

Paramount Resources Ltd.

Paramount Resources Ltd. Completes the Acquisition of ProspEx Resources Ltd.

CALGARY, ALBERTA - May 31, 2011 /CNW/-

Paramount Resources Ltd. (TSX:POU) ("Paramount") has completed the acquisition of ProspEx Resources Ltd. ("ProspEx") pursuant to an arrangement under the Business Corporations Act (Alberta), with 99.9% of the ProspEx shares voted at ProspEx's shareholders meeting in respect of the arrangement being voted in favour of the transaction.

As a result of pro-rationing under the arrangement based on the elections received, ProspEx shareholders who elected to receive cash for their ProspEx shares will receive cash consideration for approximately 55% of their ProspEx shares and for the remainder of their ProspEx shares will receive 0.07162 of a Class A Common Share of Paramount for each of such shares.

Paramount issued a total of 2,000,000 Class A Common Shares and paid an aggregate of approximately \$64.8 million in cash to acquire the ProspEx shares it did not already own (being approximately 91% of ProspEx's outstanding shares). ProspEx's shares will be delisted from the Toronto Stock Exchange by the end of this week.

Paramount is a Canadian oil and natural gas exploration, development and production company with operations focused in Western Canada. Paramount's Class A 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

<https://paramount.mediaroom.com/news-releases?item=122548>