

Extractive Sector Transparency Measures Act - Annual Report



Reporting Entity Name Velvet Energy Ltd.

Reporting Year **From** 2020-01-01 **To:** 2020-12-31 **Date submitted** 2021-07-12

Reporting Entity ESTMA Identification Number E272110

Original Submission
 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.

Full Name of Director or Officer of Reporting Entity Robert Froese **Date** 2021-07-12

Position Title Chief Financial Officer

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Reporting Entity Name	Velvet Energy Ltd.		
Reporting Entity ESTMA Identification Number	E272110		
Subsidiary Reporting Entities (if necessary)			

Payments by Payee

Country	Payee Name ¹	Departments, Agency, etc... within Payee that Received Payments ²	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid to Payee	Notes ³⁴
Canada -Alberta	MUNICIPAL DISTRICT OF GREENVIEW NO. 16		500,000		800,000					1,300,000	Fees include a road deposit of \$622,000 that was paid in 2020 and \$529,000 was returned in 2020.
Canada -Alberta	YELLOWHEAD COUNTY		1,300,000		380,000					1,680,000	Fees include a road deposit of \$322,000 that was paid in 2020 and the full amount was returned in 2020.
Canada -Alberta	GOVERNMENT OF ALBERTA			11,500,000	2,490,000		3,390,000			17,380,000	Royalties paid in kind total \$7,378,000 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				160,000					160,000	

Additional Notes:

Payees included in the Government of Alberta include: ALBERTA PETROLEUM MARKETING COMMISSION, ALBERTA SUSTAINABLE RESOURCE DEVELOPMENT, ALBERTA ENERGY REGULATOR, ABSA, ALBERTA LAND TITLES, ALBERTA ENERGY, AND ALBERTA ENVIRONMENT AND PARKS

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Payments by Project

Country	Project Name ¹	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid by Project	Notes ²³
Canada -Alberta	CENTRAL ALBERTA	1,300,000	2,290,000	1,790,000					5,380,000	Royalties paid in kind total \$98,000 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	490,000	9,210,000	1,890,000		3,390,000			14,980,000	Royalties paid in kind total \$7,280,000 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			160,000					160,000	

Additional Notes³: