

THE SECURITIES ACT

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Order No. 4646

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Section 20

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January 12, 2005

KETCH RESOURCES LTD. AND BEAR CREEK ENERGY INC.

WHEREAS:

(A) Application has been made on behalf of Ketch Resources Ltd. ("Ketch") and Bear Creek Energy Inc. ("Bear Creek") to The Manitoba Securities Commission (the "Commission") for an order under section 20(1) of The Securities Act, R.S.M. 1988, c. S50 (the "Act") exempting from the dealer registration requirement and the prospectus requirement all trades in securities to be made in connection with a proposed plan of arrangement (the "Arrangement") under the Business Corporations Act (Alberta) (the "ABCA") involving Bear Creek, Ketch, Ketch Resources Trust (the "Trust"), Bear Ridge Resources Ltd. ("Bear Ridge") and Kereco Energy Ltd. ("Kereco") that is proposed to be completed according to the terms and conditions of an amended and restated arrangement agreement entered into between Bear Creek and Ketch on October 26, 2004 (the "Arrangement Trades")

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

Bear Creek

1. Bear Creek is a corporation resulting from a plan of arrangement under the ABCA involving Millennium Energy Inc., Crossfield Gas Corp., 1036655 Alberta Ltd. and 1050412 Alberta Ltd.
2. The head and principal office of Bear Creek is located at 1240, 407 – 2nd Street S.W., Calgary, Alberta, T2P 2Y3 and the registered office is located at 4500, 855 – 2nd Street S.W., Calgary, Alberta, T2P 4K7.
3. Bear Creek is engaged in the acquisition, exploration, development and production of crude oil and natural gas in Western Canada.
4. The authorized share capital of Bear Creek consists of an unlimited number of common shares (the "Bear Creek Common Shares") and an unlimited number of four classes of preferred shares. As of December 14, 2004, there were 19,765,339 Bear Creek Common Shares issued and outstanding and no preferred shares issued and outstanding. Options (the "Bear Creek Options") to acquire 1,750,600 Bear Creek Common Shares were also outstanding as of December 14, 2004 and 291,667 Bear Creek Common Shares were reserved for issuance to be issuable pursuant to outstanding share purchase warrants to acquire Bear Creek Common Shares (the "Bear Creek Warrants").

5. The Bear Creek Common Shares are listed and posted for trading on the Toronto Stock Exchange (the "TSX").

6. Bear Creek is a reporting issuer in the Provinces of British Columbia, Alberta and Ontario.

Ketch

7. Ketch is a corporation incorporated under the ABCA.

8. The head and principal office of Ketch is located at 1100, 530 – 8th Avenue S.W., Calgary, Alberta, T2P 3S8 and the registered office is located at 1400, 350 - 7th Avenue S.W, Calgary AB T2P 3N9.

9. Ketch is an oil and natural gas exploration and production company whose key business activities are focused in central and northwestern Alberta.

10. The authorized share capital of Ketch consists of an unlimited number of common shares (the "Ketch Common Shares"). As of December 14, 2004, there were 27,625,892 Ketch Common Shares issued and outstanding. Options (the "Ketch Options") to acquire 2,278,450 Ketch Common Shares were also outstanding as of December 14, 2004 and 1,128,420 Ketch Common Shares were reserved for issuance pursuant to outstanding share purchase warrants to acquire Ketch Common Shares (the "Ketch Warrants").

11. The Ketch Common Shares are listed and posted for trading on the TSX.

12. Ketch is a reporting issuer in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec.

The Trust

13. The Trust was established by a trust indenture dated December 16, 2004.

14. The Trust is, for the purposes of the Income Tax Act (Canada), an open-ended unincorporated, limited purpose mutual fund trust governed by the laws of the Province of Alberta.

15. The Trust is authorized to issue an unlimited number of units of the Trust (the "Trust Units") and an unlimited number of special voting units.

16. As of December 16, 2004, two (2) Trust Units were issued and outstanding.

17. The Trust will apply to list the Trust Units on the TSX as soon as possible after the effective date of the Arrangement (the "Effective Date").

18. The Trust is not a reporting issuer in any Province, but will become a reporting issuer in certain Provinces as a consequence of the Arrangement.

Bear Ridge

19. Bear Ridge will either be

a) 1142362 Alberta Ltd. if the come-along agreement (the "Bear Ridge Come-Along Agreement") dated December 14, 2004 among Bear Creek, Ketch and Ceyba Inc. setting forth the terms and conditions of Ceyba Corp.'s participation in the Arrangement, is not consummated; or

b) 1142356 Alberta Ltd. ("CanSubCo") if the Bear Ridge Come-Along Agreement is consummated. Ceyba Corp. is a wholly-owned subsidiary of Ceyba Inc.

20. The head and principal office of Bear Ridge will be located at 1240, 407 – 2nd Street S.W., Calgary, Alberta, T2P 2Y3, and the registered office is located at 4500, 855 – 2nd Street S.W., Calgary, Alberta, T2P 4K7.

21. Pursuant to the Arrangement, Bear Ridge will receive certain of Bear Creek's producing assets and undeveloped lands.

22. The authorized capital of Bear Ridge will consist of an unlimited number of common shares (the "Bear Ridge Common Shares"), an unlimited number of Class "A" common shares, an unlimited number of Class "B" common shares and an unlimited number of preferred shares issuable in series, of which an unlimited number of preferred shares, series 1 have been designated.

23. An application has been made to list the Bear Ridge Common Shares on the TSX as soon as possible after the Effective Date.

24. Neither CanSubCo or 1142362 Alberta Ltd. is a reporting issuer in any Province, but Bear Ridge will become a reporting issuer in certain Provinces as a consequence of the Arrangement.

Kereco

25. Kereco will either be

a) a newly formed Alberta corporation with no assets or liabilities, if the come-along agreement (the "Kereco Come-Along Agreement") dated December 15, 2004 among Ketch, Bear Creek, 909612 Alberta Ltd. ("909612") and 911150 Alberta Ltd. ("911150") is not consummated; or

b) the corporation resulting from the amalgamation of 909612 and 911150 prior to the Effective Date if the Kereco Come-Along Agreement is consummated.

26. The head and principal office of Kereco will be located at 1100, 530 – 8th Avenue S.W., Calgary, Alberta, T2P 3S8, and the registered office is located at Suite 1400, 350 – 7th Avenue S.W., Calgary, Alberta, T2P 3N9.

27. Kereco is currently authorized to issue an unlimited number of common shares (the "Kereco Common Shares"), an unlimited number of non-voting common shares and an unlimited number of Class A Common Shares.

28. Pursuant to the Arrangement, Kereco will receive certain of Ketch's producing assets and undeveloped lands.

29. Kereco has applied to list the Kereco Common Shares on the TSX as soon as possible after the Effective Date.

30. Kereco is not a reporting issuer in any jurisdiction, but will become a reporting issuer in certain Provinces as a consequence of the Arrangement.

The Arrangement

31. Management of Bear Creek and Ketch have concluded that the reorganization of Bear Creek and Ketch into an income trust and two junior exploration companies in the manner contemplated by the Arrangement is a viable and optimal strategy to maximize value to Ketch and Bear Creek Shareholders.

32. Bear Creek and Ketch made application for, and obtained, an interim order (the "Interim Order") of the Alberta Court of Queen's Bench (the "Alberta Court") dated December 17, 2004 under the ABCA which specifies, among other things, certain procedures and requirements to be followed in connection with the calling and holding of a meeting of securityholders of Bear Creek and Ketch to approve the Arrangement. The completion of the Arrangement is subject to receipt of the final order of the Alberta Court following the receipt of all required approvals, including that of the securityholders of Bear Creek and Ketch at the meeting.

33. In connection with the meeting and pursuant to the Interim Order, Bear Creek and Ketch have mailed a joint information circular and proxy statement dated December 17, 2004, together with all appendices thereto delivered by Bear Creek and Ketch with respect to the Arrangement (the "Information Circular"). The Information Circular contains prospectus level disclosure with respect to Ketch, Bear Creek, the Trust, Kereco and Bear Ridge. In addition, securityholders will be granted the Dissent Rights under the ABCA.

34. An opinion of Tristone Capital Inc. dated October 25, 2004 relating to the fairness of the Arrangement to Bear Creek Securityholders was obtained and is attached to the Information Circular. An opinion of National Bank Financial Inc. dated October 25, 2004 relating to the fairness of the Arrangement to Ketch Securityholders was obtained and is attached to the Information Circular. In addition, the board of directors of Bear Creek and Ketch have unanimously recommended that Securityholders approve the Arrangement.

35. The Arrangement will result in the creation of the Trust, a new oil and natural gas energy trust which intends to make regular monthly distributions of cash to Unitholders, the reorganization of Kereco as a junior oil and natural gas exploration and development company which will own certain of Ketch's oil and natural gas assets and undeveloped lands and the reorganization of Bear Ridge as a junior oil and natural gas exploration and development company which will own certain of Bear Creek's oil and natural gas assets and undeveloped lands.

36. Under the Arrangement:

(a) Shareholders of Ketch will receive for each Ketch Common Share owned:

(i) 1.0 Trust Unit,

(ii) 0.4 of a Kereco Common Share or \$1.06 in cash, and

(iii) 0.4 of a Bear Ridge Common Share or \$0.48 in cash; and

(b) Shareholders of Bear Creek will receive for each Bear Creek Common Share owned:

(i) 0.5 of a Trust Unit,

(ii) 0.2 of a Kereco Common Share or \$0.54 in cash, and

(iii) 0.2 of a Bear Ridge Common Share or \$0.245 in cash.

37. Bear Creek Optionholders and Ketch Optionholders may choose to participate in the Arrangement by exercising their Bear Creek Options or Ketch Options, as the case may be, and receiving the same consideration as Bear Creek Shareholders and Ketch Shareholders. Ketch Optionholders may also exercise their right under Ketch's option plan to have their Ketch Options cancelled in consideration of a cash payment per Ketch Option. Each remaining Ketch Option

will, pursuant to the Arrangement, become an option to acquire one Trust Unit with an exercise price equal to the difference between: (i) the closing price of The Trust Units on first trading day after the Effective Date; and (ii) the difference between: (A) the closing price of the Ketch Common Shares on the last trading day prior to the Effective Date; and (B) the exercise price of such Ketch Option. Each remaining Bear Creek Option will, pursuant to the Arrangement, become an option to acquire one-half of a Trust Unit with an exercise price equal to the difference between: (i) one-half of the closing price of the Trust Units on first trading day after the Effective Date; and (ii) the difference between (A) the closing price of the Bear Creek Common Shares on the last trading day prior to the Effective Date; and (B) the exercise price of such Bear Creek Option.

38. Bear Creek Warrantholders and Ketch Warrantholders may choose to participate in the Arrangement by exercising their Bear Creek Warrants or Ketch Warrants, as the case may be, and receiving the same consideration as Bear Creek Shareholders and Ketch Shareholders. Each Bear Creek Warrant and Ketch Warrant not exercised prior to the Effective Time will, pursuant to the Arrangement, be exchanged for the fraction of a Bear Creek Common Share or Ketch Common Share, as the case may be, obtained by dividing: (i) the amount by which the Weighted Average Trading Price of the Bear Creek Common Shares or the Ketch Common Shares exceeds the exercise price of the Bear Creek Warrant or the Ketch Warrant by (ii) the Weighted Average Trading Price of the Bear Creek Common Shares or the Ketch Common Shares, as applicable. The Bear Creek Common Shares or Ketch Common Shares received by Warrantholders based on such calculation will then be treated in the same manner as Bear Creek Common Shares and Ketch Common Shares outstanding as at the Effective Time.

39. The steps of the Arrangement involve a number of trades or potential trades of securities, including Trust Units, options to acquire Trust Units, Ketch Common Shares, Ketch Options, Ketch Warrants, Bear Creek Common Shares, Bear Creek Options, Bear Creek Warrants, Kereco Common Shares, and Bear Ridge Common Shares in accordance with the amended and restated arrangement agreement entered into between Bear Creek and Ketch on October 26, 2004 and as fully described in the Information Circular.

40. The precise mechanics of various issuances and exchanges in securities pursuant to the Arrangement do not or may not satisfy the technical requirements of the registration and prospectus exemptions provided for under the Act. However, the trades made in connection with the Arrangement are of types that are within the spirit and intent of registration and prospectus exemptions provided for under the Act.

(C) The Commission is satisfied in the circumstances of this particular case that it would not be prejudicial to the public to grant the relief requested;

IT IS ORDERED:

1. that, pursuant to Section 20(1) of the Act, the Arrangement Trades are exempt from sections 6 and 37 of the Act; and

2. that the fee for this order shall be \$1,000.

BY ORDER OF THE COMMISSION

DEPUTY DIRECTOR – LEGAL