



News Release

October 15, 2015

Parex Operational Update: Q3 Production 27,375 bopd and Successful Appraisal Drilling at Jacana, Tilo & Bazar

Calgary, Canada

Parex Resources Inc. ("Parex" or the "Company") (TSX:PXT), a company focused on Colombian oil exploration and production, provides an operational update.

Operational Highlights

- **Q3 Production.** Quarterly (Q3 July 1-Sept 30, 2015) production grew to 27,375 barrels of oil per day ("bopd") compared to Q2 2015 production of 27,025 bopd and from Q3 2014 production of 25,175 bopd. Parex has now delivered 14 consecutive quarters of production growth;
- **Jacana 2015 Discovery (LLA-34, 55% WI, Non-op).** The Jacana-2 well was drilled to a depth of 11,092 feet approximately 820 meters northeast of the Jacana-1 well in the direction of the Tigana field. The well encountered potential oil bearing zones in both the Mirador and Guadalupe formations. The Guadalupe reservoir was tested with the use of an electric submersible pump ("ESP") and after 112 hours, a total of 3,941 barrels of 15 API oil had been recovered at an average rate of 845 bopd. The production rate on the final day of testing was 1,152 bopd with a water-cut of 0.5% and a producing drawdown of 20% indicating a production capability beyond the limitation of the current testing facility. The long term testing facility for the Jacana field has been completed and the Jacana-1 well is currently producing approximately 1,800 bopd with a watercut of 1%. It is expected that the Jacana-2 well will resume production after completion of a pressure buildup test.
- **Tilo 2014 Discovery (LLA-34, 55% WI, Non-op).** The Tilo-2 appraisal well was drilled 740 meters southwest of the Tilo-1 discovery well in the direction of the Tigana field to delineate the Guadalupe reservoir. The well encountered two potential oil bearing sections in the Guadalupe reservoir. The lower Guadalupe reservoir was the first zone that tested over a 53 hour period with the use of an ESP. The well recovered a total of 1,358 barrels of oil for an average production rate of 615 bopd. The final measured water-cut from the well was 88% indicating that a water contact is present in the wellbore. The well was recompleted into the upper Guadalupe reservoir and tested for a period of 144 hours. A total of 4,851 barrels of 14 API oil was recovered from the test at an average rate of 809 bopd and a final rate of 857 bopd with a water-cut of 12% a drawdown of approximately 15%. The Tilo-2 well is expected to resume production into the Tilo facilities before the end of October.

- **Bazar 2015 Discovery (LLA-26, 100% WI, Operated).** The Bazar-2 well was drilled approximately 2.2 kilometers northeast of the 2015 Rumba-1 discovery and 1.1 kilometers northeast of the Rumba-2 appraisal well. The well encountered similar potential oil bearing zones in the Mirador formation as Rumba-1 and Rumba-2 wells and was tested in the upper Mirador zone with the use of an ESP. The well was tested for a period of 183 hours and recovered a total of 14,267 barrels of 18 API oil at an average rate of 1,871 bopd and a final facility restricted rate of 2,300 bopd with a water-cut of 1% and a producing drawdown of 10%. Both log and test interpretations indicate that the Rumba-1, Rumba-2 and Bazar-2 wells are likely in one single pool. The Rumba field has been placed on long term production.
- **Q4 Guidance.** Capital expenditures for 2015 are estimated to be \$140-\$145 million. Fourth quarter 2015 oil production is forecast to be 28,500 bopd, an increase of 7% from production of 26,544 bopd for the fourth quarter of 2014. As at June 30th 2015, Parex had no bank debt, an undrawn credit facility of USD\$200 million and working capital of approximately USD\$90 million.
- **Q3 Quarterly Results.** We expect to release our Q3 2015 quarterly results on November 2, 2015.

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In particular, forward-looking statements contained in this document include, but are not limited to, statements with respect to the performance characteristics of the Company's oil properties; supply and demand for oil; financial and business prospects and financial outlook; results of drilling and testing, results of operations; drilling plans; activities to be undertaken in various areas; capital plans in Colombia and annual production; plans to acquire and process 3-D seismic; timing of drilling and completion; and planned capital expenditures and the timing thereof. In addition, statements relating to "reserves" or "resources" are by their nature forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the resources and reserves described can be profitably produced in the future. The recovery and reserve estimates of Parex' reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered.

These forward-looking statements are subject to numerous risks and uncertainties, including but not limited to, the impact of general economic conditions in Canada and Colombia; industry conditions including changes in laws and regulations including adoption of new environmental laws and regulations, and changes in how they are interpreted and enforced, in Canada and Colombia; competition; lack of availability of qualified personnel; the results of exploration and development drilling and related activities; obtaining required approvals of regulatory authorities, in Canada and Colombia; risks associated with negotiating with foreign governments as well as country risk associated with conducting international activities; volatility in market prices for oil; fluctuations in foreign exchange or interest rates; environmental risks; changes in income tax laws or changes in tax laws and incentive programs relating to the oil industry; ability to access sufficient capital from internal and external sources; the risks that any estimate of potential net oil pay is not based upon an estimate prepared or audited by an independent reserves evaluator; that there is no certainty that any portion of the hydrocarbon resources will be discovered, or if discovered that it will be commercially viable to produce any portion thereof; and other factors, many of which are beyond the control of the Company. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect Parex's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com).

Although the forward-looking statements contained in this document are based upon assumptions which Management believes to be reasonable, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. With respect to forward-looking statements contained in this document, Parex has made assumptions regarding: current commodity prices and royalty regimes; availability of skilled labour; timing and amount of capital expenditures; future exchange rates; the price of oil; the impact of increasing competition; conditions in general economic and financial markets; availability of drilling and related equipment; effects of regulation by governmental agencies; royalty rates, future operating costs, 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.

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