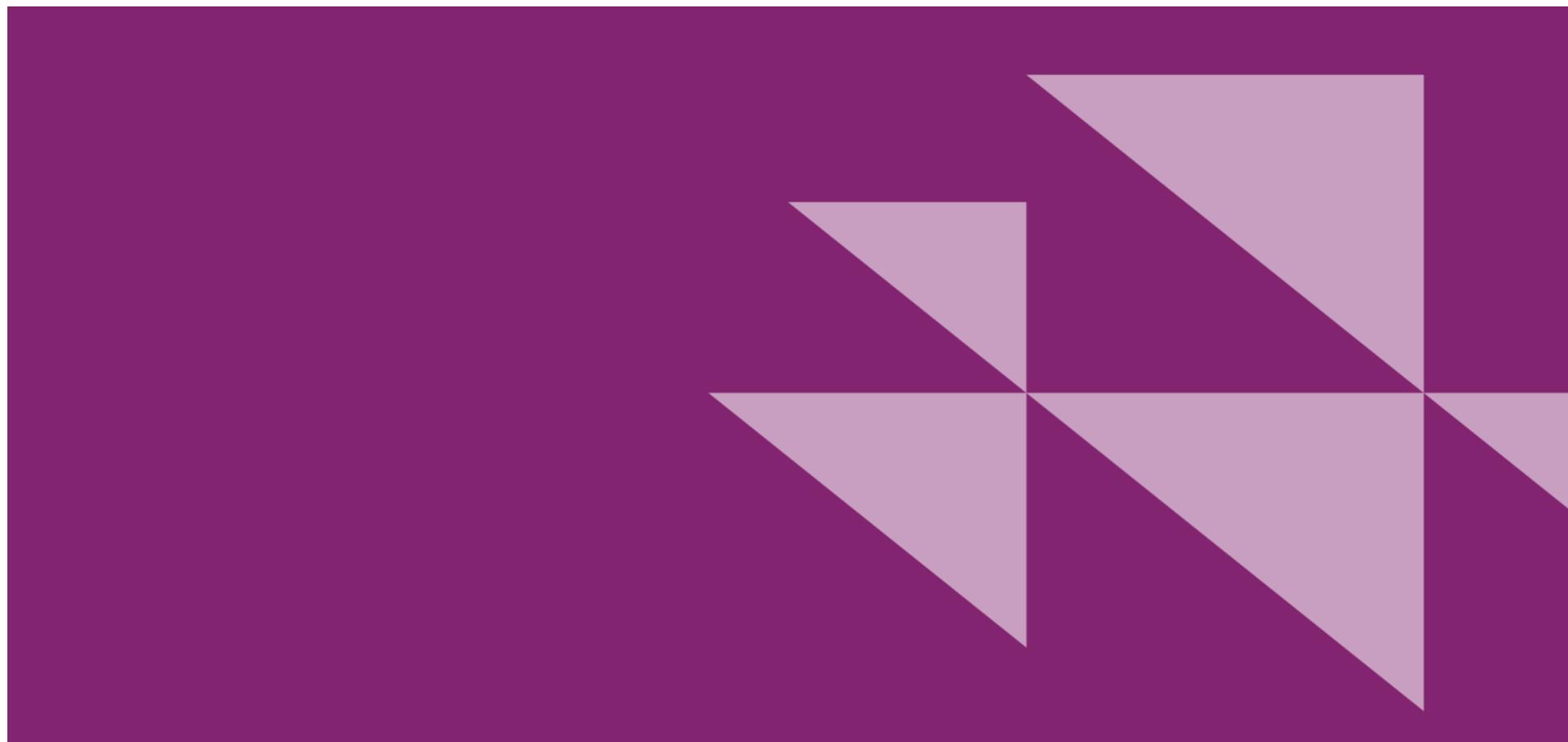


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## CDP Climate Change Questionnaire 2018

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## Table of Contents

<b>C0 Introduction</b>	<b>5</b>
<i>Introduction</i>	5
<i>Organizational activities: Oil and Gas</i>	6
<b>C1 Governance</b>	<b>6</b>
<i>Board oversight</i>	6
<i>Employee incentives</i>	7
<b>C2 Risks and opportunities</b>	<b>8</b>
<i>Time horizons</i>	8
<i>Management processes</i>	8
<i>Risk disclosure</i>	8
<i>Opportunity disclosure</i>	9
<i>Business impact assessment</i>	9
<i>Financial planning assessment</i>	10
<b>C3 Business strategy</b>	<b>10</b>
<i>Business strategy</i>	10
<b>C4 Targets and performance</b>	<b>11</b>
<i>Targets</i>	11
<i>Other climate-related targets</i>	11
<i>Emissions reduction initiatives</i>	11
<i>Methane reduction efforts</i>	13
<i>Leak detection and repair</i>	13
<i>Flaring reduction efforts</i>	14
<b>C5 Emissions methodology</b>	<b>15</b>
<i>Base year emissions</i>	15
<i>Emissions methodology</i>	15
<b>C6 Emissions data</b>	<b>15</b>
<i>Scope 1 emissions data</i>	15
<i>Scope 2 emissions reporting</i>	16
<i>Scope 2 emissions data</i>	16

<i>Scope 3 emissions data</i>	16
<i>Carbon dioxide emissions from biologically sequestered carbon</i>	19
<i>Emissions intensities</i>	19
<i>Emissions intensities: Oil and gas</i>	19
<b>C7 Emissions breakdown</b>	<b>20</b>
<i>Scope 1 breakdown: GHGs</i>	20
<i>Scope 1: sector production activities</i>	21
<i>Scope 2 breakdown: country</i>	22
<i>Scope 2: business breakdowns</i>	22
<i>Scope 2: sector production activities</i>	22
<i>Emissions performance</i>	23
<b>C8 Energy</b>	<b>23</b>
<i>Energy spend</i>	23
<i>Energy-related activities</i>	23
<b>C9 Additional metrics</b>	<b>26</b>
<i>Other climate-related metrics</i>	26
<i>1P Oil and gas reserves and production</i>	26
<i>1P Methodologies</i>	26
<i>Estimated total reserves 2P &amp; 3P</i>	27
<i>Percentage split for 2P, 3P reserves</i>	27
<i>Percentage split for 1P, 2P, 3P production</i>	27
<i>Breakeven price (US\$/BOE)</i>	27
<b>C10 Verification</b>	<b>28</b>
<i>Verification</i>	28
<i>Other verified data</i>	29
<b>Carbon pricing</b>	<b>29</b>
<i>Carbon pricing systems</i>	29
<i>Project-based carbon credits</i>	29
<i>Internal price on carbon</i>	29
<b>C12 Engagement</b>	<b>30</b>
<i>Value chain engagement</i>	30
<i>Public policy engagement</i>	30

<i>Communications</i>	30
<b>C14 Signoff</b>	<b>31</b>
<i>Signoff</i>	31
<i>C-FI 31</i>	
<i>(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.</i>	31
<b>Submit your response</b>	<b>33</b>

# C0 Introduction

## Introduction

### (C0.1) Give a general description and introduction to your organization.

Parex Resources Inc. (“Parex” or the “Company”) is a Calgary based international oil and gas company engaged in crude oil exploration, development and production in Colombia. The Company holds, through its foreign subsidiaries, interests in several onshore exploration and production blocks in the Lower Magdalena, Middle Magdalena and Llanos Basins of Colombia, where all reserves and production are located. Established in 2009, Parex’ common shares trade on the Toronto Stock Exchange (“TSX”) under the symbol PXT.

The Company’s strategy is to leverage South American and Western Canadian experience and capability in South America to create shareholder value. Parex targets jurisdictions that have stable fiscal regimes coupled with oil-prone hydrocarbon-rich basins in under-explored areas. The Company applies proven technology used in the Western Canada Sedimentary Basin in basins with large oil-in-place potential. Parex focuses on short cycle time from discovery to bring new reserves on-stream and uses a portfolio approach to manage surface, subsurface and commercial risks.

### (C0.2) State the start and end date of the year for which you are reporting data.

Start date	End date
01/01/2017	12/31/2017

### (C0.3) Select the countries for which you will be supplying data.

Country
Colombia

### (C0.4) Select the currency used for all financial information disclosed throughout your response.

Currency
USD

### (C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this value should align with your consolidation approach to your Scope 1 and Scope 2 greenhouse gas inventory.

Operational control

## Organizational activities: Oil and Gas

(C-OG0.7) Which part of the oil and gas value chain does your organization operate in?

Upstream

## C1 Governance

### Board oversight

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

(C1.1a) Identify the position(s) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Director on board	The Board of Directors' Health, Safety and Environment and Reserves Committee assists the Board in fulfilling its oversight responsibility related to health, safety and environmental ("HSE") practices and compliance with the applicable regulations.

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Sporadic - as important matters arise	Monitoring and overseeing progress against goals and targets for addressing climate-related issues	Parex' management is responsible for reviewing the Company's HSE strategies and policies, including the Company's emergency response plan. Management reports to the Board of Directors through the Health, Safety & Environment and Reserves Committee of the Board of Directors on a quarterly basis with respect to HSE matters, including: (i) compliance with all applicable laws, regulations and policies with respect to HSE; (ii) on emerging trends, issues and regulations that are relevant to the Company; (iii) the findings of any significant report by regulatory agencies, external health, safety and environmental consultants or auditors concerning performance in HSE; (iv) any necessary corrective measures taken to address issues and risks with regards to the Company's performance in the areas of HSE that have been identified by Management, external auditors or by regulatory agencies; (v) the results of any review with management, outside accountants, external consultants and legal advisors of the implications of major corporate undertakings such as the acquisition or expansion of facilities or ongoing drilling and testing operations, or decommissioning of facilities; and (vi) all incidents and near misses with respect to the Company's operations, including corrective actions taken as a result thereof. The Health, Safety & Environment and Reserves Committee reviews and monitors, among other things, the adequacy of the Company's HSE policies and plans, including their content, implementation and performance, the adequacy of the resources dedicated by Parex' management to the training and supervision of employees, consultants and contractors, and the adequacy of procedures for reporting HS&E information associated with oil and gas exploration and production activities. The Health, Safety and Environment and Reserves Committee will also review and monitor any legal issues related to HSE matters, and any reports and recommendations issued by management or any external advisors or consultants relating to HSE issues

and compliance together with management's response thereto. The Health, Safety and Environment and Reserves Committee reports to the Board of Directors following each meeting of the Health, Safety and Environment and Reserves Committee.

**(C1.2) Below board-level, provide the highest-level management position(s) or committee(s) with responsibility for climate-related issues.**

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Chief Operating Officer (COO)	Other, please specify – the COO has the responsibility for assessing and managing HSE matters, which may include climate-related risks and opportunities.	Quarterly

**(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored.**

The Chief Operating Officer (“COO”) is the key Management contact and liaison with the Board’s HSE and Reserves Committee; the COO provides regular updates on operations, reserves and environmental, health and safety performance and issues. He is a member of the Parex’ executive team and directly reports to the CEO. The COO is the head of operations with the responsibility to implement, oversee and drive accountability for work culture, processes and systems that effectively, and in the best interests of Parex’ business plans and activities, deal with political and security risk, regulatory issues, community relations and sustainability demands as well as operational, engineering and commercial requirements and challenges. He is responsible for (a) the identification of the principal operational risks of the business; (b) ensuring the implementation of appropriate systems to manage risks; (c) managing environmental issues, including climate-related issues; and (d) reporting quarterly to the Board’s HSE and Reserves Committee on HSE performance and issues during the operational and enterprise risk management quarterly updates. The COO ensures that operations are conducted in accordance with all legal and regulatory requirements, including those related to HSE.

## Employee incentives

**(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?**

Yes

**(C1.3a) Provide further details on the incentives provided for the management of climate-related issues.**

Who is entitled to benefit from these incentives?	Types of incentives	Activity incentivized	Comment
<ul style="list-style-type: none"> <li>• Corporate executive team</li> <li>• Chief Executive Officer (CEO)</li> <li>• Chief Financial Officer (CFO)</li> <li>• Chief Operating Officer (COO)</li> <li>• Management group</li> <li>• All employees</li> </ul>	Monetary reward	Other, please specify ( HSE and 2018 performance goals)	For all employees, corporate performance accounts for 50% of their annual performance monetary awards. Parex uses a corporate scorecard to evaluate annual performance. Health, Safety, and Environment account for a 10% scorecard weighting. In addition, for 2018 the Corporate Scorecard includes a milestone of implementing a corporate sustainability program. A key element of the program would be to produce an externally verified inventory of emissions, including a GHG emissions baseline. We believe that this is an important requirement for on-going management of climate-related issues.

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## C2 Risks and opportunities

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### Time horizons

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**(C2.1) Describe what your organization considers to be short-, medium- and long-term horizons.**

Time horizon	From (years)	To (years)	Comment
Short-term	0	2	
Medium-term	2	4	
Long-term	4	10	

### Management processes

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**(C2.2) Select the option that best describes how your organization's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk management.**

There are no documented processes for identifying, assessing, and managing climate-related issues

**(C2.2e) Why does your organization not have a process in place for identifying, assessing, and managing climate-related risks and opportunities, and do you plan to introduce such a process in the future?**

Primary reason	Please explain
Important but not an immediate business priority	To fully understand our corporate climate-related risks and opportunities, in 2017-2018 we are undertaking a baseline study of climate change impact (e.g. 2017 GHG emissions) on Parex' operations. Our subsequent steps would be to identify the risks and opportunities within the Company's portfolio, which may be integrated and managed through the enterprise risk management ("ERM") process already in place.

### Risk disclosure

---

**(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

No

**(C2.3b) Why do you not consider your organization to be exposed to climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

Primary reason	Please explain
Evaluation in process	Before we identify the potential climate-related risks to and opportunities for Parex, our first step has been to carry out an inventory of the Company's GHG emissions and establish a baseline to understand the exposure (physical, financial, regulatory, etc).

## Opportunity disclosure

**(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

No

**(C2.4b) Why do you not consider your organization to have climate-related opportunities?**

Primary reason	Please explain
Evaluation in progress	Parex is in the process of identifying the key sources of climate-related opportunities and developing strategies to mitigate potential financial and/or strategic impacts. For example, in 2018 we are constructing a 42-km flowline to connect our largest asset, Block Llanos 34, to the regional pipeline. This project has the potential to displace ~700 oil transport trucks, reduce GHG emissions, and improve the health and safety of the communities.

## Business impact assessment

**(C2.5) Describe where and how the identified risks and opportunities have impacted your business.**

Area	Impact	Description
Products and services	Not evaluated	Parex has not yet identified climate-related risks and opportunities, consequently their impact on business. The company is in the process of reviewing its exposure.
Supply chain and/or value	Not evaluated	Parex has not yet identified climate-related risks and opportunities, consequently their impact on business. The company is in the process of reviewing its exposure.
Adaptation and mitigation	Not evaluated	Parex has not yet identified climate-related risks and opportunities, consequently their impact on business. The company is in the process of reviewing its exposure.
Investment in R&D	Not evaluated	Parex has not yet identified climate-related risks and opportunities, consequently their impact on business. The company is in the process of reviewing its exposure.
Operations	Not evaluated	Parex has not yet identified climate-related risks and opportunities, consequently their impact on business. The company is in the process of reviewing its exposure.
Other, please specify	Not evaluated	Parex has not yet identified climate-related risks and opportunities, consequently their impact on business. The company is in the process of reviewing its exposure.

## Financial planning assessment

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**(C2.6) Describe where and how the identified risks and opportunities have factored into your financial planning process.**

Area	Relevance	Description
Revenues	Not evaluated	Parex has not yet identified climate-related risks and opportunities, consequently they are not factored into the Company's financial planning process.
Operating costs	Not evaluated	Parex has not yet identified climate-related risks and opportunities, consequently they are not factored into the Company's financial planning process.
Capital expenditures/capital allocation	Not evaluated	Parex has not yet identified climate-related risks and opportunities, consequently they are not factored into the Company's financial planning process.
Acquisitions and divestments	Not evaluated	Parex has not yet identified climate-related risks and opportunities, consequently they are not factored into the Company's financial planning process.
Access to capital	Not evaluated	Parex has not yet identified climate-related risks and opportunities, consequently they are not factored into the Company's financial planning process.
Assets	Not evaluated	Parex has not yet identified climate-related risks and opportunities, consequently they are not factored into the Company's financial planning process.
Liabilities	Not evaluated	Parex has not yet identified climate-related risks and opportunities, consequently they are not factored into the Company's financial planning process.
Other	Not evaluated	Parex has not yet identified climate-related risks and opportunities, consequently they are not factored into the Company's financial planning process.

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## C3 Business strategy

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### Business strategy

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**(C3.1) Are climate-related issues integrated into your business strategy?**

No

**(C3.1f) Why are climate-related issues not integrated into your business objectives and strategy?**

Climate-related issues, although relevant, are not formally integrated into Parex' business objectives and strategy because the Company is at the early stages of understanding the threats and opportunities related to climate issues in our business environment. In the meantime, the Company strictly complies with applicable laws in relation to the environment. Parex is currently working on understanding and formally identifying climate-related issues that could impact the Company's operations. In 2018, for example, Parex commissioned a baseline study of its 2017 GHG emissions and elected to respond to the CDP Questionnaire as first steps in understanding Parex' climate-related risks and opportunities. As climate-related issues with potential impact on Parex are identified, those deemed critical to Parex' long-term financial and operational viability may be integrated into the Company's business strategy. For example, we are analyzing the environmental and business impact of introducing increased natural gas production into our energy production mix and how the natural gas distribution and sale locally may displace other higher carbon intensity sources (wood, deforestation, coal, oil).

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## C4 Targets and performance

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### Targets

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**(C4.1) Did you have an emissions target that was active in the reporting year?**

No target

**(C4.1c) Explain why you do not have an emissions target and forecast how your emissions will change over the next five years.**

Primary reason	Five-year forecast	Please explain
Important but not an immediate business priority	Our near-term objective is to create reliable baselines, starting with the inventory of the 2017 GHG emissions, such that we can build a forward plan.	Parex' near-term objective is to reduce transportation emissions on a per unit basis. The strategy is to decrease oil transportation trucking by implementing (accessing) flowlines/pipelines and by increasing oil production in regions located closer to export hubs. We also plan to focus on reducing the amount of carbon flaring and fugitive emissions.

### Other climate-related targets

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**(C4.2) Provide details of other key climate-related targets not already reported in question C4.1/a/b.**

**(C-OG4.2a) Explain, for your oil and gas production activities, why you do not have a methane-specific emissions reduction target or do not incorporate methane into your targets reported in C4.2, and forecast how your methane emissions will change over the next five years.**

Parex does not have specific methane reduction goals; however, the conservation of energy and maximization of resources has led the Company in the past to optimize power generation fuels and reduce methane emissions (specifically through flaring). For 2018, the Company has set specific projects to accomplish: i) set up a gas facility at the Capachos field in order to reduce flaring to a minimum (target is 85% reduction), to be achieved by recovering gas liquids and utilizing the excess gas for power generation, and ii) optimize the performance of gas compression facility at the Carmentea field in order to cut down current flaring of low pressure gas by an average of 50%, to be achieved by fine tuning well operation and the start-up of a gas line to reduce gas compression and transportation.

### Emissions reduction initiatives

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**(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.**

Yes

**(C4.3a) Identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings.**

Stage of development	Number of projects	Total estimated annual CO2e savings in metric tons CO2e (only for rows marked*)
Under Investigation	1	0
To be Implemented*	1	4,173
Implementation commenced*	1	0
Implemented	1	0
Not to be implemented	0	0

**(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.**

Activity type	Description of activity	Estimated annual CO2e savings (metric tons CO2e)	Scope	Voluntary/ Mandatory
Process emissions reductions	Other (Capachos Gas Plant Facilities)	0	Scope 1	Voluntary
<b>Annual monetary savings (unit currency, as specified in C0.4)</b>	<b>Investment required (unit currency, as specified in C0.4)</b>	<b>Payback period</b>	<b>Estimated lifetime of the initiative</b>	<b>Comment</b>
0	11,500,000	1-3 years	3-5 years	Gas production to be used in the generation and/or liquids recovery. Saving ~95% of flares. The project's annual monetary savings have not been quantified.
Activity type	Description of activity	Estimated annual CO2e savings (metric tons CO2e)	Scope	Voluntary/ Mandatory
Fugitive emissions reductions	Other (ODL Tie-in (Llanos 34))	0	Scope 3	Voluntary
<b>Annual monetary savings (unit currency, as specified in C0.4)</b>	<b>Investment required (unit currency, as specified in C0.4)</b>	<b>Payback period</b>	<b>Estimated lifetime of the initiative</b>	<b>Comment</b>
0	34,000,000		6-10 years	Emissions reduced by ~ 40% as a result of reduced oil trucking from block Llanos 34. Parex has not yet quantified the annual monetary savings or determined the payback period for this project.
Activity type	Description of activity	Estimated annual CO2e savings (metric tons CO2e)	Scope	Voluntary/ Mandatory
Process emissions reductions	Other (Gaspine Line Llanos 32 - Llanos 34)	0	Scope 3	Voluntary
<b>Annual monetary savings (unit currency, as specified in C0.4)</b>	<b>Investment required (unit currency, as specified in C0.4)</b>	<b>Payback period</b>	<b>Estimated lifetime of the initiative</b>	<b>Comment</b>
0	2,700,000		3-5 years	50% of emission savings for less gas fuel transportation. Parex has not quantified the annual monetary savings or determined the payback period for this project
Activity type	Description of activity	Estimated annual CO2e savings (metric tons CO2e)	Scope	Voluntary/ Mandatory
Energy efficiency: Processes	Other, please specify (New equipment Gas Plant Llanos 32.)	0	Scope 1	Voluntary

Annual monetary savings (unit currency, as specified in C0.4)	Investment required (unit currency, as specified in C0.4)	Payback period	Estimated lifetime of the initiative	Comment
0	150,000	< 1 year	3-5 years	Installation of a gas compressor; saving ~95% of flares. The project annual monetary savings have not been quantified.

**(C4.3c) What methods do you use to drive investment in emissions reduction activities?**

Method	Comment
Compliance with regulatory requirements/standards	Because emissions reduction activities are relevant to the Company, Parex focuses on minimizing flares and taking advantage of gas as a source of energy. Therefore, regulatory requirements are complimented with some capital investments.
Dedicated budget for other emissions reduction activities	Because emissions reduction activities are relevant to the Company, Parex focuses on minimizing flares and taking advantage of gas as a source of energy. Therefore, regulatory requirements are complimented with some capital investments.

**Low-carbon products**

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**(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?**

No

**Methane reduction efforts**

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**(C-OG4.6) Describe your organization’s efforts to reduce methane emissions from oil and gas production activities.**

The Company has implemented vapor recovery units in certain fields where gas is emitted into the atmosphere. These units are installed after the oil and water separation process in the Gun-barrel (tank included in the production process). The purpose of the units is to gather low pressure gas in order to obtain liquids by gas expansion, keeping this gas in condition to be used for power generation. For example, facilities at the Rumba and Las Maracas fields have vapour recovery units. This process reduces the gas emitted into the atmosphere to be used as a fuel in power generation.

**Leak detection and repair**

---

**(C-OG4.7) Does your organization conduct leak detection and repair (LDAR) or use other methods to find and fix fugitive methane emissions from oil and gas production activities?**

Yes

**(C-OG4.7a) Describe the protocol through which methane leak detection and repair or other leak detection methods, are conducted for oil and gas production activities, including predominant frequency of inspections, estimates of assets covered, and methodologies employed.**

Production personnel visits production facilities to identify leaks in valves, flanges, or wellheads. In the inspections physicochemical analysis are carried out to determine the conditions of the fluids. During these visits, the personnel monitors the flow lines to assess their current condition and plan (if it is the case) activities such as DCVG (Direct Current Voltage Gradient), PCM (Pipeline Current Mapping) and cathode protection to avoid leaks or weak sectors. However, there is no program in place for measuring emissions.

## Flaring reduction efforts

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**(C-OG4.8) If flaring is relevant to your oil and gas production activities, describe your organization's efforts to reduce flaring, including any flaring reduction targets.**

Flaring is relevant, and although Parex does not currently have any reduction targets, the Company is focused on minimizing flares. The goal is to take advantage of gas as an energy source in all fields where gas is produced and has the condition to be used as fuel. In most cases, Parex uses quality gas as fuel which consequently reduces gas flared into the atmosphere. We have installed low pressure gathering systems (operating at 5 psi) to allow gathering and using gas for power generation at the facilities listed below:

- Maracas. Separator, Gas boot and VRU.
- Begonia. Separator and Gas boot.
- Rumba. Separator, Gas boot and VRU.
- Carmentea. Gas Plant.
- Aguas Blancas pad # 5 and # 2. Installed scrubbers to gather annular casing gas for power generation.

Parex is implementing other projects in 2018

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## C5 Emissions methodology

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### Base year emissions

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(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope	Base year start	Base year end	Base year emissions (metric tons CO2e)	Comment
Scope 1	01/01/2017	12/31/2017	80,781	
Scope 2 (location-based)	01/01/2017	12/31/2017	102.52	
Scope 2 (market-based)	01/01/2017	12/31/2017	0	

### Emissions methodology

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(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.

IPCC Guidelines for National Greenhouse Gas Inventories, 2006

ISO 14064-1

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## C6 Emissions data

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### Scope 1 emissions data

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(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Gross global Scope 1 emissions (metric tons CO2e)	Comment
80,781	Direct Sources. Burning fuel (diesel, gas, crude) for power generation, flared gas, refrigeration emissions, and fugitive emissions.

## Scope 2 emissions reporting

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Scope 2, location-based	Scope 2, market-based	Comment
We are reporting a Scope 2, location-based figure		Energy acquired by Parex and brought into the organization's boundaries from the national interconnected system for Kona camp and offices.

## Scope 2 emissions data

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Scope 2, location-based	Scope 2, market-based (if applicable)	Comment
102.52		Energy acquired by Parex and brought into the organization's boundaries from the national interconnected system for Kona camp and offices.

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

## Scope 3 emissions data

(C6.5) Account for your organization's Scope 3 emissions, disclosing and explaining any exclusions.

Sources of Scope 3 emissions	Evaluation status	Metric tons CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Purchased goods and services	Not relevant, calculated	29	GHG emissions from use of paper products were calculated using an emission factor (EF) of 1.05 tCO2e per ton of paper. This is the EF value reported for the pulp and paper manufacturing industry harvesting from managed timberlands (Silva et al, 2015).	0.02	Parex' focus is to reduce transportation emissions on a per unit basis; the strategy is to reduce oil trucking by implementing (accessing) flowlines/pipelines. The Company focuses on

			GHG emissions from cooling and air-conditioning systems were estimated based on global warming potentials (GWP) for each gas reported in IPCC guidelines representing the factors by which the amount of gas leak is multiplied to obtain CO2e values.		managing emissions at facilities that are within its operational control.
Capital goods	Not evaluated	0		0	Parex' focus is to reduce transportation emissions on a per unit basis; the strategy is to reduce oil trucking by implementing (accessing) flowlines/pipelines. The Company focuses on managing emissions at facilities that are within its operational control.
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Relevant, Calculated	32,877	<p>The operational methodology was used. Emissions calculation includes information from drilling, civil work, workovers and facilities activities. Also, included is the data from rig mobilization/field mobilization and trucking of Oil and Gas. Fuel consumptions and fugitives are included as well.</p> <p>GHG emissions associated with fuel burning were calculated based on emission factors for CO2, density and caloric values provided by FECOC (Emission Factors for Colombian Fuels) (2016). Emission factors for methane and nitrous oxide were based on IPCC (2006) data for each type of fuel. International metric system and metrology unit standards from Colombia's Industry and Tourism Superintendence were used for unit conversion.</p> <p>Fugitives emissions were estimated using IPCC (2006) emission factors.</p>	28.35	Parex' focus is to reduce transportation emissions on a per unit basis; the strategy is to reduce oil trucking by implementing (accessing) flowlines/pipelines. The Company focuses on managing emissions at facilities that are within its operational control.
Upstream transportation and distribution	Not evaluated	0		0	Parex' focus is to reduce transportation emissions on a per unit basis; the strategy is to reduce oil trucking by implementing (accessing) flowlines/pipelines. The Company focuses on managing emissions at facilities that are within its operational control.
Waste generated in operations	Not Relevant, Calculated	137	<p>GHG emissions for the treatment of organic solid waste, were estimated using emission factors for methane (4g of CH4/ Kg of treated organic waste) and nitrous oxide (0.3g of N2O/Kg of treated organic waste) reported by the IPCC (2006).</p> <p>For the elimination and treatment of wastewater, factors provided by the IPCC (2006) were used (Methane: 0.6 kg CH4 / kg BOD, Nitrogen: 0.005 Kg N2O-N / Kg N.) and degradable organic matter averages - (Biochemical</p>	0.12	Parex' focus is to reduce transportation emissions on a per unit basis; the strategy is to reduce oil trucking by implementing (accessing) flowlines/pipelines. The Company focuses on managing emissions at facilities that are within its operational control.

			demand of Oxygen - BOD) (38.4 g / person / day) for Colombia and reported in the national GHG inventory published by the IDEAM et al. (2015). A methane correction factor (MFC: 0.1) corresponding to systems not treated and eliminated in rivers, provided by the IPCC (2006) was applied.		
Business travel	Relevant Calculated	2,022	GHG emissions associated to fuel burning were calculated based on CO2 emission factors, density and caloric values provided by FECOC (2016) (Emission Factors for Colombian Fuels). Methane and nitrous oxide emission factors were based on IPCC (2006) data for each type of fuel (gasoline, diesel and jet fuel).	1.74	Parex' focus is to reduce transportation emissions on a per unit basis; the strategy is to reduce oil trucking by implementing (accessing) flowlines/pipelines. The Company focuses on managing emissions at facilities that are within its operational control.
Employee commuting	Not evaluated				
Transportation of Machinery	Not evaluated				
Upstream leased assets	Not evaluated				
Downstream transportation and distribution	Not evaluated				
Processing of sold products	Not evaluated				
Use of sold products	Not evaluated				
End of life treatment of sold products	Not evaluated				
Downstream leased assets	Not evaluated				
Franchises	Not evaluated				
Investments	Not evaluated				
Other (upstream)	Not evaluated				
Other (downstream)	Not evaluated				

## Carbon dioxide emissions from biologically sequestered carbon

(C6.7) Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

## Emissions intensities

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO<sub>2</sub>e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator	Metric denominator: Unit total	Scope 2 figure used	% change from previous year	Direction of change	Reason for change
0.02 ton CO <sub>2</sub> e/BOE 0.000123 CO <sub>2</sub> e/\$ 290 CO <sub>2</sub> e/EE	80,884 80,884 80,884	barrel of oil equivalent (BOE) Unit total revenue Full time equivalent employee	4,135,708 (operated prod only) 659,407,000 (gross O&G sales) 279 (Colombia Only)	Location-based	0	0	This is Parex' first year reporting to CDP; therefore, 2017 is the baseline. Note - the production reported relates to production volume from operated properties only and does not represent Parex' total production for 2017.

## Emissions intensities: Oil and gas

(C-OG6.12) Provide the intensity figures for Scope 1 emissions (metric tons CO<sub>2</sub>e) per unit of hydrocarbon category.

Unit of hydrocarbon category (denominator)	Metric tons CO <sub>2</sub> e from hydrocarbon category per unit specified	% change from previous year	Direction of change	Reason for change	Comment
Oil - Gallons Natural Gas – Standard Cubic Feet (SCF) Diesel - Gallons	0.01132 tCO <sub>2</sub> e/Gal Oil 0.00006 tCO <sub>2</sub> e/SCF 0.01033 tCO <sub>2</sub> e/Gal Diesel	0	0	0	First year reporting to CDP; therefore, 2017 is the baseline

**(C-OG6.13) Report your methane emissions as percentages of natural gas and hydrocarbon production or throughput.**

Oil and gas business division	Estimated total methane emitted expressed as % of natural gas production or throughput at given division	Estimated total methane emitted expressed as % of total hydrocarbon production or throughput at given division	Comment
Upstream	13.2	1	

## C7 Emissions breakdown

### Scope 1 breakdown: GHGs

**(C7.1) Does your organization have greenhouse gas emissions other than carbon dioxide?**

Yes

**(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type providing the used global warming potential (GWP), and the source of each GWP.**

Greenhouse gas	Scope 1 emissions (metric tons in CO2e)	GWP Reference
CO2	73,170	IPCC Fifth Assessment Report (AR5 – 100 year)
CH4	7,421	IPCC Fifth Assessment Report (AR5 – 100 year)
N2O	190	IPCC Fifth Assessment Report (AR5 – 100 year)

**(C-OG7.1b) Break down your total gross global Scope 1 emissions from oil and gas value chain production activities by greenhouse gas type.**

Emissions category	Gross Scope 1 carbon dioxide emissions (metric tons CO2)	Gross Scope 1 methane emissions (metric tons CH4)	Total gross Scope 1 GHG emissions (metric tons CO2e)
Fugitives (Oil: Total)	13,969	294	14,263
Fugitives (Oil: Venting)	85	211	295
Fugitives (Oil: Flaring)	13,884	83	13,967
Fugitives (Oil: E&P, excluding venting and flaring)	-	-	-

**(C7.2) Break down your total gross global Scope 1 emissions by country/region.**

Country/Region	Scope 1 emissions (metric tons CO2e)
Colombia	80,781

**(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.**

By Facility

**(C7.3b) Break down your total gross global Scope 1 emissions by business facility.**

Facility	Scope 1 emissions (metric tons CO2e)	Latitude	Longitude
Adalia	1,538	5.12874308928	-71.09634956298
Begonia	4,158	5.78839571845	-71.38841293305
Carmentea	935	4.57270728322	-72.61621071339
Kananaskis	196	4.51964672650	-72.60994892112
Kitaro/Akira	15,765	4.34233188459	-72.71574205674
Rumba	9,227	4.86788452969	-72.41989946422
Maracas	22,540	5.36098280192	-71.97859655138
Planta de Gas (LLA-32)	15,024	4.53429970000	-72.62229277778
Capachos	3,384	6.57029330000	-71.75499750000
Aguas Blancas	4,781	6.83493220000	-73.77210750000
Boranda	62	7.67278890000	-73.56252500000
Glauca	42	6.06653330000	-74.49209722222
Kona	3,121	5.60948892251	-71.86423625137
Katmandu	9	4.38829201003	-73.01031971353
<b>Total</b>	<b>80,781</b>		

**Scope 1: sector production activities**

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(C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4) Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO2e.

Sector production activity	Gross Scope 1 emissions, metric tons CO2e	Net Scope 1 emissions, metric tons CO2e*
Oil and gas production activities	80,781	80,781

## Scope 2 breakdown: country

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
Colombia	102.52		488.18	341.14

## Scope 2: business breakdowns

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By facility

(C7.6b) Break down your total gross global Scope 2 emissions by business facility.

Facility	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Kona	28.20	0
Tauramena office	1.12	0
Boqotá office	55.08	0
Yopal office	18.12	0

## Scope 2: sector production activities

Question C-CE7.7/C-CH7.7/C-CO7.7/C-EU7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7 only applies to organizations with activities in the following sectors:

Oil & gas  
Page 22

**(C-CE7.7/C-CH7.7/C-CO7.7/C-EU7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7)** Break down your organization’s total gross global Scope 2 emissions by sector production activity in metric tons CO2e.

Sector production activity	Scope 2, location-based, metric tons CO2e	Scope 2, market-based (if applicable), metric tons CO2e	Comment
Oil and gas production activities	102.52	0	

## Emissions performance

**(C7.9)** How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

This is our first year of reporting, so we cannot compare to last year.

## C8 Energy

### Energy spend

**(C8.1)** What percentage of your total operational spend in the reporting year was on energy?

More than 20% but less than or equal to 25%

### Energy-related activities

**(C8.2)** Select which energy-related activities your organization has undertaken.

Activity	Indicate whether your organization undertakes this energy-related activity
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

**(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.**

Energy carrier	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total MWh
Consumption of fuel (excluding feedstocks)	LHV	0	265,482	265,482
Consumption of purchased or acquired electricity		341.14	147.04	488.18
Consumption of self-generated non-fuel renewable energy		0	0	0
Total energy consumption		341.14	265,629.04	265,970.18

**(C8.2b) Select the applications of your organization's consumption of fuel.**

Fuel application	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of steam	Yes
Consumption of fuel for the generation of cooling	Yes
Consumption of fuel for co-generation or tri-generation	No

**(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.**

Fuels	Heating value	Total MWh consumed by the organization	MWh consumed for the generation of electricity
Crude Oil	LHV (lower heating value)	81,347	81,347
Diesel stationary	LHV (lower heating value)	8,465	8,465
Diesel mobile	LHV (lower heating value)	5,403	5,403
Natural Gas	LHV (lower heating value)	170,267	170,267
MWh consumed for the generation of heat	MWh consumed for the generation of steam	MWh consumed for the generation of cooling	MWh consumed for cogeneration or trigeneration
0	0	0	Not applicable

**(C8.2d) List the average emission factors of the fuels reported in C8.2c.**

Fuels	Emission factor	Unit	Emission factor source	Comment
Crude oil	78.421	CO2e(Kg/GJ)	FECOC – Factor emissions of Colombian fuels - Ministry of energy of Colombia. IPCC	
Natural Gas	55.642	CO2e (Kg/GJ)	FECOC – Factor emissions of Colombian fuels - Ministry of energy of Colombia. IPCC	
Diesel	75.296	CO2e (Kg/GJ)	FECOC – Factor emissions of Colombian fuels - Ministry of energy of Colombia	

**(C8.2e) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.**

Energy Carrier	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	260,079	260,079	0	0

**(C8.2f) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a low-carbon emission factor in the market-based Scope 2 figure reported in C6.3.**

Basis for applying a low-carbon emission factor	Low-carbon technology type	MWh consumed associated with low-carbon electricity, heat, steam or cooling	Emission factor (in units of metric tons CO2e per MWh)	Comment
Grid mix of renewable electricity	Hydropower	341.14	0.21	The energy generation matrix of the National Interconnected System is a mixed matrix where hydroelectric plants, thermoelectric plants, and other sources supply the system. This configuration allows us to consider it a low-carbon emission matrix. The energy mix is made up of 69.88% from hydropower, 29% from thermopower (natural gas, carbon, liquid fuels), and less than 1% from other sources (Eolic, solar, co-generation and other low-carbon technologies). 69.88% (or 341.14 Mwh) of the 488.18 MWh in purchased electricity comes from hydropower, which we are reporting as low-carbon.

## C9 Additional metrics

### Other climate-related metrics

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description	Metric value	Metric numerator	Metric denominator (intensity metric only)	% change from previous year	Direction of change	Please explain
Energy usage	17.58	72,685,188 kwhr	4,134,539 barrels of oil equivalent	15	Increased	In 2016, electricity consumption per barrel of oil produced was 15.32 kwhr/bbl

## 1P Oil and gas reserves and production

(C-OG9.2a) Disclose your net liquid and gas hydrocarbon production (total of subsidiaries and equity-accounted entities).

Hydrocarbon category	Year-end net production	Comment
Crude oil and condensate, million barrels	12.9	Average daily 2017 crude oil production was 35.212 Bbl/d
Natural gas liquids, million barrels	0	No LNG production
Oil sands, million barrels (includes bitumen and synthetic)	0	No oil sands production
Natural gas, billion cubic feet	0.72	Average daily 2017 natural gas production was 1,974 Mcf/d

## 1P Methodologies

(C-OG9.2b) Explain which listing requirements or other methodologies you use to report reserves data. If your organization cannot provide data due to legal restrictions on reporting reserves figures in certain countries, please explain this.

Parex' reserves evaluation is prepared by GLJ Petroleum Consultants Ltd ("GLJ") and done so in accordance with procedures and standards contained in the Canadian Oil and Gas Evaluation (COGE) Handbook. All reserves definitions used to prepare Parex' reserves are those contained in the Canadian Oil and Gas Evaluation (COGE) Handbook, as well as the Canadian Securities Administrators National Instrument 51-101 (NI 51-101). Additional information regarding the Company's reserves, for the year ending December 2017, are available in the Company's Annual Information Form dated March 5, 2018 at [www.parexresources.com](http://www.parexresources.com).

Note that 2P and 3P reserve values reported in C-OG9.2c or other sections of the CDP questionnaire are Parex' net working interest reserves before royalty.

## Estimated total reserves 2P & 3P

(C-OG9.2c) Disclose your estimated total net reserves and resource base (million BOE), including the total associated with subsidiaries and equity-accounted entities.

Estimated total net proved + probable reserves (2P) (million BOE)	Estimated total net proved + probable + possible reserves (3P) (million BOE)	Estimated net total resource base (million BOE)
162.24	240.93	240.93

## Percentage split for 2P, 3P reserves

(C-OG9.2d) Provide an indicative percentage split for 2P, 3P reserves, and total resource base by hydrocarbon categories.

Hydrocarbon category	Net proved + probable reserves (2P)	Net proved + probable + possible reserves (3P)	Net total resource base (%)
Crude oil / condensate / Natural gas liquids	99	99	99
Natural gas	1	1	1
Oil sands (includes bitumen and synthetic crude)	0	0	0

## Percentage split for 1P, 2P, 3P production

(C-OG9.2e) Provide an indicative percentage split for production, 1P, 2P, 3P reserves, and total resource base by development types.

Development type	In-year net production (%)	Net proved reserves (1P) (%)	Net proved + probable reserves (2P) (%)	Net proved + probable + possible reserves (3P) (%)	Net total resource base (%)	Comment
Onshore	100	100	100	100	100	All Parex' properties are onshore

## Breakeven price (US\$/BOE)

(C-OG9.7) Disclose the breakeven price (US\$/BOE) required for cash neutrality during the reporting year, i.e. where cash flow from operations covers CAPEX.

47

Assuming Brent oil price US \$46-48/boe, Cash Flow from Operations would cover US \$212.4 million in Capex (2017 full year)

# C10 Verification

## Verification

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

Scope	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 and/or Scope 2 emissions and attach the relevant statements.

Scope	Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported emissions verified (%)
Scope 1	Annual process	Complete	Limited assurance	<a href="#">Reporte de Aseguramiento Limitado Independiente Parex Resources.pdf</a> <a href="#">De PwC a Parex trabajo PPC Inventario GEI 160818.pdf</a> <a href="#">Limited Assurance Report - Parex Resources .pdf</a>	Page 1/ Limited assurance object & appendix 1 (pg. 8-11). Through Parex' first limited assurance of the 2017 Sustainable Report, PwC verified three indicators corresponding to GHG emissions, as it can be seen in the respective assurance report attached hereto under the ISAE 300 methodology.	ISAE3000	100
Scope 2 location-based	Annual process	Complete	Limited assurance	<a href="#">Reporte de Aseguramiento Limitado Independiente Parex Resources.pdf</a> <a href="#">De PwC a Parex trabajo PPC Inventario GEI 160818.pdf</a> <a href="#">Limited Assurance Report - Parex Resources .pdf</a>	Page 1/ Limited assurance object & appendix 1 (pg. 11-12). Through Parex' first limited assurance of the 2017 Sustainable Report, PwC verified three indicators corresponding to GHG emissions, as it can be seen in the respective assurance report attached hereto under the ISAE 300 methodology	ISAE3000	100

**(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.**

Scope	Verification or assurance cycle in place	Status in the current reporting year	Attach the statement	Page/ section reference	Relevant standard
Scope 3- at least one applicable category	Annual process	Complete	<a href="#">Reporte de Aseguramiento Limitado Independiente Parex Resources.pdf</a> <a href="#">De PwC a Parex trabajo PPC Inventario GEI 160818.pdf</a> <a href="#">Limited Assurance Report - Parex Resources .pdf</a>	Page 1/ Limited assurance object & appendix 1 (pg. 12-15). Through Parex first limited assurance of the 2017 Sustainable Report, PwC verified three indicators corresponding to GHG emissions, as it can be seen in the respective assurance report attached hereto under the ISAE 300 methodology	ISAE3000

## Other verified data

**(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?**

No, we do not verify any other climate-related information reported in our CDP disclosure

## Carbon pricing

### Carbon pricing systems

**(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?**

No, and we do not anticipate being regulated in the next three years

### Project-based carbon credits

**(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?**

No

### Internal price on carbon

**(C11.3) Does your organization use an internal price on carbon?**

No, and we do not currently anticipate doing so in the next two years

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## C12 Engagement

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### Value chain engagement

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#### (C12.1) Do you engage with your value chain on climate-related issues?

No, we do not engage

#### (C12.1d) Why do you not engage with any elements of your value chain on climate-related issues, and what are your plans to do so in the future?

Over the last year, we have made some policy changes and taken several actions, which once implemented, will allow the Company to engage with the elements of its value chain on climate-related issues in the future. Parex updated our HSEQ Integral Policy to include climate change management as a commitment. Also, the Company conducted a baseline GHG inventory for 2017 including all areas of the Company's operated activities and estimating scopes 1, 2 and 3 emissions. Using this baseline, Parex expects to engage third parties along its value chain to achieve collective impacts and joint mitigation efforts in managing climate-related issues. Going forward, the Company plans to include an additional evaluation metric within the contracting processes; Parex intends to assess contractors/suppliers' abilities to manage and control GHG emissions in their activities.

### Public policy engagement

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#### (C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Other

#### (C12.3e) Provide details of the other engagement activities that you undertake. what issues have you been engaging directly with policy makers?

We support energy efficiency initiatives such as the substitution of high carbon density energy sources (wood, diesel, kerosene) for natural gas.

We have worked with public officials to reduce gas flaring and supply local markets with natural gas in households where we operated. Our Aguas Blancas project is one example.

#### (C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

There are no established processes as Parex' climate change strategy is currently being formulated and is still under evaluation. Once the Company consolidates its knowledge and internal management of GHG emissions, we may establish processes to guide engagement with policy makers on climate-related matters.

### Communications

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#### (C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication	Status	Attach the document	Content elements
In voluntary sustainability report	Complete	<a href="#">Parex 2017 Sustainability Report.pdf</a>	Emissions figures & other metrics

# C14 Signoff

## Signoff

### C-FI

**(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

#### **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", "intend", "believe", "anticipate" 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 beliefs concerning, among other things, future growth, results of operations, 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, 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, statement with respect to the Company's strategy, focus, approach to risks and targeted jurisdictions; the Company's plans to implement an externally verified inventory of emissions; the Company's plans to implement a baseline study of climate change impact, the construction of a gas facility to reduce flaring (including the targeted amount of such reduction), the construction of a flowline, and the optimization of a gas compression facility, and the anticipated effect of such projects on the Company's emissions and flaring; statements with respect to the Company's near-term objective to reduce GHG emissions from transportation, carbon flaring and other emissions; the prospect that Llanos 34 flowline would lower GHG emissions and health and safety; estimated emission reductions from projects at various stages of development; the Company's plan to use gas as cleaner energy source; expectations to minimize gas flaring; the evaluation of climate-related risks and opportunities; and the integration of climate-related issues into the Company's business strategy. Statements relating to "reserves" are forward-looking statements, as they involve the implied assessment, based on estimates and assumptions that the reserves described exist in the quantities predicted or estimated and can be profitably produced in the future. 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; 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 Parex' evaluation of its existing portfolio of development and exploration opportunities is not consistent with its expectations; failure to meet expected production targets; 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 are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)).

Although the forward-looking statements contained in this document are based upon assumptions that 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; uninterrupted access to areas of Parex' operations and infrastructure; recoverability of reserves and future production rates; timing of drilling and completion of wells; on-stream timing of production from successful exploration wells; 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 fulfil the contractual obligations required to retain its rights to explore, develop and exploit any of its undeveloped properties; that the initiatives the Company is undertaking will result in the identification, evaluation and reduction of emissions; and other matters.

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.

### GHG Emissions Information

GHG emissions and emissions savings estimates that are provided herein have been calculated with a third party's assistance, as is further described below. These measures 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. Parex quantifies and reports its greenhouse gas (GHG) emissions using the operational control approach. Its organizational boundary includes the Company's Bogota offices and all operated oil & gas exploration and production facilities. Parex has elected to report scope 1, 2 and 3 GHG emissions. For the purposes of the Company's GHG emissions reporting:

- Scope 1 emissions are defined as direct emissions from GHG sources that it owns or controls;
- Scope 2 emissions are defined as indirect GHG emissions that result from Parex' consumption of energy in the form of purchased electricity from the Colombia's national grid; and
- Scope 3 emissions are defined as Parex' indirect emissions other than those covered in Scope 2. They are from sources not owned or controlled by Parex, but which occur as a result of the Company's activities. Particularly, Parex' drilling and completions activities conducted by third parties are deemed to be Scope 3.

Parex used a third party to help quantify its GHG emissions. For the 2017 reporting year, Parex retained Conservación & Carbono S.A.S to evaluate GHG emissions from all operated facilities located in Colombia in accordance with IPCC (2006) Guidelines for National Greenhouse Gas Inventories and Colombia's Technical Standard ISO 14064-1 ("NTC ISO 14064-1"). A limited third-party assurance of Scope 1, 2 & 3 GHG emissions for Parex' 2017 Sustainability Report was conducted by PricewaterhouseCoopers in Colombia. This assurance was completed in accordance with the ISAE3000 standard.

### Oil & Gas Matters Advisory

Boe: The term "Boe" means a barrel of oil equivalent on the basis of 6 Mcf of natural gas to 1 barrel of oil ("**bbl**"). BOEs 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.

### Reserves Advisory

The recovery and reserve estimates of crude oil reserves provided in this survey are estimates only, and there is no guarantee that the estimated reserves will be recovered. Actual crude oil reserves may eventually prove to be greater than, or less than, the estimates provided herein. All December 31, 2017 reserves presented are based on GLJ's forecast pricing effective January 1, 2018. The 2017 GLJ Report was prepared in accordance with the definitions, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook and National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities*.

Proved" or "1P" reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

"Probable" reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable" reserves.

"Possible" reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10 percent 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.

"2P" means Proved Plus Probable reserves.

"3P" means Proved Plus Probable Plus Possible reserves.

### (C14.1) Provide details for the person that has signed off (approved) your CDP climate change response.

Job title	Corresponding job category
Chief Operating Officer	Chief Operating Officer (COO)

# Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	Public or Non-Public Submission	I am submitting to
I am submitting my response	Public	Investors

Please confirm below

I have read and accept the applicable Terms