Paramount Resources Ltd. (PRMRF)

Updated June 9th, 2026, by Ian Bezek

Key Metrics

Current Price:	$22.08	**5 Year Annual Expected Total Return:**	-3.1%	**Market Cap:**	$3.2 B
Fair Value Price:	$11.00	**5 Year Growth Estimate:**	8.0%	**Ex-Dividend Date:**	06/15/26[1]
% Fair Value:	201%	**5 Year Valuation Multiple Estimate:**	-13.0%	**Dividend Payment Date:**	06/29/26[1]
Dividend Yield:	1.9%	**5 Year Price Target**	$16.16	**Years Of Dividend Growth:**	0
Dividend Risk Score:	C	**Sector:**	Energy	**Rating:**	Sell

Overview & Current Events

Paramount Resources is a Canadian energy company. Shares are dual-listed in Canada under the ticker "POU" and the U.S. with the over-the-counter ticker "PRMRF". The company's base reporting currency is Canadian Dollars, but this report will use U.S. Dollar figures except when otherwise noted.

Paramount Resources has a long history. The company was founded in 1976 and has been publicly-traded since 1978. Paramount became well-known for finding and developing natural gas properties in Western Canada. It also founded several offshoot oil trusts. The company ran into problems in the mid-2010s when the price of oil plummeted. This led to a huge loss in 2015 followed by a massive asset sale to pay down debt. The company rebuilt itself with the purchase of Apache Canada in 2017 and ramped up production from there, returning to robust profitability in 2021.

However, Paramount Resources underwent another corporate makeover. It announced the sale of the majority of its oil and gas operations in late 2024 to Ovintiv for C$3.3 billion. This left Paramount Resources being debt free and with a huge cash pile. The company, in turn, paid out a gigantic C$15/share special dividend which amounted to $10.57 per share for investors in the U.S. listed PRMRF stock. Paramount Resources now owns a far smaller oil and gas production base focused on the Kaybob region of Alberta along with the Willesden Green Duvernay area also located in Alberta.

The company announced its Q1 2026 results on May 12th, 2026. EPS jumped to CAD 0.35, a dramatic improvement from the company's losses in Q3 and Q4 of last year. The company completed the first phase of its Alhambra Plant in July 2025, ahead of schedule, and production volumes should ramp up in coming quarters. 2025 EPS was inflated by one-time gains from the asset sale; the company was barely profitable otherwise. That said, management's turnaround plan is starting to work. And the massive increase in oil prices linked to the Iran War further boosts this momentum. We've dramatically increased our 2026 EPS outlook.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$8.21	$2.28	-$2.07	-$0.51	-$0.13	$1.31	$3.41	$2.36	$1.58	$6.07	***$1.00***	***$1.47***
DPS	$0.00	$0.00	$0.00	$0.00	$0.00	$0.19	$0.88	$1.12	$1.21	$11.09	***$0.43***	***$0.63***
Shares	106	116	132	131	133	143	147	148	149	147	***147***	***155***

Paramount Resources has had a highly uneven track record. It had large losses in the mid-2010s associated with the decline in energy prices. After years of losses, however, the firm had a strong run of value creation between 2021 and 2024 which culminated in the successful asset sale to Ovintiv and massive special dividend. As a result of that transaction, Paramount Resources' future earnings outlook has fallen sharply. We are modeling $1.00 of EPS for this year, followed by 8%/year growth going forward. We anticipate strong growth, despite volatile energy prices, due to the company's ambitious expansion plans. It is planning on spending approximately C$560 million on development of oil and gas properties, primarily focused on its Willesden Green Duvernay operations. This includes the drilling of approximately 22 wells along with the construction of its Alhambra processing plant.

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[1] Estimated date.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	1.6	8.0	--	--	--	14.6	6.0	8.0	13.8	--	***22.1***	***11.0***
Avg. Yld.	--	--	--	--	--	2.2%	2.8%	2.8%	3.5%	6.4%	***1.9%***	***3.9%***

Paramount Resources has been unprofitable on various occasions over the past decade and as such does not have a highly consistent P/E ratio. That said, the P/E ratio has roughly been around 10x in more recent years. We believe the current 22x P/E multiple is fairly elevated compared to the firm's history, though investors may be giving the firm more credit for its strong balance sheet post-Ovintiv transaction.

The firm's current 1.9% forward dividend yield is below its prior average.

Safety, Quality, Competitive Advantage, & Recession Resiliency

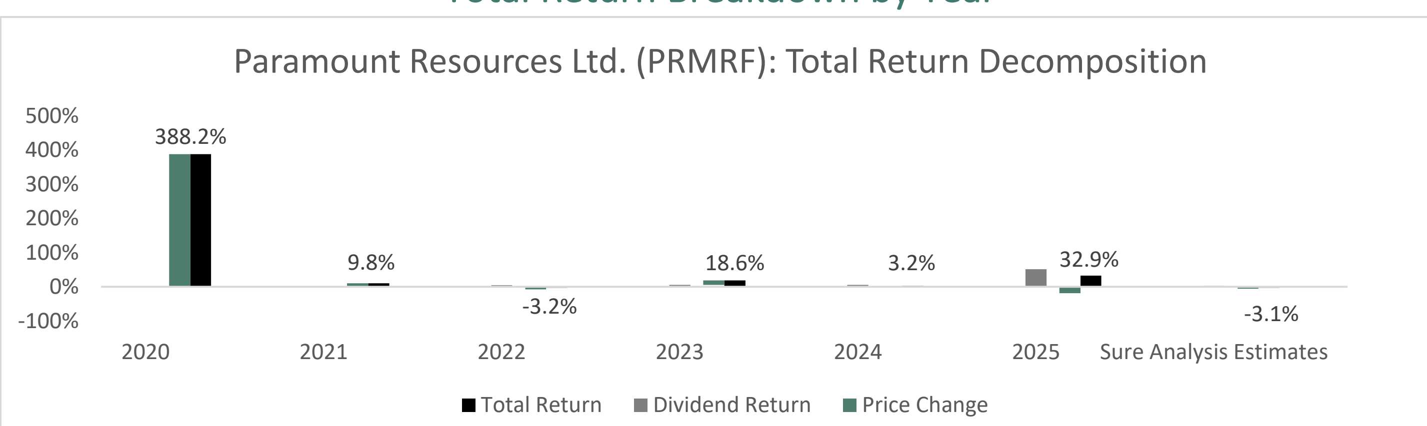
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	--	--	--	--	--	15%	26%	47%	77%	183%	***43%***	***43%***

The oil and gas industry is known for boom-and-bust cycles and Paramount Resources is no exception to the rule. Management deserves credit for turning Paramount around after its massive 2015 loss. Its history of M&A transactions has been largely successful. And the recent C$15/share dividend gave long-time shareholders a tremendous reward for their loyalty. The current dividend may prove to be sustainable, especially if the recent oil price surge persists, though there is considerable uncertainty around the firm's core earnings power following the recent asset sales. Paramount will also be spending heavily to expand its operations over the next year and there is inherent risk tied to the development of natural resource properties.

Final Thoughts & Recommendation

Paramount Resources is in something of a corporate reboot right now. It sold off its crown jewel assets for a huge cash haul, paying off its debt and rewarding shareholders with a gigantic special dividend. However, there is not much visibility around Paramount's forward earnings. And only time will tell how well the firm's heavy growth investment strategy ends up playing out. PRMRF shares were trading around $20/share last year. Following the $10.57 per share special dividend, we would have expected shares to trade around $10 for the company's remaining assets. Instead, the stock is trading at prior levels as if nothing had happened. To give the company credit, its new investments are starting to deliver results in terms of increasing production volumes. And higher oil prices also help support earnings growth. However, we still foresee negative 3.1% annualized returns, and shares remain at a sell rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	188	379	745	689	467	1,164	1,940	1,521	1,516	691
Gross Profit	(15)	88	254	295	179	671	1,124	765	724	117
Gross Margin	-7.8%	23.2%	34.0%	42.9%	38.3%	57.6%	57.9%	50.3%	47.7%	16.9%
SG&A Exp.	41	45	64	54	34	48	52	61	67	37
Op. Income	(78)	(242)	(77)	(20)	(70)	164	756	309	250	17
Op. Margin	-41.3%	-63.9%	-10.3%	-2.9%	-15.1%	14.1%	39.0%	20.3%	16.5%	2.5%
Net Profit	880	260	(283)	(66)	(17)	189	523	348	245	922
Net Margin	468.3%	68.6%	-38.0%	-9.6%	-3.6%	16.2%	27.0%	22.9%	16.2%	133%
Free Cash Flow	(117)	(323)	(275)	(112)	(104)	161	191	94	(30)	(328)
Income Tax	118	(63)	(149)	85	8	68	142	96	44	274

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	1,503	3,563	3,024	2,703	2,742	3,047	3,196	3,308	3,315	2,617
Cash & Equivalents	461	98	14	5	4	1	2	37	2	533
Accounts Receivable	9	84	44	66	57	93	149	100	113	50
Total Liabilities	240	1,443	1,371	1,109	1,144	1,003	707	671	740	639
Accounts Payable	60	176	138	136	117	165	164	205	156	122
Long-Term Debt	-	558	598	484	638	303	117	-	121	19
Shareholder's Equity	1,264	2,120	1,652	1,595	1,598	2,044	2,489	2,638	2,575	1,978
LTD/E Ratio	-	0.26	0.36	0.30	0.40	0.15	0.05	-	0.05	0.01

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	50.2%	10.3%	-8.6%	-2.3%	-0.6%	6.5%	16.8%	10.7%	7.4%	31.1%
Return on Equity	106.1%	15.4%	-15.0%	-4.1%	-1.1%	10.4%	23.1%	13.6%	9.4%	40.6%
ROIC	58.8%	13.2%	-11.5%	-3.1%	-0.8%	8.2%	21.1%	13.3%	9.2%	39.2%
Shares Out.	106	116	132	131	133	143	147	148	149	146.8
Revenue/Share	1.77	3.28	5.64	5.28	3.50	8.15	13.20	10.26	10.16	4.71
FCF/Share	(1.10)	(2.79)	(2.09)	(0.86)	(0.78)	1.13	1.30	0.63	(0.20)	(2.24)

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.