

Parex Resources

Investor Presentation – January 2024



TSX:PXT

- Largest Independent Oil & Gas Company in Colombia
- Deep Portfolio with Transformational Exploration Opportunities
- Debt-Free Balance Sheet
- Target the Return of $\geq 33\%$ of FFO⁽¹⁾ to Shareholders
- Top-Tier ESG Performance

Stock Symbol	TSX:PXT
Shares Outstanding ⁽²⁾	103.8 million
Market Capitalization ⁽²⁾	C\$2.6 billion
Quarterly Dividend ⁽³⁾	C\$0.375 per share
Dividend Yield ⁽²⁾⁽³⁾⁽⁴⁾	6.0%
Average Production ⁽⁵⁾	57,329 boe/d
Land Position	5.5 million net acres

See "Forward-Looking Statements and Financial Outlook" advisory.

(1) Funds flow provided by operations; capital management measure; see advisory.

(2) As at December 31, 2023.

(3) Based on C\$0.375 per share quarterly dividend as first approved on February 2, 2023.

(4) Supplementary financial measure; annualized dividends per share divided by PXT share price; see advisory.

(5) Estimated for three months ended December 31, 2023 (light & medium crude oil: 9,700 bbl/d, heavy crude oil: 46,760 bbl/d, conventional natural gas: 5,212 mcf/d).

Colombia

~750,000
BBL/D
Oil Production⁽¹⁾

Independent
Branches of
Government

Free
Capital Movement
& No Foreign
Currency Controls

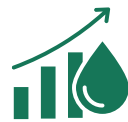
OECD
Member
Country

Parex Advantages



Offshore Oil Sales

Paid in USD based on
Brent reference pricing



**Top Decile
Cash Flow per BOE**
When compared against
TSX-listed oil & gas peers⁽²⁾



**Established Strong
Social License**
US\$15MM+ of community
investment in 2023

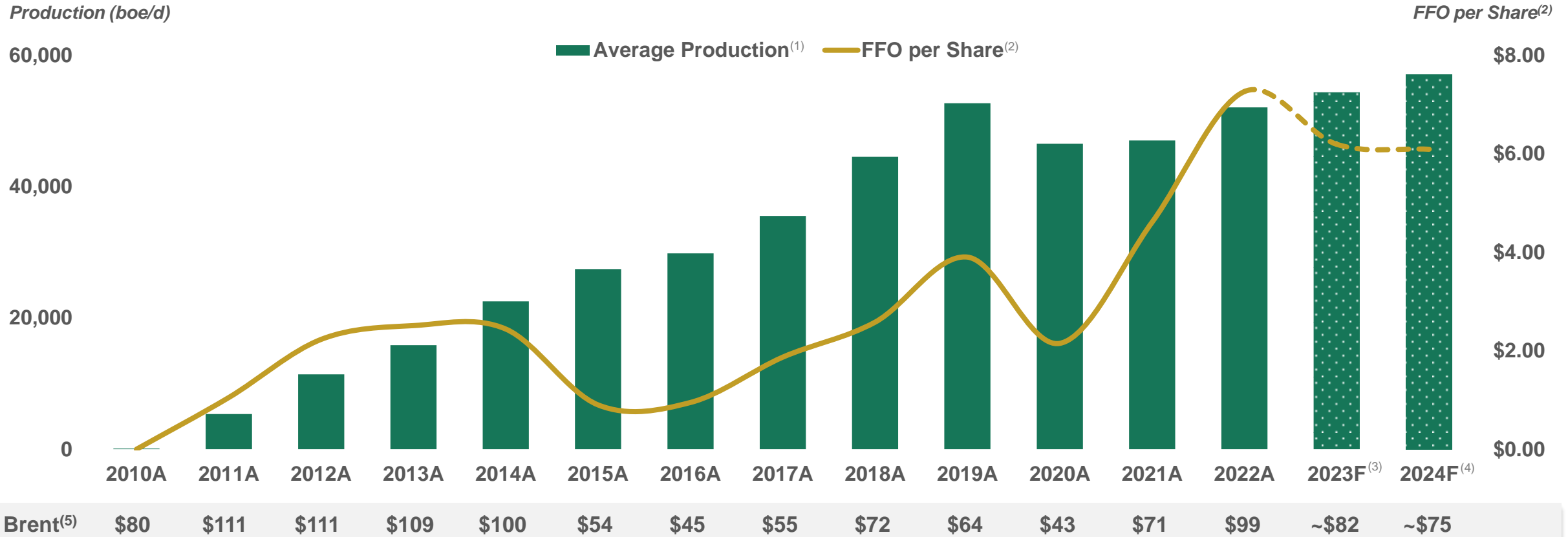


**Strategic Partner
with Ecopetrol S.A.**
MOU signed in high-
potential Foothills trend⁽³⁾

Track Record of Creating Value



PRODUCTION AND FUNDS FLOW PROVIDED BY OPERATIONS (FFO) PER SHARE



Parex has a 10+ year track record in Colombia of creating value in multiple different commodity price scenarios

See "Forward-Looking Statements and Financial Outlook" advisory.

(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. (3) Production volumes for the year-ended December 2023 are estimated; per share based on 106.2 million outstanding shares. (4) Production and FFO per share based on Parex 2024 guidance midpoint (see slide #7 and January 15, 2024 news release); per share based on 102.1 million outstanding shares. (5) Average Brent crude oil price per bbl for noted periods; 2023 price is estimated and 2024 price is based on Parex's 2024 guidance (see slide #7 and January 15, 2024 news release).



Business Fundamentals



Colombia Advantage
& ESG



Asset Sustainability

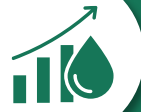


Production Growth



Return of Capital to
Shareholders

Strategic Growth Levers



Utilize Exploitation and Technology

UNLOCKING EXTENSIVE LAND BASE USING GLOBALLY-PROVEN TECHNOLOGY



Capture Liquids-Rich Gas Opportunities

PURSUING ONSHORE, WORLD-CLASS GAS PLAYS THAT ARE UNDEREXPLORED



Deliver Outsized Exploration Potential

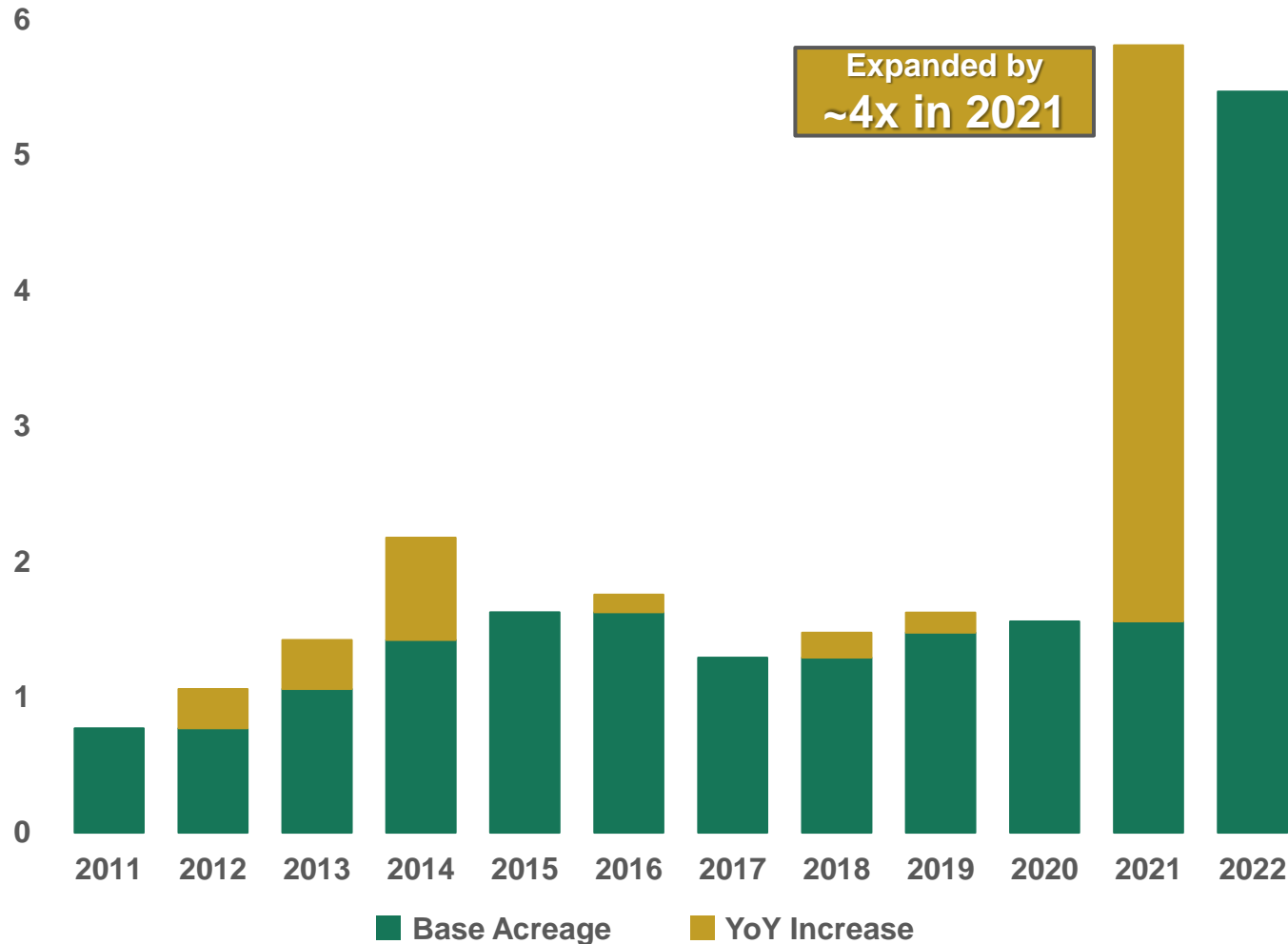
FOCUSING ON THE EXECUTION OF TRANSFORMATIONAL, HIGH-IMPACT PROSPECTS

Asset Running Room in Colombia



NET LAND POSITION⁽¹⁾

(Million Net Acres)



First-Mover Advantage

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

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

2024 Guidance



Average Production
boe/d

54,000-60,000
~5% Growth at
Midpoint vs. 2023



Funds Flow
\$ millions

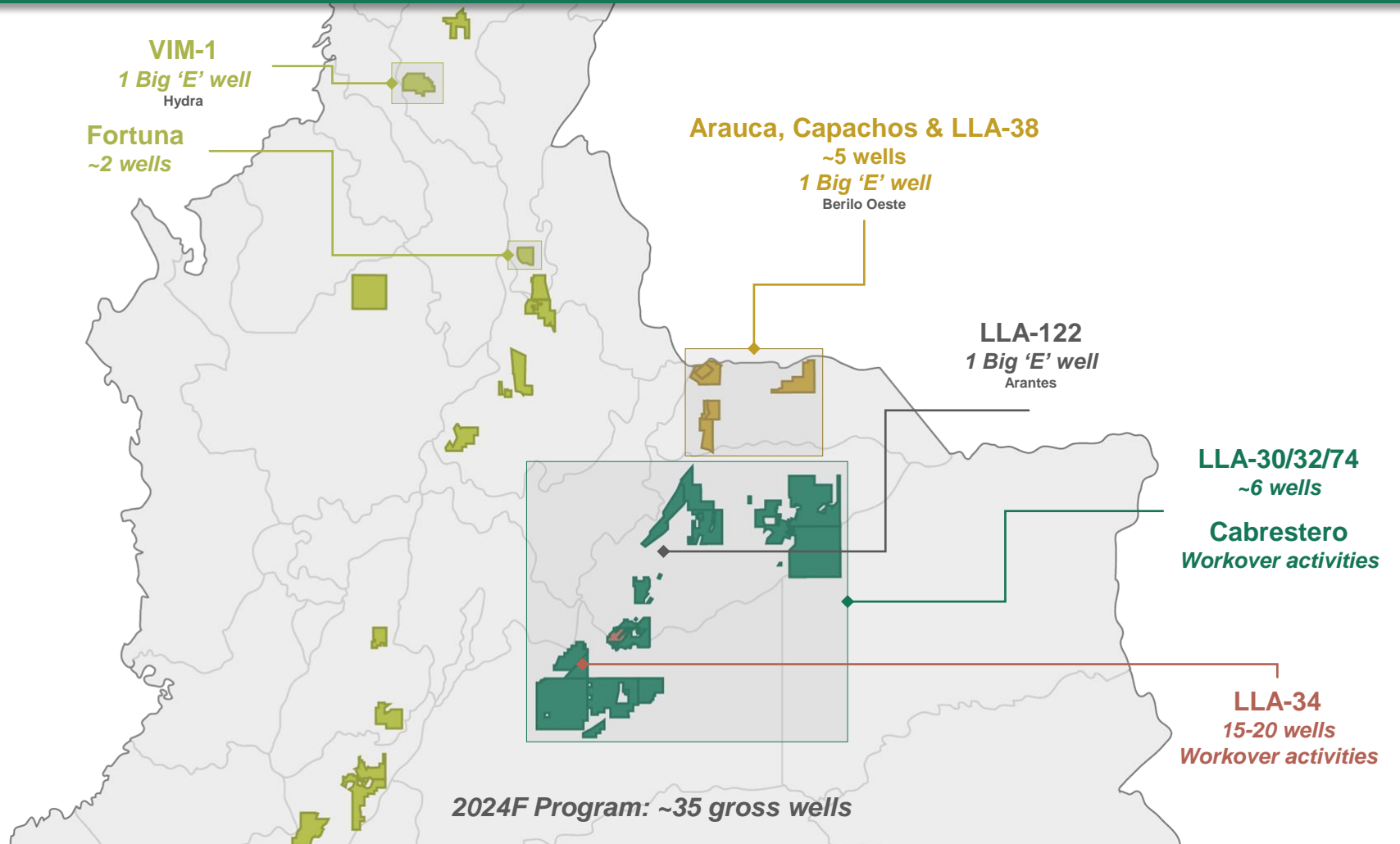
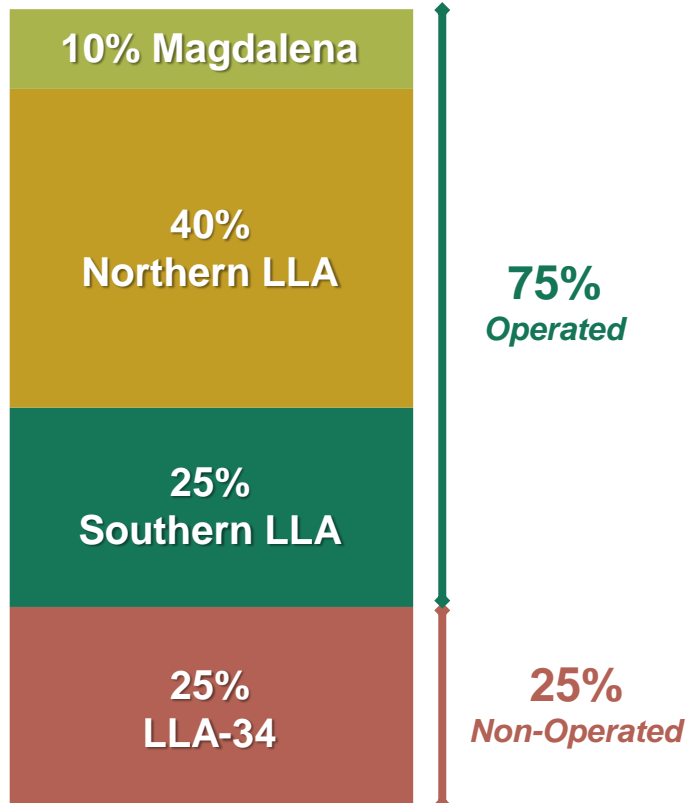
\$590-660⁽¹⁾
\$75/bbl Brent



Capital Expenditures
\$ millions

\$390-430⁽²⁾
~15% Lower at
Midpoint vs. 2023

2024F CAPITAL DISTRIBUTION



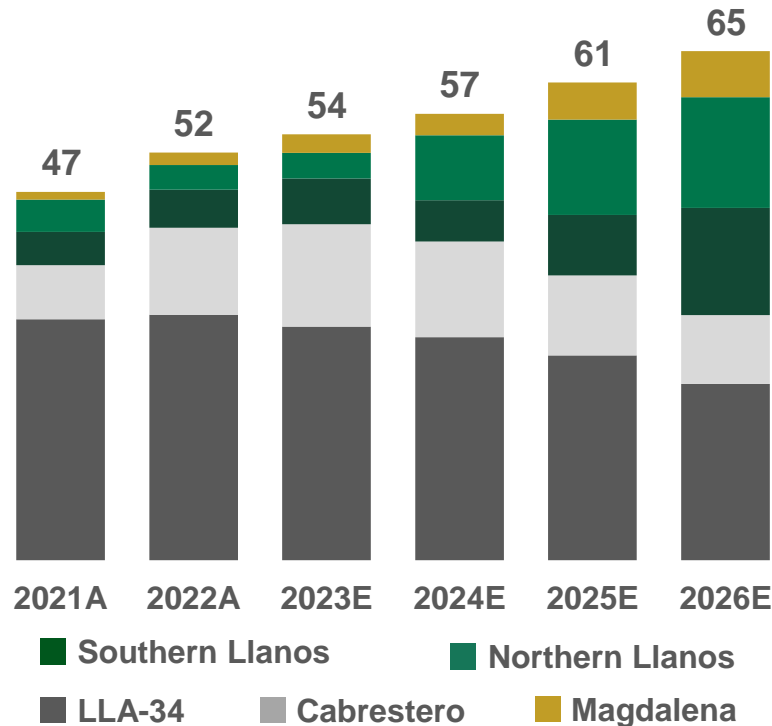
See "Forward-Looking Statements and Financial Outlook" advisory. 2024 guidance based on \$75/bbl Brent crude oil price (see January 15, 2024, news release).
 (1) Funds flow provided by operations; capital management measure; see advisory. (2) Non-GAAP financial measure; see advisory.

Three-Year Plan: Growing Production & Free Funds Flow



2024-2026 Plan based on \$75/bbl Brent⁽¹⁾

Net Average Production (kboe/d)⁽²⁾



5%+ Annual Production Growth

TARGETING GROWTH FROM OPERATED BLOCKS



\$375-450MM of Capital Expenditures⁽³⁾ Per Year

INVESTING GOVERNED BY $\geq 1/3\%$ FFO SHAREHOLDER RETURN FRAMEWORK⁽⁴⁾



~\$50MM Invested on High-Impact Exploration Annually

DRILLING WORLD-CLASS PROSPECTS FOR STEP-CHANGE GROWTH POTENTIAL



~\$850MM Free Funds Flow⁽⁵⁾ Generation over Outlook Period⁽⁶⁾

FREE FUNDS FLOW TO BE USED FOR SHAREHOLDER RETURNS⁽⁴⁾

Plan increases production at reduced capital expenditures⁽³⁾ while providing exposure to high-impact exploration and increasing shareholder returns

See "Forward-Looking Statements and Financial Outlook." (1) Three-year plan derived by utilizing, among other assumptions, historical Parex production performance, current cost assumptions, and Brent crude oil prices assumptions, adjusted annually after 2024; budgets and forecast have not been finalized and are subject to a variety of factors, including prior year's results. (2) See "Historical Production" table within Advisory for production by product type. (3) Non-GAAP financial measure; see advisory. (4) See slide #9. (5) Non-GAAP financial measure; free funds flow defined as FFO less capital expenditures; see advisory. (6) Plan based on 5%+ average annual production growth, capital expenditures of \$375-\$450MM, and FFO netbacks of \$29-32/bbl based on assumed \$75/bbl Brent crude oil pricing (no hedging assumed).

Long-Term Capital Allocation Framework



1. Reinvest ~2/3 of FFO⁽¹⁾ into Business

2. Return $\geq 1/3$ to Shareholders⁽²⁾

Near-Field Investments

- **Drive sustainable business model**
 - Invest in long-term growth
 - Replenish development inventory
- **Portion of investment geared towards high-impact, big 'E' exploration**
 - Actively manage risk & reward
 - Capitalize on Colombia advantage to generate potential for outsized returns

Big 'E'

Regular Dividends + Share Buybacks

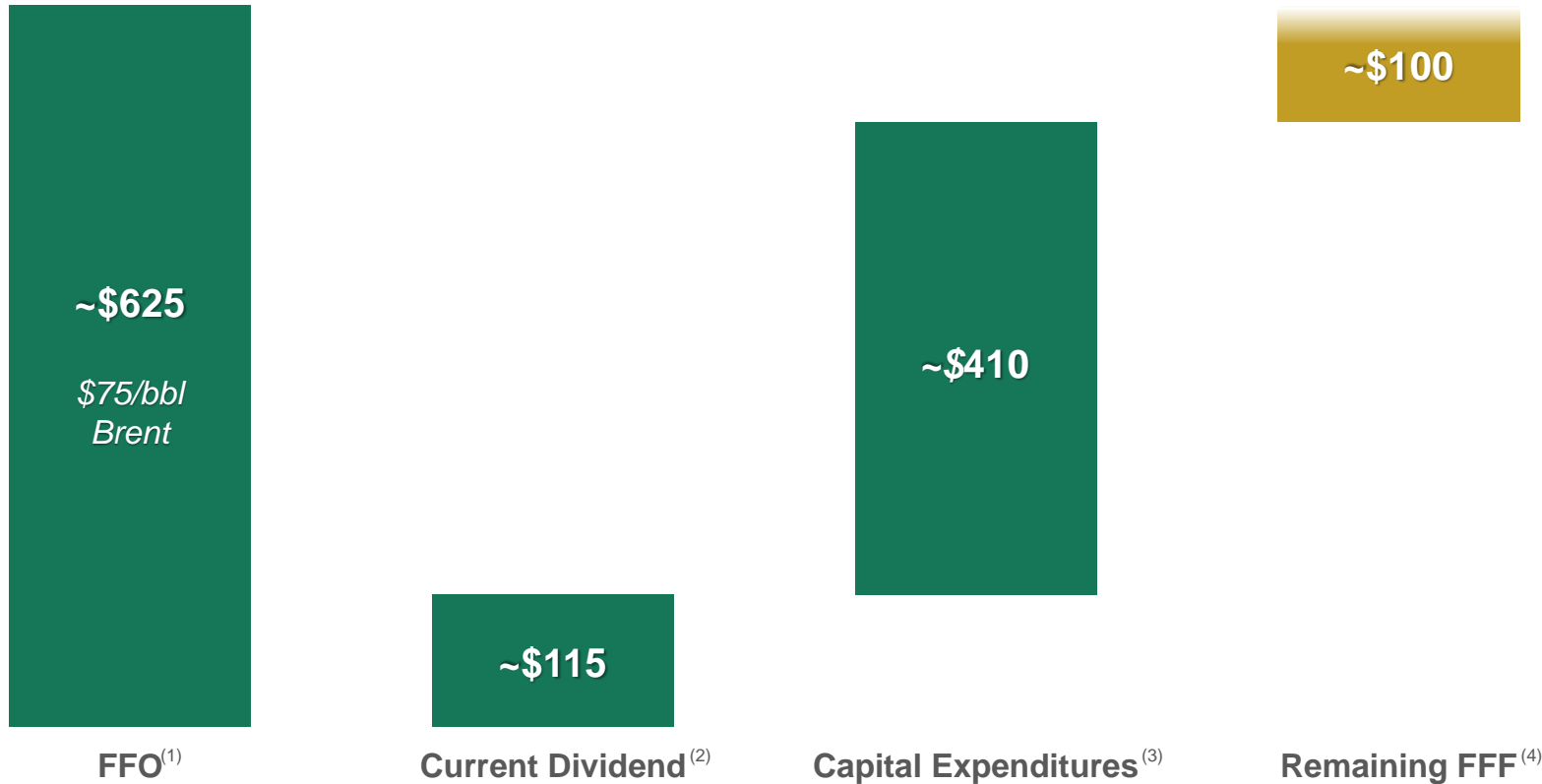
- **Quarterly regular dividend**
 - Target dividend growth
 - Ensure sustainability through commodity cycles
- **Share repurchases**
 - Mechanism to supplement returns

Target the return of at least 1/3 of total FFO⁽¹⁾ to shareholders through regular dividends and share buybacks

Capital Allocation Framework Reinforced by 2024 Plan

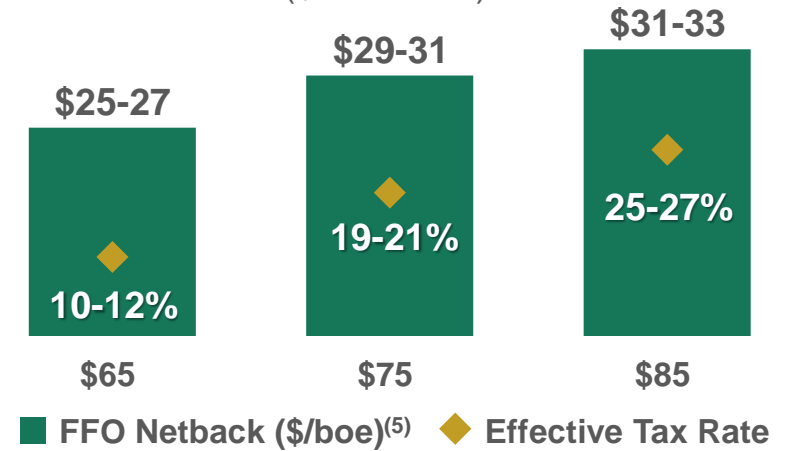


2024F CAPITAL ALLOCATION (\$MM)

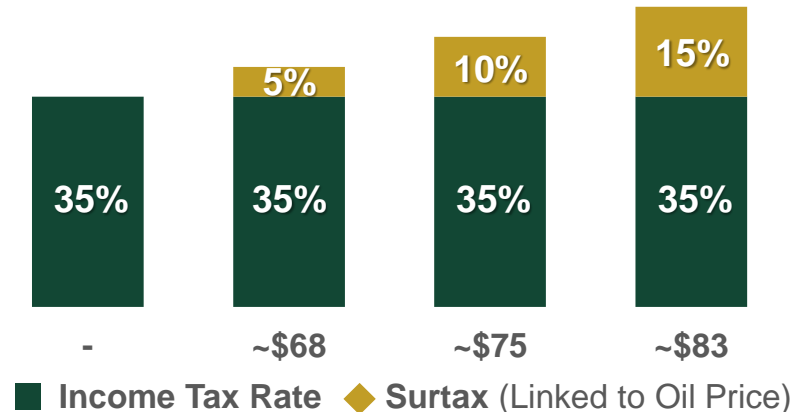


2024 plan at \$75/bbl Brent is expected to generate ~\$215MM of free funds flow⁽⁴⁾

2024F FFO NETBACK⁽⁵⁾ SENSITIVITY (\$/bbl Brent)



COLOMBIA INCOME TAX & SURTAX⁽⁶⁾ (\$/bbl Brent)



See "Forward-Looking Statements and Financial Outlook" advisory. 2024 guidance based on \$75/bbl Brent crude oil price (see January 15, 2024, news release).

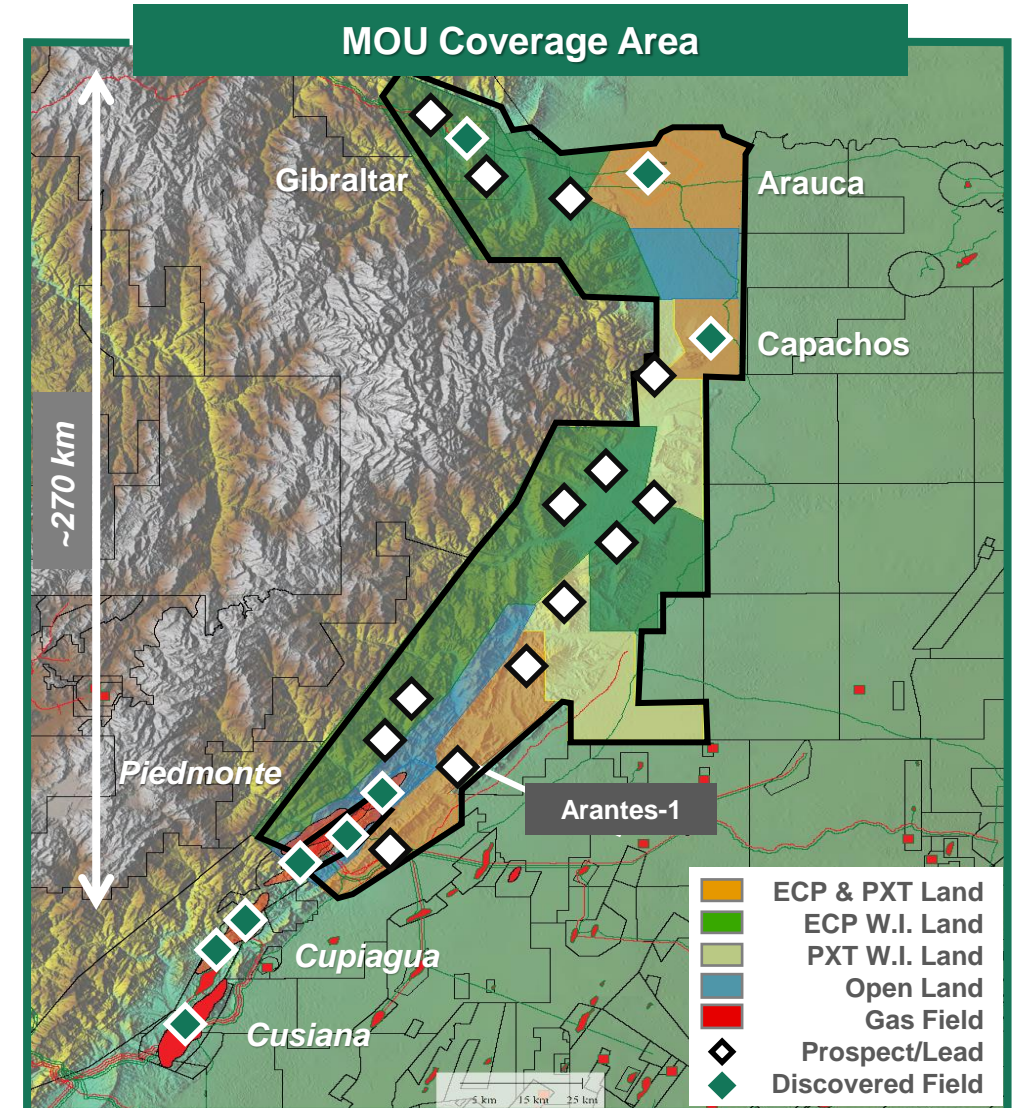
(1) Capital management measure; see advisory. (2) Based on C\$0.375 per share quarterly dividend as first approved on February 2, 2023. (3) Non-GAAP financial measure; see advisory. (4) Non-GAAP financial measure; free funds flow defined as funds flow less capital expenditures; see advisory; remaining FFF defined as FFO less forecast capital expenditures, less the estimated current dividend. (5) Non-GAAP ratio; see advisory. (6) Estimated as at January 15, 2024.

MOU with Ecopetrol in High-Potential Foothills Trend



Memorandum of Understanding (MOU) with Ecopetrol S.A.⁽¹⁾

- **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
 - Capitalize on use of existing infrastructure
- **Progress is already underway**
 - Capachos farm-in: operating block
 - Arauca & LLA-38 farm-in: initial well tests began in Q4 2023
 - Next step: LLA-122 (Arantes) was spud in early Q1 2024



(1) As originally announced on December 6, 2022. (2) Source: IHS; See "Analogous Information" advisory.

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



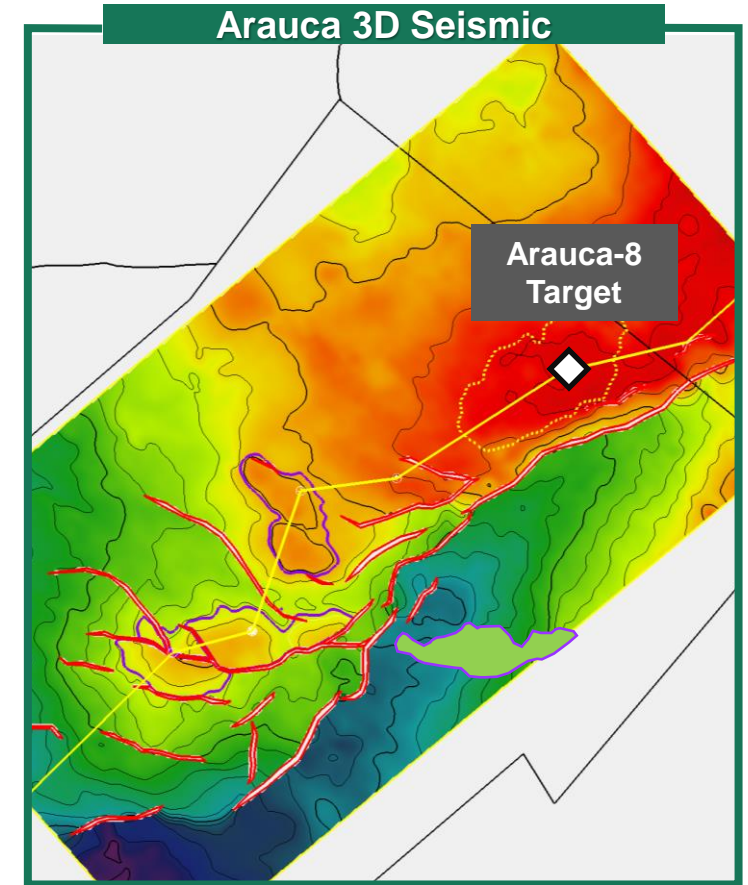
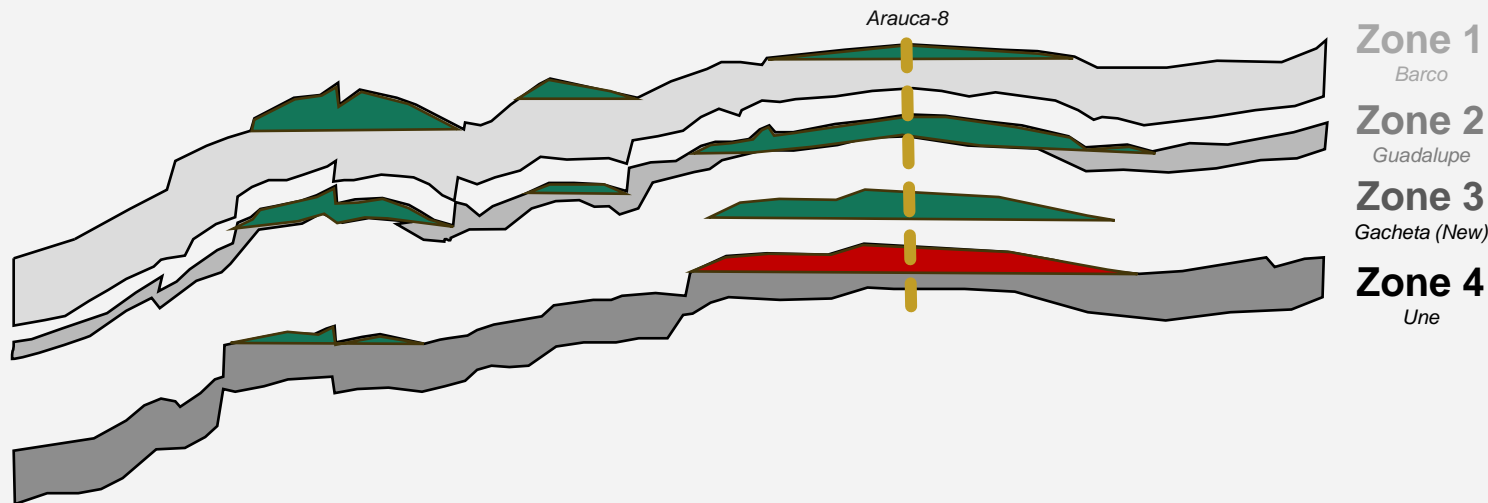
Basin: Northern Llanos

Operator: PXT

W.I.: 50%⁽¹⁾

Actively testing multiple reservoirs with positive initial results⁽²⁾

- Previous development was on 2D seismic and halted due to social issues
- What success looks like: development plan with 3-10 wells



Oil, Gas & Condensate Target



Late Q3 2023
Initial Spud Date



Q1 2024
Testing Underway⁽²⁾

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

(1) Arauca Block working interest is under a 50% participating share under a business collaboration agreement ("BCA") with Ecopetrol S.A. (2) See "Oil and Gas Information" advisory; well test details (see January 15, 2024 news release). (3) 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.

Arauca: Building Off of Capachos to Drive Future Growth



Basin: Northern Llanos

Operator: PXT

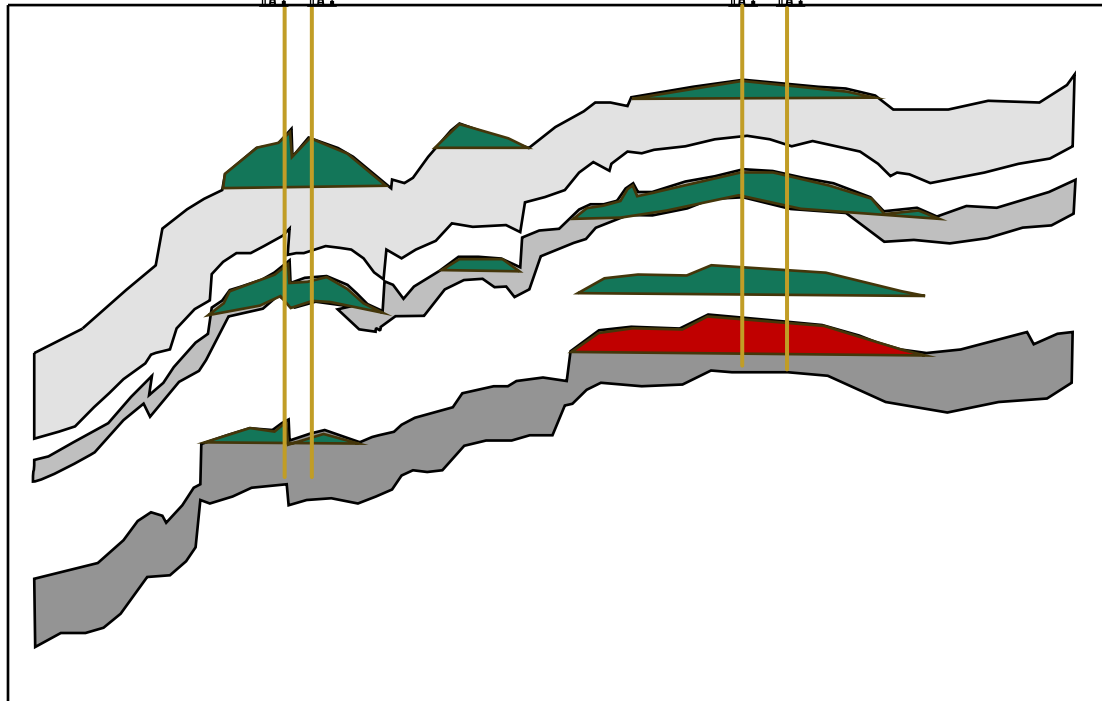
W.I.: 50%⁽¹⁾

2024F Wells

Depth

Arauca-12 Arauca-15ST

Arauca-8 (Big 'E') Arauca-81



Zone 1

Barco

Zone 2

Guadalupe

Zone 3

Gacheta (New)

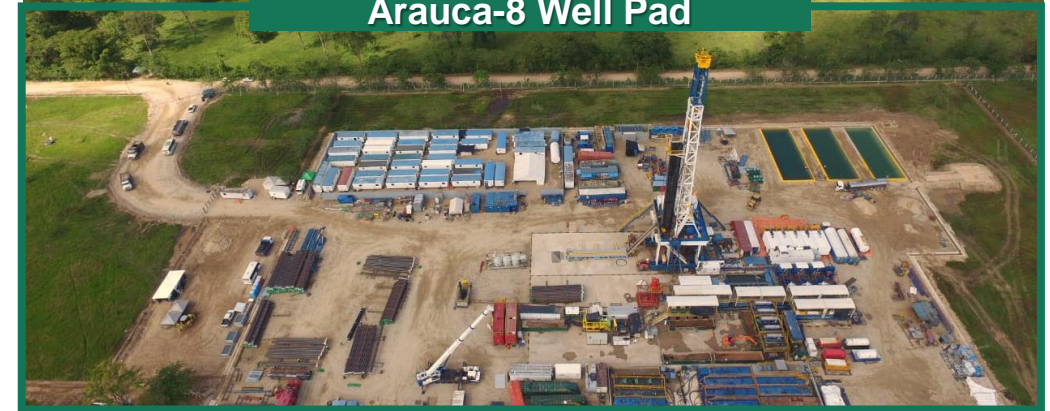
Zone 4

Une

South

North

Arauca-8 Well Pad



Key Takeaways

- Targeting proven, multi-zone reservoirs
- New Gacheta zone encountered at Arauca-8; prolific Une zone penetrated for the first time⁽²⁾
- 2024 focused on drilling follow-up wells⁽³⁾ and finishing initial facility (capacity: ~40,000 bfpd)

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

Cabrestero & LLA-34: Maximizing Recovery & Free Funds Flow

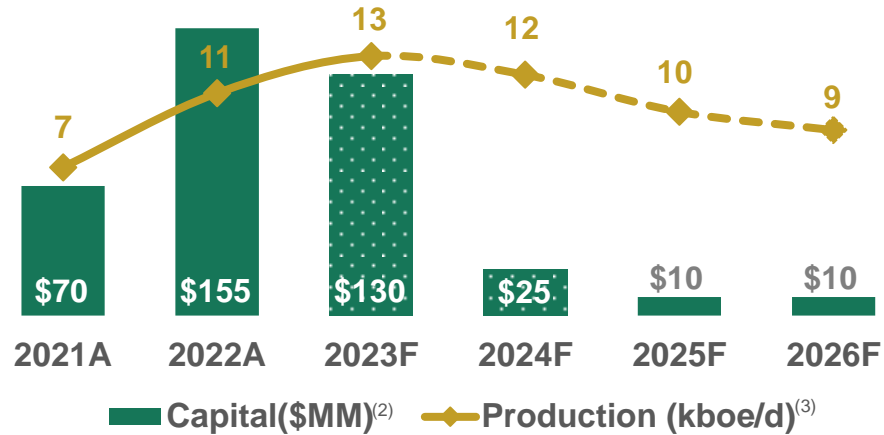


Basin: Southern Llanos

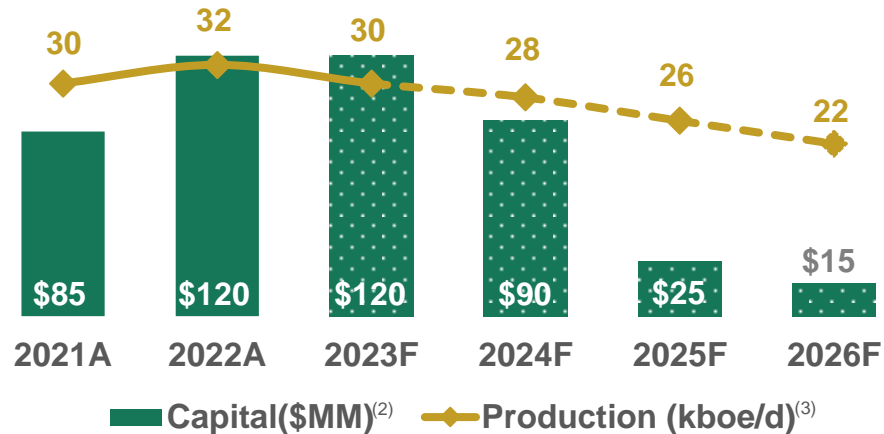
Operator: PXT (Cabrestero), Non-Operator (LLA-34)

W.I.: 100% (Cabrestero), 55% (LLA-34)

CABRESTERO PROFILE⁽¹⁾



LLA-34 PROFILE⁽¹⁾



Focused on pressure management & minimizing decline

Cabrestero Block

- Planned downspacing and waterflood injection pattern as well as facility expansion completed in 2023
 - Actively ramping up waterflood injection volume
 - Polymer flooding pilot commenced in late Q4 2023 to increase sweep efficiency

LLA-34 Block

- 2024 activities focused on vertical and horizontal producers as well as injectors for the waterflood pattern
 - Upgrading fluid handling capacity by 120,000-160,000 bbl per day
 - Continuing horizontal drilling program based off 2023 success

Infrastructure & technology investments have positioned key assets to have the potential for significant free funds flow⁽⁴⁾ generation

See "Forward-Looking Statements and Financial Outlook" advisory.

(1) After 2024F, budgets and forecast for Cabrestero and LLA-34 have not been finalized and are subject to a variety of factors, including prior year's results as well as partner approval in respect to LLA-34. (2) Capital expenditures; non-GAAP financial measure; see advisory. (3) Average annual production. (4) Non-GAAP financial measure; free funds flow defined as FFO less capital expenditures; see advisory.

Top-Tier ESG Performance



E

- Reduced GHG intensity by 37% (scope 1 & 2) from 2019 baseline
- Cabrestero solar field completed; projected to avoid 3,500 tCO₂e per year
- Plan to eliminate routine flaring by 2025

S

- Invested over US\$15 million in communities in 2023
- Increased clean drinking water access for over 30,000 people since 2017
- 17 houses built for disadvantaged families since 2017

G

- 9 out of 10 independent directors
- 30% of directors are women
- 21% of 2022 variable compensation linked to ESG performance



External Recognition



24.1 Rating⁽¹⁾

6th Percentile among global E&Ps
Scale: 0 to 50 risk high exposure

MSCI
ESG RATINGS



CCC B BB BBB A AA AAA

AA Rating⁽²⁾

Scale: AAA to CCC



(1) As of January 11, 2024, Parex received an ESG Risk Rating of 24.1 from Morningstar Sustainability 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 Sustainability and/or its third-party suppliers and are provided for informational purposes only. (2) As of December 26, 2023, Parex received an MSCI ESG Rating of AA (on a scale of AAA-CCC). The use by Parex of MSCI ESG Research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks service marks or Index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Parex by MSCI. MSCI services and data are the property of MSCI or its information providers and are provided "as-is" and without warranty. MSCI names and logos are trademarks or services marks of MSCI.

Key Takeaways

- 2024 focus is on **increasing overall cash** that can be used to **reward shareholders**
- Demonstrated **track record** of production growth and return of capital
- Invested in infrastructure & technology to **flatten decline rates of key assets**
- Strategic partner with Ecopetrol S.A., with **growing Northern Llanos production** and MOU signed in **high-potential Foothills trend**
- Deep portfolio and three-year outlook shows **asset sustainability**
- Continuing to deliver **top-tier ESG performance**

Appendix



Strategically Investing Across Basins

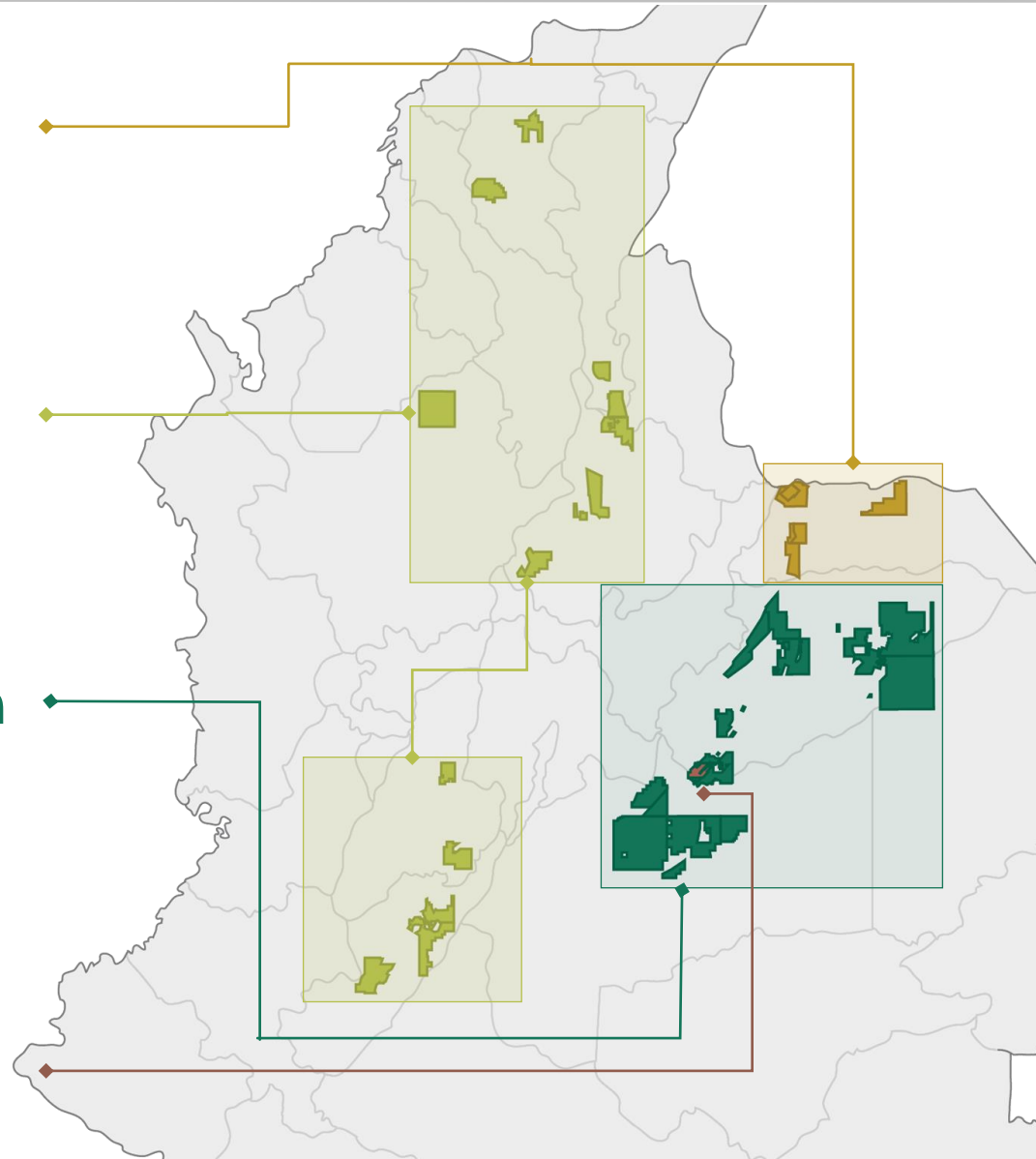


**Northern Llanos Basin
(Operated)**

**Magdalena Basins
(Operated)**

**Southern Llanos Basin
(Operated)**

**LLA-34
(Non-Operated)**



Diversified Operations

- **SOCA⁽¹⁾**: Reducing decline rate & future capital requirements
- **Northern Llanos & Magdalena**: Foundation for capital efficient growth
- **Big 'E' Exploration**: Deep portfolio of high-impact prospects

(1) Southern Casanare, which includes Cabrestero (100% W.I.) and LLA-34 (55% W.I.).

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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, the Company's focus, plans, priorities and strategies and the benefits to be derived from such plans, priorities and strategies; the percentage of funds flow that Parex is targeting to return to its shareholders; that Parex will continue to pay its regular quarterly dividend; Parex's anticipated quarterly dividend growth; the focus of Parex's MOU with Ecopetrol S.A. and the anticipated benefits to be derived therefrom; Parex's anticipated average production and funds flow provided by operations per share in 2023 and 2024; Parex's strategic growth levers and the anticipated benefits to be derived therefrom; Parex's expectation that it has limited cost inflation exposure; Parex's expectation that it has the technology and people in place to execute on its strategy; Parex's 2024 guidance, including its anticipated total production, funds flow provided by operations, capital expenditures and geographical capital distribution; Parex's three-year plan, including its anticipated annual net production per operating location, annual production growth, annual capital expenditures, annual investments on high-impact exploration and aggregate free funds flow and its expectations that it will increase production while providing exposure to high-impact exploration and increasing shareholder returns; Parex's 2024 netback sensitivity estimates; Parex's long-term capital allocation framework, including its expectations that it will reinvest two-thirds of funds flow provided by operations into the business and return one-third of funds flow provided by operations to Parex's shareholders through regular dividends and share buybacks; Parex's anticipated funds flow provided by operations, current dividend, capital expenditures, free funds flow, funds flow provided by operations netback and income tax rates, surtax and effective tax rates in 2024; the anticipated benefits to be derived from the Cabrestero solar field; Parex's expectations that it will eliminate routine flaring by 2025; Parex's expectations for certain of its blocks, including facility expansions, results of high impact exploration, capital expenditures, production, payouts and water injection/waterflood 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; and Parex's expectations that it will increase liquids recovery and build a long-term infrastructure solution to monetize dry gas. 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 2024-2026 annual average net production (including at Cabrestero and LLA-34), annual production growth, annual capital expenditures (including at Cabrestero and LLA-34), annual investment on high-impact exploration and aggregate free funds flow. The foregoing 2025-2026 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 2025-2026 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 the percentage of funds flow that Parex's returns to its shareholders may be less than anticipated; the risk that Parex may not pay a quarterly dividend in the future; the risk that Parex's MOU with Ecopetrol S.A. may not lead to a completed project; the risk that Parex's average production and funds flow provided by operations per share in 2023 and 2024 may be less than anticipated; the risk that Parex may not unlock an extensive land base, capitalize on onshore gas opportunities or deliver outsized exploration potential; the risk that Parex may have greater cost inflation exposure than anticipated; the risk that Parex may not have the technology or the people in place to execute on its strategy; the risk that Parex's funds flow provided by operations and capital expenditures in 2024 may be less than anticipated; the risk that Parex's annual net production, annual production growth, annual investments on high-impact exploration and free funds flow for the next three years may be less than anticipated and will not provide exposure to high impact exploration and increasing shareholder returns; 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's 2024 financial and production results may be less favorable than anticipated; the risk that Parex does not invest two-thirds of FFO into the business and return one-third or more of FFO to shareholders; 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 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 or accomplish its other ESG goals; the risk that Parex may not have sufficient financial resources in the future to pay a dividend or repurchase its shares; the risk that Parex's Board of Directors does not declare dividends in the future, that there is no base dividend growth and/or that Parex's dividend policy changes; 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.sedarplus.ca).

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: the percentage of funds flow from operations that Parex is targeting to return to its shareholders; that Parex will continue to pay its regular quarterly dividend; Parex's anticipated quarterly dividend growth; Parex's anticipated funds flow provided by operations per share in 2023 and 2024; Parex's 2024 guidance, including its anticipated funds flow provided by operations, capital expenditures and geographical capital distribution; Parex's three-year plan, including its anticipated annual capital expenditures, annual investments on high-impact exploration, aggregate free funds flow and its expectations that it will increase shareholder returns; forecasted capital expenditures in 2024 – 2026 at Cabrestero and LLA-34; Parex's 2024 netback sensitivity estimates; Parex's long-term capital allocation framework, including its expectations that it will reinvest two-thirds of funds flow provided by operations into the business and return one-third of funds flow provided by operations to its shareholders through regular dividends and share buybacks; and Parex's anticipated funds flow provided by operations, current dividend, capital expenditures, free funds flow, funds flow provided by operations netback and tax rates, surtax and effective tax rates in 2024. Such financial outlook has been prepared by Parex's 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.

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, 2023 dated November 7, 2023, which is available at the Company's website at www.parexresources.com and on the Company's profile on SEDAR+ at www.sedarplus.ca 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.

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 quarterly dividend payments of US\$115 million in 2024 remain subject to the approval of the Board of Directors of Parex and the declaration of such dividends 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. Any purchases of common shares pursuant to a normal course issuer bid is subject to all required regulatory approvals. 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.

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.



Oil and Gas Information (Continued)

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 bb) 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 certain oil and gas metrics, including FFO netbacks, EUR, cumulative recovery and decline rate 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.

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.sedarplus.ca 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

bb(s)	barrel(s)	mboe/d	million barrels of oil equivalent per day
bb(s)/d or bopd	barrel(s) of oil per day	mcf/d	thousand cubic feet per day
Mmbbl	million barrels	Mmcf/d	million cubic feet per day
kbb/d	thousand barrels of oil per day	MM	millions
BOE or boe	barrel of oil equivalent	W.I.	working interest
Mmboe	million barrels of oil equivalent	Brent	Brent Ice
boe/d	barrels of oil equivalent per day	FFO	funds flow provided by operations
kboe/d	thousand barrels of oil equivalent per day	FFF	free funds flow
Bfpd	barrels of fluid per day	tCO ₂ e	tonnes of carbon dioxide equivalent



Historical Production ⁽¹⁾	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 ⁽²⁾
Light & Medium Crude Oil (bbl/d)	-	-	-	-	-	-	-	-	4,668	7,214	6,021	6,831	7,471	8,417
Heavy Crude Oil (bbl/d)	-	-	-	-	-	-	-	-	39,120	44,494	39,197	38,449	43,008	45,163
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	54,356
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	4,656
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	54,356
Production Split (% Crude Oil)	90%	100%	100%	100%	100%	100%	99%	99%	99%	98%	97%	96%	97%	99%

(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. (2) Production volumes for the year-ended December 2023 are estimated.