# Paramount Resources Announces Second Quarter 2025 Results, Early Alhambra Plant Start-Up and Increased Production Guidance

CALGARY, AB, July 30, 2025 /CNW/ - Paramount Resources Ltd. ("Paramount" or the "Company") (TSX: POU) is pleased to announce its second quarter 2025 financial and operating results, the ahead of schedule start-up of its new Alhambra Plant in Willesden Green and an increase in midpoint sales volumes guidance for 2025.

#### **HIGHLIGHTS**

- Second guarter sales volumes averaged 31,631 Boe/d (46% liquids). (1)
  - Sales volumes from the Central Alberta Region, which includes Willesden Green, averaged 9,223 Boe/d (60% liquids).
  - Kaybob Region sales volumes averaged 21,962 Boe/d (39% liquids).
  - Duvernay production accounted for 56 percent of total sales volumes and Duvernay condensate production accounted for 77 percent of total oil and condensate sales volumes.
- Cash from operating activities was \$40 million (\$0.28 per basic share) in the second quarter. Adjusted funds flow was\$82 million (\$0.57 per basic share). Free cash flow was(\$86) million ((\$0.60) per basic share).
- Second quarter capital expenditures totaled \$158 million. Activities in the quarter included:
  - Willesden Green Duvernay ten (10.0 net) wells drilled, five (5.0 net) wells completed and brought on production and the continuing construction of the first and second phases of the Company's wholly-owned and operated Alhambra Plant; and
  - Kaybob North Duvernay three (3.0 net) wells drilled.
- Construction of the first phase of the Alhambra Plant was substantially completed in July, ahead of schedule, and first
  sales volumes were achieved in late-July. Volumes are expected to ramp-up in stages as construction of third-party
  liquids egress is completed in August and an additional 11 new Duvernay wells are completed and brought onstream
  through the end of the third quarter and into the fourth quarter.
- (1) In this press release, "natural gas" refers to shale gas and conventional natural gas combined, "condensate and oil" refers to condensate, light and medium crude oil, tight oil and heavy crude oil combined, "Other NGLs" refers to ethane, propane and butane and "liquids" refers to condensate and oil and Other NGLs combined. See the "Product Type Information" section for a complete breakdown of sales volumes for applicable periods by the specific product types of shale gas, conventional natural gas, NGLs, light and medium crude oil, tight oil and heavy crude oil. See also "Oil and Gas Measures and Definitions" in the Advisories section.
- (2) Adjusted funds flow and free cash flow are capital management measures used by Paramount. Cash from operating activities per basic share, adjusted funds flow per basic share and free cash flow per basic share are supplementary financial measures. Refer to the "Specified Financial Measures" section for more information on these measures.
  - Paramount continues to have 10,000 Bbl/d of liquids hedged at a WTI price oC\$105.00/Bbl for the remainder of 2025.
  - Approximately 70 percent of Paramount's expected natural gas sales volumes for the remainder of 2025 are priced at diversified markets outside of AECO.
  - Asset retirement obligations settled in the second quarter totaled\$3 million.
  - The carrying value of the Company's investments in securities atJune 30, 2025 was \$575 million, including \$474 million of investments in publicly traded securities. Paramount received cash dividends of \$3 million in the second quarter from one of its private company investments.
  - At June 30, 2025, Paramount had net cash of\$501 million and its \$500 million revolving credit facility remained undrawn.

Paramount is revising its 2025 sales volumes guidance as a result of the early start-up of the Alhambra Plant at Willesden Green. Annual sales volumes are now expected to range between 38,500 Boe/d and 42,500 Boe/d (47% liquids). The Company continues to anticipate a year-end 2025 exit rate in excess of 45,000 Boe/d (52% liquids). Capital expenditure guidance for 2025 remains unchanged at between \$780 million and \$840 million.

2025	Prior Guidance	Revised Guidance
	28,000 to 32,000 (46%	30,000 to 32,000 (45%
Third quarter average sales volumes (Boe/d)	liquids)	liquids)
Fourth quarter average sales volumes	40,000 to 45,000 (52%	42,000 to 45,000 (52%
(Boe/d)	liquids)	liquids)
	37,500 to 42,500 (48%	38,500 to 42,500 (47%
Annual average sales volumes (Boe/d)	liquids)	liquids)
Capital expenditures	\$780 to \$840 million	No change

Paramount expects to incur abandonment and reclamation expenditures of approximately\$18 million over the second half of 2025.

# **AUGUST DIVIDEND**

Paramount's Board of Directors has declared a cash dividend of \$0.05 per class A common share that will be payable on August 29, 2025 to shareholders of record on August 15, 2025. The dividend will be designated as an "eligible dividend" for Canadian income tax purposes.

(1) Net (cash) debt is a capital management measure used by Paramount. This capital management measure has been expressed as net cash in this instance for simplicity. Refer to the "Specified Financial Measures" section for more information on this measure.

### **REVIEW OF OPERATIONS**

### **CENTRAL ALBERTA REGION**

Second quarter 2025 sales volumes in the Central Alberta Region averaged 9,223 Boe/d (60% liquids) compared to 7,929 Boe/d (56% liquids) in the first quarter. Duvernay production accounted for 93 percent of second quarter sales volumes in the region.

Development activities at Willesden Green in the second quarter included the continuing construction of the new Alhambra Plant and the drilling of ten (10.0 net) Duvernay wells, including one well that was drilled to 9,060 meters, setting a new record for the longest Canadian onshore well.

The Company has now drilled all 16 (16.0 net) wells that will flow to the Alhambra Plant in 2025. The first five (5.0 net) of these wells were completed and flowed back over an extended period through temporary facilities beginning in the latter part of the second quarter. These wells are now tied-in to the Alhambra Plant. Completion and equipping operations are in progress for the remaining 11 (11.0 net) wells.

Construction of the first phase of the Company's wholly-owned and operated Alhambra Plant was substantially completed in July, ahead of schedule. This first phase provides the Company incremental raw handling capacity of 10,000 Bbl/d of liquids and 50 MMcf/d of natural gas.

First sales volumes from the new plant were achieved in late-July. Volumes are expected to ramp-up in stages as operational stability of the Alhambra Plant is achieved, the construction of third-party liquids egress is completed in August and the remaining 11 (11.0 net) new Duvernay wells are brought onstream through the end of the third quarter and into the fourth quarter. The Company expects average sales volumes through the Alhambra Plant to increase significantly in the fourth quarter.

Prior to the end of the year, Paramount plans to drill and bring onstream three (3.0 net)Duvernay wells that will flow to its Leafland Plant and drill a further 11 (11.0 net) Duvernay wells that will be tied into the Alhambra Plant in 2026.

The Company continues to advance the second phase expansion of the Alhambra Plant, which will double raw handling capacity to 20,000 Bbl/d of liquids and 100 MMcf/d of natural gas. Start-up of the second phase continues to be expected in the fourth quarter of 2026.

# **KAYBOB REGION**

Kaybob Region sales volumes averaged 21,962 Boe/d (39% liquids) in the second quarter of 2025 compared to 21,371 Boe/d (36% liquids) in the first quarter. Duvernay production accounted for 42 percent of second quarter sales volumes in the Kaybob

Region.

Development activities in the second quarter included the drilling of the final three wells of a five (5.0 net) welDuvernay pad at Kaybob North. Completion activities that were initiated in the second quarter are ongoing and the Company plans to equip, tie-in and bring the five new wells onstream in the third quarter.

Over the remainder of 2025, Paramount also plans to commence the drilling of a three (3.0 net) welDuvernay pad at Kaybob North.

# SINCLAIR UPDATE

Following successful short-term flow tests of the Company's first two (2.0 net)Montney appraisal wells in the first quarter of 2025, Paramount anticipates flowing these wells into regional infrastructure for a portion of the third and fourth quarters of 2025. The additional data obtained is expected to further inform the Company's detailed engineering and design work for a potential new dry gas processing plant capable of handling up to 400 MMcf/d of raw gas production (the "Sinclair Plant") and related infrastructure. Incremental sales volumes from the test are not expected to be significant.

Paramount advanced its ongoing work related to the Sinclair Plant in the second quarter. As previously disclosed, the Company has secured downstream transportation capacity that would enable the first phase of Sinclair production to commence as early as the fourth quarter of 2027.

Over the remainder of 2025, Paramount plans to drill an additional two (2.0 net)Montney appraisal wells, which the Company plans to complete and flow test in 2026.

# **HEDGING**

The Company's current financial commodity contracts are summarized below:

	Q3 2025	Q4 2025	Average Price (1)
Oil NYMEX WTI Swaps (Sale) (Bbl/d)	10,000	10,000	C\$105.00/Bbl
Natural gas Citygate / Malin Basis Swap (MMBtu/d) (2)	10,000	10,000	Citygate less US\$0.97/MMBtu (Sell) Malin (Buy)

- (1) Average price is calculated using a weighted average of notional volumes and prices.
- (2) "Citygate" refers to Pacific Gas & Electric Citygate and "Malin" refers to Pacific Gas & Electric Malin. Pursuant to the swap transaction, Paramount sells at Citygate less US\$0.97/MMBtu and buys at Malin. The transaction is financially settled with no physical delivery. The remaining term of this contract is July 2025 to October 2028.

### **ABOUT PARAMOUNT**

Paramount is an independent, publicly traded, liquids-rich natural gas focused Canadian energy company that explores for and develops both conventional and unconventional petroleum and natural gas, including longer-term strategic exploration and predevelopment plays, and holds a portfolio of investments in other entities. The Company's principal properties are located in Alberta and British Columbia. Paramount's Common Shares are listed on the Toronto Stock Exchange under the symbol "POU".

Paramount's second quarter 2025 results, including Management's Discussion and Analysis and the Company's Interim Consolidated Financial Statements, can be obtained on SEDAR+ at <a href="https://www.sedarplus.ca">www.sedarplus.ca</a> or on Paramount's website at <a href="https://www.paramountres.com/investors/financial-shareholder-reports">www.paramountres.com/investors/financial-shareholder-reports</a>.

A summary of historical financial and operating results is also available on Paramount's website at www.paramountres.com/investors/financial-shareholder-reports.

# FINANCIAL AND OPERATING RESULTS (1)

(\$ millions, except as noted)	Q2 2025	Q1 2025	Q2 2024
Net income	4.2	1,288.8	84.5
per share – basic (\$/share)	0.03	8.90	0.58
per share – diluted (\$/share)	0.03	8.74	0.57
Cash from operating activities	39.8	149.9	220.5
per share – basic (\$/share)	0.28	1.03	1.51
per share – diluted (\$/share)	0.27	1.02	1.47

Adjusted funds flow		81.5		149.1		266.2
per share – basic (\$/share)		0.57		1.03		1.82
		0.56		1.01		1.78
per share – diluted (\$/share)		(85.5)		(90.6)		20.3
Free cash flow				, ,		20.3 0.14
per share – basic (\$/share)		(0.60)		(0.63)		-
per share – diluted (\$/share)		(0.60)		(0.63)		0.14
Total assets		3,517.9 575.3		3,616.4		4,589.2 570.5
Investments in securities		3/3.3		522.8		579.5
Long-term debt		(500.9)		(637.9)		29.3
Net (cash) debt		143.3		143.2		146.7
Colon values (3)		140.0		140.2		140.7
Sales volumes (3)		103.3		179.6		296.8
Natural gas (MMcf/d)		11,636		20,542		39,206
Condensate and oil (Bbl/d) Other NGLs (Bbl/d)		2,786		3,934		6,928
Total (Boe/d)		31,631		54,409		95,609
		46 %		45 %		48 %
% liquids  Central Alberta Region and Other (Boe/d)		9,669		8,334		8,226
Kaybob Region (Boe/d)		21,962		21,371		23,946
Sold Assets (Boe/d) <sup>(4)</sup>				24,704		63,437
Total (Boe/d)		31,631		54,409		95,609
Netback		(\$/Boe) (5)		(\$/Boe) (5)		(\$/Boe) (5)
	28.9	3.07	52.6	3.25	45.6	1.69
Natural gas revenue	87.7	82.84	180.6	97.70	367.7	103.07
Condensate and oil revenue	6.9	27.02	14.3	40.47	20.8	33.07
Other NGLs revenue		-		-	20.0	33.07
Natural gas transportation assignment income (6)	2.7	0.29	7.4	0.46	-	_
Royalty income and other revenue (6)	1.0		11.7		9.5	
Petroleum and natural gas sales	127.2	44.20	266.6	54.43	443.6	50.99
Royalties	(5.7)	(2.00)	(26.7)	(5.44)	(66.1)	(7.60)
Operating expense	(35.7)	(12.39)	(67.8)	(13.85)	(115.7)	(13.29)
Transportation and NGLs processing	(13.2)	(4.57)	(20.4)	(4.17)	(31.3)	(3.60)
Sales of commodities purchased (7)	43.7	15.18	109.7	22.40	84.4	9.70
Commodities purchased (7)	(43.4)	(15.07)	(107.2)	(21.88)	(82.4)	(9.47)
Netback	72.9	25.35	154.2	31.49	232.5	26.73
Risk management contract settlements	14.9	5.16	1.6	0.32	36.4	4.18
Netback including risk management contract settlements	87.8	30.51	155.8	31.81	268.9	30.91
Capital expenditures						
Central Alberta Region and Other		114.8		138.3		46.0
Kaybob Region		40.2		51.0		40.9
Fox Drilling		1.6		3.1		0.7
Corporate <sup>(8)</sup>		5.4		2.9		(1.5)
Sold Assets (4)		(4.4)		20.4		154.7
Total		157.6		215.7		240.8
Asset retirement obligations settled		3.0		22.2		2.3

- (1) Adjusted funds flow, free cash flow and net (cash) debt are capital management measures used by Paramount. Netback and netback including risk management contract settlements are non-GAAP financial measures. Netback and Netback including risk management contract settlements presented on a \$/Boe or \$/Mcf basis are non-GAAP ratios. Each measure, other than net income, that is presented on a per share, \$/Mcf or \$/Boe basis is a supplementary financial measure. Refer to "Specified Financial Measures".
- (2) Common shares are presented net of shares held in trust under the Company's restricted share unit plan (millions): Q2 2025: 0.3, Q1 2025: 0.3, Q2 2024: 0.2.
- (3) Refer to the Product Type Information section of this document for a complete breakdown of sales volumes for applicable periods by specific product type.
- (4) "Sold Assets" refers to the Karr, Wapiti and Zama properties that were sold on January 31, 2025.
- (5) Natural gas revenue and natural gas transportation assignment income presented as \$/Mcf.

- (6) Natural gas transportation assignment income for the three months ended June 30, 2025 and March 31, 2025 relates to proceeds realized by the Company on the assignment of a portion of its ex-Alberta natural gas transportation capacity to third parties. Royalty income and other revenue for the three months ended March 31, 2025 includes \$11.1 million related to a second interim payment from insurers for 2023 Alberta wildfire losses (three months ended June 30, 2024 includes \$10.0 million related to the first interim payment from insurers for wildfire losses). The Company has realized \$21.1 million in aggregate interim payments in respect of its 2023 Alberta wildfire losses to date and continues to advance its insurance claims process. These amounts were not allocated to individual regions or properties.
- (7) Sales of commodities purchased and commodities purchased are treated as corporate items and not allocated to individual regions or properties.
- (8) Includes transfers of amounts held in Corporate to and from regions.

#### PRODUCT TYPE INFORMATION

This press release includes references to sales volumes of "natural gas", "condensate and oil", "NGLs", "Other NGLs" and "liquids". "Natural gas" refers to shale gas and conventional natural gas combined. "Condensate and oil" refers to condensate, light and medium crude oil, tight oil and heavy crude oil combined. "NGLs" refers to condensate and Other NGLs combined. "Other NGLs" refers to ethane, propane and butane. "Liquids" refers to condensate and oil and Other NGLs combined. Below is a complete breakdown of sales volumes for applicable periods by the specific product types of shale gas, conventional natural gas, NGLs, light and medium crude oil, tight oil and heavy crude oil. Numbers may not add due to rounding.

	Total Company by Product Type		Central Alberta Region and Other			Kaybob Region			
	Q2 2025	Q1 2025	Q2 2024	Q2 2025	Q1 2025	Q2 2024	Q2 2025	Q1 2025	Q2 2024
Shale gas (MMcf/d)	58.9	134.2	243.1	19.4	17.6	20.3	39.5	39.7	35.8
Conventional natural gas (MMcf/d)	44.4	45.4	53.7	3.2	3.6	4.8	41.2	41.8	48.8
Natural gas (MMcf/d)	103.3	179.6	296.8	22.6	21.2	25.1	80.7	81.5	84.6
Condensate (Bbl/d)	9,688	18,817	36,825	3,760	2,992	2,273	5,928	5,500	6,617
Other NGLs (Bbl/d)	2,786	3,934	6,928	1,523	1,186	1,156	1,263	1,292	1,599
NGLs (Bbl/d)	12,474	22,751	43,753	5,283	4,178	3,429	7,191	6,792	8,216
Light and medium crude oil (Bbl/d)	1,263	971	1,566	22	28	22	1,241	943	1,544
Tight oil (Bbl/d)	285	396	466	211	234	239	74	57	80
Heavy crude oil (Bbl/d)	400	358	349	400	358	349	_	_	_
Crude oil (Bbl/d)	1,948	1,725	2,381	633	620	610	1,315	1,000	1,624
Total (Boe/d)	31,631	54,409	95,609	9,669	8,334	8,226	21,962	21,371	23,946
		Ald Accot							

	Sold Assets			
	Q2 2025	Q1 2025	Q2 2024	
Shale gas (MMcf/d)	_	76.9	187.0	
Conventional natural gas (MMcf/d)	_	_	0.1	
Natural gas (MMcf/d)	_	76.9	187.1	
Condensate (Bbl/d)	_	10,325	27,935	
Other NGLs (Bbl/d)	_	1,456	4,173	
NGLs (Bbl/d)	_	11,781	32,108	
Tight oil (Bbl/d)	_	105	147	
Crude oil (Bbl/d)	_	105	147	
Total (Boe/d)	_	24,704	63,437	

2025 average sales volumes are expected to be between 38,500 Boe/d and 42,500 Boe/d (53% shale gas and conventional natural gas combined, 39% condensate, light and medium crude oil, tight oil and heavy crude oil combined and 8% other NGLs).

Third quarter sales volumes are expected to average between 30,000 Boe/d and 32,000 Boe/d (55% shale gas and conventional natural gas combined, 37% condensate, light and medium crude oil, tight oil and heavy crude oil combined and 8% Other NGLs).

Fourth quarter 2025 average sales volumes are expected to be between 42,000 Boe/d and 45,000 Boe/d (48% shale gas and conventional natural gas combined, 43% condensate, light and medium crude oil, tight oil and heavy crude oil combined and 9% Other NGLs).

2025 year-end sales volumes exit rate is expected to be in excess of 45,000 Boe/d (48% shale gas and conventional natural gas combined, 43% condensate, light and medium crude oil, tight oil and heavy crude oil combined and 9% Other NGLs).

# **SPECIFIED FINANCIAL MEASURES**

#### **Non-GAAP Financial Measures**

Netback and netback including risk management contract settlements are non-GAAP financial measures. These measures are not standardized measures under IFRS and might not be comparable to similar financial measures presented by other issuers. These measures should not be considered in isolation or construed as alternatives to their most directly comparable measure disclosed in the Company's primary financial statements or other measures of financial performance calculated in accordance with IFRS.

Netback equals petroleum and natural gas sales (the most directly comparable measure disclosed in the Company's primary financial statements) plus sales of commodities purchased less royalties, operating expense, transportation and NGLs processing expense and commodities purchased. Sales of commodities purchased and commodities purchased are treated as corporate items and are not allocated to individual regions or properties. Netback is used by investors and management to compare the performance of the Company's producing assets between periods.

Netback including risk management contract settlements equals netback after including (or deducting) risk management contract settlements received (paid). Netback including risk management contract settlements is used by investors and management to assess the performance of the producing assets after incorporating management's risk management strategies.

Refer to the table under the heading "Financial and Operating Results" in this press release for the calculation of netback and netback including risk management contract settlements for the three months ended June 30, 2025, March 31, 2025 and June 30, 2024.

#### **Non-GAAP Ratios**

Netback and netback including risk management contract settlements presented on a \$/Boe basis are non-GAAP ratios as they each have a non-GAAP financial measure as a component. These measures are not standardized measures under IFRS and might not be comparable to similar financial measures presented by other issuers. These measures should not be considered in isolation or construed as alternatives to their most directly comparable measure disclosed in the Company's primary financial statements or other measures of financial performance calculated in accordance with IFRS.

Netback on a \$/Boe basis is calculated by dividing netback (a non-GAAP financial measure) for the applicable period by the total sales volumes during the period in Boe. Netback including risk management contract settlements on a \$/Boe basis is calculated by dividing netback including risk management contract settlements (a non-GAAP financial measure) for the applicable period by the total sales volumes during the period in Boe. These measures are used by investors and management to assess netback and netback including risk management contract settlements on a unit of sales volumes basis.

# **Capital Management Measures**

Adjusted funds flow, free cash flow and net (cash) debt are capital management measures that Paramount utilizes in managing its capital structure. These measures are not standardized measures and therefore may not be comparable with the calculation of similar measures by other entities. Refer to Note 15 in the Interim Consolidated Financial Statements of Paramount as at and for the three and six months ended June 30, 2025 for: (i) a description of the composition and use of these measures, (ii) reconciliations of adjusted funds flow and free cash flow to cash from operating activities, the most directly comparable measure disclosed in the Company's primary financial statements, for the three and six months ended June 30, 2025 and 2024 and (iii) a calculation of net (cash) debt as at June 30, 2025 and December 31, 2024.

# **Supplementary Financial Measures**

This press release contains supplementary financial measures expressed as: (i) cash from operating activities, adjusted funds flow and free cash flow on a per share – basic and per share – diluted basis and (ii) petroleum and natural gas sales, revenue, royalties, operating expenses, transportation and NGLs processing expenses, sales of commodities purchased and commodities purchased on a \$/Boe or \$/Mcf basis.

Cash from operating activities, adjusted funds flow and free cash flow on a per share – basic basis are calculated by dividing cash from operating activities, adjusted funds flow or free cash flow, as applicable, over the referenced period by the weighted average basic shares outstanding during the period determined under IFRS. Cash from operating activities, adjusted funds flow and free cash flow on a per share – diluted basis are calculated by dividing cash from operating activities, adjusted funds flow or free cash flow, as applicable, over the referenced period by the weighted average diluted shares outstanding during the period determined under IFRS.

Petroleum and natural gas sales, revenue, royalties, operating expenses, transportation and NGLs processing expenses, sales of commodities purchased and commodities purchased on a \$/Boe or \$/Mcf basis are calculated by dividing petroleum and natural gas sales, revenue, royalties, operating expenses, transportation and NGLs processing expenses, sales of commodities purchased and commodities purchased, as applicable, over the referenced period by the aggregate units (Boe or Mcf) of sales

volumes during such period.

#### **ADVISORIES**

# Forward-looking Information

Certain statements in this press release constitute forward-looking information under applicable securities legislation. Forward-looking information typically contains statements with words such as "anticipate", "believe", "estimate", "will", "expect", "plan", "schedule", "intend", "propose", or similar words suggesting future outcomes or an outlook. Forward-looking information in this press release includes, but is not limited to:

- expected average sales volumes for 2025 and certain periods therein;
- the expected 2025 exit rate of production;
- planned capital expenditures in 2025;
- planned abandonment and reclamation expenditures for the second half of 2025; and
- planned and potential exploration, development and production activities, including: (i) the expectation that sales volumes through the Alhambra Plant will increase significantly in the fourth quarter, and (ii) the expected timing of completion of phase two of the Alhambra Plant and the expected capacity thereof on completion.

Such forward-looking information is based on a number of assumptions which may prove to be incorrect. Assumptions have been made with respect to the following matters, in addition to any other assumptions identified in this press release:

- future commodity prices;
- the potential scope and duration of tariffs, export taxes, export restrictions or other trade actions;
- the impact of international conflicts, including inUkraine and the Middle East;
- royalty rates, taxes and capital, operating, general & administrative and other costs;
- foreign currency exchange rates, interest rates and the rate and impacts of inflation;
- general business, economic and market conditions;
- the performance of wells and facilities;
- the availability to Paramount of the funds required for exploration, development and other operations and the meeting of commitments and financial obligations:
- the ability of Paramount to obtain equipment, materials, services and personnel in a timely manner and at expected and acceptable costs to carry out its activities;
- the ability of Paramount to secure adequate processing, transportation, fractionation, disposal and storage capacity on acceptable terms and the capacity and reliability of facilities, pipelines and other infrastructure;
- the ability of Paramount to obtain the volumes of water required for completion activities:
- the ability of Paramount to market its production successfully;
- the ability of Paramount and its industry partners to obtain drilling success (including in respect of anticipated sales volumes, reserves additions, product yields and product recoveries) and operational improvements, efficiencies and results consistent with expectations:
- the timely receipt of required governmental and regulatory approvals;
- the application of regulatory requirements respecting abandonment and reclamation; and
- anticipated timelines and budgets being met in respect of: (i) drilling programs and other operations, including well
  completions and tie-ins, (ii) the design, construction, commissioning and start-up of new and expanded third-party and
  Company facilities, pipelines and other infrastructure, including the Alhambra Plant, and (iii) facility turnarounds and
  maintenance.

Although Paramount believes that the expectations reflected in such forward-looking information are reasonable based on the information available at the time of this press release, undue reliance should not be placed on the forward-looking information as Paramount can give no assurance that such expectations will prove to be correct. Forward-looking information is based on expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by Paramount and described in the forward-looking information. The material risks and uncertainties include, but are not limited to:

- fluctuations in commodity prices:
- changes in capital spending plans and planned exploration and development activities;
- changes in political and economic conditions, including risks associated with tariffs, export taxes, export restrictions or other trade actions;
- changes in foreign currency exchange rates, interest rates and the rate of inflation;
- the uncertainty of estimates and projections relating to future production, product yields (including condensate to natural gas ratios), revenue, cash flows, reserves additions, product recoveries, royalty rates, taxes and costs and expenses;
- the ability to secure adequate processing, transportation, fractionation, disposal and storage capacity on acceptable terms;
- operational risks in exploring for, developing, producing and transporting natural gas and liquids, including the risk of spills, leaks or blowouts;
- risks associated with wildfires, including the risk of physical loss or damage to wells, facilities, pipelines and other

infrastructure, prolonged disruptions in production, restrictions on the ability to access properties, interruption of electrical and other services and significant delays or changes to planned development activities and facilities maintenance;

- the ability to obtain equipment, materials, services and personnel in a timely manner and at expected and acceptable costs, including the potential effects of inflation and supply chain disruptions;
- potential disruptions, delays or unexpected technical or other difficulties in designing, developing, expanding, commissioning, starting-up or operating new, expanded or existing facilities, including third-party facilities and the Alhambra Plant:
- processing, transportation, fractionation, disposal and storage outages, disruptions and constraints;
- potential limitations on access to the volumes of water required for completion activities due to drought, conditions of low river flow, government restrictions or other factors;
- risks and uncertainties involving the geology of oil and gas deposits;
- the uncertainty of reserves estimates;
- general business, economic and market conditions;
- the ability to generate sufficient cash from operating activities to fund, or to otherwise finance, planned exploration, development and operational activities and meet current and future commitments and obligations (including asset retirement obligations, processing, transportation, fractionation and similar commitments and obligations):
- changes in, or in the interpretation of, laws, regulations or policies (including environmental laws);
- the ability to obtain required governmental or regulatory approvals in a timely manner, and to obtain and maintain leases and licenses;
- the effects of weather and other factors including wildlife and environmental restrictions which affect field operations and access;
- uncertainties as to the timing and cost of future abandonment and reclamation obligations and potential liabilities for environmental damage and contamination;
- uncertainties regarding Indigenous claims and in maintaining relationships with local populations and other stakeholders;
- the outcome of existing and potential lawsuits, regulatory actions, audits and assessments; and
- other risks and uncertainties described elsewhere in this document and in Paramount's other filings with Canadian securities authorities.

In addition to the above, there are no assurances as to the continuing declaration and payment of future monthly dividends by the Company or the amount or timing of any such dividends. There are risks that may result in the Company changing, suspending or discontinuing its monthly dividend program, including changes to free cash flow, operating results, capital requirements, financial position, market conditions or corporate strategy and the need to comply with requirements under debt agreements and applicable laws respecting the declaration and payment of dividends.

The foregoing list of risks is not exhaustive. For more information relating to risks, see the section titled *Risk Factors*" in Paramount's annual information form for the year ended December 31, 2024, which is available on SEDAR+ at <a href="https://www.sedarplus.ca">www.sedarplus.ca</a> or on the Company's website at <a href="https://www.paramountres.com">www.paramountres.com</a>. The forward-looking information contained in this press release is made as of the date hereof and, except as required by applicable securities law, Paramount undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise.

### Oil and Gas Measures and Definitions

Liquids		Natural Gas		
Bbl	Barrels	GJ	Gigajoules	
Bbl/d	Barrels per day	GJ/d	Gigajoules per day	
MBbl	Thousands of barrels	MMBtu	Millions of British Thermal Units	
NGLs	Natural gas liquids	MMBtu/d	Millions of British Thermal Units per day	
Condensa	ate Pentane and heavier hydrocarbons	Mcf	Thousands of cubic feet	
WTI	West Texas Intermediate	MMcf	Millions of cubic feet	
		MMcf/d	Millions of cubic feet per day	
Oil Equiv	ralent	NYMEX	New York Mercantile Exchange	
Boe	Barrels of oil equivalent	AECO	AECO-C reference price	
MBoe	Thousands of barrels of oil equivalent			
MMBoe	Millions of barrels of oil equivalent			
Boe/d	Barrels of oil equivalent per day			

This press release contains disclosures expressed as "Boe", "\$/Boe" and "Boe/d". Natural gas equivalency volumes have been derived using the ratio of six thousand cubic feet of natural gas to one barrel of oil when converting natural gas to Boe. 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. For the six months ended June 30, 2025, the value ratio between crude oil and natural gas was approximately 47:1. This value 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.

Additional information respecting the Company's oil and gas properties and operations is provided in the Company's annual

information form for the year ended December 31, 2024 which is available on SEDAR+ at <a href="www.sedarplus.ca">www.sedarplus.ca</a> or on Paramount's website at <a href="www.paramountres.com">www.paramountres.com</a>.

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 $\underline{https://stage.mediaroom.com/paramount/2025-07-30-Paramount-Resources-Announces-Second-Quarter-2025-Results,-Early-Alhambra-Plant-Start-Up-and-Increased-Production-Guidance}$