

THE SECURITIES ACT) **Order No. 5792**
)
Section 148(1)) **October 29, 2008**

American Natural Energy Corporation

WHEREAS:

(A) The securities of American Natural Energy Corporation (the "Company") are subject to a cease trade order dated March 5, 2008 made by The Manitoba Securities Commission (the "Commission") under section 148(1) of *The Securities Act* (Manitoba) (the "Act") (the "Cease Trade Order") ordering that trading in the securities of the Company cease until further ordered by the Commission;

(B) The Company has applied to the Commission for a revocation of the Cease Trade Order pursuant to section 148(1) of the Act;

(C) The Company has represented to the Commission that:

1. The Company was incorporated under the Oklahoma General Business Corporations Act on January 19, 2001 under the name "Dayton Energy Corporation". On March 23, 2001, the Company changed its name to "American Natural Energy Corporation". Pursuant to a stock purchase agreement dated as of June 6, 2001, as amended, among certain individuals and Gothic Resources Inc. ("Gothic"), a company whose shares were then listed on the TSX Venture Exchange (the "TSX-V"), Gothic purchased 100% of the outstanding shares of the Company, and the Company became a wholly-owned subsidiary of Gothic.

2. On February 8, 2002, Gothic completed a plan of arrangement with the Company (the "Arrangement") under section 192 of the *Canada Business Corporations Act*, pursuant to which all of the shareholders of Gothic exchanged their common shares of Gothic for common shares of the Company. As a result of the completion of the Arrangement, Gothic became a wholly-owned subsidiary of the Company and the former shareholders of Gothic became shareholders of the Company.

3. The Arrangement became effective February 8, 2002. The common shares of the Company commenced trading on the TSX-V at the opening of business on February 12, 2002, in US dollars.

4. As a result of the completion of the Arrangement, the Company became a reporting issuer under the securities legislation of the provinces of Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Prince Edward Island and Newfoundland and Labrador. The Company is not a reporting issuer or the equivalent in any other jurisdiction in Canada.

5. The Company is an "SEC foreign issuer" as such term is defined in National Instrument 71-102 ("NI 71-102") and has been relying on the exemptions from the requirements in provincial securities legislation found in Part 4 of NI 71-102, and those found in section 4.1 of Multilateral Instrument 52-109, and section 1.3(b) of National Instrument 58-101, since it became a reporting issuer in Canada, and has been complying with the terms and conditions of those exemptions since that date (other than in respect of the late filings, and the failure to hold an annual general meeting of its shareholders since the late filing of the 2007 Interim Financial Statements, referred to below). The Company intends to rely on such exemptions on a going-forward basis.

6. In addition to the Cease Trade Order, the Company is also subject to cease trade orders in the provinces of British Columbia, Alberta, Ontario and Quebec (collectively, the "Other Cease Trade Orders"). The Company is not subject to a cease trade order, and is not currently noted in default, in Saskatchewan, New Brunswick, Prince Edward Island or Newfoundland and Labrador. The Company has concurrently filed applications with each of the British Columbia Securities Commission, the Alberta Securities Commission, the Ontario Securities Commission and the Autorité des marchés financiers for a full revocation of the Other Cease Trade Orders.

7. The Company's shares were suspended from the TSX-V on July 25, 2007 and have not been delisted from the TSX-V as of the date hereof. The Company's shares are not currently listed or quoted on any other exchange or marketplace.

8. The Company's authorized capital consists of 250,000,000 common shares (the "Common Shares"), of which approximately 52,997,673 Common Shares are issued and outstanding.

9. Since February 2002, the Company has carried on the business of acquiring, exploring, and developing oil and natural gas properties.

10. The Cease Trade Order was issued as a result of the Company's failure to file its interim financial statements for the period ended September 30, 2007 (the "2007 Interim Financial Statements"). Subsequently, the Company also failed to file the audited annual financial statements for the fiscal year ended December 31, 2007 (the "2007 Annual Financial Statements") and the interim financial statements for the period ending March 31, 2008 (the "2008 Interim Financial Statements") and, in each case, the related management's discussion and analysis ("MD&A") and certificates under Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (the "MI 52-109 Certificates").

11. The Company was unable to file its audited annual financial statements for the fiscal year ended December 31, 2006 on time due to a possible impediment to the independence of the auditors from the Company. As a consequence of that issue,

the Company dismissed its auditors on July 16, 2007 and subsequently engaged a new independent auditing firm, Malone & Bailey, PC (the "Auditor") on that date, in relation to which the Company filed a Form 8-K on SEDAR, in compliance with section 4.15 of NI 71-102. The Company and the Auditor commenced to complete all reporting obligations.

12. The Auditor is not currently registered with the Canadian Public Accountability Board ("CPAB"). However, it has confirmed that it has modified its quality control manual to meet CPAB's requirements and commenced the process to become registered with the CPAB on October 8, 2008. The Auditor has agreed that it will use reasonable efforts to complete the registration process and become registered with CPAB before issuing any further audit reports on the financial statements of the Company.

13. The 2007 Interim Financial Statements with related MD&A and MI 52-109 Certificates were filed by March 24, 2008. On May 28, 2008, the Company filed the 2007 Annual Financial Statements with related MD&A and MI 52-109 Certificates. On June 9, 2008, the Company filed the 2008 Interim Financial Statements with related MD&A and MI 52-109 Certificates. On August 14, 2008, the Company filed the Interim Financial Statements with related MD&A and MI 52-109 Certificates for the period ended June 30, 2008.

14. On October 10, 2008, the Company filed an amended Form 51-101F1 and amended Form 51-101F3, and is now in compliance with the provisions of all of the requirements of National Instrument 51-101 *Standards of Disclosure for Oil And Gas Activities*.

15. The Company is up-to-date in its continuous disclosure filings with the Commission and has paid all outstanding activity, participation and late filing fees and is not in default of any requirement in applicable securities legislation in any jurisdiction, except for the existence of the Cease Trade Order and the Other Cease Trade Orders. The Company failed to hold an annual general meeting of its shareholders since the late filing of the 2007 Interim Financial Statements. The Company is required under applicable US corporate law to hold an annual general meeting of its shareholders once in every calendar year, and has provided an undertaking to the Commission to hold an annual general meeting of its shareholders within three months after the date on which the Cease Trade Order and the Other Cease Trade Orders are revoked.

16. The Company has not had any "material changes" within the meaning of the Act since it was cease traded and is not in default of requirements to file material change reports under applicable securities legislation.

17. The Company's SEDAR profile and SEDI issuer profile supplement are up-to-date.

18. Forthwith after the revocation of the Cease Trade Order, the Company will issue and file a news release and file a material change report on SEDAR disclosing the revocation of the Cease Trade Order and outlining the Company's future plans.

(D) In view of the forgoing, I am of the opinion that that it would not be prejudicial to the public interest to revoke the Cease Trade Order.

I HEREBY ORDER pursuant to a delegation to me by the Commission under subsection 4(1) of the Act of the powers in that behalf:

1. **THAT** pursuant to section 148(1) of the Act, the Cease Trade Order is hereby revoked.

"Bob Bouchard"

R.B. Bouchard

Director – Corporate Finance