



500, 630 – 4 Avenue SW  
Calgary, Alberta, Canada T2P 3N4

T 403 269-4400  
F 403 269-4444

[www.paramountenergy.com](http://www.paramountenergy.com)

## **CURRENT LEGAL SUMMARY RE PARAMOUNT ENERGY TRUST PERTAINING TO GB 2003-28**

Paramount Energy Trust is participating with other impacted gas producers on two legal fronts. Our Lawyers are approaching this issue on the same premise but in two different courts which results in either a Judicial Review (this is heard in the Court of Queens Bench) and will give us a legal answer or the Motion for Leave to Appeal, (this is heard in the Court of Appeal) which would delay the shut-in and allow us to proceed on an appeal basis. As we believe that both steps were available to us, we chose to file in both courts. The courts themselves will ultimately decide where this decision will be rendered. One Court may choose not to make a decision, knowing that this is also filed in a different court that may more appropriately deal with the matter.

Both actions are based on the following underlying premises. The Order GB 2003-28 is outside of the authority that is granted to the EUB and is in violation of the Administrative Procedures Act and the administrative law that applies the rules of natural justice. Because this order was issued without allowing the appellants due process, it violates our rights and existing statutes. The policy effectively constitutes an expropriation of our mineral interests without provision for compensation.

The **Motion for a Leave to Appeal** is a three step process, first we are granted the Leave, then a Stay is issued and the Appeal heard. The Stay is discretionary as there is no law that would apply; it is also arguable that the ability to apply for exemption, although contingent on a company or the EUB contesting the exemption application, may serve as a Stay. Our request will be for a suspension of the shut-in order until such time as the appeal is heard. In this court we are dealing with the law associated with the EUB's jurisdiction.

At the same time, we are asking the Court of Queens Bench to conduct a **Judicial Review**. This would deliver a decision on similar parameters but ultimately deals more with the administrative process that was utilized.

Because we believe that both processes were available, it was in the best interests of the unit holders to file both motions and protect our rights as best we could. Beyond these legal actions, PET is actively involved with a variety of initiatives to protect our operations and assets.

For further information regarding these legal issues, please contact:

Gary Jackson  
Vice-President, Land, Legal and Acquisitions  
Telephone: (403) 269-4459  
Facsimile: (403) 269-6336  
E-Mail: [info@paramountenergy.com](mailto:info@paramountenergy.com)