

ALBERTA SECURITIES COMMISSION

STAFF NOTICE 44-701

Oil and Gas Reserves Disclosure in NI 44-101 AIFs

This Notice sets out views of Commission staff concerning disclosure, in annual information forms ("AIFs") filed under National Instrument 44-101 *Short Form Prospectus Distributions* ("NI 44-101"), of estimates of cash flows attributable to oil and gas reserves.

Form 44-101F1 *AIF* prescribes, at subsection 4.4(5) of Item 4, AIF disclosure relating to oil and gas reserves that is more extensive than was specified in subsection 1(j) of Item 3 of Appendix A (the "NP 47 Requirement") to former National Policy Statement No. 47 *Prompt Offering Qualification System* ("NP 47") and more extensive than the corresponding disclosure that has historically been provided in AIFs filed under NP 47 by many senior oil and gas issuers. In particular, in applying the NP 47 Requirement, a number of senior oil and gas issuers have in the past, in their AIFs, disclosed reserves volumes but not cash flows attributable to such reserves.

As announced by the Commission on January 24, 2001 in connection with the recommendations of its oil and gas Taskforce, the Commission will be working with the other members of the Canadian Securities Administrators (the "CSA") to review and develop updated oil and gas disclosure and reporting requirements.

In light of that pending review, and until further notice to the contrary, Commission staff advise that they and their counterparts in other CSA jurisdictions will consider an issuer to have satisfied the requirements of subsection 4.4(5) of Item 4 of Form 44-101F1 *AIF* if, in a renewal AIF filed under NI 44-101, the issuer provides disclosure relating to oil and gas reserves that is consistent in scope with the oil and gas reserves and reserves-related disclosure contained in an AIF previously filed by the issuer and accepted under NP 47, provided that:

- the prior AIF was a "current AIF" of the issuer when NI 44-101 came into force on December 31, 2000; and
- the reserves and reserves-related disclosure contained in that prior AIF complied with the NP 47 Requirement.

Accordingly, if an issuer's prior AIF that satisfies the above conditions did not contain disclosure of cash flow estimates attributable to oil and gas reserves, such disclosure would not be required in a renewal AIF filed by the issuer under NI 44-101.

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