News Release **July 7, 2021**

Parex Announces Ecopetrol Block Partnership, GHG Emissions Intensity Reduction Targets & Implements Quarterly Dividend

Calgary, Canada

Parex Resources Inc. ("Parex" or the "Company") (TSX:PXT) is a company headquartered in Calgary that focuses on sustainable, profitable, and conventional oil and gas production. All amounts herein are in United States dollars ("USD") unless otherwise stated.

Strategic Partnership Agreements with Ecopetrol in Colombia's Arauca Province: Accessing High Quality Llanos Basin Development & Exploration Opportunities

Parex is pleased to be expanding its strategic partnership with Ecopetrol S.A. ("Ecopetrol"), Colombia's premier, integrated oil and gas producer. Parex and Ecopetrol have executed agreements whereby Parex will earn an operated, 50% interest in two blocks, the Arauca and LLA-38 blocks (the "Blocks"), located in the proven and highly prolific Llanos basin in the Arauca province of north-eastern Colombia. Collectively, the Blocks contain proved reserves along with development and drill ready exploration prospects.

The agreements are consistent with Parex' corporate strategy of acquiring assets with near term development potential, industry leading netbacks and significant exploration and appraisal opportunities in the Llanos Basin where Parex has a proven track record of success.

The Blocks are situated approximately 40 kilometers north of Parex' operated, Capachos producing block (Ecopetrol partnered). In developing the Blocks, Parex expects to be able to leverage its proven operating capabilities at Capachos and replicate similar partnerships and mutual benefits with the nearby communities.

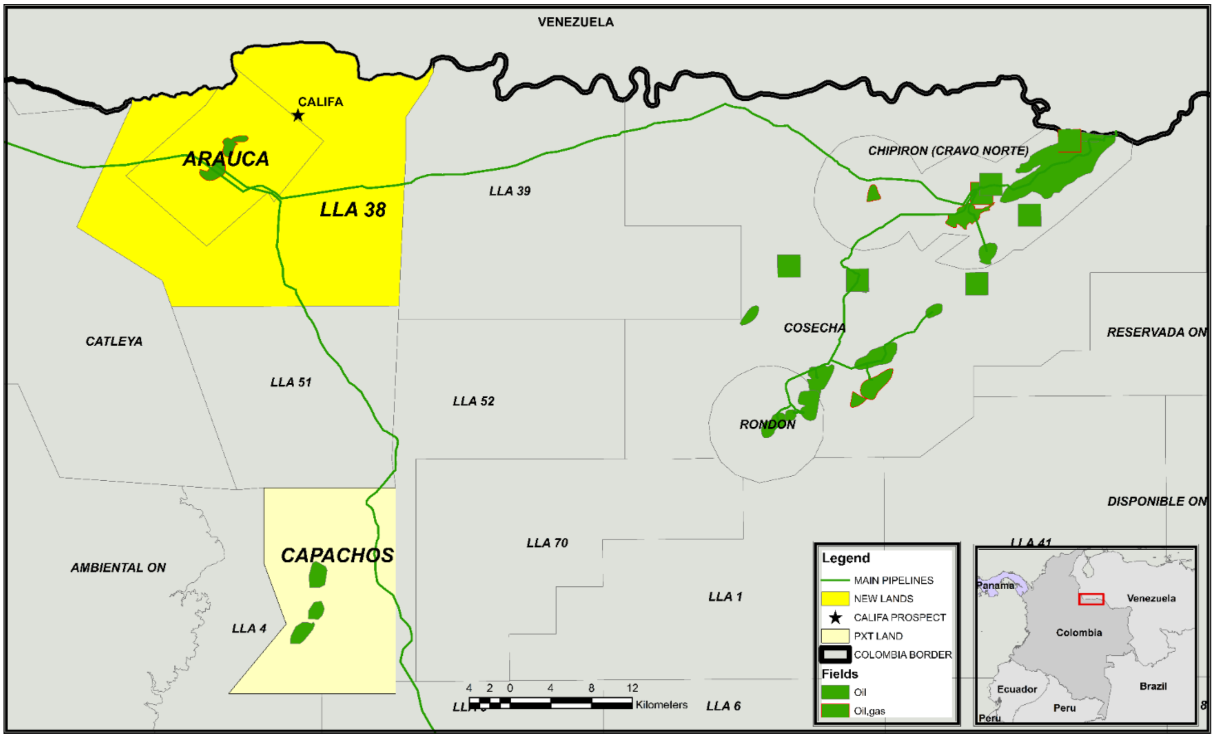
The Arauca block is a production reactivation opportunity. Parex plans to immediately commence working with local authorities and communities with the objective of initiating operations in late 2021.

On the adjacent LLA-38 exploration block, initial activity will focus on the drill ready, 3D seismic defined, Califa-1 exploration prospect. Further, Parex will acquire additional 3D seismic to evaluate multiple exploration leads on the block. Parex intends to commence drilling of the Califa-1 exploration prospect in 2022.

Parex' independent qualified reserve evaluator, GLJ Ltd. ("GLJ"), has recognized Company interest proved plus probable reserves of 7.8 million barrels of light & medium crude oil and future development capital of approximately $70 million associated with the Arauca block as of January 1, 2021. The foregoing reserves information is obtained from information contained in the independent reserves report prepared by GLJ dated January 20, 2021 with an effective date of December 31, 2020. Such report was prepared in accordance with definitions, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook and National Instrument 51-101 – Standards of Disclosure for

Oil and Gas Activities. The reserves presented in this press release are based on GLJ's forecast pricing effective January 1, 2021. The report did not include the LLA-38 block.

Figure 1: Location of Parex existing block (Capachos) and newly acquired farm-in Blocks (Arauca & LLA-38) in the Northern Llanos Basin.



The prolific Arauca province contains significant development and established infrastructure to support growth. Total cumulative production to date from the Arauca province is approximately 1.5 billion barrels. (Source: SierraColEnergy.com)

Arauca Block Oil Field History

The Arauca block is a proven, shut-in oil field which has undergone partial development dating back to the 1980s, with cumulative light oil (34-41° API) production of approximately 10 million barrels from the Mirador formation. Peak production rates from the Arauca block exceeded 4,000 bbl/d under restricted rates associated with infrastructure limitations. (Source: IHS Markit).

Existing pads, facilities, and infrastructure along with oil export optionality support a broad range of both development and exploration opportunities on the Arauca block.

Arauca & LLA-38 Blocks Initial Work Plan

Parex and Ecopetrol have agreed to an initial work plan for the Blocks, funded solely by Parex, that consists of the drilling of 2 development wells, 1 exploration well and a further capital program of $75.8 million. The overall timing and activities of the capital program, across both the Blocks, will be determined based on partner consultation, customary regulatory approvals, surface access and exploration success, among other factors.

Parex' Ongoing Dedication and Integrated ESG Strategy

As part of Parex' ongoing dedication to its ESG strategy, Parex will continue to investigate opportunities to integrate and complement its growing operations with carbon reduction initiatives. Although preliminary in nature, Parex recognized the high subsurface reservoir temperatures in the region that may be amenable to geothermal power generation in the future. Parex, along with its partner Ecopetrol, will continue to evaluate the Arauca Block going forward for technical and economic viability for geothermal power while leveraging the expertise and findings from its inaugural pilot and South America's first geothermal power generation project in the Las Maracas field in Casanare, Colombia.

Production Update

Parex released a production update dated May 17, 2021 regarding production curtailments due to transportation blockades throughout Colombia and withdrawing Q2 2021 guidance and updating H2 2021 production guidance. Most of the civil disturbances have been resolved and the transportation blockades have been lifted, and Parex expects Q2 2021 production will average approximately 43,975 boe/d. Currently, production is approximately 47,000 boe/d (see disclaimers at the end of this press release for the breakdown of production into its constituent product types). Parex is updating its H2 2021 production guidance set forth in the press release dated May 17, 2021 at 44,000-50,000 boe/d, with Parex expecting H2 2021 production to average 46,000-50,000 boe/d. The lower end of the range incorporates the possibility of additional disturbances.

Operational Update – Upcoming Activity

Parex has resumed its drilling activities following the transportation blockades being lifted, and provides the below update on our exploration and growth activities:

Block	**Activity Description**
Cabrestero	4-6 well program – drilling commenced June 2021.
VIM-1	The Basilea-1 well has been drilled to a depth of 10,864 feet encountering gas shows through the shallower Porquero Formation and has now been temporarily suspended. The drilling rig will mobilize to the Planadas pad to spud the Planadas nearfield exploration well which is approximately 7 km west from La Belleza discovery, targeting cienaga de oro limestones. The Company is accelerating development for the La Belleza discovery drilled in 2019, including the production of compressed natural gas ("CNG"). Subject to timing, partner and regulatory approval, the Joint Venture anticipates preliminary production of approximately 7 million cubic feet/day plus liquids, for a total equivalent production of 2,700 boe/d (gross) in Q4 2021.
Capachos	Since Parex' drilling of the first earning well in 2017, over 5 million (gross) barrels of light oil has been produced from the Parex operated (50% WI) Capachos Block, which at current Brent pricing delivers approximately $50/bbl operating netbacks. Following the re-processing of 3D seismic and generally strong production performance to date in 2021, Parex plans to begin, in late 2021, a high-impact 6 well program consisting of 3 appraisal wells and 3 exploration wells, subject to partner definition and approval process.
VMM-46	Commenced acquisition of 215 square km of 3D seismic – completion expected mid-October

Environmental, Social and Governance ("ESG") Update

Over the last 3 years, Parex has made significant progress to advance ESG disclosure and integrate relevant ESG factors into the Company's governance and management structure, enterprise risk management, and compensation programs. In particular, since 2018 Parex has transparently disclosed its practices and performance related to greenhouse gas ("GHG") emissions through its response to the annual CDP (formerly Carbon Disclosure Project) climate change questionnaire. The Company's sustainability performance is reflected in its above industry average ESG ratings with CDP (B score) and other rating agencies such as Sustainalytics (ranked 6th percentile or 9 out 172 among oil and gas E&Ps)[1].

Parex has taken substantial steps to reduce its carbon footprint, investing in initiatives such as the construction of pipelines to displace oil trucking, gas plants to limit flaring volumes, and a geothermal power generation unit to replace carbon intensive fuels. In 2020, the Company's operational scopes 1 and 2 GHG emissions intensity per boe declined by 23.9% to 22.8 kg CO_2e/boe from 30.0 kg CO_2e/boe in 2019. Building upon this achievement, and in support of the Paris Agreement's goals to address climate change and to align with key stakeholders' calls for corporate climate action, Parex is dedicated to continue lowering GHG emissions intensity per boe from operated assets. As a result, the Company is dedicated to:

- **Near-Term Goal:** Eliminate routine flaring by the end of 2025, supporting the World Bank's Zero Routine Flaring by 2030 initiative,
- **Medium-Term Target:** Reduce scopes 1 and 2 GHG emissions intensity by 50% by 2030 from a 2019 baseline, and
- **Long-Term Ambition:** As an aspirational goal, achieve net-zero scopes 1 and 2 GHG emissions by 2050.

Parex' emission reduction strategy, in the short- to mid-term, will focus on optimizing carbon footprint, displacing carbon intensive power sources, and increasing power generation from renewable sources. The Company's long-term low-carbon strategy will gradually emerge as Parex evaluates the uncertainties it could face during the energy transition and outlines sustainable pathways to achieving its net-zero ambition. Parex will remain transparent, providing regular disclosure on performance related to GHG emissions intensity targets and updates on the evolving climate strategy. It is Parex' aspiration to be among the least carbon intensive oil and gas E&P companies while continuing to deliver shareholder value and meet ongoing global energy demand.

For more information on Parex' performance on ESG matters, visit the corporate sustainability webpage, with the Company's next annual sustainability report being expected in August 2021.

Initiation of Quarterly Dividend

Parex is pleased to announce the implementation of a quarterly dividend program with respect to its common shares (the "Common Shares"). The Board of Directors (the "Board") has approved the initiation of a dividend program pursuant to which the Company expects to pay a regular quarterly cash dividend. If declared, the quarterly dividend is expected to be paid in each of March, June, September and December of each year. The Board has approved the payment of a dividend for the third quarter of 2021 in the amount of

[1] Source: Sustainalytics ESG Risk Rating Report on Parex Resources Inc. dated May 28, 2021

CAD$0.125 per Common Share, which will be payable on September 30, 2021 to shareholders of record as of September 15, 2021. The dividend is designated as an "eligible dividend" for the purpose of the *Income Tax Act* (Canada).

The decision to declare any quarterly dividend and the amount of such dividend, if any, will be subject to the discretion and determined by the Board taking into account, among other things, business performance, financial condition, growth plans and expected capital requirements as well as any contractual restrictions and compliance with applicable law. There can be no assurance that dividends will be paid at the intended rate or at any rate in the future.

"The decision by the Board to initiate a dividend represents a meaningful milestone in Parex' history and demonstrates confidence in our strong operating performance, significant free cash flow and earnings generation, attractive cash balance and positive long-term financial outlook," said Imad Mohsen, Parex' Chief Executive Officer and President.

2021 Share Buy-Back Program – 60% Complete – CAD$165 Million Repurchased

Parex will continue to maximize shareholder value through its normal course issuer bid ("NCIB") program, in which the Company plans to purchase the maximum allowable 12.9 million Common Shares, prior to the NCIB's expiry on December 22, 2021. As of June 30, 2021, the Company has repurchased for cancellation 7.7 million Common Shares (for an aggregate purchase price of approximately CAD$165 million) under its current NCIB, which commenced on December 23, 2020. As of June 30, 2021, Parex has approximately 124.9 million basic Common Shares outstanding. The aggregate 2021 budgeted amount for Common Share purchases under the current NCIB is approximately CAD$275 million (of which approximately CAD$165 million has been incurred) or approximately 12% of Parex' current enterprise value. Parex continues to have no commodity price hedges in place such that any increases in Brent oil prices would contribute to increases in Parex' 2021 funds flow provided by operations.

For more information, please contact:

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

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Advisory on Forward Looking Statements

Certain information regarding Parex set forth in this press release 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", "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' 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, 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 Company's focus, plans, priorities and strategies; terms of the contracts with Ecopetrol; expectation that Parex will be able to leverage its proven operating capabilities at Capachos and replicate similar partnerships and mutual benefits with the nearby communities of the Blocks; the benefits of the Blocks; timing of work commencement and operations at the Blocks; expected activities and work plan on the Blocks and the timing thereof; capital program on the Blocks; exploration opportunities on the Arauca block; continued plan to evaluate the Arauca Block going forward for technical and economic viability for geothermal power; expected Q2 2021 production; H2 2021 production range, with the lower end reflecting the possibility of additional disturbances; H2 2021 production average; Parex' exploration and growth activities following the transportation blockades being lifted; Parex dedication to continue lowering GHG emissions intensity per boe from operated assets; eliminating routine flaring by the end of 2025; reducing scopes 1 and 2 GHG emissions intensity; achieving net zero scopes 1 and 2 GHG emissions by 2050; the Company's dividend policy; and Parex' expectation that it will purchase the maximum allowable number of common shares under its NCIB; the aggregate 2021 budgeted amount for Common Share purchases under the NCIB; and anticipated funding of dividend payments. In addition, statements relating to "reserves" are by their nature forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the resources 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 Colombia; industry conditions including changes in laws and regulations, and changes in how they are interpreted and enforced in Canada and Colombia; lack of availability of qualified personnel; 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; the results of exploration and development drilling and related activities; risks associated with negotiating with foreign governments as well as country risk associated with conducting international activities; environmental risks; 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' evaluation of its existing portfolio of development and exploration opportunities is not consistent with its expectations; inability to lower GHG emissions intensity per boe from operated assets and eliminate routine flaring on the timeline anticipated or at all; risk that Parex is unable to reduce scopes 1 and 2 GHG emissions in the amount and timelines anticipated or achieve net zero scopes 1 and 2 GHG emissions on the timeline anticipated or at all; risk that Parex does not have sufficient financial resources in the future to pay a dividend; risk that the Board does not declare dividends in the future or that Parex' dividend policy changes; and other factors, many of which are beyond the control of the Company. Depending on these and other factors, many of which will be beyond the control of Parex, the dividend policy of Parex may change from time to time and, as a result, future cash dividends could be reduced or suspended entirely. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect 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 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’ supply chain and Parex’ ability to produce, transport and sell Parex’ 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' 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' 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' 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' 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; ability to achieve reductions in GHG emissions intensity per boe from operated assets; ability to eliminate routine flaring and reduce scopes 1 and 2 GHG emissions on the timeline anticipated; ability to achieve zero scopes 1 and 2 GHG emissions on the timeline anticipated; that Parex will have sufficient financial resources to pay dividends 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' 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.

Dividend Advisory

Future dividend payments, if any, and the level thereof is uncertain. The Company's dividend policy and any decision to pay further dividends on the Common Shares will be subject to the discretion of the Board 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. 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 dividends will be paid at the intended rate or at any rate in the future.

Oil and Gas Advisory

Current production of approximately 47,000 boe/d consists of approximately 8,169 bbls/d of light crude oil and medium crude oil, 37,123 bbls/d of heavy crude oil and 10,248 mcf/d of conventional natural gas (96% crude oil).

The term "Boe" means a barrel of oil equivalent on the basis of 6 thousand cubic feet ("Mcf") of natural gas to 1 bbl. Boe may be misleading, particularly if used in isolation. A boe conversion 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: 1 Bbl, 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. 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.

Non-GAAP Terms

The Company discloses financial measures ("non-GAAP Measures") herein that do not have any standardized meaning prescribed under International Financial Reporting Standards ("IFRS"). These financial measures are operating netback and funds flow provided by operations. Management uses these non-GAAP measures for its own performance measurement and to provide shareholders and investors with additional measurements of the Company’s efficiency and its ability to fund a portion of its future capital expenditures.

The Company considers operating netback to be a key measure as it demonstrates Parex' profitability relative to current commodity prices. The following is a description of each component of the Company's operating netback and how it is determined:

- Oil and natural gas sales per boe is determined by sales revenue excluding risk management contracts divided by total equivalent sales volume including purchased oil volume;

- Royalties per boe is determined by dividing royalty expense by the total equivalent sales volume and excludes purchased oil volumes;

- Production expense per boe is determined by dividing production expense by total equivalent sales volume and excludes purchased oil volumes; and

- Transportation expense per boe is determined by dividing transportation expense by the total equivalent sales volumes including purchased oil volumes.

Funds flow provided by operations is a non-GAAP measure that includes all cash generated from operating activities and is calculated before changes in non-cash working capital. In Q2 2019, the Company changed how it presents funds flow provided by operations to present a more comparable basis to industry presentation.

Shareholders and investors should be cautioned that these measures should not be construed as an alternative to net income or other measures of financial performance as determined in accordance with IFRS. Parex' method of calculating these measures may differ from other companies, and accordingly, they may not be comparable to similar measures used by other companies. Please see the Company's most recent Management’s Discussion and Analysis, which is available at www.sedar.com for additional information about this financial measure.