

NEWS RELEASE

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Redcliffe Exploration Inc. Agrees to Sale to Paramount Resources Ltd.

Calgary, May 10, 2010 (TSX Venture: RXP.A) (TSX Venture: RXP.B) – Redcliffe Exploration Inc. (“Redcliffe” or the “Company”) is pleased to announce that it has entered into an agreement (the “Amalgamation Agreement”) with Paramount Resources Ltd. (“Paramount”) and 1534586 Alberta Ltd. (“1534586”), a wholly owned indirect subsidiary of Paramount, pursuant to which 1534586 will amalgamate with Redcliffe under the *Business Corporations Act* (Alberta) (the “Amalgamation”), and Redcliffe shareholders, other than Paramount and its affiliates, will receive cash consideration of \$0.42 per Redcliffe Class A share (the “Shares”). The purchase price values Redcliffe at approximately \$68.5 million, including the assumption of Redcliffe’s estimated net debt of approximately \$12.5 million at closing. The Amalgamation represents a 31% premium to the closing price of the Shares on May 7, 2010 and a 34% premium over the 10-day weighted average trading price of the Shares on the TSX Venture Exchange up to and including May 7, 2010.

In connection with the Amalgamation, each one (1) Class B share of Redcliffe will be converted, in accordance with the terms of the Class B shares, into ten (10) Shares prior to the record date for the shareholders’ meeting to be called to approve the Amalgamation, following which the Class B shares will be cancelled and delisted from the TSX Venture Exchange. Pursuant to the Company’s articles, Redcliffe shall provide formal written notice to all Class B shareholders of its intention to convert the Class B shares five days prior to the effective date of such conversion.

The Board of Directors has unanimously approved the Amalgamation and determined that it is fair to Redcliffe shareholders, that the transaction is in the best interests of Redcliffe and the Redcliffe shareholders, and unanimously recommends that Redcliffe shareholders vote their Shares in favour of the Amalgamation. The directors and officers of Redcliffe, and certain other shareholders, representing approximately 25% of the outstanding Shares (after conversion of the Class B shares) have entered into lock-up agreements pursuant to which they have agreed to vote their Shares in favour of the Amalgamation. An Information Circular regarding the Amalgamation is expected to be mailed to security holders on or about May 26, 2010 for an annual and special meeting of shareholders scheduled to take place on or about June 25, 2010.

FirstEnergy Capital Corp. is acting as exclusive financial advisor to Redcliffe with respect to the Amalgamation, and has provided the Board of Directors of Redcliffe with an opinion that, subject to the review of final documentation, the consideration to be received under the Amalgamation is fair, from a financial point of view, to the holders of Redcliffe Shares.

The Amalgamation is also subject to regulatory approval and the approval of the Redcliffe shareholders. Redcliffe has agreed not to solicit or initiate any discussion or negotiation concerning the sale of significant assets or other business combinations. In the event the

transaction does not proceed, under certain circumstances, Redcliffe has agreed to pay a non-completion fee of \$2.75 million to Paramount. The Information Circular and Amalgamation Agreement will be filed by Redcliffe on SEDAR.

Redcliffe is a Calgary based company exploring for oil and gas in Alberta. The Company has a significant land base and controls 127 (78 net) sections in the Peace River Arch south of Grande Prairie, as well as additional lands in and around Pembina, including 9.25 (5.75 net) sections with Cardium oil potential. Production is focused in the Gold Creek/Wapiti area of northwestern Alberta and the Pembina area of central Alberta.

For further information:

Redcliffe Exploration Inc.

Daryl H. Connolly
President & CEO
(403) 539-8440
Fax: (403) 539-8433
Email: dconnolly@redcliffe.ca

George Gramatke
Vice President, Finance & CFO
(403) 539-8442
Fax: (403) 539-8433
Email: ggramatke@redcliffe.ca

Reader Advisories

Forward-Looking Statements: This news release contains certain forward-looking statements, including but not limited to, the Amalgamation, the conversion of Class B shares and management's assessment of future plans and operations, that involve substantial known and unknown risks, uncertainties and assumptions, certain of which are beyond the Company's control. Such risks, uncertainties and assumptions include, without limitation, those associated with required regulatory and shareholder approvals and other conditions of the Amalgamation, and those generally associated with oil and gas exploration, development, exploitation, production, marketing, processing and transportation, loss of markets, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers, inability to retain drilling rigs and other services, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources, the impact of general economic conditions in Canada, the United States and overseas, industry conditions, changes in laws and regulations (including the adoption of new environmental laws and regulations) and changes in how they are interpreted and enforced, increased competition, the lack of availability of qualified personnel or management, fluctuations in foreign exchange or interest rates, and stock market volatility and market valuations of companies with respect to announced transactions and the final valuations thereof. The Company's actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that the Company will derive there from. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect the Company's operations and financial results are included in reports, including the Company's annual information form for the financial year ended December 31, 2009, on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com). All subsequent forward looking statements, whether written or oral, attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Furthermore, the forward-looking statements contained in this news release are made as at the date of this news release and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

Neither the 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 news release.

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