

CAN:

Taxation Year Ending:

**This schedule is required if the balance at the end of the preceding taxation year or the claim for Alberta purposes differs from that for federal purposes.**

Report all monetary values in dollars; DO NOT include cents. Show negative amounts in brackets ( ).

<b>AREA A - CONTINUITY OF EARNED DEPLETION BASE</b>		
	Regular Expenses (\$)	Successor Expenses (\$)
Balance at end of preceding taxation year	▪ 001	▪ 011
Add: transferred on amalgamation or wind-up of subsidiary *	▪ 003	▪ 013
Add: transferred other than on amalgamation or wind-up of subsidiary *		▪ 015
Deduct: transferred on sale of resource property to successor	▪ 005	▪ 017
Amount Available **		
Deduct: Claim for the year per federal Regulation 1202(2)		▪ 019
Deduct: Claim for the year per federal Regulation 1201	▪ 007	
Closing balance	▪ 009	▪ 021

\* Earned depletion base transferred on amalgamation or wind-up to which federal subsections 87(1.2) and 88(1.5) are applicable should be entered in the regular expenses column if the expenses were regular expenses in the hands of the amalgamating company or the subsidiary being wound up.

\*\* If the amount is negative, enter "0" at lines 007 and 009 and/or lines 019 and 021.

<b>AREA B - CONTINUITY OF MINING EXPLORATION DEPLETION BASE</b>		
Balance at end of preceding taxation year	▪ 023	
Add: transferred on amalgamation or wind-up of subsidiary	▪ 025	
Add: transferred other than on amalgamation or wind-up of subsidiary	▪ 027	
Deduct: transferred on disposal of resource property to successor	▪ 029	
Amount Available *		
Deduct: claim for the year per federal Regulation 1203(1)	▪ 031	
Closing balance	▪ 033	

**Total lines 007 + 019 + 031 and carry this amount forward to Schedule 12, line 022.**

\* If the amount is negative, enter "0" at lines 031 and 033.

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<b>AREA C - CUMULATIVE CANADIAN EXPLORATION EXPENSES</b>		
	Regular Expenses (\$)	Successor Expenses (\$)
Balance at end of preceding taxation year	▪ 041	▪ 064
Add: current year expenses excluding expenses incurred under look-back rule	▪ 043	
Add: current year expenses under look-back rule [federal subsection 66(12.66)]	▪ 044	
Add: reclassified Canadian development expenses [federal subsections 66.1(9) and 66.7(9)]	▪ 045	▪ 065
Add: transferred on amalgamation or wind-up of subsidiary *	▪ 047	▪ 067
Add: transferred other than on amalgamation or wind-up of subsidiary *		▪ 069
Add: Canadian renewable and conservation expenses	▪ 049	
Add: other additions	▪ 051	
Deduct: government assistance and grants	▪ 053	
Deduct: other deductions or transfers	▪ 055	▪ 077
Deduct: transferred on disposition of resource property to successor	▪ 059	▪ 079
Deduct: current and previous year Canadian exploration expenses renounced in the year pursuant to a flow-through share agreement	▪ 058	
Deduct: expenses renounced under look-back rule [federal subsection 66(12.66)]	▪ 060	
Amount Available **		
Deduct: current year claim per federal subsections 66.1(2) and 66.7(3)***	▪ 061	▪ 081
Closing balance	▪ 063	▪ 083

**Total lines 061 + 081 and carry this amount forward to Schedule 12, line 026.**

\* Canadian exploration expenses transferred on amalgamation or wind-up to which federal subsections 87(1.2) and 88(1.5) are applicable should be entered in the regular expenses column if the expenses were regular expenses in the hands of the amalgamating company or the subsidiary being wound up.

\*\* If the amount in the regular expenses column is negative, include it in income in the "Other" area on line 040 on Schedule 12 and enter "0" at lines 061 and 063 above. If the amount in the successor expenses column is negative, include it in income in the "Other" area at line 040 on Schedule 12 and enter "0" at lines 081 and 083 above.

\*\*\* The maximum deduction is the amount available in the regular expenses column plus the lesser of the amount available in the successor expenses column and the amount determined pursuant to federal paragraph 66.7(3)(b), which in most cases will be the income attributable to the disposition of successored properties and the production income from successored properties.

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<b>AREA D - CUMULATIVE CANADIAN DEVELOPMENT EXPENSES</b>		
	Regular Expenses (\$)	Successor Expenses (\$)
Balance at end of preceding taxation year	▪ 091	▪ 119
Add: current year expenses excluding expenses incurred under look-back rule	▪ 093	
Add: current year expenses under look-back rule [federal subsection 66(12.66)]	▪ 094	
Add: transferred on amalgamation or wind-up of subsidiary *	▪ 095	▪ 121
Add: transferred other than on amalgamation or wind-up of subsidiary *		▪ 123
Add: other additions	▪ 097	
Deduct: reclassified Canadian exploration expenses [federal subsections 66.1(9) and 66.7(9)]	▪ 099	▪ 127
Deduct: government assistance and grants	▪ 101	
Deduct: receivable on disposition of underground oil and gas storage rights or mining property	▪ 103	
Deduct: credit balance in the cumulative Canadian oil and gas property expense pool	▪ 105	▪ 133
Deduct: other deductions or transfers	▪ 107	▪ 135
Deduct: transferred on disposition of resource property to successor	▪ 111	▪ 137
Deduct: current and previous year Canadian development expenses renounced in the year pursuant to a flow-through share agreement	▪ 110	
Deduct: expenses renounced under look-back rule [federal subsection 66(12.66)]	▪ 112	
Amount Available **		
Deduct: current year claim per federal subsection 66.2(2)***	▪ 115	▪ 141
Closing balance	▪ 117	▪ 143

**Total lines 115 + 141 and carry this amount forward to Schedule 12, line 028.**

- \* Canadian development expenses transferred on amalgamation or wind-up to which federal subsections 87(1.2) and 88(1.5) are applicable should be entered in the regular expenses column if the expenses were regular expenses in the hands of the amalgamating company or the subsidiary being wound up.
- \*\* (i) When the amount available in the successor expenses column is negative and there is no designation pursuant to federal subparagraph 66.7(4)(a)(iii), enter the amount at line 107. However, if a designation pursuant to federal subparagraph 66.7(4)(a)(iii) has been made, enter the negative amount available from the successor expenses column at line 167 in Area E "Cumulative Canadian Oil and Gas Property Expenses". If this results in a negative amount in the regular expenses column of Area E, enter the amount at line 105 above. In both instances, enter "0" at lines 141 and 143 above.  
(ii) If the amount in the regular expenses column is negative, include it in income in the "Other" area at line 040 on Schedule 12 and enter "0" at lines 115 and 117 above.
- \*\*\* The maximum deduction is 30% of the amount available in the regular expenses column plus the lesser of 30% of the amount available in the successor expenses column and the amount determined pursuant to federal paragraph 66.7(4)(b). In most cases, this will be the income attributed to the production income from successored properties. For a fiscal period of less than 51 weeks, the amount that can be claimed as a deduction is prorated based on the proportion that the number of days in the taxation year is of 365.

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<b>AREA E - CUMULATIVE CANADIAN OIL AND GAS PROPERTY EXPENSES (CCOGPE)</b>		
	Regular Expenses (\$)	Successor Expenses (\$)
Balance at the end of preceding taxation year	151	173
Add: current year expenses	153	
Add: transferred on amalgamation or wind-up of subsidiary *	155	175
Add: transferred other than on amalgamation or wind-up of subsidiary *		177
Add: other additions	157	
Deduct: received or receivable on disposition of Canadian oil and gas property	159	181
Deduct: government assistance and grants	161	
Deduct: transferred on disposition of resource property to successor	165	185
Deduct: other deductions or transfers	167	187
Amount Available **		
Deduct: current year claim per federal subsections 66.4(2) and 66.7(5) ***	169	189
Closing balance	171	191

**Total lines 169 + 189 and carry this amount forward to Schedule 12, line 032.**

- \* Canadian oil and gas property expenses transferred on amalgamation or wind-up to which federal subsections 87(1.2) and 88(1.5) are applicable should be entered in the regular expenses column if the expenses were regular expenses in the hands of the amalgamating company or the subsidiary being wound up.
- \*\* (i) When the amount available in the successor expenses column is negative and there is no designation pursuant to subparagraph 66.7(4)(a)(iii), enter the amount at line 167 and enter "0" at lines 189 and 191. If this results in the amount available in the regular expenses column becoming negative, enter the negative amount at line 133 in Area D "Cumulative Canadian Development Expenses" and enter "0" at lines 169 and 171 above. If the amount available in the successor expenses column of Area D becomes negative, enter the amount at line 107 in Area D. When a designation pursuant to subparagraph 66.7(4)(a)(iii) has been made, enter the negative amount available from the successor expenses column at line 133 in Area D "Cumulative Canadian Development Expenses" and enter "0" at lines 189 and 191 above. If the amount available in the successor expenses column in Area D becomes negative, enter the negative amount at line 167 above. If this results in a negative amount in the regular expenses column of Area E above, enter the amount at line 105 in Area D.
- (ii) When the amount available in the regular expenses column is negative due to other than (i) above, enter the amount at line 105, Area D "Cumulative Canadian Development Expenses" and enter "0" at lines 169 and 171.
- \*\*\* The maximum deduction is 10% of the amount available in the regular expenses column plus the lesser of 10% of the amount available in the successor expenses column and the amount determined pursuant to federal paragraph 66.7(5)(b). In most cases, this will be the income attributable to the production income from successored properties. For a fiscal period of less than 51 weeks, the amount that can be claimed as a deduction is prorated based on the proportion that the number of days in the taxation year is of 365.

<b>AREA F - FOREIGN EXPLORATION AND DEVELOPMENT EXPENSES</b>		
Foreign exploration and development expenses are those that are not in respect of a country. If they are in respect of a country, complete AREA G or H		
	Regular Expenses (\$)	Successor Expenses (\$)
Balance at end of preceding taxation year	201	213
Add: transferred on amalgamation or wind-up of subsidiary	205	215
Add: transferred other than on amalgamation or wind-up of subsidiary *		217
Deduct: other deductions or transfers	207	219
Amount Available **		
Deduct: current year claim per federal subsections 66(4) and 66.7(2) ***	209	221
Closing balance	211	223

- \* Foreign exploration and development expenses transferred on amalgamation or wind-up to which federal subsections 87(1.2) and 88(1.5) apply should be entered in the regular expenses column if the expenses were regular expenses in the hands of the amalgamating company or the subsidiary being wound up.
- \*\* If the amount is negative, include it in income in the "Other" area at line 040 on Schedule 12 and enter "0" at lines 209 and 211 and/or lines 221 and 223.
- \*\*\* The maximum deduction for regular expenses is the lesser of: (a) the amount available in the regular expenses column; and (b) the greater of foreign-source resource income and 10% of the amount available in the regular expenses column. For successor expenses, the maximum allowable is the lesser of the amount available and foreign-source resource income attributable to successored properties. Foreign-source resource income includes income from oil and gas wells or mines outside Canada and proceeds less applicable expenses and reserves on disposition of foreign resource property. For a fiscal period of less than 51 weeks, 10% is prorated based on the proportion that the number of days in the taxation year is of 365.

	Regular Expenses (\$)	Successor Expenses (\$)
Foreign-source resource income	231	233

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**AREA G - SPECIFIED FOREIGN EXPLORATION AND DEVELOPMENT EXPENSES**

Specified foreign exploration and development expenses are those that are in respect of a specific country and have been incurred before 2001. If they are in respect of two or more countries, determine a reasonable allocation to each country and maintain a consistent allocation in the following years.

Regular Expenses				
Country in which regular expenses were incurred ▪ 241	A Balance at the end of the preceding taxation year ▪ 243	B Amount transferred on amalgamation or wind-up of subsidiary* ▪ 247	C Other additions ▪ 249	D Other deductions or transfers ▪ 251
	E Amount available (A+B+C-D)**	F Current year claim per federal subsection 66(4)* ** ▪ 253	G Closing balance (E-F) ▪ 255	H Foreign resource income**** ▪ 257
		I		
Successor Expenses				
Country in which successor expenses were incurred ▪ 261	J Balance at the end of the preceding taxation year ▪ 263	K Amount transferred on amalgamation or wind-up of subsidiary ▪ 265	L Amount transferred other than on amalgamation or wind-up of subsidiary ▪ 267	M Other deductions or transfers ▪ 269
	N Amount available (J+K+L-M)* * 	O Current year claim per federal subsection 66.7(2)* ** ▪ 273	P Closing balance (N-O) ▪ 275	Q Foreign resource income ▪ 277
		R		

\* Foreign exploration and development expenses transferred on amalgamation or wind-up to which federal subsections 87(1.2) and 88(1.5) apply should be entered in column C if the expenses were regular expenses in the hands of the amalgamating company or the subsidiary being wound up.

\*\* If an amount in column E is negative, include it as income in the "Other" area at line 040 on Schedule 12, and enter "0" at the respective lines 253 and 255 above. If an amount in column N is negative, include it as income in the "Other" area at line 040 on Schedule 12, and enter "0" at the respective lines 273 and 275 above.

\*\*\* (i) The maximum deduction for regular expenses is the lesser of:  
a) the total of all amounts available in column E; and  
b) the greater of the total of all amounts in column H and 10% of the total of all amounts available in column E (for a fiscal period of less than 51 weeks, 10% is prorated based on the number of days in the taxation year divided by 365).  
The deduction claimed must be allocated to a particular country according to federal subsection 66(4.2)

(ii) The maximum deduction for successor expenses is the lesser of:  
a) the total of all amounts available in column N; and  
b) the total of all amounts in column Q attributable to successored properties [foreign resource income is calculated in accordance with federal paragraph 66.7(2)(b)].  
The deduction claimed must be allocated to a particular country according to federal subsection 66.7(2.2).

\*\*\*\* The amount in column H is the excess of foreign resource income over the amount claimed under federal subsection 66.7(2).

