

ALBERTA SECURITIES COMMISSION

DETERMINATION *Business Corporations Act (Alberta)*

Citation: Re Canadian Natural Resources Limited, 2021 ABASC 124

Date: 20210730

Canadian Natural Resources Limited

Background

1. Canadian Natural Resources Limited (CNRL) has applied to the Alberta Securities Commission (the **Commission**) for a determination under section 3(3) of the *Business Corporations Act* (Alberta) (the **ABCA**) that the proposed distribution of debentures, notes or other evidences of indebtedness (the **Debt Securities**) by CNRL is not part of a distribution to the public under the ABCA.

Interpretation

2. Terms defined in National Instrument 14-101 *Definitions* have the same meaning if used in this determination, unless otherwise defined.

Representations

3. This determination is based on the following representations by CNRL to the Commission:
 - (a) CNRL is a corporation amalgamated under the ABCA and is a reporting issuer in Alberta.
 - (b) CNRL's head office is located in Calgary, Alberta.
 - (c) CNRL is subject to the reporting requirements under the 1934 Act.
 - (d) The common shares of CNRL are listed on the Toronto Stock Exchange and the New York Stock Exchange.
 - (e) CNRL proposes to distribute up to US\$3 billion principal amount of Debt Securities under the multi-jurisdictional disclosure system by filing a base shelf prospectus (the **Prospectus**) with the Commission and a registration statement (the **Registration Statement**) with the SEC in the United States (the **U.S.**).
 - (f) Upon the Commission issuing a final receipt for the Prospectus and upon the SEC declaring the Registration Statement effective, the Debt Securities may be distributed by CNRL as freely tradeable securities in the U.S.
 - (g) CNRL will distribute the Debt Securities only to persons or companies in the U.S. and will not distribute the Debt Securities to persons or companies in Canada.

- (h) CNRL proposes to issue the Debt Securities under a trust indenture dated July 24, 2001 executed between it and The Bank of Nova Scotia Trust Company of New York, as supplemented by a first supplemental indenture dated October 28, 2011 and a second supplemental indenture dated August 30, 2013 (the **Indenture**) providing for the replacement of The Bank of Nova Scotia Trust Company of New York with Wells Fargo Bank, National Association, a national banking association validly existing under the laws of the U.S. (the **Trustee**) as successor Trustee.
- (i) Upon the SEC declaring the Registration Statement effective, the Indenture will be subject to the provisions of the *Trust Indenture Act of 1939 (TIA)* in the U.S.
- (j) In the absence of the requested determination, the Debt Securities would be, or be deemed to be, part of a distribution to the public under section 3(2) of the ABCA and section 83 of the ABCA would apply to the Indenture to require that at least one of the trustees appointed under the Indenture be registered under the *Loan and Trust Corporations Act (Alberta) (the LTCA)*.
- (k) The Trustee will not be registered under the LTCA but will be authorized to act as a trustee under the TIA and will be subject to regulation by the Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation in the U.S.

Decision

- 4. The Commission, being satisfied that granting this determination would not prejudice any security holder of CNRL, determines under section 3(3) of the ABCA that the Debt Securities are not part of a distribution to the public for the purposes of the ABCA.

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