

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - issuer deemed to be no longer a reporting issuer under securities legislation (for MRRS Decisions)

Applicable Alberta Statutory Provisions
Securities Act, R.S.A., 2000, c.S-4, section 153

Citation: Trilogy Blue Mountain Ltd., 2006 ABASC 1891 **Date:** 20061215

In the Matter of
the Securities Legislation of
Alberta, Manitoba, Ontario, Quebec, New Brunswick,
Nova Scotia, Newfoundland and Labrador

and

In the Matter of
the Mutual Reliance Review System for Exemptive Relief Applications

and

In the Matter of
Trilogy Blue Mountain Ltd.
(as the amalgamated successor of Blue Mountain Energy Ltd.)

MRRS Decision Document

Background

1. The local securities regulatory authority or regulator (the Decision Maker) in each of Alberta, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, and Newfoundland and Labrador (the Jurisdictions) has received an application from Trilogy Blue Mountain Ltd. (the Filer), as the amalgamated successor of Blue Mountain Energy Ltd. (Blue Mountain), for a decision under the securities legislation of the Jurisdictions (the Legislation) that the Filer is deemed to have ceased to be a reporting issuer.

2. Under the Mutual Reliance Review System for Exemptive Relief Applications (the System):

2.1 the Alberta Securities Commission is the principal regulator for this application; and

2.2 this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the Decision).

Interpretation

3. Defined terms contained in National Instrument 14-101 — *Definitions* have the same meaning in this decision unless they are defined in this decision.

Representations

4. This decision is based on the following facts represented by the Filer to the Decision Makers:

4.1 The head office of the Filer is located in Calgary, Alberta.

4.2 Blue Mountain is a reporting issuer in each of the Jurisdictions.

4.3 On September 14, 2006, Trilogy Acquisition Co. Ltd. (Trilogy), a wholly-owned subsidiary of the Trilogy Energy Trust (the Trust), made an offer to purchase all of the outstanding common shares of Blue Mountain at \$5.50 per common share, payable in cash (the Offer).

4.4 Upon expiration of the Offer on October 23, 2006, 20,567,003 common shares, representing 95.7% of the issued and outstanding capital of Blue Mountain were deposited under the Offer and taken up by Trilogy.

4.5 Trilogy subsequently acquired all of the remaining common shares of Blue Mountain not deposited under the Offer (the Acquisition) upon reliance on the compulsory acquisition procedures contained in Part 16 of the Alberta Business Corporations Act (the ABCA).

4.6 On October 27, 2006, Trilogy and Blue Mountain amalgamated under section 184 of the ABCA (the Amalgamation) and formed the Filer, which in turn became a wholly-owned subsidiary of the Trust.

4.7 As a result of the Amalgamation, the Filer became a reporting issuer in each of the Jurisdictions.

4.8 On October 30, 2006, Blue Mountain's common shares were de-listed from the Toronto Stock Exchange.

4.9 Blue Mountain had a financial year end of December 31 and, as a result of the Amalgamation, the Filer's interim financial statements for the third quarter were due on November 15, 2006. As these financial statements were not filed, the Filer is now in default.

4.10 On November 16, 2006, the Requested Relief was requested pursuant to National Policy 12-201 Mutual Reliance Review System for Exemptive Relief Applications.

4.11 The Filer applied to voluntarily surrender its status as a reporting issuer in British Columbia (B.C.) under B.C. Instrument 11-502 Voluntary Surrender of

Reporting Issuer Status, and ceased to be a reporting issuer in B.C. on November 6, 2006.

4.12 The outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in each of the Jurisdictions in Canada and less than 51 security holders in total in Canada.

4.13 No securities of the Filer are traded on a marketplace as defined in National Instrument 21-101 Marketplace Operations.

4.14 The Filer is applying for relief to cease to be a reporting issuer in all the Jurisdictions in Canada in which it is currently a reporting issuer.

4.15 The Filer is not in default of any of its obligations under the Legislation as a reporting issuer other than the requirement to file its interim financial statements, interim MD&A and interim certification for the third quarter period ended September 30, 2006.

Decision

5. Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Makers with the jurisdiction to make the Decision has been met.

6. The Decision of the Decision Makers pursuant to the Legislation is that the Filer be deemed to have ceased to be a reporting issuer or the equivalent under the Legislation.

"original signed by"

Blaine Young

Associate Director, Corporate Finance

Alberta Securities Commission