

In the Matter of
the Securities Legislation of
Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, New Brunswick,
Prince Edward Island, Newfoundland and Labrador
(the **Jurisdictions**)

and

In the Matter of
the Process for Exemptive Relief Applications in Multiple Jurisdictions

and

In the Matter of
Penn West Santiago Ltd.
(the **Filer**)

Decision

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) that the Filer is not a reporting issuer.

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a coordinated review application):

- (a) the Alberta Securities Commission is the principal regulator for this application; and
- (b) the decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* have the same meaning if used in this decision, unless otherwise defined herein.

Representations

This Decision is based on the following facts represented by the Filer:


1. The Filer was amalgamated under the *Business Corporations Act* (Alberta) (the **ABCA**).
2. The head office of the Filer is located in Calgary, Alberta.

3. The Filer is a reporting issuer in each of the Jurisdictions.
4. Prior to the Arrangement (as defined herein), the authorized capital of the Filer consisted of an unlimited number of common shares (the **Common Shares**) and an unlimited number of first preferred shares (the **Preferred Shares**), issuable in series, of which 41,604,114 Common Shares and Nil Preferred Shares were issued and outstanding.
5. Pursuant to a plan of arrangement (the **Arrangement**) under section 193 of the ABCA involving the Filer, 1598385 Alberta Ltd., Penn West Petroleum Ltd. (**PWPL**) and the shareholders of the Filer, PWPL acquired all of the issued and outstanding Common Shares. As a result of the Arrangement, the Filer became a wholly-owned subsidiary of PWPL.
6. The Common Shares were delisted from the Toronto Stock Exchange on June 3, 2011 and, accordingly, no securities of the Filer are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*.
7. The Filer has no intention to seek public financing by way of an offering of its securities.
8. The outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 security holders in each of the jurisdictions in Canada and fewer than 51 security holders in total in Canada.
9. The Filer voluntarily surrendered its status as a reporting issuer in British Columbia pursuant to BC Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status*.
10. The Filer is applying for a decision that it is not a reporting issuer in all of the Jurisdictions.
11. The Filer is not in default of any of its obligations under the Legislation as a reporting issuer, other than its obligation to file its interim unaudited financial statements and related management's discussion and analysis for the period ended March 31, 2011 and the interim certificates under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* in respect of its interim filings for the interim period ended March 31, 2011 which were due on June 14, 2011 (the **Filings**).
12. The Filer is not eligible to use the simplified procedure under CSA Staff Notice 12-307 *Applications for a Decision that an Issuer is not a Reporting Issuer* because it is in default of its obligation to file the Filings.
13. The Filer has no current intention to seek public financing by way of an offering of securities.
14. The Filer, upon receipt of the decision, will no longer be a reporting issuer or the equivalent thereof in any jurisdiction in Canada.

Decision

Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Makers under the Legislation is that the Filer is deemed to have ceased to be a reporting issuer and that the Filer's status as a reporting issuer is revoked.



Blaine Young
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