flowing conditions at a maximum rate of 750 bopd at 0.4 percent water-cut. A total of 510 bbl of 32° API oil was recovered during the test. Parex will be evaluating bottom-hole pressure data to fully evaluate the Basal Gacheta zone once the information has been recovered from the wellbore. The next zone to be completed in the well is the main Gacheta Sandstone which is the same producing formation as in Las Maracas-3 and Las Maracas-4.

The Company also plans to drill one to two additional appraisal wells prior to year-end to appraise both the Mirador and Gacheta formations, subject to partner and regulatory approvals.

El Eden Block (operated 60 percent working interest) ²

The La Casona-1 exploration prospect was spud on September 4 2012, drilled to its target depth of 16,500 feet and rig released on October 29, 2012 after 55 days of drilling and was drilled on budget. The well encountered approximately 80 feet of potential net hydrocarbon pay while drilling through the Mirador and Une formations.

The Une reservoir was tested over a 32 hour period at a maximum rate of approximately 1,300 bopd and 4.0 MMCFD of natural gas at a flowing wellhead pressure of 3,000 psi under a 20/64 inch choke. Preliminary review of the bottom hole pressure data indicates a producing drawdown of approximately 4 percent at the end of the test. A total of 1,042 barrels of 36° API oil was recovered during the test and the final water-cut measured at the end of the test was 0.5 percent. The well was production tested at restricted rates due to gas flaring limitations. Bottom-hole pressure recorders were installed and Parex will be evaluating the information to assess the unrestricted well capability.

Future testing of La Casona-1 well is expected to include the Mirador Formation which was not assessed in the preliminary test. Parex is also evaluating options for drilling an appraisal well and implementation of an early production program.

Cabrestero Block (Operated 50 percent Working Interest) ²

The Akira-1 exploration prospect was drilled to approximately 10,000 feet and is currently testing the Guadalupe Formation. Parex expects to drill an appraisal well during 2013.

Block LLA-34 (non-operated 45 percent working interest)

Tua-1 began producing on October 2, 2012 at a rate of approximately 1,000 bopd. The appraisal well Tua-3 was spud on October 5, 2012 and is currently drilling. The operator expects to employ a service rig to test Tua-3 and subsequently to attempt to remediate the wellbore cement on Tua-2, which encountered prospective oil pay in the Mirador and Guadalupe formations.

Parex expects an additional appraisal well to be drilled on LLA-34 at either Max or Tua prior to year-end 2012.

Trinidad Update

The Company is testing the Firecrown 1 ST2 well. Following the acquisition of production and reservoir information, Snowcap 1 testing has been completed and Parex is evaluating drilling an appraisal well, Snowcap 2 in 2013.

To fulfill the Central Range Block ("CRB") work commitments, Parex and its partner are commencing a 340 kilometer 2D seismic acquisition and expect to spud the Deep CRB commitment well in mid-2013.

Risk Management

As part of its risk management program, Parex has entered into the following crude oil commodity price derivative contracts:

- Fixed price swap: Brent ICE for 2,000 barrels per day at \$111.70 per bbl for the period from September 1, 2012 to December 31, 2012.
- Costless Collar: Bought \$100 per bbl put and sold \$123 per bbl call for 2,000 barrels per day of Brent ICE for the period from November 1, 2012 to March 31, 2013.

Conference Call Information

Parex will host a conference call to discuss these results on **Wednesday, November 14, 2012 at 9:30 am MST (11:30 am EST)**. Members of the news media, analysts and investors wishing to participate can access it by calling 1-866-696-5910, pass code: 1031465#.

The live audio will be carried at:

<http://www.bellwebcasting.ca/audience/index.asp?eventid=98627435>

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 1,350,000 acre holdings in Colombia and its 219,000 acre holdings onshore Trinidad. Parex is headquartered in Calgary, Canada.

The following hyperlink can be used to access the Company's corporate presentation:

<http://www.parexresources.com/sites/default/files/presentations.pdf>

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Non-GAAP Terms

Funds flow used in, or from operations, working capital, adjusted net income, and

operating netback per barrel are from time to time 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. 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, plans for and results of drilling activity, 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 and wells; 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; regulatory assignment of working interest on certain blocks; quarter over quarter growth; timing of drilling and completion; planned capital expenditures, the timing thereof and the source of funding for such capital expenditures; and details of the Company's exploration drilling and testing program. 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 factors described under "Risk Factors" in the Company's annual information form for the year ended December 31, 2011; and other factors, many of which are beyond the Company's control. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could effect Parex' 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 on 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, 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' current and future operations and such information may not be appropriate for other purposes. Parex' 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.

In addition, the well test results are not necessarily indicative of long-term performance or of ultimate recovery.

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.