

Paramount Resources Ltd. Announces Common Share Offering and Increase to 2013 Capital Expenditure Program

CALGARY, ALBERTA - May 9, 2013 /CNW/ -

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Paramount Resources Ltd. (TSX:POU) ("Paramount") has entered into an agreement to sell to a syndicate of underwriters led by BMO Capital Markets, on a bought deal basis, 3,500,000 Class A Common Shares to be issued at a price of \$37.50 per share for gross proceeds of \$131,250,000. In addition, the underwriters will also have an over-allotment option for 15% of the offering exercisable at any time until 30 days following the closing. The shares will be offered for sale by the underwriters in all provinces of Canada (excluding Quebec) by way of a prospectus supplement. Closing of this offering is expected to occur on or about May 22, 2013.

The net proceeds of the offering will be used to fund Paramount's 2013 capital expenditure program and for general corporate purposes. The completion of the offering is subject to Paramount receiving all necessary regulatory approvals.

As a result of continued drilling success in Paramount's Deep Basin lands and higher than expected liquids yields from Montney formation wells, Paramount is increasing its 2013 total capital program to approximately \$650 million to, among other things, accelerate the pace of drilling and expand condensate stabilization facilities at Musreau.

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".

The securities offered have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or applicable exemption from the registration requirements. This news release does not constitute an offer to sell or the solicitation of any offer to buy nor will there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

Advisory Regarding Forward-Looking Statements

This news release contains forward-looking statements pertaining to the closing of the Offering and the timing thereof, the use of proceeds from the Offering and the increase to Paramount's 2013 capital expenditure program and the intended uses for such increase. 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 statement in this news release are based on a number of assumption and risks as set forth in Paramount's publicly filed disclosure documents. 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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