

NEWS RELEASE

REDCLIFFE ANNOUNCES Q1 2010 FINANCIAL RESULTS

FOR IMMEDIATE RELEASE

TSX VENTURE EXCHANGE RXP.A / RXP.B

May 26, 2010 – Calgary, Alberta – Redcliffe Exploration Inc. ("Redcliffe" or the "Company") is pleased to announce that it has filed its unaudited interim consolidated financial statements and related Management's Discussion and Analysis as of and for the three months ended March 31, 2010 with Canadian securities regulatory authorities. These filings are available for review at www.sedar.com.

Highlights

On May 9, 2010, the Company entered into an 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. 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) Class A 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. The Amalgamation is subject to regulatory approval and the approval of Redcliffe's shareholders. 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 transaction is expected to close on or about June 29, 2010.

Financial	Three months ended March 31, 2010	Three months ended March 31, 2009
(\$ thousands, except per share amounts)		
Petroleum and natural gas sales	3,281	4,715
Funds from operations ⁽¹⁾	1,294	1,888
Per basic and diluted share	0.01	0.02
Cash provided by operating activities	2,223	1,259
Per basic and diluted share	0.02	0.01
Net loss	1,592	1,268
Per basic and diluted share	0.01	0.01
Capital expenditures	5,196	1,956
Weighted-average shares (thousands)		
Basic and diluted	133,446	90,982

Capital Structure	March 31, 2010	December 31, 2009
(\$ thousands, except share amounts)		
Working capital deficiency ⁽²⁾	4,003	1,798
Bank debt	6,285	4,588
Net debt ⁽³⁾	10,288	6,386
Total assets	64,538	62,283
Shares outstanding (thousands)		
Class A	118,508	118,508
Class B	1,494	1,494
	Three	Three
	months ended	months ended
Operations	March 31, 2010	March 31, 2009
Daily production		
Crude oil and condensate (bbl/d)	173	223
Natural gas liquids (bbl/d)	101	182
Natural gas (mcf/d)	3,478	5,352
Oil equivalent (boe/d @ 6:1)	854	1,297
Per million diluted shares	6.4	14.3
Average prices ⁽⁴⁾		
Crude oil and condensate (\$/bbl)	79.62	48.13
Natural gas liquids (\$/bbl)	38.56	25.55
Natural gas (\$/mcf)	5.40	6.65
Oil equivalent (\$/boe)	42.69	40.38
Netback		
Operating netback (\$/boe) ⁽⁵⁾	23.15	19.69
Realized gain on financial derivatives (\$/boe)	-	1.53
General and administrative (\$/boe)	(5.58)	(4.17)
Interest (\$/boe)	(0.71)	(0.87)
Funds from operations (\$/boe)	16.86	16.18
Drilling activity		
Gross wells	3.00	1.00
Net wells	1.70	0.20
Success rate, net wells	100%	100%

(1) Funds from operations is calculated as cash provided by operating activities and adding changes in non-cash working capital and asset retirement expenditures, if any. Funds from operations per share is calculated using the basic and diluted weighted-average number of shares for the period as per the net loss per share calculation. Funds from operations and funds from operations per share are used to analyze the Company's operating performance and leverage. Funds from operations and funds from operations per share do not have standardized measures prescribed by GAAP and, therefore, may not be comparable with calculations of similar measures for other companies.

(2) Working capital deficiency includes only accounts receivable, prepaid expenses and deposits, and accounts payable and accrued liabilities.

(3) Net debt represents the sum of working capital deficiency and bank debt.

(4) Average prices are before the deduction of transportation costs; oil equivalent includes sulphur sales.

(5) Operating netback equals petroleum and natural gas sales less royalties, operating expenses and transportation costs, calculated on a boe basis. Operating netback does not have a standardized measure prescribed by GAAP and therefore may not be comparable with the calculation of similar measures for other companies.

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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.

BOE may be misleading, particularly if used in isolation. A BOE conversion of 6 Mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

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