

# Extractive Sector Transparency Measures Act - Annual Report

Reporting Entity Name	WZR Development ULC				
Reporting Year	From	1/1/2018	To:	12/31/2018	Date submitted
Reporting Entity ESTMA Identification Number	E943098	<input checked="" type="radio"/> Original Submission <input type="radio"/> Amended Report			
Other Subsidiaries Included (optional field)					
Not Consolidated					
Not Substituted					
<b>Attestation by Reporting Entity</b>					
<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>					
Full Name of Director or Officer of Reporting Entity	Tony Kraljic			Date	5/29/2019
Position Title	CFO				

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Reporting Entity Name	WZR Development ULC		Currency of the Report USD		
Reporting Entity ESTMA Identification Number	E943098				
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>34</sup>
Iraq	Kurdistan Regional Government	Ministry of Natural Resources	-	22,400,000	1,130,000	82,650,000	2,000,000	-	90,000	108,270,000	Garmian Block non-operated
Iraq	Kurdistan Regional Government	Garmian Administration (Kfiri District)	-	-	-	-	-	-	140,000	140,000	Garmian Block non-operated
Total			-	22,400,000	1,130,000	82,650,000	2,000,000	-	230,000	108,410,000	

<b>Additional Notes:</b>	<p>All payments are reported in United States dollars (the reporting currency of the reporting entity).</p> <p>All payments in excess of the Canadian \$100,000 threshold, per payee, have been included based on the Bank of Canada 2018 average daily exchange rate for United States dollars of CAD1.2957:USD1 (or CAD1:USD0.7721).</p> <p>Royalties paid in kind and production entitlements paid in kind have been reported based on delivered volumes and the applicable monthly oil sales prices as invoiced by the Operator.</p> <p>Fees include annual fees due under the respective production sharing contract, fees for Oilfield Police Forces and a portal subscription fee paid to the Ministry of Natural Resources of the Kurdistan Regional Government.</p> <p>Bonuses include a production bonus was was remitted in 2018 in accordance with the terms of the production sharing contract.</p> <p>Applicable payments made by operator where WesternZagros was the non-operator have been reported based on the WesternZagros share of payments remitted. For the year of 2018, WesternZagros was the non-operator of the Garmian Block with a 50% net share of payments reported. For the year of 2018 WesternZagros was the non-operator of the Kurdamir Block with a 60% net share, no government payments were made during 2018 for Kurdamir Block. In jurisdictions where the operator may have reported gross 100% of government payments, the WesternZagros portion of non-operated payments should then be excluded for aggregation purposes.</p>
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<sup>1</sup> Enter the proper name of the Payee receiving the money (i.e. the municipality of x, the province of y, national government of z).

<sup>2</sup> Optional field.

<sup>3</sup> When payments are made in-kind, the notes field must highlight which payment includes in-kind contributions and the method for calculating the value of the payment.

<sup>4</sup> Any payments made in currencies other than the report currency must be identified. The Reporting Entity may use the Additional notes row or the Notes column to identify any payments that are converted, along with the exchange rate and primary method used for currency conversions.

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Subsidiary Reporting Entities (if necessary)						

### 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>
Iraq	Garmian Block (non-operated)	-	22,400,000	1,130,000	82,650,000	2,000,000	-	230,000	108,410,000	WesternZagros 50% net share.
	<b>Total</b>	-	22,400,000	1,130,000	82,650,000	2,000,000	-	230,000	108,410,000	

<b>Additional Notes:</b>	<p>All payments are reported in United States dollars (the reporting currency of the reporting entity).</p> <p>All payments in excess of the Canadian \$100,000 threshold, per payee, have been included based on the Bank of Canada 2018 average daily exchange rate for United States dollars of CAD1.2957:USD1 (or CAD1:USD0.7721).</p> <p>Royalties paid in kind and production entitlements paid in kind have been reported based on delivered volumes and the applicable monthly oil sales prices as invoiced by the Operator.</p> <p>Fees include annual fees due under the respective production sharing contract, fees for Oilfield Police Forces and a portal subscription fee paid to the Ministry of Natural Resources of the Kurdistan Regional Government.</p> <p>Bonuses include a production bonus was was remitted in 2018 in accordance with the terms of the production sharing contract.</p> <p>Applicable payments made by operator where WesternZagros was the non-operator have been reported based on the WesternZagros share of payments remitted. For the year of 2018, WesternZagros was the non-operator of the Garmian Block with a 50% net share of payments reported.</p> <p>For the year of 2018 WesternZagros was the non-operator of the Kurdamir Block with a 60% net share, no government payments were made during 2018 for Kurdamir Block. In jurisdictions where the operator may have reported gross 100% of government payments, the WesternZagros portion of non-operated payments should then be excluded for aggregation purposes.</p>
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<sup>1</sup> Enter the project that the payment is attributed to. Some payments may not be attributable to a specific project, and do not need to be disclosed in the "Payments by Project" table.

<sup>2</sup> When payments are made in-kind, the notes field must highlight which payment includes in-kind contributions and the method for calculating the value of the payment.

<sup>3</sup> Any payments made in currencies other than the report currency must be identified. The Reporting Entity may use the "Additional Notes" row or the "Notes" column to identify any payments that are converted, along with the exchange rate and primary method used for currency conversions.