

Extractive Sector Transparency Measures Act - Annual Report

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|---|---|--|------------|------------|-----------------------|
| Reporting Entity Name | Ridgeback Resources Inc. | | | | |
| Reporting Year | From | 1/1/2018 | To: | 12/31/2018 | Date submitted |
| Reporting Entity ESTMA Identification Number | E341113 | <input checked="" type="radio"/> Original Submission <input type="radio"/> Amended Report | | | |
| Other Subsidiaries Included (optional field) | | | | | |
| Not Consolidated | | | | | |
| Not Substituted | | | | | |
| Attestation by Reporting Entity | <p><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></p> | | | | |
| Full Name of Director or Officer of Reporting Entity | David Broshko | Date | 5/14/2019 | | |
| Position Title | President | | | | |

Introduction

As per the Extractive Sector Transparency Measures Act (ESTMA), this report supports Ridgeback Resources Inc.'s (the "Company") submission for the year ended December 31, 2018

Report Preparation

The report has been prepared according to the financial reporting provisions of ESTMA.

It includes payments made by the Company pertaining to the commercial development of oil, gas and minerals. Payments to government bodies not pertaining to these activities have been excluded.

The Company has identified these reportable payments and grouped them in the appropriate payment categories as per the Act. In addition, the Company has identified all government payees, including indigenous payees.

Payee Detail

Refer to Appendix A for a listing of "Government of Saskatchewan", "Government of Alberta", "Government of British Columbia" and "Indigenous Governments" payees.

Payee Grouping

Any payees referring to Canada have been categorized as "Government of Canada".

Any payees referring to the province that are not the Receiver General of Canada have been included in their appropriate provincial category. In some cases, where the agency name does not refer to a province, we compared their mailing address to validate their province.

Any payees for cities, counties, municipal districts, rural municipalities, towns and villages, are considered municipal governments and will be listed in the report individually.

Any indigenous payees are listed individually.

Project Detail

The Company has aligned its projects with its cash generating units "Alberta & BC" and "SE Sask".

Accounting Policies

Cash Basis

The report has been prepared using the cash basis of accounting, as required by the financial reporting framework, and therefore excludes any accruals related to payments due to governments.

The report includes all cash payments made, without inclusion of cash inflows from a government. When a government has issued an invoice that is net of incentives, credits or refunds, the net payment amount has been presented to report the cash payment made by the Company to the government.

Joint Ventures

Where the Company is the Operator, full payments are included in the ESTMA submission, including our partners' portions of the payments.

Where the Company is not the Operator and it is known that the partner company submitted a 2017 ESTMA report, the Company has notified the operating company that we expect them to report the full amounts of their payments to the government body in their 2018 ESTMA submission, including the Company's portion of the payment.

Where the Company is not the Operator, and an identified operating partner did not meet the ESTMA threshold to report, best effort made to attain data and report on their behalf. The Company will endeavor to retrieve the payments our partners made on our behalf by contacting the partners directly. Where the Company receives this data from the partner, it will report these details. Where the Company does not receive a response, JIB statements will be analyzed for ESTMA related payments, industry knowledge will be used to identify the associated government payee and the Company will report on these details.

In Kind Payments

In-kind settlement volumes are determined via the relevant government legislation and valued at realized market prices.

Indigenous

Indigenous payments are either paid to the Indian Oil and Gas Canada (IOGC) or directly to the indigenous payee.

Where the payment is directly to an indigenous government, the Company will report these payment details based on this payee.

Where the payment is made to IOGC and the indigenous government can be determined, the Company will report the payment to the specific indigenous government, not the IOGC.

APPENDIX A – PAYEE GROUPING

| GOVERNMENT OF ALBERTA | GOVERNMENT OF BRITISH COLUMBIA |
|--|--|
| ABSA | BC OIL AND GAS COMMISSION |
| ALBERTA ENERGY REGULATOR | BRITISH COLUMBIA SURVEYOR OF TAXES |
| ALBERTA MUNICIPAL AFFAIRS | MINISTER OF FINANCE - PROVINCE OF B.C. |
| ALBERTA PETROLEUM MARKETING COMMISSION | |
| MINISTER OF FINANCE, PROVINCE OF ALBERTA | |
| PROVINCIAL TREASURER - CROWN ROYALTIES | |
| THE ALBERTA FISH AND GAME ASSOCIATION | |
| | |
| | |
| GOVERNMENT OF SASKATCHEWAN | INDIGENOUS GOVERNMENTS |
| BOARD OF EDUCATION SE CORNERSTONE | SIKSIKA NATION |
| SASKATCHEWAN ENERGY AND RESOURCES | |
| SASKATCHEWAN MINISTRY OF AGRICULTURE | |
| SASKATCHEWAN MINISTRY OF FINANCE | |
| SASKATCHEWAN MINISTRY OF THE ECONOMY | |
| TECHNICAL SAFETY AUTHORITY | |