

2005 BCSECCOM 76

January 11, 2005

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – National Instrument 51-101 s. 8.1 – Exemption from disclosure requirements in NI 51-101 – National Instrument 51-102 s. 13.1 and Securities Act ss. 91 and 119 – Exemption from continuous disclosure requirements – Securities Act s. 91
Insiders – Continuous Disclosure (Insider Reports) – A reporting issuer wants relief from all the requirements of NI 51-101 and the continuous disclosure requirements, and relief from the requirement to file insider reports for its insiders – The issuer would be an “SEC foreign issuer” as defined in National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers* but for the fact that it is not incorporated outside of Canada; the issuer cannot continue out of Canada without incurring a significant tax burden; the issuer will file the same continuous disclosure requirements in Canada that it files with the SEC; the issuer is subject to and complies with the disclosure requirements of US securities laws in connection with its oil and gas activities; the issuer will file copies of its US oil and gas disclosure in Canada; the insiders will comply with the SEC requirements relating to filing insider reports; Canadian residents own less than 10% of the issuer's securities and represent less than 10% of the issuer's total number of security holders

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, ss. 85, 87, 91, 117 and 119

Securities Rules, B.C. Reg. 194/97, ss. 144, 145, 146, and 149

National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*, s. 8.1

National Instrument 51-102 *Continuous Disclosure Obligations*, s. 13.1

In the Matter of
the Securities Legislation of
British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova
Scotia, New Brunswick, Newfoundland and Labrador and the Yukon Territory
(the Jurisdictions)

and

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

and

In the Matter of
Ultra Petroleum Corp. (the Filer)

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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 the securities legislation of the Jurisdictions (the Legislation) that:
 - 1.1 except in Quebec, the Filer be exempted from National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* (the NI 51-101 Relief),
 - 1.2 except in Quebec, the Filer be exempted from National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102) and from any comparable continuous disclosure requirements under the Legislation that has not yet been repealed or otherwise rendered ineffective as a consequence of the adoption of NI 51-102, and in Quebec that order 2004-PDG-0020 dated March 26, 2004 be revised to provide the same result (collectively, the NI 51-102 Relief), and
 - 1.3 each insider (Insider) of the Filer be exempted from the insider reporting requirements of the Legislation (the Insider Relief).
2. Under the Mutual Reliance Review System for Exemptive Relief Applications (the MRRS):
 - 2.1 the Alberta Securities Commission is the principal regulator for this application, and
 - 2.2 this MRRS decision document evidences the decision of each Decision Maker (the Decision).

Interpretation

3. Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this Decision unless they are otherwise defined in this Decision.

Representations

4. This Decision is based on the following facts represented by the Filer:
 - 4.1 The Filer was incorporated pursuant to the laws of the Province of British Columbia on November 14, 1979 and was continued into the Yukon Territory on March 1, 2000.

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- 4.2 The Filer's head office is located in Houston, Texas, U.S.A.
- 4.3 The Filer is a reporting issuer or equivalent in each of the Jurisdictions.
- 4.4 The authorized capital of the Filer consists of an unlimited number of common shares (the Common Shares) and as at June 30, 2004 75,021,368 Common Shares were issued and outstanding.
- 4.5 The Common Shares are registered under section 12 of the 1934 Act.
- 4.6 The Common Shares are listed and posted for trading on the American Stock Exchange (AMEX) under the symbol "UPL".
- 4.7 The Common Shares were voluntarily delisted from the Toronto Stock Exchange effective March 31, 2004 and the Filer does not have any securities listed on any exchange or marketplace in Canada.
- 4.8 The Filer has filed with the SEC all filings required to be made with the SEC since January 2001.
- 4.9 The Filer files with the SEC and AMEX disclosure about its oil and gas activities (the Oil and Gas Disclosure) prepared in accordance with the requirements of the 1933 Act, the 1934 Act and the rules and regulations of the SEC and AMEX (the US Rules)
- 4.10 A search of the beneficial holdings of Common Shares conducted on April 8, 2004 by ADP Investor Communications indicated that there were 971 beneficial holders of Common Shares resident in Canada holding 4,458,597 Common Shares or approximately 5.9% of the issued and outstanding Common Shares.
- 4.11 A search of registered holdings of Common Shares conducted on June 30, 2004 by Computershare Trust Company of Canada, the Filer's transfer agent, indicated that there were 57 registered holders of Common Shares resident in Canada holding 143,860 Common Shares representing approximately 0.2% of the issued and outstanding Common Shares.
- 4.12 The Filer is not an "SEC Foreign Issuer" (an SEC Foreign Issuer) as defined in National Instrument 71-102 *Continuous Disclosure and*

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Other Exemptions Relating to Foreign Issuers (NI 71-102) because it is not incorporated or organized under the laws of a foreign jurisdiction.

- 4.13 Outstanding voting securities carrying more than 50% of the votes for the election of directors of the Filer are not owned, directly or indirectly by residents of Canada.
- 4.14 The majority of the executive officers or directors of the Filer are not residents of Canada.
- 4.15 None of the consolidated assets of the Filer are located in Canada.
- 4.16 The business of the Filer is administered principally in the US.

Decision

- 5. 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.
- 6. The Decision of the Decision Makers under the Legislation is that:
 - 6.1 the 51-101 Relief is granted for so long as:
 - 6.1.1 less than 10% of the number of registered and beneficial holders of Common Shares are resident in Canada,
 - 6.1.2 less than 10% of the outstanding Common Shares are held by Canadian residents,
 - 6.1.3 the Filer is subject to and complies with the disclosure requirements of the US Rules in connection with its oil and gas activities, and
 - 6.1.4 the Filer files the Oil and Gas Disclosure with the Decision Makers;
 - 6.2 the 51-102 Relief is granted for so long as:
 - 6.2.1 the conditions in sections 6.1.1 and 6.1.2 of this Decision continue to be satisfied, and

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- 6.2.2 the Filer complies with the requirements of NI 71-102 as if it were an SEC Foreign Issuer; and
- 6.3 the Insider Relief is granted in respect of each Insider for so long as:
 - 6.3.1 the conditions in sections 6.1.1 and 6.1.2 of this Decision continue to be satisfied,
 - 6.3.2 the particular Insider complies with the requirements of US federal securities law regarding insider reporting, and
 - 6.3.3 the particular Insider files with the SEC any insider report required to be filed with the SEC under section 15(a) of the 1934 Act and the rules and regulations under the 1934 Act.

Glenda A. Campbell, Q.C., Vice-Chair
Alberta Securities Commission

Stephen R. Murison, Vice-Chair
Alberta Securities Commission