

THE SECURITIES ACT

)

Order No. 4825

)

Section 20(1)

)

July 6, 2005

**THUNDER ENERGY INC., MUSTANG RESOURCES INC.
AND FORTE RESOURCES INC.**

WHEREAS:

(A) Application has been made to The Manitoba Securities Commission (the "Commission") on behalf of Thunder Energy Inc. ("Thunder"), Mustang Resources Inc. ("Mustang") and Forte Resources Inc. ("Forte") for an order under Section 20(1) of The Securities Act R.S.M. 1988 c.S50 (as amended) (the "Act") to exempt from the dealer registration requirement and the prospectus requirement of sections 6 and 37 of the Act trades made in connection with a proposed plan of arrangement (the "Arrangement") under the provisions of Section 193 of the Business Corporations Act (Alberta) (the "ABCA") involving Thunder, the securityholders of Thunder, Mustang, the securityholders of Mustang, Forte, the securityholder of Forte, Thunder Energy Trust (the "Trust"), Alberta Clipper Energy Inc. ("Alberta Clipper"), Ember Resources Inc. ("Ember"), Valiant Energy Inc. ("Valiant"), Thunder Acquisition Ltd. ("AcquisitionCo") and Thunder ExchangeCo Ltd. ("ExchangeCo") including all trades made subsequent to the completion of the Arrangement pursuant to the provisions of the exchangeable shares (the "Exchangeable Shares") of AcquisitionCo, and its successor by way of amalgamation of Thunder, Mustang and Forte, also to be called Thunder Energy Inc. ("AmalCo").

(B) It has been represented to the Commission as follows:

1. Thunder was incorporated under the ABCA on October 17, 1995 and its head office is located in Calgary, Alberta. Thunder is a reporting issuer in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec and its common shares are listed for trading on the Toronto Stock Exchange (the "TSX") under the symbol "THY".
2. Mustang was incorporated under the ABCA on March 13, 2002, and its head office is located in Calgary, Alberta. Mustang is a reporting issuer in each of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario and its shares are listed for trading on the TSX under the symbols "MUS.A" and "MUS.B".
3. Forte was incorporated under the ABCA on January 21, 2004 and its head office is located in Calgary, Alberta. Forte is a reporting issuer in each of the Provinces of Canada and its common shares are listed for trading on the TSX under the symbol "FRZ".
4. The Trust is an open-end, unincorporated investment trust governed by the laws of the Province of Alberta and has been created pursuant to a trust indenture dated

May 31, 2005 between Olympia Trust Company, as trustee, and April Maynes, as settlor, and Thunder. The head and principal office of the Trust is located in Calgary, Alberta. An application has been made with the TSX to have the units of the Trust ("Trust Units") listed for trading on the TSX upon completion of the Arrangement.

5. AmalCo will be a corporation amalgamated pursuant to the provisions of the ABCA for purposes of participating in the Plan of Arrangement. The head office and registered office of AmalCo is located in Calgary, Alberta.

6. AcquisitionCo is a corporation incorporated pursuant to the provisions of the ABCA for purposes of participating in the Plan of Arrangement, including creating and issuing the exchangeable shares ("Exchangeable Shares"). The head office and registered office of AcquisitionCo is located in Calgary, Alberta.

7. Alberta Clipper is a corporation recently incorporated pursuant to the provisions of the ABCA for purposes of participating in the Plan of Arrangement. An application has been made with the TSX to have the common shares of Alberta Clipper listed for trading on the TSX.

8. Ember is a corporation recently incorporated pursuant to the provisions of the ABCA for purposes of participating in the Plan of Arrangement. An application has been made with the TSX to have the common shares of Ember listed for trading on the TSX.

9. Valiant is a corporation recently incorporated pursuant to the provisions of the ABCA for purposes of participating in the Plan of Arrangement. An application has been made with the TSX to have the common shares of Valiant listed for trading on the TSX.

10. Thunder Energy Partnership (the "Partnership") is a general partnership formed under the laws of the Province of Alberta. Prior to the completion of the Arrangement, Amalco will transfer certain assets to the Partnership in exchange for an additional partnership interest in the Partnership. After completion of the Arrangement, Amalco will directly and indirectly hold all of the partnership interests in the Partnership.

11. ExchangeCo is a corporation incorporated under the ABCA and a wholly-owned subsidiary of the Trust. Under the provisions of the Exchangeable Share rights, ExchangeCo will be granted certain rights to acquire, in certain circumstances, Exchangeable Shares in consideration for Trust Units, which will be delivered to holders of the Exchangeable Shares.

12. Pursuant to, and subject to the technical steps set forth in, the Arrangement:

(a) shareholders of Thunder will exchange each common share of Thunder ("Thunder Share") they own for (i) 0.5 of a Trust Unit or, at the election of the holder, 0.5 of an Exchangeable Share, or a combination thereof; (ii) 0.3333 of a common share of Alberta Clipper ("Alberta Clipper Share"); and (iii) 0.333 of a common share of Ember ("Ember Share");

(b) each class B share of Mustang will be converted into 1.3411 class A shares of Mustang ("Mustang Share") and shareholders of Mustang will exchange each class A common share of Mustang they own for: (i) 0.55 of a Trust Unit or, at the election of the holder, 0.55 of an Exchangeable Share, or a combination thereof; (ii) 0.3666 of an Alberta Clipper Share; and (iii) 0.0833 of an Ember Share;

(c) shareholders of Forte will exchange each common share of Forte ("Forte Share") they own for: (i) 0.175 of a Trust Unit or, at the election of the holder, 0.175 of an Exchangeable Share, or a combination thereof; and (ii) 0.3333 of a common share of Valiant;

(d) each unexercised, in-the-money option to acquire Thunder Shares (a "Thunder Option") will, with the consent of the applicable holder of the Thunder Option ("Thunder Optionholder"), be exchanged for 0.5 of an option to purchase one Trust Unit ("Trust Option"), 0.3333 of an option to purchase one common share of Alberta Clipper ("Alberta Clipper Option") and 0.3333 of an option to purchase one common share of Ember ("Ember Option");

(e) each unexercised, in-the-money option to acquire Mustang Shares (a "Mustang Option") will, with the consent of the applicable holder of the Mustang Option ("Mustang Optionholder"), be exchanged for 0.55 of a Trust Option, 0.3666 of an Alberta Clipper Option and 0.0833 of an Ember Option;

(f) each unexercised, in-the-money option to acquire Forte Shares (a "Forte Option") will, with the consent of the applicable holder of the Forte Option ("Forte Optionholder"), be exchanged for 0.175 of a Trust Option and 0.3333 of an option to purchase one common share of Valiant;

(g) most of Thunder's, Mustang's and Forte's existing producing oil and gas assets will be transferred to the benefit of the Trust;

(h) certain exploration assets and undeveloped lands currently held by Thunder and Mustang will be transferred to Alberta Clipper;

(i) all of the coal bed methane interests currently held by Thunder will be transferred to Ember; and

(j) certain exploration assets and undeveloped lands currently held by Forte will be transferred to Valiant.

13. Pursuant to the Arrangement, trades in securities will occur among Thunder, Mustang and Forte, the securityholders of Thunder, Mustang and Forte, Alberta Clipper, Ember, Valiant, ExploreCo, AcquisitionCo and AmalCo as more particularly described in a management information circular dated June 6, 2005 (the "Information Circular") which was sent to securityholders of Thunder, Mustang and Forte.

14. Following the completion of the Arrangement:

(a) the shareholders of Thunder ("Thunder Shareholders"), Mustang ("Mustang Shareholders") and Forte ("Forte Shareholders") will hold all of the outstanding Trust Units and Exchangeable Shares;

(b) the Thunder Optionholders and Mustang Optionholders will hold the Alberta Clipper Options, Ember Options and the Trust Options;

(c) the Forte Optionholders will hold Valiant Options and Trust Options;

(d) the Trust will hold a net profit interest in the Partnership pursuant to a net profit interest agreement between the Partnership and the Trust, all of the issued and outstanding common shares of Amalco and all of the issued and outstanding unsecured, subordinated promissory notes of AcquisitionCo issuable under the Arrangement;

(e) the Thunder Shareholders, the Mustang Shareholders and the placees in a private placement by Alberta Clipper (the "Alberta Clipper Placees") which will occur outside of the Arrangement will own all of the issued and outstanding common shares of Alberta Clipper;

(f) certain of the Alberta Clipper Placees will own all of the issued and outstanding performance shares of Alberta Clipper (the "Alberta Clipper Performance Shares");

(g) the Thunder Shareholders, the Mustang Shareholders and the placees in a private placement by Ember (the "Ember Placees")

which will occur outside of the Arrangement will own all of the issued and outstanding common shares of Ember;

(h) certain of the Ember Placees will own all of the issued and outstanding performance shares of Ember (the "Ember Performance Shares");

(i) the Forte Shareholders and the placees in a private placement by Valiant which will occur outside of the Arrangement will own all of the issued and outstanding common shares of Valiant; and

(j) certain of the directors, officers, employees and other service providers of Valiant will own all of the issued and outstanding performance shares of Valiant (the "Valiant Performance Shares").

15. An aggregate maximum of 7,061,836 Exchangeable Shares will be issued pursuant to the Arrangement. The Exchangeable Shares are intended to be, to the extent possible, the economic equivalent of Trust Units and will be exchangeable for Trust Units. The Exchangeable Shares shall be entitled to preference over the common shares and any other shares of AmalCo ranking junior to the Exchangeable Shares with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding up of AmalCo. The holders of Exchangeable Shares shall be entitled to receive, in priority to the common shares and any other shares of AmalCo ranking junior to the Exchangeable Shares with respect to the distribution of dividends, dividends if, as and when declared by the board of directors of AmalCo. The Exchangeable Shares will also be redeemable and retractable in certain circumstances. If holders of securities elect to receive more than 7,061,836 Exchangeable Shares, the number of Exchangeable Shares to be issued to any securityholder, subject to rounding, shall be determined on a pro rata basis. To the extent that such determination results in a reduction in the number of Exchangeable Shares elected to be received by a securityholder, an equivalent number of Trust Units will be issued to such securityholder.

16. The exchange rights of the Exchangeable Shares will be governed by a voting and exchange trust agreement to be entered into on the Effective Date of the Arrangement among the Trust, Amalco, ExchangeCo and a trustee (the "Trustee") chosen by Thunder to act as trustee, pursuant to which the Trust and ExchangeCo will grant to the Trustee, as trustee for and on behalf of, and for the use and benefit of, the holders of Exchangeable Shares, certain ancillary rights (the "Ancillary Rights") which include:

(a) the right, upon the occurrence and during the continuance of:

(i) an Insolvency Event (being the institution by AmalCo of any proceeding to be adjudicated to be a

bankrupt or insolvent or to be wound up, or the consent of AmalCo to the institution of bankruptcy, dissolution, insolvency or winding up proceedings against it, or the filing of a petition, answer or consent seeking dissolution or winding-up under any bankruptcy, insolvency or analogous laws, and the failure of AmalCo to contest in good faith any such proceedings commenced in respect of AmalCo within 15 days of becoming aware thereof, or the consent by AmalCo to the filing of any such petition or to the appointment of a receiver, or the making of AmalCo of a general assignment for the benefit of creditors, or the admission in writing by AmalCo of its inability to pay its debts generally as they become due, or AmalCo not being permitted, pursuant to solvency requirements of applicable law, to redeem any Exchangeable Shares that are subject to a right of retraction); or

(ii) circumstances in which the Trust or ExchangeCo are entitled to but elect not to exercise a right to purchase, redeem or retract the Exchangeable Shares, such right being provided pursuant to the provisions of the Exchangeable Shares; and

(b) to require the Trust or ExchangeCo to purchase from the holder of Exchangeable Shares all or any part of the Exchangeable Shares held by such holder; and

(c) an automatic exchange of Exchangeable Shares for Trust Units upon the occurrence of certain events relating to the liquidation of the Trust or AmalCo.

17. The Exchangeable Shares will be subject to a support agreement pursuant to which the Trust and ExchangeCo will take certain actions and make certain payments and will deliver or cause to be delivered Trust Units in satisfaction of the obligations of AcquisitionCo.

18. The steps under the Arrangement, the terms of the Exchangeable Shares and the exercise of certain rights provided for in connection with the Arrangement and the Exchangeable Shares involve a number of trades or potential trades of securities, including Thunder Shares, Mustang Shares, Forte Shares, Alberta Clipper Shares, Ember Shares, Valiant Shares, Thunder Options, Mustang Options, Forte Options, Trust Options, securities of the Trust (including Trust Units), securities of AmalCo, securities of AcquisitionCo, Alberta Clipper

Performance Shares, Ember Performance Shares, Valiant Performance Shares, Alberta Clipper Options, Ember Options and Valiant Options under the Arrangement, and rights to otherwise make a trade of a security that was derived from the Arrangement (collectively, the "Arrangement Trades").

19. The precise mechanics of the various Arrangement Trades do not or may not satisfy the technical requirements of statutory exemptions from the Registration and Prospectus Requirements.

20. Thunder, Mustang and Forte made application for, and obtained, an interim order (the "Interim Order") of the Alberta Court of Queen's Bench (the "Alberta Court") 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 Thunder, Mustang and Forte 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 Thunder, Mustang and Forte at the meeting.

21. In connection with the meeting and pursuant to the Interim Order, each of Thunder, Mustang and Forte has mailed to its respective securityholders the Information Circular which provides sufficient information about the Arrangement to enable a securityholder of Thunder, Energy or Forte to make an informed decision with respect to the Arrangement and will provide prospectus-level disclosure regarding the Trust, Alberta Clipper, Ember, Valiant and the particulars of the Arrangement. In addition, securityholders of Thunder, Mustang and Forte have the dissent rights under the ABCA which, if exercised, will entitle them to be paid the fair value of their securities.

22. Opinions of GMP Securities Ltd. and FirstEnergy Capital Corp. relating to the fairness of the Arrangement to Thunder securityholders were obtained and attached to the Information Circular. An opinion of Canaccord Capital Corporation relating to the fairness of the Arrangement to Mustang securityholders was obtained and is attached to the Information Circular. In addition, an opinion of Tristone Capital Inc. relating to the fairness of the Arrangement to Forte securityholders was obtained and is attached to the Information Circular. Further, the board of directors of Thunder, Mustang and Forte have unanimously recommended that securityholders of Thunder, Mustang and Forte, as the case may be, approve the Arrangement.

(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 \$1,000.00.

BY ORDER OF THE COMMISSION

DEPUTY DIRECTOR – LEGAL