

**FOR IMMEDIATE RELEASE****Canada's Securities Regulators Publish Revised Oil and Gas Disclosure Standards**

January 24, 2003--Calgary, AB--The Canadian Securities Administrators (CSA) have released a revised proposal for oil and gas disclosure standards.

The disclosure standards are set out in proposed National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*. They incorporate reserves evaluation standards and terminology set out in the new industry-developed *Canadian Oil and Gas Evaluation Handbook*.

The proposal has been developed for the CSA by the Alberta Securities Commission. It is based on recommendations issued in January 2001 by the ASC Oil and Gas Taskforce and addresses many of the comments received on an earlier version of the proposal released one year ago.

The proposal reflects the CSA's emphasis on continuous disclosure of important company information to investors and capital markets. Public oil and gas companies would engage independent reserves evaluators or auditors to report on their oil and gas reserves and related future net revenue estimates. A summary of that report, and other information concerning oil and gas reserves, properties and activities would be publicly filed each year.

"Investors demand, and deserve, timely information that applies clear standards. The oil and gas industry, which understands the importance of sustaining market confidence, has played a huge role in this process", commented ASC Chair Stephen Sibold. "We've been very encouraged by the interest shown in this project and are pleased to be moving forward with it."

The proposal can be found on several securities commission websites. The CSA seek public comment on the proposal by March 31, 2003. CSA staff plan to have the new standards in place this year. Companies with fiscal years ending on or after December 31, 2003 would report using the new disclosure standards in 2004.

The CSA is the umbrella organization representing the 13 provincial and territorial securities commissions.

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## BACKGROUND

### Proposed CSA National Instrument 51-101:

#### *Annual public filings*

- ? old system of disclosure triggered by prospectus filings replaced by annual reporting cycle
- ? independent reserves evaluations required (scope for in-house reporting by senior producers)
- ? filing of:
  - o summary of reserves estimates and other oil and gas information
  - o independent evaluators' report
  - o management and directors' report

#### *Other public disclosure*

- ? clear standards designed to achieve reliability and consistency in all public disclosure, including:
  - o consistency with annual filings
  - o adherence to evaluations standards and reserves terminology
  - o framework for disclosure concerning "prospects"

#### *Materiality standard*

- ? focus on information that would be material to a "reasonable investor's" investment decision

#### *Directors*

- ? important role for company directors in ensuring disclosure quality
- ? encouragement of majority-independent "reserves committees" (similar to audit committees)

#### *Changes from January 2002 version*

- ? substantially consistent with the original proposal
- ? mandatory application of certain US reporting standards removed
- ? scope for inter-listed companies to substitute certain US standards, to avoid confusing dual reporting, provided that filings include clear explanations

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