

Extractive Sector Transparency Measures Act - Annual Report

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|------------------------------|------------------------------------|----------|------------|-----------|-----------------------|------------|
| Reporting Entity Name | PETRONAS Sasol Montney Partnership | | | | | |
| Reporting Year | From | 7/1/2018 | To: | 6/30/2019 | Date submitted | 11/25/2019 |

| | |
|---|---------|
| Reporting Entity ESTMA Identification Number | E088016 |
|---|---------|

- Original Submission
 Amended Report

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

Kevin Georget

Date

11/20/2019

Position Title

Chief Financial Officer

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|---|------------------------------------|----------|------------|-----------------------------------|
| Reporting Year | From: | 7/1/2018 | To: | 6/30/2019 |
| Reporting Entity Name | PETRONAS Sasol Montney Partnership | | | Currency of the Report CAD |
| Reporting Entity ESTMA Identification Number | E088016 | | | |

Payments by Payee

| 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 | District of Hudson Hope | | 150,000 | - | - | - | - | - | - | 150,000 | |
| Canada | Government of British Columbia | Minister of Finance (multiple depeartments), BC Oil and Gas Commission. | 1,350,000 | 970,000 | 2,080,000 | - | - | - | - | 4,400,000 | |
| Canada | Halfway River First Nation | | - | - | - | - | 170,000 | - | - | 170,000 | |
| Canada | West Moberly First Nation | | - | - | - | - | 140,000 | - | - | 140,000 | |
| | TOTAL | | 1,500,000 | 970,000 | 2,080,000 | - | 310,000 | - | - | 4,860,000 | |

Additional Notes:

Note 1 – Financial Reporting Framework

(a) Basis of accounting:
 The Schedule of Payments by Payee and the Schedule of Payments by Project (collectively “the Schedules”) prepared by PETRONAS Energy Canada Ltd., as Managing Partner of the PETRONAS Sasol Montney Partnership (the “Partnership”), for the year ended June 30, 2019 has been prepared in accordance with the financial reporting provisions in Section 9 of the Extractive Sector Transparency Measures Act, Section 2.3 of the Extractive Sector Transparency Measures Act – Technical Reporting Specifications and Sections 3.1 to 3.6 of the Extractor Sector Transparency Measures Act – Guidance (collectively the “financial reporting framework”). The Schedules are prepared to provide information to the Directors of PETRONAS Energy Canada Ltd., as Managing Partner of the Partnership, and the Minister of Natural Resources Canada to assist in meeting the requirements of the Extractive Sector Transparency Measures Act. As a result, the schedules may not be suitable for another purpose.

(b) Significant accounting policies:
 i) Cash basis
 The Schedules have been prepared on a cash basis of accounting, as required by the financial reporting framework, and exclude any accruals related to payments due to governments (as defined in the financial reporting framework).
 The Schedules include all cash payments made, without inclusion of cash inflows from a government. Where a payment is made to a government that is net of credits from that government, the net payment amount has been presented.

ii) Operator
 The Partnership has reported all payments made for the Partnership’s benefit by PETRONAS Energy Canada Ltd., as the Managing Partner and operator for the Partnership, directly to the government.

iii) Excluded payments
 Certain payments made to governments for commercial services or payments made to governments which are not related to the commercial extraction of oil and natural gas resources have been excluded from the Schedules, as described in the financial reporting framework.

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|---|------------------------------------|----------------------|--|-------------------------------|-----|
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| Reporting Entity Name | PETRONAS Sasol Montney Partnership | | | Currency of the Report | CAD |
| Reporting Entity ESTMA Identification Number | E088016 | | | | |

Payments by Project

| Country | Project Name | Taxes | Royalties | Fees | Production Entitlements | Bonuses | Dividends | Infrastructure Improvement Payments | Total Amount paid by Project | Notes |
|---------|------------------------------------|------------------|----------------|------------------|-------------------------|----------------|-----------|-------------------------------------|------------------------------|--|
| Canada | PETRONAS Sasol Montney Partnership | 1,500,000 | 970,000 | 2,080,000 | - | 310,000 | - | - | 4,860,000 | The PETRONAS Sasol Montney Partnership is a stand-alone project. |
| | TOTAL | 1,500,000 | 970,000 | 2,080,000 | - | 310,000 | - | - | 4,860,000 | |

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