



September 22, 2009

PARAMAX RESOURCES LTD. CLOSES FINANCING

Paramax Resources Ltd. (the “Corporation”) (PXM – TSX Venture) is pleased to announce that it has completed its \$4,000,000 private placement financing. The Corporation, through Byron Capital Markets, a division of Byron Securities Limited (the “Agent”), issued a total of 50,000,000 common shares (“Common Shares”) at a price of \$0.08 per Common Share for gross proceeds of \$4,000,000. The securities issued pursuant to the private placement are subject to a four-month hold period.

The proceeds from the placement will be used for the fall drilling programs at both its Idaho Project and its Fincastle Project in Alberta. The Corporation intends to drill up to 6 wells in the two project areas during the fourth quarter of 2009.

The Agent received a cash commission equal to 4% of the gross proceeds raised in the private placement and options to acquire a total of 2,500,000 Common Shares at a price of \$0.08 per Common Share for a period of 18 months from the date of closing.

Directors and officers of the Corporation acquired 1,500,000 Common Shares issued pursuant to the private placement. The Corporation has determined that exemptions are available for the various requirements of TSX Venture Policy 5.9 and Multilateral Instrument 61-101 for the issuance of the Common Shares to insiders of the Corporation.

The K2 Principal Fund L.P. (“K2”) acquired 15,000,000 Common Shares and as a result of the acquisition of such shares, owns 19,770,000 Common Shares, representing approximately 17.9% of the issued and outstanding Common Shares of the Corporation. K2 acquired the securities for investment purposes only and may, depending on market and other conditions, increase or decrease its beneficial ownership, control or direction over, or exercise its current rights to acquire, Common Shares or other securities of the Corporation through market transactions, private agreements or otherwise.

Following the completion of the private placement, the Corporation has 110,275,200 Common Shares issued and outstanding. The private placement is subject to final TSX Venture Exchange acceptance.

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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.

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.