

Paramount Resources Ltd. Announces Implementation of Monthly Dividend, Settlement of Strath Dissent and Normal Course Issuer Bid

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CALGARY, June 17, 2021 - [Paramount Resources Ltd.](#) ("Paramount" or the "Company") (TSX: POU) is pleased to announce the implementation of a monthly dividend program with respect to its class A common shares (the "Common Shares"). The Board of Directors has declared an inaugural cash dividend of \$0.02 per Common Share that will be payable on July 30, 2021 to shareholders of record on July 15, 2021. The dividend will be designated as an "eligible dividend" for Canadian income tax purposes. While the Company continues to prioritize the allocation of free cash flow to debt reduction, Paramount's strong financial outlook and operating results have enabled the implementation of the monthly dividend program to further augment shareholder returns.

Paramount has received a cash payment of \$67 million from Strathcona Resources Ltd. ("Strathcona") in settlement of previously disclosed dissent proceedings respecting Strath Resources Ltd. and for the sale of its remaining securities in Strathcona. The proceeds have been applied to reduce indebtedness under the Company's senior secured revolving bank credit facility (the "Credit Facility"). The Credit Facility has been amended to extend the maturity date to June 2, 2024 and to change its size to \$900 million, with an accordion feature providing flexibility to increase the size to \$1.0 billion, subject to incremental lender commitments. Approximately \$635 million was drawn on the Credit Facility following application of the proceeds from Strathcona. Indebtedness under the Credit Facility will be further reduced upon closing of the previously announced Birch disposition in July.

The Toronto Stock Exchange (the "TSX") has accepted the Company's notice to implement a normal course issuer bid ("NCIB") for its Common Shares. Paramount may purchase up to 7,308,743 Common Shares under the NCIB, representing 10% of the public float of 73,087,431 Common Shares as of June 16, 2021. The NCIB provides the Company with the flexibility to increase shareholder returns through the repurchase of Common Shares at times when management believes that the current market price of the Common Shares does not reflect their underlying value. The actual number of Common Shares that are purchased under the NCIB and the timing of any such purchases will be subject to market conditions and Paramount's disciplined free cash flow allocation priorities, including debt reduction. The previous NCIB of the Company, under which the Company was authorized to purchase a maximum of 7,044,289 Common Shares, expired on January 5, 2021 with no Common Shares having been purchased thereunder.

The NCIB will commence on June 30, 2021 and is due to expire on June 29, 2022. Any purchases of Common Shares under the NCIB will be made through the facilities of the TSX or alternative Canadian trading systems at the market price at the time of purchase. Under TSX rules, a maximum of 100,195 Common Shares may be purchased under the NCIB in any one transaction representing 25% of the average daily trading volume of the Common Shares on the TSX for the six months ended March 31, 2021 of 400,780 Common Shares. Paramount may also make one block purchase per calendar week which exceeds the per transaction purchase restriction, subject to the rules of the TSX.

About Paramount

Paramount is an independent, publicly traded, liquids-focused Canadian energy company that explores for and develops conventional and unconventional petroleum and natural gas reserves and resources, including longer-term strategic exploration and pre-development plays, and holds a portfolio of investments in other entities. The Company's principal properties are located in Alberta and British Columbia. Paramount's Class A common shares are listed on the Toronto Stock Exchange under the symbol "POU".

Forward-Looking Information

This press release contains forward-looking information under applicable securities legislation concerning: (i) the closing of the Birch disposition and the timing thereof and (ii) the payment of future dividends under the Company's monthly dividend program. Although Paramount believes that the expectations reflected in such forward-looking information are reasonable, there are risks that actual results may differ from these expectations.

based on the information available at the time of this press release, undue reliance should not be placed on the forward-looking information as Paramount can give no assurance that such expectations will prove to be correct. Such forward-looking information is based on a number of assumptions which may prove to be incorrect. In the case of the closing of the Birch disposition and the timing thereof, these include assumptions as to the satisfaction of the conditions to closing of the Birch disposition. In the case of the payment of future dividends under the Company's monthly dividend program, these include assumptions as to the Company's future free cash flow, operating results, capital requirements and financial position. There is a risk that the conditions to closing of the Birch disposition are not satisfied and there are no assurances that the Birch disposition will close at the anticipated time or at all. There are risks that may result in the Company changing, suspending or discontinuing its monthly dividend program, including changes to free cash flow, operating results, capital requirements and financial position, market conditions or corporate strategy and the need to comply with requirements under debt agreements and applicable laws respecting the declaration and payment of dividends. There are no assurances as to the continuing declaration and payment of future dividends under the Company's monthly dividend program or the amount or timing of such dividends. For more information relating to risks, see "Risk Factors" in Paramount's annual information form for the period ended December 31, 2020, which is available on SEDAR at www.sedar.com.

The forward-looking information contained in this press release is made as of the date hereof and, except as required by applicable securities law, Paramount undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise.

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