

ALBERTA SECURITIES COMMISSION

DETERMINATION ORDER *Business Corporations Act (Alberta)*

Citation: Re Canadian Natural Resources Limited, 2017 ABASC 127

Date: 20170726

Canadian Natural Resources Limited

Background

1. Canadian Natural Resources Limited (CNRL) has applied to the Alberta Securities Commission (the **Commission**) for a determination under subsection 3(3) of the *Business Corporations Act*, (Alberta) (the **ABCA**) that the proposed distribution of debentures, notes or other evidences of indebtedness (the **Debt Securities**) by CNRL is not part of a distribution to the public under the ABCA.

Interpretation

2. Terms defined in National Instrument 14-101 *Definitions* have the same meaning if used in this decision, unless otherwise defined.

Representations

3. This determination is based on the following representations by CNRL to the Commission:
 - (a) CNRL is a corporation amalgamated under the ABCA and is a reporting issuer in Alberta.
 - (b) CNRL's head office is located in Calgary, Alberta.
 - (c) CNRL is subject to the reporting requirements under the United States *Securities Exchange Act of 1934*.
 - (d) The common shares of CNRL are listed on the Toronto Stock Exchange and the New York Stock Exchange.
 - (e) CNRL proposes to distribute up to US \$3 billion principal amount of Debt Securities under the multi-jurisdictional disclosure system by filing a base shelf prospectus (the **Prospectus**) with the Commission and a registration statement (the **Registration Statement**) with the Securities and Exchange Commission (the **SEC**) in the United States (the **US**).
 - (f) Upon a final receipt being issued for the Prospectus by the Commission and upon the Registration Statement being declared effective by the SEC, the Debt Securities may be distributed by CNRL as freely tradeable securities in the US.

- (g) CNRL will distribute the Debt Securities only to persons or companies in the US but will not distribute the Debt Securities to persons or companies in Canada.
- (h) CNRL proposes to issue the Debt Securities under a trust indenture dated July 24, 2001 (the **Original Indenture**) executed between it and The Bank of Nova Scotia Trust Company of New York, as supplemented by a first supplemental indenture dated October 28, 2011 and a second supplemental indenture dated August 30, 2013, (the Original Indenture, as amended by the first supplemental indenture and the second supplemental indenture, the **Indenture**) providing for the replacement of The Bank of Nova Scotia Trust Company of New York with Wells Fargo Bank, National Association, a national banking association validly existing under the laws of the United States (the **Trustee**) as successor Trustee.
- (i) Upon the Registration Statement being declared by the SEC to be effective, the Indenture will be subject to the provisions of the *Trust Indenture Act of 1939* (**TIA**) in the US.
- (j) In the absence of the requested determination, the Debt Securities would be, or be deemed to be, part of a distribution to the public under subsection 3(2) of the ABCA and section 83 of the ABCA would apply to the Indenture to require that at least one of the trustees appointed under the Indenture be registered under the *Loan and Trust Corporations Act* (Alberta) (the **LTCA**).
- (k) The Trustee will not be registered under the LTCA but will be authorized to act as a trustee under the TIA and will be subject to regulation by the Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation in the US.

Decision

The Commission, being satisfied that granting this determination would not prejudice any security holder of CNRL, determines under subsection 3(3) of the ABCA that the Debt Securities are not part of a distribution to the public for the purposes of the ABCA.

Cheryl McGillivray
Manager, Corporate Finance
Alberta Securities Commission