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Headnote

Mutual Reliance Review System for Exemptive Relief Applications - reporting issuer granted relief from the requirement to send its annual audited financial statements concurrently with filing the statements, subject to certain conditions.

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418 s.91

IN THE MATTER OF THE SECURITIES LEGISLATION OF ALBERTA, BRITISH COLUMBIA,
SASKATCHEWAN, MANITOBA, NOVA SCOTIA, NEWFOUNDLAND AND LABRADOR

AND

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

AND

IN THE MATTER OF TRANSALTA CORPORATION

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Makers") in each of the provinces of Alberta, British Columbia, Saskatchewan, Manitoba, Nova Scotia and Newfoundland and Labrador (the "Jurisdictions") has received an application from TransAlta Corporation ("TransAlta") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the requirement contained in the Legislation for a reporting issuer to send to its shareholders its comparative audited financial statements and the auditors' report thereon relating to its financial year-ended December 31, 2001 and for subsequent financial years (the "Annual Financial Statements") concurrently with the filing of the Annual Financial Statements as required by the Legislation shall not apply to TransAlta on the basis described below;

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Alberta Securities Commission is the principal regulator for this application;

AND WHEREAS TransAlta has represented to the Decision Makers that:

1. TransAlta is a corporation amalgamated under the *Canada Business Corporations Act* (the "CBCA") on October 8, 1992.
2. The head office of TransAlta is in Calgary, Alberta.
3. TransAlta is a reporting issuer, or the equivalent, under the Legislation and is not, to its knowledge, in default of any applicable requirement of the Legislation.
4. The common shares of TransAlta are listed and posted for trading on The Toronto Stock Exchange (the "TSE") under the trading symbol TA and on the New York Stock Exchange under the trading symbol TAC. TransAlta has outstanding three series of junior subordinated debentures (referred to as "preferred securities"). Each series of preferred securities are listed and posted for trading on the TSE and the trading symbols are, TA.Pr.A, TA.Pr.B and TA.Pr.C.

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5. The authorized share capital of TransAlta consists of an unlimited number of common shares and an unlimited number of first preferred securities, issuable in series. There are 168,913,956 common shares issued and outstanding and no first preferred securities.

6. Particulars of TransAlta's three series of preferred securities are as follows: (a) 7,000,000 7.50% preferred securities have been issued with a principal amount of \$25 per security, (b) 5,000,000 8.15% preferred securities have been issued with a principal amount of \$25 per security and (c) 7,000,000 7.75% preferred securities have been issued with a principal amount of \$25 per security.

7. TransAlta has in place a medium term note debenture program pursuant to which there is currently outstanding \$1,065,000,000 principal amount of debentures.

8. TransAlta's Annual Financial Statements will be settled prior to the time that TransAlta's notice of meeting and management proxy circular in respect of its annual general meeting ("AGM") of shareholders will be sent to shareholders in accordance with the applicable provisions of the CBCA, securities legislation and National Policy Statement 41 ("NP41").

9. TransAlta proposes to file its Annual Financial Statements with the Jurisdictions in accordance with the Legislation and to issue a press release indicating that TransAlta securityholders may obtain copies of the Annual Financial Statements on request, or, alternatively, securityholders will be able to access the Annual Financial Statements on the TransAlta website (www.transalta.com) or the website maintained by the Canadian securities regulators (www.sedar.com).

10. TransAlta proposes to deliver its Annual Financial Statements to its shareholders concurrently with the Annual Report, the notice of meeting and the management proxy circular for the AGM.

11. TransAlta also proposes to finalize and file its Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") related to the Annual Financial Statements at the time of filing the Annual Financial Statements. The press release referred to in item 9 above shall also indicate that copies of the MD&A may be obtained by securityholders on the same basis as the Annual Financial Statements.

12. No separate relief is required in connection with the early filing of MD&A, as the MD&A mailing requirement as set out in Saskatchewan Local Instrument 51-501 is linked to the timing of mailing the Annual Financial Statements.

AND WHEREAS under the System this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers are 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 requirement contained in the Legislation for an issuer to send to its shareholders its Annual Financial Statements concurrently with the filing of the Annual Financial Statements as required by the Legislation shall not apply to TransAlta on the basis described below, provided that:

(1) Substantially concurrently with the filing of the Annual Financial Statements in accordance with the Legislation, TransAlta issues a press release which includes:

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(i) The approximate date on which the Annual Financial Statements will be mailed to TransAlta's shareholders; and

(ii) A statement to the effect that any TransAlta shareholder entitled to receive the Annual Financial Statements may, upon request to TransAlta, obtain a copy of the Annual Financial Statements or, alternatively, securityholders will be able to access the Annual Financial Statements on the TransAlta website (www.transalta.com) or the website maintained by the Canadian securities regulators (www.sedar.com); and

(2) The Annual Financial Statements are sent to shareholders of TransAlta entitled to receive them in accordance with the procedures outlined in NP 41 and, in any event, not later than the last date upon which they must be filed with the Jurisdictions in compliance with the Legislation.

DATED at Edmonton, Alberta on February 1, 2002.

Agnes Lau, CA
Deputy Director, Capital Markets