

Proposed Changes to Companion Policy 51-101CP

The following are proposed changes to Companion Policy 51-101CP to National Instrument 51-101 *Standards of Disclosure For Oil and Gas Activities*

1. Proposed changes to section 2.4

2.4 Annual Information Form or Annual Report

Section 2.3 of NI 51-101 permits *reporting issuers* to satisfy the requirements of section 2.1 of NI 51-101 by presenting the information required under section 2.1 in an *annual information form* or, for venture issuers, in an annual report.

- (1) **Meaning of "Annual Information Form"** - *Annual information form* has the same meaning as "AIF" in National Instrument 51-102 *Continuous Disclosure Obligations*. Therefore, as set out in that definition, an *annual information form* can be a completed Form 51-102F2 *Annual Information Form* or, in the case of an SEC issuer (as defined in NI 51-102), a completed Form 51-102F2 or an annual report or transition report under the *1934 Act* on Form 10-K, Form 10-KSB or Form 20-F.
- (2) **~~Option to Set Out Information in Annual Information Form or Annual Report~~** - Form 51-102F2 *Annual Information Form* ~~requires~~ and Form 51-103F1 *Annual and Mid-Year Reports* require the information required by section 2.1 of NI 51-101 to be included in the *annual information form* or annual report, as applicable. That information may be included either by setting out the text of the information in the *annual information form* or by incorporating it, by reference from separately filed documents. Venture issuers are not permitted to incorporate this information by reference so must include it in the annual report. The option offered by section 2.3 of NI 51-101 enables a *reporting issuer* to satisfy its obligations under section 2.1 of NI 51-101, as well as its obligations in respect of *annual information form* or annual report disclosure, as applicable, by setting out the information required under section 2.1 only once, in the ~~annual information form~~ or annual report. If the annual information form or annual report is on Form 10-K, this can be accomplished by including the information in a supplement (often referred to as a "wrapper") to the Form 10-K.

A *reporting issuer* that ~~elects to set~~ sets out in full in its *annual information form* or annual report, as applicable, the information required by section 2.1 of NI 51-101 need not also file that information again for the purpose of section 2.1 in one or more separate documents. However, a *reporting issuer* that ~~elects to follow~~ follows this approach must file, at the same time and on SEDAR, in the appropriate SEDAR category, a notice in accordance with Form 51-101F4 (see subsection 2.3(2) of NI 51-101). This notification will assist other SEDAR users in finding that information. It is not necessary to make a duplicate filing of the

annual information form or annual report, as applicable, itself under the SEDAR NI 51-101 oil and gas disclosure category.

2. Proposed changes to subsection 5.10(1)

5.10 Prospectus Disclosure

In addition to the general disclosure requirements in *NI 51-101* which apply to prospectuses, the following commentary provides additional guidance on topics of frequent enquiry.

- (1) **Significant Acquisitions or Major Acquisitions** - To the extent that an issuer engaged in *oil and gas activities* discloses a significant acquisition or major acquisition in its prospectus, it must disclose sufficient information for a reader to determine how the acquisition affected the *reserves data* and other information previously disclosed in the issuer's *Form 51-101F1*. This requirement stems from Part 6 of *NI 51-101* with respect to material changes. This is in addition to specific prospectus requirements for financial information satisfying significant acquisitions or major acquisitions.