

Headnote

National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* – issuer deemed to be no longer a reporting issuer under securities legislation – issuer’s circumstances meet the modified procedure.

Applicable Legislative Provisions

Securities Act (Alberta), section 153

Citation: Re CNOOC Limited, 2022 ABASC 12

Date: 20220202

In the Matter of
the Securities Legislation of
Alberta and Ontario (the **Jurisdictions**)

and

In the Matter of
the Process for Cease to be a Reporting Issuer Applications

and

In the Matter of
CNOOC Limited (the **Filer**)

Order

Background

The securities regulatory authority or regulator in each of the Jurisdictions (**Decision Maker**) has received an application from the Filer for an order under the securities legislation of the Jurisdictions (the **Legislation**) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the **Order Sought**).

Under the Process for Cease to be a Reporting Issuer Applications (for a dual application):

- (a) the Alberta Securities Commission is the principal regulator for this application, and
- (b) this order is the order of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and Multilateral Instrument 11-102 *Passport System* have the same meaning if used in this order, unless otherwise defined.

Representations

This order is based on the following facts represented by the Filer:

1. The Filer is a corporation governed by the laws of Hong Kong, with its head office located in Hong Kong.
2. The Filer is a reporting issuer in Alberta and Ontario.
3. The Filer became a reporting issuer in Ontario following the listing of the Filer's American Depositary Receipts (**ADRs**) on the Toronto Stock Exchange (the **TSX**) on September 18, 2013 (the **Listing Date**). At the time, the ADRs were listed and posted for trading on the New York Stock Exchange (the **NYSE**).
4. The Filer obtained an order from the Alberta Securities Commission on May 10, 2013 deeming the Filer to be a reporting issuer in Alberta effective as of the Listing Date. Prior to the Listing Date, the Filer was not a reporting issuer in any jurisdiction of Canada.
5. The Filer is not in default of securities legislation in any jurisdiction.
6. As of December 16, 2021, the issued and outstanding securities of the Filer consist of the ADRs, and 44,647,455,984 issued and outstanding ordinary shares (the **Ordinary Shares**), which include those Ordinary Shares represented by the ADRs. Each ADR represents 100 Ordinary Shares. The Filer does not have any debt securities outstanding.
7. The Ordinary Shares of the Filer are listed and traded on The Stock Exchange of Hong Kong Limited (**HKSE**) under the stock code "00883", and the Filer files continuous disclosure materials under Hong Kong securities laws and the listing rules of HKSE.
8. The ADRs were delisted from the New York Stock Exchange (the **NYSE**) as of the close of trading on October 22, 2021 (the **NYSE Delisting**). The ADRs were voluntarily delisted from the TSX on December 31, 2021 (the **TSX Delisting**).
9. The deposit agreement (the **Deposit Agreement**) among the Filer, the JPMorgan Chase Bank, N.A. (the **Depositary**) and the holders of the ADRs provides that after termination of the Deposit Agreement, the ADR holders may deliver their ADRs to the Depositary in exchange for Ordinary Shares or, if not so delivered, the Ordinary Shares associated with their ADRs will be sold by the Depositary and the proceeds held in trust for them.
10. Subsequent to the NYSE Delisting, the Filer filed a Form 15F with the SEC to deregister all classes of its registered securities and terminate its reporting obligations under the 1934 Act (the **Deregistration**).
11. Prior to the Deregistration, the Filer relied on Part 4 of National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers* (**NI 71-102**). Since the Deregistration, the Filer has been relying on Part 5 of NI 71-102.

12. In support of the representations set forth below, the Filer has done the following with respect to the number of beneficial holders of Ordinary Shares and ADRs resident in Canada, and the number of Ordinary Shares and ADRs held by those beneficial owners:
 - (a) undertaken a thorough examination of its share register;
 - (b) reviewed SEC Form 13F filings to search for Canadian resident beneficial holders disclosing ownership positions;
 - (c) made inquiries to TMX Trust Company, the Canadian co-transfer agent for the ADRs, CDS Clearing and Depository Services Inc., the Depository in its capacity as the US transfer agent for the ADRs, Hong Kong Registrars Ltd., the transfer agent for the Ordinary Shares (the **Hong Kong Transfer Agent**) and Central Clearing and Settlement System, the securities settlement system operated by Hong Kong Securities Clearing Company Limited;
 - (d) examined the Hong Kong Transfer Agent's records;
 - (e) examined a shareholder geographic distribution report obtained from Orient Capital, a wholly-owned subsidiary of Link Group, a global share registrar and technology solution provider.
13. The Filer has calculated Canadian resident beneficial securityholdings as of November 3, 2021, and the results were the following: 102,458,613 Ordinary Shares and 30,687 ADRs were beneficially held by 34 securityholders resident in Canada, 17 holding Ordinary Shares and 17 holding ADRs, representing 1.39% of all securityholders worldwide, and 0.24% of the total issued and outstanding Ordinary Shares.
14. Accordingly, residents of Canada do not, directly or indirectly, beneficially own more than 2% of each class or series of outstanding securities of the Filer worldwide, and they do not, directly or indirectly, comprise more than 2% of the total number of securityholders of the Filer worldwide.
15. In the past 12 months, the Filer has not taken any steps that indicate there is a market for its securities in Canada, including conducting a prospectus offering in Canada, establishing or maintaining a listing on an exchange in Canada, or having its securities traded on a marketplace or any other facility in Canada for bringing together buyers and sellers where trading data is publicly reported, other than the listing of the ADRs on the TSX prior to the TSX Delisting.
16. The Filer issued a news release on December 17, 2021 announcing that it applied for an order to cease to be a reporting issuer in all Canadian jurisdictions in which it is a reporting issuer, and that if the order is granted the Filer will no longer be a reporting issuer in any jurisdiction of Canada. The Filer has not received any communications from its securityholders in response to this news release.

17. The Filer has provided a written undertaking to each of the Decision Makers to deliver to its Canadian securityholders all disclosure the Filer would be required to deliver to holders of its Ordinary Shares pursuant to Hong Kong law and the rules of the HKSE (the **Hong Kong Requirements**). The HKSE is one of the world's largest exchanges by market capitalization of listed companies, and in the view of the Filer, the Hong Kong Requirements mandate disclosure that will be adequate for Canadian resident beneficial security holders. The Filer also notes that Hong Kong is recognized as a "designated foreign jurisdiction" in NI 71-102.

Order

Each of the Decision Makers is satisfied that the order meets the test set out in the Legislation for the Decision Maker to make the order.

The decision of the Decision Maker under the Legislation is that the Order Sought is granted.

"original signed by"

Timothy Robson

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Corporate Finance

Alberta Securities Commission