

IN THE MATTER OF  
THE SECURITIES LEGISLATION OF THE PROVINCES OF  
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA  
NOVA SCOTIA AND NEWFOUNDLAND

AND

IN THE MATTER OF  
THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF  
APPLICATIONS

AND

IN THE MATTER OF Alberta Energy Company Ltd.

MRRS DECISION DOCUMENT

1. WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Nova Scotia and Newfoundland (the "Jurisdictions") has received an application from Alberta Energy Company Ltd. ("AEC") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirement contained in the Legislation for AEC to send to its shareholders its comparative annual audited financial statements and the auditors' report thereon relating to its financial year ended December 31, 1999 (the "1999 Financial Statements") concurrently with the filing of the 1999 Financial Statements as required by the Legislation shall not apply to AEC on the basis described below;

2. AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Alberta Securities Commission is the principal regulator for this application;

3. AND WHEREAS AEC has represented to the Decision Makers that:

3.1 AEC is a corporation amalgamated under the laws of the Province of Alberta on January 1, 1999, with a head office located in Calgary, Alberta;

3.2 AEC is a reporting issuer, or the equivalent thereof, under the Legislation and is not, to its knowledge, in default of any applicable requirement of the Legislation;

3.3 The Common Shares of AEC are listed and posted for trading on The Toronto Stock Exchange and the New York Stock Exchange;

3.4 The authorized share capital of AEC consists of an unlimited number of Common Shares, 5,000,000 Non-Voting Shares, issuable in series, 20,000,000 First Preferred Shares, issuable in series, 20,000,000 Second Preferred Shares,

issuable in series, 20,000,000 Third Preferred Shares, issuable in series, and 3,000,000 7.75% Deferred Convertible Redeemable Second Preferred Shares, Series 2, of which 140,445,423 Common Shares were issued and outstanding as of December 31, 1999;

3.5 AEC is preparing its 1999 Financial Statements;

3.6 AEC will issue, substantially concurrently with the filing of the 1999 Financial Statements with the Principal Regulator, a press release that will be posted on AEC's web site and will include disclosure relating to the 1999 Financial Statements;

3.7 The 1999 Financial Statements will be available for dissemination to shareholders prior to the time that AEC's Notice of Meeting and Management Proxy Circular in respect of its 2000 Annual Meeting of Shareholders will be sent to shareholders in accordance with applicable provisions of the *Business Corporations Act* (Alberta) and National Policy Statement No. 41 ("NP 41");

3.8 AEC will issue, substantially concurrently with the filing of the 1999 Financial Statements with the Principal Regulator, a press release that will be posted on AEC's web site and will include:

(i) the approximate date on which the 1999 Financial Statements will be mailed to AEC's shareholders; and

(ii) a statement that any AEC shareholder entitled to receive the 1999 Financial Statements may obtain a copy of the 1999 Financial Statements in advance upon request to AEC;

3.9 AEC proposes to deliver the 1999 Financial Statements to the shareholders of AEC entitled to receive them concurrently with the Notice of Meeting and Management Proxy Circular for the 2000 Annual Meeting of Shareholders and, in any event, not later than the last date upon which they could have been filed with the Principal Regulator in compliance with the Legislation.

4. AND WHEREAS pursuant to the System this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

5. AND WHEREAS each of the Decision Makers are satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

6. The Decision of the Decision Makers pursuant to the Legislation is that AEC is exempt from the requirement to concurrently send to the shareholders of AEC the 1999 Financial Statements filed with the Principal Regulator and the Non-Principal Regulators pursuant to the Legislation provided that:

6.1 AEC will issue, substantially concurrently with the filing of the 1999 Financial Statements with the Principal Regulator, a press release that will be posted on AEC's web site and will include: (i) the approximate date on which the 1999 Financial Statements will be mailed to AEC's shareholders; and (ii) a statement that any AEC shareholder entitled to receive the 1999 Financial Statements may obtain a copy of the 1999 Financial Statements in advance upon request to AEC; and

6.2 AEC will send the 1999 Financial Statements to the shareholders of AEC entitled to receive them in accordance with the procedures outlined in NP 41 and, in any event, not later than the last date upon which they could have been filed with the Principal Regulator and the Non-Principal Regulators in compliance with the Legislation.

Dated at Edmonton, Alberta this 16th day of February, 2000.

Agnes Lau, CA  
Deputy Director, Capital Markets

#### Headnote

MRRS for Exemptive Relief Applications - issuer granted relief from the requirement to concurrently send to its security holders the annual audited financial statements filed with the securities regulatory authorities, provided the financial statements are mailed out to security holders no later than the time of mailing of the issuer's proxy materials in connection with its annual meeting.

#### Applicable Alberta Statutory Provisions

Securities Act, S.A. 1981, c. S-6.1, as amended, s.123.