

Paramount Resources Ltd.

Paramount Resources Ltd. And Paramount Energy Trust Advise Of PRL Common Shares Trading Ex-Dividend And PET Trust Units Trading On A When Issued Basis

FOR: PARAMOUNT RESOURCES LTD.

TSX SYMBOL: POU

AND PARAMOUNT ENERGY TRUST

TSX SYMBOL: PMT.UN

FEBRUARY 7, 2003 - 09:00 EST

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CALGARY, ALBERTA--Paramount Resources Ltd. ("PRL") (TSX : POU) and Paramount Energy Trust ("PET") advise that PRL's common shares will commence trading ex - dividend at the open of markets on the Toronto Stock Exchange (the "TSX") on February 7, 2003. In addition, the Trust Units of PET to be paid by PRL pursuant to the dividend previously declared by its board of directors will commence trading on a when issued basis on the TSX under trading symbol "PMT.UN" at the open of markets on the TSX on February 7, 2003.

As referred to in earlier press releases of PRL and PET dated February 3, 2003 and February 4, 2003, the board of directors of PRL declared a dividend-in-kind (the "Dividend") of an aggregate of 9,909,767 Trust Units of PET (the "Dividend Trust Units"). The Dividend will be paid to holders of PRL common shares of record as of the close of business on February 11, 2003 (the "Dividend Record Time"). Depending on the number of options to acquire PRL common shares exercised prior to the Dividend Record Time, the Dividend will be paid, at a minimum, on the basis of one Dividend Trust Unit for every 6.079 PRL common shares held at the Dividend Record Time and, at a maximum, on the basis of one Dividend Trust Unit for every 6 PRL common shares held at the Dividend Record Time. The exact ratio for the Dividend will be announced by press release shortly after the Dividend Record Time.

The Dividend was declared after PET received all regulatory clearances with respect to its final prospectus in Canada and its registration statement in the United States. The final prospectus and registration statement qualify and register (i) the Dividend Trust Units, (ii) Rights to purchase further Trust Units, such Rights to be issued by PET to unitholders after the payment of the Dividend, and (iii) the Trust Units issuable upon the exercise of the Rights.

BMO Nesbitt Burns Inc., CIBC World Markets Inc. and FirstEnergy Capital Corp. are acting as financial advisors to PRL with respect to the foregoing transactions, and have agreed to act as dealer managers in Canada under the rights offering.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any State in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such State. The securities to be offered under the registration statement are in connection with a

distribution by both PET (the issuer of the securities) and PRL (a security holder of a portion of the securities). A written prospectus relating to this distribution may be obtained from:

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In Canada:

BMO Nesbitt Burns Inc.
Shane Fildes
1400, 421 - 7 Avenue SW
Calgary, Alberta T2P 4K9
(403) 515-1500

In the United States:

BMO Nesbitt Burns Corp.
Bill Schneider
700 Louisiana Street, Suite 4425
Houston, Texas 77002
(713) 223-4400

CIBC World Markets Inc.
Brian Heald
9th Floor, Bankers Hall East
855 - 2 Street SW
Calgary, Alberta T2P 4J7
(403) 260-0500

CIBC World Markets Corp.
David Ash
1600 Smith Street, Suite 3100
Houston, Texas 77002
(713) 650-2000

FirstEnergy Capital Corp.
John Chambers
1600, 333 - 7 Avenue S.W.
Calgary, Alberta T2P 2Z1
(403) 262-0600

FirstEnergy Capital (USA) Corp.
James Davidson
1600, 333 - 7 Avenue SW
Calgary, Alberta T2P 2Z1
(403) 262-0600

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In addition, persons resident in Canada can view a copy of the Canadian final prospectus at the SEDAR website at www.sedar.com and persons resident in the United States can view a copy of the U.S. registration statement at the EDGAR website which can be located through www.sec.gov.

PRL is a Canadian oil and natural gas exploration, development and production company with operations focussed in Western Canada. PRL's common shares are listed on the Toronto Stock Exchange under the symbol "POU". Paramount Energy Trust is a natural gas-focussed Canadian energy trust.

The Toronto Stock Exchange has neither approved nor disapproved the information contained herein.

For further information: Paramount Resources Ltd., Clayton (Clay) H. Riddell, Chairman and CEO, (403) 290-3600, James (Jim) H. T. Riddell, President, (403) 290-3600, Paramount Energy Operating Corp, administrator of Paramount Energy Trust, Susan L. Riddell Rose, President and Chief Operating Officer, (403) 269-4400, Gary C. Jackson, Vice-President, Land, Legal and Acquisitions, (403) 269-4400, Cameron R. Sebastian, Vice-President, Finance and CFO, (403) 269-4400

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