Paramount Resources Ltd.

Paramount Resources Ltd. Announces Increase to Previously Announced Common Share Offering to $156 Million

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Paramount Resources Ltd. **(TSX:POU)** ("Paramount") has announced today that, due to strong demand, Paramount has increased the size of its previously announced public offering to 4,500,000 Class A Common Shares to be issued at a price of $34.75 per share for gross proceeds of $156,375,000. The offering is being led by BMO Capital Markets. The shares will be offered for sale by the underwriters in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Nova Scotia by way of a short-form prospectus. Closing of this offering is expected to occur on or about November 16, 2011.

The net proceeds of the offering will be used to reduce outstanding indebtedness, for ongoing capital expenditures (including certain long-lead time capital expenditures for 2012) and general corporate purposes. The completion of the offering is subject to Paramount receiving all necessary regulatory approvals.

Paramount is a Canadian oil and natural gas exploration, development and production company with operations focused in Western Canada. Paramount's Class A Common Shares are listed on the Toronto Stock Exchange under the symbol "POU".

The securities offered have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or applicable exemption from the registration requirements. This news release does not constitute an offer to sell or the solicitation of any offer to buy nor will there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

Advisory Regarding Forward-Looking Statements

This news release contains forward-looking statements within the meaning of applicable securities laws. Forward-looking statements include estimates, plans, expectations, opinions, forecasts, projections, guidance or other statements that are not statements of fact. This news release contains forward-looking statements with respect to the timing and completion of the offering and the use of proceeds therefrom. Although Paramount believes that the expectations reflected in such forward-looking statements are reasonable, undue reliance should not be placed on them because Paramount cannot give any assurance that such expectations will prove to be correct. Factors that could cause actual results to differ materially from those set forth in the forward-looking statements include general economic, business and market conditions, industry conditions, stock market and commodity price volatility and difficulty in obtaining required regulatory approvals. Paramount undertakes no obligation to update its forward-looking statements except as required by applicable laws.

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