



NEWS RELEASE

PARAMOUNT ENERGY TRUST CLARIFIES UNITED STATES STATUS OF EQUITY FINANCING

Calgary, AB – July 22, 2004 Paramount Energy Trust (“PET or the “Trust”) (TSX – PMT.UN) Paramount Energy Trust today clarified its previous announcement of its financing, on a bought deal basis, involving the issuance of Trust Units (by way of Subscription Receipts) and Debentures to fund, in part, its proposed acquisition of natural gas properties in Northeast Alberta for CDN\$208.3 million. The Subscription Receipts and the Debentures will not be registered under the U.S. Securities Act and, accordingly, will not be offered or sold in the United States except in transactions exempt from the registration requirements of that Act.

About PET

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.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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