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April 3, 2007

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Nova Scotia Securities Commission
New Brunswick Securities Commission

Patricia Leeson, Co-Chair of the CSA's Prospectus Systems Committee
Alberta Securities Commission
4th Floor, 300- 5th Ave S.W.
Calgary, Alberta T2P 3C4

**Re: Notice and Request for Comment dated December 21, 2006 (the
"Notice") on Proposed National Instrument 41-101 General Prospectus
Requirements and Companion Policy 41-101 CP General Prospectus
Requirement**

Petro-Canada is providing the following comments pursuant to the Canadian Securities Administrators (the "CSA") request dated December 21, 2006 relating to Proposed National Instrument 41-101 (the "**Proposed Rule**") and Companion Policy 41-101 CP (the "**Proposed Companion Policy**").

Petro-Canada is one of Canada's largest oil and gas companies. It has operations in both the upstream and the downstream sectors of the industry in Canada and internationally. Petro-Canada's shares are listed on the Toronto Stock Exchange in Canada (PCA) and the New York Stock Exchange in the United States (PCZ).

Petro-Canada is continually active in the Canadian oil and gas acquisition and divestiture market. In 2006 and 2007, we actively marketed a number of our non-core properties to industry.

Petro-Canada has concerns with certain aspects of the Proposed Rule, particularly the proposed amendments to section 4.1(b) of National Instrument 44-101 *Short Form Prospectus Distributions* ("NI 44-101") that require personal information forms from all directors and executive officers contemporaneously with the filing of a preliminary short form prospectus.

We understand the fundamental rationale for the short form prospectus system is to offer qualified issuers an alternative method of seeking financing that, when compared to the long form prospectus process, is less time consuming and less expensive. This allows Canadian issuers the opportunity to more effectively compete in the capital markets with their foreign counterparts where those competitors are active in the Eurobond markets or the U.S markets. The time and expense involved in accessing Canadian markets as opposed to accessing foreign markets originally gave rise to the concern that unless issuers had rapid and cost effective access to Canadian markets, issuers would choose to distribute securities outside of Canada.

We fail to see any added benefit to investors that this proposal would have. Under the current requirements of NI 51-102F2 *Annual Information Form*, directors and executive officers already must disclose bankruptcies, cease trade orders, securities-related violations, settlement agreements and *any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision*. Other information contained in the proposed Personal Information Form requirement is generally already required by the Toronto Stock Exchange at the time of listing of the securities in question.

Further, the process of completing Personal Information Forms, particularly for a large issuer with international operations, can be quite time consuming. Such an issuer's directors and executive officers will constitute a large number of individuals who are geographically dispersed around the world. Requiring qualified issuers to collect Personal Information Forms for all directors and executive officers in order to file such forms concurrently with the filing of the preliminary short form prospectus could lead to the undesirable consequence of defeating the intended purposes of NI 44-101 described above, namely, quick, inexpensive and competitive access to Canadian capital markets.

We view the proposed requirement as unnecessarily impeding the stated objectives of the short form prospectus system, while adding little if any benefit for investors.

In light of the above, we would request that the CSA reconsider the implementation of section 4.1(b) of NI 44-101 for the reasons stated above.

Yours truly,

