

2004 BCSECCOM 256

Headnote

Mutual Reliance Review System for Exemptive Relief Application – relief granted from the requirement to include prospectus level disclosure in an information circular on the condition that the circular include information required under NI 44-101 to be included in a short form prospectus

Applicable British Columbia Provisions

Securities Act, R.S.B.C.1996, c. 418, s. 119(2)(b)

Form 54-901F, Item 11

IN THE MATTER OF THE SECURITIES LEGISLATION OF ALBERTA, BRITISH COLUMBIA, SASKATCHEWAN AND QUÉBEC

AND

IN THE MATTER OF THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF OLYMPIA ENERGY INC., PROVIDENT ENERGY TRUST AND 1101130 ALBERTA LTD.

DECISION DOCUMENT

1. WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in each of Alberta, British Columbia, Saskatchewan and Québec (the “Jurisdictions”) have received an application from Olympia Energy Inc. (“Olympia”) for a decision pursuant to the securities legislation of the Jurisdictions (the “Legislation”) that with respect to the requirement contained in the Legislation to describe the substance of an arrangement (the “Arrangement”) among Olympia, Provident Energy Trust (“Provident”), 1101130 Alberta Ltd. and Provident Energy Ltd. (“PEL”), to be considered at the special meeting of Olympia’s Shareholders (the “Olympia Shareholders”) to be held on May 27, 2004 (the “Meeting”), in the information circular to be dated on or about April 28, 2004 (the “Circular”) to be provided by Olympia to Olympia Shareholders in sufficient detail to permit Olympia Shareholders to form a reasoned judgment concerning the Arrangement having reference to a prospectus form for guidance as to what is material (the “Prospectus Form Disclosure”), Olympia be exempt from the requirement that it must include the Prospectus Form Disclosure in the Circular in respect of Olympia and Provident (the “Prospectus Form Disclosure Inclusion Requirements”), provided that the Circular incorporate by reference the information in respect

2004 BCSECCOM 256

of Olympia and Provident required under National Instrument 44-101 - *Short Form Prospectus Distributions* ("NI 44-101") to be included in a short form prospectus of Olympia and Provident, respectively;

2. AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Alberta Securities Commission is the principal regulator for this application;
3. AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 Definitions;
4. AND WHEREAS Olympia has represented to the Decision Makers that:
 - 4.1 Olympia is a corporation incorporated under the *Business Corporations Act* (Alberta) (the "ABCA") and is headquartered in Calgary, Alberta;
 - 4.2 Olympia's business is the acquisition, development, production and marketing of petroleum and natural gas in Western Canada.
 - 4.3 The authorized capital of Olympia consists of an unlimited number of common shares and an unlimited number of preferred shares, issuable in series, of which, as at April 6, 2004, 40,926,660 common shares and 2,177,200 options to purchase common shares of Olympia were issued and outstanding.
 - 4.4 Olympia is, and has been for a period of time in excess of 12 months, a reporting issuer (where such concept exists) under the Legislation of each of the Jurisdictions. To the best of its knowledge, information and belief, Olympia is not in default of the requirements under the Legislation or the regulations made thereunder.
 - 4.5 The common shares of Olympia are listed and posted for trading on The Toronto Stock Exchange (the "TSX") under the trading symbol "OLY".
 - 4.6 Provident is a trust settled under the laws of Alberta and is headquartered in Calgary, Alberta.
 - 4.7 Provident's business is the acquisition of interests in crude oil and natural gas rights and the exploration, development, production, marketing and sale of crude oil and natural gas.
 - 4.8 The authorized capital of Provident consists of an unlimited number of trust units ("Trust Units"), and an unlimited number of special voting

2004 BCSECCOM 256

units of which, as at April 6, 2004, 87,986,674 Trust Units, and two special voting units were issued and outstanding.

- 4.9 Provident is, and has been for a period of time in excess of 12 months, a reporting issuer (where such concept exists) under the Legislation of each of the Jurisdictions. To the best of Olympia's knowledge, information and belief, Provident is not in default of the requirements under the Legislation or the regulations made thereunder.
- 4.10 The Trust Units are listed and posted for trading on the TSX under the trading symbol "TVE.UN".
- 4.11 Explorecoco is a wholly-owned subsidiary of Olympia and is incorporated under the ABCA and headquartered in Calgary, Alberta.
- 4.12 Explorecoco has not carried on any active business to date.
- 4.13 The authorized capital of Explorecoco includes an unlimited number of common shares.
- 4.14 On April 6, 2004, Olympia and Provident jointly announced that they had entered into an Arrangement Agreement whereby Olympia and Provident Energy Ltd. would combine their mature assets in Provident Energy Ltd. and transfer certain of Olympia's growth assets to Explorecoco.
- 4.15 Under the terms of the Arrangement, Olympia has agreed to transfer certain Olympia properties to Explorecoco and then combine the remaining business of Olympia and Provident's subsidiary, PEL. The Arrangement provides that PEL will acquire all of the common shares of Olympia (the "Olympia Shares") and then the two companies will amalgamate. Each Olympia Share will be exchanged, for 0.345 of a Trust Unit of Provident or at the election of the Olympia Shareholder 0.345 of an exchangeable share of PEL (to a maximum of 1,325,000 exchangeable shares). In addition, each Olympia Shareholder will receive 0.10 of one Explorecoco Share for each Olympia Share held. Pursuant to the Arrangement, as a condition precedent to Provident completing the Arrangement all persons holding options to acquire Olympia Shares are to either exercise those options or agree to terminate their rights to exercise any of those options prior to the Arrangement becoming effective.
- 4.16 The Circular to be forwarded to the Olympia Shareholders in connection with the Meeting will be prepared in accordance with the Legislation,

2004 BCSECCOM 256

except with respect to the relief granted therefrom, and will contain disclosure of the Arrangement and the business and affairs of Olympia, Provident and Exploreco.

- 4.17 The Circular will incorporate by reference information in respect of each of Olympia and Provident required under NI 44-101 to be included in a short form prospectus (which information has been filed pursuant to National Instrument 13-101 - System for Electronic Document Analysis and Retrieval) of each of Olympia and Provident, respectively;
- 4.18 The Trust Units to be distributed in connection with the Arrangement are of a type for which Provident is qualified under NI 44-101 to file a prospectus in the form of a short form prospectus; and
- 4.19 The Olympia Shares to be exchanged in connection with the Arrangement are of a type for which Olympia is qualified under NI 44-101 to file a prospectus in the form of a short form prospectus;
- 5. AND WHEREAS pursuant to the System this decision document evidences the decision of each Decision Maker (collectively, the "Decision");
- 6. AND WHEREAS 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;
- 7. THE DECISION of the Decision Makers pursuant to the Legislation is that the Prospectus Form Disclosure Inclusion Requirements shall not apply to Olympia in connection with the disclosure pertaining to Olympia and Provident in the Circular, provided that the Circular incorporates by reference the information in respect of Olympia and Provident required under NI 44-101 to be included in a short form prospectus of Olympia and Provident, respectively.

DATED at Calgary, Alberta on this 5th day of May, 2004.

Mavis Legg, CA
Manager, Securities Analysis