

Paramount Resources Ltd.

Paramount Resources Ltd. Announces Closing of Its C\$300 Million Notes Offering

CALGARY, ALBERTA - Dec. 4, 2012 /CNW/ -

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Paramount Resources Ltd. (TSX:POU) announces that its C\$300 million offering of 7.625% senior unsecured notes due 2019 (the "Notes") has been completed. Net proceeds from the Notes offering will be used for the non-permanent repayment of indebtedness under Paramount's credit facility, for capital expenditures, including with respect to the previously announced construction and expansion of Paramount's Kaybob deep cut natural gas processing facilities and the drilling of additional wells, and for general corporate purposes.

The underwriting syndicate for the Notes offering was led by RBC Dominion Securities Inc., Scotia Capital Inc. and BMO Nesbitt Burns Inc. and also included AltaCorp Capital Inc., HSBC Securities (Canada) Inc., TD Securities Inc., Peters & Co. Limited and Stifel Nicolaus Canada Inc.

The Notes have not been and will not be registered under any federal or state securities laws of the United States. Accordingly, the Notes may not be offered or sold within the United States, except in transactions exempt from the registration requirements of the federal and applicable state securities laws of the United States. This news release shall not constitute an offer to sell or the solicitation of an offer to buy the Notes in any jurisdiction.

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".

Advisory Regarding Forward-Looking Statements

This news release contains forward-looking statements pertaining to the use of proceeds from the Notes offering. Although Paramount believes that the expectations reflected in such forward looking statements are reasonable, undue reliance should not be placed on them as Paramount cannot give any assurance that such expectations will prove to be correct. The forward-looking statements in this news release are made as of the date hereof and, except as required by applicable securities law, Paramount undertakes no obligation to update publicly or revise such statements, whether as a result of new information, future events or otherwise.

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