Paramount Resources Ltd.

Convertible, Secured Debenture and Warrants Issued to Paramount Resources Ltd. by Spearhead Resources Inc.

FOR: PARAMOUNT RESOURCES LTD.

TSX SYMBOL: POU

SEPTEMBER 17, 2003 - 09:00 ET

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Paramount Resources Ltd. by Spearhead Resources Inc.

CALGARY, ALBERTA--Paramount Resources Ltd. ("Paramount") of 4700 Bankers Hall West, 888 - 3rd Street S.W., Calgary, Alberta, T2P 5C5, announces that pursuant to a private placement with Spearhead Resources Inc. ("Spearhead"), Spearhead has issued to Paramount a Convertible, Secured Debenture due September 16, 2004 in the principal amount of $990,000 (the "Debenture"), together with 3,300,000 warrants to purchase 3,300,000 common shares at an exercise price of $0.30 for a period of one year (the "Warrants"). The Debenture bears interest on the outstanding principal amount from time to time at the rate of 10% per annum commencing September 16, 2003. The Debenture is convertible, in whole or in part, into common shares of Spearhead ("Common Shares") on the basis of one Common Share for each $0.30 outstanding principal amount of the Debenture for a period of one year from September 16, 2003. If the Debenture was fully converted and the Warrants exercised in full, Paramount would acquire 6,600,000 Common Shares.

Under the terms of an existing secured convertible debenture between Paramount and Spearhead dated December 12, 2001 (the "First Debenture"), which is due December 12, 2003, Paramount has the ability to acquire up to 8,333,333 Common Shares on conversion of outstanding principal, resulting in a combined total number of 14,933,333 Common Shares that could potentially be issued to Paramount. Currently, neither Paramount nor anyone acting jointly or in connection with Paramount beneficially owns, or exercises control or direction over, any Common Shares. Assuming no other Common Shares are issued and no other debentures are converted, Paramount could potentially own up to 48.6% of the issued and outstanding Common Shares.

Paramount's investment in Spearhead is for investment purposes only and Paramount has no intention of increasing the beneficial ownership, control or direction of Spearhead now or in the future, nor does it have any intention of making a take-over bid for Spearhead. Paramount reserves the right to purchase additional Common Shares or other securities of Spearhead or, from time to time, dispose of securities held in Spearhead.

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)

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