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A Look at Parex Resources (TSX:PXT) Valuation After Strengthened Ecopetrol Alliance and Colombian Growth Updates

**Simply Wall St**

Reviewed by Simply Wall St

December 08, 2025

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Parex Resources (TSX:PXT) just tightened its strategic alliance with Ecopetrol in Colombia's Llanos Foothills, securing regulatory approvals to drill new exploration wells while reaffirming steady production and a clear timeline for its 2026 guidance.

[See our latest analysis for Parex Resources.](#)

The strengthened Ecopetrol alliance seems to be feeding into sentiment, with the CA\$19.17 share price sitting on a solid uptrend, highlighted by a roughly 28% year to date share price return and a near 45% one year total shareholder return. This suggests momentum is still building rather than fading.

If this kind of steady operational progress appeals to you, it may be a good time to explore [fast growing stocks with high insider ownership](#) as another way to uncover interesting opportunities.

Yet with Parex trading only slightly below analyst targets but at a hefty intrinsic discount, investors are left wondering if the market is still underestimating its growth runway or already pricing in the next leg higher.

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About TSX:PXT

Parex Resources

Engages in the exploration, development, production, and marketing of oil and natural gas in Colombia.



Undervalued with adequate balance sheet.

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Most Popular Narrative: 3.2% Undervalued

With the narrative fair value sitting just above the CA\$19.17 last close, Parex is framed as modestly mispriced rather than a deep value outlier.

The upcoming monetization of significant natural gas volumes (e.g., La Belleza block), supported by new pipeline infrastructure in a Colombian market experiencing gas shortages, represents a forward-looking catalyst for revenue diversification and margin expansion. Parex's commitment to low-emission operations and the release of its annual sustainability report reinforce its ability to attract capital and maintain regulatory favor. This positions the company to benefit from the industry's shift toward higher environmental standards and supports long-term cost of capital and share price potential.

[Read the complete narrative.](#)

Want to see what kind of margin expansion, earnings trajectory, and future valuation multiple are baked into that fair value line? The full narrative lays out a detailed roadmap, including how modest top line growth could still translate into much stronger profitability, if execution matches these assumptions.

Result: Fair Value of \$19.8 (UNDERVALUED)

[Have a read of the narrative in full and understand what's behind the forecasts.](#)

However, sustained weakness in Colombian production or regulatory setbacks on key licenses could quickly undermine the expected margin gains and rerating potential.

[Find out about the key risks to this Parex Resources narrative.](#)

Build Your Own Parex Resources Narrative

If you would rather challenge these assumptions and rely on your own research, you can build a personalized view of Parex in just a few minutes, starting with [Do it your way](#).

A great starting point for your Parex Resources research is our analysis



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Fair Value: US\$250.39 **27.2% undervalued**
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