

IN THE MATTER OF THE SECURITIES LEGISLATION OF ALBERTA, ONTARIO, British
Columbia, MANITOBA, NOVA SCOTIA, SASKATCHEWAN AND NEWFOUNDLAND
AND LABRADOR

AND

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

AND

IN THE MATTER OF CEQUEL ENERGY INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, Ontario, British Columbia, Manitoba, Nova Scotia, Saskatchewan and Newfoundland and Labrador has received an application from Cequel Energy Inc. ("Cequel") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirement contained in the Legislation for Cequel to send to its shareholders its audited annual consolidated financial statements concurrently with the filing of such financial statements as required by the Legislation (the "Concurrent Mailing Requirement") shall not apply to Cequel on the basis below;

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Alberta Securities Commission (the "Commission") is the principal regulator for this application;

AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 – Definitions;

AND WHEREAS Cequel has represented to the Decision Makers that:

1. Cequel is a corporation amalgamated under the *Business Corporations Act* (Alberta) with its head office located in Calgary, Alberta.
2. Cequel is a publicly traded energy corporation engaged in the exploration, development and production of crude oil and natural gas in western Canada.
3. The common shares of Cequel are listed and posted for trading on the Toronto Stock Exchange.
4. Cequel is a reporting issuer in all provinces of Canada that incorporate such a concept in their legislation.
5. In accordance with National Policy Statement No. 51 - Changes in the Ending Date of a

Financial Year and in Reporting Status ("NP 51"), Cequel changed the ending date of its financial year in July, 2002 and, as a result of the change, Cequel's most recently completed financial year is for the 17 month period ended December 31, 2002.

6. NP 51 requires Cequel to file both its annual information form and annual financial statements for the 17 month period ended December 31, 2002 (the "2002 Financial Statements") on March 31, 2003.

7. Cequel filed its annual information form on March 31, 2003 on SEDAR in accordance with NP 51 but as of the date hereof has not filed its 2002 Financial Statements on SEDAR as a result of the Concurrent Mailing Requirement.

8. Other than the requirement to file its 2002 Financial Statements by March 31, 2003 pursuant to NP 51, Cequel is not in default of any requirements of the applicable securities legislation in any of the provinces in which it is a reporting issuer.

9. Cequel intends to file its 2002 Financial Statements on SEDAR no later than two business days after the date of this decision document.

10. Cequel's annual general meeting of shareholders is scheduled to be held on June 9, 2003 and Cequel proposes to deliver the 2002 Financial Statements to the shareholders of Cequel entitled to receive them on May 9, 2003, concurrently with the Notice of Meeting and Management Proxy Circular for the 2003 Annual Meeting of Shareholders.

11. Cequel substantially released its 2002 Financial Statements, without an auditor's report thereon, by press release on March 13, 2003 and such financial statements are therefore available currently for viewing by the public on SEDAR.

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 the requirement contained in the Legislation requiring Cequel to concurrently send to its shareholders the 2002 Financial Statements filed with the Decision Makers pursuant to the Legislation shall not apply to Cequel, provided that Cequel:

- (a) concurrently with the filing of the 2002 Financial Statements with the Jurisdictions, issue a press release indicating that Cequel proposes to deliver the 2002 Financial Statements to the shareholders of Cequel entitled to receive them on May 9, 2003, concurrently with the Notice of Meeting and Management Proxy Circular for the 2003 Annual Meeting of Shareholders and that shareholders of Cequel, wishing to view this information in advance of May 9, 2003, may obtain

copies of the 2002 Financial Statements and MD&A on request, or by accessing the 2002 Financial Statements and MD&A on the SEDAR website;

(b) delivers the 2002 Financial Statements to the shareholders of Cequel entitled to receive them in accordance with the procedures outlined in National Instrument 54-101 – Proxy Solicitation and in any event no later than May 10, 2003; and

(c) files its 2002 financial statements on SEDAR no later than two business days after the date of this decision document.

DATED at Calgary, Alberta on April 2, 2003

Agnes Lau, CA
Deputy Director, Capital Markets

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief granted to a reporting issuer from the requirement to send its annual audited financial statements concurrently with the filing of the statements, subject to certain conditions.

Applicable Alberta Statutory Provisions

Securities Act, S.A. 2000, c.S-4, as amended, ss. 151.