

# Parex Resources Announces Third Quarter Results, Declaration of Q4 2024 Dividend, and Operational Update

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CALGARY, Nov. 05, 2024 - [Parex Resources Inc.](#) ("Parex" or the "Company") (TSX: PXT) is pleased to announce its financial and operating results for the three-month period ended September 30, 2024, the declaration of its Q4 2024 regular dividend of C\$0.385 per share, as well as an operational update. *All amounts herein are in United States Dollars ("USD") unless otherwise stated.*

"Following lower than expected results, Management is focused on driving production efficiency and optimizing performance from our key assets," commented Imad Mohsen, President & Chief Executive Officer.

"As we transition from 2024 to our 2025 planning phase, we are committed to improving results, delivering safe and reliable production, and positioning Parex to outperform."

## Key Highlights

- Generated Q3 2024 funds flow provided by operations ("FFO")<sup>(1)</sup> of \$152 million and FFO per share<sup>(2)(3)</sup> of \$1.50.
- FY 2024 average production guidance increased from 48,000-50,000 boe/d to 49,000-50,000 boe/d, based on stable operations at key assets as well as successful well results at Capachos and LLA-32.
- FY 2024 capital expenditure<sup>(6)</sup> guidance updated from \$370-390 million to \$350-370 million, based on a conservative capital program focused on improving capital returns.
- Declared Q4 2024 regular dividend of C\$0.385 per share<sup>(4)</sup> or C\$1.54 per share annualized.
- Repurchased approximately 4.5 million shares YTD 2024 under the Company's current normal course issuer bid ("NCIB").
- October 2024 average production was 47,000 boe/d<sup>(5)</sup>.

## Q3 2024 Results

- Quarterly average oil & natural gas production was 47,569 boe/d<sup>(7)</sup>.
- Realized net income of \$66 million or \$0.65 per share basic<sup>(3)</sup>.
- Generated quarterly FFO<sup>(1)</sup> of \$152 million and FFO per share<sup>(2)(3)</sup> of \$1.50, a 4% decrease and a 1% increase from Q3 2023, respectively.
- Current taxes decreased from Q2 2024 by \$39 million due to reduced corporate production as well as lower global oil prices; the Company also moved from an estimated 15% surtax to a projected 10% surtax with the depreciation of Brent oil price in the quarter.
- Produced an operating netback<sup>(2)</sup> of \$39.64/boe and an FFO netback<sup>(2)</sup> of \$34.58/boe from an average Brent price of \$78.71/bbl.
- Incurred \$82 million of capital expenditures<sup>(6)</sup>, primarily from activities at LLA-34, Capachos, LLA-32 and LLA-122.
- Generated \$69 million of free funds flow<sup>(6)</sup> that was used for return of capital initiatives and \$20 million of bank debt repayment; working capital surplus<sup>(1)</sup> was \$38 million and cash \$147 million at quarter end.
- Paid a C\$0.385 per share<sup>(4)</sup> regular quarterly dividend and repurchased 1,584,650 shares.

(1) Capital management measure. See "Non-GAAP and Other Financial Measures Advisory."

(2) Non-GAAP ratio. See "Non-GAAP and Other Financial Measures Advisory."

(3) Per share amounts (with the exception of dividends) are based on weighted-average common shares; dividends paid per share are based on the number of common shares outstanding at each dividend date.

(4) Supplementary financial measure. See "Non-GAAP and Other Financial Measures Advisory."

(5) Light & medium crude oil: ~8,956 bbl/d, heavy crude oil: ~37,325 bbl/d, conventional natural gas: ~4,316

mcf/d; rounded for presentation purposes.

(6) Non-GAAP financial measure. See "Non-GAAP and Other Financial Measures Advisory."

(7) See "Operational and Financial Highlights" for a breakdown of production by product type.

| Operational and Financial Highlights<br>(unaudited)               | Three Months Ended |                  |                  | Nine Months Ended |   |
|---|--------------------|------------------|------------------|-------------------|---|
|   | Sep. 30,<br>2024   | Sep. 30,<br>2023 | Jun. 30,<br>2024 | Sep. 30,<br>2024  |   |
| Operational   |                    |                  |                  |                   |   |
| Average daily production  |                    |                  |                  |                   |   |
| Light Crude Oil and Medium Crude Oil (bbl/d)                      | 9,064              | 8,837            | 9,541            | 8,615             |   |
| Heavy Crude Oil (bbl/d)   | 37,777             | 44,779           | 43,229           | 42,167            |   |
| Crude Oil (bbl/d)   | 46,841             | 53,616           | 52,770           | 50,782            |   |
| Conventional Natural Gas (mcf/d)                                  | 4,368              | 5,742            | 4,788            | 4,170             |   |
| Oil & Gas (boe/d) <sup>(1)</sup>                                  | 47,569             | 54,573           | 53,568           | 51,477            |   |
| Operating netback (\$/boe)  |                    |                  |                  |                   |   |
| Reference price - Brent (\$/bbl)                                  | 78.71              | 85.92            | 85.03            | 81.82             |   |
| Oil & gas sales <sup>(4)</sup>                                    | 68.75              | 75.83            | 75.21            | 71.69             |   |
| Royalties <sup>(4)</sup>  | (10.59)            | (13.72)          | (12.54)          | (11.48)           | ) |
| Net revenue <sup>(4)</sup>  | 58.16              | 62.11            | 62.67            | 60.21             |   |
| Production expense <sup>(4)</sup>                                 | (14.81)            | (9.73)           | (12.95)          | (13.43)           | ) |
| Transportation expense <sup>(4)</sup>                             | (3.71)             | (3.56)           | (3.40)           | (3.50)            | ) |
| Operating netback (\$/boe) <sup>(2)</sup>                         | 39.64              | 48.82            | 46.32            | 43.28             |   |
| Funds flow provided by operations netback (\$/boe) <sup>(2)</sup> | 34.58              | 31.28            | 37.34            | 34.43             |   |
| Financial (\$000s except per share amounts)                       |                    |                  |                  |                   |   |
| Net income  | 65,793             | 119,736          | 3,845            | 129,731           |   |
| Per share - basic <sup>(6)</sup>                                  | 0.65               | 1.13             | 0.04             | 1.27              |   |
| Funds flow provided by operations <sup>(5)</sup>                  | 151,773            | 157,839          | 180,952          | 481,032           |   |
| Per share - basic <sup>(2)(6)</sup>                               | 1.50               | 1.49             | 1.77             | 4.71              |   |
| Capital expenditures <sup>(3)</sup>                               | 82,367             | 156,747          | 97,797           | 265,585           |   |
| Free funds flow <sup>(3)</sup>                                    | 69,406             | 1,092            | 83,155           | 215,447           |   |
| EBITDA <sup>(3)</sup>   | 167,763            | 221,271          | 195,940          | 555,781           |   |
| Adjusted EBITDA <sup>(3)</sup>                                    | 164,002            | 225,784          | 230,547          | 582,777           |   |
| Long-term inventory expenditures                                  | (6,318)            | (374)            | 9,817            | 7,342             |   |
| Dividends paid  | 28,467             | 29,239           | 28,528           | 85,526            |   |
| Per share - Cdn\$ <sup>(4)</sup>                                  | 0.385              | 0.375            | 0.385            | 1.145             |   |
| Shares repurchased  | 20,723             | 24,273           | 21,367           | 57,381            |   |
| Number of shares repurchased (000s)                               | 1,585              | 1,240            | 1,298            | 3,803             |   |
| Outstanding shares (end of period) (000s)                         |                    |                  |                  |                   |   |
| Basic   | 100,031            | 105,014          | 101,616          | 100,031           |   |
| Weighted average basic  | 100,891            | 105,621          | 102,259          | 102,203           |   |
| Diluted <sup>(8)</sup>  | 100,933            | 105,722          | 102,528          | 100,933           |   |
| Working capital surplus (deficit) <sup>(5)</sup>                  | 37,509             | (57,511)         | 34,156           | 37,509            |   |
| Bank debt <sup>(7)</sup>  | 30,000             | -                | 50,000           | 30,000            |   |
| Cash  | 147,454            | 34,548           | 119,468          | 147,454           |   |

(1) Reference to crude oil or natural gas in the above table and elsewhere in this press release refer to the light and medium crude oil and heavy crude oil and conventional natural gas, respectively, product types as defined in National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities.

(2) Non-GAAP ratio. See "Non-GAAP and Other Financial Measures Advisory".

(3) Non-GAAP financial measure. See "Non-GAAP and Other Financial Measures Advisory".

- (4) Supplementary financial measure. See "Non-GAAP and Other Financial Measures Advisory".  
(5) Capital management measure. See "Non-GAAP and Other Financial Measures Advisory".  
(6) Per share amounts (with the exception of dividends) are based on weighted average common shares. Dividends paid per share are based on the number of common shares outstanding at each dividend record date.  
(7) Syndicated bank credit facility borrowing base of \$200.0 million as at September 30, 2024.  
(8) Diluted shares as stated include common shares and stock options outstanding at period end; September 30, 2024 closing price was C\$12.00 per share.

## Operational Update

### 2024 Corporate Guidance Update

FY 2024 average production guidance has been updated to 49,000 to 50,000 boe/d (49,500 boe/d midpoint) and concurrently, capital expenditure<sup>(5)</sup> guidance for the year has been updated to \$350 to \$370 million (\$360 million midpoint).

At \$80/bbl Brent crude oil price, funds flow provided by operations<sup>(4)</sup> is expected to be \$575 to \$585 million and generate roughly \$220 million of free funds flow<sup>(5)</sup> at the midpoint of guidance. A key driver of the funds flow provided by operations increase from the prior updated guidance is a lower projected effective tax rate for FY 2024.

| Category   | 2024 Updated Guidance<br>(August 28, 2024) | 2024 Updated Guidance<br>(November 5, 2024) |
|--|--|---|
| Brent Crude Oil Average Price                                  | \$80/bbl                                   | \$80/bbl                                    |
| Average Production   | 48,000-50,000 boe/d                        | 49,000-50,000 boe/d                         |
| Funds Flow Provided by Operations Netback <sup>(1)(2)(3)</sup> | \$30-32/boe                                | \$31-33/boe                                 |
| Funds Flow Provided by Operations <sup>(4)</sup>               | \$545-565 million                          | \$575-585 million                           |
| Capital Expenditures <sup>(5)</sup>                            | \$370-390 million                          | \$350-370 million                           |
| Free Funds Flow <sup>(5)</sup>                                 | \$175 million (midpoint)                   | \$220 million (midpoint)                    |

- (1) Non-GAAP ratio. See "Non-GAAP and Other Financial Measures Advisory".  
(2) 2024 updated assumptions: Vasconia differential: ~\$4/bbl; production expense: \$13-14/bbl; transportation expense: ~\$3.50/bbl; G&A expense: ~\$4.00/bbl; effective tax rate: 14-17%.  
(3) Supplementary financial measure. See "Non-GAAP and Other Financial Measures Advisory".  
(4) Capital management measure. See "Non-GAAP and Other Financial Measures Advisory".  
(5) Non-GAAP financial measure. See "Non-GAAP and Other Financial Measures Advisory".

### Cabrestero and LLA-34<sup>(1)(2)</sup>

The Cabrestero and LLA-34 blocks had average production of approximately 37,000 bbl/d of heavy crude oil (net) combined in Q3 2024. During the quarter, both blocks experienced higher-than-expected downtime that adversely affected quarterly production.

Additionally, at both blocks, annual decline rates are broadly in line with Management budgeting where there is a continued focus on ramping up injection rates. At Cabrestero specifically, the Company continues to progress its polymer injection pilot and is moving towards approving a full field expansion based on success to date.

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

### LLA-32 - Exploitation Update<sup>(1)</sup>

Following the mid-year reallocation of 2024 capital to LLA-32, the Company has now drilled three successful

wells on the block. The most recent well, the second follow-up appraisal well, is producing roughly 2,000 bbl/d of light crude oil (gross)<sup>(2)</sup>. Based on success to date, Parex is continuing to invest capital and has spud a horizontal well.

(1) 87.5% W.I.

(2) Short-term production rate. See "Oil & Gas Matters Advisory."

#### Northern Llanos - Capachos Update<sup>(1)</sup>

The first well of a three-well campaign came online in late Q3 2024. The well is currently producing roughly 4,000 bbl/d of light crude oil with approximately 6,000 mcf/d of natural gas (gross)<sup>(2)</sup>.

Parex plans to fulfill an exploration commitment and spud the second well of the campaign in the coming weeks.

(1) 50% W.I.

(2) Short-term production rate. See "Oil & Gas Matters Advisory."

#### Northern Llanos - Arauca<sup>(1)</sup>

The Arauca-81 well is expected to be onstream in Q4 2024, following a successful operational sidetrack.

(1) Business Collaboration Agreement with Ecopetrol S.A. (Parex 50% Participating Share); Ecopetrol S.A. currently holds 100% of the working interest in the Convenio Arauca while the assignment procedure is pending.

#### Big 'E' Exploration - Llanos Foothills - LLA-122<sup>(1)</sup>

The drilling of the Arantes well in the high-potential Colombian Foothills continues to progress on an extended timeline. In Q3 2024, an operational sidetrack was executed following a stuck pipe event; the sidetrack was successful, and the well is now at roughly 17,750 feet. Parex is progressing toward the setting of the final liner immediately above the zones of interest, prior to drilling and evaluating the prospective zones. Based on the current pace of operations, the Company expects preliminary results by YE 2024.

(1) 50% W.I.

#### Return of Capital Update

#### Q4 2024 Dividend

Parex's Board of Directors have approved a Q4 2024 regular dividend of C\$0.385 per share to shareholders of record on December 9, 2024, to be paid on December 16, 2024. This regular dividend payment to shareholders is designated as an "eligible dividend" for purposes of the Income Tax Act (Canada).

#### Current Normal Course Issuer Bid

As at October 31, 2024, Parex has repurchased approximately 4.5 million shares under its current NCIB, for total consideration of roughly C\$85 million.

#### 2025 Budget & Guidance

The Company continues to assess its short- and long-term development and exploration opportunities as it

progresses through its 2025 budgeting and planning process, with next year's corporate guidance expected to be released in January 2025.

#### Q3 2024 Results - Conference Call & Webcast

Parex will host a conference call and webcast to discuss its Q3 2024 results on Wednesday, November 6, 2024, beginning at 9:30 am MT (11:30 am ET). To participate in the conference call or webcast, please see the access information below:

Conference ID: 7102953  
Participant Toll-Free Dial-In Number 1-646-307-1963  
Participant Dial-In Number: 1-647-932-3411  
Webcast: <https://events.q4inc.com/attendee/321063614>

#### About Parex Resources Inc.

Parex is one of the largest independent oil and gas companies in Colombia, focusing on sustainable conventional production. The Company's corporate headquarters are in Calgary, Canada, with an operating office in Bogotá, Colombia. Parex shares trade on the Toronto Stock Exchange under the symbol PXT.

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#### Non-GAAP and Other Financial Measures Advisory

This press release uses various "non-GAAP financial measures", "non-GAAP ratios", "supplementary financial measures" and "capital management measures" (as such terms are defined in NI 52-112), which are described in further detail below. Such measures are not standardized financial measures under IFRS and might not be comparable to similar financial measures disclosed by other issuers. Investors are cautioned that non-GAAP financial measures should not be construed as alternatives to or more meaningful than the most directly comparable GAAP measures as indicators of Parex's performance.

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.

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 press release.

#### *Non-GAAP Financial Measures*

*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 and is calculated as follows:*

|  | For the three months ended |            |           | For the nine months ended |
|--|----------------------------|------------|-----------|---------------------------|
|  | Sep. 30,                   | Sep. 30,   | Jun. 30,  | Sep. 30,                  |
| (\$000s)                                   | 2024                       | 2023       | 2024      | 2024                      |
| Property, plant and equipment expenditures | \$ 68,406                  | \$ 93,957  | \$ 49,214 | \$ 158,451                |
| Exploration and evaluation expenditures    | 13,961                     | 62,790     | 48,583    | 107,134                   |
| Capital expenditures                       | \$ 82,367                  | \$ 156,747 | \$ 97,797 | \$ 265,585                |

*Free funds flow, is a non-GAAP financial measure that is determined by funds flow provided by operations less capital expenditures. The Company considers free funds flow to be a key measure as it demonstrates Parex's ability to fund return of capital, such as the NCIB and dividends, without accessing outside funds and is calculated as follows:*

|  | For the three months ended |           |            | For the nine months ended |
|--|----------------------------|-----------|------------|---------------------------|
|  | Sep. 30,                   | Sep. 30,  | Jun. 30,   | Sep. 30,                  |
| (\$000s)                               | 2024                       | 2023      | 2024       | 2024                      |
| Cash provided by operating activities  | \$ 181,874                 | \$ 87,568 | \$ 222,782 | \$ 502,068                |
| Net change in non-cash working capital | (30,101 )                  | 70,271    | (41,830 )  | (21,036 )                 |
| Funds flow provided by operations      | 151,773                    | 157,839   | 180,952    | 481,032                   |
| Capital expenditures                   | 82,367                     | 156,747   | 97,797     | 265,585                   |
| Free funds flow                        | \$ 69,406                  | \$ 1,092  | \$ 83,155  | \$ 215,447                |

*EBITDA, is a non-GAAP financial measure that is defined as net income adjusted for finance income and expenses, income tax expense (recovery) and depletion, depreciation and amortization.*

*Adjusted EBITDA, is a non-GAAP financial measure defined as EBITDA adjusted for non-cash impairment charges, unrealized foreign exchange gains (losses), unrealized gains (losses) on risk management contracts and share-based compensation expense (recovery).*

*The Company considers EBITDA and Adjusted EBITDA to be key measures as they demonstrates Parex's profitability before finance income and expenses, taxes, depletion, depreciation and amortization and other non-cash items. A reconciliation from net income to EBITDA and Adjusted EBITDA is as follows:*

|  | For the three months ended |            |            | For the nine months ended |
|--|----------------------------|------------|------------|---------------------------|
|  | Sep. 30,                   | Sep. 30,   | Jun. 30,   | Sep. 30,                  |
| (\$000s)                                       | 2024                       | 2023       | 2024       | 2024                      |
| Net income                                     | \$ 65,793                  | \$ 119,736 | \$ 3,845   | \$ 129,731                |
| Adjustments to reconcile net income to EBITDA: |                            |            |            |                           |
| Finance income                                 | (963 )                     | (2,496 )   | (1,097 )   | (3,317 )                  |
| Finance expense                                | 7,494                      | 5,219      | 5,421      | 18,109                    |
| Income tax expense                             | 42,767                     | 49,995     | 130,888    | 249,472                   |
| Depletion, depreciation and amortization       | 52,672                     | 48,817     | 56,883     | 161,786                   |
| EBITDA   | \$ 167,763                 | \$ 221,271 | \$ 195,940 | \$ 555,781                |
| Non-cash impairment charges                    | -                          | 2,189      | 4,661      | 4,661                     |
| Share-based compensation expense (recovery)    | (7,994 )                   | 4,642      | 5,770      | (4,687 )                  |
| Unrealized foreign exchange loss (gain)        | 4,233                      | (2,318 )   | 24,176     | 27,022                    |
| Adjusted EBITDA                                | \$ 164,002                 | \$ 225,784 | \$ 230,547 | \$ 582,777                |

#### Non-GAAP Ratios

*Operating netback per boe, is a non-GAAP ratio that the Company considers to be a key measure as it demonstrates Parex' profitability relative to current commodity prices. Parex calculates operating netback per boe as operating netback (calculated as oil and natural gas sales from production, less royalties, operating, and transportation expense) divided by the total equivalent sales volume including purchased oil volumes for oil and natural gas sales price and transportation expense per boe and by the total equivalent sales volume excluding purchased oil volumes for royalties and operating expense per boe.*

*Funds flow provided by operations netback per boe or FFO netback per boe, 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 funds flow provided by operations netback per boe to be a key measure as it demonstrates Parex's profitability after all cash costs relative to current commodity prices.*

*Basic funds flow provided by operations per share or FFO per share, is a non-GAAP ratio that is calculated by dividing funds flow provided by operations by the weighted average number of basic shares outstanding. Parex presents basic funds flow provided by operations per share whereby per share amounts are calculated using weighted-average shares outstanding, consistent with the calculation of earnings per share. The Company considers basic funds flow provided by operations per share or FFO per share to be a key measure as it demonstrates Parex's profitability after all cash costs relative to the weighted average number of basic 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. A reconciliation from cash provided by operating activities to funds flow provided by operations is as follows:*

|  | For the three months ended |            |            | For the nine months ended |
|--|----------------------------|------------|------------|---------------------------|
|  | Sep. 30,                   | Sep. 30,   | Jun. 30,   | Sep. 30,                  |
| (\$000s)                               | 2024                       | 2023       | 2024       | 2024                      |
| Cash provided by operating activities  | \$ 181,874                 | \$ 87,568  | \$ 222,782 | \$ 502,068                |
| Net change in non-cash working capital | (30,101 )                  | 70,271     | (41,830 )  | (21,036 )                 |
| Funds flow provided by operations      | \$ 151,773                 | \$ 157,839 | \$ 180,952 | \$ 481,032                |

*Working capital surplus (deficit), is a capital management measure which the Company uses to describe its liquidity position and ability to meet its short-term liabilities. Working capital surplus (deficit) defined as current assets less current liabilities.*

|                                   | For the three months ended |              |            | For the nine months ended |
|-----------------------------------|----------------------------|--------------|------------|---------------------------|
|                                   | Sep. 30,                   | Sep. 30,     | Jun. 30,   | Sep. 30,                  |
| (\$000s)                          | 2024                       | 2023         | 2024       | 2024                      |
| Current assets                    | \$ 248,208                 | \$ 240,559   | \$ 281,846 | \$ 248,208                |
| Current liabilities               | 210,699                    | 298,070      | 247,690    | 210,699                   |
| Working capital surplus (deficit) | \$ 37,509                  | \$ (57,511 ) | \$ 34,156  | \$ 37,509                 |

## Supplementary Financial Measures

*"Oil and natural gas sales per boe" is determined by sales revenue excluding risk management contracts, as determined in accordance with IFRS, divided by total equivalent sales volume including purchased oil volumes.*

*"Royalties per boe" is comprised of royalties, as determined in accordance with IFRS, divided by the total*

*equivalent sales volume and excludes purchased oil volumes.*

*"Net revenue per boe" is comprised of net revenue, as determined in accordance with IFRS, divided by the total equivalent sales volume and excludes purchased oil volumes.*

*"Production expense per boe" is comprised of production expense, as determined in accordance with IFRS, divided by the total equivalent sales volume and excludes purchased oil volumes.*

*"Transportation expense per boe" is comprised of transportation expense, as determined in accordance with IFRS, divided by the total equivalent sales volumes including purchased oil volumes.*

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

#### Oil & Gas Matters Advisory

The term "Boe" means a barrel of oil equivalent on the basis of 6 Mcf of natural gas to 1 barrel of oil ("bbl"). Boe's may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf: 1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6 Mcf: 1Bbl, utilizing a conversion ratio at 6 Mcf: 1 Bbl may be misleading as an indication of value.

This press release contains a number of oil and gas metrics, including, operating netbacks and FFO netbacks. These oil and gas metrics have been prepared by management and 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 security holders 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 in this news release, should not be relied upon for investment or other purposes.

Any reference in this press release to short-term production rates are useful in confirming the presence of hydrocarbons, however such rates are not determination of the rates at which such wells will continue production and decline thereafter and readers are cautioned not to place reliance on such rates in calculating the aggregate production of Parex.

#### Distribution Advisory

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 an NCIB, 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. Further, the actual amount, the declaration date, the record date and the payment date of any dividend are subject to the discretion of the Board. There can be no assurance that the Company will pay dividends or repurchase any shares of the Company in the future.

#### Advisory on Forward Looking Statements

Certain information regarding Parex set forth in this document contains forward-looking statements that



involve substantial known and unknown risks and uncertainties. The use of any of the words "plan", "expect", "prospective", "project", "intend", "believe", "should", "anticipate", "estimate", "forecast", "guidance", "budget" or other similar words, or statements that certain events or conditions "may" or "will" occur are intended to identify forward-looking statements. Such statements represent Parex'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), competitive advantages, plans for and results of drilling activity, environmental matters, 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 document include, but are not limited to, statements with respect to: the Company's focus, plans, priorities and strategies; average production guidance and capital expenditure guidance; expectations and plans regarding the Cabrestero and LLA-34 blocks, the LLA-32 block, Northern Llanos - Capachos, the Arauca-81 well, and Llanos Foothills - LLA-122; the anticipated terms of the Company's Q4 2024 regular quarterly dividend, including its expectation that it will be designated as an "eligible dividend"; and the anticipated date and time of Parex's conference call to discuss Q3 2024 results.

These forward-looking statements are subject to numerous risks and uncertainties, including but not limited to, the impact of general economic conditions in Canada and Colombia; prolonged volatility in commodity prices; industry conditions including changes in laws and regulations including adoption of new environmental laws and regulations, and changes in how they are interpreted and enforced in Canada and Colombia; determinations by OPEC and other countries as to production levels; competition; lack of availability of qualified personnel; the results of exploration and development drilling and related activities; obtaining required approvals of regulatory authorities in Canada and Colombia; the risks associated with negotiating with foreign governments as well as country risk associated with conducting international activities; volatility in market prices for oil; fluctuations in foreign exchange or interest rates; environmental risks; changes in income tax laws or changes in tax laws and incentive programs relating to the oil industry; changes to pipeline capacity; ability to access sufficient capital from internal and external sources; failure of counterparties to perform under contracts; the risk that Brent oil prices may be lower than anticipated; the risk that Parex's evaluation of its existing portfolio of development and exploration opportunities may not be consistent with its expectations; the risk that Parex may not have sufficient financial resources in the future to provide distributions to its shareholders; the risk that the Board may not declare dividends in the future or that Parex's dividend policy changes; the risk that Parex may not be responsive to changes in commodity prices; the risk that Parex may not meet its production guidance for the year ended December 31, 2024; the risk that Parex's 2024 capital expenditures may be greater than anticipated; the risk that plans and expectations related to Parex's drilling program as disclosed herein do not materialize as expected and/or at all; the risk that Parex may not be able to increase production into year end; 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](http://www.sedarplus.ca)).

Although the forward-looking statements contained in this document are based upon assumptions which Management believes to be reasonable, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. With respect to forward-looking statements contained in this document, Parex has made assumptions regarding, among other things: current and anticipated commodity prices and royalty regimes; availability of skilled labour; timing and amount of capital expenditures; future exchange rates; the price of oil, including the anticipated Brent oil price; the impact of increasing competition; conditions in general economic and financial markets; availability of drilling and related equipment; effects of regulation by governmental agencies; receipt of partner, regulatory and community approvals; royalty rates; future operating costs; 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; that Parex's evaluation of its existing portfolio of development and exploration opportunities is consistent with its expectations; current or, where applicable, proposed industry conditions, laws and regulations will continue in effect or as anticipated as described herein; that the estimates of Parex's production and reserves volumes and the assumptions related thereto (including commodity prices and development costs) are accurate in all material respects; that Parex will be able to obtain contract extensions or 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 to pay dividends and acquire shares pursuant to its NCIB in the future; that Parex is able to execute its plans with respect to the Company's drilling program as disclosed herein; and other matters.

Management has included the above summary of assumptions and risks related to forward-looking information provided in this document in order to provide shareholders with a more complete perspective on Parex'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 document and Parex disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

This press release contains information that may be considered a financial outlook under applicable securities laws about the Company's potential financial position, including, but not limited to; Parex's FY 2024 capital expenditure guidance and midpoint capital expenditure guidance; Parex 2024 guidance, including anticipated Brent crude oil average prices, funds flow provided by operations netback; funds flow provided by operations, capital expenditures, free funds flow; and the anticipated terms of the Company's Q4 2024 regular quarterly dividend including its expectation that it will be designated as an "eligible dividend", all of which are subject to numerous assumptions, risk factors, limitations and qualifications, including those set forth in the above paragraphs. The actual results of operations of the Company and the resulting financial results will vary from the amounts set forth in this press release and such variations may be material. This information has been provided for illustration only and with respect to future periods are based on budgets and forecasts that are speculative and are subject to a variety of contingencies and may not be appropriate for other purposes. Accordingly, these estimates are not to be relied upon as indicative of future results. Except as required by applicable securities laws, the Company undertakes no obligation to update such financial outlook. The financial outlook contained in this press release was made as of the date of this press release and was provided for the purpose of providing further information about the Company's potential future business operations. Readers are cautioned that the financial outlook contained in this press release is not conclusive and is subject to change.

The following abbreviations used in this press release have the meanings set forth below:

|       |   |
|-------|---|
| bbl   | one barrel  |
| bbls  | barrels   |
| bbl/d | barrels per day   |
| boe   | barrels of oil equivalent of natural gas; one barrel of oil or natural gas liquids for six thousand cubic feet of natural gas |
| boe/d | barrels of oil equivalent of natural gas per day  |
| mcf   | thousand cubic feet   |
| mcf/d | thousand cubic feet per day   |
| W.I.  | working interest  |

PDF available: <http://ml.globenewswire.com/Resource/Download/036d688c-0a1e-4b88-a59e-ea8a6ec811a7>

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