

**THE SECURITIES ACT**

)

**Order No. 4739**

)

**Section 20(1)**

)

**April 20, 2005**

**PENGROWTH ENERGY TRUST AND CRISPIN ENERGY INC.**

**WHEREAS:**

(A) Application has been made on behalf of Pengrowth Energy Trust (the "Trust") and Crispin Energy Inc. ("Crispin") to the Manitoba Securities Commission (the "Commission") for an order under section 20(1) of The Securities Act, R.S.M. 1988, c. S50 (the "Act") exempting from the dealer registration requirement and the prospectus requirement all trades in securities to be made in connection with a proposed plan of arrangement (the "Arrangement") under the Business Corporations Act (Alberta) (the "ABCA") involving the Trust, Pengrowth Corporation ("Pengrowth"), Crispin and the securityholders of Crispin that is proposed to be completed according to the terms and conditions of an arrangement agreement entered into among the Trust, Pengrowth and Crispin dated February 17, 2005 and amended and restated March 28, 2005.

(B) The following facts have been represented to the Commission:

1.1 The Trust is an oil and gas royalty trust that was created under the laws of the Province of Alberta on December 2, 1988. The Trust is governed by an amended and restated trust indenture dated July 27, 2004 between Pengrowth and Computershare Trust Company of Canada, as trustee. In 1996, the Trust's original name, "Pengrowth Gas Income Fund", was changed to "Pengrowth Energy Trust". The mandate of the Trust is to maximize cash distributions on a per trust unit basis to its unitholders over time while enhancing the value of the trust units. The Trust's principal office is located at Suite 2900, 111 – 5th Avenue S.W., Calgary, Alberta, T2P 3Y6. The Trust is managed by Pengrowth Management Limited.

1.2 The authorized capital of the Trust consists of an unlimited number of Class A Trust Units and Class B Trust Units. The only distinction between the two classes of units is in respect of the residency of the persons entitled to hold and trade the Class A and Class B Trust Units. The Class A Trust Units are not subject to any residency restriction, trade on both the Toronto Stock Exchange (the "TSX") and the New York Stock Exchange (the "NYSE"), may be exchanged at any time for Class B Trust Units provided that the holder is a resident of Canada and provides suitable residency declaration, and are subject to a restriction on the number to be issued such that the Class A Trust Units will not exceed 99% (the "Ownership Threshold") of the number of issued and outstanding Class B Trust Units. The Class B Trust Units may not be held by non-residents of Canada, trade only on the TSX and may be exchanged by holders for Class A Trust Units, provided that the Ownership Threshold will not be exceeded.

1.3 The Trust is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland.

1.4 Pengrowth is an oil and gas company that was created under the laws of the Province of Alberta on December 30, 1987. In 1998, the name of Pengrowth was changed from "Pengrowth Gas Corporation" to "Pengrowth Corporation". Pengrowth has 1,100 common shares outstanding, 1,000 of which are owned by the Trust and 100 of which are owned by Pengrowth Management Limited. Pengrowth's principal office is located at Suite 2900, 111 – 5th Avenue S.W., Calgary, Alberta, T2P 3Y6.

1.5 Pengrowth is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland.

1.6 Crispin is an oil and gas company that was originally incorporated under the Companies Act (Alberta) on April 18, 1979 and was subsequently continued under the ABCA on October 7, 1983. Its principal office is located at Suite 1800, 407 – 2nd Street S.W., Calgary, Alberta T2P 2Y3. Its authorized capital consists of an unlimited number of common shares ("Common Shares") which trade on the TSX.

1.7 Crispin is a reporting issuer in British Columbia, Alberta, Ontario and New Brunswick.

1.8 Neither the Trust, Pengrowth nor Crispin is in default of any of the requirements under the Act.

1.9 Under the Arrangement:

(a) the Common Shares and outstanding options of Crispin ("Options") held by dissenting securityholders who have exercised dissent rights which remain valid immediately prior to the time when the Arrangement becomes effective (the "Effective Time") shall, as of the Effective Time, be deemed to have been transferred to Crispin (free of any claims) and be cancelled and cease to be outstanding, and as of the Effective Time, such dissenting securityholders shall cease to have any rights as securityholders other than the right to be paid the fair value of their Common Shares or Options;

(b) Pengrowth shall issue one (1.0) Class A Note to the Trust for each whole Class A Trust Unit required to be issued for the Common Shares, and one (1.0) Class B Note to the Trust for each

whole Class B Trust Unit required to be issued for the Common Shares pursuant to the Arrangement;

(c) each issued and outstanding Common Share shall be transferred to Pengrowth in exchange for either:

(i) 0.0512 of a Class A Trust Unit for each Common Share held by a shareholder that is not a resident of Canada or who has not filed the necessary declaration of residency prior to the date on which the Arrangement becomes effective (the "Effective Date"), provided that, in the event that the aggregate number of Class A Trust Units that would be issued exceeds 50% of the number of Class B Trust Units to be issued (the "Threshold"), then the number of Class A Trust Units to be issued to any shareholder, subject to rounding, shall be determined by multiplying the total number of Class A Trust Units otherwise issuable to such shareholder by the fraction, the numerator of which is 50% of the number of Class B Trust Units issued to shareholders, and the denominator of which is the aggregate number of Class A Trust Units otherwise issuable to all shareholders rounded to six digits and Pengrowth shall pay any holder of Common Shares who would, but for this restriction, have received Class A Trust Units, an amount of cash, rounded to the nearest one cent, equal to: (i) one (1.0) less the fraction; (ii) multiplied by the total number of Class A Trust Units otherwise issuable to such shareholder; (iii) multiplied by 95% of the Pengrowth Class B weighted average trading price for the five trading days preceding the Effective Date, notwithstanding the foregoing, Pengrowth may, in its sole discretion, increase the 50% Threshold; or

(ii) 0.0725 of a Class B Trust Unit for each Common Share held by each shareholder that is a resident of Canada and who has filed the necessary declaration of residency prior to the Effective Date; and

(d) all unexercised Options (other than Options held by dissenting optionholders) will be cancelled.

1.10 The Arrangement will be effected by way of plan of arrangement pursuant to section 193 of the ABCA. The Arrangement will require (i) approval by not less than two-thirds of the votes cast by the securityholders of Crispin (present in person or represented by proxy) at the meeting called for securityholders of Crispin and a majority of the shareholders of Crispin other than certain directors and officers, and thereafter, (ii) approval of the Court of Queens Bench of Alberta.

1.11 An information circular dated March 31, 2005 containing prospectus level disclosure on each of Crispin, Pengrowth and the Trust and particulars of the Arrangement has been sent to Crispin securityholders.

1.12 Post Arrangement: (i) shareholders of Crispin (including holders of Options who exercised their Options prior to the Effective Date) will own Class A Trust Units, Class B Trust Units and/or cash, as applicable; (ii) Pengrowth will own all of the issued and outstanding Common Shares; (iii) the Trust will be the holder of all of the issued and outstanding Class A Notes and Class B Notes; and (iv) all Options that have not been exercised will have been cancelled.

1.13 There are trades, potential trades and transactions involving Class A and Class B Trust Units, Common Shares and Options which will occur pursuant to the Arrangement (collectively, such trades, potential trades and transactions are referred to herein as the "Trades"). While a portion of these Trades fits within existing statutory registration and prospectus exemptions provided for in the Act, a number of Trades do not or may not because of the technical requirements of the exemptions and the precise mechanics of the various issuances and exchanges.

(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 Trades are exempt from sections 6 and 37 of the Act; and

**2. THAT** the fee for this order shall be \$1,000.00.

**BY ORDER OF THE COMMISSION**

**Deputy Director - Legal**