

Extractive Sector Transparency Measures Act - Annual Report



Reporting Entity Name: Paramount Resources Ltd.

Reporting Year: From 2022-01-01 To: 2022-12-31 Date submitted: 2023-05-25

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: 2023-05-25

Position Title: Chief Financial Officer



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.