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## **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, 2018, OMV had no such reportable dividend payments to a 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, 2018.

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

Payments overview					
In EUR 1,000	Production Entitlements	Taxes	Royalties	Fees	Total
Country					
		24,033	75,726		99,759
Austria					
Kazakhstan		24,848		781	25,629
Madagascar				414	414
Norway		127,898		5,911	133,809
New Zealand		27,619	33,490	471	61,580
Pakistan		1,923	1,777	633	4,333
Romania		178,477	162,918	19,684	361,079
Tunisia		17,981	7,361		25,342
United Arab Emirates			12,567	1,271,015	1,283,582
Yemen	50,946		4,836		55,782
Total	50,946	402,779	298,675	1,298,909	2,051,309

No payments have been reported for Libya for the year 2018 as OMV was not the operator.

On April 29, 2018, OMV signed a concession agreement for the acquisition of a 20% stake in two oil fields in Abu Dhabi from ADNOC. The concession area consists of two offshore fields under development, Umm Lulu and Satah Al Razboot (SARB), as well as two satellite fields, Bin Nasher and Al Bateel. The agreed participation fee amounted to USD 1.5 bn.

On June 28, 2018, OMV closed the sale of its Upstream companies active in Pakistan and material payments made in 2018 prior to this date have been reported.

On November 30, 2017, OMV acquired a stake of 24.99% in OJSC Severneftegazprom (SNGP). 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	Production Entitlements	Taxes	Royalties	Fees	Total
Austria					
Governments					
Federal Ministry for Digital and Economic Affairs			75,726		75,726
Federal Ministry of Finance		24,033			24,033

Total	24,033	75,726	99,759
Projects			
Lower Austria	24,033	75,726	99,759
Total	24,033	75,726	99,759
Kazakhstan			
Governments			
State Revenue Committee	24,848	214	25,062
Training centers universities		567*	567
Total	24,848	781	25,629
Projects			
Tasbulat	9,926	533	10,459
Komsomolskoe	14,922	248	15,170
Total	24,848	781	25,629

\* Financing of various expenses with regard to university training centers as agreed within the concession Agreement

Payments by country	Production Entitlements	Taxes	Royalties	Fees	Total
In EUR 1,000					
Madagascar					
Governments					
Office des Mines Nationales et des Industries Stratégiques				414	414
Total				414	414
Projects					
Explorations				414	414
Total				414	414
Norway					
Governments					
Oljedirektoratet				5,834	5,834
Skatteetaten		127,898		77	127,975
Total		127,898		5,911	133,809
Projects					
Gulfaks		51			51
Gudrun		51			51
Norway					
Exploration Projects				5,905	5,905
Payments not					

attributable to projects	127,796		6	127,802
Total	127,898		5,911	133,809

Payments by country  
In EUR 1,000

	Production Entitlements	Taxes	Royalties	Fees	Total
New Zealand					
Governments					
Crown Minerals			33,490		33,490
Inland Revenue		27,456			27,456
Ministry of Business and Innovation		163		129	292
Environmental Protection Authority				231	231
Maritime Safety Authority				111	111
Total		27,619	33,490	471	61,580
Projects					
Maari		10	6,770	289	7,069
Maui		2	1,926		1,928
Pohokura		689	24,794		25,483
New Zealand exploration projects		152		182	334
Payments not attributable to projects		26,766			26,766
Total		27,619	33,490	471	61,580
Pakistan					
Governments					
Federal Board of Revenue					
Government of Pakistan		1,923			1,923
Director General of Petroleum Concessions			1,777	372	2,149
Local Government, District Sukker				261	261
Total		1,923	1,777	633	4,333
Projects					
Mehar			432	204	636
Miano			258	326	584
Sawan			1,087	64	1,151
Pakistan exploration projects				39	39
Payments not attributable to projects		1,923			1,923
Total		1,923	1,777	633	4,333
Romania					
Governments					
State budget		178,477	162,918		341,395
Local councils				4,840	4,840
National Agency for Mineral Resources (ANRM)				566	566

National Company of Forests		13,425	13,425
CONPET SA		106	106
National Authority for Electricity Regulation (ANRE)		569	569
Offshore Operations Regulatory Authority (ACROPO)		178	178
Total	178,477	162,918	19,684 361,079

Projects			
Onshore production zones		123,809	18,901 142,710
Onshore Joint Ventures		1,233	10 1,243
Offshore Black Sea		37,876	217 38,093
Payments not attributable to projects	178,477		556 179,033
Total	178,477	162,918	19,684 361,079

Payments by country  
In EUR 1,000

	Production Entitlements	Taxes	Royalties	Fees	Total
Tunisia					
Governments					
Receveur des Finances		16,418			16,418
Receveur des Douanes		1,563			1,563
Entreprise Tunisienne d'Activités Pétrolières			6,848 *		6,848
Tresorerie Generale de Tunisie			513		513
Total		17,981	7,361		25,342
Projects					
TPS		11,299			11,299
South Tunisia		6,682	7,361		14,043
Total		17,981	7,361		25,342

\* Includes payments in kind for 112,781 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 2018 would have been EUR 6.42 mn for 113,890 bbl of crude oil valued using the average monthly price per boe.

Payments by country  
In EUR 1,000

	Production Entitlements	Taxes	Royalties	Fees	Total
United Arab Emirates					
Governments					
Abu Dhabi National Oil Company				905	905

(ADNOC)			
Emirate of Abu Dhabi - Finance		12,567	1,270,110 1,282,677
Department			
Total		12,567	1,271,015 1,283,582
Projects			
Umm Lulu and SARB		12,567	1,271,015 1,283,582
Total		12,567	1,271,015 1,283,582
Yemen			
Governments			
Ministry of Oil & Minerals	50,946 *	4,836 **	55,782
Total	50,946	4,836	55,782
Projects			
Block S2	50,946 *	4,836 **	55,782
Total	50,946	4,836	55,782

\* Payments in kind for 882,342 boe valued at prices set by the Yemen Crude Oil Marketing Directorate

\*\* Payments in kind for 83,738 boe valued at prices set by the Yemen Crude Oil Marketing Directorate

Vienna, March 13, 2019

The Executive Board  
Rainer Seele m.p.  
Johann Pleininger m.p.  
Reinhard Florey m.p.  
Manfred Leitner m.p.

Further inquiry note:  
OMV Aktiengesellschaft

Andreas Rinofner, Public Relations  
Tel.: +43 (1) 40 440-21427; e-mail: public.relations@omv.com

Florian Greger, Investor Relations  
Tel.: +43 (1) 40 440-22421; e-mail: investor.relations@omv.com

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issuer: OMV Aktiengesellschaft  
Trabrennstraße 6-8  
A-1020 Wien  
phone: +43 1 40440/21600  
FAX: +43 1 40440/621600



mail: investor.relations@omv.com  
WWW: http://www.omv.com  
ISIN: AT0000743059  
indexes: ATX  
stockmarkets: Wien  
language: English



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