

In the Matter of
the Securities Legislation of
Alberta, Saskatchewan, Ontario, New Brunswick, Nova Scotia, 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
WesternZagros Resources Ltd. (the **Filer**)

Decision

Background

The Executive Director, Director, Director of Securities or Superintendent of Securities (as the case may be) of 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:

- (a) the Filer be permitted to refer to its intention to make application to list its common shares (**Common Shares**) on the main market of the London Stock Exchange (the **LSE**) in each of its:
 - (i) UK Pathfinder Prospectus (as defined below);
 - (ii) UK Prospectus (as defined below);
 - (iii) Preliminary Prospectus;
 - (iv) (Final) Prospectus; and
 - (v) News releases relating to the filing of the Preliminary Prospectus and the intention to float the Common Shares on the LSE (the **News Releases**) (together, the **Exemptive Relief Sought**); and
- (b) that the application and this decision be held in confidence by the Decision Makers (the **Confidentiality Relief**.)

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) this 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:

General

1. The Filer is a corporation governed by the *Business Corporations Act* (Alberta) (the **ABCA**).
2. The Filer is an international oil and gas company engaged in acquiring properties and exploring for, developing and producing crude oil and natural gas in the Kurdistan region of Iraq.
3. The Filer's head office and registered office is located in Calgary, Alberta.
4. The Filer is a reporting issuer in each of the provinces of Canada.
5. The Filer is not in default of any of its obligations under the securities legislation of the Jurisdictions as a reporting issuer.
6. Each of the System for Electronic Document Analysis and Retrieval (**SEDAR**) and System for Electronic Disclosure by Insiders (**SEDI**) profiles of the Filer are up to date and there are no outstanding fees under the securities legislation of the Jurisdictions required to be paid by the Filer.
7. The Common Shares are listed and posted for trading on the TSX Venture Exchange.

UK Listing

8. The Filer is in the process of applying to the LSE and the UK Listing Authority for a secondary listing of the Common Shares on the LSE and currently expects to receive approval by the beginning of February, 2013. The UK Listing Authority (the **UKLA**) is the name used by the Financial Services Authority (the **FSA**) in the United Kingdom (the **UK**) when it acts as competent authority for listing.

9. In order for the Filer to have the Common Shares listed and admitted to trading on the LSE, the UKLA must review and approve a prospectus of the Filer prepared in accordance with the rules of the FSA (the **UK Prospectus**) and ensure that the Filer complies with all relevant eligibility criteria. This review involves an iterative process of reviewing and commenting on drafts of the UK Prospectus until the UKLA is satisfied that all applicable rules have been complied with at which point the Filer can publish the prospectus. To date, the Filer has submitted on a confidential basis to the UKLA for review and comment an eligibility letter detailing its compliance with the applicable UK eligibility requirements and two confidential drafts of its UK Prospectus.
10. In addition to listing the Common Shares on the LSE, the Filer expects to proceed with a placing of Common Shares to institutional investors in the UK at or about the time of listing depending on market conditions. As part of the placing process it will provide a near final draft of the UK Prospectus (the **UK Pathfinder Prospectus**) to potential investors in the UK on a confidential basis to assess market demand.
11. It is expected that the UK Pathfinder Prospectus will be made available to potential investors in the UK on a confidential basis in mid-January, 2013, with the final UK Prospectus being approved by the UKLA and published in the UK by the beginning of February, 2013.

Potential Canadian Concurrent Offering

12. In addition to the listing and placing of Common Shares in the UK, the Filer is considering, depending on market conditions, conducting a separate concurrent public offering of Common Shares in all the provinces of Canada (other than Québec) by way of a Preliminary Prospectus and (final) Prospectus filed in each of the Jurisdictions. The Prospectus would not qualify any of the Common Shares to be placed in the UK. If the Filer proceeds with the Canadian offering, it is expected that the Preliminary Prospectus would be filed following publication of the UK Pathfinder Prospectus and that the (final) Prospectus would be filed at or about the same time as the UK Prospectus is published.

Listing Representations

13. The UKLA will only approve the UK prospectus on the day it is dated and published. At this time, the formal application for a listing is submitted to the UKLA and a formal application for admission to trading is submitted to the LSE. The listing is officially granted by the UKLA in conjunction with admission to trading being granted by the LSE.
14. As a result of the foregoing timing, formal application will not have been made nor will the LSE have granted approval (conditional or otherwise) to the listing of the Common Shares at the time of publishing the UK Pathfinder Prospectus, the News Releases, the Preliminary Prospectus, the UK Prospectus or the (final) Prospectus.

15. Despite the foregoing, given that the Filer will be in the process of making application to the LSE, the Filer wishes to refer in each of the UK Pathfinder Prospectus, the UK Prospectus, the Preliminary Prospectus, the Final Prospectus and the News Releases, as applicable, to the fact that the Filer is in the process of making and/or intends to make application to list the Common Shares on the LSE as the Filer believes that this information would be relevant to a potential purchaser of Common Shares.
16. The application process in the UK requires that in both the UK Pathfinder Prospectus and the UK Prospectus the Filer must make mention that it is expected that the Common Shares will be listed on the LSE (together with the representations in paragraph 15, the **Listing Representations**).
17. The Filer is of the understanding that neither the UKLA or LSE will provide it with written confirmation indicating that it does not object to the Listing Representations or consenting to the Listing Representations other than its eventual formal approval of the UK Prospectus.
18. The Common Shares distributed into the UK at the time of the LSE listing will be distributed by the Filer in reliance on the prospectus exemption in Part 3 of ASC Rule 72-501 *Distributions to Purchasers Outside of Alberta*. As such, absent the Principal Regulator granting an exemption for the Listing Representations in the UK Pathfinder Prospectus, the UK Prospectus and the News Releases, the Filer would be in violation of s. 92(3) of the Securities Act.
19. Absent the Exemptive Relief Sought from all of the Decision Makers, the Listing Representations in the Preliminary Prospectus, the (final) Prospectus and the News Releases would be in violation of s. 92(3) of the *Securities Act* (Alberta), and substantially equivalent provisions in the other Jurisdictions (as detailed in Appendix A to this Decision).

Confidentiality

20. Confidentiality is in the public interest, as it will allow the announcement of the intended LSE listing and any offerings of Common Shares in Canada and the UK to be disseminated in an orderly and timely fashion to all security holders and the public at the same time.

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.

1. The decision of the Decision Makers under the Legislation is that the Exemptive Relief Sought is granted.
2. The Confidentiality Relief is granted until the earliest of:

- (a) the date on which the Filer issues a News Release announcing the intention to list the Common Shares on the LSE;
- (b) the date on which the Filer advises the principal regulator that there is no longer a need for the application and this decision to remain confidential; and
- (c) 90 days from the date of this decision.



David Linder, QC
Executive Director