Paramount Resources Ltd.

PARAMOUNT RESOURCES LTD. ANNOUNCES SEPTEMBER DIVIDEND AND TRANSACTION UPDATE

CALGARY, AB, Sept. 1, 2022 /CNW/ - Paramount Resources Ltd. ("Paramount" or the "Company") (TSX: POU) is pleased to announce that its Board of Directors has declared a cash dividend of $0.10 per common share that will be payable on September 29, 2022 to shareholders of record on September 15, 2022. The dividend will be designated as an "eligible dividend" for Canadian income tax purposes.

The Company is also pleased to announce the closing of its previously announced $68.5 million Willesden Green Duvernay acquisition. The acquisition adds approximately 90,000 net acres, over 200 internally estimated drilling locations and approximately 1,700 Boe/d (55% liquids) of current production to the Willesden Green core area.

The previously announced $63 million disposition of certain non-core infrastructure assets is on track to close in the fourth quarter.

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, 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".

www.paramountres.com

ADVISORIES

Forward-looking Information

Certain statements or information in this press release respecting the following matters constitute forward-looking information under applicable securities legislation:

- the payment of future dividends under the Company's monthly dividend program;
- internally estimated drilling locations associated with the Willesden Green acquisition; and
- the expected closing of the non-core infrastructure disposition and timing thereof.

Such forward-looking information is based on a number of assumptions which may prove to be incorrect. Assumptions have been made with respect to the following matters:

- with respect to the payment of future dividends, assumptions as to the Company's future free cash flow, operating results, capital requirements and financial position;
- with respect to the internally estimated drilling locations associated with the Willesden Green acquisition, the matters referred to under "*Drilling Locations*" below; and
- with respect to the expected closing of the non-core infrastructure disposition, the satisfaction of all closing conditions and the closing of the disposition as anticipated.

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. 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, including the risks and uncertainties described below.

There are risks that may result in the Company changing, suspending or discontinuing its monthly dividend program, including changes to free cash flow, operating results, capital requirements, financial position, market conditions or corporate strategy and the need to comply with requirements under debt agreements and applicable laws respecting the declaration and payment of dividends. There are no assurances as to the continuing declaration and payment of any future dividends under the Company's monthly dividend program or the amount or timing of any such dividends.

There are risks and uncertainties respecting the internally estimated drilling locations associated with the Willesden Green acquisition that are described further under "*Drilling Locations*" below.

There is a risk that the non-core infrastructure disposition will not be completed on the terms anticipated or at all, including due to a closing condition not being satisfied.

For more information relating to risks, see "*Risk Factors*" in Paramount's annual information form for the year ended December 31, 2021, which is available on SEDAR at www.sedar.com.

Any forward-looking information is provided 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 information, whether as a result of new information, future events or otherwise.

Oil and Gas Measures and Definitions

In this press release, "Boe" means barrels of oil equivalent and "Boe/d" means barrels of oil equivalent per day. Natural gas equivalency volumes have been derived using the ratio of six thousand cubic feet of natural gas to one barrel of oil when converting natural gas to Boe. 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. For the six months ended June 30, 2022, the value ratio between crude oil and natural gas was approximately 25:1. 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.

Drilling Locations

This press release contains information respecting Paramount's internal estimate of Duvernay drilling locations associated with the Willesden Green acquisition. The referenced drilling locations represent future potential undeveloped gross locations as estimated effective December 31, 2021 by internal qualified reserves evaluators from Paramount. The referenced drilling locations were determined by Paramount's internal evaluators based on, among other matters, their assessment of available reservoir, geological and technical information, the economic thresholds necessary for development and potential future development plans. There is no certainty that the Company will drill any of the identified future potential undeveloped locations and there is no certainty that such locations will result in any reserves or production. The locations on which the Company will actually drill wells, including the number and timing thereof, will be dependent upon the availability of funding, regulatory approvals, seasonal restrictions, oil, NGLs and natural gas prices, costs, actual drilling results, additional reservoir, geological and technical information that is obtained and other factors. While certain of the estimated undeveloped locations have been de-risked by drilling existing wells in relative close proximity to such locations, many of the locations are further away from existing wells where management has less information about the characteristics of the reservoir and therefore there is more uncertainty as to whether wells will be drilled in such locations, and if wells are drilled in such locations there is more uncertainty that such wells will result in any reserves or production. There is no guarantee that any internally estimated future potential development locations will be included and assigned reserves in any future reserves report prepared for the Company.

Additional information respecting the Company's oil and gas properties and operations is provided in the Company's annual information form for the year ended December 31, 2021 which is available on SEDAR at www.sedar.com.

SOURCE Paramount Resources Ltd.

For further information: Paramount Resources Ltd., James H.T. Riddell, President and Chief Executive Officer and Chairman; Paul R. Kinvig, Chief Financial Officer; Rodrigo Sousa, Executive Vice President, Corporate Development and Planning, Phone: (403) 290-3600

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https://paramount.mediaroom.com/2022-09-01-PARAMOUNT-RESOURCES-LTD-ANNOUNCES-SEPTEMBER-DIVIDEND-AND-TRANSACTION-UPDATE