

PAREX RESOURCES INC.

WHISTLEBLOWER POLICY

PURPOSE AND SCOPE

Parex Resources Inc. (the "**Corporation**") requires the highest standards of professional and ethical conduct from its directors, officers, consultants and employees. No director, officer, consultant or employee will be expected or permitted to achieve results through violations of laws or regulations or through unscrupulous dealings. The Corporation's Code of Conduct sets out the principles of conduct and ethics which must be followed by the Corporation's directors, officers, consultants and employees. This Whistleblower Policy (the "**Policy**") should be read, interpreted and administered in conjunction with the Code of Conduct, as well as the Corporation's Disclosure, Confidentiality, Insider Trading & Blackout Period Policy, Environmental, Health and Safety Policy and Anti-Bribery and Anti-Corruption Policy.

The Corporation's Whistleblower program consists of this Policy statement as well as the attached Procedures and Guidelines to ensure that all reports, complaints and concerns are promptly and effectively addressed.

References in this Policy to the "Corporation" means Parex Resources Inc. and any of its subsidiaries.

POLICY STATEMENT

All directors, officers, consultants and employees are required to promptly report:

- violations of the Corporation's Code of Conduct;
- concerns regarding the Corporation's accounting, internal accounting controls or auditing matters (see further detail below);
- violations of the Corporation's Disclosure, Confidentiality, Insider Trading & Blackout Period Policy;
- violations of the Corporation's Environmental, Health and Safety Policy;
- violations of the Corporation's Anti-Bribery and Anti-Corruption Policy;
- violations of any laws or regulations of the jurisdictions in which the Corporation operates; and
- any other concerns regarding the manner in which the Corporation operates.

All other stakeholders of the Corporation are also encouraged to report concerns regarding the matters listed above. Stakeholders include shareholders, contractors, suppliers, partners, governments, community members and the public.

ACCOUNTING, INTERNAL CONTROL AND AUDITING MATTERS

This Whistleblower Policy is intended to be broad in scope and to address all concerns regarding the ethical and responsible conduct of the Corporation.

However, for greater clarification, this Policy also specifically enables the Finance and Audit Committee of Parex Resources Inc. (the "**Audit Committee**") to fulfill its statutory responsibilities to ensure that the Corporation has appropriate procedures for the confidential receipt, retention, and treatment of complaints about the Corporation's accounting, internal accounting controls or auditing matters (collectively, "**Accounting Matters**") by the employees of the Corporation and any of its subsidiaries.

The types of matters to be reported include but are not limited to:

- suspect, questionable, unethical, and unlawful accounting and auditing policy, practices or procedures;
- intentional breach of or failure to implement accounting and auditing policy, practices and procedures approved by the Board of Directors or the Audit Committee;
- inadequate internal accounting controls;
- corrupt practices;
- the misleading or coercion of auditors;
- disclosure of fraudulent or misleading financial information; and
- instances of corporate fraud.

PROHIBITION AGAINST RETALIATION

Parex prohibits discrimination, harassment or retaliatory actions against any person who, acting in good faith, reports a possible violation or provides information or otherwise assists in an investigation or proceeding with respect thereto. If any director, officer, consultant, employee or other person believes that they have been unfairly or unlawfully retaliated against in respect of a report made under this policy, they may file a complaint with their supervisor or a senior officer of the Corporation. If such a person is uncomfortable filing the complaint with a supervisor or any senior officer, they may file their complaint with the Chairman of the Corporate Governance and Nominating Committee (the "**Corporate Governance Committee**").

SUBMISSION AND RECEIPT OF COMPLAINTS

Concerned parties are encouraged to make a report using any method with which they feel comfortable. Therefore there is no standard procedure or format which must be followed. Reports may be made orally or in writing to a supervisor or a senior officer of the Corporation. The Corporate Governance Committee has also put in place a confidential reporting system, operated by an independent service provider called EthicsPoint. Reports may be made to EthicsPoint by phone or on-line. Reports can be made on the EthicsPoint system seven days a week, 24 hours a day, in either English or Spanish. Further details are included in the Contact Information section of this Policy.

All reports will be promptly forwarded to the appropriate level of management and to the Corporate Governance Committee. Any reports regarding Accounting Matters will also be forwarded promptly to the Audit Committee. Reports will be investigated promptly and appropriate action will be taken as necessary. All information disclosed during the course of the investigation will remain confidential, except as necessary to conduct the investigation and subject to applicable law.

All directors, officers, employees and consultants of Parex have a duty to cooperate in an investigation of reports filed in accordance with the Policy. Should any such person fail to cooperate or provide false information in an investigation, the Company will take effective remedial action commensurate with the severity of the offence. This action may include disciplinary measures up to and including termination of employment, with cause and without notice, and possible legal prosecution. Therefore, as allegations of impropriety may result in serious personal repercussions for the target person or entity, the person making the allegation of impropriety should not act maliciously or make false allegations, have reasonable and probable grounds before reporting such impropriety and should undertake such reporting in good faith, for the best interests of the Corporation and not for personal or financial gain or motivation.

CORPORATE GOVERNANCE COMMITTEE OVERSIGHT

The Whistleblower Policy will be reviewed by the Corporate Governance Committee on a biennial basis and updated as required. At each Corporate Governance Committee meeting, the Corporate Governance Committee will follow up on all new or outstanding reports since the previous meeting. They will consider whether appropriate action has been taken and whether the issue has been resolved satisfactorily.

AUDIT COMMITTEE OVERSIGHT

At each Audit Committee meeting, the Audit Committee will follow up on all new or outstanding reports regarding Accounting Matters since the previous meeting. They will consider whether appropriate action has been taken and whether the issue has been resolved satisfactorily.

CONTACT INFORMATION

Reports made directly to the Corporation:

Mail: 2700 Eighth Avenue Place West
585-8th Avenue S.W.
Calgary, Alberta T2P 1G1
marked "Private & Confidential", addressed to any member
of management or to the Corporate Governance Committee Chairman
(a list of the Corporation's senior management team and the Board of Directors can
be obtained on the Corporation's website at www.parexresources.com)

Phone: 403-265-4800

Fax: 403-265-8216

For international calls, the country code is 001.

Reports made through EthicsPoint

Website: www.ethicspoint.com

By Telephone (Toll-free): Within the United States or Canada dial 888-279-5269

International Dialing Instructions:

From an outside line dial the AT&T Access Code below:

Country Access Code: Colombia 01-800-911-0010

At the prompt, dial 888-279-5269. This is a toll-free number. There is no need to dial a "1"
before this number.

PAREX RESOURCES INC.

WHISTLEBLOWER PROCEDURES AND GUIDELINES

PURPOSE AND SCOPE

These Whistleblower Procedures and Guidelines are to be read in conjunction with the Whistleblower Policy. They are intended to provide more specific details regarding the manner in which the Whistleblower Policy will be administered by the Corporation.

AWARENESS

The Whistleblower Policy will be communicated to every director, officer, consultant and employee upon hire, and re-communicated on an annual basis.

All directors, officers, consultants and employees will be required to confirm in writing that they have read, understood and agree to abide by the terms of the Whistleblower Policy. Individuals will sign this confirmation when they are hired, and annually thereafter.

Ongoing awareness of the Whistleblower Policy, Procedures and Guidelines will be promoted by posting the Whistleblower Policy on the Corporation's website, and other communication tools (both oral and written), as considered necessary. Information will be made available in those languages in which the Corporation conducts business.

DISTRIBUTION OF RECORDS OF COMPLAINTS

All reports will be logged in the EthicsPoint system. This will ensure that the Corporation maintains one comprehensive database regarding all reports, investigations and actions taken in accordance with this Policy. In addition, the EthicsPoint system will provide control over data integrity and retention of records.

Reports received directly (either orally or in writing) by any supervisor, manager or senior executive of the Corporation should be forwarded promptly to the Controller for entry into the EthicsPoint reporting system. However:

- if the Controller is implicated in the report, the report should be forwarded to the Chief Financial Officer;
- if the Controller and the Chief Financial Officer are both implicated in the report, the report should be forwarded to the Chairman of the Corporate Governance Committee.

Reports will be classified in the EthicsPoint system as follows, using the categories that are pre-defined by EthicsPoint:

- Accounting and Auditing Matters;
- Conflict of Interest;
- Discrimination or Harassment;
- Embezzlement;
- Falsification of Contracts, Reports or Records;
- Misconduct or Inappropriate Behaviour;
- Sabotage or Vandalism;
- Securities Law or Policy Violations;
- Substance Abuse;
- Theft;
- Unsafe Working Conditions;
- Violation of any Corporate Policy;
- Violence or Threat;
- Safety, Health & Environment;
- Bribery or Corruption;
- Code of Conduct Breaches;
- Suggestions;
- Concern;
- Inquiry;
- Other;

The President, Chief Financial Officer and Controller will receive email notifications of all reports filed, unless any or all of these persons are implicated in the report. If any or all of these persons are implicated in the report, the report notification will be sent to the Corporate Governance Committee and the person(s) implicated will not have access to that report.

INVESTIGATION OF REPORTS

The President and Chief Financial Officer are responsible for following up on each report in a timely manner. They may delegate duties for investigation and remediation if appropriate in the circumstances. In the event that the President and Chief Financial Officer are implicated in a report, responsibility for investigation and remediation rests with the Corporate Governance Committee. If a report involves Accounting Matters, the Corporate Governance Committee will consult with the Audit Committee regarding the resolution of such matter.

The Corporate Governance Committee, President, Chief Financial Officer and Controller will have access to the EthicsPoint system. Temporary access to specific reports may be granted to other individuals as necessary, in order to facilitate investigation and resolution.

In order to specifically address the Corporate Governance Committee's statutory responsibilities regarding procedures for complaints about the Corporation's accounting, internal accounting controls or auditing matters, the Corporate Governance Committee will receive immediate email notification of all reports filed in the following categories:

- Accounting and Auditing Matters;
- Embezzlement;
- Falsification of Contracts, Reports or Records;
- Bribery or Corruption;
- Securities Law or Policy Violations; and
- Theft.

The Corporate Governance Committee will also have access to all other types of reports.

The Corporate Governance Committee will respect the confidentiality of any complainant who so requests, but can only do so to the extent permitted by the law. However, it must be appreciated that it will be easier to follow up and to verify complaints if the complainant is prepared to give his or her name.

In determining what further actions to take, considerations include, but are not limited to:

- the identity of the alleged wrongdoer;
- seriousness of the allegation;
- credibility of the allegation; and
- urgency of an investigation and resolution.

The Corporate Governance Committee and the Audit Committee may enlist employees of the Corporation, outside legal, accounting or other advisors and/or the police, as appropriate, to conduct any investigation of complaints or concerns.

RECORDS

The Corporate Governance Committee shall retain for a period of three (3) years all records relating to reports submitted under this Policy.