

IN THE MATTER OF THE *SECURITIES ACT*,

R.S.N.W.T. 1988, c. S-5

and

IN THE MATTER OF

BEAR CREEK ENERGY LTD.

KETCH RESOURCES LTD.

KETCH RESOURCES TRUST

BEAR RIDGE RESOURCES LTD. and

KERECO ENERGY LTD.

EXEMPTION ORDER

UPON the application of Ketch Resources Ltd. ("**Ketch**"), Bear Creek Energy Ltd. ("**Bear Creek**"), Ketch Resources Trust (the "**Trust**"), Bear Ridge Resources Ltd. ("**Bear Ridge**") and Kereco Energy Ltd. ("**Kereco**") (collectively, the "**Applicant**") to the Registrar of Securities (the "**Registrar**") for an order pursuant to subsections 4(5) and 27(2)(b) of the *Securities Act* R.S.N.W.T. 1988, c. S-5, as amended (the "**Act**"), exempting the distribution of securities described herein and the Applicant from the provisions of the Act requiring registration and the provisions of the Act requiring the filing of a prospectus or statement of material facts;

AND UPON the Applicant representing to the Registrar that:

1. Bear Creek and Ketch have filed a Joint Information Circular and Proxy Statement dated December 17, 2004 (the "**Information Circular**") with respect to a Plan of Arrangement (the "**Arrangement**") involving Bear Creek, Ketch, the Trust, Bear Ridge and Kereco.
2. As a result of the proposed Arrangement, the Trust, Bear Ridge and Kereco will become publicly held and publicly listed entities.
3. The Arrangement will result in the creation of the Trust, a new oil and natural gas energy trust which intends to make regular monthly distributions of cash to holders of units of the Trust ("**Trust Units**") and the creation of Bear Ridge and Kereco, two separate publicly listed, exploration and development focused oil and gas producers. Pursuant to the Arrangement shareholders of Ketch will receive: (i) 1.0 Trust Unit, (ii) 0.4 of a common share of Kereco ("**Kereco Common Share**") or \$1.06 in cash, and (iii) 0.4 of a common share of Bear Ridge ("**Bear Ridge Common Share**") or \$0.48 in cash for each common share of Ketch ("**Ketch Common Share**") owned by them. Shareholders of Bear Creek will receive: (i) 0.5 of a Trust Unit, (ii) 0.2 of a Kereco Common Share or \$0.54 in cash; and (iii) 0.2 of a Bear Ridge Common Share or \$0.245 in cash for each Common Share of Bear Creek ("**Bear Creek Common Share**") owned.

4. Holders of options to acquire Bear Creek Common Shares ("**Bear Creek Options**") and holders of options to acquire Ketch Common Shares ("**Ketch Options**") may choose to participate in the Arrangement by exercising their Bear Creek Options or Ketch Options, as the case may be, and receiving the same consideration as Bear Creek shareholders and Ketch shareholders. Holders of Ketch Options may also exercise their right under Ketch's stock option plan to have their Ketch Options cancelled in consideration of cash payment per Ketch Option. Each remaining Ketch Option will pursuant to the Arrangement, become an option to acquire one Trust Unit with an exercise price equal to the difference between: (i) the closing price of the Trust Units on the first trading day after the Effective Date of the Arrangement (the "**Effective Date**"), and (ii) the difference between: (A) the closing price of the Ketch Common Shares on the last trading day prior to the Effective Date, and (B) the exercise price of such Ketch Option. Each remaining Bear Creek Option will pursuant to the Arrangement, become an option to acquire one-half of a Trust Unit with an exercise price equal to the difference between: (i) one-half of the closing price of the Trust Units on the first trading day after the Effective Date, and (ii) the difference between: (A) the closing price of the Bear Creek Common Shares on the last trading day prior to the Effective Date, and (B) the exercise price of such Bear Creek Option.
5. Holders of share purchase warrants of Bear Creek ("**Bear Creek Warrants**") and share purchase warrants of Ketch ("**Ketch Warrants**") may choose to participate in the Arrangement by exercising their Bear Creek Warrants or Ketch Warrants, as the case may be, and receive the same consideration as Bear Creek shareholders and Ketch shareholders. Each Bear Creek Warrant and Ketch Warrant not exercised prior to the Effective Time will, pursuant to the Arrangement, be exchanged for the fraction of a Bear Creek Common Share or Ketch Common Share, as the case may be, obtained by dividing: (i) the amount by which the weighted average trading price of the Bear Creek Common Shares or the Ketch Common Shares exceeds the exercise price of the Bear Creek Warrant or the Ketch Warrant by (ii) the weighted average trading price of the Bear Creek Common Shares or the Ketch Common Shares, as applicable. The Bear Creek Common Shares or Ketch Common Shares received by warrant holders based on such calculation will then be treated in the same manner as Bear Creek Common Shares and Ketch Common Shares outstanding as at the Effective Time.
6. No fractional securities will be issued pursuant to the Arrangement and to the extent that a fractional security would be issued, such security will be rounded to the nearest whole number.
7. Ketch, Bear Creek, the Trust, Kereco and Bear Ridge have made application pursuant to sections 4(5) and 27(2)(b) of the Act for an order that all trades and distributions of securities made in connection with the Arrangement are not subject to sections 4(1)(a) and 27(2)(a) of the Act.

AND UPON reading and considering the application of Bear Creek, Ketch, the Trust, Bear Ridge and Kereco dated January 4, 2005;

AND UPON the Registrar being satisfied that it would not be prejudicial to the public interest to do so;

IT IS HEREBY ORDERED THAT:

1. Pursuant to subsections 4(5) and 27(2)(b) of the Act, all trades and distributions of securities made in connection with the Arrangement (all as described in the Information Circular), are not subject to sections 4(1)(a) and 27(2)(a) of the Act.

2. The first trade in the securities acquired pursuant to this order shall be deemed to be a distribution unless the conditions in subsections 2.6(3) and 2.9(1) of Multilateral Instrument 45-102 Resale of Securities are satisfied.

DATED at the City of Yellowknife, in the Northwest Territories, this 12th day of January, 2005.

"Tony Wong"
Tony S.K. Wong
Registrar, Securities & Corporate Registries