

## Extractive Sector Transparency Measures Act Report

Reporting Year From: 2016-01-01 To: 2016-12-31  
Reporting Entity Name **Velvet Energy Ltd.**  
Reporting Entity ESTMA Identification Number E272110  
Subsidiary Reporting Entities (if necessary) N/A

**Attestation: Please check one of the the boxes below and provide the required information**

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.*

Attestation (through independent audit)

*In accordance with the requirements of the ESTMA, and in particular section 9 thereof, I attest that I engaged an independent auditor to undertake an audit of the ESTMA report for the entity(ies) and reporting year listed above. Such an audit was conducted in accordance with the Technical Reporting Specifications issued by Natural Resources Canada for independent attestation of ESTMA reports.*

*The auditor expressed an unmodified opinion, dated [ENTER DATE: YYYY-MM-DD], on the ESTMA report for the entity(ies) and period listed above.  
The independent auditor's report can be found at [INSERT WEBLINK TO AUDIT OPINION POSTED ONLINE – link should be on same page as report link]*

Director or Officer of Reporting Entity Full Name: Christopher Theal Date: 2017-05-26  
Position Title: Chief Financial Officer

## Extractive Sector Transparency Measures Act - Annual Report

Reporting Year From: 2016-01-01 To: 2016-12-31  
 Reporting Entity Name **Velvet Energy Ltd.**

Reporting Entity ESTMA Identification Number E272110

Subsidiary Reporting Entities (if necessary) N/A

### Payments by Payee

Country	Payee Name	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid to Payee	Notes
CANADA	YELLOWHEAD COUNTY	\$1,290,000	\$0	\$1,030,000	\$0	\$0	\$0	\$60,000	\$2,380,000	Yellowhead County - \$2,380,000
CANADA	MUNICIPAL DISTRICT OF GREENVIEW NO. 16	\$40,000	\$0	\$260,000	\$0	\$0	\$0	\$0	\$300,000	Municipal District Of Greenview No. 16 - \$300,000
CANADA	WOODLANDS COUNTY	\$120,000	\$0	\$0	\$0	\$0	\$0	\$0	\$120,000	Woodlands County - \$100,000
CANADA	GOVERNMENT OF ALBERTA	\$10,000	\$2,390,000	\$2,080,000	\$0	\$13,840,000	\$0	\$0	\$18,320,000	Alberta Department of Energy - \$17,050,000 Alberta Energy Regulator - \$720,000 Alberta Petroleum Marketing Commission - \$450,000 Alberta Environment and Sustainable Resource Development - \$100,000

Notes

- 1) All payments are reported in Canadian dollars (the reporting currency of Velvet Energy Ltd.)
- 2) All payments within the \$100,000 CAD per payee threshold have been included in the ESTMA Report.
- 3) All amounts have been rounded to the nearest \$10,000 as per guidance from NRCan.
- 4) Royalties paid in kind have been valued at the fair market sale price at time of payment.
- 5) Payments reported in the ESTMA Report reflect gross payments made directly by Velvet Energy, including payments made in the capacity of operator on behalf of partners. Payments made by an operator on behalf of Velvet Energy are not included.

## Extractive Sector Transparency Measures Act - Annual Report

Reporting Year

From: 2016-01-01 To: 2016-12-31

Reporting Entity Name

**Velvet Energy Ltd.**

Reporting Entity ESTMA Identification Number

E272110

Subsidiary Reporting Entities (if necessary)

N/A

### Payments by Project

Country	Project Name	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid by Project	Notes
CANADA	CENTRAL ALBERTA	\$1,440,000	\$2,320,000	\$2,870,000	\$0	\$10,360,000	\$0	\$60,000	\$17,050,000	
CANADA	NORTHWEST ALBERTA	\$20,000	\$70,000	\$500,000	\$0	\$3,480,000	\$0	\$0	\$4,070,000	

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