

Blanket Order No. 45-514

In the Matter of the
Securities Act, R.S.N.S. 1989, c. 418, as amended (the Act)

-and-

In the Matter of An
Exemption for Solicitations of Expressions of Interest

Ruling
(Subsection 80(1))

WHEREAS:

1. In this ruling:

“NI 44-101” means National Instrument 44-101 Short Form Prospectus Distributions;

“over-allocation position” means the amount by which the total number or principal amount of securities that are the subject of offers to purchase received by all underwriters of a distribution exceeds the total number or principal amount of securities that all underwriters have agreed to purchase under an enforceable agreement with the issuer;

“over-allotment option” means a right granted to the underwriters by an issuer or a selling security holder in connection with the distribution of securities under a short form prospectus to acquire additional securities of the same class as was distributed under the short form prospectus; and

“short form prospectus” means a short form prospectus filed under NI 44-101.

2. Paragraph 7.1(a) of Part 7 of NI 44-101 provides an exemption from the prospectus requirement in section 58 of the Act for solicitations of expressions of interest before the filing of a preliminary short form prospectus for securities to be issued under a bought deal offering.
3. The exemption in Part 7 of NI 44-101 does not extend to the solicitation of expressions of interest for securities to be issued under an over-allotment option.
4. The Commission is satisfied that to do so would not be prejudicial to the public interest.

IT IS RULED under subsection 80(1) of the Act that section 58 of the Act does not apply to soliciting expressions of interest before the filing of a preliminary short form prospectus for securities to be issued under an over-allotment option, provided that:

- (a) the issuer satisfies the conditions in paragraphs 7.1 (a) to (e) of NI 44-101, and
- (b) the over-allotment option :
 - (i) is granted for the purposes of covering the underwriters' over-allocation position,
 - (ii) expires not more than 60 days after the date of closing of the distribution, and
 - (iii) is limited to the lesser of:
 - (A) the over-allocation position determined as at the closing of the distribution, and
 - (B) 15% of the number or principal amount of the securities qualified for the distribution, other than the securities issuable on the exercise of the over-allotment option.

Dated at Halifax, Nova Scotia, this 24th day of May, 2006.

Nova Scotia Securities Commission

"H. Leslie O'Brien"
H. Leslie O'Brien

"R. Daren Baxter"
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