# Extractive Sector Transparency Measures Act - Annual Report



Reporting Entity Name			Paramou	unt Resources Ltd.			Paramoun resources
Reporting Year	From	2022-01-01	To:	2022-12-31	Date submitted	2023-05-25	
Reporting Entity ESTMA Identification Number	E634571		<ul><li>Original Subr</li><li>Amended Re</li></ul>				
Other Subsidiaries Included (optional field)							
For Consolidated Reports - Subsidiary Reporting Entities Included in Report:			E015683 Fox D	rilling Limited Partne	ership		
Not Substituted							
Attestation by Reporting Entity							
In accordance with the requirements of the ESTMA, and in p. Based on my knowledge, and having exercised reasonable of for the reporting year listed above.					•		
Full Name of Director or Officer of Reporting Entity		Paul R.	Kinvig		Date	2023-05-25	
Position Title		Chief Finan	icial Officer				

Extractive Sector Transparency Measures Act - Annual Report												
Reporting Year Reporting Entity Name Reporting Entity ESTMA Identification Number Subsidiary Reporting Entities (if necessary)	From:	P:	To: aramount Resources Ltd. E634571 3 Fox Drilling Limited Partnershi	2022-12-31 ip		Currency of the Report	CAD					
necessary)					Payments by	y Payee <sup>(1)</sup>						
Country	Payee Name	Departments, Agency, etc within Payee that Received Payments	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid to Payee	Notes	
Canada -Alberta	Government of Alberta			326,910,000	8,530,000		22,040,000				Payee includes the following recipients: Minster of Finance, Provincial Treasurer, Government of Alberta, Alberta Petroleum Marketing Commission, Alberta Boilers Safety Association, Alberta Energy Regulator, Alberta Environment and Parks, Safety Codes Council.  Royalties of \$23,880,000 paid-in-kind are valued based on volumes paid-in kind and applicable Crown par prices	
Canada -British Columbia	Government of British Columbia			1,320,000	540,000						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				170,000					170,000		
Canada	Clearwater County		470,000							470,000		
Canada	Mackenzie County		360,000							360,000		
Canada	Municipal District of Greenview No. 16	I	6,490,000							6,490,000		
Canada	Woodlands County		210,000							210,000		
Canada	Yellowhead County		530,000							530,000		
Additional Notes:	(1) Refer to Note 1 - Reporting	g Framework										

## **Extractive Sector Transparency Measures Act - Annual Report**

Reporting Year From: 2022-01-01 To: 2022-12-31 Reporting Entity Name Paramount Resources Ltd.

Currency of the Report CAD

Reporting Entity ESTMA Identification Number Subsidiary Reporting Entities (if necessary)

E634571 E015683 Fox Drilling Limited Partnership

Payments by Project (1)

Country	Project Name	Taxes	Royalties <sup>(2)</sup>	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid by Project	Notes
Canada	Central Alberta & Other Region	830,000	10,700,000	3,060,000		910,000			15,500,000	
Canada	Grande Prairie Region	1,160,000	252,980,000	1,730,000		20,190,000			276,060,000	
Canada	Kaybob Region	6,070,000	64,550,000	4,450,000		940,000			76,010,000	

Additional Notes:

(1) Refer to Note 1 - Reporting Framework
(2) Royalties of \$23,880,000 (Kaybob Region - \$22,840,000, Central Alberta & Other Region - \$990,000, Grande Prairie Region - \$50,000) 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, 2022 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, 2022.

#### **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.