



News Release

November 22, 2017

LLA-34 Drilling Success at Jacana-13, Jacana-17 & Tigana Suroeste-7

Calgary, Canada

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

Dave Taylor, Parex President and CEO commented "we are very pleased with the latest LLA-34 drilling successes. These new results continue to push out the limits of the Jacana/Tigana oil fields".

Llanos-34 (working interest ("WI") 55%): Parex continues to delineate the Jacana/Tigana trend on LLA-34.

Tigana Suroeste-7: Producing 730 bopd. The Tigana Suroeste-7 well was drilled to a total depth of 11,730 feet approximately 1.7 kilometers southwest of the Tigana Suroeste-1 well and 1.7 km northeast of the Jacana-10 well to appraise the Guadalupe formation between the Tigana and Jacana pools. The well was tested and placed on production with an Electric Submersible Pump ("ESP") at a rate of 730 barrels of oil per day ("bopd") with a 4% watercut and an estimated drawdown of 50%. The Tigana Suroeste-7 well was drilled outside the GLJ 2016 Report 2P boundary. After Tigana Suroeste-7, Tigana Suroeste-3 was drilled and cased.

Jacana-13: Testing 750 bopd. The Jacana-13 well was drilled to a total depth of 11,889 feet at approximately 1.7 kilometers north of the Jacana-17 well and 4.5 kilometers southwest of the Jacana-1 discovery well. Jacana-13 encountered a 65 foot section of Guadalupe reservoir. The lower sands in the section were tested separately, recovering water and were abandoned. The upper sands in the well were completed and tested with an ESP. Over a 4 day test period the well produced a total of 2,036 barrels of 15 API oil and 683 barrels of completion load fluid. The watercut has been declining throughout the test and the most recent production test rate was 750 bopd with a 5% watercut comprised of completion load fluid. Bottom hole pressure recorders from the last test indicate a producing drawdown of approximately 50%. Additional production history from the Jacana-13 well will be required to determine whether there is connectivity of the upper oil bearing zone with the lower water bearing zone. The Jacana-13 well was drilled outside the GLJ 2016 Report 3P boundary.

Jacana-17: Tested 1,506 bopd. The Jacana-17 well was drilled to a total depth of 11,129 feet, approximately 1.3 kilometers west of the Jacana-12 well to evaluate the southwestern extent of the Jacana field. The well encountered potential oil bearing sands in the Guadalupe reservoir and was completed and placed on production with the use of an ESP. Over a 21 day test period the well recovered a total of 20,007 barrels of

14.8 API oil and 8,281 barrels of water for an average oil production rate of 952 bopd. The maximum oil production rate during the test was approximately 1,700 bopd and the average production rate during the final week of the test was 1,506 bopd. The production test was extended to assess the water production associated with the well. After initial cleanup of the completion load fluid, the producing watercut was 70% but steadily declined over the test period to 34% at the end of the test. This declining water production also coincided with declining bottom hole pressure which is not typical of water coming from an active aquifer. Parex interprets the water production in Jacana-17 to be locally derived and associated with low resistivity reservoir sands present directly above the main oil producing interval. The Jacana-17 well was drilled outside the GLJ 2016 Report 3P boundary.

Management is very pleased with the appraisal results in 2017, as year to date 19 wells have been drilled in the Bacano-Jacana-Tigana trend with 17 wells currently producing oil. Of the 17 oil wells, 9 wells were successfully drilled outside the GLJ 2016 Report 2P boundary.

Cabrestero (WI 100%): The appraisal well Bacano-6 was spud on November 17, 2017 to evaluate the south-west area of the block. We expect to reach the target depth late December 2017. Bacano-6 is located 1,350 meters south of Jacana-17 west of Bacano-5.

Capachos (WI 50%): The Capachos Sur-2 well was spud on November 12, 2017 and is expected to reach its target depth in early 2018. The Capachos-2 well has been placed on production at a restricted rate and construction of permanent production facilities has begun.

VMM-11 (WI 100%): We expect Iguazu-1 exploration well to be spud early December 2017 and to be evaluated prior to year-end 2017.

Production: As previously disclosed, we expect Q4 2017 production to average 38,500 boe/d and Q1 2018 production to exceed 40,000 boe/d.

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For more information, please contact:

Mike Kruchten

Vice-President Capital Markets & Corporate Planning

Parex Resources Inc.

Phone: (403) 517-1733

investor.relations@parexresources.com

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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", "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 performance characteristics of the Company's oil properties;; forecasted 2017 average production based on certain oil prices, and anticipated production growth; the Company's 2017 capital expenditure budget, including the amount thereof and the expected allocations of such expenditures to each of maintenance and development capital, appraisal growth capital and exploration growth capital; the Company's anticipated drilling, development, exploration and other growth plans within its capital expenditure budget, including the Company's plans to fulfill certain farm-in and other earning commitments; the Company's belief that its capital budget will be fully funded from funds flow from operations at current Brent strip pricing; Parex' anticipated debt levels; the Company's anticipated cash netbacks; financial and business prospects and financial outlook; and activities to be undertaken in various areas.

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; 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 the amounts of operating netbacks, G&A, finance expenses and tax expenses are higher or lower 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; 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; effects of regulation by governmental agencies; 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 not consistent with its expectations; anticipated operating netbacks, G&A, finance expenses and tax expenses for 2017; 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' 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.

The independent reserves report prepared by GLJ dated February 6, 2017 with an effective date of December 31, 2016 (the "GLJ 2016 Report"). "Possible" reserves ("3P") are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved plus probable plus possible reserves.

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.

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:1 bbl, utilizing a conversion ratio at 6 Mcf:1 bbl may be misleading as an indication of value.

This press release contains certain oil and gas metrics, including cash netback, which 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. Cash netback is calculated as operating netback less G&A, finance expenses and tax expenses.

References in this press release to production test 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. Additionally, such rates may also include recovered "load oil" fluids used in well completion stimulation. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for Parex. A pressure transient analysis or well-test interpretation has not been carried out in respect of all wells. Accordingly, the Company cautions that the test results should be considered to be preliminary.

Neither the TSX nor its Regulation Services Provider (as that term is defined in the policies of the TSX) accepts responsibility for the adequacy or accuracy of this release.