

Parex Resources Completes Acquisition of Frontera E&P, Becoming Colombia's Largest Independent Oil & Gas Producer



Calgary, Alberta, June 1, 2026 – Parex Resources Inc. (“Parex” or the “Company”) (TSX: PXT) is pleased to announce the successful closing of its previously announced acquisition of all the Colombian exploration and production assets of Frontera Energy Corporation. Pursuant to the transaction, Parex acquired 100% of Frontera Petroleum International Holdings B.V. (“Frontera E&P”) for cash consideration of US\$500 million, funded with the proceeds from Parex’s recent issuance of senior unsecured notes, and the assumption of net debt (the “Transaction”). An additional contingent payment of US\$25 million is payable upon the execution of a certain contract extension within 12 months.

Imad Mohsen, President & Chief Executive Officer, commented: “This is a significant milestone for Parex and marks the successful completion of a highly strategic transaction. The addition of Frontera E&P’s upstream business to our high-quality portfolio establishes Parex as the largest independent, Colombia-focused upstream company, with greater scale, enhanced capital efficiency, and a more resilient platform for long-term growth. The transaction was completed at an attractive valuation, enables capital allocation optionality across the portfolio, and offers meaningful synergy potential given the strong strategic fit, while further strengthening our talented employee base across the organization.”

Daniel Ferreira, President & Country Manager, commented: “We are approaching this integration with a clear focus on safety, operational continuity, and people. The experience and expertise of the employees joining Parex, together with the strength of our existing team, will be instrumental in realizing the full value of this transaction. We remain committed to fostering strong relationships with communities, partners, and stakeholders as we move forward together.”

Key Highlights

- Added 37,000 boe/d of cash-generating, low decline assets with the Transaction, supporting previously disclosed step-change H2 2026 average production guidance of 82,000 to 91,000 boe/d.
- Established significant scale, with over 7.9 million acres of land and a sizable, long-life reserve base.
- Upgraded operational efficiency through enhanced oil recovery, horizontal and multilateral drilling, and advanced seismic imaging, driving improved capital efficiency.
- Positioned to unlock meaningful synergies through portfolio integration and optimization.
- Unhedged portfolio, driving strong free funds flow generation that supports disciplined reinvestment, deleveraging, and shareholder returns.

With an effective Transaction date of January 1, 2026, free funds flow generated by Frontera E&P prior to today’s close would reduce net consideration paid.

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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Advisory on Forward-Looking Statements

Certain information regarding Parex set forth in this news release contains forward-looking statements that involve substantial known and unknown risks and uncertainties. The use of any of the words "expect", "committed to", "positioned to", "subject to", "guidance" or other similar words, or statements that certain events or conditions "may" or "will" occur, are intended to identify forward-looking statements. These statements are only predictions, and actual events or results may differ materially. Many factors could cause actual events 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 news release include, but are not limited to: the expected benefits of the Transaction, including the projected synergies from the Transaction and Parex's greater scale, enhanced capital efficiency, resilient platform for long-term growth and capital allocation optionality across its portfolio; the expected benefits from the experience and expertise of the employees joining Parex; Parex's 2026 average production guidance of 82,000 to 91,000 boe/d; the anticipated strength of Parex's free funds flow generation from its unhedged portfolio; and the expected reduced consideration paid owing to free funds flow generated by Frontera E&P prior to today's date due to the effective Transaction date being January 1, 2026.

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; determinations by OPEC and other countries as to production levels; 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; competition; risks related to the integration of the Frontera E&P assets and personnel; the risk that anticipated synergies from the Transaction may not be realized; 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; the risk that tariffs, taxes, restrictions or prohibitions on import or export of certain goods including oil and gas may have on the Company, the oil and gas industry or the global economy; 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; risk that Parex's evaluation of its existing portfolio of development and exploration opportunities is not consistent with its expectations; the risk that Parex's financial and operating results may not be consistent with its expectations; 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.

Although the forward-looking statements contained in this news release are based upon assumptions which management believes to be reasonable, the Company cannot assure investors that actual events will be consistent with these forward-looking statements. Parex has made assumptions regarding, among other things: current and anticipated commodity prices; availability of skilled labour; future exchange rates; 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; future operating costs; uninterrupted access to areas of Parex's operations and infrastructure; recoverability of reserves and future production rates; and 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.

These forward-looking statements are made as of the date of this news release 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.

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 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: 1Bbl, utilizing a conversion ratio at 6 Mcf: 1 Bbl may be misleading as an indication of value.