

## Parex Resources Announces First Quarter Results, First Production at Arauca, and Declaration of Increased Q2 2024 Dividend



Calgary, Alberta, May 8, 2024 - 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, 2024, and the declaration of its increased Q2 2024 regular dividend of C\$0.385 per share. *All amounts herein are in United States Dollars ("USD") unless otherwise stated.*

"This year, we have made significant progress in executing our strategy and building operational momentum," commented Imad Mohsen, President & Chief Executive Officer.

"The foundation is strong at our base Cabrestero and LLA-34 assets, where horizontal wells, waterflood, and polymer application are yielding positive results. Beyond our base, the Arauca-8 well is now among the top oil-producing wells in Colombia – and the recently signed Llanos Foothills agreement marks a pivotal moment for Parex, representing our expansion into the most prolific region of the country. Our team's focus on executing the 2024 plan remains steadfast; concurrently, we are laying the groundwork for the future, strategically positioning the Company to realize its step-change potential and drive long-term shareholder value."

### Key Highlights

- Generated Q1 2024 funds flow provided by operations ("FFO")<sup>(1)</sup> of \$148 million and FFO per share<sup>(2)(3)</sup> of \$1.43.
- Successfully brought the Arauca-8<sup>(9)</sup> well online in April 2024, with stable rates averaging over 4,000 bbl/d of light crude oil (gross) over the past 14 days<sup>(4)</sup>.
- On track to deliver FY 2024 average production guidance of 57,000 boe/d (midpoint); second quarter-to-date estimated average production is approximately 56,000 boe/d<sup>(8)</sup>.
- High-graded the exploration portfolio through the signing of definitive agreements to explore Colombia's high-potential Llanos Foothills trend, as previously announced April 11, 2024.
- Declared a Q2 2024 regular dividend of C\$0.385 per share<sup>(7)</sup> or C\$1.54 per share annualized, representing a C\$0.04 per share increase on an annualized basis.
- Repurchased approximately 1.5 million shares year-to-date 2024 under the Company's current normal course issuer bid ("NCIB").

### Q1 2024 Results

- Quarterly average oil & natural gas production was 53,338 boe/d<sup>(5)</sup>, an increase of 4% from Q1 2023, and a 7% decrease from Q4 2023; the primary driver of the decrease was the suspension of operations in the Northern Llanos, which has since returned to normal operations.
- Grew production per share<sup>(3)(7)</sup> by 9% compared to Q1 2023, from increased production as well as the reduction of outstanding shares through NCIB programs.
- Realized net income of \$60 million or \$0.58 per share basic<sup>(3)</sup>.
- Generated quarterly FFO<sup>(1)</sup> of \$148 million, an 8% decrease from Q1 2023, and FFO per share<sup>(2)(3)</sup> of \$1.43, a 4% decrease from Q1 2023.
- Produced an operating netback<sup>(2)</sup> of \$43.55/boe and an FFO netback<sup>(2)</sup> of \$31.32/boe from an average Brent price of \$81.87/bbl.
- Incurred \$85 million of capital expenditures<sup>(6)</sup>, primarily from activities at Arauca, LLA-34 and LLA-122.
- Generated \$63 million of free funds flow<sup>(6)</sup> that was used for return of capital initiatives as well as \$30 million of bank debt repayment; working capital surplus<sup>(1)</sup> was \$56 million and cash \$61 million at quarter end.
- Paid a C\$0.375 per share<sup>(7)</sup> regular quarterly dividend and repurchased 919,900 shares.

(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) Per share amounts (with the exception of dividends) are based on weighted-average common shares; dividends paid per share are based on the number of common shares outstanding at each dividend date.

(4) Short-term production rate. See "Oil & Gas Matters Advisory."

(5) See "Operational and Financial Highlights" for a breakdown of production by product type.

(6) Non-GAAP financial measure. See "Non-GAAP and Other Financial Measures Advisory."

(7) Supplementary financial measure. See "Non-GAAP and Other Financial Measures Advisory."

(8) Estimated average production for April 1, 2024 to May 7, 2024.

(9) Arauca: Business Collaboration Agreement with Ecopetrol S.A. (Parex 50% Participating Share); Ecopetrol S.A. currently holds 100% of the working interest in the Convenio Arauca while the assignment procedure is pending.

<b>Operational and Financial Highlights</b> (unaudited)	<b>Three Months Ended</b>		
	<b>Mar. 31, 2024</b>	<b>Mar. 31, 2023</b>	<b>Dec. 31, 2023</b>
<b>Operational</b>			
<b>Average daily production</b>			
Light Crude Oil and Medium Crude Oil (bbl/d)	7,237	7,115	9,700
Heavy Crude Oil (bbl/d)	45,543	43,435	46,760
Crude Oil (bbl/d)	52,780	50,550	56,460
Conventional Natural Gas (mcf/d)	3,348	4,692	5,214
Oil & Gas (boe/d) <sup>(1)</sup>	53,338	51,332	57,329
<b>Operating netback (\$/boe)</b>			
Reference price - Brent (\$/bbl)	81.87	82.16	82.90
Oil & gas sales <sup>(4)</sup>	70.80	69.09	70.55
Royalties <sup>(4)</sup>	(11.21)	(12.21)	(12.12)
Net revenue <sup>(4)</sup>	59.59	56.88	58.43
Production expense <sup>(4)</sup>	(12.64)	(8.85)	(13.67)
Transportation expense <sup>(4)</sup>	(3.40)	(3.08)	(3.54)
<b>Operating netback (\$/boe)<sup>(2)</sup></b>	<b>43.55</b>	<b>44.95</b>	<b>41.22</b>
<b>Funds flow provided by operations netback (\$/boe)<sup>(2)</sup></b>	<b>31.32</b>	<b>34.27</b>	<b>36.81</b>
<b>Financial (\$000s except per share amounts)</b>			
<b>Net income</b>	<b>60,093</b>	104,375	133,783
Per share - basic <sup>(6)</sup>	0.58	0.96	1.28
<b>Funds flow provided by operations<sup>(5)</sup></b>	<b>148,307</b>	161,724	193,377
Per share - basic <sup>(2)(6)</sup>	1.43	1.49	1.85
<b>Capital expenditures<sup>(3)</sup></b>	<b>85,421</b>	113,868	91,419
<b>Free funds flow<sup>(3)</sup></b>	<b>62,886</b>	47,856	101,958
<b>EBITDA<sup>(3)</sup></b>	<b>192,078</b>	178,817	110,860
<b>Adjusted EBITDA<sup>(3)</sup></b>	<b>188,228</b>	198,360	201,552
<b>Long-term inventory expenditures</b>	<b>3,843</b>	19,767	(866)
<b>Dividends paid</b>	<b>28,531</b>	29,831	29,505
Per share - Cdn\$ <sup>(4)</sup>	0.375	0.375	0.375
<b>Shares repurchased</b>	<b>15,291</b>	32,868	22,453
Number of shares repurchased (000s)	920	1,909	1,220
<b>Outstanding shares (end of period) (000s)</b>			
Basic	102,914	107,419	103,812
Weighted average basic	103,474	108,192	104,394
Diluted <sup>(8)</sup>	103,829	108,221	104,502
<b>Working capital surplus<sup>(5)</sup></b>	<b>55,901</b>	29,662	79,027
<b>Bank debt<sup>(7)</sup></b>	<b>60,000</b>	—	90,000
<b>Cash</b>	<b>61,052</b>	372,419	140,352

(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. Dividends paid per share are based on the number of common shares outstanding at each dividend record date.

(7) Syndicated bank credit facility borrowing base of \$200.0 million as at March 31, 2024.

(8) Diluted shares as stated include common shares and stock options outstanding at period end; March 31, 2024 closing price was C\$21.64 per share.

## Parex Resources and Ecopetrol S.A. Enter into Definitive Agreements to Explore Colombia's High-Potential Llanos Foothills Trend

As previously announced April 11, 2024, Parex and its strategic partner have entered into definitive agreements to consolidate their position along the Llanos Foothills trend in alignment with Colombian government objectives to secure gas supply and support energy transition initiatives.

Parex views the agreements as having high-graded its exploration portfolio, while maintaining the Company's long-term capital allocation framework. This positions Parex for its next growth chapter, minimizing risk profile and maximizing reward potential as the Company expands into Colombia's most prolific area.

To learn more, please see the "Llanos Foothills Trend" presentation, which is available at [www.parexresources.com](http://www.parexresources.com) under Investors.

## Strong Current Production with FY 2024 Guidance Re-Confirmed

Second quarter-to-date estimated average production is approximately 56,000 boe/d, reflecting strong base production from Cabrestero and LLA-34, initial Arauca production, and a successful restart of Capachos.

Parex's FY 2024 average production guidance of 54,000 to 60,000 boe/d (57,000 boe/d midpoint) and capital expenditure guidance of \$390 to \$430 million (\$410 million midpoint) remain unchanged.

## Operational Update

### Cabrestero and LLA-34<sup>(1)(2)</sup>

The Cabrestero and LLA-34 blocks continue to demonstrate strong base production, producing approximately 44,000 bbl/d heavy crude oil (net) combined in Q1 2024. Although new producing well additions have slowed alongside lower capital investment, production rates have remained strong through a combination of positive waterflood response, successful exploitation and optimization activities, and in the case of Cabrestero, initial positive results from the polymer injection pilot.

At Cabrestero, average production levels have been sustained at over 14,500 bbl/d of heavy crude oil (net) since October 2023, despite no new wells being drilled on the block. This sustained production is demonstrating the low decline profile of the asset when coupled with Management's strategic focus on applying globally-proven technology.

(1) Cabrestero: 100% W.I.

(2) LLA-34: 55% W.I.

### Northern Llanos - Arauca Update<sup>(1)</sup>

Substantial advancements at the Arauca Block have occurred in 2024. Significant drilling improvements have been realized, achieved through a blend of lessons learned as well as technology application; the Arauca-81 well is drilling at a pacesetting rate, building upon the success of the Arauca-8 drill. Initial production has begun from the block, with the Arauca-8 well currently ranked among the top oil-producing wells in Colombia.

#### *Arauca-8 Well*

- The Arauca-8 well came online in April 2024 and produced roughly 3,400 bbl/d of light crude oil (gross) during the month.
- Over the last 14 days following wellbore cleanup, natural flow has been stable at rates over 4,000 bbl/d of light crude oil (gross), limited by gas facility constraints.
- Facility constraints are limiting the monetization of associated natural gas in the Gacheta and Une reservoirs; the Company is currently working on short- and long-term facility and infrastructure solutions, including connecting to the bicentenario ("OBC") pipeline.

#### *Arauca-81 Well*

- Arauca-81, which is the adjacent follow-up well to Arauca-8 that is a roughly 600 meter stepout, was spud in early Q2 2024.

#### *Arauca-15 Well*

- The Arauca-15 sidetrack has reached total depth and is expected to come online in Q2 2024.
- Once Arauca-15 is completed, the rig is expected to move to the Arauca-12 follow-up location.

(1) Arauca: Business Collaboration Agreement with Ecopetrol S.A. (Parex 50% Participating Share); Ecopetrol S.A. currently holds 100% of the working interest in the Convenio Arauca while the assignment procedure is pending.

## Near-Field Exploration - Small 'E' Targets Complementary to the Big 'E' Exploration Strategy

The Company's 2024 near-field exploration plan is progressing, with the first well expected to spud in Q2 2024.

## Big 'E' Exploration - High-Impact Targets with Transformational Potential

Parex continues to drill its first high-potential well in the Colombian Foothills, *Arantes* at LLA-122<sup>(1)</sup>, which is targeting gas and condensate. This prospect is at roughly 10,000 feet, with a target depth of approximately 18,000 feet. Initial results are expected mid-year 2024.

Parex continues to progress the pre-drill work for the *Hidra* well (name changed from "*Hydra*") at VIM-1<sup>(2)</sup>, which is roughly 15 kilometers from the Company's La Belleza discovery. The well is expected to spud mid-year 2024.

(1) LLA-122: 50% W.I.

(2) VIM-1: 50% W.I.

## Return of Capital Update

### Increased Q2 2024 Dividend

Parex's Board of Directors have approved a Q2 2024 regular dividend of C\$0.385 per share to be paid on June 17, 2024, to shareholders of record on June 10, 2024, representing a C\$0.04 per share increase on an annualized basis. 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 7, 2024, Parex has repurchased approximately 1.5 million shares under its current NCIB at an average price of C\$22.24 per share, for total consideration of roughly C\$33 million.

## Q1 2024 Results - Conference Call & Video Webcast

Parex will host a conference call and video webcast to discuss its Q1 2024 results on Thursday, May 9, 2024, beginning at 9:30 am MT (11:30 am ET). To participate in the conference call or video webcast, please see the access information below:

Conference ID:	1 335 335
Participant Toll-Free Dial-In Number:	1-888-550-5584
Participant Toll Dial-In Number:	1-646-960-0157
Webcast:	<a href="https://events.q4inc.com/attendee/326628133">https://events.q4inc.com/attendee/326628133</a>

## 2024 Annual General & Special Meeting of Shareholders

On Thursday, May 9, 2024, Parex will hold its Annual General and Special Meeting of Shareholders at 11:00 am MT (1:00 pm ET) both in-person and virtually. Participants may attend at the 4th Floor Conference Center, Eight Avenue Place, East Tower, 525, 8th Ave SW, Calgary, Alberta – and virtual participants can join through the following link: <https://meetnow.global/MFWYXAV>.

Additional information regarding the Annual General and Special Meeting, including meeting materials, can be found at [www.parexresources.com](http://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 shares trade on the Toronto Stock Exchange under the symbol PXT.

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**NOT FOR DISTRIBUTION OR FOR DISSEMINATION IN THE UNITED STATES****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), 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.

(\$000s)	For the three months ended		
	Mar. 31, 2024	Mar. 31, 2023	Dec. 31, 2023
Property, plant and equipment expenditures	\$ 40,831	\$ 83,224	\$ 50,753
Exploration and evaluation expenditures	44,590	30,644	40,666
<b>Capital expenditures</b>	<b>\$ 85,421</b>	<b>\$ 113,868</b>	<b>\$ 91,419</b>

**Free funds flow**, is a non-GAAP financial measure that is determined by funds flow provided by operations less capital expenditures. 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:

(\$000s)	For the three months ended		
	Mar. 31, 2024	Mar. 31, 2023	Dec. 31, 2023
Cash provided by operating activities	\$ 97,412	\$ 131,273	\$ 194,242
Net change in non-cash working capital	50,895	30,451	(865)
Funds flow provided by operations	148,307	161,724	193,377
Capital expenditures	85,421	113,868	91,419
<b>Free funds flow</b>	<b>\$ 62,886</b>	<b>\$ 47,856</b>	<b>\$ 101,958</b>

**EBITDA**, is a non-GAAP financial measure that is defined as net income adjusted for finance income and expenses, income tax expense (recovery) and depletion, depreciation and amortization.

**Adjusted EBITDA**, is a non-GAAP financial measure defined as EBITDA adjusted for non-cash impairment charges, unrealized foreign exchange gains (losses), unrealized gains (losses) on risk management contracts and share-based compensation expense.

The Company considers EBITDA and Adjusted EBITDA to be key measures as they demonstrates Parex's profitability before finance income and expenses, taxes, depletion, depreciation and amortization and other non-cash items. A reconciliation from net income to EBITDA and Adjusted EBITDA is as follows:

(\$000s)	For the three months ended		
	Mar. 31, 2024	Mar. 31, 2023	Dec. 31, 2023
Net income	\$ 60,093	\$ 104,375	\$ 133,783
Adjustments to reconcile net income to EBITDA:			
Finance income	(1,257)	(4,386)	(2,067)
Finance expense	5,194	3,704	3,240
Income tax expense (recovery)	75,817	33,172	(81,929)
Depletion, depreciation and amortization	52,231	41,952	57,833
<b>EBITDA</b>	<b>\$ 192,078</b>	<b>\$ 178,817</b>	<b>\$ 110,860</b>
Non-cash impairment charges	—	—	85,330
Share-based compensation expense	(2,463)	10,551	7,674
Unrealized foreign exchange (gain) loss	(1,387)	8,992	(2,312)
<b>Adjusted EBITDA</b>	<b>\$ 188,228</b>	<b>\$ 198,360</b>	<b>\$ 201,552</b>

#### Non-GAAP Ratios

**Operating netback per boe**, is a non-GAAP 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 netback or FFO netback**, 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's profitability after all cash costs relative to current commodity prices.

**Basic funds flow provided by operations per share or FFO per share**, is a non-GAAP ratio that 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. The Company considers basic and diluted funds flow provided by operations per share or FFO per share to be a key measure as it demonstrates Parex' profitability after all cash costs relative to the weighted average number of basic and diluted shares outstanding.

#### 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's profitability after all cash costs. A reconciliation from cash provided by operating activities to funds flow provided by operations is as follows:

(\$000s)	For the three months ended		
	Mar. 31, 2024	Mar. 31, 2023	Dec. 31, 2023
Cash provided by operating activities	\$ 97,412	\$ 131,273	\$ 194,242
Net change in non-cash working capital	50,895	30,451	(865)
<b>Funds flow provided by operations</b>	<b>\$ 148,307</b>	<b>\$ 161,724</b>	<b>\$ 193,377</b>

**Working capital surplus**, is a 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.

(\$000s)	For the three months ended		
	Mar. 31, 2024	Mar. 31, 2023	Dec. 31, 2023
Current assets	\$ 276,113	\$ 528,744	\$ 337,175
Current liabilities	220,212	499,082	258,148
<b>Working capital surplus</b>	<b>\$ 55,901</b>	<b>\$ 29,662</b>	<b>\$ 79,027</b>

### 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.

**"Net revenue per boe"** is comprised of net revenue, 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.

Any reference in this press release to short-term production rates are useful in confirming the presence of hydrocarbons, however such rates are not determination of the rates at which such wells will continue production and decline thereafter and readers are cautioned not to place reliance on such rates in calculating the aggregate production of Parex.



## Distribution 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; Parex's expectations with respect to the definitive agreements entered into with Ecopetrol S.A., including the expected benefits to be derived therefrom; Parex's 2024 average production guidance and capital expenditure guidance; Parex's expectations with respect to the Arauca-8 well, including that facility installations will be completed in the second half of 2024 and in connection therewith, production from the well can be further optimized, and the Company's related plans to commence natural gas sales by the end of the year; the anticipated timing of when production will commence at the Arauca-15 well and that once the Arauca-15 well is completed, the rig is expected to move to the Arauca-12 well follow-up location; expectations with respect to the low decline profile of the Cabrestero Block and Management's related focus on enhanced oil recovery and associated technology applications; the expected timing for the first Small 'E' Target well to spud; the anticipated timing of when the Arantes at Block LLA-122 well will produce initial results; the anticipated timing of when the Hidra well will spud; the anticipated terms of the Company's Q2 2024 regular quarterly dividend, including its expectation that it will be designated as an "eligible dividend"; and the anticipated date and time of Parex's conference call to discuss Q1 2024 results.

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; 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; the 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; the risk that Brent oil prices may be lower than anticipated; the risk that Parex's evaluation of its existing portfolio of development and exploration opportunities may not be consistent with its expectations; the risk that Parex may not have sufficient financial resources in the future to provide distributions to its shareholders; the risk that the Board may 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 may not meet its production guidance for the year ended December 31, 2024; the risk that Parex's 2024 capital expenditures may be greater than anticipated; the risk that Parex may not realize the anticipated benefits from the definitive agreements entered into with Ecopetrol S.A.; the risk that with respect to the Arauca-8 well, facility installations will not be completed on the timeline expected or at all and, accordingly, that Parex may not realize the expected benefits to be derived therefrom; the risk that initial production does not commence at the Arauca-15 well when expected or at all, and/or the rig does not move to the Arauca-12 well follow-up location; the risk that the expected low decline profile of the Cabrestero Block does not materialize; the risk that the first Small 'E' Target well is not spud when expected or at all; the risk that the Arantes at Block LLA-122 well does not produce initial results when expected or at all; the risk that the Hidra big 'E' exploration well is not spud when expected or at all; 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.sedarplus.ca](http://www.sedarplus.ca)).

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; 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; that Parex will realize the anticipated benefits from the definitive agreements entered into with Ecopetrol S.A.; that with respect to the Arauca-8 well, facility installations will be completed in the second half of 2024; that at the Cabrestero Block, Management's focus on enhanced oil recovery and associated technology applications will result in anticipated benefits; 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 2024 capital expenditure guidance; and the anticipated terms of the Company's Q2 2024 regular 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.

The following abbreviations used in this press release have the meanings set forth below:

bbl	one barrel
bbls	barrels
bbl/d	barrels per day
boe	barrels of oil equivalent of natural gas; one barrel of oil or natural gas liquids for six thousand cubic feet of natural gas
boe/d	barrels of oil equivalent of natural gas per day
mcf	thousand cubic feet
mcf/d	thousand cubic feet per day
W.I.	working interest