

**ALBERTA SECURITIES COMMISSION  
NOTICE AND REQUEST FOR COMMENTS**

**Proposed National Instrument 51-101  
*Standards of Disclosure for Oil and Gas Activities***

**Proposed Alberta Consequential Amendments**

**January 24, 2003**

This Notice is being published concurrently with the Canadian Securities Administrators (“CSA”) Notice dated January 24, 2003 that discusses and requests comment on proposed National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* and its related forms and companion policy (together, “NI 51-101”) and consequential amendments to certain national and multilateral instruments, forms and policies.

As the CSA Notice explains, in general, NI 51-101 would first apply to a reporting issuer in 2004, when it files or is required to file audited financial statements for the financial year that ends on or includes December 31, 2003. Somewhat earlier application of NI 51-101 could affect issuers that file a prospectus early in 2004.

The consequential amendments proposed in the CSA Notice would phase out the application of National Policy Statement No. 2-B *Guide for Engineers and Geologists Submitting Oil and Gas Reports to Canadian Provincial Securities Administrators* (“NP 2B”), and phase in NI 51-101 disclosure standards for the purposes of the affected national and multilateral instruments, on the same timing as applies for NI 51-101 itself. The CSA Notice indicates that similar consequential amendments may also apply to local policy instruments specific to a jurisdiction.

**Alberta Consequential Amendments**

In addition to the consequential amendments to national and multilateral policy documents discussed in the CSA Notice, the ASC is proposing, and requesting comment on, consequential amendments to the following local Alberta securities legislation:

- Sections 89, 90 and 91 of the ASC Rules
- ASC Form 14 *Information Required in a Prospectus of a Natural Resource Issuer*.

The texts of these proposed consequential amendments are appended to this Notice.

**OSC Long Form Prospectus Rule**

ASC Rule 41-501 *Use of Prospectus Complying with Ontario Securities Commission Requirements* provides that a preliminary or final prospectus, or an amendment to a prospectus, if they satisfy the requirements of Ontario Securities Commission Rule 41-501 *General Prospectus Requirements*, will also satisfy the prospectus requirements of Alberta securities

legislation. The Ontario Securities Commission is proposing to implement consequential amendments to OSC Rule 41-501 and the related form of prospectus (see [www.osc.gov.on.ca](http://www.osc.gov.on.ca)). These consequential amendments are similar to those proposed to be made to ASC Form 14.

### **Request for Comment**

We request comments on the proposed local consequential amendments by **March 31, 2003**.

Please forward comments that relate only to these local consequential amendments in hard copy, by e-mail or on a diskette in word format, to:

Jo-Anne Bund  
Legal Counsel  
Alberta Securities Commission  
400, 300 – 5th Avenue SW  
Calgary, Alberta T2P 3C4  
Fax: (403) 297-6156  
E-mail: [jo-anne.bund@seccom.ab.ca](mailto:jo-anne.bund@seccom.ab.ca)

We cannot keep your comments confidential.

If your comments go beyond these local consequential amendments, please consult the January 24, 2003 CSA Notice for information about how to send those comments.

### **Appendices**

- (i) Appendix A– Proposed Amendment to Alberta Securities Commission Rules (General) *Sections 89, 90 and 91*.
- (ii) Appendix B – Proposed Amendment to Alberta Securities Commission Form 14 *Information Required in a Prospectus of a Natural Resource Issuer*

**APPENDIX A**  
**to**  
**ASC NOTICE**

**PROPOSED AMENDMENT**  
**TO**  
**ALBERTA SECURITIES COMMISSION RULES (GENERAL)**  
***SECTIONS 89, 90 AND 91***

- 1.1 Rules Cease to Apply** - The following is added after section 91 of the Alberta Securities Commission Rules (General):
- 91.1 Sections 89, 90 and 91 do not apply to an issuer on or after the earliest date on which the issuer files, or is required to file or to disclose in a filed document, the statement referred to in Item 1 of section 2.1 of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*.
- 1.2 Rules Repealed** – Sections 89, 90, 91 and 91.1 of the Alberta Securities Commission Rules are repealed, with effect on June 30, 2005.
- 1.3 Coming Into Force** - Sections 1.1 and 1.2 come into force on September 30, 2003.

**APPENDIX B**  
**to**  
**ASC NOTICE**

**PROPOSED AMENDMENT**  
**TO**  
**ALBERTA SECURITIES COMMISSION FORM 14**  
***INFORMATION REQUIRED IN A PROSPECTUS OF A***  
***NATURAL RESOURCE ISSUER***

**PART 1      AMENDMENT**

**1.1      Amendment** – Alberta Securities Commission Form 14 *Information Required in a Prospectus of a Natural Resource Issuer* is amended by:

- (a)      adding to the initial instructions the following:
  - (8)      *Disclosure in a prospectus must be consistent with National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities if the issuer is engaged in oil and gas activities (as defined in National Instrument 51-101) and:*
    - (a)      *has filed or is required to have filed (or has included or is required to have included in another filed document) audited annual financial statements for a financial year that ends on or after December 31, 2003;*
    - (b)      *has, prior to the date on which it is required to have filed audited financial statements for a financial year that ends on or after December 31, 2003, filed or is required to have filed (or has included or is required to have included in another filed document) the statement referred to in Item 1 of section 2.1 of National Instrument 51-101;*
    - (c)      *is filing a preliminary prospectus or prospectus:*
      - (i)      *that includes or is required to include audited financial statements for a financial year ended on or after December 31, 2003;*
      - (ii)      *after March 30, 2004 for an initial public offering of securities, and the prospectus includes financial statements for a financial year or interim period that ends on or after December 31, 2003; or*
      - (iii)      *after December 31, 2003 and during the issuer's first financial year, and the prospectus includes*

*financial statements for an interim period that ends on or after December 31, 2003; or*

- (d) *indicates in the prospectus that information disclosed therein is presented in accordance with National Instrument 51-101.*
- (b) adding after "oil or gas issuer," in the preamble to subclause (3) of Item 9, the following:
  - unless subclause (4) applies,
- (c) adding the following after subclause (3) of Item 9:
  - (4) This subclause applies if the issuer is engaged in oil and gas activities (as defined in National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*) and:
    - (a) has filed or is required to have filed (or has included or is required to have included in another filed document) audited annual financial statements for a financial year that ends on or after December 31, 2003;
    - (b) has, prior to the date on which it is required to file audited financial statements for a financial year that ends on or after December 31, 2003, filed (or included in another filed document) the statement referred to in Item 1 of section 2.1 of National Instrument 51-101;
    - (c) is filing the prospectus:
      - (i) including audited financial statements for a financial year ended on or after December 31, 2003;
      - (ii) after March 30, 2004 for an initial public offering of securities, and the prospectus includes financial statements for a financial year or interim period that ends on or after December 31, 2003; or
      - (iii) after December 31, 2003 and during the issuer's first financial year, and the prospectus includes financial statements for an interim period that ends on or after December 31, 2003; or
    - (d) indicates in the prospectus that information disclosed therein is presented in accordance with National Instrument 51-101.

**1. Reserves Data and Other Information**

- (a) Disclose the information prescribed by Form 51-101F1 *Statement of Reserves Data and Other Oil and Gas Information*:
  - (i) as at the end of, and for, the most recent financial year for which the prospectus includes an audited balance sheet of the issuer; or
  - (ii) in the absence of a completed financial year referred to in clause (i), as at the most recent date for which the prospectus includes an audited balance sheet of the issuer, and for the greatest portion of the financial year that includes the date of that balance sheet and for which the prospectus includes an audited income statement of the issuer.
- (b) To the extent not reflected in the information disclosed in response to paragraph (a), disclose the information contemplated by Part 6 of National Instrument 51-101, in respect of material changes that occurred after the applicable balance sheet date referred to in paragraph (a).

**2. Report of Qualified Reserves Evaluator or Auditor -**

Include with the information disclosed under section 1 the report of one or more qualified reserves evaluators or qualified reserves auditors, referred to in Item 2 of section 2.1 of National Instrument 51-101, on the reserves data included in the disclosure provided under paragraph 1(a).

**3. Report of Management and Directors -**

Include with the information disclosed under section 1 the report of management and directors, referred to in Item 3 of section 2.1 of National Instrument 51-101 relating to that information.

*INSTRUCTION*

*The issuer may require the written consent of a qualified reserves evaluator or qualified reserves auditor to disclose information in this Form, pursuant to section 5.7 of National Instrument 51-101.*

**PART 2      EFFECTIVE DATE**

**2.1      Effective Date** – This amendment comes into force on September 30, 2003.