

# Extractive Sector Transparency Measures Act - Annual Report

**Reporting Entity Name** Paramount Resources Ltd.

**Reporting Year** **From** 2021-01-01 **To:** 2021-12-31 **Date submitted** 5/27/2022

**Reporting Entity ESTMA Identification Number** E634571

- Original Submission  
 Amended Report

**Other Subsidiaries Included**  
(optional field)

**For Consolidated Reports - Subsidiary Reporting Entities Included in Report:**

E015683 Fox Drilling Limited Partnership

**Not Substituted**

**Attestation by Reporting Entity**

*In accordance with the requirements of the ESTMA, and in particular section 9 thereof, I attest I have reviewed the information contained in the ESTMA report for the entity(ies) listed above. Based on my knowledge, and having exercised reasonable diligence, the information in the ESTMA report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.*

**Full Name of Director or Officer of Reporting Entity**

Paul R. Kinvig

**Date**

5/27/2022

**Position Title**

Chief Financial Officer

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Reporting Year	From: 2021-01-01	To: 2021-12-31			
Reporting Entity Name	Paramount Resources Ltd.			Currency of the Report	CAD
Reporting Entity ESTMA Identification Number	E634571				
Subsidiary Reporting Entities (if necessary)	E015683 Fox Drilling Limited Partnership				

### Payments by Payee <sup>(1)</sup>

Country	Payee Name <sup>1</sup>	Departments, Agency, etc... within Payee that Received Payments <sup>2</sup>	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid to Payee	Notes
Canada -Alberta	Government of Alberta		420,000	87,860,000	8,600,000		4,230,000			101,110,000	Payee includes the following recipients: Minister of Finance, Provincial Treasurer, Government of Alberta, Alberta Petroleum Marketing Commission, Alberta Boilers Safety Association, Alberta Energy Regulator, Alberta Energy, Alberta Environment and Parks, Safety Codes Council, Special Areas Board.  Royalties of \$11,520,000 paid-in-kind are valued based on volumes paid-in-kind and applicable Crown par prices.
Canada -British Columbia	Government of British Columbia			1,760,000	660,000					2,420,000	Payee includes the following recipients: Minister of Finance, Ministry of Finance, BC Ministry of Energy and Mines, BC Oil and Gas Commission.
Canada	Buffalo Lake Metis Settlement				160,000					160,000	
Canada	Clearwater County		480,000							480,000	
Canada	Mackenzie County		460,000							460,000	
Canada	Municipal District of Greenview No. 16		6,110,000		170,000					6,280,000	
Canada	Woodlands County		300,000							300,000	
Canada	Yellowhead County		590,000							590,000	

**Additional Notes:** (1) Refer to Note 1 - Reporting Framework

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<b>Reporting Year</b>	<b>From:</b> 2021-01-01	<b>To:</b> 2021-12-31	
<b>Reporting Entity Name</b>	Paramount Resources Ltd.		<b>Currency of the Report</b> CAD
<b>Reporting Entity ESTMA Identification Number</b>	E634571		
<b>Subsidiary Reporting Entities (if necessary)</b>	E015683 Fox Drilling Limited Partnership		

### Payments by Project <sup>(1)</sup>

Country	Project Name <sup>1</sup>	Taxes	Royalties <sup>(2)</sup>	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid by Project	Notes
Canada	Central & Other Region	1,370,000	3,650,000	3,030,000					<b>8,050,000</b>	
Canada	Kaybob Region	6,000,000	29,010,000	4,940,000		170,000			<b>40,120,000</b>	
Canada	Grande Prairie Region	990,000	56,960,000	1,620,000		4,060,000			<b>63,630,000</b>	

**Additional Notes:**

(1) Refer to Note 1 - Reporting Framework

(2) Royalties of \$11,520,000 (Kaybob Region - \$11,320,000, Central & Other Region - \$200,000) paid-in-kind are valued based on volumes paid-in-kind and applicable Crown par prices



## **NOTE 1 – REPORTING FRAMEWORK**

### **1. Basis of Presentation**

The schedule of Payments by Payee and the schedule of Payments by Project (collectively, the "Schedules") of Paramount Resources Ltd. (the "Company") for the year ended December 31, 2021 are presented in Canadian dollars, have been prepared for the purpose of satisfying the Company's disclosure obligations in respect of the Extractive Sector Transparency Measures Act ("ESTMA" or the "Act"), and may not be suitable for other purposes. The Schedules have been prepared in accordance with Section 9 of the Act and the ESTMA Technical Reporting Specifications (the "Reporting Framework") and include amounts in respect of the Company's consolidated subsidiaries qualifying as ESTMA reporting entities for the year ended December 31, 2021.

#### **Payee**

For purposes of the Act, a payee is:

- 1) Any government in Canada or in a foreign state.
- 2) A body that is established by two or more governments.
- 3) Any trust, board, commission, corporation or body or other authority that is established to exercise or perform, or that exercises or performs, a power, duty or function of a government for a government referred to in paragraph (a) above or a body referred to in paragraph (b) above.

Payees include governments at any level, including national, regional, state/provincial or local/municipal levels. Payees also include Crown corporations and other state-owned enterprises that are exercising or performing a power, duty or function of government. Indigenous groups and organizations are classified as governments and a payee for ESTMA reporting purposes.

### **2. Significant Accounting Policies**

#### **Cash basis**

The Schedules have been prepared using the cash basis of accounting, as required by the Reporting Framework, and therefore exclude accruals related to payments due to governments. The Schedules include all cash payments made to a government and exclude cash inflows from a government. Where the Company makes a payment to a government that is net of credits from that government, the net payment amount has been presented.

Payments to the same payee that meet or exceed \$100,000 in one category of payment are disclosed. Payments disclosed are rounded to the nearest \$10,000.

#### **Projects**

The Company has aligned its projects with its operating regions.

#### **Operator**

The Company has reported all payments made by it, on its own behalf and in its role as operator, directly to governments on a 'gross' basis.

#### **Take in-kind payments**

The Company has valued in-kind payments based on the cost to the Company, consistent with calculations made by the Company for financial reporting purposes.

**Excluded payments**

Certain payments made to governments which are not related to the commercial extraction of oil and natural gas resources have been excluded from the Schedules in accordance with the Reporting Framework.