2005 BCSECCOM 127

Headnote
Mutual Reliance Review System for Exemptive Relief Applications - National
Instrument 51-102, s. 13.1 - Continuous Disclosure Obligations - An issuer wants
relief from the requirement that a transition year not exceed 15 months - Issuer
had no operations other than acquisition of another issuer (the acquisition) for its
qualifying transaction under the rules of the TSX Venture exchange; issuer
previously had no operations; information circular was sent to issuer's
shareholders that fully describes the acquisition and contains financial information
about the issuer and the acquired issuer; the issuer will file the audited financial
statements for the transition year by the deadline that would apply if the transition
year were 15 months

Applicable British Columbia Provisions
National Instrument 51-102 *Continuous Disclosure Obligations*, s. 13.1

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

and

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

and

In the Matter of
Dalmac Energy Inc. (the "Filer")

MRRS Decision Document

Background
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 the securities legislation of the Jurisdictions (the "Legislation") for relief
from the requirement that the transition year arising from a notice of change in
year end shall not exceed 15 months.

Under the Mutual Reliance Review System for Exemptive Relief Applications
(the "MRRS"):

    (a) the Alberta Securities Commission is the principal regulator for this
        application; and

    (b) this MRRS decision document evidences the decision of each Decision
        Maker

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

Representations
The decision is based on the following facts represented by the Filer:

1. The Filer was incorporated under the name Dalmac Energy Inc. pursuant to
   the *Business Corporations Act* (Alberta) on July 23, 2003.

2. The Filer's head office is located in Edmonton, Alberta.

3. The authorized capital of the Filer consists of an unlimited number of common
   shares ("Common Shares") without nominal or par value and an unlimited
   number of preferred shares issuable in series. As of the date hereof, 5,535,795
   Common Shares are issued and outstanding. There are no preferred shares
   issued and outstanding.

4. The Filer completed an initial public offering of its Common Shares as a
   capital pool company on December 22, 2003 and commenced trading on the
   TSX Venture Exchange (the "Exchange") on January 8, 2004. On November
   9, 2004, the Filer completed its "qualifying transaction" under the rules of the
   Exchange, being the acquisition of all the outstanding shares of McClelland
   Oil Services Inc., and the Exchange issued its Bulletin respecting the
   completion of the "qualifying transaction" on December 1, 2004.

5. The Filer is a "venture issuer" as defined in National Instrument 51-102,
   Continuous Disclosure Obligations. The Common Shares of the Filer are
   presently listed and posted for trading on the Exchange and trade under the
   symbol "DAL".

6. The Filer, through its wholly-owned subsidiary, McClelland Oil Services Inc.,
   is primarily engaged in the business of providing hot oilier, vacuum pressure
   and tanker truck services and delivery and distribution of methanol/glycol.

7. The current financial year end of McClelland Oil Services Inc., is May 31.

8. The present financial year end of the Filer is December 31.

9. The Filer proposes to changes the financial year ends of both the Filer and McClelland Oil Services Inc. to April 30.

10. The proposed transition year is the 16 month period ending April 30, 2005.

11. As the winter months represent one of the busiest seasons for McClelland Oil Services Inc., the months from December through to March do not represent convenient times to set its financial year end.

12. The change in year end will permit the Filer to conduct its internal financial accounting and engage external auditors at the same time as such practices are being undertaken on behalf of its subsidiary, McClelland Oil Services Inc.

13. The Filer's management believes that it is efficient for the Filer to report on the same basis as its subsidiary to facilitate the preparation of consolidated financial statements.

14. As McClelland Oil Services Inc. was only acquired by the Filer on November 9, 2004, and as shareholders of the Filer were provided with audited financial statements for McClelland Oil Services Inc. for the year ended May 31, 2004 and a pro forma consolidated balance sheet for the Filer as at June 30, 2004, shareholders would derive little if any material benefit from audited financial statements showing the consolidation of the operations of McClelland Oil Services Inc. for the 52 day period ended December 31, 2004.

15. The Filer is not in default of the Legislation in any of the Jurisdictions.

Decision
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 and the Filer shall be permitted to change its financial year end from December 31 to April 30 provided that:

1. The Filer shall prepare and file annual financial statements in respect of its transition year no later than July 29, 2005 and will include the annual financial statements of its old financial year as comparatives to those for its transition year; and

2005 BCSECCOM 127

2. The Filer shall prepare and file, no later than May 30, 2005, interim financial statements for the three months ended March 31, 2005 with comparative financial statements for the three months ended March 31, 2004.

DATED at Calgary, Alberta on this 10th day of February, 2005.

Agnes Lau, CA
Deputy Director, Capital Markets