

Parex Resources Announces 2019 Full Year Results and Provides Price Sensitivity to 2020 Guidance

Calgary, Canada

Parex Resources Inc. ("Parex" or the "Company") (TSX:PXT) is pleased to announce its financial and operating results for the year and the three months ended ("Fourth Quarter" or "Q4") December 31, 2019.

All amounts herein are in United States dollars ("USD") unless otherwise stated. Please note that Parex will hold a conference call on Wednesday, March 11, 2020 beginning at 9:30 AM Mountain Time to discuss the 2019 year-end and fourth quarter results.

2019 Financial and Operational Highlights

- Annual oil and natural gas production in 2019 averaged 52,687 barrels of oil equivalent per day ("boe/d") (98% crude oil), representing a production per share increase of 26% over the prior year comparative period;
- Earned net income of \$328.0 million (\$2.24 (CAD \$2.97)⁽¹⁾ per share basic) for the year ended December 31, 2019 compared to net income of \$402.9 million (\$2.59 (CAD \$3.36)⁽¹⁾ per share basic) for the year ended December 31, 2018;
- Generated an operating netback of \$37.51/boe and a funds flow provided by operations ("FFO") netback of \$29.61/boe from an average Brent price of \$64.21/bbl;
- FFO of \$570.5 million (\$3.90 (CAD \$5.17)¹ per share basic), a 42% increase from the year ended December 31, 2018 of \$400.6 million (\$2.58 (CAD \$3.34)¹ per share basic) with a 10% decrease in Brent reference pricing year over year;
- For the year ended December 31, 2019 the Company recognized \$362.3 million in free funds flow, compared to the previous year of \$98.3 million;
- Utilized a portion of free funds flow, \$223.9 million, to purchase 14,679,474 of the Company's common shares at an average price of CAD\$20.41 pursuant to the Company's normal course issuer bid ("NCIB") referred to as share buy back;
- Capital expenditures ("Capex") were \$208.2 million compared to \$302.3 million for the year ended December 31, 2018. Capital expenditures were funded from FFO;
- Increased net working capital to \$344.0 million at December 31, 2019 compared to a net working capital position of \$218.5 million at December 31, 2018, and exited 2019 with no bank or term debt; and
- Participated in drilling 43 gross wells in Colombia resulting in 38 oil wells, 1 abandoned well, 2 suspended wells and 2 wells under test, for a success rate of 97%.

Fourth Quarter Financial and Operational Highlights

- Achieved a record quarterly oil and natural gas production of 54,221 boe/d (98% oil), representing a production per share increase of 3% over the previous quarter ended September 30, 2019 and an increase of 20% on a per basic share basis over the fourth quarter of 2018;
- Earned net income of \$87.2 million(\$0.61 (CAD \$0.81)⁽¹⁾ per share basic) compared to net income of \$54.1 million (\$0.35 (CAD \$0.46)⁽¹⁾ per share basic) in Q4 2018;
- Fourth quarter sales volumes, excluding purchased oil, averaged 55,831 boe/d (98% oil);
- Realized an operating netback of \$36.43/boe and an FFO netback of \$27.89/boe from an average Brent price of \$62.49/bbl;
- Generated FFO of \$143.3 million, a 7% decrease compared to \$154.2 million in Q4 2018. On a per share basic basis FFO was \$1.00 (CAD \$1.32)¹ compared to \$0.99 (CAD \$1.31)¹ per share basic compared to Q4 2018. The increase in FFO on a per share basis is a result of the Company's share buyback program;
- Capex was \$58.3 million in the period compared to \$76.8 million in the comparative period of 2018 and \$208.2 million for the full year in 2019. The fourth quarter capital expenditure program included \$52.7 million for drilling and completion;
- For the three months ended December 31, 2019, the Company recognized free funds flow of \$84.9 million; and
- Participated in drilling 15 gross (9.25 net)⁽²⁾ wells in Colombia resulting in 11 oil wells, 1 abandoned well, 1 suspended well and 2 wells under test, for a success rate of 92% in Q4 2019 compared to 28 gross wells in the preceding nine months of 2019 and 8 gross wells in the fourth quarter of 2018.

In 2019, Parex strengthened its balance sheet and exited the year with a larger net working capital surplus and no long-term debt.

⁽¹⁾ Using USD-CAD Bank of Canada 2019 Q4 average rate of 1.3200 and 2019 annual average of 1.3269 and 2018 Q4 average rate of 1.3204 and 2018 annual average of 1.2957.

⁽²⁾ Oil wells: Block LLA-32: Azogue-1; Block LLA-34: Tigana Norte-13, 15 & 18, Jacana-32, 34 & 35 and Tigui-18 & 21; Block VIM-1: La Belleza-1; and Block Cabretero: Akira-17. Abandoned: Block LLA-10: Tautaco-1. Suspended: Block Cabretero: Bacano Oeste-5. Under test: Block LLA-34: Jacana-33 and Tigui-12.

	Three Months Ended			Year Ended		
	Dec. 31, 2019	Dec. 31, 2018	Sep. 30, 2019	December 31, 2019	December 31, 2018	2017
Operational						
Average daily production⁽¹⁾						
Oil & Gas (boe/d)	54,221	49,300	53,045	52,687	44,408	35,541
Average daily sales of produced oil and natural gas⁽¹⁾						
Oil (bbl/d)	54,696	51,420	51,353	51,799	43,903	35,183
Gas (Mcf/d)	6,810	4,446	6,288	5,874	3,720	1,974
Oil & Gas (boe/d)	55,831	52,161	52,401	52,778	44,523	35,512
Oil inventory - end of period (bbls)	27,653	60,977	175,813	27,653	60,977	103,018
Operating netback (\$/boe)⁽²⁾						
Reference price - Brent (\$/bbl)	62.49	68.32	62.03	64.21	71.59	54.75
Oil and gas revenue (excluding hedging)	53.00	55.42	53.59	54.70	58.64	43.73
Royalties	(7.15)	(7.93)	(6.72)	(7.06)	(8.17)	(4.52)
Net revenue	45.85	47.49	46.87	47.64	50.47	39.21
Production expense	(5.68)	(5.62)	(6.15)	(5.76)	(5.54)	(5.34)
Transportation expense	(3.74)	(3.98)	(4.51)	(4.37)	(3.49)	(4.18)
Operating netback (\$/boe)⁽²⁾	36.43	37.89	36.21	37.51	41.44	29.69
Funds flow provided by operations (\$/boe)⁽²⁾⁽⁵⁾						
	27.89	32.14	29.61	29.61	24.65	22.29
Financial (\$000s except per share amounts)						
Oil and natural gas revenue	289,585	270,599	275,693	1,113,622	965,723	572,768
Net income	87,218	54,060	57,257	327,994	402,904	155,078
Per share - basic	0.61	0.35	0.40	2.24	2.59	1.01
Funds flow provided by operations⁽²⁾⁽⁵⁾	143,269	154,211	142,733	570,480	400,627	288,884
Per share - basic	1.00	0.99	0.99	3.90	2.58	1.87
Capital expenditures and property acquisitions	58,321	76,758	48,600	208,196	302,343	212,346
Free funds flow⁽²⁾	84,948	77,453	94,133	362,284	98,284	76,538
Total assets	1,684,581	1,642,120	1,593,802	1,684,581	1,642,120	1,085,065
Working capital surplus	344,031	218,526	279,949	344,031	218,526	163,401
Bank debt⁽³⁾	—	—	—	—	—	—
Cash	396,839	462,891	350,210	396,839	462,891	235,042
Outstanding shares (end of period) (000s)						
Basic	143,295	155,014	143,304	143,295	155,014	154,742
Weighted average basic	142,967	155,403	144,081	146,380	155,417	154,209
Diluted ⁽⁴⁾	147,848	161,991	148,453	147,848	161,991	164,055

(1) Disclosure of production and sales volumes by product type, are included in the Company's Annual Information Form dated March 10, 2020 and may be accessed through the SEDAR website at www.sedar.com.

(2) The table above contains Non-GAAP measures. See "Non-GAAP Terms" for further discussion.

(3) Borrowing limit of \$200.0 million as of December 31, 2019.

(4) Diluted shares include the effects of common shares and in-the-money stock options outstanding at the period-end. The December 31, 2019 closing stock price on the Toronto Stock Exchange was CAD \$24.15 per share.

(5) In the second quarter of 2019, Parex changed the way it calculates and presents funds flow from operations. For further details refer to the "Non-GAAP Terms" in the Company's Q4 2019 MD&A. Comparative periods have also been adjusted for this change.

Guidance

The table below is a summary of Parex' original annual guidance for 2019 and 2020, and a review of 2019 actual results:

	2020 Guidance (as released November 2019)	2019 Guidance (as released Dec 2018)	2019 Actuals	% Variance from 2019 Guidance
Brent crude average (\$/bbl)	60.00	60.00	64.21	7
Production (average for period) (boe/d)	54,500-56,250	52,000-54,000	52,687	—
Operating netback (\$/boe) ⁽¹⁾	33.50	—	37.51	—
Funds Flow provided by Operations (FFO) netback ⁽¹⁾ (\$/boe)	26.50	—	29.61	—
Total Capital Expenditures (\$ millions)	210-240	200-230	208	—
Funds Flow provided by Operations (FFO) ⁽¹⁾⁽²⁾ (\$ millions)	520-550	450-500	570	14
Free Funds Flow (FFO less Total Capex mid-points) ⁽¹⁾ (\$ millions)	310	260	362	40
Outstanding shares (end of period) ⁽³⁾ (millions)	130	—	143	—
Production per share growth %	14%	—	26%	—
Current tax effective rate on FFO (%)	17%	14-17%	17%	—

(1) The table above contains Non-GAAP measures. See "Non-GAAP Terms" for further discussion.

(2) 2020 Guidance assumes Brent/Vasconia crude differential less than \$3/bbl.

(3) It is expected FFO will be used to fund the 2020 share buy-back program. Outstanding shares at Dec 31, 2020 assumes 1 million shares of equity settled long term compensation exercised in the period.

Parex' 2019 financial and operational results were within guidance. Actual 2019 funds flow provided by operations and free funds flow exceeded guidance mainly related to higher Brent benchmark pricing and stronger Vasconia pricing.

Balance Sheet Strength and Resiliency provides Optionality

With the recent decrease in world crude oil prices, the table below summarizes the operational sensitivities to Parex' 2020 guidance:

Brent crude average (\$/bbl) (March - December 2020)	30.00	40.00	50.00
Production (average for period) (boe/d)	54,500	54,500	54,500
Operating netback (\$/boe) ⁽¹⁾	12.00	19.00	26.00
Funds Flow provided by Operations (FFO) netback ⁽¹⁾ (\$/boe)	10.00	15.00	20.00
2020 Total Capital Expenditures (\$ millions) ⁽⁴⁾	160	175	230
2020 Funds Flow provided by Operations (FFO) ⁽¹⁾⁽²⁾⁽⁴⁾ (\$ millions)	190	295	410
2020 Free Funds Flow (FFO less Total Capex) ⁽¹⁾⁽⁴⁾ (\$ millions)	30	120	180
Outstanding shares (end of period) ⁽³⁾ (millions)	130	130	130
2020 Current tax effective rate on FFO (%)	4%	12%	14%

(1) The table above contains Non-GAAP measures. See "Non-GAAP Terms" for further discussion.

(2) Assumes Brent/Vasconia crude differential of \$5/bbl.

(3) It is expected FFO will be used to fund the 2020 share buy-back program. Outstanding shares at Dec 31, 2020 assumes 1 million shares of equity settled long term compensation exercised in the period.

(4) 2020 total capital, funds flow from operations, and free funds flow include January and February actuals at an average Brent crude price of \$60/bbl for the first 2 months of 2020. At low oil prices, capital will be focused on maintenance and development (LLA-34 & Cabretero) and growth in Capachos and VIM-1.

At current oil prices and Parex' current common share price, for 2020 the Company expects to maintain production at current levels and plans to reallocate capital from growth projects to accelerating its automatic share buy back program up to 100,000 common shares per day from the current program of 55,000 common shares per day. At the current valuation, Parex has the opportunity to repurchase its proven plus probable reserves (as per the press release dated February 6, 2020) at less than \$6/boe and at a recycle ratio greater than 2 times.

Operational Update

Q1 2020 Production: Parex expects Q1 2020 average production to be approximately 54,500 boe/d.

Cabretero (Operated, 100% WI): Parex is currently drilling a 7 well program, using 2 drilling rigs. We expect to complete drilling in April 2020.

CPO-11 (WI 50%): The Montuno-1 exploration well was drilled and abandoned. Parex expects to analyze and calibrate the well results to the existing 2D seismic data prior to future exploration activity.

Shareholder Return: 2020 Share Buy Back of 10% of Outstanding shares

As of March 9, 2020, Parex has purchased for cancellation 2,800,000 common shares of the Company at an average cost of CAD\$21.91 per share, pursuant to the NCIB that commenced on December 23, 2019. Pursuant to the NCIB, Parex may purchase for cancellation up to 13,986,994 common shares prior to December 22, 2020.

Environmental, Social & Governance Update

Providing Stakeholders with greater ESG disclosure - Parex continued on its ESG journey by responding to the annual CDP (formerly Carbon Disclosure Project) climate change questionnaire and included disclosure on water security in 2019. Parex is committed to progressively improving its disclosure and environmental performance efficiency metrics, which have been reported annually in our sustainability report since 2014. The Company disclosed over 140 indicators in the 2018 annual sustainability report, prepared in 2019 in accordance with the Global Reporting Initiative (GRI) Standards; which represents a 86% disclosure increase year-over-year and greater transparency of corporate practices.

Sharing benefits of our success with the community - Parex marked its 10-year anniversary with gifts to the Faculty of Sciences at the University of Calgary and the Simón Bolívar Hospital in Bogota, Colombia. A \$2.0 million gift to the University of Calgary launched six Parex Innovations Scholarships to support innovators and encourage research. During the first half of 2020, the Company plans to spend \$1.6 million to renovate infrastructure and provide specialized medical equipment to the Simón Bolívar Hospital, which serves the population within Bogota's radius. These gifts support two United Nations Sustainable Development Goals (SDG 4: Quality Education and SDG3: Good Health and Well-being). Additionally, these community gifts provide an opportunity for Parex to show appreciation to the communities where the Company's employees live.

Inclusion in Bloomberg Gender-Equality Index - On January 21, 2020, Parex was included in the Bloomberg Gender-Equality Index ("GEI"), which tracks the financial performance of public companies committed to supporting gender equality through policy development, representation, and transparency ([Sourced at Bloomberg.com](#)). Inclusion in the GEI highlights our commitments to internal policies and practices that promote work-place diversity, inclusiveness, and equal opportunity.

Appointment of VP New Ventures, Jeff Meunier

Parex is pleased to announce that Jeff Meunier has joined the Company in the role of Vice President, New Ventures and as a member of the Executive team. Jeff will be primarily responsible for reviewing business development opportunities where Parex can apply its conventional oil expertise and balance sheet strength. Jeff joins us most recently from RBC Capital Markets where he was a Managing Director. Jeff earned his Bachelor of Science in Mechanical Engineering from the University of Calgary and has over 22 years of experience working in the Investment Banking and oil & gas industry, including roles with a number of international companies including Marathon Oil Corporation, Woodside Petroleum Ltd., McDaniel & Associates Consultants Ltd. and Enerplus Corporation.

Annual General Meeting

Parex anticipates holding its Annual General and Special Meeting of Shareholders on Tuesday, May 5, 2020 at 9:30 am (Mountain Time) at the Residence Inn by Marriott Downtown/Beltline District, Beltline Room, 610 10 Ave SW, Calgary, AB T2R 1M3.

Q4 2019 Conference Call & Webcast

Parex will host a conference call to discuss the 2019 fourth quarter and year-end results on Wednesday, March 11, 2020 beginning at 9:30 am Mountain Time. To participate in the call, from Canada and the United States, dial 1-800-806-5484 then enter the passcode 8822777#.

The live audio webcast will be carried at: <https://edge.media-server.com/mmc/p/etxrig2h>

Individuals located outside of Canada and the USA are invited to access this event via webcast or by calling their respective location dial-in number available at: <https://www.confsoolutions.ca/ILT?oss=7P1R8666965910>

This news release does not constitute an offer to sell securities, nor is it a solicitation of an offer to buy securities, in any jurisdiction.

For more information, please contact:

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Non-GAAP Terms

The Company discloses several financial measures ("non-GAAP Measures") herein that do not have any standardized meaning prescribed under International Financial Reporting Standards ("IFRS"). These financial measures include operating netback per boe, funds flow provided by operations ("FFO") netback, FFO per boe, FFO per share and free funds flow. 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 per boe 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 per boe 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.

FFO netback or FFO per boe, is a non-GAAP measure that includes all cash generated from operating activities and is calculated before changes in non-cash working capital, divided by produced oil and natural gas sales volumes.

FFO per share is determined by FFO divided by basic shares outstanding.

Free funds flow is determined by funds flow provided by operations less capital expenditures.

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 these financial measures.

Oil & Gas Matters Advisory

The term "Boe" means a barrel of oil equivalent on the basis of 6 Mcf of natural gas to 1 barrel of oil ("bbl"). Boe's may be misleading, particularly if used in isolation. A boe conversation ratio of 6 Mcf: 1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6 Mcf: 1Bbl, utilizing a conversion ratio at 6 Mcf: 1 Bbl may be misleading as an indication of value.

This press release contains a number of oil and gas metrics, including finding, operating netbacks and FFO netbacks. These oil and gas metrics have been prepared by management and do not have standardized meanings or standard methods of calculation and therefore such measures may not be comparable to similar measures used by other companies and should not be used to make comparisons. Such metrics have been included herein to provide readers with additional measures to evaluate the Company's performance; however, such measures are not reliable indicators of the future performance of the Company and future performance may not compare to the performance in previous periods and therefore such metrics should not be unduly relied upon. Management uses these oil and gas metrics for its own performance measurements and to provide security holders with measures to compare the Company's operations over time. Readers are cautioned that the information provided by these metrics, or that can be derived from the metrics presented in this news release, should not be relied upon for investment or other purposes.

Advisory on Forward Looking Statements

Certain information regarding Parex set forth in this document contains forward-looking statements that involve substantial known and unknown risks and uncertainties. The use of any of the words "plan", "expect", "prospective", "project", "intend", "believe", "should", "anticipate", "estimate", "forecast", "guidance", "budget" or other similar words, or statements that certain events or conditions "may" or "will" occur are intended to identify forward-looking statements. Such statements represent Parex' 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' 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; the Company's expected 2020 capital expenditures, including the allocation of capital expenditures, the anticipated effect of the recent decrease in world oil prices on such capital expenditures and the Company's expectation that even in a lower oil price environment, it can fund its 2020 capital program (including its NCIB) from funds flow provided by operations or use its existing cash reserves, or adjust its capital expenditures as required based on certain oil prices; anticipated shares outstanding at the end of the applicable period, forecasted 2020 full year average production rate based on certain oil prices and anticipated year-over-year production growth; the Company's ability to generate free cash flow and its allocation; estimated tax effective rate on FFO for 2020; expected average production for Q1 2020; the Company's anticipated drilling program at Cabrestero and CPO-11; and the Company's plans in respect of the Simon Bolivar Hospital. 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 Canada and Colombia; 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; risk that Parex' 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; failure to reach production targets; 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 anticipated Brent oil prices; the impact of increasing competition; conditions in general economic and financial markets; availability of drilling and related equipment; receipt of partner, regulatory and community approvals; royalty rates; effective tax rates on FFO; future operating costs; effects of regulation by governmental agencies; uninterrupted access to areas of Parex' operations and infrastructure; recoverability of reserves and future production rates; 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; 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' reserves and production 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.

This press release and, in particular the information in respect of the Company's expected capital expenditures, FFO and free funds flow for 2020, may contain future oriented financial information ("FOFI") within the meaning of applicable securities laws. The FOFI has been prepared by management to provide an outlook of the Company's financial results and activities and may not be appropriate for other purposes. The FOFI has been prepared based on a number of assumptions including the assumptions discussed in this press release. The actual results of operations of the Company and the resulting financial results may vary from the amounts set forth herein, and such variations may be material. The Company and management believe that the FOFI has been prepared on a reasonable basis, reflecting management's best estimates and judgments. FOFI contained in this press release was made as of the date of this press release and Parex disclaims any intent or obligation to update publicly the press release, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law.