

2007 BCSECCOM 159

March 16, 2007

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – National Instrument 51-101 Standards of Disclosure for Oil & Gas Activities, s. 8.1 – annual reporting requirements/directors' & officers' responsibilities - A reporting issuer wants relief from all the requirements of NI 51-101 - The issuer is a wholly owned subsidiary of a trust; the issuer and the trust are both reporting issuers; the issuer is exempt from continuous disclosure obligations on the basis that the trust's disclosure record will be filed and delivered in place of the issuer's disclosure record; the trust is subject to NI 51-101 and will provide all of the disclosure required in Parts 2 and 3 of NI 51-101

Applicable British Columbia Provisions

National Instrument 51-101 s. 8.1

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

and

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

and

In the Matter of
Bonavista Petroleum Ltd.
(the Filer)

MRRS Decision Document

Background

1. The local securities regulatory authority or regulator (the Decision Maker) in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Québec (the Jurisdictions) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that the requirements contained in National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* (NI 51-101) shall not apply to the Filer.

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2. Pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the MRRS) established under National Policy 12-201:
 - (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.

Interpretation

3. The terms in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are otherwise defined in this decision.

Representations

4. The decision is based on the following facts represented by the Filer:
 - (a) Bonavista Energy Trust (the Trust) was created pursuant to a plan of arrangement (the Arrangement) under Section 193 of the *Business Corporations Act* (Alberta) (the ABCA) involving the Trust, Bonavista Acquisition Corp. (AcquisitionCo), pre-amalgamation Bonavista Petroleum Ltd. (Bonavista), NuVista Energy Ltd. (NuVista), Bonavista ExchangeCo Ltd. (ExchangeCo), Bonavista Oil & Gas Ltd. and the securityholders of Bonavista.
 - (b) The Filer was formed upon the amalgamation of Bonavista and AcquisitionCo under the ABCA on July 2, 2003 in accordance with the terms of the Arrangement. As at February 5, 2007, 50 common shares of the Filer (the Bonavista Shares) were issued and outstanding, which are owned by the Trust and 12,294,025 exchangeable shares of the Filer (the Exchangeable Shares) were issued and outstanding, all of which are owned by former holders of common shares of Bonavista. Neither the common shares of the Filer, nor the Exchangeable Shares are listed or quoted on any marketplace.
 - (c) The head office and registered office of the Filer are located in Calgary, Alberta.
 - (d) The Filer is engaged in the exploration, development and production of natural gas and crude oil in Western Canada.

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- (e) The Filer became a reporting issuer in each of the Jurisdictions, or its equivalent, on July 2, 2003 when the Arrangement was completed because the Filer was the direct successor of Bonavista. As such, the Filer is subject to the requirements of NI 51-101.
- (f) The Filer is an "exchangeable security issuer" as that term is defined in Section 13.3 of National Instrument 51-102 – *Continuous Disclosure Obligations* (NI 51-102), and exempt from the requirements of NI 51-102 as it meets all the conditions in subsection 13.3(2) of NI 51-102.
- (g) Pursuant to section 4.3 of Multilateral Instrument 52-109 *Certification of Disclosure in Issuers Annual and Interim Filings* (MI 52-109), the Filer is also exempt from the requirements in MI 52-109 as long as it qualifies for the relief contemplated by, and is in compliance with the requirements and conditions set out in section 13.3 of NI 51-102.
- (h) The Filer has not filed a Form 51-101F1 and is currently in default of its NI 51-101 obligations.
- (i) The Trust became a reporting issuer in each of the Jurisdictions on July 2, 2003 concurrent with the completion of the Arrangement. The Trust is subject to the requirements of NI 51-102, NI 51-101 and to MI 52-109 and is not in default of the Legislation in the Jurisdictions.

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 pursuant to the Legislation is that the Requested Relief is granted, provided that:
 - (a) The requirements under NI 51-101 shall not apply to the Filer so long as:
 - (i) the Filer is an "exchangeable security issuer", as defined in subsection 13.3(1) of NI 51-102 and continues to satisfy all the requirements of subsection 13.3(2) of NI 51-102; and

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- (ii) for the purposes of subparagraph 6 (a)(i), the reference to "continuous disclosure documents" in clause 13.3(2)(d)(ii)(A) of NI 51-102 includes documents filed in accordance with NI 51-101.

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