

PAREX RESOURCES INC.

WHISTLEBLOWER POLICY

PURPOSE AND SCOPE

Parex Resources Inc. (the “Corporation”) requires the highest standards of professional and ethical conduct from its directors, officers, consultants and employees. No director, officer, consultant or employee will be expected or permitted to achieve results through violations of laws or regulations or through unscrupulous dealings. The Corporation’s Code of Conduct sets out the principles of conduct and ethics which must be followed by the Corporation’s directors, officers, consultants and employees. This Whistleblower Policy (the “Policy”) should be read, interpreted and administered in conjunction with the Code of Conduct, as well as the Corporation’s Disclosure, Confidentiality, Insider Trading & Blackout Period Policy.

The Corporation’s Whistleblower program consists of this Policy statement as well as procedures and guidelines to ensure that all reports, complaints and concerns are promptly and effectively addressed.

References in this Policy to the “Corporation” means Parex Resources Inc. and any of its subsidiaries.

POLICY STATEMENT

All directors, officers, consultants and employees are required to promptly report:

- violations of the Corporation’s Code of Conduct;
- concerns regarding the Corporation’s accounting, internal accounting controls or auditing matters (see further detail below);
- violations of the Corporation’s Disclosure, Confidentiality, Insider Trading & Blackout Period Policy;
- violations of the Corporation’s Environmental, Health and Safety Policy;
- violations of any laws or regulations of the jurisdictions in which the Corporation operates; and
- any other concerns regarding the manner in which the Corporation operates.

All other stakeholders of the Corporation are also encouraged to report concerns regarding the matters listed above. Stakeholders include shareholders, contractors, suppliers, partners, governments, community members and the public.

ACCOUNTING, INTERNAL CONTROL AND AUDITING MATTERS

This Whistleblower Policy is intended to be broad in scope and to address all concerns regarding the ethical and responsible conduct of the Corporation.

However, for greater clarification, this Policy also specifically enables the Audit Committee of Parex Resources Inc. (the "Audit Committee") to fulfill its statutory responsibilities to ensure that the Corporation has appropriate procedures for the confidential receipt, retention, and treatment of complaints about the Corporation's accounting, internal accounting controls or auditing matters by the employees of the Corporation and any of its subsidiaries.

The types of matters to be reported include but are not limited to:

- suspect, questionable, unethical, and unlawful accounting and auditing policy, practices or procedures,
- intentional breach of or failure to implement accounting and auditing policy, practices and procedures approved by the Board of Directors or the Audit Committee,
- inadequate internal accounting controls,
- corrupt practices,
- the misleading or coercion of auditors,
- disclosure of fraudulent or misleading financial information, and
- instances of corporate fraud.

PROHIBITION AGAINST RETALIATION

Parex prohibits retaliatory action against any person who, acting in good faith, reports a possible violation. If any director, officer, consultant, employee or other person believes that they have been unfairly or unlawfully retaliated against in respect of a report made under this policy, they may file a complaint with their supervisor or a senior officer of the Corporation. If such a person is uncomfortable filing the complaint with a supervisor or any senior officer, they may file their complaint with the Chairman of the Corporate Governance and Human Resources Committee.

SUBMISSION AND RECEIPT OF COMPLAINTS

Concerned parties are encouraged to make a report using any method with which they feel comfortable. Therefore there is no standard procedure or format which must be followed. Reports may be made orally or in writing to a supervisor or a senior officer of the

Corporation. The Corporation's Audit Committee has also put in place a confidential reporting system, operated by an independent service provider called EthicsPoint. Reports may be made to EthicsPoint by phone or on-line. Reports can be made on the EthicsPoint system seven days a week, 24 hours a day, in either English or Spanish. Further details are included in the Contact Information section of this Policy.

All reports will be forwarded to the appropriate level of management and to the Audit Committee. Reports will be investigated promptly and appropriate action will be taken as necessary. All information disclosed during the course of the investigation will remain confidential, except as necessary to conduct the investigation and subject to applicable law.

All directors, officers, employees and consultants of Parex have a duty to cooperate in an investigation of reports filed in accordance with the Policy. Should any such person fail to cooperate or provide false information in an investigation, the Company will take effective remedial action commensurate with the severity of the offence. This action may include disciplinary measures up to and including termination of employment, with cause and without notice, and possible legal prosecution.

AUDIT COMMITTEE OVERSIGHT

The Whistleblower Policy will be reviewed by the Audit Committee on an annual basis and updated as required. The Audit Committee is responsible for ensuring that all reports made under this Policy are investigated and that appropriate action is taken.

CONTACT INFORMATION

Reports made directly to the Corporation

Mail: 1000, 311 – 6 Avenue S.W.

Calgary, Alberta, Canada T2P 3H2

marked "Private & Confidential", addressed to any member of management or to the Audit Committee Chairman

(a list of the Corporation's senior management team and the Board of Directors can be obtained on the Corporation's website at www.parexresources.com)

Phone: 403-265-4800

Fax: 403-265-8216

For international calls, the country code is 001.

Reports made through EthicsPoint

Website: www.ethicspoint.com

By Telephone (Toll-free): Within the United States or Canada dial 888-279-5269

International Dialing Instructions:

From an outside line dial the appropriate AT&T Access Code from the list below.

Country Access Code

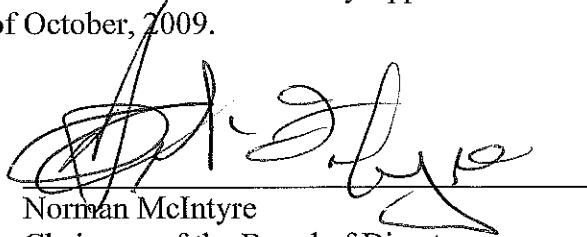
Trinidad & Tobago 1-800-872-2881

Colombia 01-800-911-0010

At the prompt, dial 888-279-5269. This is a toll-free number. There is no need to dial a "1" before this number.

AUTHORIZATION

This Whistleblower Policy of Parex Resources Inc. is hereby approved on behalf of the Board of Directors on the 30th day of October, 2009.

A handwritten signature in black ink, appearing to read "N. McIntyre", is written over a horizontal line. The signature is stylized and cursive.

Norman McIntyre
Chairman of the Board of Directors
Parex Resources Inc.

PAREX RESOURCES INC.

WHISTLEBLOWER PROCEDURES AND GUIDELINES

PURPOSE AND SCOPE

These Whistleblower Procedures and Guidelines are to be read in conjunction with the Whistleblower Policy. They are intended to provide more specific details regarding the manner in which the Whistleblower Policy will be administered by the Corporation.

AWARENESS

The Whistleblower Policy will be communicated to every director, officer, consultant and employee upon hire, and re-communicated on an annual basis.

All directors, officers, consultants and employees will be required to confirm in writing that they have read, understand and agree to abide by the terms of the Whistleblower Policy. Individuals will sign this confirmation when they are hired, and annually thereafter.

Ongoing awareness of the Whistleblower Policy, Procedures and Guidelines will be promoted by posting the Policy on the Corporation's website, and other communication tools (both oral and written), as considered necessary. Information will be made available in those languages in which the Corporation conducts business.

DISTRIBUTION OF RECORDS OF COMPLAINTS

All reports will be logged in the EthicsPoint system. This will ensure that the Corporation maintains one comprehensive database regarding all reports, investigations and actions taken in accordance with this Policy. In addition, the EthicsPoint system will provide control over data integrity and retention of records.

Reports received directly (either orally or in writing) by any supervisor, manager or senior executive of the Corporation should be forwarded promptly to the Controller for entry into the EthicsPoint reporting system. However:

- if the Controller is implicated in the report, the report should be forwarded to the Vice President Finance;
- if the Controller and the Vice President Finance are both implicated in the report, the report should be forwarded to the Chairman of the Audit Committee.

Reports will be classified in the EthicsPoint system as follows, using the categories that are pre-defined by EthicsPoint:

- Accounting and Auditing Matters;
- Conflict of Interest;
- Discrimination or Harassment;
- Embezzlement;
- Falsification of Contracts, Reports or Records;
- Misconduct or Inappropriate Behaviour;
- Sabotage or Vandalism;
- Securities Violations;
- Substance Abuse;
- Theft;
- Unsafe Working Conditions;
- Violation of Policy;
- Violence or Threat;
- Safety, Health & Environment;
- Bribery & Corruption;
- Code of Conduct Breaches;
- Other;
- Suggestions;
- Concern;
- Inquiry.

The President, VP Finance and Controller will receive email notifications of all reports filed, unless any or all of these persons are implicated in the report. If any or all of these persons are implicated in the report, the report notification will be sent to the Audit Committee and the person(s) implicated will not have access to that report.

INVESTIGATION OF REPORTS

The President and VP Finance are responsible for following up on each report in a timely manner. They may delegate duties for investigation and remediation if appropriate in the circumstances. In the event that the President and VP Finance are implicated in a report, responsibility for investigation and remediation rests with the Audit Committee.

The Audit Committee, President, VP Finance and Controller will have access to the EthicsPoint system. Temporary access to specific reports may be granted to other individuals as necessary, in order to facilitate investigation and resolution.

In order to specifically address the Audit Committee's statutory responsibilities regarding procedures for complaints about the Corporation's accounting, internal accounting controls or auditing matters, the Audit Committee will receive immediate email notification of all reports filed in the following categories:

- Accounting and Auditing Matters;
- Embezzlement;
- Falsification of Contracts, Reports or Records;
- Securities Violations;
- Theft.

The Audit Committee will also have access to all other types of reports.

AUDIT COMMITTEE OVERSIGHT

The Whistleblower Policy will be reviewed by the Audit Committee on an annual basis and updated as required.

At each Audit Committee meeting, the Committee will follow up on all new or outstanding reports since the previous meeting. They will consider whether appropriate action has been taken and whether the issue has been resolved satisfactorily.