



Canadian Securities
Administrators

Autorités canadiennes
en valeurs mobilières

**Notice of Amendments to
National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*
and related and consequential amendments**

October 15, 2010

Introduction

We, the Canadian Securities Administrators (CSA), are implementing amendments to National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* (NI 51-101) and its related forms (the Forms) and companion policy (51-101CP) (collectively, the Instrument).¹

NI 51-101 sets out the annual filing requirements for reporting issuers who are involved in oil and gas activities, notably in respect of their estimates of reserves and resources. In addition, NI 51-101 sets out the general disclosure standards for reporting issuers who are reporting on their oil and gas activities. The disclosure standards apply to any disclosure made by a reporting issuer throughout the year.

The text of the amendments follows the appendices.

The amendments to the Instrument have been made, or are expected to be made, by each member of the CSA. Provided that all necessary ministerial approvals are obtained, the amendments to the Instrument will come into force on **December 30, 2010**.

Substance and purpose of the amendments

The amendments to the Instrument fall into the following broad categories: amendments for clarification, amendments to codify existing staff guidance and practice, and added requirements to enhance reliability of certain disclosure of reserves and resources other than reserves.

Background

We published proposed amendments for comment on December 18, 2009. The comment period ended in March 2010. During the comment period, we received submissions from 8 commenters. We have considered the comments received and thank all of the commenters. Appendix A identifies the commenters and Appendix B summarizes their comments and our responses. The comment letters can be viewed on the Alberta Securities Commission website at www.albertasecurities.com.

After considering the comments, we made changes to the amendments that we had published for comment. However, as these changes are not material, we are not republishing the amendments, as changed, for further comment.

See Appendix C for a summary of the changes made to the amendments as originally published.

¹ In Ontario, paragraphs 143(1) 22, 24, 39 and 39.1 of the Securities Act provide the Ontario Securities Commission with authority to make the amendments to the Instrument.

Consequential and related amendments

Item 5.5 of Form 41-101F1 *Information Required in a Prospectus* will be amended. CSA Staff Notice 51-324 and CSA Staff Notice 51-327 will be amended as of December 30, 2010 to reflect changes to the Instrument.

The text of the amendments follows or can be found elsewhere on a CSA member website.

Questions

Please refer your questions to any of the following:

Blaine Young
Associate Director, Corporate Finance
Alberta Securities Commission
403-297-4220
blaine.young@asc.ca

Dr. David Elliott
Chief Petroleum Advisor
Alberta Securities Commission
403-297-4008
david.elliott@asc.ca

Tony Barry
Chief Petroleum Officer and Manager
Alberta Securities Commission
403-355-2801
tony.barry@asc.ca

Ashlyn D'Aoust
Legal Counsel, Corporate Finance
Alberta Securities Commission
403-355-4347
ashlyn.daoust@asc.ca

Gordon Smith
Senior Legal Counsel, Corporate Finance
British Columbia Securities Commission
604-899-6656 or 800-373-6393 (toll free across Canada)
gsmith@bcsc.bc.ca

Robert Holland
Chief Mining Advisor, Corporate Finance
British Columbia Securities Commission
604-899-6719 or 800-373-6393 (toll free across Canada)
rholland@bcsc.bc.ca

Luc Arsenault
Géologue
Autorité des marchés financiers
514-395-0337 ext. 4373 or 877-525-0337 (toll free across Canada)
luc.arsenault@lautorite.qc.ca

Appendix A

LIST OF COMMENTERS

Proposed Amendments to National Instrument 51-101
Standards of Disclosure for Oil and Gas Activities
Request for Comment December 18, 2009

	COMMENTS	NAME	DATE
1.	Husky Energy Inc.	Janice Knoechel, P. Eng Fred Au-Yeung, P. Eng	March 17, 2010
2.	Northwest & Ethical Investments L.P.	John Kearns Bob Walker	March 19, 2010
3.	Nexen Inc.	Rick Beingessner	March 19, 2010
4.	Suncor Energy Inc.	Shawn P. Poirier	March 19, 2010
5.	Imperial Oil Limited	Paul A. Smith	March 19, 2010
6.	Macleod Dixon LLP	Kevin E. Johnson	March 19, 2010
7.	ARC Resources Ltd.	David Carey	March 19, 2010
8.	Cenovus Energy Inc.	Eric Geppert	March 26, 2010

Appendix B

Amendments to National Instrument 51-101 *Standards of Disclosure for Oil & Gas Activities*

Summary of Comments and CSA Responses

	<i>Topic (unless otherwise noted, cross-references are to provisions of the same instrument)</i>	<i>Summarized Comment</i>	<i>CSA Response</i>
NATIONAL INSTRUMENT 51-101 <i>STANDARDS OF DISCLOSURE FOR OIL AND GAS ACTIVITIES</i>			
1.	Paragraph 1.1(v) Definitions <i>product type</i>	One commenter expressed its view that a separate product type designation for oil sands mining should be required to allow investors to understand that the unique risks associated with oil sands mining apply to that particular volume or value of reserves.	Product types indicate the type of material being extracted, not the method of extraction. Disclosure of risk factors associated with the method of extraction are addressed by other disclosure requirements. We therefore have not made the suggested change.
2.	Subparagraph 2.1(3)(e)(ii) Report of Management and Directors	One commenter suggested that the words “on behalf of the board of directors” be removed because the report is not a report of the board per se and board members bear no direct statutory civil liability as in the context of a prospectus.	We have not made the suggested change. Form 51-101F3 prescribes a report of an issuer's management and board of directors, for which each of the issuer's directors (among others) bears statutory civil liability.
3.	Section 5.3 Classification of <i>Reserves</i> and of <i>Resources</i> other than <i>Reserves</i>	One commenter was uncertain, from the wording of section 5.3, whether an issuer could supplement disclosure made in accordance with COGE Handbook (COGEH) with other disclosure prepared in accordance with different regimes. The commenter called for clarification either by amendment to the instrument or by companion policy guidance to the effect that COGEH and US rules are the same.	We have not made a change to the extent suggested by the commenter. A key investor-protection objective underlying NI 51-101 was to enhance the reliability and comparability of oil and gas disclosure in Canada. NI 51-101 disclosure requirements are minimum requirements;

	<i>Topic (unless otherwise noted, cross-references are to provisions of the same instrument)</i>	<i>Summarized Comment</i>	<i>CSA Response</i>
			<p>expanded commentary in 51-101CP clarifies the CSA view that additional disclosure can be provided, although it must not contravene NI 51-101.</p> <p>We have updated item 2.2 of Form 51-101F1, which permits supplementary disclosure of reserves estimates computed using constant prices and costs, to reflect changes to the similar approach recently adopted in the US. This may go far to address the commenter's concern, as it addresses a type of supplementary disclosure with which investors may already be conversant.</p>
4.	Section 5.3 Classification of <i>Reserves</i> and of <i>Resources</i> other than <i>Reserves</i>	One commenter suggested that this provision requires modification to permit disclosure of discovered petroleum initially-in-place (PIIP) without breaking it down into contingent resources, unrecoverable resources and reserves when such more specific estimates have not yet been made.	Section 5.3 requires issuers to use the terminology and classifications specified in COGEH. These include "discovered PIIP". Indeed, new subsection 5.16(3) allows issuers to disclose total, discovered or undiscovered PIIP without further sub-categorization so long as the disclosure (i) explains why total, discovered or undiscovered PIIP is the most specific applicable category and (ii) includes the prescribed cautionary statement.

	<i>Topic (unless otherwise noted, cross-references are to provisions of the same instrument)</i>	<i>Summarized Comment</i>	<i>CSA Response</i>
5.	Paragraph 5.9(2)(a) Disclosure of <i>Resources</i> Other than <i>Reserves</i>	One commenter opined that the requirement for estimates to be prepared or audited by a qualified reserves evaluator or auditor is too onerous. It appears to preclude issuers from disclosing numbers prepared by outside parties, such as the ERCB. The commenter suggested that companies should be able to quote numbers published by such parties, so long as the party quoted is fully disclosed and the source is reputable.	We have not made the suggested change. The requirement for involvement of a qualified reserves evaluator or auditor in the preparation of reserves and resources estimates disclosed by an issuer under NI 51-101 is fundamental to the objectives underlying the instrument: enhanced reliability and comparability of oil and gas disclosure. We do not consider that simply reproducing "numbers" prepared by third parties – whose purposes, responsibilities and applicable standards might be quite different from those of capital market regulators – would serve these objectives. NI 51-101 already recognizes that third-party-sourced data may be useful, and permits its use for specified purposes; see, for example, section 5.10 <i>Analogous Information</i> .
6.	Paragraph 5.9(2)(b) Disclosure of <i>Resources</i> Other than <i>Reserves</i>	One commenter contended that issuers should be allowed to disclose discovered PIIP without breaking it down further.	See our response to comment 4 above.
7.	Section 5.16 Prohibition Against Addition Across <i>Resource</i> Categories	One commenter expressed its support for prohibiting addition across resource categories.	We acknowledge the comment.

	<i>Topic (unless otherwise noted, cross-references are to provisions of the same instrument)</i>	<i>Summarized Comment</i>	<i>CSA Response</i>
8.	Section 5.16 Prohibition Against Addition Across <i>Resource</i> Categories	Two commenters recommended against the proposal to require disclosure of PIIP sub-classification and a cautionary statement, expressing concern that the unrecoverable portion of PIIP for an early-stage property would not yet have been evaluated, so nothing could be disclosed. Another commenter suggested that disclosure of discovered PIIP should be allowed without specifying what portion is currently considered contingent or unrecoverable.	Where sufficient information is available, we consider it beneficial to investors for the unrecoverable volumes to be disclosed. However, where the total PIIP, discovered PIIP or undiscovered PIIP estimate is the most specific category available, sub-classification is not required. See our response to comment 4 above.
9.	Section 5.16 Prohibition Against Addition Across <i>Resource</i> Categories	One commenter found the cautionary statements in paragraph 5.9(v) and section 5.16 duplicative.	We agree, and have revised subsection 5.16(3) to refer to section 5.9.
10.	Section 5.16 Prohibition Against Addition Across <i>Resource</i> Categories	One commenter suggested that disclosure of discovered PIIP should be allowed without specifying what portion is currently considered contingent or unrecoverable.	New subsection 5.16(3) allows issuers to disclose total, discovered or undiscovered PIIP so long as they explain why that category is the most specific category that applies and includes the prescribed cautionary statement.
11.	Section 5.16 Prohibition Against Addition Across <i>Resource</i> Categories	Several commenters expressed the view that an aggregation of categories such as “remaining recoverable resources” is appropriate and recognized by COGEH and PRMS, and therefore that such disclosure should be allowed if the quantities for each category/class are identified.	We consider restrictions on summation across resource categories important. Although, as some commenters noted, COGEH does state that addition across resource categories is acceptable in “ ... some instances (e.g., basin potential studies) ...”, this is not a blanket endorsement of such an approach. We remain concerned that

	<i>Topic (unless otherwise noted, cross-references are to provisions of the same instrument)</i>	<i>Summarized Comment</i>	<i>CSA Response</i>
			<p>summation across categories has the potential to be misleading and is, in most cases, inappropriate in the context of public company disclosure.</p> <p>See new subsections 5.16(2) and (3) for instances where disclosure of summations is permitted, with appropriate safeguards.</p>
12.	Section 5.16 Prohibition Against Addition Across <i>Resource</i> Categories	One commenter suggested that it might be better to substitute references to specific product types (e.g., bitumen and natural gas) when using the term “petroleum initially-in-place”.	We agree, and now address this point in new subsection 5.3(2).
13.	Section 5.16 Prohibition Against Addition Across <i>Resource</i> Categories	One commenter suggested that section 5.3 and the proposed section 5.16 would not interact correctly.	<p>We have made changes and clarifications to address the issue raised.</p> <p>Section 5.3 speaks to classifying reserves or resources other than reserves using terminology and categories from COGEH and requires that the reserves or resources other than reserves be classified in the most specific category possible. Where appropriate, the most specific category may be total, discovered or undiscovered PIIP.</p> <p>Section 5.16, as modified, addresses three points: first, the general principle that issuers must not sum estimates of different resource</p>

	<i>Topic (unless otherwise noted, cross-references are to provisions of the same instrument)</i>	<i>Summarized Comment</i>	<i>CSA Response</i>
			categories; second that, despite the general prohibition, certain summations of estimates (total, discovered or undiscovered PIIP) are permissible if estimates for each of the applicable subcategories are also disclosed; and third, where total, discovered or undiscovered PIIP is the most specific applicable category, the issuer may disclose that category, but must explain why it is the most specific category that applies and must also include the specified cautionary statement.
14.	Section 5.17 Disclosure of High- and Low-Case Estimates of <i>Reserves</i> and of <i>Resources</i> other than <i>Reserves</i>	One commenter supported the addition of proposed section 5.17.	We acknowledge the comment.
15.	Section 5.17 Disclosure of High- and Low-Case Estimates of <i>Reserves</i> and of <i>Resources</i> other than <i>Reserves</i>	One commenter suggests that the provision was overly restrictive in mandating proved plus probable reserves combined.	We agree, and have revised subsection 5.17(1) to allow issuers the option, when the provision is triggered, to disclose either proved plus probable reserves together or proved reserves and probable reserves separately.

	<i>Topic (unless otherwise noted, cross-references are to provisions of the same instrument)</i>	<i>Summarized Comment</i>	<i>CSA Response</i>
16.	Part 9 <i>Instrument in Force</i>	One commenter suggests that this Part be removed in its entirety.	Because such provisions can be helpful to some users we are retaining Part 9, as is typically the case with CSA instruments.
FORMS 51-101F1 STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION			
17.	Item 2.1 <i>Reserves Data (Forecast Prices and Costs)</i>	One commenter urged additional disclosure concerning reclamation and abandonment costs for oil sands mines, particularly in light of tailing pond obligations.	<p>We did not make the suggested change.</p> <p>Disclosure of reclamation and abandonment costs is addressed in Item 2.1(3) <i>Reserves Data</i> as well as Item 6.4 <i>Additional Information Concerning Abandonment and Reclamation Costs</i>.</p> <p>Issuers are expected to address risk factors in a number of disclosure rules and requirements. In our experience, this type of information is typically included in corporate level disclosure for existing operations and should be included in the evaluation for new properties.</p>
18.	Item 2.1 <i>Reserves Data (Forecast Prices and Costs)</i>	One commenter expressed its view that additional disclosure of the forecast costs of compliance with greenhouse gas emissions pricing regulations should be required.	We do not propose to make the suggested change as it is outside the scope of the current amendments. The purpose of the current amendments is to clarify certain provisions, to codify existing staff guidance and practice and to add requirements to

	<i>Topic (unless otherwise noted, cross-references are to provisions of the same instrument)</i>	<i>Summarized Comment</i>	<i>CSA Response</i>
			enhance reliability of certain disclosure of reserves and resources other than reserves.
19.	Item 2.2 Supplemental Disclosure of <i>Reserves Data</i>	One commenter did not object to supplemental pricing disclosure in accordance with US practice; however, the commenter did object to providing relief from Item 2.1 of 51-101F1 requirements where that disclosure is substituted with disclosure consistent with SEC requirements.	We have revised Item 2.2 to permit supplementary disclosure of estimates based on constant prices and costs, determined in accordance with current SEC standards.
20.	Item 2.2 Supplemental Disclosure of <i>Reserves Data</i>	Two commenters expressed the view that this change is not sufficient, in and of itself, to make the estimate comparable with estimates prepared in accordance with SEC requirements (resulting values and manner of presentation) and any representation that the estimates are comparable would be misleading.	See our response to comment 19 above. It was not our intent to design supplementary disclosure requirements that would cause supplementary disclosure to be comparable to disclosure prepared in accordance with SEC regulation.
21.	Item 2.2 Supplemental Disclosure of <i>Reserves Data</i>	One commenter expressed concern that the inclusion of Item 2.2 suggests that there is only one way to provide supplementary disclosure – in accordance with the US regime. He noted that the US regime also allows for supplemental pricing scenarios and not just a constant price case. The intent of the provision is unclear.	We eliminated the proposed broad references to US disclosure standards and instead revised Item 2.2, addressing the specific issue of most general interest (estimates based on constant prices and costs), updated to reflect recent changes to SEC standards.
22.	Item 3.1 Supplemental Estimates	One commenter stated that the proposed change does not make the reserves disclosure fully compliant with SEC regulations because it addresses only the price used in reserves disclosure.	The intent was not to conform Canadian disclosure requirements to those of the SEC, but to allow issuers an option to provide supplementary disclosure within Canada. We have revised Item 3.1 to relate

	<i>Topic (unless otherwise noted, cross-references are to provisions of the same instrument)</i>	<i>Summarized Comment</i>	<i>CSA Response</i>
			specifically to constant prices and costs and, as noted above, we have removed general references to US pricing within NI 51-101 and 51-101F1.
23.	Item 3.2 Forecast Prices Used in Estimates	One commenter expressed its view that disclosure of carbon pricing forecasts should be required.	The suggested change is outside the scope of the current amendments. Therefore, we do not propose to make this change.
24.	Item 5.2 Significant Factors or Uncertainties Affecting Reserves Data	One commenter objected to the removal of the phrase “the need to build a major pipeline or other major facility before production of reserves can begin” from the instruction because that type of information provides relevant information to investors. The commenter conceded that it may be appropriate to remove if reserves would not be assigned in these circumstances in any event, but felt a clarification was warranted.	This phrase was removed from this item of the form because it applies to contingent resources, rather than to reserves. We agree that this information is relevant and important to investors. See the instruction for Item 6.2.1, which includes this text.
25.	Item 6.2.1 Significant Factors or Uncertainties Relevant to Properties With No Attributed Reserves	One commenter objected to this proposed item, contending that the relevant projects are not mature enough to know the plans or to discuss in a meaningful way. Also, for companies with several differing properties, the discussion could be very difficult to prepare in a way that is meaningful for the properties in the aggregate.	We retained this provision because we are of the view that this information can be important for investor consideration. The CSA are of the view that it is the reporting issuer’s responsibility to consider what factors and uncertainties are relevant to its operations, determine whether this information is material, and then disclose the relevant significant factors or uncertainties.

	<i>Topic (unless otherwise noted, cross-references are to provisions of the same instrument)</i>	<i>Summarized Comment</i>	<i>CSA Response</i>
26.	Item 6.4 Additional Information Concerning Abandonment and Reclamation Costs	One commenter suggested that if reclamation and abandonment costs for tailings ponds are not being included under Item 2.1, then Item 6.4 should provide for more informative disclosure of the liability. Specifically, an estimate of the future volume and extent of tailings ponds that will be created or sustained by exploitation of the reserves, as well as high and low estimates of the potential costs of reclamation.	We did not make the suggested change. As mentioned in our response to comment 17 above, disclosure of reclamation and abandonment costs is addressed in Item 2.1(3) <i>Reserves Data</i> as well as Item 6.4 <i>Additional Information Concerning Abandonment and Reclamation Costs</i> .
GENERAL			
27.	General	One commenter stated that the proposed amendments to NI 51-101 did not go far enough in resolving the differences between the US regime and NI 51-101 and suggested that the CSA either align its requirements with the SEC's or exempt from compliance those required to prepare disclosure to SEC standards.	We did not make either suggested change. It was not our objective to align Canadian disclosure requirements with US disclosure requirements.

Appendix C

Summary of Changes from Proposed Amendments Published for Comment on December 18, 2009

The discussion below summarizes changes between the versions of the documents published for comment on December 18, 2009 and the versions of those documents ultimately approved.

NI 51-101 *Standards of Disclosure for Oil and Gas Activities*

- We removed the definition of “executive officer” and adjusted the wording in section 2.1(3)(e) to require an “officer” rather than an “executive officer” to execute the Form 51-101F3
- We moved the content of section 2.2 to new subsection 2.3(2) as this is a more appropriate location for the requirement
- We moved the contents of proposed section 2.5 of NI 51-101 to section 2.10 of 51-101CP
- We added section 5.3(2) to allow issuers to report using a specific product type when disclosing petroleum initially-in-place (PIIP) rather than the more general “petroleum”
- We revised section 5.16 to clarify disclosure requirements for total, discovered and undiscovered PIIP: an issuer can disclose total, discovered or undiscovered PIIP if it discloses estimates of the applicable subcategories that comprise the summed estimate; or, it can disclose total, discovered or undiscovered PIIP without disclosing estimates of the applicable subcategories that comprise the summed estimate, where that information is not yet available, if the issuer explains why total, discovered or undiscovered PIIP is the most specific classification that can be assigned and the issuer includes specified cautionary language. The proposed cautionary language has been removed and reference is made to existing cautionary language in sections 5.9(2)(c)(v)(A) and (B)
- We modified the high- and low-case estimate for reserves disclosure in section 5.17 to allow issuers to report either proved and proved + probable reserves (together) or proved and probable reserves (separately) when disclosing proved + probable + possible reserves

Form 51-101F1 *Statement of Reserves Data and Other Oil and Gas Information*

- We removed all references to “US oil and gas disclosure requirements” and have reverted to allowing supplementary disclosure based on constant prices and costs (see items 2.2 and 3.1)
- Constant prices and costs requirements have been updated for accuracy
- We added Instruction (5) to Part 4 to clarify that a reconciliation is not required when “opening” estimates as at the beginning of the financial year are not available

Companion Policy 51-101CP *Standards of Disclosure for Oil and Gas Activities*

- We revised section 2.7(4) to provide specific guidance for disclosure using constant prices and costs
- We added section 2.9 to explain how we interpret the term “chief executive officer”
- We added section 2.10 to provide guidance to non-corporate reporting issuers regarding the execution of the Form 51-101F3
- We added guidance in section 5.3 to clarify the disclosure requirements of section 5.16(2) of NI 51-101
- We added section 5.9.1 to clarify the purpose and intent of section 5.16 of NI 51-101

NI 41-101 *General Prospectus Requirements* (section 5.5)

- We have reintroduced the instruction that had been inadvertently removed

Although this amending instrument amends section headers in National Instrument 51-101, section headers do not form part of the instrument and are inserted for ease of reference only.

**Amendments to
NATIONAL INSTRUMENT 51-101 STANDARDS OF DISCLOSURE FOR OIL AND GAS
ACTIVITIES**

- 1. *National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities is amended by this Instrument.***
- 2. *Paragraph 1.1(c) is repealed.***
- 3. *Paragraph 1.1(d) is repealed.***
- 4. *Paragraph 1.1(e) is repealed.***
- 5. *Paragraph 1.1(i) is repealed.***
- 6. *Section 1.1 is amended***
 - (a) *by adding the following paragraph after paragraph (n):***
 - (n.1) *“Form 51-101F4” means Form 51-101F4 Notice of Filing of 51-101F1 Information;,***
 - (b) *in clause (s)(i)(B), by deleting “further” and by replacing “reservoirs on those properties” with “their naturally occurring locations”, and***
 - (c) *in clause (s)(i)(C), by replacing “reservoirs” with “locations”.***
- 7. *Item 3 of section 2.1 is amended by repealing paragraph (e) and substituting the following:***
 - (e) *is executed***
 - (i) *by two officers of the reporting issuer, one of whom is the chief executive officer, and***
 - (ii) *on behalf of the board of directors, by***
 - (A) *any two directors of the reporting issuer, other than the persons referred to in subparagraph (i) above, or***
 - (B) *if the issuer has only three directors, two of whom are the persons referred to in subparagraph (i), all of the directors of the reporting issuer..***

8. *Section 2.2 is repealed.*
9. *Section 2.3 is amended by renumbering it as subsection 2.3(1) and by adding the following after subsection (1):*
- (2) A *reporting issuer* that adopts the approach described in subsection (1) must, concurrently with filing its *annual information form*, file with the *securities regulatory authority* a notice of filing in accordance with *Form 51-101F4*.

10. *Section 4.1 is repealed.*

11. *Section 5.3 is replaced with the following:*

5.3 Classification of *Reserves* and of *Resources Other than Reserves*

- (1) *Reserves* or *resources* other than *reserves* must be disclosed using the applicable terminology and categories set out in the *COGE Handbook* and must be classified in the most specific category of *reserves* or *resources* other than *reserves* in which the *reserves* or *resources* other than *reserves* can be classified.
- (2) Despite subsection (1), where the applicable terminology set out in the *COGE Handbook* for the disclosure of *resources* is *total petroleum initially-in-place*, *discovered petroleum initially-in-place* or *undiscovered petroleum initially-in-place*, the *reporting issuer* may depart from the applicable terminology by substituting, for the word “*petroleum*”, reference to the specific *product type* of the *resource*.

12. *Section 5.9 is repealed and the following substituted:*

5.9 Disclosure of *Resources Other than Reserves*

- (1) If a *reporting issuer* discloses *anticipated results* from *resources* which are not currently classified as *reserves*, the *reporting issuer* must also disclose in writing, in the same document or in a *supporting filing*:
- (a) the *reporting issuer's* interest in the *resources*;
 - (b) the location of the *resources*;
 - (c) the *product types* reasonably expected;
 - (d) the risks and the level of uncertainty associated with recovery of the *resources*; and
 - (e) in the case of *unproved property*, if its value is disclosed,
 - (i) the basis of the calculation of its value; and

- (ii) whether the value was prepared by an *independent* party.
- (2) If disclosure referred to in subsection (1) includes an estimate of a quantity of *resources* other than *reserves* in which the *reporting issuer* has an interest or intends to acquire an interest, or an estimated value attributable to an estimated quantity, the estimate must:
- (a) have been prepared or audited by a *qualified reserves evaluator or auditor*;
 - (b) have been prepared or audited in accordance with the *COGE Handbook*;
 - (c) be classified in the most specific category of *resources* other than *reserves*, as required by section 5.3; and
 - (d) be accompanied by the following information:
 - (i) a definition of the *resources* category used for the estimate;
 - (ii) the *effective date* of the estimate;
 - (iii) the significant positive and negative factors relevant to the estimate;
 - (iv) in respect of *contingent resources*, the specific contingencies which prevent the classification of the *resources* as *reserves*; and
 - (v) a cautionary statement that is proximate to the estimate to the effect that:
 - (A) in the case of *discovered resources* or a subcategory of *discovered resources* other than *reserves*:

“There is no certainty that it will be commercially viable to produce any portion of the resources.”; or
 - (B) in the case of *undiscovered resources* or a subcategory of *undiscovered resources*:

“There is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources.”
- (3) Paragraphs (1)(d) and (e) and subparagraphs (2)(c)(iii) and (iv) do not apply if:

- (a) the *reporting issuer* includes in the written disclosure a reference to the title and date of a previously filed document that complies with those requirements; and
- (b) the *resources* in the written disclosure, taking into account the specific *properties* and interests reflected in the *resources* estimate or other *anticipated result*, are *materially* the same *resources* addressed in the previously filed document..

13. **Section 5.10 is amended by replacing “5.2, 5.3 and 5.9” wherever it occurs with “5.2, 5.3, 5.9 and 5.16”.**

14. **Part 5 is amended by adding the following sections after section 5.15:**

5.16 Restricted Disclosure: Summation of *Resource* Categories

- (1) A *reporting issuer* must not disclose a summation of an estimated quantity, or estimated value, of two or more of the following:
 - (a) *reserves*;
 - (b) *contingent resources*;
 - (c) *prospective resources*;
 - (d) the unrecoverable portion of *discovered petroleum initially-in-place*;
 - (e) the unrecoverable portion of *undiscovered petroleum initially-in-place*;
 - (f) *discovered petroleum initially-in-place*; and
 - (g) *undiscovered petroleum initially-in-place*.
- (2) Despite subsection (1), a *reporting issuer* may disclose an estimate of *total petroleum initially-in-place*, *discovered petroleum initially-in-place* or *undiscovered petroleum initially-in-place* if the *reporting issuer* includes, proximate to that disclosure, an estimate of each of the following, as applicable:
 - (a) *reserves*;
 - (b) *contingent resources*;
 - (c) *prospective resources*;
 - (d) the commercial portion of *discovered petroleum initially-in-place*;

- (e) the sub-commercial portion of *discovered petroleum initially-in-place*;
 - (f) the unrecoverable portion of *discovered petroleum initially-in-place*;
 - (g) the unrecoverable portion of *undiscovered petroleum initially-in-place*;
 - (h) *discovered petroleum initially-in-place*; and
 - (i) *undiscovered petroleum initially-in-place*.
- (3) A reporting issuer may disclose an estimate of *total petroleum initially-in-place*, *discovered petroleum initially-in-place* or *undiscovered petroleum initially-in-place* as the most specific category that it can assign to its resources if, proximate to its disclosure, the reporting issuer
- (a) explains why *total petroleum initially-in-place*, *discovered petroleum initially-in-place* or *undiscovered petroleum initially-in-place*, as the case may be, is the most specific assignable category; and
 - (b) includes
 - (i) in the case of disclosure of *discovered petroleum initially-in-place*, the cautionary statement required by clause 5.9(2)(c)(v)(A), or
 - (ii) in the case of disclosure of *total petroleum initially-in-place* or *undiscovered petroleum initially-in-place*, the cautionary statement required by clause 5.9(2)(c)(v)(B)..

5.17 Disclosure of High-Case Estimates of Reserves and of Resources other than Reserves

- (1) If a reporting issuer discloses an estimate of *proved plus probable plus possible reserves*, the reporting issuer must also disclose the corresponding estimates of *proved* and *proved plus probable reserves* or of *proved* and *probable reserves*.
- (2) If a reporting issuer discloses a high-case estimate of *resources* other than *reserves*, the reporting issuer must also disclose the corresponding low and best-case estimates..

15. Subsection 8.2(2) is amended by replacing “in accordance with” with “under”.

16. Section 9.2 is repealed.

17. The General Instructions of Form 51-101F1 are amended by adding the following subsections after subsection (6):

- (7) *A **reporting issuer** disclosing financial information in a currency other than the Canadian dollar must, clearly and as frequently as is necessary to avoid confusing or misleading readers, disclose the currency in which the financial information is disclosed.*
- (8) *The **COGE Handbook** provides guidance about reporting using units of measurement. **Reporting issuers** should not, without compelling reason, switch between imperial units of measure (such as barrels) and *Système International (SI)* units of measurement (such as tonnes) within or between disclosure documents..*

18. Subsection (1) of the Instructions under Item 1.1 of Form 51-101F1 is amended by striking out “the definition of reserves data and” and by striking out “It is the date of the balance sheet for the **reporting issuer's most recent financial year (for example, "as at December 31, 20xx") and the ending date of the **reporting issuer's** most recent annual statement of income (for example, "for the year ended December 31, 20xx)".”.**

19. Item 2.2 of Form 51-101F1 is replaced with the following:

Item 2.2 Supplementary Disclosure (Constant Prices and Costs)

The *reporting issuer* may supplement its disclosure of *reserves data* under Item 2.1 by also disclosing estimates of *reserves*, *resources* other than *reserves*, or both, together with estimates of associated *future net revenue*, determined using constant prices and costs rather than *forecast prices and costs* for each applicable product type.

INSTRUCTION

For this purpose,

- (a) *a constant price is,*
 - (i) *if the **reporting issuer** is legally bound to supply the product at a particular price, that price; or*
 - (ii) *in every other case, the price that is the unweighted arithmetic average of the first-day-of-the-month price for that product for each of the 12 months preceding the effective date; and*
- (b) *the costs to be used are to be reasonably estimated on the basis of existing economic conditions without escalation or adjustment for inflation..*

20. *Items 2.3 and 2.4 of Form 51-101F1 are amended by replacing “minority interest” wherever it occurs with “non-controlling interest”.*

21. *Subsection (3) of the Instructions under Item 2.4 of Form 51-101F1 is repealed.*

22. *Item 3.1 of Form 51-101F1 is replaced with:*

Item 3.1 Constant Prices Used in Supplementary Estimates

If supplementary disclosure under Item 2.2 is made, the *reporting issuer* must disclose, for each *product type*, the constant price used.

23. *Subsection (2) of the Instructions under Item 3.2 of Form 51-101F1 is amended by striking out “term “constant prices and costs” and the” and by replacing “include” with “includes”.*

24. *The Instructions under Item 4.1 of Form 51-101F1 are amended by adding the following after subsection (4):*

(5) *If the reporting issuer first became engaged in oil and gas activities only after the last day of its preceding financial year and no evaluation report in respect of its reserves as at that date is available to the reporting issuer, so that there is no opening data to be reconciled, the reporting issuer need not provide the reconciliation otherwise required under this Part but must disclose the reason for its absence..*

25. *Item 5.2 of Form 51-101F1 is amended*

(a) *in the title, by adding “Affecting Reserves Data” after “Uncertainties”, and*

(b) *in section 1, by replacing “important” with “significant”.*

26. *The Instruction under Item 5.2 of Form 51-101F1 is amended by striking out “the need to build a major pipeline or other major facility before production of reserves can begin.”.*

27. *Part 6 of Form 51-101F1 is amended by adding the following after section 2 of Item 6.2:*

INSTRUCTION

If the reporting issuer holds interests in different formations under the same surface area pursuant to separate leases, disclose the method of calculating the gross and net area. A general description of the method of calculating the disclosed area will suffice.

Item 6.2.1 Significant Factors or Uncertainties Relevant to *Properties With No Attributed Reserves*

1. Identify and discuss significant economic factors or significant uncertainties that affect the anticipated development or production activities on *properties* with no attributed *reserves*.
2. Section 1 does not apply if the information is disclosed in the *reporting issuer's* financial statements for the financial year ended on the *effective date*.

EXAMPLES

*Examples of information that could warrant disclosure under this Item include unusually high expected **development costs** or **operating costs**, or the need to build a major pipeline or other major facility before **production** can begin.*

28. Section 2 of Item 6.3 of Form 51-101F1 is replaced with the following:

2. A *reporting issuer* may satisfy the requirement in section 1 by including the information required by that section in its financial statements for the financial year ended on the *effective date*.

29. Paragraph 1(b) of Item 6.7 of Form 51-101F1 is amended by replacing “gas wells and service wells” with “gas wells, service wells and stratigraphic test wells”.

30. Paragraph 1(a) of Item 6.9 of Form 51-101F1 is amended by adding “gross” between “average” and “daily” and by striking out “, before deduction of royalties”.

31. Item 5 of Form 51-101F2 is amended by adding “, consistently applied” after “in accordance with the COGE Handbook”.

32. Section 7 of Form 51-101F2 is amended by striking out “However, any variations should be consistent with the fact that reserves are categorized according to the probability of their recovery.”.

33. Form 51-101F3 is amended by

- (a) **striking out** “However, any variations should be consistent with the fact that reserves are categorized according to the probability of their recovery.”, **and**
- (b) **replacing** “a senior officer” **with** “an officer”.

34. *A new form is added after Form 51-101F3 as follows:*

**FORM 51-101F4
NOTICE OF
FILING OF 51-101F1 INFORMATION**

This is the form referred to in section 2.3 of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* (“NI 51-101”).

On [date of SEDAR Filing], [name of reporting issuer] filed its reports under section 2.1 of NI 51-101, which can be found [describe where a copy of the filed information can be found for viewing by electronic means (for example, in the company’s *annual information form* under the company’s profile on SEDAR at www.sedar.com)].

35. *This Instrument comes into force on December 30, 2010.*

**Amendments to
Companion Policy 51-101CP Standards of Disclosure for Oil and Gas Activities**

1. ***Companion Policy 51-101CP Standards of Disclosure for Oil and Gas Activities is amended by this Instrument.***
2. ***Subsection 1.1(3) is amended by adding “that” after “person would consider” and before “such interest”.***
3. ***Subsection 1.1(4) is amended by adding “other than reserves” after “resources” wherever it occurs.***
4. ***Paragraphs 1.1(5)(a) and (b) are amended by replacing “August 1, 2007” with “October 12, 2010” wherever it occurs.***
5. ***Section 1.2 is replaced by the following:***

1.2 COGE Handbook

Pursuant to section 1.2 of *NI 51-101*, definitions and interpretations in the *COGE Handbook* apply for the purposes of *NI 51-101* if they are not defined in *NI 51-101*, *NI 14-101* or the securities statute in the *jurisdiction* (except to the extent of any conflict or inconsistency with *NI 51-101*, *NI 14-101* or the securities statute).

Section 1.1 of *NI 51-101* and the *NI 51-101 Glossary* set out definitions and interpretations, many of which are derived from the *COGE Handbook*. *Reserves* and *resources* definitions and categories are incorporated in the *COGE Handbook* and are also set out, in part, in the *NI 51-101 Glossary*.

Subparagraph 5.2(a)(iii) of *NI 51-101* requires that all estimates of *reserves* or *future net revenue* have been prepared or audited in accordance with the *COGE Handbook*. Under sections 5.2, 5.3 and 5.9 of *NI 51-101*, all types of public *oil* and *gas* disclosure, including disclosure of *reserves* and of *resources* other than *reserves* must be prepared in accordance with the *COGE Handbook*.

6. ***Section 1.4 is amended by striking out “This concept of materiality is consistent with the concept of materiality applied in connection with financial reporting pursuant to the CICA Handbook.”.***
7. ***Section 2.3 is amended by replacing “The report of management and directors in Form 51-101F3 may be combined with management's report on financial statements, if any, in respect of the same financial year.” with the following:***

A reporting issuer may supplement the annual disclosure required under *NI 51-101* with additional information corresponding to that prescribed in *Form 51-101F1*, *Form 51-101F2* and *Form 51-101F3*, but as at dates, or for periods, subsequent to those for

which annual disclosure is required. However, to avoid confusion, such supplementary disclosure should be clearly identified as being interim disclosure and distinguished from the annual disclosure (for example, if appropriate, by reference to a particular interim period). Supplementary interim disclosure does not satisfy the annual disclosure requirements of section 2.1 of *NI 51-101*.

8. ***Subsection 2.4(2) is amended by replacing “A reporting issuer that elects to follow this approach should file its annual information form in accordance with usual requirements of securities legislation, and at the same time file on SEDAR, in the category for NI 51-101 oil and gas disclosure, a notification that the information required under section 2.1 of NI 51-101 is included in the reporting issuer’s filed annual information form. More specifically, the notification should be filed under SEDAR Filing Type: “Oil and Gas Annual Disclosure (NI 51-101)” and Filing Subtype/Document Type: “Oil and Gas Annual Disclosure Filing (Forms 51-101F1, F2 & F3)”. Alternatively, the notification could be a copy of the news release mandated by section 2.2 of NI 51-101. If this is the case, the news release should be filed under SEDAR Filing Type: “Oil and Gas Annual Disclosure (NI 51-101)” and Filing Subtype/Document Type: “News Release (section 2.2 of NI 51-101).” with the following:***

However, a *reporting issuer* that elects to follow this approach must file, at the same time and on *SEDAR*, in the appropriate *SEDAR* category, a notice in accordance with *Form 51-101F4* (see subsection 2.3(2) of *NI 51-101*).

9. ***Section 2.5 is amended by replacing “That Has” with “With” in the title.***

10. ***Section 2.7 is amended by***

(a) replacing subsection (4) with the following:

(4) Supplementary Disclosure of Future Net Revenue Using Constant Prices and Costs – Form 51-101F1 gives reporting issuers the option of disclosing future net revenue, together with associated estimates of reserves or resources other than reserves, determined using constant prices and costs. Constant prices and costs are assumed not to change throughout the life of a property, except to the extent of certain fixed or presently determinable future prices or costs to which the reporting issuer is legally bound by a contractual or other obligation to supply a physical product (including those for an extension period of a contract that is likely to be extended).,

(b) repealing subsection (5),

(c) in subsection (7), striking out “Like a “subsequent event” note in a financial statement, the issuer should discuss this type of information even if it pertains to a period subsequent to the effective date.”, and

(d) replacing the second paragraph in subsection (8) with the following:

The disclosure prescribed in *Form 51-101F1* is the minimum disclosure required, subject to the *materiality* standard. *Reporting issuers* may provide additional disclosure that is not inconsistent with *NI 51-101* and not misleading..

11. ***Subsection 2.8(2) is amended by***

- (a) ***replacing*** “*Form 51-101F2* (and *Form 51-101F3*) contains a statement that variations between *reserves data* and actual results may be material but that any variations should be consistent with the fact that *reserves* are categorized according to the probability of their recovery.” ***with*** “The report prescribed by *Form 51-101F2* contains statements to the effect that variations between *reserves data* and actual results may be material but *reserves* have been determined in accordance with the *COGE Handbook*, consistently applied.”, ***and***
- (b) ***replacing*** “Any variations arising due to technical factors should be consistent” ***with*** “Any variations arising due to technical factors must be consistent”.

12. ***Part 2 is amended by adding the following sections after section 2.8:***

2.9 Chief Executive Officer

Paragraph 2.1(3)(e) of *NI 51-101* requires a *reporting issuer* to file a report in accordance with *Form 51-101F3* that is executed by the chief executive officer. The term “chief executive officer” should be read to include the individual who has the responsibilities normally associated with this position or the person who acts in a similar capacity. This determination should be made irrespective of an individual’s corporate title and whether that individual is employed directly or acts pursuant to an agreement or understanding.

2.10 Reporting Issuer Not a Corporation

If a *reporting issuer* is not a corporation, a report in accordance with *Form 51-101F3* must be executed by the persons who, in relation to the *reporting issuer*, are in a similar position or perform similar functions to the persons required to execute under paragraph 2.1(3)(e) of *NI 51-101*..

13. ***Subsection 5.2(5) is amended by adding the following after the second paragraph:***

Disclosure of an estimate of *reserves*, *contingent resources* or *prospective resources* in respect of which timely availability of funding for development is not assured may be misleading if that disclosure is not accompanied, proximate to it, by a discussion (or a cross-reference to such a discussion in other disclosure filed by the *reporting issuer* on *SEDAR*) of funding uncertainties and their anticipated effect on the timing or completion of such development (or on any particular stage of multi-stage development such as often observed in oilsands developments)..

14. **Section 5.3 is replaced by the following:**

5.3 Classification of Reserves and of Resources Other than Reserves

Section 5.3 of *NI 51-101* requires that any disclosure of *reserves* or of *resources* other than *reserves* must apply the applicable categories and terminology set out in the *COGE Handbook*. The definitions of various *resource* categories, derived from the *COGE Handbook*, are provided in the *NI 51-101 Glossary*. In addition, section 5.3 of *NI 51-101* requires that disclosure of *reserves* or of *resources* other than *reserves* must relate to the most specific category of *reserves* or of *resources* other than *reserves* in which the *reserves* or *resources* other than *reserves* can be classified. For instance, there are several subcategories of *discovered resources* including *reserves*, *contingent resources* and *discovered unrecoverable resources*.

Reserves can be characterized as *proved*, *probable* or *possible reserves*, according to the probability that such quantities will actually be produced. As described in the *COGE Handbook*, *proved*, *probable* and *possible reserves* represent conservative, realistic and optimistic estimates of *reserves*, respectively. Therefore, any disclosure of *reserves* must indicate whether they are *proved*, *probable* or *possible reserves*.

Reporting issuers that disclose *resources* other than *reserves* must identify those *resources* as *discovered* or *undiscovered resources* except in exceptional circumstances where the most specific category is *total petroleum initially-in-place*, *discovered petroleum initially-in-place* or *undiscovered petroleum initially-in-place*, in which case the reporting issuer must comply with subsection 5.16(3) of *NI 51-101*.

For further guidance on disclosure of *reserves* and of *resources* other than *reserves*, see sections 5.2 and 5.5 of this Companion Policy..

15. **Section 5.4 is amended by removing “;” after “(filing Form 51-101” and replacing it with “, or” and by removing “;” and identifying the report in the news release referred to in section 2.2”.**
16. **Section 5.5 is amended by adding “Other than Reserves” after “Resources” in the title.**
17. **Subsection 5.5(1) is replaced by the following:**
- (1) **Disclosure of Resources Generally** - The disclosure of *resources*, excluding *proved* and *probable reserves*, is not mandatory under *NI 51-101*, except that a *reporting issuer* must make disclosure concerning its unproved *properties* and *resource* activities in its annual filings as described in Part 6 of *Form 51-101F1*. Additional disclosure beyond this is voluntary and must comply with section 5.9 of *NI 51-101* if *anticipated results* from the *resources* other than *reserves* are voluntarily disclosed.

For prospectuses, the general securities disclosure obligation of “full, true and plain” disclosure of all *material* facts would require the disclosure of *reserves* or of *resources* other than *reserves* that are *material* to the issuer, even if the disclosure is not mandated by *NI 51-101*. Any such disclosure should be based on supportable analysis.

Disclosure of *resources* other than *reserves* may involve the use of statistical measures that may be unfamiliar to a user. It is the responsibility of the evaluator and the *reporting issuer* to be familiar with these measures and for the *reporting issuer* to be able to explain them to investors. Information on statistical measures may be found in the *COGE Handbook* (section 9 of volume 1 and section 4 of volume 2) and in the extensive technical literature¹ on the subject.

¹ For example, Determination of Oil and Gas Reserves, Monograph No. 1, Chapter 22, Petroleum Society of CIM, Second Edition 2004. (ISBN 0-9697990-2-0) Newendorp, P., & Schuyler, J., 2000, Decision Analysis for Petroleum Exploration, Planning Press, Aurora, Colorado (ISBN 0-9664401-1-0). Rose, P. R., Risk Analysis and Management of Petroleum Exploration Ventures, AAPG Methods in Exploration Series No. 12, AAPG (ISBN 0-89181-062-1).

18. **Subsection 5.5(2) is amended by replacing** “if a *reporting issuer* discloses an aggregate *resource* estimate (or associated value) referred to in subsection 5.9(2) of *NI 51-101*, the issuer must ensure that any aggregation of *properties* occurs within the most specific category of *resource* classification as required by paragraph 5.9(2)(b). A *reporting issuer* cannot aggregate *properties* across different categories of *resources* if a *resource* estimate referenced in subsection 5.9(2) is disclosed.” **with the following:**

the convenience of aggregating *properties* will not justify disclosure of *resources* in a category or subcategory less specific than would otherwise be possible, and required to be disclosed by subsection 5.3(1) of *NI 51-101*.

19. **Paragraph 5.5(3)(a) is amended by**
- (a) **replacing** “In addition, pursuant” **with** “Pursuant”,
 - (b) **deleting** “and paragraph 5.9(2)(b)”, **and**
 - (c) **replacing** “paragraph 5.9(2)(b)” **with** “subsection 5.3(1)”.
20. **Paragraph 5.5(3)(b) is replaced by the following:**

(b) Definitions of Resource Categories

For the purpose of complying with the requirement of defining the *resource* category, the *reporting issuer* must ensure that disclosure of the definition is consistent with the *resource* categories and terminology set out in the *COGE Handbook*, pursuant to section 5.3 of *NI 51-101*. Section 5 of volume 1 of the

COGE Handbook and the NI 51-101 Glossary identify and define the various *resource* categories.

A *reporting issuer* may wish to report *reserves* or *resources* other than *reserves* as “in-place volumes”. By definition, *reserves* of any type, *contingent resources* and *prospective resources* are estimates of volumes that are recoverable or potentially recoverable and, as such, cannot be described as being “in-place”. Terms such as “potential *reserves*”, “undiscovered *reserves*”, “*reserves* in place”, “in-place *reserves*” or similar terms must not be used because they are incorrect and misleading. The disclosure of *reserves* or of *resources* other than *reserves* must be consistent with the terminology and categories set out in the *COGE Handbook*, pursuant to section 5.3 of *NI 51-101*.

In addition to disclosing the most specific category of *resource*, the *reporting issuer* may disclose *total petroleum initially-in-place*, *discovered petroleum initially-in-place* or *undiscovered petroleum initially-in-place* estimates provided that the additional disclosure required by subsection 5.16(3) of *NI 51-101* is included..

21. ***Paragraph 5.5(3)(c) is amended by***

- (a) ***replacing “5.9(2)(c)(v)” with “5.9(2)(d)(v)” wherever it occurs,***
- (b) ***replacing “5.9(2)(c)(iii)” with “5.9(2)(d)(iii)”,***
- (c) ***replacing “5.9(2)(c)” with “5.9(2)(d)”.***

22. ***Part 5 is amended by adding the following section after section 5.9:***

5.9.1 Summation of Resource Categories

An estimate of quantity or an estimate of value constitutes a summation, disclosure of which is prohibited by subsection 5.16(1) of NI 51-101, if that estimate reflects a combination of estimates, known or available to the *reporting issuer*, for two or more of the subcategories enumerated in that provision. There may be circumstances in which a disclosed estimate was arrived at in accordance with the *COGE Handbook* without combining, and without the *reporting issuer* knowing or having access to, estimates in two or more of those enumerated categories. Disclosure of such an estimate would not generally be considered to constitute a summation for purposes of that provision..

23. ***Subsection 5.10(2) is amended by replacing “5.9 and 5.10” with “5.9, 5.10 and 5.16”.***

24. ***Appendix 1 is amended by replacing “supplemental” with “supplementary” wherever it occurs.***

25. ***These amendments become effective on December 30, 2010.***

**Amendments to
National Instrument 41-101 *General Prospectus Requirements***

1. *National Instrument 41-101 General Prospectus Requirements is amended by this Instrument.*
2. *Item 5.5 of Form 41-101F1 Information Required in a Prospectus is replaced with the following:*

5.5(1) If the issuer is engaged in oil and gas activities as defined in NI 51-101 and any of the oil and gas information is material as contemplated under NI 51-101 in respect of the issuer, disclose that information in accordance with Form 51-101F1

- (a) as at the end of, and for, the most recent financial year for which the prospectus includes an audited balance sheet of the issuer,
 - (b) in the absence of a completed financial year referred to in paragraph (a), as at the most recent date for which the prospectus includes an audited balance sheet of the issuer, and for the most recent financial period for which the prospectus includes an audited income statement of the issuer, or
 - (c) if the issuer was not engaged in oil and gas activities at the date set out in paragraphs (a) or (b), as of a date subsequent to the date the issuer first engaged in oil and gas activities as defined in NI 51-101 and prior to the date of the preliminary prospectus.
- (2) Include with the disclosure under subsection (1) a report in the form of Form 51-101F2, on the reserves data included in the disclosure required under subsection (1).
 - (3) Include with the disclosure under subsection (1) a report in the form of Form 51-101F3 that refers to the information disclosed under subsection (1).
 - (4) To the extent not reflected in the information disclosed in response to subsection (1), disclose the information contemplated by Part 6 of NI 51-101 in respect of material changes that occurred after the applicable balance sheet referred to in subsection (1).

INSTRUCTION

Disclosure in a prospectus must be consistent with NI 51-101 if the issuer is engaged in oil and gas activities as defined in NI 51-101.

3. *This Instrument comes into force on December 30, 2010.*