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CIRCULAR
February 13, 2007

FINAL CONTRACT ADJUSTMENT

Paramount Resources Ltd. (POQ)

Spin-off (follow-up)

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 the warrants on MGM Energy Corporation (MGM) that had been issued by Paramount Resources Ltd. to its shareholders in connection with the spin-off of its common shares and the creation of MGM completed on January 12, 2007 will expire at 4:30 pm (Calgary time) on February 16, 2007 and will be delisted from the Toronto Stock Exchange at that time.

Those clearing members wishing to exercise the warrants that are currently part of the Paramount options deliverable should ensure that these options are exercised before CDCC closing of business on February 13, 2007. For further information regarding the settlement of the expiring warrants, please refer to the Toronto Stock Exchange bulletin published on February 5, 2007 (Bulletin No. 2007-0156).

Following the expiration of the MGM warrants, the deliverable on the POQ option classes will no longer include the expired warrants. No adjustment will be made to the option contracts to compensate for any in-the-money value the MGM warrants may have at the time of expiration.

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 Operations Department.

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

Circular no.: 027-2007