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June 30, 2010

## **PARAMAX RESOURCES LTD. OPERATIONAL UPDATE**

Paramax Resources Ltd. (“Paramax” or the “Corporation”) (PXM – TSX Venture) is pleased to announce the following operational update on its Idaho project.

Paramax, along with its joint venture partner, have drilled five exploratory wells in the Western Idaho Basin during March through May, 2010 and made three gas discoveries. The three gas discoveries have identified two distinct project areas, Willow and Hamilton.

The Hamilton project area, which is based upon the results of the Espino 1-2 and the State 1-17 discoveries has shown gas bearing sands at 2,000 feet. The Hamilton project area encompasses approximately 30,000 acres. The Hamilton area is intersected by the Williams Northwest Pipeline, thus providing an early production opportunity. The permitting of the 5 well development program has begun and it is expected that drilling will commence prior to August 1, 2010.

The Willow project area which is anchored by the ML Investments 1-10 discovery at a depth of 4,100 feet, tested at 4.5MMCF per day of sweet high calorific value gas and 12 Bbls/Mmcf condensate, has a development plan that includes both seismic and drilling. A 2D seismic program which covers approximately a 6,000 acre parcel is being permitted. Shooting is expected to begin in early July. This seismic information along with the previously shot data and well information will be the basis for the planned development drilling program. It is expected that the 5 well program will begin prior to October 1, 2010.

The Corporation has estimated that the capital budget for the next 6 months will total approximately \$6.0M. This total includes the seismic, development drilling and continued land leasing activities. At present time the Corporation has working capital of approximately \$7.5M. It is expected that gas production and cash flow from that production will commence during this period which will supplement the working capital position.

Discussions with midstream companies for infrastructure construction and with downstream companies for gas purchase have begun. In addition to potential gas purchasers in Idaho, the Williams Northwest Pipeline has 1.3 Bcfd spare capacity for gas sales to West Coast consumers.

With the continued land leasing activities, the Western Idaho Basin lands now total greater than 110,000 gross acres, with significant additions in the Willow area. The planned development activities in the Willow and Hamilton project areas encompass a total area of approximately 36,000 gross acres, or approximately 1/3 of the total land base. The Company intends to continue

to evaluate the remaining acreage and plans to commence further exploration drilling on other prospect areas upon completion of the above noted development programs.

The Corporation is also pleased to announce that it has retained AJM Petroleum Consultants in Calgary to complete an independent engineering review and reserve report. This report will be based upon the drilling results to date in addition to the well information from previously drilled wells in the area. It is expected that the report will be completed in the next 30 days.

### **For further information, please contact**

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### ***Readers' Advisory***

*Barrel of Oil Equivalent: Where amounts are expressed on a barrel of oil equivalent ("boe") basis, natural gas volumes have been converted to boe at a ratio of 6,000 cubic feet of natural gas to one barrel of oil equivalent. This conversion ratio is based upon an energy equivalent conversion method primarily applicable at the burner tip and does not represent value equivalence at the wellhead. Boe figures may be misleading, particularly if used in isolation.*

### ***Safe Harbour***

*This news release contains certain "forward-looking information" within the meaning of such statements under applicable securities law including estimates as to: future production, operations, 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, other components of cash flow and earnings, anticipated discovery of commercial volumes of oil and gas,*

*Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "may", "will", "potential", "proposed" and other similar words, or statements that certain events or conditions "may" or "will" occur. These statements are only predictions. Forward-looking information is based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include, but are not limited to, the inherent risks involved in the exploration and development of conventional oil and gas properties, difficulties or delays in start-up and continuing operations, the uncertainties involved in interpreting drilling results and other geological data, fluctuating oil prices, the possibility of unanticipated costs and expenses, uncertainties relating to the availability and costs of financing needed in the future and other factors including unforeseen delays. As an enterprise in the development stage, with some conventional production Paramax faces risks including those associated with exploration, development, start-up, approvals and the*

*continuing ability to access sufficient capital from external sources if required. Actual timelines associated may vary from those anticipated in this news release and such variations may be material. 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, health and safety risks and the uncertainty of estimates and projections of production, costs and expenses. Paramax undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change, unless required by law.*

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