NEWS RELEASE

Parex Resources Announces Record Full-Year & Fourth Quarter Production, Arauca Discovery, and Publishes 2024 Guidance

Calgary, Alberta, January 15, 2024 – Parex Resources Inc. ("Parex" or the "Company") (TSX: PXT) is pleased to publish its 2024 budget alongside an updated three-year outlook, announce positive test results at its Arauca-8 exploration well (50% W.I.), and provide its estimated 2023 full-year and fourth quarter average production.

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

Key Highlights

- Targeting FY 2024 average production of 57,000 boe/d, which is forecast to be 5% year-over-year growth.
- Budgeting FY 2024 capital expenditures(2) of $410 million, which is expected to be approximately 15% lower than 2023.
- Expecting to generate approximately $625 million of funds flow provided by operations ("FFO")(3) and roughly $215 million of free funds flow ("FFF")(2) in 2024 at the midpoint of guidance based on $75/bbl Brent.
- Updated three-year outlook for 2024 through 2026, where annual average production growth is targeted at 5% or higher, excluding high-impact, big 'E' exploration potential.
- Discovery at the Arauca-8 exploration well (50% W.I.) where two zones have been successfully tested, with two zones still to be tested in the coming weeks(4).
- Achieved record FY and Q4 average production of 54,356 boe/d and 57,329 boe/d, respectively, in 2023(1).

"Our plan for the year builds on the work completed in 2023 and is focused on increasing overall cash that can be used to reward shareholders. This will be achieved not only through increasing total production, but also through a reduction in year-over-year capital expenditures and the deployment of inventory from our balance sheet. I am optimistic about the promising outcomes that we have seen at Arauca, which are laying the foundation for further follow-ups in an area where we see significant potential," commented Imad Mohsen, President & Chief Executive Officer.

2024 Budget

- Program includes approximately 35 gross wells, with a targeted capital expenditure(2) guidance range of $390 to $430 million.
- Approximately 75% of capital expenditures(2) are focused on investments in operated blocks.
- Average annual production is expected to be approximately 54,000 to 60,000 boe/d, representing 5% year-over-year growth at the midpoint.
- FFF(2) is estimated to be approximately $215 million at the midpoint guidance based on $75/bbl Brent; after paying the Company's current regular dividend of C$1.50 per share annualized, which is currently forecast to be roughly $115 million in 2024, leaves an estimated $100 million for further returns to shareholders through regular dividends and share repurchases; additionally, the Company expects to deploy $30 to $50 million of long-lead material and equipment inventory from its balance sheet during the year.
- In due course, the Company will submit a notice of intention to make a normal course issuer bid to the Toronto Stock Exchange for calendar 2024.
- Capital plan includes spudding three high-impact, big 'E' exploration wells (Blocks: LLA-122, LLA-38 & VIM-1 – 50% W.I.), all of which have the potential to be transformational opportunities for the Company.

(1) See "Production Update – 2023 Review" for a breakdown of production by product type.
(2) Non-GAAP financial measure. See "Non-GAAP and Other Financial Measures Advisory."
(3) Capital management measure. See "Non-GAAP and Other Financial Measures Advisory."
(4) See "Arauca Update" for oil and gas testing disclosure; see also "Oil & Gas Matters Advisory."

2024 Corporate Guidance

The following table summarizes the Company's 2024 annual guidance.

Category	2024 Guidance
Brent Crude Oil Average Price	$75/bbl
Average Production	54,000-60,000 boe/d
Funds Flow Provided by Operations Netback(1)(2)	$29-31/boe
Funds Flow Provided by Operations(3)	$590-660 million
Capital Expenditures(4)	$390-430 million
Free Funds Flow(4)	$215 million (midpoint)

(1) Non-GAAP ratio. See "Non-GAAP and Other Financial Measures Advisory".
(2) 2024 assumptions: Vasconia differential: ~$4/bbl; production expense: $10-12/bbl; transportation expense: ~$3.50/bbl; G&A expense: ~$3.50/bbl; effective tax rate: 19-21%.
(3) Capital management measure. See "Non-GAAP and Other Financial Measures Advisory".
(4) Non-GAAP financial measure. See "Non-GAAP and Other Financial Measures Advisory".

2024 Netback Sensitivity Estimates

Brent Crude Oil Price ($/bbl)	$65	$75	$85
Effective Tax Rate	10-12%	19-21%	25-27%
Funds Flow Provided by Operations Netback(1)	$25-27/boe	$29-31/boe	$31-33/boe

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

2024 Capital Expenditure Breakdown and Activity Overview

Category	Total Capital Expenditures(1) (Midpoint)	Notable Planned Activity
Development Activities	$210MM	• Arauca (50% W.I.): Sidetracking Arauca-15 and one follow-up, as well as one follow-up for Arauca-8(2). • Capachos (50% W.I.): One infill well; recompletion of the Andina-3 well. • Southern Llanos Exploitation: One horizontal well at LLA-30 (100% W.I.) and three follow-up wells at LLA-32 (87.5% W.I.). • Cabrestero (100% W.I.): Ramping up total injected volume for pressure maintenance with facility expanded by 50% and starting polymer flooding; multiple recompletions. • LLA-34 (55% W.I.): 15-20 gross wells, including horizontal and vertical producers as well as injectors; multiple recompletions.
Development Facilities	$90MM	• Arauca (50% W.I.): Constructing phase one of the oil and water treatment facility as well as building interfield flow lines. • VIM-1 (50% W.I.): Initiating phase one expansion of the La Belleza facility to increase gas processing capacity from 20,000 to 30,000 mmcf/d. • LLA-34 (55% W.I.): Upgrading total fluid handling capacity by 120,000-160,000 bbl per day at the Jacana and Tigana fields; further electrical interconnections.

Near-Field Exploration	$40MM	• Approximately five higher chance of success prospects that are complementary to the big 'E' exploration program: wells to be drilled at Capachos (50% W.I.), Fortuna (50% W.I.), LLA-32 (87.5% W.I.), and LLA-74 (100% W.I.).
Big 'E' Exploration	$50MM	• LLA-122 (50% W.I.) – *Arantes* well (spud in Q1 2024). • VIM-1 (50% W.I.) – *Hydra* well (Q2-Q3 2024 spud). • LLA-38 (50% W.I.) – *Berilo Oeste* well (Q4 2024 spud). • Seismic acquisition program focused on newer blocks in the Southern Llanos.
Carry Capital	$20MM	• Primarily relates to the Arauca and LLA-38 farm-in agreement with Ecopetrol S.A., as previously announced on July 7, 2021.

(1) Non-GAAP financial measure. See "Non-GAAP and Other Financial Measures Advisory".
(2) Subject to the required approvals.

Near-Field Exploration

In 2024, Parex is planning to drill approximately five near-field exploration targets across various strategic blocks. By focusing on three-way closure targets identified through 3D seismic analysis, the identified targets have a higher chance of success and are complementary to the Company's unchanged big 'E' exploration strategy that has higher risk and reward characteristics.

Big 'E' Exploration – High-Impact Targets with Transformational Potential

- Llanos Foothills – LLA-122 (50% W.I.): The *Arantes* well is targeting gas and condensate in the high-potential Foothills trend of Colombia, where historical pool sizes are significant, and wells can be extremely prolific. This prospect was spud in early January 2024 with preliminary results expected in H1 2024.
- Magdalena – VIM-1 (50% W.I.): The *Hydra* well is targeting gas and condensate on the VIM-1 Block where Parex previously had the material La Belleza discovery in 2018. Parex plans to utilize new seismic processing technology to drill this prospect, which is expected to spud mid-year 2024.
- Northern Llanos – LLA-38 (50% W.I.): The *Berilo Oeste* well is targeting light crude oil and gas on an adjacent trend to Arauca. This multi-zone prospect is targeting the same zones as the Arauca-8 well where Parex has seen positive test results. This prospect is expected to spud in Q4 2024.

Production Update

2023 Review

Average Production	*For the three months ended December 31*		*For the year ended December 31*	
Product Type	**2023**[(1)]	**2022**	**2023**[(1)]	**2022**
Light & Medium Crude Oil (bbl/d)	9,700	10,511	8,417	7,471
Heavy Crude Oil (bbl/d)	46,760	42,746	45,163	43,008
Conventional Natural Gas (mcf/d)	5,212	6,000	4,656	9,420
Oil Equivalent (boe/d)[(2)]	57,329	54,257	54,356	52,049

(1) Production volumes for the three months ended December 31, 2023, and for the year-ended December 31, 2023, are estimated.
(2) 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.

Parex's Q4 2023 average production was 57,329 boe/d, which was an increase of 6% from Q4 2022. During the quarter, the Company experienced multiple factors that led to production being lower than Management's expectations, including, but not limited to, slower onstream timing because of extended testing and operational setbacks, as well as higher-than expected water cut on a single high-rate well.

Arauca (Business Collaboration Agreement with Ecopetrol S.A. (Parex 50% Participating Share)) Update(1)

"Overall, the initial results that we are seeing from the first two wells at Arauca are promising. The Arauca-8 well has successfully tested the first two zones with discoveries in each, with two more zones to test where logging and pressure measurements show the presence of oil – while the Arauca-15 well is being sidetracked to an optimal location after having demonstrated the presence of hydrocarbons in multiple layers. We are optimistic and planning to proceed with follow-up wells in each area based on the initial results that we are seeing today," commented Eric Furlan, Chief Operating Officer.

Arauca-8 Exploration Well

Arauca-8 was drilled to a total depth of 21,010 feet as a pacesetting well and encountered the expected Guadalupe, Gacheta, and Une zones. Based on positive wireline logging and modular formation dynamics tester ("MDT") pressure measurements, a comprehensive testing program commenced, beginning with the Une zone that resulted in a gas discovery that tested at roughly 9.0 MMCFD and over 1,000 barrels of condensate per day(2)(3)(4). Following the successful Une gas test, the Gacheta zone was tested that resulted in an oil discovery that tested at over 6,000 boe/d(2)(3)(5).

In the coming weeks, the remaining zones will be tested, and following that, a formal development and production plan for the area will be developed by Parex and Ecopetrol S.A.

The adjacent follow-up well, Arauca-81, is expected to spud in late Q1 2024(2).

Arauca-15 Well

Although the well came in structurally low, it encountered hydrocarbon sands in the Barco zone and the deeper Une zone that previously had not been penetrated in the area. However, wellbore conditions resulted in an ineffective completion that affected overall test results and compromised the commercial viability of the standalone well.

Based on the vertical seismic profile ("VSP") from downhole data, Parex plans to sidetrack the well to a more optimal updip location and utilize the existing wellbore to reduce costs and overall drilling time. The sidetrack is expected to be completed in late Q1 2024, with the well brought onstream in early Q2 2024.

In addition to the sidetrack of Arauca-15, which will be drilled to the originally planned Arauca-11 location, Parex also plans to drill a follow-up well, Arauca-12(2).

(1) Ecopetrol S.A. currently holds 100% W.I. in the Convenio Arauca while the assignment procedure is pending.
(2) Subject to the required approvals.
(3) The Arauca-8 well was drilled to a total depth of 21,010 ft in a record time of 69 days, approximately 3.15 kilometers north-east of the Arauca-3 well. The data acquisition program at the Arauca-8 well included wireline logging and MDT pressure measurements in the Guadalupe, Gacheta, and Une formations, indicating the presence of hydrocarbons.
(4) In the Une formation, over a 42-hour period, the well recovered 647 barrels of 50 API condensate and 9.7 MMCF of natural gas, representing an average test rate of 370 barrels of condensate per day and 5.5 MMCFD of gas for a combined rate of 1,293 boe/d. The peak production was at a restricted rate due to facility constraints of 9.0 MMCFD and 1,090 barrels of condensate per day, and the watercut was stable at 0.5% during the last 10 hours of the test. Downhole pressure sensors indicated an average producing drawdown of 1.2% during the flow period, and a maximum drawdown of 2.7% during the peak production period.
(5) In the Gacheta formation, over 38-hour period, the well recovered 2,783 barrels of 28 API crude oil, 3.0 MMCF of solution gas and 406 barrels of water, representing an average test rate of 1,758 barrels of oil per day, 1.9 MMCF of gas, and 256 barrels of water per day, for a combined rate of 2,075 boe/d. The peak production was at a restricted rate due to facility constraints of 5,426 barrels of oil per day and 4.7 MMCFD, for a total of 6,209 boe/d, with the watercut steadily decreasing throughout the test to 4% when the test was terminated due to oil storage capacity. Downhole pressure sensors indicated an average producing drawdown of 6% during the flow period, and a maximum drawdown of 20% during the peak production period.
(6) See "Oil & Gas Matters Advisory".

Updated Three-Year Outlook

Parex's updated plan for 2024 through 2026 shows operational sustainability as well as the ability to generate increased FFF(1).

The plan has been updated to include 2026, incorporate Management's forecast of inflationary impacts, drilling results to date, as well as additional contingency related to well timing and overall field execution.

Highlights of the updated three-year plan, based on a constant $75/bbl Brent oil price outlook and forecast annual capital expenditures(1) of $375 to $450 million, include:

- Annual average production growth of approximately 5% or higher per year;
- Reinvestment ratio(2) of 54 to 66 percent; and
- Cumulative FFF(1) of approximately $850 million or over C$1.1 billion at current foreign exchange rates.

The plan continues to not include any associated capital and production from successful exploration follow-up that may occur over the outlook period.

Please note that an updated investor presentation has been posted to the Company's website, which includes additional detail in relation to the updated three-year outlook.

(1) Non-GAAP financial measure. See "Non-GAAP and Other Financial Measures Advisory".
(2) Supplementary financial measure; reinvestment ratio is defined as capital expenditures expressed as a percentage of funds flow provided by operations for the applicable period. See "Non-GAAP and Other Financial Measures Advisory".

Q4 2023 Results - Conference Call & Video Webcast

Parex will host a conference call and video webcast to discuss its Q4 2023 results on Friday, March 1, 2024. Additional details will be available on the Company's website in due course.

About Parex Resources Inc.

Parex is the largest independent oil and gas company in Colombia, focusing on sustainable, conventional production. The Company's corporate headquarters are in Calgary, Canada, with an operating office in Bogotá, Colombia. Parex shares trade on the Toronto Stock Exchange under the symbol PXT.

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

Non-GAAP and Other Financial Measures Advisory

This press release uses various "non-GAAP financial measures", "non-GAAP ratios", "supplementary financial measures" and "capital management measures" (as such terms are defined in National Instrument 52-112 – *Non-GAAP and Other Financial Measures Disclosure*). Such measures are not standardized financial measures under IFRS, and might not be comparable to similar financial measures disclosed by other issuers. Such financial measures should not be considered as alternatives to, or more meaningful than measures determined in accordance with GAAP. 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, 2023 dated November 7, 2023, which is available at the Company's website at www.parexresources.com and on the Company's profile on SEDAR+ at www.sedarplus.ca 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, refer to note 2 of the Company's consolidated interim financial statements for the period ended September 30, 2022.*

***Free funds flow**, is a non-GAAP 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 to be a key measure as it demonstrates Parex's ability to fund return of capital, such as the normal course issuer bid or dividends, without accessing outside funds.*

Non-GAAP Ratios

***Funds flow provided by operations netback** ("**FFO netback**") 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 FFO netback to be a key measure as it demonstrates Parex's profitability after all cash costs relative to current commodity prices.*

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 relative to current commodity prices.*

Supplementary Financial Measures

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

***Reinvestment ratio** is capital expenditures expressed as a percentage of funds flow provided by operations for the applicable period.*

Oil & Gas Matters Advisory

The term "Boe" means a barrel of oil equivalent on the basis of 6 thousand cubic feet ("Mcf") of natural gas to 1 bbl. Boe may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf: 1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6 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 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. A summary of the calculation of FFO netbacks is provided under "Non-GAAP and Other Financial Measures Advisory".

References in this press release to initial production test rates, initial "flow" rates, initial flow testing, and "peak" rates are useful in confirming the presence of hydrocarbons, however such rates are not determinative of the rates at which such wells will commence production and decline thereafter and are not indicative of long-term performance or of ultimate recovery. While encouraging, investors are cautioned not to place reliance on such rates in calculating the aggregate production for Parex. Parex has not conducted a pressure transient analysis or well-test interpretation on the wells referenced in this press release. As such, all data should be considered to be preliminary until such analysis or interpretation has been done.

Analogous Information

Certain information in this press release may constitute "analogous information" as defined in NI 51-101. Such information includes production estimates, reserves estimates and other information retrieved from the continuous disclosure record of certain industry participants from www.sedar.com or other publicly available sources. Management of Parex believes the information is relevant as it may help to define the reservoir characteristics and production profile of lands in which Parex may hold an interest. Parex is unable to confirm that the analogous information was prepared by a qualified reserves evaluator or auditor and is unable to confirm that the analogous information was prepared in accordance with NI 51-101. Such information is not an estimate of the production, reserves or resources attributable to lands held or to be held by Parex and there is no certainty that the production, reserves or resources data and economic information for the lands held or to be held by Parex will be similar to the information presented herein. The reader is cautioned that the data relied upon by Parex may be in error and/or may not be analogous to such lands held or to be held by Parex.

Advisory on Forward-Looking Statements

Certain information regarding Parex set forth in this press release contains forward-looking statements that involve substantial known and unknown risks and uncertainties. The use of any of the words "plan", "expect", “prospective”, "project", "intend", "believe", "should", "anticipate", "estimate", “forecast”, "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 press release include, but are not limited to, statements with respect to the Company's focus, plans, priorities and strategies and the benefits to be derived from such plans, priorities and strategies; Parex's anticipated FY 2024 average production (midpoint of 2024 guidance) and forecasted annual production growth at the midpoint; budgeted FY 2024 capital expenditures and the expected comparison back to FY 2023 capital expenditures; expected FFO and FFF in each case at the midpoint of 2024 guidance and the underlying assumptions; Parex's 2024 budget including, the number of gross wells, the 2024 capital expenditure guidance range, the allocation of capital expenditures, aggregate amount of dividends that may be paid in 2024 and estimated amount for further returns to shareholders, plans with respect to the 2024 exploration and development program, and 2024 capital plans; Parex's 2024 guidance, including its anticipated average production, FFO netback, FFO, capital expenditures and FFF; Parex's 2024 netback sensitivity estimates; Parex's 2024 capital expenditure breakdown and specific overview of planned development activities, development facilities, near-field exploration, Big 'E' exploration and carry capital; the timing of, and the benefits to be derived from, the planned development activities, development facilities, near-field exploration, Big 'E' exploration and carry capital; the expected timing for preliminary well results; the timing to spud wells and the timing to bring wells onstream; utilization of new seismic processing technology; the products and zones being targeted at certain blocks; plans to proceed with follow-up wells in Arauca; the formal development and production plan for Arauca to be developed by Parex and its joint venture partner; the plan for 2024 through 2026, and the underlying assumptions and the highlighted components of such plan; and the anticipated timing for Parex's webcast to discuss its Q4 2023 results.

Although the forward-looking statements contained in this press release are based upon assumptions which Management believes to be reasonable, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. With respect to forward-looking statements contained in this press release, 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 in the future to pay a dividend in the future; that the Board will declare dividends in the future; and other matters.

Included in this press release are additional forward-looking statements which are estimates of Parex's 2024-2026 average annual production growth, Brent oil pricing, annual capital expenditures, reinvestment ratio and cumulative free funds flow. The foregoing 2025-2026 forecasts are based on various assumptions and are provided for illustration only and are based on budgets and forecasts that have not been finalized and are subject to a variety of contingencies including prior years' results. In addition, the foregoing 2025-2026 forecasts and any capital budgets underlying such forecasts are management prepared only and have not been approved by the Board of Directors of Parex. These forecasts are made as of the date of this press release and except as required by applicable securities laws, Parex undertakes no obligation to update such forecasts.

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; risks associated with negotiating with foreign governments as well as country risk associated with conducting international activities; volatility in market prices for oil; fluctuations in foreign exchange or interest rates; environmental risks; changes in income tax laws or changes in tax laws and incentive programs relating to the oil industry; changes to pipeline capacity; ability to access sufficient capital from internal and external sources; failure of counterparties to perform under contracts; risk that Brent oil prices are lower than anticipated; risk that Parex's evaluation of its existing portfolio of development and exploration opportunities is not consistent with its expectations; risk that initial test results are not indicative of future performance or ultimate recovery; risk that other zones to be tested do not contain the expected hydrocarbon bearing formations; the risk that Parex's 2024 capital expenditures and planned exploration and development programs are different than expected, including in a manner adverse to Parex; the risk that Parex's financial and production results may be less favorable than anticipated; the risk that Parex may not receive its preliminary well results when anticipated, or at all; the risk that certain of Parex's wells may not spud or come onstream when anticipated, or at all; the risk that Parex may not utilize new seismic processing technology or receive the benefits anticipated; the risk that Parex may not proceed with follow-up wells in Arauca; the risk that a formal development and production plan for Arauca may not be developed by Parex and its joint venture partner when anticipated, or at all; the risk that Parex's actual results may be less favorable than those reflected in its plan for 2024 through 2026; the risk that Parex's webcast to discuss its Q4 2023 results may not occur when anticipated, or at all; the risk that Parex may not have sufficient financial resources in the future to pay a dividend or repurchase its shares; the risk that the Board may not declare dividends in the future or that Parex's dividend policy changes; and other factors, many of which are beyond the control of the Company. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect Parex's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedarplus.ca).

Management has included the above summary of assumptions and risks related to forward-looking information provided in this press release 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 press release 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 a financial outlook, in particular: Parex's 2024 budget, including its anticipated capital expenditures, free funds flow, forecasted aggregate dividend payments and other shareholder returns and funds flow provided by operations; that Parex will continue to pay its regular quarterly dividend; Parex's 2024 guidance, including its anticipated average production, FFO netback, FFO, capital expenditures and FFF; Parex's three-year outlook, including its forecasted annual capital expenditures, cumulative free funds flow and reinvestment ratio; and Parex's 2024 netback sensitivity estimates. Such financial outlook has been prepared by Parex's management to provide an outlook of the Company's activities and results. The financial outlook has been prepared based on a number of assumptions including the assumptions discussed above and assumptions with respect to the costs and expenditures to be incurred by the Company, capital equipment and operating costs, foreign exchange rates, taxation rates for the Company, general and administrative expenses and the prices to be paid for the Company's production.

Management does not have firm commitments for all of the costs, expenditures, prices or other financial assumptions used to prepare the financial outlook or assurance that such operating results will be achieved and, accordingly, the complete financial effects of all of those costs, expenditures, prices and operating results are not objectively determinable. The actual results of operations of the Company and the resulting financial results will likely vary from the amounts set forth in the analysis presented in this press release, and such variation may be material. The Company and its management believe that the financial outlook has been prepared on a reasonable basis, reflecting the best estimates and judgments, and represent, to the best of management's knowledge and opinion, Parex's expected expenditures and results of operations. However, because this information is highly subjective and subject to numerous risks including the risks discussed above, it should not be relied on as necessarily indicative of future results. Except as required by applicable securities laws, Parex undertakes no obligation to update such financial outlook.

Distribution Advisory

The proposed aggregate quarterly dividend payments of approximately US$115 million in 2024 remain subject to the approval of the Board of Directors of Parex and the declaration of such dividends is subject to a number of other assumptions and contingencies, including commodity prices. 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 a normal course issuer bid, 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. Any purchases of common shares pursuant to a normal course issuer bid is subject to all required regulatory approvals. There can be no assurance that the Company will pay dividends or repurchase any shares of the Company in the future. The payment of dividends to shareholders is not assured or guaranteed and dividends may be reduced or suspended entirely. In addition to the foregoing, the Company’s ability to pay dividends or acquire shares now or in the future may be limited by covenants contained in the agreements governing any indebtedness that the Company has incurred or may incur in the future, including the terms of the credit facilities.

Abbreviations

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

API	American Petroleum Institute gravity
bbl	one barrel
bbl/d	barrels per day
boe	barrels of oil equivalent of natural gas; one barrel of oil or natural gas liquids for six thousand cubic feet of natural gas
boe/d	barrels of oil equivalent of natural gas per day
mcf	thousand cubic feet
mcf/d	thousand cubic feet per day
mmcf/d	million cubic feet per day
W.I.	working interest