

THE SECURITIES ACT) Order No. 4142
)
Section 20) May 28, 2003

TGL FLOW THROUGH (2003) LIMITED PARTNERSHIP

WHEREAS:

(A) TGL Flow Through (2003) Limited Partnership ("TGL") has applied to The Manitoba Securities Commission (the "Commission") for an order pursuant to subsection 20(1) of *The Securities Act*, R.S.M. 1988, c. S50 (the "Act") exempting from sections 6 and 37 of the Act trades in securities in connection with TGL's proposed offering (the "Offering") of up to 200,000 units of limited partnership interest in TGL ("Units") at a price of \$25 per Unit for total gross proceeds of up to \$5,000,000;

(B) TGL has represented to the Commission that:

1. The Offering is being made pursuant to an offering memorandum (the "45-103 Memorandum") completed in accordance with the form requirements of the proposed amendments to Multilateral Instrument 45-103 - Capital Raising Exemptions (the "Proposed New MI 45-103") published pursuant to MSC Notice 2003-38 (the "MSC Notice").

2. It is anticipated that the Offering will be completed on an exempt basis in the Provinces of British Columbia and Alberta in reliance upon the "offering memorandum exemption" provided for in section 4.1 of the existing Multilateral Instrument 45-103 - Capital Raising Exemptions ("MI 45-103"). The Offering will also be completed in the province of Saskatchewan in reliance upon the Saskatchewan Policy Statement 45-602 "Qualified Investors Exemption in Clauses 39(1)(y) and 81(1)(s)".

3. TGL is a limited partnership which was formed under the Partnership Act (Alberta) on May 12, 2003. The authorized capital of TGL is not less than one Unit and not more than 200,000 Units.

4. In order to establish the partnership, TGL issued one Unit to the initial limited partner. Such Unit is the only Unit issued and outstanding as of today's date. After the admission of new limited partners to the partnership, the interest of the initial limited partner will be redeemed.

5. TGL, through its General Partner will, prior to December 31, 2003 endeavour to invest the net proceeds from the Offering primarily in flow through securities of resource issuers whose principal business is oil and gas exploration, production and or development or, to a lesser extent and subject to certain limitations,

resource issuers involved in mineral exploration, development and or production who qualify for Canadian Renewable and conservation expense, as defined in the Tax Act, with the objective of achieving capital appreciation for TGL.

6. Subject to a minimum subscription of \$2,500, the Units will be offered to persons resident in, or otherwise subject to the securities legislation of, the Provinces of British Columbia and Alberta in reliance upon the exemption from the registration and prospectus requirements of the securities legislation of such Provinces afforded TGL under the "offering Memorandum exemption" provided for in section 4.1 of MI-45-103 (the "OM Exemption").

7. In order to rely upon the OM Exemption, TGL is required to prepare and distribute to potential purchasers of the Units in the Provinces of British Columbia and Alberta an offering memorandum in accordance with the requirements of MI 45-103.

8. As MI 45-103 has only been adopted as a rule in the Provinces of British Columbia and Alberta, the exemptions available thereunder are not available to TGL in the Province of Manitoba.

(C) The Commission is of the opinion that it would not be prejudicial to the public interest to grant the order requested.

IT IS ORDERED:

1. THAT, pursuant to subsection 20(1) of the Act, trades in the Units under the Offering are exempt from sections 6 and 37 of the Act, provided that:

(a) The 45-103 Memorandum shall contain a statement to the effect that the Offering is being conducted pursuant to this Order and as such the protections normally available under the Act are not available in this instance.

(b) The 45-103 Memorandum shall contain contractual rights of action as described in s. 4.3 of MI 45-103.

(c) The purchaser purchases the security as principal and, at the same time or before the purchaser signs the agreement to purchase the security:

(i) TGL delivers to the purchaser the 45-103 Memorandum and a copy of this order;

(ii) TGL obtains a signed risk acknowledgement from the purchaser in compliance with section 4.5(1) of Proposed New MI 45-103; and

(iii) if the purchaser's aggregate cost is greater than \$10,000, the purchaser has certified that it is an eligible investor (as that term is defined in Proposed New MI 45-103).

(d) TGL retains the signed risk acknowledgement referred to in clause 1(c)(ii) above for 8 years after the completion of the Offering.

(e) TGL holds in trust all consideration received from the purchaser in connection with a trade in the Units until midnight on the 2nd business day after the purchaser signs the agreement to purchase the security.

(f) TGL returns all consideration to a purchaser promptly if that purchaser exercises the right to cancel the agreement to purchase the security by delivering a notice to TGL not later than midnight on the 2nd business day after the purchaser signs the agreement to purchase the security.

(g) The Offering is completed within 180 days from the date of this Order.

(h) TGL files a Form 45-103F4 report as contemplated by Proposed New MI 45-103 with the Commission on or before the 10th day after the completion of the Offering.

(i) TGL files a copy of the 45-103 Memorandum and any update of a previously filed offering memorandum with the Commission on or before the 10th day after each distribution under the 45-103 Memorandum or update of the 45-103 Memorandum.

2. THAT, the fee for this order shall be \$1,000.

BY ORDER OF THE COMMISSION

Deputy Director - Legal