

**IN THE MATTER OF THE *SECURITIES ACT*, R.S.N.W.T.
1988, c.S-5.**

AND

**IN THE MATTER OF A PLAN OF ARRANGEMENT
INVOLVING ARGO ENERGY LTD., LIGHTNING
ENERGY LTD., SEQUOIA OIL & GAS TRUST AND
WHITE FIRE ENERGY LTD.**

EXEMPTION ORDER

UPON the application of Argo Energy Ltd. ("Argo"), Lightning Energy Ltd. ("Lightning"), Sequoia Oil & Gas Trust (the "Trust") and White Fire Energy Ltd. ("White Fire")(collectively, the "Applicant") to the Registrar of Securities (the "Registrar") for an order pursuant to sections 4(5) and 27(2)(b) of the *Securities Act* (Northwest Territories) R.S.N.W.T., 1988, c.S-5 (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. Argo and Lightning will mail a joint information circular and proxy statement at the end of March, 2005 (the "Information Circular") to securityholders of Argo ("Argo Shareholders") and Lightning ("Lightning Shareholders") with respect to a Plan of Arrangement (the "Arrangement") involving Argo, Lightning, the Trust and White Fire.
2. The Trust and White Fire have applied for the listing of their respective securities on the Toronto Stock Exchange.
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 trust units of the Trust ("Trust Units") and the creation of White Fire, a separate publicly listed, exploration and development focused oil and gas producer. Pursuant to the Arrangement shareholders of Argo will receive (i) 0.17125 of Trust Unit and (ii) 0.17125 of a common share ("Common Share") of White Fire for each common share of Argo owned by them. Shareholders of Lightning will receive (i) 0.25 of a Trust Unit and (ii) 0.25 of a Common Share for each common share of Lightning owned by them.
4. Holders of options to acquire Argo Common Shares ("Argo Options") and holders of options to acquire Lightning Common Shares ("Lightning Options") may chose to participate in the Arrangement by exercising their Argo Options or Lightning Options, as the case may be, and receiving the same consideration as Argo Shareholders and Lightning Shareholders. Each remaining Argo Option at the effective time of the Plan of Arrangement, will cease to represent the right to acquire Argo Shares and will, pursuant to the Arrangement, entitle the holder thereof to acquire 0.17125 of a Trust Unit and 0.17125 of a White Fire Share for each Argo Share which the holder was previously entitled to acquire under their options at the exercise prices specified in the Plan of Arrangement. Each remaining Lightning Option or Lightning Warrant at the effective time of the Plan of Arrangement will cease to represent the right to acquire Lightning Shares and will, pursuant to the Arrangement, entitle the holder thereof to acquire 0.25 of a Trust Unit and 0.25 of a White Fire Share for each Lightning Share which the holder was previously entitled to

acquire under their options and/or warrants at the exercise prices specified in the Plan of Arrangement

5. 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.
6. Argo, Lightning, the Trust and White Fire 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 the registration and prospectus filing requirements of sections 4(1)(a) and 27(2)(a) of the Act.

AND UPON reading and considering the application of Argo, Lightning, the Trust and White Fire dated March 9, 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 Plan of Arrangement and 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 subsection s. 2.6(3) of Multilateral Instrument 45-102 *Resale of Securities* ("MI 45-102") are satisfied and that in determining the period of time that the Trust and White Fire is a reporting issuer for the purposes of s. 2.6(3), s. 2.9(1) of MI 45-102 will apply to the Trust and White Fire.

DATED at the City of Yellowknife, in the Northwest Territories this 15th day of April, 2005.

"Tony Wong"

Tony S.K. Wong
Registrar of Securities