Paramount Resources Ltd.

Paramount Resources Announces Term Loan Facility, Credit Facility Extension, Sale of its Remaining Investment in NuVista Energy and Operations Update

CALGARY, AB, Dec. 16, 2025 /CNW/ - Paramount Resources Ltd. ("Paramount" or the "Company") (TSX: POU) is pleased to announce that it has secured a $250 million delayed draw term loan facility with Export Development Canada (the "Term Loan Facility") and extended the maturity date of its $500 million senior secured revolving bank credit facility (the "Syndicated Credit Facility").

The Company is also pleased to announce that it has sold its remaining investment in the shares of NuVista Energy Ltd., increasing its cash and cash equivalents to approximately $800 million at November 30, 2025.

With its cash position and undrawn credit facilities totaling $750 million, the Company is in a strong financial position to advance its Willesden Green and Sinclair developments, which are expected to more than double sales volumes to over 100,000 Boe/d (35% liquids) by the end of 2027.

Paramount is also providing an operations update highlighting fourth quarter production-to-date averaging above 45,000 Boe/d and expected 2025 capital expenditures at the low end of guidance.

TERM LOAN FACILITY AND CREDIT FACILITY EXTENSION

The Term Loan Facility has a 5-year term and enables Paramount to make multiple drawdowns of up to an aggregate of $250 million at any time prior to December 16, 2027 to fund capital expenditures related to the Company's Willesden Green Duvernay and Sinclair Montney developments (excluding the Sinclair Plant). The Term Loan Facility is prepayable without penalty, non-revolving, non-amortizing, matures on December 15, 2030 and is secured by a second charge over substantially all of the assets of the Company and its subsidiaries.

Paramount has also extended the maturity date of the Syndicated Credit Facility to December 15, 2029. The Syndicated Credit Facility continues to have an accordion feature, which enables the capacity of the facility to be increased to up to $750 million, subject to obtaining incremental lender commitments and the Company achieving average quarterly production of at least 55,000 Boe/d for two consecutive fiscal quarters. The Syndicated Credit Facility is financial covenant based and secured by a first charge over substantially all of the assets of the Company and its subsidiaries.

OPERATIONS UPDATE

Sales volumes for October and November averaged approximately 45,700 Boe/d (52% liquids).[(1)] December production-to-date has remained strong and Paramount expects average annual 2025 sales volumes to be at the high end of its guidance range of 41,000 Boe/d to 42,000 Boe/d (47% liquids). In addition, the Company expects annual 2025 capital expenditures to be at the lower end of its guidance range of $795 million to $825 million.

Sales volumes at Willesden Green in October and November averaged approximately 23,900 Boe/d (62% liquids), more than 10,000 Boe/d higher than average third quarter sales volumes. Runtime at Paramount's new wholly-owned and operated Alhambra Plant continues to be above forecast. The Company brought onstream four (4.0 net) wells into the plant in October and an additional one (1.0 net) well in November. A final one (1.0 net) well was recently brought onstream in December. Three (3.0 net) wells were brought onstream into the Company's Leafland Plant in late November.

At Sinclair, the extended flow test of the first two (2.0 net) Montney appraisal wells into regional infrastructure was concluded in the fourth quarter. In addition, the Company recently finished the drilling of the second pilot pad consisting of two (2.0 net) Montney appraisal wells. Completion and short-term testing activities are scheduled to occur in the second quarter of 2026. The Company is in the process of finalizing the design of its planned wholly-owned and operated Sinclair Plant, which will be capable of handling up to 400 MMcf/d of raw gas production. Paramount has contracted 335 MMcf/d of firm service sales egress commencing in the fourth quarter of 2027 to coincide with the planned start-up of the Sinclair Plant.

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(1) Sales volumes for the months of October and November, 2025 referenced in this press release are based on preliminary field estimates. Refer to the "Advisories – Forward Looking Information" section for more information.

ABOUT PARAMOUNT

Paramount is an independent, publicly traded 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. 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".

PRODUCT TYPE INFORMATION

This press release includes references to sales volumes of "natural gas" and "liquids". "Natural gas" refers to shale gas and conventional natural gas combined. "Liquids" refers to condensate, light and medium crude oil, tight oil, heavy crude oil and Other NGLs combined. "Other NGLs" refers to ethane, propane and butane.

Based on preliminary field estimates: (i) Paramount's sales volumes for October and November averaged approximately 45,700 Boe/d (48% shale gas and conventional natural gas combined, 41% condensate, light and medium crude oil, tight oil and heavy crude oil combined and 11% other NGLs) and (ii) sales volumes at the Willesden Green Duvernay property in October and November averaged approximately 23,900 Boe/d (38% shale gas and conventional natural gas combined, 47% condensate, light and medium crude oil, tight oil and heavy crude oil combined and 15% other NGLs)

Year-end 2027 exit sales volumes are expected to be over 100,000 Boe/d (65% shale gas and conventional natural gas combined, 29% condensate, light and medium crude oil, tight oil and heavy crude oil combined and 6% other NGLs).

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. Forward-looking information in this press release includes, but is not limited to:

- the expectation that sales volumes will more than double to over 100,000 Boe/d (35% liquids) by the end of 2027;
- the expectation that average annual 2025 sales volumes will be at or near the high end of the range of guidance;
- the expectation that annual 2025 capital expenditures will be at the lower end of the range of guidance;
- the scheduled timing of the completion and short-term testing of two (2.0 net) Montney appraisal wells at Sinclair; and
- the planned timing of the start-up of the Sinclair Plant and the expected capacity of the Sinclair Plant.

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, in addition to any other assumptions identified in this press release:

- future commodity prices;
- the potential scope and duration of tariffs, export taxes, export restrictions or other trade actions;
- the impact of international conflicts, including inUkraine and the Middle East;
- royalty rates, taxes and capital, operating, general & administrative and other costs;
- foreign currency exchange rates, interest rates and the rate and impacts of inflation;
- general business, economic and market conditions;
- the performance of wells and facilities;
- the availability to Paramount of the funds required for exploration, development and other operations (including the construction of the Sinclair Plant and the second phase of the Alhambra Plant) and the meeting of commitments and financial obligations;
- the ability of Paramount to obtain equipment, materials, services and personnel in a timely manner and at expected and acceptable costs to carry out its activities;
- the ability of Paramount to secure adequate processing, transportation, fractionation, disposal and storage capacity on acceptable terms and the capacity and reliability of facilities, pipelines and other infrastructure;
- the ability of Paramount to obtain the volumes of water required for completion activities;
- the ability of Paramount to market its production successfully;
- the ability of Paramount and its industry partners to obtain drilling success (including in respect of anticipated sales volumes, reserves additions, product yields and product recoveries) and operational improvements, efficiencies and results consistent with expectations;
- the timely receipt of required governmental and regulatory approvals, including those necessary for the construction of the Sinclair Plant;
- the application of regulatory requirements respecting abandonment and reclamation; and
- anticipated timelines and budgets being met in respect of: (i) drilling programs and other operations, including well completions and tie-ins, (ii) the design, construction, commissioning and start-up of new and expanded third-party and Company facilities, pipelines and other infrastructure, including the Sinclair Plant and the second phase of the Alhambra Plant, and (iii) facility turnarounds and maintenance.

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. The material risks and uncertainties include, but are not limited to:

- fluctuations in commodity prices;
- changes in capital spending plans and planned exploration and development activities;
- changes in political and economic conditions, including risks associated with tariffs, export taxes, export restrictions or other trade actions;
- changes in foreign currency exchange rates, interest rates and the rate of inflation;
- the uncertainty of estimates and projections relating to future production, product yields (including condensate to natural gas ratios), revenue, cash flows, reserves additions, product recoveries, royalty rates, taxes and costs and expenses;
- the ability to secure adequate processing, transportation, fractionation, disposal and storage capacity on acceptable terms;
- operational risks in exploring for, developing, producing and transporting natural gas and liquids, including the risk of spills, leaks or blowouts;
- risks associated with wildfires, including the risk of physical loss or damage to wells, facilities, pipelines and other infrastructure, prolonged disruptions in production, restrictions on the ability to access properties, interruption of electrical and other services and significant delays or changes to planned development activities and facilities maintenance;
- the ability to obtain equipment, materials, services and personnel in a timely manner and at expected and acceptable costs, including the potential effects of inflation and supply chain disruptions;
- potential disruptions, delays or unexpected technical or other difficulties in designing, developing, expanding, commissioning, starting-up or operating new, expanded or existing facilities, including third-party facilities, the Sinclair Plant and the Alhambra Plant;
- processing, transportation, fractionation, disposal and storage outages, disruptions and constraints;
- potential limitations on access to the volumes of water required for completion activities due to drought, conditions of low river flow, government restrictions or other factors;
- risks and uncertainties involving the geology of oil and gas deposits;
- the uncertainty of reserves estimates;
- general business, economic and market conditions;
- the ability to generate sufficient cash from operating activities to fund, or to otherwise finance, planned exploration, development and operational activities (including the construction of the Sinclair Plant and the second phase of the Alhambra Plant) and meet current and future commitments and obligations (including asset retirement obligations, processing, transportation, fractionation and similar commitments and obligations);
- changes in, or in the interpretation of, laws, regulations or policies (including environmental laws);
- the ability to obtain required governmental or regulatory approvals in a timely manner, including those required for the Sinclair Plant, and to obtain and maintain leases and licenses;
- the effects of weather and other factors including wildlife and environmental restrictions which affect field operations and access;
- uncertainties as to the timing and cost of future abandonment and reclamation obligations and potential liabilities for environmental damage and contamination;
- uncertainties regarding Indigenous claims and in maintaining relationships with local populations and other stakeholders;
- the outcome of existing and potential lawsuits, regulatory actions, audits and assessments; and
- other risks and uncertainties described elsewhere in this document and in Paramount's other filings with Canadian securities authorities.

The foregoing list of risks is not exhaustive. For more information relating to risks, see the section titled "*Risk Factors*" in Paramount's annual information form for the year ended December 31, 2024, which is available on SEDAR+ at www.sedarplus.ca or on the Company's website at www.paramountres.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.

In addition to the above, the forward-looking information respecting expected average annual 2025 sales volumes and 2025 annual capital expenditures is based on preliminary results, estimates and assumptions that may prove to be incorrect or incomplete. Final average annual 2025 sales volumes and 2025 annual capital expenditures may change from the preliminary information in this press release and the change may be material.

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
NYMEX	New York Mercantile Exchange

Oil Equivalent

Boe	Barrels of oil equivalent	AECO	AECO-C reference price
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", "$/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 nine months ended September 30, 2025, the value ratio between crude oil and natural gas was approximately 55:1. 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.

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, 2024 which is available on SEDAR+ atwww.sedarplus.ca or on Paramount's website at www.paramountres.com.

SOURCE Paramount Resources Ltd.

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