

Paramount Resources Ltd. Announces the Proposed Offering of an Additional \$100 Million of Its 7.625% Senior Notes Due 2019 and A \$150 Million Increase to Its Bank Credit Facility

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Paramount Resources Ltd. (TSX:POU) ("Paramount" or the "Company") intends to sell an additional \$100 million aggregate principal amount of its 7.625% senior unsecured notes due 2019 (the "Senior Notes") by way of a public offering in Canada and on a private placement basis in the United States through a syndicate of underwriters (the "Offering"). The Offering is expected to close before mid-December 2013.

Net proceeds from the Offering will be used to fund a portion of Paramount's 2014 capital expenditure program, the size and scope of which will be finalized in the first quarter of 2014 after incorporating results from the Company's 2013/2014 winter drilling and completion program, and for general corporate purposes. The Company may initially use the net proceeds from the Offering for the non-permanent repayment of indebtedness under its secured bank credit facility (the "Credit Facility").

The annual renewal of the Credit Facility has been completed. The aggregate size of the facility increased from \$450 million to \$600 million based on the results of Paramount's Deep Basin development program and its significant current year reserves additions. The revolving period of the Credit Facility was extended to November 30, 2014.

The underwriting syndicate for the Offering is co-led by Scotia Capital Inc., RBC Dominion Securities Inc. and BMO Nesbitt Burns Inc. and also includes AltaCorp Capital Inc., HSBC Securities (Canada) Inc., TD Securities Inc., CIBC World Markets Inc. and Peters & Co. Limited. The public offering in Canada is being made by way of a prospectus supplement to Paramount's short form base shelf prospectus dated November 14, 2012, as amended.

The Senior Notes have not been and will not be registered under any federal or state securities laws of the United States. Accordingly, the Senior Notes may not be offered or sold within the United States, except in transactions exempt from the registration requirements of the federal and applicable state securities laws of the United States. This news release shall not constitute an offer to sell or the solicitation of an offer to buy the Senior Notes in any jurisdiction.

Paramount is a Canadian oil and natural gas exploration, development and production company with operations focused in Western Canada. Paramount's Class A Common Shares are listed on the Toronto Stock Exchange under the symbol "POU".

Advisory Regarding Forward-Looking Statements

This news release contains forward-looking statements pertaining to the proposed Offering, the timing of closing of the Offering, the amount and use of proceeds from the Offering and the size and scope of the Company's 2014 capital expenditure program. 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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