

Paramount Resources Ltd.

Paramount Resources Ltd. Completes Exchange Offer

CALGARY, ALBERTA - Feb. 7, 2005 /CNW/- Paramount Resources Ltd. (TSX:POU) ("Paramount") announces that it has successfully completed its exchange offer and consent solicitation for its 7 7/8% Senior Notes due 2010 (the "2010 Notes") and 8 7/8% Senior Notes due 2014 (the "2014 Notes").

US\$132,343,000 aggregate principal amount of 2010 Notes and US\$81,250,000 aggregate principal amount of 2014 Notes were validly tendered in the exchange offer. These amounts represent approximately 99.31% of the outstanding 2010 Notes and 100% of the outstanding 2014 Notes. Paramount issued US\$213,593,000 aggregate principal amount of 8 1/2% Senior Notes due 2013 today and paid an aggregate of approximately US\$36,161,201 in cash, plus accrued and unpaid interest, to tendering holders of 2010 Notes and 2014 Notes as consideration for the 2010 Notes and 2014 Notes.

UBS Securities LLC acted as Dealer Manager and Solicitation Agent for the exchange offer and consent solicitation. Global Bondholder Services Corporation acted as Information Agent.

Paramount's proposed trust spinout transaction was conditional on completion of the exchange offer. The special meeting of securityholders required for approval of the spinout transaction is expected to be held in mid to late March.

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".

Advisory Regarding Forward Looking Statements

Certain statements in this press release are "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995. Specifically, this press release contains forward-looking statements relating to the intention of Paramount to hold, and the timing of, the special meeting of securityholders related to the proposed trust spinout. The reader is cautioned that assumptions used in the preparation of such information, although considered reasonable by Paramount at the time of preparation, may prove to be incorrect. Actual events may vary from those provided herein as a result of numerous known and unknown risks and uncertainties and other factors. Such factors include, but are not limited to general economic conditions, market conditions, the volatility of oil and gas prices, and other factors, many of which are beyond the control of Paramount. There is no representation by Paramount that actual events will be the same in whole or in part as those forecast.

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