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News release

October 2, 2012

Parex Resources Announces September Production of 11,850 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 provide an update on recent operations activity. Note that test rates are stated in gross amounts.

Operations Update

Colombia Production

September 2012 production was approximately 11,850 bopd as Las Maracas-4, and Kona-10 recompletion were brought on-stream. Parex' average Colombian production for the third quarter of 2012 was approximately 10,850 bopd compared to 10,389 bopd for the second quarter of 2012.

2012 Guidance Confirmation

Parex confirms a 2012 exit rate of 13,000-14,000 bopd. The expected increase in daily production from the current rate to low end of the exit rate guidance is primarily comprised of tested wells being brought on-stream, appraisal drilling, and production decline rates on new discoveries being in-line with expectations. The high end of the exit rate guidance includes the previous factors noted above plus anticipated further exploration success and delivery of the non-operated blocks expectations.

Los Ocarros Block (operated 50 percent working interest)

Las Maracas-4 was spud on July 30, 2012 and began producing from the Gacheta Formation on September 6, 2012. Current Las Maracas production from three wells is approximately 5,000 bopd gross. Parex expects to drill two additional appraisal wells and one water disposal well prior to year-end, subject to partner and regulatory approvals. The first well in the remainder of the program is Las Maracas-5 which was spud on September 30, 2012.

LLA-16 Block (operated 100 percent working interest)

During September 2012 the Kona field averaged 5,900 bopd. To mitigate natural field declines, Parex anticipates that for the remainder of 2012 the Company's work program will consist of: drilling infill wells, recompleting wells and co-mingle formations. There are currently 12 active Kona wells, of which the last producing well was added during February 2012. During late August 2012 Kona-10 was recompleted, co-mingling an additional producing horizon in the Gacheta Formation.

El Eden Block (operated 60 percent working interest)

The La Casona-1 exploration prospect was spud on September 4, 2012, and has a target depth of 16,000 feet. To date, drilling operations have proceeded as planned and Parex is currently proceeding to set intermediate casing at 14,500 feet. Drilling is expected to be finished in late October 2012.

Cabrestero Block (operated 50 percent working interest)

Kitaro-1 is producing approximately 1,000 bopd from the Mirador Formation and the Company is finalizing completion operations at Kitaro-2.

The next exploration well on the block Akira-1, was spud on August 26, 2012 and was rig released on September 10, 2012 after reaching its target depth of approximately 10,000 feet. After Kitaro-2, the service rig is expected to move to Akira-1 to begin testing the prospective Mirador and Gacheta formations.

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

Block LLA-32 (non-operated 30 percent working interest)

The second well on block 32 Samaria-1, was spud on May 26, 2012 and Parex believes that initial testing conducted by the operator was not long enough in duration to allow for determination of a stabilized water-cut or expected production rate. The well was tested over a 68 hour period at a very low producing drawdown and the final tested rate from the well was 400 barrels of fluid per day at a 35 percent water-cut. Total fluid recovered during the test period was 340 barrels of oil and 1,196 barrels of water and that most of the water recovered was likely work-over fluid. Parex has been advised by the operator that the well is expected to be placed on long-term test to better evaluate the capability of the well.

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

Tua-1 was spud on May 6, 2012, was drilled to a target depth of approximately 11,000 feet and was rig-released on June 10, 2012. As reported on July 5, 2012, the well tested oil from the Guadalupe (400 bopd, 13° API) and Mirador (1,700 bopd, 19° API) formations. The operator completed the Tua-1 short-term test of the Mirador Formation over a four day period beginning September 16, 2012 at restricted average rates of 1,400 bopd. Tua-1 began producing on October 2, 2012.

The appraisal well Tua-2 was spud on July 16, 2012 and reached its target depth on August 26, 2012 with prospective oil pay in the Mirador and Guadalupe formations. Testing with the drilling rig was inconclusive as cement bond logs indicate that the prospective oil pay sections are inadequately isolated from the underlying water saturated reservoir. The operator expects to employ a service rig to attempt to remediate the wellbore cement, after the drilling rig has been moved off the Tua-3 location, which is expected to be spud during October 2012.

The Agami-1 exploration well has tested non-commercial amounts of oil. Parex expects the well to be converted to a water disposal well for the adjacent Max-1 oil discovery.

2012 Drilling Schedule

Remainder of 2012 Planned Drilling Activity:

Drilling Type	Block	Working Interest	Field/Well
Appraisal	LLA-34	45%	Tua-3
Appraisal	Los Ocarros	50%	Las Maracas-5 (drilling)
Appraisal	Los Ocarros	50%	Las Maracas-6
Appraisal / Water disposal	Los Ocarros	50%	Las Maracas-7
Exploration	El Eden	60%	La Casona-1 (drilling)
Exploration/Infill	LLA-16	100%	Kona
Exploration	LLA-16	100%	Maragogi Norte-1

The summary above does not include anticipated drilling over the year-end on blocks 29,30,40 and 57 which are planned for the upcoming dry season operations.

Trinidad Update

The Company expects to complete and test the Firecrown-1_ST2 and Green Hermit-1 standing wells beginning in October 2012. Snowcap-1 testing is on-going.

To fulfill the Central Range Deep 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 commodity price derivative contract:

- Crude Oil: fixed price swap on Brent ICE for 2,000 barrels per day at \$111.70 per barrel for the period from September 1, 2012 to December 31, 2012.

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.

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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.

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