



Calgary, Alberta

May 4, 2010

Paramax Resources Ltd. (“Paramax” or the “Company”) (TSX-V: PXM) is pleased to announce that it has entered into an agreement with a syndicate of underwriters co-led by Canaccord Financial Ltd. and Byron Securities Ltd. and including PI Financial Corp., Thomas Weisel Partners and Wellington West Capital Markets Inc. (the “Underwriters”). The Underwriters have agreed to purchase, on an underwritten private placement basis, 15,000,000 units of the Company at a price of \$0.50 per unit (“Unit”) for total gross proceeds of \$7,500,000 (the “Offering”). Each Unit will be comprised of one common share and one half common share purchase warrant, with each whole common share purchase warrant entitling the holder thereof to acquire one Paramax common share at a price of \$0.80 for a period of 24 months following closing.

The Warrants are subject to accelerated expiry if the volume weighted average trading price of the Company's common shares exceeds \$1.00 for 20 consecutive trading days. If at any time after the date that is 4 months and one day after the Closing Date the volume weighted average trading price for the Company's common shares on the TSX Venture Exchange (or such other stock exchange on which such shares are listed) is \$1.00 or greater for 20 consecutive trading days, the Company may, within five days after such an event, provide notice (by issuing a news release) to the holders of Warrants of early expiry and thereafter, the Warrants will expire on the date which is 30 days after the date of the notice to such holders of Warrants.

The Company intends to use the net proceeds from the financing for capital expenditures related to its Idaho Project and general corporate purposes.

The Company has granted the Underwriters an option to purchase an additional 1,500,000 Units at a price of \$0.50, exercisable prior to closing of the Offering. In consideration for their efforts, the Underwriters will receive a cash commission equal to 6% of the gross proceeds of the Offering and be issued compensation options that will entitle them to acquire that number of Paramax common shares that is equal to 6% of the units sold under the Offering for a period of twelve months from the closing date.

The Offering is expected to close on or about May 18, 2010. The Offering is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory approvals, including the approval of the TSX Venture Exchange. The securities will be subject to a hold period of four months and one day from the date of issuance.

This press release is not an offering of securities for sale in the United States. The units 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 exemption from the registration requirements of that Act.

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Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. Trading in the securities of the Corporation should be considered highly speculative.

Statements in this press release may contain forward-looking information including expectations of future operations, commerciality of any gas discovered, operating costs, commodity prices, administrative costs, commodity price risk management activity, acquisitions and dispositions, capital spending, access to credit facilities, income and oil taxes, regulatory changes, and other components of cash flow and earnings. The reader is cautioned that assumptions used in the preparation of such information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the company. These risks include, but are not limited to, the risks associated with the oil and gas industry, commodity prices and exchange rate changes. Industry related risks could include, but are not limited to, operational risks in exploration, development and production, delays or changes in plans, risks associated to the uncertainty of reserve estimates, or reservoir performance, health and safety risks and the uncertainty of estimates and projections of production, costs and expenses. The reader is cautioned not to place undue reliance on this forward-looking information.