Paramount Resources Ltd.

Paramount Resources Ltd. Announces Amended Credit Facility

CALGARY, AB, June 30, 2020 /CNW/ - Paramount Resources Ltd. ("Paramount" or the "Company") (TSX: POU) is pleased to announce that it has successfully completed amendments to its senior secured revolving bank credit facility (the "Facility") with the unanimous support of its nine-bank syndicate.

The amendments include a full waiver of the Senior Secured Debt to Consolidated EBITDA covenant until the third quarter of 2021 and a reduction of the Consolidated EBITDA to Consolidated Interest Expense covenant from 2.50x to 1.75x for the fourth quarter of 2020 (on a trailing 12-month basis) and for the first two quarters of 2021 (on a current quarter basis).

Reflective of the macro economic environment and significant reduction in commodity prices, the size of the Facility has been amended to $1.0 billion. Facility availability in excess of $900 million is subject to the Company raising junior capital and obtaining required levels of lender approval. Availability will be increased by $5 million for each $10 million of junior capital raised, subject to certain limits. The November 2022 maturity date of the Facility remains unchanged.

Current drawings on the Facility are approximately $760 million. The amended Facility provides Paramount with the flexibility and liquidity to execute its capital program. Activities remain focused in the Grande Prairie Region, where recent and significant reductions in cost structure have further enhanced both payouts and rates of return. The Company remains well positioned to capture the value of its extensive asset base as commodity prices recover. Consistent with its long-term strategy, Paramount also continues to opportunistically pursue non-core property dispositions with a focus on maximizing value.

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 reserves and resources, including longer-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

The statements in this press release that: (i) the amended Facility provides Paramount with the flexibility and liquidity to execute its capital program and (ii) the Company remains well positioned to capture the value of its extensive asset base as commodity prices recover constitute forward-looking information under applicable securities legislation. Such forward-looking information is based on a number of assumptions which may prove to be incorrect, including but not limited to assumptions respecting:

- future natural gas and liquids prices and the potential impact of the COVID-19 pandemic thereon;
- the likely impact of the COVID-19 pandemic on the Company;
- the ability to realize expected cost savings;
- the ability to successfully implement measures to reduce costs and expenses;
- royalty rates, taxes and capital, operating, general & administrative and other costs;
- foreign currency exchange rates and interest rates;
- general business, economic and market conditions; and
- future capital expenditures, exploration and development activities and production rates.

Although Paramount believes that the expectations reflected in such forward-looking information are reasonable based on the information available at the time of this press release, undue reliance should not be placed on the forward-looking information as Paramount can give no assurance that such expectations will prove to be correct. The forward-looking information is 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. The material risks and uncertainties include, but are not limited to:

- fluctuations in natural gas and liquids prices, including in relation to the impact of the COVID-19 pandemic;
- uncertainty as to the ultimate impact of the COVID-19 pandemic on the Company;
- changes in capital spending plans and planned exploration and development activities;
- changes in foreign currency exchange rates and interest rates;
- the uncertainty of estimates and projections relating to future revenue, production, reserve additions, liquids yields (including condensate to natural gas ratios), resource recoveries, royalty rates, taxes and costs and expenses;
- the ability to obtain equipment, services, supplies and personnel in a timely manner and at an acceptable cost;
- general business, economic and market conditions; and
- the ability to generate sufficient cash flow from operations and obtain financing to fund planned exploration, development and operational activities and meet current and future commitments and obligations.

The foregoing list of risks is not exhaustive. For more information relating to risks, see the sections titled "Risk Factors" in

Paramount's annual information form for the year ended December 31, 2019 and Paramount's management's discussion and analysis for the three months ended March 31, 2020, which are available on SEDAR atwww.sedar.com. The forward-looking information contained in this press 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.

SOURCE Paramount Resources Ltd.

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