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New TSX Listings Category – Oil & Gas Development Stage Companies

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On July 29, 2011 the Toronto Stock Exchange ("TSX") adopted, and the Ontario Securities Commission approved, the amendments to Part III, Part V and Part VI of the TSX Company Manual previously published in a request for comments on February 4, 2011.

The amendments included a new subcategory of minimum listing requirements for oil and gas development stage companies. This category will facilitate the listing of companies that have significant contingent resources but no proved developed reserves which were a requirement under the former TSX standards. This category will be suitable for issuers with unconventional oil and gas assets, such as oil sands.

To be eligible to list in this subcategory, an issuer must have contingent resources of \$500 million, a minimum market value of the issued securities that are to be listed of at least \$200 million and a clearly defined development plan, satisfactory to the TSX, which can reasonably be expected to advance the property. The value of the resources should be calculated as the best case scenario of the net present value of future cash flows before income taxes, prepared on a forecast basis, and discounted at a rate of 10%. These issuers must also have adequate funds to either execute the development plan and cover all other capital expenditures for a period of 18 months, or to bring the property into commercial production and carry on the business. A management-prepared 18-month projection (by quarter) of sources and uses of funds detailing all planned and required expenditures signed by the Chief Financial Officer must be submitted.

An issuer applying in this category must submit a technical report prepared by an independent technical consultant that conforms to National Instrument 51-101, or an equivalent in another reporting system, and that is acceptable to the TSX. The TSX may, at its discretion, also require the provision of a price sensitivity analysis.

The TSX strongly recommends that issuers applying under this new category first consult with the TSX.

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