

2007 BCSECCOM 153

March 15, 2007

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities, s. 8.1 - A reporting issuer wants relief from all the requirements of NI 51-101 - The issuer is a US issuer under NI 71-101 satisfying the continuous disclosure requirements by complying with the US requirements and filing them in Canada under Parts 14 to 18 of NI 71-101; the issuer is subject to and complies with the disclosure requirements of US securities laws in connection with its oil and gas activities; 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 holding 100 or more shares

Applicable British Columbia Provisions

National Instrument 51-101, s. 8.1

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

and

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

and

In the Matter of
Toreador Resources Corp.
(the Filer)

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, the Filer be exempted from National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* (the NI 51-101 Relief).

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2. Under the Mutual Reliance Review System for Exemptive Relief Applications (the MRRS):
 - (a) the Alberta Securities Commission is the principal regulator for this application; and
 - (b) 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:
 - (a) The Filer is a reporting issuer or equivalent in each of the Jurisdictions.
 - (b) The Filer is a body corporate organized and subsisting under the laws of the State of Delaware.
 - (c) The Filer's head office and registered office is located in Dallas, Texas.
 - (d) The Filer is engaged in the acquisition, development, exploration and production of natural gas, crude oil and other income producing minerals in France, Hungary, Romania and Turkey.
 - (e) The Filer has no assets or operations located in Canada and the business of the Filer is principally administered in the United States.
 - (f) The executive officers of the Filer all reside in the United States, principally in the State of Texas, and all of the Filer's directors are resident in the United States.
 - (g) The common shares of the Filer (the Filer Shares) are registered in the United States under the U.S. Securities Exchange Act of 1934, as amended (the 1934 Act) and are listed on The NASDAQ Stock Market (NASDAQ).

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- (h) The Filer does not have any of its securities listed on any stock exchange in Canada.
- (i) A search of registered holders conducted on February 15, 2007 (the Registered Shareholder Search) and a geographical summary of beneficial shareholders provided by ADP dated February 22, 2007 indicated that 1.6% of the outstanding Filer Shares were held by residents of Canada.
- (j) The Registered Shareholder Search and a geographical summary of beneficial shareholders provided by ADP Investor Communications dated February 22, 2007, indicate that approximately 24.1% of the Filer's registered and beneficial shareholders are resident in Canada.
- (k) The Filer is a corporate successor to Trans Dominion Energy Corporation (Trans Dominion), a corporation which was formerly listed on the TSX. As a result of a series of transactions culminating in the acquisition by the Filer of a successor of Trans Dominion, each former Trans Dominion shareholder effectively acquired 0.002 Filer Shares for each Trans Dominion share held, with fractions rounded up to the nearest whole Filer Share. As a result, the Filer believes that a significant majority of its Canadian shareholders each hold a very small number of Filer Shares.
- (l) The Registered Shareholder Search indicated there were 43 registered shareholders of the Filer with a Canadian address. 29 of these shareholders (67%) held less than 10 Filer Shares, 10 of these shareholders (23%) held less than 50 Filer Shares and only four (10%) of these shareholders held more than 100 Filer Shares.
- (m) The Filer has no reason to believe that the distribution of Filer Shares among its Canadian beneficial shareholders is different from the distribution of Filer Shares among its Canadian registered shareholders based on a Beneficial Share Range Analysis provided by ADP Investor Communications on March 2, 2007.
- (n) Less than 10% of the number of registered and beneficial holders of 100 or more Filer Shares are resident in Canada.

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- (o) In light of the unique distribution of Filer Shares among its Canadian registered and beneficial shareholders, the Filer believes its connection to Canada is *de minimis* and that the provision of the requested relief would be justified in the circumstances.
- (p) The Filer prepares disclosure about its oil and gas activities (the Oil and Gas Disclosure) in accordance with the requirements of the 1934 Act, NASDAQ and the rules and regulations of the SEC (the US Rules).
- (q) The Filer, as a “U.S. issuer” under National Instrument 71-101 The Multijurisdictional Disclosure System (NI 71-101), satisfies the continuous disclosure requirements under the Legislation by complying with the continuous disclosure requirements of United States federal securities law and NASDAQ and filing, delivering and issuing in Canada pursuant to the provisions of Parts 14 through 18 of NI 71-101 any continuous disclosure documents it files, delivers or issues in the United States.
- (r) The Filer was cease traded on November 21, 2006 in Alberta, British Columbia, Ontario, Quebec and Newfoundland for failure to file its interim unaudited financial statements for the period ended September 30, 2006. The Filer subsequently amended its annual financial statements for December 31, 2005, 2004 and 2003. The Filer is now current with its disclosure requirements except for the NI 51-101 Oil and Gas required filings for December 31, 2005.

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 the NI 51-101 Relief is granted to the Filer for so long as:
 - (a) less than 10% of the issued and outstanding Filer Shares are held by residents of Canada;
 - (b) less than 10% of the number of registered and beneficial holders of 100 or more Filer Shares are resident in Canada;

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- (c) the Filer is subject to and complies with the disclosure requirements of the US Rules in connection with its oil and gas activities;
- (d) the Filer will issue a press release filed on SEDAR that is it not complying with NI 51-101 or the Canadian Oil and Gas Evaluation Handbook in accordance with the terms of this document; and
- (e) the Filer files the Oil and Gas disclosure with the Decision Makers as soon as practicable after the Oil and Gas Disclosure is filed with the SEC.

Patricia Leeson
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Alberta Securities Commission