

# Extractive Sector Transparency Measures Act - Annual Report



<b>Reporting Entity Name</b>	Harvest Operations Corp.		
<b>Reporting Year</b>	<b>From</b> 01/01/2023	<b>To:</b> 12/31/2023	<b>Date submitted</b> 05/30/2024
<b>Reporting Entity ESTMA Identification Number</b>	E954157	<input checked="" type="radio"/> Original Submission <input type="radio"/> Amended Report	
<b>Other Subsidiaries Included</b> (optional field)			
<b>For Consolidated Reports - Subsidiary Reporting Entities Included in Report:</b>	Viking Management Ltd. (E378991), 1057533 Alberta Ltd. (E325206), 1496965 Alberta Ltd. (E972729), Breeze Resources Partnership (E804267), Deep Basin Partnership (E674826), Harvest Breeze Trust 1 (E905129), Harvest Breeze Trust 2 (E875779), Harvest Operations (USA) Inc. (E416648), Hay River Partnership (E123083), Pathfinder Partnership (E797297)		
<b>Not Substituted</b>			
<b>Attestation by Reporting Entity</b>	<p><i>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.</i></p>		
<b>Full Name of Director or Officer of Reporting Entity</b>	Duki Nam	<b>Date</b>	05/30/2024
<b>Position Title</b>	Chief Financial Officer		

## Extractive Sector Transparency Measures Act - Annual Report

<b>Reporting Year</b>	<b>From:</b> 01/01/2023	<b>To:</b> 12/31/2023	<b>Currency of the Report</b> CAD
<b>Reporting Entity Name</b>	Harvest Operations Corp.		
<b>Reporting Entity ESTMA Identification Number</b>	E954157		
<b>Subsidiary Reporting Entities (if necessary)</b>	Viking Management Ltd. (E378991), 1057533 Alberta Ltd. (E325206), 1496965 Alberta Ltd. (E972729), Breeze Resources Partnership (E804267), Deep Basin Partnership (E674826), Harvest Breeze Trust 1 (E905129), Harvest Breeze Trust 2 (E875779), Harvest Operations (USA) Inc. (E416648), Hay River Partnership (E123083), Pathfinder Partnership (E797297)		

### 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	Clearwater County		800,000	-	-					800,000	
Canada	Conklin Resource Development Advisory		10,000	-	180,000					190,000	
Canada	County of Vermilion		200,000	-	-					200,000	
Canada	Cypress County		590,000	-	-					590,000	
Canada	Dene Tha First Nation		-	-	120,000					120,000	
Canada	Flagstaff County		580,000	-	-					580,000	
Canada	Government of Alberta		120,000	33,570,000	4,220,000					37,910,000	Note 1, Note 2
Canada	Government of British Columbia		140,000	5,290,000	600,000					6,030,000	Note 3
Canada	Heart Lake First Nation Consultation		-	-	150,000					150,000	
Canada	Metis Settlements General Council	Metis Settlements General Council	40,000	80,000	100,000					220,000	
Canada	Municipal District of Greenview	Fishing Lake Metis Settlement	700,000	-	430,000					1,130,000	
Canada	Municipal District of Provost		170,000	-	310,000					480,000	
Canada	Northern Rockies Regional Municipality		810,000	-	-					810,000	
Canada	Red Deer County		730,000	-	-					730,000	
Canada	Regional Municipality of Wood Buffalo		2,300,000	-	-					2,300,000	
Canada	Rocky View County		200,000	-	-					200,000	

**Additional Notes:**

- 1) Royalties paid in-kind to APMC are valued at the fair market value of the volumes taken in-kind, based on Harvest's realized sales price. \$3,450,000 in 2023.
- 2) Includes the following departments; Alberta Boilers Safety Association (ABSA), Alberta Energy, Alberta Energy Regulator (AER), Alberta Environment Water Management Operations, Alberta Environment and Sustainable Resource Development, Alberta Municipal Affairs, Alberta Petroleum Marketing Commission (AMPC), Alberta Registries, Eastern Irrigation District, Government of Alberta, Minister of Environmental, Minister of Finance, Special Areas Board, Sustainable Resource Development.
- 3) Includes the following departments; BC Oil & Gas Commission, British Columbia Safety Authority, BC Transportation Financing Authority, BC Minister of Finance.

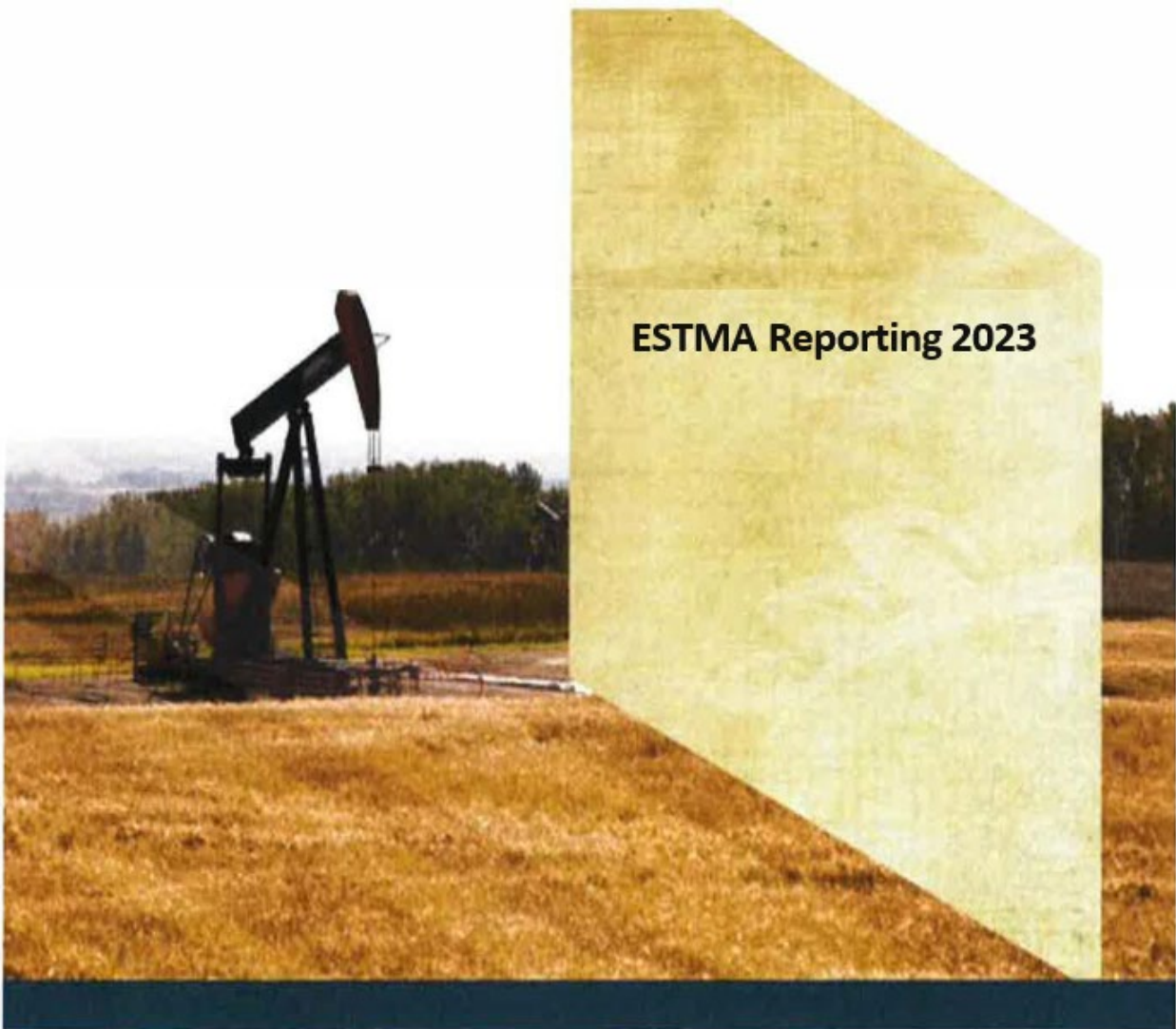
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<b>Reporting Entity Name</b>	Harvest Operations Corp.		<b>Currency of the Report</b> CAD
<b>Reporting Entity ESTMA Identification Number</b>	E954157		
<b>Subsidiary Reporting Entities (if necessary)</b>	Viking Management Ltd. (E378991), 1057533 Alberta Ltd. (E325206), 1496965 Alberta Ltd. (E972729), Breeze Resources Partnership (E804267), Deep Basin Partnership (E674826), Harvest Breeze Trust 1 (E905129), Harvest Breeze Trust 2 (E875779), Harvest Operations (USA) Inc. (E416648), Hay River Partnership (E123083), Pathfinder Partnership (E797297)		

### 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	Black Gold AB Project	2,270,000	11,100,000	760,000					<b>14,130,000</b>	
Canada	Corporate Project	-	10,000	2,010,000					<b>2,020,000</b>	
Canada	North AB Project	-	-	10,000					<b>10,000</b>	
Canada	North East BC Project	100,000	490,000	200,000					<b>790,000</b>	
Canada	Hay AB Project	80,000	30,000	100,000					<b>210,000</b>	
Canada	Hay BC Project	850,000	4,770,000	770,000					<b>6,390,000</b>	
Canada	South AB Project	3,520,000	14,230,000	2,040,000					<b>19,790,000</b>	Note 1
Canada	West AB Project	710,000	8,290,000	480,000					<b>9,480,000</b>	

**Additional Notes<sup>3</sup>:** 1) Royalties paid in-kind to APMC are valued at the fair market value of the volumes taken in-kind, based on Harvest's realized sales price. \$3,450,000 in 2023.





## **INTRODUCTION**

Harvest Operations Corp and its subsidiaries (collectively the “Company”) has prepared the following annual report (“the Report”) of payments made to government entities for the year ended December 31, 2023, as required by the Extractive Sector Transparency Measures Act S.C. 2014, c.39, s.376 (“ESTMA” or “the Act”).

All subsidiary reporting entities are listed within the annual report, however within the 2023-year payments to government entities were facilitated through:

- Harvest Operations Corp. (ESTMA ID number is: E954157)
- Deep Basin Partnership (ESTMA ID number is: E674826).

## **BASIS OF PREPARATION**

The Report has been prepared in accordance with the requirements of the Act and the Natural Resources Canada (“NRCan”) Technical Reporting Specifications. The Technical Reporting Specifications provides specifications with regards to the form and manner of reporting. The following is a summary of judgments and definitions that the Company has made for the purpose of preparing the Report.

### **Reportable Payments**

A payment under the Act is one that, in a financial year,

- a) Is made to the same payee.
- b) Is made in relation to the commercial development of oil, gas, or minerals, as set out in the Act.
- c) Totals, as a single or multiple payments, C\$100,000 or more within one of the following seven categories: taxes, royalties, fees, production entitlements, bonuses, dividends, and infrastructure improvement payments.

The Report excludes payments that are not related to the Company’s commercial development activities.

The Report contains disclosure of the full amounts (rounded to the nearest \$10,000) paid by the Company to a payee, no amounts have been offset or reduced by amounts reimbursed or refunded.

### **Payee**

For purposes of the Act, a payee is:

- a) Any government in Canada or in a foreign state.
- b) A body that is established by two or more governments.
- c) 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 include Crown corporations and other state-owned enterprises that are exercising or performing a power, duty, or function of government.

For the purpose of disclosing payments in the Report, when practical the Company has listed the name of the department, agency or entity of the payee that received the payment, if more than one such body of a payee received a payment from the Company.

Aboriginal and indigenous groups and organizations within Canada and in other jurisdictions may be regarded as governments for purposes of qualifying as a payee under the Act.



### **Payment Categories**

The information is reported under the following payment categories.

#### *Taxes*

This category may include taxes paid by the Company on its income, profits, or production. Taxes reported include property taxes, business taxes and certain provincial resource surcharges. Consumption taxes, personal income taxes and taxes not paid in relation to the commercial development of oil, gas or minerals are excluded.

#### *Royalties*

These are payments for the rights to extract oil and gas resources, typically at a set percentage of revenue less any deductions that may be taken.

Royalties paid in kind are also reported under this category. If the cost of an in-kind payment can be determined that is the value that should be reported. If the cost is not determinable, the in-kind payment should be reported at the fair market value. The monetary value of any in-kind payment made to a payee by the Company was determined via the fair market value of the volumes taken in-kind, based on Harvest's realized sales price. All in-kind payments included within the Report are disclosed in a supplementary note to the Report.

#### *Fees*

This category may include annual fees, application fees, rental fees, and regulatory charges as well as fees or other consideration for licenses, permits or concessions. Amounts paid in ordinary course commercial transactions in exchange for services provided by a payee are excluded from this category.

#### *Production entitlements*

A payee's share of oil, gas, or mineral production under a production sharing agreement or a similar contractual or legislated arrangement is reported under this category. The Company had no reportable production entitlement payments to a payee for the year ended December 31, 2023.

#### *Bonuses*

Signing, discovery, production and any other type of bonuses paid to a payee are reported under this category.

#### *Dividends*

Dividends paid to a payee as an ordinary shareholder do not need to be reported under the Act, so long as the:

- a) Shares have been acquired by the payee for consideration on the same terms as were available at the time of acquisition to other shareholders.
- b) Dividend is paid to the payee on the same terms as to other shareholders.

The Company had no reportable dividend payments to a payee for the year ended December 31, 2023.

#### *Infrastructure improvement payments*

These are payments which relate to the construction of infrastructure that do not relate primarily to the operational purposes of the Company. The Company had no reportable infrastructure improvement payments to a payee for the year ended December 31, 2023.



**Project**

Per the Technical Reporting Specifications published by NRCan a “project” means the operational activities that are governed by a single contract, license, lease, concession, or similar legal agreement and form the basis for payment liabilities with a government. However, if multiple such agreements are substantially interconnected, the Company has aggregated such interconnected agreements into a single “Project” for reporting purposes.

Payments are reported at the project level except for payments that are not attributable to a specific project and are reported at the entity level. Reportable corporate income taxes, which are typically not levied at a project level, are an example of this.