Amendments to
Companion Policy 51-101CP Standards of Disclosure for Oil and Gas Activities

1. Companion Policy 51-101CP Standards of Disclosure for Oil and Gas Activities is amended by this Instrument.

2. Subsection 1.1(3) is amended by adding “that” after “person would consider” and before “such interest”.

3. Subsection 1.1(4) is amended by adding “other than reserves” after “resources” wherever it occurs.

4. Paragraphs 1.1(5)(a) and (b) are amended by replacing “August 1, 2007” with “October 12, 2010” wherever it occurs.

5. Section 1.2 is replaced by the following:

1.2 COGE Handbook

Pursuant to section 1.2 of NI 51-101, definitions and interpretations in the COGE Handbook apply for the purposes of NI 51-101 if they are not defined in NI 51-101, NI 14-101 or the securities statute in the jurisdiction (except to the extent of any conflict or inconsistency with NI 51-101, NI 14-101 or the securities statute).

Section 1.1 of NI 51-101 and the NI 51-101 Glossary set out definitions and interpretations, many of which are derived from the COGE Handbook. Reserves and resources definitions and categories are incorporated in the COGE Handbook and are also set out, in part, in the NI 51-101 Glossary.

Subparagraph 5.2(a)(iii) of NI 51-101 requires that all estimates of reserves or future net revenue have been prepared or audited in accordance with the COGE Handbook. Under sections 5.2, 5.3 and 5.9 of NI 51-101, all types of public oil and gas disclosure, including disclosure of reserves and of resources other than reserves must be prepared in accordance with the COGE Handbook.

6. Section 1.4 is amended by striking out “This concept of materiality is consistent with the concept of materiality applied in connection with financial reporting pursuant to the CICA Handbook.”.

7. Section 2.3 is amended by replacing “The report of management and directors in Form 51-101F3 may be combined with management’s report on financial statements, if any, in respect of the same financial year.” with the following:
A reporting issuer may supplement the annual disclosure required under NI 51-101 with additional information corresponding to that prescribed in Form 51-101F1, Form 51-101F2 and Form 51-101F3, but as at dates, or for periods, subsequent to those for which annual disclosure is required. However, to avoid confusion, such supplementary disclosure should be clearly identified as being interim disclosure and distinguished from the annual disclosure (for example, if appropriate, by reference to a particular interim period). Supplementary interim disclosure does not satisfy the annual disclosure requirements of section 2.1 of NI 51-101.

8. **Subsection 2.4(2) is amended by replacing** “A reporting issuer that elects to follow this approach should file its annual information form in accordance with usual requirements of securities legislation, and at the same time file on SEDAR, in the category for NI 51-101 oil and gas disclosure, a notification that the information required under section 2.1 of NI 51-101 is included in the reporting issuer’s filed annual information form. More specifically, the notification should be filed under SEDAR Filing Type: “Oil and Gas Annual Disclosure (NI 51-101)” and Filing Subtype/Document Type: “Oil and Gas Annual Disclosure Filing (Forms 51-101F1, F2 & F3)” . Alternatively, the notification could be a copy of the news release mandated by section 2.2 of NI 51-101. If this is the case, the news release should be filed under SEDAR Filing Type: “Oil and Gas Annual Disclosure (NI 51-101)” and Filing Subtype/Document Type: “News Release (section 2.2 of NI 51-101)” .” **with the following:**

However, a reporting issuer that elects to follow 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).

9. **Section 2.5 is amended by replacing** “That Has” with “With” in the title.

10. **Section 2.7 is amended by**

(a) **replacing subsection (4) with the following:**

(4) **Supplementary Disclosure of Future Net Revenue Using Constant Prices and Costs** – Form 51-101F1 gives reporting issuers the option of disclosing future net revenue, together with associated estimates of reserves or resources other than reserves, determined using constant prices and costs. Constant prices and costs are assumed not to change throughout the life of a property, except to the extent of certain fixed or presently determinable future prices or costs to which the reporting issuer is legally bound by a contractual or other obligation to supply a physical product (including those for an extension period of a contract that is likely to be extended),

(b) **repealing subsection (5),**
(c) *in subsection (7), striking out* “Like a “subsequent event” note in a financial statement, the issuer should discuss this type of information even if it pertains to a period subsequent to the *effective date.*”, and

(d) *replacing the second paragraph in subsection (8) with the following:*

The disclosure prescribed in *Form 51-101F1* is the minimum disclosure required, subject to the *materiality* standard. *Reporting issuers* may provide additional disclosure that is not inconsistent with *NI 51-101* and not misleading.

11. **Subsection 2.8(2) is amended by**

(a) *replacing* “*Form 51-101F2* (and *Form 51-101F3*) contains a statement that variations between *reserves data* and actual results may be material but that any variations should be consistent with the fact that *reserves* are categorized according to the probability of their recovery.” *with* “*The report prescribed by Form 51-101F2* contains statements to the effect that variations between *reserves data* and actual results may be material but *reserves* have been determined in accordance with the *COGE Handbook*, consistently applied.”, and

(b) *replacing* “*Any variations arising due to technical factors should be consistent*” *with* “*Any variations arising due to technical factors must be consistent*”.

12. **Part 2 is amended by adding the following sections after section 2.8:**

2.9 **Chief Executive Officer**

Paragraph 2.1(3)(e) of *NI 51-101* requires a *reporting issuer* to file a report in accordance with *Form 51-101F3* that is executed by the chief executive officer. The term “chief executive officer” should be read to include the individual who has the responsibilities normally associated with this position or the person who acts in a similar capacity. This determination should be made irrespective of an individual’s corporate title and whether that individual is employed directly or acts pursuant to an agreement or understanding.

2.10 **Reporting Issuer Not a Corporation**

If a *reporting issuer* is not a corporation, a report in accordance with *Form 51-101F3* must be executed by the persons who, in relation to the *reporting issuer*, are in a similar position or perform similar functions to the persons required to execute under paragraph 2.1(3)(e) of *NI 51-101*.

13. **Subsection 5.2(5) is amended by adding the following after the second paragraph:**

Disclosure of an estimate of *reserves, contingent resources or prospective resources* in respect of which timely availability of funding for development is not assured may be misleading if that disclosure is not accompanied, proximate to it, by a discussion (or a cross-reference to such a discussion in other disclosure
filed by the *reporting issuer on SEDAR*) of funding uncertainties and their anticipated effect on the timing or completion of such development (or on any particular stage of multi-stage development such as often observed in oilsands developments).

14. **Section 5.3 is replaced by the following:**

5.3 **Classification of Reserves and of Resources Other than Reserves**

Section 5.3 of *NI 51-101* requires that any disclosure of *reserves* or of *resources* other than *reserves* must apply the applicable categories and terminology set out in the *COGE Handbook*. The definitions of various *resource* categories, derived from the *COGE Handbook*, are provided in the NI 51-101 Glossary. In addition, section 5.3 of *NI 51-101* requires that disclosure of *reserves* or of *resources* other than *reserves* must relate to the most specific category of *reserves* or of *resources* other than *reserves* in which the *reserves* or *resources* other than *reserves* can be classified. For instance, there are several subcategories of *discovered resources* including *reserves*, *contingent resources* and *discovered unrecoverable resources*.

*Reserves* can be characterized as *proved, probable or possible reserves*, according to the probability that such quantities will actually be produced. As described in the *COGE Handbook*, *proved, probable and possible reserves* represent conservative, realistic and optimistic estimates of *reserves*, respectively. Therefore, any disclosure of *reserves* must indicate whether they are *proved, probable or possible reserves*.

*Reporting issuers* that disclose *resources* other than *reserves* must identify those *resources* as *discovered or undiscovered resources* except in exceptional circumstances where the most specific category is *total petroleum initially-in-place, discovered petroleum initially-in-place* or *undiscovered petroleum initially-in-place*, in which case the reporting issuer must comply with subsection 5.16(3) of *NI 51-101*.

For further guidance on disclosure of *reserves* and of *resources* other than *reserves*, see sections 5.2 and 5.5 of this Companion Policy.

15. **Section 5.4 is amended by removing “;” after “(filing Form 51-101” and replacing it with “, or” and by removing “; and identifying the report in the news release referred to in section 2.2”.

16. **Section 5.5 is amended by adding “Other than Reserves” after “Resources” in the title.**

17. **Subsection 5.5(1) is replaced by the following:**

(1) **Disclosure of Resources Generally** - The disclosure of *resources*, excluding *proved and probable reserves*, is not mandatory under *NI 51-101*, except that a *reporting issuer* must make disclosure concerning its unproved properties and *resource* activities in its annual filings as described in Part 6 of *Form 51-101F1*. 

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Additional disclosure beyond this is voluntary and must comply with section 5.9 of NI 51-101 if anticipated results from the resources other than reserves are voluntarily disclosed.

For prospectuses, the general securities disclosure obligation of “full, true and plain” disclosure of all material facts would require the disclosure of reserves or of resources other than reserves that are material to the issuer, even if the disclosure is not mandated by NI 51-101. Any such disclosure should be based on supportable analysis.

Disclosure of resources other than reserves may involve the use of statistical measures that may be unfamiliar to a user. It is the responsibility of the evaluator and the reporting issuer to be familiar with these measures and for the reporting issuer to be able to explain them to investors. Information on statistical measures may be found in the COGE Handbook (section 9 of volume 1 and section 4 of volume 2) and in the extensive technical literature\(^1\) on the subject.

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18. **Subsection 5.5(2) is amended by replacing** “if a reporting issuer discloses an aggregate resource estimate (or associated value) referred to in subsection 5.9(2) of NI 51-101, the issuer must ensure that any aggregation of properties occurs within the most specific category of resource classification as required by paragraph 5.9(2)(b). A reporting issuer cannot aggregate properties across different categories of resources if a resource estimate referenced in subsection 5.9(2) is disclosed.” **with the following:**

the convenience of aggregating properties will not justify disclosure of resources in a category or subcategory less specific than would otherwise be possible, and required to be disclosed by subsection 5.3(1) of NI 51-101.

19. **Paragraph 5.5(3)(a) is amended by**

(a) replacing “In addition, pursuant” with “Pursuant”,

(b) deleting “and paragraph 5.9(2)(b)

(c) replacing “paragraph 5.9(2)(b)” with “subsection 5.3(1)”.

20. **Paragraph 5.5(3)(b) is replaced by the following:**
(b) Definitions of Resource Categories

For the purpose of complying with the requirement of defining the resource category, the reporting issuer must ensure that disclosure of the definition is consistent with the resource categories and terminology set out in the COGE Handbook, pursuant to section 5.3 of NI 51-101. Section 5 of volume 1 of the COGE Handbook and the NI 51-101 Glossary identify and define the various resource categories.

A reporting issuer may wish to report reserves or resources other than reserves as “in-place volumes”. By definition, reserves of any type, contingent resources and prospective resources are estimates of volumes that are recoverable or potentially recoverable and, as such, cannot be described as being “in-place”. Terms such as “potential reserves”, “undiscovered reserves”, “reserves in place”, “in-place reserves” or similar terms must not be used because they are incorrect and misleading. The disclosure of reserves or of resources other than reserves must be consistent with the terminology and categories set out in the COGE Handbook, pursuant to section 5.3 of NI 51-101.

In addition to disclosing the most specific category of resource, the reporting issuer may disclose total petroleum initially-in-place, discovered petroleum initially-in-place or undiscovered petroleum initially-in-place estimates provided that the additional disclosure required by subsection 5.16(3) of NI 51-101 is included.

21. Paragraph 5.5(3)(c) is amended by

(a) replacing “5.9(2)(c)(v)” with “5.9(2)(d)(v)” wherever it occurs,

(b) replacing “5.9(2)(c)(iii)” with “5.9(2)(d)(iii)”,

(c) replacing “5.9(2)(c)” with “5.9(2)(d)”.

22. Part 5 is amended by adding the following section after section 5.9:

5.9.1 Summation of Resource Categories

An estimate of quantity or an estimate of value constitutes a summation, disclosure of which is prohibited by subsection 5.16(1) of NI 51-101, if that estimate reflects a combination of estimates, known or available to the reporting issuer, for two or more of the subcategories enumerated in that provision. There may be circumstances in which a disclosed estimate was arrived at in accordance with the COGE Handbook without combining, and without the reporting issuer knowing or having access to, estimates in two or more of those enumerated categories. Disclosure of such an estimate would not generally be considered to constitute a summation for purposes of that provision.
23. **Subsection 5.10(2) is amended by replacing** “5.9 and 5.10” **with** “5.9, 5.10 and 5.16”.

24. **Appendix 1 is amended by replacing** “supplemental” **with** “supplementary” **wherever it occurs.**

25. **These amendments become effective on December 30, 2010.**