

MESSAGE FROM THE PRESIDENT

To the Shareholders of Parex Resources Inc.,

It is my pleasure to present all shareholders with our first quarterly reporting for our new company.

During the period ended September 30, 2009 Parex Resources Inc. ("Parex") was created through the Plan of Arrangement (the "Arrangement") executed on November 6, 2009 between and amongst our precursor company, Petro Andina Resources Inc. ("Petro Andina"), Parex, and Pluspetrol Resources Corporation N.V. ("Pluspetrol"). Under the Arrangement, Parex was created through a split of Petro Andina that partitioned the company's working capital plus the exploration assets in Colombia and Trinidad & Tobago within Parex while the company's Argentina production and other assets were isolated within Petro Andina. The shares of Petro Andina were then sold to Pluspetrol for proceeds of Cdn\$7.65 per share in cash, which was distributed to the Petro Andina shareholders. The working capital at time of closing, which is now in Parex, was approximately Cdn\$70 million. That was augmented by proceeds from concurrent financings to directors and employees (Cdn\$10 million) and the market at large (Cdn\$20 million) on an unpromoted basis at Cdn\$3.00 per share.

In addition, warrants were issued to existing shareholders that will allow them to purchase up to Cdn\$15 million of additional equity, also at a price of Cdn\$3.00 per share.

Those of you who have obtained your shareholding through the split of Petro Andina will be familiar with the growth of that entity as we discovered and developed a significant extension of the largest productive basin in the Republic of Argentina. Parex will continue on that legacy as it commences operations under the same management, with the same Board of Directors and to the benefit of the continuing shareholders of Petro Andina, as well as our new shareholders. The staff and the management capability that enabled us to grow Petro Andina from exploratory activity in late 2004 to operating more than 30,000 barrels of oil per day (gross) in 2009 have remained in place in the continuing company.

Through the value maximization process in 2009, management continued to advance existing projects and business development opportunities on the Parex Colombian and Trinidad & Tobago assets. I would like to take this opportunity to thank partners, suppliers and host governments for working with us and allowing us to move forward during that period of considerable uncertainty. Specifically, I would like to acknowledge Export Development Canada for the excellent set of programs they run to support Canadian businesses abroad in representing their creditworthiness by affording the support on statutory credit arrangements, where warranted. With those opportunities now in hand, with the staff in place and with significant working capital, Parex is ready to quickly move to drilling and subsequently production operations.

In Colombia, we have now completed our initial 250 square kilometre three-dimensional ("3D") seismic program, on Block LLA-16. That program was executed on schedule and on budget. The crew has now moved to commence a similar size survey on Block LLA-20. We will be interpreting the survey through the fourth quarter of 2009 and selecting drilling locations early in the new year. Drilling in Colombia should commence in the second quarter of 2010 with continuous drilling operations planned through to the end of 2012. The Llanos Basin blocks offer Parex an opportunity to develop material near-term production in a favorable fiscal environment.

In Trinidad & Tobago, on September 16, 2009 management closed a farm-in arrangement to earn a working interest in the Cory Moruga E Block ("Cory Moruga Block"); Parex will pay 95 percent of the costs to drill two wells, up to a maximum of \$13 million in order to earn a 50 percent interest. The contract calls for the first well to be commenced prior to February 28, 2010. The Cory Moruga Block is covered by modern 3D seismic data and is subject to a royalty and tax fiscal regime, with no state company interest. As such, it affords an opportunity to test play concepts on high quality seismic data, with favourable economics. We believe that the same play concepts will apply in the Central Range Blocks to the north of the Cory Moruga Block.

Our 2D seismic program on the Central Range Blocks was completed in July and initial processing has now been completed. The new data have further delineated the leads that were identified on older seismic data and on the airborne gravity and magnetic survey conducted during the first half of 2009. A number of the leads now have sufficient definition to be considered viable drilling prospects. At this point, it seems feasible to drill at least some of these



prospects using a drilling rig that is already in-country. We will be working with suppliers and the regulator to work out final details that would enable us to commence drilling on the Central Range Blocks near the end of the second quarter of 2010.

In summary, my feelings for Parex are similar to looking at a new foal in a pasture. There was a lengthy gestation and a trying birth, and it has gone through a period of finding its legs but it is now ready to run a few sprints and get on with the business of growing. As always, thank you for your ongoing support.

On behalf of the Board of Directors,

A handwritten signature in black ink, appearing to read 'Wayne Foo'.

Wayne Foo
President & CEO
November 25, 2009



MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") of Parex Resources Inc. ("Parex" or the "Company") is dated November 25, 2009 and should be read in conjunction with the unaudited financial statements for the period from incorporation on August 17, 2009 to September 30, 2009. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP").

Additional information related to Parex is available in the Information Circular of Petro Andina Resources Inc. filed October 5, 2009 on the Canadian Securities Administrators' website at www.sedar.com.

All amounts are in US dollars unless otherwise stated.

Forward-Looking Statements

Certain statements in this document are "forward-looking statements". Forward-looking statements are frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "forecast" or other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are not based on historical facts but rather on the expectations of management of the Company ("Management") regarding the Company's future growth, results of operations, production, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, plans for and results of drilling activity, environmental matters, business prospects and opportunities. Such forward-looking statements reflect Management's current beliefs and assumptions and are based on information currently available to Management. Forward-looking statements involve significant known and unknown risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including the risks associated with negotiating with foreign governments as well as country risk associated with conducting international activities, competition, the ability to generate revenue and exploit operating margins, capital resources, the use of certain technologies and materials, annual impairment tests, labour relations, insurance, damage from weather and other disasters, operating and maintenance risks and environmental risks, new information regarding reserves, changes in demand for and volatility of commodity prices of oil and natural gas, legislative, regulatory and political changes and other factors, many of which are beyond the control of the Company. The risks outlined should not be construed as exhaustive. Although the forward-looking statements contained in this document are based upon assumptions which Management believes to be reasonable, the Company cannot assure users of this MD&A that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date hereof, and the Company assumes no obligation to update or revise them to reflect new events or circumstances, except as required by law.

In particular, forward-looking statements included in this MD&A include, but are not limited to, the ability of the Company to finance the Company's exploration commitments and the timing and estimated cost of those exploration commitments.

Description of Business

Incorporation, Initial Financing and Plan of Arrangement

The Company was incorporated as 1485196 Alberta Ltd. on August 17, 2009, pursuant to the Business Corporations Act (Alberta). On September 29, 2009 the Company filed Articles of Amendment to change its name to Parex Resources Inc. The Company was incorporated for the purposes of completing a Plan of Arrangement (the "Arrangement") under the Business Corporations Act (Alberta) with Pluspetrol Resources Corporation N.V., its wholly owned subsidiary, 1462627 Alberta Ltd., (together "Pluspetrol") and Petro Andina Resources Inc. ("PARI").

On September 29, 2009, the Company closed a bought deal subscription receipt financing for 6,670,000 Subscription Receipts at a price of Cdn\$3.00 per Subscription Receipt for gross proceeds of Cdn\$20,010,000 (the "Offering"). The proceeds from the Offering were deposited in escrow with Valiant Trust Company pending the satisfaction of certain conditions, including (i) the receipt of all necessary regulatory approvals to the Offering, (ii) the receipt of all necessary regulatory, court and shareholder approvals of the Arrangement, (iii) the underwriters of the subscription receipt financing being satisfied that the common shares of Parex would be listed on a recognized stock exchange not later than 20 days after the closing of the Arrangement, and (iv) the completion,



in conjunction with the Arrangement, of a private placement to management of Parex of not less than Cdn\$6 million and not more than Cdn\$10 million at a price of Cdn\$3.00 per Parex common share (the "Management Private Placement"). Upon all conditions being met, and in conjunction with the completion of the Arrangement, the proceeds of the Offering would be released to the Company and each Subscription Receipt would be exchanged for one Parex Share without additional payment.

The Arrangement between Parex, PARI and Pluspetrol closed and was effective on November 6, 2009. Under the terms of the Arrangement, Pluspetrol acquired all of the issued and outstanding common shares of PARI for cash consideration of Cdn\$7.65 per share. As part of the Arrangement, Parex acquired from PARI all of the issued and outstanding shares of Petro Andina (Barbados) Ltd. ("PABL"), Petro Andina (Colombia) Ltd. ("PACL") and indirectly all of the issued and outstanding shares of Petro Andina (Trinidad) Ltd. ("PATL"), intercompany loan and other receivables from PABL, PATL and PACL, working capital and other miscellaneous assets in exchange for the issue of 49,213,718 Parex common shares and 4,921,372 Parex common share purchase warrants to PARI shareholders. Each common share purchase warrant may be exercised to purchase one common share of Parex until December 6, 2009 at an exercise price of Cdn\$3.00.

After closing of the Arrangement on November 6, 2009 the Company issued 6,670,000 common share in exchange for the Subscription Receipts and received gross proceeds of Cdn\$20,010,000 (Cdn \$18,809,400 net of underwriters' fees). In addition, the Company closed the Management Private Placement of 3,333,333 common shares for gross proceeds of Cdn\$9,999,999.

Principal Properties

As of September 30, 2009, the Company had no assets other than subscription receipts held in escrow.

Through the Arrangement which closed in November 2009, which included the acquisition of PATL and PACL, Parex acquired exploration blocks in Colombia and Trinidad & Tobago previously held by PARI. In addition, the Company acquired minor non-operated properties in Canada which are not significant to the Company's current or future operations.

After the closing of the Arrangement in November 2009, the Company's principal land holdings and/or exploration blocks were as follows:

	Working Interest	Gross Acres	Net Acres
Colombia			
Llanos Basin Blocks LLA-16, 20, 29 & 30	50%	489,133	244,567
Trinidad & Tobago			
Central Range Blocks ⁽¹⁾	50%	211,478	105,739
Cory Moruga Block "E" ⁽²⁾	50%	7,443	3,721
Total		708,054	354,027

- Note:**
- ⁽¹⁾ Working interests noted are for the exploration phase of the Production Sharing Contracts. The Petroleum Company of Trinidad & Tobago has the right to participate for a 35 percent working interest in any development on the Central Range Shallow Block and for a 20 percent interest in any development on the Central Range Deep Block.
 - ⁽²⁾ Exploration block with farm-in commitments still ongoing. The working interest note is post-completion of farm-in earning.

All of the Company's properties in Colombia and Trinidad & Tobago are undeveloped and are subject to exploration commitments for seismic and drilling activities as described below.

a) Llanos Basin Blocks (Colombia)

The Company has an interest in four exploration blocks LLA-16, LLA-20, LLA-29 and LLA-30 in the Llanos Basin of Colombia. The exploration and production contracts in respect of the blocks were effective on April 20, 2009. The Company, through its wholly owned subsidiary PACL, is party to a joint venture agreement with Columbus Energy Sucursal Colombia ("Columbus"), a wholly owned subsidiary of Remora Energy International, L.P., under which PACL and Columbus each own a 50 percent working interest in the blocks. The Company is the operator of all four blocks. The exploration and production contracts consist of an initial exploration phase of three years with the option for the parties to enter a second three-year exploration phase. The exploration



work commitments for the initial exploration phase total 19 wells and 900 square kilometres of three-dimensional (“3D”) seismic. The first phase of 3D seismic acquisition over Block LLA-16 commenced in August 2009 and was completed in early November 2009. Seismic acquisition over Block LLA-20 will commence in the fourth quarter of 2009.

The Company’s share of exploration commitments remaining at September 30, 2009 was estimated to be as follows:

2009	\$	4,601
2010		19,559
2011		20,642
	\$	44,802

The Company is required to provide guarantees totaling \$23 million related to its 50 percent share of the initial exploration work commitments. Currently, \$23 million of the Company’s working capital is temporarily restricted to support letters of credit provided for these guarantees. The Company expects to place an alternative credit arrangement that would reduce or eliminate the need to restrict working capital and therefore increase working capital prior to the end of 2009.

b) Central Range Blocks (Trinidad & Tobago)

Parex holds a working interest in two onshore exploration blocks in Trinidad & Tobago. Under the terms of a joint venture agreement with Voyager Energy Ltd. (“Voyager”), Parex is operator of the Central Range Shallow and Central Range Deep Blocks, which are subject to Production Sharing Contracts (“PSCs”) that were signed by Voyager and the government of Trinidad & Tobago on September 18, 2008. During the exploration phase of the PSCs, Parex and Voyager will each hold a 50 percent working interest. The Petroleum Company of Trinidad & Tobago has the right to participate for a 35 percent working interest in any development on the Central Range Shallow Block and for a 20 percent working interest in any development on the Central Range Deep Block. The PSCs provide for an initial exploration phase of four years with the option for the parties to enter into two single-year exploration phases beyond the initial phase.

The PSCs have minimum work commitments in the initial four-year exploration phase of the contracts. The government of Trinidad & Tobago granted an official reduction of the original work commitments in April 2009. The final work commitments total 100 kilometres of two-dimensional seismic, 168 square kilometres of 3D seismic, one deep well drilled to a minimum depth of 12,000 feet and two shallow wells drilled to 4,500 feet or less. Under the terms of the joint venture agreement with Voyager, Parex will pay 100 percent of the first \$10 million of seismic acquisition costs during the exploration phase.

The Company’s share of exploration commitments remaining at September 30, 2009, including the Voyager carry, was estimated to be as follows:

	Exploration	Other	Total
2009	\$ 56	\$ -	\$ 56
2010	12,422	1,590	14,012
2011	-	1,684	1,684
	\$ 12,478	\$ 3,274	\$ 15,752

These amounts do not include production bonuses and other payments that will vary depending on production levels due to the uncertainty of their amount and timing.

PATL has purchased a performance bond and Parex has provided a guarantee to the underwriters of the bond in the amount of \$33 million to cover both its and Voyager’s share of the financial guarantees required under the PSCs for the initial four-year exploration phase. In the event of default by Voyager, the joint venture agreement provides that Voyager’s working interest shall vest in Parex. The obligations under the PSCs are to perform the exploration work commitments, irrespective of actual cost. Parex has no liability to spend the actual amount guaranteed. Actual expenditures to perform the exploration commitment work are estimated to be less than the guarantee amount.



c) **Cory Moruga (Trinidad & Tobago)**

Parex has entered into a farm-in agreement to acquire a working interest in the Cory Moruga “E” Block (the “Cory Moruga Block”). The terms of the agreement require Parex and its partners to drill two exploration wells to a minimum depth of 3,200 metres, with the initial well scheduled to be spud and drilling prior to February 28, 2010. Parex will earn a 50 percent working interest in the Cory Moruga Block by paying 95 percent of all costs for drilling and evaluating these two exploration wells. The Company estimates that its costs to meet the commitment will be approximately \$10 million. In connection with the farm-in, application will be made for Parex to become the operator of the Cory Moruga Block.

The farm-in and transfer of operatorship are subject to approval by the Ministry of Energy and Energy Industries and the Ministry of Finance of Trinidad & Tobago.

Results of Operations – Period from incorporation on August 17, 2009 to September 30, 2009

As of September 30, 2009 Parex was a wholly owned subsidiary of PARI and had not carried on any active business. The Company’s balance sheet was comprised entirely as follows:

	Cdn\$000s	US\$000s
Escrowed subscription receipts	\$ 20,010	\$ 18,689
Fees payable to underwriters	\$ (1,201)	\$ (1,122)
Minority interest	\$ (18,809)	\$ (17,567)

Liquidity and Capital Resources

Immediately following the closing of the Arrangement on November 6, 2009, the Company had working capital of approximately Cdn\$98 million, inclusive of net proceeds from the Cdn\$20 million Offering of subscription receipts and Cdn\$10 million Management Private Placement. If all of the 4.9 million common share purchase warrants are exercised, working capital will increase by approximately Cdn\$15 million. The common share purchase warrants expire on December 6, 2009. Parex has no debt.

As noted above, currently \$23 million of working capital is temporarily restricted to support letters of credit related to Parex’s ongoing exploration activities in Colombia. The Company expects to place an alternative credit arrangement that would reduce or eliminate the need for restricted working capital and therefore increase working capital prior to the end of 2009.

The Company anticipates that it has access to sufficient financial resources to fund all of its existing work commitments and other discretionary future capital costs.

2010 Outlook

Subject to Board approval, Parex estimates 2010 capital spending will be approximately \$49 million, with \$34 million allocated to Colombia and \$15 million allocated to Trinidad & Tobago.

In Colombia, Parex plans to drill eight wells targeting oil, the majority of which will be drilled on Block LLA-16. An additional 450 square kilometres of 3D seismic is budgeted to be acquired on Blocks LLA-29 and LLA-30.

In Trinidad & Tobago, two wells on the Cory Moruga Block are planned along with one well to be drilled on the Central Range Deep Block.

In addition to the above, the Company forecasts net general and administration costs after partner recoveries of approximately \$11 million.

Parex will be actively evaluating opportunities to accelerate its capital programs in Colombia and Trinidad & Tobago.



A production forecast is not planned to be provided until such time as initial exploration wells have been tested and marketing arrangements have been satisfactorily determined.

Outstanding Share Data

Parex is authorized to issue an unlimited number of voting common shares without nominal or par value. As at September 30, 2009 the Company had one (1) outstanding common share, which was held by PARI. Immediately after the closing of the Arrangement, the Offering and Management Private Placement on November 6, 2009, the Company had 59,217,051 outstanding shares and 4,921,372 common share purchase warrants. Each common share purchase warrant may be exercised to purchase one common share of Parex until December 6, 2009 at an exercise price of Cdn\$3.00.

As of September 30, 2009, the Company's Board of Directors had approved a stock option plan (the "Option Plan") for the Company, subject to approval by shareholders. The Option Plan provides for the issuance of options to the Company's directors, officers, employees and consultants to acquire common shares. The maximum number of options reserved for issuance under the Option Plan may not exceed 10 percent of the number of common shares issued and outstanding. On October 14, 2009, the Company conditionally granted 3,362,500 options at an exercise price of Cdn\$3.04, subject to shareholder approval of the Option Plan and closing of the Arrangement, both conditions which have now been met.

Contractual Obligations

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 primarily relate to exploration work commitments including both seismic and drilling activities. The Company has discretion regarding the timing of capital spending for exploration work commitments, as long as the work is completed by the end of the exploration terms specified in the contracts. The Company's exploration commitments are described under "Description of Business – Principal Properties".

Business Environment and Risks

Parex is exposed to a variety of risks including, but not limited to operational, financial, competitive, political and environmental risks.

As a participant in the oil and natural gas industry, Parex is exposed to operational risks such as unsuccessful exploration and exploitation activities, the inability to find new reserves that are commercially and economically feasible, premature declines of reservoirs, blow-outs and other operating hazards and lack of infrastructure to access markets. The Company works to mitigate these risks by employing highly skilled personnel and utilizing available technology. The Company also maintains a corporate insurance program consistent with industry practices to protect against insurable losses.

The Company is exposed to normal financial risks inherent within the oil and natural gas industry, including commodity price risk, exchange rate risk, interest rate risk and credit risk. From time to time, the Company may have to raise additional financing to finance business development activities; however, depending on market conditions at the time there can be no assurance that the Company will be able to arrange debt or equity financing on satisfactory terms. The Company continuously monitors opportunities to use financial instruments to manage exposure to fluctuations in commodity prices, foreign currency rates and interest rates. Parex operates all of its principal properties and, therefore, has control over the timing, direction and costs related to exploration and development opportunities.

The oil and natural gas industry is intensely competitive, with Parex competing against companies that may have larger technical and financial resources. There is competition for new exploration and development properties, for drilling and other specialized technical equipment and for experienced key human resources. To the extent possible, Parex seeks to enter into joint venture arrangements with large and/or experienced industry players in each country to improve its access to resources.

Parex is focused on international oil and natural gas activities, currently with interests in Colombia and Trinidad & Tobago. As such, the Company is subject to political risks such as price controls, renegotiation of land tenure agreements, nationalization, different legal systems, complex regulatory regimes and



foreign language risks. The Company focuses its foreign operations in countries where Management has prior experience and/or engages local in-country staff as soon as possible. The Company engages local legal, accounting and tax professionals. The Company may also, from time to time, arrange for insurance to mitigate specific risks.

The oil and natural gas industry is subject to extensive and varying environmental regulations imposed by governments in all countries in which Parex operates. The Company adopts prudent and industry-recommended field operating procedures in all of its operations, as well as maintaining a Health, Safety and Environment program.

Off-Balance-Sheet Arrangements

The Company did not enter into any off-balance-sheet arrangements in the period from its incorporation to year-to-date.

Financial Instruments and Other Instruments

The Company did not utilize financial instruments such as hedges or swaps in the period from its incorporation to year-to-date.

Related-Party Transactions

In November 2009, in conjunction with closing of the Arrangement, the Company issued 3,333,333 common shares at Cdn\$3.00 per share to directors, officers, employees and their family members as part of the Management Private Placement. These shares were issued at the same price as the Offering on September 29, 2009 and at the same exercise price as the common share purchase warrants which are exercisable until December 6, 2009.

Critical Accounting Estimates

The preparation of financial statements in accordance with Canadian GAAP requires Management to make judgments, assumptions and estimates that affect the financial results of the Company. Management reviews its estimates regularly but new information and changed circumstances may result in actual results or changes to estimated amounts that differ materially from current estimates. The Company believes the following are the most critical accounting estimates in preparing its financial statements.

Full cost accounting

The Company follows the full cost method of accounting for its oil and natural gas properties. Accordingly, all costs related to the acquisition, exploration and development of oil and natural gas reserves, whether successful or not, are capitalized. Costs related to oil and natural gas properties are depleted and depreciated using the unit-of-production method based on gross (before royalty) proved reserves of oil and natural gas as determined by independent engineers. In determining the cost base for depletion and depreciation, the Company includes estimated future capital costs associated with developing proved reserves and excludes costs of unproved properties, net of impairments.

The carrying amount of oil and natural gas properties (the “properties”) may not exceed their recoverable amount (the “ceiling test”). The recoverable amount is calculated as the undiscounted net cash flow from the properties using proved reserves and expected future prices and costs. If the carrying amount of the properties exceeds their recoverable amount, an impairment loss is recognized in depletion equal to the amount by which the carrying amount of the properties exceeds their fair value. Fair value is calculated as the net cash flow from those properties using proved and probable reserves and expected future prices and costs, discounted at a risk-free interest rate. Properties excluded from the depletion and depreciation calculation are assessed periodically to ascertain whether impairment has occurred.

The alternative method of accounting for oil and natural gas properties is the successful efforts method. The major difference in applying the successful efforts method is that exploratory dry holes and geological and geophysical exploration costs are charged against net earnings in the year they are incurred rather than being capitalized. The use of the full cost method usually results in higher capitalized costs and higher depletion and depreciation rates than the successful efforts method.



Oil and natural gas reserves

The estimation of reserves involves the exercise of judgment. Forecasts are based on engineering data, expected rates of production and the timing of future capital expenditures, all of which are subject to major uncertainties and interpretations. The Company expects that over time its reserve estimates will be revised upward or downward based on updated information such as the results of future drilling, testing and production levels. Reserve estimates can have a significant impact on net earnings, as they are a key component in the calculation of depletion and depreciation and for determining potential asset impairment. For example, a revision to the reserve estimate would result in a higher or lower depletion and depreciation charge to net earnings. Downward revisions to reserve estimates could also result in a write-down of oil and natural gas properties.

As of September 30, 2009 the Company had no reserves. After closing of the Arrangement, the Company acquired a very small amount of reserves from miscellaneous non-operated properties in Canada. The Canadian properties are not expected to be significant to the Company.

Asset retirement obligation (“ARO”)

The Company is required to recognize a liability for future abandonment and site restoration costs associated with the Company's oil and natural gas properties in accordance with existing laws, contracts or other policies. The fair value of the estimated ARO is recorded as a long-term liability, with a corresponding increase in the carrying amount of the related asset known as the asset retirement cost, which is depleted on a unit-of-production basis over the life of the reserves. The liability is adjusted each reporting period to reflect the passage of time, with the accretion charged to earnings, and for revisions to the estimated future cash flows. Actual costs incurred upon settlement of the obligations are charged against the liability.

The ARO is based on estimated costs, taking into account the anticipated method and extent of restoration consistent with legal requirements, technological advances, industry practices and the possible use of the site. Since these estimates are specific to the sites involved, there are many individual assumptions underlying the Company's total ARO amount. These individual assumptions can be subject to change based on experience. Restoration technologies and costs are constantly changing, as are regulatory, political, environmental, safety and public relations considerations. The Company estimates future retirement costs based on current estimates adjusted for inflation and credit risk. These estimates for inflation and credit risk are also subject to management uncertainty.

Income taxes

The Company follows the liability method of accounting for income taxes. Under this method, future tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities and are measured using substantially enacted tax rates and laws that will be in effect when the differences are expected to reverse. The effect of a change in income tax rates on future income tax liabilities and assets is recognized in income in the period that the change occurs. Future income tax assets are only recognized to the extent that it is more likely than not that sufficient future taxable income will be available in the applicable jurisdiction to allow the future income tax assets to be realized.

The determination of the Company's income and other tax liabilities requires interpretation of complex laws and regulations from multiple jurisdictions. Rates are also affected by legislative changes. All tax filings are subject to audit and potential reassessment after the lapse of considerable time. Accordingly, the actual income tax liability may differ significantly from that estimated and recorded in the financial statements.

Legal, environmental remediation and other contingent matters

In respect of these matters, the Company is required to both determine whether a loss is probable based on judgment and interpretation of laws and regulations and determine if such a loss can reasonably be estimated. When any such loss is determined, it is charged to earnings. Management continually monitors known and potential contingent matters and makes appropriate provisions by charges to earnings when warranted by circumstances.

Changes in Accounting Policy and Impact of New Accounting Pronouncements

In January 2009, the CICA issued three new standards. Section 1582 “Business Combinations” replaces the former section 1581. Section 1582 requires assets and liabilities acquired in a business combination, contingent consideration and certain acquired contingencies to be measured at their fair value as at the date of acquisition. In addition, acquisition-related and restructuring costs are to be expensed. Section 1601 “Consolidated Financial Statements” and section 1602 “Non-Controlling Interests” replace the former section 1600. Section 1601 establishes the requirements for the preparation of consolidated financial



statements. Section 1602 establishes the accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. This standard requires a non-controlling interest in a subsidiary to be classified as a separate component of equity. In addition, net earnings and components of other comprehensive income are attributed to both the parent and non-controlling interest.

All three standards are effective January 1, 2011 at which time the Company will have adopted IFRS. As such, the adoption of these standards by the Company is not expected unless they are early adopted. Early adoption is permitted; however, the early adoption of one of the three standards would require adoption of the other two standards. Should the Company engage in a business combination prior to 2011, consideration will be given to the potential impact of early adoption of these standards.

Conversion to International Financial Reporting Standards (“IFRS”)

On February 13, 2008, the CICA Accounting Standards Board confirmed that Canadian public companies will be required to adopt International Financial Reporting Standards (“IFRS”) for fiscal years starting on or after January 1, 2011.

The Company has completed a diagnostic analysis of differences between Canadian GAAP and IFRS and is currently assessing the effects of adoption and developing its conversion plan. The Company has determined that accounting for property, plant and equipment will be impacted by the conversion to IFRS. The Company currently follows full cost accounting as prescribed in Accounting Guideline 16, “Oil and Gas Accounting – Full Cost.” Conversion from Canadian GAAP to IFRS may have an impact on how the Company accounts for costs pertaining to oil and natural gas activities, in particular those related to the pre-exploration and development phases. The conversion to IFRS will also result in other impacts, some of which may be significant in nature and these continue to be assessed by the Company.

At this time, the impact on the Company’s financial position and results of operations is not reasonably determinable or estimable for any of the IFRS conversion impacts identified. In addition, IFRS is expected to change prior to adoption in 2011, and the impact of these potential changes is not known. Included in the IFRS changes are amendments to IFRS 1 “Additional Exemptions for First-time Adopters” issued in July 2009 by the International Accounting Standards Board, which prescribes transition exemptions for oil and natural gas companies following full cost accounting. The transition exemptions allow full cost companies to allocate their existing full cost property, plant and equipment balances using reserve values or volumes to IFRS compliant units of account without requiring retroactive adjustment, subject to an initial impairment test. The Company intends to adopt the transition exemptions.



FINANCIAL STATEMENTS

Balance Sheet

As at (US dollars)	September 30, 2009	Date of Incorporation August 17, 2009
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ASSETS

Current assets		
Receivable from parent company	\$ 1	\$ 1
Escrow subscription receipts (note 4)	18,688,700	-
	<u>\$ 18,688,701</u>	<u>\$ 1</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities		
Fees payable related to escrow subscription receipts (note 4)	\$ 1,121,300	-
Minority interest (note 4)	17,567,400	-
Shareholders' equity		
Share capital (note 5)	1	1
	<u>\$ 18,688,701</u>	<u>\$ 1</u>

Subsequent events (note 8)

See accompanying Notes to the Financial Statements

Approved by the Board:

Paul Wright
Director

Ron Miller
Director



Notes to the Financial Statements

(tabular amounts in US dollars, unless otherwise stated)

1. Nature of Operations

The Company was incorporated as 1485196 Alberta Ltd. on August 17, 2009, pursuant to the Business Corporations Act (Alberta). On September 29, 2009 the Company filed Articles of Amendment to change its name to Parex Resources Inc. The Company was incorporated for the purposes of completing a Plan of Arrangement (the "Arrangement") under the Business Corporations Act (Alberta) between Pluspetrol Resources Corporation N.V., its wholly owned subsidiary, 1462627 Alberta Ltd., (together "Pluspetrol") and Petro Andina Resources Inc. ("PARI"). As of September 30, 2009 Parex was a wholly owned subsidiary of PARI and had not carried on any active business.

2. Summary of Significant Accounting Policies

a) *Basis of presentation*

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

b) *Management estimates and measurement uncertainty*

The timely preparation of financial statements requires that management make estimates and assumptions and use judgment regarding assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, actual results may differ from estimated amounts.

The recoverability of costs for undeveloped oil and natural gas properties is subject to the future discovery of reserves, future commodity prices and future costs required to develop and produce those reserves. Amounts recorded for depreciation and amortization are based on estimated useful lives and salvage values of the related assets. The calculation of income taxes requires judgment in applying tax laws and regulations, estimating the timing of temporary difference reversals, and estimating the realizability of future tax assets. Provisions for contingent liabilities are subject to uncertainty regarding both the likelihood of their outcome and their recorded value.

c) *Foreign currency translation*

Monetary assets and liabilities are translated at the exchange rate in effect at the balance sheet date and non-monetary assets and liabilities are translated at the exchange rate in effect when the assets were acquired or obligations incurred. Revenues and expenses are translated at the monthly average exchange rate, except for depletion, depreciation and amortization which are translated at the same exchange rate as the related balance sheet items. Foreign currency gains and losses are included in income.

d) *Cash and cash equivalents*

Cash and cash equivalents consist of cash in the bank, less outstanding cheques, and deposits with an original maturity of less than three months.

e) *Property, plant and equipment*

(i) *Oil and natural gas properties*

The Company follows the full cost method of accounting for oil and natural gas operations, whereby all costs related to the acquisition, exploration and development of oil and natural gas reserves are capitalized. Such costs include lease acquisition costs, geological and geophysical costs, carrying charges of undeveloped properties, costs of drilling both productive and non-productive wells, the cost of oil and natural gas production equipment and overhead charges directly related to exploration and development activities.

Costs related to oil and natural gas properties, are depleted and depreciated using the unit-of-production method based on gross (before royalty) proved reserves of oil and natural gas as determined by independent engineers. In determining the cost base for depletion and depreciation, the Company includes estimated future capital costs associated with developing proved reserves and excludes costs of unproved properties, net of impairments. For purposes of



these calculations, reserves and production are converted to equivalent units of oil based on relative energy content of six thousand cubic feet of natural gas to one barrel of oil.

The Company reviews the carrying amount of its oil and natural gas properties (the “properties”) relative to their recoverable amount (the “ceiling test”) for each cost centre at each annual balance sheet date, or more frequently if circumstances or events indicate impairment may have occurred. The recoverable amount is calculated as the undiscounted net cash flow from the properties using proved reserves and expected future prices and costs. If the carrying amount of the properties exceeds their recoverable amount, an impairment loss is recognized in depletion equal to the amount by which the carrying amount of the properties exceeds their fair value. Fair value is calculated as the net cash flow from those properties using proved and probable reserves and expected future prices and costs, discounted at a risk-free interest rate. Properties excluded from the depletion calculation are assessed separately and periodically to ascertain whether impairment has occurred.

Proceeds from the disposition of oil and natural gas properties are applied against capitalized costs except for dispositions that would change the rate of depletion and depreciation by 20 percent or more, in which case a gain or loss would be recorded.

(ii) Other capital assets

Office furniture and equipment are depreciated over their estimated useful lives at annual rates ranging from 10 percent to 100 percent.

f) Intangible assets

Software acquired by the Company is capitalized and amortized over its estimated useful life at an annual rate of 100 percent.

g) Asset retirement obligation

The Company records a liability for the fair value of legal obligations associated with the retirement of long-lived tangible assets in the period in which they are incurred, normally when the asset is purchased or developed. On recognition of the liability there is a corresponding increase in the carrying amount of the related asset, known as the asset retirement cost, which is depleted on a unit-of-production basis over the life of the reserves. The liability is adjusted each reporting period to reflect the passage of time, with the accretion charged to earnings, and for revisions to the estimated future cash flows. Actual costs incurred upon settlement of the obligations are charged against the liability.

h) Financial instruments

The Company classifies its financial instruments into one of the following categories: held-for-trading financial assets and financial liabilities; held-to-maturity investments, loans and receivables; available-for-sale financial assets; and other financial liabilities. All financial instruments are required to be measured at fair value on initial recognition. Measurement in subsequent periods is dependent on the classification of the respective financial instrument.

Held-for-trading financial instruments are subsequently measured at fair value with changes in fair value recognized in net earnings. Available-for-sale financial assets are subsequently measured at fair value with changes in fair value recognized in other comprehensive income, net of tax. All other categories of financial instruments are measured at amortized cost using the effective interest method.

Cash and cash equivalents are classified as held-for-trading and are measured at fair value. Accounts receivable are classified as loans and receivables. Accounts payable are classified as other financial liabilities.

i) Revenue recognition

Revenues associated with the sale of oil and natural gas owned by the Company are recognized when title passes from the Company to an external party and when collection is reasonably assured.

Revenue as reported represents the Company’s share and is presented before royalty payments to governments and other mineral interest owners. Revenue net of royalties represents the Company’s share after royalty payments to governments and other mineral interest owners.



j) Income taxes

The Company follows the liability method of accounting for income taxes. Under this method, future tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using substantially enacted tax rates and laws that will be in effect when the differences are expected to reverse. The effect of a change in income tax rates on future income tax liabilities and assets is recognized in income in the period that the change occurs. Future income tax assets are only recognized to the extent that it is more likely than not that sufficient future taxable income will be available in the applicable jurisdiction to allow the future income tax assets to be realized.

k) Joint ventures

Substantially all of the Company's exploration and development activities are conducted jointly with others and accordingly the accounts reflect only the Company's proportionate interest in such activities.

3. Impact of New Accounting Pronouncements

On February 13, 2008, the Canadian Institute of Chartered Accountants ("CICA") Accounting Standards Board confirmed that Canadian public companies will be required to adopt International Financial Reporting Standards ("IFRS") for fiscal years starting on or after January 1, 2011. The Company has developed a changeover plan to complete the transition to IFRS by January 1, 2011. At this time, the impact on the Company's consolidated financial statements is not reasonably determinable or estimable. As IFRS is expected to change prior to 2011, the Company will continue to monitor any changes in the adoption of IFRS and will update its plan as necessary.

In January 2009, the CICA issued three new standards. Section 1582 "Business Combinations" replaces the former section 1581. Section 1582 requires assets and liabilities acquired in a business combination, contingent consideration and certain acquired contingencies to be measured at their fair value as at the date of acquisition. In addition, acquisition-related and restructuring costs are to be expensed. Section 1601 "Consolidated Financial Statements" and section 1602 "Non-Controlling Interests" replace the former section 1600. Section 1601 establishes the requirements for the preparation of consolidated financial statements. Section 1602 establishes the accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. This standard requires a non-controlling interest in a subsidiary to be classified as a separate component of equity. In addition, net earnings and components of other comprehensive income are attributed to both the parent and non-controlling interest.

All three standards are effective January 1, 2011 at which time the Company will have adopted IFRS. As such, the adoption of these standards by the Company is not expected unless they are early adopted. Early adoption is permitted; however, the early adoption of one of the three standards would require adoption of the other two standards. Should the Company engage in a business combination prior to 2011, consideration will be given to the potential impact of early adoption of these standards.

4. Escrow Subscription Receipts and Minority Interest

On September 29, 2009 the Company closed a private placement of 6,670,000 subscription receipts at a price of Cdn\$3.00 each for gross proceeds of Cdn\$20.0 million (the "Offering"). The proceeds from the Offering were deposited in escrow with Valiant Trust Company pending the satisfaction of certain conditions, including (i) the receipt of all necessary regulatory approvals to the Offering, (ii) the receipt of all necessary regulatory, court and shareholder approvals of the Arrangement, (iii) the underwriters of the subscription receipt financing being satisfied that the common shares of Parex would be listed on a recognized stock exchange not later than 20 days after the closing of the Arrangement, and (iv) the completion, in conjunction with the Arrangement, of a private placement to management of Parex of not less than Cdn\$6.0 million and not more than Cdn\$10.0 million at a price of Cdn\$3.00 per Parex common share (the "Management Private Placement"). Upon all conditions being met, and in conjunction with the completion of the Arrangement, the proceeds of the Offering would be released to the Company and each Subscription Receipt would be exchanged for one Parex Share without additional payment.

The gross proceeds of Cdn\$20.0 million held in escrow are disclosed as Escrow Subscription Receipts on the balance sheet of Parex at September 30, 2009. Underwriting fees of Cdn\$1.2 million will be payable by the Company when the subscription receipts are exchanged for common shares and the funds are released from escrow. The net equity of Cdn\$18.8 million receivable by Parex on closing of the Offering is disclosed as Minority Interest on the balance sheet



of Parex at September 30, 2009. Amounts denominated in Canadian dollars have been translated at the September 30, 2009 exchange rate of approximately US\$/Cdn\$ 0.934.

5. Share Capital

a) *Authorized share capital*

An unlimited number of voting common shares without nominal or par value.

b) *Issued and outstanding common shares*

	Number of shares	Amount
Issued on incorporation on August 17, 2009	1	\$ 1

c) *Options*

As of September 30, 2009, the Company's Board of Directors had approved a stock option plan (the "Option Plan") for the Company, subject to approval by shareholders. The Option Plan provides for the issuance of options to the Company's directors, officers, employees and consultants to acquire common shares. The maximum number of options reserved for issuance under the Option Plan may not exceed 10 percent of the number of common shares issued and outstanding. No options have been issued as of September 30, 2009.

6. Capital Management

As of September 30, 2009 the Company was a wholly owned subsidiary of PARI and had not carried on any active business. The Company's capital structure after closing of the Arrangement is described in note 8.

The Company manages its capital to achieve the following:

- Maintaining balance sheet strength in order to meet the Company's strategic growth objectives; and
- Ensuring financing capacity is available to fund the Company's ongoing development of assets and exploration commitments.

Parex has the ability to adjust its capital structure by issuing new equity and making adjustments to its capital expenditure program, to the extent the capital expenditures are not committed.

7. Financial Instruments and Risk Management

As at September 30, 2009, the Company's financial instruments recognized in the balance sheet include escrow subscription receipts and fees payable related to escrow subscription receipts. The fair values of these items approximate their carrying value due to their short-term maturity.

a) *Credit risk*

As at September 30, 2009 the Company was not exposed to credit risk since subscription receipts were held in escrow.

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 months to 36 months to identify any financing requirements. Liquidity is managed through daily and longer-term cash, debt and equity management strategies. These strategies 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.

After closing of the Arrangement and equity financings as described in note 8, the Company considers itself to be well capitalized with working capital and no debt. The Company expects that the amount of working capital acquired will be sufficient to meet the exploration commitments in Colombia and Trinidad & Tobago that have been assumed pursuant to the Arrangement, also described in note 8.



c) Foreign currency risk

Immediately after closing of the Arrangement and equity financings as described in note 8, the Company is exposed to foreign currency risk since a significant portion of its cash balances are held in Canadian dollars while its committed capital expenditures are expected to be primarily denominated in US dollars, Colombia pesos or Trinidad & Tobago dollars. The Company has not entered into any foreign currency hedges or swaps.

d) Interest rate and commodity price risk

The Company is not currently exposed to interest rate or commodity price risk since it has no debt and it has no significant production.

e) Financial instrument sensitivities

As at September 30, 2009, the Company's financial instruments were escrow subscription receipts and fees payable related to escrow subscription receipts. These amounts were denominated in Canadian dollars. Any change in the exchange rate of Canadian dollars to US dollars would not have an impact on the Company's net income since these balances relate to capital transactions.

8. Subsequent events

a) Plan of Arrangement

The Arrangement between Parex, PARI and Pluspetrol closed on November 6, 2009. Pursuant to the Arrangement, in exchange for the issue of 49,213,718 Parex common shares and 4,921,372 Parex common share purchase warrants, the Company acquired the following from PARI:

- all of the issued and outstanding shares of Petro Andina (Barbados) Ltd. ("PABL"), Petro Andina (Colombia) Ltd. ("PACL") and indirectly all the issued and outstanding shares of Petro Andina (Trinidad) Ltd ("PATL");
- intercompany loan and other receivables from PABL, PATL and PACL;
- other miscellaneous assets, including seismic exploration equipment used in Trinidad & Tobago and Colombia, minor Canadian oil and natural properties and the Calgary head office lease obligation along with all associated furniture, fixtures, computer hardware, software and software licenses; and
- working capital of approximately Cdn\$70.0 million.

Each common share purchase warrant may be exercised to purchase one common share of Parex until December 6, 2009 at an exercise price of Cdn\$3.00.

b) Issue of shares and options

After closing of the Arrangement on November 6, 2009 the Company issued 6,670,000 common shares in exchange for the Subscription Receipts and received gross proceeds of Cdn\$20.0 million (Cdn\$18.8 million net of underwriters' fees). In addition, the Company closed the Management Private Placement of 3,333,333 common shares for gross proceeds of Cdn\$9,999,999. The Management Private Placement shares were purchased by the Company's directors, officers, employees and their family members.

Immediately after the closing of the Arrangement, the Offering and Management Private Placement but prior to the exercise of any common share purchase warrants, the Company had 59,217,051 shares outstanding.

On October 14, 2009, the Company conditionally granted 3,362,500 options at an exercise price of Cdn\$3.04, subject to shareholder approval of the Option Plan and closing of the Arrangement. Both of these conditions have now been met. The options will vest one-third on each of the first, second and third anniversaries of the grant date and will expire on October 14, 2014.

c) Exploration commitments

As a condition of closing of the Arrangement, financial guarantees in respect of PACL and PATL's exploration commitments provided by PARI were also transferred to the Company. The exploration commitments are described below.

(i) Llanos Basin Blocks (Colombia)

After the closing of the Arrangement, the Company holds a working interest in four exploration blocks LLA-16, LLA-20, LLA-29 and LLA-30 in the Llanos Basin of Colombia. The exploration and production contracts in respect of the blocks were effective on April 20, 2009. The Company, through its wholly



owned subsidiary PACL, is party to a joint venture agreement with Columbus Energy Sucursal Colombia (“Columbus”), a wholly owned subsidiary of Remora Energy International, L.P., under which PACL and Columbus each own a 50 percent working interest in the blocks. The Company is the operator of all four blocks. The exploration and production contracts consist of an initial exploration phase of three years with the option for the parties to enter a second three-year exploration phase. The exploration work commitments for the initial exploration phase total 19 wells and 900 square kilometers of three-dimensional (“3D”) seismic. The first phase of 3D seismic acquisition over Block LLA-16 commenced in August 2009 and was completed in early November 2009. Seismic acquisition over Block LLA-20 will commence in the fourth quarter of 2009.

The Company’s share of exploration commitments remaining at September 30, 2009 was estimated to be as follows:

2009	\$	4,601
2010		19,559
2011		20,642
	\$	44,802

The Company is required to provide guarantees totaling \$23 million or 50 percent of its net share of the initial exploration work commitments. Currently, \$23 million of the Company’s working capital is temporarily restricted to support letters of credit provided for these guarantees. The Company expects to place an alternative credit arrangement that would reduce or eliminate the need to restrict working capital and therefore increase working capital prior to the end of 2009.

(ii) Central Range Blocks (Trinidad & Tobago)

After the closing of the Arrangement, Parex holds a working interest in the Central Range Shallow and Central Range Deep Blocks located onshore Trinidad & Tobago. The Blocks are subject to Production Sharing Contracts (“PSCs”) that were signed on September 18, 2008. The Company is party to a joint venture agreement with Voyager Energy Ltd. (“Voyager”) and is operator of the Blocks. During the exploration phase of the PSCs, Parex and Voyager will each hold a 50 percent working interest. The Petroleum Company of Trinidad & Tobago has the right to participate for a 35 percent working interest in any development on the Central Range Shallow Block and for a 20 percent working interest in any development on the Central Range Deep Block. The PSCs provide for an initial exploration phase of four years with the option for the parties to enter into two single-year exploration phases beyond the initial phase.

The PSCs have minimum work commitments in the initial four-year exploration phase of the contracts. The government of Trinidad & Tobago granted an official reduction of the original work commitments in April 2009. The final work commitments total 100 kilometres of two-dimensional seismic, 168 square kilometres of 3D seismic, one deep well drilled to a minimum depth of 12,000 feet and two shallow wells drilled to 4,500 feet or less. Under the terms of the joint venture agreement with Voyager, Parex will pay 100 percent of the first \$10 million of seismic acquisition costs during the exploration phase.

The Company’s share of exploration commitments remaining at September 30, 2009, including the Voyager carry, was estimated to be as follows:

	Exploration	Other	Total
2009	\$ 56	\$ -	\$ 56
2010	12,422	1,590	14,012
2011	-	1,684	1,684
	\$ 12,478	\$ 3,274	\$ 15,752

These amounts do not include production bonuses and other payments that will vary depending on production levels due to the uncertainty of their amount and timing.

PATL has purchased a performance bond and Parex has provided a guarantee to the underwriters of the bond in the amount of \$33 million, to cover both its and Voyager’s share of the financial guarantees required under the PSCs for the initial four-year exploration phase. In the event of default by Voyager, the joint venture agreement provides that Voyager’s working interest shall vest in Parex. The obligations under the PSCs are to perform the exploration work commitments, irrespective of actual cost. Parex has no liability to spend the actual amount guaranteed. Actual expenditures to perform the exploration commitment work are estimated to be less than the guarantee amount.



(iii) Cory Moruga (Trinidad & Tobago)

After the closing of the Arrangement, Parex is party to a farm-in agreement to acquire a working interest in the Cory Moruga 'E' Block (the "Cory Moruga Block"). The terms of the agreement require Parex and its partners to drill two exploration wells to a minimum depth of 3,200 metres, with the initial well scheduled to be spud and drilling prior to February 28, 2010. Parex will earn a 50 percent working interest in the Cory Moruga Block by paying 95 percent of all costs for drilling and evaluating these two exploration wells. The Company estimates that its costs to meet the commitment will be approximately \$10 million. In connection with the farm-in, application will be made for Parex to become the operator of the Cory Moruga Block.

The farm-in and transfer of operatorship are subject to approval by the Ministry of Energy and Energy Industries and the Ministry of Finance of Trinidad & Tobago.



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Robert J. Engbloom

Wayne K. Foo

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W. A. (Alf) Peneycad

Paul D. Wright

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Barry B. Larson
VP Operations, Chief Operating Officer

Kenneth G. Pinsky
VP Finance, Chief Financial Officer

David R. Taylor
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Abbreviations

bbl	barrel
bbbls	barrels
mbbls	thousand barrels
mmbbls	million barrels
bbbls/d	barrels per day
boe	barrels of oil equivalent *
boe/d	barrels of oil equivalent per day
mboe	thousand barrels of oil equivalent
mboe/d	thousand barrels of oil equivalent per day
mmboe	million barrels of oil equivalent

mmboe/d	million barrels of oil equivalent per day
NGL	natural gas liquids
mcf	thousand cubic feet
mmcf	million cubic feet
bcf	billion cubic feet
trcf	trillion cubic feet
mcf/d	one thousand cubic feet per day
mmcf/d	one million cubic feet per day
gj	gigajoules
gj/d	gigajoules per day

* A barrel of oil equivalent (boe) is derived by converting natural gas to crude oil in the ratio of six thousand cubic feet of natural gas to one barrel of crude oil. This boe conversion is based on an energy equivalency conversion method primarily applicable at the burner tip and is not intended to represent a value equivalency at the wellhead. Boe may be misleading, particularly if used in isolation.