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CIRCULAR
January 15, 2007

FINAL CONTRACT ADJUSTMENT
Paramount Resources Ltd. (POU)
Spin off

THE FOLLOWING INFORMATION IS PREPARED FOR THE CONVENIENCE OF CANADIAN DERIVATIVES CLEARING CORPORATION (CDCC) MEMBERS AND BOURSE DE MONTRÉAL INC. (THE BOURSE) APPROVED PARTICIPANTS. THIS DOCUMENT IS AN UNOFFICIAL SUMMARY OF CERTAIN TERMS OF THE AFOREMENTIONED ADJUSTMENT. CDCC AND THE BOURSE ACCEPT NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THE SUMMARY.

The Bourse and CDCC wish to inform you that Paramount Resources Ltd. (Paramount) has announced the successful completion of the spin off transaction resulting in the creation of a new public corporation known as MGM Energy Corporation (MGM). Please refer to CDCC Notice to members no. 2007-005 dated January 8, 2007. The transaction was approved by the shareholders of Paramount at a special meeting of shareholders held on January 11, 2007, and has also received the proper court and regulatory approval.

The common shares and warrant units of MGM issued pursuant to the spin off are expected to start trading on the Toronto Stock Exchange at the market opening on Wednesday, January 17, 2007 under the trading symbols "MGX" and "MGX.WT.A", respectively.

The Bourse and CDCC will adjust Paramount option contracts pursuant to the spin-off transaction terms. The adjusted deliverable of Paramount option contracts will be composed of 100 Paramount common shares, 4 MGM common shares and 20 MGM warrant units (MGM.WT.A).

Spin Off - details :

- **DISTRIBUTION RATIO:** **1 MGM common share and 5 MGM warrants for each 25 Paramount common shares**

Circular no.: 012-2007

Paramount Resources Ltd.		
Actual Strike Prices	Actual Class Symbol	New Class Symbol after the spin off
\$ 16.00	POU	POQ
\$ 18.00	POU	POQ
\$ 20.00	POU	POQ
\$ 22.00	POU	POQ
\$ 24.00	POU	POQ
\$ 26.00	POU	POQ
\$ 28.00	POU	POQ
\$ 30.00	POU	POQ
\$ 32.00	POU	POQ
\$ 34.00	POU	POQ
\$ 36.00	POU	POQ
\$ 38.00	POU	POQ
\$ 40.00	POU	POQ
\$ 42.00	POU	POQ

PLEASE ENSURE THAT ALL CLIENTS WHO HAVE EITHER LONG OR SHORT POSITIONS IN THESE OPTION CLASSES ARE ADVISED OF THIS NOTICE.

For further information, please contact Louise Leclair, Trading Systems Analyst Market Operations, Bourse de Montréal Inc. at (514) 871-3526. CDCC Clearing Members may contact the CDCC Operations Department.

Joëlle Saint-Arnault
Vice-President, Legal Affairs and Secretary