

13.04.2018 – 11:08 Uhr

## **EANS-Public Payment: OMV Aktiengesellschaft / Report on payment to government agencies according to art. 128 Stock Exchange Act**

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### Consolidated Report on the Payments Made to Governments Section 267c of the Austrian Commercial Code

Section 267c of the Austrian Commercial Code (UGB) requires that large undertakings and public interest entities that are active in the extractive industry or logging of primary forests prepare the following consolidated report on payments to governments. This section implements Chapter 10 of EU Accounting Directive (2013/34/EU). The "Basis of preparation" paragraph provides information to the reader about the contents of the report. This also includes information on the type of payment for which disclosure is required and how OMV has implemented the regulations in the preparation of the report.

#### Basis of preparation

##### Reporting entities

Under the requirements of the regulation, OMV Aktiengesellschaft is required to prepare a consolidated report covering payments made to governments for each financial year in relation to extractive activities by itself and any subsidiary undertakings included in the consolidated Group financial statements.

##### Activities within the scope of the report

Payments made by the OMV Group (hereafter OMV) to governments that arose from exploration, prospection, discovery, development and extraction of minerals, oils and natural gas deposits or other materials within extractive activities are presented in this report.

##### Government

A "government" is defined as any national, regional or local authority of a country and includes a department agency or entity undertaking that is controlled by the government authority and includes national oil companies.

In cases where a state-owned entity engages in activities outside of its designated home jurisdiction, then it is not deemed to be a reportable governmental body for these purposes and thus payments made to such an entity in these circumstances are not reportable.

##### Project definition

The regulation also requires payments to be reported on a "project" basis as well as on a government and governmental body basis. A project is defined as the operational activities that are governed by a single contract, license, lease, concession or similar legal agreement and form the basis for payment liabilities to the government. Where these agreements as per the aforementioned definition are substantially interconnected, these agreements are treated for the purpose of these regulations as a single project.

"Substantially interconnected" is defined as a set of operationally and geographically integrated contracts, licenses, leases or concessions or related agreements with substantially similar terms that are signed with a government, giving rise to payment liabilities. Such agreements can be governed by a single contract, joint venture agreement, production sharing agreement or other overarching legal agreement.

There may be instances - for example, corporate income taxes, where it is not

possible to attribute the payment to a single project and therefore these payments are shown at the country level.

#### Cash and payments in kind

In accordance with the regulation, payments have to be reported on a cash basis. This means that they are reported in the period in which they are paid and not in the period in which they are accounted for on an accruals basis.

Refunds are also reported in the period in which they are received and will either be offset against payments made in the period or be shown as negative amounts in the report.

Payments in kind made to a government are converted to an equivalent cash value based on the most appropriate and relevant valuation method for each payment type. This can be at cost or market value and an explanation is provided in the report to help explain the valuation method. Where applicable, the related volumes are also included in the report.

#### Payment reporting methodology

The regulations require that payments are to be reported where they are made to governments by OMV. It is required that the report reflect the substance of each transaction and activity. Based on these requirements, OMV has considered its reporting obligation as:

- Where OMV makes a payment directly to the government, these payments will be reported in full, irrespective of whether this is made in the sole capacity of OMV or in OMV's capacity as the operator of a joint operation.

- In cases where OMV is a member of a joint operation for which the operator is a state-owned entity (i.e. a government), payments made to that state-owned entity will be disclosed where it is possible to identify the reportable payment from other cost recovery items.

- For host government production entitlements, the terms of the agreement have to be considered; for the purpose of reporting in this report, OMV will disclose host government entitlements in their entirety where it is the operator.

#### Materiality

Payments made as a single payment or a series of related payments that are below EUR 100,000 within a financial year are excluded from this report.

#### Reporting currency

Payments made in currencies other than euros are translated for the purposes of this report at the average rate of the reporting period.

#### Payment types disclosed

##### Production entitlements

Under production sharing agreements (PSAs), the host government is entitled to a share of the oil and gas produced and these entitlements are often paid in kind. The report will show both the value and volume of the government's production entitlement for the relevant period in barrels of oil equivalent (boe).

The government share of any production entitlement will also include any entitlements arising from an interest held by a state-owned entity as an investor in projects within its sovereign jurisdiction. Production entitlements arising from activities or interests outside of a state-owned entity's sovereign jurisdiction are excluded.

#### Taxes

Taxes levied on income, production or profits of companies are reported. Refunds will be netted against payments and shown accordingly. Consumption taxes, personal income taxes, sales taxes, property taxes and environmental taxes are not reported under the regulations. Although there is a tax group in place, the reported corporate income taxes for Austria relate entirely to the extractive activities in Austria of OMV's subsidiaries, with no amounts being reported relating to OMV's non-extractive activities in Austria.

#### Royalties

Royalties relating to the extraction of oil, gas and minerals paid to a government are to be disclosed. Where royalties are paid in kind, the value and volume are reported.

#### Dividends

In accordance with the regulations, dividends are reported when paid to a government in lieu of production entitlements or royalties. Dividends that are paid to a government as an ordinary shareholder are not reported, as long as the dividends are paid on the same terms as that of other shareholders.

For the year that ended December 31, 2017, OMV had no such reportable dividend payments to government.

#### Bonuses

Bonuses include signature, discovery and production bonuses in each case to the extent paid in relation to the relevant activities.

#### Fees

These include license fees, rental fees, entry fees and all other payments that are paid in consideration for access to the area where extractive activities are performed.

The report excludes fees paid to a government that are not specifically related to extractive activities or access to extractive resources. In addition payments paid in return for services provided by a government are also excluded.

#### Infrastructure improvements

The report includes payments made by OMV for infrastructural improvements, such as the building of a road or bridge that serves the community, irrespective of whether OMV pays the amounts to non-government entities. These are reported in the period during which the infrastructure is made available for use by the local community.

#### Payments overview

The overview table below shows the relevant payments to governments that were made by OMV in the year that ended December 31, 2017.

Of the seven payment types that are required by the Austrian regulations to be reported upon, OMV did not pay any dividends, production entitlements, bonuses or infrastructure improvements that met the defined accounting directive definition and therefore these categories are not shown.

#### Payments overview

In EUR 1,000

Taxes Royalties Fees Total

#### Country

|             |         |         |        |         |
|-------------|---------|---------|--------|---------|
| Austria     | 1,264   | 69,993  |        | 71,257  |
| Kazakhstan  | 13,759  |         | 949    | 14,708  |
| Madagascar  |         |         | 292    | 292     |
| Norway      | 9,718   |         |        | 9,718   |
| New Zealand | 10,184  | 31,435  | 112    | 41,731  |
| Pakistan    | 5,177   | 3,899   | 863    | 9,939   |
| Romania     | 146,122 | 123,836 | 13,428 | 283,386 |
| Tunisia     | 13,376  | 5,840   |        | 19,216  |
| Total       | 199,600 | 235,003 | 15,644 | 450,247 |

No payments have been reported for Libya for the year 2017 as OMV was not the operator.

On January 13, 2017, OMV divested its interest in OMV (U.K.) Limited and there were no material payments in 2017 prior to this date. On November 30, 2017, OMV completed the acquisition of an interest in the Yuzhno Russkoye natural gas field located in Western Siberia from Uniper SE.

On November 30, 2017, OMV completed the acquisition of an interest in the Yuzhno Russkoye natural gas field located in Western Siberia from Uniper SE.

The interest in the natural gas field was obtained by acquiring a stake of 24.99% in OJSC Severneftegazprom(SNGP), which holds the production license to the Yuzhno Russkoye field. As SNGP is an associated company and therefore accounted for using the equity method in OMV Group Consolidated Financial Statements it does not meet the definition of a reporting entity in the context of the Austrian Commercial Code.

#### Payments by country

Payments by country  
In EUR 1,000

Taxes Royalties Fees Total

#### Austria

##### Governments

|   |              |        |
|---|--------------|--------|
| Federal Ministry for Digital and Economic Affairs | 69,993       | 69,993 |
| Federal Ministry of Finance                       | 1,264        | 1,264  |
| Total   | 1,264 69,993 | 71,257 |

##### Projects

|               |              |        |
|---------------|--------------|--------|
| Lower Austria | 1,264 69,993 | 71,257 |
| Total         | 1,264 69,993 | 71,257 |

#### Kazakhstan

##### Governments

|                               |            |        |
|-------------------------------|------------|--------|
| State Revenue Committee       | 13,759     | 13,759 |
| Akimat of Mangistau Region    | 427 1 427  |        |
| Training centers universities | 522 2 522  |        |
| Total                         | 13,759 949 | 14,708 |

##### Projects

|              |            |        |
|--------------|------------|--------|
| Tasbulat     | 6,374 544  | 6,918  |
| Komsomolskoe | 7,385 405  | 7,790  |
| Total        | 13,759 949 | 14,708 |

1 Financing of various projects under the joint control of the Akimat of Mangistau Region and OMV within the concession agreement and spentas per the agreed projects

2 Financing of various expenses with regard to university training centers as agreed within the concession agreement

#### Payments by country

In EUR 1,000

Taxes Royalties Fees Total

#### Madagascar

##### Governments

|  |     |     |
|--|-----|-----|
| Office des Mines Nationales et des Industries Stratégiques | 292 | 292 |
| Total  | 292 | 292 |

|              |     |     |
|--------------|-----|-----|
| Projects     |     |     |
| Explorations | 292 | 292 |
| Total        | 292 | 292 |

#### Norway

|              |       |       |
|--------------|-------|-------|
| Governments  |       |       |
| Skatteetaten | 9,718 | 9,718 |
| Total        | 9,718 | 9,718 |

|                                       |       |       |
|---------------------------------------|-------|-------|
| Projects                              |       |       |
| Gulfaks                               | 54    | 54    |
| Gudrun                                | 54    | 54    |
| Payments not attributable to projects | 9,610 | 9,610 |
| Total                                 | 9,718 | 9,718 |

#### Payments by country

In EUR 1,000

| Taxes | Royalties | Fees | Total |
|-------|-----------|------|-------|
|-------|-----------|------|-------|

#### New Zealand

|                                     |        |        |     |        |
|-------------------------------------|--------|--------|-----|--------|
| Governments                         |        |        |     |        |
| Crown Minerals                      |        | 31,435 |     | 31,435 |
| Inland Revenue                      | 9,998  |        |     | 9,998  |
| Ministry of Business and Innovation | 186    |        | 6   | 192    |
| Environmental Protection Authority  |        |        | 106 | 106    |
| Total                               | 10,184 | 31,435 | 112 | 41,731 |

|                                       |        |        |     |        |
|---------------------------------------|--------|--------|-----|--------|
| Projects                              |        |        |     |        |
| Maari                                 | 14     | 5,139  | 106 | 5,259  |
| Maui                                  |        | 237    |     | 237    |
| Pohokura                              |        | 26,059 |     | 26,059 |
| New Zealand exploration projects      | 172    |        |     | 172    |
| Payments not attributable to projects | 9,998  |        | 6   | 10,004 |
| Total                                 | 10,184 | 31,435 | 112 | 41,731 |

#### Pakistan

|   |       |       |     |       |
|---|-------|-------|-----|-------|
| Governments                                     |       |       |     |       |
| Federal Board of Revenue Government of Pakistan | 5,177 |       |     | 5,177 |
| Director General of Petroleum Concessions       | 3,899 | 480   |     | 4,379 |
| Local Government, District Khairpur             |       | 132   |     | 132   |
| Local Government, District Sukker               |       | 251   |     | 251   |
| Total   | 5,177 | 3,899 | 863 | 9,939 |

|                               |       |     |       |
|-------------------------------|-------|-----|-------|
| Projects                      |       |     |       |
| Mehar                         | 207   | 182 | 389   |
| Miano                         | 915   | 415 | 1,330 |
| Sawan                         | 2,777 | 234 | 3,011 |
| Pakistan exploration projects |       | 32  | 32    |
| Payments not                  |       |     |       |

|                          |       |       |     |       |
|--------------------------|-------|-------|-----|-------|
| attributable to projects | 5,177 |       |     | 5,177 |
| Total                    | 5,177 | 3,899 | 863 | 9,939 |

#### Romania

##### Governments

|  |         |         |        |         |
|--|---------|---------|--------|---------|
| State budget                                 | 146,122 | 123,836 |        | 269,958 |
| Local councils                               |         | 3,154   |        | 3,154   |
| National Agency for Mineral Resources (ANRM) |         | 676     |        | 676     |
| National Company of Forests                  |         | 9,500   |        | 9,500   |
| CONPET SA                                    |         | 98      |        | 98      |
| Total  | 146,122 | 123,836 | 13,428 | 283,386 |

##### Projects

|                                       |         |         |        |         |
|---------------------------------------|---------|---------|--------|---------|
| Onshore production zones              |         | 94,200  | 13,391 | 107,591 |
| Onshore Joint Ventures                |         | 700     | 13     | 713     |
| Offshore Black Sea                    |         | 28,936  | 24     | 28,960  |
| Payments not attributable to projects | 146,122 |         |        | 146,122 |
| Total                                 | 146,122 | 123,836 | 13,428 | 283,386 |

#### Payments by country

In EUR 1,000

|       |           |      |       |
|-------|-----------|------|-------|
| Taxes | Royalties | Fees | Total |
|-------|-----------|------|-------|

#### Tunisia

##### Governments

|   |         |       |        |
|---|---------|-------|--------|
| Receveur des Finances                         | 12,117  |       | 12,117 |
| Receveur des Douanes                          | 1,259   |       | 1,259  |
| Entreprise Tunisienne d'Activités Pétrolières | 4,988 3 |       | 4,988  |
| Tresorerie Generale de Tunisie                | 852     |       | 852    |
| Total   | 13,376  | 5,840 | 19,216 |

##### Projects

|               |        |         |        |
|---------------|--------|---------|--------|
| Ashtart       | 244    |         | 244    |
| TPS           | 5,931  |         | 5,931  |
| South Tunisia | 7,201  | 5,840 3 | 13,041 |
| Total         | 13,376 | 5,840   | 19,216 |

3 Includes payments in kind for 102,268 bbl of crude oil valued using the average monthly price per boe

In Tunisia where OMV is not the operator, its proportional contribution to the host government's royalties for 2017 would have been EUR 8.9 mn for 195,257 bbl of crude oil valued using the average monthly price per boe.

Vienna, March 14, 2018

#### The Executive Board

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