



News Release

July 8, 2019

Parex Adds 2 Blocks Expanding Colombian Exploration Acreage

Calgary, Canada

Parex Resources Inc. ("Parex" or the "Company") (TSX:PXT), a company headquartered in Calgary, Alberta and focused on Colombian oil exploration and production, provides an operational update.

Colombia Bid Round: Parex participated in the June 2019 Agencia Nacional de Hidrocarburos ("ANH") Permanent Process for the Assignment of Areas ("PPAA") bid round and has been awarded two blocks:

| Block | Gross Acres | Operator | Working Interest ("WI") | Base Royalty plus X-Factor |
|--------|-------------|----------|-------------------------|----------------------------|
| LLA-94 | 89,175 | Parex | 100% | 8%+2% |
| VSM-25 | 68,221 | Parex | 100% | 8%+1% |

Block LLA-94 is on trend with our Southern Casanare assets and we have identified multiple play types through the existing 3D seismic. Block VSM-25 is Parex' first block in the under-explored Upper Magdalena basin targeting the Caballos Formation based on existing 2D seismic.

Final contracts are expected to be signed in Q3 2019. The next ANH bid round is currently scheduled for later in 2019 and Parex expects to be an active participant.

Production: Parex' Q2 2019 average production is estimated at 52,200 boe/d compared to the Company's Q1 2019 average quarterly production of 51,208 boe/d. We expect Q3 2019 production average to exceed 53,000 boe/d.

Share Repurchases: On December 21, 2018 Parex began a normal course issuer bid ("NCIB") with the intent to repurchase for cancellation approximately 15.0 million shares (10% of public float). As at June 28, 2019 the Company has repurchased 11.5 million shares at an average cost of C\$20.00 per share for a total of C\$230 million. As of June 27, 2019, the Company changed the automatic share purchase plan from 75,000 shares per day to 50,000 shares per day in order to provide optionality for the duration of our market participation. Basic shares outstanding as at June 30, 2019 were 145.5 million. The total cost of this program has been funded from existing working capital and/or free cash flow. As at June 30, 2019 our estimated cash balance was USD\$300 million.

Boranda Block (WI Parex 50%, Ecopetrol S.A 50%): The Boranda-2 exploration well was drilled 1,200 meters south-east from the Boranda-1 well in the Middle Magdalena Basin to evaluate the La Paz Formation. Within the targeted La Paz Formation, the well

encountered over-pressured reservoir sands that are stratigraphically deeper and not present in the Boranda-1 well. An influx of hydrocarbons into the well-bore while drilling required the original Boranda-2 well to be abandoned and a sidetrack to be drilled.

The Boranda-2ST well was drilled to a total depth of 13,932 feet and was tested over a 60 hour period under natural flowing conditions from the La Paz Formation. Over the test period a total of 2,397 barrels of 23 API oil and 75 barrels of water was recovered at an average production rate of 960 barrels of oil per day with a final watercut of less than 2%. Bottom hole pressure recorders indicated a stable producing drawdown of approximately 30% over the test period. The Boranda-2ST test rate is one of most prolific rates observed from the La Paz Formation in this area of the basin.

The well has been shut-in for pressure build-up analysis and we expect to resume production in late July 2019. Using the existing drilling pad, Parex expects to drill a follow-up appraisal well in 2019. Further delineation of the Boranda-2ST discovery will require additional surface locations to be built with further appraisal drilling expected in 2020.

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

NOT FOR DISTRIBUTION OR FOR DISSEMINATION IN THE UNITED STATES

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 performance characteristics of the Company's oil properties; estimated cash balance, estimated 2019 average quarterly production; initial well test results; the Company's anticipated drilling, development, exploration and other growth plans, including plans for additional wells; the commissioning and use of a gas plant and activities to be undertaken in various areas. 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; competition; lack of availability of qualified personnel; the results of exploration and development drilling and related activities; obtaining required approvals of regulatory authorities in Canada and Colombia; risks associated with negotiating with foreign governments as well as country risk associated with conducting international activities; volatility in market prices for oil; fluctuations in foreign exchange or interest rates; environmental risks; changes in income tax laws or changes in tax laws and incentive programs relating to the oil industry; changes to pipeline capacity; ability to access sufficient capital from internal and external sources; failure of counterparties to perform under contracts; risk that Brent oil prices are lower than anticipated; risk that Parex' evaluation of its existing portfolio of development and exploration opportunities is not consistent with its expectations; risk that initial test results are not indicative of future performance; risk that other formations do not contain the expected oil bearing sands; 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' 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; 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; 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.

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

References in this press release to production test rates and initial flow rates are useful in confirming the presence of hydrocarbons, however such rates are not determinative of the rates at which such wells will commence production and decline thereafter and are not indicative of long term performance or of ultimate recovery. Additionally, such rates may also include recovered "load oil" fluids used in well completion stimulation. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for Parex. A pressure transient analysis or well-test interpretation has not been carried out in respect of all wells. Accordingly, the Company cautions that the test results should be considered preliminary.