

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

AND

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

AND

IN THE MATTER OF PRECISION DRILLING CORPORATION

MRRS DECISION DOCUMENT

1. WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, Newfoundland (the "Jurisdictions") has received an application from Precision Drilling Corporation ("Precision") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the requirement contained in the Legislation for an insider of a reporting issuer to file reports disclosing the insider's direct or indirect beneficial ownership of, or control or direction over, securities of the reporting issuer (the "Insider Reporting Requirement") shall not apply to certain of the directors and senior officers of Precision's subsidiaries (collectively the "Subsidiaries" or individually a "Subsidiary") and certain of the directors and senior officers of affiliates of insiders of Precision;

1. AND WHEREAS pursuant to the Mutual Reliance Review System for Exemption Relief Applications (the "System"), the Alberta Securities Commission is the principal jurisdiction for this application (the "Principal Jurisdiction");

2. AND WHEREAS Precision has represented to the Decision Makers that:

2.1 Precision is a company incorporated under the laws of Alberta, is a reporting issuer or equivalent in the Jurisdictions and is not in default of any of the requirements of the Legislation;

2.2 the head office of Precision is located in Calgary, Alberta;

2.3 the common shares of Precision are listed on The Toronto Stock Exchange and The New York Stock Exchange;

2.4 Precision will maintain a list of all insiders of Precision exempted by this MRRS Decision Document and the basis on which each insider comes within the exemption;

3. AND WHEREAS for the purposes of this MRRS Decision Document, "Significant Subsidiary" means a subsidiary of Precision if:

3.1 the value of the assets of the Subsidiary, on a consolidated basis with its Subsidiaries, as reflected in the most recent annual audited balance sheet filed by Precision, is 10 percent or more of the consolidated assets of Precision shown on that balance sheet; or

3.2 the revenues of the Subsidiary, on a consolidated basis with its Subsidiaries, as reflected in the most recent annual audited statement of income and loss filed by Precision, are 10 percent or more of the consolidated revenues of Precision shown on that statement of income and loss;

4. AND WHEREAS pursuant to the System this MRRS Decision Document evidences the decisions 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 under the Legislation is that the Insider Reporting Requirement shall not apply to a director or senior officer of a Subsidiary of Precision in respect of securities of Precision, provided that:

6.1 the director or senior officer does not receive, in the ordinary course, information as to material facts or material changes concerning Precision before the material facts or material changes are generally disclosed;

6.2 the director or senior officer is not a director or senior officer of a Significant Subsidiary; and

6.3 the director or senior officer is not also an insider of Precision in a capacity other than as a director or senior officer of the Subsidiary and is not otherwise exempted from the insider reporting requirement;

7. THE FURTHER DECISION of the Decision Makers under the Legislation, excluding the regulatory authority in Quebec, is that the Insider Reporting Requirement shall not apply to a director or senior officer of an affiliate of an insider of Precision in respect of securities of Precision, provided that:

7.1 the director or senior officer does not receive, in the ordinary course, information as to material facts or material changes concerning Precision before the material facts or material changes are generally disclosed;

7.2 the director or senior officer is not also an insider of Precision in a capacity other than as a director or senior officer of an Affiliate of an insider of Precision and is not otherwise exempted from the insider reporting requirement; or

7.3 the director or senior director is not a director or senior officer of a company that supplies goods or services to Precision or to a Subsidiary of Precision or has contractual arrangements with Precision or a Subsidiary of Precision, and the nature and scale of the supply or the contractual arrangements could reasonably be expected to have a significant effect on the market price or value of the securities of Precision;

8. THE FURTHER DECISION of the Decision Makers is that this Decision Document will terminate on the first anniversary date following publication in final form of any legislation or rule of the Decision Makers which deals with similar matters and provides similar relief as to that set out in proposed National Instrument 55-101, *Exemption from Certain Insider Reporting Requirements*.

DATED at Calgary, Alberta this 23rd day of December, 1999.

"Glenda A. Campbell", Acting Chair "John W. Cranston", Member

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - insider reporting relief for directors and officers of subsidiaries and directors and officers of affiliates of a reporting issuer, provided the issuer and the insiders comply with conditions consistent with requirements contained in National Instrument 55-101, "Exemption from Certain Insider Reporting Requirements" dated August 20, 1999.

Applicable Alberta Statutes Cited

Securities Act, R.S.A. 1981, c.S.5-6.1, as am, ss.1(1), 6, 147, 185.