

## Parex Resources Announces 12 Consecutive Years of Reserves Per Share Growth, a 50% Increase to the Regular Dividend and Provides 2023 Guidance Update



**Calgary, Alberta, February 2, 2023** – Parex Resources Inc. (“Parex” or the “Company”) (TSX: PXT) is pleased to announce the results of its annual independent reserves assessment as at December 31, 2022, as well as a corporate update. *The financial and operational information contained below is based on the Company’s unaudited estimated results for year-end December 31, 2022. All currency amounts are in United States dollars unless otherwise stated. The following reserves categories are discussed in this news release: proved developed producing (“PDP”); proved (“1P”); proved plus probable (“2P”); and proved plus probable plus possible (“3P”).*

### Key Highlights

- Twelve consecutive years of PDP, 1P and 2P reserves per share growth (on a boe basis), with double digit percentage increases from 2021.
- Achieved a strong 1P reserve replacement ratio of 128%.
- Strategically deployed \$100 million of working capital to complete a voluntary, internal corporate entity restructuring that increases 2023 funds flow and free funds flow guidance by \$65 million (midpoint) as well as provides the Company with an increased outlook through 2027.
- Declared a Q1 2023 regular dividend of C\$0.375 per share or C\$1.50 per share annualized, representing a 50% increase from the Company’s Q4 2022 regular dividend; Parex first initiated a regular dividend at C\$0.125 per share quarterly in 2021.
- Repurchased approximately 1 million shares year-to-date 2023 under the current normal course issuer bid.
- Recognized for leadership in ESG, where Parex was one of three Canadian-listed exploration and production companies included in the 2023 Bloomberg Gender-Equality Index.

Imad Mohsen, President and Chief Executive Officer, commented: “Parex achieved strong reserve replacement ratios in 2022 from the implementation of new technology and focused investments that are resulting in an outlook for reduced maintenance capital and further optimized production from key assets. The results that we are seeing today, in addition to our positive outlook for the business, gives us the confidence to sustainably increase our regular dividend to shareholders. With investments across our world-class Colombian asset base, the portfolio is well positioned to deliver a step-change in capital efficiency and continue being the foundation for increased shareholder returns.”

### 2022 Year-End Corporate Reserves Report: Highlights

For year-ended December 31, 2022, Parex:

- Grew reserves per share (on a boe basis) across PDP, 1P and 2P for the 12<sup>th</sup> consecutive year:
  - PDP: 13% increase from 2021;
  - 1P: 15% increase from 2021;
  - 2P: 12% increase from 2021.
- More than replaced total 2022 production (approximately 19.0 million barrels of oil equivalent (“MMboe”)) with reserve replacement ratios of:
  - PDP: 112%, with reserve additions of 21.2 MMboe;
  - 1P: 128%, with reserve additions of 24.4 MMboe;
  - 2P: 110%, with reserve additions of 20.9 MMboe.
- Realized estimated finding, development & acquisition (“FD&A”) costs (using estimated 2022 adjusted funds flow from operations of \$42.43 per boe<sup>(1)</sup>) of:
  - PDP: \$25.35 per boe resulting in a 1.7x recycle ratio<sup>(1)</sup>;
  - 1P: \$25.92 per boe resulting in a 1.6x recycle ratio<sup>(1)</sup>;

- 2P: \$28.39 per boe resulting 1.5x recycle ratio<sup>(1)</sup>.
- Realized growth in its after-tax net asset value (“NAV”) per share (discounted at 10% and using the GLJ Brent forecast) even after incorporating the estimated impact of the recent Colombia government tax reform:
  - PDP: C\$23.83 (6% increase from 2021)<sup>(1)</sup>;
  - 1P: C\$31.63 (9% increase from 2021)<sup>(1)</sup>;
  - 2P: C\$43.45 (13% increase from 2021)<sup>(1)</sup>.
- After accounting for the 2022 drilling campaign, expanded corporate gross 2P future locations to 147 from 108 last year, demonstrating significant running room.
- Added 1P and 2P reserves at the Cabrestero Block (100% W.I.) of 8.9 and 8.8 MMboe, respectively.
- Increased its Q4 2022 average production by approximately 9% over the comparative quarter in 2021 and maintained a 2P reserve life index of over 10 years.

(1) Non-GAAP ratio. See "Non-GAAP and Other Financial Measures Advisory".

## Production Update

### 2022 Review

Product Type	For the three months ended Dec. 31		For the year ended Dec. 31	
	2022 <sup>(1)</sup>	2021	2022 <sup>(1)</sup>	2021
Light & Medium Crude Oil (bbl/d)	10,511	6,376	7,471	6,831
Heavy Crude Oil (bbl/d)	42,746	41,534	43,008	38,449
Conventional Natural Gas (mcf/d)	6,000	11,214	9,420	10,308
<b>Oil Equivalent (boe/d)</b>	<b>54,257</b>	<b>49,779</b>	<b>52,049</b>	<b>46,998</b>

(1) Production volumes for the three months ended December 31, 2022, and for the year-ended December 31, 2022, are estimated.

- Q4 2022 average production is estimated to be 54,257 boe/d, up 9% from Q4 2021.
- FY 2022 average production is estimated to be 52,049 boe/d, an increase of 11% from FY 2021.

### 2023 Outlook

- In the Northern Llanos, on January 21, 2023, the Company proactively shut-in its Capachos Block (50% W.I.) and halted drilling operations at the Arauca Block (50% W.I.), due to heightened security concerns related to peace talks at the Federal Government level in Colombia.
  - As a result of this shut-in, net production is being impacted by approximately 6,000 boe/d and is affecting the pace that new wells can be drilled and brought online.
  - The Company is actively engaging with national and regional stakeholders and is optimistic that it will be able to resume full operations in the Northern Llanos in Q1 2023; however, the Company’s top priority is the safety of our employees and contractors.
- Parex’s average production guidance of 57,000 to 63,000 boe/d for FY 2023 had been widened relative to previous years in order to better account for above ground factors that can at times impact Colombian operations.
  - Due to the Northern Llanos shut-in, for Q1 2023 Parex expects its production to be below its 2023 annual average production guidance range, subject to the length of the shut-in and halted drilling operations; however, Parex expects to be within its 2023 annual average production guidance range in Q2 2023 and for the full year 2023.
  - Prior to the heightened security concerns, Parex was making steady progress at the Arauca Block (50% W.I.), where civil work activities were ongoing in 2022 and the first well of a material, multi-year drilling campaign was successfully spud in early January 2023.

## Voluntary Restructuring Increases 2023 Funds Flow and Free Funds Flow Guidance as well as Outlook Through 2027

Parex has completed a voluntary, internal corporate entity restructuring to consolidate certain assets in the Southern Llanos into one corporate entity for operational and administrative optimization.

The financial impact of this restructuring is that the Company will incur Colombia capital gains taxes in Q4 2022, while gaining an expected increase of \$325 million to the Company's deferred tax asset balance as at year-end December 31, 2022, which is anticipated to provide benefits over the 2023-2027 fiscal year period. The restructuring has an estimated cost, in the form of an increased current tax expense for Q4 2022, of \$100 million. The Company's Q4 2022 current tax expense is now expected to be roughly \$175 million, compared to the Company's original internal forecast of approximately \$75 million; full-year 2022 net income will increase by approximately \$225 million due to a deferred tax recovery, offset by the incremental Q4 2022 current tax expense of \$100 million.

As a result of the restructuring, the Company expects a lower effective tax rate over the 2023-2027 fiscal year period. At the previously budgeted \$80 per barrel Brent oil price assumption and existing Colombian tax regulations, the expected benefits of the lower effective tax rate in 2023, which are higher funds flow provided by operations and free funds flow, are reflected in the updated 2023 guidance below.

Category	2023 Guidance (Previous)	2023 Guidance (Updated)
Brent Crude Average Price (\$/bbl)	\$80	\$80
Effective Tax Rate Estimate (%) <sup>(1)</sup>	32%	25%
Funds Flow Provided by Operations Netback (\$/boe) <sup>(2)</sup>	\$31	\$34
Production Average (boe/d)	57,000-63,000	57,000-63,000
Capital Expenditures (\$ millions) <sup>(3)</sup>	\$425-475	\$425-475
Funds Flow Provided by Operations (\$ millions) <sup>(4)</sup>	\$645-715	\$705-780
Free Funds Flow (\$ millions; midpoint) <sup>(3)</sup>	\$230	\$295

(1) Supplementary financial measure. See "Non-GAAP and Other Financial Measures Advisory".

(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) Capital management measure. See "Non-GAAP and Other Financial Measures Advisory".

Parex will fund the corporate restructuring with existing working capital surplus, which post-restructuring is estimated to be \$65 million as at December 31, 2022<sup>(1)</sup>.

(1) Capital management measure. See "Non-GAAP and Other Financial Measures Advisory".

### Updated 2023 Netback Sensitivity Estimates

The below netback sensitivity estimates have been updated to take into account the corporate restructuring.

Brent Crude Price (\$/bbl)	\$60	\$70	\$80	\$90	\$100
Effective Tax Rate Estimate (%) <sup>(1)</sup>	13%	20%	25%	30%	33%
Funds Flow Provided by Operations Netback (\$/boe) <sup>(2)(3)</sup>	\$27	\$31	\$34	\$36	\$40

(1) Supplementary financial measure. See "Non-GAAP and Other Financial Measures Advisory".

(2) Non-GAAP ratio. See "Non-GAAP and Other Financial Measures Advisory".

(3) Assumes an unchanged from budget Brent/Vasconia crude differential of \$4/bbl.

## Return of Capital Update

### 50% Increase to the Q1 2023 Dividend

Parex's Board of Directors has approved a Q1 2023 regular dividend of C\$0.375 per share to be paid on March 31, 2023, to shareholders of record on March 15, 2023, representing a 50% increase from the Company's Q4 2022 regular dividend of C\$0.25 per share. The Company first initiated a regular dividend at C\$0.125 per share quarterly in 2021.

This quarterly dividend payment to shareholders is designated as an "eligible dividend" for purposes of the Income Tax Act (Canada).

### Commenced 2023 Share Buybacks under Current Normal Course Issuer Bid

As at January 31, 2023, Parex has repurchased approximately 1 million shares under its normal course issuer bid ("NCIB") at an average price of C\$21.70 per share, for total consideration of roughly C\$21.7 million. Over and above the increased regular dividend, the Company intends on continuing to utilize its current NCIB in line with Parex's commitment to return 100% of free funds flow to its shareholders.

### Parex Resources Included in the 2023 Bloomberg Gender-Equality Index

Parex has joined 483 other companies as a member of the 2023 Bloomberg Gender-Equality Index (GEI), a modified market capitalization-weighted index developed to gauge the performance of public companies dedicated to reporting gender-related data. The Company submitted a social survey created by Bloomberg, in collaboration with subject matter experts globally. Those included on this year's index scored at or above a global threshold established by Bloomberg to reflect disclosure and the achievement or adoption of best-in-class statistics and policies.

### 2022 Year-End Corporate Reserves Report: Discussion of Reserves

The following tables summarize information contained in the independent reserves report prepared by GLJ Ltd. ("GLJ") dated February 2, 2023 with an effective date of December 31, 2022 (the "GLJ 2022 Report"), with comparatives to the independent reserves report prepared by GLJ dated February 3, 2022 with an effective date of December 31, 2021 (the "GLJ 2021 Report"), and the independent reserves report prepared by GLJ dated February 4, 2021 with an effective date of December 31, 2020 ("GLJ 2020 Report", and collectively with the GLJ 2022 Report and the GLJ 2021 Report, the "GLJ Reports"). 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"). Additional reserve information as required under NI 51-101 will be included in the Company's Annual Information Form for the 2022 fiscal year which will be filed on SEDAR by March 31, 2023.

The recovery and reserve estimates provided in this news release are estimates only, and there is no guarantee that the estimated reserves will be recovered. Actual reserves may eventually prove to be greater than, or less than, the estimates provided herein. In certain of the tables set forth below, the columns may not add due to rounding.

All December 31, 2022 reserves presented are based on GLJ's forecast pricing effective January 1, 2023; all December 31, 2021 reserves presented are based on GLJ's forecast pricing effective January 1, 2022 and all December 31, 2020 reserves presented are based on GLJ's forecast pricing effective January 1, 2021.

### Five-Year Crude Oil Price Forecast – GLJ Report (January 2022 and 2023)

	2022	2023	2024	2025	2026	2027
ICE Brent (US\$/bbl) - January 1, 2022	76.00	72.51	71.24	72.66	74.12	75.59
ICE Brent (US\$/bbl) - January 1, 2023	99.04 <sup>(1)</sup>	80.00	80.50	81.50	82.00	82.53

(1) Actual 2022 ICE Brent average price.

## 2022 Year-End Gross Reserves Volumes

Reserve Category	Dec. 31			Change over Dec. 31, 2021
	2020 Mboe <sup>(1)</sup>	2021 Mboe <sup>(1)</sup>	2022 Mboe <sup>(1)(2)</sup>	
Proved Developed Producing (PDP)	72,373	80,559	82,788	3%
Proved Developed Non-Producing	15,087	9,685	11,767	21%
Proved Undeveloped	40,623	35,022	36,100	3%
<b>Proved (1P)</b>	<b>128,083</b>	<b>125,266</b>	<b>130,655</b>	<b>4%</b>
Probable	66,408	73,559	70,050	(5%)
<b>Proved + Probable (2P)</b>	<b>194,491</b>	<b>198,825</b>	<b>200,704</b>	<b>1%</b>
Possible <sup>(3)</sup>	85,995	88,102	80,891	(8%)
<b>Proved + Probable + Possible (3P)</b>	<b>280,486</b>	<b>286,927</b>	<b>281,595</b>	<b>(2%)</b>

(1) Mboe is defined as thousand barrels of oil equivalent.

(2) All reserves are presented as Parex working interest before royalties. 2022 net reserves after royalties are: PDP 70,436 Mboe, proved developed non-producing 10,140 Mboe, proved undeveloped 31,464 Mboe, 1P 112,040 Mboe, 2P 172,958 Mboe and 3P 243,525 Mboe.

(3) Please refer to the "Reserves Advisory" section for a description of each reserve category. Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities recovered will equal or exceed the sum of proved plus probable plus possible reserves.

## 2022 Year-End Gross Reserves Volumes Per Share

	Dec. 31			Change over Dec. 31, 2020	Change over Dec. 31, 2021
	2020	2021	2022 <sup>(1)</sup>		
Year-End Basic Outstanding Shares (000s)	130.9	120.3	109.1	(17%)	(9%)
Proved Developed Producing (PDP) (boe/share)	0.55	0.67	0.76	38%	13%
Proved (1P) (boe/share)	0.98	1.04	1.20	22%	15%
Proved + Probable (2P) (boe/share)	1.49	1.65	1.84	23%	12%
Proved + Probable + Possible (3P) <sup>(2)</sup> (boe/share)	2.14	2.39	2.58	21%	8%

(1) All reserves are presented as Parex working interest before royalties. 2022 net reserves after royalties are: PDP 70,436 Mboe, proved developed non-producing 10,140 Mboe, proved undeveloped 31,464 Mboe, 1P 112,040 Mboe, 2P 172,958 Mboe and 3P 243,525 Mboe.

(2) Please refer to the "Reserves Advisory" section for a description of each reserve category. Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities recovered will equal or exceed the sum of proved plus probable plus possible reserves.

## 2022 Gross Reserves by Area

Area	Proved	Proved + Probable	Proved + Probable + Possible
	Mboe <sup>(1)</sup>	Mboe <sup>(1)</sup>	Mboe <sup>(1)</sup>
LLA-34	74,860	113,625	151,266
Southern Llanos	26,735	36,244	47,778
Northern Llanos	16,773	25,824	32,574
Magdalena	12,287	25,011	49,977
<b>Total</b>	<b>130,655</b>	<b>200,704</b>	<b>281,595</b>

(1) All reserves are presented as Parex working interest before royalties. Please refer to the "Reserves Advisory" section for a description of each reserve category. Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities recovered will equal or exceed the sum of proved plus probable plus possible reserves. 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.

## 2022 Gross Year-End Reserves Volumes by Product Type<sup>(1)</sup>

Product Type	Proved Developed Producing	Total Proved	Total Proved + Probable	Total Proved + Probable + Possible
Light & Medium Crude Oil (Mbbbl) <sup>(2)</sup>	9,105	30,268	51,258	79,157
Heavy Crude Oil (Mbbbl)	70,320	93,895	136,583	179,980
Natural Gas Liquids (Mbbbl)	199	1,306	1,835	2,345
Conventional Natural Gas (MMcf) <sup>(3)</sup>	18,983	31,118	66,171	120,676
<b>Oil Equivalent (Mboe)<sup>(4)</sup></b>	<b>82,788</b>	<b>130,655</b>	<b>200,704</b>	<b>281,595</b>

(1) All reserves are presented as Parex working interest before royalties. Please refer to the "Reserves Advisory" section for a description of each reserve category. Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities recovered will equal or exceed the sum of proved plus probable plus possible reserves.

(2) Mbbbl is defined as thousands of barrels.

(3) MMcf is defined as one million cubic feet.

(4) Columns may not add due to rounding.

## Summary of Reserve Metrics – Company Gross<sup>(1)</sup>

USD\$	2022			3-Year
	Proved Developed Producing	Proved	Proved + Probable	Proved + Probable
F&D Costs (\$/boe) <sup>(2)</sup>	25.35	25.92	28.39	21.56
FD&A Costs (\$/boe) <sup>(2)</sup>	25.35	25.92	28.39	19.77
Recycle Ratio - F&D <sup>(2)</sup>	1.7 x	1.6 x	1.5 x	1.5 x
Recycle Ratio - FD&A <sup>(2)</sup>	1.7 x	1.6 x	1.5 x	1.6 x

(1) All reserves are presented as Parex working interest before royalties. Please refer to the "Reserves Advisory" section for a description of each reserve category.

(2) Non-GAAP ratio. See "Non-GAAP and Other Financial Measures Advisory".

## Reserve Life Index ("RLI")

	Dec. 31, 2020 <sup>(1)</sup>	Dec. 31, 2021 <sup>(2)</sup>	Dec. 31, 2022 <sup>(3)</sup>
Proved Developed Producing (PDP)	4.3 years	4.4 years	4.2 years
Proved (1P)	7.5 years	6.9 years	6.6 years
Proved Plus Probable (2P)	11.4 years	10.9 years	10.1 years

(1) Calculated by dividing the amount of the relevant reserves category by average Q4 2020 production of 46,642 boe/d annualized (consisting of 6,637 bbl/d of light crude oil and medium crude oil, 38,332 bbl/d of heavy crude oil and 10,038 mcf/d of conventional natural gas).

(2) Calculated by dividing the amount of the relevant reserves category by average Q4 2021 production of 49,779 boe/d annualized (consisting of 6,376 bbl/d of light crude oil and medium crude oil, 41,534 bbl/d of heavy crude oil and 11,214 mcf/d of conventional natural gas).

(3) Calculated by dividing the amount of the relevant reserves category by estimated average Q4 2022 production of 54,257 boe/d annualized (consisting of 10,511 bbl/d of light crude oil and medium crude oil, 42,746 bbl/d of heavy crude oil and 6,000 mcf/d of conventional natural gas).

## Future Development Capital ("FDC") (000s) – GLJ 2022 Report<sup>(1)</sup>

Reserve Category	2023	2024	2025	2026	2026+	Total FDC	Total FDC/boe
PDP	\$ 37,522	\$ 2,916	\$ —	\$ —	\$ —	\$ 40,439	\$ 0.49
1P	\$ 296,797	\$ 91,624	\$ 48,564	\$ 18,129	\$ 36,483	\$ 491,597	\$ 3.76
2P	\$ 335,557	\$ 141,080	\$ 87,647	\$ 18,129	\$ 37,659	\$ 620,072	\$ 3.09

(1) FDC are stated in USD, undiscounted and based on GLJ January 1, 2023 price forecasts.

## Reserves Net Present Value After Tax Summary – GLJ Brent Forecast<sup>(1)(2)</sup>

Reserve Category	NPV10		NAV December 31, 2022 (CAD/sh) <sup>(3)</sup>	CAD/sh Change over Dec. 31, 2021
	December 31, 2021 (000s) <sup>(2)</sup>	December 31, 2022 (000s) <sup>(2)</sup>		
Proved Developed Producing (PDP)	\$ 1,801,167	\$ 1,855,066	\$ 23.83	6%
Proved Developed Non-Producing	174,419	194,710		
Proved Undeveloped	452,933	433,557		
<b>Proved (1P)</b>	<b>\$ 2,428,519</b>	<b>\$ 2,483,333</b>	<b>\$ 31.63</b>	<b>9%</b>
Probable	899,434	952,229		
<b>Proved + Probable (2P)</b>	<b>\$ 3,327,953</b>	<b>\$ 3,435,562</b>	<b>\$ 43.45</b>	<b>13%</b>
Possible <sup>(4)</sup>	1,096,001	1,020,018		
<b>Proved + Probable + Possible (3P)</b>	<b>\$ 4,423,954</b>	<b>\$ 4,455,579</b>	<b>\$ 56.11</b>	<b>12%</b>

(1) Net present values are stated in USD and are discounted at 10 percent. All reserves are presented as Parex working interest before royalties. Please refer to the “Reserves Advisory” section for a description of each reserve category. The forecast prices used in the calculation of the present value of future net revenue are based on the GLJ January 1, 2022 and GLJ January 1, 2023 price forecasts, respectively. The GLJ January 1, 2023 price forecast will be included in the Company’s Annual Information Form for the 2022 fiscal year.

(2) Includes FDC as at December 31, 2021 of \$15 million for PDP, \$372 million for 1P, \$540 million for 2P and \$658 million for 3P and FDC as at December 31, 2022 of \$40 million for PDP, \$492 million for 1P, \$620 million for 2P and \$707 million for 3P.

(3) NAV is calculated, as at December 31, 2022, as after tax NPV10 plus estimated working capital of USD\$65 million (converted at USDCAD=1.3544), divided by 109 million basic shares outstanding as at December 31, 2022. NAV per share is a Non-GAAP ratio, refer to “Non-GAAP Terms” section below for further details.

(4) Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities recovered will equal or exceed the sum of proved plus probable plus possible reserves.

## 2022 Year-End Gross Reserves Reconciliation Company

	Total Proved Mboe	Total Proved + Probable Mboe	Total Proved + Probable + Possible Mboe
December 31, 2021	125,266	198,825	286,927
Technical Revisions <sup>(1)</sup>	11,151	4,587	(6,929)
Discoveries <sup>(2)</sup>	1,253	1,676	2,118
Extensions and Improved Recovery <sup>(3)</sup>	11,983	14,614	18,477
Production	(18,998)	(18,998)	(18,998)
<b>December 31, 2022<sup>(4)</sup></b>	<b>130,655</b>	<b>200,704</b>	<b>281,595</b>

(1) Reserves technical revisions are associated with the evaluation of additions on LLA-34 and the Capachos Block, offset by negative revisions on the Fortuna Block.

(2) Discoveries are associated with the evaluations of LLA-40, Cabretero and Capachos blocks.

(3) Reserve extensions are associated with the evaluations of the Cabretero, Arauca, and Boranda blocks; improved recovery associated with evaluations of the Cabretero Block.

(4) Subject to final reconciliation adjustments. All reserves are presented as Parex working interest before royalties. Please refer to the “Reserves Advisory” section for a description of each reserve category. Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities recovered will equal or exceed the sum of proved plus probable plus possible reserves. 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.

## Q4 2022 Results – Conference Call & Webcast

We are holding a conference call and webcast for investors, analysts and other interested parties on Thursday, March 9, 2023, at 9:30 am MT (11:30 am ET). To participate in the conference call or webcast, please see access information below:

Toll-free dial number (Canada/US): 1-800-806-5484

International dial-in numbers: <https://www.confsoptions.ca/ILT?oss=7P1R8008065484>

Passcode: 8807145#  
Webcast: <https://edge.media-server.com/mmc/p/b33h49qn>

### 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 is a member of the S&P/TSX Composite ESG Index and its shares trade on the Toronto Stock Exchange under the symbol PXT.

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#### **Reserves Advisory**

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. All December 31, 2022 reserves presented are based on GLJ's forecast pricing effective January 1, 2023. All December 31, 2021 reserves presented are based on GLJ's forecast pricing effective January 1, 2022. All December 31, 2020 reserves presented are based on GLJ's forecast pricing effective January 1, 2021.

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.

With respect to F&D costs, the aggregate of the exploration and development costs incurred in the most recent financial year and the change during that year in estimated future development costs generally will not reflect total F&D costs related to reserve additions for that year.

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.

This press release contains several oil and gas metrics, including reserve replacement, reserve additions including acquisitions, and RLI. In addition, the following non-GAAP financial measures and non-GAAP ratios, as described below under "Non-GAAP and Other Financial Measures", can be considered to be oil and gas metrics: F&D costs, FD&A costs, F&D recycle ratio, FD&A recycle ratio, funds flow provided by operations, funds flow from operations netback, reserve replacement and NAV. Such 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 metric 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. A summary of the calculations of reserve replacement and RLI are as follows, with the other oil and gas metrics referred to above being described herein under "Non-GAAP and Other Financial Measures":

- Reserve replacement is calculated by dividing the annual reserve additions by the annual production.
- Reserve additions including acquisitions is calculated by the change in reserves category and adding current year annual production.
- RLI is calculated by dividing the applicable reserves category by the annualized fourth quarter production.

The following abbreviations used in this press release have the meanings set forth below:

bbl	one barrel
bbls	barrels
bbls/d	barrels per day
boe	barrels of oil equivalent of natural gas; one barrel of oil or NGLs for six thousand cubic feet of natural gas
boe/d	barrels of oil equivalent of natural gas per day
mbbl	thousands of barrels
mboe	thousand barrels of oil equivalent
mcf	thousand cubic feet
mcf/d	thousand cubic feet per day
mamboe	one million barrels of oil equivalent
mmcf	one million cubic feet
W.I.	working interest

#### Unaudited Financial Information

Certain financial and operating results included in this news release, including capital expenditures, production information, funds flow provided by operations, operating costs and the deferred tax asset balance are based on unaudited estimated results. These estimated results are subject to change upon completion of the Company's audited financial statements for the year ended December 31, 2022, and any changes could be material. Parex anticipates filing its audited financial statements and related management's discussion and analysis for the year ended December 31, 2022 on SEDAR on or before March 31, 2023.

#### Non-GAAP and Other Financial Measures Advisory

This press release uses various "non-GAAP financial measures", "non-GAAP ratios", "financial measures" and "capital management measures" (as such terms are defined in NI 52-112), 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' performance.

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.

Please refer to the Company's Management's Discussion and Analysis of the financial condition and results of operations for the period ended September 30, 2022 dated November 3, 2022 (the "MD&A"), which is available at the Company's website at [www.parexresources.com](http://www.parexresources.com) and on the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) for additional information about such financial measures, including reconciliations to the nearest GAAP measures, as applicable.

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. In Q3 2022, the Company changed how it presents exploration and evaluation expenditures. Amounts have been restated for prior periods to conform to the current year's presentation, refer to note 2 of the Company's consolidated interim financial statements for the period ended September 30, 2022.

(\$000s)	For the three months ended December 31,		For the year-ended December 31,	
	2022 (estimate, unaudited)	2021	2022 (estimate, unaudited)	2021
Property, plant and equipment expenditures	\$ 111,033	\$ 76,454	\$ 389,500	\$ 212,153
Exploration and evaluation expenditures	36,961	37,814	123,000	60,081
<b>Capital expenditures</b>	<b>\$ 147,994</b>	<b>\$ 114,268</b>	<b>\$ 512,500</b>	<b>\$ 272,234</b>

**Free funds flow**, is a non-GAAP financial measure that is determined by funds flow provided by operations less capital expenditures. In Q3 2022, the Company changed how it presents exploration and evaluation expenditures included in total capital expenditures. Amounts have been restated for prior periods to conform to the current year's presentation, refer to note 2 of the Company's consolidated interim financial statements for the period ended September 30, 2022. The Company considers free funds flow or free cash flow to be a key measure as it demonstrates Parex' ability to fund return of capital, such as the NCIB or dividends, without accessing outside funds and is calculated as follows:

(\$000s)	For the three months ended December 31,		For the year-ended December 31,	
	2022 (estimate, unaudited)	2021	2022 (estimate, unaudited)	2021
<b>Cash provided by operating activities</b>	<b>\$ 310,967</b>	<b>\$ 176,003</b>	<b>\$ 997,000</b>	<b>\$ 534,301</b>
Net change in non-cash working capital	(248,663)	(7,742)	(295,000)	43,244
<b>Funds flow provided by operations</b>	<b>62,304</b>	<b>168,261</b>	<b>702,000</b>	<b>577,545</b>
Capital expenditures, excluding corporate acquisitions	147,994	114,268	512,500	272,234
<b>Free funds flow</b>	<b>\$ (85,690)</b>	<b>\$ 53,993</b>	<b>\$ 189,500</b>	<b>\$ 305,311</b>

### Non-GAAP Financial Ratios

**Funds flow provided by operations per boe or funds flow netback per boe**, is a non-GAAP ratio 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. The Company considers funds flow netback to be a key measure as it demonstrates Parex' profitability after all cash costs relative to current commodity prices.

**Finding & development Costs (F&D costs) and finding, development and acquisition Costs (FD&A costs)**, is a non-GAAP ratio that helps to explain the cost of finding and developing additional oil and gas reserves. F&D costs are determined by dividing capital expenditures plus the change in FDC in the period divided by BOE reserve additions in the period. FD&A costs are determined by dividing capital expenditures in the period plus the change in FDC plus acquisition costs divided by BOE reserve additions in the period.

F&D and FD&A Costs <sup>(1)</sup>	2022			3-Year
	Proved	Developed Producing	Proved + Probable	Proved + Probable
USD\$( '000)				
Capital Expenditures <sup>(1)</sup>	512,500	512,500	512,500	929,721
Capital Expenditures - change in FDC	25,701	119,567	80,243	97,443
<b>Total Capital</b>	<b>538,201</b>	<b>632,067</b>	<b>592,743</b>	<b>1,027,164</b>
Net Acquisitions	—	—	—	—
Net Acquisitions - change in FDC	—	—	—	69,482
<b>Total Net Acquisitions</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>69,482</b>
<b>Total Capital including Acquisitions</b>	<b>538,201</b>	<b>632,067</b>	<b>592,743</b>	<b>1,096,646</b>
Reserve Additions	21,227	24,387	20,877	47,645
Net Acquisitions Reserve Additions	—	—	—	7,814
<b>Reserve Additions including Acquisitions<sup>(2)</sup> (Mboe)</b>	<b>21,227</b>	<b>24,387</b>	<b>20,877</b>	<b>55,459</b>
<b>F&amp;D Costs (\$/boe)</b>	<b>25.35</b>	<b>25.92</b>	<b>28.39</b>	<b>21.56</b>
<b>FD&amp;A Costs (\$/boe)</b>	<b>25.35</b>	<b>25.92</b>	<b>28.39</b>	<b>19.77</b>

(1) All reserves are presented as Parex working interest before royalties. Please refer to the "Reserves Advisory" section for a description of each reserve category.

(2) Calculated using unaudited estimated capital expenditures for the period ended December 31, 2022.

**Recycle ratio**, is a non-GAAP ratio that measures the profit per barrel of oil to the cost of finding and developing that barrel of oil. The recycle ratio is determined by dividing the annual funds flow provided by operations per boe by the F&D costs and FD&A costs in the period.

USD\$	2022			3-Year
	Proved	Developed Producing	Proved + Probable	Proved + Probable
Estimated 2022 funds flow per boe (\$/boe) - adjusted <sup>(2)</sup>	42.43	42.43	42.43	31.60
F&D Costs <sup>(2)</sup> (\$/boe)	25.35	25.92	28.39	21.56
FD&A Costs <sup>(2)</sup> (\$/boe)	25.35	25.92	28.39	19.77
<b>Recycle ratio - F&amp;D<sup>(1)</sup></b>	<b>1.7 x</b>	<b>1.6 x</b>	<b>1.5 x</b>	<b>1.5 x</b>
<b>Recycle ratio - FD&amp;A<sup>(1)</sup></b>	<b>1.7 x</b>	<b>1.6 x</b>	<b>1.5 x</b>	<b>1.6 x</b>

(1) Recycle ratio is calculated as funds flow provided by operations per boe divided by F&D or FD&A as applicable. Three-year funds flow provided by operations on a per boe basis is calculated using weighted average sales volumes.

(2) Adjusted estimated 2022 funds flow per boe reflects the one-time \$100 million tax transaction cost related to the voluntary, internal corporate entity restructuring.

**Net Asset Value per share**, is a non-GAAP ratio that combines the 51-101 NPV10 value after tax with the Company's estimated working capital at the period end date divided by common shares outstanding at the period end date. The Company uses the Net Asset Value per share as a way to reflect the Company's value considering both existing working capital on hand plus the NPV10 after tax value on Oil and Gas Reserves. NAV per share is stated in CAD dollars using an exchange rate of USDCAD=1.3544. Net asset value is defined as total assets less total liabilities.

#### **Capital Management Measures**

**Funds flow provided by operations**, is a capital management measure that includes all cash generated from operating activities and is calculated before changes in non-cash working capital. The Company considers funds flow provided by operations to be a key measure as it demonstrates Parex' profitability after all cash costs relative to current commodity prices. A reconciliation from cash provided by operating activities to funds flow provided by operations is as follows:

(\$000s)	For the three months ended December 31,		For the year-ended December 31,	
	2022 (estimate, unaudited)	2021	2022 (estimate, unaudited)	2021
<b>Cash provided by operating activities</b>	\$ 310,967	\$ 176,003	\$ 997,000	\$ 534,301
Net change in non-cash working capital	(248,663)	(7,742)	(295,000)	43,244
<b>Funds flow provided by operations</b>	\$ 62,304	\$ 168,261	\$ 702,000	\$ 577,545

**Adjusted funds flow provided by operations**, is a capital management measure that includes all cash generated from operating activities and is calculated before changes in non-cash working capital and adjusted for the one-time tax transaction cost related to the internal corporate tax reorganization. The Company considers adjusted funds flow provided by operations to be a key measure as it demonstrates Parex' profitability after all cash costs relative to current commodity prices after adjustment for the one-time tax transaction cost related to the internal corporate tax reorganization. A reconciliation from cash provided by operating activities to adjusted funds flow provided by operations is as follows:

(\$000s)	For the three months ended December 31,		For the year-ended December 31,	
	2022 (estimate, unaudited)	2021	2022 (estimate, unaudited)	2021
<b>Cash provided by operating activities</b>	\$ (22,680)	\$ 176,003	\$ 651,927	\$ 534,301
Net change in non-cash working capital	96,410	(7,742)	50,073	43,244
<b>Funds flow provided by operations</b>	\$ 73,730	\$ 168,261	\$ 702,000	\$ 577,545
One-time tax transaction cost related to internal corporate tax reorganization	\$ 100,000	\$ —	\$ 100,000	\$ —
<b>Adjusted funds flow provided by operations</b>	\$ 173,730	\$ 168,261	\$ 802,000	\$ 577,545

**Working capital surplus**, 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 is defined as current assets less current liabilities:

(\$000s)	For the three months ended December 31,		For the year-ended December 31,	
	2022 (estimate, unaudited)	2021	2022 (estimate, unaudited)	2021
Current assets	\$ 618,500	\$ 574,038	\$ 618,500	\$ 574,038
Current liabilities	553,500	248,258	553,500	248,258
<b>Working capital surplus</b>	\$ 65,000	\$ 325,780	\$ 65,000	\$ 325,780

#### Supplementary Financial Measures

"Current tax effective rate as a percent of funds flow provided by operations" is comprised of current income tax expense, as determined in accordance with IFRS, divided by funds flow provided by operations.

#### **Dividend 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 is 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", "prospective", "project", "intend", "believe", "should", "anticipate", "estimate" 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: the Company's strategy, plans and focus; the Company's anticipated results of operations, production, business prospects and opportunities; terms of the dividends payable on March 30, 2023; the Company's expectation that it will return 100% of free funds flow to its shareholders; Parex's expectations that it will reduce maintenance capital requirements on its key assets; Parex's expectations of future growth resulting from its infrastructure investments across its Colombia asset base; Parex's estimated Q4 2022 and annual 2022 production; Parex's 2023 production guidance; Parex's expectations regarding the shut-in at the Northern Llanos basin, including its impact on production volumes and when it will return to full operations; Parex's expectations that it will be outside of its annual average production guidance range for Q1 2023 and

within the such range for Q2 2023 and for the year; the anticipated benefits to be derived from Parex's internal corporate entity restructuring in Colombia and the anticipated costs and timing thereof; Parex's anticipated Q4 2022 current tax expense and 2022 full year net income; Parex's expectations that additional reserve information will be included in the Company's Annual Information Form for the 2022 fiscal year and the anticipated timing thereof; Parex's updated 2023 guidance, including its anticipated effective tax rate, funds flow provided by operations netback, production average, capital expenditures, funds flow provided by operations, free funds flow and working capital; Parex's anticipated reserve life index; Parex's anticipated future development capital; and Parex's updated 2023 funds flow provided by operations netback sensitivity estimates; and that the Company will hold a conference call and webcast for investors, analysts and other interested parties and the anticipated timing thereof. 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 addition, forward-looking statements contained in this document include, statements relating to "reserves", which 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; 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; impact of the COVID-19 pandemic and the ability of the Company to carry on its operations as currently contemplated in light of the COVID-19 pandemic; determinations by OPEC and other countries as to production levels; prolonged volatility in commodity prices; risk of delay in completing or non-competition of required transfers of the applicable operating and environmental permits; failure of counterparties to perform under contracts; 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; ability to access sufficient capital from internal and external sources; failure of counterparties to perform under the terms of their contracts; risk that Parex does not have sufficient financial resources in the future to pay a dividend; risk that the Board does not declare dividends in the future or that Parex's dividend policy changes; that Parex may not return 100% of free funds flow to its shareholders; the risk that Parex may not be able to reduce maintenance capital requirements on its key assets; the risk that Parex may not receive the benefits that are expected to be derived from its internal corporate reorganization in Colombia when anticipated, or at all; the risk that Parex may not meet its 2023 production guidance; 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.sedar.com](http://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: current commodity prices and royalty regimes; the impact (and the duration thereof) that COVID-19 pandemic will have on the demand for crude oil and natural gas, Parex's supply chain and Parex's ability to produce, transport and sell Parex's crude oil and natural gas; availability of skilled labour; timing and amount of capital expenditures; future exchange rates; the price of oil; the impact of increasing competition; conditions in general economic and financial markets; availability of drilling and related equipment; effects of regulation by governmental agencies; royalty rates; future operating costs; effects of regulation by governmental agencies; 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; 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; 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 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 in the future to pay a dividend; that the Board will declare dividends in the future; that Parex will have sufficient financial resources to purchase shares under its NCIB and return 100% of its free funds flow to its shareholders; 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's current and future operations and such information may not be appropriate for other purposes. Parex's 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 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 expectation that it will return 100% of free funds flow to its shareholders; Parex's anticipated Q4 2022 current tax expense and 2022 full year net income; Parex's updated 2023 guidance, including its anticipated effective tax rate, funds flow provided by operations netback, capital expenditures, funds flow provided by operations, free funds flow and working capital; Parex's anticipated future development capital; and updated 2023 funds flow provided by operations netback sensitivity estimates; all of which are subject to numerous assumptions, risk factors, limitations and qualifications, including those set forth in the above paragraphs. The actual results of operations of the Company and the resulting financial results will vary from the amounts set forth in this press release and such variations may be material. This information has been provided for illustration only and with respect to future periods are based on budgets and forecasts that are speculative and are subject to a variety of contingencies and may not be appropriate for other purposes. Accordingly, these estimates are not to be relied upon as 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.