



News release

February 10, 2015

Parex Increases 2P Reserves to 68 MMboe, Reserve Replacement of 540%, Expands RLI to 7.1 years and Delivers 2P FD&A of USD\$13.82/boe

Calgary, Canada

Parex Resources Inc. ("Parex" or the "Company") (TSX:PXT) is pleased to announce the results of its annual independent reserves assessment as at December 31, 2014. The financial and operational information contained below is based on the Company's unaudited expected results for the year ended December 31, 2014.

2014 Year-End Corporate Reserves Report Highlights:

- Proved plus probable ("2P") reserves growth of 114 percent from December 31, 2013, increasing from 32.0 million barrels of oil equivalent ("MMboe") (net company working interest) at December 31, 2013 to 68.4 MMboe (net company working interest) at December 31, 2014;
- Achieved 2P reserve replacement of 540%, with total 2014 reserve additions of 44.7 MMboe (97% oil);
- Proved plus probable after tax net present value discounted at 10 percent of approximately USD\$1.1 billion (CAD\$1.4 billion at current spot exchange rate) at December 31, 2014 compared to USD\$832 million at December 31, 2013;
- Gross undeveloped drilling locations of 43, 62 and 86 wells in the proved ("1P"), proved plus probable ("2P") and proved plus probable plus possible ("3P") cases respectively;
- 2P reserve life index ("RLI") increased from 5.1 years to 7.1 years and requires USD\$361 million of future development capital; and
- Underpinned by strong reserves growth and superior capital efficiencies, Parex achieved 2P F&D of USD\$10.94/boe and 2P FD&A of USD\$13.82/boe. The 2014 2P FD&A cash netback recycle ratio was 2.6 times using the 2014 average cash netback.

The following tables summarize information contained in independent reserves reports prepared by GLJ Petroleum Consultants Ltd. ("GLJ") dated February 4, 2015 with an effective date of December 31, 2014 (the "GLJ 2014 Report"), dated July 8, 2014 with an effective date of June 30, 2014 (the "GLJ 2014 Mid-Year Report"), dated February 4, 2014 with an effective date of December 31, 2013 ("GLJ 2013 Report") and dated February 28, 2014 with an effective date of December 31, 2012 (the "GLJ 2012 Report", and collectively with the GLJ 2014 Report, the GLJ 2014 Mid-Year Report and the GLJ 2013 Report, the "GLJ Reports"). Each GLJ Report was prepared in accordance with definitions, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook") and National Instrument 51-101, Standards of Disclosure for Oil and Gas Activities ("NI 51-101"). Additional reserve information as required under NI 51-101 will be included in the Company's Annual Information Form which will be filed on SEDAR by March 31,

2015. Consistent with the Company's reporting currency, all amounts are in United States dollars unless otherwise noted.

The recovery and reserve estimates of crude oil reserves provided in this news release are estimates only, and there is no guarantee that the estimated reserves will be recovered. Actual crude oil reserves may eventually prove to be greater than, or less than, the estimates provided herein.

2014 Mid-Year Reserves Report

We have provided the following information from the GLJ Mid-Year 2014 Report as a reference point for the reader. All other comparisons contained herein this release will be in respect of GLJ reports having a year-end date of December 31.

Following a successful drilling program during the first half of 2014 and the completion of a strategic acquisition, Parex engaged GLJ to prepare an independent reserve evaluation of the Company's reserves, effective June 30, 2014. The following table summarizes information contained in the GLJ 2014 Mid-Year Report, with comparative information to the GLJ 2013 Report and GLJ 2012 Report.

Reserves Category⁽¹⁾⁽⁴⁾	December 31, 2012 (Mbbl)⁽²⁾	December 31, 2013 (Mboe)⁽²⁾	June 30, 2014 (Mboe)⁽²⁾	Increase over Dec 31, 2013
Proved (1P)	10,063	17,368	31,908	84%
Proved plus Probable (2P)	16,100	32,021	57,596	80%
Proved plus Probable plus Possible (3P) ⁽³⁾	23,131	49,949	90,637	81%

(1) Reserves are greater than 98.5% light and medium crude oil. The GLJ 2014 Mid-Year Report includes 1,596 MMcf of 1P and 4,496 MMcf of 2P gas reserves for the La Casona field. The GLJ 2013 Report included 1,282 MMcf of 1P and 3,581 MMcf of 2P gas reserves. All reserves are presented as Company Gross defined as Parex working interest before royalties.

(2) Mbbl is defined as thousand barrels of oil. Mboe is defined as thousand barrels of oil equivalent.

(3) Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10 percent probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.

(4) All June 30, 2014 reserves presented are based on GLJ's forecast pricing effective June 30, 2014, all December 31, 2013 reserves presented are based on GLJ's forecast pricing effective January 1, 2014 and all December 31, 2012 reserves presented are based on GLJ's forecast pricing effective January 1, 2013.

2014 Year-End Reserves Report: Discussion of Reserves

The following tables summarize information contained in the GLJ 2014 Report with comparatives to the GLJ 2013 Report and the GLJ 2012 Report.

All December 31, 2014 reserves presented are based on GLJ's forecast pricing effective January 1, 2015, all December 31, 2013 reserves presented are based on GLJ's forecast pricing effective January 1, 2014 and all December 31, 2012 reserves presented are based on GLJ's forecast pricing effective January 1, 2013.

Parex' crude oil reserves are located in Colombia's Llanos Basin. Reserve additions as evaluated by GLJ were primarily generated from a successful 2014 oil exploration and appraisal program and a strategic acquisition.

The Company recorded material increases in all reserve categories as a result of the following corporate activities:

- Appraisal drilling at Cabrestero: Akira, and LLA-34: Tigana & Tua;
- Exploration drilling discoveries on blocks LLA-40 and LLA-32; and
- Strategic acquisition which increased our working interest in blocks LLA-32 and LLA-34.

2014 Year-End Reserves Volumes

Reserve Category ⁽¹⁾	December	December	December	Increase
	31, 2012 (Mbbbl) ⁽²⁾	31, 2013 (Mboe) ⁽²⁾	31, 2014 (Mboe) ⁽²⁾	over Dec 31, 2013
Proved Producing (PDP)	5,091	7,795	20,342	161%
Proved (1P)	10,063	17,368	40,424	133%
Proved plus Probable (2P)	16,100	32,021	68,425	114%
Proved plus Probable plus Possible (3P) ⁽³⁾	23,131	49,949	103,981	108%

(1) 2014 2P Reserves are 97.2% crude oil. The GLJ 2014 Report includes 5,026 MMcf of 1P and 11,375 MMcf of 2P gas reserves. The GLJ 2013 Report included 1,282 MMcf of 1P and 3,581 MMcf of 2P gas reserves. All reserves are presented as Parex working interest before royalties.

(2) Mbbbl is defined as thousand barrels of oil. Mboe is defined as thousand barrels of oil equivalent.

(3) Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10 percent probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.

Five Year Crude Oil Price Forecast – GLJ Report (January 1, 2015)

	2015	2016	2017	2018	2019
ICE Brent (USD\$/bbl)	67.50	82.50	87.50	90.00	95.00

Reserves Net Present Value After Tax Summary⁽¹⁾

Reserves Category	December 31, 2013 (\$000s) ^{(2) (4)}	December 31, 2014 (\$000s) ⁽³⁾	Increase over Dec 31, 2013
Proved Producing	\$299,495	\$465,331	55%
Proved	\$502,822	\$690,864	37%
Proved plus Probable	\$832,378	\$1,097,863	32%
Proved plus Probable plus Possible	\$1,213,913	\$1,563,556	29%

(1) Net present values are stated in USD and are discounted at 10 percent. For reference the current USD-CAD spot rate is approximately 1.25.

(2) Includes future development capital (FDC) as at December 31, 2013 of \$147 million for 1P and \$232 million for 2P.

(3) Includes FDC as at December 31, 2014 of \$252 million for 1P, \$361 million for 2P and \$481 million for 3P.

(4) The forecast prices used in the calculation of the present value of future net revenue are based on the GLJ January 1, 2015 price forecast and will be included in the Company's Annual Information Form.

(5) Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10 percent probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.

Reserve Life Index ("RLI")

	December 31, 2013 ⁽¹⁾	December 31, 2014 ⁽²⁾
Proved Plus Probable (2P)	5.1 years	7.1 years

(1) Calculated using average fourth quarter 2013 production of 17,287 bopd annualized.

(2) Calculated using estimated fourth quarter production of 26,515 bopd annualized.

2014 Year-End Reserves Reconciliation Company Gross

Mboe	Total Proved	Total Proved plus Probable
December 31, 2013	17,368	32,021
Technical Revisions ⁽¹⁾	8,256	7,893
Discoveries & Extensions ⁽²⁾	17,936	27,895
Acquisition ⁽³⁾	5,146	8,898
Production	(8,282)	(8,282)
December 31, 2014 ⁽⁴⁾	40,424	68,425

(1) Proved plus probable reserve technical revisions are primarily associated with the evaluations of the LLA-32 and LLA-34 blocks.

(2) Proved plus probable reserve discoveries and extensions are primarily associated with the evaluations of the Cabrestero, LLA-30, LLA-32, LLA-34 and LLA-40 blocks. The Capachos field was not evaluated.

(3) Based on GLJ Mid-Year 2014 Report as at June 30, 2014. The acquisition closed on June 25, 2014, prior to the GLJ Mid-Year 2014 Report effective June 30, 2014. The gross working interest proved plus probable reserves as at December 31, 2013 associated with the acquisition properties were 3.5 MMboe.

(4) Subject to final reconciliation adjustments.

Proved plus Probable FD&A – Company Gross⁽¹⁾

	2014	3 Year
USD\$ ('000) (Unaudited)	Including FDC Proved+Probable	Including FDC Proved+Probable
Capital Expenditures	\$297,823	\$786,894
Capital Expenditures – change in FDC	<u>\$93,859</u>	<u>\$196,087</u>
Total	\$391,682	\$982,981
Net Acquisitions	\$191,065	\$275,328
Net Acquisitions – change in FDC	<u>\$34,608</u>	<u>\$79,672</u>
Total Net Acquisitions⁽²⁾	\$225,673	\$355,000
Total Capital including change in FDC	\$617,355	\$1,337,981
Reserve Additions	35,788	65,502
Net Acquisition Reserve Additions	8,898	12,433
Reserve Additions including Acquisitions⁽³⁾	44,686	77,936
Company Metrics		
F&D Costs	\$10.94/boe	\$15.01/boe
FD&A Costs	\$13.82/boe	\$17.17/boe
Estimated Full Year Cash Netback ⁽⁴⁾	\$36.02/boe	\$44.39/boe
Recycle Ratio - F&D⁽⁵⁾	3.3x	3.0x
Recycle Ratio - FD&A⁽⁵⁾	2.6x	2.6x

(1) Calculated using unaudited estimated capital expenditures and unaudited estimated cash netback as at December 31, 2014. See advisory "Unaudited Financial Information".

(2) Acquisitions and associated reserves and change in FDC are all related to Colombia.

(3) Reserve replacement ratio is calculated using reserve additions including acquisitions divided by annual production.

(4) Recycle ratio is calculated as cash netback divided by FD&A costs (proved plus probable). Cash netback per boe is calculated as funds flow from operations dividend by annual production. 3 Year cash netback is calculated using weighted average volumes.

(5) The aggregate of the exploration and development costs incurred in the most recent financial year and the change during that year in estimated future development costs generally will not reflect total finding and development costs related to reserves additions for that year

Summary of Company FD&A

Per bbl	2012		2013		2014		3 yr Average	
	1P	2P	1P	2P	1P	2P	1P	2P
Total Company FD&A	\$42.61	\$39.64	\$21.66	\$15.75	\$18.93	\$13.82	\$22.84	\$17.17

Operations Update

Current production is averaging approximately 26,500 bopd and we expect to commence our 2015 drilling program in March 2015. The Block LLA-34 exploration well Tilo-1 is has begun testing operations.

For more information please contact:

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Reserve Advisory

The recovery and reserve estimates of crude oil reserves provided in this news release are estimates only, and there is no guarantee that the estimated reserves will be recovered. Actual crude oil reserves may eventually prove to be greater than, or less than, the estimates provided herein. All December 31, 2014 reserves presented are based on GLJ's forecast pricing effective January 1, 2015 all December 31, 2013 reserves presented are based on GLJ's forecast pricing effective January 1, 2014 and all December 31, 2012 reserves presented are based on GLJ's forecast pricing effective January 1, 2013.

"Proved" reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

"Probable" reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

"Possible" reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10 percent probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved plus probable plus possible reserves.

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. In addition, statements relating to "reserves" are by their nature forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the 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.

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: 1Bbl, utilizing a conversion ratio at 6 Mcf: 1 Bbl may be misleading as an indication of value.

Unaudited Financial Information

Certain financial and operating results included in this news release such as finding, development and acquisition costs, recycle ratio, net debt, capital expenditures, production information and operating costs are based on unaudited estimated results. These estimated results are subject to change upon completion of the audited financial statements for the year ended December 31, 2014, and changes could be material. Parex anticipates filing its audited financial statements and related management's discussion and analysis for the year ended December 31, 2014 on SEDAR on or before March 31, 2014.

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, statements with respect to the performance characteristics of the Company's oil properties. In addition, statements relating to "reserves" are by their

nature forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the 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; 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 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; 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 the terms of their 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 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; 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; 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'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.

Neither the TSX nor its Regulation Services Provider (as that term is defined in the policies of the TSX) accepts responsibility for the adequacy or accuracy of this release.