

Paramount Resources Ltd.

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CALGARY, ALBERTA--Paramount Resources Ltd. ("Paramount") is pleased to announce the results from the past winters exploration activity in the Colville Lake Area of the NWT. The Colville Lake Area is situated at the Arctic Circle about 250 km northeast of Norman Wells. The Colville area was recognized by Paramount as having significant potential for large-scale sweet gas and condensate reserves. The main target in the area is structurally and stratigraphically trapped gas within Cambrian aged Mt. Clarke sandstones. Apache Canada Ltd. ("Apache") is Paramount's 50-percent partner in the area.

Paramount, over the last three years, has acquired a significant land base in the area of some 650,000 acres (approximately 28 Alberta townships). This has been done through the negotiation in 2001 of a 10-year concession agreement with the Behdji Ahda First Nation within the Sahtu Land Claims Settlement Region and through the acquisition of 2 Federal Exploration Licenses (EL 399 and 414). Under the terms of the concession agreement 11 separate blocks were leased from the local first nations people where they hold the subsurface mineral rights. Available public technical information indicates that potential prospects lie under each of the 11 optioned blocks.

In late 2002, Paramount acquired a 50-percent partner in all of its lands in the area in order to accelerate exploration and development. Apache Canada as part of the partnership agreement participated in the drilling last winter of two 1,450-meter wells on Paramount's Nogha prospect covering approximately 39,488 acres. The Nogha prospect is the first of 11 concession parcels to be tested. The first well, Paramount Apache Nogha C-49, was spud Jan 25, 2003 and was drilled without any problems to its final TD on February 25, 2003 at 1408 m. The C-49 well encountered multiple zones of gas bearing sandstone reservoir within the basal Cambrian section and was cased and completed as a successful Mt. Clarke gas well.

The second well in the program, Paramount Apache Nogha M-17, was drilled down structure from the C-49 well. The M-17 well was spud February 25, 2003 and was again drilled without any problems to its final TD on March 23, 2003 at 1510 m. The M-17 well was cased and completed as a second successful Mt. Clarke gas well. Due to the encroachment of spring breakup the well was not stimulated but was perfed and flow tested. Analysis of the petrophysics, seismic, and the flow and build up data from the 2 Nogha wells is seen as extremely encouraging by the partners. Further specific information relating to deliverability, pressure, and reserves will not be released at this time due to the competitive nature of exploration.

In addition to the native concession blocks, Paramount and Apache

hold two exploration licenses acquired by competitive work commitment bid from the Federal government (EL399 and EL414). The partners evaluated EL399 last winter through the purchase and reprocessing of 2D trade seismic data and by carrying out a new 156 km 2D seismic survey. This seismic has been evaluated and is being utilized to identify potential drilling locations on EL 399. On EL414 trade seismic data was purchased and reprocessed. This data is currently being mapped to assist in the planning of a 2D heli-portable seismic survey that will be carried out later this year.

Plans by the partners for the next season include re-entering the recent Nogha wells to evaluate additional untested zones and the drilling of additional wells to test other prospects in the area and to further delineate the Nogha discovery.

For further information: Paramount Resources Ltd., C. H. Riddell, Chairman and Chief Executive Officer, (403) 290-3600, (403) 262-7994 (FAX), Paramount Resources Ltd., J. H. T. Riddell, President and Chief Operating Officer, (403) 290-3600, (403) 262-7994 (FAX)

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