

2007 BCSECCOM 179

April 2, 2007

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Securities Act s. 88 - Cease to be a reporting issuer in BC - Issuer became a reporting issuer by exchanging its securities with a BC reporting issuer or its shareholders as set out in the item (d) of the definition of “reporting issuer” in section 1(1) of the *Securities Act*; its securities are traded only through a market or exchange outside of Canada - Canadian residents own less than 2% of the issuer's securities and represent less than 2% of the issuer’s total number of security holders; the issuer does not intend to do a public offering of its securities to Canadian residents; the issuer will not be a reporting issuer in a Canadian jurisdiction; the issuer is subject to the reporting requirements of securities laws of an acceptable foreign jurisdiction, and all shareholders receive the same disclosure

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, s. 88

In the Matter of
the Securities Legislation of
British Columbia and Alberta
(the Jurisdictions)

and

In the Matter of
the Mutual Reliance Review System for Exemptive Relief Applications

and

In the Matter of
Lundin Petroleum AB
(the Filer)

MRRS Decision Document

Background

- ¶ 1 The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under

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the securities legislation of the Jurisdictions (the Legislation) that the Filer be deemed to cease to be a reporting issuer in the Jurisdictions.

Under the Mutual Reliance Review System for Exemptive Relief Applications:

- (a) the British Columbia Securities Commission is the principal regulator for this application, and
- (b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

- ¶ 2 Defined terms contained in National Instrument 14-101 – Definitions have the same meaning in this decision unless they are defined in this decision.

Representations

- ¶ 3 This decision is based on the following facts represented by the Filer:
- 1. the Filer was incorporated under the laws of Sweden; the Filer's registered and head office is located in Stockholm, Sweden;
 - 2. the Filer is engaged in oil and gas exploration and production with operated and non-operated assets in the Netherlands, Norway, the United Kingdom, France, Russia, Tunisia, Albania, Indonesia, Congo-Brazzaville, Venezuela, Vietnam, Sudan, Ireland and Ethiopia;
 - 3. the Filer has a market capitalization of approximately SEK 22.6 billion (CDN \$3.8 billion);
 - 4. the overwhelming majority of the Filer's shareholders are resident in Europe;
 - 5. the Filer became a reporting issuer in the Jurisdictions as a result of a plan of arrangement (the Arrangement), effective July 31, 2006, between the Filer, Lundin Petroleum Canada Inc., a wholly owned subsidiary of the Filer, (Lundin Subco) and Valkyries Petroleum Corp. (Valkyries);
 - 6. as a result of the Arrangement, the Filer indirectly acquired, through Lundin Subco, all of the issued and outstanding shares of Valkyries from the holders of those shares in exchange for the shares of the Filer on the basis of one share of the Filer for each Valkyries share;

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7. at the time of the Arrangement, Valkyries was a reporting issuer in the Jurisdictions; however, Valkyries voluntarily ceased to be a reporting issuer in B.C. on August 20, 2006 and in Alberta, on August 21, 2006;
8. all members of the Filer's management are based in Geneva, Switzerland and all but two of the Filer's directors reside in Europe; the Filer's head office is located in Stockholm and all of the Filer's operations and assets are located in Europe, Asia, Africa and South America; the Filer has no employees or operations based in Canada;
9. the securities of the Filer are not, and have never been, listed on any Canadian stock exchange and are only listed for trading on the Large Cap List of the Nordic Exchange, Stockholm, Sweden;
10. the Filer does not have any debt or other securities listed in Canada and does not intend to seek any private or public financings of debt or other securities in Canada or to list its securities on any stock exchange or market in Canada;
11. there is no market in Canada for the Filer's shares, nor is such market expected to develop;
12. the Filer is subject to and in compliance with the securities legislation of Sweden and the requirements, policies and rules of the Stockholm Stock Exchange;
13. the Filer's authorized share capital consists of 400,000,000 shares, of which there are currently 314,357,580 shares issued and outstanding;
14. 1,834,509 of the Filer's shares (or approximately 0.58%) are legally held by 343 Canadian residents (which represent 0.69% of the Filer's registered shareholders); 186 shareholders (holding a total of 1,307,817 shares) are resident in British Columbia and 57 shareholders (holding a total of 22,012 shares) are resident in Alberta;
15. residents of Canada:
 - (a) do not beneficially own directly or indirectly more than 2% of the outstanding shares of the Filer; and
 - (b) do not represent in number more than 2% of the total number of owners directly or indirectly of the outstanding shares of the Filer;

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16. other than the Filer's shares referred to in paragraph 14, no securities of the Filer are held by residents of Canada;
17. the Filer is subject to reporting obligations in Sweden; in accordance with those obligations, all shareholders of the Filer, including those resident in Canada, are provided with all continuous disclosure documents that are distributed to the shareholders of the Filer resident outside of Canada, including audited annual financial statements; in addition, information about the Filer and its public filings in Sweden can be electronically accessed by the public on the Filer's website <http://www.lundin-petroleum.com/eng/>;
18. the Filer is not in default in the Jurisdictions, except that the Filer has not filed its financial report for the nine month period ended September 30, 2006, under section 5.4 of National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers* (NI 71-102) or material change reports, under section 5.3 of NI 71-102;
19. the Filer has undertaken to continue to deliver to its security holders in Canada all disclosure materials required by Swedish law to be delivered to security holders resident in Sweden in the manner and at the time required by Swedish securities law and the Stockholm Stock Exchange requirements.

Decision

- ¶ 4 Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met.

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted.

Martin Eady, CA
Director, Corporate Finance
British Columbia Securities Commission