

THE SECURITIES ACT

)

Order No. 3335

)

Section 20(1)

)

May 18, 2001

MAXX PETROLEUM LTD. AND PROVIDENT ENERGY TRUST

WHEREAS:

(A) Provident Energy Trust (the "Trust") has applied 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 made pursuant to or in connection with a plan of arrangement (the "Arrangement") involving the Trust, Maxx Petroleum Ltd. ("Maxx") and Provident Energy Ltd. ("Provident") are exempt from Sections 6 and 37 of the Act;

(B) The Trust has represented to the Commission that:

1. The Trust is an open-ended unincorporated investment trust created under the laws of Alberta and is a reporting issuer or the equivalent thereof in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec and its Trust Units are listed for trading on the Toronto Stock Exchange (the "TSE");

2. Provident is a wholly-owned subsidiary of the Trust incorporated under the *Alberta Business Corporations Act* (the "ABCA") and has made an application under the Mutual Reliance Review System to be declared a non-reporting issuer in the Provinces of Alberta, Saskatchewan, Ontario and Quebec and currently is not a "reporting issuer" or the equivalent thereof in the Provinces of British Columbia and Manitoba. Provident's securities are not listed or quoted for trading on any stock exchange or other trading market;

3. Maxx is a corporation incorporated under the ABCA and is a reporting issuer or the equivalent thereof in all of the Provinces of Canada and the Common Shares of Maxx (the "Maxx Common Shares") are listed on the TSE and the American Stock Exchange;

4. The Trust, Maxx and Provident have entered into an agreement (the "Arrangement Agreement") for the purpose of combining their respective businesses;

5. Under the proposed Arrangement, which is more particularly described in a joint management information and proxy circular dated April 24, 2001 (the "Information Circular"), the following, among other things, will occur:

(a) the Rights Plan and all outstanding Rights (as defined in the Information Circular) shall be terminated and shall be of no further force or effect;

(b) each issued and outstanding Maxx Common Share (other than Maxx Common Shares held by dissenting shareholders) shall be exchanged with Provident for Acquisition Notes (as defined in the Information Circular) on the basis of the Per Share Principal Amount of Acquisition Notes for every one (1) Maxx Common Share;

(c) the Acquisition Notes shall be exchanged with the Trust for Trust Units of the Trust (the "Trust Units") and/or cash, resulting in the acquisition by the Trust of all of the Acquisition Notes and the acquisition by holders of Acquisition Notes of Trust Units and/or cash on the basis of, at the election of the shareholder:

(i) \$7.00 cash for each Maxx Common Share (the "Cash Consideration"), provided that not more than \$36.2 million in cash shall be payable in the aggregate with the balance being paid in Trust Units at an exchange ratio of 0.63 Trust Units per Maxx Common Share;

(ii) 0.63 Trust Units for each Maxx Common Share (the "Trust Unit Consideration"), provided that no more than 7,475,000 Trust Units shall be issued in the aggregate with the balance being paid in cash at a value of \$7.00 for each Maxx Common Share;

subject to the stated maximums, any combination thereof;

(d) Maxx and Provident shall be amalgamated and continue as one corporation ("Amalco");

6. On April 24, 2001, Maxx obtained an interim order from the Court of Queen's Bench of Alberta (the "Interim Order") providing for the calling and holding of an annual and special meeting of the holders of the Maxx Common Shares and other procedural matters. An annual and special meeting of the shareholders of Maxx has been called for May 25, 2001 (the "Meeting"). Pursuant to the Interim Order, the Arrangement must be approved by at least two-thirds of the votes cast by the Maxx shareholders at the Meeting. Subject to the terms of the Arrangement Agreement and if the Arrangement is approved by the Maxx shareholders, Maxx will make application to the Court of Queen's Bench of Alberta on May 25, 2001 for a final order approving the Arrangement;

7. The Information Circular contains prospectus like disclosure regarding the Arrangement, the business and affairs of each of Maxx, the Trust and Provident and also includes a fairness opinion from Griffiths McBurney & Partners;

8. Upon completion of the Arrangement, Maxx will have amalgamated with Provident to form Amalco, which will be a wholly-owned subsidiary of the Trust, and the former Maxx shareholders (other than dissenting shareholders) will become holders of Trust Units of the Trust, except to the extent that Maxx shareholders elect to receive Cash Consideration;

9. The exchange of the Acquisition Notes by Maxx shareholders for Trust Units (for the purposes of this Order, the exchange includes both the trade by the Maxx shareholders of the Acquisition Notes to the Trust and the issuance by the Trust of the Trust Units to the Maxx shareholders) in accordance with the Arrangement Agreement (the "Acquisition Note Exchange") are trades that cannot be made in reliance on the exemptions from the registration and prospectus requirements of the Act contained in Sections 19(1)(j)(i) and 58(1)(b), respectively, of the Act since the Trust cannot be considered a "company" as defined in Section 1(1) of the Act.

(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, the Acquisition Note Exchange is exempt from Sections 6 and 37 of the Act.

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

BY ORDER OF THE COMMISSION.

Director - Legal