Paramount Resources Ltd.

Paramount Resources Ltd. Announces Approval of Normal Course Issuer Bid

CALGARY, ALBERTA - May 3, 2007 /**CNW**/- Paramount Resources Ltd. (TSX:POU) ("Paramount") announces that it has made the necessary filings, and received the necessary approvals, to make a normal course issuer bid through the facilities of the Toronto Stock Exchange commencing May 7, 2007 and ending May 6, 2008, or on such earlier date as Paramount may complete its purchases under the bid.

A total of 3,298,526 common shares may be acquired under the bid, representing approximately 4.65 percent of the 70,937,175 common shares outstanding as of April 30, 2007. Paramount will acquire its common shares under the bid at the market price at the time of purchase, with acquired shares being cancelled.

In the opinion of Paramount's Board of Directors, Paramount's common shares are, from time to time, undervalued by the market, and the cost of acquiring the shares is an expense prudently incurred by Paramount to increase shareholder value.

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".

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