

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF ALBERTA, BRITISH COLUMBIA, SASKATCHEWAN,
MANITOBA, ONTARIO, QUEBEC, NOVA SCOTIA AND NEWFOUNDLAND

AND

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

AND

IN THE MATTER OF ENERMARK INCOME FUND

AND

IN THE MATTER OF PURSUIT RESOURCES CORP.

MRRS DECISION DOCUMENT

1. WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, British Columbia, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia and Newfoundland (the "Jurisdictions") has received an application from EnerMark Income Fund ("EnerMark" or "the Applicant") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that, in connection with EnerMark's offer (the "Offer") to purchase all of the issued and outstanding common shares (the "Shares") of Pursuit Resources Corp. (the "Target"), the requirement contained in the Legislation to offer all holders of the same class of securities identical consideration (the "Identical Consideration Requirement") shall not apply to U.S. Shareholders (as defined below) who receive the cash proceeds from the sale of the trust units of EnerMark (the "EnerMark Units") in accordance with the procedure set out in paragraph 3.8 below;

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

3. AND WHEREAS the Applicant has represented to the Decision Makers that:

3.1 the Applicant is a trust organized under the laws of the Province of Alberta, whose head office and majority of assets are located in the Province of Alberta. Its EnerMark Trust Units are listed on The Toronto Stock Exchange (the "TSE");

3.2 the Target is a public company incorporated under the *Business Corporations Act* (Alberta). Its Shares are listed on the TSE and it is a reporting issuer or the equivalent in British Columbia, Alberta, Saskatchewan, Manitoba, and Ontario;

3.3 under the terms of the Offer and at the election of the shareholders of the Target, the price to be paid to holders of Target is either:

3.3.1 \$3.00 per Target Share, subject to a maximum aggregate amount of Cdn. \$15,000,000 being paid in cash; or

3.3.2 0.80 of an EnerMark Unit for each Target Share;

3.4 if elections by holders of Target Shares to receive cash consideration exceed \$15,000,000 in the aggregate, such holders will receive their pro rata share of \$15,000,000 with the balance owing to them being paid in EnerMark Units on the basis of 0.80 of an EnerMark Unit per Share;

3.5 at the date of the application, and to the knowledge of the Applicant, after reasonable inquiry, there were 45 shareholders of the Target resident in the United States (the "U.S. Shareholders") collectively holding approximately 6.99% of the Target Shares;

3.6 the EnerMark Units that may be issued under the Offer to the U.S. Shareholders have not been and will not be registered or otherwise qualified for distribution pursuant to the securities legislation of the United States. Accordingly, the delivery of EnerMark Units to U.S. Shareholders without further action by EnerMark may constitute a violation of the laws of the United States;

3.7 the Applicant is eligible to use the multijurisdictional disclosure system ("MJDS") adopted by the United States; however, upon issuing EnerMark Units into the United States, the Applicant would become subject to the United States *Investment Company Act* and would have to comply with its registration process and continuous disclosure requirements which would be overly burdensome to the Applicant;

3.8 to the extent that U.S. Shareholders of the Target elect to receive or are allocated EnerMark Units in exchange for their Target Shares, the Applicant proposes to deliver the EnerMark to CIBC Mellon Trust Company (the "Depository"), who will then sell the EnerMark Units on behalf of the U.S. Shareholders and deliver to them their respective pro rata share of the proceeds of such sale, less commission and applicable withholding tax, substantially simultaneously with the delivery to all other Target shareholders of the consideration to which such shareholders are entitled pursuant to the Offer;

3.9 at the date of the application, the Target's market capitalization represented approximately 14% of the Applicant's market capitalization;

3.10 the Offer is being made in compliance with the Legislation of the Jurisdictions, except to the extent that exemptive relief is granted in respect of the Identical Consideration Requirement;

4. AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

5. 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;

6. THE DECISION of the Decision Makers in the Jurisdictions pursuant to the Legislation is that, in connection with the Offer, EnerMark is exempt from the Identical Consideration Requirement insofar as U.S. Shareholders who accept the Offer may receive, instead of receiving EnerMark Units, cash proceeds from the Depository's sale of the EnerMark Units in accordance with the procedure set out in paragraph 3.8 above.

DATED at Calgary, Alberta this "17th" day of March, 2000.

Glenda A. Campbell, Acting Chair

Eric T. Spink, Vice-Chair