

BLANKET ORDER NO. 54

**IN THE MATTER OF THE *SECURITIES* ACT
R.S.N.L. 1990 CHAPTER S-13, AS AMENDED**

**AND
IN THE MATTER OF AN EXEMPTION
FOR SOLICITATIONS OF EXPRESSIONS OF INTEREST IN CONNECTION WITH OVER-
ALLOTMENT OPTIONS**

**ORDER
(Section 138.19)**

Definitions

1. In this Order:

“NI 44-101” means National instrument 44-101 *Short Form Prospectus Distributions*;

“over-allotment position” means the amount by which the total number or principal amount of securities that are the subject of offers to purchase received by all underwriters of a distribution exceeds the total number or principal amount of securities that all underwriters have agreed to purchase under an enforceable agreement with the issuer;

“over-allotment offer” means a right granted to the underwriters by an issuer or a selling security holder in connection with the distribution of securities under a short form prospectus to acquire additional securities of the same class as was distributed under the short form prospectus; and

“short form prospectus” means a short form prospectus under NI 44-101.

Background

2. Paragraph 7.1(a) of Part 7 of NI 44-101 provides an exemption from the prospectus requirement for solicitations of expressions of interest before the filing of a preliminary short form prospectus for securities to be issued under a bought deal offering.
3. The exemption in Part 7 of NI 44-101 does not extend to the solicitation of expressions of interest for securities to be issued under an over-allotment option.
4. The Superintendent of Securities is satisfied that to do so would not be prejudicial to the public interest

Order

5. It is ordered that Section 54. of the Act does not apply to soliciting expressions of interest before the filing of a preliminary short form prospectus for securities to be issued under an over-allotment option, provided that:

- (a) the issuer satisfies the conditions in paragraph 7.1 (a) to (e) of NI 44-010; and
- (b) the over-allotment option
 - (i) is granted for the purpose of covering the underwriters' over-allotment position;
 - (ii) expires not more than 60 days after the date of closing of the distribution;
 - (iii) is limited to the lesser of
 - (A) the over-allotment position determined as at the closing of the distribution; and
 - (B) 15% of the number or principal amount of the securities qualified for the distribution, other than the securities issuable on the exercise of the over-allotment option.

Dated at St. John's, Newfoundland and Labrador this 20th day of September, 2007.

"W. Morris"

Winston Morris
Superintendent of Securities