In the interest of providing information regarding Paramount Resources Ltd. ("Paramount" or the "Company") and its future plans and operations, this presentation contains certain forward-looking information and forward-looking statements.

The projections, estimates and forecasts contained in such forward-looking information and statements necessarily involve a number of assumptions, and are subject to both known and unknown risks and uncertainties that may cause the Company's actual performance and financial results in future periods to differ materially from these projections, estimates or forecasts. The Advisories Appendix lists some of the material assumptions, risks and uncertainties that these projections, estimates and forecasts are based on and are subject to.

Accordingly, shareholders and potential investors are cautioned that events or circumstances could cause actual results to differ materially from those predicted.

Any use of information contained in this presentation is expressly forbidden.
Corporate Profile

- Founded in 1976; IPO in 1978; TSX: POU
- 2016 production: 31,860 Boe/d (~45% Liquids)
  - 2016 ongoing operations production: 11,656 Boe/d (~31% Liquids)
- Market Cap: 106.1 MM shares @ $16.00/share ~$1.7 Billion
- ~ 50% insider ownership
- Investments and Cash: ~$941 Million
t(1)
- No debt outstanding
- Credit Facility: $100 Million (undrawn)

(1) Please refer to the Paramount Investments and Cash Slide for more details.

Strategic Investments/Emerging Plays

- Emerging Montney plays at Valhalla and Birch
- Emerging Duvernay play at Willesden Green
- Oil Sands
- Liard Basin shale gas
- Frontier gas in northern Canada (MGM)
- Equity investments portfolio

Sales Volumes

- Natural Gas
- Condensate & Oil
- Other NGLs

Capital Expenditures

- 2011-2017 Guidance

Operating Costs

- 2011-2017 Guidance
Summary of Musreau/Kakwa Sale Transaction

$2.1 Billion

• ~$0.5 Billion Cash
• Purchaser assumed US$450 MM 2023 Notes
• 33.5 MM shares of Seven Generations: ~$1.0 Billion (monetized 29.7MM shares for ~$860 MM net proceeds, 3.8 MM shares dividended to POU shareholders)

Sold

• ~30,000 Boe/d Sales Volumes
• 295 MMBoe P+P Reserves
• $535 Million PDP NPV @10%
• $2.2 Billion FDC P+P
• 310 net sections, including 155 net Montney sections

Full Cycle Value

Capital spent from inception: ($2,220 MM)
Netback $680 MM
Sale of Midstream to Pembina $575 MM
Sale to Seven Generations $2,065 MM
Full Cycle Value Realized $1,100 MM

(1) Please refer to the heading “Summary of Musreau/Kakwa Sale Transaction (Slide 4)” in the Advisories Appendix of this presentation for more information. (2) Also includes proceeds from other minor property dispositions.
Karr/Gold Creek

Cretaceous and Montney targets

<table>
<thead>
<tr>
<th>Formation</th>
<th>Gross</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cardium</td>
<td>31</td>
<td>22.0</td>
</tr>
<tr>
<td>Dunvegan</td>
<td>32</td>
<td>23.1</td>
</tr>
<tr>
<td>Wilrich</td>
<td>46</td>
<td>37.4</td>
</tr>
<tr>
<td>Falher</td>
<td>48</td>
<td>38.0</td>
</tr>
<tr>
<td>Gething</td>
<td>51</td>
<td>42.0</td>
</tr>
<tr>
<td>Montney</td>
<td>92</td>
<td>77.0</td>
</tr>
</tbody>
</table>

• Q4 Sales: ~5,500 Boe/d
• 40 MMcf/d plant capacity currently being expanded to 80+ MMcf/d (Q2 2017 completion)
• Four-rig drilling program currently underway
• Completions from the four wells on the 16-36 pad placed 28,961 tonnes of sand over 292 stages (average completed length ~3,023 m) with 99% success rate\(^1\); currently on clean up and testing

\(^1\) Please refer to “Oil and Gas Measures and Definitions” in the Advisories Appendix of this presentation * Land holdings as at March 7, 2017
**Karr Wells - Completion Design and Performance**

<table>
<thead>
<tr>
<th>Wells</th>
<th>15-02 PAD</th>
<th>4-19 PAD</th>
<th>15-27 PAD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wells</td>
<td>15-14</td>
<td>4-7</td>
<td>02/4-7</td>
</tr>
</tbody>
</table>

### Completion Details

<table>
<thead>
<tr>
<th></th>
<th>15-02 PAD</th>
<th>4-19 PAD</th>
<th>15-27 PAD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Horizontal Length (m)</td>
<td>3,018</td>
<td>3,047</td>
<td>3,049</td>
</tr>
<tr>
<td>Completion Stages (#)</td>
<td>50</td>
<td>70</td>
<td>75</td>
</tr>
<tr>
<td>Proppant (t)</td>
<td>5,000</td>
<td>7,000</td>
<td>7,500</td>
</tr>
<tr>
<td>Proppant Intensity (t/m)</td>
<td>1.7</td>
<td>2.3</td>
<td>2.5</td>
</tr>
</tbody>
</table>

### Wellhead Production - Cumulative (1)

<table>
<thead>
<tr>
<th></th>
<th>15-02 PAD</th>
<th>4-19 PAD</th>
<th>15-27 PAD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural Gas (MMcf)</td>
<td>1,211</td>
<td>313</td>
<td>233</td>
</tr>
<tr>
<td>Wellhead Liquids (MBbl)</td>
<td>197</td>
<td>127</td>
<td>127</td>
</tr>
<tr>
<td>CGR (2) (Bbl/MMcf)</td>
<td>163</td>
<td>408</td>
<td>543</td>
</tr>
<tr>
<td>Days on Production</td>
<td>197</td>
<td>91</td>
<td>65</td>
</tr>
<tr>
<td>Natural Gas Rate (MMcf/d)</td>
<td>6.2</td>
<td>3.4</td>
<td>3.6</td>
</tr>
<tr>
<td>Wellhead Liquids (Bbl/d)</td>
<td>1,002</td>
<td>1,396</td>
<td>1,951</td>
</tr>
</tbody>
</table>

### Wellhead Production - Last Seven Days (1)

<table>
<thead>
<tr>
<th></th>
<th>15-02 PAD</th>
<th>4-19 PAD</th>
<th>15-27 PAD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural Gas (MMcf/d)</td>
<td>4.3</td>
<td>4.1</td>
<td>4.5</td>
</tr>
<tr>
<td>Wellhead Liquids (Bbl/d)</td>
<td>719</td>
<td>1,411</td>
<td>2,340</td>
</tr>
<tr>
<td>CGR (2) (Bbl/MMcf)</td>
<td>166</td>
<td>347</td>
<td>517</td>
</tr>
</tbody>
</table>

(1) Volumes to March 31, 2017. Production volumes are the gross volumes measured at the wellhead separator for the specified periods namely: (i) cumulative volumes produced to March 31, 2017 ("Cumulative"); (ii) the most recent 168 producing hours ("Last 7 Producing Days"). Excludes hours and days when the well did not produce. Natural gas sales volumes are approximately 10 percent lower and stabilized condensate sales volumes approximately 15 percent lower due to shrinkage. The production rates and volumes shown are over a short period of time and, therefore, are not necessarily indicative of long-term performance or of ultimate recovery. (2) The condensate to natural gas ratio ("CGR") was calculated by dividing total wellhead separator liquids volumes by total wellhead separator natural gas volumes.
Karr Cumulative Wellhead Separator Performance
Daily Separator Volumes (Excluding Zero Days)\(^{(1)}\)

**Average Daily Condensate Production**

**Average Daily Barrels of Oil Equivalent Production**

**Cumulative Barrels of Condensate Production**

**Cumulative Barrels of Oil Equivalent Production**

\(^{(1)}\) Natural gas and liquids volumes production measured at the wellhead separator. Natural gas sales volumes are approximately 10 percent lower and stabilized condensate sales volumes are approximately 15 percent lower due to shrinkage. The production rates and volumes shown are over a short period of time and, therefore, are not necessarily indicative of long-term performance or of ultimate recovery.
Karr Economics: Montney

Montney Type Curve - 2-Mile Lateral (~2,800m - 3,000m Completed Length)

Assumptions:
- Capital: $10.2 MM d/c/e/t
- IP₃₀ (raw): 7.1 MMcf/d
- Raw Natural Gas EUR: 7.0 Bcf
- Stabilized Condensate EUR: 490 MBbl
- Total Sales per Well: 1.6 MMBoe
- CGR(raw): 136 Bbl/MMcf (IP₃₀)
- FX (USD/CAD): $0.775
- AECO Basis: US$0.95/MMBTU

Economics @ US$3.00/MMBTU

<table>
<thead>
<tr>
<th>US$/Bbl WTI</th>
<th>$40</th>
<th>$45</th>
<th>$50</th>
<th>$55</th>
<th>$60</th>
</tr>
</thead>
<tbody>
<tr>
<td>NPV 10% $MM</td>
<td>5.3</td>
<td>7.2</td>
<td>9.0</td>
<td>10.7</td>
<td>12.4</td>
</tr>
<tr>
<td>IRR (%)</td>
<td>35</td>
<td>48</td>
<td>61</td>
<td>76</td>
<td>93</td>
</tr>
<tr>
<td>Payout (Years)</td>
<td>2.4</td>
<td>2.0</td>
<td>1.7</td>
<td>1.5</td>
<td>1.4</td>
</tr>
<tr>
<td>P/I @ 10%</td>
<td>1.5</td>
<td>1.7</td>
<td>1.9</td>
<td>2.1</td>
<td>2.3</td>
</tr>
</tbody>
</table>

(1) Please refer to the headings “Oil and Gas Measures and Definitions” and “Well Economics” in the Advisories Appendix of this presentation for more information.
Paramount owns 54 MMcf/d (~18%) of the Smoky Deep Cut facility and 10 MMcf/d (50%) of the Resthaven facility.

Q4 Sales: ~2,800 Boe/d

Currently executing a six-well Cretaceous drilling program while continuing to evaluate Montney full-field development options and offset competitors in the Rich Condensate window; first well has been completed and is currently testing; second well has been rig released.

* Land holdings as at March 7, 2017
- ~63 sections (~47 net) Montney rights
- ~57 sections (~42 net) Doig rights
- Three development horizons:
  - Upper Montney/Doig
  - Middle Montney
  - Lower Montney
- 17 wells currently tied in
- Q4 Sales: 770 Boe/d
- Completed first of two previously drilled wells (14-22) placing 1,992 tonnes of sand over 20 stages (completed length ~1,300 m) with 100% success rate\(^{(2)}\): currently awaiting tie-in
- Evaluating long term production/economics to determine future investment levels

\(^{(1)}\) Based on results from Paramount's wells and publicly disclosed results of competitor wells. \(^{(2)}\) Please refer to the headings “Oil and Gas Measures and Definitions” in the Advisories Appendix of this presentation for more information * Land holdings as at March 7, 2017
Montney shale play (50% WI)

~60 sections (~30 net) Montney rights

14 Hz Montney wells drilled to date

Q4 Sales: 825 Boe/d

NGL + Free Condensate yields average 54 Bbl/MMcf over productive life

Facility expansion to 40 MMcf/d (gross) underway, anticipated onstream Q3/2017

Six wells of the nine-well drilling program have been drilled.

Two wells completed and expected to be on production in Q1 2017

* Land holdings as at March 7, 2017
Duvernay Shale Play

- 57,892 acres of land (100% WI)
- Drilled and completed 4 Hz Duvernay wells to date:

<table>
<thead>
<tr>
<th>Well</th>
<th>Natural Gas MMcf</th>
<th>Oil and NGLs MBbl</th>
</tr>
</thead>
<tbody>
<tr>
<td>03/16-13-39-5W5</td>
<td>226.9</td>
<td>122</td>
</tr>
<tr>
<td>7-19-39-5W5</td>
<td>156.8</td>
<td>40</td>
</tr>
<tr>
<td>3-28-39-5W5</td>
<td>107.5</td>
<td>49</td>
</tr>
</tbody>
</table>

- Completed 02/13-05-039-05W5 placing 4,606 tonnes of sand over 26 stages (completed length ~2,035m) with 100% success rate\(^1\); currently on clean up and testing
- The 02/13-05 well is located on the 11-32 pad which will accommodate three additional wells to be drilled in 2017

\(^1\) Please refer to the headings “Oil and Gas Measures and Definitions” in the Advisories Appendix of this presentation for more information
### Paramount Investments and Cash

#### Trilogy Energy (TSX:TET)
- Spun-out from Paramount in 2005
- Market Cap: ~$700 Million
- 2016 production: 21,822 Boe/d
- Concentrated asset base, liquids-rich resource with multi-zone potential
- Key growth plays: Kaybob South Montney Gas, Kaybob Montney Oil and Duvernay Shale

19.1 MM shares (~15%)  
~$105 MM

#### MEG Energy (TSX:MEG)
- Acquired through sale of Surmont assets
- Market Cap: ~C$2.1 Billion
- 2016 production: 81,245 Bbl/d
- Large, high quality resource base
- Key projects include Christina Lake and Surmont

3.7 MM shares (~2%)  
~$26 MM

#### Fox Drilling
- Wholly-owned by Paramount
- Three conventional triple-sized rigs and four triple-sized walking rigs

~$155 MM

#### Other Investments
- Marquee: Shares acquired through sale of Chain assets
- Blackbird: Shares acquired through sale of Elmworth assets
- Strategic Oil & Gas: Shares acquired through sale of Cameron Hills/Bistcho assets
- RMP: Shares acquired through sale of Ante Creek asset
- Other public and private corporations

~$33 MM

### Cash and cash equivalents
- $622 MM

### Market Value
- ~$941 Million or ~$8.87/share

---

(1) Cash and cash equivalents as at December 31, 2016.
Cavalier Energy Inc.

- 326 (net) sections of oil sands rights
  - In Q4/2016 Cavalier granted a royalty on its oil sands properties to a third party for cash consideration of $100 million
  - No development commitment or restriction on use of proceeds

Hoole Grand Rapids Project (100% WI)
- 80 wells to-date
- Phase 1: 10,000 Bbl/d approval received (100,000 Bbl/d total project)

MGM Energy Corp.

- Mackenzie Delta
  - ~101,912 (29,342 net) acres
  - Significant Discoveries at Umiak, Qavvik, Olivier, Langely and Ellice

Central Mackenzie:
- 708,319 (303,418 net) acres
- Significant Discovery at Nogha, Colville Lake
- Significant Discovery for shale oil at East Mackay

Liard Basin

Besa River Shale Play
- Paramount holds ~134 net sections
- Drilled 4 (4.0 net) wells for play delineation and land retention

Liard Basin industry resource estimates:(1):
- 170-500 Bcf/section OGIP
- ~20% recovery factor
- ~100 Bcf gas/section or 15 Tcf

Land retention drilling now complete

(1) As publicly disclosed by a large U.S. public E&P company with significant landholdings in the Liard Basin. The resource evaluation disclosed by such E&P company was not noted as having been prepared independently or by a qualified reserves evaluator or auditor (as such terms are defined in NI 51-101) or in accordance with the COGE Handbook. This information is relevant to Paramount’s landholdings in the Liard Basin as the information is in respect of landholdings in the Liard Basin that are close to Paramount’s lands and are, accordingly, likely to have similar geology. (2) Based on publicly available information. * Land holdings as at March 7, 2017.
Quarterly Operating Results

Production

<table>
<thead>
<tr>
<th>Year</th>
<th>Natural Gas</th>
<th>Condensate &amp; Oil</th>
<th>Other NGLs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2014</td>
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<td></td>
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<tr>
<td>2015</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Operating Costs

<table>
<thead>
<tr>
<th>Year</th>
<th>$/Boe</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td></td>
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</tbody>
</table>

Adjusted EBITDA

<table>
<thead>
<tr>
<th>Year</th>
<th>$MM</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td></td>
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<tr>
<td>2015</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td></td>
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G&A Corporate

<table>
<thead>
<tr>
<th>Year</th>
<th>$/Boe</th>
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<tbody>
<tr>
<td>2012</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td></td>
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<tr>
<td>2014</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td></td>
</tr>
</tbody>
</table>
Reserves (1)

1) Principal properties reserves, exclude bitumen reserves related to the Hoole oilsands development. Reserves evaluated by McDaniel & Associates Consultants Ltd. in accordance with National Instrument 51-101 definitions, standards and procedures. Columns may not add due to rounding.
Summary

Exposure to significant reserve opportunities
- Deep Basin
  - Drilling significant Montney wells at Karr testing longer laterals and increasing frac intensity; expanding existing facility
  - New Cretaceous well completed at Smoky/Resthaven
- Northeast British Columbia
  - Drilling nine new Montney wells at Birch; expanding existing facility
- Willesden Green
  - Drilling three additional wells into the Duvernay formation

Significant asset value
- Trilogy
- MEG Energy
- Cavalier Energy
- Liard Shale Gas
- Northern Frontier Resources
- Investment Portfolio

Paramount continues to provide long-term value creation for shareholders
ADVISORIES APPENDIX
Advisories

Forward-Looking Information

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

- projected sales volumes; forecast capital expenditures and operating costs; exploration, development and associated operational plans and strategies (including planned drilling programs, well tie-ins, and facility expansions) and the anticipated timing of such activities; reserves and resources estimates; projected type well production profiles and associated net present value, internal rate of return and payout estimates (and the initial production rate, sales volumes, capital and operating cost, Liquids yield, price and other assumptions used to generate such profiles and estimates); and general business strategies and objectives.

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 presentation or Paramount’s continuous disclosure documents:

- future natural gas and Liquids prices; royalty rates, taxes and capital, operating, general & administrative and other costs; foreign currency exchange rates and interest rates; general economic and business conditions; the ability of Paramount to obtain the required capital to finance its exploration, development and other operations and meets its commitments and financial obligations; the ability of Paramount to obtain equipment, services, supplies and personnel in a timely manner and at an acceptable cost to carry out its activities; the ability of Paramount to secure adequate product processing, transportation, de-ethanization, fractionation and storage capacity on acceptable terms; the ability of Paramount to market its natural gas and Liquids successfully to current and new customers; the ability of Paramount and its industry partners to obtain drilling success (including in respect of anticipated production volumes, reserves additions, Liquids yields and resource recoveries) and operational improvements, efficiencies and results consistent with expectations; the timely receipt of required governmental and regulatory approvals; and anticipated timelines and budgets being met in respect of drilling programs and other operations.

Although Paramount believes that the expectations reflected in such forward looking information are reasonable, undue reliance should not be placed on them as Paramount can give no assurance that such expectations will prove to be correct. Forward-looking information is based on current 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. These risks and uncertainties include and/or relate (but are not limited to):

- fluctuations in natural gas and Liquids prices; changes in foreign currency exchange rates and interest rates; the uncertainty of estimates and projections relating to future revenue, future production, reserve additions, Liquids yields (including condensate to natural gas ratios), resources recoveries, royalty rates, taxes and costs and expenses; the ability to secure adequate product processing, transportation, de-ethanization, fractionation and storage capacity on acceptable terms; operational risks in exploring for, developing and producing natural gas and Liquids; the ability to obtain equipment, services, supplies and personnel in a timely manner and at an acceptable cost; potential disruptions or unexpected technical or other difficulties in designing, developing, expanding or operating new, expanded or existing facilities (including third-party facilities); processing, pipeline, de-ethanization, and fractionation infrastructure outages, disruptions and constraints; risks and uncertainties involving the geology of oil and gas deposits; the uncertainty of reserves and resources estimates; general business, economic and market conditions; the ability to generate sufficient cash flow from operations and obtain financing to fund planned exploration, development and operational activities and meet current and future commitments and obligations (including product processing, transportation, de-ethanization, fractionation and similar commitments and debt 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 and to enter into and maintain leases and licenses; the effects of weather; the timing and costs of future abandonment and reclamation obligations and potential liabilities for environmental damage and contamination; uncertainties regarding aboriginal claims and in maintaining relationships with local populations and other stakeholders; the outcome of existing and potential lawsuits, regulatory actions, audits and assessments; and other risks and uncertainties described elsewhere in this presentation and in Paramount’s filings with Canadian securities authorities, including its Annual Information Form.

The foregoing list of risks is not exhaustive. Additional information concerning these and other factors which could impact Paramount are included in Paramount’s most recent Annual Information Form. The forward-looking information contained in this presentation 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

This presentation contains disclosure expressed as “Boe”, “MBoe”, “MMBoe” and “Boe/d”. All natural gas equivalency volumes have been derived using the ratio of six thousand cubic feet of natural gas to one barrel of oil. 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. During the year ended December 31, 2016, the value ratio between crude oil and natural gas was approximately 27:1. 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. The term “Liquids” is used to represent oil, condensate, ethane, propane and butane. The term “success rate” refers to the proportion of proppant actually placed during well completions compared to the planned quantity of proppant.
Paramount has provided information with respect to certain of its plays and emerging opportunities which is "analogous information" as defined in NI 51-101. This analogous information includes Paramount's internally generated production type curves for certain of its wells and internal estimates of estimated ultimate recovery ("EUR") (as defined in the Society of Petroleum Engineers - Petroleum Resources Management System). This analogous information is derived from Paramount's internal sources as well as from a variety of publicly available information sources which are predominantly independent in nature (however, it is not clear in all cases whether analogous information derived from public sources was prepared by a qualified reserves evaluator or in accordance with the Canadian Oil and Gas Evaluation Handbook). These type curves and estimates are subject to the specific assumptions identified by Paramount with respect thereto, and the other assumptions contained in these advisories. No reserves, or resources other than reserves, are assigned to these type curve or Estimated Ultimate recovery ("EUR") estimates and, accordingly, such estimates may not be representative of the actual production rates or resources associated with Paramount's wells and properties. The estimates of reserves for individual properties may not reflect the same confidence level as estimates of reserves for all properties, due to the effects of aggregation.

Non-GAAP Measures

In this presentation "Full Cycle Value Realized" and "Adjusted EBITDA", collectively the non-GAAP measures, are used and do not have any standardized meaning as prescribed by GAAP. "Full Cycle Value Realized" is calculated on slide 4 in respect of the Musreau/Kakwa Assets sold in August 2016 and represents the cumulative aggregate proceeds on dispositions plus netback minus capital investments (including land, infrastructure and well costs) related to such assets. Full Cycle Value Realized is presented to show the aggregate cumulative proceeds realized on such assets in excess of the aggregate cumulative capital invested. Adjusted EBITDA equals net loss: (i) before interest and financing, debt extinguishment expense, share-based compensation, depreciation and depletion, exploration and evaluation, gain or losses on the sale of oil and gas properties, accretion of asset retirement obligations, unrealized foreign exchange gains or losses, unrealized gains or losses on financial commodity contracts, write-downs of investments in securities, gains or losses on the sale of investments, income or loss from equity-accounted investments, income from discontinued operations and income tax expense or recovery; and (ii) plus dividends from investees. Adjusted EBITDA is commonly used to assist management and investors in measuring our ability to fund capital programs and meet financial obligations.

Non-GAAP measures should not be considered in isolation or construed as alternatives to their most directly comparable measure calculated in accordance with GAAP, or other measures of financial performance calculated in accordance with GAAP. Non-GAAP measures are unlikely to be comparable to similar measures presented by other issuers.

Summary of Musreau/Kakwa Sale Transaction (Slide 4)

In August 2016, Paramount completed the sale to Seven Generations Energy Ltd. ("Seven Generations") of 450 (310 net) sections of Paramount's Deep Basin oil & gas properties in the Musreau/Kakwa area of west Central Alberta (collectively, the "Musreau/Kakwa Assets"). The 30,000 Boe/d of sales volumes associated with the Musreau/Kakwa Assets was estimated for the three month period ended June 30, 2016. The $535 million PDP NPV@10% of reserves and $2.2 billion of future development costs associated with the Musreau/Kakwa Assets were derived from the independent engineering evaluation prepared by McDaniel & Associates Consultants Ltd. ("McDaniel") with respect to Paramount's properties effective as of December 31, 2015 (the "McDaniel Report"). Proforma estimated reserves volumes derived from the McDaniel Report have not been updated for subsequent changes occurring after December 31, 2015, including changes in forecast commodity prices, the sale of Paramount’s Musreau Complex, production, current year additions or other potential changes in variables and were not evaluated by McDaniel.

Well Economics

Illustrative type well economics are based on four wells per pad drilled with a single rig. Actual capital costs for Montney wells will be different due to a number of factors including, but not limited to the number of wells drilled on a particular pad and the number of rigs used, the number of completions done concurrently at a particular site, the number of wells using shared surface facilities, the timing of field operations, the source and location of frac water and the effects of weather. Condensate gas ratios ("CGRs") were calculated by dividing total wellhead separator liquids volumes by total wellhead separator natural gas volumes. Sales volumes will be lower due to shrinkage. The term "P/I" refers to "profitability index" and is calculated by dividing estimated net cash flows (excluding capital invested, before tax, discounted at 10 percent) by capital invested (discounted at 10 percent). The term "IRR" means the internal rate of return. The "IP 30" is the initial 30 days of production.
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