

Paramount Resources Ltd.

Trilogy Energy Corp. and Paramount Resources Ltd. Announce Approximately \$190 Million Secondary Offering of Trilogy Common Shares

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Trilogy Energy Corp. (TSX:TET) ("Trilogy") and Paramount Resources Ltd. (TSX:POU) ("Paramount") announced today that Paramount has entered into an agreement with a syndicate of underwriters, led by RBC Capital Markets as bookrunner, for a secondary offering by Paramount, on a bought deal basis, of 5 million common shares of Trilogy at an offering price of \$37.90 per common share for gross proceeds of \$189,500,000. Trilogy will not receive any of the proceeds.

After giving effect to this offering, Paramount will hold approximately 12.8 million common shares and 6.4 million non-voting shares of the Company, representing a 16% interest in Trilogy. Paramount's major shareholder will continue to own directly or indirectly approximately 35% of Trilogy.

The net proceeds will be used by Paramount for its 2012 capital expenditure program in furthering the exploration and development of its properties (including drilling and completion work) and construction of the deep cut facility at Musreau. The proceeds may also be used for general corporate purposes and for the non-permanent repayment of indebtedness under its credit facility.

The common shares will be offered in all provinces and territories of Canada, except Quebec, by way of a short form prospectus. The offering will also be extended to Qualified Institutional Buyers in the United States pursuant to the exemptions from registration provided by Rule 144A of the Securities Act of 1933, as amended (the "U.S. Securities Act"), and internationally where permitted. Closing of the offering is expected to occur on or about January 5, 2012.

This press release does not constitute an offer to sell or a solicitation of an offer to buy any securities of the Corporation in any jurisdiction in which such offer, solicitation of sale would be unlawful. These securities have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws and may not be offered or sold in the United States except in compliance with the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws or pursuant to an exemption there from.

About Trilogy

Trilogy is a petroleum and natural gas-focused Canadian energy corporation that actively acquires, develops, produces and sells natural gas, crude oil and natural gas liquids. Trilogy's geographically concentrated assets are primarily low-risk, high working interest, lower-decline properties that provide abundant infill drilling opportunities and good access to infrastructure and processing facilities, many of which are operated and controlled by Trilogy. Trilogy's common shares are listed on the Toronto Stock Exchange under the symbol "TET".

About Paramount

Paramount is a Canadian oil and natural gas exploration, development and production company with operations focused in Western Canada. Paramount's Common Shares are listed on the Toronto Stock Exchange under the symbol "POU".

For further information: Paramount Resources Ltd., J.H.T. (Jim) Riddell, President and Chief Operating Officer, (403) 290-3600 / Paramount Resources Ltd., B.K. (Bernie) Lee, Chief Financial Officer, (403) 290-3600, (403) 262-7994 (FAX), www.paramountres.com

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