

Paramount Resources Ltd.

## **Paramount Resources Announces Closing of Fox Drilling Sale, Distribution of AKITA Drilling Shares and Successful Startup of Alhambra Expansion**

CALGARY, AB, June 30, 2026 /CNW/ - Paramount Resources Ltd. ("Paramount" or the "Company") (TSX: POU) is pleased to announce that it has closed the sale of its Fox Drilling subsidiary to AKITA Drilling Ltd. ("AKITA"). The Company is also pleased to announce that it has successfully started up the second phase expansion of its Alhambra Plant in Willesden Green.

### **FOX DRILLING SALE AND AKITA SHARE DISTRIBUTION**

Paramount received 19,264,270 voting common shares of AKITA ("AKITA Shares") as consideration for the sale of its Fox Drilling subsidiary (the "Transaction"), representing approximately 33.5% of the now outstanding AKITA Shares.

Paramount's board of directors has declared a special dividend in kind to its shareholders of all of the AKITA Shares received by it pursuant to the Transaction. The record date for the dividend will be July 9, 2026 and the payment date will be July 16, 2026. Holders of Paramount class A common shares as of the record date will receive 0.132 of an AKITA Share for each Paramount share, subject to final adjustment based on the number of Paramount shares outstanding on the record date. Any entitlement of a registered Paramount shareholder to a fraction of an AKITA Share equal to or greater than 0.5 will be rounded up to the nearest whole AKITA Share and any entitlement to a fraction of an AKITA Share less than 0.5 will be rounded down to the nearest whole AKITA Share with no further consideration payable.

The dividend will be designated as an "eligible dividend" for Canadian income tax purposes. Paramount shareholders who are not residents of Canada for the purposes of the *Income Tax Act* (Canada) will be subject to Canadian withholding tax under Part XIII of the *Income Tax Act* (Canada) at a rate of 25%, subject to reduction under the provisions of an applicable tax treaty between Canada and the shareholder's country of residence, and will receive their AKITA Shares net of any such withholding. For the purpose of calculating Canadian non-resident withholding tax for registered shareholders, each AKITA Share distributed will be valued at the closing trading price of the AKITA Shares on July 15, 2026. All other non-resident shareholders are encouraged to contact their broker or other intermediary for information regarding the tax treatment of the dividend and any applicable taxes in their jurisdiction of residence. The foregoing tax disclosure is provided for informational purposes only and does not constitute tax advice. The tax consequences of the dividend will depend on each shareholder's individual circumstances. Shareholders are encouraged to consult their own tax advisors.

### **ALHAMBRA PLANT UPDATE**

The Company successfully started up the second phase of its Alhambra Plant in Willesden Green in early June, as planned. The expansion doubled the designed raw handling capacity of the facility to 20,000 Bbl/d of liquids and 100 MMcf/d of natural gas. Paramount has been ramping up production through the expanded Alhambra Plant and has continued to maintain exceptional runtime at the plant throughout the second quarter, including during the second phase ramp-up. As a consequence, the Company expects average sales volumes in the first half of 2026 to exceed the upper end of previous guidance. <sup>(1)</sup>

Also in the second quarter, Paramount entered into an additional 2,000 Bbl/d of NYMEX WTI Swaps (Sale) at a price of C\$120.00/Bbl for July to December 2026. The Company now has 7,000 Bbl/d of liquids hedged at an average WTI price of C\$109.19/Bbl for the second half of 2026 and 2,000 Bbl/d of liquids hedged at a WTI price of C\$100.00/Bbl for 2027.

### **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".

### **EARLY WARNING INFORMATION**

This press release is being issued pursuant to section 5.2 of *National Instrument 62-104 - Take-Over Bids and Issuer Bids*. An early warning report respecting the Transaction has been filed by Paramount and is available at [www.sedarplus.ca](http://www.sedarplus.ca) or by contacting Paramount. A summary of certain of the information contained in the early warning report is provided below.

The head office of Paramount is 4700, 888 – 3<sup>rd</sup> Street S.W., Calgary, Alberta T2P 5C5 and the head office of AKITA is 1000, 333 - 7 Avenue S.W., Calgary, Alberta T2P 2Z1.

Paramount has beneficial ownership and control over the AKITA Shares acquired pursuant to the Transaction, which was completed on June 30, 2026. Paramount did not hold any securities of AKITA prior to the completion of the Transaction. The consideration paid by Paramount for the AKITA Shares acquired pursuant to the Transaction consisted of all of the securities of Fox Drilling Inc. and Fox Drilling Limited Partnership held by it, for which no specific value was assigned in the securities

purchase agreement between Paramount and AKITA that provided for the Transaction. Paramount acquired the AKITA Shares with the intention of distributing them to its shareholders and will not have any interest in AKITA following the payment of the dividend described in this press release.

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(1) Based on preliminary field estimates and subject to finalization.

SOURCE Paramount Resources Ltd.

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

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<https://paramount.mediaroom.com/2026-06-30-Paramount-Resources-Announces-Closing-of-Fox-Drilling-Sale.-Distribution-of-AKITA-Drilling-Shares-and-Successful-Startup-of-Alhambra-Expansion>