



## **PRESS RELEASE**

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### PARAMOUNT ENERGY TRUST – NEW ISSUE

Paramount Energy Trust (the “Trust”) has today entered into an agreement with a syndicate of underwriters co-led by BMO Nesbitt Burns Inc. and CIBC World Markets Inc. under which the underwriters have agreed to buy 3,600,000 Trust Units from the Trust and sell to the public at a price of \$11.20 per Trust Unit, representing an aggregate amount of issue of \$40,320,000. The Trust has granted the underwriters an option to purchase up to an additional 900,000 Trust Units, exercisable at any time up to 24 hours preceding the closing. Closing is expected on or about May 18, 2004 subject to regulatory approval. The net proceeds of this offering will be used by the Trust to repay a portion of its bank indebtedness incurred to fund development expenditures and to acquire Epect Exploration Ltd. in November 2003 and the Marten Hills assets in February 2004. In addition, it will lend additional strength to the Trust’s balance sheet to take advantage of future opportunities in the acquisition market as they arise.

The securities offered have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

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