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CIRCULAR 001-17
January 4, 2017

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. CDCC MEMBERS AND BOURSE APPROVED PARTICIPANTS MUST ENSURE THEY HAVE REVIEWED THE DOCUMENTATION PUBLISHED BY THE ISSUERS INVOLVED IN THIS CORPORATE ACTION.

The Bourse and CDCC wish to inform you that Paramount Resources Ltd. ("Paramount") announced on December 16, 2016 the spin-off transaction of Seven Generations Energy Ltd. ("Seven Generations"). Paramount will distribute to its shareholders, by way of dividend, its remaining 3.8 million Seven Generations Shares.

Paramount's shareholders of record at the close of business on January 9, 2017 will receive approximately 0.036 common share of Seven Generations for each Paramount common share held. The dividend payment date will be January 16, 2017. The exact number of Seven Generations common shares that will be distributed is equal to the fraction of 3.8 million common shares divided by the issued and outstanding Shares of Paramount on the record date, subject to rounding and applicable taxes. Any fractional number of common shares will be rounded to the nearest whole number.

Paramount's shares will commence trading ex-dividend on the Toronto Stock Exchange at the opening of trading on January 5, 2017

Paramount Resources Ltd. (POU)

CDCC - Adjustment Details:

Pursuant to Terms of Adjustment provided in Section A-902 of the Rules of CDCC, all Paramount options will be adjusted as follows:

- **EFFECTIVE DATE:** January 5, 2017
- **OPTIONS SYMBOL:** POU will become POU1
- **NUMBER OF CONTRACTS:** Unchanged
- **MULTIPLIER:** 100
- **DELIVERABLE PER CONTRACT:** 100 common shares of Paramount (POU), 3 common shares of Seven Generations Shares (VII) and an approximate cash consideration of 0.6 Seven Generations Share. A follow-up circular will confirm the amount.
- **STRIKE PRICES:** Unchanged
- **POSITION AND EXERCISE LIMITS:** The position and exercise limits will not change, it will remain 250,000 contracts.
- **CUSIP:** NOTACUSIP

CDCC will not accept escrow receipts on these adjusted series.

Bourse de Montréal Inc. Adjustment Details:

It is important to note that on the effective date mentioned above, all open orders on this option class **will not be automatically modified** to reflect the plan of arrangement and will therefore have to **be re-entered** into the Montreal Automated System (SAM) by the approved participants.

The existing series of POU options class will be transferred to the POU1 options class representing the new deliverable. Please note that only closing transactions will be permitted on the adjusted class. Actual series that do not have open interest will not be adjusted.

Paramount Resources Ltd.		
Actual Strike Prices	Actual Class Symbol	New class symbol
\$ 6.00	POU	POU1
\$ 7.00	POU	POU1
\$ 8.00	POU	POU1
\$ 9.00	POU	POU1
\$ 10.00	POU	POU1
\$ 11.00	POU	POU1
\$ 12.00	POU	POU1
\$ 13.00	POU	POU1
\$ 14.00	POU	POU1
\$ 15.00	POU	POU1
\$ 16.00	POU	POU1
\$ 17.00	POU	POU1

\$ 18.00	POU	POU1
\$ 19.00	POU	POU1
\$ 20.00	POU	POU1
\$ 21.00	POU	POU1

The above table may not reflect all listed series due to market fluctuations.

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

For further information, please contact Market Operations Department at (514) 871-7877. Clearing members may contact the CDCC Member Services Department.

Gladys Karam
Director, Equity Derivatives
Financial Markets