

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF ALBERTA, SASKATCHEWAN, ONTARIO, AND QUÉBEC

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM

AND

IN THE MATTER OF
KETCH ENERGY LTD.

MRRS DECISION DOCUMENT

1. WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, Saskatchewan, Ontario and Québec (the "Jurisdictions") has received application from Ketch Energy Ltd. ("Ketch" or the "Corporation") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that Ketch be deemed to have ceased to be a reporting issuer or the equivalent under the Legislation;
2. AND WHEREAS pursuant to the Mutual Reliance Review Systems For Exemptive Relief Applications (the "System"), the Alberta Securities Commission is the Principal Regulator for this application.
3. AND WHEREAS it has been represented by Ketch that:
 - 3.1 The Corporation was continued under the *Business Corporations Act* (Alberta) on April 20, 1994. On June 13, 2000, the Corporation changed its name to "Ketch Energy Ltd." and consolidated its issued and outstanding share capital on a one for five basis;
 - 3.2 The head office and principal office of the Corporation is located at 1800, 255 - 5th Avenue S.W., Calgary, Alberta;
 - 3.3 The authorized capital of Ketch consists of 100,000,000 common shares (the "Common Shares"). 984486 Alberta Ltd. ("AcquisitionCo") owns all the Common Shares that are currently issued and outstanding;
 - 3.4 Ketch is a reporting issuer or the equivalent in each of the Jurisdictions;
 - 3.5 Ketch is not in default of any of its obligations as a reporting issuer or the equivalent under the Legislation;

- 3.6 On August 21, 2002, Ketch mailed to holders of common shares ("Common Shares") and options ("Options") of Ketch a Notice of Special Meeting and Notice of Petition and Information Circular (the "Information Circular"), which outlined the terms of and sought approval for a plan of arrangement under Section 193 of the *Business Corporations Act* (Alberta) involving Acclaim Energy Trust (the "Trust"), Acclaim Energy Inc. ("Acclaim"), Ketch, Ketch Resources Ltd. ("ExploreCo") and 984486 Alberta Ltd. ("AcquisitionCo"), a wholly-owned subsidiary of Acclaim.
- 3.7 The Arrangement was approved by holders of Common Shares and Options on September 26, 2002 and by the Court of Queen's Bench of Alberta on September 7, 2002. Articles of Arrangement were filed on behalf of Ketch on October 1, 2002.
- 3.8 Under the terms of the Arrangement, holders of Common Shares received, as a return of capital, one (1) Common Share of ExploreCo for each three (3) Common Shares held. Each issued and outstanding Common Share was transferred to AcquisitionCo in exchange for 1.15 trust units of the Trust ("Trust Units"). AcquisitionCo issued one (1) note (a "Note") to the Trust for each Trust Unit issued.
- 3.9 As a result of the Arrangement, AcquisitionCo acquired all of the issued and outstanding Common Shares in exchange for approximately 56,000,000 Trust Units.
- 3.10 AcquisitionCo is the sole registered securityholder of Ketch and there are no securities, including debt obligations, currently issued and outstanding other than the Common Shares.
- 3.11 The Common Shares were delisted from The Toronto Stock Exchange at the end of trading on October 4, 2002, and there are no securities of Ketch listed on any stock exchange or traded over the counter in Canada or elsewhere; consequently, there is no longer a market for such securities;
- 3.12 Ketch does not intend to seek public financing by way of an offering of securities.
4. AND WHEREAS pursuant to the System this Decision Document evidences the decision of each Decision Maker;
5. AND WHEREAS each of the Decision Makers is satisfied that tests contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;
6. IT IS THE DECISION by the Decision Makers, pursuant to the Legislation, that Ketch be declared not to be a reporting issuer or the equivalent under the Legislation.

DATED this 27th day of November, 2002.

“original signed by”

Patricia M. Johnston

Director, Legal Services & Policy Development

Headnote

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

Applicable Alberta Statutory Provisions

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