



PRESS RELEASE

PARAMOUNT ENERGY TRUST ANNOUNCES CLOSING OF EQUITY FINANCING

May 30, 2003 - Paramount Energy Trust ("PET") (TSX – PMT.UN) announced today the closing of its offering of 5,000,000 Trust Units at \$12.65 each for gross proceeds of \$63,250,000, which includes the exercise in full of the underwriters' option to purchase 650,000 Trust Units. The underwriting syndicate was led by CIBC World Markets Inc. and BMO Nesbitt Burns Inc., and included Scotia Capital Inc., Sprott Securities Inc., FirstEnergy Capital Corp., and Peters & Co. Limited. Purchasers of Trust Units under this offering are entitled to receive the distribution to be paid on June 16, 2003, of \$0.277 per Trust Unit.

The net proceeds of this offering will be used by PET to repay a portion of its indebtedness incurred to fund development expenditures and recently completed property acquisitions. In addition, the offering will strengthen PET's balance sheet and facilitate future acquisitions and ongoing development activities on PET's existing assets.

Paramount Energy Trust is a natural gas-focussed Canadian energy trust. PET's Trust Units are listed on the Toronto Stock Exchange under the symbol "PMT.UN".

This news release shall not constitute an offer to sell, or the solicitation of an offer to buy, Trust Units in the United States, or any province or territory of Canada, nor shall there be any sale of the Trust Units in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The Trust Units offered will not be, and have not been, registered under the United States Securities Act of 1933 and may not be offered or sold in the United States absent registration or applicable exemption from the registration requirement.

For further information with respect to PET please visit our website at www.paramountenergy.com. or contact:

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