



Paramount
resources ltd.

Building a Successful Independent

- 1) Find large reserves of hydrocarbons with prolific deliverability for C\$0.25/Boe and sell for >C\$4.00/Boe

Riddell Formula 1978

Corporate Profile March 31, 2005

- ~ 80% gas leverage
- Intermediate gas- focused producer/explorer
- 64.1 million shares + $\leq 5\%$ dilution for options
- Market Cap. @ \$30.00/share = \$1,923 million
- 50% management ownership
- Successful efforts accounting
- Current production : $\approx 45,000$ Boe/d @ 6:1
- 2004 Production : 36,150 Boe/d @ 6:1
- 2004 Cash Flow : \$295 million (\$4.95/share)
- 2005E Cash Flow : \$425 million (\$6.66/share)
- 3.4 million acres undeveloped lands

Clay Riddell, Geologist

1959: Graduated University of Manitoba

1959-1968: The California Standard Company - Chevron

1968-1970: Consulting Geologist

1970-1975: Running Small Public Companies

**1975-2005: Building an Independent Oil & Gas
Company and Two Energy Income Trusts**

Paramount 1975 - 2005

1970 - 1979: Discovered the secrets of the Grosmont Trend in Northeast Alberta

1979 - 1983: Exploited the Discoveries

1983 - 1992: Expanded holdings in Northeast Alberta

1992 - 2004: Central Alberta, Deep Basin, NWT, North Dakota and Southern Alberta

**2005: Two Public Trusts - Paramount Energy Trust
Trilogy Energy Trust**

Five Core Areas of growing reserves:

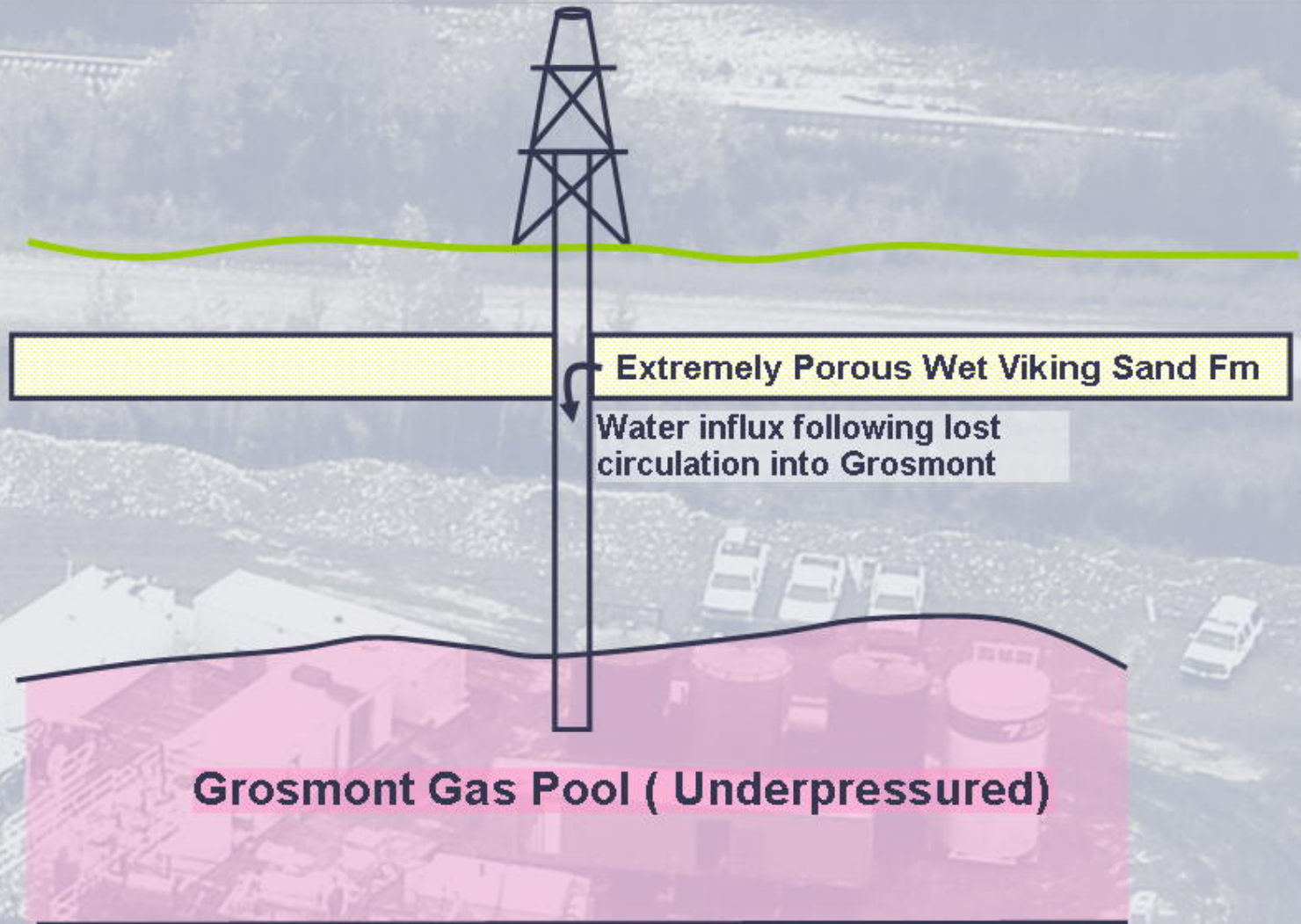
BC/NWT

NW Alberta/NWT

S Alberta/North Dakota

Deep Basin

Athabasca Oil Sands



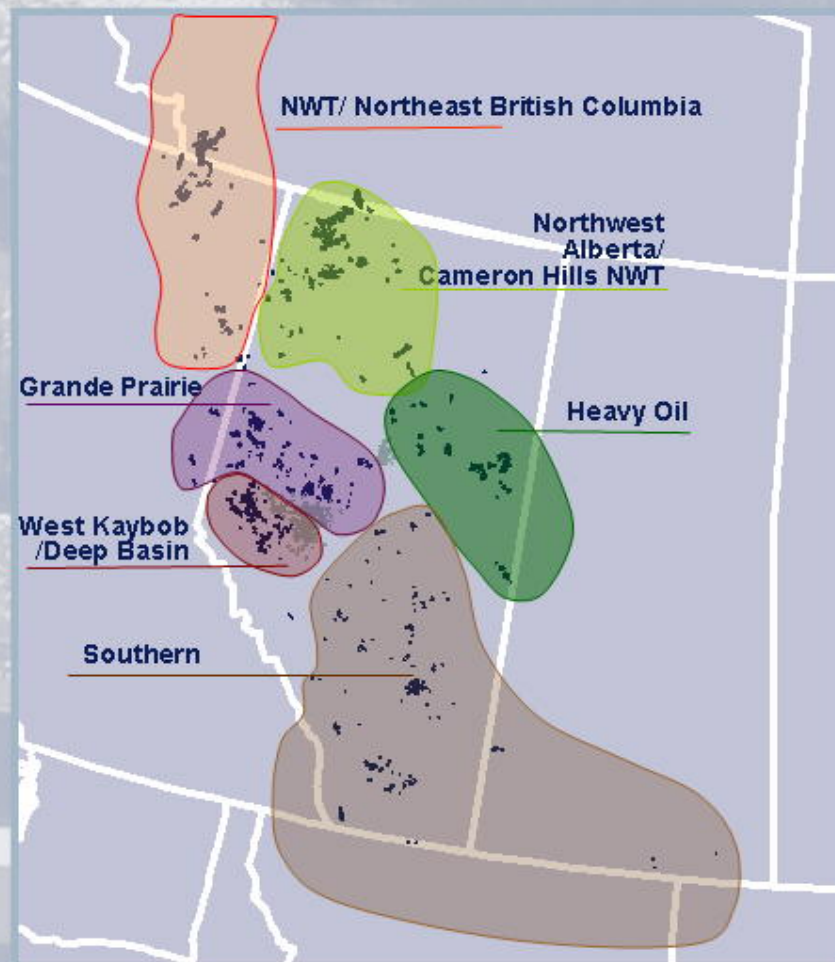
Paramount Resources Remaining Core Producing Properties

Paramount Initial Production Estimate

West Kaybob/Deep Basin	3,300
Grande Prairie	4,000
NW AB/Cameron Hills NWT	5,000
NWT/NE BC	4,000
Southern	3,500
Heavy Oil	366
Total	20,166 Boe/d

Paramount 2005 Capital Program

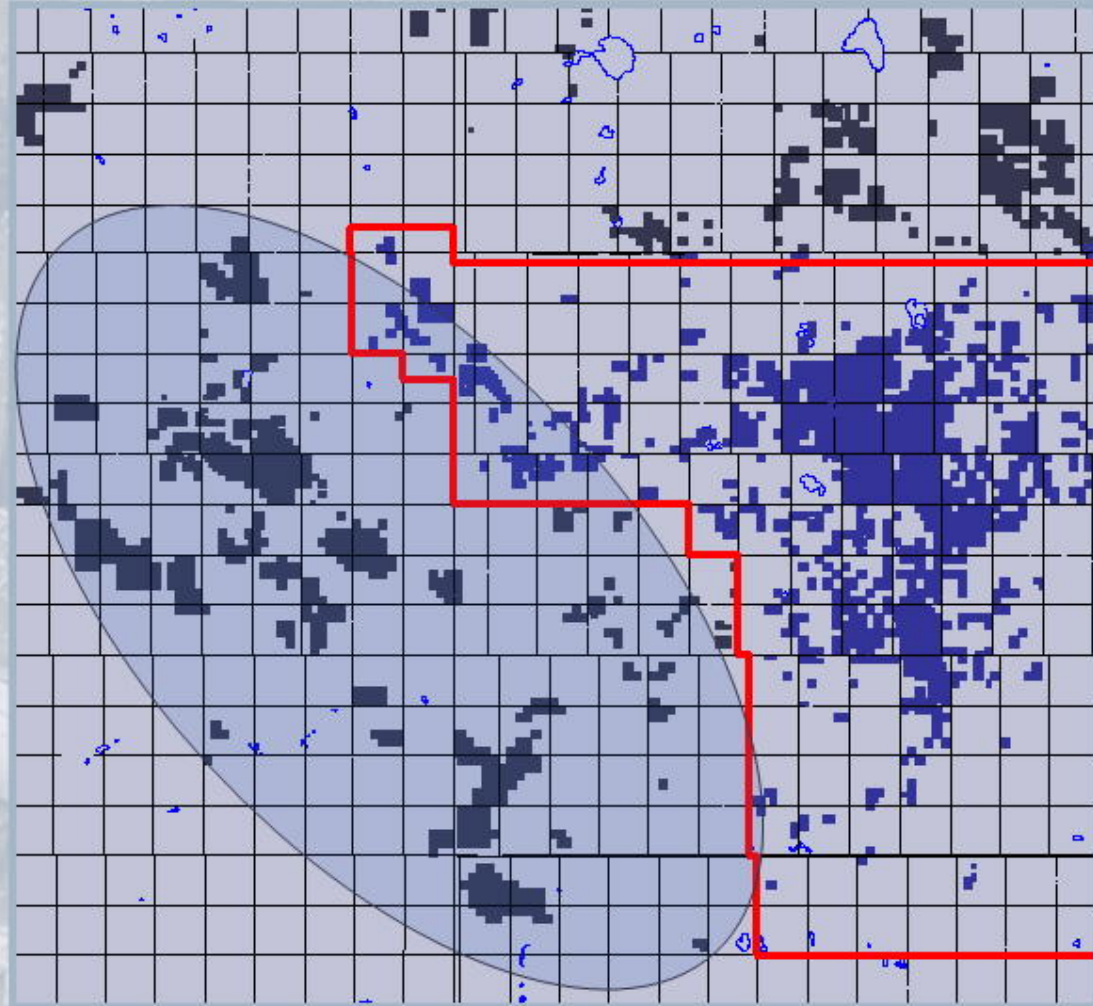
West Kaybob/Deep Basin	45
Grande Prairie	50
NW AB/Cameron Hills NWT	20
NWT/NE BC	60
Southern	50
Heavy Oil	15
Total	\$240 MM



West Kaybob

West Kaybob/ Deep Basin play type is similar to original play in Kaybob

- 2 x depth
- 2 x costs
- 2 x rates
- 2 x reserves

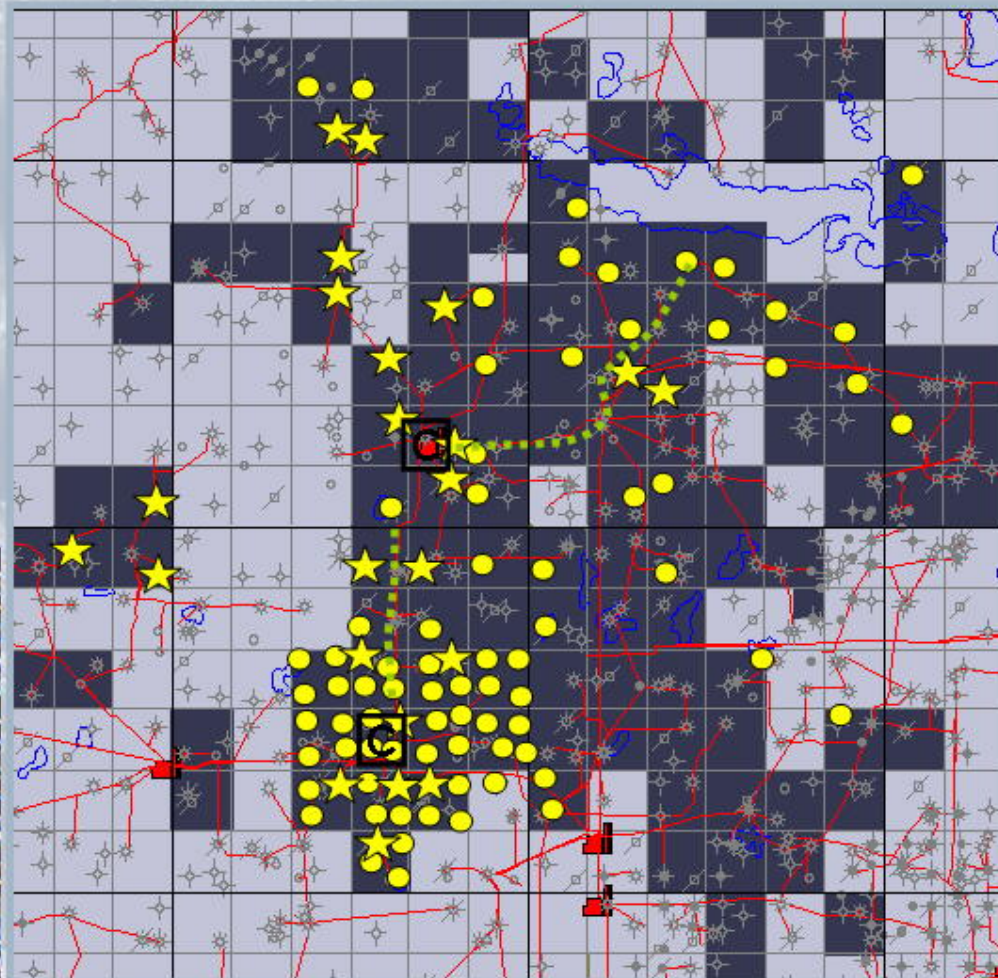
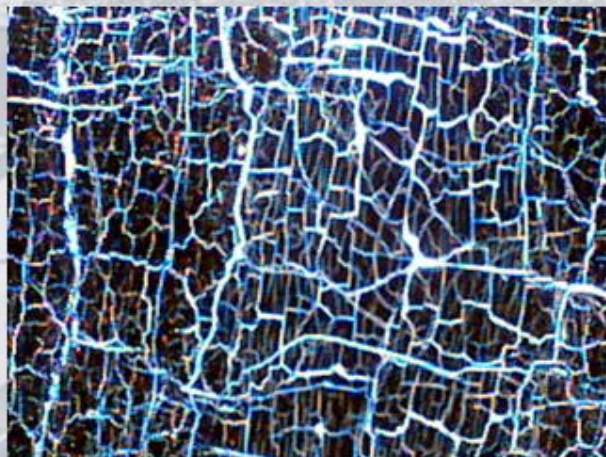


Chain – 2005 CBM Drilling

- ★ 2004 Drilling
- CBM locations
- Pipeline spine
- Ⓢ Compression

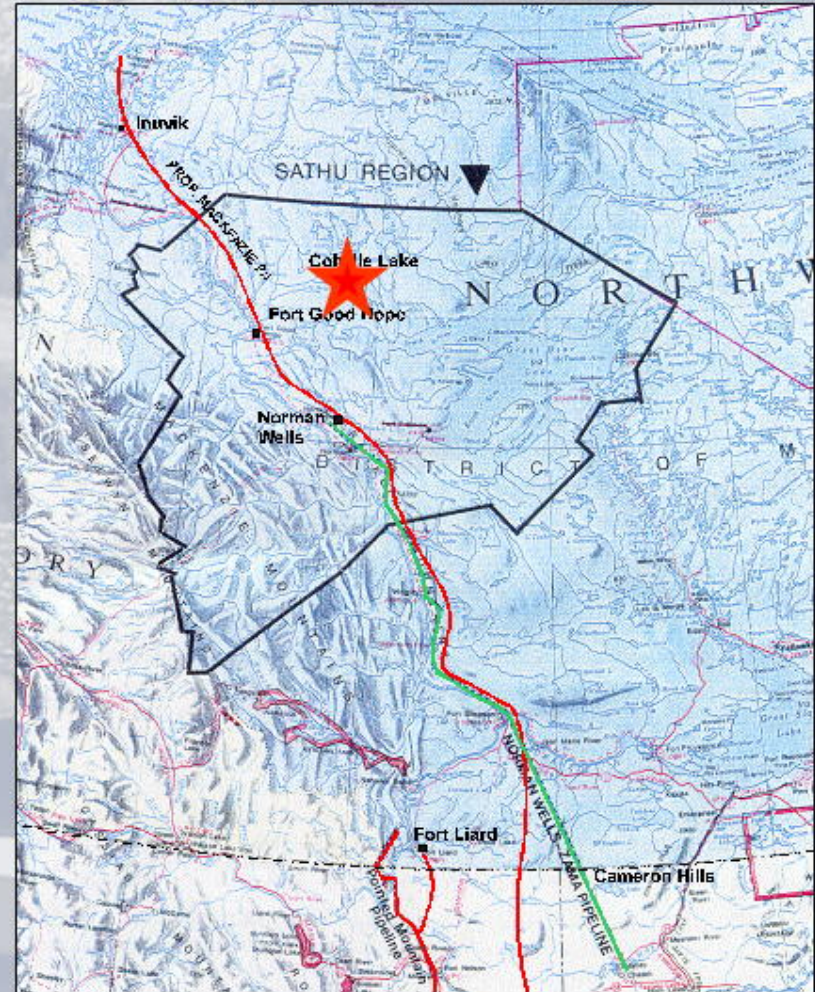
- 88 well program

Paramount Horseshoe Canyon Coal @ 10X



Colville Lake, NWT

- 1850 km north of Calgary at the Arctic Circle
- Proximal to proposed Mackenzie Valley Pipeline (MVPL)
- Paramount 50% WI in over 500,000 acres



SAGD, Northeast Alberta

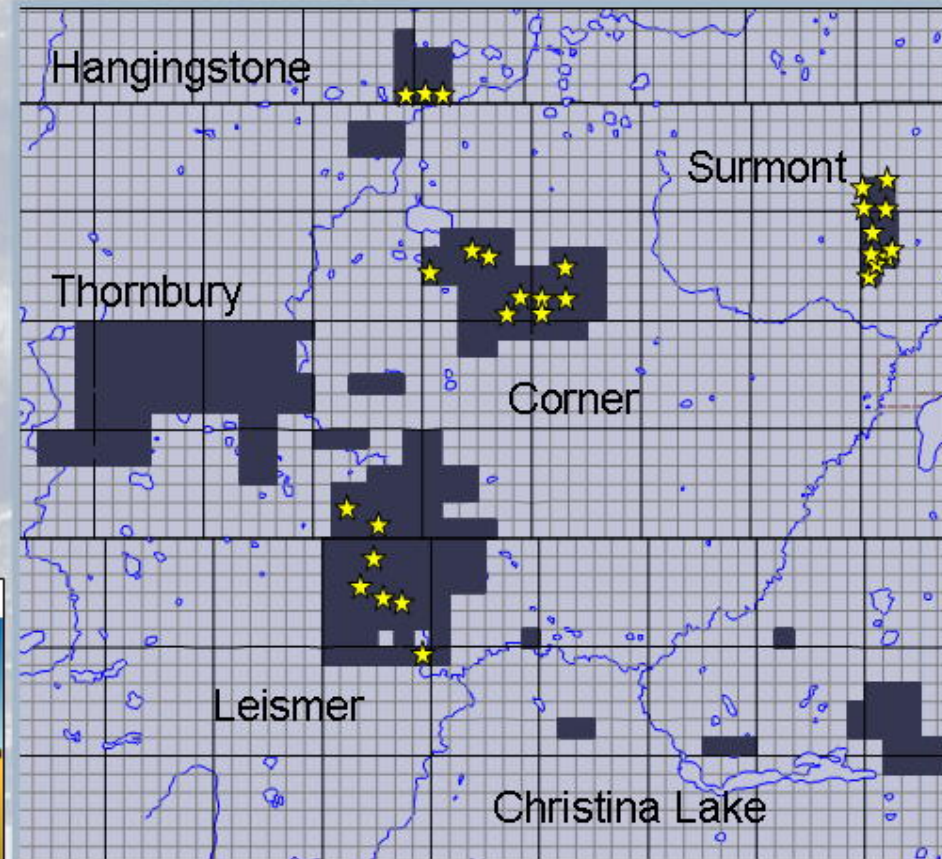
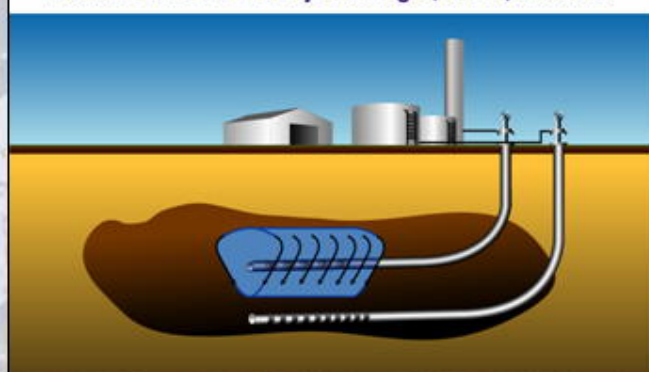
Paramount Projects:

- Leismer
- Christina Lake
- Surmont
- Corner
- Thornbury
- Hangingstone

Paramount keys:

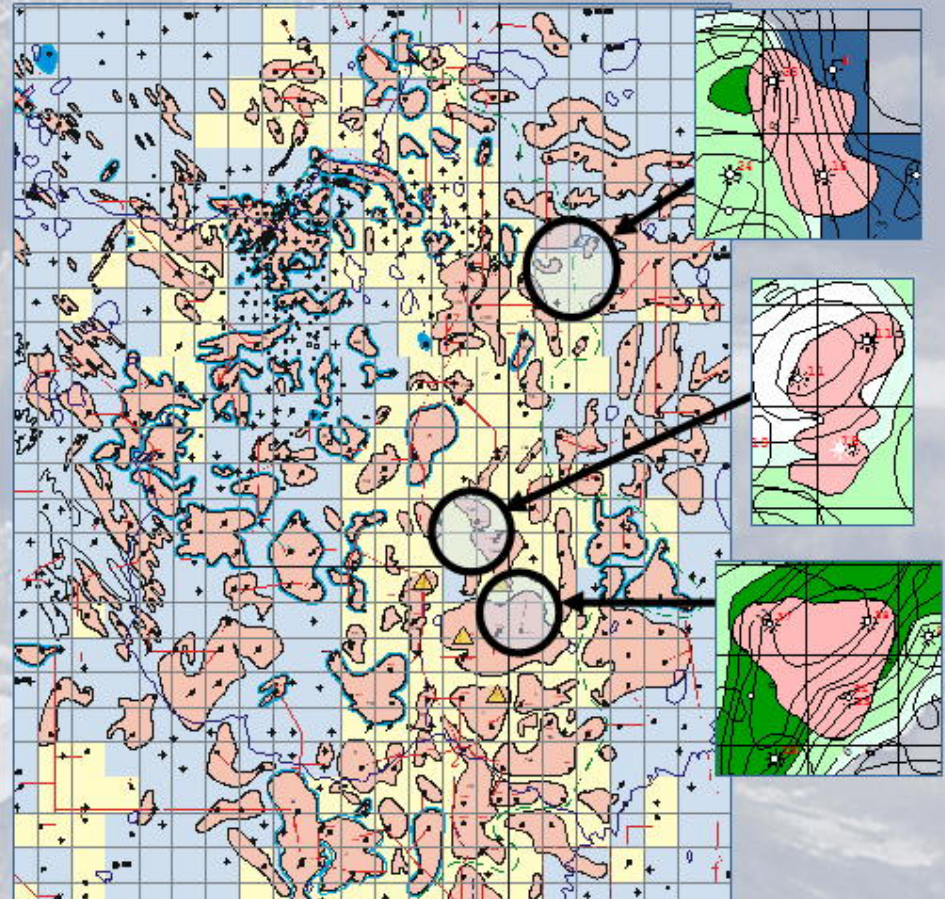
- Site upgrading
- Alternative energy source to natural gas

Steam Assisted Gravity Drainage (SAGD) Process



Surmont Gas over Bitumen

- **Surmont
Repressurization
Pilots**
 - Inert gas injection
 - Exhaust gas displacement
- **Potential to return
significant
reserves to
production**
- **Pilot onstream
Spring 2005**



PARAMOUNT

PARAMOUNT ROYALTY TRUST

PARAMOUNT ENERGY TRUST

CAMERON HILLS DEVELOPMENT

TIED IN & PRODUCING SPRING '04

PARAMOUNT ENERGY FUND

19% OF TRILOGY TRINIDAD DRILLING UNITS MISC INVESTMENTS-15 MM

CENTRAL ALBERTA E&P

TRILOGY ENERGY TRUST

SAGD DEVELOPMENT

AT DRILL STAGE

SURMONT COMPENSATION

DONE JUNE '02

WEST KAYBOB E&P

GRANDE PRAIRIE E&P

NW ALBERTA E&P

FORT LIARD E&P

SOUTHERN ALBERTA E&P

COLVILLE LAKE NOGHA DISCOVERY +250 BCF

PARAMOUNT PURE EXPLORATION

PARAMOUNT MIDSTREAM

CONTINUING TO BUILD OUR OWN ASSETS

WILSON DRILLING

SOLD FALL '04

FUTURE TRUSTS?

What Lies Ahead in Canada

- I've been told all my career I was in a sunset industry. That may be true but at the moment the sun is still rising.
- **MORGAN STANLEY : Oil Prices May Crash**
GOLDMAN SACHS: Oil Super-Spike
- Major multinational - rapidly growing juniors - drilling funds - super-independents - energy trusts next?? And next ???

What Lies Ahead in Canada

- **Unconventional Hydrocarbon Reservoirs**
 - Coal bed methane
 - Basin centre tight gas
 - Shale gas
 - Gas hydrates
- **The Frontier**
 - Northern Canada
 - Offshore Atlantic, Pacific, Beaufort Sea
 - Arctic Islands
- **The Oilsands**
 - Mining
 - In-Situ
- **Technology**
 - Get the 20-80% of the hydrocarbons we have left in the ground
 - New imaging → new insights → new discoveries
 - New stimulation → new recovery technologies → new reserves
- **Conventional**
 - Lots of undiscovered conventional oil & gas reserves much of which are in smaller accumulations
 - The real deep prospects still abound

Building a Successful Independent

- 1) Find ever larger reserves of hydrocarbons with at least modest deliverability for $< \text{C}\$10.00/\text{Boe}$ and sell for $\text{C}\$60.00/\text{Boe}$

Riddell Formula 2005



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