

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – issuer deemed to no longer be a reporting issuer under the Act;

Applicable Alberta Statutory Provisions

Securities Act, R.S.A., 2000, c.S-4, s. 153

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF ALBERTA, SASKATCHEWAN, ONTARIO, QUÉBEC
NOVA SCOTIA AND NEWFOUNDLAND AND LABRADOR

AND

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

AND

IN THE MATTER OF ALLIED OIL & GAS CORP.

MRRS DECISION DOCUMENT

1. WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, Saskatchewan, Ontario, Québec, Nova Scotia and Newfoundland and Labrador (the "Jurisdictions") has received an application from Allied Oil & Gas Corp. ("Allied" or the "Corporation") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that Allied be deemed to have ceased to be a reporting issuer under the Legislation;
2. AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the ~~A~~System[®]) the Alberta Securities Commission is the principal regulator for this application;
3. AND WHEREAS Allied has represented to the Decision Makers that:
 - 3.1 Allied was incorporated pursuant to the Business Corporations Act (Alberta) (the "ABCA") on February 27, 1998 as Allied Petroleum Inc. On May 29, 1998 the Corporation completed its initial public offering of common shares (the "Common Shares") pursuant to a prospectus dated May 19, 1998.
 - 3.2 the Common Shares commenced trading on the Canadian Venture Exchange (then The Alberta Stock Exchange) (the "CDNX") on August 18, 1998 under the symbol "APX";
 - 3.3 on October 20, 1998, the Corporation's Articles were amended to consolidate its issued and outstanding Common Shares on the basis of one new Common Share for each two Common Shares formerly issued and outstanding and to change the name of

the Corporation to Allied Consolidated Energy Inc. On April 19, 1999, the Corporation's Articles were further amended to consolidate the Corporation's share capital on the basis of one new Common Share for each five Common Shares formerly issued and outstanding and to change the name of the Corporation to Allied Oil & Gas Corp;

- 3.4 the Common Shares were listed and posted for trading on The Toronto Stock Exchange (the "TSE") under the symbol "AOG" on October 2, 2000. The Common Shares were subsequently de-listed from the CDNX;
- 3.5 the registered office of Allied is located at 4500 Bankers Hall East, 855 – 2nd Street S.W., Calgary, Alberta T2P 4K7;
- 3.6 Allied is a reporting issuer under the Legislation, and is not in default of any requirement thereunder;
- 3.7 by way of an Offer to Purchase and Circular dated October 19, 2001 (as amended by a Notice of Extension dated November 26, 2001), 942235 Alberta Ltd. ("Acquisitionco"), an indirect wholly-owned subsidiary of The City of Medicine Hat (the "City"), made an offer to purchase all of the issued and outstanding Common Shares (the "Offer");
- 3.8 pursuant to the Offer, Acquisitionco acquired 17,774,129 Common Shares, representing approximately 79% of the outstanding Common Shares;
- 3.9 at a special meeting of Allied shareholders (the "Shareholders") held on January 28, 2002, the Shareholders approved, by special resolution, the amalgamation of Allied and Acquisitionco (the "Amalgamation"). As a result of the Amalgamation, Allied Oil & Gas Corp. ("Amalco") was formed pursuant to a Certificate of Amalgamation dated January 28, 2002;
- 3.10 pursuant to the Amalgamation each issued and outstanding Common Share (other than those held by Acquisitionco) was converted into one Class B Redeemable Preferred Share (the "Redeemable Preferred Shares") of Amalco. Each Redeemable Preferred Share was immediately redeemed for \$2.65 in cash;
- 3.11 as a result of a series of transactions effected after the Amalgamation, Amalco became a wholly-owned subsidiary of the City on January 31, 2002;
- 3.12 Amalco is now authorized to issue an unlimited number of Common Shares and, an unlimited number of preferred shares (the "Preferred Shares");
- 3.13 as at March 12, 2002, the issued and outstanding securities of Amalco consisted of one Common Share and 5,981 Preferred Shares, all of which are owned by the City;

- 3.14 the Common Shares were delisted by the TSE at the close of trading on February 1, 2002;
- 3.15 other than the outstanding Common Share and the outstanding Preferred Shares, Amalco has no securities, including debt securities, outstanding;
- 3.16 Amalco does not intend to seek public financing by way of an offering of its securities.
4. AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the ~~A~~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. AND WHEREAS the Decision of the Decision Makers pursuant to the Legislation is that Amalco is deemed to have ceased to be a reporting issuer under the Legislation as of the date of this Decision.

DATED this 15th day of April, 2002.

"original signed by" _____
Patricia M. Johnston
Director, Legal Services & Policy Development