

Extractive Sector Transparency Measures Act - Annual Report

Reporting Entity Name	WesternZagros Resources ULC (formally WesternZagros Resources Ltd.)					
Reporting Year	From	1/1/2017	To:	12/31/2017	Date submitted	5/28/2018
Reporting Entity ESTMA Identification Number	E943098		<input checked="" type="radio"/> Original Submission <input type="radio"/> Amended Report			
Other Subsidiaries Included (optional field)						
For Consolidated Reports - Subsidiary Reporting Entities Included in Report:	E600487 WesternZagros Resources ULC (formally WesternZagros Resources Inc.)					
Not Substituted						
Attestation by Reporting Entity						
<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	5/25/2018	
Position Title	CFO					

Extractive Sector Transparency Measures Act - Annual Report

Reporting Year	From: 1/1/2017	To: 12/31/2017				
Reporting Entity Name	WesternZagros Resources ULC (formally WesternZagros Resources Ltd.)				Currency of the Report	USD
Reporting Entity ESTMA Identification Number	E943098					
Subsidiary Reporting Entities (if necessary)	E600487 WesternZagros Resources ULC (formally WesternZagros Resources Inc.)					

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
Iraq	Kurdistan Regional Government	Ministry of Natural Resources	-	6,150,000	2,030,000	22,690,000	-	-	-	30,870,000	Garmian Block non-operated
Iraq	Kurdistan Regional Government	Garmian Administration (Kfri District)							110,000	110,000	Garmian Block non-operated
Iraq	Kurdistan Regional Government	Ministry of Natural Resources			730,000					730,000	Kurdamir Block non-operated
Canada -Alberta	City of Calgary		170,000							170,000	Property & Business Taxes
	Total		170,000	6,150,000	2,760,000	22,690,000	-	-	110,000	31,880,000	

Additional Notes:

All payments are reported in United States dollars (the reporting currency of the reporting entity).

All payments in excess of the Canadian \$100,000 threshold, per payee, have been included based on the Bank of Canada 2017 average daily exchange rate for United States dollars of CAD1.2545:USD1 (or CAD1:USD0.7971).

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 received by WesternZagros.

Fees include annual fees due under the respective production sharing contract as well as fees for Oilfield Police Forces paid to the Ministry of Natural Resources of the Kurdistan Regional Government.

Applicable payments made by operators where WesternZagros was the non-operator have been reported based on the WesternZagros share of payments remitted. For the year of 2017, WesternZagros was the non-operator of the Garmian Block with a 50% net share of payments reported. For the year of 2017 WesternZagros was the non-operator of the Kurdamir Block with a 60% net share of payments reported. Operators may have reported government payments in Canada or other jurisdictions for the respective projects, however the WesternZagros non-operated portion of payments made to payees has been reported in the interest of full and complete disclosure. The non-operated amounts reported by WesternZagros have been identified so that information may be aggregated or compared across reporting jurisdictions, in which case the WesternZagros portion of payments may need to be disregarded.

Extractive Sector Transparency Measures Act - Annual Report

Reporting Year	From: 1/1/2017	To: 12/31/2017	
Reporting Entity Name	WesternZagros Resources ULC (formally WesternZagros Resources Ltd.)		Currency of the Report: USD
Reporting Entity ESTMA Identification Number	E943098		
Subsidiary Reporting Entities (if necessary)	E600487 WesternZagros Resources ULC (formally WesternZagros Resources Inc.)		

Payments by Project

Country	Project Name ¹	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid by Project	Notes ²³
Iraq	Garmian Block (non-operated)	-	6,150,000	2,030,000	22,690,000	-	-	110,000	30,980,000	WesternZagros 50% net share.
Iraq	Kurdamir Block (non-operated)	-	-	730,000	-	-	-	-	730,000	WesternZagros 60% net share.
Canada	Corporate	170,000	-	-	-	-	-	-	170,000	WesternZagros 100%
	Total	170,000	6,150,000	2,760,000	22,690,000	-	-	110,000	31,880,000	

Additional Notes³:

All payments are reported in United States dollars (the reporting currency of the reporting entity).

All payments in excess of the Canadian \$100,000 threshold, per payee, have been included based on the Bank of Canada 2017 average daily exchange rate for United States dollars of CAD1.2545:USD1 (or CAD1:USD0.7971).

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 received by WesternZagros.

Fees include annual fees due under the respective production sharing contract as well as fees for Oilfield Police Forces paid to the Ministry of Natural Resources of the Kurdistan Regional Government.

Applicable payments made by operators where WesternZagros was the non-operator have been reported based on the WesternZagros share of payments remitted. For the year of 2017, WesternZagros was the non-operator of the Garmian Block with a 50% net share of payments reported. For the year of 2017 WesternZagros was the non-operator of the Kurdamir Block with a 60% net share of payments reported. Operators may have reported government payments in Canada or other jurisdictions for the respective projects, however the WesternZagros non-operated portion of payments made to payees has been reported in the interest of full and complete disclosure. The non-operated amounts reported by WesternZagros have been identified so that information may be aggregated or compared across reporting jurisdictions, in which case the WesternZagros portion of payments may need to be disregarded.