

Parex Operational Update & Industry Leading Share Buy-Back Program

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CALGARY, Jan. 11, 2021 - [Parex Resources Inc.](#) (Parex; or the Company) (TSX:PXT), is a company headquartered in Calgary, Alberta that focuses on sustainable, profitable, conventional oil and gas production. All currency amounts are in United States dollars, unless otherwise stated.

Operational Update

- Production: Q4 2020 average production is estimated at 46,550 boe/d compared to Parex guidance of 45,500-47,500 boe/d. We expect Q1 2021 production to average 46,500-47,500 boe/d;
- VIM-1 Block (50% WI, Operator): Parex received regulatory approval to extend the current block boundaries by 32,000 acres to the east onto adjacent open lands based on the estimated extent of the 2020 La Belleza discovery, in exchange for a commitment to drill one exploration well. In Q2 2021 Parex anticipates commencing a two well exploration drilling program to further assess the VIM-1 block;
- Awarded Two Prospective Colombian Blocks: Total work commitment approximately \$4.5 million for 95 km² of 3D seismic.
 - LLA-134: located south-east of the prolific LLA-34 block and adjacent to the CPO-11 and CPO-5 blocks, targeting stratigraphic plays;
 - VIM-43: located north-east of the VIM-1 La Belleza discovery, targeting a structural/stratigraphic play;
- Fortuna Block (100% WI, Operator): Parex drilled the horizontal exploration well Cayena-1 to a depth of 8,560 feet and logged potential oil-bearing zones in multiple formations. The Company then successfully drilled 3,042 feet horizontally in the shallower Galemba Formation, encountering oil shows in the horizontal section. As part of the completion process, Parex is importing specific coil tubing equipment that is required to recover completion fluid from the wellbore prior to finishing testing. We expect to conclude the testing in Q1 2021;
- Boranda Block (50% WI, Operator): The Boranda Sur-1 appraisal well, located 2.6 kilometers to the southwest of the Boranda-3 discovery is currently being drilled. The appraisal well objectives are to confirm areal extent, thickness, and fluid content of the reservoirs encountered in the nearby producing Boranda field;
- Crude Quality Discount: Parex continues to realize strong crude oil pricing. The Brent/Vasconia differential is currently approximately \$2/bbl. This compares to the Q3 2020 Brent/Vasconia differential of \$2.99/bbl;
- Industry Leading Balance Sheet: Parex estimates a cash position of \$325 million as of December 31, 2020. The Company remains debt-free with an undrawn credit facility of \$200 million.

Share Buy-Back; Targeting Another 10% Re-purchase in 2021

During 2020, Parex purchased 13.9 million of the Company's common shares for a total cost of \$172 million (average price of CAD\$16.62/share) pursuant to the Company's normal course issuer bid program (NCIB). Focused on generating long term shareholder value, since 2017 Parex has repurchased an aggregate of 32 million shares and returning \$449 million to shareholders. As of December 31, 2020, Parex had 130.9 million basic shares outstanding. Under the current NCIB, Parex currently anticipates purchasing 10% of basic outstanding public float, or approximately an additional 12.9 million shares.

Q4 & Year-End 2020 Results Conference Call & Audio Webcast

Parex will host a conference call to discuss the Fourth Quarter and year-end financial and operating results on Thursday, March 4, 2021 beginning at 9:30 am Mountain Time. To participate in the conference call or webcast, see details below.

Toll-free dial-in number (Canada/US):	1-800-898-3989
Local dial-in number	416-340-2217
International dial-in number:	Click to access the dial-in number of your location
Passcode:	6924016#

For more information, please contact:

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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", "anticipate", "project", "intend", "believe", "should", "anticipate", "estimate", "forecast", "budget" or other similar words, or statements that certain events or conditions "may" or "will" occur are intended to identify forward-looking statements. Such statements represent Parex' internal projections, estimates or beliefs concerning, among other things, future growth, results of operations, production, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, plans for and results of drilling activity, business prospects and opportunities. These statements are only predictions and actual events or results may differ materially. Although the Company's management believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievement since such expectations are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause Parex' actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, Parex.

In particular, forward-looking statements contained in this document include, but are not limited to, statements with respect to the Company's focus, plans, priorities and strategies; Parex's estimated average Q4 2020 production, Q4 2020 guidance and estimated Q1 2021 average production; timing for testing at the Fortuna Block to conclude; Q2 2021 drilling program in VIM-1 Block; total commitment for the two new blocks that were awarded to Parex; Parex' estimated cash position as of December 31, 2020; the number of common shares Parex anticipates purchasing under its NCIB; and anticipated timing for the conference call.

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; 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; competition; lack of availability of qualified personnel; the results of exploration and development drilling and related activities; obtaining required approvals of regulatory authorities in Canada and Colombia; risks associated with negotiating with foreign governments as well as country risk associated with conducting international activities; volatility in market prices for oil; fluctuations in foreign exchange or interest rates; environmental risks; changes in income tax laws or changes in tax laws and incentive programs relating to the oil industry; changes to pipeline capacity; ability to access sufficient capital from internal and external sources; failure of counterparties to perform under contracts; risk that Brent oil prices are lower than anticipated; risk that Parex' evaluation of its existing portfolio of development and exploration opportunities is not consistent with its expectations; risk that initial test results are not indicative of future performance; risk that other formations do not contain the expected oil bearing sands; risk that Parex purchases fewer common shares under the NCIB than anticipated; and other factors, many of which are beyond the control of the Company. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect Parex' operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed

through the SEDAR website (www.sedar.com).

Although the forward-looking statements contained in this document are based upon assumptions which Management believes to be reasonable, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. With respect to forward-looking statements contained in this document, Parex has made assumptions regarding, among other things: current and anticipated commodity prices and royalty regimes; 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, including the anticipated Brent oil price; the impact of increasing competition; conditions in general economic and financial markets; availability of drilling and related equipment; effects of regulation by governmental agencies; receipt of partner, regulatory and community approvals; royalty rates; future operating costs; uninterrupted access to areas of Parex' operations and infrastructure; recoverability of reserves and future production rates; the status of litigation; timing of drilling and completion of wells; on-stream timing of production from successful exploration wells; operational performance of non-operated producing fields; pipeline capacity; that Parex will have sufficient cash flow, debt or equity sources or other financial resources required to fund its capital and operating expenditures and requirements as needed; that Parex' conduct and results of operations will be consistent with its expectations; that Parex will have the ability to develop its oil and gas properties in the manner currently contemplated; that Parex' evaluation of its existing portfolio of development and exploration opportunities is consistent with its expectations; current or, where applicable, proposed industry conditions, laws and regulations will continue in effect or as anticipated as described herein; that the estimates of Parex' production and reserves volumes and the assumptions related thereto (including commodity prices and development costs) are accurate in all material respects; that Parex will be able to obtain contract extensions or fulfill the contractual obligations required to retain its rights to explore, develop and exploit any of its undeveloped properties; and other matters.

Management has included the above summary of assumptions and risks related to forward-looking information provided in this document in order to provide shareholders with a more complete perspective on Parex' current and future operations and such information may not be appropriate for other purposes. Parex' actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do, what benefits Parex will derive. These forward-looking statements are made as of the date of this document and Parex disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

This press release contains future-oriented financial information and financial outlook information (collectively ("FOFI")) about the Company's estimated cash position as of December 31, 2020. The FOFI has been prepared by management to provide an outlook of the Company's financial results and activities and may not be appropriate for other purposes. The FOFI has been prepared based on a number of assumptions including the assumptions discussed in this press release. The actual results of operations of the Company and the resulting financial results may vary from the amounts set forth herein, and such variations may be material. The Company and management believe that the FOFI has been prepared on a reasonable basis, reflecting management's best estimates and judgments. FOFI contained in this press release was made as of the date of this press release and Parex disclaims any intent or obligation to update publicly the press release, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law.

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

PDF available: <http://ml.globenewswire.com/Resource/Download/0302cb66-6828-4cf4-a713-627f5d81a17e>

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