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July 19, 2011

Headnote

Multilateral Instrument 11-102 *Passport System* and National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* – National Instrument 51-102, s. 13.1 *Continuous Disclosure Obligations* - National Instrument 52-109, s.8.6 *Certification of Disclosure in Issuer's Annual and Interim Filings* - National Instrument 52-110, Part 8.1 *Audit Committees* - National Instrument 58-101 *Disclosure of Corporate Governance Practices* -an issuer seeks relief from the requirement in s. 1.1 definition of “venture issuer”, that a reporting issuer not have any of its securities listed or quoted on a marketplace outside of Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc – a venture issuer with common shares listed on the TSXV wants to list or has listed, on a foreign exchange that does not meet the requirements of the definition of a venture issuer - the foreign exchange is a junior market that has less rigorous requirements than the TSXV - to remain a venture issuer, the issuer must continue to have its common shares listed on the TSXV and the foreign exchange must remain a junior market.

Applicable British Columbia Provisions

National Instrument 51-102, s. 13.1 *Continuous Disclosure Obligations*

National Instrument 52-109, s.8.6 *Certification of Disclosure in Issuer's Annual and Interim Filings*

National Instrument 52-110, Part 8.1 *Audit Committees*

National Instrument 58-101 *Disclosure of Corporate Governance Practices*

In the Matter of
the Securities Legislation of
British Columbia and Ontario
(the Jurisdictions)

and

In the Matter of
the Process for Exemptive Relief in Multiple Jurisdictions

and

In the Matter of
ShaMaran Petroleum Corp.
(the Filer)

Decision

Background

- ¶1 The securities regulatory authority or regulator in each of the Jurisdictions (the Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) for relief from the requirement in the definition of “venture issuer” in section 1.1 of each of National Instrument 51-102 *Continuous Disclosure Obligations*, National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings*, National Instrument 52-110 *Audit Committees and National Instrument 58-101 Disclosure of Corporate Governance Practices*, that a reporting issuer not, at the relevant time, have any of its securities listed or quoted on any of the Toronto Stock Exchange, a U.S. marketplace or a marketplace outside of Canada or the United States other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operating by PLUS Markets Group plc (the Exemption Sought);

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual application):

- (a) the British Columbia Securities Commission is the principal regulator for this application;
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 - *Passport System* (MI 11-102) is intended to be relied upon in Alberta, and
- (c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

- ¶2 Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

- ¶3 This decision is based on the following facts represented by the Filer:
- 1. the Filer is incorporated under the *Business Corporations Act* (British Columbia) and its head office is located in Vancouver, British Columbia;
 - 2. the Filer is an international oil and gas exploration company based in Canada with assets in Iraq;
 - 3. the Filer is a reporting issuer in British Columbia, Alberta and Ontario and the Filer is not in default of securities legislation in any jurisdiction;

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4. the Filer is authorized to issue an unlimited number of common shares without par value; as of July 14, 2011, the Filer has 680, 483, 860 common shares issued and outstanding;
5. the common shares of the Filer are listed on the TSX Venture Exchange (the TSX-V);
6. effective June 1, 2011 the Filer obtained a listing on the NASDAQ OMX First North, the junior board of NASDAQ OMX Nordic List;
7. the NASDAQ OMX First North is a junior market; it is not registered as a national securities exchange under section 6(a) of the *Securities Exchange Act of 1934*;
8. the NASDAQ OMX First North is junior to the TSX-V in terms of its requirements, as the minimum listing requirements, the listing maintenance requirements, and the continuous disclosure requirements are much less strenuous for the NASDAQ OMX First North as compared to the TSX-V;
9. the NASDAQ OMX First North requires that the Filer's annual reports be prepared in accordance with applicable laws or other regulations, and in accordance with generally accepted accounting principles, required by the Filer's home jurisdiction; and
10. the information the Filer provided about the NASDAQ OMX First North and its status as a junior market for the purposes of review by capital markets staff of the principal regulator is accurate as at the date of this decision.

Decision

¶4 Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted provided that:

- (a) the NASDAQ OMX First North is not restructured in a manner that makes it unreasonable to conclude that it is still a junior market;
- (b) the representations in sections 7 through 10 above continue to be true;
- (c) the Filer continues to have its common shares listed on the TSX-V; and

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- (d) the Filer does not have any of its securities listed or quoted on any of the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside of Canada and the United States of America other than the NASDAQ OMX First North, the Alternative Investment Market of the London Stock Exchange or the PLUS markets operating by PLUS Markets Group plc.

Martin Eady, CA
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British Columbia Securities Commission