

Extractive Sector Transparency Measures Act - Annual Report

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|--|-------------------------|----------|------|--|----------------|-----------|
| Reporting Entity Name | Eagle Energy Inc. | | | | | |
| Reporting Year | From | 1/1/2018 | To: | 12/31/2018 | Date submitted | 5/28/2019 |
| Reporting Entity ESTMA Identification Number | E183076 | | | <input checked="" type="radio"/> Original Submission | | |
| Other Subsidiaries Included (optional field) | | | | <input type="radio"/> Amended Report | | |
| Not Consolidated | | | | | | |
| 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 | Kelly A. Tomyn | | Date | 5/28/2019 | | |
| Position Title | Chief Financial Officer | | | | | |

Reporting Entities May
Insert Their Brand/Logo here

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| | | | | | | |
|--|-------------------|----------|-----|------------|------------------------|-----|
| Reporting Year | From: | 1/1/2018 | To: | 12/31/2018 | Currency of the Report | CAD |
| Reporting Entity Name | Eagle Energy Inc. | | | | | |
| Reporting Entity ESTMA Identification Number | E183076 | | | | | |
| Subsidiary Reporting Entities (if necessary) | | | | | | |

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 -Alberta | Government of Alberta | Alberta Energy Regulators | | | 310,000 | | | | | 310,000 | |
| Canada -Alberta | Government of Alberta | Minister of Finance, Province of Alberta | | 6,850,000 | 10,000 | | | | | 6,860,000 | In-kind Royalty payments \$6,710,000. |
| Canada -Alberta | Northern Lights County | | 770,000 | | 110,000 | | | | | 880,000 | In-kind Fee payments for Road Maintenance \$110,000. |
| United States of America | Caldwell County Appraisal District | | 300,000 | | | | | | | 300,000 | Converted from US dollars to Canadian dollars - see Note 1 |
| United States of America | Hardeman County | District Clerk's Office | 160,000 | | - | | | | | 160,000 | Converted from US dollars to Canadian dollars - see Note 1 |
| United States of America | State of Texas | Texas Comptroller of Public Accounts | - | 1,140,000 | - | | | | | 1,140,000 | In-kind Royalty payments of \$1,140,000. Converted from US dollars to Canadian dollars - see Note 1 |
| | Total | | 1,230,000 | 7,990,000 | 430,000 | | | | | 9,650,000 | |

Additional Notes:

(1) All payments are reported in Canadian Dollars. When payments were made in currencies other than Canadian dollars, the payments were converted to Canadian using the average exchange rate of Eagle Energy Inc.'s December 31, 2018 year-end financial statements. The average exchange rate at December 31, 2018 was - CAD/USD 1.2957.

(2) Where there were in-kind payments made, the value of the in-kind payments have been valued at the fair market sale price at the time of the payment.

(3) The Schedule of Payments by Payee and the Schedule of Payments by Project have been prepared in accordance with the Reporting Payments provisions in Section 9 of the Extractive Sector Transparency Measures Act, Section 2.3 of the Extractive Sector Transparency Measures Act – Technical Reporting Specifications and Sections 3.1 to 3.6 of the Extractor Sector Transparency Measures Act – Guidance.

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|--|-------|-------------------|-----|------------|------------------------|
| Reporting Year | From: | 1/1/2018 | To: | 12/31/2018 | |
| Reporting Entity Name | | Eagle Energy Inc. | | | Currency of the Report |
| Reporting Entity ESTMA Identification Number | | E183076 | | | CAD |
| Subsidiary Reporting Entities (if necessary) | | | | | |

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 -Alberta | Dixonville Properties | 770,000 | 6,460,000 | 360,000 | | | | | 7,590,000 | In-kind Royalty payments \$6,450,000. In-kind Fees for Road Maintenance \$110,000. |
| Canada -Alberta | Twining Properties | - | 350,000 | 70,000 | | | | | 420,000 | In-kind Royalty payments \$250,000. |
| Canada -Alberta | Central Alberta Properties | | 40,000 | | | | | | 40,000 | In-kind payments \$10,000. |
| United States of America | Hardeman Texas | 160,000 | 800,000 | - | | | | | 960,000 | In-kind Royalty payments \$800,000. Converted from US dollars to Canadian dollars - see Note 1 |
| United States of America | Salt Flats Texas | 300,000 | 340,000 | - | | | | | 640,000 | In-kind Royalty payments \$340,000. Converted from US dollars to Canadian dollars - see Note 1 |
| | Total | 1,230,000 | 7,990,000 | 430,000 | | | | | 9,650,000 | |

Additional Notes³:

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