

Extractive Sector Transparency Measures Act Report

Reporting Year From: 1/1/2016 To: 12/31/2016
Reporting Entity Name Canbriam Energy Inc.
Reporting Entity ESTMA Identification Number E497969
Subsidiary Reporting Entities (if necessary) N/A

Attestation: Please check one of the the boxes below and provide the required information

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.

Attestation (through independent audit)

In accordance with the requirements of the ESTMA, and in particular section 9 thereof, I attest that I engaged an independent auditor to undertake an audit of the ESTMA report for the entity(ies) and reporting year listed above. Such an audit was conducted in accordance with the Technical Reporting Specifications issued by Natural Resources Canada for independent attestation of ESTMA reports.

*The auditor expressed an unmodified opinion, dated 2017-05-18 on the ESTMA report for the entity(ies) and period listed above.
The independent auditor's report is on page 1 of the ESTMA report which can be found at <http://canbriam.com/investors/estma-reports/>*

Director or Officer of Reporting Entity Full Name: Robert Froese
Position Title: Chief Financial Officer

Date: 5/18/2017

Extractive Sector Transparency Measures Act - Annual Report

Reporting Year **From:** 1/1/2016 **To:** 12/31/2016
 Reporting Entity Name **Canbriam Energy Inc.**
 Reporting Entity ESTMA Identification Number **E497969**
 Subsidiary Reporting Entities (if necessary) **NA**

Payments by Payee

Country	Payee Name	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid to Payee	Notes
Canada	District of Hudson's Hope	110,000							110,000	
Canada	Government of British Columbia	1,560,000	3,210,000	610,000					5,380,000	Payee includes recipients: BC Oil & Gas Commission; British Columbia Safety Authority; Minister of Finance; Ministry of Forests, Lands & Natural Resources Operations
Total		\$ 1,670,000	\$ 3,210,000	\$ 610,000	\$ -	\$ -	\$ -	\$ -	\$ 5,490,000	All payments were made in Canadian dollars.

Payments by Project

Country	Payee Name	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid to Payee	Notes
Canada	BC	\$ 1,670,000	\$ 3,210,000	\$ 610,000	\$ -	\$ -	\$ -	\$ -	\$ 5,490,000	All payments were made in Canadian dollars.

INTRODUCTION

Canbriam Energy Inc. (collectively the “Company” or “Canbriam”) has prepared the following audited report (“the Report”) of payments made to government entities for the year ended [December 31, 2016] as required by the Extractive Sector Transparency Measures Act S.C. 2014, c.39, s.376 (“ESTMA” or “the Act”).

BASIS OF PREPARATION

The Report is presented in Canadian dollars (“CDN\$”) and has been prepared in accordance with the requirements of the Act and the Natural Resources Canada (“NRCan”) Technical Reporting Specifications.

The following is a summary of judgments and definitions that the Company has made for the purpose of preparing the report.

Commercial Development

The Act defines ‘commercial development of oil, gas or minerals’ as:

- a) The exploration or extraction of oil, gas or minerals;
- b) The acquisition or holding of a permit, license, lease or any other authorization to carry out any of the activities referred to in paragraph (a); or
- c) Any other prescribed activities in relation to oil, gas or minerals.

Payments made by the Company to payees relating to the commercial development of oil, gas or minerals (“commercial development”) are disclosed in this Report. The Company’s initial processing activities which are integrated with its extraction operations are included in commercial development. The Report excludes payments that are not related to the Company’s commercial development activities.

Payee

For the 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; or
- 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, local, or municipal levels. Payees may include non-governmental entities if the benefit bestowed would have otherwise been provided by the government. Payees also include any government-owned or government-controlled entities that exercise or perform a power, duty or function of government.

Aboriginal and indigenous groups and organizations may also be regarded as a payee under the Act. The Act defers the requirement to report on payments made to Aboriginal governments in Canada, with reporting on these payments commencing on June 1, 2017.

The individual department, agency or other body of the payee that received the payment has been disclosed, where practical, in the notes section of the ESTMA Annual Report.

Payments by Project Level

Payments have been reported at the project level as required by the Act. A “project” means the operational activities that are governed by a single contract, license, lease, concession or similar legal agreement and forms the basis for a payment liability with a payee. If multiple such agreements are substantially interconnected, Canbriam has aggregated such interconnected agreements into a single “Project” for reporting purposes as permitted under the Act and the associated Technical Reporting Specifications published by NRCan.

Reportable Payments

Payments are reported on a cash basis and have been reported in the period in which the payment was made. A reportable payment for ESTMA purposes is one that:

- a. Is made to the same payee;
- b. Is made in relation to the commercial development of oil, gas or minerals; and
- c. Totals, as a single or multiple payments, \$100,000 CDN or more in the year (rounded to the nearest \$10,000 CDN) in one of the following prescribed seven payment categories.

Taxes

This category may include taxes paid by the Company on its income, profits or production in relation to the commercial development of oil and gas resources. Taxes reported include property taxes and certain provincial resource surcharges. Consumption taxes, personal income taxes and taxes withheld by others on behalf of the Company are excluded as per the Act.

Royalties

Royalties 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.

Fees

This category may include rental fees, entry fees and regulatory charges as well as fees or other consideration for licenses, permits or concessions. The fee category is broad and includes payments to payees that in substance is a fee. Amounts paid in ordinary course commercial transactions in exchange for services provided by a payee are excluded.

Production entitlements

A payee's share of oil, gas or mineral production under a production sharing agreement or similar contractual or legislated arrangement is reported under this category. For the year ended December 31, 2016, there were no reportable production entitlement payments to a payee.

Bonuses

Signing, discovery, production and any other type of bonuses paid to a payee in relation to the commercial development of oil and gas resources are reported under this category. For the year ended December 31, 2016, there were no reportable bonus payments to a payee.

Dividends

Dividends are dividend payments, other than dividends paid to a payee as an ordinary shareholder of the Company. For the year ended December 31, 2016, there were no reportable dividend payments to a payee.

Infrastructure improvement payments.

This payment category consists of payments for the construction of infrastructure that do not relate primarily to the operational purposes of the Company. For the year ended December 31, 2016, there were no reportable infrastructure improvement payments to a payee.

Payments made in situations of joint control

The Company reports all but post-extraction cash payments that it pays directly to a payee, and includes all amounts paid as an operator as part of an unincorporated joint arrangement (i.e. a working interest). This is the case even where the Company as the operator has been proportionally and directly reimbursed by its non-operating partners.



May 18, 2017

Independent Auditor's Report

To Those Charged with ESTMA Governance at Canbriam Energy Inc.

We have audited the accompanying Extractive Sector Transparency Measures Act – Annual Report of Canbriam Energy Inc. which comprise the schedules of payments by payee and payments by project for the year ended December 31, 2016, and the related notes, which comprise a summary of significant accounting policies and other explanatory information (the “ESTMA Report”). The ESTMA Report has been prepared by management using the basis of accounting described in the notes, which is in accordance with the Extractive Sector Transparency Measures Act S.C. 2014, c.39, s 376 (the “Act”).

Management's responsibility for the ESTMA Report

Management is responsible for the preparation of the ESTMA Report in accordance with the basis of accounting described in the notes, and for such internal control as management determines is necessary to enable the preparation of an ESTMA Report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the ESTMA Report based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the ESTMA Report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the ESTMA Report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the ESTMA Report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the ESTMA Report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the ESTMA Report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



Opinion

In our opinion, the Extractive Sector Transparency Measures Act – Annual Report of Canbriam Energy Inc. for the year ended December 31, 2016 is prepared, in all material respects, in accordance with the basis of accounting described in the notes.

Basis of accounting

Without modifying our opinion, we draw attention to the notes to the ESTMA Report, which describe the basis of accounting. The ESTMA Report is prepared to assist Canbriam Energy Inc. to comply with the reporting requirements of the Act. As a result, the ESTMA Report may not be suitable for another purpose.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Calgary, Alberta