

IN THE MATTER OF THE SECURITIES LEGISLATION OF BRITISH COLUMBIA,
ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, QUÉBEC, NEWFOUNDLAND,
NOVA SCOTIA, NEW BRUNSWICK, PRINCE EDWARD ISLAND, NORTHWEST
TERRITORIES, YUKON TERRITORY AND NUNAVUT TERRITORIES

AND

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

AND

IN THE MATTER OF CUBIX INVESTMENTS LTD., CUBIX ACQUISITIONCO INC. AND
ULTRA HOLDINGS INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Newfoundland, Nova Scotia, New Brunswick, Prince Edward Island, Northwest Territories, Yukon Territory and Nunavut Territories (the "Jurisdictions") has received an application from Cubix Investments Ltd. ("Cubix") and Cubix Acquisitionco Inc. ("Acquisitionco") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirements under the Legislation to be registered to trade in a security (the "Registration Requirement") and to file and to obtain a receipt for a preliminary prospectus and a prospectus (the "Prospectus Requirement") shall not apply to certain trades and distributions of securities to be made in connection with the proposed acquisition (the "Transaction") by Acquisitionco of all of the issued and outstanding shares of Ultra Holdings Inc. ("UHL") pursuant, in part, to a plan of arrangement (the "Arrangement") under Section 252 of the British Columbia *Company Act* (the "BCCA");

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

AND WHEREAS Cubix and Acquisitionco have represented to the Decision Makers that:

1. Cubix is a company originally incorporated under the laws of British Columbia and continued under the laws of Bermuda;
2. Cubix is a reporting issuer in the provinces of British Columbia and Alberta;
3. Cubix's principal business activity is the holding of investment interests; as at August 24, 2001, Cubix owned approximately 16.48% of all outstanding common shares (the "UHL Shares") in the capital of UHL; Cubix proposes to transfer such UHL Shares to Acquisitionco prior to the Arrangement;

4. the authorized share capital of Cubix is U.S. \$500,000 divided into 500,000,000 common shares of U.S. \$0.001 per share; as at August 24, 2001 there were 37,349,991 common shares of Cubix outstanding;

5. Cubix's common shares are listed for trading on the Canadian Venture Exchange (the "CDNX");

6. Acquisitionco was incorporated under the laws of British Columbia on July 3, 2001; Acquisitionco was incorporated to participate in the Transaction; Acquisitionco will be amalgamated with UHL upon completion of the Arrangement (the amalgamated entity being referred to herein as "Amalco");

7. the authorized capital of Acquisitionco consists of 110,000,000 shares divided into 10,000,000 common shares without par value and 100,000,000 preferred shares without par value; as at August 24, 2001, there were 100 common shares of Acquisitionco outstanding and owned by Cubix;

8. Acquisitionco is not a reporting issuer in any of the Jurisdictions;

9. UHL is a company incorporated under the laws of British Columbia; UHL maintains its head office at 11th Floor, 609 West Hastings Street, Vancouver, British Columbia, V6B 4W4;

10. the primary asset of UHL is an investment position in Ultra Petroleum Corp. ("UPC"); UHL currently owns approximately 18% of the outstanding common shares (the "UPC Shares") in the capital of UPC;

11. the authorized capital of UHL consists of 500,000,000 common shares without par value and 100,000,000 preferred shares without par value; as of the date hereof, there were 12,764,053 UHL Shares and 1,025,000 warrants to purchase UHL Shares ("UHL Warrants") outstanding;

12. UHL has been a reporting issuer in the provinces of British Columbia and Alberta since November 1999; the UHL Shares are listed for trading on the CDNX;

13. UPC is a company continued under the laws of the Yukon Territory; UPC maintains its principal business office at Suite 370, 16801 Greenspoint Park Drive, Houston, Texas, 77060;

14. UPC's principal business activity is the exploration and development of oil and gas properties;

15. UPC is a reporting issuer in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia and Prince Edward Island; the UPC Shares are listed for trading on the Toronto Stock Exchange and the American Stock Exchange;

16. the outstanding UHL Warrants are held by two private companies, one as to 550,000 UHL Warrants, the other as to 475,000 UHL Warrants; the holders of the UHL Warrants also hold

UHL Shares and were entitled to vote at the Meeting (as defined below) in their capacity as shareholders;

17. Acquisitionco has entered into agreements with the holders of the UHL Warrants under which they will exchange their UHL Warrants for a combination of cash (or a promissory note from Acquisitionco) and an exchangeable note (a "Warrant Note") of Acquisitionco; Acquisitionco will thereafter exercise the outstanding UHL Warrants to acquire UHL Shares;

18. the second step of the Transaction will be effected by way of the Arrangement, which will require the approval of the Supreme Court of British Columbia (the "Court") and the approval of the holders of three-quarters of the UHL Shares either present in person or voting by proxy at an extraordinary general meeting (the "Meeting") called for that purpose, held on October 2, 2001;

19. the management proxy circular (the "Circular") mailed to UHL shareholders on September 5, 2001 in respect of the Meeting contains, among other things, prospectus level disclosure of the business and affairs of Acquisitionco and such other information regarding Cubix, UHL and the Transaction, as is required by the Legislation;

20. upon the Arrangement becoming effective, each outstanding UHL Share other than those already held by Acquisitionco will be exchanged for a combination of cash and an exchangeable note of Acquisitionco in the principal amount of \$4.00 (an "Exchangeable Note") with the result that, upon the completion of the Arrangement, all of the issued and outstanding UHL Shares will be held by Acquisitionco;

21. under the Arrangement, Acquisitionco and UHL will amalgamate to form Amalco;

22. upon completion of the Arrangement, the Warrant Notes will be automatically exchanged for Exchangeable Notes on a one-for-one basis;

23. after completion of the Arrangement, Amalco will sell to Cubix all of the UPC Shares formerly held by UHL, and Cubix will agree to transfer back to Amalco that number of UPC Shares required by Amalco to meet its obligations under the Exchangeable Notes and the trust indenture (the "Note Indenture") governing the Exchangeable Notes;

24. the Exchangeable Notes will be issued in denominations of \$4.00 and integral multiples thereof; each \$4.00 principal amount of an Exchangeable Note will be exchangeable by the holder thereof for one-half of a freely-tradeable UPC Share, as adjusted in accordance with the Note Indenture, or cash, at the option of Amalco, at any time after the date which is 45 days after completion of the Arrangement to and including the maturity date of the Exchangeable Note; the Exchangeable Notes will also be required to be exchanged upon the occurrence of certain events, as more fully described below;

25. on the maturity date of each Exchangeable Note, each \$4.00 principal amount of Exchangeable Notes will be satisfied by Amalco by delivery of one-half of a freely tradeable UPC Share, as adjusted in accordance with the Note Indenture, or cash, at the option of Amalco;

26. at the option of Amalco, at any time on or after the date which is 45 days after completion of the Arrangement, Amalco may redeem the Exchangeable Notes upon delivery by Amalco to a holder of Exchangeable Notes, for each \$4.00 principal amount of Exchangeable Notes to be redeemed, one-half of a freely tradeable UPC Share, as adjusted in accordance with the Note Indenture, or cash, at the option of Amalco;

27. the Exchangeable Notes will not be listed for trading on the CDNX, and there is no market for the Exchangeable Notes;

28. the steps under the Transaction, including the acquisition by Acquisitionco of the UHL Warrants, the issuance of the Warrant Notes, the exchange of Warrant Notes for Exchangeable Notes, the transfers of UPC Shares between Amalco and Cubix and the delivery of UPC Shares in exchange for the Exchangeable Notes involve or may involve a number of trades of securities (collectively, the "Trades") and there may be no registration or prospectus exemptions available under the Legislation for certain of the Trades;

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

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

THE DECISION of the Decision Makers under the Legislation is that:

1. the Registration Requirement and the Prospectus Requirement shall not apply to the Trades; and

2. the first trade of Exchangeable Notes delivered to the holders of the UHL Warrants and UHL Shares in connection with the Transaction shall be deemed to be a distribution or a primary distribution to the public under the Legislation of the Jurisdiction in which the trade takes place (the "Applicable Legislation") unless:

(a) in those Jurisdictions in which Amalco will become a reporting issuer or the equivalent under the Applicable Legislation upon completion of the Arrangement:

(i) at the time of the first trade, Amalco is a reporting issuer or the equivalent under the Applicable Legislation;

(ii) if the seller of the securities is an insider or officer of Amalco, the seller has no reasonable grounds to believe that Amalco is in default of any requirements of the Applicable Legislation;

(iii) except in Québec, the first trade is not from the holdings of a person or company who holds a sufficient number of the voting rights attached to all outstanding voting securities of Amalco to affect materially the control of

Amalco, or each person or company in a combination of persons or companies, acting in concert by virtue of an agreement, arrangement, commitment or understanding, which holds in total a sufficient number of the voting rights attached to all outstanding voting securities of Amalco to affect materially the control of Amalco, and, if a person or company or combination of persons or companies holds more than 20% of the voting rights attached to all outstanding voting securities of Amalco, the person or company or combination of persons or companies is deemed, in the absence of evidence to the contrary, to hold a sufficient number of the voting rights to affect materially the control of Amalco;

(iv) no unusual effort is made to prepare the market or create a demand for the Exchangeable Notes; and

(v) no extraordinary commission or other consideration is paid in respect of the trade; and

(b) in those Jurisdictions in which Amalco will not become a reporting issuer or the equivalent under the Applicable Legislation upon completion of the Arrangement:

(i) at the time of the first trade, Amalco has been a reporting issuer or the equivalent under the Applicable Legislation for the 12 months immediately preceding the trade;

(ii) if the seller of the securities is an insider or officer of Amalco, the seller has no reasonable grounds to believe that Amalco is in default of any requirements of the Applicable Legislation;

(iii) except in Québec, the first trade is not from the holdings of a person or company who holds a sufficient number of the voting rights attached to all outstanding voting securities of Amalco to affect materially the control of Amalco, or each person or company in a combination of persons or companies, acting in concert by virtue of an agreement, arrangement, commitment or understanding, which holds in total a sufficient number of the voting rights attached to all outstanding voting securities of Amalco to affect materially the control of Amalco, and, if a person or company or combination of persons or companies holds more than 20% of the voting rights attached to all outstanding voting securities of Amalco, the person or company or combination of persons or companies is deemed, in the absence of evidence to the contrary, to hold a sufficient number of the voting rights to affect materially the control of Amalco;

(iv) no unusual effort is made to prepare the market or create a demand for the Exchangeable Notes; and

(v) no extraordinary commission or other consideration is paid in respect of the trade.

DATED October 19, 2001.

"Brenda Leong"

Director

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief from registration and prospectus requirements in connection with an arrangement where exemptions not available for technical reasons. First trade deemed a distribution unless resulting company a reporting issuer for 12 months preceding trade or became a reporting issuer as a result of arrangement.

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, ss. 34(1)(a), 45(2)(8)(ii), 45(2)(9), 45(2)(12)(iii), 48, 61, 74(2)(7)(ii), 74(2)(8), 74(2)(ii)(iii) and 76.