

THE SECURITIES ACT

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Order No. 4814

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Section 20(1)

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June 29, 2005

MULLEN TRANSPORTATION INC.

WHEREAS:

(A) Application has been made on behalf of Mullen Transportation Inc. ("Mullen" or the "Filer") to the Commission for an order pursuant to Section 20(1) of The Securities Act R.S.M. 1988, c.S50 (as amended) (the "Act") that the dealer registration requirement and the prospectus requirement contained in sections 6 and 37 of the Act shall not apply to certain trades in securities to be 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 Mullen, its securityholders, Mullen Holding Trust ("MHT"), Mullen Group Income Fund (the "Trust"), Mullen Co. Limited Partnership ("MCLP"), Mullen Group Inc. (the "General Partner"), Mullen Acquisition Corp. ("AcquisitionCo"), certain other subsidiaries of Mullen (including Mill Creek Inc., MTI Holdings Inc., Northern Underwater Systems (NUS) Inc. and Anderson Air Drilling Ltd., collectively the "Subsidiaries") and certain holding companies (including 1174149 Alberta Ltd., 1173501 Alberta Ltd., 1173453 Alberta Ltd., 1174174 Alberta Ltd., 1174239 Alberta Ltd. and 1175443 Alberta Ltd., collectively, "Holdcos"), including all trades made subsequent to the completion of the Arrangement pursuant to the provisions of the exchangeable Class B limited partnership units (the "MCLP B Units") of MCLP.

(B) It has been represented to the Commission that:

1. Mullen is a corporation governed by the ABCA and its head office is located in Aldersyde, Alberta. Mullen is a reporting issuer or the equivalent, as applicable or required, in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec and Mullen's common shares ("Common Shares") are listed and posted for trading on the Toronto Stock Exchange (the "TSX"). To the best of the Filer's knowledge, information and belief, Mullen is not in default of its reporting requirements under the Act. Mullen is a diversified transportation and oilfield service company.

2. The Trust is an unincorporated, open-end investment trust governed by the laws of the Province of Alberta and created pursuant to a declaration of trust dated June 3, 2005 between the settler and CIBC Mellon Trust Company as trustee. The head and principal office of the Trust is located in Aldersyde, Alberta. The Trust has applied and received conditional approval to list the trust units of the Trust ("Trust Units") on the TSX.

3. MHT is an unincorporated, investment trust governed by the laws of the Province of Alberta and created pursuant to a declaration of trust dated June 3, 2005 between the settler and Valiant Trust Company as trustee. The head and

principal office of MHT is located in Aldersyde, Alberta. MHT will issue the Series 1 Notes to the Trust in connection with the Arrangement. Following the effective time of the Arrangement (the "Effective Time"), MHT will be a subsidiary of the Trust.

4. AcquisitionCo is a corporation incorporated on June 3, 2005 pursuant to the provisions of the ABCA for purposes of participation in the Arrangement. AcquisitionCo is a wholly-owned subsidiary of MCLP. The head office and registered office of AcquisitionCo is located in Aldersyde, Alberta.

5. MTI Investments Inc. ("AmalgamationCo") will be a corporation formed on the amalgamation of Mullen, AcquisitionCo, certain subsidiaries of Mullen and certain holding companies ("Holdcos") pursuant to the Arrangement. The head office and registered office of AmalgamationCo will be located in Aldersyde, Alberta. Following the Effective Time, AmalgamationCo will be a subsidiary of the Trust.

6. MCLP is a limited partnership formed under the laws of Alberta pursuant to a limited partnership agreement dated as of June 3, 2005 among the General Partner, MHT and limited partners. MCLP has two classes of limited partnership units, being Class A limited partnership units ("MCLP A Units") and the MCLP B Units. Following the Effective Time, MCLP will be a subsidiary of the Trust

7. The General Partner is a corporation incorporated pursuant to the ABCA as a direct wholly-owned subsidiary of the Trust and the general partner of MCLP.

8. Pursuant to an arrangement agreement dated June 3, 2005 (the "Arrangement Agreement") among Mullen, the Trust, MHT, the General Partner, MCLP and AcquisitionCo, the parties agreed to implement the Arrangement.

9. Pursuant to, and subject to the more detailed and technical steps set forth in the Plan of Arrangement scheduled to the Arrangement Agreement:

(a) The Common Shares and options ("Options") to purchase Common Shares held by securityholders who exercise their dissent rights shall, as of the effective time of the Arrangement, be deemed to have been transferred to AcquisitionCo and cancelled and cease to be outstanding;

(b) The Trust shall issue to MHT that number of Trust Units to be exchanged by MCLP pursuant to paragraph (d) below;

(c) MHT shall transfer to MCLP the Trust Units received by MHT in paragraph (b) above in exchange for the issue to MHT of MCLP A Units on the basis of one MCLP A Unit for each Trust Unit received by MCLP;

(d) At the same time:

(i) each Common Share (other than Common Shares held by Holdcos whose shareholders are eligible and elect to receive MCLP B Units and Trust Units set forth in paragraph (d)(ii) below and Common Shares held by dissenting shareholders) will be exchanged for: (i) MCLP B Units and (ii) Trust Units, in a number calculated in accordance with the formula prescribed under the Arrangement and subject to eligibility criteria and election requirements; and

(ii) the issued and outstanding shares ("Holdco Shares") of the Holdcos held by shareholders of Holdco who are eligible and elect to receive MCLP B Units and Trust Units shall be transferred to, and acquired by, MCLP in exchange for the issue to such holders of the Holdco Shares of (i) MCLP B Units and (ii) Trust Units, in a number calculated in accordance with a specified formula set forth in the Arrangement, and subject to eligibility criteria and election requirements;

(e) Common Shares and Holdco Shares in respect of each securityholder to which paragraph (d) does not apply (other than Common Shares held by dissenting shareholders) shall be transferred to, and acquired by MCLP in exchange for Trust Units on the basis of three (3) Trust Units for each Common Share and the Holdco Shares shall be exchanged with MCLP on the basis of three (3) Trust Units for each Common Share held by such Holdco;

(f) All of the Common Shares and Holdco Shares acquired by MCLP pursuant to the Arrangement shall be transferred to, and acquired by, AcquisitionCo in exchange for the issue to MCLP by AcquisitionCo of common shares of AcquisitionCo and unsecured subordinated indebtedness of AcquisitionCo in the principal amount calculated in accordance with the formula prescribed under the Arrangement;

(g) Each Option (whether vested or unvested) (other than Options held by dissenting Option holders) shall cease to represent the right to acquire Common Shares and shall only entitle the holder to acquire Trust Units in such number calculated in accordance with the formula prescribed under the Arrangement;

(h) Mullen and its Subsidiaries will complete an internal reorganization involving the transfer of all or substantially all of the property of the Subsidiaries to one or more operating limited partnerships owned by the Trust;

(i) The stated capital of each class of the outstanding shares of Mullen, the Holdcos and the Subsidiaries shall be reduced to one dollar;

(j) AcquisitionCo, Mullen, each of the Holdcos and each of the Subsidiaries shall amalgamate and continue as one corporation, AmalgamationCo, upon the term and conditions set forth in the Arrangement; and

(k) The Trust shall issue one special voting unit ("Special Voting Unit") to CIBC Mellon Trust Company in its capacity as Voting and Exchange Trustee as contemplated by the Voting and Exchange Trust Agreement, to which will be attached that number of voting rights (each such voting right to be equal to the voting rights attached to one Trust Unit) equal to the number of outstanding MCLP B Units held by registered holders, other than the Trust and its affiliates.

10. Following the pre-Arrangement steps and the Arrangement:

(a) the former holders of Common Shares and Options (other than those who exercised dissent rights) will own all of the issued and outstanding Trust Units of the Trust;

(b) the former holders of Common Shares and Options, subject to eligibility (and other than those who exercised dissent rights) will own all of the issued and outstanding MCLP B Units;

(c) the Trust, through MHT, will own all of the issued and outstanding MCLP A Units;

(d) MCLP will own all of the issued and outstanding common shares and subordinated debt of AmalgamationCo; and

(e) the Trust will hold, indirectly, all of the assets currently held, directly or indirectly, by Mullen.

11. Pursuant to the Arrangement, trades in securities will occur among the Trust, MHT, Mullen, the securityholders of Mullen, MCLP, AcquisitionCo, the Holdcos, the securityholders of the Holdcos, and AmalgamationCo, as more

particularly described in a management information circular dated June 3, 2005 (the "Information Circular") which was sent to securityholders of Mullen.

12. The MCLP B Units are exchangeable into Trust Units on a one-for-one basis and are intended to be, to the greatest extent practicable, the economic and voting equivalent of Trust Units, being entitled to the same monthly cash distributions as a Trust Unit and being entitled to vote on Trust matters with holders of the Trust Units through the Special Voting Unit. The MCLP B Units will also be redeemable and retractable in certain circumstances.

13. The exchange rights of the MCLP B Units will be governed by a voting and exchange trust agreement (the "Voting and Exchange Trust Agreement") to be entered into on the effective date of the Arrangement among the Trust, MCLP and a trustee (the "Trustee") chosen by the Trust to act as Trustee, pursuant to which the Trust will grant to the Trustee as Trustee for and on behalf of, and for the use and benefit of, the holders of MCLP B Units certain rights which include;

(a) the right (the "Exchange Right"), upon the occurrence and during the continuance of an Insolvency Event (as defined in the Voting and Exchange Trust Agreement) to require the Trust to purchase from each or any holder (or any beneficiary) of MCLP B Units all or any part of the MCLP B Units held by such holder (or any beneficiary); and

(b) a right to the automatic exchange of the MCLP B Units for Trust Units upon the occurrence of certain events relating to the liquidation of the Trust.

14. The MCLP B Units will be subject to a support agreement to be entered into on the effective date of the Arrangement among the Trust, MHT, MCLP and the General Partner pursuant to which the Trust will take certain actions to make certain payments and will deliver or cause to be delivered Trust Units in satisfaction of the obligations of MCLP.

15. The steps under the Arrangement, the terms of the MCLP B Units and the exercise of certain rights provided for in connection with the Arrangement and the MCLP B Units involve a number of trades or potential trades of securities, including Common Shares, Options, securities of the Trust (including Trust Units), securities of MHT, securities of MCLP (including the MCLP B Units), securities of AcquisitionCo, securities of the Holdcos and rights to otherwise make a trade of a security that was derived from or is made in connection with the Arrangement (collectively, the "Arrangement Trades").

16. The precise mechanics of the various Arrangement Trades do not or may not satisfy the technical requirements of the Manitoba Arrangement Exemption.

17. Mullen 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 (the "Meeting") of securityholders of Mullen 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 the securityholders of Mullen at the meeting of its securityholders to be held on June 30, 2005 (the "Meeting").

18. In connection with the Meeting and pursuant to the Interim Order, Mullen has mailed to its securityholders the Information Circular which provides sufficient information about the Arrangement to enable a securityholder of Mullen to make an informed decision with respect to the Arrangement which provided prospectus-level disclosure regarding Mullen, the Trust and MCLP and the particulars of the Arrangement. In addition, securityholders of Mullen have the dissent rights under the ABCA which, if exercised, will entitle them to be paid the fair value of their securities.

19. An Opinion of Raymond James Ltd. relating to the fairness of the Arrangement to Mullen shareholders was obtained and attached to the Information Circular. In addition, the Board of Directors of Mullen has recommended that securityholders of Mullen 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.
- 2. THAT** the fee for this order shall be \$1,000.

BY ORDER OF THE COMMISSION.

Deputy Director - Legal