NEWS RELEASE

Parex Resources Announces First Quarter Results, Declaration of Q2 2023 Dividend, and Pending Retirement of Chief Financial Officer

Calgary, Alberta, May 10, 2023 - Parex Resources Inc. ("Parex" or the "Company") (TSX: PXT) is pleased to announce its financial and operating results for the three-month period ended March 31, 2023, and the declaration of its Q2 2023 regular dividend of C$0.375 per share. Parex also announces the pending retirement of Ken Pinsky, Chief Financial Officer and Corporate Secretary, who is electing to retire effective November 30, 2023.

All amounts herein are in United States Dollars ("USD") unless otherwise stated.

Key Highlights

- Generated Q1 2023 funds flow provided by operations ("FFO")(1) of $162 million and FFO per share(2)(3) of $1.49.
- The first well of the 2023 big 'E' exploration program, Chirimoya at VIM-43 (100% W.I.), successfully reached its target depth of roughly 17,500 feet; open hole evaluation is currently underway.
- Successfully drilled highly productive horizontal wells at both Cabrestero (100% W.I.) and LLA-34 (55% W.I.).
- Resumed full operations at Capachos (50% W.I.) on April 17, 2023, as previously announced, and anticipating the resumption of drilling activity at Arauca (50% W.I.) in Q2 2023.
- Quarter-to-date(8) estimated average production is approximately 55,000 boe/d and the Company is on track to meet the lower end of FY 2023 production guidance of 57,000 to 63,000 boe/d, excluding potential production from big 'E' exploration drilling.
- Declared Q2 2023 regular dividend of C$0.375 per share or C$1.50 per share annualized.
- Repurchased approximately 2.5 million shares year-to-date 2023 under the current normal course issuer bid ("NCIB").

"In the Northern Llanos, I am proud of our team and community partners who have been instrumental in returning Capachos to full operations. Building off of that work, we are optimistic that we will be able to resume drilling at Arauca in the short term. Arauca has proven, multi-zone reservoirs, and is expected to be a long-term, high capital efficiency growth area for us. Our ability to work collaboratively with communities continues to be a key differentiator for Parex, as we generate shared benefits in complex environments to unlock world-class oil and gas opportunities," commented Imad Mohsen, President & Chief Executive Officer.

"We have spent the last two years building a strategic foundation for sustainable growth. Our emphasis on using proven technology is demonstrating its real value with drilling successes, such as the profitable horizontal wells drilled at both Cabrestero and LLA-34, as well as reaching target depth at our first well in this year's big 'E' program. Technology is enabling access to new locations, improving drilling efficiency, and increasing recovery factors. This combined with our people and portfolio, makes Parex well positioned to deliver further success and drive long-term value for shareholders."

Q1 2023 Results

- Quarterly average oil and natural gas production was 51,332(6) boe/d, which was in-line with Q1 2022 and a 5% decrease from Q4 2022; the primary driver of the decrease was the production impact of approximately 6,500 boe/d net during the suspension of operations at Capachos, which has since been brought back online.
- Production per share(3)(7) increased by 9% compared to the same quarter in the prior year, driven primarily by development drilling and the reduction of outstanding shares via the NCIB.
- Realized net income of $104 million or $0.96 per share basic(3).
- Generated quarterly FFO(1) of $162 million, a 21% decrease from Q1 2022, and FFO per share(2)(3) of $1.49, a 14% decrease from Q1 2022.
- Produced an operating netback(2) of $45.27/boe and an FFO netback(2) of $34.27/boe from an average Brent price of $82.16/bbl.
- Incurred $114 million of capital expenditures(5); participated in the drilling of 14 gross (10.85 net) wells.
- Paid a C$0.375 per share regular quarterly dividend and repurchased 1.9 million shares through the NCIB.
- Working capital surplus(1) was $30 million, which decreased by $55 million from Q4 2022, primarily from inventory build due to the suspension of operations in the Northern Llanos.

(1) Capital management measure. See "Non-GAAP and Other Financial Measures Advisory."
(2) Non-GAAP ratio. See "Non-GAAP and Other Financial Measures Advisory."
(3) Based on weighted-average basic shares for the period.
(4) See "Operational and Financial Highlights" for a breakdown of production by product type.
(5) Non-GAAP financial measure. See "Non-GAAP and Other Financial Measures Advisory."
(6) See "Operational and Financial Highlights" for a breakdown of production by product type.
(7) Supplementary financial measure. See "Non-GAAP and Other Financial Measures Advisory."
(8) For the period of April 1, 2023 to May 9, 2023.

Operational and Financial Highlights	Three Months Ended		
	Mar. 31, 2023	Mar. 31, 2022	Dec. 31, 2022
Operational			
Average daily production			
Light Crude Oil and Medium Crude Oil (bbl/d)	**7,115**	5,687	10,511
Heavy Crude Oil (bbl/d)	**43,435**	43,865	42,746
Crude oil (bbl/d)	**50,550**	49,552	53,257
Conventional Natural Gas (mcf/d)	**4,692**	12,816	6,000
Oil & Gas (boe/d)(1)	**51,332**	51,688	54,257
Operating netback ($/boe)			
Reference price - Brent ($/bbl)	**82.16**	97.90	88.63
Oil & natural gas sales(4)	**69.41**	86.24	74.81
Royalties(4)	**(12.21)**	(17.70)	(12.88)
Net revenue(4)	**57.20**	68.54	61.93
Production expense(4)	**(8.85)**	(6.24)	(7.14)
Transportation expense(4)	**(3.08)**	(2.99)	(3.50)
Operating netback ($/boe)(2)	**45.27**	59.31	51.29
Funds flow provided by operations ($/boe)(2)	**34.27**	43.73	17.02
Financial ($000s except per share amounts)			
Net income	**104,375**	152,650	249,958
Per share - basic(6)	**0.96**	1.29	2.29
Funds flow provided by operations(5)	**161,724**	205,488	85,194
Per share - basic(2)(6)	**1.49**	1.73	0.78
Capital expenditures(3)	**113,868**	110,913	147,746
Free funds flow(3)	**47,856**	94,575	(62,552)
EBITDA(3)	**178,559**	247,615	213,604
Other long-term asset expenditures	**19,767**	11,585	56,415
Dividends paid	**29,831**	13,115	20,108
Per share - Cdn$(4)	**0.375**	0.14	0.25
Shares repurchased	**32,868**	97,404	3,206
Number of shares repurchased (000s)	**1,909**	4,425	220
Outstanding shares (end of period) (000s)			
Basic	**107,419**	116,413	109,112
Weighted average basic	**108,192**	118,541	109,107
Diluted(8)	**108,221**	117,331	109,939
Working capital surplus(5)	**29,662**	286,684	84,988
Bank debt(7)	—	—	—
Cash	**372,419**	362,103	419,002

(1) Reference to crude oil or natural gas in the above table and elsewhere in this press release refer to the light and medium crude oil and heavy crude oil and conventional natural gas, respectively, product types as defined in National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities.
(2) Non-GAAP ratio. See "Non-GAAP and Other Financial Measures Advisory".
(3) Non-GAAP financial measure. See "Non-GAAP and Other Financial Measures Advisory".
(4) Supplementary financial measure. See "Non-GAAP and Other Financial Measures Advisory".
(5) Capital management measure. See "Non-GAAP and Other Financial Measures Advisory".
(6) Per share amounts (with the exception of dividends) are based on weighted average common shares.
(7) Borrowing limit of $200.0 million as of March 31, 2023.
(8) Diluted shares as stated include the effects of common shares and stock options outstanding at the period-end; March 31, 2023 closing price was C$25.14 per share.

Pending Retirement of Chief Financial Officer and Transition Plan

Following a successful 35-year career, Ken Pinsky, Chief Financial Officer and Corporate Secretary, is electing to retire effective November 30, 2023. The Company has begun the process for selecting its next Chief Financial Officer and Mr. Pinsky will continue in his role to support the Company during a transition period until his retirement date.

Mr. Pinsky joined Petro Andina, Parex's predecessor, in 2008 as Vice President, Finance and Chief Financial Officer, and has been the Chief Financial Officer of Parex since its inception. In that capacity, he has led the financial efforts to grow the Company to its current status as the largest independent oil and gas producer in Colombia.

"As one of the co-founders of the company, Ken Pinsky has played an instrumental leadership role in helping establish Parex as a major player in Colombia with a long-standing track record of success. That journey started as we tipped into the global financial crisis under threat of a hostile bid – and we successfully preserved a spinout that had only four exploratory blocks, a bit of working capital and no production. I had the true pleasure of working with Ken for more than a decade as we built Parex's reputation of excellence with regard to stewardship of capital. On behalf of the board of directors, organization, and shareholders, I would like to thank Ken for his outstanding leadership and dedication to this company over the past 15 years. We extend our best wishes to Ken and his family as he moves towards retirement and closes out his long and successful career," commented Wayne Foo, Chair of the Board of Directors.

"Since joining the company in 2021, I have seen the valuable contributions that Ken has made in positioning the Company for lasting, sustainable growth. Ken's leadership and institutional knowledge has been instrumental in driving an industry-leading return of capital program that has delivered long-term value for shareholders. We want to thank Ken for his commitment and contribution to Parex as we wish him all the best in his next chapter," said Imad Mohsen, President and Chief Executive Officer.

Operational Update

- Southern Llanos – Cabrestero (100% W.I.): Spud in Q1 2023, the first ever horizontal well at Cabrestero was drilled to a vertical depth of approximately 12,000 feet and a horizontal lateral of roughly 1,600 feet. Currently the well is producing approximately 2,000 bbl/d of heavy crude oil. After successfully substituting traditional vertical wells for horizontal wells at both Cabrestero and LLA-34 (55% W.I.), Parex has identified a multi-year inventory of horizontal drilling locations across the Llanos basin to increase recovery factors.
- Southern Llanos – LLA-26 (100% W.I.): In 2023, Parex brought two wells online that are short-cycle opportunistic production adds, with a third well actively being drilled; this block had average production of approximately 750 bbl/d of heavy crude oil in 2022 and the block is expected to have peak average production of roughly 3,000 to 4,000 bbl/d in Q3 2023.
- Magdalena – VIM-1 (50% W.I.): In Q1 2023, the Company successfully started gas cycling on the block, which by reinjecting gas maintains reservoir pressure and maximizes early liquids production. Since Q4 2022, liquids production has increased from roughly 1,500 bbl/d to 3,500-4,000 bbl/d gross (light & medium crude oil). VIM-1 is Parex's first installation of a gas cycling project, which enables access to high-rate reservoirs and results in the maximization of net present value through the monetization of high netback liquids earlier in the project's life. This proven technology is expected to be used as a template for future expansions in the VIM basin and can also be applied in the Northern Llanos as well as Llanos Foothills.
- Northern Llanos – Capachos (50% W.I.): As announced on April 17, 2023, operations at the Capachos Block were restarted, where there has been a gradual ramp-up of production.
- Northern Llanos – Arauca (50% W.I.): The Company continues to engage with stakeholders at all levels and expects that drilling operations will resume in Q2 2023.
- LLA-34 (55% W.I.): In Q1 2023, the first ever horizontal well was drilled at LLA-34 to a vertical depth of roughly 14,000 feet and a horizontal lateral of approximately 1,300 feet. Currently the well is producing approximately 3,000 boe/d gross of heavy crude oil, with Parex and the operator evaluating drilling additional horizontal wells on the block in 2023. LLA-34 currently has four drilling and four rig workover rigs in operation.

2023 Big 'E' Exploration Program – Timing Updates

- Magdalena – VIM-43 (100% W.I.): The Chirimoya well is a deep and complex prospect that other operators have tried to drill and failed to get to target. By applying proven technology and replacing traditional water-based drilling fluids with synthetics, combined with the Company's drilling experience at an adjacent block (VIM-1), Parex successfully reached the wells' target depth of approximately 17,500 feet. Open hole evaluation, including logging operations, are underway. Based on initial assessment, the Company is likely to case and test the well in the coming weeks.
- Northern Llanos – Arauca (50% W.I.): Following the completion of the first development well that also has exploration upside (Arauca-15), the *Arauca-8* well, which is a multi-zone, high-impact exploration prospect targeting light crude oil, is expected to spud in Q3 2023.
- Llanos Foothills – LLA-122 (50%. W.I.): The *Arantes* well is the first well within the Ecopetrol memorandum of understanding coverage area, targeting gas and condensate; this prospect is the first one to be drilled by Parex within the high-potential Foothills trend and is expected to spud in late Q4 2023.

2023 Corporate Guidance Update

Parex's Q1 2023 average production of 51,332[1] boe/d was below the Company's guidance primarily due to the suspension of operations at Capachos (50% W.I.). Quarter-to-date[2] estimated average production is approximately 55,000 boe/d.

On an annual basis, the shut-in at Capachos (50% W.I.) and the delayed drilling operations at Arauca (50% W.I.), are expected to have a combined impact on the Company's average production of roughly 2,625 boe/d (Capachos: 1,625 boe/d; Arauca: 1,000 boe/d). Incorporating the aforementioned social disruptions to date, Parex expects to be towards the lower end of its 2023 annual average production guidance range of 57,000 to 63,000 boe/d for FY 2023, excluding potential production from big 'E' exploration drilling.

(1) See "Operational and Financial Highlights" for a breakdown of production by product.
(2) For the period of April 1, 2023 to May 9, 2023.

Return of Capital Update

Q2 2023 Dividend

Parex's Board of Directors has approved a Q2 2023 regular quarterly dividend of C$0.375 per share to be paid on June 30, 2023, to shareholders of record on June 15, 2023. The Company first initiated a regular quarterly dividend at C$0.125 per share in 2021.

This quarterly dividend payment to shareholders is designated as an "eligible dividend" for purposes of the Income Tax Act (Canada).

Active Share Buyback Program under Current Normal Course Issuer Bid

As at May 9, 2023, year-to-date Parex has repurchased approximately 2.5 million shares under its NCIB at an average price of C$23.64 per share, for total consideration of roughly C$58 million. Over and above the regular dividend, the Company intends on continuing to utilize its current NCIB to return free funds flow to its shareholders.

ESG Update

Parex intends to issue its ninth annual sustainability report, alongside its second integrated Task Force on Climate-Related Financial Disclosures ("TCFD"), in Q2 2023.

2023 Annual General & Special Meeting of Shareholders

Parex will hold its Annual General and Special Meeting of shareholders on Thursday, May 11, 2023 at 9:30 am MT (11:30 am ET) in-person and virtually. Participants looking to attend in-person can at the 4th Floor Conference Center, Eight Avenue Place, East Tower, 525, 8th Ave SW, Calgary, Alberta – and those wishing to participate can do so virtually through the following link: https:meetnow.global/M9TT6PK.

Further information regarding the Annual General and Special Meeting, including meeting materials, can be found at www.parexresources.com under Investors.

About Parex Resources Inc.

Parex is the largest independent oil and gas company in Colombia, focusing on sustainable, conventional production. The Company's corporate headquarters are in Calgary, Canada, with an operating office in Bogotá, Colombia. Parex is a member of the S&P/TSX Composite ESG Index and its shares trade on the Toronto Stock Exchange under the symbol PXT.

For more information, please contact:

Mike Kruchten
Senior Vice President, Capital Markets & Corporate Planning
Parex Resources Inc.
403-517-1733
investor.relations@parexresources.com

Steven Eirich
Investor Relations & Communications Advisor
Parex Resources Inc.
587-293-3286
investor.relations@parexresources.com

Non-GAAP and Other Financial Measures Advisory

This press release uses various "non-GAAP financial measures", "non-GAAP ratios", "supplementary financial measures" and "capital management measures" (as such terms are defined in NI 52-112 - Non-GAAP and Other Financial Measures Disclosure), which are described in further detail below. Such measures are not standardized financial measures under IFRS and might not be comparable to similar financial measures disclosed by other issuers. Investors are cautioned that non-GAAP financial measures should not be construed as alternatives to or more meaningful than the most directly comparable GAAP measures as indicators of Parex's performance.

These measures facilitate management's comparisons to the Company's historical operating results in assessing its results and strategic and operational decision-making and may be used by financial analysts and others in the oil and natural gas industry to evaluate the Company's performance. Further, management believes that such financial measures are useful supplemental information to analyze operating performance and provide an indication of the results generated by the Company's principal business activities.

Set forth below is a description of the non-GAAP financial measures, non-GAAP ratios, supplementary financial measures and capital management measures used in this press release.

Non-GAAP Financial Measures

Capital expenditures, *is a non-GAAP financial measure which the Company uses to describe its capital costs associated with oil and gas expenditures. The measure considers both property, plant and equipment expenditures and exploration and evaluation asset expenditures which are items in the Company's statement of cash flows for the period. In Q3 2022, the Company changed how it presents exploration and evaluation expenditures. Amounts have been restated for prior periods to conform to the current year's presentation, refer to note 2 of the Company's interim consolidated financial statements for the period ended March 31, 2023.*

	For the three months ended		
($000s)	**Mar. 31, 2023**	Mar. 31, 2022	Dec. 31, 2022
Property, plant and equipment expenditures	**$ 83,224**	$ 83,868	$ 111,512
Exploration and evaluation expenditures	**30,644**	27,045	36,234
Capital expenditures	**$ 113,868**	$ 110,913	$ 147,746

Free funds flow, *is a non-GAAP financial measure that is determined by funds flow provided by operations less capital expenditures. In Q3 2022, the Company changed how it presents exploration and evaluation expenditures included in total capital expenditures. Amounts have been restated for prior periods to conform to the current year's presentation refer to note 2 of the Company's interim consolidated financial statements for the period ended March 31, 2023. The Company considers free funds flow to be a key measure as it demonstrates Parex's ability to fund return of capital, such as the NCIB and dividends, without accessing outside funds and is calculated as follows:*

	For the three months ended		
($000s)	**Mar. 31, 2023**	Mar. 31, 2022	Dec. 31, 2022
Cash provided by operating activities	**$ 131,273**	$ 190,607	$ 297,569
Net change in non-cash working capital	**30,451**	14,881	(212,375)
Funds flow provided by operations	**161,724**	205,488	85,194
Capital expenditures	**113,868**	110,913	147,746
Free funds flow	**$ 47,856**	$ 94,575	$ (62,552)

EBITDA, *is a non-GAAP financial measure that is defined as net income adjusted for interest, taxes, depletion, depreciation and amortization. The Company considers EBITDA to be a key measure as it demonstrates Parex' profitability before interest, taxes, depletion, depreciation and amortization. A reconciliation from net income to EBITDA is as follows:*

	For the three months ended		
($000s)	**Mar. 31, 2023**	Mar. 31, 2022	Dec. 31, 2022
Net income	$ **104,375**	$ 152,650	$ 249,958
Adjustments to reconcile net income to EBITDA:			
Finance income	**(4,644)**	(624)	(4,724)
Finance expense	**3,704**	3,816	1,542
Income tax expense (recovery)	**33,172**	57,505	(77,339)
Depletion, depreciation and amortization	**41,952**	34,268	44,167
EBITDA	$ **178,559**	$ 247,615	$ 213,604

Operating netback*, is a non-GAAP financial measure that the Company considers to be a key measure as it demonstrates Parex' profitability relative to current commodity prices. Parex calculates operating netback as oil and natural gas sales from production less royalties, operating, and transportation expense.*

Non-GAAP Ratios

Operating netback per boe, *is a non-GAAP financial ratio that the Company considers to be a key measure as it demonstrates Parex' profitability relative to current commodity prices. Parex calculates operating netback per boe as operating netback (calculated as oil and natural gas sales from production, less royalties, operating, and transportation expense) divided by the total equivalent sales volume including purchased oil volumes for oil and natural gas sales price and transportation expense per boe and by the total equivalent sales volume excluding purchased oil volumes for royalties and operating expense per boe.*

Funds flow provided by operations per boe or FFO netback per boe*, is a non-GAAP ratio that includes all cash generated from operating activities and is calculated before changes in non-cash working capital, divided by produced oil and natural gas sales volumes. The Company considers funds flow provided by operations netback per boe to be a key measure as it demonstrates Parex' profitability after all cash costs relative to current commodity prices.*

Basic funds flow provided by operations per share *is calculated by dividing funds flow provided by operations by the weighted average number of basic shares outstanding. Parex presents basic funds flow provided by operations per share whereby per share amounts are calculated using weighted-average shares outstanding, consistent with the calculation of earnings per share.*

Capital Management Measures

Funds flow provided by operations, *is a capital management measure that includes all cash generated from operating activities and is calculated before changes in non-cash working capital. The Company considers funds flow provided by operations to be a key measure as it demonstrates Parex' profitability after all cash costs. A reconciliation from cash provided by operating activities to funds flow provided by operations is as follows:*

	For the three months ended		
($000s)	**Mar. 31, 2023**	Mar. 31, 2022	Dec. 31, 2022
Cash provided by operating activities	$ **131,273**	$ 190,607	$ 297,569
Net change in non-cash working capital	**30,451**	14,881	(212,375)
Funds flow provided by operations	$ **161,724**	$ 205,488	$ 85,194

Working capital surplus, *is a non-GAAP capital management measure which the Company uses to describe its liquidity position and ability to meet its short term liabilities. Working Capital Surplus is defined as current assets less current liabilities.*

	For the three months ended		
($000s)	**Mar. 31, 2023**	Mar. 31, 2022	Dec. 31, 2022
Current assets	$ **528,744**	$ 626,916	$ 593,602
Current liabilities	**499,082**	340,232	508,614
Working capital surplus	$ **29,662**	$ 286,684	$ 84,988

Supplementary Financial Measures

"Oil and natural gas sales per boe" *is determined by sales revenue excluding risk management contracts,* as determined in accordance with IFRS, *divided by total equivalent sales volume including purchased oil volumes.*

"Royalties per boe" *is comprised of royalties*, as determined in accordance with IFRS, *divided by the total equivalent sales volume and excludes purchased oil volumes.*

"Production expense per boe" *is comprised of production expense,* as determined in accordance with IFRS, *divided by the total equivalent sales volume and excludes purchased oil volumes.*

"Transportation expense per boe" *is comprised of transportation expense,* as determined in accordance with IFRS, *divided by the total equivalent sales volumes including purchased oil volumes.*

"Dividends paid per share" *is comprised of dividends declared,* as determined in accordance with IFRS, *divided by the number of shares outstanding at the dividend record date.*

"Production per share growth" *is comprised of the Company's total oil and natural gas production volumes divided by the weighted average number of basic shares outstanding. Parex presents production per share whereby per share amounts are calculated using weighted-average shares outstanding, consistent with the calculation of earnings per share. Growth is determined in comparison to the comparative year.*

Oil & Gas Matters Advisory

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 conversation 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.

This press release contains a number of oil and gas metrics, including, operating netbacks and FFO netbacks. These oil and gas metrics have been prepared by management and do not have standardized meanings or standard methods of calculation and therefore such measures may not be comparable to similar measures used by other companies and should not be used to make comparisons. Such metrics have been included herein to provide readers with additional measures to evaluate the Company's performance; however, such measures are not reliable indicators of the future performance of the Company and future performance may not compare to the performance in previous periods and therefore such metrics should not be unduly relied upon. Management uses these oil and gas metrics for its own performance measurements and to provide security holders with measures to compare the Company's operations over time. Readers are cautioned that the information provided by these metrics, or that can be derived from the metrics presented in this news release, should not be relied upon for investment or other purposes.

Dividend Advisory

The Company's future shareholder distributions, including but not limited to the payment of dividends and the acquisition by the Company of its shares pursuant to an NCIB, if any, and the level thereof is uncertain. Any decision to pay further dividends on the common shares (including the actual amount, the declaration date, the record date and the payment date in connection therewith and any special dividends) or acquire shares of the Company will be subject to the discretion of the Board of Directors of Parex and may depend on a variety of factors, including, without limitation the Company's business performance, financial condition, financial requirements, growth plans, expected capital requirements and other conditions existing at such future time including, without limitation, contractual restrictions and satisfaction of the solvency tests imposed on the Company under applicable corporate law. Further, the actual amount, the declaration date, the record date and the payment date of any dividend are subject to the discretion of the Board. There can be no assurance that the Company will pay dividends or repurchase any shares of the Company in the future.

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", “forecast”, "guidance", “budget” 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's 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 Company’s focus, plans, priorities and strategies; the anticipated timing of the resumption of drilling activity at the Arauca Block; that Parex is on track to meet the lower end of its production guidance for the year ended December 31, 2023; that Parex is evaluating additional horizontal wells within the Llanos basin to build on its success; Parex's anticipated average production at Block LLA-26 and the anticipated timing thereof; that Parex and the operator are evaluating drilling additional horizontal wells on Block LLA-34 and the anticipated timing thereof; the anticipated timing of when Parex expects to make a final casing and testing decision on the Chirimoya well; the anticipated timing of when the Arauca-8 well and the Arantes well are expected to spud; Parex's expectation that the Ecopetrol memorandum of understanding coverage area will be highly impactful for its exploration program; the anticipated impact that the shut-in at the Capachos Block and the delayed drilling operations at the Arauca Block will have on production; the anticipated terms of the Company's Q2 2023 quarterly dividend including its expectation that it will be designated as an "eligible dividend"; that Parex will continue to utilize its current NCIB to return free funds flow back to its shareholders; that Parex will release its ninth annual sustainability report, alongside its second integrated Task Force on Climate-Related Financial Disclosures and the anticipated timing thereof; and the anticipated date and time of Parex's 2023 Annual General and Special Meeting of shareholders.

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; impact of the COVID-19 pandemic and the ability of the Company to carry on its operations as currently contemplated in light of the COVID-19 pandemic; determinations by OPEC and other countries as to production levels; 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; failure of counterparties to perform under contracts; risk that Brent oil prices are lower than anticipated; risk that Parex's evaluation of its existing portfolio of development and exploration opportunities is not consistent with its expectations; risk that initial test results are not indicative of future performance; risk that other formations do not contain the expected oil bearing sands; risk that Parex does not have sufficient financial resources in the future to provide distributions to its shareholders; risk that the Board does not declare dividends in the future or that Parex's dividend policy changes; the risk that Parex may not be responsive to changes in commodity prices; the risk that Parex's increased short-cycle activity will not be successful or maximize value for its shareholders; the risk that the delayed drilling operations at the Arauca Block may last longer than anticipated; the risk that Parex may not meet its production guidance for the year ended December 31, 2023; the risk that Parex may not make up production volume over the remainder of 2023; the risk that Parex's production at Block LLA-26 may be less than anticipated; the risk that Parex may not drill any additional horizontal wells on Block LLA-34 when anticipated, or at all; the risk that Parex may not make a final casing and testing decision on the Chirimoya well when anticipated, or at all; the risk that Arauca-8 well and the Arantes well may not spud when anticipated, or at all; the risk that the Ecopetrol memorandum of understanding coverage area may not be highly impactful for Parex's exploration program; the risk that the shut in at the Capachos Block and the delayed drilling operations at the Arauca Block may have a greater impact on production than anticipated; the risk that Parex may incur greater capital expenditures in 2023 than anticipated; the risk that Parex may not utilize its current NCIB to return free funds flow back to its shareholders; 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'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, among other things: current and anticipated commodity prices and royalty regimes; the impact (and the duration thereof) that COVID-19 pandemic will have on the demand for crude oil and natural gas, Parex's supply chain and Parex's ability to produce, transport and sell Parex's crude oil and natural gas; 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; uninterrupted access to areas of Parex's 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's 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; that Parex's evaluation of its existing portfolio of development and exploration opportunities is consistent with its expectations; 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's production and 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; that Parex will have sufficient financial resources to pay dividends and acquire shares pursuant to its NCIB in the future; 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.

This press release contains information that may be considered a financial outlook under applicable securities laws about the Company's potential financial position, including, but not limited to: Parex's capital expenditure guidance for the year ended December 31, 2023; and the anticipated terms of the Company's Q2 2023 quarterly dividend including its expectation that it will be designated as an "eligible dividend"; all of which are subject to numerous assumptions, risk factors, limitations and qualifications, including those set forth in the above paragraphs. The actual results of operations of the Company and the resulting financial results will vary from the amounts set forth in this press release and such variations may be material. This information has been provided for illustration only and with respect to future periods are based on budgets and forecasts that are speculative and are subject to a variety of contingencies and may not be appropriate for other purposes. Accordingly, these estimates are not to be relied upon as indicative of future results. Except as required by applicable securities laws, the Company undertakes no obligation to update such financial outlook. The financial outlook contained in this press release was made as of the date of this press release and was provided for the purpose of providing further information about the Company's potential future business operations. Readers are cautioned that the financial outlook contained in this press release is not conclusive and is subject to change.