Paramount Resources Ltd.

Paramount Resources Ltd. Announces Proposed Issuance of Up to US\$400 Million of Senior Unsecured Notes and Conditional Redemption of All of Its Senior Unsecured Notes Due 2017

CALGARY, ALBERTA - May 15, 2015 /CNW/ - Paramount Resources Ltd. ("Paramount" or the "Company") (TSX:POU) announced today that it intends to conduct, subject to market and other conditions, a proposed offering of up to US\$400 million aggregate principal amount of 8 year senior unsecured notes (the "New Notes"). The Company intends to use the net proceeds from the New Notes offering to redeem all of its outstanding 8.25% senior unsecured notes due 2017 in the aggregate principal amount of C\$370 million (the "2017 Notes"), for capital expenditures and for general corporate purposes including the temporary repayment of indebtedness under the Company's secured revolving credit facility.

In accordance with the terms of the indenture governing the 2017 Notes, Paramount will deliver today a notice in respect of the redemption of the 2017 Notes, with such redemption being conditional upon the completion of the New Notes offering for gross proceeds of not less than US\$350 million (the "Financing Condition"). The notice of redemption will provide that, subject to the satisfaction of the Financing Condition, the redemption date is June 15, 2015, and the redemption price is 102.750% of the principal amount of the 2017 Notes redeemed, plus accrued and unpaid interest to such redemption date.

This press release does not constitute an offer to sell or the solicitation of an offer to buy any security in any jurisdiction and shall not constitute an offer, solicitation or sale of any securities in any jurisdiction in which such offering, solicitation or sale would be unlawful. The New Notes and related guarantees have not been and will not be registered under the United States Securities Act of 1933, as amended, any state securities laws or the laws of any other jurisdiction, and may not be offered or sold in the United States absent registration or an applicable exemption from such registration requirements. The New Notes have not been and will not be qualified for distribution to the public under applicable Canadian securities laws and, accordingly, any offer and sale of the New Notes in Canada will be made only to "accredited investors" pursuant to applicable prospectus exemptions under such securities laws.

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".

Cautionary Statement Regarding Forward-Looking Statements

This news release contains forward-looking statements pertaining to the New Notes offering, the use of proceeds from such offering and the redemption of the 2017 Notes. 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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