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Box 1500
Yellowknife, NT X1A 2R3

These pls file
in PR
Paramount
Cameron Hills Extension
EA03-005.

December 12, 2005

Our file - Notre référence
7915-SM-P1-DP.CH.3

Deh Gah Got'ie Dene Council
General Delivery
FORT PROVIDENCE, NT X0E 0L0

Fort Providence Métis Local # 57
General Delivery
FORT PROVIDENCE, NT X0E 0L0

Ka'a'gee Tu First Nation
PO Box 4428
HAY RIVER, NT X0E 1G3

K'atlodeeche First Nation
PO Box 3060
HAY RIVER, NT X0E 1G4

West Point First Nation
#1 - 4703 Mackenzie Highway
HAY RIVER, NT X0E 0R9

Government of the Northwest Territories
Environment & Natural Resources
PO Box 1320
YELLOWKNIFE, NT X1A 2L9

Mackenzie Valley Land & Water Board
PO Box 2130
YELLOWKNIFE, NT X1A 2P6

Mackenzie Valley Environmental Impact
Review Board
PO Box 938
YELLOWKNIFE, NT X1A 2N7

**Paramount Resources - Cameron Hills Area, Northwest Territories
Annual Reporting - Operating Season June 2004 to May 2005**

Further to the Environmental Assessment Report of the Paramount Resources Ltd. *Cameron Hills Gathering System and Pipeline Development* dated January 11, 2002, please find attached the above noted Annual Report.

Yours truly,

Andrew Graw
Manager, Petroleum Development Division
DIAND, NT Region



cc: George Green, Director, Northern Oil & Gas Directorate, DIAND, Ottawa

November 22, 2005

Indian and Northern Affairs Canada
Northern Oil and Gas
Box 1500
Yellowknife, NT
X1A 2R3

Via Fax: (867) 669-2709

Attention: Andrew Graw, Manager Petroleum Development & Benefits

Dear Sir:

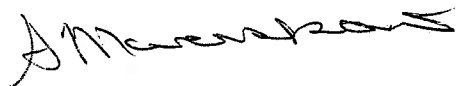
**Re: Annual Report June 2004 to May 2005
Cameron Hills, Northwest Territories**

Paramount Resources Ltd. ("Paramount") conducted drilling/evaluation, gathering system/facility and production operations projects ("Projects") in the Cameron Hills area of the Northwest Territories between June 2004 and May 2005 under the Cameron Hills Gas & Oil Development Plan. To fulfill its obligation to Northern Oil and Gas Directorate, Paramount has prepared and attached the Annual Report highlighting the project activities and results of implementing the Benefits Plan.

As evidenced in the attached Annual Report and the information provided in this letter, business and employment opportunities were provided to northerners through the Cameron Hills Projects. In addition to the initiatives generated through the Benefit Plan, and in keeping with Paramount's commitment to the north and the ongoing development of northern businesses and community participation in oil and gas, Paramount has provided in excess of \$248,000 to fund business development and educational initiatives in the Deh Cho for this reporting period.

We wish to thank you for your continued assistance and would be pleased to review this project and our future Cameron Hills plans with you at your convenience. If you require additional information please contact Shirley Maaskant at (403) 290-3618.

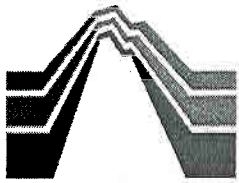
Yours truly,



Shirley Maaskant
Manager, Regulatory & Community Affairs

CC: Mimi Fortier, Director General
Indian and Northern Affairs
NORTHERN OIL AND GAS BRANCH

Encl: 3 copies Annual Report



Paramount
resources ltd.

ANNUAL REPORT

For The

CAMERON HILLS GAS & OIL BENEFIT PLAN

June 2004 – May 2005

Date Prepared: November 2005

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1.0 Introduction

This report outlines the principles and practices of Paramount Resources Ltd. ("Paramount") with respect to northern benefits applied to gas and oil operations in Cameron Hills, Northwest Territories as described in Paramount's Cameron Hills Gas & Oil Development Project Benefits Plan Update and Submission dated March 2001 and the Canada Benefits Plan dated August 1991.

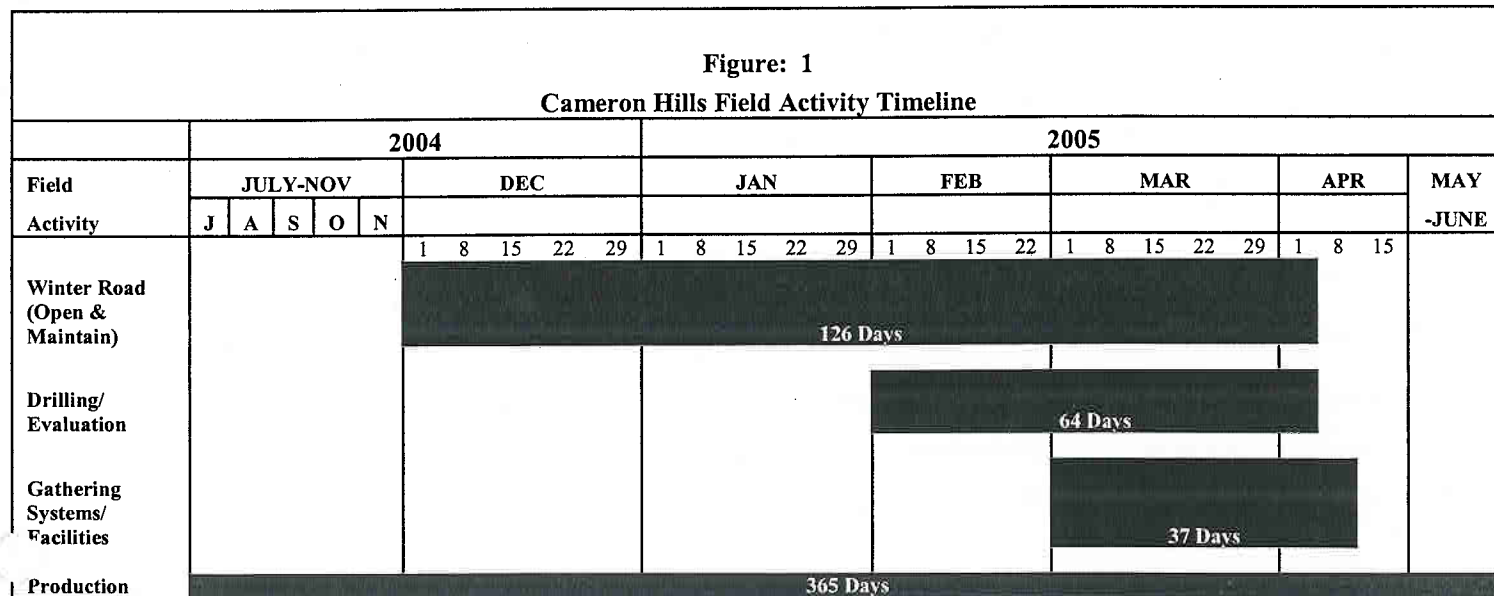
Production operations continued throughout the year while drilling/evaluation and gathering system/facilities construction occurred over an average of 95 days resulting in an expenditure of approximately eleven million, five hundred and sixty thousand (\$11,560,000) dollars. Approximately two million, five hundred and ninety-six thousand (\$2,596,000) dollars of that expenditure was paid to northern services and an estimated 1690 person days of northern employment were realized.

For the third consecutive year, regulatory approvals were withheld from Paramount, resulting in reduced drilling and gathering activities. This reduction in activity significantly reduced the level of opportunity for northern goods and services and employment.

Paramount will continue to work with northerners to encourage enhancement of services through regular consultation with the communities, regulators and governments. Appendix 1 illustrates Paramount's consultation for the 2004/05 season.

2.0 Project Timeline

The Cameron Hills project area is accessed via a winter road, which is primarily located in Alberta. Opening and maintaining this winter road from Alberta to the project site commenced early December 2004 with drilling and facility projects concluding April 7, 2005. Activity timelines are represented in Figure 1.



3.0 Cameron Hills Project Description and Expenditures

Project activity is summarized below in Table 1. Expenditures presented include all costs associated with the implementation of the 2004 – 2005 drilling/evaluation, gathering system/facility projects and production operations.

Table 1 Cameron Hills Project Activity and Expenditures June 2004 – May 2005		
Project	Activity Conducted	Expenditures
Drilling/Evaluation	<ul style="list-style-type: none">• Opened and maintained winter road• Drilled and completed 2F-73, 2M-73• Completed existing wells I-16, D-49, M-49, H-58, H-03, C-16• Workover L-47	\$ 6,921,000
Gathering System/Facilities	<ul style="list-style-type: none">• Tied-in and installed facilities at 2F-73, 2M-73, I-16, D-49• Facility enhancement at H-03 Battery	\$ 2,349,000
Production	<ul style="list-style-type: none">• 16 wells are now connected to the gathering system (A-73, C-50, D-49, H-58, N-28, J-37, B-08, A-05, K-74, C-74, M-73, F-73, H-03, I-16, 2M-73, 2F-73) and L-47 temporarily produced through a single well battery	\$ 2,290,000
TOTAL EXPENDITURES		\$11,560,000

The dollar values and vendor information presented in this report are derived from Paramount's accounting system. Employment and training data was gathered from Paramount's primary contractors and their third party contractors.

4.0 Northern Goods & Services, Employment & Training

Paramount continued to participate in goods and services, employment and training initiatives. These initiatives are listed below.

- a) On-going consultation with all potentially affected communities
- b) Project updates were distributed to communities, governments and regulators. This provided communities, businesses, individuals and government with the knowledge of the activities that could be bid on, and an opportunity to assess training requirements and contact of third party contracting, employment and training opportunities.
See Appendix 2
- c) In prior years, Paramount circulated a Contractor Profile document, which provided northern companies the opportunity to outline their qualifications, experience, and safety record prior to the bidding process. The Contractor Profile form continues to be distributed to new companies seeking bidding opportunities.
- d) Aboriginal communities were provided every opportunity, and frequently prompted by Paramount to provide information on their alliance companies. Aboriginal community goods and services lists complete with their alliance company contact information were updated by Paramount and distributed to the primary contractors awarded bids to ensure they contacted these services for third party contracting opportunities. Where an alliance company qualified as a primary contractor, they were provided the opportunity to bid on the Projects.
See Appendix 3
- e) Employment opportunities were provided to aboriginal community members to facilitate the gathering of trapping, traditional and environmental data for regulatory applications and program design as well as to adhere to regulatory requirements for heritage and environmental monitors during the construction phase.

Drilling/Evaluation activities utilized one drilling rig and one service rig complete with the associated services, and the Gathering Systems/Facilities activities utilized one primary pipeline contractor. Primary contractors and third party contractors retained by Paramount for these projects made significant effort to retain northern individuals and northern 3rd party contractors.

4.1 Short Term Employment & Training

In the 2004-2005 season, Paramount's commitment to utilizing northern and/or alliance companies remained strong. The following is a list of the northern and/or alliance companies that provided service to the Project:

- Airbourne Energy Solutions
- Alpine Environmental
- Bassett Petroleum
- Canadian Helicopters Western
- Carter Industries
- Concept Energy Services Ltd.
- DDA Northern Safety Services
- EOS Pipeline & Facilities Inc.
- Firemaster Oilfield Services Inc.
- Formula Transport Ltd.
- Golder Associates Ltd.
- Greenway Realty
- Hay River Disposal
- Homeland Horizons Ltd.
- Imperial Oil
- Ka'a'gee Tu First Nation Member – Heritage Monitor
- Kátlodééche First Nation Member – Environmental Monitor
- Kátlodééche First Nation Member – Site & Route Selection
- Kátlodééche First Nation Member – Wildlife & Re-Vegetation Monitor
- Keith's Water Service
- Kingland Ford Mercury
- Les Norn Contracting
- Newalta Corporation
- North Cariboo Air
- Northern School of Driving Training Ltd.
- Northwestel Inc.
- Pentastar Energy Services Ltd.
- PTI Premium Camp Services
- Stan Dean & Sons
- Superior Propane Inc.
- Total Oilfield
- Trace Energy Services
- Travers Food Service

While Paramount continues to make every effort to seek out northern companies to provide required services, the actual number of northern companies utilized is predicated by their availability of equipment and personnel.

A summary of the dollars paid to these northern and/or alliance companies is presented in Table 2.

Table 2 Cameron Hills Goods and Services from Northern and Northern Alliance Companies June 2004 to May 2005	
Environmental / Safety	\$356,000
Heavy Equipment	\$1,646,000
Rentals / Camps and Catering	\$339,000
Transportation / Fuel	\$255,000
Total Dollars Paid to Northern and Northern Alliance Companies	\$2,596,000

Paramount consulted with the potential primary contractors who had previously facilitated training opportunities for northerners in anticipation of employment opportunities in the oil and gas industry. An effort was made to provide these individuals, who were available for work, with employment opportunities on these Projects. As a result, a number of workers from the north were retained by Paramount's primary contractors to facilitate these projects in the short timeframe of early December 2004 to the beginning of April 2005. These individuals came from the Northwest Territory communities of:

- Fort Providence
- Hay River
- Hay River Dene Reserve
- Kakisa
- Trout Lake
- West Point First Nation

Table 3 illustrates the type of service provided and the approximate number of northern individuals retained to facilitate each of the Cameron Hills projects.

Table 3 Cameron Hills Estimated Number of Short Term Northern Employment Person Days June 2004 to May 2005	
Environmental / Safety	708
Heavy Equipment	455
Rentals / Camps and Catering	463
Transportation / Fuel	64
Total Estimated Northern Person Days	1690

On the job training was provided by Paramount's contractors; on heavy equipment operations, basic safety indoctrination, safety services, policies and procedures, and camp & catering service.

Paramount's primary gathering/facilities contractor provided the following training program for 46 northern people.

- PITS Chainsaw Safety Training Certificate (valid for three years);
- Continental Certificate of Rigging Seminar Certificate;
- PITS H2S Alive Certificate (valid for three years);
- Introduction to Pipeline Construction Certificate;
- PITS Petroleum Safety Training Certificate including WHMIS (valid for three years);
- PITS Introduction to Pipeline Construction Course;
- Canadian Red Cross Certificate;
- Transportation of Dangerous Goods Certificate (valid for three years); and,
- Canada Safety Council ATV Training Certificate.
- Class 1 Drivers License
- Life Skills Training
- Quad Safety
- Rigging and Slings of Pipe and Equipment
- Introduction, Maintenance and Practical Experience of Heavy Equipment
- Office Administration Training

Training dollars spent lead directly to employment opportunities for 17 participants this winter with this primary contractor. Other general contracting and construction companies have

provided employment opportunities to students of this program as well. In addition, NWT communities have, as a result of this training program, a larger pool of workers to choose from.

Paramount's primary safety contractor provided the following training program for 9 northern people from Fort Providence & Hay River.

- WHIMIS
- H2S Alive
- Transportation of Dangerous Goods Certificate

Paramount's primary heavy equipment contractor provided the following training program for 5 northern people from Kátlodééche First Nation and West Point First Nation.

- D37 and D6C Bulldozer
- 320 Backhoe
- Snowcat
- Water Truck
- Gravel Truck

Paramount's two primary camp and catering contractors provided the following training program for 15 northern people.

- 2nd Cook
- Camp Attendant
- Clerk
- Maintenance

4.2 Long Term Employment & Training

During the 1999/2000 season Paramount created the position of "Production Operator Trainee" for a northern person on the Cameron Hills project. A Paramount operator supervised this position and provided on-going daily training in production operations. This individual was hired on a full time basis in 2001 and has been trained at Paramount's Alberta facilities and is currently operating for the Cameron Hills project.

A second operator trainee position was filled by a northerner on August 15, 2002. A summer student from Hay River, NT was employed at the Paramount Bistcho plant from May 2003 to August 2003.

For this reporting period, two Northerners continue to be employed as a #2 operator and #3 field operator and have the opportunity to participate in on-going training to further their career.

Appendix 1

Tracking of Consultation for the Paramount Cameron Hills Project

2004		
Oct 14	RWED (Ft. Smith) Deb Johnson	Paramount (Ken Brink) discussed with and faxed Deb a copy of the existing Wildlife Sighting Card used on the Cameron Hills projects for her review to provide comments or additions.
Oct 14	Ft. Providence Dene Band. Greg Nuyli	Greg discussed possible business opportunities with Paramount (Ken Brink) and reviewed his role in the alliance companies that are formed in the East Deh Cho region
Oct 14	RWED (Hay River) Mike Mageean	Paramount (Ken Brink) reviewed the need for the local Heritage and Environmental monitors working on the Cameron Hills project to obtain their H2S tickets and issues surrounding WCB coverage for same. Mike assured Paramount that there will be an H2S course offered to these individuals prior to this winter's proposed activities
Oct 30	West Point First Nation Chief Karen Felker	Paramount (Ken Brink) met with Chief Felker and reviewed the entire scope of Paramount's proposed amendments and new applications relating to activities in the Cameron Hills. Employment opportunities resulting from these proposed activities were also discussed.
Oct 30	Fort Providence Band Chief Berna Landry	Paramount (Ken Brink) arranged a meeting with Chief Landry to occur on Monday, November 1 st .
Oct 30	Hay River Band Chief Roy Fabian	Paramount (Ken Brink) arranged a meeting with Chief Fabian to occur on Monday, November 1 st
Nov 1	Fort Providence Band Chief Berna Landry Band Manager, Greg Nuyli	Paramount (Ken Brink) met with Chief Landry and Greg at the Band Office in Fort Providence and reviewed the entire scope of Paramount's proposed amendments and new applications relating to activities in the Cameron Hills. Employment opportunities resulting from these proposed activities were also discussed.
Nov 1	Kakisa Dene Band Chief Lloyd Chicot	Paramount (Ken Brink) met with Chief Chicot at the Band Office in Kakisa and reviewed the entire scope of Paramount's proposed amendments and new applications relating to activities in the Cameron Hills. Employment opportunities resulting from these proposed activities were also discussed.
Nov 1	Hay River Dene Band Chief Roy Fabian Band Councilors Les Norn Doreen Tambour Fred Martel Robert Lamalice Band Manager Brenda McDonald and Band Members Arthur Martel Ken Norn	Paramount (Ken Brink) met with Chief and Council at the Band Office on the Hay River Reserve and reviewed the entire scope of Paramount's proposed amendments and new applications relating to activities in the Cameron Hills. Employment opportunities resulting from these proposed activities were also discussed.
Nov 2	Fort Providence Metis Council	Paramount (Ken Brink) talked with Louise Cave at the Fort Providence Metis office to discuss the proposed amendments

	President Alfred Lafferty Administrator Louise Cave	and applications for the Cameron Hills project. Under advice from Louise, as Albert is in Ottawa at this time, Paramount sent a detailed update of the entire scope of amendments and new applications to Albert via his email. Contact names and numbers were left for Albert if he has any questions or concerns prior to his return to Fort Providence. Paramount will again contact Albert once he has returned from Ottawa regarding these matters.
Nov 15	Fort Providence Metis Council President Alfred Lafferty	Paramount (Ken Brink) talked with Albert regarding the Metis council working relationship with the other four communities listed in the recently formed protocol between Kakisa, West Point, Ft. Providence and Hay River bands. Albert said they are not party to the protocol but have a good working relationship with the Ft. Providence band. Paramount committed to keep the Metis council consulted on all information that the other communities are consulted on in relation to the Cameron Hills project area. Albert discussed some of the business ventures they are working on.
Nov 21	West Point Chief Karen Felker	Paramount met with Chief Felker and reviewed all of the proposed amendments and applications that Paramount is proposing for this winter's activity in the Cameron Hills area. Chief Felker expressed a desire to see the communities working together and said she had no objections to any of the plans that Paramount has for this winter's activity in the Cameron Hills.
Nov 22/23	Kakisa Band Chief Lloyd Chicot Julian Landry Ft. Providence Band Chief Berna Landry Band Manager, Greg Nuyli Ft. Providence Métis President, Albert Lafferty	Paramount consulted on all proposed amendments and applications for this winter's projects with all persons mentioned. There were no objections to the proposed projects brought up at these discussions and much of the consultation involved possible employment opportunities.
Nov 24	Hay River Band Chief Roy Fabian	Paramount consulted with Chief Fabien on all aspects of the proposed project application and amendments for this season. Roy expressed no concerns with the upcoming proposed projects and was very happy with who was awarded the contract to do the construction work this winter. Chief Fabien also mentioned that they have a new business alliance in the making and Paramount recorded this information in their northern services information.
Nov 30	Ft. Smith RWED Biologist Deb Johnson	Deb and Paramount discussed her timing for doing caribou studies on the Cameron Hills plateau. Paramount let Deb know that there are usually caribou on the plateau at this time of year near the AB border and that they tend to leave the area once the snow gets deeper on the plateau than the lower lying areas. Paramount has made arrangements to provide meals and accommodations for RWED's caribou capture crew at Paramount's camp in the Cameron Hills.
Dec 6	Ft. Smith RWED Biologist Deb Johnson	Paramount discussed collaring program on the Cameron Hills plateau and made arrangement for Deb to keep in touch with Paramount's construction foreman for accommodations and meal requirements for the collaring crew.

Dec 13	Hay River Reserve, Chief Fabian	Paramount provided Chief Fabian with an overview of the potential drilling opportunities for this winter as they relate to a potential new Alliance between the Band and a rig moving company. In summary – until the Environmental Assessment is completed, the Minister signs off and the MVLWB issues permits, Paramount cannot conduct drilling on new sites.
2005		
Feb 23	Fred Simba	Fred was contacted by Paramount to discuss his availability to act as Heritage monitor on the Cameron Hills project. Fred said that he will bring his H2S ticket and that he has already been in contact with Darren Unrea regarding the timing for going to the project site. Fred said he was looking forward to getting back to work. Fred will be reporting to Darren Unrea.
Sept/Oct 2004 Mar/Apr 2005		Raymond (Roy) Buggins, local trapper, participated in site and route selection, heritage resource identification and environmental review
Feb/Mar/Apr 2005		Raymond Buggins, local trapper participated as environmental monitor during drilling operations
Feb/Mar/Apr 2005		Fred Simba, Kakisa elder participated as heritage monitor during pipeline/facility operations
May 26	West Point First Nation	Chief Karen Felker contacted Paramount via email in regards to an update on this past season's project and future opportunities available. Paramount informed Karen via email the following information. Paramount drilled, completed and tied in 2 wells and work on 6 existing wells. No seismic was done and the minimal drilling was due to the fact that Paramount could not get permits. As this project is still in an environmental assessment process, it is unknown the activity for the next winter. Paramount would still like to drill 5 to 8 wells per year. The opportunities for work are the same as in the past but recognizing that Paramount has no permits.

APPENDIX 2

**Cameron Hills Project Update
October 2004**

To:

Pierre Alvarez	CAPP	alvarez@capp.ca
Chief Herb Norwegian	Deh Cho First Nations	dehchofn@cancom.net
Chief Berna Landry	Deh Gah Got'ie Dene First Nation	deneband@ssimicro.com
Chief Stephen Didzena	Dene Thá First Nation	fred.didzena@denetha.com
Bruce Hanna	Department of Fisheries & Oceans	hannab@dfo-mpo.gc.ca
Winnie Cadieux	Enterprise Settlement Council	admin@enterprisesnw.com
Mike Fournier	Environment Canada	mike.fournier@ec.gc.ca
Steve Harbicht	Environment Canada	stephen.harbicht@ec.gc.ca
Albert Lafferty	Fort Providence Metis Council	pvmetis@ssimicro.com
Brendan Bell	Minister RWED	brendan_bell@gov.nt.ca
Bob Bailey	Government of the Northwest Territories	bob_bailey@gov.nt.ca
Doug Matthews	Government of the Northwest Territories	doug_matthews@gov.nt.ca
Juanita Robinson	Government of the Northwest Territories	juanita_robinson@gov.nt.ca
Premier Joe Handley	Government of the Northwest Territories	joseph_handley@gov.nt.ca
Karen Cooper	Government of the Northwest Territories	karen_cooper@gov.nt.ca
Lesley Allen	Government of the Northwest Territories	lesley_allen@gov.nt.ca
Michael Mageean	Government of the Northwest Territories	mike_mageean@gov.nt.ca
Paul Kraft	Government of the Northwest Territories	paul_kraft@gov.nt.ca
Dave Nightingale	Government of the Northwest Territories	dave_nightingale@gov.nt.ca
Alan Hollingworth	Gowling, Lafleur & Henderson	alan.hollingworth@gowlings.com
Diana Ehman	Town Hall of Hay River	jdp@hayriver.com
Paul Delorey	MLA Hay River North	pdelorey@ssimicro.com
Jane Groenewegen	MLA Hay River South	jane_groenewegen@gov.nt.ca
Michael McLeod	MLA Deh Cho	michael_mcleod@gov.nt.ca
Andrew Forbes	Indian & Northern Affairs Canada	forbesa@inac.gc.ca
Kate Hearn	Indian & Northern Affairs Canada	hearnk@inac.gc.ca
Lorne Tricoteux	Indian & Northern Affairs Canada	tricoteuxl@inac.gc.ca
Mimi Fortier	Indian & Northern Affairs Canada	fortierm@inac.gc.ca
Andrew Graw	Indian & Northern Affairs Canada	grawa@inac.gc.ca
Wayne Greenall	Indian & Northern Affairs Canada	greenallw@inac.gc.ca
Dan O'Rourke	Consultant	jdorourke@aol.com
Chief Lloyd Chicot	Ka'a'gee Tu First Nation	kakisa@ssimicro.com
Chief Roy Fabian	Kátlodééche First Nation	hddb@ssimicro.com
Bob Wooley	Mackenzie Valley Land & Water Board	bwooley@mvlwb.com
Louise Mandell	Mandell Pinder Barristers & Solicitors	gillian@mandellpinder.com
Michel Mantha	National Energy Board	mmantha@neb-one.gc.ca
Terry Baker	National Energy Board	tbaker@neb-one.gc.ca
John Ramsey	Natural Resources Canada	john.ramsey@nrcan-rncan.gc.ca
Charles Arnold	Prince of Wales Northern Heritage Centre	charles_arnold@gov.nt.ca
Chief Dennis Deneron	Sambaa K'e Dene	fax (867) 206-2828
Anthony Stikeman	Tactix Government Consulting Inc.	stikeman@tactix.ca
Chief Karen Felker	West Point First Nation	wpfn@nt.sympatico.ca
Derek Neary	Editor, Deh Cho Drum	editor01@cancom.net

From: Shirley Maaskant, Regulatory & Community Affairs Coordinator

We have enclosed a Cameron Hills Project Update, as part of our ongoing consultation program. For additional information, please contact Shirley Maaskant at (403) 290-3618 or shirley.maaskant@paramountres.com or the specific Managers indicated on the attached document.



Cameron Hills Project Update October 2004

The Minister of Indian and Northern Affairs Canada initiated consultation on the Recommendations contained in the June 1, 2004 *Mackenzie Valley Environmental Impact Review Board ("MVEIRB") Report of Environmental Assessment on Cameron Hills*. For further information, and to review Paramount's submissions to the MVEIRB, please visit their website: www.mveirb.nt.ca

In September the local trapper participated in site & route selection and surveying for five new locations and two prior locations were confirmed. An amendment application will soon be submitted to the MVLWB to amend the five locations currently in Environmental Assessment.

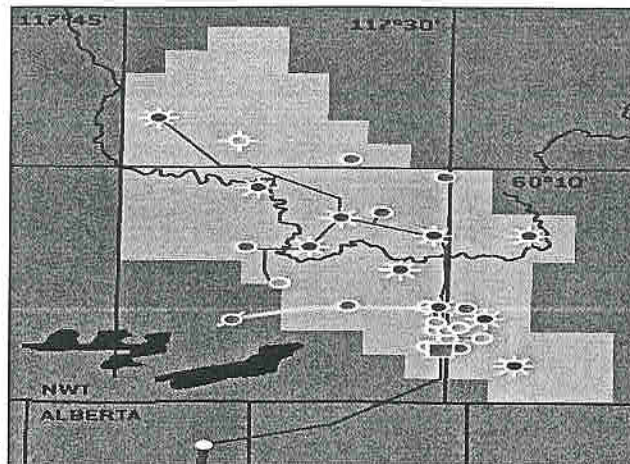
GATHERING SYSTEM & PIPELINE

One existing well and any successful new wells will be tied-in to the existing oil and gas infrastructure. For additional information on the gathering system, please contact Brad Macson, Manager, Engineering & Construction (403) 290-3684

PROJECT VISITORS: Please note that Paramount welcomes visitors to the Cameron Hills Project site. However, you the visitor, must be aware that the project is a controlled industrial facility subject to government safety requirements such as: visitor safety orientation; use of personal protective equipment (safety boots, safety helmet, safety glasses and gas monitor; H₂S Alive training. In all instances, visitors must be accompanied by a designated Paramount representative.

MONITORING

Paramount committed to conducting several monitoring plans which include: Noise Monitoring; Heritage Monitoring; Re-Vegetation & Permafrost Monitoring; Access Monitoring; Wildlife Monitoring; Wildlife Sighting Cards; Erosion Monitoring; Fish Monitoring; Construction Techniques Adaptive Management; and Air Modeling. This monitoring has been conducted and several of the Plans continue to be conducted on an as-needed basis.



DRILLING Service rig operations will be conducted on approximately 8 existing wells. If regulatory approvals are granted and equipment is still available, Paramount may drill 5 to 7 new wells. For additional information on the drilling/completion project, contact Phil Christie, Drilling Manager (403) 290-3617

SEISMIC Paramount is currently contemplating acquiring approximately 34 km of 2D and 7.5 square km of 3D seismic during the 2004/05 winter season. For information on the seismic project, contact Brian Kallweit, Manager Geophysics (403) 290-3637

PRODUCTION A total of 14 wells are tied-in to the Cameron Hills infrastructure. Currently three operators per shift supervise the facilities. Due to the remoteness of the project site and the winter-only access, the personnel and supplies continue to access the area via helicopter from April to December. The winter road will be opened this year as soon as weather permits.



Paramount
resources ltd.

**Cameron Hills Project Update
February 2005**

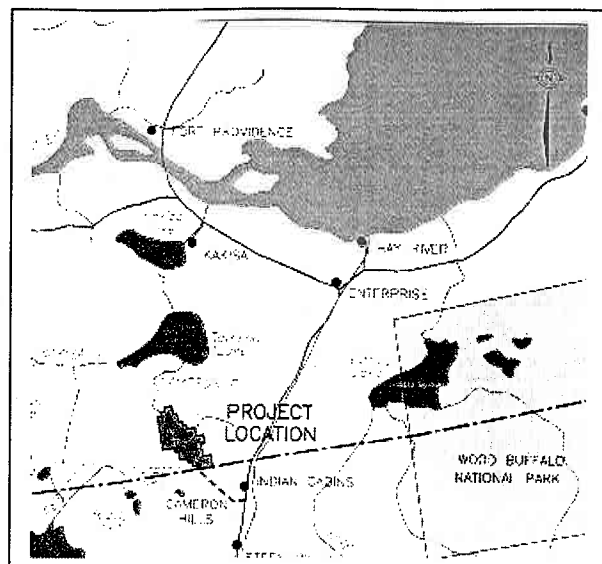
To:

Pierre Alvarez	CAPP	alvarez@capp.ca
Chief Herb Norwegian	Deh Cho First Nations	dehchofn@cancom.net
Chief Berna Landry	Deh Gah Got'ie Dene First Nation	deneband@ssimicro.com
Chief Stephen Didzena	Dene Thá First Nation	fax: (780) 321-3886
Bruce Hanna	Department of Fisheries & Oceans	hannab@dfo-mpo.gc.ca
Winnie Cadieux	Enterprise Settlement Council	fax: (867) 984-3400
Mike Fournier	Environment Canada	mike.fournier@ec.gc.ca
Steve Harbicht	Environment Canada	stephen.harbicht@ec.gc.ca
Albert Lafferty	Fort Providence Metis Council	pvmetis@ssimicro.com
Brendan Bell	Minister RWED	brendan_bell@gov.nt.ca
Bob Bailey	Government of the Northwest Territories	bob_bailey@gov.nt.ca
Deb Archibald	Government of the Northwest Territories	deb_archibald@gov.nt.ca
Juanita Robinson	Government of the Northwest Territories	juanita_robinson@gov.nt.ca
Premier Joe Handley	Government of the Northwest Territories	joseph_handley@gov.nt.ca
Karen Cooper	Government of the Northwest Territories	karen_cooper@gov.nt.ca
Rachel Marin	Government of the Northwest Territories	rachel_marin@gov.nt.ca
Michael Mageean	Government of the Northwest Territories	mike_mageean@gov.nt.ca
Paul Kraft	Government of the Northwest Territories	paul_kraft@gov.nt.ca
Dave Nightingale	Government of the Northwest Territories	dave_nightingale@gov.nt.ca
Charles Jacobson	Government of the Northwest Territories	charles_jacobson@gov.nt.ca
Albert West	Government of the Northwest Territories	bert_west@gov.nt.ca
Alan Hollingworth	Gowling, Lafleur & Henderson	alan.hollingworth@gowlings.com
Diana Ehman	Town Hall of Hay River	jdp@hayriver.com
Paul Delorey	MLA Hay River North	paul_delorey@gov.nt.ca
Jane Groenewegen	MLA Hay River South	jane_groenewegen@gov.nt.ca
Michael McLeod	MLA Deh Cho	michael_mcleod@gov.nt.ca
Andrew Forbes	Indian & Northern Affairs Canada	forbesa@inac.gc.ca
Kate Hearn	Indian & Northern Affairs Canada	hearnk@inac.gc.ca
Lorne Tricoteux	Indian & Northern Affairs Canada	tricoteuxl@inac.gc.ca
Mimi Fortier	Indian & Northern Affairs Canada	fortierm@inac.gc.ca
Andrew Graw	Indian & Northern Affairs Canada	grawa@inac.gc.ca
Wayne Greenall	Indian & Northern Affairs Canada	greenallw@inac.gc.ca
Michael Vandell	Indian & Northern Affairs Canada	vandellm@inac.gc.ca
Dan O'Rourke	Consultant	jdorourke@aol.com
Chief Lloyd Chicot	Ka'a'gee Tù First Nation	kakisa@ssimicro.com
Chief Roy Fabian	Kátlodééche First Nation	hrrdb@ssimicro.com
Bob Wooley	Mackenzie Valley Land & Water Board	bwooley@mvlwb.com
Louise Mandell	Mandell Pinder Barristers & Solicitors	gillian@mandellpinder.com
Michel Mantha	National Energy Board	mmantha@neb-one.gc.ca
Terry Baker	National Energy Board	tbaker@neb-one.gc.ca
John Ramsey	Natural Resources Canada	john.ramsey@nrca-nrcan.gc.ca
Charles Arnold	Prince of Wales Northern Heritage Centre	charles_arnold@gov.nt.ca
Chief Dennis Deneron	Sambaa K'e Dene	fax (867) 206-2828
Anthony Stikeman	Tactix Government Consulting Inc.	stikeman@tactix.ca
Chief Karen Felker	West Point First Nation	wpfn@northwestel.net
Derek Neary	Editor, Deh Cho Drum	editor01@cancom.net

From: Shirley Maaskant, Regulatory & Community Affairs Coordinator

We have enclosed a Cameron Hills Project Update, as part of our ongoing consultation program.

For additional information, please contact Shirley Maaskant at (403) 290-3618 or shirley.maaskant@paramountres.com or the specific Managers indicated on the attached document.



Cameron Hills Project Update February 2005

The Consult to Modify process initiated June 1, 2004 has not yet concluded. For further information, and to review Paramount's submissions to the MVEIRB, please visit their website: www.mveirb.nt.ca

In September the local trapper participated in site & route selection and surveying for five new locations and two prior locations were confirmed. An amendment application was submitted to the MVLWB to amend the five locations currently in Environmental Assessment, though the review process has not commenced due to the ongoing environmental assessment.

SEISMIC acquisition has been cancelled for this winter season.

MONITORING

The installation of a meteorological station and an ambient air monitoring trailer measuring NO_x, H₂S & SO₂ should be completed by mid-March. This is in addition to the monitoring already being conducted by Paramount such as noise monitoring; heritage monitoring; re-vegetation & permafrost monitoring; access monitoring; wildlife monitoring; wildlife sighting cards; erosion monitoring; fish monitoring; construction techniques adaptive management; and air modeling.

DRILLING

Service rig operations have commenced on existing wells and should continue until the end of March. If regulatory approvals are granted and equipment is available, 1 or 2 new wells may be drilled. We are pleased that the local trapper is providing a monitoring service at the site again this year. For additional information on the drilling/completion project, contact Phil Christie, Drilling Manager (403) 290-3617

GATHERING SYSTEM & PIPELINE

A minimum of one existing well will be tied-in to the existing oil and gas infrastructure. Additional existing wells may be tied-in subject to re-completion success. A Heritage monitor will again be retained during trenching operations. For additional information on the gathering system, please contact Brad Macson, Manager, Engineering & Construction (403) 290-3684

PRODUCTION

A total of 14 wells are tied-in to the Cameron Hills infrastructure. Currently three operators per shift supervise the facilities. Due to the remoteness of the project site and the winter-only access, the personnel and supplies continue to access the area via helicopter from April to December. The winter road is open and will remain open until the end of March.

PROJECT VISITORS: Please note that Paramount welcomes visitors to the Cameron Hills Project site. However, you the visitor, must be aware that the project is a controlled industrial facility subject to government safety requirements such as: visitor safety orientation; use of personal protective equipment (safety boots, safety helmet, safety glasses and gas monitor); H₂S Alive training. In all instances, visitors must be accompanied by a designated Paramount representative.

APPENDIX 3



Paramount
resources ltd.

4700 Bankers Hall West, 888 3rd Street SW Calgary, Alberta, Canada T2P 5C5 www.paramountres.com
tel 403 290 3600 fax 403 262 7994

September 13, 2004

Chamber of Commerce
Town of Hay River
73 Woodland Drive
Hay River, NT X0E 1G1

Community Employment Coordinator
Deh Gah Got'ie Dene First Nation
General Delivery
Fort Providence, NT X0E 0L0

Community Employment Coordinator
K'atlodeeche First Nation
PO Box 3060
Hay River, NT X0E 1G4

Mr. Mike Mageean
Government of Northwest Territories
Resources, Wildlife, and Economic Development
156 Miron Drive
Hay River, NT X0E 0R2

Community Employment Coordinator
Westpoint First Nation
1, 47031 Mackenzie Highway
Hay River, NT X0E 0R9

Community Employment Coordinator
Ka'a'Gee Tu First Nation
PO Box 4428
Hay River, NT X0E 1G4

Community Employment Coordinator
Fort Providence Metis Council
General Delivery
Fort Providence, NT X0E 0L0

Re: Update of Cameron Hills Services and Contractors List

The Community Affairs Department of Paramount Resources Ltd. is in the process of updating our listing of Cameron Hills services and contractors to facilitate potential winter activity and to aid us in our commitment to utilize northern contractors.

Would you please check the attached October 2003 list of oil and gas related services for your area and make any revisions necessary. Please mail any additions, deletions, and changes to Shirley Maaskant at the above address or fax to (403) 264-9206 so that we can ensure the appropriate departments at Paramount receive the updated list in preparation for the bidding process for the upcoming operating season. We would appreciate receiving the current information by October 1, 2004.

If you have received this letter in error, could you please forward it to the appropriate person in your community. Also, please contact Jody Irish at (403) 290-3620 or jody.irish@paramountres.com to enable us to keep our contact lists accurate. Thank you very much for your assistance.

Sincerely,

Shirley Maaskant
Regulatory and Community Affairs Coordinator

Encl.

Cameron Hills Area Contractors

To all contractors with an opportunity available to employ northerners - register your employment opportunity IMMEDIATELY on the Northwest Territory Government website www.jobsnorth.ca

Updated: October 24, 2003

Community Employment Coordinators

The following are the local community employment coordinators that would be able to provide the names of available laborers in each of the area:

Mike Mageean, Business and Petroleum Advisor – maybe able to provide a list of recently trained laborers available for employment	Government of the Northwest Territories- Resources, Wildlife and Economic Development - Hay River Office	Phone: 867-874-6702 Fax: 867-874-3853 mike_mageean@gov.nt.ca
Shirley Gargan	Fort Providence	Phone: 867-699-3408 Fax: 867-699-3505
Band Office	Hay River Reserve	Phone: 867-874-6701 Fax: 867-874-3229 hrrdb@ssimicro.com
Band Office	Kakisa	Phone: 867-825-2000 Fax: 867-825-2002 kakisa@ssimicro.com
Lucille Cayen	West Point First Nation	Phone: 867-874-6677 Fax: 867-874-2486 wpfn@ssimicro.com

FORT PROVIDENCE

COMPANY	SERVICE	CONTACT
CherDon Industries Ltd.	Trucking & fuel supplier	Don Plante Phone: 867-699-4301 Fax: 867-699-4327
Concept Consulting (Fort Providence Metis)	Well shack rentals, Camps	Phone: 867-874-6114 Fax: 867-874-6115
Denendeh Helicopters		Phone: 867-874-3399
Digaa Enterprises Ltd.	Slashing, Surveying, Building Maint., Janitorial & Construction Services, Building Material Supply, Vacuum Truck Services, Pick-up rental Services, Pilot Vehicle Services, Fuel Storage and Delivery Services	Bob Head Phone: 867-699-3411 Fax: 867-699-4314
Evergreen Forestry	Forest Services	Phone: 867-874-6920
Fort McKay Enterprises	Safety Services and Medics	Stan Laurent 780-799-2740 Russ Laurent 780-828-4302

PTI Services	Camp and catering	Dan Sly, Community Liaison Phone: 1-800-314-2695 Cell: 780-718-1948 Mike Carter Director, Aboriginal Affairs Office 780-485-8592 Cell 780-719-1480 Toll Free 800-314-2695
Rowe's Construction (Alliance Company)	Heavy Equipment Construction	Jack Rowe Phone: 867-874-3243 Fax: 867-874-6558
Snowstar Mechanical	Mechanics	Wayne Vandell Phone: 867-699-3705

FORT PROVIDENCE		
COMPANY	SERVICE	CONTACT
SSI/Digaa Ventures Ltd.	Loader	Bob Head Phone: 867-699-3411 Fax: 867-699-4314 Leonard Callow or Les Phillip Phone: 867-699-3521
SSI Micro	Wireless Communication	Jeff Philips Phone: 867-699-3521 Fax: 867-699-4300
Total Energy Services	Various well site equipment, Mud tanks, Loaders etc.	Gerry Crawford Phone: 780-524-3770 Fax: 780-524-4287
Yamoria Grocery Ltd.	Food, Cleaning and Hardware Supplies, Bulk Bottled Water Supply	Phone: 867-699-7000 Fax: 867-699-3210

HAY RIVER RESERVE		
COMPANY	SERVICE	CONTACT
Dene Directional Rentals	Directional Drilling & Down Hole Tool Rentals	Band Office Phone: 867-874-6701 Fax: 867-874-3229
Dene Oilfield Construction & Services	Oilfield Construction & Services	Phone: 867-874-4066 Fax: 867-874-4024
Denedeh Helicopters	Helicopter Services/Charters	Phone: 867-874-3399 Fax: 867-874-3229
Ehdah Cho Store	Groceries/Gas/Diesel	Phone: 867-874-6513 Fax: 867-874-3437
Evergreen Forestry	Forest Services	Phone: 867-874-6544 Fax: 867-874-4628
Food Town Bulk Sales	Groceries/Meat/Supplies	Band Office Phone: 867-874-6701 Fax: 867-874-3229

Frank's Water Service	Potable Water Delivery	Frank Fabian Phone: 867-874-6701
Gotsendi Services	Healing Wkshops/Consulting Service	Phone: 867-874-4977 Fax: 867-874-4879
IROC NWT	Safety/First Aid/H2S Monitoring	Richard Dunn Phone: 867-874-4600 Fax: 867-874-4604
DDA Northern Safety Services	Medics, H2S Monitoring, Safety Services	Doug Cardinal Phone: 867-874-4500 Fax: 867-874-4501
Denendeh Technologies	Pipeline Integrity Management Traditional Ecological Knowledge/GIS/Services	Band Office Phone: 867-874-6701 Fax: 867-874-3229
Les Norn Contracting	Contracting & Pump Truck Service	Phone: 867-874-2133 Cell: 867-874-1099
Naegha Zia	Real Estate/Investment Company	Phone: 867-874-4838
Tu Cho Gha Contracting Ltd.	Contracting/Construction	Band Office Phone: 867-874-3334 Fax: 867-874-3229

KAKISA

COMPANY	SERVICE	CONTACT
Bear Drilling (Alliance Company)	Drilling	Dave Gibson Phone: 403-247-2510 Cell: 403 804-2458
EOS Pipelines	Pipelining	Dean Peterson Ph. 403-263-2575 Cell 403-819-2000
Focus Survey (Alliance Company)	Surveying	Phone: 780-466-6555
Travers (Alliance Company)	Camp and catering	Steve Leskiw Phone: 780-437-5665

TOWN OF HAY RIVER

COMPANY	SERVICE	CONTACT
Bassett Petroleum Distributors Ltd.	Petroleum Carriers	Phone: 867-874-2562 Fax: 867-874-2732
Carter Industries Ltd.	Road building & oilfield constructions (Snow Cats)	Phone: 867-874-6574 Fax: 867-874-6154
Concept Consulting	Well shacks, light stands and some other rentals	Phone: 867-874-6114 Fax: 867-874-6115
Keith's Water Service Ltd.	Shop and wash bay, potable water trucks	Roy Crawther Phone: 867-874-6379 Fax: 867-874-3442
King Manufacturing	Steel welding & Fabrication, pressure welding, portable welding, industrial parts, HD equipment mechanical	Charlie Scarborough Phone: 867-874-2373 Fax: 867-874-4819
Maskwa Engineering Ltd.	Consulting Engineering Construction Quality Control	Phone: 867-874-2207 Fax: 867-874-2763

MSS Ltd.	Safety Supplies and Medical Equipment	Phone: 867-874-6337 Fax: 867-874-3866
Rowe's Construction	Heavy Equipment Construction	Jack Rowe Phone: 867-874-3243 Fax: 867-874-6558
Stan Dean & Sons	Heavy Equipment Construction	Robert Dean Phone: 867-874-6864 Fax: 867-874-6815

WESTPOINT FIRST NATION

COMPANY	SERVICE	CONTACT
West Point First Nation	Pilot Truck	Phone: 867-874-6677 Fax: 867-874-2486
Stan Dean & Sons (Alliance Company)	Construction	Robert Dean Phone: 867-874-6864 Fax: 867-874-6815

YELLOWKNIFE

COMPANY	SERVICE	CONTACT
Medic North Emergency Services Ltd.	Medical and emergency services	Mr. Sean Ivens Phone: 867-669-9111 Fax: 867-669-9112
Shehtah Drilling Ltd.	Drilling contractor	Phone: 867-920-0308 Fax: 867-920-4396

OTHER CONTRACTORS

COMPANY	SERVICE	CONTACT
Nogha Enterprises Ltd.	Slashing	Lyall Gill Fort Simpson, NT Phone: 867-695-3533 Fax: 867-695-2119
Running Horse Resources Inc.		Phone: 403-660-9883 Fax: 403-262-5211