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Headnote

Mutual Reliance Review System for Exemptive Relief Applications – relief from certain continuous disclosure requirements including interim and annual financial statements, annual reports and material change reporting – relief from the requirement that one of the parties file a “current AIF” on SEDAR to be a qualified issuer as contemplated under MI 45-102 – issuer deemed to be a reporting issuer

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, ss. 1(1), 85(1), 91, 119

Securities Rules, B.C. Reg. 194/97, ss. 144, 145, 149, 184

Multilateral Instrument 45-102 *Resale of Securities*, s 4.1

**IN THE MATTER OF THE SECURITIES LEGISLATION OF ALBERTA,
BRITISH COLUMBIA, SASKATCHEWAN, MANITOBA, ONTARIO,
QUÉBEC, NEW BRUNSWICK, PRINCE EDWARD ISLAND, NOVA
SCOTIA, NEWFOUNDLAND AND LABRADOR, THE NORTHWEST
TERRITORIES, THE YUKON TERRITORY AND NUNAVUT**

AND

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

AND

**IN THE MATTER OF BONAVISTA PETROLEUM LTD., NUVISTA
ENERGY LTD., BONAVISTA ENERGY TRUST, BONAVISTA
ACQUISITION CORP., BONAVISTA EXCHANGE CO LTD. AND
BONAVISTA OIL & GAS LTD.**

MRRS DECISION DOCUMENT

1. WHEREAS the local securities regulatory authority or regulator (collectively, the "Decision Makers") in each of Alberta, British Columbia, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Nova Scotia, the Yukon Territory, the Northwest Territories and Nunavut (the "Jurisdictions") has received an application from Bonavista Energy Trust (the "Trust"), Bonavista Petroleum Ltd. ("Bonavista"), Bonavista Acquisition Corp. ("AcquisitionCo"), NuVista Energy Ltd. ("NuVista"), Bonavista ExchangeCo Ltd. ("ExchangeCo") and Bonavista Oil & Gas Ltd. ("BOGL") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that:

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- 1.1. the requirements contained in the Legislation to be registered to trade in a security (the "Registration Requirement") and to file a preliminary prospectus and a prospectus, and to receive receipts therefor (the "Prospectus Requirement"), in certain of the Jurisdictions, shall not apply to certain trades of securities to be made in connection with a proposed plan of arrangement (the "Arrangement") under section 193 of the *Business Corporations Act* (Alberta) (the "ABCA") involving the Trust, AcquisitionCo, Bonavista, NuVista, ExchangeCo, BOGL and the security holders of Bonavista;
 - 1.2. the requirements contained in the Legislation with respect to AcquisitionCo (or its successor on amalgamation with Bonavista ("AmalgamationCo")), in those Jurisdictions in which it becomes a reporting issuer or the equivalent under the Legislation, to issue a press release and file a report with the Jurisdictions upon the occurrence of a material change, file an annual report, where applicable, file interim financial statements and audited annual financial statements with the Jurisdictions and deliver such statements to the security holders of AmalgamationCo, file and deliver an information circular or make an annual filing with the Jurisdictions in lieu of filing an information circular, file an annual information form and provide management's discussion and analysis of financial condition and results of operations (the "Continuous Disclosure Requirements"), shall not apply to AcquisitionCo or AmalgamationCo;
 - 1.3. NuVista be deemed or declared to be a reporting issuer at the effective date (the "Effective Date") of the Arrangement for the purposes of the Legislation of the Jurisdictions, other than Manitoba, Nova Scotia, Newfoundland, New Brunswick, Prince Edward Island, Yukon, Northwest Territories and Nunavut; and
 - 1.4. the requirement of NuVista to have a "current AIF" filed on SEDAR under Multilateral Instrument 45-102 – Resale of Securities ("MI 45-102") not apply.
2. AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System") the Alberta Securities Commission is the principal regulator for this application;
 3. AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 Definitions or Quebec Commission Notice 14-101;

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4. AND WHEREAS the Trust, Bonavista, AcquisitionCo, NuVista, ExchangeCo and BOGL have represented to the Decision Makers that:

- 4.1. Bonavista is a corporation amalgamated and subsisting pursuant to the provisions of the ABCA;
- 4.2. the head and principal office of Bonavista is located at 1100, 321 – 6th Avenue S.W., Calgary, Alberta, T2P 3H3 and its registered office is located at 1400, 350 – 7th Avenue S.W., Calgary, Alberta T2P 3N9;
- 4.3. Bonavista is actively engaged in the exploration for, and the acquisition, development and production of, oil and natural gas in the Provinces of Alberta, Saskatchewan and British Columbia;
- 4.4. the authorized capital of Bonavista consists of an unlimited number of common shares ("Common Shares"), and an unlimited number of first preferred shares (the "Preferred Shares"), issuable in series;
- 4.5. as at May 23, 2003, 32,595,712 Common Shares and nil Preferred Shares were issued and outstanding. Bonavista has also reserved a total of 2,249,337 Common Shares for issuance pursuant to outstanding options ("Options") to purchase Common Shares;
- 4.6. the Common Shares are listed on the Toronto Stock Exchange (the "TSX");
- 4.7. Bonavista is a reporting issuer in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Québec and has been for more than 12 months;
- 4.8. Bonavista has filed all the information that it has been required to file as a reporting issuer in each of the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, and Québec and is not in default of the securities legislation in any of these jurisdictions;
- 4.9. the Trust is an open-end unincorporated investment trust governed by the laws of the Province of Alberta and created pursuant to a trust indenture dated May 23, 2003 between Bonavista and Valiant Trust Company, as trustee;
- 4.10. the Trust was established for the purpose of, among other things:

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- 4.10.1. investing in shares of AcquisitionCo and acquiring the Common Shares and the unsecured, subordinate promissory notes issuable by AcquisitionCo (the "Notes") pursuant to the Arrangement;
- 4.10.2. acquiring a net profits interest pursuant to a net profits interest agreement to be entered into between AmalgamationCo and the Trust; and
- 4.10.3. acquiring or investing in other securities of AmalgamationCo and in the securities of any other entity including without limitation bodies corporate, partnerships or trusts, and borrowing funds or otherwise obtaining credit for that purpose;
- 4.11. the head and principal office of the Trust is located at 1100, 321 – 6th Avenue S.W., Calgary, Alberta, T2P 3H3;
- 4.12. the Trust was established with nominal capitalization and currently has only nominal assets and no liabilities. The only activity which will initially be carried on by the Trust will be the holding of securities of AcquisitionCo and AmalgamationCo;
- 4.13. the Trust is authorized to issue an unlimited number of trust units ("Trust Units") and an unlimited number of special voting rights ("Special Voting Rights");
- 4.14. as of the date hereof, there is one Trust Unit issued and outstanding, which is owned by Bonavista, and no Special Voting Rights are outstanding;
- 4.15. the Trust has received conditional approval from the TSX for the listing on the TSX of the Trust Units to be issued in connection with the Arrangement subject to, among other things, completion of the Arrangement. The Trust Units issuable from time to time in exchange for series A exchangeable shares ("Exchangeable Shares") of AcquisitionCo will also be listed on the TSX, subject to receipt of final approval from the TSX;
- 4.16. the Trust is not a reporting issuer in any of the Jurisdictions;
- 4.17. AcquisitionCo is a wholly-owned subsidiary of the Trust and was incorporated pursuant to the ABCA on April 8, 2003. AcquisitionCo was incorporated to participate in the Arrangement by acquiring Common Shares of Bonavista;

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- 4.18. the head and principal office of AcquisitionCo is located at 1100, 321 – 6th Avenue S.W., Calgary, Alberta, T2P 3H3 and its registered office will be located at 1400, 350 - 7th Avenue S.W., Calgary, Alberta, T2P 3N9;
- 4.19. the authorized capital of AcquisitionCo currently consists of an unlimited number of common shares and an unlimited number of exchangeable shares, issuable in series. Prior to the Arrangement, the articles of AcquisitionCo will be amended to create the Exchangeable Shares;
- 4.20. as of the date hereof there are one hundred common shares of AcquisitionCo issued and outstanding, which are owned by the Trust. All common shares of AmalgamationCo will be owned beneficially (directly or indirectly) by the Trust, for as long as any outstanding Exchangeable Shares are owned by any person other than the Trust or any of the Trust's subsidiaries and other affiliates;
- 4.21. AcquisitionCo is not a reporting issuer in any of the Jurisdictions;
- 4.22. NuVista was incorporated pursuant to the ABCA on April 7, 2003. NuVista has not carried on any active business since incorporation;
- 4.23. the head and principal office of NuVista is located at 1100, 321 – 6th Avenue S.W., Calgary, Alberta, T2P 3H3, and its registered office is located at 1400, 350 – 7th Avenue S.W., Calgary, Alberta, T2P 3N9;
- 4.24. pursuant to the Arrangement, NuVista will acquire, directly and indirectly, certain oil and gas assets from Bonavista. Upon completion of the Arrangement, NuVista will be engaged in the exploration for, and acquisition, development and production of, oil and natural gas reserves, primarily in the Province of Alberta;
- 4.25. the authorized capital of NuVista consists of an unlimited number of common shares ("NuVista Shares") and an unlimited number of class B performance shares;
- 4.26. as of the date hereof, one (1) NuVista Share and nil class B performance shares are issued and outstanding;
- 4.27. NuVista has received conditional approval from the TSX for the listing on the TSX of the NuVista Shares to be issued in connection with the Arrangement subject to, among other things, completion of the

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Arrangement. The NuVista Shares issuable from time to time will also be listed on the TSX, subject to receipt of final approval from the TSX;

- 4.28. NuVista is not a reporting issuer in any of the Jurisdictions;
- 4.29. ExchangeCo was incorporated pursuant to the ABCA on April 7, 2003. ExchangeCo has not carried on any active business since incorporation;
- 4.30. the head and principal office of ExchangeCo is located at 1100, 321 – 6th Avenue S.W., Calgary, Alberta, T2P 3H3, and its registered office is located at 1400, 350 - 7th Avenue S.W., Calgary, Alberta, T2P 3N9;
- 4.31. the authorized capital of ExchangeCo consists of an unlimited number of common shares;
- 4.32. as of the date hereof, one hundred common shares were issued and outstanding and owned by the Trust;
- 4.33. BOGL was incorporated pursuant to the ABCA. BOGL is a wholly-owned subsidiary of Bonavista and is engaged in the oil and natural gas business;
- 4.34. the head and principal office of BOGL is located at 1100, 321 – 6th Avenue S.W., Calgary, Alberta, T2P 3H3, and its registered office is located at 1400, 350 - 7th Avenue S.W., Calgary, Alberta, T2P 3N9;
- 4.35. the Arrangement will be effected by way of plan of arrangement (the "Plan") pursuant to section 193 of the ABCA. The Arrangement will require: (i) approval by not less than two-thirds of the votes cast by the shareholders (the "Shareholders") and the optionholders of Bonavista (collectively, the "Securityholders") (present in person or represented by proxy), voting together as a single class, at the special meeting (the "Meeting") of Securityholders to be held for the purpose of approving the Arrangement, and thereafter; (ii) approval of the Court of Queen's Bench of Alberta;
- 4.36. Bonavista's information circular dated May 23, 2003 (the "Information Circular") contains prospectus-level disclosure concerning the respective business and affairs of Bonavista, NuVista, the Trust and AmalgamationCo and a detailed description of the Arrangement, and has been mailed to Securityholders in connection with the Meeting. The Information Circular has been prepared in conformity with the provisions of the ABCA and applicable securities laws and policies;

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- 4.37. the assets that will make up the business of NuVista have been the subject of continuous disclosure on an ongoing basis for more than 12 months, in accordance with Bonavista's responsibilities as a reporting issuer subject to the Continuous Disclosure Requirements;
- 4.38. the Arrangement provides for a transaction where, commencing at the time the Arrangement takes effect (the "Effective Time"), the events set out below shall be deemed to occur in the following order:
- 4.38.1. the Common Shares and Options held by dissenting Securityholders who have exercised dissent rights which remain valid immediately prior to the Effective Time shall, as of the Effective Time, be deemed to have been transferred to Bonavista and be cancelled and cease to be outstanding, and as of the Effective Time, such dissenting Securityholders shall cease to have any rights as securityholders of Bonavista other than the right to be paid the fair value of their Common Shares or Options;
- 4.38.2. each Option (whether vested or unvested) may, at the election of the holder, be transferred to Bonavista in consideration of a cash payment, less statutory withholdings, equal to the Exercise Price Differential (as defined in the Plan);
- 4.38.3. NuVista will grant to Bonavista one right to purchase a NuVista Share (the "NuVista Exchange Right") for each outstanding Common Share for the purpose of their distribution to Shareholders under the Arrangement;
- 4.38.4. the class A shares (the "Class A Shares") of Bonavista shall be created as a new class of shares of Bonavista and each Common Share will be exchanged pursuant to a reorganization of the capital of Bonavista for one (1) Class A Share and one (1) NuVista Exchange Right;
- 4.38.5. subject to the Plan, each Class A Share held by a Shareholder (other than Class A Shares held by non-resident Shareholders and tax-exempt Shareholders) who has elected to exercise NuVista Exchange Rights for cash will be transferred to AcquisitionCo in accordance with the election or deemed election of the holder of such Class A Share in exchange for two (2) Notes or two (2) Exchangeable Shares plus for each Note or Exchangeable Share, as the case may be, a fraction of a Note or an Exchangeable Share

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equal to \$2.00 divided by the Weighted Average Trading Price (as defined in the Plan), less \$2.00;

- 4.38.6. the class B shares (the "Class B Shares") of Bonavista and the class C shares (the "Class C Shares") of Bonavista shall be created as a new class of shares of Bonavista and each Class A Share, other than Class A Shares held by AcquisitionCo, will be exchanged pursuant to a reorganization of the capital of Bonavista for one (1) Class B Share and one (1) unsecured promissory note (a "NuVista Share Note") of Bonavista, and each Class A Share held by AcquisitionCo will be exchanged pursuant to a reorganization of the capital of Bonavista for one (1) Class C Share;
- 4.38.7. subject to the Plan, each Class B Share, other than Class B Shares held by non-resident Shareholders and tax-exempt Shareholders, will be transferred to AcquisitionCo in accordance with the election or deemed election of the holder of such Class B Share for two (2) Notes or two (2) Exchangeable Shares;
- 4.38.8. each Class B Share held by non-resident Shareholders and tax-exempt Shareholders will be transferred to AcquisitionCo in exchange for two (2) Notes;
- 4.38.9. each Note shall be transferred by the holder thereof to the Trust in exchange for one (1) Trust Unit;
- 4.38.10. Bonavista and AcquisitionCo shall be amalgamated and continued as one corporation, AmalgamationCo;
- 4.38.11. subject to the Plan, each NuVista Exchange Right held by a Shareholder who has elected to exercise such NuVista Exchange Right for cash and who has deposited payment in accordance with the instruction set forth in the letter of transmittal and election form will be deemed to be exercised and the depository shall transfer the purchase price to NuVista and NuVista shall issue one (1) NuVista Share for each NuVista Exchange Right deemed to be exercised;
- 4.38.12. each remaining NuVista Exchange Right and NuVista Share Note held by a Shareholder will be exchanged with NuVista on the basis of one (1) NuVista Share for each NuVista Exchange Right and NuVista Share Note so exchanged;

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- 4.38.13. any remaining outstanding Options shall cease to represent the right to acquire Common Shares and shall only entitle the holder to acquire two (2) Trust Units for each Common Share which the holder was previously entitled to acquire under the Option at a price per Trust Unit calculated in accordance with the following formula:

$$\text{Trust Unit Exercise Price} = \frac{\text{Option Exercise Price} - \$2.00}{2}$$

- 4.38.14. Bonavista Petroleum, a general partnership, the partners of which are Bonavista and BOGL (the "Bonavista Partnership") will convey: (A) Bonavista's one hundred percent undivided interest in substantially all of the undeveloped land in Bonavista's eastern region to NuVista for a cash purchase price; and (B) Bonavista's one hundred percent undivided interest in substantially all of the producing assets in Bonavista's eastern region to NuVista Energy, a general partnership, the partners of which will be, after the completion of the Arrangement, NuVista and the Bonavista Partnership (the "NuVista Partnership"), in consideration of partnership units and a promissory note (the "NuVista Promissory Note");
- 4.38.15. NuVista will convey all of the NuVista Share Notes and cash to the NuVista Partnership in consideration of 70% of the partnership units of the NuVista Partnership and BOGL's partnership interest will be redeemed for a cash payment of \$1,000;
- 4.38.16. the NuVista Partnership will exchange all of the NuVista Share Notes and cash for the NuVista Promissory Note to the Bonavista Partnership;
- 4.38.17. the Bonavista Partnership will convey: (A) that portion of all of the Canadian resource properties of the Bonavista Partnership as is equal to the equity interest of AmalgamationCo in the Bonavista Partnership at the time the step set forth in this subparagraph is carried out (the "AmalgamationCo Carried Working Interest") to AmalgamationCo; and (B) that portion of all of the Canadian resource properties of the Bonavista Partnership as is equal to the equity interest of BOGL in the Bonavista Partnership at the time

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the step set forth in this subparagraph is carried out (the "BOGL Carried Working Interest") to BOGL as a return of capital;

4.38.18. BOGL will dividend the BOGL Carried Working Interest to AmalgamationCo;

4.38.19. AmalgamationCo will grant a net profits interest (the "NPI") pursuant to a net profits interest agreement to be entered into between AmalgamationCo and the Trust on: (A) the AmalgamationCo Carried Working Interest; and (B) the BOGL Carried Working Interest, to the Trust in consideration of the return of Notes in an amount equal to the fair market value of the NPI as determined by AmalgamationCo;

4.38.20. AmalgamationCo will convey: (A) the AmalgamationCo Carried Working Interest (which is subject to the NPI) to the Bonavista Partnership in return for a promissory note; and (B) the BOGL Carried Working Interest (which is subject to the NPI) to BOGL in return for a promissory note; and

4.38.21. BOGL will convey the BOGL Carried Working Interest (which is subject to the NPI) to the Bonavista Partnership in return for a promissory note;

4.39. AmalgamationCo will become a reporting issuer under the Legislation in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Québec, and will be subject to the Continuous Disclosure Requirements in such Jurisdictions;

4.40. the Trust will become a reporting issuer under the Legislation in British Columbia, Alberta, Saskatchewan, Ontario, and Québec and will be subject to the Continuous Disclosure Requirements in such Jurisdictions;

4.41. NuVista will not be a reporting issuer within the definitions of all of the applicable Jurisdictions at the Effective Time;

4.42. following the completion of the Arrangement, NuVista anticipates the need to carry out one or more private placements of NuVista Shares in order to fund its exploration and production activities;

4.43. the Exchangeable Shares provide a holder with a security having economic and voting rights which are, as nearly as practicable, equivalent to those of the Trust Units;

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- 4.44. under the terms of the Exchangeable Shares and certain rights to be granted in connection with the Arrangement, holders of Exchangeable Shares will be able to exchange them at their option for Trust Units;
- 4.45. under the terms of the Exchangeable Shares and certain rights to be granted in connection with the Arrangement, the Trust, ExchangeCo or AmalgamationCo will redeem, retract or otherwise acquire Exchangeable Shares in exchange for Trust Units in certain circumstances;
- 4.46. in order to ensure that the Exchangeable Shares remain the voting and economic equivalent of the Trust Units prior to their exchange, the Arrangement provides for:
 - 4.46.1. a voting and exchange trust agreement to be entered into among the Trust, AcquisitionCo, ExchangeCo and Valiant Trust Company (the "Voting and Exchange Agreement Trustee") which will, among other things, (i) grant to the Voting and Exchange Agreement Trustee, for the benefit of holders of Exchangeable Shares, the right to require the Trust or ExchangeCo to exchange the Exchangeable Shares for Trust Units, and (ii) trigger automatically the exchange of the Exchangeable Shares for Trust Units upon the occurrence of certain specified events;
 - 4.46.2. the deposit by the Trust of a Special Voting Right with the Voting and Exchange Agreement Trustee which will effectively provide the holders of Exchangeable Shares with voting rights equivalent to those attached to the Trust Units; and
 - 4.46.3. a support agreement to be entered into between the Trust, AcquisitionCo, ExchangeCo and the Voting and Exchange Agreement Trustee which will, among other things, restrict the Trust from issuing or distributing to the holders of all or substantially all of the outstanding Trust Units:
 - 4.46.3.1. additional Trust Units or securities convertible into Trust Units;
 - 4.46.3.2. rights, options or warrants for the purchase of Trust Units; or

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4.46.3.3. units or securities of the Trust other than Trust Units, evidence of indebtedness of the Trust or other assets of the Trust;

unless the same or an equivalent distribution is made to holders of Exchangeable Shares, an equivalent change is made to the Exchangeable Shares, such issuance or distribution is made in connection with a distribution reinvestment plan instituted for holders of Trust Units or a unitholder rights protection plan approved for holders of Trust Units by the board of directors of AcquisitionCo, or the approval of holders of Exchangeable Shares has been obtained;

4.47. the steps under the Arrangement, the terms of the Exchangeable Shares and the NuVista Exchange Rights, and the exercise of certain rights provided for in connection with the Arrangement, the Exchangeable Shares and the NuVista Exchange Rights involve a number of trades or potential trades of securities, including Common Shares, Class A Shares, Class B Shares, Class C Shares, NuVista Shares, Trust Units, Exchangeable Shares, NuVista Exchange Rights, Notes, NuVista Share Notes, NuVista Promissory Notes, NuVista partnership units, Options, the Special Voting Right, certain rights to acquire Trust Units, Exchangeable Shares and NuVista Shares under the Arrangement, and rights to otherwise make a trade of a security that was derived from the Arrangement (collectively, the "Trades");

4.48. there are no exemptions from the Registration Requirement or the Prospectus Requirement available under the Legislation of the Jurisdictions for certain of the Trades;

4.49. the Information Circular discloses that the securities that are the subject of the Trades will be issued in reliance on exemptions, including discretionary exemptions, from the Registration Requirement and the Prospectus Requirement and discloses that application will be made to relieve AmalgamationCo from the Continuous Disclosure Requirements; and

4.50. the Trust will concurrently send to holders of Exchangeable Shares resident in the Jurisdictions all disclosure material it sends to holders of Trust Units pursuant to the Legislation;

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

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6. AND WHEREAS 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;

7. THE DECISION of the Decision Makers under the Legislation is that:

7.1. the Registration Requirement and the Prospectus Requirement contained in the Legislation of the Jurisdictions (excluding British Columbia, Nova Scotia, Prince Edward Island and Newfoundland and Labrador) shall not apply to the Trades, provided that the first trade in securities acquired pursuant to the Arrangement shall be deemed to be a distribution or a primary distribution to the public;

7.2. the Prospectus Requirement contained in the Legislation of the Jurisdictions (excluding British Columbia) shall not apply to the first trade in securities acquired by Shareholders under the Arrangement and the first trade of securities acquired on the exercise of all rights, automatic or otherwise, under such securities, provided that:

7.2.1. except in Québec, the conditions in subsections (3) or (4) of section 2.6 of MI 45-102 are satisfied and, for the purposes of determining the period of time that the Trust or NuVista has been a reporting issuer under section 2.6 of MI 45-102, the period of time that Bonavista was a reporting issuer in at least one of the jurisdictions listed in Appendix B of MI 45-102 immediately before the Arrangement may be included; and

7.2.2. in Québec:

7.2.2.1. the Trust is and has been a reporting issuer in Québec for the 12 months immediately preceding the trade, including the period of time that Bonavista was a reporting issuer in Québec immediately before the Arrangement;

7.2.2.2. is made to prepare the market or create a demand for the securities that are the subject of the trade;

7.2.2.3. no extraordinary commission or consideration is paid to a person or company in respect of the trade; and

7.2.2.4. if the selling securityholder is an insider or officer of the Trust, the selling securityholder has no reasonable grounds

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to believe that the Trust is in default of securities legislation;

- 7.3. the Continuous Disclosure Requirements of those Jurisdictions in which AmalgamationCo becomes a reporting issuer or the equivalent under the Legislation shall not apply to AmalgamationCo for so long as:
 - 7.3.1. the Trust is a reporting issuer in Québec and at least one of the jurisdictions listed in Appendix B of MI 45-102 and is an electronic filer under National Instrument 13-101;
 - 7.3.2. the Trust sends to all holders of Exchangeable Shares resident in the Jurisdictions all disclosure material furnished to holders of Trust Units under the Continuous Disclosure Requirements;
 - 7.3.3. the Trust complies with the requirements of the TSX, or such other market or exchange on which the Trust Units may be quoted or listed, in respect of making public disclosure of material information on a timely basis;
 - 7.3.4. AmalgamationCo is in compliance with the requirements of the Legislation to issue a press release and file a report with the Jurisdictions upon the occurrence of a material change in respect of the affairs of AmalgamationCo that is not also a material change in the affairs of the Trust;
 - 7.3.5. the Trust includes in all future mailings of proxy solicitation materials to holders of Exchangeable Shares a clear and concise insert explaining the reason for the mailed material being solely in relation to the Trust and not to AmalgamationCo, such insert to include a reference to the economic equivalency between the Exchangeable Shares and Trust Units and the right to direct voting at meetings of holders of Trust Units;
 - 7.3.6. the Trust remains the direct or indirect beneficial owner of all of the issued and outstanding voting securities of AmalgamationCo; and
 - 7.3.7. AmalgamationCo does not issue any preferred shares or debt obligations other than debt obligations issued to its affiliates or to banks, loan corporations, trust corporations, treasury branches, credit unions, insurance companies or other financial institutions;

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7.4. upon the effectiveness of the Arrangement:

7.4.1. in British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia and Newfoundland and Labrador the requirement contained in the Legislation to have a "current AIF" filed on SEDAR in order to be a "Qualifying Issuer" under MI 45-102 shall not apply to NuVista provided that:

7.4.1.1. NuVista files:

7.4.1.1.1. a notice on SEDAR advising that the Information Circular has been filed as an alternate form of annual information form and identifying the SEDAR Project Number under which the Information Circular was filed and Appendix H to the Information Circular as the portion of the Information Circular containing disclosure specific to NuVista; and

7.4.1.1.2. a copy of Appendix H of the Information Circular under NuVista's SEDAR profile; and

7.4.1.2. NuVista files a Form 45-102F2 on or before the tenth day after the distribution day of any securities certifying that it is a Qualifying Issuer except for the requirement to have a current AIF;

such order to expire 140 days after NuVista's financial year ended December 31, 2003; and

7.4.2. in Québec, NuVista will be exempt from the requirements of subparagraph 1(e) of decision no. 2003-C-0016 of the Commission des valeurs mobilières du Québec given that the Information Circular in connection with the Arrangement contains prospectus level disclosure including financial statements for the year ended December 31, 2002, for the purpose of NuVista qualifying for the shortened hold period. This exemption will expire 140 days after NuVista's financial year ended December 31, 2003; and

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- 7.5. NuVista shall be deemed or declared a reporting issuer at the time of the Arrangement becoming effective for the purposes of the Legislation of the Jurisdictions, other than Saskatchewan, Manitoba, Nova Scotia, Newfoundland, New Brunswick, Prince Edward Island, Yukon, Northwest Territories and Nunavut.

DATED this 2nd day of July, 2003

Glenda A. Campbell, Q.C., Vice-Chair

Stephen R. Murison, Vice-Chair