NEWS RELEASE

Parex Resources Announces Second Quarter Results, Declaration of Q3 2023 Dividend, and Operational Update

Calgary, Alberta, August 2, 2023 - Parex Resources Inc. ("Parex" or the "Company") (TSX: PXT) is pleased to announce its financial and operating results for the three-month period ended June 30, 2023, and the declaration of its Q3 2023 regular dividend of C$0.375 per share. Parex also announces an operational and guidance update.

All amounts herein are in United States Dollars ("USD") unless otherwise stated.

Key Highlights

- Generated Q2 2023 funds flow provided by operations ("FFO")(1) of $155 million and FFO per share(2)(3) of $1.45.
- Continued high performance from the first horizontal wells at Cabrestero (100% W.I.) and LLA-34 (55% W.I.); a second horizontal well at LLA-34 was recently completed and put on production; horizontal wells in the Southern Llanos represent new development opportunities for Parex to efficiently maximize recovery and production rates.
- Drilled a successful vertical near-field exploration well at LLA-81 (100% W.I.) that resulted in an oil discovery; a follow-up horizontal well has since been spud to maximize recovery and production.
- Safely resumed full operations at Capachos (50% W.I.) and Arauca (50% W.I.) in late June 2023.
- Drilling the first well at Arauca (50% W.I.), which is currently at roughly 11,500 feet and expected to reach total depth in late Q3 2023.
- Moving second rig to Arauca (50% W.I.) to drill the Arauca-8 big 'E' exploration well and accelerate the multi-year development program on the block.
- Ramping up production at Capachos (50% W.I.), with the block expected to return to production rates of approximately 6,500 boe/d net in Q3 2023.
- Declared Q3 2023 regular dividend of C$0.375 per share(7) or C$1.50 per share annualized.
- Repurchased approximately 3.6 million shares year-to-date 2023 under the Company's current normal course issuer bid ("NCIB").
- Published ninth sustainability report, which integrates the Task Force on Climate-Related Financial Disclosures ("TCFD") for the second year.

Q2 2023 Results

- Quarterly average oil and natural gas production was 54,120 boe/d(6), an increase of 6% from the second quarter of 2022, and a 5% increase from Q1 2023. The temporary suspension of operations at Capachos (50% W.I.) and Arauca (50% W.I.) had an estimated production impact of approximately 3,850 boe/d on the quarter.
- Increased production per share(3)(7) by 14% compared to the same quarter in the prior year, as a result of higher production and the reduction of outstanding shares through the NCIB.
- Realized net income of $101 million or $0.95 per share basic(3).
- Generated quarterly FFO(1) of $155 million, a 32% decrease from Q2 2022, and FFO per share(2)(3) of $1.45, a 27% decrease from Q2 2022, which was primarily driven by lower crude oil pricing.
- Produced an operating netback(2) of $43.46/boe and an FFO netback(2) of $31.86/boe from an average Brent price of $77.84/bbl.
- Incurred $121 million of capital expenditures(5); participated in the drilling of 17 gross (12.50 net) wells.
- Paid a C$0.375 per share regular quarterly dividend and repurchased 1.3 million shares.
- Cash position was $133.4 million, a decrease of $239.0 million from Q1 2023 primarily due to the timing of Parex's Colombia tax payments.

(1) Capital management measure. See "Non-GAAP and Other Financial Measures Advisory."
(2) Non-GAAP ratio. See "Non-GAAP and Other Financial Measures Advisory."
(3) Based on weighted-average basic shares for the period.
(4) See "Operational and Financial Highlights" for a breakdown of production by product type.
(5) Non-GAAP financial measure. See "Non-GAAP and Other Financial Measures Advisory."
(6) See "Operational and Financial Highlights" for a breakdown of production by product type.
(7) Supplementary financial measure. See "Non-GAAP and Other Financial Measures Advisory."

Operational and Financial Highlights	Three Months Ended			Six months ended
	Jun. 30, 2023	Jun. 30, 2022	Mar. 31, 2023	Jun. 30, 2023
Operational				
Average daily production				
Light Crude Oil and Medium Crude Oil (bbl/d)	**7,982**	6,734	7,115	**7,551**
Heavy Crude Oil (bbl/d)	**45,644**	42,373	43,435	**44,545**
Crude Oil (bbl/d)	**53,626**	49,107	50,550	**52,096**
Conventional Natural Gas (mcf/d)	**2,964**	12,216	4,692	**3,822**
Oil & Gas (boe/d)[1]	**54,120**	51,143	51,332	**52,733**
Operating netback ($/boe)				
Reference price - Brent ($/bbl)	**77.84**	111.98	82.16	**80.00**
Oil & natural gas sales[4]	**67.26**	98.22	69.41	**68.32**
Royalties[4]	**(11.15)**	(22.71)	(12.21)	**(11.67)**
Net revenue[4]	**56.11**	75.51	57.20	**56.65**
Production expense[4]	**(9.14)**	(6.82)	(8.85)	**(9.00)**
Transportation expense[4]	**(3.51)**	(3.03)	(3.08)	**(3.30)**
Operating netback ($/boe)[2]	**43.46**	65.66	45.27	**44.35**
Funds flow provided by operations ($/boe)[2]	**31.86**	50.12	34.27	**33.05**
Financial ($000s except per share amounts)				
Net income	**101,415**	143,128	104,375	**205,790**
Per share - basic[6]	**0.95**	1.24	0.96	**1.91**
Funds flow provided by operations[5]	**154,842**	227,796	161,724	**316,566**
Per share - basic[2][6]	**1.45**	1.98	1.49	**2.94**
Capital expenditures[3]	**121,309**	126,240	113,868	**235,177**
Free funds flow[3]	**33,533**	101,556	47,856	**81,389**
EBITDA[3]	**139,881**	306,080	178,559	**318,440**
Other long-term asset expenditures	**20,903**	6,541	19,767	**40,670**
Dividends paid	**30,101**	22,226	29,831	**59,932**
Per share - Cdn$[4]	**0.375**	0.25	0.375	**0.75**
Shares repurchased	**25,474**	51,697	32,868	**58,342**
Number of shares repurchased (000s)	**1,260**	2,686	1,909	**3,169**
Outstanding shares (end of period) (000s)				
Basic	**106,194**	113,810	107,419	**106,194**
Weighted average basic	**106,830**	115,134	108,192	**107,507**
Diluted[8]	**106,962**	114,648	108,221	**106,962**
Working capital (deficit) surplus[5]	**(2,957)**	311,496	29,662	**(2,957)**
Bank debt[7]	—	—	—	—
Cash	**133,375**	392,786	372,419	**133,375**

(1) Reference to crude oil or natural gas in the above table and elsewhere in this press release refer to the light and medium crude oil and heavy crude oil and conventional natural gas, respectively, product types as defined in National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities.
(2) Non-GAAP ratio. See "Non-GAAP and Other Financial Measures Advisory".
(3) Non-GAAP financial measure. See "Non-GAAP and Other Financial Measures Advisory".
(4) Supplementary financial measure. See "Non-GAAP and Other Financial Measures Advisory".
(5) Capital management measure. See "Non-GAAP and Other Financial Measures Advisory".
(6) Per share amounts (with the exception of dividends) are based on weighted average common shares. Dividends paid per share are based on the number of common shares outstanding at each dividend record date.
(7) Borrowing limit of $200.0 million as of June 30, 2023.
(8) Diluted shares as stated include the effects of common shares and stock options outstanding at the period-end; June 30, 2023 closing price was C$25.14 per share.

Operational Update

- Southern Llanos – Cabrestero (100% W.I.): All injector wells on the block have been drilled, with four more producers expected to be drilled over the remainder of 2023. To date, waterflood response on the block has been strong, but minor delays are causing the Company to lag on total injected volume as some injector wells await stimulation and additional completion work. The first horizontal well on the block had an IP90 of approximately 1,500 bbl/d of heavy crude oil. Parex continues to demonstrate how horizontal wells can be selectively placed to efficiently maximize recovery and production rates.
- Southern Llanos – LLA-81 (100% W.I.): Successfully drilled a vertical near-field exploration well that had an oil discovery in the Carbonera 7 ("C7") reservoir. A follow-up horizontal well has been spud in order to maximize recovery and the vertical is expected to be converted to a water disposal well once the horizontal is complete. This discovery is an example of the short-cycle opportunistic production adds that Parex has within its Southern Llanos portfolio.
- Southern Llanos – LLA-26 (100% W.I.): Parex has successfully brought three wells online that are short-cycle opportunistic production adds year-to-date 2023; as a result, Q2 2023 production from this block increased to approximately 3,300 bbl/d from a 2022 average of roughly 750 bbl/d (heavy crude oil); the block is expected to produce roughly 2,500 bbl/d of heavy crude oil for the remainder of the year.
- Magdalena – VIM-1 (50% W.I.): In Q1 2023, the Company successfully started gas cycling, a process that maintains reservoir pressure and maximizes early liquids production by reinjecting gas. This is the first gas cycling project for Parex, and allows the Company to access high-rate reservoirs in the portfolio. Following positive performance from VIM-1, the Company is currently planning to expand the facility capacity from 20 to 60 mmcf/d in 2024.
- LLA-34 (55% W.I.): The first horizontal well at LLA-34 was drilled to a depth of roughly 14,000 feet and a horizontal lateral length of approximately 1,300 feet; the well had an IP90 of roughly 2,800 bbl/d (gross; heavy crude oil). A second horizontal well is now on production, which was drilled to a depth of approximately 14,000 feet and a horizontal lateral length of roughly 1,700 feet. LLA-34 currently has three drilling and four workover rigs in operation, with Parex and its partner agreeing to drill up to four additional horizontal wells in H2 2023.
- Current corporate production: Estimated average production in July 2023 was 54,600 boe/d.

Northern Llanos - Arauca and Capachos Blocks (50% W.I.) Update

Following the resumption of operations at Capachos in mid-April and Arauca in late May, a social-related shut-in occurred in early June, which affected both blocks and further halting drilling and production. The shut-in has been resolved and the Company has been fully operational at both blocks since late June.

Arauca

Arauca-15, a development well with exploration upside, is at roughly 11,500 feet and is expected to reach total depth in late Q3 2023. Civil works for the Arauca-8 well, which is a multi-zone high-impact exploration prospect targeting light crude oil, are currently being completed in anticipation of a late Q3 2023 spud. While Parex originally planned to spud the Arauca-8 well after the completion of the Arauca-15 well, the Company has revised its drilling plan and is accelerating the development program by bringing a second rig onto the block. Going forward, the Company will have two active drilling rigs on the block as it targets proven, multi-zone reservoirs over a multi-year drilling campaign.

Capachos

Since late June 2023, production has been ramping up, with the block expected to return to full rates prior to being temporarily shut-in of roughly 6,500 boe/d net in Q3 2023. For the remainder of the year, the Company is focused on completing the facility expansion from 15,000 to 25,000 bbl/d of fluid handling capacity in Q3 2023, as well as completions and workovers to optimize the field and bring on additional productive zones.

2023 Big 'E' Exploration Program

- Magdalena – VIM-43 (100% W.I.): As previously announced, the *Chirimoya* exploration well has been abandoned after all three prospective zones were evaluated, tested and confirmed that the potential reservoirs had no economic hydrocarbons. The total capital cost of drilling, casing, testing and abandoning the well was $49 million.
- Northern Llanos – Arauca (50% W.I.): The *Arauca-8* well, which is a multi-zone, high-impact exploration prospect targeting light crude oil, is expected to spud in late Q3 2023.
- Llanos Foothills – LLA-122 (50%. W.I.): The *Arantes* well is the first well within the Ecopetrol memorandum of understanding coverage area, targeting gas and condensate; this prospect is the first well to be drilled by Parex within the high-potential Foothills trend and is expected to spud in Q4 2023.

2023 Corporate Guidance Update

On an annual basis, the temporary shut-ins at Capachos (50% W.I.) and delayed drilling operations at Arauca (50% W.I.) are estimated to have a combined impact on the Company's average production of roughly 3,100 boe/d (Capachos: 1,900 boe/d; Arauca: 1,200 boe/d). The Company was also affected by lower than expected production from its SOCA (Cabrestero (100% W.I.); LLA-34 (55% W.I.)) assets as a result of increased downtime. Parex is updating its 2023 annual average production guidance range from 57,000-63,000 boe/d to 54,000-57,000 boe/d to reflect the aforementioned temporary shut-ins and production impacts in SOCA. With normalized operations, Parex expects its Q4 2023 average production to exceed 60,000 boe/d.

Parex is also updating its 2023 capital expenditure(3) guidance to $450-475 million, which is being driven by standby costs associated with the shut-ins at Capachos (50% W.I.) and Arauca (50% W.I.) as well as increased spending at VIM-43 (100% W.I.).

Category	**2023 Guidance** (February 2, 2023)	**2023 Updated Guidance** (August 2, 2023)
Brent Crude Average Price ($/bbl)	$80	$80
Effective Tax Rate Estimate (%)(1)	25%	20%
Funds Flow Provided by Operations Netback ($/boe)(2)	$34.00	$35.00
FY Production Average (boe/d)	57,000-63,000	54,000-57,000
Capital Expenditures ($ millions)(3)	$425-475	$450-475
Funds Flow Provided by Operations ($ millions)(4)	$705-780	$690-730
Free Funds Flow ($ millions; midpoint)(3)	$295	$245

(1) Effective tax rate is the expected current tax effective rate on funds provided by operations.
(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".

Return of Capital Update

Q3 2023 Dividend

Parex's Board of Directors has approved a Q3 2023 regular quarterly dividend of C$0.375 per share to be paid on September 29, 2023, to shareholders of record on September 15, 2023. The Company first initiated a regular quarterly dividend at C$0.125 per share in 2021.

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

Active Share Buyback Program under Current Normal Course Issuer Bid

As at August 1, 2023, year-to-date Parex has repurchased approximately 3.6 million shares under its NCIB at an average price of C$24.87 per share, for total consideration of roughly C$90 million. Over and above the regular quarterly dividend, the Company intends on continuing to utilize its current NCIB to return free funds flow to its shareholders.

ESG Update

Parex is pleased to announce that is has published its ninth sustainability report, which integrates the Task Force on Climate-Related Financial Disclosures ("TCFD") for the second year. As the Company works to continuously enhance its ESG performance and disclosure, within the report is a comprehensive ESG strategy that sets targets within four core priorities: Communities; GHG Emissions & Climate; People & Culture; and Water.

The full report, including performance metric tables, can be found at www.parexresources.com under Sustainability.

Q2 2023 Results - Conference Call & Video Webcast

Parex will host a conference call and video webcast to discuss the second quarter 2023 results on Thursday, August 3, 2023, beginning at 9:30 am MT (11:30 am ET). To participate in the conference call or video webcast, please see the access information below:

Conference ID:	1 335 335
Participant Toll-Free Dial-In Number:	1-888-550-5584
Participant Toll Dial-In Number:	1-646-960-0157
Webcast:	https://events.q4inc.com/attendee/479709307

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.

For more information, please contact:

Mike Kruchten
Senior Vice President, Capital Markets & Corporate Planning
Parex Resources Inc.
403-517-1733
investor.relations@parexresources.com

Steven Eirich
Investor Relations & Communications Advisor
Parex Resources Inc.
587-293-3286
investor.relations@parexresources.com

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Non-GAAP and Other Financial Measures Advisory

This press release uses various "non-GAAP financial measures", "non-GAAP ratios", "supplementary financial measures" and "capital management measures" (as such terms are defined in 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's 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.

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 interim consolidated financial statements for the period ended June 30, 2023.*

	For the three months ended			For the six months ended
($000s)	**Jun. 30, 2023**	Jun. 30, 2022	Mar. 31, 2023	**Jun. 30, 2023**
Property, plant and equipment expenditures	**$ 82,999**	$ 93,346	$ 83,224	**$ 166,223**
Exploration and evaluation expenditures	**38,310**	32,894	30,644	**68,954**
Capital expenditures	**$ 121,309**	$ 126,240	$ 113,868	**$ 235,177**

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 interim consolidated financial statements for the period ended June 30, 2023. The Company considers free funds flow to be a key measure as it demonstrates Parex's ability to fund return of capital, such as the NCIB and dividends, without accessing outside funds and is calculated as follows:*

($000s)	For the three months ended Jun. 30, 2023	Jun. 30, 2022	Mar. 31, 2023	For the six months ended Jun. 30, 2023
Cash provided by (used in) operating activities	**$ (36,612)**	$ 244,783	$ 131,273	**$ 94,661**
Net change in non-cash working capital	**191,454**	(16,987)	30,451	**221,905**
Funds flow provided by operations	**154,842**	227,796	161,724	**316,566**
Capital expenditures	**121,309**	126,240	113,868	**235,177**
Free funds flow	**$ 33,533**	$ 101,556	$ 47,856	**$ 81,389**

EBITDA, *is a non-GAAP financial measure that is defined as net income adjusted for interest, taxes, depletion, depreciation and amortization. The Company considers EBITDA to be a key measure as it demonstrates Parex' profitability before interest, taxes, depletion, depreciation and amortization. A reconciliation from net income to EBITDA is as follows:*

($000s)	For the three months ended Jun. 30, 2023	Jun. 30, 2022	Mar. 31, 2023	For the six months ended Jun. 30, 2023
Net income	**$ 101,415**	$ 143,128	$ 104,375	$ 205,790
Adjustments to reconcile net income to EBITDA:				
Finance income	**(5,106)**	(1,432)	(4,644)	(9,750)
Finance expense	**4,253**	3,419	3,704	7,957
Income tax expense (recovery)	**(6,308)**	126,219	33,172	26,864
Depletion, depreciation and amortization	**45,627**	34,746	41,952	87,579
EBITDA	**$ 139,881**	$ 306,080	$ 178,559	$ 318,440

Non-GAAP Ratios

Operating netback per boe, *is a non-GAAP ratio that the Company considers to be a key measure as it demonstrates Parex' profitability relative to current commodity prices. Parex calculates operating netback per boe as operating netback (calculated as oil and natural gas sales from production, less royalties, operating, and transportation expense) divided by the total equivalent sales volume including purchased oil volumes for oil and natural gas sales price and transportation expense per boe and by the total equivalent sales volume excluding purchased oil volumes for royalties and operating expense per boe.*

Funds flow provided by operations per boe or FFO netback per boe*, is a non-GAAP ratio that includes all cash generated from operating activities and is calculated before changes in non-cash working capital, divided by produced oil and natural gas sales volumes. The Company considers funds flow provided by operations netback per boe to be a key measure as it demonstrates Parex's profitability after all cash costs relative to current commodity prices.*

Basic funds flow provided by operations per share *is a non-GAAP ratio that is calculated by dividing funds flow provided by operations by the weighted average number of basic shares outstanding. Parex presents basic funds flow provided by operations per share whereby per share amounts are calculated using weighted-average shares outstanding, consistent with the calculation of earnings per share.*

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's profitability after all cash costs. A reconciliation from cash provided by (used in) operating activities to funds flow provided by operations is as follows:*

($000s)	For the three months ended Jun. 30, 2023	Jun. 30, 2022	Mar. 31, 2023	For the six months ended Jun. 30, 2023
Cash provided by (used in) operating activities	**$ (36,612)**	$ 244,783	$ 131,273	**$ 94,661**
Net change in non-cash working capital	**191,454**	(16,987)	30,451	**221,905**
Funds flow provided by operations	**$ 154,842**	$ 227,796	$ 161,724	**$ 316,566**

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

	For the three months ended			For the six months ended
($000s)	**Jun. 30, 2023**	Jun. 30, 2022	Mar. 31, 2023	**Jun. 30, 2023**
Current assets	**$ 322,146**	$ 695,053	$ 528,744	**$ 322,146**
Current liabilities	**325,103**	383,557	499,082	**325,103**
Working capital (deficit) surplus	**$ (2,957)**	$ 311,496	$ 29,662	**$ (2,957)**

Supplementary Financial Measures

"Oil and natural gas sales per boe" *is determined by sales revenue excluding risk management contracts,* as determined in accordance with IFRS, *divided by total equivalent sales volume including purchased oil volumes.*

"Royalties per boe" *is comprised of royalties*, as determined in accordance with IFRS, *divided by the total equivalent sales volume and excludes purchased oil volumes.*

"Production expense per boe" *is comprised of production expense,* as determined in accordance with IFRS, *divided by the total equivalent sales volume and excludes purchased oil volumes.*

"Transportation expense per boe" *is comprised of transportation expense,* as determined in accordance with IFRS, *divided by the total equivalent sales volumes including purchased oil volumes.*

"Dividends paid per share" *is comprised of dividends declared,* as determined in accordance with IFRS, *divided by the number of shares outstanding at the dividend record date.*

"Production per share growth" *is comprised of the Company's total oil and natural gas production volumes divided by the weighted average number of basic shares outstanding. Parex presents production per share whereby per share amounts are calculated using weighted-average shares outstanding, consistent with the calculation of earnings per share. Growth is determined in comparison to the comparative year.*

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, 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.

References in this press release to short-term production rates, such as IP90, 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 of Parex.

Distribution Advisory

The Company's future shareholder distributions, including but not limited to the payment of dividends and the acquisition by the Company of its shares pursuant to an NCIB, if any, and the level thereof 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", “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's internal projections, estimates or beliefs concerning, among other things, future growth, results of operations, production, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, plans for and results of drilling activity, environmental matters, business prospects and opportunities. These statements are only predictions and actual events or results may differ materially. Although the Company’s management believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievement since such expectations are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause Parex's actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, Parex.

In particular, forward-looking statements contained in this document include, but are not limited to, statements with respect to: the Company’s focus, plans, priorities and strategies; that the horizontal well that has spud at Block LLA-81 will maximize recovery and production rates on the block; the anticipated timing of when the first well at the Arauca Block will reach its total depth; Parex's plan to move a second rig to the Arauca Block and the anticipated benefits to be derived therefrom; anticipated production levels at the Capachos Block in Q3 2023; Parex's 2023 annual guidance, including its anticipated Brent crude average price, 2023 effective tax rate estimate, funds flow provided by operations netback per boe, production average, capital expenditures, funds flow provided by operations and free funds flow; Parex's expectations that its 2023 capital expenditures will be towards the higher end of its guidance range; Parex's expectations that it will be towards the lower end of its 2023 annual average production guidance range for the year ended December 31, 2023; Parex's expectations that it will drill four more wells at the Cabrestero Block over the remainder of 2023; that Parex's horizontal wells will efficiently maximize recovery and production rates; Parex's expectations that the pump failure at C7 will be remediated shortly; the anticipated benefits to be derived from Parex's follow-up horizontal well at Block LLA-81; the anticipated benefits to be derived from Parex's first gas cycling project and its expectations that it will expand its facility capacity in 2024; Parex's anticipated average production at Block LLA-26 and the anticipated timing thereof; that Parex and its partner will drill up to four additional horizontal wells on Block LLA-34 and the anticipated timing thereof; the anticipated timing of when the Arauca-8 well will reach total depth and when it will spud; Parex's expectations that the Arauca-8 well will spud prior to the Arauca-15 well reaching its total depth; Parex's expectation that it will have two active drilling rigs on the Arauca Block and the anticipated benefits to be derived therefrom; Parex's expectations that production at the Capachos Block will return to rates prior to being temporarily shut-in; Parex's focus and plans at the Capachos Block including completing the facility expansion as well as completions and workovers and the anticipated benefits to be derived therefrom; the anticipated timing of when the Arantes well will spud; the anticipated impact that the temporary shut-in at the Capachos Block and the delayed drilling operations at the Arauca Block will have on production; the anticipated terms of the Company's Q3 2023 regular quarterly dividend including its expectation that it will be designated as an "eligible dividend"; that Parex will continue to utilize its current NCIB to return free funds flow back to its shareholders; and the anticipated date and time of Parex's conference call to discuss second quarter 2023 results.

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; determinations by OPEC and other countries as to production levels; 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; the 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; the risk that Brent oil prices may be lower than anticipated; the risk that Parex's evaluation of its existing portfolio of development and exploration opportunities may not be consistent with its expectations; the risk that Parex may not have sufficient financial resources in the future to provide distributions to its shareholders; the risk that the Board may not declare dividends in the future or that Parex's dividend policy changes; the risk that Parex may not be responsive to changes in commodity prices; the risk that Parex's increased short-cycle activity may not be successful or maximize value for its shareholders; the risk that selectively choosing the location of Parex's horizontal wells may not lead to maximum recovery and production rates; the risk that Parex may not meet its production guidance for the year ended December 31, 2023; the risk that Parex's 2023 funds flow provided by operations netback per boe, funds flow provided by operations and free funds flow may be less than anticipated; the risk that Parex's 2023 capital expenditures may be greater than anticipated; the risk that the pump failure at C7 may not be remediated when anticipated, or at all; the risk that Parex's production at Block LLA-26 may be less than anticipated; the risk that Parex may not drill any additional horizontal wells on Block LLA-34 when anticipated, or at all; the risk that Arauca-8 well and the Arantes well may not spud when anticipated, or at all; the risk that the temporary shut in at the Capachos Block and the delayed drilling operations at the Arauca Block may have a greater impact on production than anticipated; the risk that Parex may not realize the benefits that it anticipates at its gas cycling project and that it may not expand the facility when anticipated, or at all; the risk that Parex may not utilize its current NCIB to return free funds flow back to its shareholders; and other factors, many of which are beyond the control of the Company. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect Parex's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR+ website (www.sedarplus.ca).

Although the forward-looking statements contained in this 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's operations and infrastructure; recoverability of reserves and future production rates; the status of litigation; timing of drilling and completion of wells; on-stream timing of production from successful exploration wells; operational performance of non-operated producing fields; pipeline capacity; that Parex will have sufficient cash flow, debt or equity sources or other financial resources required to fund its capital and operating expenditures and requirements as needed; that Parex's conduct and results of operations will be consistent with its expectations; that Parex will have the ability to develop its oil and gas properties in the manner currently contemplated; that Parex's evaluation of its existing portfolio of development and exploration opportunities is consistent with its expectations; current or, where applicable, proposed industry conditions, laws and regulations will continue in effect or as anticipated as described herein; that the estimates of Parex's production and reserves volumes and the assumptions related thereto (including commodity prices and development costs) are accurate in all material respects; that Parex will be able to obtain contract extensions or fulfill the contractual obligations required to retain its rights to explore, develop and exploit any of its undeveloped properties; that Parex will have sufficient financial resources to pay dividends and acquire shares pursuant to its NCIB in the future; that by selectively placing its horizontal wells, Parex will maximize recovery and production rates; 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: Parex's 2023 annual guidance, including its anticipated 2023 effective tax rate, funds flow provided by operations netback per boe, capital expenditures, funds flow provided by operations and free funds flow; Parex's expectations that its 2023 capital expenditures will be towards the higher end of its guidance range; and the anticipated terms of the Company's Q3 2023 regular quarterly dividend including its expectation that it will be designated as an "eligible dividend"; 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.

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

bbl	one barrel
bbls	barrels
bbl/d	barrels per day
boe	barrels of oil equivalent of natural gas; one barrel of oil or natural gas liquids for six thousand cubic feet of natural gas
boe/d	barrels of oil equivalent of natural gas per day
IP90	average initial production rate over 90 consecutive days
mcf	thousand cubic feet
mcf/d	thousand cubic feet per day
W.I.	working interest