Extractive Sector Transparency Measures Act - Annual Report

Reporting Entity Name	Harvest Operations Corp.				
Reporting Year	**From** 01/01/2022	**To:** 12/31/2022		**Date submitted**	05/30/2023
Reporting Entity ESTMA Identification Number	E954157	(●) Original Submission ( ) Amended Report			
Other Subsidiaries Included (optional field)					
For Consolidated Reports - Subsidiary Reporting Entities Included in Report:	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)				
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	**Duki Nam**	**Date**	*05/30/2023*
Position Title	**Chief Financial Officer**		

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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	Clearwater County		750,000							**750,000**	
Canada	Conklin Métis Local #193	Conklin Resource Development Advisory Committee			120,000					**120,000**	
Canada	County Of Vermilion		150,000							**150,000**	
Canada	Cypress County		550,000							**550,000**	
Canada	Flagstaff County		670,000							**670,000**	
Canada	Government Of Alberta		140,000	51,540,000	4,490,000					**56,170,000**	Note 1, 2
Canada	Government Of British Columbia		30,000	11,900,000	1,800,000					**13,730,000**	Note 3
Canada	Loon River First Nation				100,000					**100,000**	Note 4
Canada	Lubicon Lake Band	Lubicon Lake Band Ventures Ltd			110,000					**110,000**	
Canada	Metis Settlements General Council			120,000						**120,000**	
Canada	Fishing Lake Metis Settlement		40,000		90,000					**130,000**	
Canada	Municipal District Of Greenview		620,000							**620,000**	
Canada	Municipal District Of Provost		260,000							**260,000**	
Canada	Northern Rockies Regional Municipality		770,000							**770,000**	
Canada	Red Deer County		670,000							**670,000**	
Canada	Regional Municipality Of Wood Buffalo		2,280,000							**2,280,000**	
Canada	Rocky View County		190,000							**190,000**	

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. $5,440,000 in 2022.

2) Includes the following departments; Alberta Boilers Saftey 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.

4) Includes the following parties; Loon River First Nation Band, Loon River Trucking, Loon River Truck Wash, LRC Contractors

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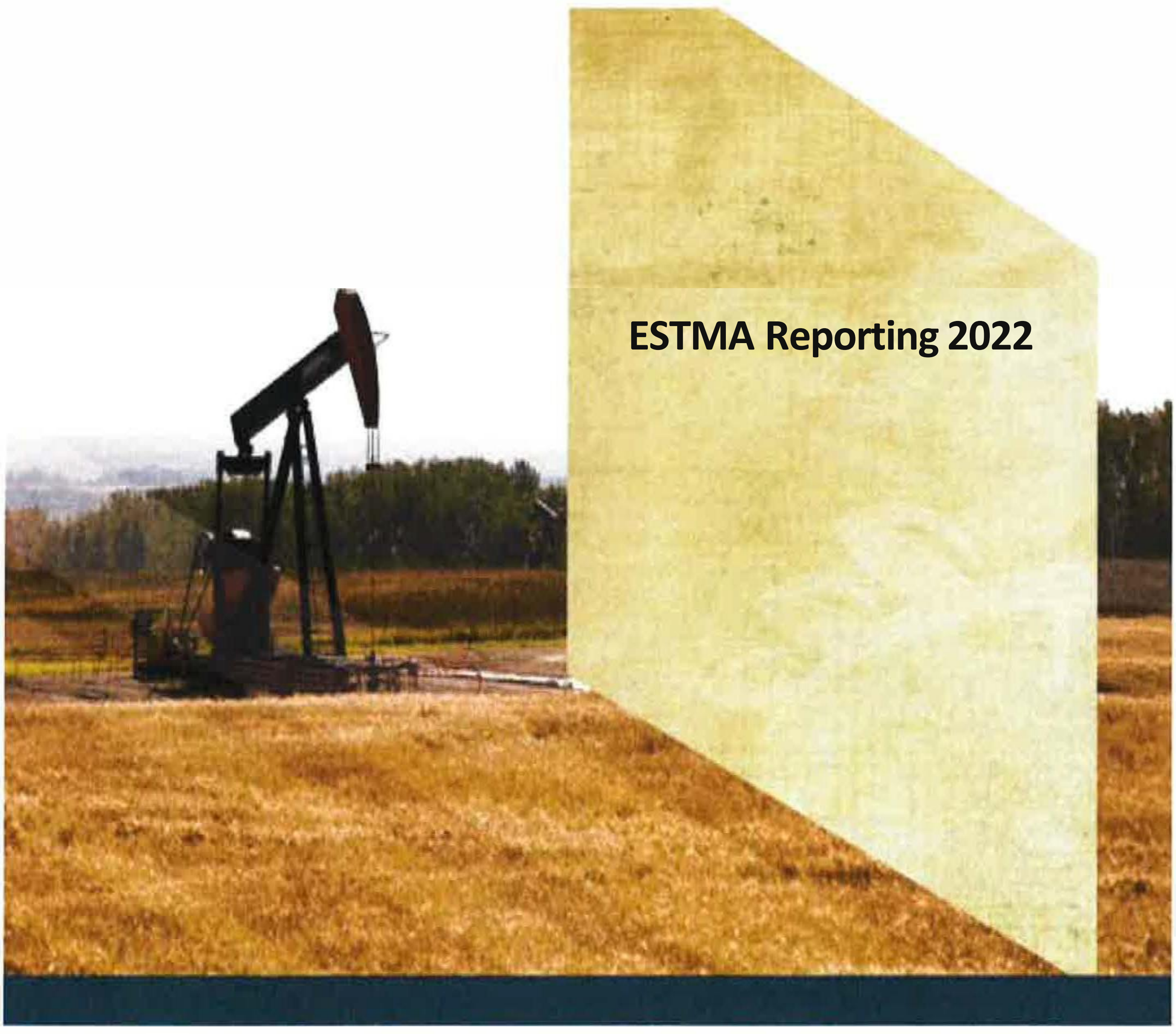
Payments by Project

Country	Project Name[1]	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid by Project	Notes[23]
Canada	Black Gold AB Project	2,230,000	6,670,000	480,000					**9,380,000**	
Canada	Corporate Project			2,210,000					**2,210,000**	
Canada	North East BC Project	80,000	440,000	300,000					**820,000**	
Canada	North AB Project		170,000	10,000					**180,000**	
Canada	Hay BC Project	330,000	4,600,000	675,000					**5,605,000**	
Canada	Hay AB Project	490,000	6,900,000	665,000					**8,055,000**	
Canada	Red Earth Project		110,000	50,000					**160,000**	
Canada	South AB Project	3,360,000	30,610,000	1,960,000					**35,930,000**	Note 1
Canada	West AB Project	630,000	14,060,000	360,000					**15,050,000**	
Additional Notes[3]:	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. $5,440,000 in 2022.									

Harvest

OPERATIONS CORP.

ESTMA Reporting 2022



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, 2022 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 2022 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 purposes 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, 2022.

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, 2022.

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, 2022.

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.