

**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 CHAMAELO ENERGY INC., VAULT  
ENERGY TRUST AND CHAMAELO EXPLORATION  
LTD.**

**EXEMPTION ORDER**

**UPON** the application of Chamaelo Energy Inc. (the "Applicant") to the Registrar of Securities (the "Registrar") for an order pursuant to section 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 in connection with a proposed plan of arrangement (the "Arrangement") under the *Business Corporations Act* (Alberta) (the "ABCA") involving the Applicant, Vault Energy Trust (the "Trust"), Chamaelo Exploration Ltd. ("ExploreCo") and the securityholders of the Applicant from 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. The Applicant is an oil and gas company incorporated as 1100974 Alberta Inc. under the ABCA on April 5, 2004. Pursuant to a Certificate of Amendment dated April 21, 2004, it changed its name to Chamaelo Energy Inc. Pursuant to Articles of Arrangement dated June 1, 2004, the Applicant was arranged pursuant to a plan of arrangement involving Viracocha Energy Inc., Provident Energy Trust, Provident Energy Ltd. and the Applicant.
2. The authorized capital of the Applicant consists of an unlimited number of common shares (the "Chamaelo Shares") and an unlimited number of preferred shares issuable in series.
3. The Applicant is a reporting issuer in British Columbia, Alberta, Ontario and New Brunswick. The Chamaelo Shares are listed on the Toronto Stock Exchange (the "TSX") under the trading symbol "CLO".
4. The information circular and proxy statement of the Applicant (the "Information Circular") detailing the Arrangement will be mailed to the securityholders of the Applicant on or about May 15, 2005 for the annual general and special meeting of securityholders of the Applicant to be held on June 15, 2005.
5. The Trust will be an oil and gas royalty trust created under the laws of the Province of Alberta pursuant to a trust indenture to be entered into prior to the mailing of the Information Circular. The mandate of the Trust will be to maximize cash distributions on a per trust unit (a "Trust Unit") basis to its unitholders (the "Unitholders") over time while enhancing the value of the trust units.
6. The authorized capital of the Trust will consist of an unlimited number of Trust Units.
7. The Trust will be a reporting issuer in at least one of the Canadian jurisdictions and will apply to list the Trust Units on the TSX.

8. ExploreCo will be a corporation incorporated under the ABCA and will be incorporated prior to the mailing of the Information Circular.
9. The authorized capital of ExploreCo will consist of an unlimited number of common shares (the "ExploreCo Shares") and an unlimited number of preferred shares issuable in series.
10. ExploreCo will be a reporting issuer in at least one of the Canadian jurisdictions and will apply to list the ExploreCo Shares on the TSX.
11. At the date on which the Arrangement becomes effective under the ABCA, the Arrangement will result in holders of Chamaelo Shares ("Chamaelo Shareholders") exchanging each one of their Chamaelo Shares for, at their election where eligible, either 0.50 of one Trust Unit or 0.50 of one share exchangeable into a Trust Unit (an "Exchangeable Share") and 0.20 of one ExploreCo Share.
12. As part of the Arrangement, a limited number of Exchangeable Shares, which number shall be less than the total number of Trust Units issuable, will be made available for issuance at the election of eligible Chamaelo Shareholders. In the event that more Exchangeable Shares are requested than those available, the Exchangeable Shares will be prorated and Chamaelo Shareholders will receive Trust Units in lieu of Exchangeable Shares. In lieu of monthly cash distributions, the exchange value of the Exchangeable Shares will increase based on the amount of distributions paid to Unitholders and decrease based on the amount of dividends paid to holders of Exchangeable Shares. Chamaelo Shareholders which are non-resident or tax exempt will not be eligible to receive Exchangeable Shares.
13. As part of the Arrangement, the Applicant will amalgamate with AcquisitionCo, a wholly-owned subsidiary of the Trust, to form AmalgamationCo and all of the common shares and unsecured, subordinated promissory notes issuable in conjunction with the operation of the Arrangement by AcquisitionCo, pursuant to a note indenture to be entered into between AcquisitionCo and Valiant Trust Company, will be owned by the Trust.
14. Upon completion of the Arrangement, the former Chamaelo Shareholders (other than those Chamaelo Shareholders validly exercising their rights of dissent under Section 191 of the ABCA) will have exchanged their Chamaelo Shares for (i) ExploreCo Shares plus (ii) Trust Units or Exchangeable Shares (or a combination thereof). All former non-resident or tax exempt Chamaelo Shareholders will have exchanged their Chamaelo Shares for ExploreCo Shares and Trust Units.
15. The Exchangeable Shares will be exchangeable for Trust Units and will provide a former Chamaelo Shareholder with a security having participation and voting rights which are, as nearly as practicable, equivalent to those of Trust Units. A Chamaelo Shareholder who is resident in Canada will generally be able to receive the Exchangeable Shares on a tax-deferred rollover basis.
16. The Exchangeable Shares are exchangeable by the holder thereof into Trust Units. The exchange ratio used to determine how many Trust Units a holder of Exchangeable Shares is entitled to receive upon an exchange of such shares (the "Exchange Ratio") will initially be equal to 1-to-1. The Exchange Ratio will then be cumulatively adjusted by: (i) increasing the Exchange Ratio based in part on the amounts of the distributions paid on the Trust Units; and (ii) decreasing the Exchange Ratio based in part on the amounts of the dividends paid on the Exchangeable Shares.

The Exchange Ratio will also be adjusted in the event of certain other reorganizations or distributions in respect of the Trust Units as necessary on an economic equivalency basis.

17. There are trades, potential trades and transactions involving Chamaelo Shares, options and warrants of the Applicant, Trust Units, ExploreCo Shares and Exchangeable Shares which will occur pursuant to the Arrangement (collectively, such trades, potential trades and transactions are referred to herein as the "Trades"). While a portion of these Trades fits within existing statutory prospectus exemptions provided for in the Act and Blanket Order No. 1, a number of Trades do not or may not because of the technical requirements of the exemptions and the precise mechanics of the various issuances and exchanges.
18. The Applicant has made an application pursuant to section 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 prospectus filing requirement of section 27(2)(a) of the Act.

**AND UPON** reading and considering the application of the Applicant dated April 14, 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 subsection 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 section 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 an issuer was a reporting issuer for the purposes of MI 45-102, s. 2.9(1) of MI 45-102 applies to the Trust and ExploreCo.

**DATED** at the City of Yellowknife, in the Northwest Territories this 12<sup>th</sup> day of May, 2005.

*"Tony Wong"*

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