

Parex Resources Announces Third Quarter Results and Declaration of Q4 2022 Dividend



Calgary, Alberta, November 3, 2022 – Parex Resources Inc. ("Parex" or the "Company") (TSX: PXT) is pleased to announce its financial and operating results for the three-month period ended September 30, 2022, as well as the declaration of its Q4 2022 regular dividend of C\$0.25 per share. *All amounts herein are in United States Dollars ("USD") unless otherwise stated.*

Key Highlights

- Q3 2022 net income of \$65.6 million.
- Q3 2022 funds flow provided by operations ("FFO")⁽¹⁾ of \$206.4 million and FFO per share⁽²⁾⁽³⁾ of \$1.85.
- Production per share⁽³⁾ increased by 19% in Q3 2022 compared to the same quarter in the prior year.
- Declared Q4 2022 regular dividend of C\$0.25 per share or C\$1.00 per share annualized.
- Completed the current normal course issuer bid ("NCIB") at the end of Q3 2022, marking the fourth consecutive year where Parex has purchased the maximum allowable shares under its NCIB programs, and equates to over C\$1.1 billion returned to shareholders through share repurchases since 2017.
- On track to meet FY 2022 production guidance of 52,000 to 53,000 boe/d.
- Recognition for ESG practices through Morgan Stanley Capital International Inc. ("MSCI"), with an upgraded rating of "AA".

Imad Mohsen, President and Chief Executive Officer commented: "This quarter we continued to deliver positive results that surpassed our Q3 2021 performance, and as previously announced, we have had successful drilling results that have translated to crude oil discoveries on multiple Parex blocks. In conjunction with building operating momentum into the end of the year, we continue to return meaningful capital back to our shareholders. With the NCIB complete and the Q4 2022 regular dividend approved, we expect to return roughly C\$385 million in 2022, meeting our goal of returning more than one third of annual FFO and 100% of free funds flow to shareholders."

Q3 2022 Results

- Quarterly average oil and natural gas production was pre-released at 51,091 boe/d⁽⁴⁾, an increase of 8% over Q3 2021 and consistent with Q2 2022; temporary localized blockades are estimated to have lowered total average production for Q3 2022 by approximately 1,500 boe/d.
- Production per share⁽³⁾ increased by 19% compared to the same quarter in the prior year primarily as a result of development drilling and the reduction of 10% of outstanding shares.
- Net income of \$65.6 million or \$0.59 per share basic⁽³⁾.
- Quarterly FFO⁽¹⁾ of \$206.4 million, up by 35% from Q3 2021, and FFO per share⁽²⁾⁽³⁾ of \$1.85, up by 49% from Q3 2021.
- Generated an operating netback⁽²⁾ of \$59.46/boe and an FFO netback⁽²⁾ of \$45.07/boe from a Brent price of \$97.70/bbl.
- Incurred \$127.4 million of capital expenditures⁽⁵⁾, participating in the drilling of 14 gross (9.90 net) wells.
- Paid a C\$0.25 per share dividend and repurchased 4.5 million shares through the Company's NCIB.
- Working capital surplus⁽¹⁾ was \$229.8 million, which decreased by \$81.7 million from Q2 2022 due to the acceleration of share buybacks and the purchase of long-lead items, such as well casing, to support the 2023 capital expenditure program.

(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".

Operational and Financial Highlights	Three Months Ended			Nine months ended
	Sept 30,	June 30,	Sept 30,	
	2022	2021	2022	2022
Operational				
Average daily production				
Light Crude Oil and Medium Crude Oil (bbl/d)	6,903	6,955	6,734	6,446
Heavy Crude Oil (bbl/d)	43,063	38,949	42,373	43,097
Crude oil (bbl/d)	49,966	45,904	49,107	49,543
Conventional Natural Gas (mcf/d)	6,750	9,552	12,216	10,572
Oil & Gas (boe/d) ⁽¹⁾	51,091	47,496	51,143	51,305
Operating netback (\$/boe)				
Reference price - Brent (\$/bbl)	97.70	73.23	111.98	102.48
Oil & natural gas revenue ⁽⁴⁾	88.13	62.77	98.22	90.78
Royalties ⁽⁴⁾	(17.92)	(9.67)	(22.71)	(19.32)
Net revenue ⁽⁴⁾	70.21	53.10	75.51	71.46
Production expense ⁽⁴⁾	(7.40)	(5.99)	(6.82)	(6.78)
Transportation expense ⁽⁴⁾	(3.35)	(2.99)	(3.03)	(3.12)
Operating netback (\$/boe)⁽²⁾	59.46	44.12	65.66	61.56
Funds flow provided by operations (\$/boe)⁽²⁾	45.07	35.46	50.12	46.28
Financial (\$000s except per share amounts)				
Net income	65,632	67,942	143,128	361,410
Per share - basic ⁽⁶⁾	0.59	0.55	1.24	3.14
Funds flow provided by operations⁽⁵⁾	206,412	152,713	227,796	639,696
Per share - basic ⁽²⁾⁽⁶⁾	1.85	1.24	1.98	5.56
Capital expenditures⁽³⁾	127,353	72,560	126,240	364,506
Other long-term asset expenditures	65,725	1,729	6,541	83,851
Free funds flow⁽³⁾	79,059	80,153	101,556	275,190
Dividends paid	20,042	12,021	22,226	55,383
Per share - Cdn\$ ⁽⁴⁾	0.25	0.125	0.25	0.64
Shares repurchased	72,363	58,049	51,697	221,464
Number of shares repurchased (000s)	4,489	3,645	2,686	11,600
Outstanding shares (end of period) (000s)				
Basic	109,323	121,415	113,810	109,323
Weighted average basic	111,631	123,184	115,134	115,077
Diluted ⁽⁸⁾	110,159	123,155	114,648	110,159
Working capital surplus⁽⁵⁾	229,763	349,694	311,496	229,763
Bank debt⁽⁷⁾	—	—	—	—
Cash	353,025	361,353	392,786	353,025

(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 - Standard of Disclosure for Oil and Gas Activities.

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

(3) Non-GAAP financial measure, which is not a standardized financial measure under IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Non-GAAP and Other Financial Measures Advisory" for the composition of such measure.

(4) Supplementary financial measure. See "Non-GAAP and Other Financial Measures Advisory" for the composition of such measure.

(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 shares for the period.

(7) Borrowing limit of \$200.0 million as of September 30, 2022.

(8) Diluted shares as stated include the effects of common shares and stock options outstanding at the period-end; September 30, 2022 closing price was C\$20.17 per share.

Production Guidance

- Q4 2022 production is expected to average 54,000 to 58,000 boe/d, with incremental volume to come from already drilled wells at Capachos, continued drilling at Block LLA-40 for short-cycle opportunistic adds, and the VIM-1 Block gas reinjection project once online.
- For the period of October 1 to 14, 2022, estimated total average production was approximately 55,000 boe/d; the remainder of October 2022 averaged production of approximately 51,200 due to impacts from localized blockades at Block LLA-34, Cabrestero and LLA-32. These localized blockades have been lifted and production is actively being brought online.
- FY 2022 production guidance to average 52,000 to 53,000 boe/d, with an exit rate of approximately 60,000 boe/d; FY 2021 average production was 46,998 boe/d⁽¹⁾.

2023 Corporate Guidance

Parex plans to release its 2023 corporate guidance in early December 2022 alongside a corporate update outlining the Company's vision, strategy, operations, and future opportunities.

ESG Recognition

Parex is focused on top-tier ESG leadership and was recently recognized by MSCI, which upgraded its rating of the Company to "AA". This is the second consecutive year where Parex has received an increase in its ESG ratings assessment from MSCI.

Return of Capital Update

Dividend

Parex's Board of Directors has approved a Q4 2022 regular dividend of C\$0.25 per share to be paid on December 30, 2022, to shareholders of record on December 15, 2022. This quarterly dividend payment to shareholders is designated as an "eligible dividend" for purposes of the Income Tax Act (Canada).

With the payment of the Q4 2022 regular dividend of C\$0.25 per share on December 30, 2022, Parex will have paid C\$160 million in dividends since Q3 2021.

Share Buybacks

As at September 30, 2022, Parex has completed the maximum allowable share purchases under its NCIB through the purchase of 11.8 million shares, representing 10% of the public float as at December 22, 2021. The share purchases under the NCIB in 2022 returned approximately C\$285 million to Parex shareholders.

The completion of this year's NCIB marks the fourth consecutive year where Parex has purchased the maximum allowable shares under its NCIB programs, reducing the fully diluted share count by one third from approximately 164 million in 2017 to 110 million in 2022. Since 2017, Parex has returned over C\$1.1 billion to shareholders through share repurchases.

In due course, the Company expects that it will submit a notice of intention to make an NCIB to the Toronto Stock Exchange for calendar 2023.

Capital Allocation Framework

Parex targets at least one third of annual FFO⁽²⁾ and 100% of free funds flow ("FFF")⁽³⁾ to be returned to shareholders through dividends and share buybacks. Based on current Management estimates, Parex is on track to meet this goal in 2022.

(1) Production volume for the year ended December 31, 2021 (light and medium crude oil: 6,831 bbl/d, heavy crude oil: 38,449 bbl/d, and conventional natural gas: 10,308 mcf/d).

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

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

Q3 2022 Results – Conference Call & Webcast

We are holding a conference call and webcast for investors, analysts and other interested parties on Friday, November 4, 2022, at 9:30 am MT (11:30 am ET). To participate in the conference call or webcast, please see access information below:

Toll-free dial number (Canada/US):	1-800-806-5484
International dial-in numbers:	https://www.confsolutions.ca/ILT?oss=7P1R8008065484
Passcode:	8312227#
Webcast:	https://edge.media-server.com/mmc/p/babjejdvd

About Parex Resources Inc.

Parex is the largest independent oil and gas company in Colombia, focusing on sustainable, conventional production. The Company's corporate headquarters are in Calgary, Canada, with an operating office in Bogotá, Colombia. Parex is a member of the S&P/TSX Composite ESG Index and its shares trade on the Toronto Stock Exchange under the symbol PXT.

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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' 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.

(\$000s)	For the three months ended			For the nine months ended
	September 30, 2022	June 30, 2021	June 30, 2022	September 30, 2022
Property, plant and equipment expenditures	\$ 101,253	\$ 51,637	\$ 93,346	\$ 278,467
Exploration and evaluation expenditures	26,100	20,923	32,894	86,039
Total capital expenditures	\$ 127,353	\$ 72,560	\$ 126,240	\$ 364,506

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. The Company considers free funds flow to be a key measure as it demonstrates Parex' ability to fund return of capital, such as the NCIB, without accessing outside funds and is calculated as follows:

(\$000s)	For the three months ended			For the nine months ended
	September 30, 2022	June 30, 2021	June 30, 2022	September 30, 2022
Cash provided by operating activities	\$ 250,643	\$ 118,298	\$ 244,783	\$ 686,033
Net change in non-cash working capital	(44,231)	34,415	(16,987)	(46,337)
Funds flow provided by operations	206,412	152,713	227,796	639,696
Capital expenditures, excluding corporate acquisitions	127,353	72,560	126,240	364,506
Free funds flow	\$ 79,059	\$ 80,153	\$ 101,556	\$ 275,190

Operating netback

The Company considers operating netbacks to be a key measure as it demonstrates Parex' profitability relative to current commodity prices. Parex calculates operating netback as oil and natural gas sales from production less royalties, operating, and transportation expense.

Non-GAAP Financial Ratios

Operating netback per boe

The Company considers operating netback per boe to be a key measure as it demonstrates Parex' profitability relative to current commodity prices. Parex calculates operating netback per boe as operating netback divided by the total equivalent sales volume including purchased oil volumes for oil and natural gas sales price per boe and by the total equivalent sales volume and excludes purchased oil volumes for royalties, operating, and transportation expense per boe.

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

Basic funds flow provided by operations per share 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' profitability after all cash costs relative to current commodity prices. A reconciliation from cash provided by operating activities to funds flow provided by operations is as follows:

(\$000s)	For the three months ended			For the nine months ended
	September 30, 2022	2021	June 30, 2022	September 30, 2022
Cash provided by operating activities	\$ 250,643	\$ 118,298	\$ 244,783	\$ 686,033
Net change in non-cash working capital	(44,231)	34,415	(16,987)	(46,337)
Funds flow provided by operations	\$ 206,412	\$ 152,713	\$ 227,796	\$ 639,696

Working capital surplus, is a non-GAAP capital management measure which the Company uses to describe its liquidity position and ability to meet its short-term liabilities. Working Capital Surplus is defined as current assets less current liabilities.

(\$000s)	For the three months ended			For the nine months ended
	September 30, 2022	2021	June 30, 2022	September 30, 2022
Current assets	\$ 613,900	\$ 550,918	\$ 695,053	\$ 613,900
Current liabilities	384,137	201,224	383,557	384,137
Working capital surplus	\$ 229,763	\$ 349,694	\$ 311,496	\$ 229,763

"Oil and natural gas revenue 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.

"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.

"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.

"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.

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 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, 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.

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 and a future NCIB by the Company for 2023 is subject to the approval of the Board and all required regulatory approvals, including the approval of the Toronto Stock Exchange. There can be no assurance that the Company will pay dividends, receive the required approvals for an NCIB 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; the terms of the dividends payable on December 30, 2022; Parex's anticipated dividends per annum; Parex's Q4 2022 and full-year 2022 production guidance; Parex's anticipated 2022 exit production rate; Parex's expectations that its incremental production volume in Q4 2022 will come from already drilled wells at Capachos, continued drilling at Block LLA-40 for short-cycle opportunistic adds, and the VIM-1 Block gas reinjection project once online; Parex's expectations that it will return more than one third of its annual FFO and 100% of its annual free funds flow to shareholders this year through dividends and share buybacks; that Parex's previously acquired long-lead items will support the Company's 2023 capital expenditure program; Parex's expectations of when it will release its 2023 corporate guidance and corporate update; Parex's expectations that it will submit a notice of intention to make an NCIB to the Toronto Stock Exchange for 2023; and the anticipated timing for Parex's quarterly conference call and webcast.

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; 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 are lower than anticipated; the 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; risk that Parex will not have sufficient financial resources in the future to provide

distributions to its shareholders; the risk that the Board does not declare dividends in the future or that Parex's dividend policy changes; the risk that Parex's gas processing facilities at the VIM-1 Block will experience delays in operations; the risk that Parex may not meet its 2022 annual production guidance; the risk that Parex may not return more than one third of its annual FFO and 100% of its annual free funds flow to its shareholders in 2022; the risk that Parex may not submit a notice of intention to make an NCIB to the Toronto Stock Exchange for 2023 in due course, or at all; 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, among other things: current and anticipated commodity prices and royalty regimes; the impact (and the duration thereof) that the 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'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; and other matters.

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

This press release contains information that may be considered a financial outlook under applicable securities laws about the Company's potential financial position, including, but not limited to: the terms of the dividends payable on September 30, 2022; Parex's anticipated dividends per annum; and Parex's expectations that it will return more than one third of its annual FFO and 100% of its annual free funds flow to shareholders this year through dividends and share buybacks, 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.