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News release **May 14, 2013**

Parex Resources Announces 2013 First Quarter Results, April Production of 15,000 bopd and Increased Production Guidance

Calgary, Canada

Parex Resources Inc. ("**Parex**" **or the** "**Company**") (TSX:PXT), a company focused on oil exploration and production in Colombia and Trinidad, is pleased to announce financial and operating results for the three months ("first quarter" or "Q1") ended March 31, 2013. An update on current field activities and the Company's drilling schedule are also provided below. All amounts herein are in United States dollars unless otherwise stated.

First Quarter 2013 Highlights

- Achieved quarterly oil production of 14,440 barrels per day ("bopd"), an increase of 13 percent over the fourth quarter of 2012;
- Realized Brent referenced sales price of $109.63 per barrel ("$/bbl") and an operating netback of $67.03/bbl;
- Reduced operating and transportation combined unit costs by 4.5 percent compared to the previous quarter;
- Generated funds flow from operations of $60.2 million ($0.56 per share basic as compared to $0.50 per share for the previous quarter) including a net build of crude oil inventory of 97,890 barrels ("bbls"). Funds flow has increased due to continued strong operating netbacks, production growth and exploration success;
- Increased working capital as funds flow from operations exceeded capital expenditures of $47.2 million. Compared to the previous quarter, net debt decreased by $18.7 million to $3.0 million;
- Participated in drilling 12 gross wells (8.5 net) in Colombia, resulting in 6 oil wells, 2 disposal wells, 2 untested wells and 2 dry and abandoned;
- Added a new operating area in the Eastern Llanos through the discovery of Adalia-1 and Viviana Este-1 on Block LLA-30;
- Extended the Tua field outside of the 2012 GLJ Report Possible ("3P") mapped area through the drilling of Tua-4 and Tua-5 wells.

Highlights

	Three Months ended March 31, 2013		Three Months ended Dec 31, 2012
	2013	**2012**	**2012**
Operational			
Average daily production			
Oil (bbl/d)	**14,440**	11,679	12,743
Average daily sales			
Oil (bbl/d)	**13,328**	12,219	12,592
Oil Inventory – end of period (bbls)	**196,689**	232,200	98,800
Operating netback ($/bbl)			
Oil revenue	**109.63**	116.90	105.75
Royalties	**(15.15)**	(8.65)	(8.08)
Net revenue	**94.48**	108.25	97.67
Production expense	**(10.78)**	(6.94)	(10.46)
Transportation expense	**(16.67)**	(19.52)	(18.27)
Operating netback	**67.03**	81.79	68.94
Financial ($000s except per share amounts)			
Oil and natural gas revenue	**164,990**	129,989	149,614
Net income	**11,136**	27,304	(15,840)
Per share – basic	**0.10**	0.25	(0.15)
Adjusted Net income (1)	**6,538**	26,934	(13,450)
Per share – basic	**0.06**	0.25	(0.12)
Funds flow from operations	**60,226**	83,754	54,446
Per share – basic	**0.56**	0.77	0.50
Capital expenditure	**47,172**	59,395	64,877
Total assets	**827,821**	703,343	821,201
Working capital (deficit) surplus	**16,972**	116,277	(12,640)
Convertible debentures(2)	**65,402**	62,148	65,657
Long-term debt (3)(5)	**20,000**	-	9,100
Outstanding shares (end of period) (000s)			
Basic	**108,514**	108,410	108,476
Diluted(4)	**112,847**	112,145	113,320

The table above contains Non-GAAP measures. See "Non-GAAP Terms" for further discussion.

(1) 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.

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

(3) Borrowing limit currently set at $100 million.

(4) Diluted shares include the effects of common shares and in-the-money stock options outstanding at the period-end. The March 31, 2013 closing stock price was Cdn$4.63 per share.

(5) Parex defines net debt as working capital less long-term debt

First Quarter Financial Summary

For the first quarter of 2013, sales volumes averaged 13,328 bopd (net working interest before royalty) and the average realized sales price in Colombia was $109.63 per barrel, generating an operating netback of $67.03 per barrel. Operating plus transportation unit costs was $27.45/bbl compared to $28.73/bbl in the previous quarter.

The Company's adjusted net income for the year was $6.5 million ($0.06 per share basic). Funds flow from operations in the first quarter of 2013 of $60.2 million ($0.56 per share basic) included a net increase of 97,890 barrels of crude oil inventory.

The Company's capital expenditures were $47.2 million in the first quarter, of which $45.6 million was related to Colombia and the remainder in Trinidad. Capital expenditures were fully funded from funds flow from operations.

Working capital surplus at period end was $17.0 million compared to a working capital deficit of $12.7 million in the previous quarter. Working capital also reflects the Company's 196,689 bbls of crude oil inventory valued at cost. The Company had bank debt of $20.0 million on a current available facility of $100 million and a cash balance of $26.8 million..

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.

Cabrestero Acquisition

Parex (WI 50%) has entered into a binding agreement on May 10, 2013 to purchase its partner's 50 percent working interest in the Cabrestero block for $12.5 million before adjustments, with an expected close date of May 31, 2013. The block currently has two producing fields, Kitaro and Akira. The Cabrestero 50 percent working interest acquisition has the following characteristics:

Block Operator	Parex
Current Production	~200 bopd (Kitaro-1 is shut-in awaiting a water disposal well)
Proved plus Probable Reserves (GLJ Report December 31, 2012)	1.2 mmbbl (Oil API: Akira 14^o, Kitaro 22^o)
Acquisition Price	$12.5 million
Acquisition Metric: Proved + Probable Reserves, including $6.1 million in FDC	$15.27 per barrel

The Company is currently completing the Akira-2 appraisal well and immediately following plans to drill Akira-3 as a water disposal well and then evaluate future development at Akira. Block production is currently restricted pending the development of water disposal facilities.

Operations Update

- April Production: Achieved April 2013 average oil production of approximately 15,000 bopd;
- Akira (Block Cabrestero, WI 50%): The Akira-2 delineation well was spud April 29, 2013, was drilled to a target depth of 10,640 feet and is currently being completed;
- Las Maracas (Block Los Ocarros, WI 50%): Las Maracas-8 is producing approximately 1,000 bopd from the Mirador Formation. Las Maracas-9 was drilled and completed and is expected to be a Gacheta Formation development well. The oil treatment plant construction is approximately 95 percent completed and is expected to be commissioned during late May 2013. Total field production is currently between 9,000-9,500 bopd;
- Adalia (Block LLA-30, WI 100%): As reported April 8, 2013, the Adal[i]a-1 exploration well was flow tested from the C5 Formation over a 32 hour period at an average rate of 1,980 bopd and 38^{o} API oil was recovered during the test. Civil works including road construction is ongoing and Parex expects to commence a short-term production test during the summer of 2013. Future Adalia appraisal drilling will be largely dependent on the production history of Adalia-1;
- Tua (Block LLA-34, WI 45%): The Tua-4 and Tua-5 wells were drilled as Guadalupe delineation wells outside of the 2012 GLJ Report Possible ("3P") mapped area. On March 25, 2013, Tua-5 began producing at a rate of approximately 1,000 bopd of 16^{o} API oil from the Guadalupe Formation. Tua-4 was drilled and cased and is appraising the southern flank of the Guadalupe structure and is expected to be producing during the second quarter of 2013. We anticipate that additional delineation drilling will be required to find and test the limits of the field;
- Tarotaro (Block LLA-34, WI 45%): The Tarotaro-1 exploration well is targeted to appraise a structure directly north-east of the Tua field. The well was spud May 5, 2013 and is currently drilling towards a target depth of approximately 11,000 feet;
- Cumbre (Block LLA-20, WI 100%): The Cumbre Sur-1 exploration well was spud April 28, 2013 and was drilled to a target depth of 10,000 feet. The well was cased to be a water disposal well for the existing Cumbre field and would allow approximately 400 bopd of shut-in volumes to be brought on-stream;
- La Casona (Block El Eden, WI 60%): Parex expects to drill La Casona-2 to a target depth of 16,500 feet approximately 700 meters northeast of La Casona-1 to further evaluate the Une, Gacheta and Mirador (untested in Las Casona-1) formations; and
- Kona (LLA-16, WI 100%): Target production at Kona continues to be set at 5,000-5,500 bopd and the field is performing to that level. As the Kona field has cumulatively produced over 5 million barrels of oil, the field is subject to an additional "High Price Share" royalty of approximately 20 percent. As such, Parex plans to manage the Kona field as a swing producer within the Company's portfolio to maintain a steady production profile.

Drilling Schedule

Parex currently has a catalyst rich program with three operated and one non-operated drilling rigs. A summary of the current drilling/testing program plus the immediately following locations is provided below:

#	Prospect	Block	Timing / Status
1	Akira-2	Cabrestero	Completing to test
2	Akira-3	Cabrestero	Spud following Akira-2
3	Cumbre Sur-1	LLA-20	Casing for water disposal
4	Celeus Sur	LLA-17	Spud following Cumbre Sur
5	La Casona-2	El Eden	Spud Q2 2013 – mobilizing rig
6	Rumi-1	El Eden	Spud following La Casona-2
7	Tarotaro-1	LLA-34	Drilling
8	Tarotaro-2 or Tua-6	LLA-34	Dependant on exploration results

In addition to the Q1 drilling activity, Parex plans to drill approximately a further (gross) 5 exploration prospects and 15 appraisal/development wells in 2013.

2013 Production Guidance Increased

The 2013 average production guidance was provided in January 2013 at 14,000-14,500 bopd. Through the current production and reserves added by the proposed Cabrestero acquisition along with the planned development activity on the block, Parex is increasing its 2013 full year average production guidance to 14,500-15,000 bopd. The Company believes that the increased production guidance can be achieved within the existing 2013 capital expenditure budget of $210 million. Parex is awaiting further production history from its successful year to date drilling program before considering an additional increase in production guidance.

Q1 Conference Call Information

Parex will host a conference call to discuss these results on Wednesday**, May 15, 2013 at 9:30 am MT** (11:30 am ET). Media, analysts and investors wishing to participate can access it by calling 1-866-696-5910, pass code: 8740503.

The live audio will be carried at: http://bell.media-server.com/m/p/dncv83ej

2013 Annual General Meeting: May 22

The Annual General will be held at the Livingston Club, Plus 15 level of the Livingston Building South Tower, 222-3rd Avenue S.W., Calgary, AB, T2P 0B4 on May 22, 2013 at 10:30 a.m. (Calgary time).

The live audio will be carried at: http://www.gowebcasting.com/4316

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 1,349,000 gross acre holdings primarily in the Llanos Basin of Colombia and 219,000 gross acre holdings onshore Trinidad. Parex is headquartered in Calgary, Canada.

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

Non-GAAP Terms

Funds flow used in, or from operations, working capital, adjusted net income, operating netback per barrel and net debt may from time to time be 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. Total net debt is a non-GAAP measure defined as the sum of working capital less the convertible debentures (excluding the derivative financial liability associated with the convertible debentures). 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 (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 annual production rates; 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 and partners, 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.

Any references in this press release to test production rates are useful in confirming the presence of hydrocarbons, however, such rates are not determinative of the rates at which such wells will commence production and decline thereafter. These test results are not necessarily indicative of long-term performance or ultimate recovery. Readers are cautioned not to place reliance on such rates in calculating the aggregate production for the Company.

The TSX has not received and does not accept responsibility for the adequacy or accuracy of this news release.