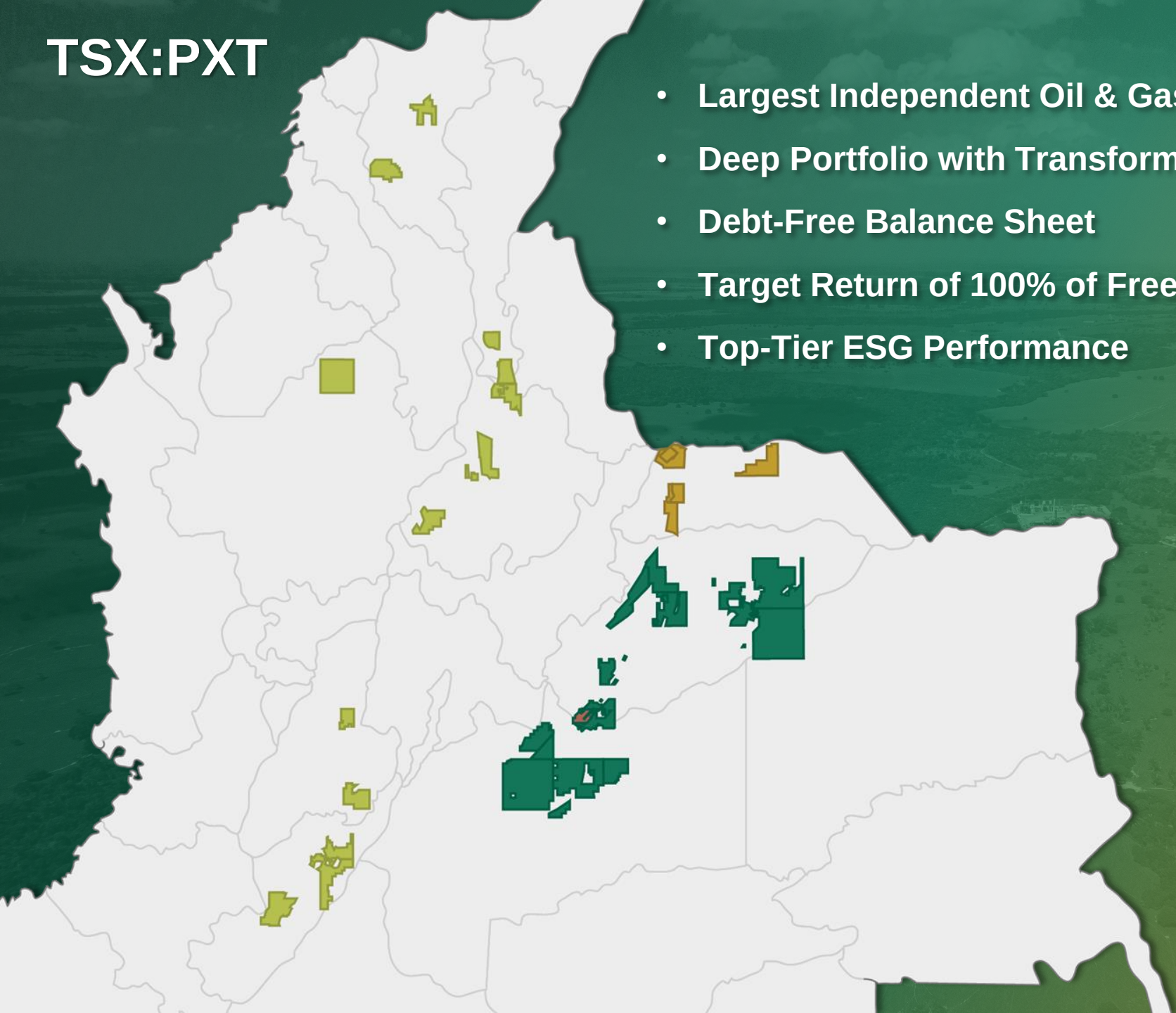
Parex Resources

Investor Presentation – June 2023

TSX:PXT



- Largest Independent Oil & Gas Company in Colombia
- Deep Portfolio with Transformational Exploration Opportunities
- Debt-Free Balance Sheet
- Target Return of 100% of Free Funds Flow to Shareholders
- Top-Tier ESG Performance

Stock Symbol	TSX:PXT
Shares Outstanding[1]	106.6 million
Market Capitalization[1]	C$2.9 billion
Quarterly Dividend[2]	C$0.375 per share
Dividend Yield[1][2][3]	5.5%
Average Production[4]	52,049 boe/d
Land Position	5.5 million net acres

(1) As at May 31, 2023.
(2) Based on C$0.375 per share quarterly dividend as first approved on February 2, 2023.
(3) Supplementary financial measure; annualized dividends per share dividend by PXT share price; see advisory.
(4) For year-end December 31, 2022 (light & medium crude oil: 7,471 bbl/d, heavy crude oil: 43,008 bbl/d, conventional natural gas: 9,420 mcf/d).

Colombia

~750,000
BBL/D
Oil Production(1)

Independent
Branches of
Government

Free
Capital Movement
& No Foreign
Currency Controls

OECD
Member
Country

US$4.4B
Excepted Total
E&P Investment(2)

The Parex Advantage

Offshore Oil Sales
Paid in USD based on Brent reference pricing

Top Quartile Cash Flow per BOE(3)
When compared against TSX-listed oil & gas peers

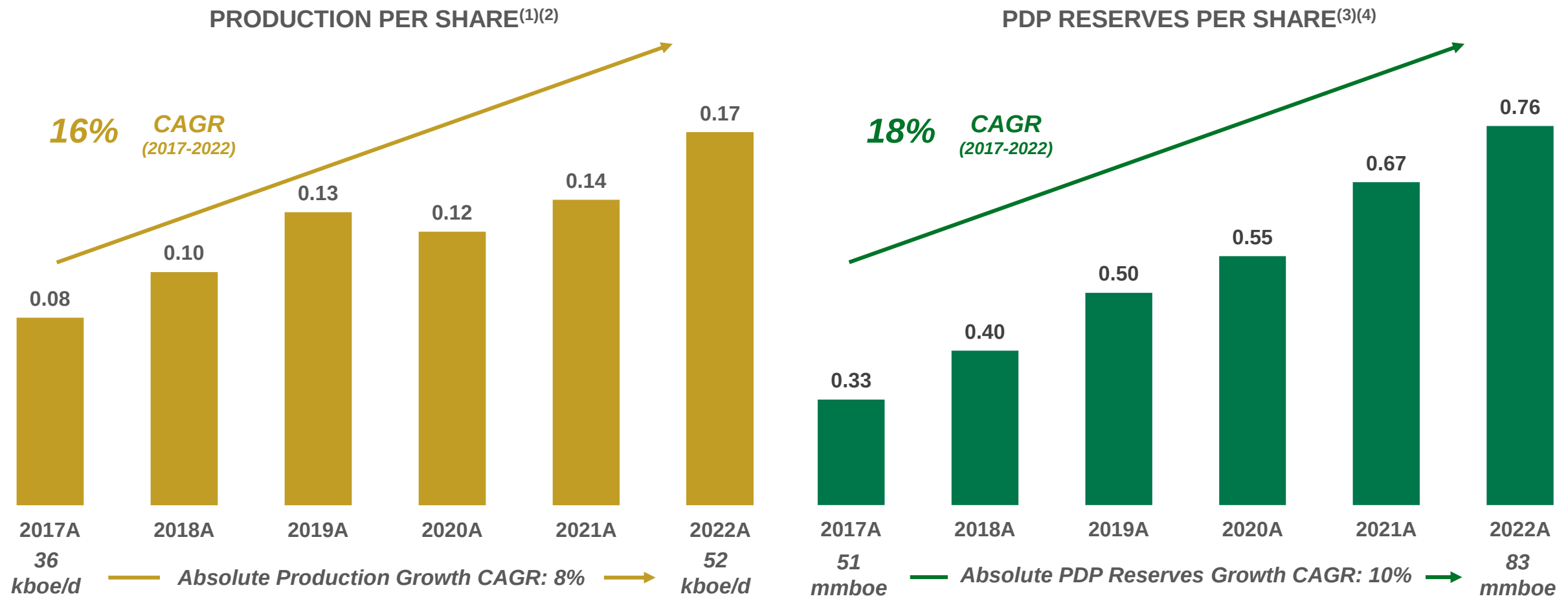
Established Strong Social License
US$6MM of community investment in 2022

Strategic Partner with Ecopetrol S.A.
Existing relationship & MOU signed in Foothills area

(1) 2021; source: National Hydrocarbons Agency of the Republic of Colombia (ANH). (2) 2022E; source: Colombian Petroleum Association (ACP). (3) Source: Peters & Co. (March 13, 2023); 2023E assumptions: Brent: US$78.93/bbl WTI: US$75.61/bbl, NYMEX: US$3.00/mmbtu, AECO: C$2.92/mcf, USD/CAD: 0.729; all USD cash flow netbacks converted to CAD; peer list based on Peters & Co. Canadian Producers coverage list (38 total companies (excludes royalty companies)).

- ***Track Record***
- Strategy
- Capital Allocation
- Sustainability & ESG
- Big ‘E’ Exploration

Track Record of Growth

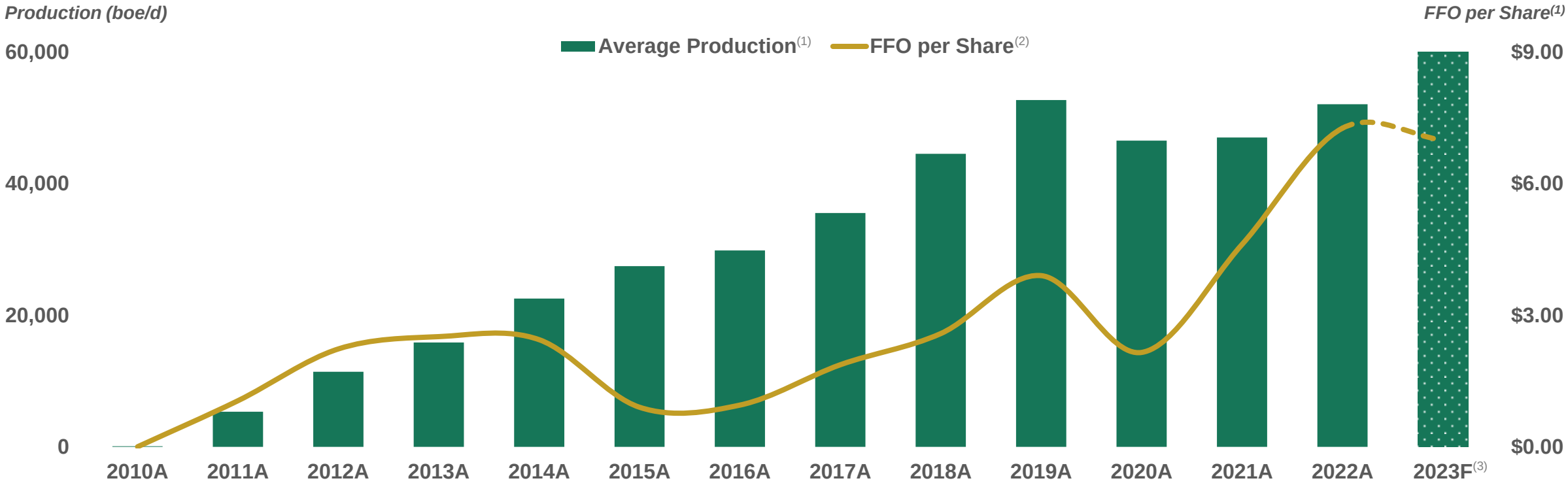


Since 2017, grown production and PDP reserves on an absolute basis, further enhanced on a per share basis by consistent share repurchases

(1) Calculated as total annual average production divided by weighted-average basic shares. (2) See "Historical Production" table within advisory for production by product type. (3) Calculated as PDP gross volume divided by year-end basic shares; see advisory. (4) See "Oil and Gas Information" advisory.

Track Record of Creating Value

PRODUCTION AND FUNDS FLOW PROVIDED BY OPERATIONS PER SHARE



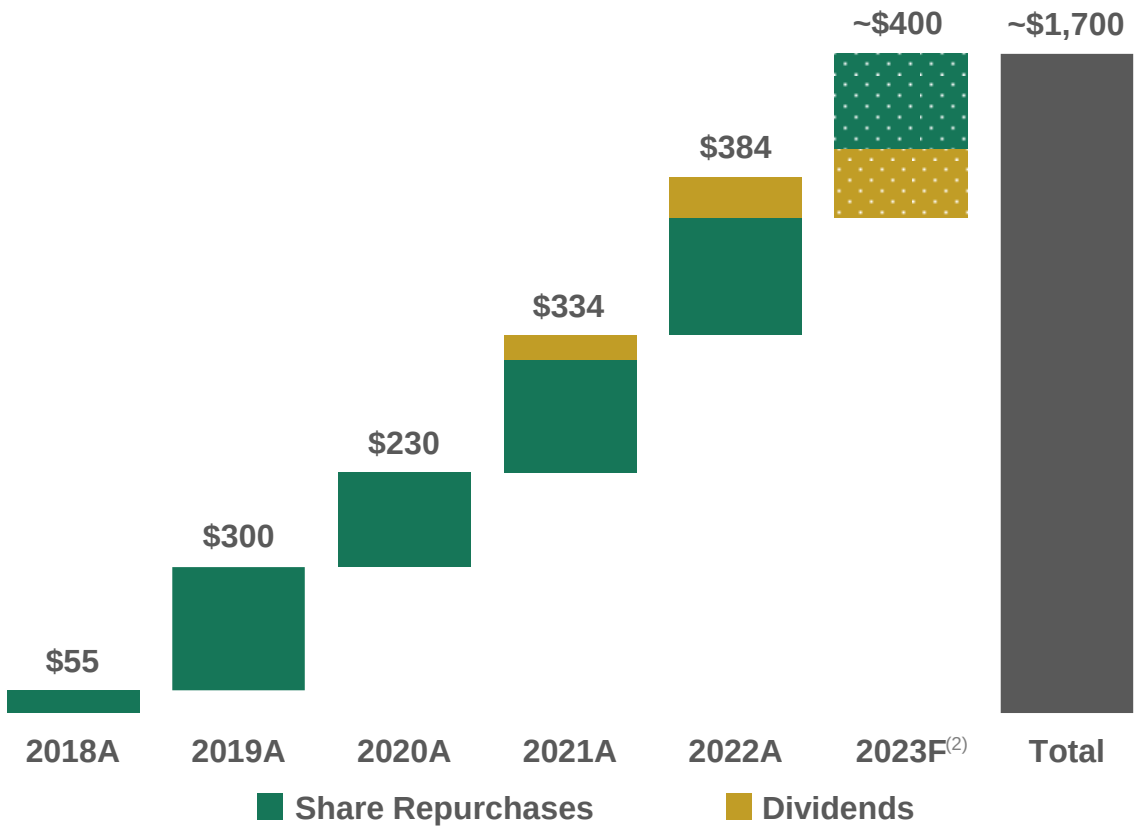
	2010A	2011A	2012A	2013A	2014A	2015A	2016A	2017A	2018A	2019A	2020A	2021A	2022A	2023F(3)
Brent(4)	$80	$111	$111	$109	$100	$54	$45	$55	$72	$64	$43	$71	$99	~$80

Parex has a 10+ year track record in Colombia, with the team and strategy in place to continue generating total returns for shareholders

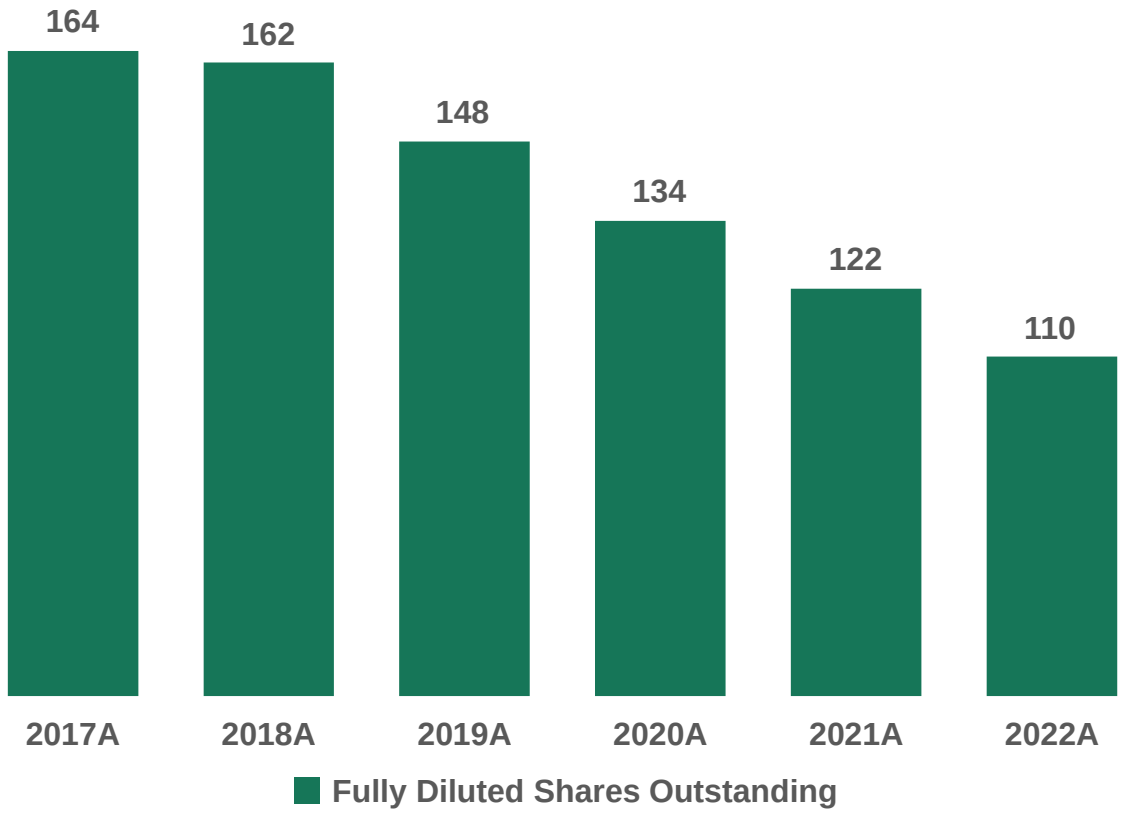
(1) See "Historical Production" table within advisory for production by product type. (2) Non-GAAP ratio; per share based on weighted-average basic shares; see advisory. (2) Based on most recent guidance (see February 2, 2023, news release); mid-point of guidance; per share based on 106.6 million outstanding shares; see "Forward-Looking Statements and Financial Outlook" advisory. (3) Average Brent crude oil price per bbl for noted periods.

Track Record of Returning Capital

RETURN OF CAPITAL TRACK RECORD (CAD MM)[1]



USING FREE FUNDS FLOW TO LOWER THE SHARE COUNT



Returned over C$1.3B to shareholders and reduced the float by ~33% since 2017

(1) See "Forward-Looking Statements and Financial Outlook" advisory. (2) Current dividend based on C$0.375 per share quarterly dividend as first approved on February 2, 2023; USD/CAD assumption: 0.74.

- Track Record
- ***Strategy***
- Capital Allocation
- Sustainability & ESG
- Big ‘E’ Exploration

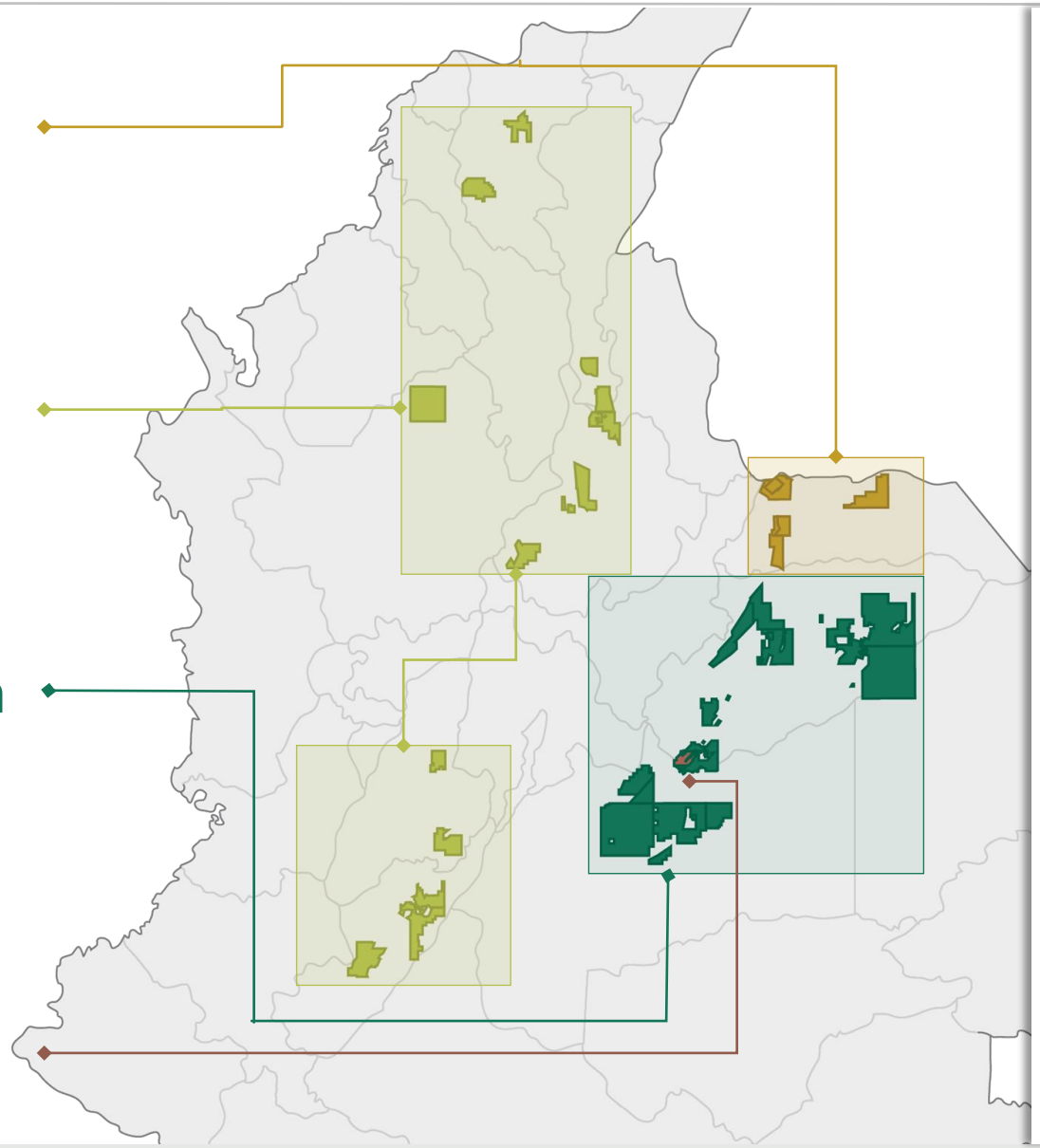
Strategically Investing in 2023 & Beyond

Northern Llanos Basin (Operated)

Magdalena Basins (Operated)

Southern Llanos Basin (Operated)

LLA-34 (Non-Operated)



Diversified Operations

- **SOCA** *(Southern Casanare)*: Reduce decline rate & future capital requirements
- **Northern Llanos & Mag:** Foundation for high capital efficiency growth
- **Big 'E':** Deep portfolio of transformational opportunities

Strategy: Strategic Levers to Grow

1 Exploitation & Technology

- Unlocking extensive land base using proven technology
- Step change in capital efficiency

2 Onshore Gas Potential

- Targeting liquid-rich gas fields
- Pursuing longer-term, world-class underexplored gas plays

3 Outsized Exploration Potential

- Focusing on transformational big ‘E’ exploration targets

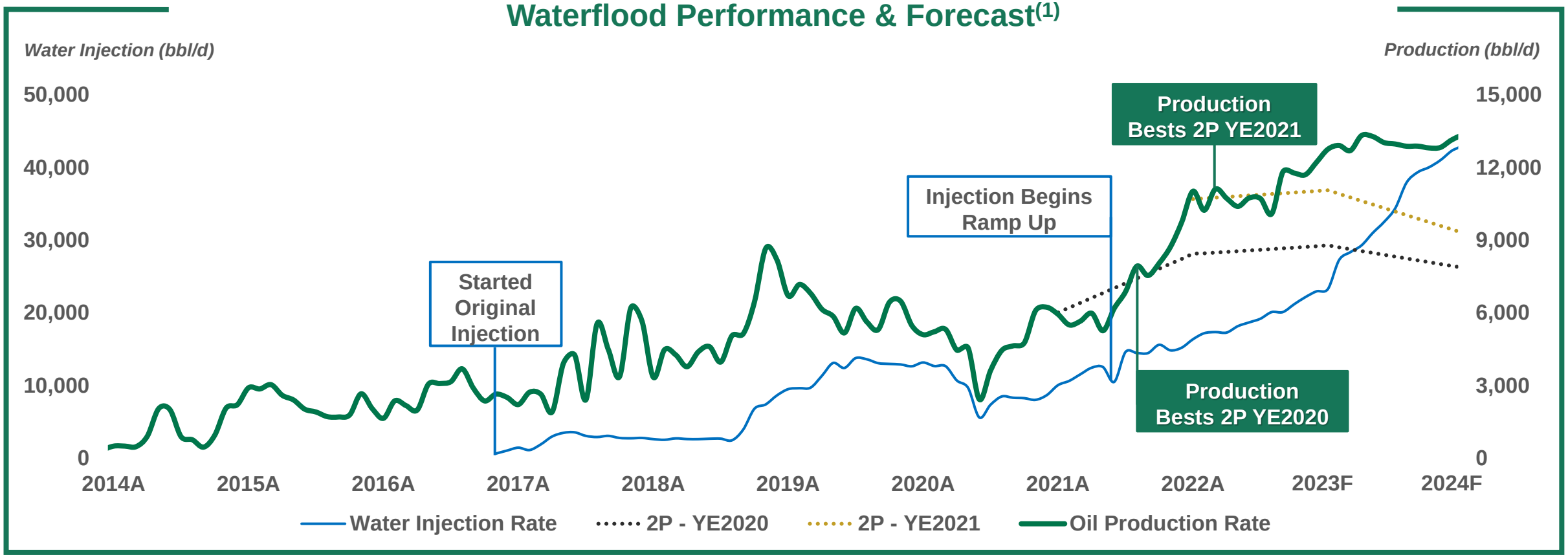
Business Fundamentals

Colombia Advantage & ESG	Sustainable Assets	Growing Production	Return of Capital

Cabrestero: Waterflood & Exploitation Delivering Success

Basin: Southern Llanos	Operator: PXT	W.I.: 100%

Waterflood Performance & Forecast(1)



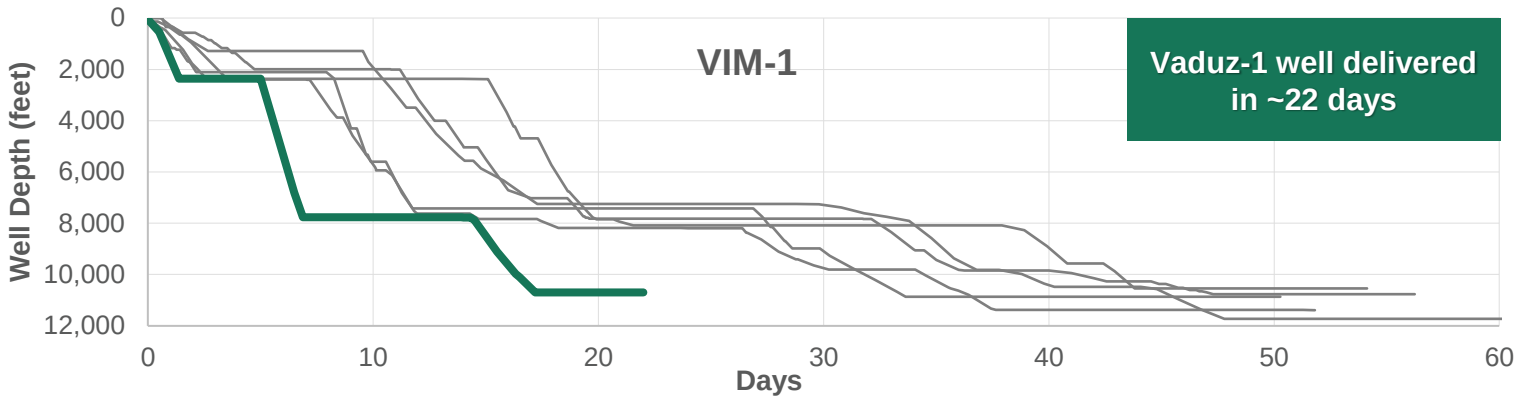
Typical for conventional pools to deliver sizable upside when incorporating optimization, pressure maintenance and delineation

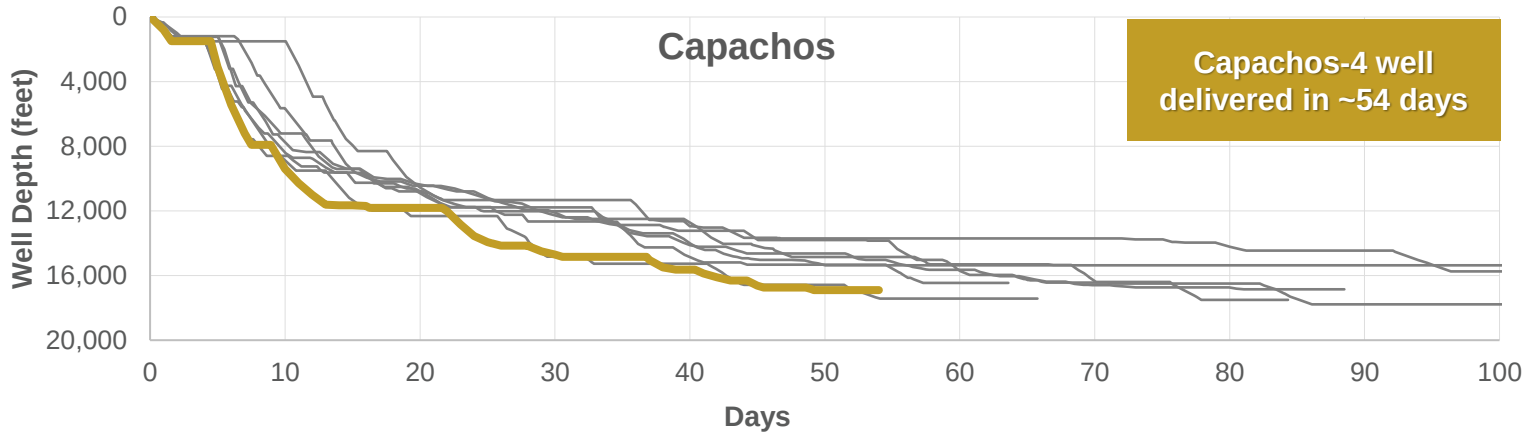
(1) See "Forward-Looking Statements and Financial Outlook" advisory.

Using Proven Technology to Increase Efficiency

Key Takeaways

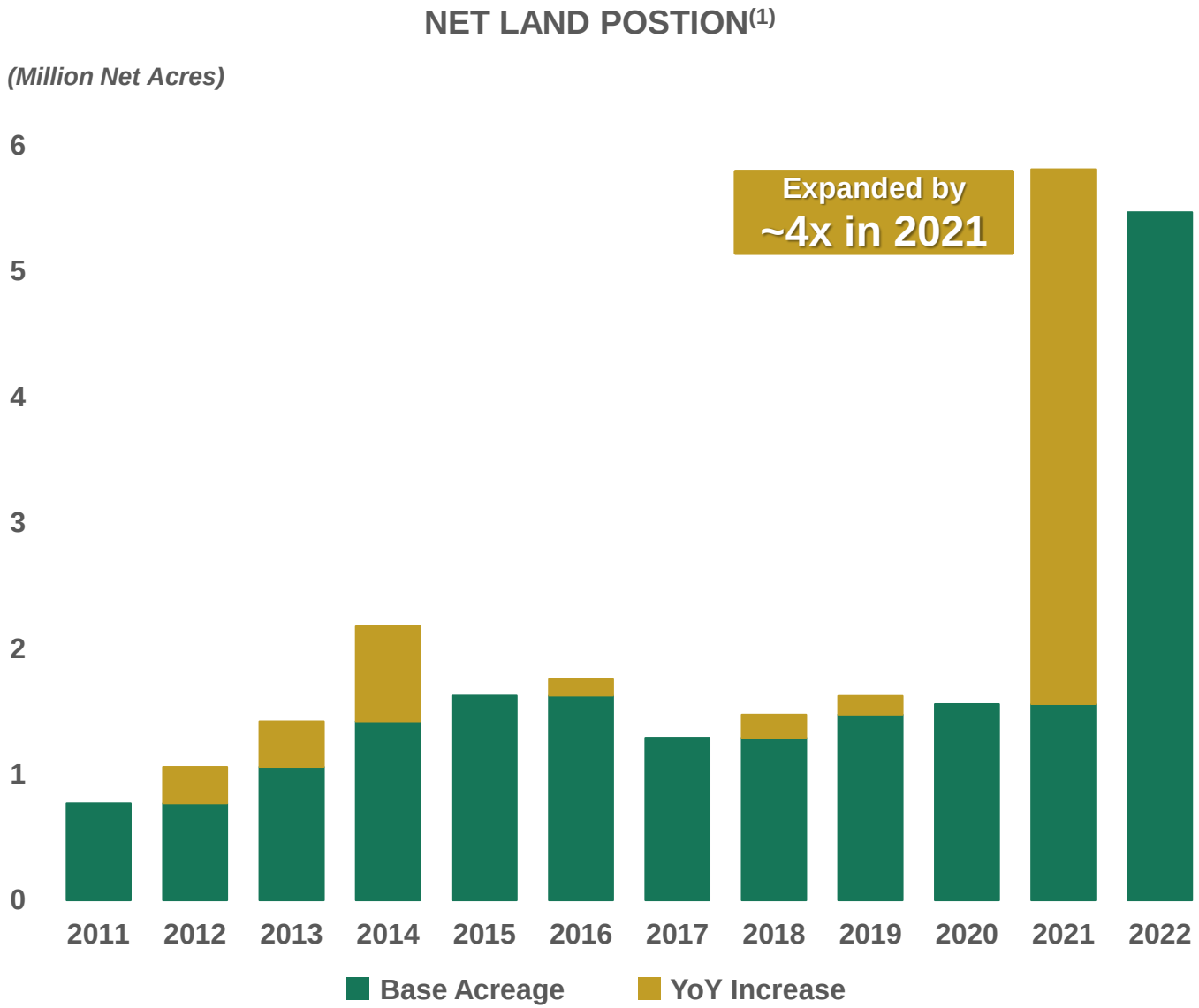
- **Synthetic mud has created a step change in the ability to drill challenging formations**
  - E.g., VIM-1 and Capachos
- **Only Colombian company that processes onsite synthetic mud cuttings**
  - Recycling ~70% of the volume for re-use on the next well
- **Significantly advanced horizontal drilling capabilities in 2022**
  - Drilled ~54,000 feet of horizontal wells during the year





Technological advancements, including synthetic mud & horizontals, drives down drilling costs and ultimately increases production efficiency

Significant Running Room for Growth



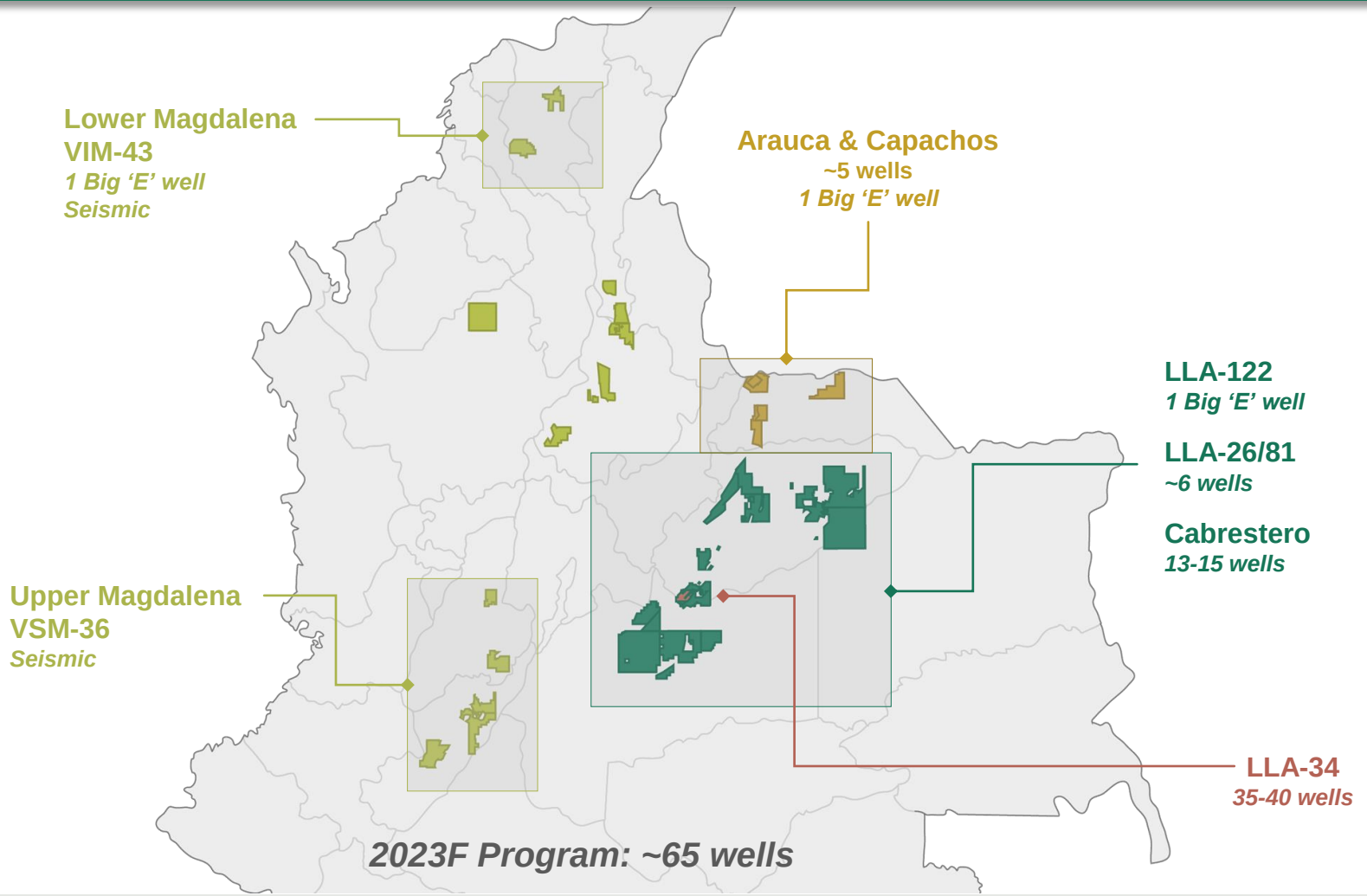
First-Mover Advantage

- **Now the largest independent acreage holder in Colombia with 40 blocks**
  - Added 18 blocks in the 2021 Colombia bid round
  - Built on existing relationship with Ecopetrol S.A. and executed Arauca & LLA-38 farm-in
- **Purposefully acquired long-lead items and equipment for capital programs**
  - Limits cost inflation exposure
- **Technology and people are in place to execute strategy**
  - Parex is a leader in bringing proven technology and expertise to Colombia

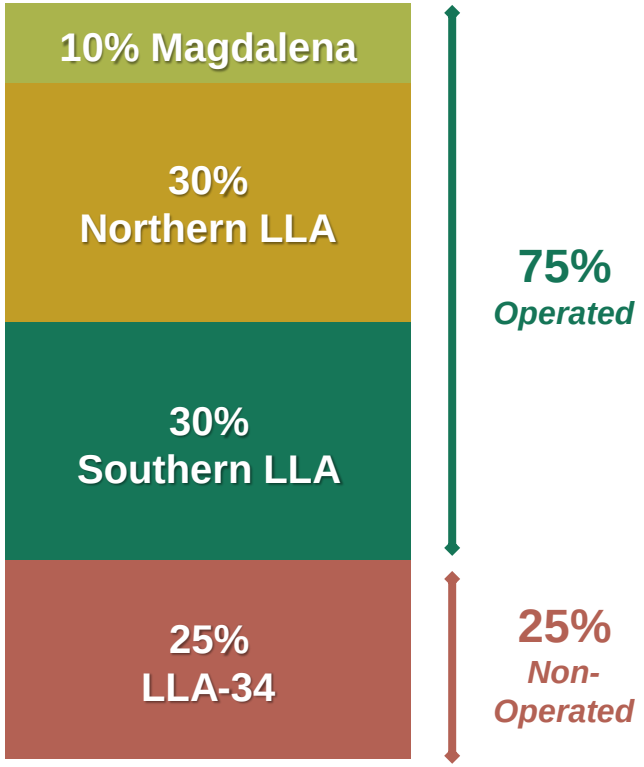
(1) As at year end; accounts for relinquished land and working interest where applicable.

2023 Guidance: Leveraging 2022 Growth

Total Production boe/d	**57,000-63,000** *~15% growth vs. 2022*	**Funds Flow** $ millions	**$705-780**(1)(2) *$80/bbl Brent*	**Capital Expenditures** $ millions	**$425-475**(3) *~18% lower than 2022*

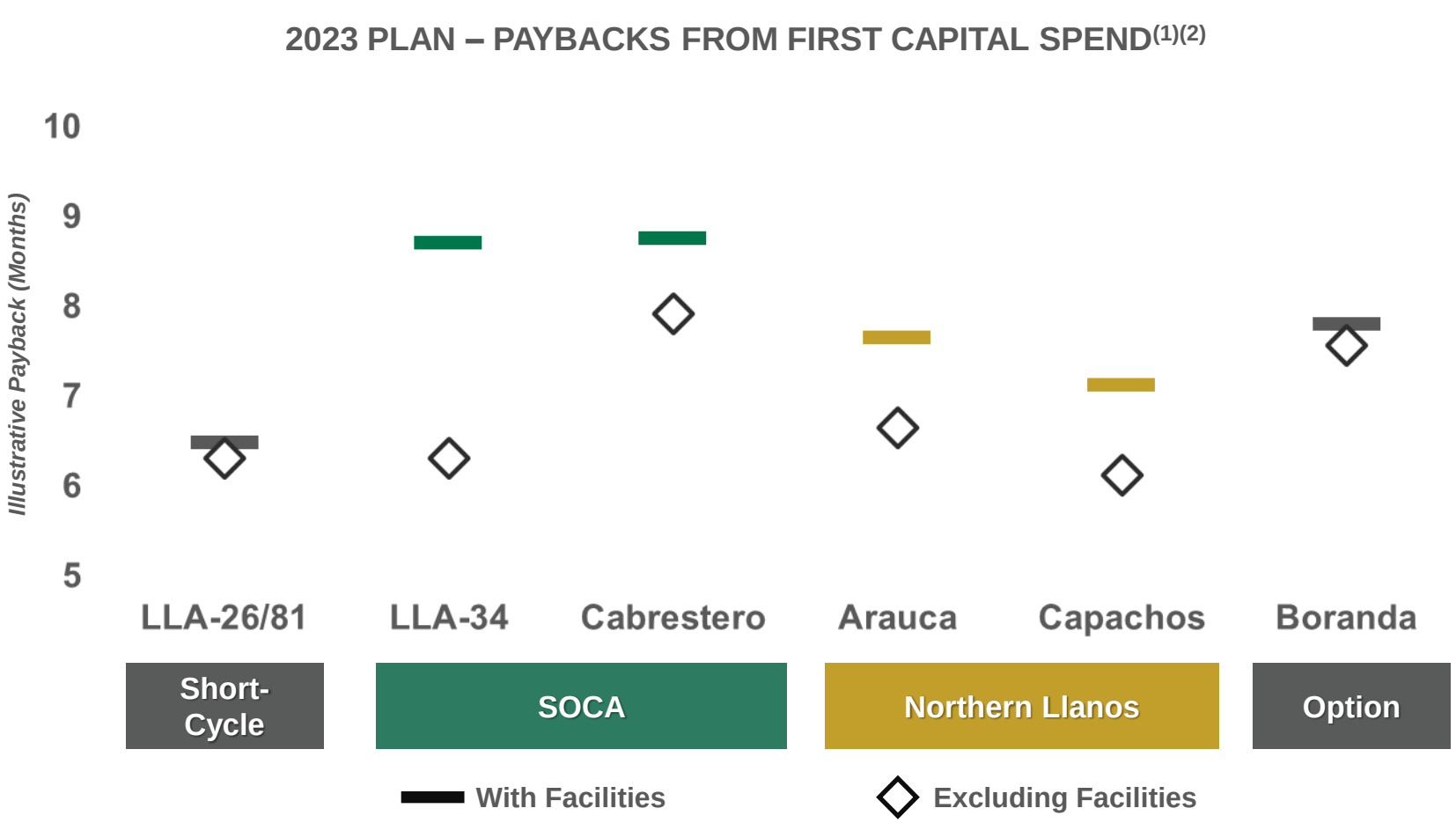


2023F CAPITAL DISTRIBUTION



See "Forward-Looking Statements and Financial Outlook" advisory.
(1) Funds flow provided by operations; capital management measure; see advisory. (2) Based on $80/bbl Brent and $4/bbl Vasconia differential equating to a $34/bbl FFO netback (see February 2, 2023, news release); FFO netback is a non-GAAP ratio, see advisory. (3) Non-GAAP financial measure; see advisory.

Deep Portfolio Can Deliver Quick Paybacks in 2023



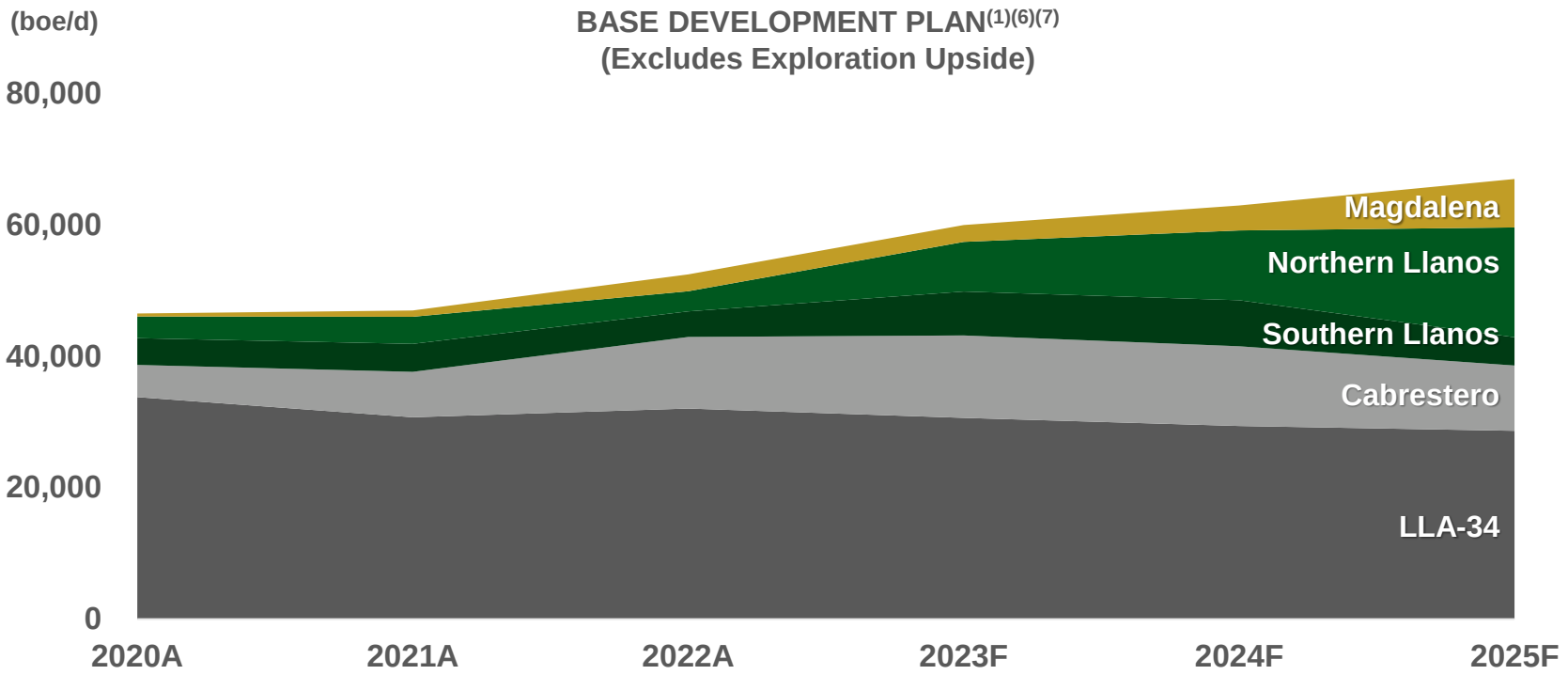
Paybacks Improve Over Time

- Short-cycle projects provide insultation from commodity price changes
- Cabrestero and LLA-34 focused on waterflood
- Facilities capital is upfront and leads to enhanced FFF(3) in the future
- Focused on minimizing decline and improving capital efficiency

Approximately 8-month average payback including infrastructure spending, which is expected to reduce further once facilities are in place

(1) See "Forward-Looking Statements and Financial Outlook." (2) Before tax; $80/bbl Brent; single well economics; with facilities spend in 2023 allocated on a per well basis. (3) Non-GAAP financial measure; free funds flow defined as funds flow less capital expenditures; see advisory.

Three-Year Plan: Efficiently Grow Production & Free Funds Flow



Exploration Strategy(6)

- **Approach:** ~$50MM per year on high-impact prospects for step-change exposure
- **Upside:** ~15 identified high-impact opportunities in portfolio
- **Forecast:** not included in base development plan

$80 Brent Case(1)(6)	Average Production (kboe/d)	FFO(2) ($ millions)	Base Plan Capital(3) ($ millions)	Exploration Capital(3) ($ millions)	Carry (A&D) Capital(3)(4) ($ millions)	Total Capital(3) ($ millions)	FFF(5) ($ millions)	Cumulative FFF(5) ($ millions)
2023E	60	$745	$360	$45	$45	$450	$295	$295
2024E	63	$780	$285	$50	$40	$375	$405	$700
2025E	67	$830	$275	$50	$0	$325	$505	$1,205

Successful exploration follow-up, including associated capital and production, is not reflected in the base development plan

(1) Long-term plan derived by utilizing, among other assumptions, historical Parex production performance and current cost assumptions, adjusted annually after 2023; budgets and forecast have not been finalized and are subject to a variety of factors, including prior year's results. (2) Funds flow provided by operations; capital management measure; see advisory; price assumptions: based on $80/bbl Brent and $4/bbl Vasconia differential equating to a $34/bbl FFO netback (see February 2, 2023, news release) for all years; no hedging; FFO netback is a non-GAAP ratio, see advisory. (3) Non-GAAP financial measure; see advisory. (4) Carry capital relates to the Arauca and LLA-38 farm-in agreement, as originally announced on July 7, 2021. (5) Non-GAAP financial measure; free funds flow defined as FFO less capital expenditures; see advisory. (6) See "Forward-Looking Statements and Financial Outlook." (7) See "Historical Production" table within advisory for production by product type.

- Track Record
- Strategy
- ***Capital Allocation***
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- Big ‘E’ Exploration

Long-Term Capital Allocation Framework

1. Invest ~2/3 of FFO(1) back into the business

2. Return ≥1/3 to shareholders

Near-Field Investments

- **Drive sustainable business model**
  - Invest in long-term growth
  - Replenish development inventory
- **Portion of investment geared towards step-change exploration opportunities**
  - Balanced approach and actively manage risk & reward
  - Capitalizes on our Colombia advantage to generate potential for outsized returns

Big ‘E’

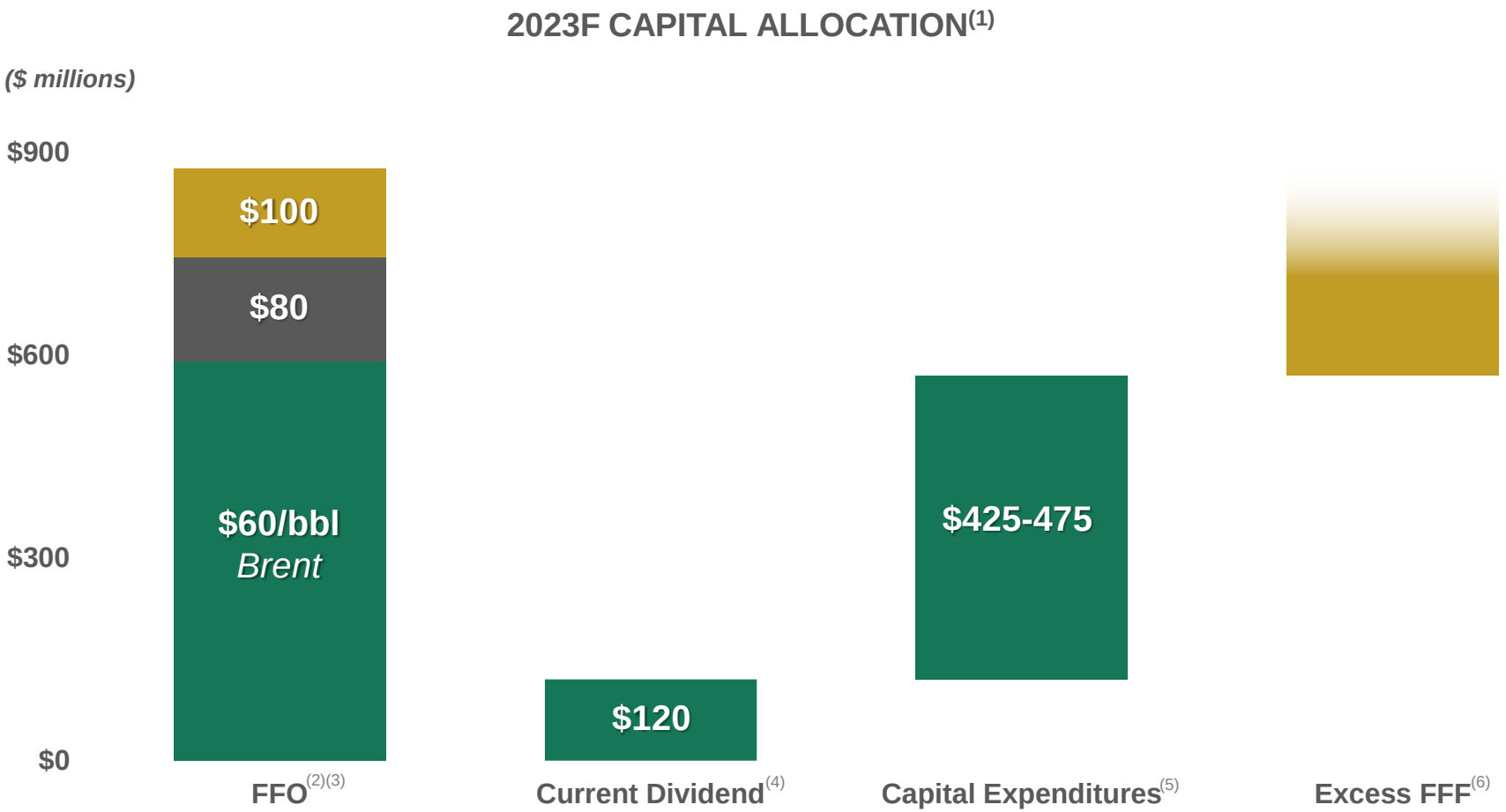
Dividends + Share Buybacks

- **Quarterly base dividend**
  - Target dividend growth
  - Ensure sustainability through commodity cycles
- **Share repurchases**
  - Mechanism to supplement returns

Target the return of at least 1/3 of total funds flow (FFO)(1) and 100% of free funds flow (FFF)(2) to shareholders

(1) Funds flow provided by operations; capital management measure; see advisory. (2) Non-GAAP financial measure; free funds flow defined as funds flow less capital expenditures; see advisory.

Reinforcing the Capital Allocation Framework in 2023



Focused on Efficient Capital Allocation

- **Treatment of Excess FFF(6)**
  - Target 100% to shareholder returns
- **Capital Flexibility**
  - Below sustained $60/bbl Brent, option to reduce capital by up to $100MM
  - Capital reduction would be reduced to retain FFF(7) profile

Based on capital allocation framework, reduced capital to increase free funds flow (FFF) and plan to return 100% of FFF to shareholders through dividends and share buybacks

(1) See "Forward-Looking Statements and Financial Outlook" advisory. (2) Capital management measure; see advisory. (3) Based on FFO netback sensitivity estimate from most recent guidance (see February 2, 2023, news release); midpoint of guidance; FFO netback is a non-GAAP ratio, see advisory. (4) Based on C$0.375 per share quarterly dividend as first approved on February 2, 2023. (5) Non-GAAP financial measure; see advisory. (6) Excess FFF is defined as FFO less capital expenditures, less the current dividend. (7) Non-GAAP financial measure; free funds flow defined as funds flow less capital expenditures; see advisory.

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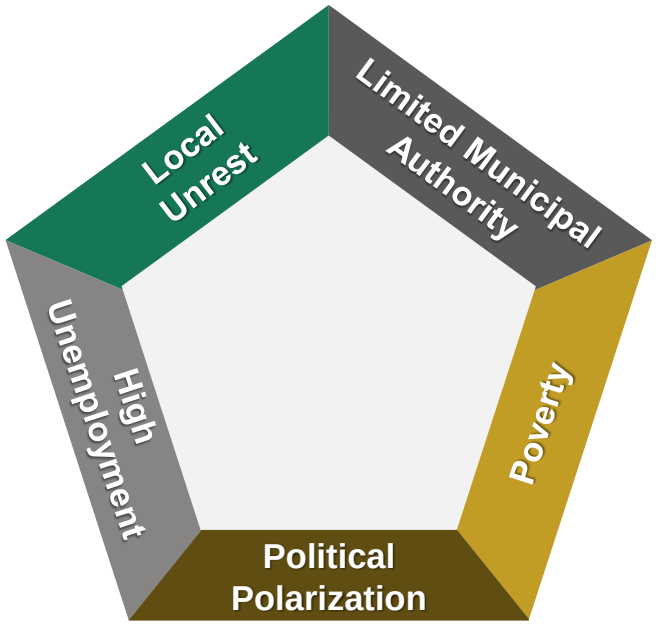
Working Collaboratively with Communities



WE GENERATE SHARED BENEFITS

TRUST – GOOD NEIGHBORS – PARTNERS FOR DEVELOPMENT

OPERATIONAL CONTINUITY

Complex Environments → We are Committed to Long-term Partnerships → We Mitigate & Manage Risk → We Create Opportunities → We Generate Shared Benefits

Parex's approach to community engagement is proactive, centered on trust, ensuring shared benefits, and maintaining our reputation as their operator and partner of choice

Continued Top-Tier ESG Performance

E

- Reduced GHG intensity by 43% since 2019
- Cabrestero solar field completed; projected to avoid 3,500 tCO2-e per year
- Plan to eliminate routine flaring by 2025

S

- Invested ~US$6 million in communities in 2022
- Increased clean drinking water access for over 30,000 people since 2017
- 17 houses built for disadvantaged families since 2017

G

- 30% Board diversity target met ahead of aspiration
- 9 out of 10 independent directors
- 2022 variable compensation ~20% linked to ESG metrics

External Recognition

MORNINGSTAR | SUSTAINALYTICS
ESG INDUSTRY TOP RATED
2023

27.2 Rating(1)

6th Percentile among global E&Ps

Scale: 0 to 50 risk high exposure

MSCI ESG RATINGS
AA
CCC | B | BB | BBB | A | AA | AAA

AA Rating(2)

Scale: AAA to CCC

Bloomberg Gender-Equality Index 2022

JSI JANTZI SOCIAL INDEX

(1) As of April 13, 2023, Parex received an ESG Risk Rating of 27.2 from Morningstar Sustainalytics and was assessed to be at Medium Risk of experiencing material financial impacts from ESG factors (6th Percentile). In no event the presentation shall be construed as investment advice or expert opinion as defined by the applicable legislation. Such information and data are proprietary of Sustainalytics and/or its third-party suppliers and are provided for informational purposes only. (2) As of February 28, 2023, Parex received an MSCI ESG Rating of AA (on a scale of AAA-CCC).

- Track Record
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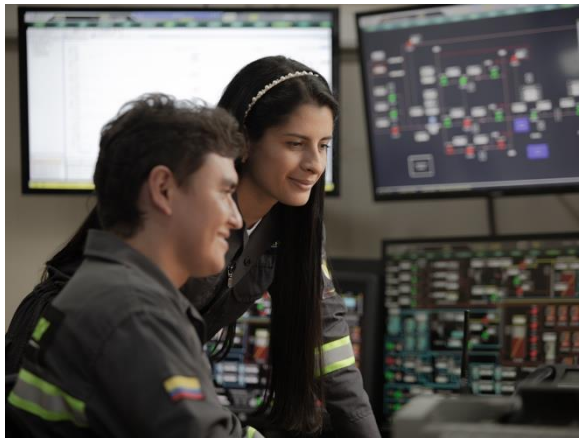
- ***Big ‘E’ Exploration***

Big ‘E’ Exploration: Transformational Opportunities

~15

High-impact exploration prospects in portfolio



Strategy targets prospects

>20,000

boe/d per

Diversified across both

Oil & Gas

opportunities

Asymmetrical

Risk & Reward

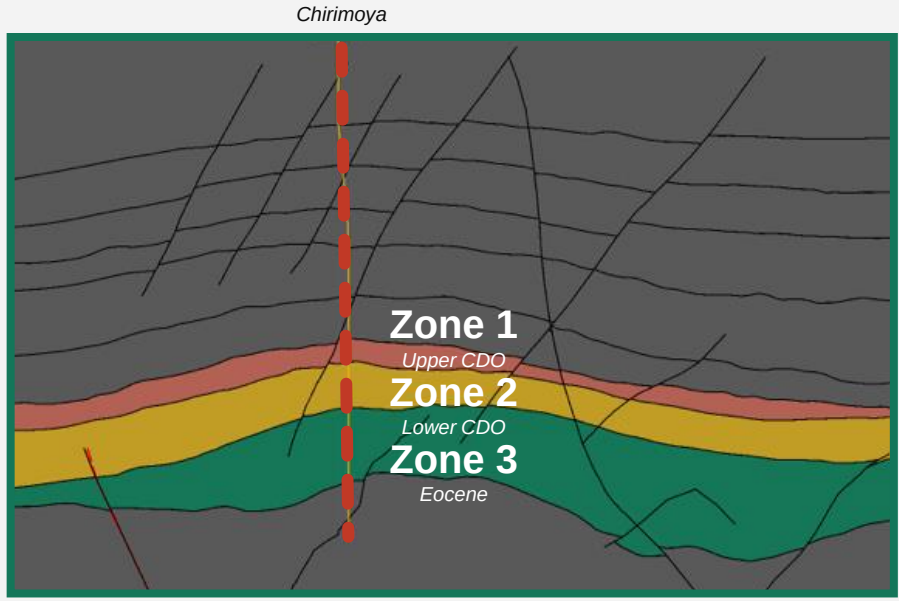
Expect to deliver roughly one catalyst per quarter

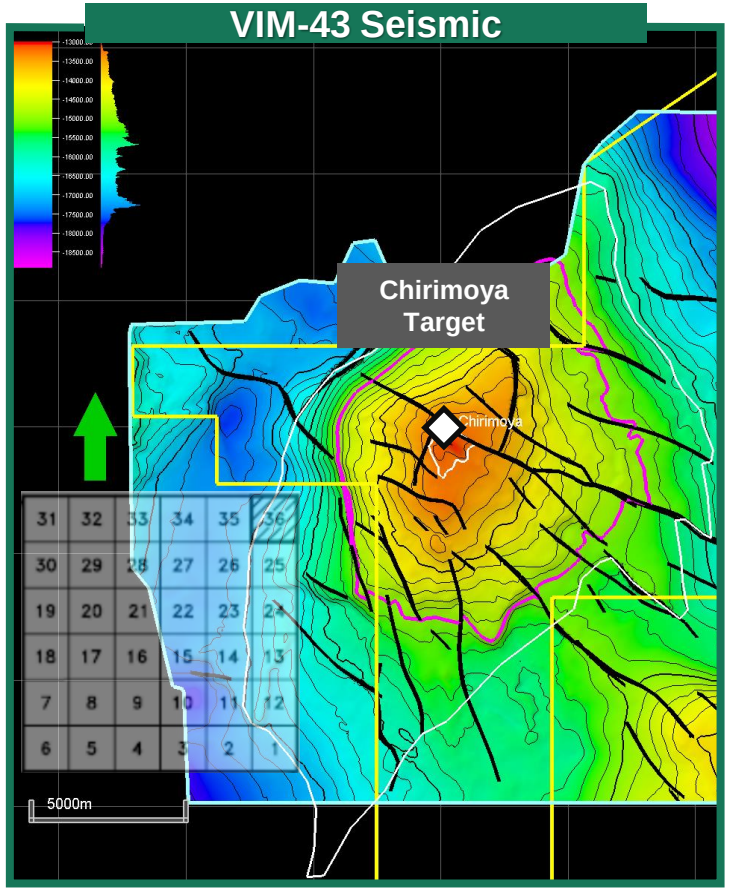
VIM-43 (*Chirimoya):* Transformational Exploration Prospect

Basin: Magdalena	Operator: PXT	W.I.: 100%

Stacked reservoir highly increases chance of success

- Identified three potential reservoirs
- Successfully reached wells' target depth of ~17,500 feet
- Planning to case and test the well in Q2 2023
- **What success looks like:** development program with >10 wells





Condensate & Gas
Target

Q1 2023
Initial Spud Date

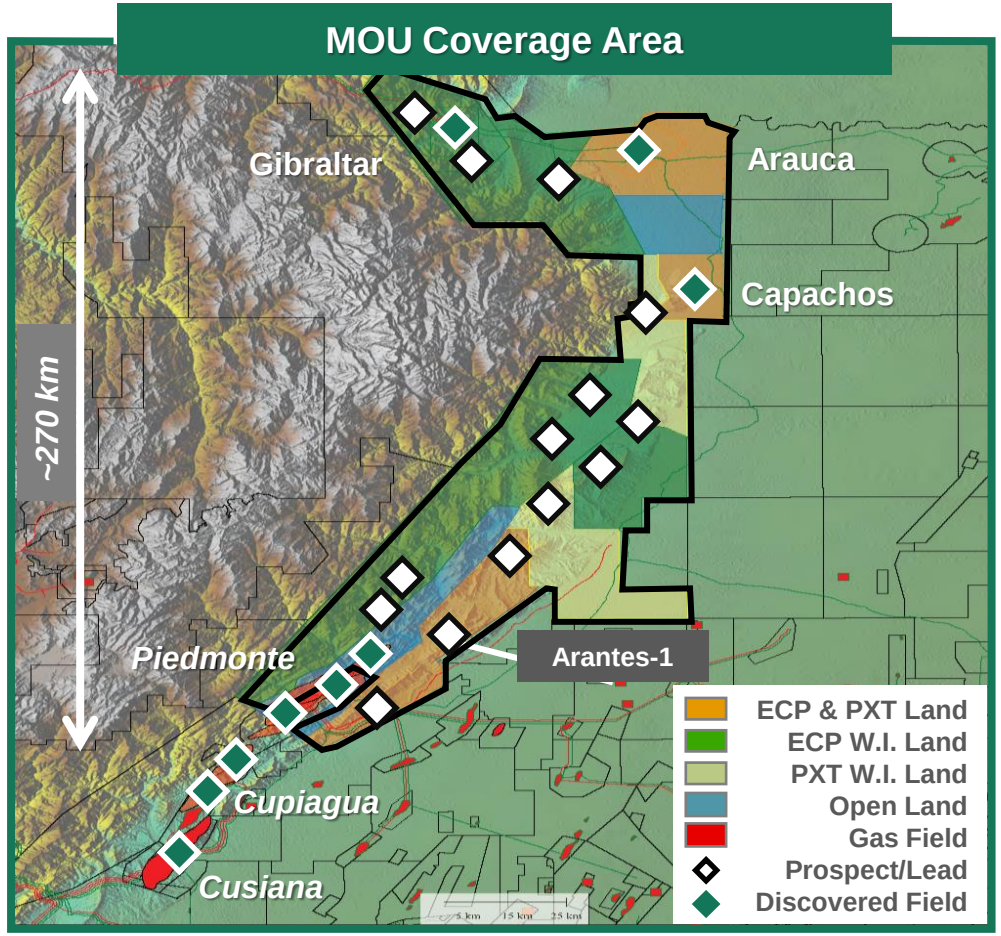
Q2 2023
Initial Results Expected

No Comparable Analogues Nearby

MOU with Ecopetrol in High-Potential Foothills Trend

Memorandum of Understanding (MOU) with Ecopetrol S.A.

- **MOU signed with Ecopetrol, Colombia's national oil company**
  - Building on existing, successful relationship with Ecopetrol
  - Area of coverage spans 13 blocks in the high-potential Foothills trend in the Llanos Basin
- **Focus of the MOU**
  - Maximize synergies within the trend
  - Maximizing use of existing infrastructure
- **Progress is already underway**
  - Capachos farm-in: operating block
  - Arauca & LLA-38 farm-in: first well was spud in Q1 2023
  - Next step: LLA-122 (Arantes) to be spud in late Q4 2023



Nearby Producing Field Analogues(1)

Basin: Foothills
Production: ~25,000 boe/d
Cumulative Recovery: ~150 mmboe

(1) Source: IHS; See "Analogous Information" advisory.

Key Takeaways

- Transitioned from a single asset company to a ***Colombia-wide operator***
- ***Flattening decline, leading to lower maintenance capital requirements***
- Building a sustainable base for production growth while delivering a **step change in capital efficiency**
- Providing exposure to ***outsized returns*** driven by big ‘E’ exploration
- ***Continuing to return 100% of free funds flow from operations to shareholders*** through dividends and share buybacks
- Delivering ***top-tier ESG performance***

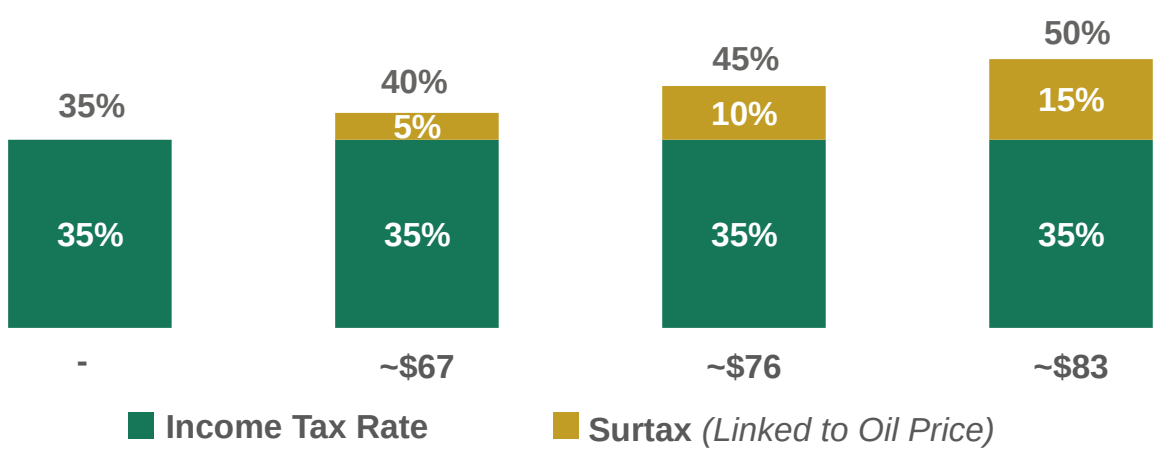
Appendix

Colombia Tax Reform – 2023 Impact

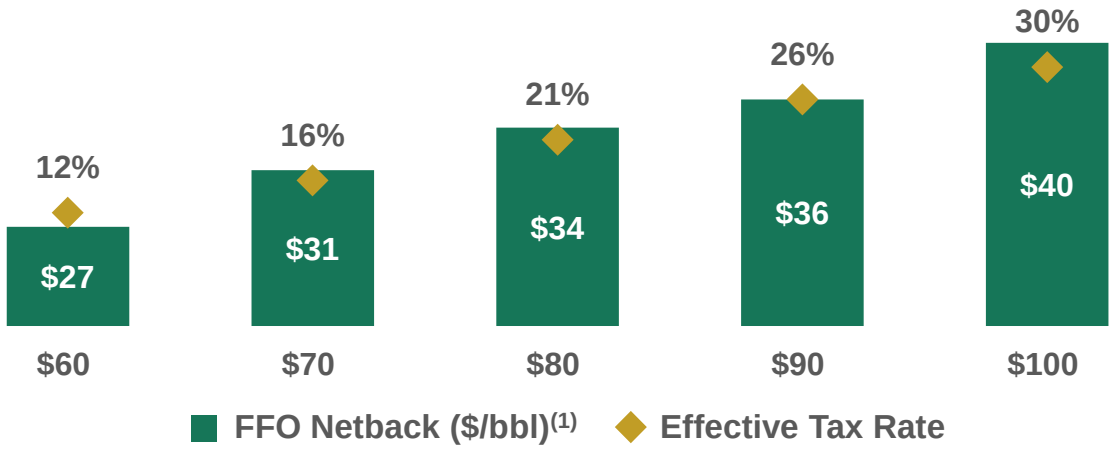
New Government Surtax & Change to Royalty Deductions

- **Government has established an income surtax of up to 15% linked to Brent crude oil price**
  - Indexed to 120-month (10 years) historical Brent crude oil price
- **Government will prevent the deduction of base royalties paid to the government from the income tax calculation**
  - Only base royalties are expected to be impacted
  - X-factor and high price participation factors are expected to be excluded

CORPORATE INCOME TAX & SURTAX SENSITIVITY
($/bbl Brent)



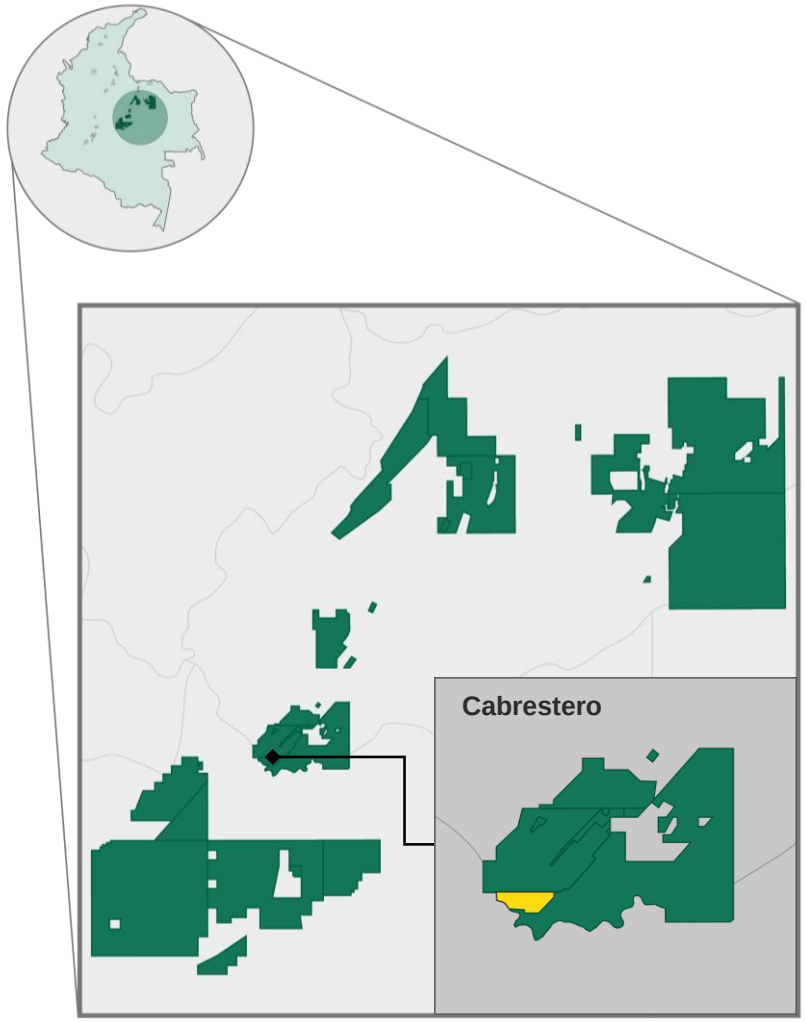
PXT 2023F FUNDS FLOW FROM OPERATIONS NETBACK SENSITIVITY(1)
($/bbl Brent)



(1) Non-GAAP ratio; see advisory; FFO netback based off a $4/bbl Vasconia differential (see February 2, 2023, news release); see "Forward-Looking Statements and Financial Outlook" advisory.

Cabrestero: Waterflood & Exploitation

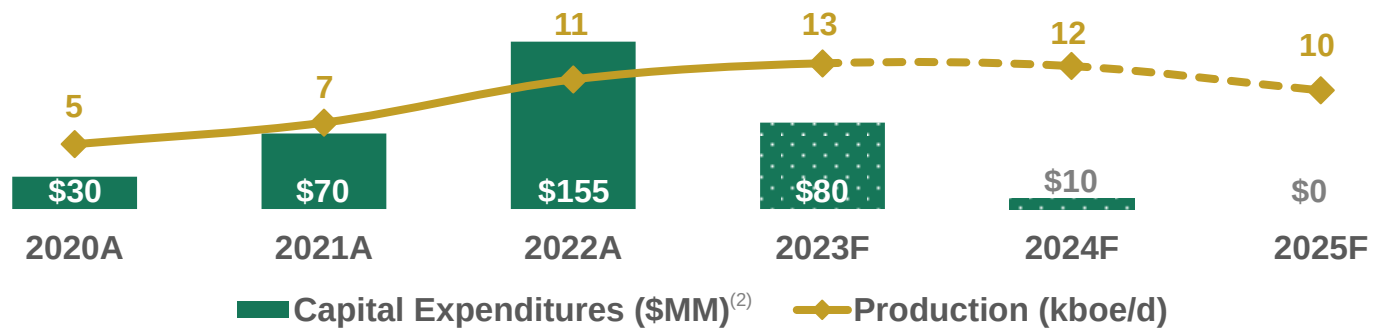
Basin: Southern Llanos	Operator: PXT	W.I.: 100%



Focused on pressure management, minimizing decline & near-field exploration

- **Current development plan includes down spacing and waterflood injection**
  - Flattens decline rate and accelerates oil recovery
- **Facility expansion**
  - Expansion of current capacity from 30 kbfpd to ~120 kbfpd in 2023
- **Near-field exploration opportunities**
  - In 2022 executed a near-field exploration discovery in a new play
  - Near-field successes can be immediately tied into existing facilities

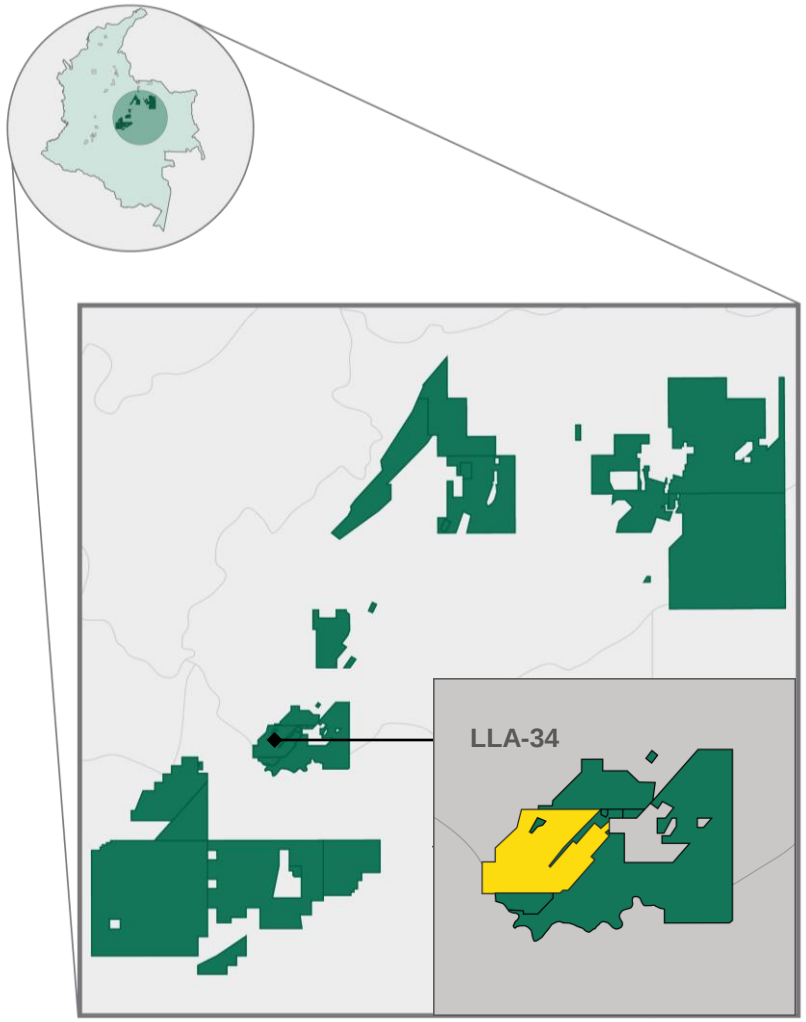
PRODUCTION & CAPITAL FORECAST PROFILE (NET)(1)



(1) After 2023F, budgets and forecast have not been finalized and are subject to a variety of factors, including prior year's results; see "Forward-Looking Statements and Financial Outlook" advisory. (2) Non-GAAP financial measure; see advisory.

LLA-34: Replicating Success from Cabrestero

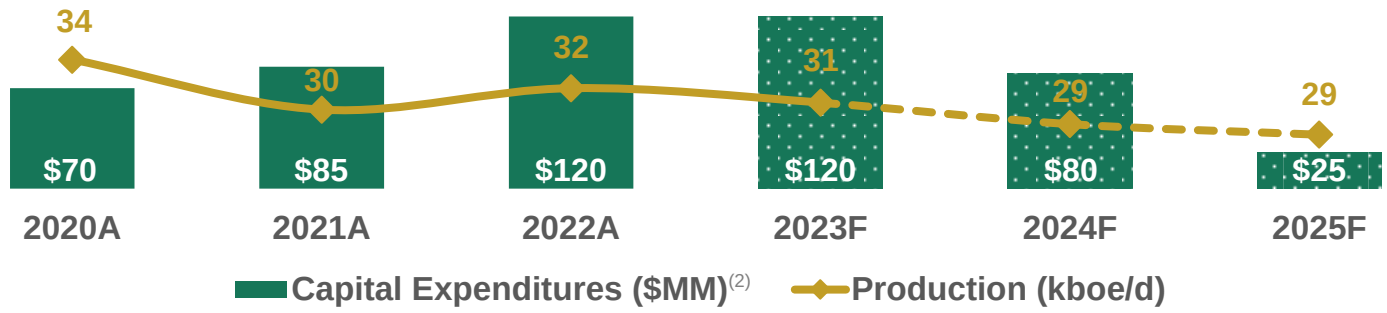
Basin: LLA-34 (Llanos)	Non-Operator	W.I.: 55%



Focused on accelerating production, minimizing decline and delineation

- **Current development plan includes down spacing and waterflood injection**
  - Down spacing to ~40 acres and waterflood injection pattern
  - Major facility expansion to ~610 kbfpd in 2023 to accelerate oil recovery
- **Operational reliability has been improved by the electrification of the block**
  - National grid tie-in completed H2 2022
- **Maximizing delineation efforts though utilization of sidetrack options**
  - Roughly 10 horizontal well locations have been identified for future exploitation

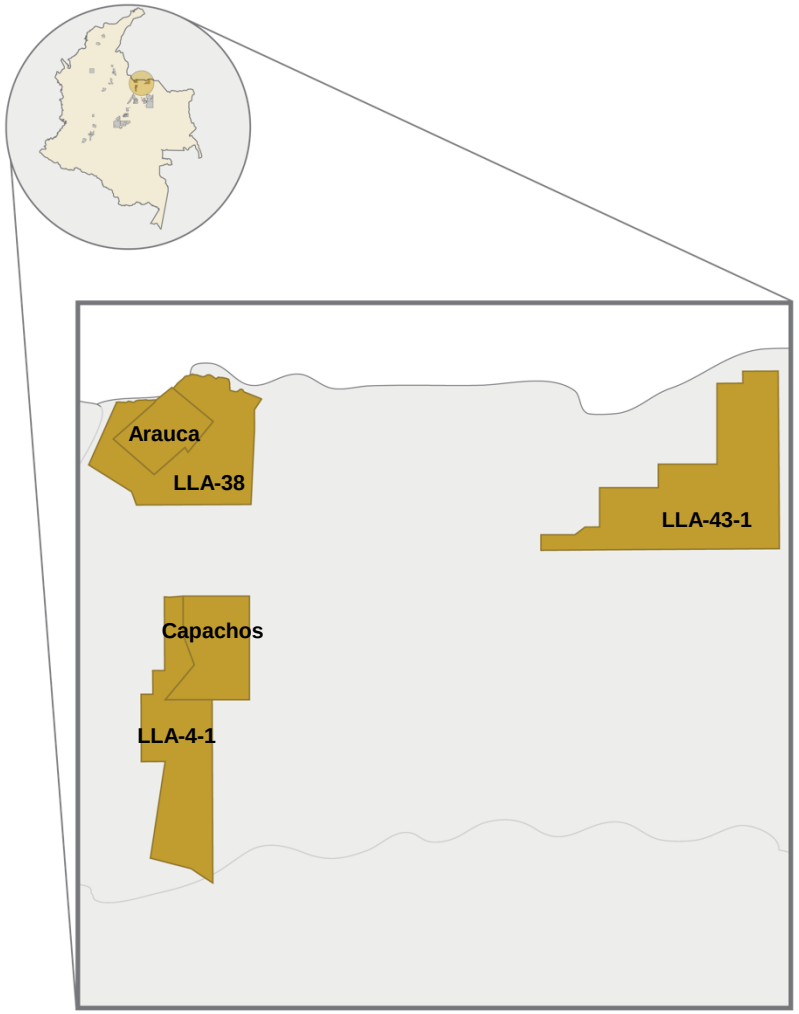
PRODUCTION & CAPITAL FORECAST PROFILE (NET)(1)



(1) After 2023F, budgets and forecast have not been finalized and are subject to a variety of factors, including prior year's results; see "Forward-Looking Statements and Financial Outlook" advisory. (2) Non-GAAP financial measure; see advisory.

Capachos & Arauca: Northern Llanos Future Growth Engine

Basin: Northern Llanos	Operator: PXT	W.I.: 50%

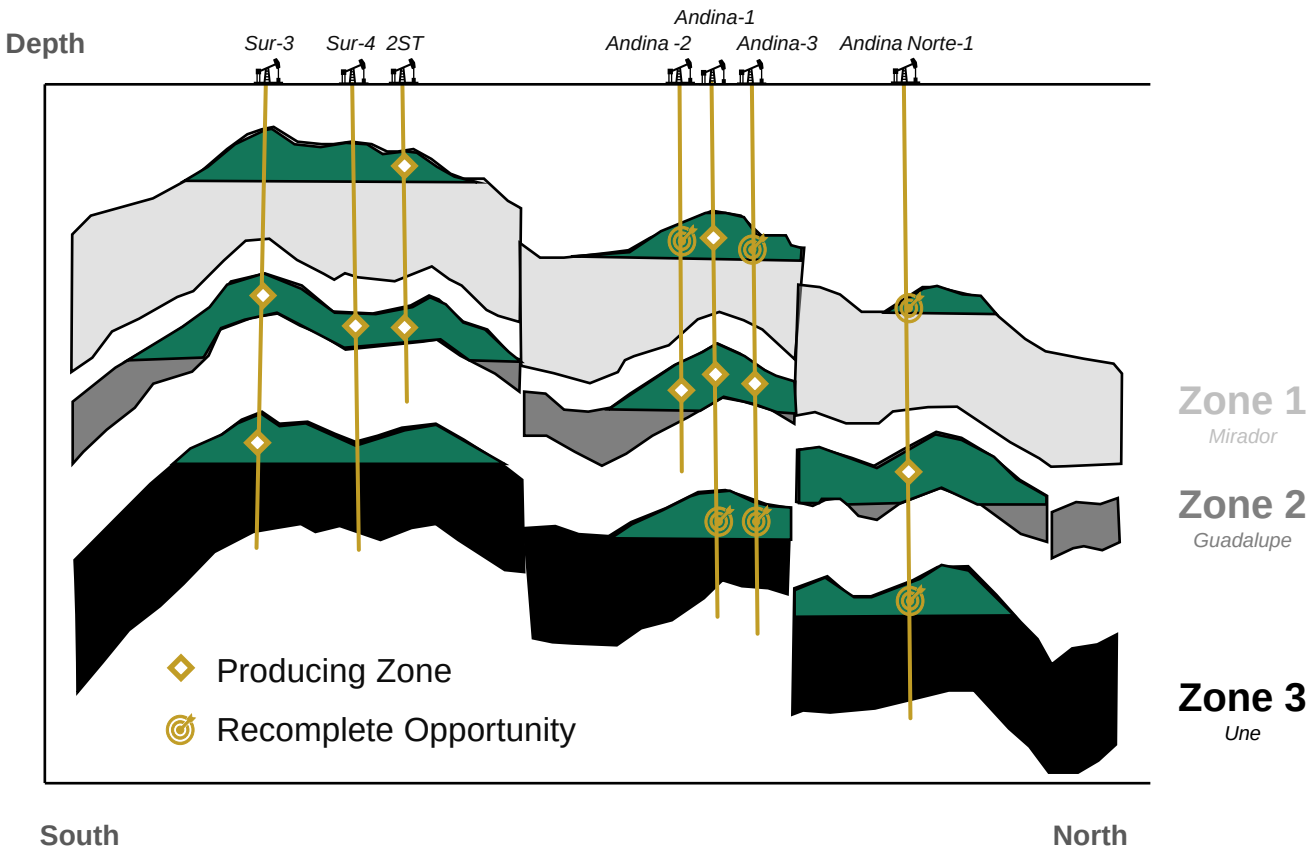


Accelerating development with high growth potential in the future

- **Historically difficult to access and challenging to drill**
  - Operating successfully in Capachos since 2018
  - First Arauca well spud in January 2023, beginning drilling campaign
  - Drilling in Capachos at roughly 1/3 of the cost of early historical wells
- **Superior reservoir quality and attractive royalty structures**
  - Multi-layer potential with three zones that can be targeted
  - Highest netbacks in the portfolio: ~$80/bbl operating netback at ~$100/bbl Brent
- **Removing facility restrictions through expansions and pre-investment**
  - Capachos: increasing fluid handling from 15 kbbl/d to 25 kbbl/d
  - Arauca: installing facilities in 2023 to handle ~40 kbbl/d

Capachos: Leveraging Multi-Zone Potential

Basin: Northern Llanos	Operator: PXT	W.I.: 50%



Testing Success(1)

Well: Andina-1

~6,800 bopd (gross)

30% Drawdown

First test of the Mirador in the Andina field

Key Takeaways

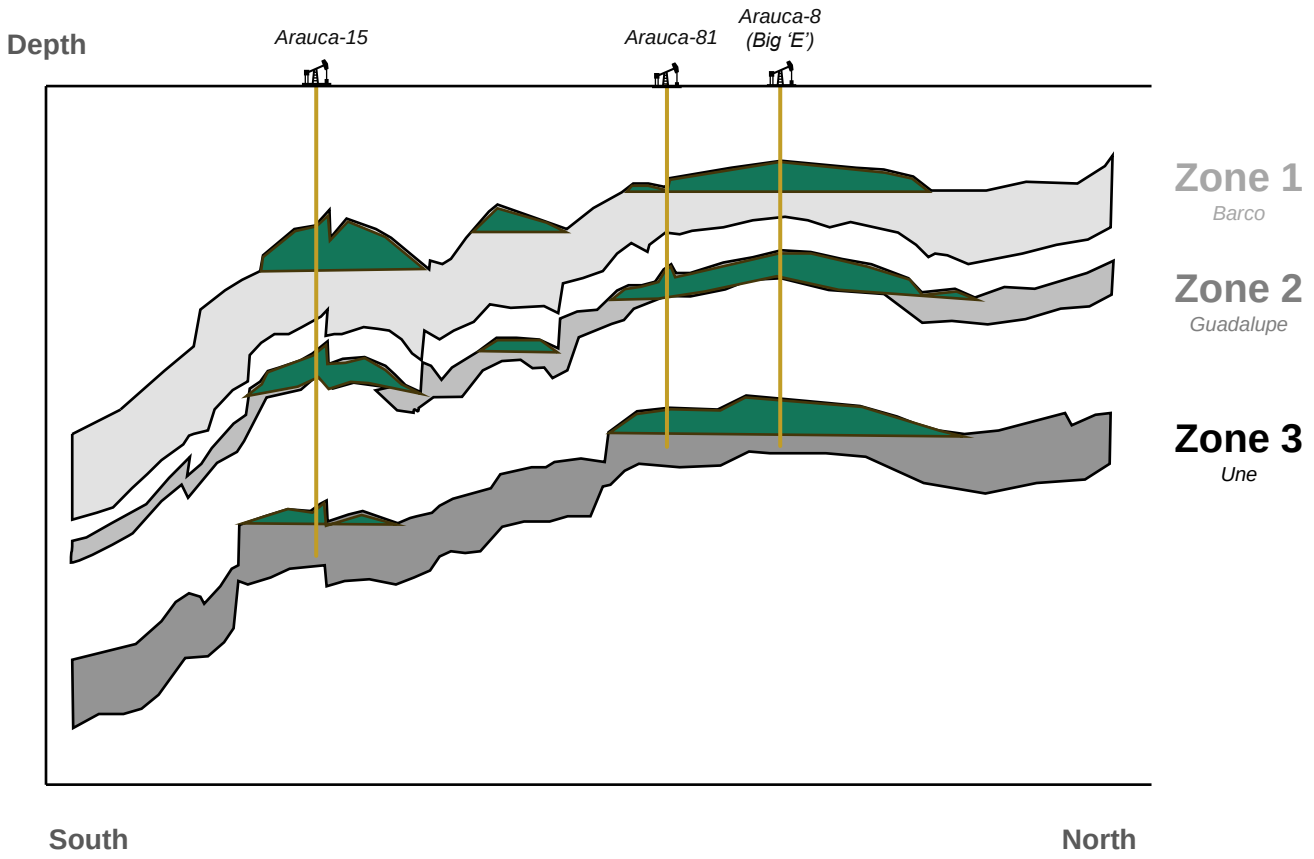
- **Strong well capability that drives high production rates**
- **Removing bottlenecks through facility expansion**
- **Area has high-potential, near-field exploration opportunities**

2022 average is ~3,000 boe/d net and expected to be greater than 6,000 boe/d net with facility expansion and recompletion efforts in 2023

(1) See "Oil and Gas Information" advisory; well test details (see December 6, 2022 news release).

Arauca: Building Off of Capachos to Drive Future Growth

Basin: Northern Llanos	Operator: PXT	W.I.: 50%



Historical Wells Tested[1]

Historical Capability

>5,000 bbl/d

Utilizing PXT production practices

~10MM bbl produced from three wells in a single zone

Key Takeaways

- Targeting proven, multi-zone reservoirs
- Modern 3D processing being applied
- Prolific Une zone has never been penetrated
- Utilizing Capachos drilling knowledge to drive strong capital efficiency
- Initial facility is for ~40,000 bfpd

By 2025, expect to grow field from 0 to ~20,000 boe/d gross

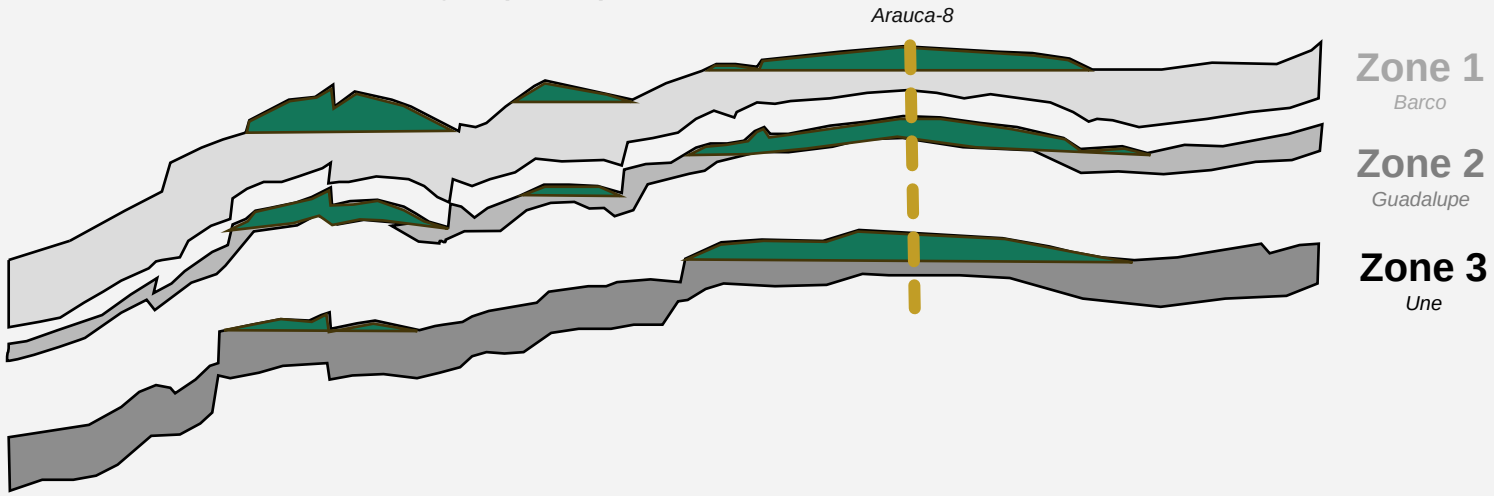
(1) Source: International Petroleum (Colombia) Ltd.; see "Oil and Gas Information" advisory.

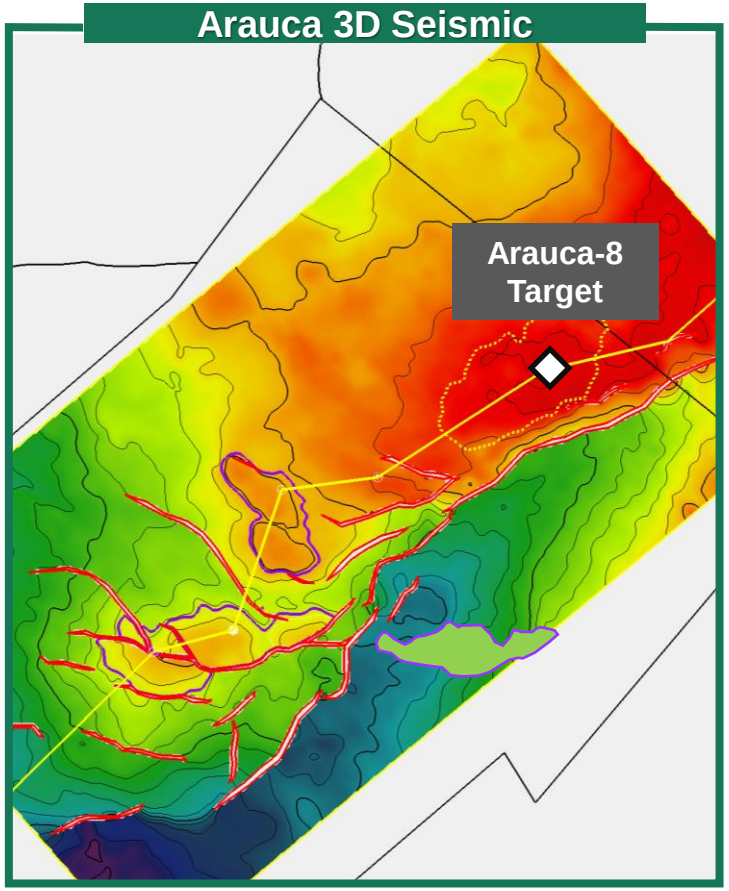
Arauca (*Arauca-8):* Multi-Zone, High-Impact Exploration Target

Basin: Northern Llanos	Operator: PXT	W.I.: 50%

Proven light-oil reservoir with high chance of success

- **Previous development was on 2D seismic and halted due to social issues**
- **What success looks like:** development plan with 3-10 wells and gas cycling plan that would allow for early liquids production





Oil, Gas & Condensate
Target

Q3 2023
Initial Spud Date

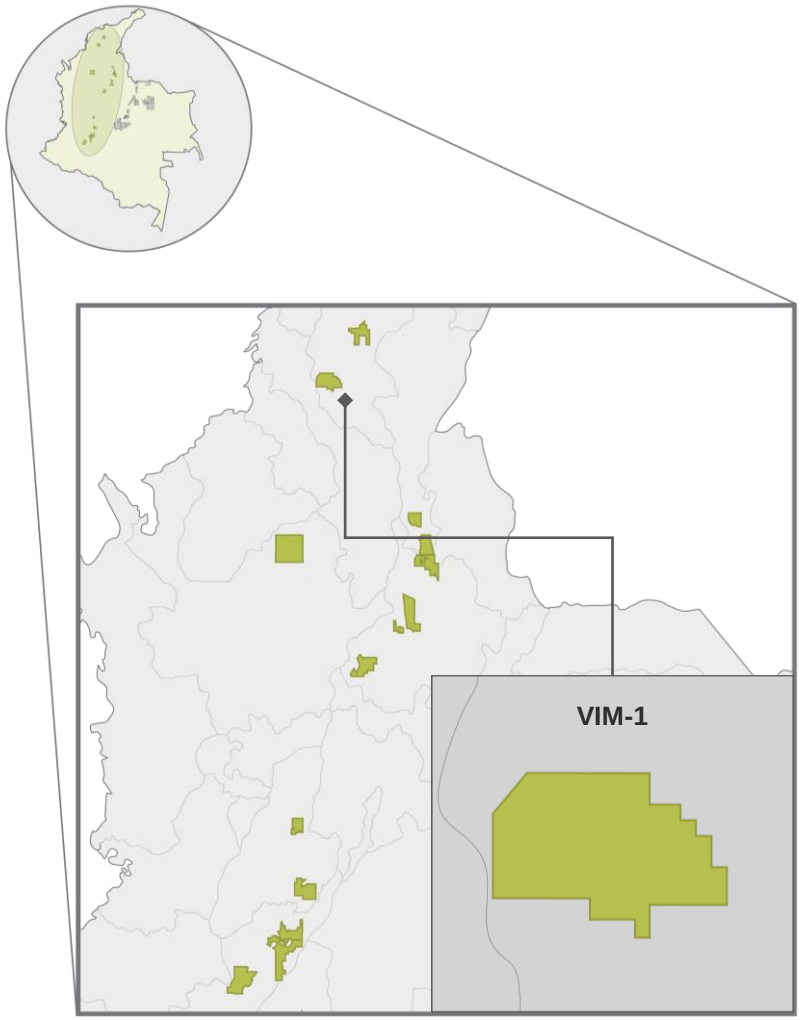
Q4 2023
Initial Results Expected

Nearby Producing Field: Capachos Block EUR(1)
3P: 55 mmboe
2P: 41 mmboe
1P: 33 mmboe

(1) Gross Estimated Ultimate Recovery from independent reserves report prepared by GLJ Ltd. dated February 3, 2023, with an effective date of December 31, 2022; see "Oil & Gas Information" advisory.

VIM-1: Steppingstone that Diversifies the Portfolio

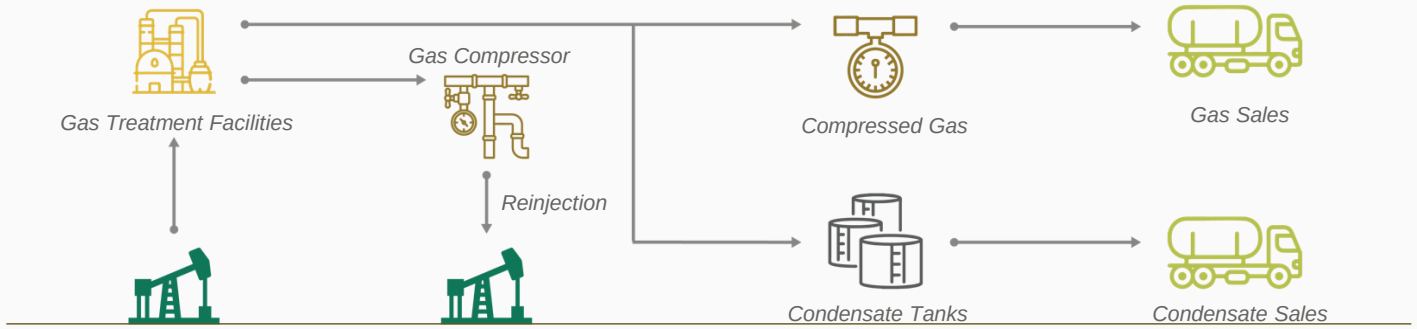
Basin: Magdalena	Operator: PXT	W.I.: 50%



Growing long-term liquids recovery through reinjecting gas

- Liquids-rich gas condensate reservoir
- Successfully started gas reinjection, enabling the approximate doubling of liquids production to roughly 4,000 bbl/d gross in March 2023

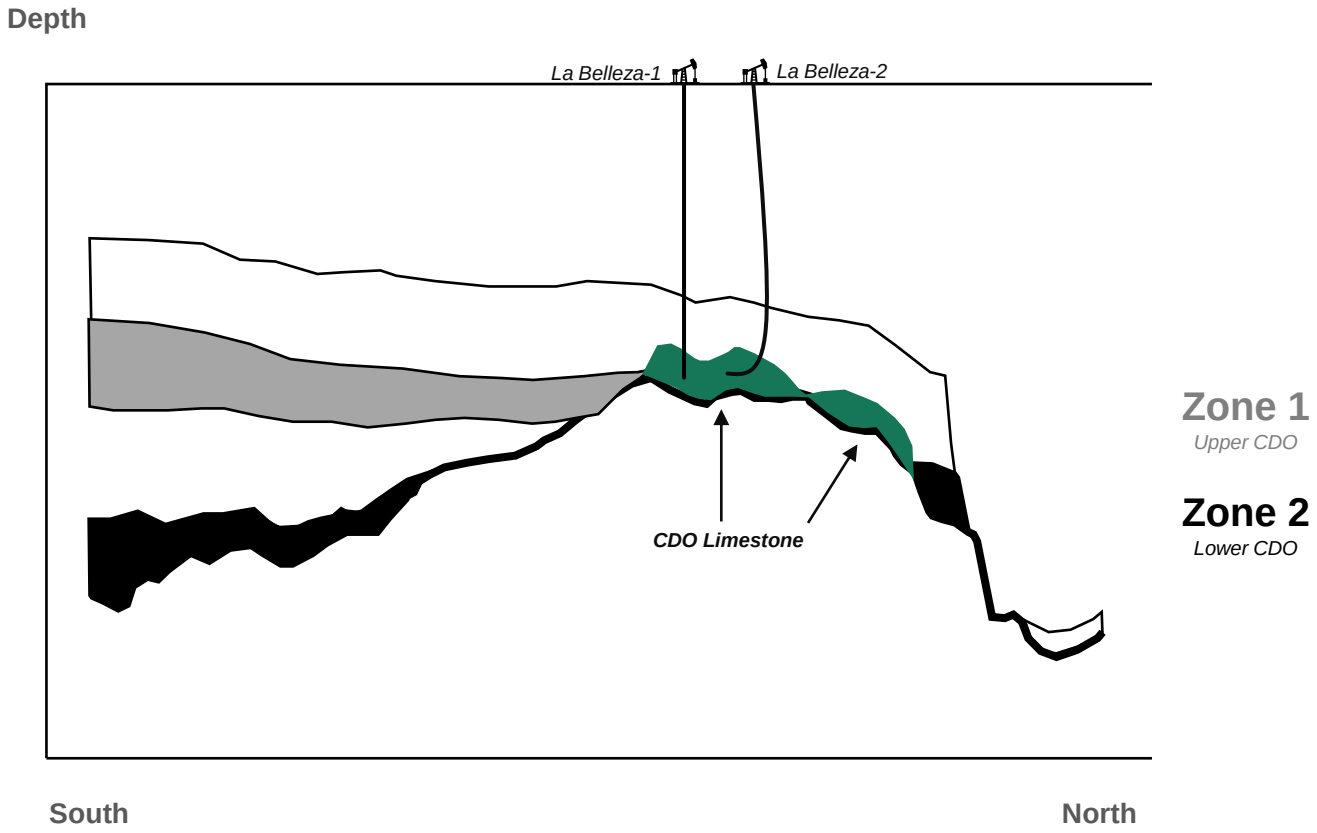
ILLUSTRATIVE GAS REINJECTION GRAPHIC



The first PXT installation of a gas cycling project that is expected to become a template for future expansions at VIM-1 & 43, plus Northern Llanos and the Llanos Foothills

VIM-1: Exceptional Well Results Driving Facility Expansion

Basin: Magdalena	Operator: PXT	W.I.: 50%



Zone 1
Upper CDO

Zone 2
Lower CDO

VIM-1 Facility

Key Takeaways

- La Belleza-2 well tested at ~38.5 mmcf/d gas and ~7,500 bbl/d (gross) at 10% drawdown(1)
- Gas reinjection is proven technology to increase liquids recovery factor
- Current injection facility limited to 20 mmcf/d; expansion plan is currently being evaluated

Injecting gas to increase liquids recovery while planning to build a long-term infrastructure solution to monetize dry gas

(1) See "Oil and Gas Information" advisory; well test details (see December 6, 2022 news release).

VIM-1 La Belleza Facility

Basin: Magdalena	Operator: PXT	W.I.: 50%

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Advisory

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Forward-Looking Statements and Financial Outlook

Certain information regarding Parex set forth in this presentation 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" or other similar words, or statements that certain events or conditions "may" or "will" occur are intended to identify forward-looking statements. Such statements represent Parex's internal projections, estimates or beliefs concerning, among other things, future growth, results of operations, production, future capital and other expenditures (including the amount, nature and sources of funding thereof), 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's actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, Parex.

In particular, forward-looking statements contained in this presentation include, but are not limited to, statements with respect to the performance characteristics of the Company's oil properties; the Company's vision, strategy, focus and values; the potential for outsized returns in Colombia; that Colombia has a favourable risk/reward profile; Parex's strategic investing plans for 2023, including timing of drilling and main growth drivers; Parex's forecast to minimize decline rate and improve capital efficiency; Parex's anticipated production growth; that Parex's campaign oriented drilling plan will increase efficiency; Parex's expectations that technological advancements will drive down drilling costs and increase production efficiency; Parex's three-year development plan and exploration strategy, including its anticipated production, costs and the financial results and the anticipated timing thereof; Parex's expectation that it will return 100% of its growth in FFF to its shareholders over the next three years; Parex's expectations that it will deliver one exploration prospect result roughly each quarter; that Parex will deliver top-tier ESG performance; Parex's 2023 guidance, including its anticipated total production, funds flow and capital expenditures; the anticipated impact that the Colombian tax reform will have on Parex in 2023; Parex's anticipated funds flow from operations netback sensitivity for 2023; Parex's expectations for certain of its blocks, including facility expansions, capital expenditures, production, payouts and water injection/waterflood and the anticipated timing thereof; anticipated growth in Parex's Arauca field and the anticipated timing thereof; Parex's expectations that the installation of its gas cycling project will become a template for future expansions at certain of its blocks; Parex's expectations that it will increase liquids recovery and build long-term infrastructure solution to monetize dry gas; Parex's long-term capital allocation framework and 2023 capital allocation guidance including the constituent components set out on slide 8 of the presentation; the anticipated amount of capital that Parex expects to return to its shareholders in 2023; Parex's forecasted production per share growth and PDP reserves per share growth; Parex's anticipated future returns of capital and the anticipated number of shares that will be outstanding at the end of fiscal 2022; the focus of Parex's MOU with Ecopetrol S.A. and the anticipated benefits to be derived therefrom; the anticipated amount of capital that the Company will return to its shareholders through dividends, including its regular quarterly dividend, and share repurchases; that Parex will continue to pay its regular quarterly dividend; the Company's production capability/potential; anticipated drilling locations, including the Company's delineation and drilling plans; and Parex's expectations that it will invest approximately two thirds of FFO into its business, return one third of its FFO to its shareholders and return 100% of its FFF to its shareholders. Statements relating to "reserves" or "resources" are forward-looking statements, as they involve the implied assessment, based on estimates and assumptions that the reserves and resources described exist in the quantities predicted or estimated and can be profitably produced in the future.

Although the forward-looking statements contained in this presentation 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 presentation, Parex has made assumptions regarding, among other things: current 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's operations and infrastructure; recoverability of reserves and future production rates; the status of litigation; timing of drilling and completion of wells; on-stream timing of production from successful exploration wells; operational performance of non-operated producing fields; pipeline capacity; that Parex will have sufficient cash flow, debt or equity sources or other financial resources required to fund its capital and operating expenditures and requirements as needed; that Parex's conduct and results of operations will be consistent with its expectations; that Parex will have the ability to develop its oil and gas properties in the manner currently contemplated; current or, where applicable, proposed industry conditions, laws and regulations will continue in effect or as anticipated as described herein; that the estimates of Parex's reserves volumes and the assumptions related thereto (including commodity prices and development costs) are accurate in all material respects; that Parex will be able to obtain contract extensions or fulfill the contractual obligations required to retain its rights to explore, develop and exploit any of its undeveloped properties; that Parex will have sufficient financial resources in the future to pay a dividend; that the Board will declare dividends in the future; that Parex will have sufficient financial resources to repurchase its shares; that Parex's MOU with Ecopetrol S.A. will lead to a completed project; and other matters.

Included in this presentation are additional forward-looking statements which are estimates of Parex's 2023-2025 production, FFO, base plan capital, exploration capital, carry (A&D) capital, total capital, FFF and cumulative FFF; estimates of Parex's 2023-2025 production, capital expenditures and water injection rate at Cabrestero; and estimates of Parex's 2023-2025 production and capital expenditures at LLA-34. The foregoing 2023-2025 forecasts are based on various assumptions and are provided for illustration only and are based on budgets and forecasts that have not been finalized and are subject to a variety of contingencies including prior years' results. In addition, the foregoing 2023-2025 forecasts and any capital budgets underlying such forecasts are management prepared only and have not been approved by the Board of Directors of Parex. These forecasts are made as of the date of this presentation and except as required by applicable securities laws, Parex undertakes no obligation to update such forecasts.

These forward-looking statements are subject to numerous risks and uncertainties, including but not limited to, the impact of general economic conditions in Canada and Colombia; industry conditions including changes in laws and regulations including adoption of new environmental laws and regulations, and changes in how they are interpreted and enforced, in Canada and Colombia; competition; lack of availability of qualified personnel; the results of exploration and development drilling and related activities; risks related to obtaining required approvals of regulatory authorities, in Canada and Colombia and partner and community approvals in 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, tax rates and/or 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 the terms of their contracts; risk that Parex's evaluation of its existing portfolio of assets and exploration and development opportunities is not consistent with its expectations; that production test results may not be indicative of long-term performance or ultimate recovery; the risk that Parex's campaign oriented drilling plan may not be successful or increase efficiency; the risk that Parex may not be successful in executing its three-year development plan and that the benefits derived therefrom may be less than anticipated; the risk that Parex may not deliver one exploration prospect result each quarter; the risk that Parex's 2023 financial and production results may be less favorable than anticipated; the risk that the impact that the Colombian tax reform has on Parex may be greater than anticipated; the risk that there may be less high-impact identified prospects in Parex's portfolio than anticipated; the risk that Parex's gas cycling project may not become a template for future expansions at certain of its blocks; the risk that that technological advancements may not drive down drilling costs or increase production efficiency; the risk that Parex may not deliver top-tier ESG performance; the risk that Parex may not increase liquids recovery or build long-term infrastructure solutions to monetize dry gas; the risk that Parex's MOU with Ecopetrol S.A. may not lead to a completed project; the risk that Parex may not have sufficient financial resources in the future to pay a dividend or repurchase its shares; the risk that the Board does not declare dividends in the future, that there is no base dividend growth and/or that Parex's dividend policy changes; risk that the amount of FFO and FFF to be returned to shareholders is less 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's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com).

Management has included the above summary of assumptions and risks related to forward-looking information provided in this presentation in order to provide shareholders with a more complete perspective on Parex's current and future operations and such information may not be appropriate for other purposes. Parex's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do, what benefits Parex will derive. These forward-looking statements are made as of the date of this presentation 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 forward-looking statements contained in this presentation are expressly qualified by this cautionary statement.

This presentation also contains a financial outlook, in particular: Parex's three-year development plan and exploration strategy, including its costs and financial results and the anticipated timing thereof; Parex's 2023 guidance, including its anticipated total production, funds flow and capital expenditures; Parex's expectations that it will invest approximately two thirds of FFO into its business, return one third of its FFO to its shareholders and return 100% of its FFF to its shareholders; Parex's long-term capital allocation framework and 2023 capital allocation guidance including the constituent components set out on slide 8 of the presentation; the anticipated impact that the Colombian tax reform will have on Parex in 2023; Parex's anticipated funds flow from operations netback sensitivity for 2023; and the anticipated amount of capital that the Company expects to return to its shareholders through dividends, including its regular quarterly dividend, and share repurchases. Such financial outlook has been prepared by Parex' management to provide an outlook of the Company's activities and results. The financial outlook has been prepared based on a number of assumptions including the assumptions discussed above and assumptions with respect to the costs and expenditures to be incurred by the Company, capital equipment and operating costs, foreign exchange rates, taxation rates for the Company, general and administrative expenses and the prices to be paid for the Company's production.

Advisory

Forward-Looking Statements and Financial Outlook (Continued)

Management does not have firm commitments for all of the costs, expenditures, prices or other financial assumptions used to prepare the financial outlook or assurance that such operating results will be achieved and, accordingly, the complete financial effects of all of those costs, expenditures, prices and operating results are not objectively determinable. The actual results of operations of the Company and the resulting financial results will likely vary from the amounts set forth in the analysis presented in this presentation, and such variation may be material. The Company and its management believe that the financial outlook has been prepared on a reasonable basis, reflecting the best estimates and judgments, and represent, to the best of management's knowledge and opinion, Parex's expected expenditures and results of operations. However, because this information is highly subjective and subject to numerous risks including the risks discussed above, it should not be relied on as necessarily indicative of future results. Except as required by applicable securities laws, Parex undertakes no obligation to update such financial outlook.

Non-GAAP and Other Financial Measures Advisory

This presentation uses various "non-GAAP financial measures", "non-GAAP ratios", "supplementary financial measures" and "capital management measures" (as such terms are defined in National Instrument 52-112 – Non-GAAP and Other Financial Measures Disclosure). Such measures are not standardized financial measures under IFRS, and might not be comparable to similar financial measures disclosed by other issuers. Such financial measures should not be considered as alternatives to, or more meaningful than measures determined in accordance with GAAP. These measures facilitate management's comparisons to the Company's historical operating results in assessing its results and strategic and operational decision-making and may be used by financial analysts and others in the oil and natural gas industry to evaluate the Company's performance. Further, management believes that such financial measures are useful supplemental information to analyze operating performance and provide an indication of the results generated by the Company's principal business activities. Please refer to the Company's Management's Discussion and Analysis of the financial condition and results of operations for the period ended September 30, 2022 dated November 3, 2022 (the "MD&A"), which is available at the Company's website at www.parexresources.com and on the Company's profile on SEDAR at www.sedar.com for additional information about such financial measures, including reconciliations to the nearest GAAP measures, as applicable.

Set forth below is a description of the non-GAAP financial measures, non-GAAP ratios, supplementary financial measures and capital management measures used in this presentation.

Non-GAAP Financial Measures

Free funds flow, is a non-GAAP financial measure that is determined by funds flow provided by operations less capital expenditures. In the third quarter of 2022, the Company changed how it presents exploration and evaluation expenditures included in total capital expenditures. Amounts have been restated for prior periods to conform to the current year's presentation, refer to note 2 of the Company's consolidated interim financial statements for the period ended September 30, 2022. The Company considers free funds flow or free cash flow to be a key measure as it demonstrates Parex's ability to fund return of capital, such as the normal course issuer bid or dividends, without accessing outside funds.

Operating netback, is a non-GAAP financial measure that the Company considers to be a key measure as it demonstrates Parex's profitability relative to current commodity prices. Parex calculates operating netback as oil and natural gas sales less royalties, production, and transportation expense.

Capital Expenditures, is a non-GAAP financial measure which the Company uses to describe its capital costs associated with oil and gas expenditures. The measure considers both property, plant and equipment expenditures and exploration and evaluation asset expenditures which are items in the Company's statement of cash flows for the period. In the third quarter of 2022, the Company changed how it presents exploration and evaluation expenditures, refer to note 2 of the Company's consolidated interim financial statements for the period ended September 30, 2022.

Non-GAAP Ratios

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

Funds flow provided by operations per share, is a non-GAAP ratio that is calculated by dividing funds flow provided by operations by the weighted average number of basic and diluted shares outstanding.

Capital Management Measures

Funds flow provided by operations, is a capital management measure that includes all cash generated from operating activities and is calculated before changes in non-cash working capital.
The Company considers funds flow provided by operations to be a key measure as it demonstrates Parex's profitability after all cash costs relative to current commodity prices.

Supplementary Financial Measures

"Dividends per share" is comprised of dividends declared as determined in accordance with IFRS, divided by the number of shares outstanding at the applicable dividend record date.

"Dividend yield" is defined as annualized dividends per share divided by Parex's share price.

Distribution Advisory

The proposed aggregate dividend payment of US$125 million in 2023 remains subject to the approval of the Board of Directors of Parex and the declaration of such dividend is subject to a number of other assumptions and contingencies, including commodity prices. The Company's future shareholder distributions, including but not limited to the payment of dividends and the acquisition by the Company of its shares pursuant to its normal course issuer bid, if any, and the level thereof is uncertain. Any decision to pay further dividends on the common shares (including the actual amount, the declaration date, the record date and the payment date in connection therewith and any special dividends) or acquire shares of the Company will be subject to the discretion of the Board of Directors of Parex and may depend on a variety of factors, including, without limitation the Company's business performance, financial condition, financial requirements, growth plans, expected capital requirements and other conditions existing at such future time including, without limitation, contractual restrictions and satisfaction of the solvency tests imposed on the Company under applicable corporate law. There can be no assurance that the Company will pay dividends or repurchase any shares of the Company in the future. The payment of dividends to shareholders is not assured or guaranteed and dividends may be reduced or suspended entirely. In addition to the foregoing, the Company's ability to pay dividends now or in the future may be limited by covenants contained in the agreements governing any indebtedness that the Company has incurred or may incur in the future, including the terms of the credit facilities.

Advisory

Market, Independent Third Party and Industry Data

Certain market, independent third party and industry data contained in this presentation is based upon information from government or other independent industry publications and reports or based on estimates derived from such publications and reports. Government and industry publications and reports generally indicate that they have obtained their information from sources believed to be reliable, but none of Parex or its affiliates have conducted their own independent verification of such information. This presentation also includes certain data derived from independent third parties. While Parex believes this data to be reliable, market and industry data is subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. None of Parex or its affiliates have independently verified any of the data from independent third-party sources referred to in this presentation or ascertained the underlying assumptions relied upon by such sources.

Oil and Gas Information

The estimates of Parex's December 31, 2022 reserves set forth in this presentation have been prepared by GLJ Petroleum Consultants Ltd. ("GLJ") as of December 31, 2022 with a preparation date of February 3, 2023 in accordance with National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities ("NI 51-101") and the Canadian Oil and Gas Evaluations Handbook (the "COGEH") and using GLJ's forecast prices and costs as at December 31, 2022. The estimates of Parex's December 31, 2021 reserves set forth in this presentation have been prepared by GLJ as of December 31, 2021 with a preparation date of February 4, 2021 in accordance with NI 51-101 and the COGEH and using GLJ's forecast prices and costs as at December 31, 2021. The estimates of Parex's December 31, 2020 reserves set forth in this presentation have been prepared by GLJ as of December 31, 2020 with a preparation date of February 4, 2021 in accordance with NI 51-101 and the COGEH and using GLJ's forecast prices and costs as at January 1, 2021. The estimates of Parex's December 31, 2019 reserves set forth in this presentation have been prepared by GLJ as of December 31, 2019 with a preparation date of February 6, 2020 in accordance with NI 51-101 and the COGEH and using GLJ's forecast prices and costs as at January 1, 2020. The estimates of Parex's December 31, 2018 reserves set forth in this presentation have been prepared by GLJ as of December 31, 2018 with a preparation date of February 7, 2019 in accordance with NI 51-101 and the COGEH and using GLJ's forecast prices and costs as at January 1, 2019. The estimates of Parex's December 31, 2017 reserves set forth in this presentation have been prepared by GLJ as of December 31, 2017 with a preparation date of February 2, 2018 in accordance with NI 51-101 and the COGEH and using GLJ's forecast prices and costs as at January 1, 2018.

This presentation contains certain oil and gas metrics, including netbacks, cash netbacks, funds flow from operations netback and CAGR, 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. Management uses these oil and gas metrics for its own performance measurements and to provide investors with measures to compare the Company's operations over time. Readers are cautioned that the information provided by these metrics, or that can be derived from the metrics presented herein, should not be relied upon for investment or other purposes. A summary of the calculations of such metrics are as follows:

Funds Flow from Operations per boe is a non-GAAP measure that includes all cash generated from operating activities and is calculated before changes in non-cash working capital, divided by sales volumes for the period. In Q2 2019, the Company changed how it presents funds flow provided by (used in) operations to present a more comparable basis to industry presentation.

Operating netback is calculated as oil & gas revenue less expenses (royalties, production and transportation) divided by production for the period.

"BOEs" may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet of natural gas to one barrel of oil equivalent (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 that 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 on a 6:1 basis may be misleading as an indication of value.

This presentation contains references to type well production and economics, which are derived, at least in part, from available information respecting the well economics of other companies and, as such, there is no guarantee that Parex will achieve the stated or similar results, capital costs and return costs representative per well.

References in this presentation to initial production test rates, initial "flow" rates, initial flow testing, and "peak" 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. While encouraging, investors are cautioned not to place reliance on such rates in calculating the aggregate production for Parex. Parex has not conducted a pressure transient analysis or well-test interpretation on the wells referenced in this presentation. As such, all data should be considered to be preliminary until such analysis or interpretation has been done.

Analogous Information

Certain information in this presentation may constitute "analogous information" as defined in NI 51-101. Such information includes production estimates, reserves estimates and other information retrieved from the continuous disclosure record of certain industry participants from www.sedar.com or other publicly available sources. Management of Parex believes the information is relevant as it may help to define the reservoir characteristics and production profile of the noted lands held by Parex, except as otherwise noted. Parex is unable to confirm that the analogous information was prepared by a qualified reserves evaluator or auditor and is unable to confirm that the analogous information was prepared in accordance with NI 51-101. Such information is not an estimate of the production, reserves or resources attributable to noted lands held or to be held by Parex and there is no certainty that the production, reserves or resources data and economic information for the noted lands held or to be held by Parex will be similar to the information presented herein. The reader is cautioned that the data relied upon by Parex may be in error and/or may not be analogous to such lands held or to be held by Parex.

Abbreviations

bbl(s)	barrel(s)	mboe/d	million barrels of oil equivalent per day
bbl(s)/d or bopd	barrel(s) of oil per day	mcf	thousand cubic feet
Mmbbl	million barrels	mcf/d	thousand cubic feet per day
kbbl/d	thousand barrels of oil per day	Mmcf/d or Mmcfd	million cubic feet per day
BOE or boe	barrel of oil equivalent	MM	millions
Mmboe	million barrels of oil equivalent	W.I.	working interest
boe/d	barrels of oil equivalent per day	Brent	Brent Ice
kboe/d	thousand barrels of oil equivalent per day	FFO	funds flow provided by operations
Bfpd	barrels of fluid per day	FFF	free funds flow

Advisory

Historical Production[1]	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Light & Medium Crude Oil (bbl/d)	-	-	-	-	-	-	-	-	4,668	7,214	6,021	6,831	7,471
Heavy Crude Oil (bbl/d)	-	-	-	-	-	-	-	-	39,120	44,494	39,197	38,449	43,008
Average Oil Production (bbl/d)	77	5,345	11,407	15,854	22,526	27,434	29,473	35,212	43,788	51,708	45,218	45,280	50,479
Average Conventional Natural Gas Production (mcf/d)	54	0	0	0	0	0	1,452	1,974	3,720	5,874	7,800	10,308	9,420
Average Oil & Natural Gas Production (boe/d)	86	5,345	11,407	15,854	22,526	27,434	29,715	35,541	44,408	52,687	46,518	46,998	52,049
Production Split (% Crude Oil)	90%	100%	100%	100%	100%	100%	99%	99%	99%	98%	97%	96%	97%

(1) The Company's average production for full year 2010-2022 disclosed in this presentation consists of the following product types, as defined in NI 51-101 and using a conversion ratio of 1 Bbl : 6 Mcf where applicable.