

# Extractive Sector Transparency Measures Act - Annual Report



<b>Reporting Entity Name</b>	Velvet Energy Ltd.					
<b>Reporting Year</b>	<b>From</b>	1/1/2019	<b>To:</b>	12/31/2019	<b>Date submitted</b>	6/26/2020

<b>Reporting Entity ESTMA Identification Number</b>	E272110	<input checked="" type="radio"/> Original Submission
		<input type="radio"/> Amended Report

**Other Subsidiaries Included**  
(optional field)

**Not Consolidated**

**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.*

<b>Full Name of Director or Officer of Reporting Entity</b>	Christopher B. Theal	<b>Date</b>	6/22/2020
<b>Position Title</b>	Chief Financial Officer		

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Reporting Year	From:	1/1/2019	To:	12/31/2019	
Reporting Entity Name	Velvet Energy Ltd.			Currency of the Report	CAD
Reporting Entity ESTMA Identification Number	E272110				
Subsidiary Reporting Entities (if necessary)					

### Payments by Payee

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 <sup>3,4</sup>
Canada -Alberta	MUNICIPAL DISTRICT OF GREENVIEW NO. 16		470,000		930,000					1,400,000	
Canada -Alberta	SADDLE HILLS COUNTY		90,000		10,000					100,000	
Canada -Alberta	YELLOWHEAD COUNTY		1,660,000		640,000					2,300,000	
Canada -Alberta	GOVERNMENT OF ALBERTA	ALBERTA PETROLEUM MARKETING COMMISSION, ALBERTA SUSTAINABLE RESOURCE DEVELOPMENT, ALBERTA ENERGY REGULATOR, ABSA, ALBERTA LAND TITLES, ALBERTA ENERGY, ENVIRONMENT AND PARKS		18,000,000	2,750,000		2,190,000			22,940,000	Royalties paid in kind total \$11,325,000 and are valued at the fair market value of the volumes taken in-kind, based on Velvet's realized sales price.
Canada -British Columbia	GOVERNMENT OF BRITISH COLUMBIA	MINISTER OF FINANCE BRITISH COLUMBIA			80,000		140,000			220,000	

**Additional Notes:**

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<b>Reporting Entity Name</b>		Velvet Energy Ltd.			<b>Currency of the Report</b> CAD
<b>Reporting Entity ESTMA Identification Number</b>		E272110			
<b>Subsidiary Reporting Entities (if necessary)</b>					

### Payments by Project

Country	Project Name <sup>1</sup>	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid by Project	Notes <sup>23</sup>
Canada -Alberta	CENTRAL ALBERTA	1,660,000	4,910,000	2,250,000		50,000			<b>8,870,000</b>	Royalties paid in kind total \$231,000 and are valued at the fair market value of the volumes taken in-kind, based on Velvet's realized sales price.
Canada -Alberta	NW ALBERTA	550,000	13,090,000	2,090,000		2,140,000			<b>17,870,000</b>	Royalties paid in kind total \$11,094,000 and are valued at the fair market value of the volumes taken in-kind, based on Velvet's realized sales price.
Canada -British Columbia	BRITISH COLUMBIA			80,000		140,000			<b>220,000</b>	

**Additional Notes<sup>3</sup>:**