Paramount Resources Ltd.

Paramount Resources Ltd. Announces $200 Million Increase in Bank Credit Facility and Affirms Sales Volume Guidance

CALGARY, ALBERTA - Dec. 5, 2014 /CNW/ - Paramount Resources Ltd. (TSX:POU) ("Paramount" or the "Company") is pleased to announce that its bank credit facility has been increased from $700 million to $900 million based on the results of its Deep Basin development programs. As part of the annual renewal, the revolving period of the facility has been extended to November 30, 2015.

Paramount's sales volumes are expected to exceed 50,000 Boe/d depending on the availability of incremental downstream de-ethanization capacity. Sales volumes are expected to surpass 70,000 Boe/d in 2015 following the completion of Paramount's condensate stabilizer expansion in Kaybob and third-party de-ethanization capacity expansions in which the Company has secured firm service capacity.

Commissioning of the amine processing train at the Musreau Deep Cut Facility site is substantially complete, with start-up expected to occur later in the month. The 15,000 Bbl/d expansion of condensate stabilization capacity at the Musreau Deep Cut Facility site remains on-schedule to be completed in the first quarter of 2015 and on-stream in April 2015.

Paramount is an independent, publicly traded, Canadian corporation that explores for and develops conventional petroleum and natural gas prospects, pursues longer-term non-conventional exploration and pre-development projects and holds investments in other entities. The Company's principal properties are primarily located in Alberta and British Columbia. Paramount's Class A Common Shares are listed on the Toronto Stock Exchange under the symbol "POU".

Advisory Regarding Forward-Looking Statements

This news release contains forward-looking statements within the meaning of applicable securities laws. Forward-looking statements include estimates, expectations, opinions, forecasts, projections, guidance or other statements that are not statements of fact. This news release contains forward-looking statements with respect to future sales volumes and the timing thereof, projected timelines for constructing, commissioning and/or starting-up new and expanded natural gas processing and associated facilities and the projected availability of third party processing, transportation, de-ethanization, fractionation and other capacity. Although Paramount believes that the expectations reflected in such forward-looking statements are reasonable, undue reliance should not be placed on them because Paramount cannot give any assurance that such expectations will prove to be correct. Factors that could cause actual results to differ materially from those set forth in the forward-looking statements include general economic, business and market conditions, operational risks and industry conditions, stock market and commodity price volatility, the availability of third party processing, transportation, de-ethanization, fractionation and other capacity and those other risk factors set forth in Paramount's annual information form under "Risk Factors". Paramount undertakes no obligation to update its forward-looking statements except as required by applicable laws.

Oil and Gas Measures

All oil and natural gas equivalency volumes have been derived using the ratio of six thousand cubic feet of natural gas to one barrel of oil. Equivalency measures may be misleading, particularly if used in isolation. A conversion ratio of six thousand cubic feet of natural gas to one barrel of oil is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the well head. During the nine months ended September 30, 2014, the value ratio between oil and natural gas was approximately 19:1. This ratio is significantly different from the energy equivalency ratio of 6:1. Using a 6:1 ratio would be misleading as an indication of value.

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