2005 BCSECCOM 101

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Headnote
Mutual Reliance Review System for Exemptive Relief Applications - National Instrument 51-102, s. 13.1 - Continuous Disclosure Obligations - An exchangeable share issuer wants an exemption from having to file continuous disclosure documents to permit it to rely on the continuous disclosure documents of its parent issuer - The issuer is an exchangeable share issuer that complies with all of the conditions for continuous disclosure relief in section 13.3 of National Instrument 51-102 *Continuous Disclosure Obligations* except that the issuer will not file copies of all documents the parent issuer is required to file with the SEC; the parent issuer is a Canadian reporting issuer, as well as a SEC issuer; since the parent issuer is a Canadian reporting issuer, its continuous disclosure documents are already available on SEDAR

Applicable British Columbia Provisions
National Instrument 51-102 *Continuous Disclosure Obligations*, s. 13.1
Securities Act, R.S.B.C. 1996, c. 418, ss. 91 and 119

In the Matter of
the Securities Legislation of
Alberta, British Columbia, Saskatchewan Ontario and Québec

and

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

and

In the Matter of
Provident Energy Ltd.

MRRS Decision Document

Background
The local securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of Alberta, British Columbia, Saskatchewan, Ontario and Québec (the "Jurisdictions") has received an application from Provident Energy Ltd. ("Provident') for a decision under the securities legislation of the Jurisdictions (the "Legislation") that National Instrument 51-102 Continuous Disclosure Obligations ("NI 51-102") and, in the Jurisdictions other than British Columbia and Quebec, Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("MI 52-109") shall not apply to Provident. In

Québec, the exemption will be granted by a revision of the general order that will provide the same result as an exemption order.

Under the Mutual Reliance Review System for Exemptive Relief Applications (the "System")

(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
Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are defined in this decision.

Representations
1. Olympia Energy Inc. ("Olympia") was a corporation incorporated under the Business Corporations Act (Alberta) ("ABCA") and was headquartered in Calgary, Alberta.

2. Olympia's business was the acquisition, development, production and marketing of petroleum and natural gas in Western Canada.

3. Olympia was a reporting issuer or equivalent in the Provinces of British Columbia, Alberta, Saskatchewan, Ontario and Québec prior to completion of the Olympia Arrangement (as defined herein).

4. The common shares of Olympia were listed and posted for trading on the Toronto Stock Exchange (the "TSX") under the trading symbol "OLY" and were subsequently de-listed following the completion of the Olympia Arrangement.

5. Viracocha Energy Ltd. ("Viracocha") was a corporation incorporated under the ABCA and was headquartered in Calgary, Alberta.

6. Viracocha's business was the acquisition, development, production and marketing of petroleum and natural gas in Western Canada.

7. Viracocha was a reporting issuer or equivalent in the Provinces of British Columbia, Alberta and Ontario prior to completion of the Viracocha Arrangement (as defined herein).

8. The common shares of Viracocha were listed and posted for trading on the TSX under the trading symbol "VCA" and were subsequently de-listed following the completion of the Viracocha Arrangement.

9. Provident Energy Trust (the "Trust") is a trust settled under the laws of Alberta and is headquartered in Calgary, Alberta.

10. The Trust's business is the acquisition of interests in crude oil and natural gas rights and the exploration, development, production, marketing and sale of crude oil and natural gas. The Trust also owns and manages a midstream services business.

11. The authorized capital of the Trust consists of an unlimited number of trust units ("Trust Units"), and an unlimited number of special voting units ("Special Voting Units") of which, as of September 30, 2004, 129,810,768 Trust Units and two Special Voting Units were issued and outstanding.

12. The Trust is a reporting issuer or equivalent in each of the provinces of Canada and has been a reporting issuer for a period greater than 12 months.

13. The Trust Units are listed and posted for trading on the TSX under the trading symbol "PVE.UN" and the American Stock Exchange under the trading symbol "PVX". The Trust Units are registered under Section 12 of the United States Securities Exchange Act of 1934, as amended, and the Trust is not registered as an investment company under the United States Investment Company Act of 1940, as amended. As a result, the Trust is an "SEC Issuer" as defined by NI 51-102.

14. Provident is a corporation the common shares of which are wholly-owned by the Trust. Provident was incorporated under the ABCA on January 19, 2001.

15. Provident is authorized to issue an unlimited number of common shares and an unlimited number of exchangeable shares issuable in series. As of October 15, 2004, a total of 638,473 series A exchangeable shares of Provident have been issued (all of which are held by corporations related to two senior officers of Provident) and a total of 2,148,702 series B exchangeable shares of Provident have been issued (the "Series B Exchangeable Shares"). Neither the series A exchangeable shares nor the Series B Exchangeable Shares are listed for trading on any stock exchange in Canada or the United States.

16. Prior to the completion of the Olympia Arrangement and Viracocha Arrangement (as defined herein), Provident was not a reporting issuer in any province of Canada.

17. On April 6, 2004, Olympia and the Trust jointly announced that they had entered into an arrangement agreement pursuant to which Olympia agreed to transfer certain properties to Accrete Energy Inc. ("Accrete") and then combine the remaining business of Olympia with Provident (the "Olympia Arrangement"). The Olympia Arrangement provided that Provident would acquire all of the common shares of Olympia (the "Olympia Shares") and the two companies would amalgamate. Each Olympia Share was exchanged for 0.345 of a Trust Unit, or at the election of a holder of Olympia Shares ("Olympia Shareholder"), 0.345 of a Series B Exchangeable Share (to a maximum of 1,325,000 Series B Exchangeable Shares being issuable pursuant to the Olympia Arrangement). In addition, each Olympia Shareholder received 0.10 of one common share of Accrete for each Olympia Share held.

18. An information circular of Olympia dated April 27, 2004 was mailed to Olympia Shareholders in connection with the Olympia Arrangement. An annual and special meeting of Olympia Shareholders was held on May 27, 2004 for the purpose of, among other business, approving the Olympia Arrangement.

19. On completion of the Olympia Arrangement, the former Olympia Shareholders (other than Olympia Shareholders validly exercising their rights of dissent under Section 191 of the ABCA) exchanged their Olympia Shares for (i) Accrete shares and (ii) either Trust Units, Series B Exchangeable Shares or a combination thereof, and all former non-resident Olympia Shareholders exchanged their Olympia Shares for Trust Units.

20. The Series B Exchangeable Shares are exchangeable for Trust Units and provide a former Olympia Shareholder with a security having participation and voting rights which are, as nearly as practicable, equivalent to those of Trust Units. An Olympia Shareholder who is resident in Canada generally received the Series B Exchangeable Shares on a tax-deferred rollover basis.

21. A Special Voting Unit was created and issued to a trustee (the "Voting and Exchange Agreement Trustee") under a voting and exchange trust agreement and entitles the Voting and Exchange Agreement Trustee to exercise at each meeting of holders of Trust Units the number of votes equal to the number of Trust Units into which the Series B Exchangeable Shares are then exchangeable multiplied by the number of votes to which the holder of one Trust Unit is then entitled. By furnishing instructions to the Voting and Exchange Agreement Trustee, holders of Series B Exchangeable Shares are able to exercise the same voting rights with respect to the Trust as they would if they exchanged their Series B Exchangeable Shares for Trust Units.

22. On April 6, 2004, Viracocha and the Trust jointly announced that they had entered into an arrangement agreement pursuant to which Viracocha agreed to transfer certain Viracocha properties to Chamaelo Energy Inc. ("Chamaelo") and then combine the remaining business of Viracocha with Provident (the "Viracocha Arrangement"). The Viracocha Arrangement provided that Provident would acquire all of the common shares of Viracocha (the "Viracocha Shares") and the two companies would amalgamate. Each Viracocha Share was exchanged for 0.248 of a Trust Unit, or at the election of a holder of Viracocha Shares ("Viracocha Shareholder"), 0.248 of a Series B Exchangeable Share (to a maximum of 1,325,000 Series B Exchangeable Shares being issuable pursuant to the Viracocha Arrangement). In addition, each Viracocha Shareholder received 0.10 of one common share of Chamaelo for each Viracocha Share held.

23. An information circular of Viracocha dated April 27, 2004 was mailed to Viracocha Shareholders in connection with the Viracocha Arrangement. An annual and special meeting of Viracocha Shareholders was held on May 27, 2004 for the purpose of, among other business, approving the Viracocha Arrangement.

24. On completion of the Viracocha Arrangement, the former Viracocha Shareholders (other than Viracocha Shareholders validly exercising their rights of dissent under Section 191 of the ABCA) exchanged their Viracocha Shares for (i) Chamaelo shares and (ii) either Trust Units, Series B Exchangeable Shares or a combination thereof and all former non-resident Viracocha Shareholders exchanged their Viracocha Shares for Trust Units.

25. The Series B Exchangeable Shares are exchangeable for Trust Units and provide a former Viracocha Shareholder with a security having participation and voting rights which are, as nearly as practicable, equivalent to those of Trust Units. An Viracocha Shareholder who is resident in Canada generally received the Series B Exchangeable Shares on a tax-deferred rollover basis.

26. A Special Voting Unit was created and issued to the Voting and Exchange Agreement Trustee under a voting and exchange trust agreement and entitles the Voting and Exchange Agreement Trustee to exercise at each meeting of holders of Trust Units the number of votes equal to the number of Trust Units into which the Series B Exchangeable Shares are then exchangeable multiplied by the number of votes to which the holder of one Trust Unit is then entitled. By furnishing instructions to the Voting and Exchange Agreement Trustee, holders of Series B Exchangeable Shares are able to exercise the same voting

rights with respect to the Trust as they would if they exchanged their Series B Exchangeable Shares for Trust Units.

27. Upon completion of the Olympia Arrangement and the Viracocha Arrangement, Provident became a reporting issuer under the securities legislation of Alberta, British Columbia, Saskatchewan, Ontario and Québec, as a result of the amalgamations involving Provident, Olympia and Viracocha and due to the fact that Provident's existence continued following the exchange of securities in connection with the Olympia Arrangement and Viracocha Arrangement.

28. The exchangeable shareholders of Provident have access to all of the continuous disclosure documents filed on SEDAR by the Trust.

Decision
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.

The Decision of the Decision Makers under the Legislation is that (A) NI 51-102 shall not apply to Provident and Provident is granted an exemption from any comparable continuous disclosure requirements under the Legislation of the Jurisdictions (other than Ontario) that have not yet been repealed or otherwise rendered ineffective as a consequence of the adoption of NI 51-102 provided that (i) Provident satisfies the conditions set out in Section 13.3 of NI 51-102 (other than the condition set out in section 13.3(2)(d) of NI 51-102, (ii) the Trust remains an electronic filer under National Instrument 13-101 System for Electronic Document Analysis and Retrieval (SEDAR); and (iii) the Trust is a reporting issuer in at least one of the jurisdictions listed in Appendix B of Multilateral Instrument 45-102 Resale of Securities and (B) Other than in British Columbia and Quebec, MI 52-109 shall not apply to Provident provided that (i) Provident is not required to, and does not, file its own interim and annual filings (as defined under MI 52-109) and (ii) Provident is exempt from or otherwise not subject to the continuous disclosure requirements set out in NI 51-102.

DATED at Calgary, Alberta on this 5th day of January, 2005.

Mavis Legg, CA
Manager, Securities Analysis