

## **Paramount Resources Ltd. Closes the Sale of its Oil and Gas Properties in Resthaven / Jayar for \$340 Million**

CALGARY, July 6, 2018 /CNW/ - Paramount Resources Ltd. (TSX: POU) ("Paramount" or the "Company") is pleased to announce that it has closed the previously announced sale of its oil and gas properties and related infrastructure at Resthaven / Jayar in the Kakwa region (the "Assets") to Strath Resources Ltd. ("Strath"). Consideration received by Paramount totaled \$340 million, and included \$170 million in cash (subject to customary post-closing adjustments), 85 million Strath common shares and 10-year warrants to acquire 8.5 million Strath common shares. As a result, Paramount holds an approximate 16% equity interest (undiluted) in Strath and Jim Riddell, Paramount's President and Chief Executive Officer, has joined Strath's Board of Directors. The cash consideration received will be used to reduce outstanding indebtedness under Paramount's credit facility.

Expected second half 2018 production from the Assets was approximately 5,000 Boe/d (36% liquids), and accordingly, Paramount is revising its 2018 production guidance to be approximately 90,000 Boe/d (~ 37% liquids). The Company's capital allocation for the Assets for the balance of the year was nominal and, as a result, Paramount's 2018 capital budget is unchanged at \$600 million.

### **ABOUT PARAMOUNT**

Paramount is an independent, publicly traded, liquids-focused Canadian energy company that explores for and develops both conventional and unconventional petroleum and natural gas resources, including long-term strategic exploration and pre-development plays, and holds a portfolio of investments in other entities. The Company's principal properties are located in Alberta and British Columbia. Paramount's Class A common shares are listed on the Toronto Stock Exchange under the symbol "POU".

### **ADVISORIES**

#### **Forward Looking Information**

Certain statements in this news release constitute forward-looking information under applicable securities legislation. Forward-looking information typically contains statements suggesting future outcomes or an outlook. Forward-looking information in this news release includes, but is not limited to, Paramount's projected production and capital expenditure budget. The forward-looking information in this news release is based on a number of assumptions which may prove to be incorrect. The forward-looking information in this news release is also based on expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by Paramount and described in the forward-looking information. See the sections titled "Note Regarding Forward Looking Statements and Advisories" and "Risk Factors" in Paramount's current annual information form for a description of the assumptions and risks applicable to Paramount's business and the forward-looking information herein. The forward-looking information contained in this news release is made as of the date hereof and, except as required by applicable securities law, Paramount undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise.

#### **Oil and Gas Measures**

This news release contains disclosures expressed in "Boe/d". Natural gas equivalency volumes have been derived using the ratio of six thousand cubic feet of natural gas to one barrel of oil. Equivalency measures may be misleading, particularly if used in isolation. A conversion ratio of six thousand cubic feet of natural gas to one barrel of oil is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the well head. During the three months ended March 31, 2018, the value ratio between crude oil and natural gas was approximately 40:1. This value ratio is significantly different from the energy equivalency ratio of 6:1. Using a 6:1 ratio would be misleading as an indication of value.

SOURCE Paramount Resources Ltd.

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