



News Release

November 2, 2015

**Parex' 2016 Guidance: 10% Growth to 30,200 bopd
Funded Within Cash Flow**

Calgary, Canada

Parex Resources Inc. ("Parex" or the "Company") (TSX:PXT), a company focused on Colombian oil exploration and production, announces its 2016 production and capital budget guidance. All amounts herein are in United States dollars ("USD") unless otherwise stated.

2016 Production and Base Capital Budget Guidance

Parex has developed a robust asset portfolio that allows for a sustainable, growing and a self-funded business model in a period of low oil prices. Assuming a full year 2016 Brent oil price scenario of \$50 per barrel ("bbl"), our 2016 production and capital budget guidance is as follows:

- 1. Full Year Production: 30,200 bopd**
 - 2016 average production of approximately 30,200 barrels of oil per day ("bopd"), being an increase of 10% over our expected 2015 average production rate of approximately 27,400 bopd.

- 2. Maintenance Capital: Development \$50 million**
 - Drill 4 development wells on Block LLA-34;
 - Incorporates recent positive exploration and appraisal drilling results and strong base production rates;
 - Includes facilities development at Jacana and Chachalacha discoveries;
 - Maintenance capital keeps production consistent with the Q4 2015 forecast production rate of 28,500 bopd.

- 3. Development Growth Capital: Capachos Block \$35 million**
 - Drill 2 commitment development wells to earn and establish light oil production on the Ecopetrol farm-in Capachos block;
 - Drill a 3rd development well and install production facilities;
 - Oil production expected to commence mid-year 2016.

- 4. Growth Capital: Exploration Drilling \$80 million**
 - Fulfill our 2016 contractual drilling commitments of 10 exploration wells;
 - Provides production and reserve growth opportunities.

Brent Oil Price Scenario \$50/barrel

(Estimated USD millions)

Maintenance Capital	\$50
Development Growth: Capachos Block	\$35
Exploration Growth	\$80
2016 Base Capital	\$165

Optional Positioning Growth Capital

If Brent oil prices exceed and are sustained above the \$55/bbl level, we have the flexibility to allocate additional capital expenditures and thereby invest the incremental cash flow from such higher realized oil prices in 2016 with additional drilling and seismic. A range of potential additional opportunities totaling up to \$90 million in capital expenditures is as follows:

- Drill up to an additional 6 LLA-34 development wells and upgrade existing facilities;
- Drill follow-up appraisal wells and build facilities related to 2016 exploration wells as appropriate;
- Drill a Capachos Block exploration well (post earning capex is 50% WI);
- Accelerate our Magdalena Basin exploration program including seismic on VMM-9 and exploration drilling on VIM-1.

Incremental Growth Capital Scenario (Optional)

Growth: Exploration Follow-Up (Development/Appraisal)	\$40
Capachos Exploration Well	\$10
Positioning: Magdalena Basin	\$40

Optional Growth/Positioning Capital **Up to \$90**

Maintaining Balance Sheet Strength

We expect that our 2016 Base Capital budget of approximately \$165 million will be fully funded from funds flow from operations. As at September 30 2015, Parex had no bank debt, an undrawn credit facility of \$200 million and working capital of approximately \$63 million.

Assuming a Brent oil price environment of \$50/bbl, we expect 2016 operating cash costs per barrel, including operating and transportation costs to be comparable to our Q3 2015 financial results. However, for 2016 we forecast a lower total cost per barrel due to:

- G&A: production growth and flat Canadian dollar/Colombian Pesos denominated costs;
- Income Tax Expense: estimated 2016 effective tax rate below 10% of Colombian segmented cash flows (current tax expense of approximately \$10-\$15 million or \$1/bbl-\$1.5/bbl) due to the tax restructuring transaction in Q3 2015.

2016 Cash Netback Estimates

We have actively managed our portfolio and assets to remain profitable in a low oil price environment. Defining our cash netbacks as the operating netback less G&A, finance expenses and tax expenses, we forecast our 2016 cash netbacks as follows:

- At Brent \$40/bbl → \$7/bbl
- At Brent \$50/bbl → \$15/bbl
- At Brent \$60/bbl → \$22/bbl

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 and Investor Relations

Parex Resources Inc.

Phone: (403) 517-1733

Investor.relations@parexresources.com

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Advisories

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' 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, 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; the Company's anticipated 2016 capital investment program, including the amount thereof; the Company's 2016 capital budget, including the expected allocation of such budget; the Company's forecasted 2016 average production based on certain oil prices; the Company's planned capital program and the proposed funding thereof; the Company's ability to increase its capital budget; Parex' anticipated debt levels; the Company's expected 2016 operational cash costs per barrel; the Company's anticipated operating netbacks; financial and business prospects and financial outlook; and activities to be undertaken in various areas.

These forward-looking statements are subject to numerous risks and uncertainties, including but not limited to, the impact of general economic conditions in Canada and Colombia; prolonged volatility in commodity prices; 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 and Colombia; 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 and Colombia; 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; changes to pipeline capacity; ability to access sufficient capital from internal and external sources; risks related to the lawsuit brought in Texas against Parex and certain foreign subsidiaries; failure of counterparties to perform under contracts; 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 affect 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 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, among other things: current and anticipated commodity prices and royalty regimes; availability of skilled labour; timing and amount of capital expenditures; future exchange rates; the price of oil, including the anticipated Brent oil price; 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 partner, regulatory and community approvals; royalty rates; future operating costs; effects of regulation by governmental agencies; uninterrupted access to areas of Parex' operations and infrastructure; recoverability of reserves and future production rates; the status of litigation; timing of drilling and completion of wells; on-stream timing of production from successful exploration wells; operational performance of non-operated producing fields; pipeline capacity; that Parex 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 Parex' conduct and results of operations will be consistent with its expectations; that Parex will have the ability to develop its oil and gas properties in the manner currently contemplated; current or, where applicable, proposed industry conditions, laws and regulations will continue in effect or as anticipated as described herein; that the estimates of Parex' reserves volumes and the assumptions related thereto (including commodity prices and development costs) are accurate in all material respects; that Parex will be able to obtain contract extensions or fulfill the contractual obligations required to retain its rights to explore, develop and exploit any of its undeveloped properties; 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.

The term "Boe" means a barrel of oil equivalent on the basis of 6 Mcf of natural gas to 1 barrel of oil ("bbl"). Boe's may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6 Mcf: 1 bbl, utilizing a conversion ratio at 6 Mcf: 1 bbl may be misleading as an indication of value.