

DESIGNATION BY A CORPORATION TO INCREASE ITS CUMULATIVE

- For use by a Corporation to designate:
 - (i) an amount of prescribed Canadian exploration expense incurred in the year and after March 31, 1985 or cumulative Canadian exploration expense, or
 - (ii) an amount of prescribed Canadian development expense incurred in the year and after March 31, 1985 or cumulative Canadian development expense,
 to be added in computing its cumulative offset account,

OR to amend a previous designation.

NOTE: Up to 30% of amounts designated may be deducted from Production Revenue Tax otherwise payable on form PG1, Production Revenue and Taxable Incremental Oil Revenue return.

- The completed, signed original designation and one copy shall be submitted by the corporation:
 - on or before the filing deadline for its T2 return under Section 150,
 - at the Taxation Centre, 875 Heron Road, Ottawa, K1A 1A2, Attention: PGRT Section.
 - SEPARATE FROM ANY TAX RETURN.
- Sections, subsections and paragraphs referred to in this form are sections, subsections and paragraphs of the Income Tax Act.

FOR DEPARTMENTAL USE ONLY

Please indicate (✓) whether this is:

AN ORIGINAL DESIGNATION

AN AMENDED DESIGNATION

NAME OF CORPORATION (PRINT)	CORPORATION ACCOUNT NUMBER
ADDRESS	DISTRICT TAXATION OFFICE
TAXATION YEAR OF THE CORPORATION FOR THE PERIOD 19 TO 19	PGRT ACCOUNT NUMBER
PERSON TO CONTACT FOR ADDITIONAL INFORMATION	Area Code Telephone Number

EXPLORATION EXPENSE

Prescribed Canadian exploration expense for the year A

Cumulative Canadian exploration expense at the end of the year B

Designated Amount - Pursuant to subsection 66(14.1)
- Amount may not exceed the lesser of A and B I

DEVELOPMENT EXPENSE

(Complete either Area 1 or Area 2 immediately below)

Area 1

Deduction Claimed Under par. 66.2(2)

Prescribed Canadian development expense for the year X 30% = C

Cumulative Canadian development expense at end of year X 30%

Deduct: Amount deducted for the year under subsection 66.2(2) = D

Designated Amount – Pursuant to Paragraph 66(14.2)(a)
– Amount may not exceed the lesser of C and D II

OR

Area 2

Deduction Not Claimed Under par. 66.2(2)

Prescribed Canadian development expense for the year X 30% = E

Adjusted cumulative Canadian development expense at end of year
(Computed as if no Canadian Resource Properties were disposed of in the year) X 30% = F

Designated Amount – Pursuant to Paragraph 66(14.2)(b)
– Amount may not exceed the lesser of E and F III

CALCULATION OF P.G.R.T. OFFSET AMOUNT

Amounts designated above

I

II

III

Total of amounts designated pursuant to subsections 66(14.1) and (14.2) to be added in computing the Cumulative Offset Account (see form T2099) IV

PGRT OFFSET – Maximum 30 % of amount calculated on line IV above – to be entered on line 016 on Form PG1 V

FOR DEPARTMENTAL USE ONLY

LATE-FILING PENALTY (if applicable) Please enter: Amount Enclosed \$

- A designation may be late-filed or amended where, in the opinion of the Minister, the circumstances are such that it would be just and equitable to do so. A late-filed or amended designation must be filed in prescribed form and accompanied by payment of the penalty calculated as the lesser of (1) and (2) below:
 - (1) an amount determined by the formula $.0025 \times a \times b = \text{PENALTY}$
Where **a** is: FOR A LATE-FILED DESIGNATION, the amount designated, or
FOR AN AMENDED DESIGNATION, the amount that the amount designated in the designation being amended differs from the amount designated in the amended designation, AND
b is: the number of months or part months included in the period commencing on the day on or before which the designation was required to be filed under subsection 66(14.1) or (14.2) and ending on the day the late-filed or amended designation is filed, AND
 - (2) \$100 X the number of months or part months determined in b above (not exceeding \$8,000).

NOTE: A late-filed or amended designation must be accompanied by a written submission setting out the reasons for filing at this time.

DECLARATION AND CERTIFICATION

IT IS HEREBY CERTIFIED THAT the information given in this designation is true, correct and complete in every respect.

Date

Signature of Authorized Officer

Position or Office