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Scm

December 2, 2008

International Accounting Standards Board
30 Cannon Street
London, United Kingdom EC4M 6XH

Dear Sirs:

Re: Comment on Exposure Draft for IFRS 1 Amendment

This letter is in support of the September 25, 2008 Exposure Draft titled "Additional Exemptions for First-Time Adopters". We also note our general support for the adoption of international accounting standards in Canada. Attached are our comments to the questions posed in the Exposure Draft.

Eagle Rock Exploration Ltd. is a publicly traded energy company involved in the exploration and development of low to medium risk oil and gas properties in Western Canada. We are a small company with total assets at September 30, 2008 of \$41 million and current production of 650 bbls/day. There are approximately 400 small and emerging companies like Eagle Rock Exploration in Canada with active exploration and development programs. Most are focused on the Western Canadian Sedimentary Basin but many are also active internationally.

Virtually all of Canada's independent oil and gas exploration and production companies use the full cost method of accounting for their fixed asset accounts. Submissions from our industry associations explained how this accounting method works and how we have achieved consistency under Canadian generally accepted accounting principles through Accounting Guideline 16.

Conversion to IFRS, as currently published, would be very costly for the Canadian oil and gas industry and would not result in reliable results as the necessary detailed information would not be available for many companies. Eagle Rock Exploration has been in operations only 3 years and therefore it could conceptually make the conversion. However it would be costly, require many assumptions and estimates and would have no benefits. Our management, investors, bankers, other creditors and securities regulators already have access to reliable financial statements and independently prepared reserve reports.

Our company strongly endorses the exemption for full cost oil and gas companies as specifically outlined in the September 25, 2008 IASB Exposure Draft titled "Additional Exemptions for First-time Adopters – Proposed amendments to IFRS 1". We commend the IASB for its efforts to accommodate the concerns of our industry.

Yours truly,



Steven J Glover FCA
Vice President Finance and Chief Financial Officer

Attachment

Q1 – Deemed cost for oil and gas assets

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

Yes

Conversion would be very costly. We would be required to recreate detailed historic records as at the transition date for capital costs, depletion, depreciation and impairment. It would be impossible to determine what judgments we might have made in those past years as we now have the benefit of hindsight as to prices, production and technology. The necessary data would be very difficult and costly to assemble and in the end would not likely be verifiable by our auditors.

Further there would be no value to the exercise to management, investors or creditors.

Q2 – 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?

Yes.

Readers of the transition financial statements should be aware of the use of the option and the related details.

Q3 – 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?

Q4 – 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?

Q5 – 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 on Q3, Q4 or Q5