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News release **March 13, 2013**

Parex Resources Announces 2012 Fourth Quarter and 2012 Year-End Results, Including 113% Year over Year Production Growth

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 ("fourth quarter" or "Q4") and year ended December 31, 2012. An update on current field activities and the Company's drilling schedule for the first half of 2013 are also provided below.

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.

2012 Highlights

- Achieved annual average oil production in 2012 of 11,407 bbls/d an increase of 113% over 2011;
- Realized Brent referenced sales price of $109.18 per bbl and an operating netback of $73.41 per bbl;
- Generated year end funds flow from operations of $241.6 million ($2.23 per share basic compared to $1.05 per share basic in 2011) and adjusted net income of $32.6 million ($0.30 per share basic). Funds flow has increased due to continued strong operating netbacks, production growth and exploration success;
- The Company participated in drilling 33 gross wells in Colombia and 2 in Trinidad, resulting in 25 oil wells, 6 disposal wells and 4 dry and abandoned, for a success rate of 87 percent;
- Independent reserve evaluation for Colombia as prepared by GLJ Petroleum Consultants Ltd. ("GLJ") reported proved plus probable ("2P") reserve growth of 50 percent, increasing from 10.7 million barrels of oil to 16.1 million barrels of oil (net company working interest) at December 31, 2012. Including 2012 production of 4.2 mmbbls, Parex added 9.6 mmbbls of 2P reserves in 2012;
- The Company began 2012 with interests in 6 blocks in Colombia and production primarily from the Kona field, and exited 2012 with interests in 14 blocks in Colombia and a diversified production base of ten fields; and
- Closed a Colombian corporate acquisition which assets primarily consist of interests in four exploration blocks located in the Llanos Basin, one block

located in the Middle Magdalena Basin and 2.3 mmbbl of probable reserves for net cash consideration of $71.8 million.

Three months ended December 31, 2012 Highlights

- Achieved a record quarterly oil production of 12,743 bbls/d, an 18% increase over the three months ending September 30, 2012;
- Realized sales price in Colombia averaged $105.75 per barrel generating an operating netback of $68.94 per barrel;
- Generated funds flow from operations of $54.4 million ($0.50 per share basic);
- Generated adjusted net loss of $13.5 million ($0.12 per share basic) primarily due to an impairment of Trinidad Moruga Block exploration and evaluation assets;
- Drilled six oil wells in Colombia (3.3 net) including the multi-zone La Casona light oil and natural gas discovery; and
- Continued to increase monthly production with February production of approximately 14,500 bopd primarily driven by production increases from Kona, Cumbre and Las Maracas fields in Colombia.

Highlights

	Three Months ended December 31, 2012		Year ended December 31, 2012	
	2012	2011	**2012**	2011
Operational				
Average daily production				
Oil (bbl/d)	**12,743**	11,342	11,407	5,345
Average daily sales				
Oil (bbl/d)	**12,592**	10,233	11,800	4,670
Oil Inventory – end of period (barrels)	**98,800**	281,500	98,800	281,500
Operating netback ($/bbl)				
Oil revenue	**105.75**	102.15	109.18	100.43
Royalties	**(8.08)**	(8.04)	(8.31)	(8.17)
Net revenue	**97.67**	94.11	100.87	92.26
Production expense	**(10.46)**	(6.97)	(8.40)	(6.58)
Transportation expense	**(18.27)**	(15.90)	(19.06)	(16.20)
Operating netback	**68.94**	71.24	73.41	69.48
Financial **($000s except per share amounts)** (1)				
Oil and natural gas revenue	**149,614**	96,169	523,514	171,170
Net income	**(15,840)**	4,477	39,922	15,635
Per share – basic	**(0.15)**	0.04	0.37	0.17
Adjusted Net income (2)	**(13,450)**	6,470	32,628	10,545
Per share – basic	**(0.12)**	0.06	0.30	0.11
Funds flow from operations	**54,446**	63,135	241,569	97,916
Per share – basic	**0.50**	0.58	2.23	1.05
Corporate Acquisitions	**-**	-	71,774	252,987
Capital expenditure	**64,877**	53,677	267,688	149,643
Total assets	**821,201**	660,177	821,201	660,177
Working capital (deficit) surplus	**(12,640)**	92,893	(12,640)	92,893
Convertible debentures(3)	**65,657**	60,001	65,657	60,001
Long-term debt (4)	**9,100**	-	**9,100**	-
Outstanding shares (end of period) (000s)				
Basic	**108,476**	108,300	108,476	108,300
Diluted(5)	**113,320**	111,995	**113,320**	111,995

(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 $75 million.
(5) Diluted shares include the effects of common shares and in-the-money stock options outstanding at the period-end. The December 31, 2012 closing stock price was Cdn$5.80 per share. Diluted shares outstanding at December 31, 2012 per the MD&A of 126.5 million shares include all potentially dilutive out-of-money instruments.

Fourth Quarter and Fiscal 2012 Financial Summary

For the fourth quarter of 2012, sales volumes averaged 12,592 bopd (net working interest before royalty) and the average realized sales price in Colombia was $105.75 per barrel, generating an operating netback of $68.94 per barrel.

The Company's adjusted net income for the year was $32.6 million ($0.30 per share basic), which included a $23.5 million impairment of the Company's Trinidad Moruga Block exploration and evaluation assets. Adjusted net income for 2011 was $10.5 million ($0.11 per share basic). Funds flow from operations in the fourth quarter of 2012 of $54.4 million ($0.50 per share basic) included a $17.0 million current tax provision for the fourth quarter of 2012.

The Company's capital expenditures were $64.9 million in the fourth quarter, of which $60.9 million was related to Colombia and the remainder in Trinidad. Capital expenditures for 2012, excluding a corporate acquisition, were $267.7 million of which $227.6 million was in Colombia and $39.9 million was on exploration in Trinidad. Capital expenditures were largely funded from funds flow of $241.6 million with the balance and the corporate acquisition funded from the Company's year opening cash position. Total Colombian capital expenditure in 2012 was $227.6 million, of which $170.8 million related to the drilling and completion of 23.0 net wells and the balance to facilities and undeveloped land acquisition.

Working capital deficiency at period end was $12.6 million and does not include the undrawn $65.9 million available from the credit facility and reflects the Company's crude oil inventory valued at cost. The Company had a cash balance of $31.9 million at December 31, 2012.

Operations Update

- February 2013 production has averaged approximately 14,500 bopd compared to approximate production of 14,000 bopd for January 2013;
- On Block LLA-34, the Tua-5 well was drilled as a Guadalupe delineation well to the northwest on the Tua structure and is located outside of the 2012 GLJ Report Possible ("3P") mapped area. Tua-5 logs appear to confirm an oil pay section and extend the lowest known oil deeper than originally estimated indicating that the pool extends further north and west beyond the currently mapped 3P area. Tua-4 is the next well and is expected to appraise the southern flank of the Guadalupe Formation after which it is likely that additional delineation drilling will be required to test the limits of the field;
- The LLA-34 Max-2 development well has been cased and the well is producing approximately 1,500 bopd of 13.7^{o} API oil with a water-cut of less than 1 percent from the Guadalupe Formation. The Mirador Formation will be evaluated in a future well. Parex blends the Max heavy oil with its own diluent to achieve a light oil sales price;
- A completion rig has been moved onto the La Casona-1 well and is testing the Gacheta Formation. Parex is procuring production facilities for the La Casona field and plans to utilize the produced gas as a fuel source to generate power and reduce operating costs at other operated fields. Production from the La Casona-1 well is expected to commence in Q3 2013;

- On Block LLA-30 the Viviana Este-1 prospect was drilled and cased in 10 days to a target depth of 5,000 feet during February 2013. A service rig is mobilizing to evaluate the C5 Formation;
- On Block LLA-30 the Adalia Norte-1 prospect was drilled and cased in 10 days to a target depth. Following testing of Viviana Este-1, Parex expects to evaluate the C5 Formation;
- The drilling rig has been skidded to drill the LLA-30 Adalia-1 exploration prospect and is expected to be drilled to the target depth in eight days;
- On Block LLA-32 the Bandola-1 well has been drilled and cased in 18 days to the target depth of 11,000 feet. A service rig is being mobilized to evaluate the Mirador and Gacheta formations; and
- The Caturra-1 exploration prospect on Block LLA-16 was drilled to its target depth of 12,000 feet. The well was evaluated to be wet and has been abandoned.

First Half of 2013 Drilling Schedule

A summary of the near-term drilling and testing program is provided below:

#	Prospect	Block	Timing / Status
1	Maragogi Norte	LLA-16	Cased – to be tested
2	La Casona	El Eden	Testing
3	Rumi (Chiriguaro Este)	El Eden	Spud Q3 2013
4	Viviana Este	LLA-30	Service rig testing
5	Adalia Norte	LLA-30	Cased – to be tested
6	Adalia	LLA-30	Mobilizing rig
7	Bandola	LLA-32	Cased & ready to test
8	Llanita	LLA-32	Mobilizing drilling rig
9	Akira-2	Cabrestero	Spud Q2 2013
10	Cumbre Sur	LLA-20	Spud Q2 2013
11	Las Maracas-8	Los Ocarros	Spud Q2 2013
12	Las Maracas-9	Los Ocarros	Spud Q2 2013
13	Max-2	LLA-34	Tested and producing
14	Tua-5	LLA-34	Cased - testing
15	Tua-4	LLA-34	Spud Q2 2013
16	Taro Taro	LLA-34	Spud Q2 2013

Conference Call Information

Parex will host a conference call to discuss these results on **Thursday, March 14, 2013 at 9:30 am MT** (12:30 pm ET). Media, analysts and investors wishing to participate can access it by calling 1-866-696-5910, pass code: 1520456.

The live audio will be carried at:

http://bellwebcasting.ca/audience/index.asp?eventid=97015016

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.

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Reserve Advisory

"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.

All evaluations and reviews of future net cash flow are stated prior to any provision for interest costs or general and administrative costs and after the deduction of estimated future capital expenditures for wells to which reserves have been assigned. It should not be assumed that the estimated future net cash flow shown below is representative of the fair market value of the Company's properties. There is no assurance that such price and cost assumptions will be attained, and variances could be material. The recovery and reserve estimates of crude oil reserves provided are estimates only, and there is no guarantee that the estimated reserves will be recovered. Actual crude oil reserves may be greater than or less than the estimates provided.

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.