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November 18, 2005

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - National Instrument 51-102 *Continuous Disclosure Obligations*, s. 13.1 – information circular requirements - An issuer wants relief from the requirement to include prospectus-level disclosure in an information circular to be circulated in connection with an arrangement, reorganization, acquisition or amalgamation - Alternate disclosure will be provided about the issuer that is consistent with the information required in the continuous disclosure context for significant acquisitions; information will be provided about the parties to the transaction sufficient for shareholders to assess the transaction as a whole; the alternate disclosure complies with National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency* and National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*

Applicable British Columbia Provisions

NI 51-102, ss. 9.1, 13.1, Form 51-102F5, s. 14.2

BCI 41-501

NI 44-101, s. 5.2

NI 51-101, Form 51-101F1

CSA Staff Notice 42-303

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

and

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

and

In the Matter of Starpoint Energy Trust And Acclaim Energy Trust

MRRS Decision Document

Background

1. The local securities regulatory authority or regulator (the “Decision Maker”) in each of Alberta, British Columbia, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia and Newfoundland and Labrador

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(the “Jurisdictions”) has received a joint application from StarPoint Energy Trust (“StarPoint”) and Acclaim Energy Trust (“Acclaim” and together with StarPoint, the “Filers”)) for a decision under the securities legislation of the Jurisdictions (the “Legislation”) that:

- 1.1 Each of the Filers be exempt from the requirements contained in the Legislation which requires them to include three years of audited financial statements in an information circular in respect of a significant acquisition;
 - 1.2 Each of the Filers be exempt from the requirement contained in the Legislation which requires them to include up to three years of audited financial statements in an information circular in connection with a restructuring transaction in respect of significant acquisitions of each of the Filers during the current financial year and the three previous financial years of each of the Filers; and
 - 1.3 The Filers be exempt from the requirement contained in the Legislation which requires them to include reserves data and other oil and gas information in an information circular as at the date of the most recent audited balance sheet included in the information circular.
2. Under the Mutual Reliance Review System for Exemptive Relief Applications (the “System”):
- 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 (collectively, the “Decision”).

Interpretation

3. Unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 Definitions;

Representations

4. Each of the Filers have represented to the Decision Makers that:
- 4.1 StarPoint is an unincorporated open-ended investment trust governed by the laws of the Province of Alberta and StarPoint’s head office is located in Calgary, Alberta;
 - 4.2 The trust units of StarPoint are listed and posted for trading on the Toronto Stock Exchange (“TSX”) under the trading symbols “SPN.UN”. In addition, StarPoint has 9.40% convertible unsecured

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subordinated debentures which are listed for trading on the TSX under the symbol “SPN.DB.A” and 6.50% convertible extendible unsecured subordinated debentures which are listed for trading on the TSX under the symbol “SPN.DB”;

- 4.3 StarPoint is a reporting issuer in each of the provinces of Canada;
- 4.4 To its knowledge, StarPoint is not in default of any of the requirements of the applicable securities legislation in any of the provinces in which it is a reporting issuer;
- 4.5 Acclaim is an unincorporated open-ended investment trust governed by the laws of the Province of Alberta and Acclaim’s head office is located in Calgary, Alberta;
- 4.6 The Trust Units of Acclaim are listed and posted for trading on the Toronto Stock Exchange under the trading symbols “AE.UN”. In addition, Acclaim has 8.0% convertible extendible unsecured subordinated debentures which are listed for trading on the TSX under the symbol “AE.DB.A” and 11.0% convertible extendible unsecured subordinated debentures which are listed for trading on the TSX under the symbol “AE.DB”;
- 4.7 Acclaim is a reporting issuer in each of the provinces of Canada;
- 4.8 To its knowledge, Acclaim is not in default of any of the requirements of the applicable securities legislation in any of the provinces in which it is a reporting issuer;
- 4.9 StarPoint and Acclaim are entering into a merger transaction (the “Merger”) whereby they will be merging to form a new open ended investment trust (“New Trust”) and transferring certain assets (the “ExploreCo Assets”) into a new public company (“ExploreCo”);
- 4.10 Following completion of the Merger, the New Trust will indirectly own all of StarPoint’s and Acclaim’s existing operating assets, except for those assets transferred to ExploreCo. Pursuant to the Merger, no new or additional assets are being acquired by any of the parties to the Merger other than those currently owned by StarPoint and Acclaim;
- 4.11 As part of the Merger, common shares will be issued by ExploreCo to unitholders of StarPoint and Acclaim and trust units will be issued by the New Trust to unitholders of each of StarPoint and Acclaim;

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- 4.12 The acquisition of the ExploreCo Assets by ExploreCo (the “ExploreCo Acquisition”) constitutes a “significant acquisition” under the Legislation for ExploreCo;
- 4.13 StarPoint and Acclaim are preparing a joint information circular (the “Information Circular”) in connection with a meeting of their securityholders, which is expected to be held in December 2005. At the securityholders’ meeting, StarPoint’s and Acclaim’s securityholders will be given the opportunity to vote on the Merger which includes the ExploreCo Acquisition;
- 4.14 The Information Circular will contain, among other things, prospectus level disclosure of the business and affairs of StarPoint, Acclaim and ExploreCo and the particulars of the Merger, as well as fairness opinions of independent financial advisors;
- 4.15 Pursuant to Section 14.2 of National Instrument 51-102F5 and because the ExploreCo Acquisition is a “significant acquisition”, the Filers are required to include certain annual and interim financial statement disclosure in the Information Circular in respect of the Merger, including annual financial statements for each of the three most recently completed financial years of the ExploreCo Assets (the “ExploreCo Disclosure Requirements”);
- 4.16 Pursuant to Section 14.2 of National Instrument 51-102F5 and because the Merger is a restructuring transaction under which securities are to be exchanged, the Filers are required to include certain annual and interim financial statement disclosure in the Information Circular in respect of the Merger for certain significant acquisitions which were completed during the current financial year and each of the three most recently completed financial years of each of StarPoint and Acclaim, including three years of audited financial statements for the acquisition of certain assets from each of Nexen Inc. (“Nexen”) and EnCana Corporation (“EnCana”) and the acquisition of all of the issued and outstanding common shares of Upton Resources Inc. (“Upton”) by StarPoint and three years of audited financial statements for the assets acquired from Chevron Canada Limited (“Chevron Limited”) and Chevron Canada Resources (“Chevron Resources”) by Acclaim (the “Filers Disclosure Requirements”);

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- 4.17 The ExploreCo Assets are interests in oil and gas properties, financial statements do not exist for the ExploreCo Assets, the ExploreCo Acquisition does not constitute a reverse take-over, the ExploreCo Assets did not constitute a “reportable segment” of the vendor immediately prior to the completion of the ExploreCo Acquisition and a business acquisition report for the ExploreCo Assets will be included in the Information Circular containing the disclosure required herein.
- 4.18 The Filers propose to include in the Information Circular certain annual financial information, including audited operating statements for the two years ended December 31, 2004 and 2003, and unaudited operating statements for the nine months ended September 30, 2005 in accordance with Sections 8.5 and 8.10 of National Instrument 51-102 in respect of the ExploreCo Acquisition (the “Alternative ExploreCo Financial Disclosure”);
- 4.19 The assets acquired by StarPoint from each of EnCana and Nexen and the assets acquired by Acclaim from Chevron Limited and Chevron Resources (collectively, the “Filer Assets”) are interests in oil and gas properties, financial statements do not exist for the Filer Assets, the acquisition of the Filer Assets does not constitute a reverse take-over, the Filer Assets did not constitute a “reportable segment” of the vendor immediately prior to the completion of the acquisition of Filers Assets and a business acquisition report for the Filer Assets will be included in the Information Circular containing the disclosure required herein.
- 4.20 The Filers propose to include in the Information Circular certain annual financial information, including: (1) for the properties acquired by StarPoint from EnCana, audited operating statements for the two years ended December 31, 2004 and 2003, and unaudited operating statements for the three months ended March 31, 2005 in accordance with Sections 8.5 and 8.10 of National Instrument 51-102; (2) for the properties acquired by StarPoint from Nexen, audited operating statements for the two years ended December 31, 2004 and 2003, and unaudited operating statements for the six months ended June 30, 2005 in accordance with Sections 8.5 and 8.10 of National Instrument 51-102; (3) for the properties acquired by Acclaim from Chevron Canada Limited and Chevron Canada Resources, separate audited schedules of revenues, royalties and operating expenses for the three years ended December 31, 2003, 2002 and 2001, and unaudited operating statements operating statements for the three months ended

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March 31, 2004, for each of the Central Alberta properties, Kaybob properties, Mitsue properties and Manitoba properties in accordance with Sections 8.5 and 8.10 of National Instrument 51-102; and (4) for the business acquired by StarPoint from Upton, audited financial statements for the year ended December 31, 2004 for StarPoint Energy Ltd., audited financial statements for the year ended December 31, 2003 for Upton and a pro forma income statement for StarPoint for the year ended December 31, 2004 and the nine months ended September 30, 2005, giving effect to the acquisition of Upton by StarPoint Energy Ltd. (collectively, the “Alternative Filers Financial Disclosure”);

- 4.21 Pursuant to Section 14.2 of National Instrument 51-102F5 and because the Merger is a restructuring transaction, and pursuant to Section 6.5.1(a)(ii) of Form 41-501F1 and Section 6.4.5 of Regulation Q-28 Schedule 1 in Quebec, the Filers are required to provide reserves data and other oil and gas information prescribed by Form 51-101F1 for the New Trust as at the most recent date for which an audited balance sheet is included in the Information Circular (the “Oil and Gas Disclosure Requirements”);
- 4.22 As the New Trust has not yet been organized or formed, the date of the audited balance sheet is not a practical date for the preparation of the reserves data and other oil and gas information to be included in the Information Circular;
- 4.23 The Filers propose to include in the Information Circular the Oil and Gas Disclosure Requirements as at September 30, 2005, being the date when the report required under National Instrument 51-101 in Form 51-101F1 was prepared (collectively, the “Alternative Oil and Gas Disclosure”);
- 4.24 The Alternative Filers Financial Disclosure will comply with National Instrument 52-107 – *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*;
- 4.25 The Alternative ExploreCo Financial Disclosure will comply with National Instrument 52-107 – *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*; and
- 4.26 The Alternative Oil and Gas Disclosure will comply with National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities*.

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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 for the purposes of the Information Circular is that:
 - 6.1 the ExploreCo Disclosure Requirements shall not apply to the Filers, provided that the Filers include the Alternative ExploreCo Financial Disclosure in the Information Circular;
 - 6.2 the Filers Disclosure Requirements shall not apply to the Filers, provided that the Filers include the Alternative Filers Financial Disclosure in the Information Circular; and
 - 6.3 with respect to the New Trust, the Oil and Gas Disclosure Requirements shall not apply to the Filers, provided that the Filers include the Alternative Oil and Gas Disclosure in the Information Circular.

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