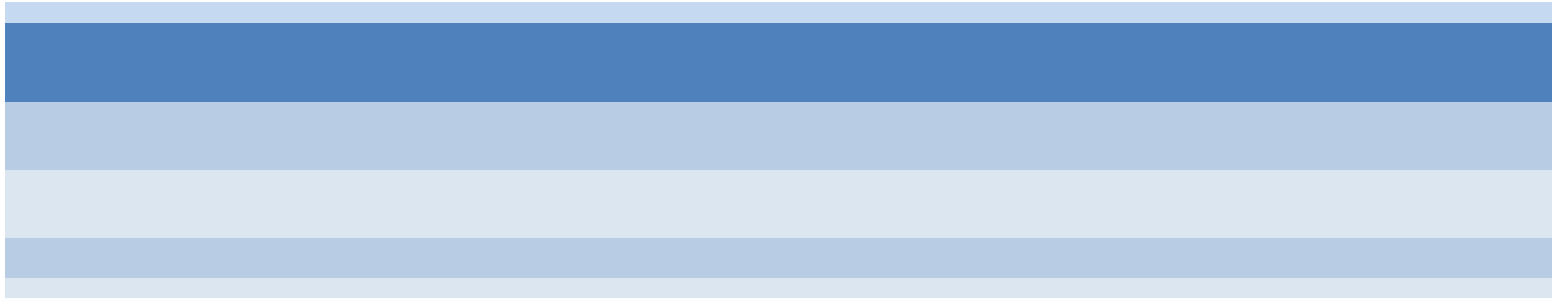


Reporting Year

From:



Reporting Year From: 7/1/2015 To: 6/30/2016

Reporting Entity Name

Reporting Entity ESTMA
Identification Number

Subsidiary Reporting
Entities

Payments by Project

Canada	Project Name	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid by Project	Notes
	PSMP	\$ 2,430,000	\$ 2,710,000	\$ 2,320,000	\$ -	\$ -	\$ -	\$ -	\$ 7,460,000	The Progress Sasol Montney Partnership is a stand-alone project.
	Total	\$ 2,430,000	\$ 2,710,000	\$ 2,320,000	\$ -	\$ -	\$ -	\$ -	\$ 7,460,000	

Please refer to "Note 1 - Financial Reporting Framework" for explanatory information and disclosures related to this Annual Report.

Progress



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INDEPENDENT AUDITORS

To the Directors of Progress Energy Canada Ltd., as Managing Partner of the Progress Sasol Montney Partnership, and the Minister of Natural Resources Canada

We have audited the accompanying Schedule of Payments by Payee totaling \$7,460,000 and the Schedule of Payments by Project totaling \$7,460,000 of the Progress Sasol Montney Partnership for the year ended June 30, 2016 and notes, comprising a summary of significant accounting policies (together "the schedules"). The schedules have been prepared by management in accordance with the financial reporting provisions in Section 2, 3, 4 and 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 Extractive Sector Transparency Measures Act – Guidance (collectively, the "financial reporting framework").

Management's Responsibility for the Schedules

Management is responsible for the preparation of the schedules in accordance with the financial reporting framework referred to above, and for such internal control as management determines is necessary to enable the preparation of the schedules that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these schedules.



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 schedules.

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

Opinion

In our opinion, the Schedule of Payments by Payee amounting to \$7,460,000 and the Schedule of Payments by Project amounting to \$7,460,000 of the Progress Sasol Montney Partnership for the year ended June 30, 2016 are prepared, in all material respects, in accordance with the financial reporting framework referred to above.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the schedules, which describes the basis of accounting. The schedules are prepared to provide information to the Directors of Progress Energy Canada Ltd., as Managing Partner of the Progress Sasol Montney Partnership, and the Minister of Natural Resources Canada to assist in meeting the requirements of the Extractive Sector Transparency Measures Act. As a result, the schedules may not be suitable for another purpose.

Our report is intended solely for the Directors of Progress Energy Canada Ltd., as Managing Partner of the Progress Sasol Montney e