

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF ALBERTA, MANITOBA, ONTARIO AND QUEBEC

AND

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

AND

IN THE MATTER OF NEWALTA CORPORATION

MRRS DECISION DOCUMENT

1. WHEREAS, the local securities regulatory authority or regulator (the "Decision Maker") in Alberta, Manitoba, Ontario and Quebec (the "Jurisdictions") has received an application from Newalta Corporation ("Newalta") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that Newalta be deemed to have ceased to be a reporting issuer under the Legislation;

2. AND WHEREAS under 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 Newalta has represented to the Decision Maker that:

3.1 Newalta was incorporated pursuant to the *Business Corporations Act* (Alberta) (the "ABCA") on July 15, 1980, and was continued under the ABCA on August 21, 1984. On June 4, 1991, two wholly-owned subsidiaries of Newalta amalgamated to form Newalta Environmental Services Corporation which then amalgamated with Newalta and continued under the name Newalta Corporation;

3.2 on January 01, 2002, Newalta amalgamated with three of its wholly-owned subsidiaries and continued under the name Newalta Corporation;

3.3 Newalta's head office and principal address is located in Calgary, Alberta;

3.4 the authorized share capital of Newalta consists of an unlimited number of common shares (the "Common Shares"), an unlimited number of senior preferred shares, an unlimited number of junior preferred shares and 5,000,000 non-voting shares as of May 9, 2003.

3.5 as of May 9, 2003, 43,634,169 Common Shares and no senior preferred shares, junior preferred shares or non-voting shares are issued and outstanding. Two 9 1/2 % convertible debentures in the aggregate principal amount of \$6,000,000 (the "Debentures") have been issued by Newalta to a person resident in the Province of British Columbia. In connection with the Arrangement (as defined below), the terms of the Debentures were amended to provide for their conversion into Trust Units (the "Trust Units") of Newalta Income Fund (the "Fund"), rather than Common Shares of Newalta. Accordingly, there are no outstanding securities convertible into securities of Newalta;

3.6 in connection with the Arrangement, the Common Shares were de-listed from the TSX on March 6, 2003 and no securities of Newalta are listed or quoted on any exchange or market;

3.7 Newalta is a reporting issuer under the Legislation, and is not in default of any requirements thereunder;

3.8 Newalta has, concurrently herewith, notified the British Columbia Securities Commission pursuant to British Columbia Instrument 11-502 - Voluntary Surrender of Reporting Issuer Status, that Newalta will cease to be a reporting issuer on May 19, 2003;

3.9 pursuant to an arrangement agreement dated January 16, 2003 (the "Arrangement Agreement") between Newalta, Newalta Acquisition Corporation ("AcquisitionCo") and the Fund the parties thereto agreed, among other things, to take all reasonable action necessary to give effect to a Plan of Arrangement (the "Arrangement") under section 193 of the ABCA in order to reorganize the affairs of Newalta to create a trust structure;

3.10 at the special meeting of shareholders and optionholders of Newalta (the "Securityholders") held on February 24, 2003, the Securityholders of Newalta approved the Arrangement;

3.11 the Arrangement was approved by Final Order of the Court of Queen's Bench of Alberta on February 24, 2003, and on the filing of Articles of Arrangement on March 1, 2003 pursuant to the ABCA, the Arrangement was made effective.

3.12 Under the Arrangement, each issued and outstanding Common Share (other than Common Shares held by dissenting Securityholders and non-board lot holders) was transferred to the Fund in exchange for Trust Units on the basis of one Trust Unit for every two Common Shares. Under the Arrangement, Newalta optionholders were entitled to receive rights to purchase trust units or cash, as applicable, in exchange for their options;

3.13 as a further step to the Arrangement, the Common Shares held by the Fund were transferred to AcquisitionCo in exchange for unsecured, subordinated notes and one AcquisitionCo common share. Following these exchanges, the Fund owned all of the issued and outstanding common shares of AcquisitionCo and AcquisitionCo owned all of the issued and outstanding Common Shares;

3.14 as a further step to the Arrangement, AcquisitionCo and Newalta amalgamated to form a new entity and called it Newalta Corporation;

3.15 as a result of the Arrangement and subsequent amalgamation, the Fund is currently the sole shareholder of Newalta;

3.16 other than the Common Shares held by the Fund and the Debentures, Newalta has no other securities, including debt securities, outstanding;

3.17 Newalta does not intend to seek public financing by way of an offering of its securities;

4. AND WHEREAS under the System, the 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 meet the Decision has been met;

6. THE DECISION of the Decision Maker under the Legislation is that Newalta is deemed to have ceased to be a reporting issuer under the Legislation.

DATED this "17th" day of June, 2003.

Patricia M, Johnston
Director, Legal Services & Policy Development

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - issuer deemed to be no longer a reporting issuer under the Act;

Applicable Alberta Statutory Provisions *Securities Act*, R.S.A., 2000, c,S-4, section 153