



International Accounting Standards Board
30 Cannon Street
London
EC4M 6XH

January 23, 2009

Re: Exposure Draft Additional Exemptions for First Time Adopters – Proposed Amendments to IFRS 1

We are pleased to provide comments on the International Accounting Standards Board's (IASB) Exposure Draft - *Additional Exemptions for First-time Adopters Proposed Amendments to IFRS 1*. (the "Exposure Draft").

As a general statement, we believe that without the exemption offered by the exposure draft, the conversion to IFRS for conventional Canadian oil and gas entities would result in a costly, inefficient process of trying to recreate historic records with little or no economic benefit. We believe that the Exposure Draft offers a pragmatic solution to those oil and gas entities which are most affected by the conversion to IFRS.

Question 1—Deemed cost for oil and gas assets

Do you agree with the proposed deemed cost option for entities using full cost accounting under previous GAAP? Why or why not? If not, what alternative do you propose and why?

Yes for the reasons stated above.

Question 2—Oil and gas assets—disclosure

Do you agree with the proposed disclosure requirements relating to the deemed cost option for oil and gas assets? Why or why not?

We agree with the proposed disclosure requirements.

Question 3—Deemed cost for operations subject to rate regulation

Do you agree with the proposed deemed cost option for entities with operations subject to rate regulation? Why or why not? If not, what alternative do you propose and why?

No Comment

Question 4—Leases

Do you agree with the proposal not to require the reassessment of whether an arrangement contains a lease in the circumstances described in this exposure draft? Why or why not?

We agree with the proposal that a first-time adopter need not reassess the determination of whether an arrangement contains a lease where the first time adopter has already completed this using local standards such as Canadian GAAP, which is already converged with those requirements found in *IFRIC 4-Determining whether an Arrangement contains a Lease*.

We support this proposal on from both a cost and benefit standpoint as it is only a question of different dates in which the determination is made between IFRIC 4 and Canadian GAAP.

However there is one point that does require additional clarification. Under Canadian GAAP *EIC 150-Determining Whether an Arrangement Contains a Lease*, Canadian companies only need apply the standard to those arrangements that are acquired (via business combination), committed to, or modified in periods commencing after December 9th, 2004. How will this impact IFRS first time adopters if, under previous GAAP, they were not required to determine if an arrangement prior to December 9th, 2004 contains a lease. Will IFRS 1 allow for a similar application as allowed under Canadian GAAP?

Question 5—Assessments under previous GAAP before the date of transition to IFRSs

Do you agree that the situation referred to in Question 4 is the only one in which additional relief of this type is needed? If not, in what other situations is relief necessary and why?

No comment.

“Signed”
Scott Greenshields, CA
Acting Controller