



August 3, 2010

PARAMAX RESOURCES LTD. RECEIVES IDAHO RESOURCE REPORT AND THE SPUD OF THE FIRST WELL ON SECOND PHASE OF DRILLING

Paramax Resources Ltd. (“Paramax” or the “Corporation”) (PXM – TSX Venture) is pleased to announce that it has received the updated resource report, based on the successful initial drilling program on its 50% interest in the Western Idaho Basin Project.

Paramax has obtained an independent contingent resource study in respect of its 110,000-acre Western Idaho Basin Project. This resource evaluation was prepared by AJM Petroleum Consultants (“AJM”), an independent qualified resource evaluator, with an effective date of May 31, 2010, and complies with COGE Handbook standards and National Instrument 51-101 entitled "Standards of Disclosure for Oil and Gas Activities as adopted by the Canadian Securities Regulators."

Probabilistic analysis was used in the preparation of this volumetric resource estimate on Paramax's lands. The report documents the results of AJM's independent evaluation with the table summarizing the total original gas in place (OGIP) volumes for the two areas studied, being the Willow Project and the Hamilton Project, including a best estimate of 52.1 BCF of gas initially in place. The table below represents Paramax’s 50% interest in the project.

	Low Estimate	Best Estimate	High Estimate
Original Gas In Place BCF	26.8	52.1	101.0
Recoverable Gas BCF	17.9	32.8	62.1
Recoverable Liquids MSTB	75	191	486
Total Recoverable BCFE	18.4	33.9	65.0
Total Recoverable MBOE	3,058	5,657	10,836

(1) Contingencies which prevent the classification as reserves for the properties include the drilling of additional wells, production of the wells and tie in of the drilled wells.

(2) There is no certainty that it will be commercially viable to produce any portion of the resources.

In addition, AJM calculated the proved (1P) and probable (2P) reserves in regard to the successful wells that were recently drilled in early 2010. The P+P reserves totaled 322.4 MBOE, with a net present value of CDN \$7.4 million, discounted at 10% before tax. The successful wells, including drilling, casing and testing cost the Corporation approximately CDN \$1.79 million and resulted in proved plus probable before tax net present value, discounted at 10%, of more than CDN\$7.4 million net to Paramax.

Estimates of values disclosed do not represent fair market value. The estimates of reserves and future net revenue for additional properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation.

Paramax intends to update the report upon completion of the exploration development program that is underway. The program includes seismic and drilling on the Willow Project, and drilling on the Willow Project.

The Corporation is also pleased to announce that second phase of drilling on the Western Idaho Basin has commenced. The first joint well in the five well program for the Hamilton Project Area, the Tracy Trust #1, will commence drilling August 5th, 2010. The well has a planned total depth of 2,500 feet, it is expected that the well will be drilled in 7 days. Immediately following the drilling of the well, if successful, the casing, completion and testing of the well is expected to be completed in 15-20 days.

Paramax has posted an updated corporate presentation on its website at www.paramaxresources.com.

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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.

Definitions

"Best estimate (P50)" means the best estimate of the quantity of petroleum that will actually be recovered. It is equally likely that the actual remaining quantities recovered

will be greater or less than the best estimate. If probabilistic methods are used, there should be at least a 50 percent probability (P50) that the quantities actually recovered will equal or exceed the best estimate.

“High Estimate” means the best estimate of the quantity of petroleum that will actually be recovered. It is unlikely that the actual remaining quantities recovered will exceed the high estimate. If probabilistic methods are used, there should be at least a 10 percent probability (P10) that the quantities actually recovered will equal or exceed the high estimate.

“Low Estimate” means the low estimate of the quantity of petroleum that will actually be recovered. It is likely that the actual remaining quantities recovered will exceed the low estimate. If probabilistic methods are used, there should be at least a 90 percent probability (P90) that the quantities actually recovered will equal or exceed the low estimate.

“Probable reserves” means those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

“Proved reserves” means those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

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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