NEWS RELEASE

Parex Resources Announces Q2 2026 Results, Highlights Strong July Production, Reaffirms Step-Change Guidance, and Declares Q3 2026 Dividend

Calgary, Alberta, July 30, 2026 - Parex Resources Inc. ("Parex" or the "Company") (TSX: PXT) is pleased to announce its financial and operational results for the three-month period ended June 30, 2026, updated independent reserves reports that reflect recent transactions, an operational update, and the declaration of its Q3 2026 regular dividend of C$0.385 per share. *All amounts herein are in United States Dollars ("USD") unless otherwise stated.*

Imad Mohsen, President & Chief Executive Officer, commented: "The integration of the Frontera assets and its talented team has exceeded our expectations, with a seamless transition and strong execution across the combined organization. This milestone highlights the complementary strengths of the two organizations and enhances Parex's ability to deliver on its long-term growth strategy. Parex is now a larger, more resilient company with greater scale, reduced volatility, and enhanced capital allocation flexibility. The pro forma reserve reports highlight this transformation, with PDP and 1P reserves increasing more than 80% from our year-end 2025 reserves report. Strong performance across our portfolio, together with contributions from the Frontera assets and new production from Eastern Llanos discoveries, positions us well to deliver our step-change 2026 guidance and supports a strong outlook underpinned by multiple growth engines."

Key Highlights

- Successfully closed the Frontera E&P ("Frontera") transaction, becoming Colombia's largest independent oil & gas producer(1).
- Added new assets in the Magdalena Basin, where Parex expects to earn 50% production participation on roughly 15,000 bbl/d in H2 2026 following the commencement of initial activity at the Casabe & Llanito blocks(2).
- Released updated reserves, which include the Frontera and Magdalena assets (Casabe & Llanito), highlighting that on an indicative basis, the combined Company has increased its PDP, 1P and 2P reserves by 82%, 83% and 71%, respectively(3).
- Building positive operational momentum in H2 2026, with July 2026 average production of approximately 83,500 boe/d(4).
- Reaffirming H2 2026 average production guidance of 82,000 to 91,000 boe/d(4).
- Exploration success at LLA-111 is supporting a growing multi-field development area, with current production averaging over 5,000 bbl/d and expected to increase by an additional 2,000 to 3,000 bbl/d in Q4 2026 as the return of the dry season enables continued development(4).
- Declared Q3 2026 regular dividend of C$0.385 per share(5) (C$1.54 per share annualized).

Q2 2026 Highlights

- Average production was 54,121 boe/d(6), compared to 44,735 boe/d(6) in Q1 2026, with the positive step change primarily driven by the closing of the Frontera transaction on June 1, 2026.
- Recognized net income of $444 million or $4.62 per share basic(7) compared to net income of $49 million or $0.50 per share basic(7) in the comparative quarter of 2025, primarily attributed to the gain on acquisition.
- Generated Q2 2026 adjusted funds flow provided by operations ("FFO")(8) of $191 million and adjusted FFO per share(7)(8) of $1.99.
  - Adjusted FFO(8) for the quarter incorporates one-time costs of approximately $59 million, comprised of $28 million of nonrecurring transaction-related costs and $31 million of realized losses on hedging contracts.
- Realized adjusted EBITDA(9) of $192 million.
- Produced an operating netback(10) of $45.14/boe and an adjusted FFO netback(10) of $37.26/boe from an average Brent crude oil price of $96.68/bbl.
- Incurred $134 million of capital expenditures(9), primarily from activities at LLA-111, LLA-34, VIM-1, and Capachos.
- Repaid $175 million of bank debt; at quarter end, had access to $459 million of liquidity via cash, marketable securities, and available capacity under the $240 million undrawn credit facility.
- Paid a regular quarterly dividend of C$0.385 per share(5).

(1) As previously announced on June 1, 2026.
(2) As previously announced on May 4, 2026.
(3) See "GLJ Reserves Update for Acquired Assets" section.
(4) See "Operational Update" section.
(5) Supplementary financial measure. See "Non-GAAP and Other Financial Measures Advisory."
(6) See "Operational and Financial Items" for a breakdown of production by product type.
(7) Based on weighted average basic shares for the period.
(8) Capital management measure. See "Non-GAAP and Other Financial Measures Advisory."
(9) Non-GAAP financial measure. See "Non-GAAP and Other Financial Measures Advisory."
(10) Non-GAAP ratio. See "Non-GAAP and Other Financial Measures Advisory."

Operational and Financial Items	Three Months Ended			Six Months Ended
(unaudited)	Jun. 30, 2026	Jun. 30, 2025	Mar. 31, 2026	Jun. 30, 2026
Operational				
Average daily production				
Light Crude Oil and Medium Crude Oil (bbl/d)	**14,515**	10,182	13,726	**14,126**
Heavy Crude Oil (bbl/d)	**37,130**	31,047	29,269	**33,222**
Natural gas liquids (boe/d)	**765**	316	254	**508**
Crude Oil (bbl/d)	**52,410**	41,545	43,249	**47,856**
Conventional Natural Gas (mcf/d)	**10,266**	5,982	8,916	**9,594**
Oil & Gas (boe/d)(1)	**54,121**	42,542	44,735	**49,455**
Operating netback ($/boe)				
Reference price - Brent ($/bbl)	**96.68**	66.71	78.38	**87.60**
Oil & gas sales price ($boe/d)(4)	**90.84**	61.35	67.67	**80.67**
Purchased crude oil(4)(7)	**(7.16)**	0.00	0.00	**(4.02)**
Oil and natural gas sales(2), net of purchased crude oil(4)(7)	**83.68**	61.35	67.67	**76.65**
Royalties(4)	**(14.22)**	(7.93)	(9.17)	**(12.01)**
Net revenue(4)	**69.46**	53.42	58.50	**64.64**
Production expense(4)	**(17.69)**	(12.70)	(14.29)	**(16.20)**
Transportation expense(4)	**(6.63)**	(4.47)	(5.05)	**(5.94)**
Operating netback ($/boe)(2)	**45.14**	36.25	39.16	**42.50**
Funds flow provided by operations netback ($/boe)(2)	**25.74**	26.90	28.35	**26.88**
Adjusted funds flow provided by operations netback ($/boe)(2)	**37.26**	26.60	29.06	**33.66**
Financial ($000s except per share amounts)				
Net income	**444,296**	49,113	4,589	**448,885**
Per share - basic(6)	**4.62**	0.50	0.05	**4.67**
Funds flow provided by operations(5)	**132,054**	104,821	113,702	**245,756**
Per share - basic(2)(6)	**1.37**	1.08	1.18	**2.56**
Adjusted funds flow provided by operations(5)	**191,155**	103,653	116,548	**307,703**
Per share - basic(2)(6)	**1.99**	1.06	1.21	**3.20**
Capital expenditures(3)	**133,693**	88,690	91,043	**224,736**
Free funds flow(3)	**(1,639)**	16,131	22,659	**21,020**
EBITDA(3)	**487,551**	124,000	95,830	**583,381**
Adjusted EBITDA(3)	**192,063**	127,745	132,684	**324,747**
Dividends paid	**26,483**	27,561	26,937	**53,420**
Per share - Cdn$(4)(6)	**0.385**	0.385	0.385	**0.770**
Shares repurchased	**—**	6,025	—	**—**
Number of shares repurchased (000s)	**—**	630	—	**—**
Outstanding shares (end of period) (000s)				
Basic	**96,180**	97,184	96,115	**96,180**
Weighted average basic	**96,179**	97,501	95,991	**96,086**
Weighted average diluted	**96,440**	97,501	96,174	**96,305**
Net debt (net cash)(5)	**906,598**	(2,048)	39,694	**906,598**
Cash	**163,286**	98,825	44,775	**163,286**

(1) References 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) Purchased crude oil cost includes ~$9.4 million of non-cash inventory fair value adjustment as a result of the purchase price allocation, equivalent to $1.83/boe and $1.02/boe for the three months and six months ended June 30, 2026, respectively.

GLJ Reserves Update for Acquired Assets(1)(2)(3)

Below is a summary of information contained in the reserves reports (collectively, the "GLJ Reports") prepared by GLJ Ltd. ("GLJ"), an independent qualified reserves evaluator:

- Parex assets (dated March 3, 2026, with an effective date of December 31, 2025; as previously announced March 4, 2026);
- Frontera assets (dated June 23, 2026, with an effective date of December 31, 2025)(4); and
- Magdalena assets (Casabe & Llanito) (dated July 20, 2026, with an effective date of May 31, 2026)(5).

(1) All reserves are presented as Parex's working interest before royalties and in certain tables set forth below, the columns may not add due to rounding.
(2) Each GLJ Report was prepared in accordance with definitions, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook") and National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities ("NI 51-101").
(3) All reserves presented based on GLJ's forecast pricing, effective January 1, 2026. GLJ pricing is available on their website at www.gljpc.com.
(4) Frontera transaction closed on June 1, 2026.
(5) Entitlement remains subject to business collaboration agreement earnings terms; Parex expects to spud its first wells during H2 2026 to trigger its participating share on each block.

Accounting for transactions that occurred in 2026, the Company's reserves have been presented on a combined basis using the GLJ Reports for the Parex assets, Frontera assets, and Magdalena assets (Casabe & Llanito). The GLJ Reports have different effective dates and should be read accordingly: two reports are effective as of December 31, 2025, and one report is effective as of May 31, 2026. The information presented is provided on an indicative, pro forma basis.

Reserve Category *Mboe*	PXT 2025	Frontera	Magdalena (Casabe & Llanito)	**Total(1)**	*Change over PXT 2025*
PDP	72,807	47,863	11,729	**132,399**	*82 %*
1P	113,177	71,902	21,491	**206,570**	*83 %*
2P	178,182	99,802	27,489	**305,473**	*71 %*

(1) The estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation.

Operational Update

2026 Guidance: Reflecting Step-Change Growth

The Company has reaffirmed its H2 2026 and FY 2026 guidance, reflecting continued confidence in its operational outlook following the Frontera transaction and the expected timing of production from the Magdalena assets.

For FY 2026, average production is expected to be 63,000 to 67,000 boe/d, with capital expenditures of $495 to $515 million.

Category	**H2 2026 Guidance** *(May 12, 2026)(1)*
Brent Crude Oil Average Price	$90/bbl
Average Production	82,000-91,000 boe/d
Funds Flow Provided by Operations Netback(2)	$30-33/boe
Funds Flow Provided by Operations(3)	$475-525 million
Capital Expenditures(4)	$275-295 million
Free Funds Flow(4)	$215 million (midpoint)

(1) H2 2026 assumptions: operational downtime: ~5%; Vasconia differential: ~$4.00/bbl; production expense: $16.00-20.00/bbl; transportation expense: ~$7.50/bbl; G&A expense: ~$5.00/bbl; finance expense: ~$2.50/bbl, effective tax rate: 12-15%; see "Non-GAAP and Other Financial Measures Advisory".
(2) Non-GAAP ratio. See "Non-GAAP and Other Financial Measures Advisory".
(3) Capital management measure. See "Non-GAAP and Other Financial Measures Advisory".
(4) Non-GAAP financial measure. See "Non-GAAP and Other Financial Measures Advisory".

The Company continues to monitor market conditions that may influence operating costs and realized pricing. Currently, elevated energy costs, driven in part by El Niño-related weather impacts and broader market conditions, together with adverse foreign exchange movements resulting from Colombian peso appreciation, are contributing to production expenses trending to the upper end of guidance. Vasconia differentials also remain elevated, reflecting current market dynamics.

Corporate Production Update

The Company's production profile has experienced a step-change following recent transactions, which is reflected in the Company's upgraded 2026 guidance, as previously announced on May 12, 2026. For the period of July 1, 2026, to July 29, 2026, average production was approximately 83,500 boe/d(1), demonstrating positive operational momentum.

(1) Estimated average production; light & medium crude oil: ~22,071 bbl/d, heavy crude oil: ~58,409 bbl/d, conventional natural gas: ~16,424 mcf/d, natural gas liquids: 333 boe/d; rounded for presentation purposes.

Frontera E&P Update

On June 1, 2026, Parex successfully closed its previously announced acquisition of Frontera Energy Corporation's Colombian exploration and production assets. The addition of the Frontera assets transforms Parex's portfolio by adding high-quality reserves, enhancing long-term production visibility and unlocking greater capital allocation flexibility to accelerate value creation across its premier development and exploration opportunities.

Following close, Parex's transition activities were completed smoothly and safely, with a strong focus on maintaining operational continuity and enabling a seamless transition. Significant progress is now being made with regards to integrating the acquired assets and talent.

The Company continues to actively review the strengthened portfolio to identify opportunities to optimize development, enhance oil recovery, and capture operational and strategic synergies across areas including marketing, supply chain, tax, and other functions. These initiatives are expected to drive further efficiency improvements and support long-term value creation, with foundational work underway and the associated benefits expected to scale over the coming periods.

Addition of Producing Assets in the Magdalena Basin Update

Previously, on May 4, 2026, Parex announced that it had executed an agreement with its strategic partner Ecopetrol S.A., whereby Parex will earn a 50% participating share in the Casabe and Llanito blocks in the Magdalena Basin of Colombia, upon spudding the first well on each block. The assets currently produce approximately 15,000 bbl/d of medium crude oil (gross). This production is expected to add a stable, cash-generating base to Parex's portfolio while also establishing a new core operating and development area for future growth.

With the agreement closed as of July 29, 2026, and all regulatory approvals received, Parex plans to spud its first wells during H2 2026 and trigger its participating share on each block.

Eastern Llanos Exploration Success

Exploration success at LLA-111 continues to support the expansion of a growing, multi-field development in the Eastern Llanos. Following four discoveries made across the block in 2026, Parex is advancing with development and continuing to pursue further exploration opportunities. Success to date is highly encouraging and reinforces the broader potential of the Company's over 1.6 million-acre position within the Eastern Llanos.

While seasonal wet weather continues to influence operations, Parex has established an efficient model designed to optimize activity around seasonal conditions. By leveraging streamlined well and pad designs together with a fast-moving rig, exploration well costs have been reduced by approximately 65% compared to conventional offsets, establishing a repeatable, low-cost blueprint for the wider region.

Current production at LLA-111 is averaging over 5,000 bbl/d of medium crude oil, with weather-related road access currently limiting production levels. To support the long-term growth of the area, the Company is advancing a phased egress expansion plan, with ongoing drilling results informing the timing and scope of required infrastructure. With the return of the dry season, in Q4 2026 the Company expects to increase production by an additional 2,000 to 3,000 bbl/d from existing wells.

Building on recent exploration successes and a significant prospect inventory, Parex plans to drill 15 to 20 additional exploration and development wells in the area over the next 12 months to further advance its discoveries and grow regional production.

Llanos Foothills Update

Parex continues to prioritize exploration in the Foothills, targeting premier onshore exploration plays with transformational upside potential. The Company plans to spud its first well at the Piedemonte prospect in the Fall of 2026, with civil works commencing shortly. Parex is also advancing early-stage activities at Farallones, the second planned Foothills prospect, which remains on track to begin civil works in H2 2026.

Q3 2026 Dividend

Parex's Board of Directors has declared a Q3 2026 regular dividend of C$0.385 per share to shareholders of record on September 8, 2026, to be paid on September 15, 2026. This regular dividend payment to shareholders is designated as an "eligible dividend" for purposes of the Income Tax Act (Canada).

ESG Update

Parex is pleased to announce that it has published its 12th annual sustainability report, which integrates TCFD for the fifth year. The full report, including performance metric tables, can be found at www.parexresources.com under Sustainability.

Q2 2026 Results - Conference Call & Webcast

Parex will host a conference call and webcast to discuss its Q2 2026 results on Friday, July 31, 2026, beginning at 9:30 am MT (11:30 am ET). To participate in the conference call or webcast, please see the access information below:

Conference ID:	723 230 174
Participant Dial-In Number:	1-833-439-1904
Participant Toll-Free Dial-In Number:	1-833-504-8260
Webcast:	https://events.q4inc.com/attendee/723230174

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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Oil & Gas Matters Advisory

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; 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. 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 is useful in confirming the presence of hydrocarbons; however such rates are not a determination of the rates at which such wells will continue production and decline thereafter and readers are cautioned not to rely on such rates in calculating the aggregate production of Parex.

Each GLJ Report was prepared in accordance with definitions, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook") and National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities ("NI 51-101").

The recovery and reserve estimates of crude oil reserves provided in this news release are estimates only, and there is no guarantee that the estimated reserves will be recovered. Actual crude oil reserves may eventually prove to be greater than, or less than, the estimates provided herein. It should not be assumed that the estimates of future net revenues presented herein represent the fair market value of the reserves. There are numerous uncertainties inherent in estimating quantities of crude oil, reserves and the future cash flows attributed to such reserves.

"Proved Developed Producing Reserves" are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

"Proved Developed Non-Producing Reserves" are those reserves that either have not been on production or have previously been on production but are shut-in and the date of resumption of production is unknown.

"Proved Undeveloped Reserves" are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g. when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves category (proved, probable, possible) to which they are assigned.

"Proved" reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

"Probable" reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

"Possible" reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10 percent probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved plus probable plus possible reserves.

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 6:1, utilizing a conversion ratio at 6:1 may be misleading as an indication of value. Light crude oil is crude oil with a relative density greater than 31.1 degrees API gravity, medium crude oil is crude oil with a relative density greater than 22.3 degrees API gravity and less than or equal to 31.1 degrees API gravity, and heavy crude oil is crude oil with a relative density greater than 10 degrees API gravity and less than or equal to 22.3 degrees API gravity.

Supplemental Reserves Tables

All reserves are presented as Parex working interest before royalties and in certain tables set forth below, the columns may not add due to rounding.

Frontera E&P - Gross Reserves Volumes(1)

Reserve Category	Dec. 31, 2025 Mboe(1)
PDP	47,863
Proved Developed Non-Producing	5,724
Proved Undeveloped	18,315
1P	71,902
2P	**99,802**

(1) Net reserves after royalties are: PDP 43,595 Mboe, proved developed non-producing 5,192 Mboe, proved undeveloped 16,758 Mboe, 1P 65,545 Mboe, 2P 91,070 Mboe.

Frontera E&P - Gross Reserves by Product Type

Product Type	PDP	1P	2P
Light & Medium Crude Oil (Mbbl)	17,882	20,343	28,073
Heavy Crude Oil (Mbbl)	27,702	49,280	63,580
Gas (MMcf)	1,834	1,834	10,775
Solution Gas (MMcf)	11,747	11,747	37,466
Pentane Plus (Mbbl)	16	16	109
Oil Equivalent (Mboe)	**47,863**	**71,902**	**99,802**

Frontera E&P - Gross Reserves by Area(1)

	PDP	1P	2P
Area	**Mboe**	**Mboe**	**Mboe**
Quifa	20,550	31,361	40,179
CPE-6	9,240	18,040	23,601
Guatiquia	6,714	7,384	10,335
VIM-1(2)	4,149	4,149	10,230
Other Blocks	7,210	10,968	15,457
Total	**47,863**	**71,902**	**99,802**

(1) The estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation.
(2) No changes were made to VIM-1 from Parex's original report dated March 3, 2026, with an effective date of December 31, 2025.

Magdalena (Casabe & Llanito) - Gross Reserves Volumes[1]

Reserve Category	May 31, 2026 Mboe[1]
PDP	11,729
Proved Developed Non-Producing	597
Proved Undeveloped	9,165
1P	21,491
2P	**27,489**

(1) Net reserves after royalties are: PDP 10,480 Mboe, proved developed non-producing 544 Mboe, proved undeveloped 8,340 Mboe, 1P 19,364 Mboe, 2P 24,811 Mboe.

Magdalena (Casabe & Llanito) - Gross Reserves by Product Type

Product Type	PDP	1P	2P
Light & Medium Crude Oil (Mbbl)	8,359	15,598	20,001
Heavy Crude Oil (Mbbl)	3,370	5,893	7,488
Oil Equivalent (Mboe)	**11,729**	**21,491**	**27,489**

Magdalena (Casabe & Llanito) - Gross Reserves by Area[1]

Area	PDP Mboe	1P Mboe	2P Mboe
Casabe	8,359	15,598	20,001
Llanito	3,370	5,893	7,488
Total	**11,729**	**21,491**	**27,489**

(1) The estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation.

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 National Instrument 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. The forward-looking non-GAAP financial measures used in this press release have no significant difference from their equivalent historical non-GAAP financial measures.

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 and is calculated as follows:*

($000s)	For the three months ended Jun. 30, 2026	Jun. 30, 2025	Mar. 31, 2026	For the six months ended Jun. 30, 2026
Property, plant and equipment expenditures	**$ 69,131**	$ 49,067	$ 48,282	**$ 117,413**
Exploration and evaluation expenditures	**64,562**	39,623	42,761	**107,323**
Capital expenditures	**$ 133,693**	$ 88,690	$ 91,043	**$ 224,736**

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 normal course issuer bid and dividends, without accessing outside funds and is calculated as follows:*

	For the three months ended			For the six months ended
($000s)	**Jun. 30, 2026**	Jun. 30, 2025	Mar. 31, 2026	**Jun. 30, 2026**
Cash provided by operating activities	**$ 199,235**	$ 142,642	$ 24,086	**$ 223,321**
Net change in non-cash assets and liabilities	**(67,181)**	(37,821)	89,616	**22,435**
Funds flow provided by operations	**132,054**	104,821	113,702	**245,756**
Capital expenditures	**133,693**	88,690	91,043	**224,736**
Free funds flow	**$ (1,639)**	$ 16,131	$ 22,659	**$ 21,020**

EBITDA*, is a non-GAAP financial measure that is defined as net income adjusted for finance income and expense, other expense, 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, share-based compensation expense (recovery), gain on acquisition, transaction costs, non-cash inventory fair value adjustment, unrealized foreign exchange gains (losses) and unrealized gains (losses) on risk management contracts and marketable securities.*

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

	For the three months ended			For the six months ended
($000s)	**Jun. 30, 2026**	Jun. 30, 2025	Mar. 31, 2026	**Jun. 30, 2026**
Net income	**$ 444,296**	$ 49,113	$ 4,589	**$ 448,885**
Adjustments to reconcile net income to EBITDA:				
Finance income	**(2,740)**	(612)	(3,404)	**(6,144)**
Finance expense	**17,219**	5,474	6,765	**23,984**
Other expense	**8,970**	12,453	17,357	**26,327**
Income tax (recovery) expense	**(42,576)**	9,623	19,234	**(23,342)**
Depletion, depreciation and amortization	**62,382**	47,949	51,289	**113,671**
EBITDA	**$ 487,551**	$ 124,000	$ 95,830	**$ 583,381**
Share-based compensation (recovery) expense	**(341)**	6,476	18,667	**18,326**
Gain on acquisition	**(302,483)**	—	—	**(302,483)**
Transaction costs	**28,390**	—	610	**29,000**
Non-cash inventory fair value adjustment	**9,365**	—	—	**9,365**
Unrealized foreign exchange (gain) loss	**(2,217)**	(2,369)	710	**(1,507)**
Unrealized (gain) loss on risk management contracts	**(30,635)**	(362)	29,585	**(1,050)**
Unrealized loss (gain) on marketable securities	**2,433**	—	(12,718)	**(10,285)**
Adjusted EBITDA	**$ 192,063**	$ 127,745	$ 132,684	**$ 324,747**

Operating netback*, is a non-GAAP financial measure that the Company considers to be a key measure as it demonstrates Parex's profitability relative to current commodity prices. Parex calculates operating netback as oil and natural gas sales from production, less purchased crude oil, royalties, production, and transportation expense. Refer to "Financial and Operational Results – Consolidated Results of Operations" for the calculation of operating netback.*

<u>Non-GAAP Ratios</u>

Operating netback per boe*, is a non-GAAP ratio that the Company considers to be a key measure as it demonstrates Parex's profitability relative to current commodity prices. Parex calculates operating netback per boe as operating netback divided by the total equivalent produced oil and gas sales volumes before consumption for oil and natural gas sales price, oil and natural gas sales price, net of purchased crude oil, royalties, production and transportation expense per boe.*

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 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 funds flow provided by operations per share or FFO per share to be a key measure as it demonstrates Parex's profitability after all cash costs relative to the weighted average number of basic shares outstanding.*

Funds flow provided by operations netback 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 assets and liabilities, divided by produced oil and natural gas sales volumes before consumption. 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.*

Adjusted funds flow provided by operations per share or FFO per share, *is a non-GAAP ratio that is calculated by dividing adjusted funds flow provided by operations by the weighted average number of basic and diluted shares outstanding. Parex presents basic and diluted adjusted funds flow provided by operations excluding the one-time costs of nonrecurring transaction-related costs and realized losses on hedging contracts 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 adjusted funds flow provided by operations per share or FFO per share to be a key measure as it demonstrates Parex's profitability after all cash costs relative to the weighted average number of basic and diluted shares outstanding excluding items that may not reflect ongoing operating performance, relative to current commodity prices.*

Adjusted funds flow provided by operations netback per boe or adjusted FFO netback per boe*, is a non-GAAP ratio calculated as funds flow provided by operations before changes in non-cash assets and liabilities, adjusted to exclude non-recurring transaction-related costs and realized (gains) losses on commodity risk management contracts, divided by produced oil and natural gas sales volumes before consumption.. The Company considers adjusted FFO netback per boe to be a key measure as it demonstrates Parex's profitability after cash costs, excluding items that may not reflect ongoing operating performance, relative to current commodity prices.*

Capital Management Measures

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

Adjusted funds flow provided by operations or adjusted FFO*, is a capital management measure calculated as funds flow provided by operations, adjusted to exclude non-recurring transaction-related costs and realized (gains) losses on commodity risk management contracts. The Company considers adjusted funds flow provided by operations to be a key measure as it demonstrates Parex's profitability after cash costs, excluding items that may not reflect ongoing operating performance.*

A reconciliation from cash provided by operating activities to funds flow provided by operations and adjusted funds flow provided by operations is as follows:

	For the three months ended			For the six months ended
($000s)	**Jun. 30, 2026**	Jun. 30, 2025	Mar. 31, 2026	**Jun. 30, 2026**
Cash provided by operating activities	**$ 199,235**	$ 142,642	$ 24,086	**$ 223,321**
Net change in non-cash assets and liabilities	**(67,181)**	(37,821)	89,616	**22,435**
Funds flow provided by operations	**$ 132,054**	$ 104,821	$ 113,702	**$ 245,756**
Transaction costs	**28,390**	—	610	**29,000**
Realized loss (gain) on commodity risk management contracts	**30,711**	(1,168)	2,236	**32,947**
Adjusted funds flow provided by operations	**$ 191,155**	$ 103,653	$ 116,548	**$ 307,703**

Working capital surplus (deficit), *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 (deficit) is defined as current assets less current liabilities.*

	For the three months ended		
($000s)	**Jun. 30, 2026**	Jun. 30, 2025	Mar. 31, 2026
Current assets	**$ 602,247**	$ 239,485	$ 411,425
Current liabilities	**685,469**	219,437	275,919
Working capital (deficit) surplus	**$ (83,222)**	$ 20,048	$ 135,506

Net debt (net cash), *is a capital management measure which the Company uses to monitor leverage and manage capital. Net debt (net cash) is defined as working capital, less bank debt, unsecured notes and long-term customer prepayments:*

	For the three months ended		
	Jun. 30,	Jun. 30,	Mar. 31,
($000s)	**2026**	2025	2026
Working capital deficit (surplus)	**$ 83,222**	$ (20,048)	$ (135,506)
Bank debt	**—**	18,000	175,200
Unsecured notes	**792,265**	—	—
Customer prepayments - long-term	**31,111**	—	—
Net debt (net cash)	**$ 906,598**	$ (2,048)	$ 39,694

Supplementary Financial Measures

"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.

"Net revenue per boe" is comprised of net revenue, as determined in accordance with IFRS, divided by the total equivalent produced oil and gas sales volumes before consumption.

"Oil and natural gas sales price per boe" is comprised of total commodity sales from oil and natural gas production, as determined in accordance with IFRS, divided by the total equivalent produced oil and gas sales volumes before consumption.

"Oil and natural gas sales price, net of purchased crude oil per boe" is comprised of total commodity sales from oil and natural gas production less purchased crude oil, as determined in accordance with IFRS, divided by the total oil and natural gas sales volumes including 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.

"Purchased crude oil per boe" is comprised of purchased crude oil expense, as determined in accordance with IFRS, divided by the total equivalent produced oil and gas sales volumes before consumption.

"Royalties per boe" is comprised of royalties, as determined in accordance with IFRS, divided by the total equivalent produced oil and gas sales volumes before consumption.

"Transportation expense per boe" is comprised of transportation expense, as determined in accordance with IFRS, divided by the total equivalent produced oil and gas sales volumes before consumption.

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 are 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”, “continue”, “believe”, “should”, “anticipate”, “estimate”, “forecast”, “guidance”, “potential”, “positioned to”, “trending” 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 operational and financial position; the Company's plan, strategy and focus; the Company's projected ability to generate sustainable free cash flow, pursue disciplined growth and create meaningful shareholder value; the expected gain in production in H2 2026 from Parex's new assets in the Magdalena Basin; the Company's H2 2026 guidance, including anticipated Brent crude oil average price, average production, funds flow provided by operations netback, funds flow provided by operations, capital expenditures and free funds flow; the Company's anticipated activities at certain of its locations, including the anticipated timing thereof; the Company's FY 2026 guidance, including its average production and expected capital expenditures; performance projections in connection with elevated energy costs; the expectation that the spudding of the first well in connection with the Company's participating share in the Casabe & Llanito blocks in the Magdalena Basin of Colombia will be achieved during H2 2026; the Company's expected development, exploration and production plans as well as the anticipated benefits derived therefrom, including in connection with the Frontera transaction, new assets in the Magdalena Basin, Eastern Llanos (LLA-111) and the Llanos Foothills; the anticipated terms of the Company's Q3 2026 regular quarterly dividend, including its expectation that it will be designated as an "eligible dividend"; anticipated timing of spudding its first well in fall 2026 and beginning civil works in the area of the Piedemonte; and anticipated timing of beginning civil works in Farallones and the Foothills prospect. 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 reserves described can be profitably produced in the future. The recovery and reserve estimates of Parex's reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered.

These forward-looking statements are subject to numerous risks and uncertainties, including but not limited to, the impact of general economic conditions in Canada 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; the risk that the Frontera assets and Magdalena may not yield their expected benefits; the risk that Parex's FY 2026 average production may be less than anticipated; the risk that Parex's H2 average production may be less than anticipated; lack of availability of qualified personnel; the results and timelines of exploration and development drilling, test, monitoring and work programs 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; 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; that production test results may not necessarily be indicative of long term performance or of ultimate recovery; the risk that Parex may not commence exploration activities in the Llanos Foothills, Eastern Llanos or the Magdalena Basin areas when anticipated, or at all; the risk that Parex's financial and operating results 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; 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).

Although the forward-looking statements contained in this press release 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 normal course issuer bids in the future; that Parex is able to execute its plans with respect to the Company's drilling program and related activities as disclosed herein; and other matters.

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: the Company's 2026 guidance, including anticipated funds flow provided by operations netback, funds flow provided by operations, capital expenditures and free funds flow; and the anticipated terms of the Company's Q3 2026 regular quarterly dividend including its expectation that it will be designated as an "eligible dividend". Such financial outlook has been prepared by Parex's management to provide an outlook of the Company's activities and results. The financial outlook has been prepared based on a number of assumptions including the assumptions discussed above and assumptions with respect to the costs and expenditures to be incurred by the Company, including capital equipment and operating costs, foreign exchange rates, taxation rates for the Company, general and administrative expenses and the prices to be paid for the Company's production.

Management does not have firm commitments for all of the costs, expenditures, prices or other financial assumptions used to prepare the financial outlook or assurance that such operating results will be achieved and, accordingly, the complete financial effects of all of those costs, expenditures, prices and operating results are not objectively determinable. The actual results of operations of the Company and the resulting financial results will likely vary from the amounts set forth in the analysis presented in this press release, and such variations may be material. The Company and Management believe that the financial outlook has been prepared on a reasonable basis, reflecting the best estimates and judgments, and represent, to the best of Management's knowledge, Parex's expected expenditures and results of operations. However, because this information is highly subjective and subject to numerous risks including the risks discussed above, it should not be relied on as necessarily 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
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