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February 29, 2012

Headnote

National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* – Securities Act s.88 – Cease to be a reporting issuer – The issuer's securities are traded only on 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, will not be a reporting issuer in a Canadian jurisdiction, is subject to the reporting requirements of UK securities laws, 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
Alberta and British Columbia (the Jurisdictions)

and

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

and

In the Matter of
Salamander Energy plc (the Filer)

Decision

Background

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 be deemed to have ceased to be a reporting issuer in the Jurisdictions .

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

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

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- (b) the decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

Interpretation

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

Representations

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

1. The Filer is a company existing under the laws of England and Wales. Its head office is in London, England.
2. The Filer has business operations primarily in the Republic of Indonesia, Kingdom of Thailand, Socialist Republic of Vietnam and Lao People's Democratic Republic. The Filer has no business operations in Canada.
3. On December 14, 2007, the Filer, Salamander Energy (Canada) Limited (AcquisitionCo) and GFI Oil & Gas Corporation (GFI) entered into an arrangement agreement whereby AcquisitionCo agreed to acquire all of the issued and outstanding shares of GFI (the GFI Shares), including shares issuable on the exercise of options, agent's options and share purchase warrants, by way of plan of arrangement (the Arrangement) under Section 193 of the *Business Corporations Act* (Alberta) (the ABCA).
4. At the effective time of the Arrangement, GFI was a reporting issuer in the Jurisdictions.
5. As a result of the Filer exchanging its shares for the common shares of GFI in connection with the Arrangement, the Filer became a reporting issuer in the Jurisdictions.
6. The Filer is not in default of any of its obligations under the Legislation as a reporting issuer.
7. As of December 31, 2011, the issued share capital of the Filer is 154,777,875 ordinary shares of £0.10 each (the Salamander Shares). As at December 31, 2011, there was a total of 4,488 holders of Salamander Shares.
8. As of December 31, 2011, according to the Filer's shareholders' register and a report of registered holders (the Share Report) there were 43 holders of the Salamander Shares resident in Canada, representing approximately 0.9% of

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the total number of holders of Salamander Shares, holding in the aggregate approximately 2,452,028 Salamander Shares, representing approximately 1.58% of the Filer's issued and outstanding Salamander Shares.

The Salamander Shares are not held through CDS Clearing and Depository Services Inc. However, all beneficial holders of Salamander Shares hold indirectly through registered shareholders, which include several global custodians and nominees. The Share Report was compiled by conducting an analysis of the shareholders and holdings referenced in the Share Report by geographical region and by type of holder in connection with determining the percentage of Canadian holders of Salamander Shares and their holdings. The global custodians (the Share Custodians) that hold for multiple beneficial owners are then identified and a request is made pursuant to section 793 of the *Companies Act 2006* of the United Kingdom for each Share Custodian to identify on whose behalf the Share Custodian holds the Salamander Shares.

9. As of the date hereof, the Filer currently has convertible bonds outstanding with an aggregate value of USD\$100,000,000 (the Salamander Bonds). The Salamander Bonds were issued on March 18, 2010. The number of Salamander Shares to be issued or transferred and delivered on exercise of a conversion right in respect of Salamander Bonds will be determined by dividing the principal amount of such Salamander Bond (translated into sterling at the fixed rate of £1.00 = USD\$1.529) by the conversion price, which on issue of the Salamander Bonds was £3.637. The Salamander Shares and Salamander Bonds being collectively referred to herein as the "Salamander Securities".
10. The Filer has received a letter from Goldman Sachs International, the book-runner for the Salamander Bonds, confirming that no Salamander Bonds were issued in Canada and that there is no indication that the nature of ownership of the Salamander Bonds has changed since the date of issue. As of December 15, 2011, Goldman Sachs International has recorded no trades with Canadian investors.
11. The Salamander Bonds were issued in bearer form and are represented by global notes that are deposited with the International Central Securities Depositories. There is no register of holders of the Salamander Bonds and the identity of the beneficial holders remains anonymous until such time as they elect to convert the bond or voluntarily come forward.
12. Other than the Salamander Securities, the Filer has no other securities outstanding.

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13. The Salamander Shares are traded on the main market of the London Stock Exchange (the LSE) and are listed on the Official List of the United Kingdom Listing Authority. The sole trading market for the Salamander Shares is the LSE.
14. The Salamander Bonds are traded on the Professional Securities Market of the LSE and are listed on the Official List of the United Kingdom Listing Authority. The sole trading market for the Salamander Bonds is the LSE.
15. No securities of the Filer are traded on a marketplace (as that term is defined in National Instrument 21-101 *Marketplace Operation*) in Canada and the Filer has never listed nor does it intend to have its securities listed for trading on a marketplace in Canada.
16. The Filer is subject to the financial reporting requirements of the Listing Rules (the UK Listing Rules) of the Financial Services Authority of the United Kingdom (the FSA).
17. The materials filed by the Filer under its reporting obligations of the LSE and FSA are available on the Filer's website at www.salamander-energy.com and are also available through the LSE website at www.londonstockexchange.com.
18. The Filer is subject to the continuous disclosure requirements and reporting obligations of the United Kingdom and the LSE (collectively, the UK Securities Laws). For the most part, these requirements originate under the UK Listing Rules and the Disclosure and Transparency Rules set out by the FSA in the FSA Handbook. These requirements are, pursuant to Part 5 of National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*, generally acceptable for purposes of complying with the continuous disclosure requirements in the Jurisdictions.
19. The Filer is not in default of any of the requirements imposed by UK Securities Laws and has indicated that, so long as the Filer remains a listed issuer on the LSE, it will continue to comply with such requirements.
20. Based upon the Share Report and other diligent enquiries as discussed above, as of December 31, 2011, the Filer has reasonably concluded that Canadian resident securityholders of the Filer do not:
 - (a) directly or indirectly beneficially own more than 2% of each class or series of outstanding securities of the Filer worldwide; and

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- (b) directly or indirectly comprise more than 2% of the total number of securityholders of the Filer worldwide.
- 21. The Filer files continuous disclosure reports under United Kingdom securities laws and is listed on the LSE.
- 22. The Filer has not conducted an offering of its securities in Canada or taken any other steps that indicate there is a market for its securities in Canada since the date of the Arrangement. The Filer has no plans to seek financing by way of public offering of its securities in Canada or an offering under an exemption from the registration and prospectus requirements of Canada.
- 23. The Filer provided advance notice to Canadian resident securityholders in a press release that it has applied to the securities regulatory authorities in the Jurisdictions for a decision that it is not a reporting issuer in Canada and, if that decision is made, the Filer will no longer be a reporting issuer in any jurisdiction in Canada.
- 24. The Filer has undertaken in favour of each of the Jurisdictions that it will continue to concurrently deliver to its securityholders resident in Canada all disclosure documents it is required by the UK Securities Laws to deliver to United Kingdom resident securityholders.
- 25. The Filer is not eligible to use the simplified procedure under CSA Staff Notice 12-307 *Applications for a Decision that an Issuer is not a Reporting Issuer* in order to apply for the Requested Relief.
- 26. Upon the grant of the Requested Relief, the Filer will not be a reporting issuer or the equivalent in any jurisdiction of Canada.

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 Requested Relief has been met.

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

Blaine Young
Associate Director, Corporate Finance