

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions - Securities Act s. 88 Cease to be a reporting issuer in BC - The securities of the issuer are beneficially owned by not more than 50 persons and are not traded through any exchange or market - The issuer falls within the definition of “closely held reporting issuer” contained in BC Instrument 11-502 Voluntary Surrender of Reporting Issuer Status as the securities of the issuer are beneficially owned by not more than 50 persons and are not traded through any exchange or market

Applicable Legislative Provisions

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

September 23, 2013

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

and

In the Matter of
the Process of Exemptive Relief Applications in Multiple Jurisdictions

and

In the Matter of LNG Exploration Ltd.
(the Filer)

Decision

Background

- ¶ 1 The securities regulatory authority or regulator in each of the Jurisdictions (the Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that the Filer is not a reporting issuer in the Jurisdictions (the Exemptive Relief Sought).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a coordinated review application):

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

Interpretation

- ¶ 2 Terms defined in National Instrument 14-101 *Definitions* have the same meaning if used in this decision, unless otherwise defined.

Representations

- ¶ 3 This decision is based on the following facts represented by the Filer:

1. the Filer was formed on August 20, 2013 by way of amalgamation and is a corporation governed by the *Business Corporations Act* (British Columbia) (BCBCA) with its head office located at Suite 250, 1075 West Georgia Street, Vancouver, British Columbia;
2. the Filer is a reporting issuer in each of the Jurisdictions;
3. effective August 20, 2013, LNG Energy Ltd. (LNG), a company incorporated under the laws of British Columbia, acquired all of the issued and outstanding common shares (Common Shares) in the capital of Enterprise Energy Resources Ltd. (Enterprise) by way of a statutory plan of arrangement (the Arrangement) under Division 5 of Part 9 of the BCBCA;
4. under the Arrangement, among other things: (i) LNG acquired all of the Common Shares in exchange for common shares of LNG on the basis of five LNG shares for each whole Enterprise share (the Exchange Ratio); (ii) all of the outstanding options of Enterprise became vested and will be exercisable into LNG common shares, subject to adjustment in number and exercise price based on the Exchange Ratio; and (iii) Enterprise and LNG Exploration Ltd. (a wholly owned subsidiary of LNG) amalgamated under the name LNG Exploration Ltd., forming the Filer;
5. as a result of the Arrangement, the Filer became a wholly owned subsidiary of LNG;
6. LNG is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, and New Brunswick;
7. the Filer's share capital consists entirely of common shares, which are solely held by LNG; there are no other securities of the Filer that are held by persons other than LNG other than share purchase options;
8. there are currently outstanding 2,815,000 options of the Filer (the Options) which are held by 15 holders; under the Arrangement, the Options are exercisable for common shares of LNG, subject to adjustment in number and exercise price based on the Exchange Ratio; the holders of the Options received notice of the special meeting to consider the Arrangement;
9. the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions in Canada and fewer than 51 securityholders in total worldwide;

10. the Common Shares were delisted from the TSX Venture Exchange effective at the close of business on August 20, 2013;
11. no securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;
12. the Filer has no current intention to seek public financing by way of an offering of securities;
13. the Filer is not in default of any of its obligations under the Legislation other than its obligation to file and deliver on or before August 29, 2013 its interim financial statements and related management's discussion and analysis for the three-month period ended June 30, 2013, as required under National Instrument 51-102 *Continuous Disclosure Obligations*, and the related certification of such financial statements as required under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*;
14. the Filer did not voluntarily surrender its status as a reporting issuer in British Columbia pursuant to British Columbia Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status* because it wanted to avoid the 10-day waiting period under that Instrument;
15. the Filer is not eligible to use the simplified procedure under CSA Notice 12-307 *Applications for a Decision that an Issuer is not a Reporting Issuer* because it is a reporting issuer in British Columbia and is in default of certain filing obligations under the Legislation as described in paragraph 13;
16. the Filer is applying for a decision that it is not a reporting issuer in the Jurisdictions; and
17. upon the granting of the Exemptive Relief Sought, the Filer will no longer be a reporting issuer or the equivalent in any jurisdiction in Canada.

Decision

- ¶ 4 Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

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

Peter Brady
Director, Corporate Finance
British Columbia Securities Commission