

Paramount Resources Ltd. Announces Closing of Musreau / Kakwa Asset Sale to Seven Generations

CALGARY, ALBERTA - Aug. 18, 2016 /CNW/ -Paramount Resources Ltd. (TSX:POU) ("Paramount" or the "Company") is pleased to announce that it has completed its Musreau / Kakwa asset sale (the "Sale Transaction") to Seven Generations Energy Ltd. ("7G"). Consideration received by Paramount under the Sale Transaction totaled approximately \$2.1 billion, and included approximately \$0.5 billion in cash (after adjustments), approximately \$1.0 billion in 7G shares (based on the August 17 closing price for 7G shares) and approximately \$0.6 billion of debt assumed by 7G (including accrued interest and based on the August 17 noon Canada / U.S. dollar exchange rate).

As previously disclosed, holders of approximately \$283.5 million aggregate principal amount of Paramount's senior unsecured notes due 2019 (the "2019 Notes") consented to the waiver and amendment of certain provisions of the indenture for the 2019 Notes and such holders will remain as holders of their 2019 Notes. The Company redeemed the remaining approximately \$166.5 million principal amount of the 2019 Notes at a redemption price of approximately \$1,038 per \$1,000 principal amount of notes (plus accrued and unpaid interest to the redemption date) with a portion of the cash proceeds from the Sale Transaction.

In connection with the Sale Transaction, the Company repaid all the outstanding indebtedness (being approximately \$230 million) under its prior \$350 million revolving credit facility. In addition, all of the Fox Drilling indebtedness will be retired. The Company has entered into a new \$100 million secured revolving credit facility with a Canadian chartered bank, which facility will be undrawn except for approximately \$30 million of outstanding letters of credit following all such transactions.

About Paramount

Paramount is an independent, publicly traded, Canadian corporation that explores for and develops conventional petroleum and natural gas prospects, pursues longer-term non-conventional exploration and pre-development projects and holds investments in other entities. The Company's properties are primarily located in Alberta and British Columbia. Paramount's class A common shares are listed on the Toronto Stock Exchange under the symbol "POU".

For further information: Paramount Resources Ltd., J.H.T. (Jim) Riddell, President and Chief Executive Officer (403) 290-3600, www.paramountres.com | Paramount Resources Ltd., B.K. (Bernie) Lee, Chief Financial Officer, (403) 290-3600, www.paramountres.com

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