

THE SECURITIES ACT ) Order No. 4842  
)  
Section 20(1) ) July 27, 2005

ENERPLUS RESOURCES FUND

WHEREAS:

(A) Application has been made by Enerplus Resources Fund (the "**Filer**") to The Manitoba Securities Commission (the "Commission") for an order pursuant to subsection 20(1) of *The Securities Act*, R.S.M. 1988, c. S50 (the "**Act**") that certain trades in securities of the Filer shall be exempt from sections 6 and 37 of the Act.

(B) It has been represented to the Commission by the Applicant that:

1) The Filer was formed pursuant to the laws of Alberta on July 7, 1986 and is currently governed by an Amended and Restated Trust Indenture dated January 1, 2004. The Filer's head, principal and registered office is located at The Dome Tower, Suite 3000, 333 – 7th Avenue S.W., Calgary, Alberta T2P 2Z1. The trustee of the Filer is CIBC Mellon Trust Company located at 600 The Dome Tower, 333 – 7th Avenue S.W., Calgary, Alberta T2P 2Z1.

2) The Filer, through its operating subsidiaries, acquires, exploits and operates crude oil and natural gas assets in western Canada. As at March 31, 2005, the Filer had outstanding Unitholder's capital of approximately \$2,850,000,000 and outstanding long term debt of approximately \$562,000,000. For the three months ended March 31, 2005, the Filer's operating subsidiaries produced an average of 78,813 barrels of oil equivalent per day.

3) The Filer is authorized to issue an unlimited number of trust units ("**Trust Units**") and any other securities convertible or exchangeable into Trust Units. As of March 31, 2005, a total of 104,586,000 Trust Units were issued and outstanding.

4) The currently issued and outstanding Trust Units of the Filer are listed on the Toronto Stock Exchange under the symbol "ERF.UN" and the New York Stock Exchange under the symbol "ERF".

5) The Filer is a reporting issuer or the equivalent in each of the provinces and territories of Canada which provide for that concept.

6) On July 18, 2005, the Filer entered into an acquisition agreement (the "**Acquisition Agreement**") with Lyco Energy Corporation ("**Lyco**") pursuant to which the Filer is to acquire all of the issued and outstanding shares of Lyco

through the merger of an indirect wholly-owned subsidiary of the Filer with and into Lyco (the "**Acquisition**").

7) As part of the Acquisition the Filer plans on offering to the public (the "**Offering**") 7,600,000 subscription receipts of the Filer (the "**Primary Subscription Receipts**") plus up to 1,650,000 additional subscription receipts of the Filer (the "**Initial Option Subscription Receipts**") pursuant to an initial option granted to the Underwriters (as hereinafter defined), and up to 1,387,500 additional subscription receipts of the Filer (the "**Additional Option Subscription Receipts**") pursuant to a secondary option granted to the Underwriters (as hereinafter defined) in accordance with an underwriting agreement (the "**Underwriting Agreement**") dated July 20, 2005 among, among others, the Filer and CIBC World Markets Inc., RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., Scotia Capital Inc., National Bank Financial Inc., TD Securities Inc., Canaccord Capital Corporation, FirstEnergy Capital Corp., Raymond James Ltd., Desjardins Securities Inc., HSBC Securities (Canada) Inc., Dundee Securities Corporation, First Associates Investments Inc., GMP Securities Ltd., Peters & Co. Limited and Tristone Capital Inc., as the underwriters of the Offering (the "**Underwriters**"). The Primary Subscription Receipts, Initial Option Subscription Receipts and the Additional Option Subscription Receipts shall be referred to collectively hereinafter as the "**Subscription Receipts**" or, individually, as a "**Subscription Receipt**".

8) The Offering will be made pursuant to a final short form prospectus which will disclose that up to 7,600,000 trust units of the Filer will be issuable upon the automatic exchange of the Primary Subscription Receipts (the "**Primary Underlying Trust Units**"), up to 1,650,000 additional trust units of the Filer will be issuable upon the automatic exchange of the Initial Option Subscription Receipts (the "**Initial Option Underlying Trust Units**") and up to 1,387,500 additional trust units of the Filer will be issuable upon the automatic exchange of the Additional Option Subscription Receipts (the "**Additional Option Underlying Trust Units**"). The Primary Underlying Trust Units, Initial Option Underlying Trust Units and Additional Option Underlying Trust Units are referred to collectively hereinafter as the "**Underlying Trust Units**" or, individually, as an "**Underlying Trust Unit**".

9) The Offering is being made to residents of Manitoba, Alberta, British Columbia, Saskatchewan, Ontario, Quebec, Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland and Labrador (the "**Selling Jurisdictions**").

10) The Filer will offer the Subscription Receipts in each of the Selling Jurisdictions pursuant to a preliminary short form prospectus dated July 20, 2005 (the "**Preliminary Prospectus**"), and a final short form prospectus will be filed on or about July 29, 2005 (the "**Final Prospectus**"), pursuant to the Mutual Reliance Review System ("**MRRS**") for prospectuses and annual information forms under National Policy 43-201. An MRRS Decision Document issued on

July 20, 2005 confirms that receipts have been issued by the regulators in each of the Selling Jurisdictions for the Preliminary Prospectus. It is anticipated that an MRRS Decision Document for the Final Prospectus shall be issued on or about July 29, 2005, and the Offering is conditional upon receipt by the Filer of an MRRS Decision Document confirming that receipts have been issued by the regulators in each of the Selling Jurisdictions for the Final Prospectus.

11) The gross proceeds from the sale of the Subscription Receipts (the "**Escrowed Funds**") will be held in escrow by CIBC Mellon Trust Company as escrow agent (the "**Escrow Agent**") pending satisfaction of the Escrow Release Condition (as defined below). Provided that the Escrow Release Condition is satisfied on or before 5:00 p.m. (Calgary time) on October 31, 2005 (the "**Termination Time**"), the Escrowed Funds (together with interest thereon) will be released to the Filer.

12) The Subscription Receipts will be issued pursuant to a subscription receipt agreement (the "**Subscription Receipt Agreement**"). Pursuant to the Subscription Receipt Agreement, each Subscription Receipt entitles a holder to one Underlying Trust Unit of the Filer which will occur automatically upon satisfaction of the Escrow Release Condition, as hereinafter defined (collectively, the "**Automatic Conversions**"), without payment of any consideration in addition to the issue price of the Subscription Receipt.

13) Purchasers of Subscription Receipts will be provided with a copy of the Final Prospectus, which will provide full, true and plain disclosure relating to the Subscription Receipts, the Automatic Conversion and the Underlying Trust Units.

14) If the Escrow Release Condition is not satisfied by the Termination Time or if the Acquisition Agreement is terminated earlier than the Termination Time, the holders of Subscription Receipts shall, on or before the second business day following the date upon which the Acquisition Agreement is terminated, be entitled to receive an amount equal to the full subscription price therefor and a pro rata share of the interest earned on the Escrowed Funds (less applicable withholding taxes).

15) As used herein, "**Escrow Release Condition**" means that all of the conditions to the completion of the Acquisition under the terms of the Acquisition Agreement have been satisfied, and the Filer is able to complete the Acquisition but for the release of the Escrowed Funds to the Filer pursuant to the terms of the Subscription Receipts.

(C) The Commission is of the opinion that it would not be prejudicial to the public interest to grant the order requested.

**IT IS ORDERED:**

**1. THAT**, pursuant to subsection 20(1) of the Act, all trades in connection with Automatic Conversions shall be exempt from sections 6 and 37 of the Act, provided that no commission or other remuneration is paid or given to any person in respect of such trades except for ministerial or professional services or for services performed by a person or company registered for trading in securities under the Act.

**2. THAT** the fee for this order shall be \$1,000.00.

**BY ORDER OF THE COMMISSION**

**Chair**