

# LISTING REQUIREMENTS FOR OIL AND GAS (EXPLORATION OR PRODUCING) COMPANIES



## TSX

	TSX NON-EXEMPT OIL AND GAS DEVELOPMENT STAGE ISSUERS <sup>7</sup>	TSX NON-EXEMPT OIL AND GAS PRODUCING ISSUERS	TSX EXEMPT OIL AND GAS ISSUERS <sup>4</sup>
<b>Net Tangible Assets or Earnings</b>	No requirements.		Pre-tax profitability from ongoing operations in last fiscal year. Pre-tax cash flow from ongoing operations of \$700,000 in last fiscal year and average pre-tax cash flow from ongoing operations of \$500,000 for the past two fiscal years.
<b>Working Capital and Financial Resources</b>	Adequate funds to either:  (a) execute the development plan and cover all other capital expenditures & G&A <sup>1</sup> and debt service expenses, for 18 months with a contingency allowance;  OR  (b) bring the property into commercial production, and adequate working capital to fund all budgeted capital expenditures and carry on the business.  Applicable to both (a) and (b)  18 month projection of sources and uses of funds signed by CFO; <sup>6</sup> appropriate capital structure.	Adequate funds to execute the program and cover all other capital expenditures and G&A <sup>1</sup> and debt service expenses for 18 months with a contingency allowance; 18 month projection of sources and uses of funds signed by CFO; appropriate capital structure.	Adequate working capital to carry on the business. Appropriate capital structure.
<b>Distribution, Market Capitalization and Public Float</b>	At least 1,000,000 freely tradable shares with an aggregate market value of \$4,000,000; minimum 300 public holders, each with one board lot or more.  Minimum market value of the issued securities that are to be listed of at least \$200,000,000.	At least 1,000,000 freely tradable shares with an aggregate market value of \$4,000,000; minimum 300 public holders, each with one board lot or more.	
<b>Sponsorship</b>	Sponsor report may be required (generally not required for IPOs or TSXV Graduates).		Not required.
<b>Property Requirements</b>	Contingent resources <sup>7</sup> of \$500,000,000. <sup>8</sup>	\$3,000,000 proved developed reserves. <sup>2,5</sup>	\$7,500,000 proved developed reserves. <sup>2,5</sup>
<b>Recommended Work Program</b>	Clearly defined development plan, satisfactory to TSX, which can reasonably be expected to advance the property.	Clearly defined program to increase reserves.	
<b>Management and Board of Directors</b>	Management, including the board of directors, should have adequate experience and technical expertise relevant to the company's oil and gas projects as well as adequate public company experience. Companies are required to have at least two independent directors, a Chief Executive Officer (CEO), a Chief Financial Officer who is not also the CEO, and a Corporate Secretary.		
<b>Other Criteria</b>	Up-to-date technical report prepared by an independent technical consultant (NI 51-101 <sup>3</sup> ).		

	TSXV TIER 1	TSXV TIER 2
<b>Net Tangible Assets, Earnings or Revenue</b>	No requirements.	
<b>Working Capital and Financial Resources</b>	Adequate working capital and financial resources to carry out stated work program or execute business plan for 18 months following listing; \$200,000 unallocated funds.	Adequate working capital and financial resources to carry out stated work program or execute business plan for 12 months following listing; \$100,000 unallocated funds.
<b>Distribution, Market Capitalization and Public Float</b>	Public float of 1,000,000 shares; 250 public shareholders each holding a board lot and having no resale restrictions on their shares; 20% of issued and outstanding shares in the hands of public shareholders.	Public float of 500,000 shares; 200 public shareholders each holding a board lot and having no resale restrictions on their shares; 20% of issued and outstanding shares in the hands of public shareholders.
<b>Sponsorship</b>	Sponsor report may be required.	
<b>Property Requirements</b>	<p><b>Exploration</b> – \$3,000,000 in reserves of which a minimum of \$1,000,000 must be proved developed reserves<sup>2</sup> and the balance probable reserves.</p> <p><b>Producing</b> – \$2,000,000 in proved developed reserves.<sup>2</sup></p>	<p><b>Exploration</b> – either (i) Issuer has an unproven property with prospects or (ii) Issuer has joint venture interest and \$5,000,000 raised by Prospectus offering.</p> <p><b>Reserves</b> – either (i) \$500,000 in proved developed producing reserves or (ii) \$750,000 in proved plus probable reserves.</p>
<b>Recommended Work Program</b>	<p><b>Exploration</b> – satisfactory work program (i) of no less than \$500,000 and (ii) which can reasonably be expected to increase reserves, as recommended in a geological report.</p> <p><b>Producing</b> – No requirement.</p>	<p><b>Exploration</b> – minimum of \$1,500,000 allocated by issuer to a work program as recommended in a geological report except where Issuer has a joint venture interest and has raised \$5,000,000 in Prospectus offering.</p> <p><b>Reserves</b> – (i) satisfactory work program and (ii) in an amount no less than \$300,000 if proved developed producing reserves have a value of less than \$500,000 as recommended in a geological report.</p>
<b>Management and Board of Directors</b>	Management, including board of directors, should have adequate experience and technical expertise relevant to the company's business and industry as well as adequate public company experience in Canada or a similar jurisdiction. Companies are required to have at least two independent directors, a Chief Executive Officer (CEO), a Chief Financial Officer who is not also the CEO, and a Corporate Secretary.	
<b>Other Criteria</b>	A geological report recommending completion of work program.	

① "G&A" means general and administrative expenses.

② "Proved developed reserves" are defined as those reserves that are expected to be recovered from existing wells and installed facilities, or, if facilities have not been installed, that would involve low expenditure, when compared to the cost of drilling a well, to put the reserves on production.

③ "NI 51-101" means National Instrument 51-101 – Standards of Disclosure for Oil & Gas Activities – available at: <http://www.osc.gov.on.ca/>

④ Exceptional circumstances may justify the granting of Exempt status notwithstanding the minimum requirements – generally an affiliation with an established business and/or exceptionally strong financial position is required.

⑤ Reserve value of pre-tax net present value of future cash flows using a 10% discount rate: forecast pricing assumptions are used.

⑥ This projection must also include actual financial results for the most recently completed quarter.

⑦ "Contingent resources" are defined in accordance with Canadian Oil and Gas Evaluation Handbook and NI 51-101; however, TSX in its discretion may exclude certain resources classified as contingent resources after taking into consideration the nature of the contingency. TSX will use the best-case estimate for contingent resources, prepared in accordance with NI 51-101.

⑧ The Company must submit a technical report prepared by an independent technical consultant that conforms to National Instrument 51-101 and be acceptable to TSX. Reports prepared in conformity with other reporting systems deemed by TSX to be the equivalent of NI 51-101 will normally be acceptable also. The value of the resources should be calculated as the best-case estimate of the net present value of future cash flows before income taxes, prepared on a forecast basis, and discounted at a rate of 10%. TSX may, at its discretion, also require the provision of a price sensitivity analysis.

⑨ TSX strongly recommends pre-consultation with TSX for any applicant applying under this listing category. Generally, this category will be limited to issuers with unconventional oil and gas assets, such as oil sands.