

IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
MANITOBA AND NEW BRUNSWICK

AND

IN THE MATTER OF  
THE MUTUAL RELIANCE REVIEW SYSTEM

FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF ENERPLUS RESOURCES FUND

MRRS DECISION DOCUMENT

**WHEREAS** the local securities regulatory authority or regulator (the "**Decision Maker**") in each of Manitoba and New Brunswick (the "**Jurisdictions**") has received an application from Enerplus Resources Fund (the "**Fund**") for a decision pursuant to the securities legislation of the Jurisdictions (the "**Legislation**") that the registration and prospectus requirements contained in the Legislation shall not apply to the automatic conversion of certain subscription receipts of the Fund into trust units of the Fund as described herein;

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

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

**AND WHEREAS** the Fund has represented to the Decision Makers that:

1.1 The Fund was formed pursuant to the laws of Alberta on July 7, 1986 and is currently governed by an Amended and Restated Trust Indenture dated January 1, 2004. The Fund's head office is located at the Dome Tower, Suite 3000, 333 - 7<sup>th</sup> Avenue S.W., Calgary, Alberta T2P 2Z1.

1.2 The Fund, through its operating subsidiaries, acquires, exploits and operates crude oil and natural gas assets in western Canada. As at December 31, 2003, the Fund had total assets of approximately \$2.6 billion. For the three months ended March 31, 2004, the Fund's operating subsidiaries produced an average of 71,553 barrels of oil equivalent per day.

1.3 The Fund is authorized to issue an unlimited number of trust units ("**Trust Units**") and any other securities convertible or exchangeable into Trust Units. As of May 25, 2004, a total of 94,779 Trust Units were issued and outstanding.

1.4 The currently issued and outstanding Trust Units of the Fund are listed on the Toronto Stock Exchange and the New York Stock Exchange.

1.5 The Fund is a reporting issuer or the equivalent in each of the provinces and territories of Canada which provide for that concept.

1.6 On May 25, 2004, the Fund, through a wholly owned subsidiary, entered into definitive agreements (the "**Acquisition Agreements**") with Chevron Canada Resources and Chevron Canada Limited (collectively, "**Chevron Canada**") whereby it agreed to acquire interests in certain oil and natural gas properties and related assets from Chevron Canada (the "**Acquisition**").

1.7 The Fund filed a preliminary prospectus on May 27, 2004 in Alberta, British Columbia, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, Prince Edward Island, New Brunswick, Newfoundland and Labrador (the "**Selling Jurisdictions**"), and intends to file a final prospectus (the "**Final Prospectus**") in each of the Selling Jurisdictions on or about June 8, 2004 pursuant to which the Fund will offer subscription receipts (the "**Subscription Receipts**") to the public in each of the Selling Jurisdictions.

1.8 The gross proceeds from the sale of the Subscription Receipts (the "**Escrowed Funds**") will be held in escrow by CIBC Mellon Trust Company as escrow agent (the "**Escrow Agent**") pending satisfaction of the Escrow Release Condition (as defined below). Provided that the Escrow Release Condition is satisfied on or before the earlier of (i) 5:00 p.m. (Calgary time) on August 31, 2004, and (ii) the time that the Acquisition Agreements are terminated (the "**Termination Time**"), the Escrowed Funds (together with interest thereon) will be released to the Fund within three business days of the date such condition is satisfied.

1.9 The Subscription Receipts will be issued pursuant to a Subscription Receipt Agreement. Pursuant to the Subscription Receipt Agreement, each Subscription Receipt will be automatically exchanged for one Trust Unit of the Fund without payment of additional consideration at 5:00 p.m. (Calgary time) on the date of closing of the Acquisition (the "**Automatic Conversion**").

1.10 Purchasers of Subscription Receipts will be provided with a copy of the Final Prospectus which will provide full, true and plain disclosure relating to the Subscription Receipts, the Fund, the Acquisition, the Automatic Conversion and the Trust Units.

1.11 If the Escrow Release Condition is not satisfied by the Termination Time, the Escrow Agent will return to holders of Subscription Receipts, commencing on the second business day following the Termination Time, an amount equal to the issue price therefor and their pro rata entitlements to interest and other income earned on the Escrowed Funds (less applicable withholding taxes).

1.12 As used herein, "Escrow Release Condition" means all conditions to the completion of the Acquisition under the terms of the Acquisition Agreements have been satisfied, and the Fund is able to complete the Acquisition, but for the release of the Escrowed Funds to the Fund pursuant to the terms of the Subscription Receipts.

1.13 No commission or other remuneration will be paid or given to others in respect of the distribution of the Trust Units except for ministerial or professional services or for services performed by a registrant registered to trade in securities.

1.14 There may be no registration or prospectus exemptions available under the Legislation for trades made in connection with an Automatic Conversion.

**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 registration requirement and the prospectus requirement shall not apply to trades made in connection with an Automatic Conversion provided that any trade in Trust Units acquired pursuant to an Automatic Conversion under this order shall be deemed to be a distribution or a primary distribution to the public unless the conditions in section 2.10 of Multilateral Instrument 45-102, *Resale of Securities*, are satisfied.

DATED this "14th" day of June, 2004.

Deputy Director - Legal