

Paramount Resources Announces First Quarter 2026 Results, Increased Production Guidance and Lower Capex Guidance

CALGARY, AB, May 12, 2026 /CNW/ - Paramount Resources Ltd. ("Paramount" or the "Company") (TSX: POU) is pleased to announce: (i) its first quarter 2026 financial and operating results, (ii) increased 2026 production guidance, which incorporates an earlier expected start-up of the second phase of the Alhambra Plant, and (iii) lower expected 2026 and 2027 capital expenditures, reflecting strong well deliverability and improving capital efficiencies.

HIGHLIGHTS

- First quarter sales volumes averaged 48,255 Boe/d (50% liquids).⁽¹⁾
 - Willesden Green sales volumes averaged 28,750 Boe/d (59% liquids), exceeding internal forecasts as a result of continuing outperformance of the Company's initial 16 Duvernay wells at Alhambra and high run time at the Alhambra Plant.
 - Kaybob sales volumes averaged 19,088 Boe/d (35% liquids).
- Duvernay production totaled 36,767 Boe/d, representing 76% of total sales volumes. Duvernay oil and condensate production totaled 15,997 Boe/d, representing 88% of total oil and condensate sales volumes.
- Cash from operating activities was \$116 million (\$0.80 per basic share) in the first quarter. Adjusted funds flow was \$143 million (\$0.99 per basic share). Free cash flow was (\$147) million ((\$1.02) per basic share).⁽²⁾
- First quarter capital expenditures totaled \$257 million. Activities in the quarter included:
 - Willesden Green Duvernay – the ongoing construction of the second phase of the Alhambra Plant and the pipeline to interconnect Alhambra and Leafland as well as the drilling of five (5.0 net) wells;
 - Sinclair Montney – clearing of the Sinclair Plant site, construction of a freshwater reservoir and the drilling of an acid gas injection well; and
 - Kaybob North Duvernay – the drilling of two (2.0 net) wells and completion of a three (3.0 net) well pad.

(1) In this press release, "natural gas" refers to shale gas and conventional natural gas combined, "condensate and oil" refers to condensate, light and medium crude oil, tight oil and heavy crude oil combined, "Other NGLs" refers to ethane, propane and butane and "liquids" refers to condensate and oil and Other NGLs combined. See the "Product Type Information" section for a complete breakdown of sales volumes for applicable periods by the specific product types of shale gas, conventional natural gas, NGLs, light and medium crude oil, tight oil and heavy crude oil. See also "Oil and Gas Measures and Definitions" in the Advisories section.

(2) Adjusted funds flow and free cash flow are capital management measures used by Paramount. Cash from operating activities per basic share, adjusted funds flow per basic share and free cash flow per basic share are supplementary financial measures. Refer to the "Specified Financial Measures" section for more information on these measures.

- The Company's recent Willesden Green Duvernay wells continue to exhibit shallower initial declines compared to earlier Duvernay wells, largely as a result of Paramount's well drawdown strategy. Gross 210-day peak production from the Company's first ten Duvernay wells brought onstream through the Alhambra Plant between late July and early September 2025 averaged approximately 1,205 Boe/d (59% liquids) per well. Gross 150-day peak production from the 16 Duvernay wells brought onstream through the plant to date averaged approximately 1,276 Boe/d (58% liquids) per well.⁽¹⁾
- Approximately 55% of Paramount's forecast natural gas sales volumes for the remainder of 2026 are expected to be priced at diversified markets outside of AECO, including at Dawn, Malin and Emerson.
- Operating expenses were \$9.81/Boe in the quarter, with Willesden Green operating expenses averaging \$4.00/Boe.
- Asset retirement obligation settlements totaled \$27 million in the first quarter. Activities included the abandonment of 22 wells, decommissioning of eight pipeline segments and reclamation of 11 sites.
- The Company sold its interests in certain non-core undeveloped heavy oil lands in the quarter for cash proceeds of \$23 million.
- At March 31, 2026, Paramount had \$672 million in cash and cash equivalents and undrawn credit facilities totaling \$750 million.
- Construction of the second phase of the Alhambra Plant, which is set to double its raw handling capacity, is substantially complete and commissioning activities are underway. Start-up of the second phase of the plant is now expected in June, about one month earlier than previously forecast.
- In light of its recently expanded Duvernay land position and stronger than expected well and operating performance, Paramount now believes that its Willesden Green asset has the potential to support a plateau production level of approximately 70,000 Boe/d that can be sustained for 20+ years. This represents a 40% increase over the prior plateau production target of approximately 50,000 Boe/d.
- On April 27, 2026, the Company announced that it had agreed to sell its Fox Drilling subsidiary to AKITA Drilling Ltd. ("AKITA") in exchange for approximately 19.3 million voting common shares of AKITA. Closing of the transaction is expected to occur in June 2026, subject to the satisfaction of closing conditions. Paramount has agreed to dividend the

AKITA shares it receives to its shareholders following closing of the transaction. The AKITA voting common shares had a closing trading price of \$5.00 per share on the Toronto Stock Exchange as of May 11, 2026.

UPDATED 2026 GUIDANCE

With the outperformance of the Willesden Green Duvernay property to date and the expected earlier start-up of the second phase of the Alhambra Plant, Paramount is increasing its first half 2026 production guidance to between 43,000 Boe/d and 46,000 Boe/d (48% liquids). This represents a 3,000 Boe/d increase at the mid-point and includes a slightly higher liquids weighting. As a consequence, annual 2026 production guidance is being increased to between 48,000 Boe/d and 52,000 Boe/d (50% liquids), representing a 1,500 Boe/d increase at the mid-point.

- (1) Gross 150-day and 210-day peak production is the highest daily average production rate for each well, measured at the wellhead, over a rolling 150-day period or 210-day period, as applicable, excluding days when the well 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. Natural gas sales volumes were lower by approximately 9% and liquids sales volumes were lower by approximately 14% due to shrinkage. In addition, certain liquids entrained in the natural gas stream are only recovered once processed and therefore final sales volumes cannot be imputed from wellhead volumes and shrinkage estimates alone.

Paramount is revising its 2026 capital expenditures guidance downward by \$50 million to between \$1,000 million and \$1,100 million, reflecting stronger well performance and improved capital efficiencies. Expected abandonment and reclamation expenditures for the year remain the same at \$35 million.

2026	Prior Guidance	Revised Guidance
First half 2026 averages sales volumes (Boe/d)	39,000 to 44,000 (47% liquids)	43,000 to 46,000 (48% liquids)
Third quarter average sales volumes (Boe/d)	46,500 to 51,500 (51% liquids)	No change
Fourth quarter average sales volumes (Boe/d)	59,000 to 64,000 (53% liquids)	No change
Annual average sales volumes (Boe/d)	46,000 to 51,000 (50% liquids)	48,000 to 52,000 (50% liquids)
Capital expenditures	\$1,050 to \$1,150 million	\$1,000 to \$1,100 million

UPDATED 2027 OUTLOOK

Paramount is revising its outlook for midpoint 2027 annual capital expenditures downward by \$100 million to \$1,000 million as a result of stronger well performance and improved capital efficiencies. Paramount continues to expect 2027 annual sales volumes of between 60,000 to 65,000 Boe/d (50% liquids) and a 2027 exit rate of production of over 100,000 Boe/d (35% liquids), representing more than double forecast 2026 midpoint sales volumes.

REVIEW OF OPERATIONS

WILLESDEN GREEN

Willesden Green sales volumes averaged 28,750 Boe/d (59% liquids) in the first quarter of 2026 compared to 25,752 Boe/d (62% liquids) in the fourth quarter of 2025. The Alhambra Plant continued to exhibit exceptional run time throughout the first quarter which, combined with strong well performance and a full quarter of production from the six-well pad that came onstream partway through the fourth quarter of 2025, resulted in higher quarter-over-quarter sales volumes.

Development activities in Willesden Green in the first quarter were focused on the continued buildout of area infrastructure as well as the drilling of five (5.0 net) Duvernay wells.

The second phase expansion of the Alhambra Plant continues to progress well, with construction now substantially complete and commissioning activities underway. A one-week outage at the plant is planned for later in May to accommodate the expansion, following which final commissioning activities are expected to be completed. The second phase expansion of the Alhambra Plant is now expected to come onstream in June, about one month earlier than forecast.

Other Willesden Green infrastructure development activities in the first quarter included the ongoing construction of the pipeline interconnecting Alhambra and Leafland, ongoing commissioning of the water recycling facility at the Alhambra Plant and site preparation work for expanded compression at the Leafland Plant.

The 16 wells flowing to the Alhambra Plant are outperforming previous expectations and continue to fill the plant's capacity. The majority of these wells remain choked as part of the Company's well drawdown strategy as well as to manage production within infrastructure capacity. Gross 210-day peak production from the Company's first ten Duvernay wells brought onstream through the Alhambra Plant between late July and early September 2025 averaged approximately 1,205 Boe/d (59% liquids) per well. Gross 150-day peak production from the 16 Duvernay wells brought onstream through the plant to date averaged approximately 1,276 Boe/d (58% liquids) per well. ⁽¹⁾ New Duvernay wells originally forecast to be brought on to backfill expected declines in the first half of 2026 are now planned to come onstream in conjunction with the start-up of the second phase of the Alhambra

Plant.

The Company continues to expect a one-month outage at the Leafland Plant starting in July to facilitate the installation of incremental compression and to bring the pipeline interconnection to the Alhambra Plant into service. Paramount now plans to conduct a facility turnaround of the Leafland Plant, originally planned for 2027, during this outage.

Paramount continues to anticipate drilling a total of 29 (29.0 net) Duvernay wells and now anticipates bringing onstream a total of 23 (23.0 net) Duvernay wells at Willesden Green in 2026, three (3.0 net) less than previously expected as onstream timing has been pushed out in light of the recent strong performance.

In light of the recent expansion of its Duvernay land position by approximately 20% to over 500 net sections (320,000 acres) and stronger than expected well and operating performance, the Company has re-evaluated the potential plateau production level at Willesden Green. Paramount now expects that the asset, with the further expansion of area infrastructure, can support a plateau production level of approximately 70,000 Boe/d for 20+ years. This represents an approximate 40% increase over the prior target of approximately 50,000 Boe/d.

The Company is also actively assessing the Black Oil window on the eastern-most part of its Willesden Green acreage. Any success on this portion of Paramount's land base would be incremental to the potential 70,000 Boe/d plateau production level.

SINCLAIR

In the first quarter of 2026, the Company broke ground on the site of the Sinclair Plant, which is being designed to handle up to 400 MMcf/d of raw natural gas. Activities in the first quarter included site clearing, the construction of a freshwater reservoir and the drilling and completion of an acid gas injection well.

Development drilling activities also commenced in the first quarter on the first five wells of a total ten (10.0 net) Montney wells to be drilled in 2026. The Company continues to anticipate having 24 (24.0 net) Montney wells ready to produce for the planned fourth quarter 2027 start-up of the Sinclair Plant.

KAYBOB

Kaybob sales volumes averaged 19,088 Boe/d (35% liquids) in the first quarter of 2026 compared to 20,387 Boe/d (41% liquids) in the fourth quarter of 2025.

Development activities in the first quarter included the drilling of two (2.0 net) Duvernay wells and the completion of a three (3.0 net) well Duvernay pad which has recently been brought on production. Over the remainder of 2026, Paramount plans to drill and bring two (2.0 net) Montney oil wells on production.

- (1) Gross 150-day and 210-day peak production is the highest daily average production rate for each well, measured at the wellhead, over a rolling 150-day period or 210-day period, as applicable, excluding days when the well 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. Natural gas sales volumes were lower by approximately 9% and liquids sales volumes were lower by approximately 14% due to shrinkage. In addition, certain liquids entrained in the natural gas stream are only recovered once processed and therefore final sales volumes cannot be imputed from wellhead volumes and shrinkage estimates alone.

HEDGING

The Company's current financial commodity and foreign currency exchange contracts are summarized below:

Instruments	Aggregate amount / notional	Average price or rate ⁽¹⁾	Remaining term ⁽²⁾
Oil			
NYMEX WTI Swaps (Sale)	5,000 Bbl/d	CAD\$104.86/Bbl	Apr 2026 – Dec 2026
NYMEX WTI Swaps (Sale)	2,000 Bbl/d	CAD\$100.00/Bbl	Jan 2027 – Dec 2027
Natural Gas			
Citygate / Malin Basis Swap ⁽³⁾	10,000 MMBtu/d	Citygate less US\$0.97/MMBtu (Sell) Malin (Buy)	Apr 2026 – Oct 2028
Foreign Currency Exchange			
Average Rate Forward (Sale)	US\$10MM/Month	1.3810 CAD\$ / US\$ ⁽¹⁾	Apr 2026 – Dec 2026
Average Rate Forward (Sale)	US\$10MM/Month	1.3680 CAD\$ / US\$ ⁽¹⁾	Jan 2027 – Dec 2027

- (1) Average price is calculated using a weighted average of notional volumes and prices. Foreign currency exchange average rate forward contracts are settled monthly against the average of the CAD\$/US\$ noon spot rate on each applicable day in that month.
- (2) As of March 31, 2026.
- (3) "Citygate" refers to Pacific Gas & Electric Citygate and "Malin" refers to Pacific Gas & Electric Malin. Pursuant to the swap transaction, Paramount sells at Citygate less US\$0.97/MMBtu and buys at Malin. The transaction is financially settled with no physical delivery.

ANNUAL GENERAL MEETING

Paramount will hold its annual general meeting of shareholders on Tuesday May 12, 2026 at 10:00 am (Mountain time) in the Doulton Room at Bankers Hall Conference Centre, 400, 315 – 8th Avenue S.W., Calgary Alberta. A webcast will be available at www.paramountres.com/investors/presentations.

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 Common Shares are listed on the Toronto Stock Exchange under the symbol "POU".

Paramount's first quarter 2026 results, including Management's Discussion and Analysis and the Company's Interim Consolidated Financial Statements, can be obtained on SEDAR+ at www.sedarplus.ca or on Paramount's website at www.paramountres.com/investors/financial-shareholder-reports.

A summary of historical financial and operating results is also available on Paramount's website at www.paramountres.com/investors/financial-shareholder-reports.

FINANCIAL AND OPERATING RESULTS ⁽¹⁾

(\$ millions, except as noted)	Q1 2026	Q4 2025	Q1 2025 ⁽²⁾
Net income (loss)	53.2	(1.9)	1,288.8
<i>per share – basic (\$/share)</i>	0.37	(0.01)	8.90
<i>per share – diluted (\$/share)</i>	0.36	(0.01)	8.74
Cash from operating activities	116.2	185.4	149.9
<i>per share – basic (\$/share)</i>	0.80	1.29	1.03
<i>per share – diluted (\$/share)</i>	0.79	1.29	1.02
Adjusted funds flow	143.4	140.1	149.1
<i>per share – basic (\$/share)</i>	0.99	0.97	1.03
<i>per share – diluted (\$/share)</i>	0.97	0.97	1.01
Free cash flow	(146.9)	(84.6)	(90.6)
<i>per share – basic (\$/share)</i>	(1.02)	(0.59)	(0.63)
<i>per share – diluted (\$/share)</i>	(0.99)	(0.59)	(0.63)
Total assets	3,746.7	3,587.2	3,616.4
Investments in securities	141.4	137.3	522.8
Long-term debt	–	–	–
Net (cash) debt	(515.8)	(672.8)	(637.9)
Common shares outstanding (millions) ⁽³⁾	144.9	144.2	143.2
Sales volumes ⁽⁴⁾			
Natural gas (MMcf/d)	144.5	133.1	179.6
Condensate and oil (Bbl/d)	18,137	19,472	20,542
Other NGLs (Bbl/d)	6,037	5,318	3,934
Total (Boe/d)	48,255	46,973	54,409
<i>% liquids</i>	50 %	53 %	45 %
Willesden Green (Boe/d)	28,750	25,752	7,929
Kaybob (Boe/d)	19,088	20,387	21,371
Other (Boe/d)	417	834	405
Sold Assets (Boe/d) ⁽⁵⁾	–	–	24,704
Total (Boe/d)	48,255	46,973	54,409

Netback				(\$/Boe) ⁽⁶⁾		(\$/Boe) ⁽⁶⁾		(\$/Boe) ⁽⁶⁾
Natural gas revenue	45.7	3.52	43.8	3.58	52.6	3.25		
Condensate and oil revenue	157.1	96.27	137.3	76.66	180.6	97.70		
Other NGLs revenue	16.6	30.61	13.3	27.15	14.3	40.47		
Natural gas transportation assignment income ⁽⁷⁾	8.6	0.66	4.5	0.37	7.4	0.46		
Royalty income and other revenue ⁽⁷⁾	0.6	–	(0.4)	–	11.7	–		
Petroleum and natural gas sales	228.6	52.65	198.5	45.92	266.6	54.43		
Royalties	(12.6)	(2.90)	(11.3)	(2.61)	(26.7)	(5.44)		
Operating expense	(42.6)	(9.81)	(42.5)	(9.84)	(67.8)	(13.85)		
Transportation and NGLs processing	(21.0)	(4.83)	(20.8)	(4.81)	(20.4)	(4.17)		
Sales of commodities purchased ⁽⁸⁾	64.4	14.82	72.7	16.82	109.7	22.40		
Commodities purchased ⁽⁸⁾	(63.9)	(14.71)	(71.6)	(16.56)	(107.2)	(21.88)		
Netback	152.9	35.22	125.0	28.92	154.2	31.49		
Risk management contract settlements	(2.1)	(0.46)	20.4	4.73	1.6	0.32		
Netback including risk management contract settlements	150.8	34.76	145.4	33.65	155.8	31.81		
Capital expenditures								
Willesden Green	161.7			158.3		120.7		
Sinclair	59.6			35.0		16.8		
Kaybob	31.8			20.8		51.0		
Fox Drilling	1.5			2.2		3.1		
Corporate and other ⁽⁹⁾	2.3			(7.7)		3.7		
Sold Assets ⁽⁵⁾	–			–		20.4		
Total	256.9			208.6		215.7		
Asset retirement obligations settled	26.5			9.4		22.2		

- (1) Adjusted funds flow, free cash flow and net (cash) debt are capital management measures used by Paramount. Netback and netback including risk management contract settlements are non-GAAP financial measures. Netback and Netback including risk management contract settlements presented on a \$/Boe or \$/Mcf basis are non-GAAP ratios. Each measure, other than net income (loss), that is presented on a per share, \$/Mcf or \$/Boe basis is a supplementary financial measure. Refer to the "Specified Financial Measures" section for more information on these measures.
- (2) Includes the results of operations of the Sold Assets from January 1, 2025 to the closing date on January 31, 2025.
- (3) Common shares are presented net of shares held in trust under the Company's cash bonus and restricted share unit plan (millions): Q1 2026: 0.1, Q4 2025: 0.2, Q1 2025: 0.3.
- (4) Refer to the "Product Type Information" section for a complete breakdown of sales volumes for applicable periods by specific product type.
- (5) "Sold Assets" refers to the Karr, Wapiti and Zama properties that were sold on January 31, 2025.
- (6) Natural gas revenue and natural gas transportation assignment income presented as \$/Mcf.
- (7) Natural gas transportation assignment income relates to proceeds realized by the Company on the assignment of a portion of its ex-Alberta natural gas transportation capacity to third parties. Royalty income and other revenue in Q1 2025 includes \$11.1 million related to a second interim payment from insurers for 2023 Alberta wildfire business interruption losses. These amounts were not allocated to individual properties. Sales of commodities purchased and commodities purchased are treated as corporate items and not allocated to individual properties.
- (8) Sales of commodities purchased and commodities purchased are treated as corporate items and not allocated to individual properties.
- (9) Includes transfers of amounts held in Corporate to and from properties.

PRODUCT TYPE INFORMATION

This press release includes references to sales volumes of "natural gas", "condensate and oil", "NGLs", "Other NGLs" and "liquids". "Natural gas" refers to shale gas and conventional natural gas combined. "Condensate and oil" refers to condensate, light and medium crude oil, tight oil and heavy crude oil combined. "NGLs" refers to condensate and Other NGLs combined. "Other NGLs" refers to ethane, propane and butane. "Liquids" refers to condensate and oil and Other NGLs combined. Below is a complete breakdown of sales volumes for applicable periods by the specific product types of shale gas, conventional natural gas, NGLs, light and medium crude oil, tight oil and heavy crude oil. Numbers may not add due to rounding.

	Total Company by Product Type			Willesden Green			Kaybob		
	Q1 2026	Q4 2025	Q1 2025	Q1 2026	Q4 2025	Q1 2025	Q1 2026	Q4 2025	Q1 2025
Shale gas (MMcf/d)	107.9	96.5	134.2	69.9	56.1	17.6	38.0	38.1	39.7

Conventional natural gas (MMcf/d)	36.6	36.6	45.4	0.2	2.6	3.4	36.2	33.8	41.8
Natural gas (MMcf/d)	144.5	133.1	179.6	70.1	58.7	21.0	74.2	71.9	81.5
Condensate (Bbl/d)	16,623	17,777	18,922	12,141	11,843	2,991	4,481	5,933	5,500
Other NGLs (Bbl/d)	6,037	5,318	3,934	4,716	3,926	1,179	1,316	1,368	1,292
NGLs (Bbl/d)	22,660	23,095	22,856	16,857	15,769	4,170	5,797	7,301	6,792
Light and medium crude oil (Bbl/d)	887	1,065	971	20	21	28	867	1,044	943
Tight oil (Bbl/d)	243	238	291	187	178	234	56	60	57
Heavy crude oil (Bbl/d)	384	392	358	–	–	–	–	–	–
Crude oil (Bbl/d)	1,514	1,695	1,620	207	199	262	923	1,104	1,000
Total (Boe/d)	48,255	46,973	54,409	28,750	25,752	7,929	19,088	20,387	21,371

Paramount is forecasting 2026 annual average sales volumes of between 48,000 Boe/d and 52,000 Boe/d (50% shale gas and conventional natural gas combined, 37% condensate, light and medium crude oil, tight oil and heavy crude oil combined and 13% other NGLs):

- First half 2026 average sales volumes are expected to be between 43,000 Boe/d and 46,000 Boe/d (52% shale gas and conventional natural gas combined, 36% condensate, light and medium crude oil, tight oil and heavy crude oil combined and 12% other NGLs).
- Third quarter 2026 average sales volumes are expected to be between 46,500 Boe/d and 51,500 Boe/d (49% shale gas and conventional natural gas combined, 37% condensate, light and medium crude oil, tight oil and heavy crude oil combined and 14% other NGLs).
- Fourth quarter 2026 average sales volumes are expected to be between 59,000 Boe/d and 64,000 Boe/d (47% shale gas and conventional natural gas combined, 39% condensate, light and medium crude oil, tight oil and heavy crude oil combined and 14% other NGLs).

2027 annual average sales volumes are expected to be between 60,000 Boe/d to 65,000 Boe/d (50% shale gas and conventional natural gas combined, 37% condensate, light and medium crude oil, tight oil and heavy crude oil combined and 13% 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, 27% condensate, light and medium crude oil, tight oil and heavy crude oil combined and 8% other NGLs).

SPECIFIED FINANCIAL MEASURES

Non-GAAP Financial Measures

Netback and netback including risk management contract settlements are non-GAAP financial measures. These measures are not standardized measures under IFRS and might not be comparable to similar financial measures presented by other issuers. These measures should not be considered in isolation or construed as alternatives to their most directly comparable measure disclosed in the Company's primary financial statements or other measures of financial performance calculated in accordance with IFRS.

Netback equals petroleum and natural gas sales (the most directly comparable measure disclosed in the Company's primary financial statements) plus sales of commodities purchased less royalties, operating expense, transportation and NGLs processing expense and commodities purchased. Sales of commodities purchased and commodities purchased are treated as corporate items and are not allocated to individual properties. Netback is used by investors and management to compare the performance of the Company's producing assets between periods.

Netback including risk management contract settlements equals netback after including (or deducting) risk management contract settlements received (paid). Netback including risk management contract settlements is used by investors and management to assess the performance of the producing assets after incorporating management's risk management strategies.

Refer to the table under the heading "Financial and Operating Results" in this press release for the calculation of netback and netback including risk management contract settlements for the three months ended March 31, 2026, December 31, 2025 and March 31, 2025.

Non-GAAP Ratios

Netback and netback including risk management contract settlements presented on a \$/Boe basis are non-GAAP ratios as they each have a non-GAAP financial measure as a component. These measures are not standardized measures under IFRS and might not be comparable to similar financial measures presented by other issuers. These measures should not be considered in isolation or construed as alternatives to their most directly comparable measure disclosed in the Company's primary financial statements or other measures of financial performance calculated in accordance with IFRS.

Netback on a \$/Boe basis is calculated by dividing netback (a non-GAAP financial measure) for the applicable period by the total sales volumes during the period in Boe. Netback including risk management contract settlements on a \$/Boe basis is calculated by dividing netback including risk management contract settlements (a non-GAAP financial measure) for the applicable period by the total sales volumes during the period in Boe. These measures are used by investors and management to assess netback

and netback including risk management contract settlements on a unit of sales volumes basis.

Capital Management Measures

Adjusted funds flow, free cash flow and net (cash) debt are capital management measures that Paramount utilizes in managing its capital structure. These measures are not standardized measures and therefore may not be comparable with the calculation of similar measures by other entities. Refer to Note 15 in the Interim Consolidated Financial Statements of Paramount as at and for the three months ended March 31, 2026 for: (i) a description of the composition and use of these measures, (ii) reconciliations of adjusted funds flow and free cash flow to cash from operating activities, the most directly comparable measure disclosed in the Company's primary financial statements, for the three months ended March 31, 2026 and 2025 and (iii) a calculation of net (cash) debt as at March 31, 2026 and December 31, 2025.

Supplementary Financial Measures

This press release contains supplementary financial measures expressed as: (i) cash from operating activities, adjusted funds flow and free cash flow on a per share – basic and per share – diluted basis and (ii) petroleum and natural gas sales, revenue, royalties, operating expenses, transportation and NGLs processing expenses, sales of commodities purchased and commodities purchased on a \$/Boe or \$/Mcf basis.

Cash from operating activities, adjusted funds flow and free cash flow on a per share – basic basis are calculated by dividing cash from operating activities, adjusted funds flow or free cash flow, as applicable, over the referenced period by the weighted average basic shares outstanding during the period determined under IFRS. Cash from operating activities, adjusted funds flow and free cash flow on a per share – diluted basis are calculated by dividing cash from operating activities, adjusted funds flow or free cash flow, as applicable, over the referenced period by the weighted average diluted shares outstanding during the period determined under IFRS.

Petroleum and natural gas sales, revenue, royalties, operating expenses, transportation and NGLs processing expenses, sales of commodities purchased and commodities purchased on a \$/Boe or \$/Mcf basis are calculated by dividing petroleum and natural gas sales, revenue, royalties, operating expenses, transportation and NGLs processing expenses, sales of commodities purchased and commodities purchased, as applicable, over the referenced period by the aggregate units (Boe or Mcf) of sales volumes during such period.

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 potential plateau production level and the years of production that may be supported at Willesden Green;
- the expected closing of the sale of Fox Drilling to AKITA and the expected timing thereof and Paramount's intention to distribute the AKITA shares received pursuant to the transaction to its shareholders;
- expected average sales volumes for 2026 and certain periods therein;
- expected capital expenditures in 2026;
- expected abandonment and reclamation expenditures in 2026;
- the Company's outlook for capital expenditures and sales volumes in 2027 and the year-end 2027 exit rate of sales volumes;
- the expected timing of start-up of the second phase of the Alhambra Plant and the expected capacity thereof on completion;
- the expected timing of completion of the Sinclair Plant and the expected capacity thereof on completion; and
- planned and potential exploration, development and production activities, including the drilling, completion and bringing onstream of new wells, the construction of pipelines and other infrastructure and planned facility outages.

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:

- with respect to forward-looking information concerning the sale of Fox Drilling to AKITA, the assumption that all closing conditions to the transaction will be satisfied and the closing of the transaction will occur as anticipated;
- future commodity prices;
- the potential scope and duration of tariffs, export taxes, export restrictions or other trade actions;
- the impact of international conflicts, including in Ukraine 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;
- in the case of the potential plateau production level and the years of production that may be supported at Willesden Green

- Duvernay, that further area infrastructure necessary to achieve the stated rate of production is constructed;
- the availability to Paramount of the funds required for exploration, development and other operations (including the construction of the Sinclair 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;
- 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 expansion 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:

- with respect to forward-looking information concerning the sale of Fox Drilling to AKITA, the risk that the transaction will not be completed on the terms anticipated or at all, including due to a closing condition not being satisfied;
- fluctuations in commodity prices;
- uncertainties respecting the course and outcome of the conflict in the Middle East, including its impact on the supply and pricing of commodities and on general economic conditions;
- 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, blowouts or induced seismicity events;
- 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 drilling, completion, equipping and tie-in of new wells necessary to maintain and grow production) 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.

In addition to the above, there are no assurances as to the continuing declaration and payment of future monthly dividends by the Company or the amount or timing of any such dividends. 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.

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, 2025, 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.

Oil and Gas Measures and Definitions

Liquids		Natural Gas	
Bbl	Barrels	GJ	Gigajoules
Bbl/d	Barrels per day	GJ/d	Gigajoules per day
MBbl	Thousands of barrels	MMBtu	Millions of British Thermal Units
NGLs	Natural gas liquids	MMBtu/d	Millions of British Thermal Units per day
Condensate	Pentane and heavier hydrocarbons	Mcf	Thousands of cubic feet
WTI	West Texas Intermediate	MMcf	Millions of cubic feet
		MMcf/d	Millions of cubic feet per day
		NYMEX	NYMEX
		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", "\$/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 three months ended March 31, 2026, 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.

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, 2025 which is available on SEDAR+ at www.sedarplus.ca or on Paramount's website at www.paramountres.com.

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<https://paramount.mediaroom.com/2026-05-12-Paramount-Resources-Announces-First-Quarter-2026-Results.-Increased-Production-Guidance-and-Lower-Capex-Guidance>