

2009 BCSECCOM 281

May 14, 2009

Headnote

National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions – Securities Act*, s. 88 - Cease to be a reporting issuer in BC - The securities of the issuer are beneficially owned by not more than 50 persons and are not traded through any exchange or market - The issuer falls within the definition of “closely held reporting issuer” contained in BC Instrument 11-502 Voluntary Surrender of Reporting Issuer Status as the securities of the issuer are beneficially owned by not more than 50 persons and are not traded through any exchange or market

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, s. 88

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

and

In the Matter of
the Process for Exemptive Relief Applications in Multiple Jurisdictions

and

In the Matter of
Arawak Energy Limited
(the Filer)

Decision

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the Decision Makers) has received an application from the Filer for a decision pursuant to the securities legislation of the Jurisdictions (the Legislation) that the Filer is not a reporting issuer (the Exemptive Relief Sought).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a coordinated review application),

2009 BCSECCOM 281

- (a) the Ontario Securities Commission is the principal regulator for the application, and
- (b) the decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

Interpretation

Terms defined in National Instrument 14-101 Definitions have the same meaning if used in this decision, unless otherwise defined.

Representations

This decision is based on the following facts represented by the Filer:

1. This Filer was incorporated in British Columbia on July 13, 1987 as Iskut Gold Corporation. On March 24, 1994, the Filer's name was changed to A&B Geoscience Corporation and, by articles of continuance dated April 11, 1995, the Filer was continued under the laws of Anguilla, British West Indies pursuant to the provisions of The Companies Ordinance, 1994. By articles of amendment effective June 13, 2003, the Filer changed its name to Arawak Energy Corporation. On April 2, 2008, shareholders of the Filer passed special resolutions approving (a) the continuance of the Filer from Anguilla, British West Indies to Jersey, Channel Islands (the Continuance), and (b) a change in the name of the Filer to Arawak Energy Limited. As a result of the Continuance, the Filer became a company continued under the Companies (Jersey) Law 1991 (as amended) (the Jersey Act).
2. The Filer is a reporting issuer in British Columbia, Alberta and Ontario.
3. The common shares of the Filer (the Common Shares) were delisted from the Toronto Stock Exchange after the close of business on April 14, 2009 and from the London Stock Exchange on April 24, 2009.
4. The Filer's principal business is the exploration, development and production of oil and natural gas in Kazakhstan, Russia and Azerbaijan.
5. The Filer's head office is located at Belgrave House, 6th Floor, 76 Buckingham Palace Road, London, SW1W 9TQ, England and its registered office is located at Whiteley Chambers, Don Street, St. Helier, Jersey, Channel Islands.
6. The Filer's authorized capital consists of 500,000,000 Common Shares and 200,000,000 preference shares. As at March 31, 2009, there were 182,644,452 Common Shares and no preference shares issued and outstanding.

2009 BCSECCOM 281

7. Pursuant to an offer made by way of formal take-over bid (the Offer) dated January 30, 2009, Rosco S.A. (Rosco) offered to purchase all of the Common Shares (not already owned by Rosco or its affiliates) at a price of \$1.00 Canadian per Common Share.
8. As at the date of the Offer, Rosco and its affiliates owned approximately 41.43 percent of the issued and outstanding Common Shares.
9. The Offer was initially scheduled to expire on March 9, 2009 and was extended to March 24, 2009 and further extended to April 7, 2009. Between March 24, 2009, and April 7, 2009, 94.73 percent of the outstanding Common Shares not already owned by Rosco or its affiliates were taken up by Rosco and paid for.
10. Rosco has exercised its right under Articles 117 and 118 of the Jersey Act to acquire the remaining issued and outstanding Common Shares not deposited under the Offer (the Compulsory Acquisition). A Notice of Compulsory Acquisition was sent on March 25, 2009 to persons who had not tendered to the Offer. The Compulsory Acquisition was completed on May 6, 2009, at which time Rosco and its affiliates became the only beneficial shareholders of the Filer.
11. On April 9, 2009, Rosco tendered payment to the Filer in trust for shareholders subject to the Compulsory Acquisition under the Jersey Act and who did not tender to the Offer on or before April 7, 2009.
12. In the absence of relief, the Filer will be in default of its obligation to file its interim financial statements and related management's discussion and analysis for the period ended March 31, 2009 if it does not file such document by May 15, 2009 (the Filing Deadline). The Filer is unable to rely on CSA Staff Notice 12-307 Applications for a Decision that an Issuer is not a Reporting Issuer (CSA 12-307) because the Filer will not meet the requirement under CSA 12-307 of having ceased to be a reporting issuer under British Columbia Instrument 11-502 Voluntary Surrender of Reporting Issuer Status before the Filing Deadline.
13. The outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 security holders in each of the jurisdictions in Canada and less than 51 security holders in total in Canada.

2009 BCSECCOM 281

14. No securities of the Filer are traded on a marketplace as defined in National Instrument 21-101 Marketplace Operations.
15. The Filer is not in default of any of its obligations under the Legislation as a reporting issuer.
16. The Filer has no intention to seek public financing by way of an offering of securities.
17. Upon the grant of the Exemptive Relief Sought, the Filer will not be a reporting issuer or the equivalent in any jurisdiction in Canada.

Decision

Each of Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Makers to make the decision.

The decision of the Decision Makers under the Legislation is that the Exemptive Relief Sought is granted.

Jo-Anne Matear
Assistant Manager, Corporate Finance Branch
Ontario Securities Commission