

# Extractive Sector Transparency Measures Act - Annual Report

Reporting Entity Name	Zargon Oil & Gas Ltd.					
Reporting Year	From	01/01/2017	To:	31/12/2017	Date submitted	30/05/2018
Reporting Entity ESTMA Identification Number	E933522		<input checked="" type="radio"/> Original Submission <input type="radio"/> Amended Report			
Other Subsidiaries Included (optional field)						
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	William T. Cromb			Date	30/05/2018	
Position Title	Interim Chief Financial Officer					

Reporting Entities May  
Insert Their Brand/Logo here

## Extractive Sector Transparency Measures Act - Annual Report

Reporting Year	From: 01/01/2017	To: 31/12/2017			
Reporting Entity Name	Zargon Oil & Gas Ltd.		Currency of the Report	CAD	
Reporting Entity ESTMA Identification Number	E933522				
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>
Canada	Flagstaff County		\$ 270,000							\$ 270,000	
Canada	Municipal District of Taber		\$ 770,000							\$ 770,000	
Canada	Province of Alberta		\$ 270,000	\$ 1,090,000						\$ 1,360,000	Royalties include paid in-kind royalties that are valued at the realized sales price.
Canada	Province of Saskatchewan				\$ 140,000					\$ 140,000	
United States of America	State of North Dakota		\$ 180,000							\$ 180,000	
	<b>Total</b>		<b>\$ 1,490,000</b>	<b>\$ 1,090,000</b>	<b>\$ 140,000</b>					<b>\$ 2,720,000</b>	

**Additional Notes:**

Foreign denominated payments are converted using the weighted average exchange rate of 1.2979 CAD to USD

## Extractive Sector Transparency Measures Act - Annual Report

Reporting Year	From:	1/1/2017	To:	12/31/2017	
Reporting Entity Name	Zargon Oil & Gas Ltd.			Currency of the Report	CAD
Reporting Entity ESTMA Identification Number	E933522				
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>
Canada	Alberta Plains North	\$ 360,000	\$ 320,000						\$ 680,000	Royalties include paid in-kind royalties that are valued at the realized sales price
Canada	Alberta Plains South	\$ 510,000	\$ 390,000						\$ 900,000	Royalties include paid in-kind royalties that are valued at the realized sales price
Canada	Alkaline Surfactant Polymer	\$ 440,000	\$ 380,000						\$ 820,000	Royalties include paid in-kind royalties that are valued at the realized sales price
Canada	Williston Basin			\$ 140,000					\$ 140,000	
United States of America	Williston Basin	\$ 180,000							\$ 180,000	
	Total	\$ 1,490,000	\$ 1,090,000	\$ 140,000					\$ 2,720,000	

**Additional Notes<sup>3</sup>:** Foreign denominated payments are converted using the weighted average exchange rate of 1.2979 CAD to USD