Paramount Resources Announces Third Quarter 2025 Results, Sanctioning of Sinclair Montney Development, 2026 Budget and Production Outlook

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Paramount Resources Ltd. ("Paramount" or the "Company") (TSX: POU) is pleased to announce its third quarter 2025 operating results, the sanctioning of its Montney gas development at Sinclair and its 2026 capital expenditure budget a Company is increasing its 2025 annual midpoint production guidance and also providing an outlook of planned product over 100,000 Boe/d by the end of 2027.

HIGHLIGHTS

- Third quarter sales volumes averaged 36,087 Boe/d (48% liquids), approximately 5,000 Boe/d higher than the mi guidance range of 30,000 Boe/d to 32,000 Boe/d (45% liquids) due to exceptional runtime at Paramount's new wh operated Alhambra Plant in Willesden Green during the continuing ramp-up of production. [1]
  - Sales volumes from the Central Alberta Region, which includes Willesden Green, averaged 13,550 Boe/d (5
  - Kaybob Region sales volumes averaged 21,155 Boe/d (42% liquids).
  - Duvernay production accounted for 62 percent of total sales volumes and Duvernay condensate production percent of total oil and condensate sales volumes.
- Cash from operating activities was $42 million ($0.30 per basic share) in the third quarter. Adjusted funds flow wa ($0.67 per basic share). Free cash flow was ($117) million (($0.82) per basic share). [2]
- Third quarter capital expenditures totaled $207 million. Activities in the quarter included:
  - Willesden Green Duvernay - commissioning and starting-up the first phase of the Alhambra Plant, continuin the second phase of the Alhambra Plant, drilling four (4.0 net) wells and completing and bringing on produc wells; and
  - Kaybob North Duvernay - completing and bringing on production five (5.0 net) wells.

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(1) In this press release, "natural gas" refers to shale gas and conventional natural gas combined, "condensate and oil" refers to condensate, light and medium crude oil, tight oil and heavy crude oil combined, "Other NGLs" refers to ethane, propane and butane and "liquids" refers to condensate and oil and Other NGLs combined. See the "Product Type Information" section for a complete breakdown of sales volumes for applicable periods by the specific product types of shale gas, conventional natural gas, NGLs, light and medium crude oil, tight oil and heavy crude oil. See also "Oil and Gas Measures and Definitions" in the Advisories section.

(2) Adjusted funds flow and free cash flow are capital management measures used by Paramount. Cash from operating activities per basic share, adjusted funds flow per basic share and free cash flow per basic share are supplementary financial measures. Refer to the "Specified Financial Measures" section for more information on these measures.

- Operating expenses were $10.18/Boe in the third quarter, compared to $12.39/Boe in the second quarter, reflecti ramp-up of production through the first phase of the Company's Alhambra Plant. [1]
- Paramount continues to have 10,000 Bbl/d of liquids hedged at a WTI price of C$105.00/Bbl for the remainder of
- Approximately 60 percent of Paramount's expected natural gas sales volumes for the remainder of 2025 are price markets outside of AECO.
- Revenue in the third quarter included $5 million related to the finalization of the Company's insurance claims for 2 wildfire losses.
- Asset retirement obligations settled in the third quarter totaled $4 million.
- As previously disclosed, Paramount monetized a portion of its investment in the common shares of NuVista Ener Shares") on October 1, 2025, selling 18.5 million shares for cash proceeds of $296 million. The carrying value of investments in public and private company securities at September 30, 2025, pro forma the sale, was $317 millio
- Paramount received cash dividends of $3 million in the third quarter from one of its private company investments.
- At September 30, 2025, Paramount had net cash of $629 million (including the value of the NuVista Shares sold 2025) and its $500 million revolving credit facility remained undrawn. [2]

SANCTIONING OF SINCLAIR MONTNEY DEVELOPMENT

Paramount has sanctioned the development of its Montney natural gas play at Sinclair, following continued strong resu recent extended flow tests of the Company's first two appraisal wells. The Sinclair Montney play is a high-rate, low-cost project, the first phase of which is being designed for a plateau rate of sales gas in excess of 50,000 Boe/d that can be over 20 years. Paramount holds approximately 167 sections of contiguous, wholly-owned Montney rights in the Sinclair

The Company is in the process of finalizing the design of a new natural gas processing plant (the "Sinclair Plant") which of handling up to 400 MMcf/d of raw gas production. The ordering of long-lead items has commenced. Paramount has MMcf/d of firm service sales egress commencing in the fourth quarter of 2027 to coincide with the planned start-up of th The Company currently plans to have 24 (24.0 net) wells ready to produce to the Sinclair Plant on start-up.

INCREASED 2025 PRODUCTION GUIDANCE

Paramount is increasing its full-year 2025 production guidance at midpoint to account for the outperformance in the third quarter and is reaffirming its fourth quarter production guidance and the midpoint of its 2025 capital expenditure guidance within a narrower range. Paramount continues to expect total abandonment and reclamation expenditures of approximately $40 million in 2025.

2025	Prior Guidance	Revised Guidance
Fourth quarter average sales volumes (Boe/d)	42,000 to 45,000 (52% liquids)	42,000 to 45,000 (51% liquids)
Annual average sales volumes (Boe/d)	38,500 to 42,500 (47% liquids)	41,000 to 42,000 (47% liquids)
Capital expenditures	$780 to $840 million	$795 to $825 million

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(1) Operating expenses per Boe is a supplementary financial measure. Refer to the "Specified Financial Measures" section for more information on this measure.

(2) Net (cash) debt is a capital management measure used by Paramount. This capital management measure has been expressed as net cash in this instance for simplicity. Refer to the "Specified Financial Measures" section for more information on this measure.

2026 BUDGET AND GUIDANCE

In 2026, Paramount is budgeting capital expenditures of between $1,050 million and $1,150 million and abandonment and reclamation expenditures of $35 million.

The breakdown of capital expenditures by key area at midpoint is as follows:

- Willesden Green Duvernay − $630 million;
- Sinclair Montney − $360 million;
- Kaybob Region − $65 million, including $40 million at Kaybob North Duvernay;
- Northeast Alberta Heavy Oil - $20 million; and
- Other - $25 million.

The breakdown of capital expenditures by category at midpoint is as follows:

- Drilling, completion, equipping and tie-ins − $670 million;
- Facilities and gathering − $410 million; and
- Corporate and other − $20 million.

Facilities and gathering capital expenditures budgeted for 2026 primarily relate to the construction and commissioning of the second phase of the Alhambra Plant, the ordering of long-lead items and commencing construction of the Sinclair Plant, and the construction of produced water recycling and disposal facilities, pipelines and other field infrastructure in both Willesden Green and Sinclair.

Paramount is forecasting 2026 annual average sales volumes of between 45,000 Boe/d and 50,000 Boe/d (50% liquids):

- First half 2026 sales volumes are expected to average between 37,000 Boe/d and 42,000 Boe/d (47% liquids). S sales volumes are expected to be lower than first quarter volumes due to the timing of new well production. In ad one-month outage at the Leafland Plant from mid-June to mid-July and a one week outage at the Alhambra Plant planned to accommodate facility expansions.
- Third quarter 2026 average sales volumes are expected to increase to between 46,500 Boe/d and 51,500 Boe/d the second phase of the Alhambra Plant comes onstream and begins to ramp-up, one quarter earlier than previou
- Fourth quarter 2026 average sales volumes are expected to further increase to between 59,000 Boe/d and 64,00 liquids).

Following ramp-up of the second phase of the Alhambra Plant, fourth quarter 2026 operating expenses are forecast to be approximately $8.00/Boe.

PRODUCTION AND CAPITAL OUTLOOK

The Company anticipates midpoint annual capital expenditures of approximately $1,100 million for each of 2026 and 2027. Major capital projects over this timeframe include the second phase of the Alhambra Plant at Willesden Green and the Sinclair Montney development.

At Willesden Green, Paramount is expecting capital expenditures, at midpoint, of approximately $630 million in 2026 and $440 million in 2027. The second phase of the Alhambra Plant will double raw gas handling capacity from 50 MMcf/d to 100 MMcf/d and raw liquids handling capacity from 10,000 Bbl/d to 20,000 Bbl/d. The second phase is anticipated to be brought onstream in the third quarter of 2026, one quarter earlier than previously anticipated, and fully ramped up by the fourth quarter. The Company expects to bring 26 (26.0 net) Duvernay wells onstream at Willesden Green in 2026 to fully utilize its processing capacity, including the second phase of the Alhambra Plant.

At Sinclair, Paramount is expecting capital expenditures, at midpoint, of approximately $360 million in 2026 and $440 million in 2027, to: (i) construct the Sinclair Plant, (ii) build out the major sales line, gathering system, disposal and produced water handling for the field, and (iii) drill, complete and have ready to bring onstream 24 (24.0 net) wells for plant start-up.

The Company expects sales volumes to more than double to over 100,000 Boe/d by the end of 2027:

- 2025 - 41,000 Boe/d to 42,000 Boe/d (47% liquids).
- 2026 - 45,000 Boe/d to 50,000 Boe/d (50% liquids), representing a 14% growth rate year-over-year at mid-point.
- 2027 - 60,000 Boe/d to 65,000 Boe/d (50% liquids), representing a 32% growth rate year-over-year at mid-point.
- Year-end 2027 exit - over 100,000 Boe/d (35% liquids), representing a 60% growth rate between exit and mid-poi the year.

Paramount has not yet sanctioned the third phase expansion of the Alhambra Plant, which would add an incremental 50 MMcf/d of raw gas handling and 10,000 Bbl/d of raw liquids handling capacity. Natural gas and liquids sales egress for the third phase remains contracted for the fourth quarter of 2029.

In light of the decision to sanction the Sinclair Montney development, Paramount has elected to moderate the pace of development at its Kaybob North Duvernay property. The Company plans to maintain average sales volumes in the Kaybob Region of between 19,000 Boe/d and 20,000 Boe/d (38% liquids) through to 2028.

With cash and cash equivalents of approximately $650 million at October 31, 2025, an undrawn bank credit facility and its portfolio of investments in securities, Paramount is in a strong financial position to advance its planned Alhambra and Sinclair developments. The Company remains committed to prudently managing its capital resources and also has the flexibility to adjust its capital expenditure plans depending on commodity prices and other factors.

NOVEMBER DIVIDEND

Paramount's Board of Directors has declared a cash dividend of $0.05 per class A common share that will be payable on November 28, 2025 to shareholders of record on November 14, 2025. The dividend will be designated as an "eligible dividend" for Canadian income tax purposes.

REVIEW OF OPERATIONS

CENTRAL ALBERTA REGION

Third quarter 2025 sales volumes in the Central Alberta Region averaged 13,550 Boe/d (59% liquids) compared to 9,223 Boe/d (60% liquids) in the second quarter. Duvernay production accounted for 95 percent of third quarter sales volumes in the region.

Development activities at Willesden Green in the third quarter included the commissioning and start-up of the Company's wholly-owned and operated Alhambra Plant, continuing construction activities for the second phase of the Alhambra Plant, the drilling of four (4.0 net) Duvernay wells and the completion and bringing on production of five (5.0 net) Duvernay wells. Also in the third quarter, Paramount began construction of a water recycling system that will provide a significant portion of the water required for well completion activities in the future. Water recycling is expected to reduce water related well completion capital costs as well as mitigate operating expenses related to water disposal. The system is expected to be operational in the first half of 2026.

Runtime at the Alhambra Plant, which commenced operations in late-July, has significantly exceeded expectations, resulting in higher than forecast third quarter sales volumes. Ten (10.0 net) Duvernay wells were brought on production and flowing through the Alhambra Plant by the end of the third quarter. Paramount expects sales volumes through the Alhambra Plant to continue to increase over the fourth quarter as the remaining six (6.0 net) 2025 Duvernay wells are brought onstream.

In the fourth quarter, the Company plans to complete and bring onstream three (3.0 net) Duvernay wells that will flow to its Leafland facility and to drill twelve (12.0 net) Duvernay wells that will be tied-in to the Alhambra Plant in 2026.

Onsite work to double the Alhambra Plant's raw handling capacity to 20,000 Bbl/d of liquids and 100 MMcf/d of natural gas began in the third quarter, with piles being set and pipe racks installed. More recently, major equipment has been delivered to site and set on piles. Pipelines connecting the Alhambra Plant to the Leafland Plant are also planned to be commissioned upon start-up of the plant expansion, allowing the Company to optimize the flow of production and processing capacities across its Willesden Green property.

In 2026, Paramount plans to drill 29 (29.0 net) Duvernay wells and complete and bring on production 26 (26.0 net) Duvernay wells at Willesden Green. The majority of new well production is anticipated to be brought onstream in the second half of the year following commissioning and start-up of the second phase of the Alhambra Plant. The Company has assumed reliability factors of 25% and 75% on volumes flowing through the second phase of the Alhambra Plant for the first and second months, respectively, post start-up to account for ramp-up.

SINCLAIR

In October 2025, Paramount commenced the drilling of an additional two (2.0 net) Montney appraisal wells which the Company plans to complete and flow test in 2026.

Also in 2026, the Company plans to commence the construction of the Sinclair Plant, gathering pipelines and other field infrastructure and drill 14 (14.0 net) Montney wells.

KAYBOB REGION

Kaybob Region sales volumes averaged 21,155 Boe/d (42% liquids) in the third quarter of 2025 compared to 21,962 Boe/d (39% liquids) in the second quarter. Duvernay production accounted for 45 percent of third quarter sales volumes in the Kaybob Region.

Completion activities at the five (5.0 net) well Duvernay pad that were ongoing in the second quarter concluded in the third quarter and all five wells were subsequently brought on production.

In the fourth quarter of 2025, Paramount plans to drill a three (3.0 net) well Duvernay pad at Kaybob North.

In 2026, Paramount plans to complete and bring onstream a three well Duvernay pad that it will drill in the fourth quarter of 2025 and drill, complete and bring on production a two (2.0 net) well Montney Oil pad.

HEDGING

The Company's current financial commodity and foreign exchange contracts are summarized below:

Instruments	Aggregate amount / notional	Average price or rate (1)	Remaining term
Oil			
NYMEX WTI Swaps (Sale)	10,000 Bbl/d	CAD$105.00/Bbl	November 2025 - December 2025
Natural Gas			
Citygate / Malin Basis Swap (2)	10,000 MMBtu/d	Citygate less US$0.97/MMBtu (Sell) Malin (Buy)	November 2025 - October 2028
Foreign Currency Exchange			
Average Rate Forward	US$10MM/Month	1.3810 CAD$ / US$ (1)	January 2026 - December 2026
Average Rate Forward	US$10MM/Month	1.3680 CAD$ / US$ (1)	January 2027 - December 2027

(1) Average price is calculated using a weighted average of notional volumes and prices. Foreign currency exchange average rate forward contracts are settled monthly against the average of the US$/CAD$ noon spot rate on each applicable day in that month.

(2) "Citygate" refers to Pacific Gas & Electric Citygate and "Malin" refers to Pacific Gas & Electric Malin. Pursuant to the swap transaction, Paramount sells at Citygate less US$0.97/MMBtu and buys at Malin. The transaction is financially settled with no physical delivery.

ABOUT PARAMOUNT

Paramount is an independent, publicly traded Canadian energy company that explores for and develops both conventional and unconventional petroleum and natural gas, 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 Common Shares are listed on the Toronto Stock Exchange under the symbol "POU".

Paramount's third quarter 2025 results, including Management's Discussion and Analysis and the Company's Interim Consolidated Financial Statements, can be obtained on SEDAR+ at www.sedarplus.ca or on Paramount's website at www.paramountres.com/investors/financial-shareholder-reports.

A summary of historical financial and operating results is also available on Paramount's website at www.paramountres.com/investors/financial-shareholder-reports.

FINANCIAL AND OPERATING RESULTS (1)

($ millions, except as noted)	Q3 2025		Q2 2025		Q3 2024	
Net income (loss)	(2.3)		4.2		95.8	
per share - basic ($/share)	(0.02)		0.03		0.65	
per share - diluted ($/share)	(0.02)		0.03		0.64	
Cash from operating activities	42.3		39.8		205.7	
per share - basic ($/share)	0.30		0.28		1.40	
per share - diluted ($/share)	0.30		0.27		1.38	
Adjusted funds flow	96.8		81.5		200.7	
per share - basic ($/share)	0.67		0.57		1.37	
per share - diluted ($/share)	0.67		0.56		1.34	
Free cash flow	(116.7)		(85.5)		(26.3)	
per share - basic ($/share)	(0.82)		(0.60)		(0.18)	
per share - diluted ($/share)	(0.82)		(0.60)		(0.18)	
Total assets	3,560.9		3,517.9		4,544.1	
Investments in securities	612.9		575.3		482.2	
Long-term debt	-		-		44.0	
Net (cash) debt	(628.8)		(500.9)		128.8	
Common shares outstanding (millions) (2)	143.4		143.3		146.5	
Sales volumes (3)						
Natural gas (MMcf/d)	112.4		103.3		294.5	
Condensate and oil (Bbl/d)	13,997		11,636		38,770	
Other NGLs (Bbl/d)	3,363		2,786		7,045	
Total (Boe/d)	36,087		31,631		94,892	
% liquids	48 %		46 %		48 %	
Central Alberta Region and Other (Boe/d)	14,932		9,669		6,390	
Kaybob Region (Boe/d)	21,155		21,962		20,894	
Sold Assets (Boe/d) (4)	-		-		67,608	
Total (Boe/d)	36,087		31,631		94,892	
Netback		($/Boe) (5)		($/Boe) (5)		($/Boe) (5)
Natural gas revenue	20.3	1.96	28.9	3.07	37.2	1.37
Condensate and oil revenue	105.6	82.01	87.7	82.84	342.9	96.15

Other NGLs revenue	8.4	27.04	6.9	27.02	23.5	36.25
Natural gas transportation assignment income (6)	3.6	0.35	2.7	0.29	-	-
Royalty income and other revenue (6)	6.3	-	1.0	-	1.2	-
Petroleum and natural gas sales	144.2	43.43	127.2	44.20	404.8	46.37
Royalties	(7.3)	(2.21)	(5.7)	(2.00)	(46.4)	(5.31)
Operating expense	(33.8)	(10.18)	(35.7)	(12.39)	(116.3)	(13.33)
Transportation and NGLs processing	(14.5)	(4.37)	(13.2)	(4.57)	(34.2)	(3.92)
Sales of commodities purchased (7)	54.2	16.33	43.7	15.18	79.6	9.11
Commodities purchased (7)	(53.1)	(16.00)	(43.4)	(15.07)	(78.5)	(9.00)
Netback	89.7	27.00	72.9	25.35	209.0	23.92
Risk management contract settlements	14.0	4.21	14.9	5.16	2.0	0.23
Netback including risk management contract settlements	103.7	31.21	87.8	30.51	211.0	24.15
Capital expenditures						
Central Alberta Region and Other	193.9		114.8		73.8	
Kaybob Region	9.2		40.2		56.5	
Fox Drilling	1.6		1.6		2.6	
Corporate (8)	1.8		5.4		(0.1)	
Sold Assets (4)	-		(4.4)		83.9	
Total	206.5		157.6		216.7	
Asset retirement obligations settled	4.4		3.0		7.4	

(1) Adjusted funds flow, free cash flow and net (cash) debt are capital management measures used by Paramount. Netback and netback including risk management contract settlements are non-GAAP financial measures. Netback and Netback including risk management contract settlements presented on a $/Boe or $/Mcf basis are non-GAAP ratios. Each measure, other than net income (loss), that is presented on a per share, $/Mcf or $/Boe basis is a supplementary financial measure. Refer to "Specified Financial Measures".

(2) Common shares are presented net of shares held in trust under the Company's restricted share unit plan (millions): Q3 2025: 0.3, Q2 2025: 0.3, Q3 2024: 0.4.

(3) Refer to the Product Type Information section of this document for a complete breakdown of sales volumes for applicable periods by specific product type.

(4) "Sold Assets" refers to the Karr, Wapiti and Zama properties that were sold on January 31, 2025.

(5) Natural gas revenue and natural gas transportation assignment income presented as $/Mcf.

(6) Natural gas transportation assignment income for the three months ended September 30, 2025 and June 30, 2025 relates to proceeds realized by the Company on the assignment of a portion of its ex-Alberta natural gas transportation capacity to third parties. In the third quarter of 2025, the Company's insurance claims for 2023 Alberta wildfire losses were finalized, with an aggregate claim of $26.8 million being agreed by insurers (the "Wildfire Claim"). Royalty income and other revenue for the three and nine months ended September 30, 2025 includes $5.3 million and $16.8 million, respectively, relating to the Wildfire Claim (nine months ended September 30, 2024 includes $10.0 million relating to the Wildfire Claim). These amounts were not allocated to individual regions or properties.

(7) Sales of commodities purchased and commodities purchased are treated as corporate items and not allocated to individual regions or properties.

(8) Includes transfers of amounts held in Corporate to and from regions.

PRODUCT TYPE INFORMATION

This press release includes references to sales volumes of "natural gas", "condensate and oil", "NGLs", "Other NGLs" and "liquids". "Natural gas" refers to shale gas and conventional natural gas combined. "Condensate and oil" refers to condensate, light and medium crude oil, tight oil and heavy crude oil combined. "NGLs" refers to condensate and Other NGLs combined. "Other NGLs" refers to ethane, propane and butane. "Liquids" refers to condensate and oil and Other NGLs combined. Below is a complete breakdown of sales volumes for applicable periods by the specific product types of shale gas, conventional natural gas, NGLs, light and medium crude oil, tight oil and heavy crude oil. Numbers may not add due to rounding. "Sold Assets" refers to the Karr, Wapiti and Zama properties that were sold on January 31, 2025.

	Total Company by Product Type			Central Alberta Region and Other			Kaybob Region		
	Q3 2025	Q2 2025	Q3 2024	Q3 2025	Q2 2025	Q3 2024	Q3 2025	Q2 2025	Q3 2024
Shale gas (MMcf/d)	72.8	58.9	249.0	36.1	19.4	14.2	36.7	39.5	31.8
Conventional natural gas (MMcf/d)	39.6	44.4	45.5	3.0	3.2	3.8	36.6	41.2	41.6
Natural gas (MMcf/d)	112.4	103.3	294.5	39.1	22.6	18.0	73.3	80.7	73.4
Condensate (Bbl/d)	12,180	9,688	36,830	5,702	3,760	1,964	6,478	5,928	5,943
Other NGLs (Bbl/d)	3,363	2,786	7,045	2,140	1,523	924	1,223	1,263	1,403
NGLs (Bbl/d)	15,543	12,474	43,875	7,842	5,283	2,888	7,701	7,191	7,346
Light and medium crude oil (Bbl/d)	1,188	1,263	1,235	22	22	11	1,166	1,241	1,224
Tight oil (Bbl/d)	254	285	368	190	211	160	64	74	85
Heavy crude oil (Bbl/d)	375	400	337	375	400	337	-	-	-
Crude oil (Bbl/d)	1,817	1,948	1,940	587	633	508	1,230	1,315	1,309
Total (Boe/d)	36,087	31,631	94,892	14,932	9,669	6,390	21,155	21,962	20,894

	Sold Assets		
	Q3 2025	Q2 2025	Q3 2024
Shale gas (MMcf/d)	-	-	203.0
Conventional natural gas (MMcf/d)	-	-	0.1
Natural gas (MMcf/d)	-	-	203.1
Condensate (Bbl/d)	-	-	28,923
Other NGLs (Bbl/d)	-	-	4,718
NGLs (Bbl/d)	-	-	33,641
Tight oil (Bbl/d)	-	-	123
Crude oil (Bbl/d)	-	-	123
Total (Boe/d)	-	-	67,608

2025 average sales volumes are expected to be between 41,000 Boe/d and 42,000 Boe/d (53% shale gas and conventional natural gas combined, 39% condensate, light and medium crude oil, tight oil and heavy crude oil combined and 8% other NGLs).

- Fourth quarter 2025 average sales volumes are expected to be between 42,000 Boe/d and 45,000 Boe/d (49% sl conventional natural gas combined, 41% condensate, light and medium crude oil, tight oil and heavy crude oil co other NGLs).

Paramount is forecasting 2026 annual average sales volumes of between 45,000 Boe/d and 50,000 Boe/d (50% shale gas and conventional natural gas combined, 40% condensate, light and medium crude oil, tight oil and heavy crude oil combined and 10% other NGLs):

- First half 2026 average sales volumes are expected to be between 37,000 Boe/d and 42,000 Boe/d (53% shale g conventional natural gas combined, 37% condensate, light and medium crude oil, tight oil and heavy crude oil co other NGLs).
- Third quarter 2026 average sales volumes are expected to be between 46,500 Boe/d and 51,500 Boe/d (49% sh conventional natural gas combined, 41% condensate, light and medium crude oil, tight oil and heavy crude oil co other NGLs).
- Fourth quarter 2026 average sales volumes are expected to be between 59,000 Boe/d and 64,000 Boe/d (47% sl conventional natural gas combined, 43% condensate, light and medium crude oil, tight oil and heavy crude oil co other NGLs).

2027 annual average sales volumes are expected to be between 60,000 Boe/d to 65,000 Boe/d (50% shale gas and conventional natural gas combined, 40% condensate, light and medium crude oil, tight oil and heavy crude oil combined and 10% other NGLs):

- Year-end 2027 exit sales volumes are expected to be over 100,000 Boe/d (65% shale gas and conventional natu 29% condensate, light and medium crude oil, tight oil and heavy crude oil combined and 6% other NGLs).

The Company plans to maintain average sales volumes in the Kaybob Region of between 19,000 Boe/d and 20,000 Boe/d (62% shale gas and conventional natural gas combined, 32% condensate, light and medium crude oil, tight oil and heavy crude oil combined and 6% other NGLs) through to 2028.

SPECIFIED FINANCIAL MEASURES

Non-GAAP Financial Measures

Netback and netback including risk management contract settlements are non-GAAP financial measures. These measures are not standardized measures under IFRS and might not be comparable to similar financial measures presented by other issuers. These measures should not be considered in isolation or construed as alternatives to their most directly comparable measure disclosed in the Company's primary financial statements or other measures of financial performance calculated in accordance with IFRS.

Netback equals petroleum and natural gas sales (the most directly comparable measure disclosed in the Company's primary financial statements) plus sales of commodities purchased less royalties, operating expense, transportation and NGLs processing expense and commodities purchased. Sales of commodities purchased and commodities purchased are treated as corporate items and are not allocated to individual regions or properties. Netback is used by investors and management to compare the performance of the Company's producing assets between periods.

Netback including risk management contract settlements equals netback after including (or deducting) risk management contract settlements received (paid). Netback including risk management contract settlements is used by investors and management to assess the performance of the producing assets after incorporating management's risk management strategies.

Refer to the table under the heading "Financial and Operating Results" in this press release for the calculation of netback and netback including risk management contract settlements for the three months ended September 30, 2025, June 30, 2025 and September 30, 2024.

Non-GAAP Ratios

Netback and netback including risk management contract settlements presented on a $/Boe basis are non-GAAP ratios as they each have a non-GAAP financial measure as a component. These measures are not standardized measures under IFRS and might not be comparable to similar financial measures presented by other issuers. These measures should not be considered in isolation or construed as alternatives to their most directly comparable measure disclosed in the Company's primary financial statements or other measures of financial performance calculated in accordance with IFRS.

Netback on a $/Boe basis is calculated by dividing netback (a non-GAAP financial measure) for the applicable period by the total sales volumes during the period in Boe. Netback including risk management contract settlements on a $/Boe basis is calculated by dividing netback including risk management contract settlements (a non-GAAP financial measure) for the applicable period by the total sales volumes during the period in Boe. These measures are used by investors and management to assess netback and netback including risk management contract settlements on a unit of sales volumes basis.

Capital Management Measures

Adjusted funds flow, free cash flow and net (cash) debt are capital management measures that Paramount utilizes in managing its capital structure. These measures are not standardized measures and therefore may not be comparable with the calculation of similar measures by other entities. Refer to Note 15 in the Interim Consolidated Financial Statements of Paramount as at and for the three and nine months ended September 30, 2025 for: (i) a description of the composition and use of these measures, (ii) reconciliations of adjusted funds flow and free cash flow to cash from operating activities, the most directly comparable measure disclosed in the Company's primary financial statements, for the three and nine months ended September 30, 2025 and 2024 and (iii) a calculation of net (cash) debt as at September 30, 2025 and December 31, 2024.

Supplementary Financial Measures

This press release contains supplementary financial measures expressed as: (i) cash from operating activities, adjusted funds flow and free cash flow on a per share - basic and per share - diluted basis and (ii) petroleum and natural gas sales, revenue, royalties, operating expenses, transportation and NGLs processing expenses, sales of commodities purchased and commodities purchased on a $/Boe or $/Mcf basis.

Cash from operating activities, adjusted funds flow and free cash flow on a per share - basic basis are calculated by dividing cash from operating activities, adjusted funds flow or free cash flow, as applicable, over the referenced period by the weighted average basic shares outstanding during the period determined under IFRS. Cash from operating activities, adjusted funds flow and free cash flow on a per share - diluted basis are calculated by dividing cash from operating activities, adjusted funds flow or free cash flow, as applicable, over the referenced period by the weighted average diluted shares outstanding during the period determined under IFRS.

Petroleum and natural gas sales, revenue, royalties, operating expenses, transportation and NGLs processing expenses, sales of commodities purchased and commodities purchased on a $/Boe or $/Mcf basis are calculated by dividing petroleum and natural gas sales, revenue, royalties, operating expenses, transportation and NGLs processing expenses, sales of commodities purchased and commodities purchased, as applicable, over the referenced period by the aggregate units (Boe or Mcf) of sales volumes during such period.

ADVISORIES

Forward-looking Information

Certain statements in this press release constitute forward-looking information under applicable securities legislation. Forward-looking information typically contains statements with words such as "anticipate", "believe", "estimate", "will", "expect", "plan", "schedule", "intend", "propose", or similar words suggesting future outcomes or an outlook. Forward-looking information in this press release includes, but is not limited to:

- the statement that the first phase of the Sinclair Montney play is being designed for a plateau rate of sales gas in Boe/d that can be maintained for over 20 years;
- the expected capacity of the Sinclair Plant on completion and planned timing of the start-up of the Sinclair Plant;
- the Company's plans to have 24 (24.0) net wells ready to produce to the Sinclair Plant on start-up;
- expected average sales volumes, capital expenditures and abandonment and reclamation expenditures for 2025;
- expected average sales volumes for 2026 and certain periods therein;
- budgeted capital expenditures in 2026 and the allocation thereof;
- budgeted abandonment and reclamation expenditures in 2026;
- expected operating expenses in the fourth quarter of 2026;
- the Company's outlook for capital expenditures and sales volumes in 2027 and the year-end 2027 exit rate of sale
- the expected timing of completion of phase two of the Alhambra Plant and the expected capacity thereof on comp
- the Company's plans to maintain average sales volumes in the Kaybob Region within a certain range through to 2
- planned and potential exploration, development and production activities, including the drilling, completion and br of new wells, the construction of pipelines and other infrastructure and planned facility outages; and
- the expectation that sales volumes through the Alhambra Plant will increase over the fourth quarter.

Such forward-looking information is based on a number of assumptions which may prove to be incorrect. Assumptions have been made with respect to the following matters, in addition to any other assumptions identified in this press release:

- future commodity prices;
- the potential scope and duration of tariffs, export taxes, export restrictions or other trade actions;
- the impact of international conflicts, including in Ukraine and the Middle East;
- royalty rates, taxes and capital, operating, general & administrative and other costs;
- foreign currency exchange rates, interest rates and the rate and impacts of inflation;
- general business, economic and market conditions;
- the performance of wells and facilities;
- the availability to Paramount of the funds required for exploration, development and other operations (including th the Sinclair Plant and the second phase of the Alhambra Plant) and the meeting of commitments and financial ob
- the ability of Paramount to obtain equipment, materials, services and personnel in a timely manner and at expect acceptable costs to carry out its activities;
- the ability of Paramount to secure adequate processing, transportation, fractionation, disposal and storage capac terms and the capacity and reliability of facilities, pipelines and other infrastructure;
- the ability of Paramount to obtain the volumes of water required for completion activities;
- the ability of Paramount to market its production successfully;
- the ability of Paramount and its industry partners to obtain drilling success (including in respect of anticipated sale reserves additions, product yields and product recoveries) and operational improvements, efficiencies and results expectations;
- the timely receipt of required governmental and regulatory approvals, including those necessary for the constructi Plant;
- the application of regulatory requirements respecting abandonment and reclamation; and
- anticipated timelines and budgets being met in respect of: (i) drilling programs and other operations, including we and tie-ins, (ii) the design, construction, commissioning and start-up of new and expanded third-party and Compa pipelines and other infrastructure, including the Sinclair Plant and the second phase of the Alhambra Plant, and (i turnarounds and maintenance.

Although Paramount believes that the expectations reflected in such forward-looking information are reasonable 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. Forward-looking information is based on expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by Paramount and described in the forward-looking information. The material risks and uncertainties include, but are not limited to:

- fluctuations in commodity prices;
- changes in capital spending plans and planned exploration and development activities;
- changes in political and economic conditions, including risks associated with tariffs, export taxes, export restrictio actions;
- changes in foreign currency exchange rates, interest rates and the rate of inflation;
- the uncertainty of estimates and projections relating to future production, product yields (including condensate to ratios), revenue, cash flows, reserves additions, product recoveries, royalty rates, taxes and costs and expenses;
- the ability to secure adequate processing, transportation, fractionation, disposal and storage capacity on acceptal
- operational risks in exploring for, developing, producing and transporting natural gas and liquids, including the risk or blowouts;

- risks associated with wildfires, including the risk of physical loss or damage to wells, facilities, pipelines and other prolonged disruptions in production, restrictions on the ability to access properties, interruption of electrical and ot significant delays or changes to planned development activities and facilities maintenance;
- the ability to obtain equipment, materials, services and personnel in a timely manner and at expected and accepta including the potential effects of inflation and supply chain disruptions;
- potential disruptions, delays or unexpected technical or other difficulties in designing, developing, expanding, com starting-up or operating new, expanded or existing facilities, including third-party facilities, the Sinclair Plant and th Plant;
- processing, transportation, fractionation, disposal and storage outages, disruptions and constraints;
- potential limitations on access to the volumes of water required for completion activities due to drought, conditions government restrictions or other factors;
- risks and uncertainties involving the geology of oil and gas deposits;
- the uncertainty of reserves estimates;
- general business, economic and market conditions;
- the ability to generate sufficient cash from operating activities to fund, or to otherwise finance, planned exploration and operational activities (including the construction of the Sinclair Plant and the second phase of the Alhambra P current and future commitments and obligations (including asset retirement obligations, processing, transportation and similar commitments and obligations);
- changes in, or in the interpretation of, laws, regulations or policies (including environmental laws);
- the ability to obtain required governmental or regulatory approvals in a timely manner, including those required fo Plant, and to obtain and maintain leases and licenses;
- the effects of weather and other factors including wildlife and environmental restrictions which affect field operatio
- uncertainties as to the timing and cost of future abandonment and reclamation obligations and potential liabilities damage and contamination;
- uncertainties regarding Indigenous claims and in maintaining relationships with local populations and other stakeh
- the outcome of existing and potential lawsuits, regulatory actions, audits and assessments; and
- other risks and uncertainties described elsewhere in this document and in Paramount's other filings with Canadia authorities.

In addition to the above, there are no assurances as to the continuing declaration and payment of future monthly dividends by the Company or the amount or timing of any such dividends. 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, 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.

The foregoing list of risks is not exhaustive. For more information relating to risks, see the section titled "Risk Factors" in Paramount's annual information form for the year ended December 31, 2024, which is available on SEDAR+ at www.sedarplus.ca or on the Company's website at www.paramountres.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.

Oil and Gas Measures and Definitions

Liquids		Natural Gas	
Bbl	Barrels	GJ	Gigajoules
Bbl/d	Barrels per day	GJ/d	Gigajoules per day
MBbl	Thousands of barrels	MMBtu	Millions of British Thermal
NGLs	Natural gas liquids	MMBtu/d	Millions of British Thermal
Condensate	Pentane and heavier hydrocarbons	Mcf	Thousands of cubic feet
WTI	West Texas Intermediate	MMcf	Millions of cubic feet
		MMcf/d	Millions of cubic feet per d
Oil Equivalent		NYMEX	New York Mercantile Exch
Boe	Barrels of oil equivalent	AECO	AECO-C reference price
MBoe	Thousands of barrels of oil equivalent		

MMBoe	Millions of barrels of oil equivalent
Boe/d	Barrels of oil equivalent per day

This press release contains disclosures expressed as "Boe", "$/Boe" and "Boe/d". Natural gas equivalency volumes have been derived using the ratio of six thousand cubic feet of natural gas to one barrel of oil when converting natural gas to Boe. Equivalency measures may be misleading, particularly if used in isolation. A conversion ratio of six thousand cubic feet of natural gas to one barrel of oil is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the well head. For the nine months ended September 30, 2025, the value ratio between crude oil and natural gas was approximately 55:1. This value ratio is significantly different from the energy equivalency ratio of 6:1. Using a 6:1 ratio would be misleading as an indication of value.

Additional information respecting the Company's oil and gas properties and operations is provided in the Company's annual information form for the year ended December 31, 2024 which is available on SEDAR+ at www.sedarplus.ca or on Paramount's website at www.paramountres.com.

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Contact
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