

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Consolidated Balance Sheets (unaudited)

As at (thousands of United States dollars)	NOTE	September 30, 2025	December 31, 2024
ASSETS			
Current assets			
Cash and cash equivalents	19	\$ 69,810	\$ 98,022
Restricted cash and cash equivalents	19	634	581
Accounts receivable	5	82,183	82,686
Prepays and other current assets		18,770	29,042
Derivative financial instruments	21	2,582	—
Current income tax receivable		49,948	33,595
Crude oil inventory	6	182	2,017
		224,109	245,943
Exploration and evaluation	7	194,526	116,928
Property, plant and equipment	8	1,447,739	1,419,301
Long-term inventory	9	189,574	199,474
Other long-term assets	19	16,889	11,489
Deferred tax asset		114,242	88,475
Goodwill		73,452	73,452
		\$ 2,260,531	\$ 2,155,062
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		\$ 216,432	\$ 170,731
Derivative financial instruments	21	—	1,160
Current portion of decommissioning and environmental liabilities	15	10,844	14,655
		227,276	186,546
Bank debt	11	10,000	60,000
Lease obligations	12	4,335	4,622
Cash settled share-based compensation liabilities	17	12,221	9,553
Decommissioning and environmental liabilities	15	81,016	63,020
Deferred tax liability		13,301	—
		348,149	323,741
Shareholders' equity			
Share capital	16	624,008	632,899
Contributed surplus		20,555	20,024
Retained earnings		1,267,819	1,178,398
		1,912,382	1,831,321
		\$ 2,260,531	\$ 2,155,062

Commitments and Contingencies (note 23)

Subsequent Event (note 24)

See accompanying Notes to the Consolidated Interim Financial Statements

Approved by the Board:

"signed"
Sigmund Cornelius
Director

"signed"
Bob MacDougall
Director

Consolidated Statements of Comprehensive Income (unaudited)

(thousands of United States dollars, except per share amounts)	NOTE	For the three months ended September 30,		For the nine months ended September 30,	
		2025	2024	2025	2024
Oil and natural gas sales	13	\$ 252,424	\$ 302,033	\$ 757,129	\$ 1,002,205
Royalties		(30,785)	(46,470)	(98,103)	(160,324)
Net revenue		221,639	255,563	659,026	841,881
Other revenue	13	2,168	2,238	6,999	5,418
Commodity risk management contracts (loss)	21	(3,021)	—	(2,054)	—
Revenue		220,786	257,801	663,971	847,299
Expenses					
Production		62,120	65,005	168,470	187,570
Transportation		19,124	16,299	53,363	48,868
Purchased oil		—	388	162	845
General and administrative		19,214	13,033	53,669	51,008
Impairment of exploration and evaluation assets	7	—	—	—	4,661
Equity settled share-based compensation expense	16	169	229	531	655
Cash settled share-based compensation expense (recovery)	17	11,733	(8,223)	19,939	(5,342)
Depletion, depreciation and amortization	8	47,767	52,672	146,135	161,786
Other expenses ⁽¹⁾		3,815	1,819	17,415	4,019
Foreign exchange (gain) loss		(5,222)	3,307	(8,843)	3,253
		158,720	144,529	450,841	457,323
Finance (income)	14	(1,306)	(963)	(3,215)	(3,317)
Finance expense ⁽¹⁾	14	5,796	5,675	16,326	14,090
Net finance expense		4,490	4,712	13,111	10,773
Income before income taxes		57,576	108,560	200,019	379,203
Income tax expense					
Current tax expense		11,135	9,272	32,267	96,018
Deferred tax (recovery) expense		(4,035)	33,495	(12,466)	153,454
		7,100	42,767	19,801	249,472
Net income and comprehensive income for the period		\$ 50,476	\$ 65,793	\$ 180,218	\$ 129,731
Basic net income per common share	18	\$ 0.52	\$ 0.65	\$ 1.85	\$ 1.27
Diluted net income per common share	18	\$ 0.52	\$ 0.65	\$ 1.85	\$ 1.27

⁽¹⁾ Certain comparative figures have been reclassified to conform with the current period's presentation as described in Note 2.

See accompanying Notes to the Consolidated Interim Financial Statements

Consolidated Statements of Changes in Equity (unaudited)

For the nine months ended September 30,
(thousands of United States dollars)

	2025		2024	
Share capital				
Balance, beginning of period	\$	632,899	\$	660,817
Issuance of common shares under equity-settled plans		—		411
Repurchase of shares		(8,891)		(19,907)
Balance, end of period	\$	624,008	\$	641,321
Contributed surplus				
Balance, beginning of period	\$	20,024	\$	19,248
Share-based compensation		531		655
Options exercised		—		(102)
Balance, end of period	\$	20,555	\$	19,801
Retained earnings				
Balance, beginning of period	\$	1,178,398	\$	1,275,362
Net income for the period		180,218		129,731
Repurchase of shares		(9,979)		(37,474)
Dividends		(80,818)		(85,526)
Balance, end of period	\$	1,267,819	\$	1,282,093
	\$	1,912,382	\$	1,943,215

See accompanying Notes to the Consolidated Interim Financial Statements

Consolidated Statements of Cash Flows (unaudited)

(thousands of United States dollars)	NOTE	For the three months ended September 30, 2025	2024	For the nine months ended September 30, 2025	2024
Operating activities					
Net income		\$ 50,476	\$ 65,793	\$ 180,218	\$ 129,731
Add (deduct) non-cash items					
Depletion, depreciation and amortization	8	47,767	52,672	146,135	161,786
Non-cash finance expense	14	3,566	2,836	9,952	7,261
Equity settled share-based compensation expense	16	169	229	531	655
Cash settled share-based compensation expense (recovery)	17	11,733	(8,223)	19,939	(5,342)
Deferred tax (recovery) expense		(4,035)	33,495	(12,466)	153,454
Impairment of exploration and evaluation assets	7	—	—	—	4,661
Unrealized foreign exchange (gain) loss		(4,246)	4,233	(11,534)	27,022
Unrealized gain on commodity risk management contracts	21	(172)	—	(1,332)	—
Loss on settlement of tangible assets		46	678	81	1,338
Loss (gain) on settlement of decommissioning liabilities	15	(6)	60	539	466
Net change in assets and liabilities	19	(18,306)	30,101	(15,051)	21,036
Cash provided by operating activities		86,992	181,874	317,012	502,068
Investing activities					
Property, plant and equipment expenditures	8	(59,002)	(68,406)	(153,020)	(158,451)
Exploration and evaluation expenditures	7	(20,959)	(13,961)	(72,685)	(107,134)
Long-term inventory expenditures, net of transfers and sales	9	1,585	6,318	9,900	(7,342)
Property acquisition	10	—	—	(15,968)	—
Net change in non-cash working capital	19	3,959	(14,639)	35,203	(16,361)
Cash (used in) investing activities		(74,417)	(90,688)	(196,570)	(289,288)
Financing activities					
Common shares repurchased	16	(7,606)	(20,723)	(18,870)	(57,381)
Dividends	16	(26,892)	(28,467)	(80,818)	(85,526)
Bank debt repayment	11	(8,000)	(20,000)	(50,000)	(60,000)
Issuance of common shares under equity-settled plans	16	—	—	—	309
Payments on lease obligations	12	(175)	(184)	(393)	(563)
Net change in non-cash working capital	19	146	393	(1,082)	1,126
Cash (used in) financing activities		(42,527)	(68,981)	(151,163)	(202,035)
(Decrease) increase in cash and cash equivalents and restricted cash and cash equivalents for the period		(29,952)	22,205	(30,721)	10,745
Impact of foreign exchange on foreign currency-denominated cash balances		1,227	(92)	3,709	(3,105)
Cash and cash equivalents and restricted cash and cash equivalents, beginning of period	19	103,500	129,435	101,787	143,908
Cash and cash equivalents and restricted cash and cash equivalents, end of period	19	\$ 74,775	\$ 151,548	\$ 74,775	\$ 151,548

Supplemental Disclosure of Cash Flow Information (note 19)
See accompanying Notes to the Consolidated Interim Financial Statements

Notes to the Consolidated Interim Financial Statements

For the period ended September 30, 2025

(Tabular amounts in thousands of United States dollars, unless otherwise stated. Amounts in text are in United States dollars, unless otherwise stated.)

1. Corporate Information

Parex Resources Inc. and its subsidiaries ("Parex" or "the Company") are in the business of the exploration, development, production and marketing of oil and natural gas in Colombia.

Parex Resources Inc. is a publicly traded company, incorporated and domiciled in Canada. Its registered office is at 2400, 525-8th Avenue S.W., Calgary, Alberta T2P 1G1. The Company was incorporated on August 17, 2009, pursuant to the Business Corporations Act (Alberta).

The condensed interim consolidated financial statements were approved by the Board of Directors on November 3, 2025.

2. Basis of Presentation and Material Accounting Policies

a) Statement of compliance

The condensed interim consolidated financial statements for the three and nine months ended September 30, 2025 has been prepared in accordance with IAS 34, 'Interim financial reporting'. The condensed interim consolidated financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2024, which have been prepared by management in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

The policies applied in these condensed interim consolidated financial statements are based on IFRS Accounting Standards issued and outstanding as of November 3, 2025, the date the Board of Directors approved the condensed interim consolidated financial statements.

b) Basis of measurement

The condensed interim consolidated financial statements have been prepared under the historical cost convention except for derivative financial instruments and share-based compensation transactions which are measured at fair value. The methods used to measure fair values are discussed in note 4 - Determination of Fair Values.

c) Change in presentation

Prior period expense items have been reclassified to conform to the current period's presentation.

Loss (gain) on settlement of provisions, loss (gain) on disposition of tangible assets, and other municipal taxes, that were previously included in Finance expense, have been included in Other expenses:

Consolidated Statements of Comprehensive Income (unaudited)	For the three months ended September 30, 2024	For the nine months ended September 30, 2024
Finance expense, as previously presented	\$ 7,494	\$ 18,109
Reclassification to Other expenses	(1,819)	(4,019)
Finance expense, as currently presented	\$ 5,675	\$ 14,090

d) Use of management estimates, judgments and measurement uncertainty

The timely preparation of the condensed interim consolidated financial statements requires that management make estimates and use judgment regarding the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as at the date of the condensed interim consolidated financial statements and the reported amounts of revenues and expenses during the period. Such estimates primarily relate to unsettled transactions and events as at the date of the condensed interim consolidated financial statements. Accordingly, actual results could differ from estimated amounts as future confirming events occur.

In preparing these condensed interim consolidated financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended December 31, 2024.

3. Summary of Material Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year as described in note 3 of the Company's consolidated financial statements for the year ended December 31, 2024.

4. Determination of Fair Values

The methods used in the determination of fair value, for financial and non-financial assets and liabilities have not changed from the previous financial year. Refer to note 4 of the December 31, 2024 consolidated financial statements for details concerning determination of fair values.

5. Accounts Receivable

	September 30, 2025		December 31, 2024
Trade receivables	\$ 74,050	\$	77,106
Value added taxes (VAT)	8,133		5,580
	\$ 82,183	\$	82,686

Trade receivables consist primarily of oil sale receivables related to the Company's oil sales. VAT receivable is \$8.1 million as at September 30, 2025 (December 31, 2024 - \$5.6 million). All accounts receivable are expected to be received within twelve months and are thus recognized as current assets.

6. Crude Oil Inventory

	September 30, 2025		December 31, 2024
Crude oil inventory	\$ 182	\$	2,017

Crude oil inventory consists of crude oil in transit at the balance sheet date and is valued at the lower of cost using the weighted average cost method and net realizable value. Costs include direct and indirect expenditures incurred in bringing the crude oil to its existing condition and location.

7. Exploration and Evaluation Assets

Cost	
Balance at December 31, 2023	\$ 211,590
Additions and transfers from long-term inventory	126,445
Transfers to PP&E	(168,053)
Changes in decommissioning liability	1,031
Exploration and evaluation impairment	(54,085)
Balance at December 31, 2024	\$ 116,928
Additions and transfers from long-term inventory	72,685
Changes in decommissioning liability	4,913
Balance at September 30, 2025	\$ 194,526

Exploration and Evaluation ("E&E") assets consist of the Company's exploration projects which are pending either the determination of proved or probable reserves or impairment. Additions and transfers of \$72.7 million for the nine months ended September 30, 2025 represent the Company's share of costs incurred on E&E assets during the period.

For the nine months ended September 30, 2025 \$1.8 million of general and administrative costs (nine months ended September 30, 2024 - \$2.7 million) have been capitalized in respect of exploration and evaluation activities during the current period.

At September 30, 2025 and December 31, 2024 the Company did not have any E&E assets in Canada.

8. Property, Plant and Equipment

	Canada	Colombia	Total
Cost			
Balance at December 31, 2023	\$ 17,612	\$ 3,385,937	\$ 3,403,549
Additions and transfers from long-term inventory	3,820	217,430	221,250
Transfers from E&E assets	—	168,053	168,053
Changes in decommissioning and environmental liability	—	(14,523)	(14,523)
Balance at December 31, 2024	\$ 21,432	\$ 3,756,897	\$ 3,778,329
Additions and transfers from long-term inventory	539	152,481	153,020
Additions related to property acquisition - Note 10	—	16,788	16,788
Changes in decommissioning and environmental liability	—	4,209	4,209
Balance at September 30, 2025	\$ 21,971	\$ 3,930,375	\$ 3,952,346
Accumulated Depreciation, Depletion and Amortization			
Balance at December 31, 2023	\$ 9,778	\$ 2,055,596	\$ 2,065,374
Depletion and depreciation for the year	1,975	212,961	214,936
Depreciation - Right-of-use-asset	760	74	834
DD&A included in crude oil inventory costing	—	(533)	(533)
Property, plant and equipment impairment	—	78,417	78,417
Balance at December 31, 2024	\$ 12,513	\$ 2,346,515	\$ 2,359,028
Depletion and depreciation for the period	1,680	143,845	145,525
Depreciation - Right-of-use-asset	555	55	610
DD&A included in crude oil inventory costing	—	(556)	(556)
Balance at September 30, 2025	\$ 14,748	\$ 2,489,859	\$ 2,504,607
Net book value:			
As at December 31, 2023	\$ 7,834	\$ 1,330,341	\$ 1,338,175
As at December 31, 2024	\$ 8,919	\$ 1,410,382	\$ 1,419,301
As at September 30, 2025	\$ 7,223	\$ 1,440,516	\$ 1,447,739

In the nine months ended September 30, 2025 property, plant and equipment ("PPE") additions of \$153.0 million mainly relate to drilling and facility costs in Colombia. During the nine months ended September 30, 2025, the Company incurred \$16.8 million in property acquisition costs to acquire the remaining working interest in Block LLA-32, resulting in a 100% working interest in the Block.

For the nine months ended September 30, 2025 future development costs of \$346.4 million (nine months ended September 30, 2024 - \$436.1 million) were included in the depletion calculation for development and production assets. For the nine months ended September 30, 2025 \$5.0 million of general and administrative costs (nine months ended September 30, 2024 - \$3.0 million) have been capitalized in respect of development and production activities during the current period.

At September 30, 2025 there were no indicators of impairment noted, or indicators requiring a reversal of previously recorded impairments.

9. Long-term Inventory

The Company has long-lead material inventory such as drill casing, natural gas compressors, and other major equipment.

Cost		
Balance at December 31, 2023	\$	204,701
Additions		55,990
Transfers to E&E and PP&E assets		(40,028)
Transfer to production costs		(5,269)
Sale of inventory		(5,920)
Impairment		(10,000)
Balance at December 31, 2024	\$	199,474
Additions		9,578
Transfers to E&E and PP&E assets		(16,782)
Transfer to production costs		(1,998)
Sale of inventory		(698)
Balance at September 30, 2025	\$	189,574

For the nine months ended September 30, 2025, long-term inventory additions were \$9.6 million, \$16.8 million of long-term inventory was incorporated into the costs of E&E and PP&E projects, \$2.0 million was incorporated into production costs and \$0.7 million of inventory was sold.

During the nine months ended September 30, 2025, the Company completed an impairment review of its long-term inventory and there were no indicators of impairment noted to record additional impairment to that recorded at December 31, 2024.

10. Property Acquisition

On March 14, 2025, Parex, through a foreign subsidiary, acquired an additional 25% working interest in the Azogue field in the LLA-32 Block and 12.5% working interest in the remainder of the LLA-32 Block (the "LLA-32 Acquisition") resulting in 100% working interest in the Block for the Company. The Company paid total net consideration of \$16.0 million.

The consolidated statement of comprehensive income includes results of operation of the LLA-32 Acquisition since the closing date of March 14, 2025. There were no transaction costs associated with the LLA-32 Acquisition.

This transaction has been accounted for using the acquisition method whereby the assets acquired and the liabilities assumed are recorded at fair values. As the fair value of the identifiable assets was determined to equal the purchase price, no goodwill arose on the transaction. The following table summarizes the recognizable assets acquired and consideration paid pursuant to the acquisition:

Assets acquired and liabilities assumed

PP&E	\$	16,788
Decommissioning liabilities		(820)
	\$	15,968

Consideration for the acquisition

Purchase price	\$	19,000
Purchase price adjustments		(3,032)
Net consideration	\$	15,968

Cash paid	\$	14,970
Working capital adjustments		998
Total consideration paid	\$	15,968

No working capital was included in the assets acquired.

The pro forma results for the nine month period ended September 30, 2025 are shown below, as if the LLA-32 Acquisition had occurred on January 1, 2025. Pro forma results are not indicative of actual results or future performance.

Oil and natural gas sales	\$	760,892
Net revenue less direct costs	\$	440,210

The pro forma net income and pro forma net income per share, basic and diluted, are considered impracticable to calculate and therefore not included. The consolidated statement of comprehensive income for the nine months ended September 30, 2025 includes \$18.8 million of oil sales attributable to the assets acquired since the LLA-32 Acquisition. Revenue less direct costs for the nine months ended September 30, 2025 attributable to the assets acquired since the LLA-32 Acquisition is \$12.6 million. Net income for the nine months ended September 30, 2025 attributable to the assets acquired since the LLA-32 Acquisition is considered impracticable to calculate.

11. Bank Debt

	September 30, 2025	December 31, 2024
Bank debt	\$ 10,000	\$ 60,000

The Company has a senior secured credit facility with a syndicate of banks which at September 30, 2025 had a borrowing base of \$240.0 million (December 31, 2024 - \$240.0 million). The credit facility is intended to serve as means to increase liquidity and fund cash or letter of credit needs as they arise. At September 30, 2025, \$10.0 million (December 31, 2024 - \$60.0 million) was drawn on the credit facility. The undrawn capacity on the credit facility at September 30, 2025 was \$230.0 million (December 31, 2024 - \$180.0 million).

The credit facility bears interest and fees based in the following manner:

- (i) advances on the revolving facility bear interest at rates per annum equal to U.S. Base Rate or SOFR plus applicable margins;
- (ii) advances on the operating line bear interest at rates per annum equal to Canadian Prime Rate plus applicable margins; and
- (iii) undrawn amounts bear a commitment fee.

The credit facility is secured by the Company's Colombian assets and has final maturity date of May 21, 2027. The next annual review is scheduled to occur in May 2026.

Key covenants include a rolling four quarters total funded debt to adjusted EBITDA test of 3:50:1, and other standard business operating covenants for each reporting period. The Company was in compliance with all key covenants at September 30, 2025.

The following table lists the Company's key financial covenant at September 30, 2025:

Covenant Description	September 30, 2025
Total Funded Debt to Adjusted EBITDA	Maximum Ratio 3.50:1 0.46

At September 30, 2025, performance guarantees are in place with the Colombian National Hydrocarbon Agency ("ANH") and Empresa Colombiana de Petróleos S.A., ("Ecopetrol") joint venture blocks related to the exploration work commitments on its Colombian concessions in the amount of \$223.4 million (December 31, 2024 - \$160.7 million). The guarantees have been provided in the form of letters of credit for varying terms that are mainly provided by select Latin American banks on an unsecured basis. The letters of credit issued to the ANH and Ecopetrol are reduced from time to time to reflect the work performed on the various blocks (see note 23 - Commitments and Contingencies).

12. Lease Obligations

	Canada	Colombia	Total
Balance at December 31, 2023	\$ 5,154	\$ 1,316	\$ 6,470
Interest expense	38	151	189
Lease payments	(702)	(168)	(870)
Foreign exchange gain	(419)	(167)	(586)
Balance at December 31, 2024	\$ 4,071	\$ 1,132	\$ 5,203
Interest expense	26	115	141
Lease payments	(409)	(125)	(534)
Foreign exchange loss	113	145	258
Balance at September 30, 2025	\$ 3,801	\$ 1,267	\$ 5,068
Current obligation	(714)	(19)	(733)
Long-term obligation	\$ 3,087	\$ 1,248	\$ 4,335

13. Oil and Natural Gas Sales and Other Revenue

The Company's oil and natural gas production sales is determined pursuant to the terms of the revenue agreements. The transaction price for crude oil and natural gas is based on the commodity price in the month of production, adjusted for quality, location, allowable deductions, if any, or other factors. Commodity prices are based on market indices that are determined on a monthly or daily basis.

The Company's oil and natural gas sales by product are as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Crude oil	\$ 244,003	\$ 298,797	\$ 736,345	\$ 993,230
Natural gas	8,421	3,236	20,784	8,975
Oil and natural gas sales	\$ 252,424	\$ 302,033	\$ 757,129	\$ 1,002,205

At September 30, 2025, receivables from contracts with customers, which are included in accounts receivable, were \$74.0 million (December 31, 2024 - \$77.1 million).

The Company's other revenue includes pipeline transportation revenue and revenue related to energy generation and use of infrastructure.

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Other revenue	\$ 2,168	\$ 2,238	\$ 6,999	\$ 5,418

14. Net Finance Expense

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Bank charges and credit facility fees	\$ 1,646	\$ 1,148	\$ 3,837	\$ 2,549
Interest on bank debt	431	878	1,665	3,474
Accretion on decommissioning and environmental liabilities	111	2,527	6,649	7,358
Interest and other income	(1,306)	(963)	(3,215)	(3,317)
Right-of-use-asset interest	48	48	141	143
Expected credit loss provision (recovery)	3,451	(130)	3,302	(96)
Other	109	1,204	732	662
Net finance expense	\$ 4,490	\$ 4,712	\$ 13,111	\$ 10,773

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Non-cash finance expense	\$ 3,566	\$ 2,836	\$ 9,952	\$ 7,261
Cash finance expense	924	1,876	3,159	3,512
Net finance expense	\$ 4,490	\$ 4,712	\$ 13,111	\$ 10,773

15. Decommissioning and Environmental Liabilities

	Decommissioning	Environmental	Total
Balance, December 31, 2023	\$ 71,523	\$ 24,209	\$ 95,732
Additions	5,398	332	5,730
Settlements of obligations during the year	(7,038)	(3,235)	(10,273)
Loss on settlement of obligations	1,593	—	1,593
Accretion expense	6,853	2,353	9,206
Change in estimate - inflation and discount rates	(9,400)	(3,205)	(12,605)
Change in estimate - costs and timing of settlements	1,725	(8,342)	(6,617)
Foreign exchange gain	(2,185)	(2,906)	(5,091)
Balance, December 31, 2024	\$ 68,469	\$ 9,206	\$ 77,675
Additions	3,124	3,167	6,291
Property acquisitions - Note 10	702	118	820
Settlements of obligations during the period	(4,493)	(2,074)	(6,567)
Loss on settlement of obligations	539	—	539
Accretion expense	5,948	701	6,649
Change in estimate - inflation and discount rates	524	188	712
Change in estimate - costs and timing of settlements	1,329	790	2,119
Foreign exchange loss	2,290	1,332	3,622
Balance, September 30, 2025	\$ 78,432	\$ 13,428	\$ 91,860
Current obligation	(9,007)	(1,837)	(10,844)
Long-term obligation	\$ 69,425	\$ 11,591	\$ 81,016

The total environmental, decommissioning and restoration obligations were determined by management based on the estimated costs to settle environmental impact obligations incurred and to reclaim and abandon the wells and well sites based on contractual requirements. The obligations are expected to be funded from the Company's internal resources available at the time of settlement.

The total decommissioning and environmental liability is estimated based on the Company's net ownership in wells drilled as at September 30, 2025, the estimated costs to abandon and reclaim the wells and well sites and the estimated timing of the costs to be paid in future periods. The total undiscounted amount of cash flows required to settle the Company's decommissioning liability is approximately \$226.7 million as at September 30, 2025 (December 31, 2024 – \$216.8 million) with the majority of these costs anticipated to occur in 2033 or later in Colombia. A risk-free discount rate of 11.1% and an inflation rate of 4.0% were used in the valuation of the liabilities (December 31, 2024 – 11.2% risk-free discount rate and a 4.0% inflation rate). The risk-free discount rate and the inflation rate used are based on forecast Colombia rates.

Included in the decommissioning liability is \$9.0 million (December 31, 2024 – \$11.7 million) that is classified as a current obligation.

The total undiscounted amount of cash flows required to settle the Company's environmental liability is approximately \$28.8 million as at September 30, 2025 (December 31, 2024 – \$24.6 million) with the majority of these costs anticipated to occur in 2033 or later in Colombia. A risk-free discount rate of 11.1% and an inflation rate of 4.0% were used in the valuation of the liabilities (December 31, 2024 – 11.2% risk-free discount rate and a 4.0% inflation rate). The risk-free discount rate and the inflation rate used are based on forecast Colombia rates.

Included in the environmental liability is \$1.8 million (December 31, 2024 – \$2.9 million) that is classified as a current obligation.

16. Share Capital

a) Issued and outstanding common shares

	Number of shares	Amount
Balance, December 31, 2023	103,811,718	\$ 660,817
Issued for cash – exercise of options	22,168	309
Allocation of contributed surplus – exercise of options	—	102
Repurchase of shares	(5,494,850)	(28,329)
Balance, December 31, 2024	98,339,036	\$ 632,899
Repurchase of shares	(1,774,900)	(8,891)
Balance, September 30, 2025	96,564,136	\$ 624,008

The Company has authorized an unlimited number of voting common shares without nominal or par value.

In the nine months ended September 30, 2025, there were no options exercised (year ended December 31, 2024 - 22,168 options were exercised for proceeds of \$0.3 million). Also, in the nine months ended September 30, 2025, the Company repurchased 1,774,900 common shares pursuant to its Normal Course Issuer Bid at a cost of \$18.9 million (average cost per share of Cdn\$14.79).

For the year ended December 31, 2024, the Company repurchased 5,494,850 common shares pursuant to its Normal Course Issuer Bid at a cost of \$73.8 million (average cost per share of Cdn\$18.04). The cost to repurchase common shares at a price in excess of their average book value has been charged to retained earnings.

Dividends paid in 2025 were \$80.8 million or Cdn\$1.155 per share (for the year ended December 31, 2024 - \$112.2 million or Cdn\$1.53 per share) to shareholders on record for each dividend payment.

b) Stock options

The Company has a stock option plan which provides for the issuance of options to the Company's officers and certain employees to acquire common shares. The maximum number of options reserved for issuance under the stock option plan may not exceed 5% of the number of common shares issued and outstanding. The stock options vest over a three-year period and expire five years from the date of grant.

	Number of stock options	Weighted average exercise price Cdn\$/option
Balance, December 31, 2023	690,645	23.32
Granted	248,842	21.06
Exercised	(22,168)	18.75
Forfeited	(17,890)	24.67
Balance, December 31, 2024	899,429	22.78
Granted	533,022	12.74
Forfeited	(164,796)	21.40
Balance, September 30, 2025	1,267,655	18.74

Stock options outstanding and the weighted average remaining life of the stock options at September 30, 2025 are as follows:

Exercise price Cdn\$	Options outstanding			Options vested		
	Number of options	Weighted average remaining life (years)	Weighted average exercise price Cdn\$/option	Number of options	Weighted average remaining life (years)	Weighted average exercise price Cdn\$/option
\$12.74 - \$15.49	518,558	4.43	\$ 12.74	—	—	\$ —
\$15.50 - \$21.35	242,072	3.37	\$ 21.04	83,379	3.27	\$ 21.00
\$21.36 - \$22.71	155,405	0.36	\$ 21.69	155,405	0.36	\$ 21.69
\$22.72 - \$24.12	191,783	2.32	\$ 22.77	128,978	2.30	\$ 22.77
\$24.13 - \$27.02	159,837	1.33	\$ 27.00	159,837	1.33	\$ 27.00
	1,267,655	3.02	\$ 18.74	527,599	1.59	\$ 23.45

The fair value of each option granted is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

For the nine months ended September 30,	2025	2024
Risk-free interest rate (%)	2.66	3.67
Expected life (years)	4	4
Expected volatility (%)	41	47
Forfeiture rate (%)	3	3
Expected dividend yield (%)	8.47	12.83

The weighted average fair value at the grant date for the nine months ended September 30, 2025 was Cdn\$1.68 per option (nine months ended September 30, 2024 - Cdn\$5.10 per option). In the nine months ended September 30, 2025, there were no options exercised. The weighted average share price on the exercise date for options exercised in the nine months ended September 30, 2024 was Cdn\$22.14.

c) Equity settled share-based compensation

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Option expense	\$ 169	\$ 229	\$ 531	\$ 655
Total equity settled share-based compensation expense	\$ 169	\$ 229	\$ 531	\$ 655

17. Cash Settled Incentive Plans

a) Cash or Share Settled Restricted Share Units and Performance Share Units ("CosRSUs and CosPSUs")

The Company has in place a cash or share settled RSU/PSU incentive plan. This plan provides for the issuance of RSUs and PSUs to certain employees of Parex Canada. The plan entitles the holders to receive a cash payment equal to the market price of the Company's common shares at the time of exercise or the employee can elect to receive the award in Parex common shares. CosRSUs and CosPSUs vest over a three-year period and are exercised at the vest date.

CosRSU:	Number of CosRSUs	Weighted average exercise price Cdn\$/CosRSU
Balance, December 31, 2023	1,236,515	—
Granted ⁽¹⁾	683,101	—
Exercised	(593,565)	—
Forfeited	(163,799)	—
Balance, December 31, 2024	1,162,252	—
Granted ⁽¹⁾	997,307	—
Exercised	(554,894)	—
Forfeited	(76,436)	—
Balance, September 30, 2025	1,528,229	—

(1) Grants include units related to dividend equivalents granted on awards outstanding.

CosPSU:	Number of CosPSUs	Weighted average exercise price Cdn\$/CosPSU
Balance, December 31, 2023	821,865	—
Granted ⁽¹⁾	151,779	—
Granted by performance factor	57,567	—
Exercised	(345,774)	—
Forfeited	(2,850)	—
Balance, December 31, 2024	682,587	—
Granted ⁽¹⁾	145,570	—
Granted by performance factor	40,596	—
Exercised	(303,209)	—
Forfeited	(28,793)	—
Balance, September 30, 2025	536,751	—

(1) Grants include units related to dividend equivalents granted on awards outstanding.

As at September 30, 2025 and 2024, no CosRSUs and CosPSUs were vested.

The weighted average fair value at the grant date for the nine months ended September 30, 2025 was Cdn\$14.78 per CosRSU and CosPSU (nine months ended September 30, 2024 - Cdn\$20.92 per CosRSU and CosPSU). The weighted average share price on the exercise date for CosRSUs and CosPSUs exercised during the nine months ended September 30, 2025 was Cdn\$13.65 (nine months ended September 30, 2024 - Cdn\$21.83).

Pursuant to the cash or share settled restricted share unit and performance share unit plan, the Company has granted cash or share settled performance share units to certain employees. The CosPSUs vest three years after the grant date. CosPSUs may be granted with certain performance measures, specified at the grant date as determined by the Company's Board of Directors. Based upon the achievement of the performance measures, a pre-determined adjustment factor of between 0-2x is applied to CosPSUs eligible to vest at the end of the performance period. In March 2025 the board of directors approved a multiplier of 1.15X be applied to the 2022 CosPSU grant resulting in 40,596 CosPSUs issued. In March 2024 the board of directors approved a multiplier of 1.25X be applied to the 2021 CosPSU grant resulting in 57,567 CosPSUs issued.

Obligations for payments of cash under the CosRSUs and CosPSUs plans are accrued as compensation expense over the vesting period based on the fair value of CosRSUs and CosPSUs. The fair value of CosRSUs and CosPSUs is equivalent to the trading value of a common share of the Company on the valuation date. As at September 30, 2025, the total CosRSUs and CosPSUs liability accrued is \$12.5 million (December 31, 2024 - \$11.2 million) of which \$3.4 million (December 31, 2024 - \$4.0 million) is classified as long-term in accordance with the three-year vesting period.

b) Long Duration Restricted Share Units and Performance Share Units ("LDRSUs and LDPSUs")

In May 2024, Parex put in place the new long duration RSU/PSU incentive plan. This plan provides for the issuance of LDRSUs and LDPSUs to certain employees of Parex Canada. The plan entitles the holders to receive a cash payment equal to the market price of the Company's common shares at the time of exercise, or the employee can elect to receive the award in common shares. LDRSUs vest over a three-year period and expire ten years from the date of grant. LDPSUs vest three years after the grant date and expire 10 years after the grant date.

LDRSU:	Number of LDRSUs	Weighted average exercise price Cdn\$/LDRSU
Balance, December 31, 2023	—	—
Granted ⁽¹⁾	154,383	—
Forfeited	(51,888)	—
Balance, December 31, 2024	102,495	—
Granted ⁽¹⁾	202,505	—
Balance, September 30, 2025	305,000	—

(1) Grants include units related to dividend equivalents granted on awards outstanding.

LDPSU:	Number of LDPSUs	Weighted average exercise price Cdn\$/LDPSU
Balance, December 31, 2023	—	—
Granted ⁽¹⁾	208,577	—
Balance, December 31, 2024	208,577	—
Granted ⁽¹⁾	401,424	—
Balance, September 30, 2025	610,001	—

(1) Grants include units related to dividend equivalents granted on awards outstanding.

As at September 30, 2025 37,626 LDRSUs and no LDPSUs were vested. As at September 30, 2024 no LDRSUs and LDPSUs were vested.

The weighted average fair value at the grant date for the nine months ended September 30, 2025 was Cdn\$12.75 per LDRSU and LDPSU (nine months ended September 30, 2024 - Cdn\$21.06 per LDRSU and LDPSU).

Pursuant to the long duration restricted share unit and performance share unit plan, the Company has granted performance share units to certain employees. The LDPSUs vest three years after the grant date and expire 10 years after the grant date. LDPSUs may be granted with certain performance measures, specified at the grant date as determined by the Company's Board of Directors. Based upon the achievement of the performance measures, a pre-determined adjustment factor of between 0-2x is applied to LDPSUs eligible to vest at the end of the performance period.

Obligations for payments of cash under the LDRSUs and LDPSUs plans are accrued as compensation expense over the vesting period based on the fair value of LDRSUs and LDPSUs. The fair value of LDRSUs and LDPSUs is equivalent to the trading value of a common share of the Company on the valuation date. As at September 30, 2025, the total LDRSUs and LDPSUs liability accrued is \$3.1 million (December 31, 2024 - \$0.9 million) of which \$2.1 million (December 31, 2024 - \$0.6 million) is classified as long-term in accordance with the three-year vesting period.

c) *Deferred share units ("DSUs")*

The Company has in place a deferred share unit plan pursuant to which the Company may grant deferred shares to all non-employee directors. The deferred share units vest immediately and are settled in cash upon the retirement of the non-employee director from the Parex Board. The value of the DSUs at the exercise date is equivalent to the five-day weighted average share price at which the common shares of the Company traded for immediately preceding the exercise date. DSUs can only be redeemed following departure from the Company in accordance with the terms of the DSU Plan. The DSUs liability cannot be settled by the issuance of common shares.

	Number of DSU's	Weighted average exercise price Cdn\$/DSU
Balance, December 31, 2023	313,294	—
Granted ⁽¹⁾	57,382	—
Exercised on board retirement	(21,864)	—
Balance, December 31, 2024	348,812	—
Granted ⁽¹⁾	120,160	—
Exercised on board retirement	(48,767)	—
Balance, September 30, 2025	420,205	—

(1) Grants include units related to dividend equivalents granted on awards outstanding.

The weighted average fair value at the grant date for the nine months ended September 30, 2025 was \$10.88 per DSU (nine months ended September 30, 2024 - Cdn\$23.87 per DSU). The weighted average share price on the exercise date for DSUs exercised during the nine months ended September 30, 2025 was Cdn \$17.98 (nine months ended September 30, 2024 - Cdn \$22.69).

Given the DSUs vest immediately, obligations for payments of cash under the DSUs plan are accrued as compensation expense immediately based on the fair value of the DSU.

As at September 30, 2025, the total DSUs liability accrued is \$6.0 million (December 31, 2024 - \$3.5 million) of which \$4.4 million (December 31, 2024 - \$3.5 million) is classified as long-term in accordance with the terms of the DSU plan.

d) *Cash settled restricted share units ("CRSUs")*

Parex Colombia has a CRSUs plan that provides for the issuance of CRSUs to certain employees of Parex Colombia. The plan entitles the holders to receive a cash payment equal to the market price of the Company's common shares at the time of exercise. CRSUs vest over a three-year period and are exercised at the vest date. The CRSUs liability cannot be settled by the issuance of common shares.

	Number of CRSUs	Weighted average exercise price Cdn\$/CRSU
Balance, December 31, 2023	679,112	—
Granted ⁽¹⁾	569,740	—
Exercised	(350,201)	—
Forfeited	(87,975)	—
Balance, December 31, 2024	810,676	—
Granted ⁽¹⁾	969,944	—
Exercised	(366,544)	—
Forfeited	(82,834)	—
Balance, September 30, 2025	1,331,242	—

(1) Grants include units related to dividend equivalents granted on awards outstanding.

The weighted average fair value at the grant date for nine months ended September 30, 2025 was Cdn\$14.79 per CRSU (nine months ended September 30, 2024 - Cdn\$20.98 per CRSU). The weighted average share price on the exercise date for CRSUs exercised for the nine months ended September 30, 2025 was Cdn\$13.98 (nine months ended September 30, 2024 - Cdn\$21.85).

Obligations for payments of cash under the CRSUs plan are accrued as compensation expense over the vesting period based on the fair value of CRSUs. The fair value of CRSUs is equivalent to the trading value of a common share of the Company on the valuation date. As at September 30, 2025, the total CRSUs liability accrued is \$6.7 million (December 31, 2024 - \$4.4 million) of which \$2.4 million (December 31, 2024 - \$1.4 million) is classified as long-term in accordance with the three-year vesting period.

e) Cash settled share-based compensation

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
CosRSUs and CosPSUs expense (recovery)	\$ 5,536	\$ (4,246)	\$ 10,165	\$ (1,912)
LDRSUs and LDPSUs expense (recovery)	1,446	(163)	2,277	462
DSUs expense (recovery)	1,538	(2,343)	2,681	(2,620)
CRSUs expense (recovery)	3,213	(1,471)	4,816	(1,272)
Total cash settled share-based compensation expense (recovery)	\$ 11,733	\$ (8,223)	\$ 19,939	\$ (5,342)
Cash payments made upon exercise in the period	\$ 1,047	\$ 618	\$ 12,279	\$ 20,295

18. Net Income per Share

a) Basic net income per share

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Net income				
Net income for the purpose of basic net income per share	\$ 50,476	\$ 65,793	\$ 180,218	\$ 129,731
Weighted average number of shares for the purposes of basic net income per share (000s)	96,874	100,891	97,492	102,203
Basic net income per share	\$ 0.52	\$ 0.65	\$ 1.85	\$ 1.27

b) Diluted net income per share

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Net income				
Net income used to calculate diluted net income per share	\$ 50,476	\$ 65,793	\$ 180,218	\$ 129,731
Weighted average number of shares for the purposes of basic net income per share (000s)	96,874	100,891	97,492	102,203
Dilutive effect of stock options on potential common shares	82	—	9	—
Weighted average number of shares for the purposes of diluted net income per share (000s)	96,956	100,891	97,501	102,203
Diluted net income per share	\$ 0.52	\$ 0.65	\$ 1.85	\$ 1.27

For the three and nine months ended September 30, 2025, 749,097 and 872,563 stock options (three and nine months ended September 30, 2024 - 901,823 and 900,027 stock options) were excluded from the diluted weighted average shares calculation as they were anti-dilutive.

19. Supplemental Disclosure of Cash Flow Information

a) Reconciliation of cash and cash equivalents and restricted cash and cash equivalents

The following table provides a reconciliation of cash and cash equivalents and restricted cash and cash equivalents to the amounts shown in the consolidated statement of cash flows:

	As at September 30,		As at June 30,		As at December 31,	
	2025	2024	2025	2024	2024	2023
Cash and cash equivalents	\$ 69,810	\$ 147,454	\$ 98,825	\$ 119,468	\$ 98,022	\$ 140,352
Restricted cash and cash equivalents - current	634	1,629	597	615	581	—
Restricted cash and cash equivalents - long-term ⁽¹⁾	4,331	2,465	4,078	9,352	3,184	3,556
	\$ 74,775	\$ 151,548	\$ 103,500	\$ 129,435	\$ 101,787	\$ 143,908

(1) Included in Other long-term assets on the consolidated balance sheet.

b) Net change in assets and liabilities

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Accounts receivable	\$ (17,409)	\$ 51,318	\$ 503	\$ 69,316
Prepays and other current assets	8,601	16,931	10,272	13,726
Oil inventory	27	423	1,835	(5,626)
Current income tax receivable/payable	(6,370)	(6,034)	(16,353)	20,282
Accounts payable and accrued liabilities	3,307	(43,493)	29,936	(86,733)
Depletion related to oil inventory	(10)	(53)	(556)	1,717
Decommissioning and environmental liabilities	(2,347)	(3,237)	(6,567)	(6,881)
Net change in assets and liabilities	\$ (14,201)	\$ 15,855	\$ 19,070	\$ 5,801
Operating	\$ (18,306)	\$ 30,101	\$ (15,051)	\$ 21,036
Investing	3,959	(14,639)	35,203	(16,361)
Financing	146	393	(1,082)	1,126
Net change in assets and liabilities	\$ (14,201)	\$ 15,855	\$ 19,070	\$ 5,801

c) Interest and taxes paid

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Cash interest paid	\$ 303	\$ 577	\$ 1,985	\$ 3,402
Cash income taxes paid	\$ 650	\$ —	\$ 650	\$ —

20. Capital Management

The Company's strategy is to maintain a strong capital base in order to provide flexibility in the future development of the business and maintain the confidence of investors and capital markets.

The Company has a senior secured credit facility with a syndicate of banks which as at September 30, 2025 had a borrowing base in the amount of \$240.0 million (December 31, 2024 - \$240.0 million). The credit facility is intended to serve as a means to increase liquidity and fund cash or letter of credit needs as they arise. As at September 30, 2025, \$10.0 million (December 31, 2024 - \$60.0 million) was drawn on the credit facility.

At September 30, 2025, performance guarantees are in place with the Colombian National Hydrocarbon Agency ("ANH") and Empresa Colombiana de Petróleos S.A., ("Ecopetrol") joint venture blocks related to the exploration work commitments on its Colombian concessions in the amount of \$223.4 million (December 31, 2024 - \$160.7 million). The guarantees have been provided in the form of letters of credit for varying terms that are mainly provided by select Latin American banks on an unsecured basis. The letters of credit issued to the ANH and Ecopetrol are reduced from time to time to reflect the work performed on the various blocks (see note 23 - Commitments and Contingencies).

As at September 30, 2025, the Company's net working capital deficit was \$3.2 million (December 31, 2024 - \$59.4 million).

The Company has the ability to adjust its capital structure by issuing new equity or debt and making adjustments to its capital expenditure, share buy-back and dividend programs to the extent the capital expenditures are not committed. The Company considers its capital structure at this time to include shareholders' equity, the credit facility and its working capital. As at September 30, 2025 shareholders' equity was \$1,912.4 million (December 31, 2024 - \$1,831.3 million).

21. Financial Instruments and Risk Management

The Company's non-derivative financial instruments recognized on the consolidated balance sheet consist of cash, accounts receivable, accounts payable and accrued liabilities. Non-derivative financial instruments are recognized initially at fair value. The fair values of the current financial instruments approximate their carrying value due to their short-term maturity. The fair value of the revolving credit facility is equal to its carrying amount as the facility bears interest at floating rates and the credit spreads within the facility are indicative of market rates.

As at September 30, 2025, with other variables unchanged, the impact on the Company's financial instruments of a 10% strengthening (weakening) of the Canadian dollar and COP against the US dollar would have decreased (increased) net income by approximately \$8.7 million.

a) Credit risk

Credit risk is the risk of loss associated with the inability of a third party to fulfill its payment obligations. The Company is exposed to the risk that third parties that owe it money do not meet their obligations. The Company assesses the financial strength of its joint venture partners and oil marketing counterparties in its management of credit exposure.

For the nine months ended September 30, 2025 the Company had the majority of its oil sales to two counterparties. The accounts receivable balance as at September 30, 2025 are substantially made up of receivables with customers in the oil and gas industry and are subject to normal industry credit risks. The Company historically has not experienced any collection issues with its crude oil customers. At September 30, 2025, there were no accounts receivable past due (December 31, 2024 - \$nil).

None of the Company's receivables are impaired at September 30, 2025. The maximum credit risk exposure associated with accounts receivable is the total carrying value.

For the nine months ended September 30, 2025 the Company recorded a provision for unrecoverable advances to a supplier in the amount of \$3.4 million.

b) Liquidity risk

The Company's approach to managing liquidity risk is to have sufficient cash and/or credit facilities to meet its obligations when due. Management typically forecasts cash flows for a period of 12 to 36 months to identify any financing requirements. Liquidity is managed through daily and longer-term cash, debt and equity management strategies. These include estimating future cash generated from operations based on reasonable production and pricing assumptions, estimating future discretionary and non-discretionary capital expenditures and assessing the amount of equity or debt financing available. The Company is committed to maintaining a strong balance sheet and has the ability to change its capital program based on expected operating cash flows. The balance drawn on the Company's \$240.0 million credit facility at September 30, 2025 was \$10.0 million (December 31, 2024 - \$60.0 million).

The following are the contractual maturities of financial liabilities at September 30, 2025:

	Less than 1 year	2-3 Years	4-5 Years	Thereafter	Total
Accounts payable and accrued liabilities	\$ 199,500	—	—	—	\$ 199,500
Bank debt	—	10,000	—	—	10,000
Lease obligations	733	4,335	—	—	5,068
Cash settled equity plans payable	16,199	12,221	—	—	28,420
Total	\$ 216,432	26,556	—	—	\$ 242,988

The following are the contractual maturities of financial liabilities at December 31, 2024:

	Less than 1 year	2-3 Years	4-5 Years	Thereafter	Total
Accounts payable and accrued liabilities	\$ 159,773	—	—	—	\$ 159,773
Derivative financial instruments	1,160	—	—	—	1,160
Bank debt	—	60,000	—	—	60,000
Lease obligations	581	4,622	—	—	5,203
Cash settled equity plans payable	10,377	9,553	—	—	19,930
Total	\$ 171,891	74,175	—	—	\$ 246,066

c) Commodity price risk

The Company is exposed to commodity price movements as part of its operations, particularly in relation to the prices received for its oil production. Crude oil is sensitive to numerous worldwide factors, many of which are beyond the Company's control. Changes in global supply and demand fundamentals in the crude oil market and geopolitical events can significantly affect crude oil prices. Consequently, these changes could also affect the value of the Company's properties, the level of spending for exploration and development and the ability to meet obligations as they come due. The Company's oil production is sold under short-term contracts, exposing it to the risk of near-term price movements.

As at September 30, 2025, the Company had the following crude oil risk management contracts in place.

Period Hedged	Reference	Volume bbls/d	Sold Put	Purchased Put	Premium
October 1, 2025 to October 31, 2025	ICE Brent	11,250	\$60.00	\$65.00	\$1.17
November 1, 2025 to November 30, 2025	ICE Brent	11,250	\$60.00	\$65.00	\$1.17
December 1, 2025 to December 31, 2025	ICE Brent	11,250	\$60.00	\$65.00	\$1.17

The table below summarizes the loss on the commodity risk management contracts that were in place during the three and nine months ended September 30, 2025 and 2024:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Realized gain on commodity risk management contracts	\$ —	\$ —	\$ (3,337)	\$ —
Premiums paid on commodity risk management contracts	3,193	—	6,723	—
Unrealized gain on commodity risk management contracts	(172)	—	(1,332)	—
Total	\$ 3,021	\$ —	\$ 2,054	\$ —

d) Foreign currency risk

The Company is exposed to foreign currency risk as various portions of its cash balances are held in Canadian dollars (Cdn\$) and Colombian pesos (COP\$) while its committed capital expenditures are expected to be primarily denominated in US dollars.

As at September 30, 2025, the Company had the following foreign currency risk management contracts in place.

Period Hedged	Reference	Currency Option Type	Amount USD	Strike Price COP
September 15, 2025 to October 15, 2025	COP	Costless Collar	\$10,000,000	4,400-4,650
October 15, 2025 to November 18, 2025	COP	Costless Collar	\$10,000,000	4,400-4,650
November 18, 2025 to December 15, 2025	COP	Costless Collar	\$10,000,000	4,400-4,650

The table below summarizes the gain on the foreign currency risk management contracts that were in place during the three and nine months ended September 30, 2025 and 2024 which is recorded in the financial statement line item "Foreign exchange (gain) loss" in the consolidated statements of comprehensive income:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Realized gain on foreign currency risk management contracts	\$ (3,193)	\$ —	\$ (4,418)	\$ —
Unrealized (gain) loss on foreign currency risk management contracts	680	—	(3,452)	—
Total	\$ (2,513)	\$ —	\$ (7,870)	\$ —

22. Segmented Information

The Company has foreign subsidiaries and the following segmented information is provided:

For the three months ended September 30, 2025	Canada		Colombia		Total
Oil and natural gas sales	\$	—	\$	252,424	\$ 252,424
Royalties		—		(30,785)	(30,785)
Net revenue		—		221,639	221,639
Other revenue		—		2,168	2,168
Commodity risk management contracts loss		—		(3,021)	(3,021)
Revenue		—		220,786	220,786
Expenses					
Production		—		62,120	62,120
Transportation		—		19,124	19,124
General and administrative		8,823		10,391	19,214
Equity settled share-based compensation expense		169		—	169
Cash settled share-based compensation expense		8,520		3,213	11,733
Depletion, depreciation and amortization		725		47,042	47,767
Other expenses		—		3,815	3,815
Foreign exchange (gain)		(2,004)		(3,218)	(5,222)
		16,233		142,487	158,720
Finance (income)		(34)		(1,272)	(1,306)
Finance expense		1,517		4,279	5,796
Net finance expense		1,483		3,007	4,490
Income (loss) before taxes		(17,716)		75,292	57,576
Current tax expense		900		10,235	11,135
Deferred tax (recovery)		(1,523)		(2,512)	(4,035)
Net income (loss)	\$	(17,093)	\$	67,569	\$ 50,476
Capital assets (end of period)	\$	7,223	\$	1,635,042	\$ 1,642,265
Capital expenditures	\$	315	\$	79,646	\$ 79,961
Total assets (end of period)	\$	29,140	\$	2,231,391	\$ 2,260,531

For the three months ended September 30, 2024	Canada		Colombia		Total
Oil and natural gas sales	\$	—	\$	302,033	\$ 302,033
Royalties		—		(46,470)	(46,470)
Net revenue		—		255,563	255,563
Other revenue		—		2,238	2,238
Revenue		—		257,801	257,801
Expenses					
Production		—		65,005	65,005
Transportation		—		16,299	16,299
Purchased oil		—		388	388
General and administrative		7,947		5,086	13,033
Equity settled share-based compensation expense		229		—	229
Cash settled share-based compensation (recovery)		(6,751)		(1,472)	(8,223)
Depletion, depreciation and amortization		554		52,118	52,672
Other expenses ⁽¹⁾		—		1,819	1,819
Foreign exchange loss (gain)		(100)		3,407	3,307
		1,879		142,650	144,529
Finance (income)		(149)		(814)	(963)
Finance expense ⁽¹⁾		1,640		4,035	5,675
Net finance expense		1,491		3,221	4,712
Income (loss) before taxes		(3,370)		111,930	108,560
Current tax expense		180		9,092	9,272
Deferred tax expense		1,498		31,997	33,495
Net income (loss)	\$	(5,048)	\$	70,841	\$ 65,793
Capital assets (end of period)	\$	6,640	\$	1,646,424	\$ 1,653,064
Capital expenditures	\$	103	\$	82,264	\$ 82,367
Total assets (end of period)	\$	48,820	\$	2,241,863	\$ 2,290,683

(1) Certain comparative figures have been reclassified to conform with the current period's presentation as described in Note 2.

For the nine months ended September 30, 2025	Canada		Colombia		Total
Oil and natural gas sales	\$	—	\$	757,129	\$ 757,129
Royalties		—		(98,103)	(98,103)
Net revenue		—		659,026	659,026
Other revenue		—		6,999	6,999
Commodity risk management contracts loss		—		(2,054)	(2,054)
Revenue		—		663,971	663,971
Expenses					
Production		—		168,470	168,470
Transportation		—		53,363	53,363
Purchased oil		—		162	162
General and administrative		24,610		29,059	53,669
Equity settled share-based compensation expense		531		—	531
Cash settled share-based compensation expense		15,123		4,816	19,939
Depletion, depreciation and amortization		2,235		143,900	146,135
Other expenses		—		17,415	17,415
Foreign exchange (gain)		(337)		(8,506)	(8,843)
		42,162		408,679	450,841
Finance (income)		(248)		(2,967)	(3,215)
Finance expense		4,374		11,952	16,326
Net finance expense		4,126		8,985	13,111
Income (loss) before taxes		(46,288)		246,307	200,019
Current tax expense (recovery)		(239)		32,506	32,267
Deferred tax (recovery)		(1,423)		(11,043)	(12,466)
Net income (loss)	\$	(44,626)	\$	224,844	\$ 180,218
Capital assets (end of period)	\$	7,223	\$	1,635,042	\$ 1,642,265
Capital expenditures	\$	539	\$	225,166	\$ 225,705
Total assets (end of period)	\$	29,140	\$	2,231,391	\$ 2,260,531

For the nine months ended September 30, 2024	Canada		Colombia		Total
Oil and natural gas sales	\$	—	\$	1,002,205	\$ 1,002,205
Royalties		—		(160,324)	(160,324)
Net revenue		—		841,881	841,881
Other revenue		—		5,418	5,418
Revenue		—		847,299	847,299
Expenses					
Production		—		187,570	187,570
Transportation		—		48,868	48,868
Purchased oil		—		845	845
General and administrative		26,411		24,597	51,008
Impairment of exploration and evaluation assets		—		4,661	4,661
Equity settled share-based compensation expense		655		—	655
Cash settled share-based compensation (recovery)		(4,069)		(1,273)	(5,342)
Depletion, depreciation and amortization		1,661		160,125	161,786
Other expenses ⁽¹⁾		—		4,019	4,019
Foreign exchange loss		268		2,985	3,253
		24,926		432,397	457,323
Finance (income)		(735)		(2,582)	(3,317)
Finance expense ⁽¹⁾		4,635		9,455	14,090
Net finance expense		3,900		6,873	10,773
Income (loss) before taxes		(28,826)		408,029	379,203
Current tax expense (recovery)		(1,966)		97,984	96,018
Deferred tax expense		4,432		149,022	153,454
Net income (loss)	\$	(31,292)	\$	161,023	\$ 129,731
Capital assets (end of period)	\$	6,640	\$	1,646,424	\$ 1,653,064
Capital expenditures	\$	466	\$	265,119	\$ 265,585
Total assets (end of period)	\$	48,820	\$	2,241,863	\$ 2,290,683

(1) Certain comparative figures have been reclassified to conform with the current period's presentation as described in Note 2.

For the three months ended September 30, 2025, the Company had two external customers (three months ended September 30, 2024 - two external customers), in the oil and gas industry that subject to normal industry credit risks, constituted more than 10% of commodity sales from production. Sales to these customers totaled \$238.0 million for the three months ended September 30, 2025 and \$294.8 million for the three months ended September 30, 2024.

For the nine months ended September 30, 2025, the Company had two external customers (nine months ended September 30, 2024 - two external customers), in the oil and gas industry that subject to normal industry credit risks, constituted more than 10% of commodity sales from production. Sales to these customers totaled \$573.3 million for the nine months ended September 30, 2025 and \$890.6 million for the nine months ended September 30, 2024.

23. Commitments and Contingencies

a) Colombia

At September 30, 2025, performance guarantees are in place with the Colombian National Hydrocarbon Agency ("ANH") and Empresa Colombiana de Petróleos S.A., ("Ecopetrol") joint venture blocks related to the exploration work commitments on its Colombian concessions in the amount of \$223.4 million (December 31, 2024 - \$160.7 million). The guarantees have been provided in the form of letters of credit for varying terms that are mainly provided by select Latin American banks on an unsecured basis. The letters of credit issued to the ANH and Ecopetrol are reduced from time to time to reflect the work performed on the various blocks.

The value of the Company's exploration commitments as at September 30, 2025 in respect of the Colombia work commitments under E&P contracts, and joint venture farm-in arrangements are estimated to be as follows:

2025	\$	21,058
2026		158,339
2027		22,485
2028		100,363
2029		5,845
Thereafter		476,393
	\$	784,483

b) Operating leases

In the normal course of business, Parex has entered into arrangements and incurred obligations that will impact the Company's future operations and liquidity. These commitments include leases for office space and accommodations.

The existing minimum lease payments for office space and accommodations at September 30, 2025 are as follows:

	Total	2025	2026	2027	2028	2029	Thereafter
Office and accommodations	\$ 7,323	789	3,087	1,502	778	778	389

24. Subsequent Event

On October 29, 2025, the Company announced that it has submitted a Proposal to the Board of Directors of GeoPark (NYSE: GPRK) to acquire all outstanding common shares of GeoPark for US\$9.00 per share in cash and has also acquired an 11.8% ownership position in GeoPark for a total cost of approximately \$40.5 million.

There can be no assurance that any transaction with GeoPark will be agreed to or completed. The foregoing should be read together with the Company's press release dated October 29, 2025, which includes important cautionary statements.

DIRECTORS

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Chairman of the Board

Lynn Azar

Alberto Consuegra

Sigmund Cornelius

Mona Jasinski

Jeff Lawson

G.R. (Bob) MacDougall

Glenn McNamara
Lead Director

Imad Mohsen

Carmen Sylvain

OFFICERS & SENIOR EXECUTIVES

Imad Mohsen
President & Chief Executive Officer

Daniel Ferreira
President & Country Manager, Parex Resources Colombia

Cameron Grainger
Chief Financial Officer

Eric Furlan
Chief Operating Officer

Mike Kruchten
Sr. Vice President, Capital Markets & Corporate Planning

Joshua Share
Sr. Vice President, Corporate Services

Katie Bernard
Vice President, New Ventures

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ABBREVIATIONS

Oil and Natural Gas Liquids

bbl(s)	barrel(s)
mbbls	one thousand barrels
bbl(s)/d or bopd	barrel(s) of oil per day
BOE or boe	barrel of oil equivalent, using the conversion factor of 6 Mcf: 1 bbl
boe/d	barrels of oil equivalent per day
mcf	thousand cubic feet
mcf/d	thousand cubic feet per day

Other

WTI	West Texas Intermediate
Brent	Brent Ice
FFO	Funds flow provided by operations