PARAMOUNT RESOURCES LTD. PROVIDES DUVERNAY DEVELOPMENT AND FOURTH QUARTER UPDATES

CALGARY, AB, Jan. 9, 2024 /CNW/ - Paramount Resources Ltd. ("Paramount" or the "Company") (TSX: POU) is pleased to provide an update on its recent Duvernay development activities and preliminary estimates of its fourth quarter sales volumes and 2023 annual capital expenditures.

DUVERNAY DEVELOPMENT UPDATE

Willesden Green Duvernay

The Company successfully commissioned the liquids handling expansion of its Leafland natural gas processing plant at Willesden Green in December. The expansion was completed on budget and ahead of the originally scheduled January 2024 startup. The plant now has raw handling capacity of approximately 6,000 Bbl/d of liquids and 22 MMcf/d of natural gas.

Paramount completed all four (4.0 net) Duvernay wells at its 4-7N pad in early December and has been flowing two of the four wells in-line since mid-December. Initial results from these two wells have been very strong, with cumulative raw volumes over the first 23 days of production totaling approximately 80,000 Boe (50,000 Bbl of condensate and other NGLs and 180 MMcf of shale gas) for an average of approximately 1,750 Boe/d per well (1,100 Bbl/d of condensate and other NGLs and 3.9 MMcf/d of shale gas).[(1)] The Company anticipates bringing on the remaining two wells in the coming weeks.

Kaybob North Duvernay

The Company finished drilling and completion operations at its six (6.0 net) Duvernay well 15-7N pad and began flowing two of the wells through testers in late December and a third well through testers in January. Initial results from these wells have been encouraging. Milling operations on the remaining wells are ongoing and the Company anticipates having all six wells tied-in and onstream through permanent facilities by February.

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(1) Production measured at the wellhead. Paramount estimates that natural gas sales volumes for the referenced production period for these two wells will be lower by approximately 8% and condensate and other NGLs sales volumes will be lower by approximately 20% due to shrinkage. Excludes days when the wells did not produce. The production rates and volumes stated are over a short period of time and, therefore, are not necessarily indicative of average daily production, long-term performance or of ultimate recovery from the wells. See "Oil and Gas Measures and Definitions" in the Advisories section.

FOURTH QUARTER UPDATE

Based on preliminary field estimates, Paramount expects fourth quarter 2023 average sales volumes to be near the midpoint of the range of its previous guidance of between 100,000 Boe/d and 103,000 Boe/d despite unplanned curtailments of approximately 6,000 Boe/d at Karr that lasted 11 days. This represents a new quarterly sales volume record for the Company.

The Company continues to expect its 2023 annual capital expenditures to be in the range of previous guidance of $725 million to $750 million.

In the fourth quarter, Paramount realized total cash proceeds of approximately $45 million from the termination and close out of all of its 2024 NYMEX WTI swaps (10,000 Bbl/d at C$109.50/Bbl and 5,000 Bbl/d at C$110.05/Bbl (previously disclosed)).

Paramount's $1.0 billion revolving credit facility was undrawn at year end.

ABOUT PARAMOUNT

Paramount is an independent, publicly traded, liquids-rich natural gas 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 Common Shares are listed on the Toronto Stock Exchange under the symbol "POU".

ADVISORIES

Forward-looking Information

Certain statements in this press release constitute forward-looking information under applicable securities legislation. Forward-looking information typically contains statements with words such as "anticipate", "believe", "estimate", "will", "expect", "plan",

"schedule", "intend", "propose", or similar words suggesting future outcomes or an outlook.

The forward-looking information in this press release includes: (i) expected fourth quarter 2023 average sales volumes and 2023 annual capital expenditures and (ii) the expected timing of bringing new wells on production.

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 respecting expected fourth quarter 2023 average sales volumes and 2023 annual capital expenditures is based on preliminary results, estimates and assumptions that may prove to be incorrect or incomplete. Final fourth quarter 2023 average sales volumes and 2023 annual capital expenditures may change from the preliminary information in this press release and the change may be material. The expected timing of bringing new wells on production may change due to a number of factors and risks, including unexpected difficulties or delays in the remaining operations required to bring the wells on production or unexpected restrictions in the availability of processing facilities or transportation capacity.

Oil and Gas Measures and Definitions

Liquids	
Bbl	Barrels
Bbl/d	Barrels per day
MBbl	Thousands of barrels
NGLs	Natural gas liquids
Condensate	Pentane and heavier hydrocarbons
WTI	West Texas Intermediate

Natural Gas	
GJ	Gigajoules
GJ/d	Gigajoules per day
MMBtu	Millions of British Thermal Units
MMBtu/d	Millions of British Thermal Units per day
Mcf	Thousands of cubic feet
MMcf	Millions of cubic feet
MMcf/d	Millions of cubic feet per day
AECO	AECO-C reference price

Oil Equivalent	
Boe	Barrels of oil equivalent
MBoe	Thousands of barrels of oil equivalent
MMBoe	Millions of barrels of oil equivalent
Boe/d	Barrels of oil equivalent per day

This press release contains disclosures expressed as "Boe" and "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 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 year ended December 31, 2023, the value ratio between crude oil and natural gas was approximately 36:1. 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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