

Paramount Resources Ltd.

Paramount Resources Ltd. Considering Restructuring Alternatives

CALGARY, ALBERTA - Sept. 27, 2004 /CNW/- Paramount Resources Ltd. ("Paramount") (TSX - POU) advises that as a result of management's regular review of options available to Paramount to increase shareholder value, its Board of Directors has authorized management of Paramount to undertake examination of possible corporate restructuring alternatives available to Paramount to increase shareholder value. No decision on any particular alternative has been reached at this time and there can be no assurance that the Board of Directors will determine to undertake any transaction identified and presented to it by management.

Management of Paramount has been asked to consider strategic options available to Paramount, including but not limited to: maintaining the status quo and continuing Paramount's strategic direction as an independent oil and natural gas exploration and development company, and reorganizing Paramount, either in whole or in part, into an energy trust.

Any restructuring initiatives identified by management will be subject to review by, and approval of, the Board of Directors and will also be subject to the receipt of all required shareholder and regulatory approvals. In addition, depending on the alternative chosen, Paramount may be required to seek the consents of the holders of its outstanding 7 7/8% Senior Notes and 8 7/8% Senior Notes or otherwise deal with the outstanding Senior Notes in a manner acceptable to each of Paramount and the holders of such Senior Notes.

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, Paramount Resources Ltd., C.H. (Clay) Riddell, Chairman and Chief Executive Officer, (403) 290-3600, (403) 262-7994 (FAX), www.paramountres.com, Paramount Resources Ltd., 4700 Bankers Hall West, 888 - 3rd Street SW, Calgary, AB T2P 5C5

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