

An aerial photograph of an industrial facility, likely a refinery or chemical plant. The image shows a complex network of yellow and blue pipes, valves, and tanks. The ground is covered in gravel. Several workers in safety gear are visible near the piping. The overall scene is brightly lit, suggesting a clear day.

# Parex Resources

*EnerCom Denver – August 20, 2024*



# TSX:PXT

- Colombia's Largest Independent Oil & Gas Company
- Track Record of Creating Value in Colombia since 2009
- Deep Portfolio with Transformational Exploration Opportunities
- Target the Return of  $\geq 33\%$  of FFO<sup>(1)</sup> to Shareholders
- Top-Tier ESG Performance

Stock Symbol	TSX:PXT
Shares Outstanding <sup>(2)</sup>	101.2 million
Market Capitalization <sup>(2)</sup>	C\$2.1 billion
Quarterly Dividend <sup>(3)</sup>	C\$0.385 per share
Dividend Yield <sup>(2)(3)(4)</sup>	7.4%
Average Production <sup>(5)</sup>	53,568 boe/d
Land Position	5.4 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 July 31, 2024.

(3) Based on C\$0.385 per share quarterly dividend as first approved on May 8, 2024.

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

(5) For three months ended June 30, 2024 (light & medium crude oil: 9,541 bbl/d, heavy crude oil: 43,229 bbl/d, conventional natural gas: 4,788 mcf/d).



# Colombia

**~750,000**  
BBL/D  
Oil Production<sup>(1)</sup>

**Independent**  
Branches of  
Government

**Free**  
Capital Movement  
& No Foreign  
Currency Controls

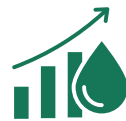
**OECD**  
Member  
Country

## 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<sup>(2)</sup>



**Established Strong  
Social License**  
US\$20MM+ of community  
investment in 2023



**Strategic Partner  
with Ecopetrol S.A.**  
Agreement signed in high-  
potential Foothills trend

# 2024 Guidance



**Average Production**  
boe/d

**54,000-60,000**  
*Trending to the Lower End of the Range*



**Funds Flow**  
\$ millions

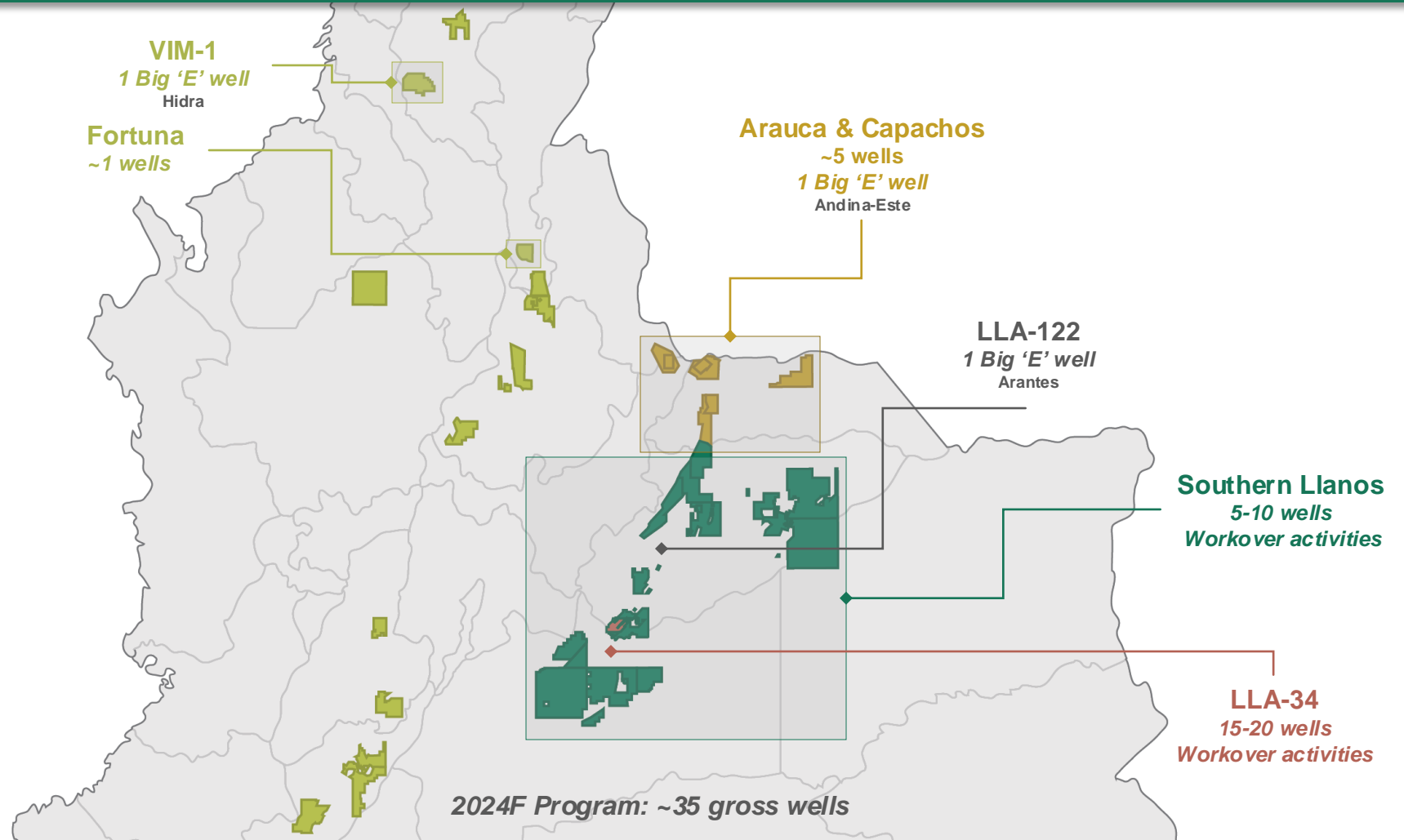
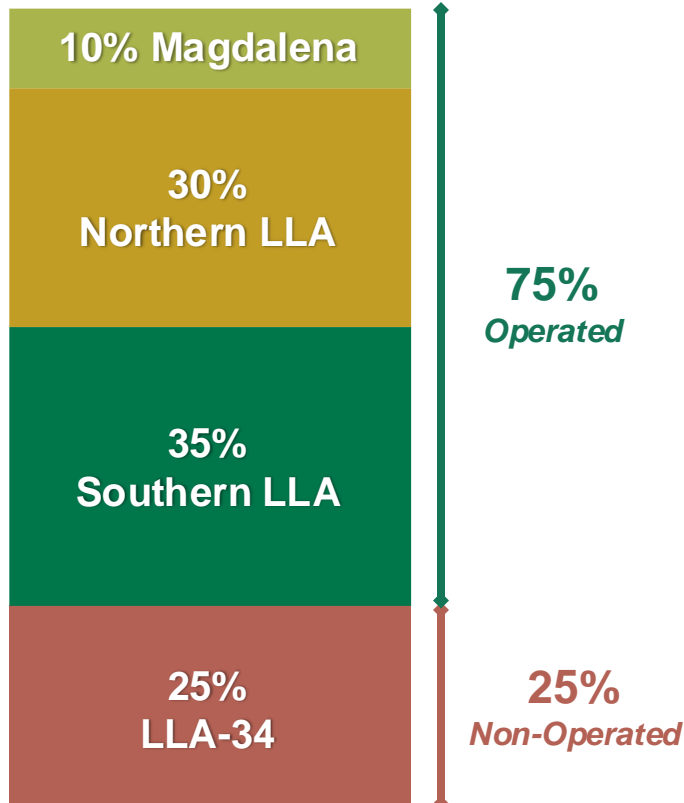
**\$590-660<sup>(1)</sup>**  
\$75/bbl Brent



**Capital Expenditures**  
\$ millions

**\$390-430<sup>(2)</sup>**  
*Trending to the Lower End of the Range*

## 2024F CAPITAL DISTRIBUTION

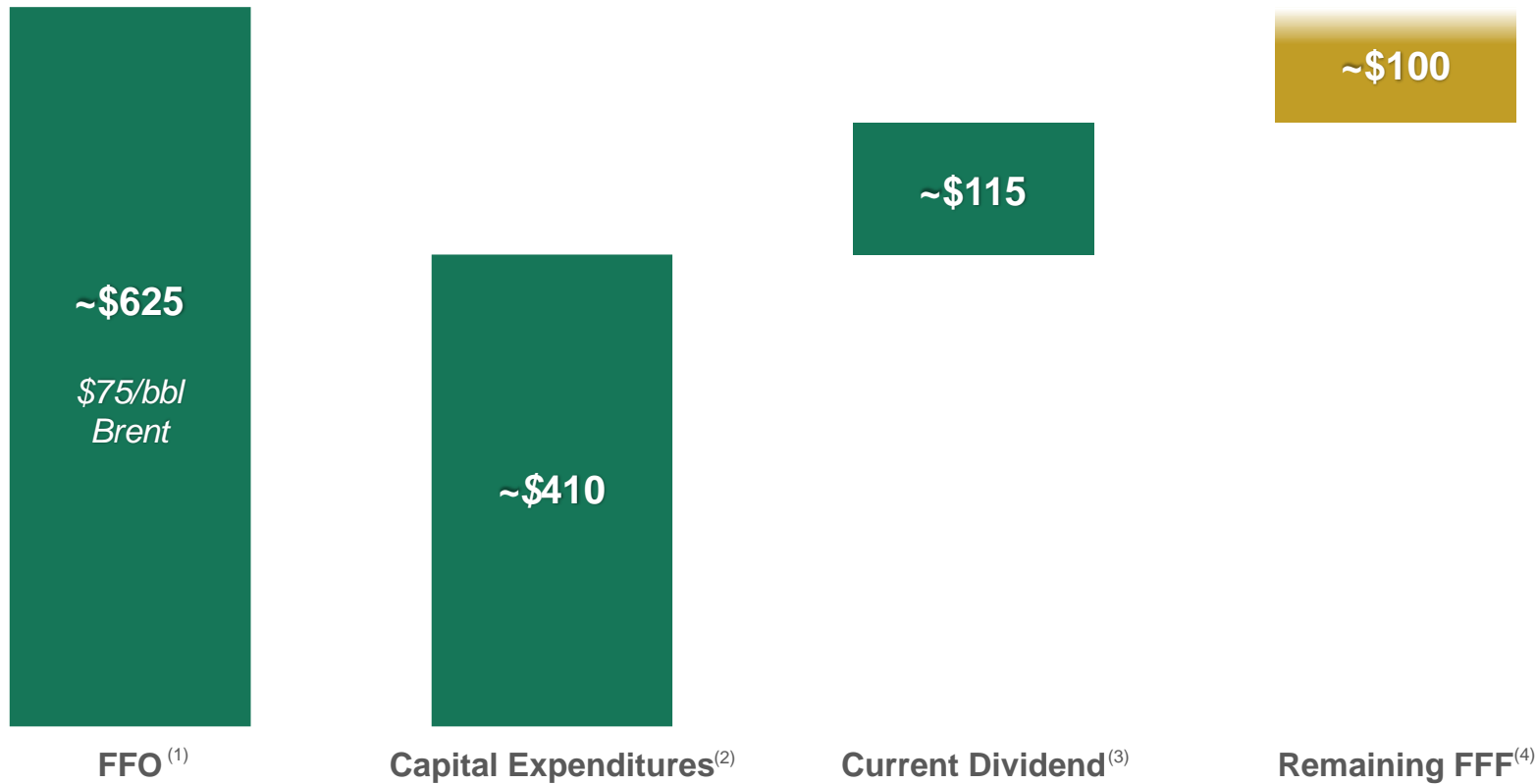


See "Forward-Looking Statements and Financial Outlook" advisory. 2024 guidance based on \$75/bbl Brent crude oil price (see January 15, 2024, and July 31, 2024 news releases).  
 (1) Funds flow provided by operations; capital management measure; see advisory. (2) Non-GAAP financial measure; see advisory.

# Capital Allocation Framework Reinforced by 2024 Plan

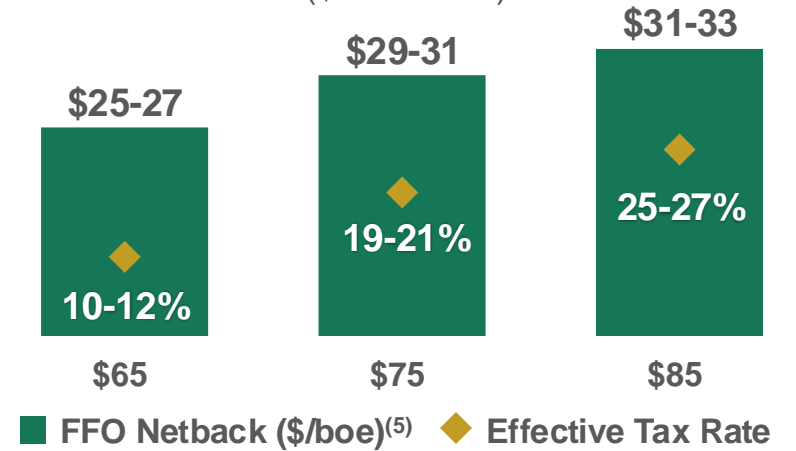


## 2024F CAPITAL ALLOCATION (\$MM)

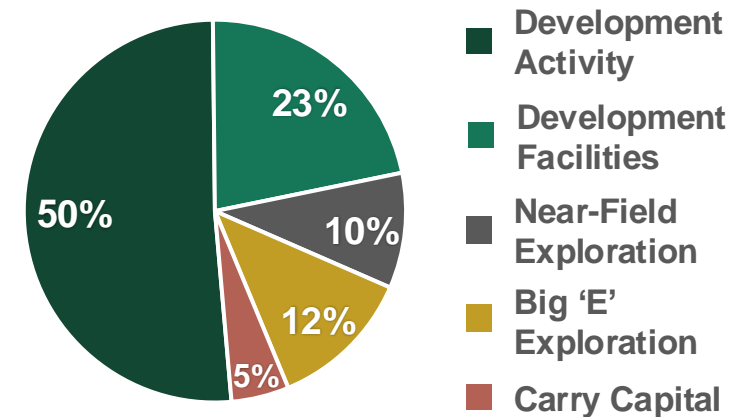


**2024 plan at \$75/bbl Brent is expected to generate ~\$215MM of free funds flow<sup>(4)</sup>**

## 2024F FFO NETBACK<sup>(5)</sup> SENSITIVITY (\$/bbl Brent)



## 2024F CAPITAL EXPENDITURES<sup>(2)</sup> BY CATEGORY



See "Forward-Looking Statements and Financial Outlook" advisory. 2024 guidance based on \$75/bbl Brent crude oil price (see January 15, 2024, and July 31, 2024 news releases).

(1) Capital management measure; see advisory. (2) Non-GAAP financial measure; see advisory. (3) Based on paid Q1 2024 dividend of C\$0.375 per share and updated Q2 2024 C\$0.385 per share dividend as first approved on May 8, 2024. (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.



# 2024 High-Impact Exploration Plan



VIM-1<sup>(1)</sup>

## *Hidra*

*Potential surrounds La Belleza*

Planned spud mid-year 2024

Targeting gas & condensate

LLA-122<sup>(1)</sup>

## *Arantes*

*High-potential Foothills trend*

Began drilling in Q1 2024

Targeting gas & condensate

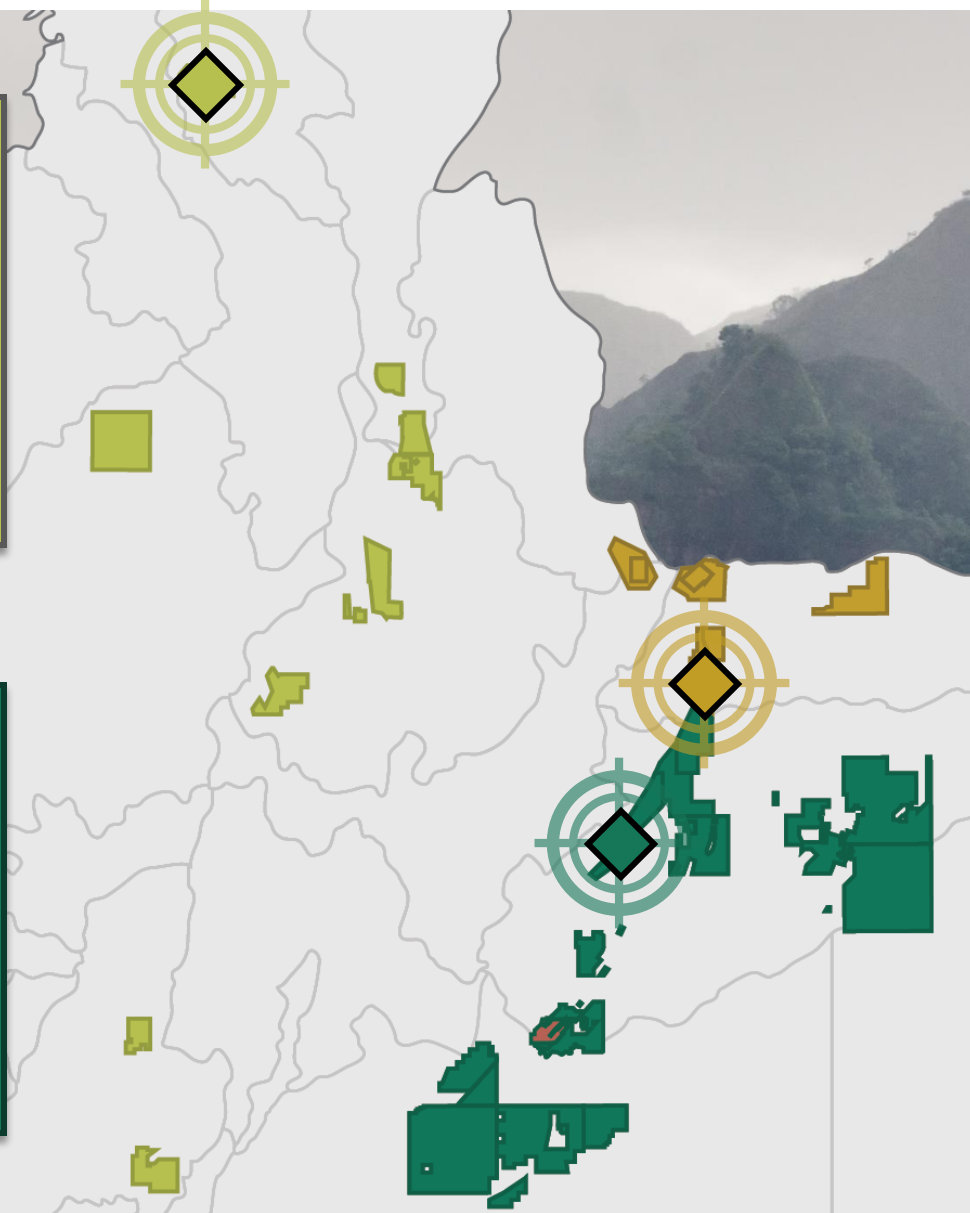
Capachos<sup>(1)</sup>

## *Andina-Este*

*East of Main Capachos Structure*

Planned spud by YE 2024

Targeting light oil & gas





## Progressing Foothills Opportunity within Existing Capital Allocation

### Partnered with Ecopetrol & Government

- PXT operator of trend
- Vote of confidence on operating capability from Ecopetrol

### Available Infrastructure Access to Markets

- Accelerate development through existing, underutilized infrastructure
- Attractive market; projected supply & demand imbalance<sup>(3)</sup>

### World-Class Resource

- Area has cumulative production of >1.4B bbls oil and ~4 TCF of gas<sup>(1)</sup>
- Proven analogs<sup>(2)</sup>

### High-Grades Portfolio

- Profundo well<sup>(4)</sup> one of PXT's highest ranking exploration prospects
- Created an AMI<sup>(5)</sup> that includes the Niscota exploration area

*As announced, April 11, 2024, Parex and its strategic partner Ecopetrol entered into definitive agreements to consolidate their position along the Llanos Foothills trend in alignment with current Colombian government objectives to secure gas supply and support energy transition initiatives.*

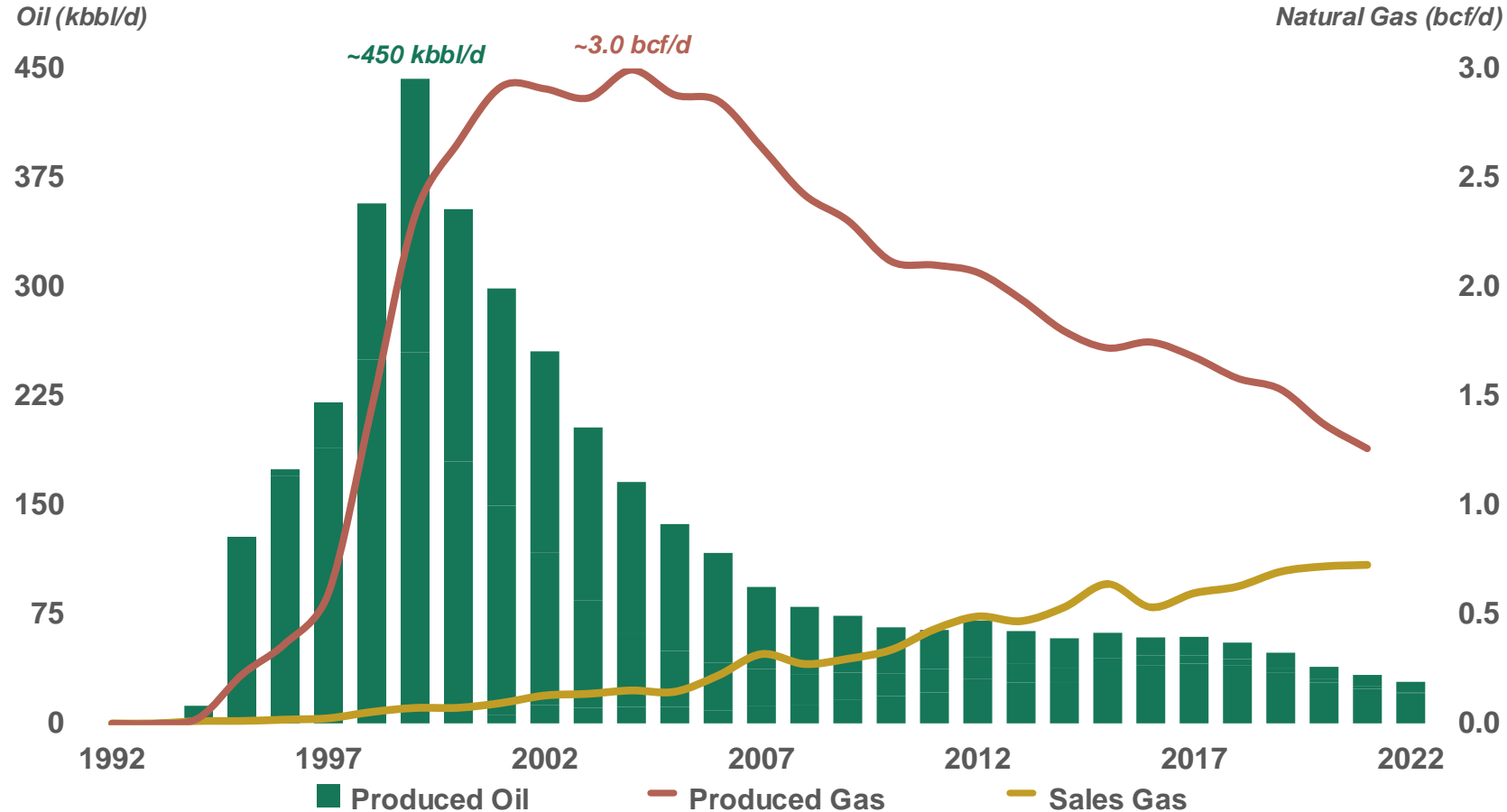
See "Forward-Looking Statements and Financial Outlook" advisory.

(1) Source: IHS – S&P Global. (2) See "Analogous Information" advisory. (3) See slide #13. (4) Parex receives 50% participating share in future exploration; Ecopetrol retains 100% W.I. and operatorship of current production, with 50% participating share in future exploration; subject to government approval; see "Oil & Gas Information" advisory. (5) Area of mutual interest whereby if either party acquires the rights within an area, each party has the right to acquire a 50% W.I. of the acquired area; excludes the extension of the existing discoveries from the Piedemonte Convenio, where Ecopetrol will keep 100% rights over such area; subject to government approval.

# Llanos Foothills: The Most Prolific Area in all of Colombia



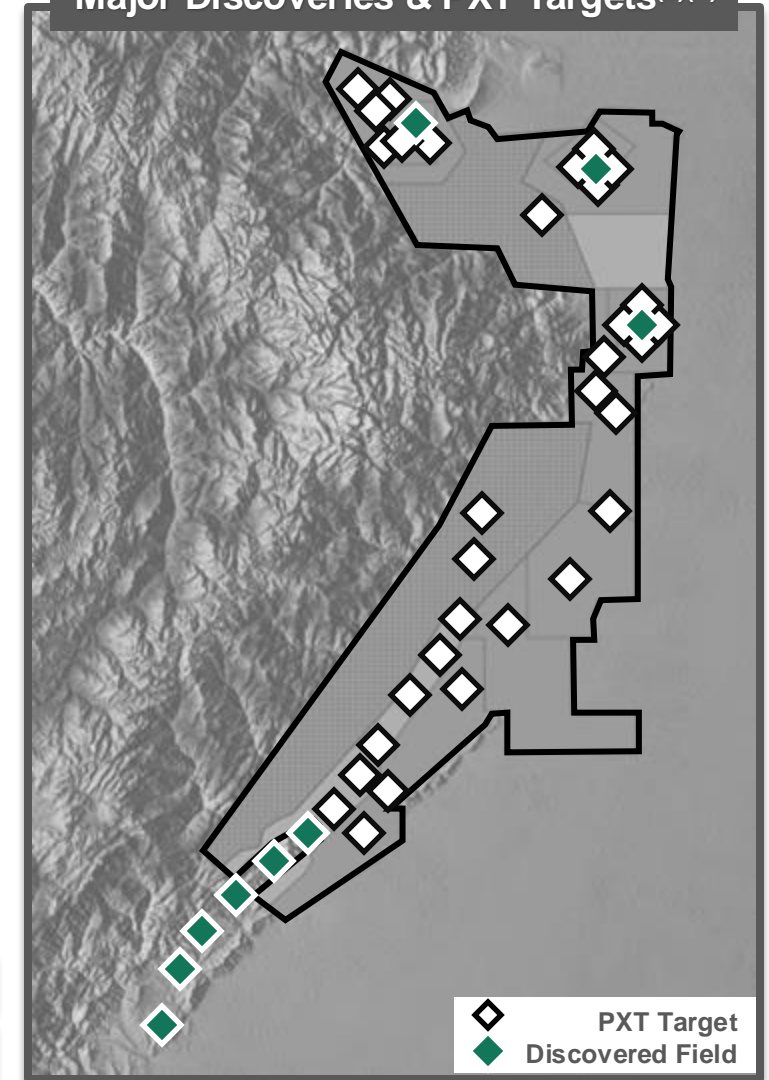
LLANOS FOOTHILLS HISTORICAL AVERAGE PRODUCTION<sup>(1)</sup>



**Peak Oil Production** ~450 kbb/d (1999)

**Peak Gas Production** ~3.0 bcf/d (2004)

Major Discoveries & PXT Targets<sup>(2)(3)</sup>



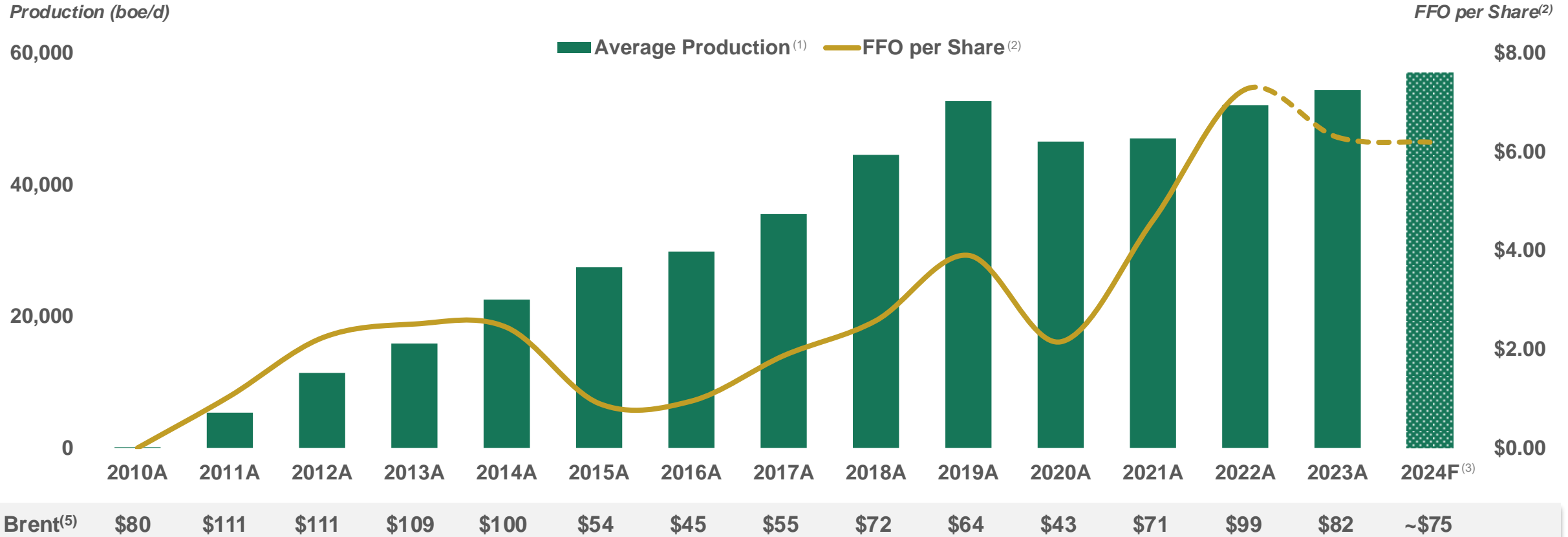
(1) Source: IHS – S&P Global. (2) Map is for illustrative purposes only. (3) See "Forward-Looking Statements and Financial Outlook" advisory.



# Long-Term Track Record



## 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**

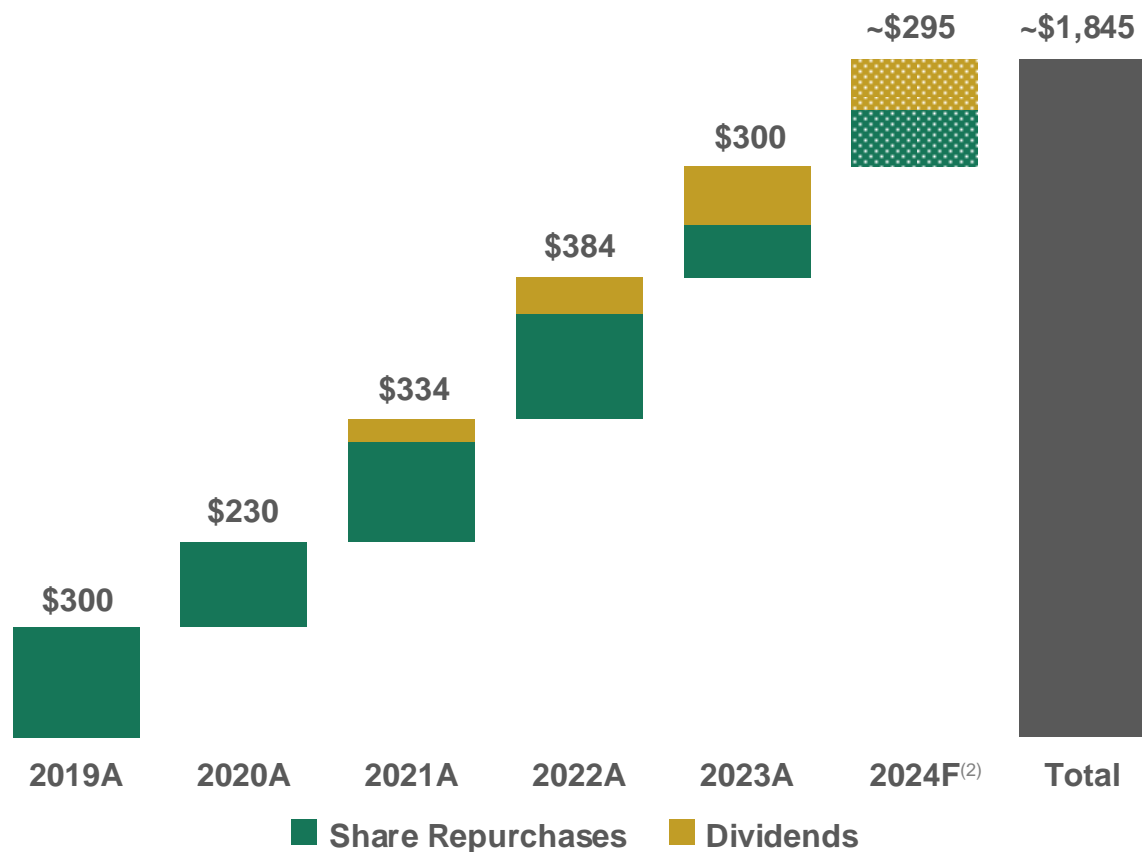
See "Forward-Looking Statements and Financial Outlook" advisory.

(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 and FFO per share based on Parex 2024 guidance midpoint (see slide #4 and January 15, 2024, and July 31, 2024 news releases); per share based on 101.0 million outstanding shares. (5) Average Brent crude oil price per bbl for noted periods; 2024 price is based on Parex's 2024 guidance (see slide #4 and January 15, 2024, and July 31, 2024 news releases).

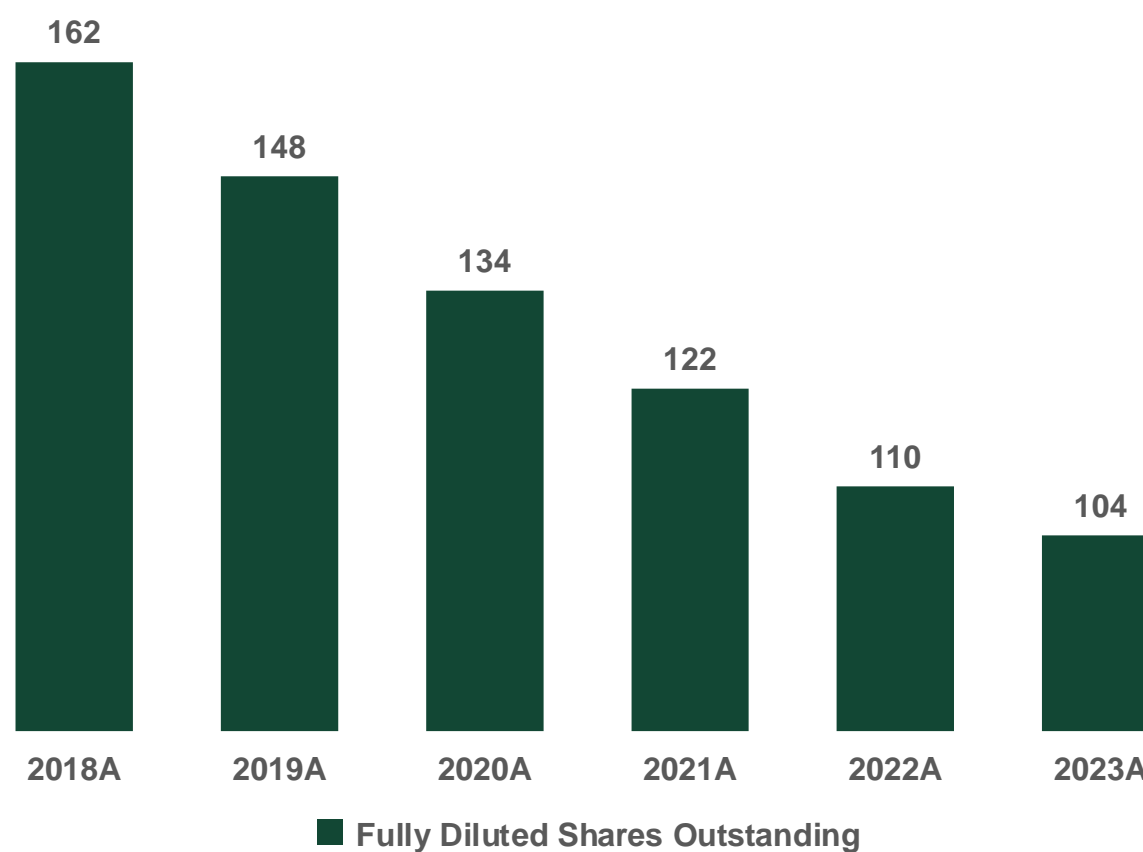
# Track Record of Returning Capital



RETURN OF CAPITAL (CAD MM)<sup>(1)</sup>



CONTINUALLY LOWERING THE SHARE COUNT (MM)



**Returned over C\$1.5B to shareholders and reduced the float by ~35% in the last five years; on track to continue capital returns in 2024**

(1) See "Forward-Looking Statements and Financial Outlook" advisory. (2) Current dividend based on C\$0.385 per share quarterly dividend as first approved on May 8, 2024; USD/CAD assumption: 0.73.





# Key Takeaways

- Long-term *track record* of production growth and return of capital
- Partnered with Ecopetrol S.A. in *high-potential Foothills trend*
- Deep portfolio that positions for *asset sustainability*
- Continuing to deliver *top-tier ESG performance*



# Contact Information



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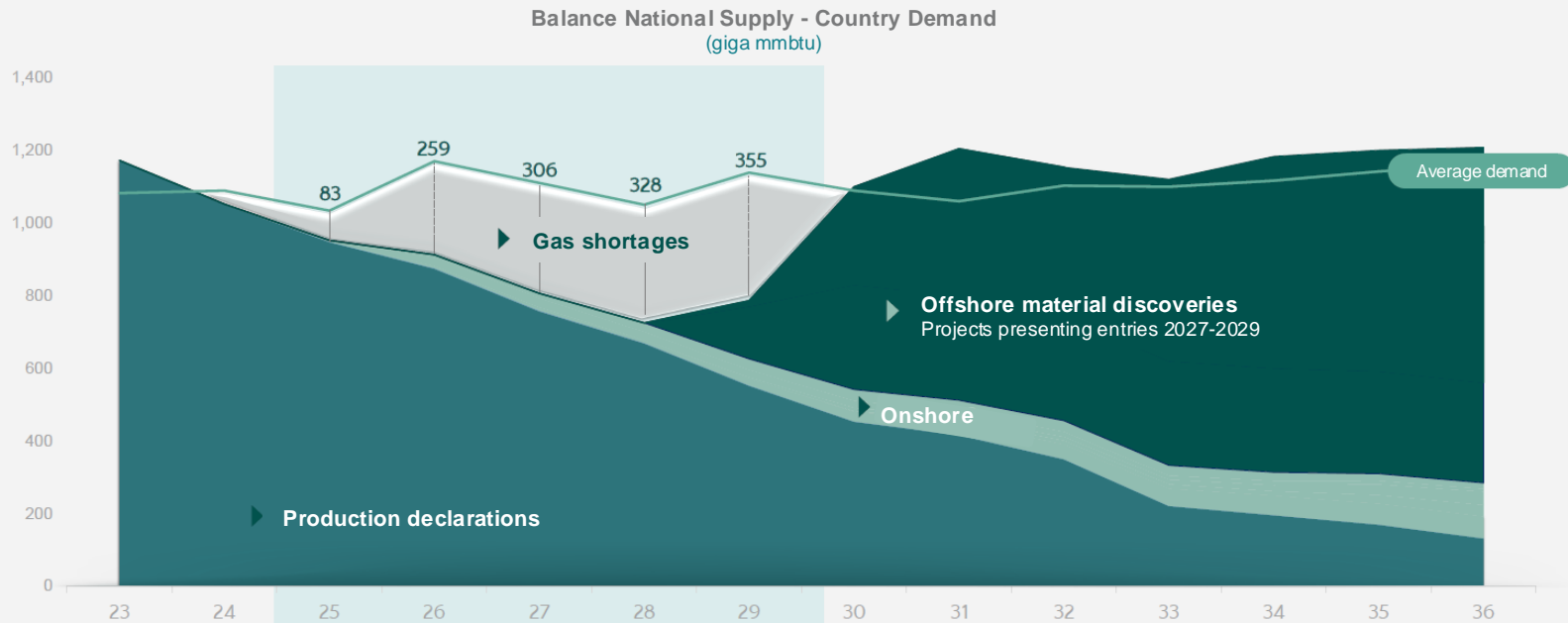




Slide as Presented by Ecopetrol at Arpel-Naturgas Conference<sup>(1)</sup>

## The development of gas potential is essential for energy sovereignty

Will require momentum and support from all actors to achieve timely entry



**Projected Gas Shortfall**



*Part of the Solution*

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

(1) As presented April 11, 2024; source: Ecopetrol (production profile as declared by third parties to the Ministry of Mines and Energy of Colombia; average demand based on Colombia's Mining and Energy Planning Unit 2024-2036 Scenario (actual data for 2023)).



This presentation is provided for informational purposes only as of August 1, 2024, is not complete and may not contain certain material information about Parex Resources Inc. ("Parex" or the "Company"), including important disclosures and risk factors associated with an investment in Parex. This presentation does not take into account the particular investment objectives or financial circumstances of any specific person who may receive it and does not constitute an offer to sell or a solicitation of an offer to buy any security in Canada, the United States or any other jurisdiction. The contents of this presentation have not been approved or disapproved by any securities commission or regulatory authority in Canada, the United States or any other jurisdiction, and Parex expressly disclaims any duty on Parex to make disclosure or any filings with any securities commission or regulatory authority, beyond that imposed by applicable laws.

## 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](http://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](http://www.parexresources.com) and on the Company's profile on SEDAR+ at [www.sedarplus.ca](http://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.

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

Return on average capital employed ("ROACE"), is a non-GAAP ratio that is calculated as net income before net finance expense and current tax expense divided by total assets less current liabilities. The Company considers ROACE to be a key measure as it demonstrates Parex's long-term performance as it relates to capital efficiency.

### 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.

"Production per share growth" is comprised of the Company's total oil and natural gas production volumes divided by the weighted average number of basic shares outstanding, whereby per share amounts are calculated using weighted-average shares outstanding, consistent with the calculation of earnings per share. Growth is determined in comparison to the comparative year.

### 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, 2023 reserves set forth in this presentation have been prepared by GLJ Petroleum Consultants Ltd. ("GLJ") as of December 31, 2023 with a preparation date of February 29, 2024 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 January 1, 2024. The estimates of Parex's December 31, 2022 reserves set forth in this presentation have been prepared by GLJ as of December 31, 2022 with a preparation date of February 3, 2023 in accordance with NI 51-101 and 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 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

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/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	tCO2e	tonnes of carbon dioxide equivalent





Historical Production <sup>(1)</sup>	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	53,580
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.