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### 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. *Part 1 is amended by,*
  - a. *in paragraph 1.1(a), striking out "National Instrument 51-102 Continuous Disclosure Obligations" and substituting "NI 51-102",*
  - b. *after paragraph 1.1(a), adding the following paragraphs:*
    - (a.1) "*analogous information*" means information about an area outside the area in which the *reporting issuer* has an interest or intends to acquire an interest, which is referenced by the *reporting issuer* for the purpose, in the opinion of a reasonable person, of drawing a comparison or conclusion to an area in which the *reporting issuer* has an interest or intends to acquire an interest and may include:
      - (i) historic information concerning *reserves*;
      - (ii) estimates of the volume or value of *reserves*;
      - (iii) historic information concerning *resources*;
      - (iv) estimates of the volume or value of *resources*;
      - (v) historic *production* amounts;
      - (vi) *production* estimates; or
      - (vii) information concerning a *field*, well, basin or reservoir;

(a.2) "*anticipated results*" means information that may, in the opinion of a reasonable person, indicate the potential value or quantities of *resources* in respect of the *reporting issuer's resources* or a portion of its *resources* which may include:

- (i) an estimate of volume;
- (ii) an estimate of value;
- (iii) areal extent;
- (iv) anticipated pay thickness;
- (v) flow rates; or
- (vi) hydrocarbon content;

**c. repealing paragraph 1.1(d) and substituting the following:**

(d) "*CICA Accounting Guideline 16*" means Accounting Guideline AcG-16 "Oil and gas accounting - full cost" included in the *CICA Handbook*, as amended from time to time;

**d. repealing paragraph 1.1(g);**

**e. in paragraph 1.1(o), striking out "qualified reserves evaluator or auditor, has the meaning set out in the COGE Handbook" and substituting "person or company, means a relationship between the reporting issuer and that person or company in which there is no circumstance that could, in the opinion of a reasonable person aware of all relevant facts, interfere with that person's or company's exercise of judgment regarding the preparation of information which is used by the reporting issuer",**

**f. after paragraph 1.1(r), adding the following paragraph:**

(r.1) "*NI 51-102*" means National Instrument 51-102 *Continuous Disclosure Obligations*,

**g. in paragraph 1.1(v),**

**i. in clause (C) striking out the "or",**

**ii. in clause (D) striking out the period and substituting a semi-colon,**

**iii. and after clause (D) adding the following clauses:**

- (E) shale oil; or

(F) shale gas;

*h. in subparagraph 1.1(x)(i), adding “, resources” after “reserves data”, wherever it occurs;*

*i. in subparagraph 1.1(y)(i), adding “, resources” after “reserves data”, wherever it occurs;*

*j. after paragraph 1.1(z), adding the following:*

(z.1) “reserves” means *proved, probable or possible reserves*;

*k. repealing paragraph 1.1(aa) and substituting the following:*

(aa) “reserves data” means an estimate of *proved reserves and probable reserves* and related *future net revenue*, estimated using *forecast prices and costs*; and, **and**

*l. in subsection 1.2(2), striking out “shall” and substituting “will”.*

3. **Part 2 is amended by, in section 2.2, striking out “News Release” at the beginning of the section and substituting “Notice”, and striking out “a news release” after “disseminate” and substituting “and file with the securities regulatory authority a notice”,**

4. **Part 4 is amended by,**

*a. in paragraph 4.1(a), striking out “5” and substituting “16”,*

*b. repealing section 4.2 and substituting the following:*

4.2 **Consistency in Dates** - The date or period with respect to which the effects of an event or transaction are recorded in a *reporting issuer's* annual financial statements must be the same as the date or period with respect to which they are first reflected in the *reporting issuer's* annual *reserves data* disclosure under Part 2.

5. **Part 5 is amended by,**

*a. repealing section 5.2 and substituting the following:*

5.2 **Disclosure of Reserves and Other Information** - If a *reporting issuer* makes disclosure of *reserves* or other information of a type that is specified in *Form 51-101F1*, the reporting issuer must ensure that the disclosure satisfies the following requirements:

(a) estimates of *reserves* or *future net revenue* must

(i) disclose the *effective date* of the estimate;

- (ii) have been prepared or audited by a *qualified reserves evaluator or auditor*;
- (iii) have been prepared or audited in accordance with the *COGE Handbook*;
- (iv) have been estimated assuming that development of each *property* in respect of which the estimate is made will occur, without regard to the likely availability to the *reporting issuer* of funding required for that development; and
- (v) in the case of estimates of *possible reserves* or related *future net revenue* disclosed in writing, also include cautionary language proximate to the estimate to the following effect:

“Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is only a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.”;

- (b) for the purpose of determining whether *reserves* should be attributed to a particular undrilled *property*, reasonably estimated future abandonment and reclamation costs related to the *property* must have been taken into account;
- (c) in disclosing aggregate *future net revenue* it must comply with the requirements for the determination of *future net revenue* specified in *Form 51-101F1*; and
- (d) the disclosure must be consistent with the corresponding information, if any, contained in the statement most recently filed by the *reporting issuer* with the *securities regulatory authority* under item 1 of section 2.1, except to the extent that such statement has been supplemented or superseded by a report of a material change<sup>3</sup> filed by the *reporting issuer* with the *securities regulatory authority*.

***b. in Section 5.3, striking out “be consistent with” and substituting “apply” and adding “and must relate to the most specific category of reserves or resources in which the reserves or resources can be classified” after “set out in the COGE Handbook”,***

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<sup>3</sup> “Material change” has the same meaning ascribed to the term under *securities legislation* of the applicable *jurisdiction*.

- c. *in section 5.4, adding “the quantities and” after “marketable quantities, reflecting”,*
- d. *in section 5.6, adding “Market” after “Not Fair”,*
- e. *in paragraph 5.7(2)(c), striking out “news release” and substituting “notice”,*
- f. *repealing section 5.9 and substituting the following:*

## 5.9 Disclosure of *Resources*

- (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* 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) relate to the most specific category of *resources* in which the *resources* can be classified, as set out in the *COGE Handbook*, and must identify what portion of the estimate is attributable to each category; and
  - (c) 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) the estimated percentage probability that the issuer will
    - (A) discover hydrocarbons in sufficient quantity for them to be tested to the surface, in the case of *undiscovered resources* or a subcategory of *undiscovered resources*; or
    - (B) commercially extract the volume disclosed, in the case of *discovered resources* or a subcategory of *discovered resources* other than *reserves*;
  - (v) in respect of *contingent resources*, the specific contingencies which prevent the classification of the *resources* as *reserves*; and
  - (vi) cautionary language 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 economically viable or technically feasible 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 economically viable or technically feasible to produce any portion of the resources.”
- (3) Paragraphs 5.9(1)(d) and (e) and subparagraphs 5.9(2)(c)(iii),(iv) and (v) 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.

***g. repealing section 5.10 and substituting the following:***

**5.10 *Analogous Information***

- (1) Sections 5.2, 5.3 and 5.9 do not apply to the disclosure of *analogous information* provided that the *reporting issuer* discloses the following:
  - (a) the source and date of the *analogous information*;
  - (b) whether the source of the *analogous information* was *independent*;
  - (c) if the *reporting issuer* is unable to confirm that the *analogous information* was prepared by a *qualified reserves evaluator* or *auditor* or in accordance with the *COGE Handbook*, cautionary language to that effect proximate to the disclosure of the *analogous information*; and
  - (d) the relevance of the *analogous information* to the *reporting issuer's oil and gas activities*.
- (2) If a *reporting issuer* discloses information that is an *anticipated result*, an estimate of a quantity of *reserves* or *resources*, or an estimate of value attributable to an estimated quantity of *reserves* or *resources* for an area in which it has an interest or intends to acquire an interest that is based on an extrapolation from *analogous information* sections 5.2, 5.3 and 5.9 will apply to the disclosure of the information., ***and***

***h. in section 5.13,***

- i. adding "must" after "Written disclosure of a netback",***
- ii. repealing paragraph (a), and***
- iii. renumbering paragraphs (b) and (c) as paragraphs (a) and (b), respectively.***

6. *Part 6 is amended by, in subsection 6.1(2),*
  - i. *striking out “shall” and substituting “must discuss the reporting issuer’s reasonable expectation of how the material change has affected its reserves data or other information.”, and*
  - ii. *repealing paragraphs (a) and (b).*
7. *Part 8 is amended by adding the following after section 8.1:*
- 8.2 **Exemption for Certain Exchangeable Security Issuers**
  - (1) An exchangeable security issuer, as defined in subsection 13.3(1) of *NI 51-102*, is exempt from this *Instrument* provided that all of the requirements of subsection 13.3(2) of *NI 51-102* are satisfied;
  - (2) For the purposes of subsection (1), the reference to “continuous disclosure documents” in clause 13.3(2)(d)(ii)(A) of *NI 51-102* includes documents filed in accordance with this *Instrument*.
8. *With the exception of subsection 1.2(2), all provisions containing the word “shall” are amended by striking out “shall” and substituting “must”.*
9. *This amendment comes into force •.*