Paramount Resources Ltd.

Paramount Resources Announces Third Quarter 2026 Results, Accelerated Expansion of Willesden Green Duvernay Development, Whitemap Sale of Kaybob and 2027 Budget and Guidance

CALGARY, AB, Nov. 5, 2026 /CNW/ -- Paramount Resources Ltd. ("Paramount" or the "Company") (TSX: POU) is pleased to announce: (i) its third quarter 2026 financial and operating results, (ii) the sanctioning of an accelerated and upsized third phase expansion of its Duvernay development at Willesden Green, (iii) its 2027 capital expenditure budget and guidance and (iv) increased credit facilities totaling $1.25 billion.

The Company is also pleased to announce that it has entered into a purchase and sale agreement (the "Agreement") with Outwest Energy Inc. ("Outwest") pursuant to which Outwest will acquire Paramount's entire Kaybob operating area on a whitemap basis (the "Kaybob Properties") for $341 million, comprised of $198 million in cash and a 49% equity stake in Outwest (the "Kaybob Transaction").

Q3 HIGHLIGHTS

- Third quarter sales volumes averaged 55,742 Boe/d (49% liquids), approximately 2,750 Boe/d above the high end of the range of previous guidance as a result of the continued strong performance of the Company's Willesden Green development. (1)
    - Willesden Green sales volumes averaged 37,815 Boe/d (53% liquids), an increase of approximately 10,350 Boe/d quarter-over-quarter. Runtime at the Alhambra Plant continued to be high throughout the third quarter. The Company also successfully completed its planned turnaround and expansion of the Leafland Plant and brought the pipeline interconnecting the Alhambra and Leafland Plants into service. With gas handling capacity of the facilities nearly full, the Company is continuing to choke wells to manage production within infrastructure limits.
    - Kaybob sales volumes averaged 17,533 Boe/d (39% liquids) compared to 19,413 Boe/d (40% liquids) in the second quarter. A number of legacy gas fields were shut-in at times throughout the quarter for maintenance and due to low natural gas prices.

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(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.

- Cash from operating activities was $154 million ($1.06 per basic share) in the third quarter. Adjusted funds flow was $175 million ($1.20 per basic share). Free cash flow was ($106) million (($0.73) per basic share). (1)
- Operating expenses were $9.46/Boe in the third quarter of 2026, compared to $8.66/Boe in the previous quarter and $10.18/Boe in the third quarter of 2025. Willesden Green operating expenses were $4.47/Boe for the nine months ended September 30, 2026. The Company expects per-unit operating expenses to decrease in the fourth quarter to below $8.00/Boe with a full quarter of production flowing through the expanded Willesden Green facilities.
- Third quarter capital expenditures totaled $273 million. Activities in the quarter included:
    - Willesden Green Duvernay – the construction, commissioning and start-up of expanded compression and dehydration capacity at the Leafland Plant and the pipeline interconnecting the Alhambra and Leafland Plants, the completion of water recycling facilities at the Alhambra Plant, the drilling of four (4.0 net) Duvernay wells and the bringing on production of eight (8.0 net) Duvernay wells;
    - Sinclair Montney – ongoing construction of the Sinclair Plant and the drilling of two (2.0 net) Montney wells; and
    - Kaybob – the drilling of two (2.0 net) Montney oil wells.
- Paramount set two consecutive Canadian onshore drilling records in the quarter, both on the 14-02 pad at Willesden Green, with total measured depths of 9,605 meters and 9,627 meters. In addition, the Company utilized in-basin wet sand on this pad, resulting in savings of over $300,000 per well. Average well costs in Willesden Green year-to-date are approximately 5% lower on a $/meter basis compared to full year 2025.

- Approximately 47% of Paramount's forecast natural gas sales volumes for the remainder of 2026 and approximately 69% of forecast natural gas sales volumes for 2027 (excluding any Kaybob sales volumes) are expected to be priced at diversified markets outside of AECO, including Dawn, Malin, Emerson and Empress.

- The Company now has 7,000 Bbl/d of liquids hedged for the fourth quarter of 2026 at an average WTI price of C$109.19/Bbl, 12,000 Bbl/d of liquids hedged for 2027 at an average WTI price of C$102.09/Bbl and 2,750 Bbl/d of liquids hedged for 2028 at an average WTI price of C$101.37/Bbl.

- Paramount received cash dividends of $3 million in the third quarter from one of its private company investments.

- Cash and cash equivalents totaled $325 million at September 30, 2026.

- In November 2026, the credit limit of the Company's financial covenant-based senior secured revolving bank credit facility was doubled to $1.0 billion and the maturity date of the facility was extended to November 2030. Combined with its $250 million delayed draw term loan, Paramount now has undrawn credit facilities totaling $1.25 billion. The size of these credit facilities will be maintained following completion of the Kaybob Transaction.

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(1) 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.

SANCTIONING OF UPSIZED WILLESDEN GREEN DUVERNAY DEVELOPMENT

Paramount is accelerating the third phase expansion of its wholly-owned and operated Alhambra Plant by approximately one year, with start-up now anticipated in the third quarter of 2028. Designed raw gas handling capacity for this phase has been doubled to 100 MMcf/d while raw liquids handling capacity will continue to be 10,000 Bbl/d. On completion, the Alhambra Plant is expected to provide raw handling capacity of over 30,000 Bbl/d of liquids and over 200 MMcf/d of natural gas. In conjunction with the expansion, Paramount will construct a new compression node in the northern portion of its Willesden Green land base to accommodate future development and gas lift requirements for the field.

The Company has also begun developing the black oil window in the eastern portion of its land base, where it has sufficient inventory to sustain a targeted plateau production level of approximately 5,000 Boe/d (>85% liquids) for over 10 years. Paramount commenced the drilling of its first four (4.0 net) well Duvernay pad in the black oil window in September. Completion operations for these wells are planned to commence next year and the pad is expected to be onstream in the second quarter of 2027. Capital expenditures in 2027 and 2028 are expected to generate incremental annualized production of over 1,500 Boe/d in 2027 and 4,000 Boe/d in 2028.

With these investments, Paramount is increasing its targeted plateau production level from the Willesden Green Duvernay development from 70,000 Boe/d to 80,000 Boe/d, which it now expects to reach in 2029.

THE KAYBOB TRANSACTION

Paramount has agreed to sell its Kaybob Properties for $341 million, comprised of $198 million in cash plus 143 million common shares of Outwest, representing approximately 49% of the equity of the company. The Kaybob Properties include Paramount's Kaybob North Duvernay and Montney Oil developments, legacy developments at Presley, Pine Creek and Fox Creek, as well as the majority-owned 8-9 natural gas processing plant and the wholly-owned 12-10 oil terminal and battery. The Kaybob Properties had 29 MMBoe (32% liquids) of proved developed producing reserves, 52 MMBoe (43% liquids) of proved reserves and 101 MMBoe (46% liquids) of proved plus probable reserves as at December 31, 2025. [(1)] Outwest will assume Paramount's processing and transportation commitments relating to the assets on closing. Paramount will retain all of its physical long-haul natural gas contracts. Third quarter 2026 sales volumes and netback for the Kaybob Properties were approximately 17,500 Boe/d (39% liquids) and $41 million, respectively. [(2)]

Outwest is a private oil and gas company based in Calgary, Alberta, recently formed with the backing of private equity funds advised by ARC Financial Corp. ("ARC"). Led by Mike Backus, Chief Executive Officer, Outwest's strong team has a track record of creating value through safe and efficient execution and will be focused on unlocking the value of the Kaybob Properties.

ARC, Canada's largest energy focused private equity manager, has worked with the Outwest team in a previous venture and brings a wealth of experience and its financial backing to support the initial capitalization of Outwest.

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(1) All reserves are gross reserves based on an evaluation prepared in accordance with Canadian standards by McDaniel & Associates Consultants Ltd. dated March 2, 2026 and effective December 31, 2025. See "Reserves Data" in the Advisories section.

(2) "Netback" is a Non-GAAP financial measure. See "Specified Financial Measures" in the Advisories section.

Following completion of the Kaybob Transaction, Paramount will own approximately 49% of the outstanding common shares of Outwest, valued at $143 million on issuance, with the balance owned by ARC and the management and employees of Outwest. Paramount will be entitled, on closing, to nominate three of the seven directors of Outwest and to certain governance and shareholder rights under a unanimous shareholders agreement.

The Kaybob Transaction will enable Paramount to:

- realize significant immediate cash value for the Kaybob Properties for reinvestment in its high growth Willesden Green Duvernay, Sinclair Montney and longer-term developments;
- continue to benefit from the upside potential of the Kaybob Properties through the Company's 49% equity ownership in Outwest, as Outwest's proven management team works to unlock value;
- lower its overall cost structure and materially simplify and focus the Company's operational footprint; and
- reduce the Company's active and inactive well counts in Alberta by approximately 80% and 87%, respectively.

The cash portion of the purchase price will be subject to adjustments based on an effective date of December 31, 2026. Closing of the Kaybob Transaction is expected to occur in the first quarter of 2027, subject to the receipt of regulatory approvals on terms satisfactory to the parties and the satisfaction of other closing conditions. The Agreement provides for a $22 million deposit by Outwest. If the Kaybob Transaction is not completed, the deposit may be forfeited by Outwest to Paramount in certain circumstances set out in the Agreement. A copy of the Agreement will be filed on Paramount's SEDAR+ profile and will be available for viewing at www.sedarplus.ca.

Paramount recorded an aggregate before-tax impairment charge of $512 million at September 30, 2026, representing the portion of the total carrying value of the Kaybob Properties in excess of the purchase price, after factoring in $257 million of discounted, inflated asset retirement obligations and provisions associated with the Kaybob Properties ($545 million undiscounted, uninflated). (1)

Scotiabank, RBC Capital Markets and ATB Cormark Capital Markets acted as strategic advisors to Paramount in connection with the Kaybob Transaction. BMO Capital Markets and National Bank of Canada Capital Markets acted as strategic advisors to Outwest in connection with the Kaybob Transaction. Norton Rose Fulbright Canada LLP acted as legal counsel to Outwest.

2026 GUIDANCE

Paramount is maintaining its full-year 2026 production guidance range of 51,000 Boe/d to 53,000 Boe/d (49% liquids) and expects sales volumes to be in the upper half of this range. The Company anticipates 2026 capital expenditures at the high end of its $1,000 million to $1,100 million prior guidance range, reflecting incremental capital associated with the drilling of the four-well pad in the black oil window at Willesden Green and long-lead equipment orders associated with the third phase expansion of the Alhambra Plant. Paramount continues to expect total abandonment and reclamation expenditures of approximately $35 million in 2026.

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(1) The $257 million of discounted, inflated asset retirement obligations and provisions associated with the Kaybob Properties were determined using a 6.5% per annum discount rate and a 2.0% per annum inflation rate.

2027 BUDGET AND GUIDANCE (EXCLUDING KAYBOB)

With the pending Kaybob Transaction, the Company is providing 2027 guidance excluding any capital expenditures or sales volumes associated with the Kaybob Properties.

Paramount is budgeting capital expenditures of between $1,175 million and $1,275 million in 2027, excluding any amounts associated with the Kaybob properties.

The breakdown of capital expenditures by key area at midpoint is as follows:

Willesden Green Duvernay	$685 million
Sinclair Montney	$505 million
Hoole and NE Alberta Heavy Oil	$25 million
Other	$10 million

The breakdown of capital expenditures by category at midpoint is as follows:

Drilling, completion, equipping and tie-ins	$700 million
Facilities and gathering	$500 million
Corporate and other	$25 million

At Willesden Green, Paramount plans to commence construction of the third phase expansion of the Alhambra Plant, the northern compression node and a trunkline connecting the node to the Alhambra and Leafland facilities. In addition, the Company plans to drill 29 (29.0 net) Duvernay wells and bring on production 21 (21.0 net) Duvernay wells, including the four wells in the black oil window.

At Sinclair, construction of the Sinclair Plant, which is being designed to handle up to 400 MMcf/d of raw natural gas, is expected to continue through the third quarter of 2027, with commissioning beginning in the third quarter and start-up in the fourth quarter. Other major infrastructure, including pipelines, produced water recycling and disposal facilities, are expected to be completed in advance of start-up. Paramount plans to drill 12 (12.0 net) Montney wells and complete and bring on production 12 (12.0 net) Montney wells.

Paramount continues to advance the evaluation of its Hoole thermal oil asset. Activities for 2027 include facilities design engineering, seismic and subsurface modeling and the advancing of regulatory and stakeholder engagement.

Paramount is forecasting 2027 annual average sales volumes, excluding the Kaybob Properties, of between 46,000 Boe/d and 50,000 Boe/d (49% liquids). Sales volumes are anticipated to progressively grow each quarter, with first production from the black oil window coming onstream late in the second quarter and the Sinclair Plant coming onstream in November 2027. Forecast quarterly sales volumes for 2027 at the mid-point are:

Q1: 41,000 Boe/d (48% liquids)
Q2: 44,000 Boe/d (51% liquids)
Q3: 48,500 Boe/d (54% liquids)
Q4: 58,500 Boe/d (45% liquids)

With cash and cash equivalents of $325 million at September 30, 2026 and undrawn credit facilities totaling $1.25 billion, Paramount is in a strong financial position to advance its development plans. Proceeds from the pending Kaybob Transaction will further strengthen the Company's financial position.

The Company remains committed to prudently managing its capital resources and has the flexibility to adjust its capital expenditure plans depending on commodity prices and other factors.

2028 CAPITAL AND PRODUCTION OUTLOOK (EXCLUDING KAYBOB)

The Company anticipates capital expenditures of between $1,100 million and $1,200 million for 2028 that will be focused on the Company's Willesden Green Duvernay and Sinclair Montney developments.

At Willesden Green, Paramount is expecting to: (i) complete the third phase of the Alhambra Plant, (ii) complete the new compression node and trunkline, and (iii) drill 44 (44.0 net) Duvernay wells and complete and bring on production 37 (37.0 net) Duvernay wells.

At Sinclair, Paramount is expecting to drill 12 (12.0 net) Montney wells and complete and bring on production 18 (18.0 net) Montney wells.

Pro forma the Kaybob Transaction, the Company expects 2028 annual average sales volumes to double from 2027 to a range of 100,000 Boe/d to 110,000 Boe/d (27% liquids). Sales volumes are expected to exceed 125,000 Boe/d (33% liquids) by the first half of 2029 following the start-up of the new compression node and trunkline at Willesden Green.

REVIEW OF OPERATIONS

WILLESDEN GREEN

Willesden Green sales volumes averaged 37,815 Boe/d (53% liquids) in the third quarter of 2026 compared to 27,466 Boe/d (55% liquids) in the second quarter. Sales volumes increased as a result of a full quarter of production flowing through the second phase expansion of the Alhambra Plant, which started-up in June 2026. Sales volumes exceeded the Company's expectations due to higher than forecast runtime at the Alhambra Plant and the benefits of incremental debottlenecking activities.

The Company has brought on production a total of 18 (18.0 net) Duvernay wells since the second quarter 2026 start-up of the Alhambra Plant expansion, of which 14 (14.0 net) wells are tied-in to the Alhambra Plant and four (4.0 net) wells are tied-in to the Leafland Plant. All of these wells continue to be choked as gas handling capacity of the facilities are nearly full. Gross 90-day peak production from the 14 new wells tied-in to the Alhambra Plant averaged approximately 1,340 Boe/d (46% liquids) per well. Gross 150-day peak production from the first five of these wells averaged approximately 1,580 Boe/d (64% liquids) per

well. [1]

Several of the 16 (16.0 net) Duvernay wells brought on production through the Alhambra Plant in 2025 remain choked to manage production within infrastructure capacity. Gross 300-day peak production from these 16 wells averaged approximately 1,180 Boe/d (53% liquids) per well. Gross 360-day peak production from the first ten of these wells averaged approximately 1,060 Boe/d (54% liquids) per well.[1] Fifteen of these wells have reached payout, with an average payout period of 8.5 months.

Paramount successfully completed the turnaround of the Leafland Plant and the expansion of compression and dehydration capacity at the facility in the third quarter. The Company also completed the construction and commissioning of the pipeline interconnecting the Alhambra and Leafland Plants. Start-up of the expanded Leafland facility and the pipeline occurred in late August.

The Company has now increased the designed raw inlet processing capacity of the combined Alhambra – Leafland complex to over 27,000 Bbl/d of liquids and over 130 MMcf/d of natural gas. Duvernay wells brought on production to date have exhibited higher gas volumes than anticipated, resulting in the natural gas handling capacity of the complex being fully utilized, with some unutilized liquids handling remaining. Paramount is in the process of evaluating incremental near-term debottlenecking opportunities to further expand the gas handling capacity of the complex in order to fully utilize the liquids handling capacity.

Paramount's water recycling facilities at the Alhambra Plant are now fully operational. Following the conclusion of well completion activities that used recycled water directly from the facility, recycled water has recently begun to flow into onsite engineered containment ponds for use in future well completions. The use of recycled water significantly reduces the amount of fresh water required for the Company's Willesden Green development plans, simplifying water procurement and lowering well completion costs. Additionally, the recycling of produced water will reduce capital and operating costs associated with disposal.

Development activities in the third quarter included the drilling of four (4.0 net) Duvernay wells and the bringing on production of eight (8.0 net) Duvernay wells. Completion operations at three (3.0 net) Duvernay wells included the use of in-basin wet sand, which comprised 95% of the total proppant volume, resulting in savings of over $300,000 per well. The Company is evaluating the broader use of in-basin wet sand in completions for its development programs.

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(1) Gross 90-day, 150-day, 300-day and 360-day peak production is the highest daily average production rate for each well, measured at the wellhead, over a rolling 90-day, 150-day, 300-day and 360-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 7% and liquids sales volumes were lower by approximately 13% 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 also commenced the drilling of its first four (4.0 net) well Duvernay pad on its black oil acreage, located in the eastern portion of Willesden Green. Completion operations for these wells are planned to commence next year and the pad is expected to be onstream in the second quarter of 2027.

In the fourth quarter, the Company plans to drill 13 (13.0 net) Duvernay wells and bring onstream eight (8.0 net) Duvernay wells.

SINCLAIR

Activities at the Company's Sinclair Montney development in the third quarter included the ongoing construction of the Sinclair Plant and the drilling of the final two (2.0 net) wells of a five (5.0 net) well Montney pad.

Earthworks at the Sinclair Plant site were substantially completed in the third quarter and pile installation commenced. The Company is now taking delivery of the first equipment packages. Similar to the Alhambra Plant, Paramount is building a water recycling facility at the Sinclair Plant aimed at reducing the amount of fresh water required in development. Earthworks related to engineered containment ponds for the water recycling facility have recently commenced.

In the fourth quarter, the Company plans to drill five (5.0 net) Montney wells and continue the construction of the Sinclair Plant and other infrastructure.

KAYBOB

Kaybob sales volumes averaged 17,533 Boe/d (39% liquids) in the third quarter of 2026 compared to 19,413 Boe/d (40% liquids) in the second quarter. A number of legacy gas fields were shut-in at various times throughout the quarter as part of Paramount's maintenance program as well as due to low natural gas prices.

Development activities in the third quarter included the drilling of two (2.0 net) Montney oil wells, which have recently been completed. These wells are planned to be brought on production in the fourth quarter.

HEDGING

The Company's current hedging position is summarized below.

Instruments	Type [1]	Aggregate amount / notional	Average price or rate [2]	Remaining term
Oil				
NYMEX WTI Swaps (Sale)	Financial	7,000 Bbl/d	CAD$109.19/Bbl	Oct 2026 – Dec 2026
NYMEX WTI Swaps (Sale)	Financial	12,000 Bbl/d	CAD$102.09/Bbl	Jan 2027 – Dec 2027
NYMEX WTI Swaps (Sale)	Financial	2,750 Bbl/d	CAD$101.37/Bbl	Jan 2028 – Dec 2028
Natural Gas				
Citygate/ Malin Basis Swap [3]	Financial	10,000 MMBtu/d	Citygate less US$0.97/MMBtu (Sell) Malin (Buy)	Oct 2026 – Oct 2028
Dawn (Sale)	Physical	38,655 GJ/d	$4.51/GJ	Oct 2026 – Oct 2027
AECO (Buy)	Physical	40,200 GJ/d	$2.92/GJ	Oct 2026 – Oct 2027
Dawn (Buy)	Physical	38,655 GJ/d	$4.37/GJ	Nov 2026 – Mar 2027
Dawn (Buy)	Physical	19,328 GJ/d	$3.19/GJ	Apr 2027 – Oct 2027
AECO (Sale)	Physical	32,600 GJ/d	$1.87/GJ	Apr 2027 – Oct 2027
AECO Basis (Sale)	Physical	20,000 MMBtu/d	NYMEX less US$1.44/MMBtu [4]	Apr 2027 – Oct 2027
Propane				
AFEI Propane (Sale) [5]	Physical	1,000 Bbl/d	AFEI	Oct 2026 – Jan 2029
OPIS Conway Propane Swap (Sale) [6]	Financial	1,000 Bbl/d	CAD$54.60/Bbl	Jan 2027 – Dec 2027
Electricity Contracts [7]				
Electricity Swaps (Buy)	Financial	120 MWh/d	$58.19/MWh	Oct 2026 – Dec 2028
Electricity Swaps (Buy)	Financial	120 MWh/d	$58.79/MWh	Oct 2026 – Dec 2029
Electricity Swaps (Buy)	Financial	120 MWh/d	$61.73/MWh	Oct 2026 – Dec 2030
Foreign Currency Exchange				
Average Rate Forward (Sale)	Financial	US$10MM/Month	1.3810 CAD$ / US$ [2]	Oct 2026 – Dec 2026
Average Rate Forward (Sale)	Financial	US$10MM/Month	1.3680 CAD$ / US$ [2]	Jan 2027 – Dec 2027

(1) "Financial" refers to financial commodity contracts, electricity contracts and foreign currency exchange contracts. "Physical" refers to fixed-priced and basis physical contracts.

(2) 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.

(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.

(4) "NYMEX" refers to NYMEX pricing at Henry Hub.

(5) "AFEI" refers to Argus Propane Monthly Far East Index. Pursuant to the transaction, Paramount sells at a delivery point in Alberta at an AFEI price less deductions for transportation.

(6) "OPIS" means Oil Price Information Service.

(7) Reference electricity rate: Floating hourly rate established by the Alberta Electric System Operator ("AESO"). "MWh" means megawatt-hour.

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".

Paramount's third 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)	Q3 2026	Q2 2026	Q3 2025
Net income (loss)	**(387.2)**	68.3	**(2.3)**
per share – basic ($/share)	**(2.65)**	*0.47*	***(0.02)***
per share – diluted ($/share)	**(2.65)**	*0.46*	***(0.02)***
Cash from operating activities	**154.3**	144.4	**42.3**
per share – basic ($/share)	**1.06**	*0.99*	***0.30***
per share – diluted ($/share)	**1.06**	*0.97*	***0.30***
Adjusted funds flow	**175.3**	175.6	**96.8**
per share – basic ($/share)	**1.20**	*1.21*	***0.67***
per share – diluted ($/share)	**1.20**	*1.18*	***0.67***
Free cash flow	**(106.1)**	(128.5)	**(124.5)**
per share – basic ($/share)	**(0.73)**	*(0.88)*	***(0.87)***
per share – diluted ($/share)	**(0.73)**	*(0.86)*	***(0.87)***
Total assets	**3,320.8**	3,832.1	**3,560.9**
Investments in securities	**142.3**	208.0	**612.9**
Long-term debt	**–**	–	**–**
Net (cash) debt	**(192.0)**	(329.1)	**(628.8)**
Common shares outstanding *(millions)* [2]	**146.1**	145.8	**143.4**
Sales volumes [3]			
Natural gas (MMcf/d)	**172.0**	144.4	**112.4**
Condensate and oil (Bbl/d)	**19,930**	17,803	**13,997**
Other NGLs (Bbl/d)	**7,148**	5,415	**3,363**
Total (Boe/d)	**55,742**	47,279	**36,087**
% liquids	***49 %***	*49 %*	***48 %***
Willesden Green (Boe/d)	**37,815**	27,466	**13,550**
Kaybob (Boe/d)	**17,533**	19,413	**21,155**
Other (Boe/d)	**394**	400	**1,382**
Total (Boe/d)	**55,742**	47,279	**36,087**

Netback		*($/Boe)* [4]		*($/Boe)* [4]		*($/Boe)* [4]
Natural gas revenue	**40.0**	***2.53***	32.9	*2.50*	**20.3**	***1.96***
Condensate and oil revenue	**211.0**	***115.08***	205.7	*126.96*	**105.6**	***82.01***
Other NGLs revenue	**23.4**	***35.63***	19.0	*38.50*	**8.4**	***27.04***
Natural gas transportation assignment income [5]	**2.9**	***0.18***	2.8	*0.21*	**3.6**	***0.35***
Royalty income and other revenue	**0.4**	**–**	0.3	–	**6.3**	**–**
Petroleum and natural gas sales	**277.7**	***54.14***	260.7	*60.59*	**144.2**	***43.43***
Royalties	**(17.9)**	***(3.50)***	(14.0)	*(3.25)*	**(7.3)**	**(2.21)**
Operating expense	**(48.5)**	***(9.46)***	(37.3)	*(8.66)*	**(33.8)**	**(10.18)**
Transportation and NGLs processing	**(22.1)**	***(4.30)***	(20.4)	*(4.75)*	**(14.5)**	**(4.37)**
Sales of commodities purchased [6]	**61.7**	***12.03***	70.6	*16.40*	**54.2**	***16.33***
Commodities purchased [6]	**(62.7)**	***(12.23)***	(69.5)	*(16.16)*	**(53.1)**	**(16.00)**
Netback	**188.2**	***36.68***	190.1	*44.17*	**89.7**	***27.00***
Risk management contract settlements	**(6.5)**	***(1.27)***	(10.7)	*(2.48)*	**14.0**	***4.21***
Netback including risk management contract settlements	**181.7**	***35.41***	179.4	*41.69*	**103.7**	***31.21***
Capital expenditures						
Willesden Green		**168.1**		186.8		**184.4**
Sinclair		**90.5**		99.7		**8.0**
Kaybob		**12.8**		3.5		**9.2**
Fox Drilling		**–**		4.3		**1.6**
Corporate and other		**1.8**		2.4		**3.3**

Total	**273.2**	296.7	**206.5**
Asset retirement obligations settled	**1.6**	1.5	**4.4**

(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) Common shares are presented net of shares held in trust under the Company's cash bonus and restricted share unit plan (millions): Q3 2026: 0.1, Q2 2026: 0.1, Q3 2025: 0.3.

(3) Refer to the "Product Type Information" section for a complete breakdown of sales volumes for applicable periods by specific product type.

(4) Natural gas revenue and natural gas transportation assignment income presented as $/Mcf.

(5) 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. These amounts were not allocated to individual properties.

(6) Sales of commodities purchased and commodities purchased are treated as corporate items and not allocated to individual 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**		
	Q3 2026	Q2 2026	**Q3 2025**	**Q3 2026**	Q2 2026	**Q3 2025**	**Q3 2026**	Q2 2026	**Q3 2025**
Shale gas (MMcf/d)	**137.3**	105.9	**72.8**	**107.2**	73.9	**30.3**	**30.1**	32.0	**36.7**
Conventional natural gas (MMcf/d)	**34.7**	38.5	**39.6**	**0.2**	0.2	**2.8**	**34.4**	38.1	**36.6**
Natural gas (MMcf/d)	**172.0**	144.4	**112.4**	**107.4**	74.1	**33.1**	**64.5**	70.1	**73.3**
Condensate (Bbl/d)	**18,651**	16,505	**12,180**	**13,700**	10,723	**5,701**	**4,950**	5,781	**6,478**
Other NGLs (Bbl/d)	**7,148**	5,415	**3,363**	**6,067**	4,227	**2,132**	**1,079**	1,184	**1,223**
NGLs (Bbl/d)	**25,799**	21,920	**15,543**	**19,767**	14,950	**7,833**	**6,029**	6,965	**7,701**
Light and medium crude oil (Bbl/d)	**718**	716	**1,188**	**2**	11	**22**	**716**	705	**1,166**
Tight oil (Bbl/d)	**184**	215	**254**	**141**	163	**190**	**43**	52	**64**
Heavy crude oil (Bbl/d)	**377**	367	**375**	**–**	–	**–**	**–**	–	**–**
Crude oil (Bbl/d)	**1,279**	1,298	**1,817**	**143**	174	**212**	**759**	757	**1,230**
Total (Boe/d)	**55,742**	47,279	**36,087**	**37,815**	27,466	**13,550**	**17,533**	19,413	**21,155**

Paramount is forecasting 2026 annual average sales volumes of between 51,000 Boe/d and 53,000 Boe/d (51% shale gas and conventional natural gas combined, 36% condensate, light and medium crude oil, tight oil and heavy crude oil combined and 13% other NGLs).

Paramount is forecasting 2027 annual average sales volumes, excluding the Kaybob Properties, of between 46,000 Boe/d and 50,000 Boe/d (51% shale gas and conventional natural gas combined, 37% condensate, light and medium crude oil, tight oil and heavy crude oil combined and 12% other NGLs).

- First quarter 2027 average sales volumes are expected to be 41,000 Boe/d at the mid-point (52% shale gas and conventional natural gas combined, 34% condensate, light and medium crude oil, tight oil and heavy crude oil combined and 14% other NGLs).
- Second quarter 2027 average sales volumes are expected to be 44,000 Boe/d at the mid-point (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).
- Third quarter 2027 average sales volumes are expected to be 48,500 Boe/d at the mid-point (46% shale gas and conventional natural gas combined, 41% condensate, light and medium crude oil, tight oil and heavy crude oil combined and 13% other NGLs).
- Fourth quarter 2027 average sales volumes are expected to be 58,500 Boe/d at the mid-point (55% shale gas and

conventional natural gas combined, 34% condensate, light and medium crude oil, tight oil and heavy crude oil combined and 11% other NGLs).

Paramount expects 2028 annual average sales volumes to double from 2027 to a range of 100,000 Boe/d to 110,000 Boe/d (73% shale gas and conventional natural gas combined, 21% condensate, light and medium crude oil, tight oil and heavy crude oil combined and 6% other NGLs).

Paramount expects sales volumes to exceed 125,000 Boe/d (67% shale gas and conventional natural gas combined, 26% condensate, light and medium crude oil, tight oil and heavy crude oil combined and 7% other NGLs) by the first half of 2029.

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 September 30, 2026, June 30, 2026 and September 30, 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 16 in the Interim Consolidated Financial Statements of Paramount as at and for the three and nine months ended September 30, 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 and nine months ended September 30, 2026 and 2025 and (iii) a calculation of net (cash) debt as at September 30, 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 expectation that per-unit operating expenses will decrease in the fourth quarter to below $8.00/Boe;
- the targeted plateau production level of the black oil window at Willesden Green and the number of years such production level can be sustained;
- the targeted plateau production level at Willesden Green Duvernay and the expectation that such production level will be achieved by 2029;
- the expected closing of the Kaybob Transaction and the expected timing thereof;
- the expected impact of the Kaybob Transaction on Paramount;
- expected average sales volumes for 2026;
- expected capital expenditures in 2026;
- expected abandonment and reclamation expenditures in 2026;
- expected average sales volumes for 2027 and certain periods therein;
- expected capital expenditures in 2027;
- the Company's outlook for capital expenditures and sales volumes in 2028;
- the expectation that sales volumes will exceed 125,000 Boe/d (33% liquids) by the first half of 2029;
- the expected timing of construction activity at the third phase expansion of the Alhambra Plant, the expected capacity on completion and the expected timing of the start-up of the third phase expansion of the Alhambra Plant;
- the expected timing of construction activity at the Sinclair Plant, the expected capacity on completion and the expected timing of the start-up of the Sinclair Plant; and
- planned and potential exploration, development and production activities, including the drilling, completion and bringing onstream of new wells and the construction of infrastructure.

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:

- that all closing conditions to the Kaybob Transaction will be satisfied and the closing of the Kaybob Transaction will occur as anticipated;
- the investment potential of the Outwest common shares;
- expectations concerning the realization of operational efficiencies and other benefits from the Kaybob Transaction;
- 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;
- the availability to Paramount of the funds required for exploration, development and other operations (including the construction of facilities, pipelines and other infrastructure) 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; 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:

- risks that the Kaybob Transaction will not be completed on the terms anticipated or at all, including due to a closing condition not being satisfied;
- risks that the actual impacts of the Kaybob Transaction on the Company will not be as expected due a number of factors, including fluctuations in the value of the Outwest common shares and other investment risks or unexpected difficulties in realizing operational efficiencies or other benefits;
- 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 or existing third-party and Company facilities, pipelines and other infrastructure;
- 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 facilities, pipelines and other infrastructure 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 facilities, pipelines and other infrastructure, 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	
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	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 nine months ended September 30, 2026, the value ratio between crude oil and natural gas was approximately 66:1. 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.

Reserves Data

Reserves data set forth in this press release is based upon an evaluation of the Company's reserves prepared in accordance with Canadian standards by McDaniel & Associates Consultants Ltd. ("McDaniel") dated March 2, 2026 and effective December 31, 2025 (the "McDaniel Report"). The reserves referenced in this press release are gross reserves. The estimates of reserves contained in the McDaniel Report and referenced in this document are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual reserves may be greater than or less than the estimates contained in the McDaniel Report and referenced in this press release. The estimates of reserves for individual properties may not reflect the same confidence level as estimates of reserves for all properties, due to the effects of aggregation. Readers should refer to 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, for a complete description of the McDaniel Report and the material assumptions, limitations and risk factors pertaining thereto.

SOURCE Paramount Resources Ltd.

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https://paramount.mediaroom.com/2026-11-05-Paramount-Resources-Announces-Third-Quarter-2026-Results,-Accelerated-Expansion-of-Willesden-Green-Duvernay-Development,-Whitemap-Sale-of-Kaybob-and-2027-Budget-and-Guidance