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July 22, 2010

## **PARAMAX RESOURCES LTD. BEGINS PHASE 2 DRILLING PROGRAM IN IDAHO**

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

### **Hamilton Project**

The Hamilton area project is based upon the results of the Espino 1-2 and the State 1-17 discoveries. The permitting process has been completed and has received approval for the development drilling program. Drilling equipment has been sourced and contracted. The drilling equipment should begin to arrive in the next few days and an initial spud date of August 1, 2010 is planned. The construction of the drilling sites has begun in anticipation of arrival of equipment. The Hamilton area project encompasses approximately 30,000 acres, which is intersected by the Williams Northwest Pipeline, thus providing an early production opportunity. Each of the 5 wells are expected to be drilled to a maximum depth of 2,500 feet, these wells are expected to be drilled and completed in approximately a 12 day period each, for an estimated gross cost of \$750,000 per well.

Discussions have begun in regard to tie in options with the Williams Northwest Pipeline. With completion of the drilling program it is expected that a plan for the immediate development of a gas gathering system will be completed with early production expected prior to the end of the year.

### **Willow Project**

The Willow area project is anchored by the ML Investments 1-10 discovery at a depth of 4,100 feet, which 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. The 2D seismic program which covers approximately a 6,000 acre parcel has been permitted and shooting is scheduled to start immediately. 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 in October 2010.

The Corporation has also received final TSXV approval for the sale of its Fosterton property, the sale of the property was previously announced on April 16, 2010.

## **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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