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Headnote

Issuer exempt from the requirements of the *Company Act* relating to trust indentures

Exemption Order

Ainsworth Lumber Co. Ltd.

Section 87 of the *Company Act*, R.S.B.C. 1996, c. 62

Background

¶ 1 Ainsworth applied for an exemption from sections 86 to 97 of the Act.

Representations

¶ 2 Ainsworth represents that:

1. it is a corporation amalgamated under the Act, is a reporting issuer under the *Securities Act* (British Columbia) and is not in default of any requirement of the *Securities Act* or the *Securities Rules*, B.C. Reg. 194/97;
2. all of its outstanding common shares are listed on the Toronto Stock Exchange;
3. it is conducting a private placement of senior notes (the Notes) in the aggregate principal amount of US\$200,000,000 in the United States of America, British Columbia, Alberta, Manitoba, Saskatchewan, Ontario, Québec, New Brunswick and Prince Edward Island;
4. the Notes will be issued under a trust indenture (the Indenture) to be entered into between Ainsworth and the Bank of New York (the Trustee);
5. the Indenture is governed by the laws of the State of New York and the *Trust Indenture Act of 1939* of the United States of America (the Trust Indenture Act), which contains provisions that are substantially similar to the provisions of sections 86 to 97 of the Act;

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6. the Trustee is a bank organized under the federal laws of the United States of America;
7. Ainsworth has distributed a preliminary offering memorandum dated February 17, 2004 to prospective purchasers in connection with the offering of the Notes;
8. the Notes will be sold in the United States of America to qualified institutional purchasers in reliance on Rule 144A of the *Securities Act of 1933* of the United States of America (the 1933 Act) and outside of the United States of America in reliance on Regulation S under the 1933 Act; and
9. any Notes sold in Canada, or to a resident of Canada, will be sold in compliance with applicable securities legislation, rules and policies.

Order

- ¶ 3 Because it is not prejudicial to the public interest, the Executive Director orders under section 87(2) of the Act that sections 86 to 97 of the Act do not apply to the Indenture, provided that the Indenture complies in all material respects with the provisions of the Trust Indenture Act that are substantially similar to the provisions of sections 86 to 97 of the Act.

February 27, 2004

Derek E. Patterson
Acting Director