

2003 BCSECCOM 722

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - relief from certain financial disclosure obligations in connection with a take-over bid

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, s. 114(2)

IN THE MATTER OF THE SECURITIES LEGISLATION OF ALBERTA AND BRITISH COLUMBIA

AND

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

AND

IN THE MATTER OF RESULT ENERGY INC.

MRRS DECISION DOCUMENT

1. WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in each of Alberta and British Columbia (the “Jurisdictions”) has received an application from Result Energy Inc. (“Result”) for a decision under the securities legislation of the Jurisdictions (the “Legislation”) that Result be exempt from certain financial disclosure obligations in connection with a take-over bid for all of the outstanding securities of Intergulf Resources Corp. (“Intergulf”);
2. AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the “MRRS”), the Alberta Securities Commission is the principal regulator for this application;
3. AND WHEREAS Result has represented to the Decision Makers that:
 - 3.1 Result is a corporation continued under the *Business Corporation Act* (Alberta);
 - 3.2 the head office of Result is located in Calgary, Alberta;
 - 3.3 Result is engaged in the exploration, development and production of oil and gas projects in Alberta;

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- 3.4 the authorized share capital of Result consists of an unlimited number of common shares, of which 6,298,234 common shares are issued and outstanding as at August 29, 2003;
- 3.5 Result is a reporting issuer in British Columbia and Alberta;
- 3.6 the common shares of Result are listed on the TSX Venture Exchange under the trading symbol "RTE";
- 3.7 Intergulf is a corporation incorporated under the *Company Act* (British Columbia) on July 21, 1999;
- 3.8 the head office of Intergulf is located in Vancouver, British Columbia;
- 3.9 the authorized capital of Intergulf is 200,000,000 shares, divided into 100,000,000 common shares and 100,000,000 preferred shares. As of May 14, 2003, 5,718,000 common shares and no preferred shares were issued and outstanding;
- 3.10 Intergulf is a reporting issuer in both British Columbia and Alberta;
- 3.11 Intergulf is a Capital Pool Company under the policies of the TSX Venture Exchange;
- 3.12 the common shares of Intergulf are listed on the TSX Venture Exchange, but have been suspended from trading as a result of Intergulf's failure to complete a qualifying transaction as required under the policies of the TSX Venture Exchange;
- 3.13 Result and Intergulf have entered into an acquisition agreement dated August 26, 2003 pursuant to which Result Energy Acquisition (BC) Inc., a wholly-owned subsidiary of Result, will offer to acquire all of the outstanding common shares of Intergulf in exchange for common shares of Result (the "Take-over Bid");
- 3.14 the Take-over Bid will be conducted as a formal take-over bid under the Legislation;
- 3.15 on April 14, 2003, Result completed the acquisition of certain oil and gas properties from Baytex Energy Ltd. in the Worsley area of

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northwest Alberta (the “Baytex Properties”), effective February 1, 2003;

- 3.16 the acquisition of the Baytex Properties by Result constitutes a “significant acquisition” under the Legislation;
 - 3.17 Result would be required under the Legislation to include in the Circular audited financial statements for the Baytex Properties for the last three completed fiscal years;
 - 3.18 in lieu of financial statements for the Baytex Properties for the last three completed fiscal years, Result proposes to include in the Circular audited schedules of revenue and operating expenses for the Baytex Properties for the years ending December 31, 2001 and 2002 (Alternative Disclosure).
 - 3.19 Result will include in the Circular the following financial statements as required by the Legislation: (a) audited financial statements for the years ended June 30, 2000, 2001, and 2002, for the year ended December 31, 2002 (to reflect Result’s changed year end), and interim statements for the period ended June 30, 2003; and (b) unaudited pro forma balance sheet as at June 30, 2003 and income statements for the periods ended June 30, 2003 and June 30, 2002.
4. AND WHEREAS under the MRRS, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the “Decision”);
 5. 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;
 6. THE DECISION of the Decision Makers under the Legislation is that Result shall be exempt from the requirement under the Legislation to include in the Circular audited financial statements for the Baytex Properties for the last three completed fiscal years provided that the Circular includes the financial statements described in paragraph 3.20 and the Alternative Disclosure.

DATED this 24th day of October, 2003

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

Stephen R. Murison, Vice-Chair