



PRESS RELEASE

PARAMOUNT ENERGY TRUST RECEIVES FAVORABLE DECISION ON LEAVE TO APPEAL APPLICATION

January 28, 2004 Paramount Energy Trust ("PET" or the "Trust") (TSX – PMT.UN) have been informed today by the Court of Appeal that its Application filed by PET and others seeking leave to appeal GB 2003-28 has been granted. The application challenges the validity of GB 2003-28 based on concerns regarding the lack of a fair and reasonable process. Unless the Alberta Energy and Utilities Board follows a fair and reasonable process as required by its legislation, then the Court hearing would proceed.

"This is very good news for us and we look forward to presenting our position to the Court of Appeal," said Sue Riddell Rose, President and Chief Operating Officer. "We have said the process is inappropriate and we will continue to firmly hold this position."

The Court of Appeal Memorandum of Decision can be found on the Trust's website at www.paramountenergy.com/investor_relations/AEUB_gas_bitumen.com.

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". Further information with respect to PET can be found at its website at www.paramountenergy.com.

This news release contains forward-looking information. These forward-looking statements are based on certain assumptions that involve a number of risks and uncertainties and are not guarantees of future performance. Actual results could differ materially as a result of changes in PET's plans, changes in commodity prices, regulatory changes, general economic, market and business conditions as well as production, development and operating performance and other risks associated with oil and gas operations. There is no guarantee by PET that actual results achieved will be the same as those forecast herein.

The Toronto Stock Exchange has neither approved nor disapproved the information contained herein.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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