



PARAMOUNT RESOURCES LTD.

Calgary, Alberta

September 22, 2025

Paramount Resources Announces the Disposition of a Portion of its Investment in the Common Shares of NuVista Energy Ltd. and Provides an Operations Update

This press release is being issued pursuant to section 5.2 of National Instrument 62-104 -Take-Over Bids and Issuer Bids.

Paramount Resources Ltd. ("Paramount" or the "Company") (TSX:POU) announces that it has sold 18,500,000 common shares ("NuVista Shares") of NuVista Energy Ltd. ("NuVista") on September 21, 2025 by means of private agreement (the "Transaction"), with closing to occur on October 1, 2025. Paramount is receiving \$16.00 per NuVista Share pursuant to the Transaction for aggregate cash consideration of \$296,000,000. The Company is also providing an operations update.

DISPOSITION OF SHARES

The NuVista Shares that Paramount is disposing of pursuant to the Transaction represent 9.50% of the 194,663,181 NuVista Shares reported by the TSX to be outstanding as of September 21, 2025. Prior to the Transaction, Paramount had direct ownership and control of 31,252,142 NuVista Shares, representing 16.05% of the outstanding NuVista Shares. Following the Transaction, Paramount will have direct ownership and control over 12,752,142 NuVista Shares, representing 6.55% of the outstanding NuVista Shares.

The purpose of the Transaction is to monetize a portion of Paramount's investment in NuVista Shares.

Depending on various factors including, without limitation, NuVista's financial condition, business, operations and prospects, the prevailing market price of the NuVista Shares, conditions in the securities markets, general economic and industry conditions, the terms and conditions applicable to any potential transaction and such other factors that Paramount may deem relevant, Paramount may, subject to applicable laws and regulatory requirements:

- (i) acquire NuVista Shares or other securities of NuVista from time to time on the open market, in privately negotiated transactions or by other means;
- (ii) make public or private proposals, whether to NuVista or to the securityholders of NuVista, relating to the acquisition of all or a portion of the outstanding NuVista securities it does not own, including, without limitation, by a corporate transaction such as an amalgamation or plan of arrangement or by a formal or exempt take-over bid; and
- (iii) dispose of any of the NuVista Shares or other securities of NuVista it holds from time to time on the open market, in privately negotiated transactions or by other means.

OPERATIONS UPDATE

Based on preliminary field estimates, Paramount's sales volumes for July and August averaged approximately 33,800 Boe/d (47% liquids).

Sales volumes at the Company's Willesden Green Duvernay property in July and August averaged approximately 11,500 Boe/d (57% liquids), based on preliminary field estimates. Runtime at Paramount's new wholly-owned and operated Alhambra Plant, which commenced operations in late July, has been significantly above forecast as production through the plant ramped-up from five (5.0 net) to nine (9.0 net) Duvernay wells. In addition, the construction of third-party liquids pipeline egress was completed in August, as planned. The Company continues to expect sales volumes through the Alhambra Plant to increase throughout September and into the fourth quarter as it concludes completion operations and brings on the remaining seven (7.0 net) 2025 Duvernay wells.

Kaybob Region sales volumes in July and August averaged approximately 21,300 Boe/d (41% liquids), based on preliminary field estimates. Completion activities at a five (5.0 net) well Duvernay pad at Kaybob North were concluded and all five wells were brought onstream in the second half of August.

At Sinclair, an extended flow test into regional infrastructure was successfully brought online in mid-August. Each of the two test wells will be flowed individually at restricted rates for approximately 6-8 weeks. The data obtained from these extended flow tests is informing the Company's detailed engineering and design work for a potential new dry gas processing plant capable of handling up to 400 MMcf/d of raw gas production. Paramount expects to be in a position to make a final investment decision as early as the fourth quarter of 2025.

ABOUT PARAMOUNT

Paramount is an independent, publicly traded, liquids-rich natural gas focused 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 class A common shares are listed on the Toronto Stock Exchange under the symbol "POU".

FURTHER INFORMATION

For further information or for inquiries or a copy of the related early warning report in respect of the Transaction, a copy of which is filed on SEDAR+ at www.sedarplus.ca, please contact:

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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 expected closing of the Transaction and the timing thereof;
- planned and potential exploration, development and production activities, including the expectation that sales volumes through the Alhambra Plant will increase throughout September and into the fourth quarter; and
- the statement that Paramount expects to be in a position to make a final investment decision as early as the fourth quarter of 2025 respecting a potential new dry gas processing plant at Sinclair.

Such forward-looking information is based on a number of assumptions which may prove to be incorrect.

The forward-looking information concerning the expected closing of the Transaction and the expected timing thereof is based on the assumption that all closing conditions to the Transaction will be satisfied and the closing of the Transaction will occur as anticipated. The forward-looking information concerning: (i) planned and potential exploration, development and production activities, including the expectation that sales volumes through the Alhambra Plant will increase throughout September and into the fourth quarter and (ii) the statement that Paramount expects to be in a position to make a final investment decision as early as the fourth quarter of 2025 respecting a potential new dry gas processing plant at Sinclair is based on assumptions that have been made with respect to the following matters:

- 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 and the meeting of commitments and financial obligations;
- the ability of Paramount to obtain equipment, materials, services and personnel in a timely manner and at expected and acceptable costs to carry out its activities;
- the ability of Paramount to secure adequate processing, transportation, fractionation, disposal and storage capacity on acceptable terms and the capacity and reliability of facilities;
- 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 sales volumes, reserves additions, product yields and product 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: (i) drilling programs and other operations, including well completions and tie-ins, (ii) the design, construction, commissioning and start-up of new and expanded third-party and Company facilities, pipelines and other infrastructure, and (iii) facility 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.

With respect to the forward-looking information concerning the expected closing of the Transaction and the expected timing thereof, there is a risk that the Transaction will not be completed on the terms anticipated or at all, including due to a closing condition not being satisfied. With respect to the forward-looking information concerning: (i) planned and potential exploration, development and production activities, including the expectation that sales volumes through the Alhambra Plant will increase throughout September and into the fourth quarter and (ii) the statement that Paramount expects to be in a position to make a final investment decision as early as the fourth quarter of 2025 respecting a potential new dry gas processing plant at Sinclair, 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 restrictions or other trade 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 natural gas ratios), revenue, free cash flow, reserves additions, product recoveries, royalty rates, taxes and costs and expenses;
- the ability to secure adequate processing, transportation, fractionation, disposal and storage capacity on acceptable terms;
- operational risks in exploring for, developing, producing and transporting natural gas and liquids, including the risk of spills, leaks or blowouts;
- risks associated with wildfires, including the risk of physical loss or damage to wells, facilities, pipelines and other infrastructure, prolonged disruptions in production, restrictions on the ability to access properties, interruption of electrical and other services and 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 acceptable costs, including the potential effects of inflation and supply chain disruptions;
- potential disruptions, delays or unexpected technical or other difficulties in designing, developing, expanding, commissioning, starting-up or operating new, expanded or existing facilities;
- 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 of low river flow, 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, development and operational activities and meet current and future commitments and obligations (including asset retirement obligations, processing, transportation, fractionation 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, and to obtain and maintain leases and licenses;
- the effects of weather and other factors including wildlife and environmental restrictions which affect field operations and access; and
- uncertainties regarding Indigenous claims and in maintaining relationships with local populations and other stakeholders.

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

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 six months ended June 30, 2025, the value ratio between crude oil and natural gas was approximately 47:1. 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.

Product Type Information

This press release includes references to sales volumes of "natural gas" and "liquids". "Natural gas" refers to shale gas and conventional natural gas combined. "Liquids" refers to condensate, light and medium crude oil, tight oil, heavy crude oil and Other NGLs combined. "Other NGLs" refers to ethane, propane and butane.

Based on preliminary field estimates: (i) Paramount's sales volumes for July and August averaged approximately 33,800 Boe/d (53% shale gas and conventional natural gas combined, 38% condensate, light and medium crude oil, tight oil and heavy crude oil combined and 9% other NGLs), (ii) sales volumes at the Willesden Green Duvernay property in July and August averaged approximately 11,500 Boe/d (43% shale gas and conventional natural gas combined, 41% condensate, light and medium crude oil, tight oil and heavy crude oil combined and 16% other NGLs), and (iii) Kaybob Region sales volumes in July and August averaged approximately 21,300 Boe/d (59% shale gas and conventional natural gas combined, 36% condensate, light and medium crude oil, tight oil and heavy crude oil combined and 5% other NGLs).